



Mae'r ddogfen hon ar gael yn Gymraeg yn ogystal â Saesneg.

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Heddlu Police

DYFED-POWYS

Diogelu ein cymunedau, gyda'n gilydd Safeguarding our communities, together



Comisiynydd Heddlu a Throseddu
Dyfed-Powys
Police and Crime Commissioner

DYFED-POWYS POLICE AND CRIME COMMISSIONER AND CHIEF CONSTABLE

Joint Audit Committee Annual Report 2022/23



Chair's Foreword

The purpose of the Joint Audit Committee ("JAC") is to provide the Police and Crime Commissioner (PCC) and the Chief Constable (CC) with independent assurance on matters of governance. The Committee is entirely independent of the PCC, the CC and their respective executive teams.

The JAC works to a comprehensive Terms of Reference which was revised during the year. The scope of work covers the management of risk, the operation of internal controls and assurance, matters of financial reporting and non-financial performance, anti-fraud and corruption arrangements. The Committee seeks assurance from external and internal auditors, whose work it oversees.

The Committee continues to meet its duties and obligations, despite a period of fluctuation in membership over the past 12 months. Sadly our existing Chair Martin Evans had to step down from the Committee during the year. His skills, expertise and Chairing abilities will be greatly missed and we thank him and send him best wishes for the future.

Following a recruitment drive in June 2022, the Committee appointed Farhan Shakoor as a member, his skills and expertise are very much welcomed to the Committee. A further new member, Brian Jones has recently been appointed and we look forward to working with him on the Committee. We are hopeful the JAC will have a full complement of members over the coming months. I would also like to thank our other member, Lynne Hamilton for her support and dedication.

In addition to the quarterly JAC meetings the members also had the opportunity to consider the annual accounts in greater detail at a dedicated financial session in June. In relation to the Statement of Accounts for 2021/22 despite having achieved submission of the draft accounts to Audit Wales by the end of May 2022, a number of issues were identified during the statutory audit process in relation to the quinquennial asset valuation. After extensive discussion, review and due consideration by key stakeholders, including the Joint Audit Committee, a further independent valuation was

competitively procured. After appropriate due diligence of the new valuations, which were received in late November, the Statement of Accounts were updated and submitted to Audit Wales at the end of January. The statutory audit is currently ongoing. It is important to note the highly unusual nature of the issues identified and note the additional burden that this has placed on the Corporate Finance Team.

The range of business reviewed by the JAC is extensive and ever widening and the Committee members ensure that there is a detailed scrutiny of the various papers received ahead of the meetings. This included regular information on risk and the completeness, effectiveness and timeliness of planned risk mitigations and controls.

JAC members are individually encouraged to bring their specific skills and knowledge on the expanding scope thus ensuring improved focus and scrutiny by the Committee as a whole. To carry out its work effectively, the JAC seeks to ensure an understanding of the Force's key policing challenges and associated risks and will continue to look for engagement opportunities to gain insights into key policing matters. Members are encouraged to attend other meetings as part of the Force's governance framework and have attended the Audit Governance Group, Strategic Estate Group and IT Strategy Group amongst others, in order to gain further assurance.

As the world moves on post Covid - the year has proved to be another challenging one with external risks and economic factors bringing further uncertainty to the Force. Having to do more with less is a common theme whilst setting financial plans and budgets against a backdrop of high inflation and a cost of living crisis. I would like to thank officers of the Police and Crime Commissioner and the Chief Constable, along with the internal auditors TIAA, the staff of Audit Wales and representatives of Her Majesty's Inspectorate of Constabulary, Fire and Rescue Services (HMICFRS) who have supported its work during the course of the year. This applies equally as well to those who provide support in servicing the Committee.

Kate Curran,
Joint Audit Committee Chair.

The Joint Audit Committee

The Police and Crime Commissioner and Chief Constable's Joint Audit Committee (JAC) is a key component of the Dyfed-Powys Police Service's corporate governance. It provides an independent and high-level focus on the adequacy of audit, assurance and reporting arrangements that underpin good governance and financial standards. This independence is important as the committee is, therefore, uniquely positioned in terms of its ability to provide assurance and advice.

The purpose of the JAC is to provide independent assurance to the Police and Crime Commissioner (PCC) and Chief Constable (CC) on the adequacy of the governance and risk management frameworks, the internal control environment, and financial reporting, thereby helping to ensure efficient and effective arrangements are in place.

The JAC has been established in accordance with the Home Office Financial Management Code of Practice, issued under the Police Reform and Social Responsibility Act 2011 and in line with the Chartered Institute of Public Finance and Accountancy (CIPFA) guidance.

Members of the JAC must have an understanding of the financial, risk and control, and corporate governance issues facing the PCC and CC. They must have the ability to challenge, question, probe, and seek clarification from the PCC and CC when required.

The Membership of the JAC during 2022/23 was as follows:

Member	Number of meetings scheduled to attend	Number of meetings attended	% of meetings attended
Martin Evans (Former Chair) ¹	2	2	100%
Kate Curran (Current Chair)	5	5	100%
Lynne Hamilton	5	5	100%
Farhan Shakoor	5	5	100%

Each member of the JAC have been vetted and completed a declaration of interest form.

The JAC meetings are also attended by the PCC and CC, the PCC's Chief Finance Officer and Chief Executive and the CC's Director of Finance. Other officers attend to provide information about audits, programmes of work, or any other matters as required.

Kate Curran formerly took over the role as Chair within the November 2022 JAC meeting. Following a recruitment drive in March 2022, Farhan Shakoor was successfully appointed to the Panel and attended his first meeting as an official member in July 2022. A second recruitment drive was undertaken in February 2023, and it is hopeful that subject to appropriate vetting clearance for further members will be appointed to the Committee.

¹ Martin Evans resigned from the Panel and stood down as his role as Chair following the October 2022 meeting.

Meetings

Throughout 2022-23, JAC meetings have taken place virtually via Microsoft Teams, with full attendance from all members. An additional meeting was added to the schedule in February 2023 with a specific focus on Internal Audit activity, which proved to be very beneficial and timely. Further information on the content of the meetings and areas of focus will be detailed in the next section.

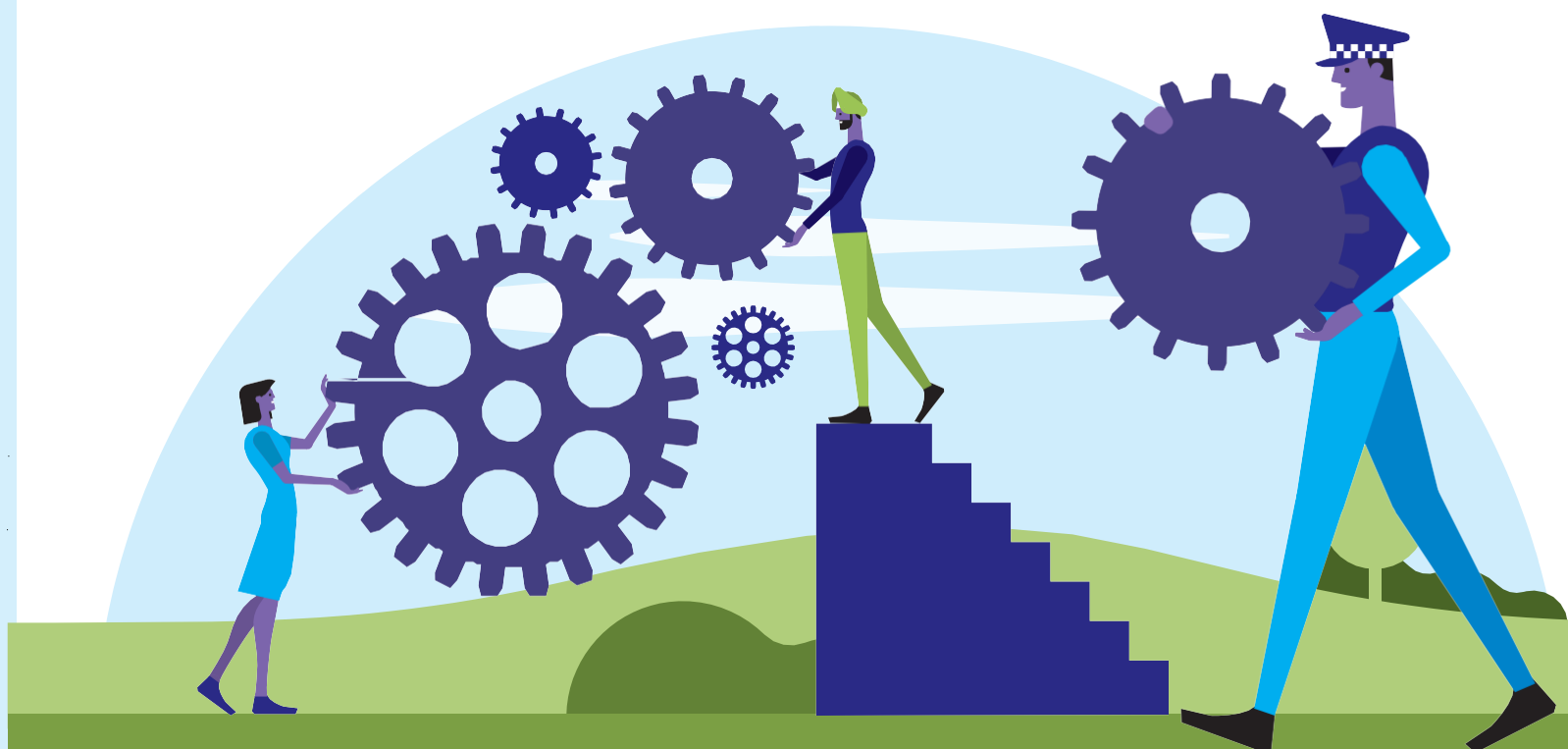
A seminar was held virtually via Microsoft Teams on the 29th of June 2022 between Members, the Chief Finance Officer, the Director of Finance and finance leads within the Force to consider the vast level of detail within the draft Statement of Accounts. This exercise was considered very useful in terms of reviewing the accounts and related documents with very valuable discussions taking place. The Committee also had an input on the Annual Governance Statement and an update from Audit Wales.

Members were invited to the Police and Crime Commissioner's Finance Seminar on the 30th of November 2022 which provided stakeholders with an overview of the operational and financial challenges facing the service. This served to contextualise the programme of governance work being undertaken by the JAC and was deemed to be beneficial to all involved.

Members also received an input from Link Group, the Treasury Management Advisors on the current economic position, market conditions and explained the key elements which needed consideration for the Strategies. An update was also given from the Force Review Team and how the Force are seeking to reshape and reform to meet financial challenges, whilst also delivering to the communities of Dyfed Powys.

In addition to the Dyfed Powys focussed meetings, members were also involved in All Wales activity during 2022/23. For example, on the 7th June 2022, JAC Members were invited to a meeting for all Joint Audit Committees in Wales via Teams. The meeting was run by CIPFA with the aim of providing an update on some of the latest issues for Joint Audit Committees, for PCCs and Chief Constables in Wales.

Members also had the opportunity to attend an All-Wales Informal JAC meeting on the 26th of October 2022. This was an opportunity for open conversations on matters such as approaches to risk management, collaborative audits, and how the Committee can gain assurance etc.



Programme of work for 2022/23

The Joint Audit Committee met 5 times in 2022/23. The Committee received reports, recommendations, and observations from internal auditors TIAA, Audit Wales Office and HMICFRS updates. The Committee also received presentations from officers of the OPCC and Force on key business areas for them to formulate an independent opinion and provide assurance to the PCC and CC in respect of the financial and governance controls within the Corporation Soles. The programme of work included the following:

Risk Management: The JAC note the ongoing work within the Force to create a culture of engagement and ownership across the spectrum of risk management activity. The JAC note the continuing risks faced by the Force, some of which include the risk in relation to Custody CCTV failures, Healthcare cover within custody, property/ exhibit management and the loss of forensic HO Pathology capabilities in Wales.

In addition to the Force Risk Register, JAC also receive regular updates on the risks contained within the OPCC Risk Register and review the Risk Register to control and mitigate any risks.

HMICFRS: The JAC received updates on HMICFRS inspection activity throughout the year. Members of HMICFRS also observed the February JAC meeting. An update on the Force Management Statement is scheduled for July 2023.

Fraud: JAC receive an update at every meeting on any Fraud investigations that are ongoing within the Force.

Information Management: At the meeting held on the 28th March 2023, Members received an update from the Data Protection Team in relation to the number of Data Protection cases, Freedom Information Requests and Subject Access Requests. The Committee also receive an update on record management and any data breaches that have occurred and how these were managed.

Governance: The JAC received the actions taken from the quarterly Corporate Governance Group meetings, which is attended by representatives of the Chief Constable and Commissioner, and a JAC member. This Group maintains and reviews the effectiveness of the Corporate Governance Framework and considers the internal and external factors which impact on corporate governance. JAC members approved the draft Annual Governance Statements for both the PCC and CC and inputted into the revision of the Corporate Governance Framework.

JAC also receive updates from the Audit Governance Group. Membership to this Group consists Force and OPCC representation as well as Internal Audit and JAC representation. The group monitor progress made against audits recommendations. JAC have noted the positive impact that this Group has had on monitoring and reducing the number of open recommendations from internal audit reports.

Financial reporting: The JAC have kept up to date with developments in relation to the annual Statement of Accounts for 2022/23 and considered the Accounting Policies, Treasury Management Strategy, Reserves Policy and the Capital Strategy.

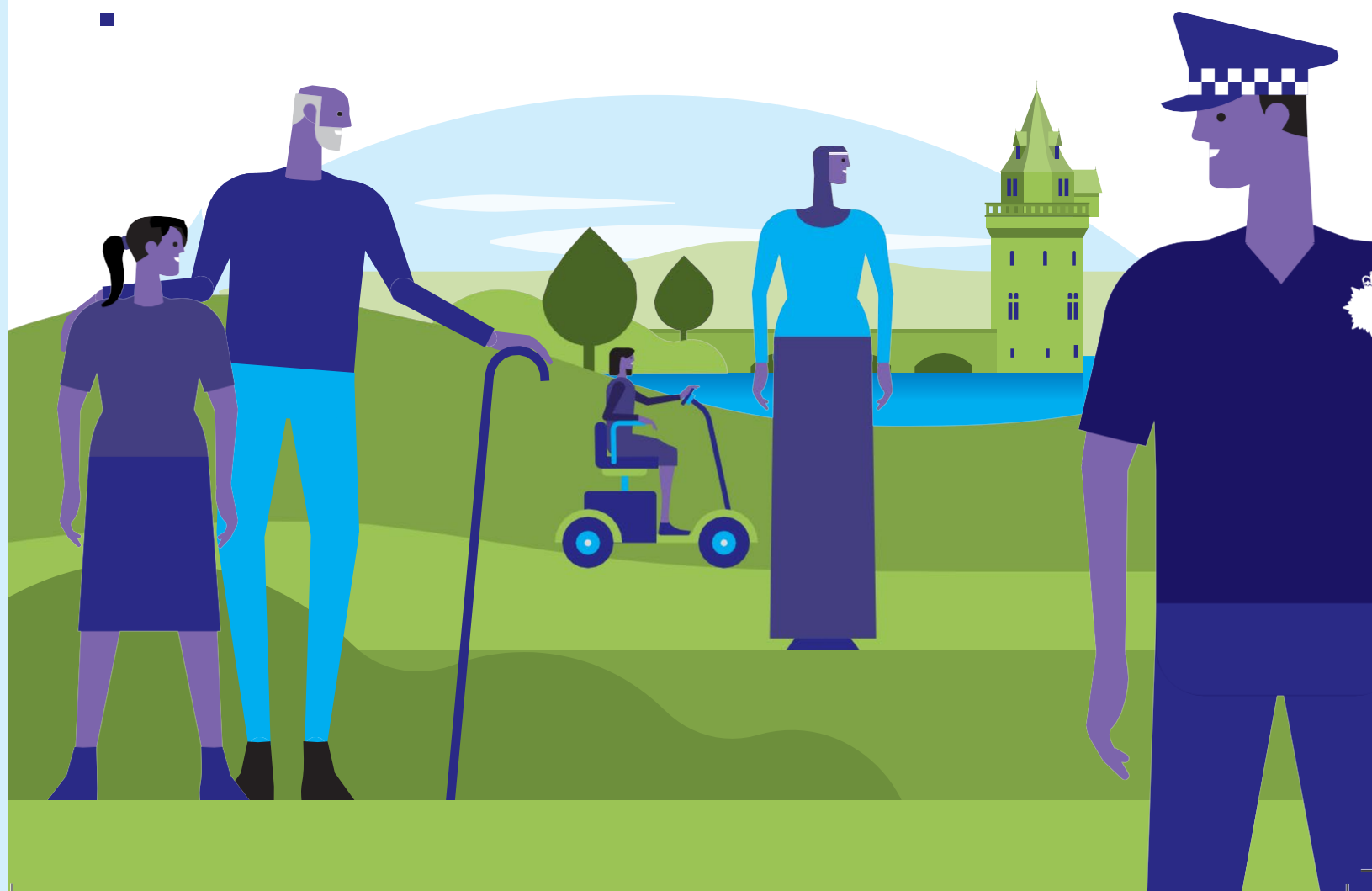
Internal Audit: The JAC had oversight of work undertaken by internal auditors (TIAA), including reviews of Property Management, OPCC Complaint Handling, Security of Seized Proceeds of Crime (Cash and Assets), Counter Fraud (Anti-Fraud Procurement) and Estate Management. The JAC also considered all Wales collaborative reports, some of which included review of Creditors, Expenses and Additional Payments, Agile Working and a Compliance Review of Risk Management - Mitigating Controls. JAC also considered the Annual Internal Audit Plan for 2023/24 and continuously oversee the work of the Internal Audit.

Transparency

Agendas and minutes from the JAC meetings are made available to the public on the OPCC website. If you would like to read more about the above programme of work for 2022/23 and receive further detail and information on the outcomes from the quarterly meetings of the Committee please visit our dedicated JAC page on the OPCC website: [Joint Audit Committee \(dyfedpowys-pcc.org.uk\)](https://dyfedpowys-pcc.org.uk).

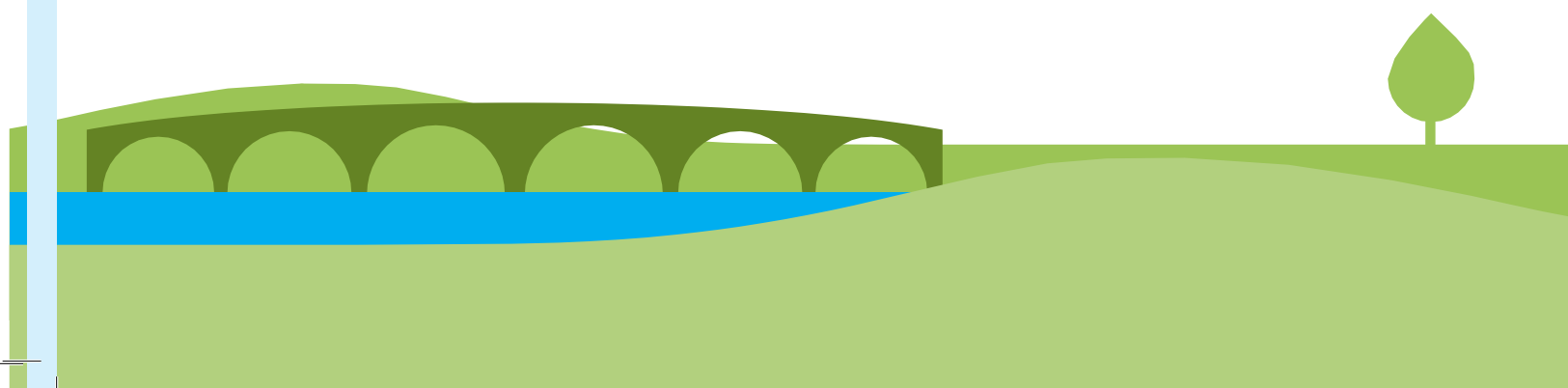
Terms of Reference (ToR)

The ToR set out the core functions that the JAC must undertake. A comprehensive review of the ToR to assess compliance with CIPFA requirements and guidelines takes place on an annual basis. Our review in February 2023 had a focus on the new CIPFA guidance on Audit Committees. The new JAC ToR are based on the recommended template in the new CIPFA guidance. [JAC Terms of Reference](#).



Priorities for the Committee in 2023/24

- (To undertake an extensive review of the Committee's Terms of Reference and operating procedures, ensuring focus on statutory responsibilities and the PCC and CC priorities, as well as compliance with the revised CIPFA position statement on Audit Committees 2022 and securing good governance arrangements.
- Continue to seek reassurance in relation to the Estates operation reorganisation and the provision of deliverable improvements.
- Continue to oversee the integration of risk management into business planning and governance arrangements, confirming alignment with organisational risk appetite and ensuring processes in place provide robust scrutiny of all entries.
- To focus on key areas of business, in support of the PCC and CC's priorities, including:
 - Cyber security
 - Digitisation (use of data)
 - Culture & Ethics
 - Data Governance
 - Sustainability (climate change)
 - Contract management





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