



Gloucestershire Constabulary / OPCC Joint Independent Audit Committee

Annual Report

1 April 2023 - 31 March 2024

Introduction

The principles of good governance as set out by the Chartered Institute of Public Finance and Accountancy (CIPFA), and the Financial Management Code of Practice for the Police Service of England and Wales, mandate the need for a Joint Independent Audit Committee (JIAC) as an independent body to serve and oversee the Police and Crime Commissioner (PCC) and the Chief Constable (CC).

The purpose of the JIAC is to provide independent oversight and advice on governance and risk management. This will help ensure public trust and assure confidence in the governance of the PCC and CC. The JIAC also helps the PCC discharge his statutory duties in holding the force to account, managing risk and in approving annual accounts and audit opinions.

This is the annual report of the independent JIAC for the PCC and CC of Gloucestershire.

CIPFA suggests that the annual report is a helpful way to hold the committee to account and sets out a number of aspects that should be considered:

- whether the committee has fulfilled its agreed terms of reference
- whether the committee has adopted recommended practice
- whether the development needs of committee members have been assessed
- whether committee members are accessing briefing and training and opportunities and whether the committee has assessed its own effectiveness or been the subject of a review and the conclusions and actions from that review
- what impact the committee has on the improvement of governance, risk and control within the authority.

This annual report will be structured around these criteria.

Has the committee fulfilled its agreed terms of reference?

Meetings of the Committee

In accordance with the terms of reference the JIAC met on the following dates:

- 30.6.23
- 28.9.23
- 15.12.23
- 19.3.24 Meeting with Grant Thornton ahead of accounts sign off
- 21.3.24

CIPFA's Financial Management Code of Practice states that the Audit Committee should comprise between three and five members, who are independent of the

PCC and Force. A committee of 4 (with a quorum of 3) in Gloucestershire provides a sufficiently robust and resilient approach.

Membership

In September 2023 Mike Nadin resigned from the Committee after 7 years. The Committee thanked him for his long service and wished him well. Subsequently Duncan Edwards and Fiona Lloyd were recruited to the committee. This increased the committee from 3 to 4 as it was felt that due to the complexity of the force and OPCC at the current time a team of 4 was stronger and more sustainable than 3.

Duncan brings a wealth of experience in Internal Audit and Fiona is an experienced accountant having worked for both public and private enterprise. Their experience has already proved invaluable in role.

Attendance

Committee meetings were also attended by relevant persons from the Office of the PCC, the Constabulary, Internal Audit and External Audit, and other police officers and staff as required.

Other meetings

- Members of the Committee met with the Chief Constable and PCC in separate one-to-one meetings on a six-monthly basis. This happens every year and is useful for members in order to understand their key priorities and challenges.
- Specific Police Officers are charged with implementing the PEEL action plan and the Committee has received regular briefings from these Officers throughout the year.
- Committee members meet with the Head of Governance and Compliance before each Audit Committee meeting to discuss the Risk Register and other ongoing and emerging risk issues.
- Members met with Internal and External auditors without any employees of the Constabulary or PCC present. This is good practice and is recommended by CIPFA. This is to give the auditors the opportunity to speak freely if they wish. In addition they met with the incoming external auditors Bishops Fleming who are replacing Grant Thornton.
- S151 officers - in the year we welcomed two new CFOs - Peter Lewis (OPCC) and Neil Chamberlain (Glos Constabulary). They have proved invaluable in role and have provided a stable base for the Finance teams, ensuring the budgets have been tightly managed and the medium term financial plans (MTFP) reviewed and value for money plans put in place to achieve some very challenging targets for the future.
- The challenges to achieve the MTFP savings were discussed at the March JIAC. The force has a board in place headed up by Richard Saunders reviewing best value to seek to achieve the savings required. A detailed

savings plan is due to be presented at the June meeting. This will continue to be a key area of focus for the JIAC.

- In addition, the OPCC's office provided presentations on their work in specific areas including: complaints handling, the election process for the PCC in May 2024, value for money data presentation, the role and value of community volunteers. Members were extremely impressed with this work.
- Bespoke presentations were also requested on:
 - Body Worn Videos
 - Unit 4 - the replacement HR system
 - Operational meeting on the progress with systems upgrades and replacements of key operational systems e.g. NICHE
- Budget briefings with the two CFOs
- 3/7/23 JIAC Chair attended RIAT (Fairford Airshow) meeting to observe on the final planning session before the event. Quite an insight into the number of organisations involved in this and the huge logistical challenges around security and crowd and traffic management. Not to mention how you prevent 'orange dye' being sprayed everywhere from eco protestors! The planning proved well worth the time and effort with a very successful airshow with over 200,000 people attending. Even with the weather conditions yet again providing quite a challenge.
- Jan 24 Member of the committee (DC) attended the Risk Review Group to understand the process of reviewing risks which leads to the compilation of the Strategic Risk register which is presented to the committee ahead of each JIAC meeting.
- Feb 24 Member of the committee (DC & DE) attended the SWAP briefing regarding the new Global Internal audit standards due in Jan 2025.
- Feb 24 Members of the Committee (FL & DE) met with SWAP to gain a better understanding of the approach to internal audit planning and the interactions between SWAP and the Constabulary.
- Queries were raised on:
 - CIPFA benchmarking
 - National Fraud Initiative
 - Voluntary funds
 - IFRS 16 and its impact on assets and liabilities
 - Procurement Act 2023 and its impact on the force which shares procurement with the South West Region (via SWPPS)
 - Regional Pensions update
 - Voluntary funds

Visits

Members did not make any visits in this period but Duncan and Fiona are planning visits to the following in the coming year:

- Sabrina Centre
- Bamfurlong
- Safe Custody
- Force Control Room

Other issues

The Committee also scans the news to identify problems in other Forces and will then ask pertinent questions to gain assurance that such issues are not evident in Gloucestershire. In particular we asked about: Vetting procedures, Firearms training and procedures, Racism, Body Worn Cameras, Mental health training and awareness.

Briefings on these were then provided to the committee to explain Gloucestershire Constabulary's position and procedures.

The Committee receives regular briefings on the following:

- PEEL recovery
- New police officer trainees e.g. progress, successes, dropout rate
- Well-being of staff and police officers (particularly mental health)
- Fraud
- Key IT systems

Internal Audit


South West Internal Audit Partnership (SWAP) continued as internal auditor. The committee were delighted to be trained on the new SWAP internal audit online dashboard. The dashboard provides online access to all audits completed within the last 3 years, their actions and the plans for future audits. A much streamlined process and one that will prove invaluable in managing actions and planning for future audits. This is even more relevant as audit planning has become much more dynamic in that audits are planned on a 6 month review basis to ensure audits are appropriate to the current challenges the force is facing.


In addition SWAP provides a periodic update and this is very useful in keeping the committee abreast of latest trends and helps in raising queries with Glos CC. A recent example is the use of AI and the risks associated with this.

Gloucestershire Constabulary audits carried out by SWAP in 2023/2024 as part of the review of internal control were as follows (audit opinions on each are shown) in the list below. **SWAP have issued an overall opinion of reasonable with regard to 2023/2024.**

The committee raised concerns about the delay progressing internal audits and gained confirmation that a revised working protocol (presented at March 2024 meeting) will ensure swifter progression of internal audit work. In addition, future internal audit activity will allow an assurance opinion based on CC and OPCC internal audits'.

The Committee receive SWAP / management updates on the progress of internal audit recommendations. This is a summary of their report for 2023-2024:

Audit Area	Status	Opinion	No of Actions	1 = Major		3 = Medium
				Action		
				1	2	3
Seized Cash Handling	Completed	Low Limited	7	1	5	1
<i>To provide assurance that cash funds seized by the force are collected and handled correctly, recorded accurately and held securely.</i>						
Fleet Management	Completed	Medium Limited	7	3	4	0
<i>To ensure that suitable arrangements are in place to provide a safe and secure vehicle fleet, which is compliant with statutory requirements, best practice, and DSA guidance. This will include the use of grey fleet and driver authorisation.</i>						
Business Continuity	Completed	Low Reasonable	3	0	1	2
<i>To provide assurance that the Force has effective internal arrangements in place to continue the delivery of services in times of crisis or emergency.</i>						
Clinical Governance within Custody	Completed	Low Reasonable	3	0	1	2
<i>To provide assurance over the effectiveness of clinical governance arrangements in place within Custody.</i>						
Estates - Compliance with Statutory Obligations	Completed	Medium Reasonable	6	0	2	4
<i>To ensure the organisation effectively manages risks relevant to gas, electrical and fire safety and the possible presence of legionella and asbestos in its buildings.</i>						
Risk Management	Completed	Low Substantial	1	0	0	1
<i>To provide assurance that the Force has a planned and systematic approach to the identification, evaluation, and management of risks.</i>						

Audit Area	Status	Opinion	No of Actions	1 = Major		3 = Medium
				Action		
				1	2	3
Social Media Use Follow Up <i>To provide assurance that agreed actions to mitigate against risk exposure identified within the 2022/23 Limited opinion audit of Social Media Use have been implemented.</i>	Completed	Advisory	N/A	-	-	-
Regional Organised Crime Unit (ROCU) Review (Regional) <i>A review of the governance arrangements in place for the ROCU.</i>	Completed	Advisory	2	0	0	2
Follow Up of Agreed Actions	Completed	Support Activities	N/A	-	-	-
Planning, Reporting and Advice	Completed	Support Activities	N/A	-	-	-
Attraction, Retention, Diversity and Inclusion <i>A review of the force's recruitment, retention and diversity & inclusion strategies / initiatives for officers and staff.</i>	Fieldwork					
Fixed Asset Register Follow Up <i>A light touch follow up review to provide assurance that actions to mitigate against the risks identified in this recent limited assurance audit have been implemented.</i>	Fieldwork					Fieldwork postponed due to client delays.
Budgetary Control <i>To provide assurance that key budgetary control measures are operating effectively.</i>	Fieldwork					Fieldwork postponed due to client delays.
Recruitment and Retention Benchmarking Review (Regional) <i>To undertake a recruitment and retention benchmarking review to identify any best practice, areas for concern or any benefits which may impact recruitment or retention.</i>	Deferred					Agreed to defer this regional piece to Q1 2024/25. This piece of work is now in progress.

For further details of action plans please see the fill report: 'Gloucestershire Constabulary and Office of the Police and Crime Commissioner (OPCC) Internal Audit Annual Opinion Report 2023/24'

External Audit

Grant Thornton (GT) continued as external auditors appointed through the Public Sector Audit Appointments (PSAA) process. As confirmed in 2022/2023 PSAA has appointed Bishop Fleming as external auditors from 2024/2025 onwards. This is no reflection on Grant Thornton's performance, but rather part of PSAA's policy of auditor rotation. We, as a committee, have been pleased with GT's work over a number of years.

The government and many informed commentators have stated that public sector external audit faces serious challenges. These include:

- Inability of audit firms to attract and retain suitable staff for these types of audit
- Reluctance of some major audit firms to be included on PSAA tender lists
- Poor financial returns on these types of audit
- Increased regulatory framework
- Increased requirements re asset and pension fund valuations

Some of these lengthen the time taken to compile and audit the accounts. PSAA has already indicated that external audit fees will increase. These issues are being addressed by the government, audit firms, accountancy bodies, and other stakeholders. It is recognised by all, however, that the problems will take several years to solve. As a first step PSAA has invited new firms to tender for the work. As a result two new firms were added to the approved auditor list, Bishop Fleming being one of these. However Bishop Fleming do not appear to have any experience of large public sector organisations (Police, Local Government) so a steep learning curve may well await them. Locally Bishop Fleming audit Cheltenham Borough Homes and JIAC member David Clowes has known the firm for six years.

The 2022/2023 final accounts were:

- Completed by Finance at the end of Aug 2023
- GT issued an unqualified opinion after audit
- GT issued an unqualified opinion on Value for Money which covered the 201-2023 periods (see notes below)
- GT issued no significant findings as a result of their audit
- The final audited accounts were published and signed by PCC and CC signed on 22 March 2024

The statutory deadline for Draft accounts was the end of June 2023, and the final signed financial statements 30th September 2023. As such, Gloucestershire missed the prescribed deadlines. The Head of Finance informed us in good time that this was likely to be the case. Gloucestershire is not alone in this, as the majority of accounts for local authorities and police were late. This is largely due to the factors listed above.

The OPCC and Glos CC are very grateful to GT for their perseverance in being able to complete their external audit in time to provide an unconditional opinion by the end of March. This was achieved through strong cooperation between the force and GT and much appreciated by all. GT leave on a very strong note and we are grateful for their professionalism and diligence over their years working with both the OPCC and constabulary. The audit was completed at a time of significant pressure on the OPCC and CC finance teams and we are also grateful for their perseverance in enabling this audit to be completed.

On the Value for Money audit GT stated “We have issued an unqualified opinion on the financial statements and have reported 3 significant weaknesses in the Chief Constables arrangements for securing economy, efficiency and effectiveness in its use of resources as required by the Local Audit and Accountability Act 2014, the National Audit Office’s Code of Audit Practice and supporting guidance.’

The GT Value for Money assessment resulted in the following recommendations that the Chief Constable should:

- Complete a full review of its arrangements in relation to the management of domestic abuse to ensure that it is delivering an effective service to the public.
- Consider the outcomes of the PEEL report in relation to call handling continue to be considered in detail and the action plan continually monitored to track improvements against the recommended areas, formally reporting progress through the governance structure.

The Committee receive management progress reports on the implementation of external audit recommendations.

Has the committee adopted recommended practice?

The committee has used the CIPFA good practice framework to review itself as part of the Annual Report process (Appendix 1).

Have the development needs of committee members been assessed and whether committee members are accessing briefing and training opportunities?

Training needs are reviewed for members. The training undertaken this year has included:

- CIPFA training for JIAC chair (May 2023)
- Induction plan and training provided to new JIAC members (Nov 2023)
- JIAC chair Teams meeting with Sue Davies, Chair West Midlands JIAC to discuss best practice and learning (Jan 24)
- Discussions with CFO OPCC on EA on how to move JIAC to open meetings
- Global Internal Audit Standards changes 2025 SWAP briefing (Feb 2024)
- Members receive daily briefing updates from CIPFA
- Members received the periodic SWAP news round up

Has the committee assessed its own effectiveness or been the subject of a review and the conclusions and actions from that review?

The Committee has assessed its own effectiveness based on CIPFA guidance as part of the Annual Report process (Appendix 2).

What impact has the committee had on the improvement of governance, risk and control within the Constabulary?

The most significant areas where the JIAC adds value is in the oversight of the external audit, commissioned internal audit and the scrutiny of the organisations' Strategic Risk Registers.

In addition the JIAC comments on the overall impact the force is having and the value for money and service it is delivering overall and how this compares to other forces and where best practice can be learnt and improvements made.

We would like to thank all officers and staff of the Constabulary, and officers of the PCC for the help and assistance given to us throughout the year.

.....Sally-Anne Barnes (Chair)

.....David Clowes (Committee Member)

..... Fiona Lloyd (Committee Member)

..... Duncan Edwards (Committee Member)

Appendix 1 — Self-assessment of good practice

(CIPFA — Audit Committees Practical Guidance for Local Authorities and Police 2018 Edition)

Audit Committee Purpose & Governance

1. Do the organisations have a dedicated audit committee?	Partly No
2. Does the audit committee report directly to full council? Applicable only to local government	n/a
3. Do the terms of reference clearly set out the purpose of the committee in accordance with CIPFA's Position Statement?	✓
4. Is the role and purpose of the audit committee understood and accepted across the organisation?	✓
5. Does the audit committee provide support to the organisation in meeting the requirements of good governance?	✓
6. Are the arrangements to hold the committee to account for its performance operating satisfactorily?	✓
Functions of the Committee	
7. Do the committee's terms of reference explicitly address all the core areas identified in CIPFA's Position Statement?	✓
○ Good Governance	✓
○ Assurance Framework, including partnership and collaboration arrangements	✓
○ Internal Audit	✓
○ External Audit	✓
○ Financial Reporting	✓
○ Risk Management	✓

○ Value for Money (VfM) or Best Value	✓
○ Counter-fraud and corruption	✓
○ Supporting the ethical framework	✓
8. Is an annual evaluation undertaken to assess whether the committee is fulfilling its terms of reference and that adequate consideration has been given to all core areas?	✓ As per this appendix
9. Has the audit committee considered the wider areas identified in CIPFA's Position Statement and whether it would be appropriate for the committee to undertake them?	✓ The committee has considered these and does not plan to take on any such additional duties
10. Where coverage of core areas has been found to be limited, are plans in place to address this?	✓
11. Has the committee maintained its advisory role by not taking on any decision-making powers that are not in line with its core purpose?	✓

Membership and Support	
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12. Has an effective audit committee structure and composition of the committee been selected? This should include:	
● separation from the executive	✓
● an appropriate mix of knowledge and skills among the membership	✓
● a size of committee that is not unwieldy	✓
● consideration has been given to the inclusion of at least one independent member (where it is not already a mandatory requirement)	✓

13. Have independent members appointed to the committee been recruited in an open and transparent way and approved by the PCC and Chief Constable as appropriate for the organisation.	✓
14. Does the chair of the committee have appropriate knowledge and skills?	✓
15. Are arrangements in place to support the committee with briefings and training?	✓
16. Has the membership of the committee been assessed against the core knowledge and skills framework and found to be satisfactory?	✓
17. Does the committee have good working relations with key people and organisations, including external audit, internal audit and the chief financial officer CFO?	✓
18. Is adequate secretariat and administrative support to the committee provided?	✓
Effectiveness of the Committee	
19. Has the committee obtained feedback on its performance from those interacting with the committee in relation to its own work?	<p>✓ Last undertaken by SWAP in October 2020. Given the length of time which has elapsed since this review we have asked SWAP to repeat it in the latter half of 2023/2024. (Reschedule this to 2024/2025)</p>

20. Are meetings effective with a good level of discussion and from all members?	✓
21. Does the committee engage with a wide range of leaders and managers, including discussion of audit findings, risks and action plans with responsible officers?	✓
22. Does the committee make recommendations for the improvement of governance, risk and control and are these acted on?	✓
23. Has the committee evaluated whether and how it is adding value to the organisation?	✓
24. Does the committee have an action plan to improve any areas of weakness?	✓
25. Does the committee publish an annual report to account for its performance and explain its work?	✓

Appendix 2 — Evaluating the effectiveness of the audit committee

(CIPFA — Audit Committees Practical Guidance for Local Authorities and Police 2018 Edition)

Assessment key									
5	Clear evidence is available from a number of sources that the committee is actively supporting improvements across all aspects of this area. The improvements made are clearly identifiable.								
4	Clear evidence from some sources that the committee is actively and effectively supporting improvement across some aspects of this area.								
3	The committee has had mixed experience in supporting improvement in this area. There is some evidence that demonstrates their impact but there are also significant gaps.								
2	There is some evidence that the committee has supported improvements, but the impact of this support is limited.								
1	No evidence can be found that the audit committee has supported improvements in this area.								
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Areas where the audit committee can add value by supporting improvement</td> <td>Overall assessment: 5 — 1 see key above</td> </tr> <tr> <td>Promoting the principles of good governance and their application to decision making</td> <td>4 Evidence in Committee agendas, minutes and reports</td> </tr> <tr> <td>Contributing to the development of an effective control environment</td> <td>4 ditto</td> </tr> <tr> <td>Supporting the establishment of arrangements for the governance of risk and for effective arrangements to manage risks</td> <td>4 ditto</td> </tr> </table>		Areas where the audit committee can add value by supporting improvement	Overall assessment: 5 — 1 see key above	Promoting the principles of good governance and their application to decision making	4 Evidence in Committee agendas, minutes and reports	Contributing to the development of an effective control environment	4 ditto	Supporting the establishment of arrangements for the governance of risk and for effective arrangements to manage risks	4 ditto
Areas where the audit committee can add value by supporting improvement	Overall assessment: 5 — 1 see key above								
Promoting the principles of good governance and their application to decision making	4 Evidence in Committee agendas, minutes and reports								
Contributing to the development of an effective control environment	4 ditto								
Supporting the establishment of arrangements for the governance of risk and for effective arrangements to manage risks	4 ditto								

Advising on the adequacy of the assurance framework and considering whether assurance is deployed efficiently and effectively	4 ditto
Supporting the quality of the internal audit activity, particularly by underpinning its organisational independence	4 ditto
Aiding the achievement of the organisations' goals and objectives through helping to ensure appropriate governance, risk, control and assurance arrangements	4 ditto
Supporting the development of robust arrangements for ensuring value for money	4 ditto
Helping the organisations' to implement the values of good governance, including effective arrangements for countering fraud and corruption risks	4 ditto
Promoting effective public reporting to the organisations' stakeholders and local community and measures to improve transparency and accountability	4 Committee members have discussed this with the Chief Constable as part of their routine meetings with him.