

JOINT INDEPENDENT AUDIT COMMITTEE	25 JUNE 2024
JOINT INDEPENDENT AUDIT COMMITTEE ANNUAL REPORT 2024/25	
REPORT OF: CARRIE YOUNG, CHAIR OF THE JOINT INDEPENDENT AUDIT COMMITTEE	

I. INTRODUCTION

The Joint Independent Audit Committee (JIAC) provides independent assurance that adequate corporate and strategic risk management arrangements are in place for the Police and Crime Commissioner for Northumbria (PCC) and the Chief Constable (CC). It jointly advises the PCC and the CC on governance matters as well as good practices.

The Chartered Institute of Public Finance and Accounting (CIPFA) guidance, recommends that the JIAC report annually on how they have discharged their duties and responsibilities.

This report provides the PCC and CC with a summary of the Committee's activities in the financial year 2024/25. It also seeks to provide assurance that the Committee has fulfilled its terms of reference, and added value to the overall governance arrangements that were in place for both the PCC and the CC.

The Committee wishes to record its gratitude to the former Joint Chief Finance Officer Kevin Laing, who was in post until February 2025, and welcomed Deputy Police and Crime Commissioner Claire Penny-Evans to the Committee. Also, the new Joint Chief Finance Officer Gail Thompson, and PCC Chief of Staff Ruth Durham for their constant support, along with the officers of the PCC and CC who have regularly attended JIAC throughout the year. The Finance and Corporate Development teams who have again facilitated the work of the Committee well during the year, along with the Internal and External Audit have assisted the Committee to fulfil its role.

2. COMMITTEE MEMBERSHIP AND ATTENDANCE.

The members of the Committee during the year were as detailed in the table below, along with their attendance record.

Member	No of Meetings	% Attendance
Carrie Young (Chair)	4	100%
Janet Guy (Retired)	0	0%
Peter Wood	4	100%
Emily Cocker	3	75%

Catherine Winfield	4	100%
Mary Callum (from Feb 2025)	1	100%
Andy Wigmore (from Feb 2025)	1	100%

3. Meetings

The Committee met on 4 occasions during the financial year.

All meetings are open to the press and public with minutes being published on the PCC website.

4. Risk Management.

The Committee has a role to ensure that the PCC and CC have in place robust and effective arrangements for the identification and management of strategic risks. A joint strategic risk register is maintained, which is reviewed at each meeting of the Committee. Regular reports are received from the Head of Corporate Development on:

- Escalation and de-escalation of identified strategic risks.
- Additional strategic risks arising during the year and the likely effect to the organisation.
- Deletions of risks, which are deemed no longer to have a strategic relevance.
- In each case, a full explanation is provided for any change of risk status.

The reports received by the Committee during the year have given assurance that strategic risks reflect the current challenging economic and operational environments, along with public confidence challenges. Along with His Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) inspections, and internal audit reports on areas such as vetting; information governance and data security; digital policing security; budgetary control and treasury management have provided further assurance.

In November 2024 the Committee received an update on the annual strategic risk review. The Joint Strategic Risk Register (JSSR) is reviewed on an annual basis; this year's review took place at the end of August/September 2024 and included consideration of the current risk appetite for Northumbria Police.

The current risk position i.e. the risk level at which the Force is currently operating was noted as being within the Tolerable risk position in all areas.

Overall, Northumbria Police remains committed to increasing its appetite to risk in order to achieve the Force's purpose, vision and strategic objectives. A review of the Force Strategic Risk Register (FSSR) has been undertaken to ensure it captures emerging risks from local risk registers and accurately reflects the current risks faced by the Force.

The FSRR now captures risk(s) in thirteen thematic areas: Digital Policing; Finance; Governance; Information and Data Management; Information and Data Quality; Infrastructure and Assets; Operational; Partnership and Collaboration; Projects/Programmes; Public Confidence; Regulation and Standards; Strategy; and Workforce.

Following a request from the Committee, the risk rating of Public Confidence was re-examined. The assigned rating was not changed as local surveying continues to suggest that public confidence in the force remains high, though the force acknowledges public confidence can fluctuate.

Committee members expressed approval for the modifications to the approach to strategic risk.

Overall, the assurances of the Executive, together with triangulation of the risk register, with both internal and external audit reports, has provided reasonable assurance to the JIAC that strategic risks are managed effectively.

5. External Audit

Ernst & Young LLP (EY) provide external audit services. Whilst there were delays in the external audit of the 2023/24 financial statements, the audited accounts and opinion were published by the statutory backstop date of 28 February 2025. The outcome of the audit was reported at the February 2025 meeting, the outcome being unqualified opinions for both the PCC and CC.

This was the first year of audit with a new external auditor and it was acknowledged that there were delays in progressing areas of audit work, predominantly in relation to:

- Additional work required for verification of property, plant and equipment due to management not retaining a listing of equipment that reconciles to the financial statements.
- A high volume of audit queries being raised in relation to the Valuation of land and buildings, in the first year of working with the valuation experts.
- Listings initially provided for testing of accounts payable setting out movements in-year rather than a listing of balances at year end.

Whilst there were a number of misstatements disclosed in the Audit Results Report (ARR), which were identified and noted by management for correction, the external auditor noted that none of those adjustments have an impact on the level of funding available for police services, as they are technical accounting adjustments only.

There was one control deficiency and recommendation identified in respect of the external audit for 2023/24, as summarised below:

- The external auditor noted that there is no reconciliation of equipment listings used for asset management purposes to the fixed asset register that supports the financial statements. As a result, substantial effort was required from both management and the audit team to obtain assurance that the value of assets disclosed in the financial statements could be supported by the underlying records held.

The Auditor's Annual Report (AAR) along with a Value for Money (VFM) assessment was reported at the June 2025 meeting. There were no significant weaknesses identified in the arrangements in place to secure economy, efficiency and effectiveness in the use of resources.

6. Internal Audit

Gateshead Council continue to provide Independent Internal Audit services under the terms of a service level agreement with both the PCC and the CC.

The Annual Internal Audit Plan is determined after an assessment of the risks associated with the various activities of the PCC and CC. The Committee agrees the audit plan supporting the risk management process, for this year this included the addition of audits for vetting and pensions remedy, in response to specific areas of focus. This ensures that internal audit activity supports and provides appropriate assurance to the PCC and CC, as well as the external auditor Ernst & Young LLP (EY).

During the year the Committee has monitored progress against the Annual Internal Audit Plan receiving summaries of all completed internal audit reports setting out the findings, recommendations and updates on actions taken by management where necessary.

The Committee has challenged findings where appropriate.

As part of the annual governance review, the findings and opinion of the Internal Audit manager are taken into account. The Internal Audit Plan 2024/25 shows to date:

Audits Planned	Audits Completed	Audits deferred to following year	Audit Reports Issued *	Operating Well	Satisfactory	Requires Improvement
29	26	0	26	24	2	0

* The remaining reports will be reported at the September 2025 meeting of the JIAC.

The Committee noted that:

- There were no in-year investigations.
- The Committee was satisfied with the findings and opinions within the reports.

The Committee is appreciative of the efforts of Robert Bowmaker and his colleagues in Internal Audit for their efforts in fulfilling their role throughout 2024/25.

The Committee has asked for the provision of Internal Audit services to be reviewed, and the market tested in order to receive assurance of the continuation of an appropriate internal audit service meeting future need. This will be undertaken by the Force in 2025/26 via a tender process for internal audit services, with the contract award to commence 1 April 2026.

7. Corporate Governance

In reviewing the draft Annual Governance Statements, which accompany the Financial Statements the Committee, takes into consideration the following:

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- **Senior Managers' Assurance Statements** - Report of the Internal Audit Manager.
- **The Reports of HMICFRS and other external inspectorates** - Report of the Head of Corporate Development.
- **Review of the Effectiveness of Internal Audit** - Report of the Internal Audit Manager.
- **Internal Audit Annual Report** - Report and opinion of the Internal Audit Manager.
- **External Audit Report** - Report and opinion of the External Auditor.
- **Corporate Risk Management Annual Report** - Report of the Head of Corporate Development.
- **Performance and Data Quality Assurance Annual Report** - Report of the Head of Corporate Development.
- **Self-assessment of the Chief Finance Officer** - Report of the Joint Chief Finance Officer.
- **Legal and Regulatory Assurance** - Report of the Chief of Staff and Joint Chief Finance Officer.
- **JIAC Regulatory Framework Assurance** – Report of the Joint Chief Finance Officer
- **Other Thematic areas, including:** Partnership Arrangements; Business Planning; Wellbeing; ICT; and Fraud, Corruption and Money Laundering - Reports of the Chief of Staff and Joint Chief Finance Officer.

Recommendations for additions in the draft statements are made, to enable the Committee to recommend adoption. The draft and final AGS's for 2023/24 were agreed at the Committee during the 2024/25 financial year.

8. Treasury Management

The Committee is required to monitor and approve Treasury Management policies and strategy.

MUFG Corporate Markets (previously Link Group) are retained as Treasury service advisers.

The Treasury Management Strategy is agreed annually and reviewed during the year. Challenge is provided on borrowing and the timing of redemptions to ensure that the best use of reserves is made. The Committee has monitored progress throughout the year and are pleased to report that Treasury Management is operating well and within the agreed limits.

The Treasury Management Annual Report for 2023/24 was reviewed by the Committee in May 2024 and recommended to the PCC for publication.

The Treasury Management Mid-Year Report 2024/25 was reviewed by the Committee in November 2024 and recommended to the PCC for publication.

The Treasury Management Policy Statement and Treasury Strategy 2025/26 to 2028/29 was reviewed by the Committee in February 2025 and recommended to the PCC for adoption.

9. JIAC Self-Assessment

A self-assessment of the Committee's competencies was carried out in May 2025 as part of the review of the activities of the Committee by Internal Audit, during the review of annual assurance, the following were highlighted:

- The Committee was operating well and meets the terms of reference. They demonstrate the necessary skills, knowledge, and experience to perform their function.
- Where additional knowledge is required, both the PCC and CC representatives are able and willing to provide the necessary briefing/training.
- Support for the work of the Committee comes from the Joint Chief Finance Officer and his Team, Chief of Staff to the PCC, and the Deputy Chief Constable, which has greatly assisted the Committee in its work.

10. JIAC Terms of Reference, Membership and Development

During the year a review of the Terms of Reference (ToR) for the Committee was undertaken. Minor changes have been proposed to the ToR, these are on the agenda for the June 2025 meeting and are detailed below:

- In the last review of the ToR in November 2023, due to difficulty in recruiting members with necessary experience, the ToR were amended to allow appointment for an initial four-year term with the option of a second- and third-year term, each term being four years. Following a targeted recruitment campaign and the appointment of new members, it is proposed that the ToR are amended to revert to an initial four-year term with the option of a second appointment for a further four years, eight in total.
- The ToR currently allow for five members, it is proposed to ensure resilience and knowledge by increasing the JIAC membership level to six members.
- The ToR currently state that 'the committee will appoint a Chair and Vice Chair from amongst its members' but does not state a term of office. It is recommended that we add that the Chair and Vice Chair are appointed annually amongst its members at the first meeting of the financial year.

It is felt that these proposals will allow for the skills and knowledge of members to be retained and provide continuity and stability to the committee assurance processes.

The Committee is committed to developing its skills and knowledge and constantly reviews its composition and need for additional information, briefing or training. Suitable induction training will be provided to new members of the committee and for specific topics as appropriate.

11. Recommendation

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The Committee is recommended to consider, comment on, and note the above report and agree it as an appropriate summary of the activities of the Committee for financial year 2024/25. The report will be amended to include any changes arising from the meeting of the Committee on 25 June 2025.

Carrie Young
Chair of Joint Independent Audit Committee