

JOINT INDEPENDENT AUDIT COMMITTEE	15 JUNE 2026
JIAC ANNUAL REPORT 2025/26	
REPORT OF: CARRIE YOUNG, CHAIR OF THE JOINT INDEPENDENT AUDIT COMMITTEE	

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 2025/26. 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 PCC Chief of Staff Ruth Durham and Joint Chief Finance Officer Gail Thompson 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.

I. 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%
Catherine Winfield (Deputy Chair)	4	100%
Peter Wood	4	100%
Emily Cocker	2	50%
Mary Calam	4	100%
Andy Wigmore	4	100%

2. 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.

3. 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.

The FSRR 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.

In February 2026 the Committee received an update on the annual review of risk including the Joint Strategic Risk Register (JSRR) updates, and Northumbria Police Risk Appetite Statement. The Joint Strategic Risk Register (JSRR) is reviewed on an annual basis; this year's review took place over September - November 2025 and included consideration of the current risk appetite for Northumbria Police.

The annual review of risk did not identify any significant changes to the FSRR which impact on the overall risk level. Five areas remain high risk: Digital Policing; Finance; Information and Data Management; Operational and Workforce.

The key change to reporting across all risks is the splitting of the summary of controls and introduction of Core Business and Time-bound controls with expected delivery dates.

The 2025/26 risk appetite statement is more cautious than those previously seen by the Committee reflecting continued financial challenges, changes in legislative and statutory frameworks and national events impacting on public confidence in policing. This is a considered response to provide a period of implementation and consolidation following investment in several property and digital projects.

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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.

At the November meeting it was highlighted that the Committee find it difficult to see the key issues within the strategic risk registers as they are currently presented. It was noted that a clear picture of where the Force is in relation to areas of concern, where it aims to be, and what it requires to make that happen would be highly beneficial. It was also noted that the committee feels several strategic risk areas are overly broad in scope and are keen to have more detailed discussions focussing on specific strategic areas. Time-bound controls were introduced as part of the annual FSRR review, to differentiate from Core Business controls, and highlight activities aimed at reducing risk within a specified timeframe. In addition, the DCC met with one committee member to discuss the approach to presentation of risk and the role that JIAC members play in providing assurance.

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.

4. External Audit

Ernst & Young LLP (EY) provide external audit services.

The Draft Auditor's Annual Report (AAR) 2024/25 along with a Value for Money (VFM) assessment was reported at the November 2025 meeting. The Draft AAR for 2024/25, concluded that there were no significant weaknesses and no improvement recommendations in respect of Financial Sustainability or arrangements to improve Economy, Efficiency and Effectiveness.

However, a significant governance weakness was identified in relation to capacity within the Finance function. During 2025, the Finance team faced considerable resourcing pressures, and despite proactive efforts to manage these challenges, the reduced capacity affected service delivery. Management accepted the audit findings and committed to a comprehensive set of actions to address the capacity issues and build greater resilience within the Finance team.

The Joint Audit Results Report (ARR) 2024/25 was reported at the February 2026 meeting. The Joint CFO provided an overview, highlighting the adjusted and unadjusted misstatements identified by the auditor, which were deemed to be low in volume. Additional staffing resources have been provided to the Finance team, with a Finance Lead joining in January 2026 and an additional senior role identified to assist in building resilience within the Finance Department.

External Auditor advised they remain in close communication with the Joint CFO and Finance team, a final opinion is required by 27 February 2026, this deadline is expected to be met, however if there is a danger it would be missed, an opinion with a limited scope would be provided to ensure requirements are met.

Members raised several queries for response by the External Audit. It was advised Red, Amber, Green (RAG) ratings have remained mostly unchanged, controls are deemed to still

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be sufficient, with recent challenges in reporting all having resulted from resourcing difficulties within the Finance Department which are now being addressed.

A query was also raised on the Force's ledger system; it was advised the Force is exploring how to better utilise the technology it has, switching to a new ledger system is not considered a viable option.

Members requested the Committee receive a copy of the relevant accounts in the future to improve their understanding and the feedback they provide; Joint CFO advised a copy of the draft accounts will be provided going forward, once available.

5. Internal Audit

During 2025/26 Gateshead Council provided Independent Internal Audit services for 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 an audit for equipment servicing and compliance, in response to a specific area of focus. This approach 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 2025/26 outcomes are summarised below:

Audits Planned	Audits Completed	Audits deferred to following year	Audit Reports Issued *	Operating Well	Satisfactory	Requires Improvement
26	26	0	25	17	8	0

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 2025/26.

The provision of Internal Audit services was reviewed during 2025/26 via a tender process for internal audit services, with the contract awarded to RSM from 1 April 2026. The contract has a maximum term of 3 years, with 2 years fixed duration plus a 1-year optional extension.

6. Corporate Governance

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

- **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; Digital Policing; 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 2024/25 were agreed at the Committee during the 2025/26 financial year.

7. Treasury Management

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

MUFG Corporate Markets are retained as Treasury service advisers.

The Treasury Management Strategy is agreed annually and reviewed during the year. Challenge is provided on investments, 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 2024/25 was reviewed by the Committee in June 2025 and recommended to the PCC for publication.

The Treasury Management Mid-Year Report 2025/26 was reviewed by the Committee in November 2025 and recommended to the PCC for publication.

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The Treasury Management Policy Statement and Treasury Strategy 2026/27 to 2029/30 was reviewed by the Committee in February 2026 and recommended to the PCC for adoption.

8. JIAC Self-Assessment

A self-assessment of the Committee's competencies was carried out in May 2026 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.
- Evidence includes the Committee's oversight of risk management, internal audit arrangements, the Statement of Accounts and approval of the Annual Governance Statement.
- 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 their Team, Chief of Staff to the PCC, and the Deputy Chief Constable, which has greatly assisted the Committee in its work.

9. JIAC Terms of Reference, Membership and Development

During the year a review of the Terms of Reference (ToR) for the Committee was undertaken. One minor change has been proposed to the ToR, this is included on the agenda for the June 2026 meeting and detailed below:

- The ToR reference the appointment of a Chair and Vice Chair at the first meeting of the JIAC in a financial year. The term length for the Chair and Vice Chair is currently one year. At the meeting in June 2025 members suggested that the term for these positions should be two years. This amendment is shown in the membership section of the updated ToR covered as a separate item on this JIAC agenda.

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.

Carrie Young
Chair of Joint Independent Audit Committee