

# Joint Independent Audit Committee

## Annual Report 2023/24



# To the Police and Crime Commissioner and the Chief Constable of Durham Constabulary

## The Joint Independent Audit Committee Annual Report 2023/24

### Introduction

This is the annual report of the Joint Independent Audit Committee (JIAC) and covers the financial year 2023/24.

The report has been developed to enable the reader to form a view about the effectiveness of the Committee's activities during the year and its oversight of the Assurance and Risk Management Frameworks within which County Durham and Darlington's Police and Crime Commissioner and Durham Constabulary's Chief Constable (CC) operates.

The Chartered Institute of Public Finance and Accountancy (CIPFA) recommends that Audit Committees report on their work and assess their performance.

All audit Committees are non-executive bodies whose role is to make recommendations rather than to decide policies directly. The impact of the Committee is through influence and persuasion rather than direct decision making. The Committee's effectiveness does not depend on the delegation of powers. Police audit Committees in England and Wales can never be delegated decision-making or approval powers by the Police and Crime Commissioner or the Chief Constable.<sup>1</sup>

### Background

The Joint Independent Audit Committee, established in 2013, is an independent body which checks both Durham Constabulary and the Police and Crime Commissioner of Durham are following national and local regulations, handling public finances in accordance with the law and not taking undue risk.

It operates as a single Committee, providing assurance jointly both to the Police and Crime Commissioner and Chief Constable of County Durham and Darlington. It operates to a set of terms and reference reviewed annually.

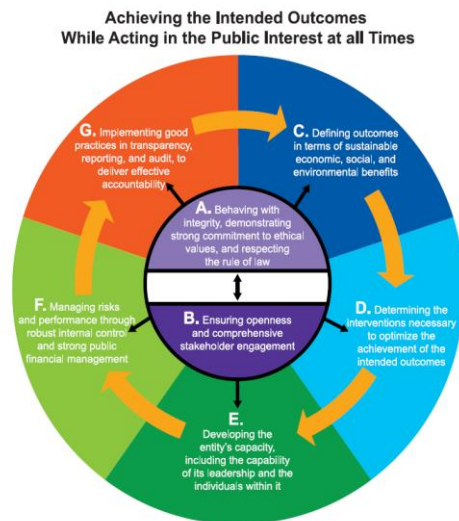
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<sup>1</sup> The Chartered Institute of Public Finance and Accountancy/audit committees  
Practical Guidance for Local Authorities and Police  
2018 Edition

## Aims and Objectives

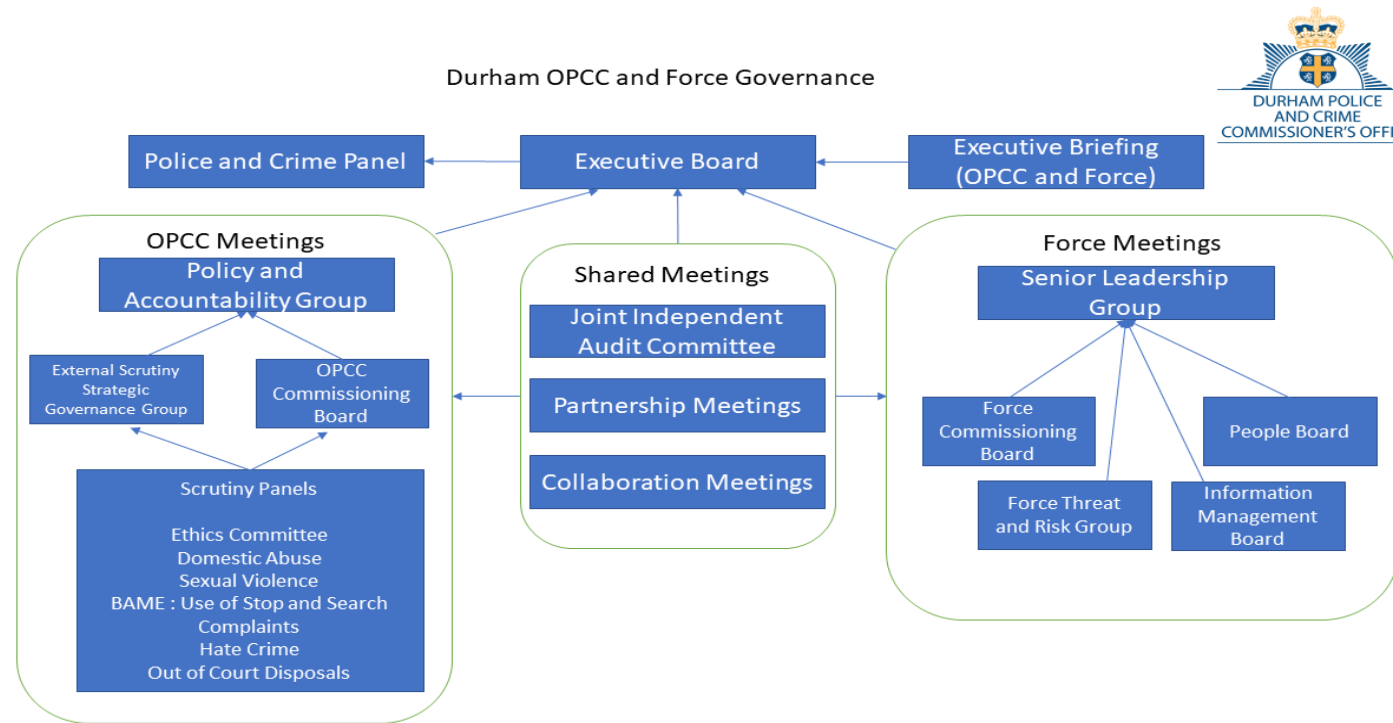
The primary aim of the Joint Independent Audit Committee is to support the achievement of the Police and Crime Plan by enhancing public trust and confidence in the governance of Durham Constabulary. The diagram to the left is taken from the International Framework and illustrates the various principles of good governance in the public sector and how they relate to each other:

- The JIAC help improve the overall governance arrangements across the Police and Crime Commissioners Office and Durham Constabulary according to good governance principles and provide assurance to the Police and Crime Commissioner and the Chief Constable on the effectiveness of the framework in place for ensuring compliance with statutory requirements.
- The JIAC help improve the adequacy and effectiveness of risk management framework and internal control environment in place across the Police and Crime Commissioners Office and Durham Constabulary by seeking reliable assurance from whoever is best placed to provide it and ensuring appropriate and timely action is taken to address any weaknesses identified.



- The JIAC help improve the financial integrity of financial planning and reporting, and the achievement of Value for Money (VfM), in the Police and Crime Commissioners Office, Durham Constabulary and partner organisations.
- The JIAC review and monitor treasury management arrangements in accordance with Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes (CIPFA, 2017)

The diagram below shows the Police and Crime Commissioner’s relationship with the Chief Constable, how the Police and Crime Commissioner is ultimately responsible to the public, and the additional scrutiny mechanisms which are in place in Durham.



Durham Police and Crime Commissioner’s Accountability Framework (taken from the Durham PCC website)

## Meetings 2023/24

The Committee met formally on six occasions during 2023/24.

Date	Place	Time	Meeting
<b>09/05/2023</b>	Darbley Room	10:00 am	Joint Independent Audit
<b>18/07/2023</b>	Watson Room	09:30 am	Joint Independent Audit
<b>19/09/2023</b>	Darbley Room	09:30 am	Joint Independent Audit
<b>14/11/2023</b>	Watson Room	09:30 am	Joint Independent Audit
<b>16/01/2024</b>	Hacker Room	10:00 am	Joint Independent Audit
<b>19/03/2024</b>	Hobson Room	10:00 am	Joint Independent Audit

*Table: Meetings held 2023/24*

The JIAC meetings are attended by the Police and Crime Commissioner's Chief of Staff (as Monitoring Officer), the Joint Chief Finance Officer, Internal and External Auditors. Other officers attend in accordance with reporting requirements.

In the financial year 2023/24 the Joint Independent Audit Committee expressed concerns over the length of time it was taking to process a vetting application. The Chair submitted a letter to the Chief Constable. This has been actioned and members were pleased to hear that additional funding has been provided by the PCC which will reduce the vetting waiting list.

The Committee wanted some further assurance around what was spent on commissioning from the Office of Police and Crime Commissioner. This led to the Chief of Staff agreeing to provide an update on each of the Police and Crime Plan Safer Themes to the Committee. Members found this information helpful in terms of support for victims of crime, and Anti-Social Behaviour, and support for rural communities.

The PCC attended each committee meeting when requested to do so by the Committee and when this was not possible the Deputy PCC and or Chief of Staff attended.

The Joint Independent Audit Committee Annual Report for 2022/23 was presented on 23<sup>rd</sup> June 2023 to the Police and Crime Commissioner, the Police and Crime Panel and separately via Executive Board to the Chief Constable. The Police and Crime Commissioner and Chief Constable of Durham Constabulary welcomed this extra layer of assurance and accountability provided by this Committee.

## Membership of the Committee and Attendance Record

The Committee members come from a range of backgrounds with a wide skillset.

The Committee is composed of the following members Mr Eddie Bell (Chair), Mr Mac Williams J.P. (Vice-Chair), Mrs Jenny Flynn, Doctor Stuart Green, Mr Derek Shingleton, Professor Richard Scothon, and Councillor Alex Watson nominated by Durham County Council. In this financial year 2023/24 there has been no representation from Darlington Borough Council.

Membership	No. of meetings held	No. of meetings attended	% of meetings attended
Mr Eddie Bell (Chair)	6	6	100
Mr Mac Williams J.P. (Vice Chair)	6	6	100
Mrs Jenny Flynn	6	6	100
Dr Stuart Green	6	6	100
Prof Richard Scothon	6	6	100
Mr Derek Shingleton	6	6	100
Councillor Alex Watson	6	6	100

*Table: Members' attendance in 2023/24*

Members are paid for their time. The remuneration rates for the financial year 2023/24 were: £116.14 for up to a 4-hour period, £168.92 between 4- & 6-hour period, £221.71 more than a 6-hour period. Please note that following advice from Her Majesty's Revenue and Customs (HMRC) all payments are subject to Pay as You Earn deduction. The cost of the Joint Independent Audit Committee for 2023/24 was £5,379.39.

## The Work of the Committee in 2023/24

The Committee consider reports from officers and staff of the Police and Crime Commissioner or Chief Constable, and reports from internal and external auditors and request reports as felt necessary.

Members attended the Investigative Hub new build Custody Suite located on the outskirts of Durham City on 3<sup>rd</sup> and 10<sup>th</sup> March 2023.

### Investigative Hub

The investigative hub will provide Durham Constabulary with a modern, efficient, and regulatory compliant custody suite, crime scene examiners facility and evidence store. Located at DurhamGate, the Investigative hub is centrally located in relation to the area's main conurbations, and adjacent to the main arterial road network allowing ease of access for officers, staff and public, including those that need to reach it via public transport.

Currently spread around the Constabulary area, the existing custody provision at Darlington, Durham and Peterlee Police stations is problematic to maintain, failing many of the basic requirements required by the His Majesties Inspectorate of Constabulary.

*Following a HMICFRS inspection of custody in 2019 areas highlighted as a potential risk to life included detail that the cells were clean and had natural light, but the ageing fabric of the suites showed many signs of wear. Ventilation was not adequate and there were no holding rooms or in-cell handwashing facilities. CCTV coverage was limited, with many blind spots. There were many ligature points across all the suites; we gave an illustrative report detailing these to the force, and this received a positive response.*

*Data on the use of force in custody were not reliable or accurate, which meant that the force was unable to demonstrate that this was always safe and proportionate. However, we saw some good examples of staff de-escalating situations, potentially avoiding the use of force on detainees, and in most of the cases we reviewed on CCTV the force used had been appropriate.*

The hub will provide the Constabulary with a modern and safe custody facility, built in line with national guidance and with an eye on foreseeable future requirements such as virtual courts and increased standards around forensic evidential recovery. Efficiencies in layout and the consolidation of staffing into one site allows for changes to working practices that aren't feasible when spread over three sites, this includes significant improvements in the availability of on-site medical care. The first floor to the hub will be occupied by various investigation and related teams from across the organisation.

Co-located on the same site is the new base for the Constabulary's crime scene examiners. Replacing their out-of-date building; modern rooms and efficient workflows, with effective ventilation have been designed to heighten the integrity of evidence stored and examined, in line with the requirements sent by

the Forensic science regulator. Adjacent is a new secure storage facility, designed to replace the disparate series of property stores currently in use around the Constabulary estate.

The Joint Independent Audit Committee continue to ask questions relating to the final expenditure on the hub and recognise that the build is over timescale, and the impact of this as well as the impact of custody and release of detainees into the local community with assurance given by the constabulary about the plans they have in place.



## Reports

A full list of reports and presentations reviewed/requested by the JIAC in 2023/24:

- Durham Constabulary - Force Estates Strategy
- Durham Constabulary - Freedom of Information (Fol)
- Durham Constabulary - Gift and Hospitality Policy
- Durham Constabulary - Gifts and Hospitality Register 2022 & 2023
- Durham Constabulary - Investigative Hub Updates (each meeting)
- Durham Constabulary - Problem Solving Approach with Neighbourhood Policing
- Durham Constabulary - Professional Standards quarterly updates
- Durham Constabulary – Reinforced Autoclaved Aerated Concrete (RAAC) update
- Durham Constabulary - Treasury Management Update
- External Audit - Progress Report 2021/22
- External Audit - Completion Report 2021/22
- External Audit - Audit Strategy Memorandum (Audit Plan)
- Internal Audit - Annual Fraud and Corruption Report
- Internal Audit - Annual Governance Statement/Chief Constable
- Internal Audit - Annual Governance Statement/Police and Crime Commissioner
- Internal Audit - Annual Internal Audit Report
- Internal Audit - Annual Review of the System of Internal Audit 2022/23
- Internal Audit - Charter
- Internal Audit - Plan 2024/25
- Internal Audit - Progress Report
- Internal Audit - Quarterly reports
- Internal Audit - Red Sigma Identity Management
- JIAC - Action Log
- JIAC - Annual Report 2022/23
- JIAC - Draft Annual Report 2022/23
- JIAC - Forward Workplan 2024/25
- JIAC - Review of Members Allowance/Expenses

- JIAC - Self-Assessment on Effectiveness
- JIAC - Terms of Reference Annual Review
- National - Casey Review (An independent review into the standards of behaviour and internal culture of the Metropolitan Police Service)
- PCC - Budget setting process 2023/24 and Medium-Term Financial Plan (MTFP)
- PCC - Commissioning Board Process
- PCC - Commissioning Update - Safer Online
- PCC - Commissioning Update - Victim Care and Advice Service
- PCC - Corporate Governance Framework Review
- PCC - Safer People: Harbour & Rape Sexual Abuse Counselling Centre
- PCC - Safer Business and Safer Online
- PCC - Financial Update 2022/23
- PCC - Financial Update 2023/24
- PCC - Gifts and Hospitality Register 2022 & 2023
- PCC - Police and Crime Plan Progress
- PCC - Register of Interests/Notification of Disclosable Interests
- PCC - Revenue and Budget Outturn 2022/23
- PCC - Victims Champion Review

The JIAC questions and challenges the staff on the reports it receives and any other matters arising. It aims to add value to the work of the Police and Crime Commissioner and Chief Constable by posing these questions in a constructive manner. Where follow up action is agreed as necessary, this is noted in a forward plan/action log and added to the appropriate meeting.

The Committee is accountable to the Police and Crime Commissioner and the Chief Constable. CIPFA's Practical Guidance for Local Authorities and Police Audit Committees sets the criteria for this accountability which forms the basis of this report.

The criteria is as follow:

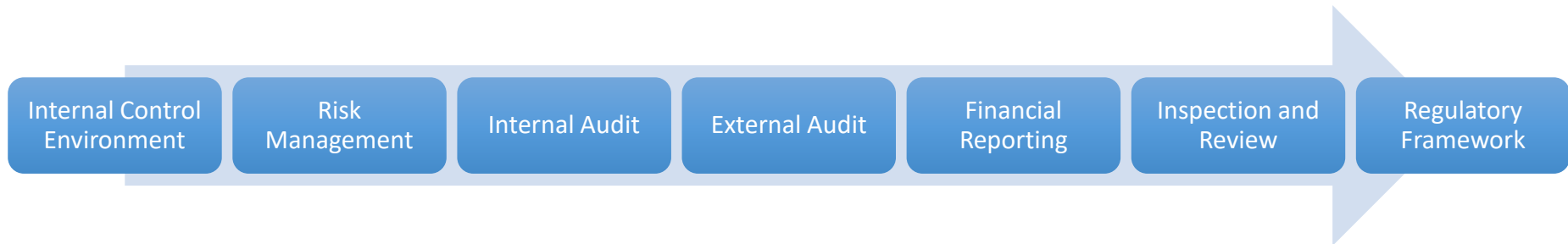
- Has the committee fulfilled its agreed terms of reference?
- Has the committee adopted recommended practice?
- Have the development needs of the committee members been assessed and are committee members accessing training opportunities?
- Has the committee assessed its own effectiveness or been the subject of a review?
- What impact has the committee had on the improvement of governance, risk and control?

## Has the Committee fulfilled its terms of reference?

The Committee's terms of reference were reviewed. Details can be found on the Police and Crime Commissioner website at <https://www.durham-pcc.gov.uk>

The specific objectives of the Committee during 2023/24 was to oversee the following arrangements:

- Internal Control Environment
- Risk Management
- Internal Audit
- External Audit
- Financial Reporting
- Inspection and Review
- Regulatory Framework



The Committee has met its requirements through the year. A total of 58 reports/updates were considered the details of which are provided in Appendix 1. The key activities are summarised below:

- **Internal Control Environment** - The Committee-maintained oversight of the preparation of Annual Governance Statements for the Police and Crime Commissioner and Chief Constable, which are consistent with the principles of the CIPFA/SOLACE Framework: Delivering Good Governance in Local Government. The Annual Governance Statements were considered by the Committee prior to their final production. The Committee also considered the robustness of the internal control environment through reports from both internal and external audit.
- **Risk Management** - The risk registers presented throughout 2023/24 focused on the most strategic risks.
- **Internal Audit** - Internal Audit activities were reviewed with updates on agreed plans, performance of the internal audit team and significant findings from those audits with a “limited” opinion being considered. The internal audit findings considered by the Committee continue to be wide ranging.

In addition, updates on internal audit’s compliance against the Public Sector Internal Audit Standards have also been deliberated. In March 2023, the Committee endorsed the Internal Audit Strategy and Audit Charter and the Work Programme for 2023/24.

- **External Audit** – External audit activity throughout 2023/24 has been limited due to staffing issues. The Chair and members raised concerns on the performance of external audit against their pre-defined Key Performance Indicators.
- **Financial Reporting** – Statements of Accounts were reviewed prior to their final production in addition to the Committee considering the related external auditor’s report. Members reviewed the HMICFRS value for money outcomes that are published annually.
- **Inspection and Review** – Regular updates from HMICFRS inspections were considered, which include details of recommendations or improvement actions and grading’s awarded for each inspection. Where relevant, the Committee asked for additional information and updates to be provided.
- **Regulatory Framework** - Specific aspects of the regulatory framework, such a review of Accounting Policies, Treasury Management Strategy, Anti-Fraud and Corruption arrangements etc. have taken place during the year. The annual effectiveness review of anti-fraud and corruption arrangements included an update on internal investigations undertaken by the Professional Standards Department, providing oversight on matters

of conduct and behaviour. The Committee has maintained an overview in respect of financial regulations and contract standing orders through the assurance work provided by internal audit during the year on key financial systems.

**Has the Committee adopted recommended practice?**

As part of its annual review, the Committee reviewed its performance against good practices identified by CIPFA. The review shows the Committee is following good practice in the way it operates.

**Has the Committee assessed its own effectiveness or been the subject of a review?**

The Committee considered and accepted the benefit of undertaking a further self-assessment against the CIPFA requirements during 2023/24. This will determine whether any further training is required for new and existing members.

The Committee has assessed its own effectiveness based on CIPFA guidance, this information has been shared with the Chief of Staff, Internal, and External Audit.

Outcomes of the self-assessment where members felt it would be of benefit to them if officers in senior operational roles attend the Joint Audit meeting this would support better engagement. Also, that training needs of committee members to be formally considered and appropriate plan developed.

**Have the development needs of Committee members been assessed and are they accessing briefing and training opportunities?**

The Chair has a forward planning mechanism and holds regular pre meetings with the Chief of Staff and the Chief Finance Officer. The forward plan is updated at these meetings, and this informs the agenda of upcoming meetings.

**What impact has the Committee had on the improvement of governance, risk, and control?**

A wide range of issues were considered by the Committee during the year, providing independent scrutiny of the Police and Crime Commissioner and the Chief Constable. The Committee has made an impact on the governance of both organisations as demonstrated in the following examples.

- The Committee has identified areas where briefings and training were required to fulfil its role. It has received reports or presentations on a range of areas including the budget setting process. This provides assurance on these arrangements.
- The Committee has played a key role in reviewing the annual accounts and annual governance statements, providing assurance to the Police and Crime Commissioner and Chief Constable before they formally approve these documents.

- The Committee monitors the performance of the internal and external auditors and members have continued to actively participate in nationally held PSAA Local Audit Quality Forum events and receive updates on the Future of Local Government Audit.
- The Committee were briefed on the Scheme of Corporate Governance Framework, which sets out how the Police and Crime Commissioner and the Chief Constable conduct their organisations business both jointly and separately.
- The Committee identified a need for further information on commissioned services to be presented to the JIAC for assurance purposes on value for money and effectiveness.

The Chief Constable and Police and Crime Commissioner are 'those charged with governance' the Committee's role is non-executive and purely advisory.

**The influential audit Committee** has the potential to be a valuable resource to the whole organisation. Where it operates effectively, an audit Committee can add value to its organisation by supporting improvement across a range of objectives. To achieve wide-ranging influence, an audit Committee will need commitment and energy from membership together with support and openness from the organisation.

The influential audit Committee supports:





Source: Audit Committees: Practical Guidance for Local Authorities and Police (CIPFA, 2013)

## Committee's Conclusions on Governance

The Committee's primary contribution to the Police and Crime Commissioner's Plan and the Chief Constables strategic objectives is to ensure the governance, control, risk management and audit systems which underpin the work of the Police and Crime Commissioner, and Durham Constabulary are sound, reliable, robust, and secure.

This annual report sets out how the Committee fulfilled these responsibilities in the financial year 2023/24.

The Committee reviewed its effectiveness against its terms of reference and has continued to develop the areas for improvement identified in the self-assessment undertaken in April 2023, against the revised CIPFA Practical Guidance for Local Authorities and Police Audit Committees.

The Committee continues to recognise the significant challenges facing the Police and Crime Commissioner and the Chief Constable and aims to promote and support good governance. Any advice offered will be considerate of these challenges.

The continued openness of the Police and Crime Commissioner and Chief Constable and the value they place on the work of the Joint Independent Audit Committee in assisting them to provide best value to the public is acknowledged. I was especially grateful for the flexible and swift response from the Police and Crime Commissioners Office to the changes in Committee membership, which has allowed us to maintain excellent levels of attendance throughout the year.

In 2023/24 there has been no representation from Darlington Borough Council.

## Chairman's Remarks

Can I say from the outset that Durham Constabulary has lost an outstanding officer due to the retirement of Gary Ridley. As a key member of the Force Executive, he has played a vital role in providing professional support to the Chief Constable and the Police and Crime Commissioner in the development, implementation, and delivery of the Constabulary's strategic objectives and the PCCs Police and Crime Plan. Gary has been instrumental in the development of both corporations providing exceptional leadership, promoting, and developing the Constabulary's profile regionally, nationally, and in the wider public arena.

We look forward to building relationships at the start of this new era with Rachel Allsop who has been appointed as Chief Finance Officer to succeed Gary in the Office of the PCC and Julie Diamond appointed on a temporary basis to succeed Gary for Durham Constabulary.

I personally must thank members of the Audit Committee for their work in examining and ensuring good governance throughout the year.

As an Audit Committee we have an advisory role only but that does not stop us from making comments about items which affect the running of Durham Constabulary and the Office of Police and Crime Commissioner with our only intention to keep the service at the top.

Members have consistently drawn attention to the new custody suite and hub which has consistently been delayed and the amount of meaningful information which has not been forthcoming. I hope a speedy resolution to this building and within budget comes soon.

Can I also draw attention to the role of Mazars who are the independent External Auditors. Their service has been somewhat delayed at times due to various factors but now appear to have resolved staffing levels and are back on track to deliver the External Audit.

Once again thanks to all staff and members of a small but dedicated Committee.

To conclude, on behalf of the Committee, I would like to thank the officers of the Police and Crime Commissioner and Durham Constabulary, Internal Audit (Durham County Council) and External Audit (Mazars) for their cooperation in challenging times. They were essential in ensuring that the Joint Independent Audit Committee was able to function effectively and fulfil its role during 2023/2024.

Edward Bell

Chair Joint Independent Audit Committee 2023/24

## Appendix 1

### Joint Independent Audit Committee: Items Covered & Members Attendance 2023/24

	09/05/2023	18/07/2023	19/09/2023	14/11/2023	16/01/2024	19/03/2024
Governance /Risk Management	Investigative Hub Update  Freedom of Information Update  Casey Review update  Safer People – Harbour/Rape Sexual Abuse Counselling Centre	Investigative Hub Update  Professional Standards update  Safer People Victim Care and Advice Service – commissioned service	Investigative Hub Update  Safer Roads & Safer Countryside – commissioned service  OPCC Risk Register	Investigative Hub Update  Professional Standards update  Safer Communities  OPCC Financial update 2023/24  Risk Register  Reinforced autoclaved aerated concrete (RAAC) update	Investigative Hub Update  Safer Business and Safer Online  Corporate Governance Framework  JIAC Forward Work Plan 2024/25	Investigative Hub Update  OPCC Financial Update 2023/24  Professional Standards update  Precept

	09/05/2023	18/07/2023	19/09/2023	14/11/2023	16/01/2024	19/03/2024
Internal Audit (IA) Internal Control Environment	Self-assessment on Effectiveness of Committee and Members	Progress Report 2022/23  Red Sigma Identity Management  Fraud and Corruption Annual Report  Annual Internal Audit Opinion and Report 2022/23  Annual Governance Statements CC & PCC	Final Annual Governance Statements for Chief Constable & PCC  Progress update 2023/24	Internal Audit Progress quarterly report	Internal Audit Progress Report	Internal Audit Plan 2024/25  Internal Audit Charter  Internal Audit Quarterly Progress Report 2023/24

	09/05/2023	18/07/2023	19/09/2023	14/11/2023	16/01/2024	19/03/2024
External Audit (EA)	Progress Report		Progress Report			Completion Report 2021/22 Audit Plan
Inspection and Review	<p>Joint Audit Annual Report 2022/23</p> <p>Review of Terms of Reference</p> <p>Review of Gifts and Hospitality for PCC &amp; CC</p> <p>Review of Register of Interests for PCC &amp; CC</p>	Force Estates Strategy	Chief Finance Officer Annual Review	Collaboration Annual Review	<p>Estates update</p> <p>Review of Gifts and Hospitality for PCC &amp; CC</p> <p>Notification of Disclosable Interests - PCC</p>	
Regulatory Framework / Financial Reporting		<p>Budget Setting Process 2023/24</p> <p>Medium Term Financial Plan 2024/25</p> <p>Treasury Management</p>	Budget Outturn 2022/23	Treasury Management	Budget Setting	<p>Commission Board Process</p> <p>OPCC Quarterly Financial Update</p>

<b>Members Attendance</b>	09/05/2023	18/07/2023	19/09/2023	14/11/2023	16/01/2024	19/03/2024
Mr Eddie Bell (Chair)	Attended	Attended	Attended	Attended	Attended	Attended
Mr Mac Williams (Vice Chair)	Attended	Attended	Attended	Attended	Attended	Attended
Mrs Jenny Flynn	Attended	Attended	Attended	Attended	Attended	Attended
Dr Stuart Green	Attended	Attended	Attended	Attended	Attended	Attended
Mr Derek Shingleton	Attended	Attended	Attended	Attended	Attended	Attended
Prof Richard Scothon	Attended	Apologies	Attended	Attended	Attended	Attended
Cllr Alex Watson	Attended	Attended	Attended	Attended	Attended	Attended