

## **SELF-ASSESSMENT OF GOOD PRACTICE**

### **3.1 - QUESTIONNAIRE**

<b>Good Practice Questions</b>	<b>Yes</b>	<b>No</b>	<b>Partly</b>	<b>Don't Know</b>	<b>N/A</b>
<b>Audit Committee Purpose and governance</b>					
1. Do the terms of reference clearly set out the purpose of the committee?	9		1		
2. Is the role and purpose of the audit committee understood and accepted across the Force/OPCC?	3		5	2	
3. Does the audit committee provide support to the Force/OPCC in meeting the requirements of good governance?	10				
<b>Functions of the Committee</b>					
4. Do the committee's terms of reference explicitly address all the core areas identified in CIPFA's Position Statement?					
• Good governance	9		1		
• Assurance framework	9		1		
• Internal audit	9		1		
• External audit	9		1		
• Financial reporting	9		1		
• Risk management	9		1		
• Value for money	9		1		
• Counter-fraud and corruption	7		3		
5. 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?	8		1	1	
6. Where coverage of core areas has been found to be limited, are plans in place to address this?	3			4	3
7. Has the committee maintained its non-advisory role by not taking on any decision-making powers that are not in line with its core purpose?	9			1	
<b>Membership and support</b>					
8. Has an effective audit committee structure and composition of the committee been selected?	10				
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					
• Where independent members are used,					

that they have been appointed using an appropriate process					
9. Does the chair of the committee have appropriate knowledge and skills?	9				1
10. Are arrangements in place to support the committee with briefings and training?	7		3		
11. Does the committee have good working relations with key people and organisations, including external audit, internal audit and the chief finance officers?	8		2		
12. Is adequate secretariat and administrative support to the committee provided?	9			1	
13. Do the arranged 'Deep Dives' allow members to gain a wider/deeper understanding of the force and OPCC?*	10				
14. Does the committee find the 'Deep Dives' relevant/of use in their role?*	8			2	
15. Do members feel they would benefit from annual 1-2-1s with the committee Chair? (this option is available in the eligibility criteria used during the recruitment process)*	1	1		7	1
<b>Effectiveness of the committee</b>					
16. Has the committee obtained feedback on its performance from those interacting with the committee or relying on its work?	6		1	3	
17. Has the committee evaluated whether and how it is adding value to the organisation?	8			2	
18. Does the committee have an action plan to improve any areas of weakness?	5			4	1
19. Please enter any comments you have below: (Please could you provide any suggestions as to how you would like to see the self-assessment process evolving in the future)					
<ul style="list-style-type: none"> <li>An induction training (session) was not immediately offered and suggests a standard pack is not readily available.</li> <li>With 'constant' absence of PCC and Chief Constable it is hard to form a relationship and doesn't show value of JAC. It might be that it really isn't necessary to PCC and CC to attend but once a year would be respectful.</li> <li>I would expand section 4 so members can reflect on whether during the year they covered all the areas of responsibility that are laid out.</li> <li>It would have been preferable to have more comment space with the questions.</li> <li>Clear induction and training programme for new members, using IA and EA as well, would be beneficial.</li> <li>The form could be sent to members asking for their comments on the questions prior to its next iteration.</li> <li>Q 1 – Whilst Committee members and attendees appeared to have a sound understanding of the Committee's purpose, I felt the terms of reference lacked structure and clarity over its precise duties and obligations, the scope</li> </ul>					


<p>of its role and the manner in which it communicated with the PCC/CC and escalated issues. Similarly, there was no reference to the means by which the PCC/CC would notify matters of relevance. To help you understand my comments, I have attached a copy of the terms of reference for my firm's Audit Committee. I appreciate that much of this will not be relevant, but thought it may nonetheless be helpful in informing whether any changes to JAC's terms of reference structure or content are warranted.</p> <ul style="list-style-type: none"> <li>• Q2 – I do not feel that we can accurately answer this. Is it a useful question?</li> <li>• Q2 – the role and purpose of the Committee is understood by those members of the force and OPCC with which it interacts, but inevitably there must be members of staff who are unaware.</li> <li>• Q 4 - The terms of reference do not set out in sufficient (detail) the range of reports, information and other means by which the Committee will receive, and gain assurance over the core areas identified in the CIPFA statement</li> <li>• Q5 – It would be good to ask whether the Committee actually covers all of the areas.</li> <li>• Q 5 – I don't feel able to make a meaningful comment, but perhaps I could offer some observations on the Committee's ways of working (albeit based on one meeting, so these comments may well not be entirely fair): <ul style="list-style-type: none"> <li>• If I think about the role of Internal and External Audit, they provide periodic assurance of specific areas on, (by its very nature) a retrospective basis – this is helpful, but at our meeting in March we did not appear to spend much, if any time, considering the prospective view of risk and control across the Force/OPCC, nor did we really hear Management's view on this – aside from their response to specific points raised by Audit.</li> <li>• What I am used to, and therefore would encourage is a standing item – a (short/summary) paper from the PCC/CC setting out their views of the overall risk/control environment which CFO/ACOR talk to, which provides the introductory context for the meeting. This provides assurance (or not) that Management are in control and offers us and Audit an opportunity to challenge and highlight issues before they occur.</li> <li>• Similarly, I am used to the Audit Committee Chairman summarising/ codifying the Committee's views at the end of the meeting and that this summary is reported upwards so as to discharge its obligations re: providing advice/assurance (in this case to the PCC/CC) – this doesn't appear to happen – I know they get the minutes, but unsure whether this gives a real sense as to the Committee's conclusions.</li> </ul> </li> <li>• Q 6 – In terms of the audit papers presented at the Committee meeting in March, they were reasonably helpful – although I think we got lost in the detail. What I would personally value (and am used to), is every quarter, the Head of Audit provides an overall opinion of the control environment (based on their professional judgement) – of specific help is a discussion around any adverse trends in control and even more importantly consideration of the extent to which Management's culture/ attitude to controls – so we can take corrective action – most of the meeting's focus was on dealing with issues which have already occurred.</li> <li>• Q7 – is there an error in the wording of question 7?</li> <li>• Q10 - An induction training (session) was not immediately offered and suggests a standard pack is not readily available.</li> <li>• Q 11 – Unclear of the nature of the relationship with the CC and PCC.</li> </ul>		
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<ul style="list-style-type: none"> <li>• Q11 - With 'constant' absence of PCC and Chief Constable it is hard to form a relationship and doesn't show value of JAC. It might be that it really isn't necessary to PCC and CC to attend but once a year would be respectful.</li> <li>• Q 15 – To improve the effectiveness of the Committee's performance, I would encourage a pre-meeting with Committee members to discuss the papers and what we, collectively as a Committee wish to explore at the meeting. I feel this would significantly improve the effectiveness of the meeting. Similarly, (and maybe this usually happens?) I would expect a short pre-meeting with the Head of Internal Audit to gain a fuller understanding, albeit on an impressionistic bases, their views on risk control trends and 'risk culture' across the Force and what, is any concerns they have. This would help the Committee to discharge its responsibilities more effectively.</li> <li>• Q18 – Action plan not provided.</li> <li>• Q18 – plans are prepared to address weaknesses as they arise.</li> </ul>		
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\* These questions are in addition to those asked during 2014/15.

<b><u>ACTION PLAN</u></b>			
Key: <b>Green = On-going</b> <b>Blue = Completed</b>			
<b><u>Questionnaire Number and Question</u></b>	<b><u>CIPFA Position Statement Extract</u></b>	<b><u>Suggested Resolution</u></b>	<b><u>Agreed Resolution (To be completed at the meeting)</u></b>
1.	Do the terms of reference clearly set out the purpose of the committee?	N/A	The ToR aligns with the CIPFA Position Statement and should be considered with the wider governance arrangements in place. As this relies on member's knowledge of such arrangements, a briefing to the JAC may be beneficial. Discussion to take place at JAC.
2.	Is the role and purpose of the audit committee understood and accepted across the Force/OPCC?	N/A	Previous agreement that only senior officers in the force needed to be aware of the role of the JAC. Suggest a high-level briefing/presentation to Team Gwent around the Manual of Corporate Governance following review by the new Commissioner. Should this question be changed? Discussion needed at meeting.
4.	Do the committee's terms of reference explicitly address all the core areas identified in CIPFA's Position Statement:	<b>Part 3, bullet 4</b> Monitor the effectiveness of the control environment, including arrangements for ensuring value for money and for managing the authority's exposure of the risks to fraud and corruption.	Value for Money Profiles are examined as part of the 'deep dive' schedule. Previous agreement that JAC only sees the counter-fraud and corruption policies if reviewed.
5.	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?	<b>Part 5, bullet 8</b> Report regularly on their work, and at least annually report an assessment of their performance.	Feedback on the self-assessment exercise forms part of the JAC Annual Report.
6.	Where coverage of core plans has been found to be limited, are plans in place to address this?	N/A	The JAC Evidence of Compliance with ToR matrix provides evidence on how the Committee has complied over the year. This will form part of the discussion around the draft Annual Report at the June meeting.
10.	Are arrangements in place to support the committee with briefings and training?	<b>Part 6, bullet 1</b> A membership that is balanced, objective, independent of mind, knowledgeable and properly trained to fulfil their role.	Arrangements include deep dives, annual training (October), access to OPCC and Force responsible Officers, ad hoc briefings and new Member familiarisation sessions - issues raised by new Members relate to the timing of their first meeting following their appointment. To be discussed at the meeting.
11.	Does the committee have good working relations with key people and organisations, including external audit, internal audit and the chief finance officers?	<b>Part 3, bullet 6</b> Support effective relationships between external and internal audit, inspection agencies and other relevant bodies, and encourage the active promotion of the value of the audit process	Commitment has been given to attend one JAC meeting per year during this term of office.

		<b>Part 4, bullet 2</b> Working with local standards committees to support ethical values and reviewing the arrangements to achieve those values		
14.	Does the committee find the 'deep dives' relevant/of use in their role?	<b>Part 6, bullet 1</b> A membership that is balanced, objective, independent of mind, knowledgeable and properly trained to fulfil their role	The self-assessment exercise yielded positive feedback for eight out of ten submissions – new members were only able to feedback specifically on the single deep dive they had experienced.	
15.	Do members feel they would benefit from annual 1-2-1s with the Chair? (this options is available in the eligibility criteria used during the recruitment process)	N/A	These could be facilitated if required. Why do members feel they would be useful?  To be discussed at the meeting.	
16.	Has the committee obtained feedback on its performance from those interacting with the committee or relying on its work?	N/A	The self-assessment and report partly covers this. IA and EA previously agreed to provide feedback on any lessons learned at other JACs. Also agreement that any ex-officio that believed the committee was not functioning correctly should state their concern. Pre-meets with auditors are available prior to each meeting, and annually an extended pre-meet is provided.  Previous agreement that sufficient ways for feedback to be provided to the committee exist.	
C1	Comment: I would expand section 4 so members can reflect on whether during the year they covered all the areas of responsibility that are laid out	N/A	Consider questionnaire layout reconfiguration.	
C2	Comment: It would have been preferable to have more comment space with the questions	N/A	Consider questionnaire layout reconfiguration.	
C3	Comment: Clear induction and training programme for new members, using IA and EA as well, would be beneficial	<b>Part 6, bullet 1</b> A membership that is balanced, objective, independent of mind, knowledgeable and properly trained to fulfil their role	Familiarisation sessions have been arranged with IA and EA. Also see comments at C1.	
C4	Comment: The form could be sent to members asking for their comments on the questions prior to its next iteration.	N/A	Circulate the form to members asking for comments on the questions to consider any suggested revisions prior to conducting the next self-assessment exercise.	
C5	Comment: Q1 – Whilst Committee members and attendees appeared to have a sound understanding of the Committee's purpose, I felt the terms of reference lacked structure and clarity over its precise duties and obligations, the scope of its role and the manner in which it communicated with the PCC/Chief Constable and escalated issues. Similarly, there was no reference to the means by which the PCC/CC would notify matters of relevance.	N/A	The Operating Principles and ToR sets out the scope of the JAC, its three approval powers and the areas that fall outside this. The ToR provides further detail around the scope. The CFO provides the Commissioner with feedback from the meetings at the OPCC Executive Board and the draft Minutes are provided to the Commissioner and Chief Constable for discussion via the Strategy and Performance Board.	

	To help you understand my comments, I have attached a copy of the terms of reference for my firm's Audit Committee. I appreciate that much of this will not be relevant, but thought it may nonetheless be helpful in informing whether any changes to JAC's terms of reference structure or content are warranted.		The JAC ToR is a public document that needs to be written in layman's terms – the supplied example ToR is provided for discussion at the meeting.  Example ToR for JAC.pdf Appendix 3.2.1	
C6	Comment: Q2 - I do not feel that we can accurately answer this – is this a useful question?	N/A	For discussion as per question 2.	
C7	Comment: Q2 – The role and purpose of the committee is understood by those members of the force and (O)PCC with which it interacts, but inevitably there must be members of staff who are unaware.	N/A	Suggest a high-level briefing/presentation to Team Gwent around the Manual of Corporate Governance following review by the new Commissioner.	
C8	Comment: Q4 - The terms of reference do not set out in sufficient (detail) the range of reports, information and other means by which the Committee will receive, and gain assurance over the core areas identified in the CIPFA statement.	N/A	The Forward Planner contains this information and is held and maintained by the Information Officer. This is updated regularly to ensure any items for attention are highlighted for the agenda. The ToR is a separate document to the Forward Planner. Compliance with the ToR is reported as part of the JAC Annual Report.	
C9	Comment: Q5 – It would be good to ask whether the Committee actually covers all of the areas.	N/A	An analysis of whether the JAC has complied with the ToR is undertaken annually and published within the JAC Annual Report.	
C10	Comment: Q5 – I don't feel able to make a meaningful comment, but perhaps I could offer some observations on the Committee's ways of working (albeit based on one meeting, so these comments may well not be entirely fair): <ul style="list-style-type: none"> <li>• If I think about the role of Internal and External Audit, they provide periodic assurance of specific areas on, (by its very nature) a retrospective basis – this is helpful, but at our meeting in March we did not appear to spend much, if any time, considering the prospective view of risk and control across the Force/OPCC, nor did we really hear Management's view on this – aside from their response to specific points raised by Audit.</li> <li>• What I am used to, and therefore would encourage is a standing item – a (short/summary) paper from the PCC/CC setting out their views of the overall risk/control environment which Darren/Nigel talk to, which provides the introductory context for the</li> </ul>	N/A	To be discussed at the meeting.  A deep dive was undertaken in June 2015 in Risk. A 'refresher' deep dive could be undertaken or a paper could be provided to the committee annually containing the detail.	

	<p>meeting. This provides assurance (or not) that Management are in control and offers us and Audit an opportunity to challenge and highlight issues before they occur.</p> <ul style="list-style-type: none"> <li>Similarly, I am used to the Audit Committee Chairman summarising/codifying the Committee's views at the end of the meeting and that this summary is reported upwards so as to discharge its obligations re: providing advice/assurance (in this case to the PCC/CC) – this doesn't appear to happen – I know they get the minutes, but unsure whether this gives a real sense as to the Committee's conclusions.</li> </ul>		<p>This tends to happen at the end of each item rather than at the end of the meeting.</p>	
C11	<p>Comment: Q6 – In terms of the audit papers presented at the Committee meeting in March, they were reasonably helpful – although I think we got lost in the detail. What I would personally value (and am used to), is every quarter, the Head of Audit provides an overall opinion of the control environment (based on their professional judgement) – of specific help is a discussion around any adverse trends in control and even more importantly consideration of the extent of Management's culture/attitude to controls – so we can take corrective action – most of the meeting's focus was on dealing with issues which have already occurred</p>	N/A	<p>The process is largely concerned with internal governance and is restricted by established checks and balances. Audit provides this via progress reports.</p>	
C12	<p>Comment: Q7 – Is there an error in the wording of Q7?</p>	<p><b>Part 5, bullet 1</b> Act as the principal non-executive, advisory function supporting those charged with governance</p>	<p>Amend wording 'non-advisory' to read 'advisory'.</p>	
C13	<p>Comment: Q10 - An induction training (session) was not immediately offered and suggests a standard pack is not readily available</p>	<p><b>Part 6, bullet 1</b> A membership that is balanced, objective, independent of mind, knowledgeable and properly trained to fulfil their role</p>	<p>All role-related information is provided within the recruitment pack, e.g. ToR, role profile, etc. Briefing sessions have been arranged but some conflict with timings of meetings and new members being appointed. What would members want in a standard pack? What information is not publicly available?</p>	
C14	<p>Comment: Q11 – Unclear of the nature of the relationship with the CC and PCC</p>	N/A	<p>The Committee's relationship with the Corporations Sole is set out in the ToR.</p>	
C15	<p>Comment: Q11 - With 'constant' absence of PCC and Chief Constable it is hard to form a relationship and doesn't show value of JAC. It might be that it really isn't necessary to PCC and CC to attend but once a year would be respectful</p>	<p><b>Part 5, bullet 7</b> Include, as regular attendees, the chief financial officer(s) or appropriate senior and qualified substitute, the chief executive, the head of internal audit and the appointed external auditor. Other attendees may include the monitoring officer (for standards issues) and the head of resources (where such a post exists). These officers should also be able to access the</p>	<p>Addressed at question 11.</p>	



		committee, or the chair, as required. The committee should have the right to call any other officers or agencies of the authority as required.		
C16	<p>Comment: Q15 – To improve the effectiveness of the Committee's performance, I would encourage a pre-meeting with Committee Members to discuss the papers and what we, collectively as a Committee wish to explore at the meeting. I feel this would significantly improve the effectiveness of the meeting.</p> <p>Similarly, (and maybe this usually happens?) I would expect a short pre-meeting with the Head of Internal Audit to gain a fuller understanding, albeit on an impressionistic bases, their views on risk control trends and 'risk culture' across the Force and what, is any concerns they have. This would help the Committee to discharge its responsibilities more effectively.</p>	<p>N/A</p> <p><b>Part 5, bullet 6</b> Be able to meet privately and separately with the external auditor and with the head of internal audit</p>	<p>For discussion at the meeting. A formal pre-meeting between Members could be added to the existing arrangements if required.</p> <p>A 30 minute pre-meet session with both IA and EA is provided prior to each meeting. Once per year, this is extended to an hour.</p>	
C17	<p>Comment: Question 18 - Plans are prepared to address weaknesses as they arise.</p>	N/A	<p>This document was previously agreed to be the committee's action plan.</p>	