



Heddlu  
Gwent  
Police

**Joint Audit Committee**  
**Annual Report 2015/16**

**About Gwent**

The Gwent Policing area serves the five Local Authority areas of Blaenau Gwent, Caerphilly, Newport, Monmouthshire and Torfaen and covers an area of 600 square miles. The area is mixed, rural and urban and the road network carries large volumes of traffic through the M4 link to the East, which incorporates the Second Severn Crossing.

From the 1<sup>st</sup> April 2015, Gwent Police introduced a new East/West operating model to cover the five Local Authority areas. The 'East' area covers Monmouthshire and Newport while the 'West' area covers Blaenau Gwent, Caerphilly and Torfaen.

During the period 2015/16, the Police and Crime Commissioner (Commissioner) for the area was Ian Johnston QPM.

The Chief Constable for the area is Jeff Farrar QPM.

**Background**

A Joint Audit Committee (JAC) operates in Gwent in line with guidance issued 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, section 11.1.3.

**Role of the Joint Audit Committee**

The purpose of the JAC is to provide independent advice and assurance to the Commissioner and the Chief Constable on matters relating to the internal control environment of the Force and the Office of the Police and Crime Commissioner (OPCC) according to good governance principles. The JAC:

- considers the internal and external audit reports of both the Commissioner and Chief Constable;

- provides assurance to the Commissioner and the Chief Constable regarding the adequacy of the risk management framework and the associated control environment;
- provides scrutiny of the Commissioner's and Force's financial performance; and
- oversees the financial reporting process adopted from CIPFA Audit Committees Practical Guidance for Local Authorities.

The Terms of Reference (ToR) establish the core functions of the Committee and are reviewed on an annual basis.

### **Membership and Meetings**

The JAC comprises five members who are independent of the OPCC and Force. Members are appointed via an externally advertised recruitment process and are selected to ensure the right balance of experience and expertise is provided. At the start of the 2015/16 financial year, the JAC Members were Mr Roger Leadbeter (Chair), Mrs Dawn Brace (Vice-Chair), Mr Geoffrey Hughes, Mr Darren Mullan and Mr Jonathan Sheppard.

Prior to the September 2015 meeting, Mrs Dawn Brace resigned from the JAC due to other commitments. A recruitment process commenced in October 2015 in order to fill the vacant position, with Mr Andrew Blackmore appointed at the end of November 2015. His first meeting was 9<sup>th</sup> March 2016. During February 2016 Mr Darren Mullan also resigned as a member of the JAC. As a recruitment process had recently been undertaken, a candidate from this process was contacted and has accepted the additional vacancy that has arisen on the JAC. The new member, Mrs Dawn Turner, was appointed in February 2016; her first meeting was also 9<sup>th</sup> March 2016.

As well as the independent members, the following officers from the OPCC, Force and the Audit functions are also in attendance:

- ❖ Chief Executive/Chief of Staff (from January 2016), OPCC
- ❖ Chief Finance Officer, OPCC
- ❖ Assistant Chief Officer, Resources, Force
- ❖ Internal Audit (TIAA)
- ❖ External Audit (Wales Audit Office (WAO))

The Commissioner and the Chief Constable are appropriately represented by one of their senior officers as detailed above.

Members of the JAC have the option to meet privately with the auditors for 15

minutes prior to the start of every meeting; once per annum this time available is extended from 15 minutes to one hour.

The Committee is supported by the Information Officer of the OPCC.

The ToR state that four formal meetings should be scheduled each year, with additional formal meetings scheduled if required.

**Members' attendance at meetings during 2015/16**

<b>Member</b>	<b>Number of Meetings Held</b>	<b>Number of Meetings Attended</b>	<b>% of Meetings Attended</b>
R Leadbeter	4	4	100
D Brace <sup>1</sup>	1	0	0
G Hughes	4	3	75
D Mullan <sup>2</sup>	3	3	100
J Sheppard	4	3	75
A Blackmore <sup>3</sup>	1	1	100
D Turner <sup>4</sup>	1	1	100

Agendas and minutes from the JAC meetings are made available to the public on the OPCC website. A copy of the draft JAC minutes is also provided to the Police and Crime Commissioner and the Chief Constable for discussion at the Strategy and Performance Board. The Chief Finance Officer also provides regular briefings to the OPCC Executive Board.

**Overview of Work Undertaken During 2015/16**

❖ **Terms of Reference**

The JAC ToR set out the core functions that the Committee must undertake. Compliance with the ToR for 2015/16 was reported to the June JAC meeting to provide the Commissioner and the Chief Constable with assurance that the Committee has successfully provided these functions during the year.

❖ **Self-Assessment**

The timing of the second self-assessment exercise was altered to coincide with the end of the financial year. This aligned with the production of the JAC Annual Report for 2015/16 which enabled any key outcomes of the exercise to be included.

<sup>1</sup> Ms D Brace resigned from the JAC prior to the September 2015 meeting.

<sup>2</sup> Mr D Mullan resigned from the JAC in February 2016.

<sup>3</sup> Mr A Blackmore was appointed in November 2015; the first JAC attended was in March 2016.

<sup>4</sup> Mrs D Turner was appointed in February 2016; the first JAC attended was in March 2016.

As with the first self-assessment exercise, the template utilised was based on the example contained within the CIPFA publication 'Audit Committees, Practical Guidance for Local Authorities and Police 2013 edition' with a few additional questions incorporated. Feedback on how to improve the self-assessment exercise for the 2016/17 process has also been requested from Members and Officers to inform future activity.

#### ❖ **Internal Audit**

There is a duty upon both the Commissioner and the Chief Constable to maintain an effective internal audit function. The audit work for the year is founded on a risk based approach and focuses on significant financial and operational risks. The annual Internal Audit plan is agreed by the Chief Finance Officers of both corporations' sole, and is presented to the JAC for approval. Reports on the adequacy of controls in the systems audited are presented to the JAC.

There were 19 internal audits completed in 2015/16 with the following assurance assessments:

##### Substantial Assurance - 4

- Treasury Management;
- Payroll;
- Capital Programme; and
- Commissioning Strategy and Connect Gwent Implementation.

##### Reasonable Assurance - 12

- Governance - Collaborations;
- People Services – Training and Development;
- Risk Management – Mitigating Controls;
- Collaborative Projects;
- Risk Management – Business Continuity;
- Counter Fraud – Procurement;
- Budgetary Control;
- Contract Management;
- Duty Resource Management;
- General Ledger;
- Creditors; and
- Debtors.

##### Limited Assurance - 3

- ICT Network Security;
- Local Policing East; and
- Local Policing West.

##### No Assurance - 0

In relation to the three audits that had received 'Limited Assurance', all recommendations have been completed and subsequently received by the JAC at their 30<sup>th</sup> June 2016 meeting.

## **Overview of Training Undertaken During 2015/16**

### **❖ Training and Development**

Members have participated in a number of different training events in order to ensure the knowledge and skills they have can be applied to the policing service and provide relevant advice and assurance to both the Commissioner and Chief Constable. Internally the OPCC and Force also run sessions where a topic identified by Members is explained and discussed in detail; these sessions, known as 'Deep Dives', take place as an addendum to the formal meeting structure.

#### External Training

- CIPFA Training and Development Day, 9<sup>th</sup> October 2015.

#### Deep Dives

- Risk Management, 10<sup>th</sup> June 2015;
- Shared Resource Service Presentation and Tour, 16<sup>th</sup> September 2015;
- Value for Money Profiles, 3<sup>rd</sup> December 2015; and
- Connect Gwent Visit, 9<sup>th</sup> March 2016.

## **Priorities for 2016/17**

### **❖ Training and Development**

In order to continue to develop and build on the skills of the JAC, 'Deep Dive' sessions are being considered in the following areas:

- Staying Ahead Presentation – June 2016;
- Strategic Policing Requirement/Strategic Assessment Presentations – September 2016;
- Value for Money Profiles- December 2016; and
- Custody Suite Tour – March 2017

The areas above cover a variety of business areas and will help to further support the understanding of the wider work of the OPCC and the Force.

The next 'All Wales' training day for Joint Audit Committee members will be held in Gwent during October 2016.

Familiarisation sessions on Audit and Risk and Control have been planned to further support the learning and development of new Members.

Following Members' review of the self-assessment exercise, an Action Plan has been drafted to support the Committee's continuous improvement. This will be reviewed by the JAC on a quarterly basis.

❖ **Review of Policies and Procedures**

It had previously been agreed that following the review of the policies and procedures that the JAC should consider and comment upon as set out in the ToR, there was no requirement for them to be re-visited unless changes had been made. It was subsequently agreed that this would not provide adequate assurance that the Committee have met their ToR, or provide assurance on these matters to the Commissioner and the Chief Constable. The frequency of review and the method by which this would be completed was discussed at the March meeting and the detailed plan was agreed.

❖ **Internal Audit**

Gwent received an overall 'Reasonable' assurance rating from Internal Audit for 2015/16. The JAC will continue to maintain a good working relationship with Internal Audit and will assist the Police and Crime Commissioner and the Chief Constable in ensuring a similar result is received for 2016/17.

## **Conclusion**

The Committee has operated to a high standard during the year and has received appropriate, regular and timely information from the OPCC and the Force. The Committee remain satisfied that the Commissioner and the Chief Constable can be assured that their control, risk and governance position for 2015/16 is appropriate.

The Commissioner and the Chief Constable are asked to note this report as a summary of the work and findings of the JAC for the financial year 2015/16.

## **Acknowledgements**

We are grateful to all who have attended and contributed to the work of the JAC including officers from the Wales Audit Office and TIAA. We would also like to formally welcome the two new members, Mr Andrew Blackmore and Mrs Dawn Turner, to the Committee.