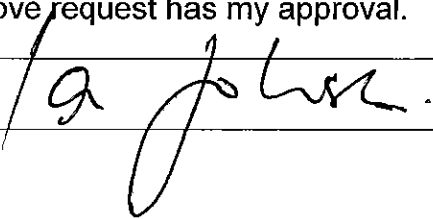


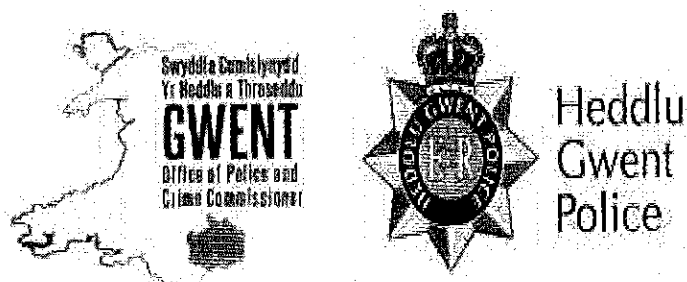
| Police and Crime Commissioner for Gwent Decision | |
|---|--|
| PCCG-2015-065 | Police and Crime Commissioner for Gwent Decision |
| Subject | Joint Audit Committee Annual Report 2014/15 |
| Summary | To record the decision of the Police and Crime Commissioner regarding the Joint Audit Committee Annual Report for 2014/15. |

DECISION

1. 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.
2. 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.
3. The CIPFA 'Audit Committees. Practical Guidance for Local Authorities and Police' 2013 edition states that "an audit committee should be held to account on a regular basis by the group to which it is accountable"; for the purposes of a police audit committee this is the Commissioner and the Chief Constable. The JAC have therefore agreed that the preparation of an Annual Report would be produced highlighting the work undertaken over the previous year.
4. It has been agreed that the Annual Report will be produced to coincide with and support the publication of the Statement of Accounts.
5. I can confirm receipt of the JAC Annual Report and would like to thank the members of the Committee for their work, scrutiny and support over the past year.

| Ian Johnston QPM, Police and Crime Commissioner for Gwent | |
|--|---------------|
| I confirm I have considered whether or not I have any personal or prejudicial interest in this matter and take the proposed decision in compliance with my code of conduct. Any such interests are recorded below. | |
| The above request has my approval. | |
| Signed  | Date 3.11.15. |

| | |
|--------------------------|---|
| Contact Officer | |
| Name | Darren Garwood-Pask |
| Position | Chief Finance Officer |
| Telephone | 01633 643083 |
| Email | <u>Darren.Garwood@gwent.pnn.police.uk</u> |
| Background papers | JAC Annual Report |



Joint Audit Committee Annual Report 2014/15

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 now incorporates the Second Severn Crossing.

From the 1st 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.

The Police and Crime Commissioner (Commissioner) for the area is 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:

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

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

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

Membership and Meetings

The JAC comprises of 5 members, Mr Roger Leadbeter (Chair), Mrs Dawn Brace (Vice-Chair), Mr Geoffrey Hughes, Mr Darren Mullan and Mr Jonathan Sheppard, who are independent of the OPCC and Force. Members have been appointed via an externally advertised recruitment process and are selected to ensure the right balance of experience and expertise is provided.

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

- ❖ Chief Executive, OPCC
- ❖ Chief Finance Officer, OPCC
- ❖ Assistant Chief Officer, Resources, Force
- ❖ Internal Audit (Deloitte)
- ❖ External Audit (Wales Audit Office (WAO))

The Commissioner and the Chief Constable should attend or be appropriately represented by one of their senior officers as detailed above.

Members of the JAC also have the option to meet privately with the auditors for 15 minutes prior to the start of every meeting; once per annum the 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; during the financial year 2014/15, five meetings were held¹.

¹ The JAC ToR state that the Committee will meet four times per year. It was deemed that the length of time between the December 2013 and April 2014 meetings was too long and it was requested that this was re-looked at when setting the meetings for 2015. This review of meetings has resulted in the April 2015 meeting being brought forward to March 2015, resulting in 5 meetings being held during the 2014/15 financial year.

Members' attendance at meetings during 2014/15

| Member | Number of Meetings Held | Number of Meetings Attended | % of Meetings Attended |
|---------------|--------------------------------|------------------------------------|-------------------------------|
| R Leadbeter | 5 | 5 | 100 |
| D Brace | 5 | 2 | 40 |
| G Hughes | 5 | 5 | 100 |
| D Mullan | 5 | 2 | 40 |
| J Sheppard | 5 | 5 | 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 for discussion at the Strategy and Performance Board which is attended by both the Commissioner and the Chief Constable.

Overview of Work Undertaken During 2014/15

❖ Terms of Reference

The JAC ToR set out the core functions that the Committee must undertake. Compliance with the ToR for 2014/15 is evidenced at appendix 1.

❖ Appointment of New Internal Auditors

The Chair was involved during the procurement process that awarded the Internal Audit contract to TIAA from 1st April 2015.

❖ Self-Assessment

The first self-assessment exercise was undertaken during 2014/15 which utilised the template contained in the CIPFA publication 'Audit Committees, Practical Guidance for Local Authorities and Police 2013 edition'. All members and officers found this process useful and it will be repeated during 2015/16.

Overview of Training Undertaken During 2014/15

❖ Training

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 outside of the formal meeting structure.

External Training

- Chair attended Police Audit Committee Chairs Meeting, 16th July 2014
- CIPFA Training and Development Day, 21st October 2014
- WAO/Centre for Public Scrutiny/Grant Thornton 'Good Governance' Training, 3rd December 2014

Deep Dives

- Medium Term Financial Plan and Commissioning, 2nd April 2014
- Annual Accounts, 18th September 2014
- Collaboration, 11th March 2015²

Priorities for 2015/16

❖ **Training**

In order to continue to develop and build on the skills of the JAC, 'Deep Dive' sessions within the following areas have been planned:

- Risk Management, June 2015
- Value for Money Profiles, December 2015

The Information Officer will also look to arrange short presentations/visits to areas such the Shared Resource Service, Staying Ahead Programme and Force Control Room in order to further support the JAC learning programme.

When an audit of an area within the OPCC or Force has been awarded 'Limited Assurance' or 'No Assurance' the detailed reports are discussed at the JAC. To support the JAC's development and provide further assurance to the OPCC and Force, it is proposed that these areas are ones that are focussed upon in more detail by means of a 'Deep Dive' at a future date. This would allow the JAC to be confident that the recommendations required to resolve the issues identified have been implemented and that the relevant processes are now working.

❖ **Review of Policies and Procedures**

It had previously been agreed that once the policies and procedures that the JAC should consider and comment upon as set out in the ToR had been viewed there was no requirement for them to be re-visited unless changes had been made. It has since been agreed that this would not provide adequate assurance that the Committee have met their ToR or provided assurance on these matters to the Commissioner and the Chief Constable.

² Collaboration was due to be a deep dive but due to time constraints on the Chief Constable, the presentation was provided during the meeting.

The frequency of review and the method by which this will be completed will be discussed in further detail during 2015/16.

❖ **Internal Audit**

Gwent received an overall 'Limited' assurance rating from Internal Audit for 2014/15. This was discussed in detail and the JAC are satisfied that the reason for the 'Limited' rating was due to the force requesting Internal Audit to review areas where they themselves had concerns, an approach that the JAC approve of. 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 better result is received for 2015/16.

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 in 2014/15 are 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 2014/15.

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 Deloitte. We wish to pass on our thanks to Deloitte for the advice and support they have provided us with and pass on our best wishes to them in the future. We also wish to welcome TIAA, our newly appointed Internal Auditors to the Committee and look forward to working with them in the future.

Appendix 1 - Evidence of Compliance with Terms of Reference



JAC Annual Report
Ap1 ToR.docx

