

**JOINT INDEPENDENT AUDIT COMMITTEE ANNUAL REPORT**

**REPORT OF THE CHAIR OF THE JOINT INDEPENDENT AUDIT COMMITTEE**

**PURPOSE OF REPORT**

1. To provide a summary of the activities of the Joint Independent Audit Committee during 2015/16 and ensure that the Terms of Reference for the Committee have been met.

**KEY INFORMATION**

2. Within the Terms of Reference the Statement of Purpose of the Joint Independent Audit Committee (JIAC) is “To provide independent assurance on the adequacy of the risk management framework and the associated control environment, independent scrutiny of processes in order to get re-assurance regarding the organisation’s financial and non-financial performance to the extent that it affects exposure to risk and weakens the control environment, and to oversee the financial reporting process.”
3. This report seeks to demonstrate that the Terms of Reference of the Committee have been met to provide assurance to the Police and Crime Commissioner (PCC), the Chief Constable and other stakeholders.
4. The main benefits of the JIAC include providing additional assurance through a process of independent and objective review, raising awareness of the need for internal controls and reinforcing the importance of Internal and External Audit, and any other similar review process for example providing a view on the Annual Governance Statement.
5. **Appendix A** provides a table detailing the Terms of Reference for the Committee and the assurance that the JIAC has had against each item during 2015/16.

**RECOMMENDATIONS**

**Members note that all items have been covered where relevant and where they have not been covered there is a plan to do so.**

**CONTACT OFFICER**

Trevor Lake  
Chair of the Joint Independent Audit  
Committee.

**SUPPORTING DOCUMENTATION**

Appendix A: Terms of Reference  
and activity that the JIAC has  
undertaken during 2015/16

**BACKGROUND PAPERS**

None

Terms of Reference	Coverage During 2015/16
<b>Internal Control and Governance Environment</b>	
To support the PCC, Chief Constable and statutory officers in ensuring that effective governance are in place and functioning efficiently and effectively, and making any recommendations for improvement.	The JIAC met with the PCC and CC on February the 4 <sup>th</sup> 2016 to detail the work of the Committee and any recommendations.
To review any issue referred to it by the statutory officers of the PCC and Chief Constable and make recommendations as appropriate	<p>There have been no specific instances referred to the JIAC during 2015/16, however the JIAC chair has attended 3 of 4 Good Governance Group meetings in 2015/16.</p> <p>JIAC members have received a private briefing on the status of the disciplinary investigation for the Chief Constable from the Chief Executive of the OPCC.</p>
To consider and comment upon the Scheme of Consent/ Scheme of Delegation.	The scheme is currently being revised and will be approved post-election and presented to the JIAC at a future meeting in 2016.
To consider and comment upon any policy or strategy relating to sponsorship.	<p>The Income, Innovation and Investment Policy was presented to the JIAC in December 2015 with a covering report detailing the process when offers are received.</p> <p>Members noted the report and were assured by the process in place for accepting sponsorship.</p>
To review the effectiveness of internal control systems and provide assurance regarding such systems.	The work programme and Terms of Reference are designed to be able to provide such assurance. Where concerns have been raised by JIAC these have been addressed.
To scrutinise the annual governance statements prior to publication.	The Annual Governance Statement was scrutinised in the September 2015 JIAC meeting prior to final publication.
To review and monitor the effectiveness of PCC and Chief Constable policies on fraud, irregularity and corruption, including "whistle blowing".	The OPCC/Force Anti-Fraud and Corruption Strategies were presented to the JIAC in the December 2015 meeting. Members noted the report and were satisfied with the approach being adopted.
To consider and comment upon any policy or strategy regarding	During 2015 Members received a number of reports detailing the

Terms of Reference	Coverage During 2015/16
commissioning.	commissioning activity of the OPCC. Members expressed a concern with the robustness of the monitoring of delivery, an area that had also been identified as a risk by the OPCC Executive Team. Members received an action plan detailing planned improvements and activity to date. A Senior Contracts Officer has now been appointed as reflected in the risk update presented at the April 2016 meeting.
To consider and comment upon any proposals regarding the giving of grants.	As above. The process is considered at a high level rather than the JIAC seeing all proposed grants as that would not be possible given the timing of committee meetings and the requirements of the grant sign off. I suggest the Terms of Reference need amending accordingly.
To ensure that an effective system of scrutiny of the Treasury Management Strategy and policies are in place.	Treasury Management activity is reported to JIAC in the June and December meetings. Members were satisfied that Treasury Management activity is in line with the agreed strategy.
To review and monitor items of novel, contentious or repercussive expenditure.	No items have been referred to the JIAC during 2015/16, although an initial proposal to transfer the PNL reserve has been raised.
To commission assurance work (e.g. specialist advice or audit)	No further work has been commissioned during 2015/16, where members have requested further work be undertaken by Internal Audit for example on Data Integrity this work has taken place.
To review compliance with policies relating to declarations of interest, gifts and hospitality.	This was discussed in the June 2015 meeting and will be discussed again in the July 2016 meeting prior to accounts sign off.
To receive reports on information governance assurance and consider appeals on OPCC FOI requests.	This was reported in the April 2015 meeting and will be discussed again in the April 2016 meeting. No concerns were raised.
To consider and comment upon the assurance framework.	The assurance framework will be presented alongside the Annual Governance Statement in the July 2016 meeting.
To review its own effectiveness on an annual basis	The JIAC self-assessed in the December 2015 meeting. Members

Terms of Reference	Coverage During 2015/16
	were satisfied as to the Committee's own effectiveness and identified areas to further develop.
<b>Corporate Risk Management</b>	
To consider and comment upon the strategic risk management processes.	The JIAC receive risk management updates four times a year and provide robust challenge. At the last meeting Members considered the information provided and were assured that an effective process was in place for the OPCC and the Force.
To provide assurance that organisational risks are being effectively managed.	Members are provided with updates each meeting regarding progress on mitigating risks. Chair attended the Force Risk Management Committee on 30/11/15 for assurance. Risk Review meeting June 2015 between JIAC Chair, PCC, OPCC Chief Executive and CFO.
<b>Internal and External Audit</b>	
To consider the internal audit strategy and annual plan, and make recommendations as appropriate.	The Internal Audit strategy and annual plan was presented to the April 2015 meeting. Members were satisfied with the proposals.
To consider the Head of Internal Audit's annual report and opinion, and a summary of internal audit activity (actual and proposed) and the level of assurance it can give over corporate governance arrangements, and make recommendations as appropriate	The Annual Report of the Head of Internal Audit was presented at the June 2015 meeting. Members were satisfied with the overall opinion and requested further information on vetting which was subsequently received.
To receive and review summaries of internal audit reports, and make recommendations as appropriate.	Relevant reports are received at each meeting with the contents noted and appropriate challenge given regarding implementation of recommendations.
To consider a report from internal audit on agreed recommendations not implemented within a reasonable timescale and make recommendations as appropriate.	As above.
To review the effectiveness of internal audit.	Internal Audit report to each meeting and no major concerns have been raised. Internal Audit are challenged regarding, recommendation follow up, performance management and achievement of the audit plan.

<b>Terms of Reference</b>	<b>Coverage During 2015/16</b>
To consider the external auditor's annual plan, annual audit letter and relevant specific reports as agreed with the external auditor, and make recommendations as appropriate.	The External Audit Plan will be presented to the April 2016 meeting. External Audit provide updates through the year and are in attendance at the majority of Audit Committee meetings. Members question External Audit regarding their work and consider the fees.
To review the effectiveness of external audit.	As above.
To consider and comment upon any proposals affecting the provision of the external audit service, including the level of fees charged.	As above.