JOINT INDEPENDENT AUDIT COMMITTEE
3 SEPTEMBER 2014

SUBJECT	**AUDIT COMMITTEE SELF ASSESSMENT**
REPORT BY	**CHAIRMAN OF THE JOINT INDEPENDENT AUDIT COMMITTEE**
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SUMMARY AND PURPOSE OF REPORT **To review the Committee's approach to their self assessment and to note progress.**	
RECOMMENDATION	***That:*** ***1. Progress and actions are noted***

A. SUPPORTING INFORMATION

1.1 The Financial Management Code of Practice states that: 'In setting up the Audit Committee, the Police and Crime Commissioner (PCC) and the Chief Constable should have regard to the Chartered Institute of Public Finance and Accountancy (CIPFA) Guidance on Audit Committees[1]'. In 2013 CIPFA published a practical guidance document that included assessment tools.

1.2 In addition, the Accounts and Audit (England) Regulations 2011 require the relevant body (the Police and Crime Commissioner/Chief Constable) to conduct a review at least once a year of the effectiveness of its system of internal control[2].

1.3 On 8 August 2014 all members of the Committee, the RPO and the Force Chief Finance Officer attended the 'Evaluating the Effectiveness of the Audit Committee workshop. The session was facilitated by a CIPFA associate.

1.4 The purpose of the workshop was to consider and assess where the Audit Committee is most effective and where there may be scope to make improvement.

1.5 Members and officers discussed the following nine areas (as recommended in the 2013 CIPFA guidance):

Areas where the audit committee can add value by supporting improvement

1. Promoting the principles of good governance & their application to decision making
2. Contributing to the development of an effective control environment
3. Supporting the establishment of arrangements for the governance of risk and for effective arrangements to manage risks

[1] Audit Committees: Practical Guidance for Local Authorities, CIPFA, 2005
[2] Section 4 (2)

4. Advising on the adequacy of the assurance framework & considering whether assurance is deployed efficiently & effectively
5. Supporting the quality of the internal audit activity, particularly by underpinning its organisational independence
6. Supporting the achievement of the organisation's goals & objectives through helping to ensure appropriate governance, risk, control & assurance arrangements
7. Supporting the development of robust arrangements for ensuring value for money
8. Monitoring the values of good governance, including effective arrangements for countering fraud & corruption risks
9. Promoting effective public reporting to the organisation's stakeholders & local community & measures to improve transparency & accountability through receiving assurance on this.

1.6 The group considered and reviewed evidence in relation to the above. Following discussion, several actions were suggested and agreed:

- Review the Committee's Terms of Reference for the November meeting.
- Finalise the developing PCC/CC Assurance map (NB this is a work in progress – see report elsewhere on agenda).
- Capture the Deputy Chief Constable's feedback on the effectiveness of the Committee before he retires from the force in September.
- Consider the Committee's role in the areas of performance management, value for money and public reporting.
- Consider a mid-term self-assessment review.

1.7 Members' one-to-one reviews will be conducted during the period August – October 2014. The Chairman's review with the Commissioner and Chief Constable will take place thereafter.

B. FINANCIAL CONSIDERATIONS

The cost of the facilitated workshop was £850.

C. LEGAL AND HUMAN RIGHTS CONSIDERATIONS

Home Office publication - Financial Management Code of Practice for the Police Service of England and Wales (2012), presented to Parliament pursuant to Section 39A (5) of the Police Act 1996 and Section 17 (6) of the Police Reform and Social Responsibility Act 2011. Available at http://www.official-documents.gov.uk/document/other/9780108511332/9780108511332.pdf

The Accounts and Audit (England) Regulations 2011. Available at http://www.legislation.gov.uk/uksi/2011/817/contents/made

D. PERSONNEL, EQUAL OPPORTUNITIES AND DIVERSITY ISSUES (including any impact or issues relating to Children and Young People.)

None.

E. REVIEW ARRANGEMENTS

The Annual Governance Statement will be presented to the JIAC in September each year. This includes information about mechanisms for ensuring robust internal controls.

F. RISK MANAGEMENT

Non compliance with statutory legislation and guidance is a risk that is mitigated by robust corporate governance and effective systems of internal control.

G. PUBLIC ACCESS TO INFORMATION

Information in this report along with any supporting material is subject to the Freedom of Information Act 2000 and other legislation.