



To: Joint Audit Committee
From: Nicola Scrivings, Chair of Joint Audit Committee
Date: 29 June 2017

2016/17 Committee Annual Report

1. Purpose

- 1.1 To provide the Cambridgeshire Police and Crime Commissioner and the Chief Constable for Cambridgeshire, with an annual report summarising work undertaken and the Joint Audit Committee's conclusions from the meetings undertaken during 2016/17. This report covers the period 1st April 2016 to 31st March 2017.

2. Introduction

- 2.1 This annual report aims to give an overview of the role and function of the Committee and how it has supported the effective discharge of business. The Committees' contribution is through the provision of advice and guidance in accordance with good governance principles and provides a focus on audit assurance, governance, internal control and the risk management process.

3. The role of the Joint Audit Committee

- 3.1 The role of the Committee, as set out in its Terms of Reference (Appendix 1) is to provide independent assurance to the Cambridgeshire Police and Crime Commissioner and the Chief Constable in the adequacy and effectiveness of the risk management framework and the internal control environment. It provides independent review of governance, risk management and control frameworks and oversees the financial reporting and annual governance processes. It oversees internal audit and external audit, helping to ensure efficient and effective assurance arrangements are in place.

4. Key Areas of Focus for the Committee in 2016/17

- 4.1 The Committee met 4 times in 2016/17 on the following dates: 23rd June 2016, 29th September 2016, 16th December 2016 and the 30th March 2017. Additionally there was a Joint meeting of the Cambridgeshire, Bedfordshire and Hertfordshire Audit Committees on the 17th March 2017.

Financial Reporting

- 4.2 In September 2016 the Committee reviewed the Police and Crime Commissioners' and the Chief Constables' Statement of Accounts for 2015/16. At this meeting the Committee expressed its disappointment over the lack of communication with them regarding the lateness of the accounts and discussed extensively the need for a different approach for the 16/17 accounts. This point is covered later in the report.

Annual Governance Statements

- 4.3 At the June 2016 meeting, the Committee reviewed and recommended adoption of the Annual Governance statement of the Police and Crime Commissioner and Chief Constable.

Internal Audit and other forms of Assurance

- 4.4 The Joint Audit Committee reviewed and agreed the 2017/18 Internal Audit plan at its meeting in March 2017.
- 4.5 At each Committee meeting the Committee has received a progress report highlighting progress and concerns, with the Internal Auditors (RSM) attending every meeting.
- 4.6 Additionally, the Joint Audit Committee also received updates on HMIC assessments, the annual PEEL assessment and reviews from other regulatory bodies (for example OFSTED) that link to the work of the Police and Crime Commissioner. This gives the Joint Audit Committee a more holistic view of areas of concern for risk oversight.

Risk Management

- 4.7 The Joint Audit Committee has had good oversight of the risk management approach in both organisations. The Strategic risk register was discussed in September 2016 and March 2017. The Operational risk register from the Constabulary has been reviewed in June 2016 and December 2016. As with 15/16 both organisations have been very open to challenge, with action taken as a result.

Treasury Management

- 4.8 The Joint Audit Committee is responsible for ensuring that an effective system of scrutiny is in place in respect of Treasury Management, strategy, policies and practices. On 16th June 2016 the Committee received a comprehensive summary of the strategy for 2016/17. The Treasury Management Annual Report for 2015/16 was reviewed on 16th September 2016.

Integrity and Counter-Fraud

- 4.9 The Joint Audit Committee has a responsibility for oversight of the controls environment for non-financial integrity arrangements. We received a report in June 16 which summarised the controls process and how the Committee gains assurance.

Key observations

- 4.10 External Audit. As identified earlier the accounts were completed very late and almost missed the deadline. The Committee received assurances from E&Y that their approach for the 16/17 accounts would be overhauled, with more dedicated experienced resource and more realistic timelines. Thus far the actions have been adhered to but the Committee emphasises the importance of ensuring better communication and tighter management of deadlines this year.
- 4.11 The 2014/15 Internal Auditors report was critical of progress on a small number of outstanding actions. The Committee is pleased to report that we have seen a better approach this year, and in December 16 saw for the first time a new tracker for all audit recommendations that enables better oversight and although we have not yet had the final Internal Auditors opinion we expect it to reflect the more robust approach followed during 16/17. The Committee would like to reinforce the importance of keeping this approach in place though the coming year.
- 4.12 Collaboration oversight and progress. During the year the Joint Audit Committee has had oversight of the Collaboration programme through its regular review of the Strategic Risk Register. The Tri-force meeting cemented this understanding through a very detailed briefing which outlined the scale and complexity of the programme going forward, and also raised some concerns about progress of benefits realisation. Whilst the Joint Audit Committee is confident that the programme has good controls to manage the risks associated with the programme, because of its critical nature of underpinning future financial plans, the Joint Audit Committee recommends that the tri-force meetings continue and become embedded as a Forum to discuss issues of integration or dependencies.

5 Performance of the Committee and evaluation of effectiveness

- 5.1 Members of the Committee must have an understanding of the financial, risk and control, and corporate governance issues facing the Commissioner and the Chief Constable. They must have the ability to challenge, question, and probe and seek clarification from the Commissioner and Chief Constable when required.
- 5.2 Training. To support members within their role training sessions have been held either before or after the main committee meetings. Specifically, this year, the Committee focussed on growing their operational knowledge, although co-ordinating diaries has meant this has not progressed as far as we had hoped.

Attendance and Membership

- 5.3 Ansar Ali resigned from the Committee at the start of the year. It was necessary to recruit a new Member of the Committee based upon a refreshed skills audit. Simon Smith joined the Committee in September 2016.

The table below shows attendance by Members at the meetings.

	June 16	Sept 16	Dec 16	Mar 17
Simon Smith	N/A	N/A	X	
Mike Hindmarch	X	X	X	X
Nicola Mullany	X		X	X
Nicola Scrivings	X	X	X	X
James Morgan		X	X	X

Evaluation of effectiveness

- 5.4 The Committee reviewed its Terms of Reference at its September meeting, where four changes were recommended and adopted by the Committee.
- 5.5 The Committee reviewed its effectiveness at the meeting in June 2016. It noted that the Committee was effective in meeting its Terms of Reference. The main recommendation made was that the Committee would benefit from an external review at an appropriate time. It would seem sensible if this was scheduled to coincide with the new chair.

Reporting

- 5.6 Agendas reports and minutes from the Joint Audit Committee are made available on the website of the Police and Crime Commissioner at <http://www.cambridgeshire-pcc.gov.uk/>

6 Priorities for 2017/18

- 6.1 The Committee are grateful for the openness and transparency that operates in its dealings with all members of the Office of the Police and Crime Commissioner and the Constabulary. Positive relationships mean that the organisations have been open to challenge from the Committee with a good sense of ownership of outcomes.
- 6.2 These relationships have been reinforced by good consistent attendance from both organisations at the Committee. The Committee understand that on occasion operational issues take priority for senior operational leadership, but would like to reinforce how the discussions are always enriched by their attendance for more detailed discussions.
- 6.3 In addition to the core work of the Committee the over-riding area for continued vigilance, is in oversight of progress of the Collaboration programme. The complexity

and inter-dependencies of this programme, and its strategic significant to the three forces, underpins the need for good relationships and openness both within the force, and across regional and organisational boundaries. At the date of this report it is unclear as to whether the recent re-election of the Conservative Party (with the DUP in support) will impact on the direction of travel or operational budgets. Irrespective of any changes to approach the Committee will continue to seek assurance on progress through its established control processes and continue to champion the need for structured tri-force oversight of the Collaboration programme.

7 Conclusion

- 7.1 The Committee has identified and agreed its forward plan for 2017/18 which will adapt as necessary in the light of the changing risk environment.

8 Recommendations

- 8.1 The Committee is asked to note the contents of the report.
- 8.2 That the annual report be approved by The Police and Crime Commissioner and The Chief Constable.