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Joint Audit and Standards Committee  
Review of Effectiveness 2016/17

## Executive Summary

The purpose of an audit committee is to provide those charged with governance<sup>1</sup> independent assurance on the adequacy of the risk management framework, the internal control environment and the integrity of the financial reporting and annual governance processes.

CIPFA's guidance document, Audit Committee's Practical Guidance for Local Authorities and Police, recommends that audit committees review their effectiveness annually. The Annual Report of the Committee sets out the conclusions of that review and provides a commentary on the effectiveness of the Committee in fulfilling its purpose.

The review covers four areas, Core Committee Functions, Wider Functions, Independence and Accountability and Membership and Effectiveness. For each area under review, the overall conclusions are assessed against an evaluation key with a score of 1-5, with 5 indicating the highest level of effectiveness.

*CIPFA notes the importance of the capacity of the Committee to promote good governance, making things better, not just reviewing what has happened in the past.*

The overall conclusions from the assessment is that the committee is highly effective in its operation. The key messages arising from the review are that:

- The Committee has continued to build on the firm foundations put in place at the inception of the OPCC, expanding and refining its remit in the light of changing circumstances and emerging trends.
- Members recruited appropriately and the range of skills strengthened through new appointments.
- The Committee's remit complies with best practice.
- The Committee is supported by key members of the OPCC and Chief Constable's management teams at all Committee meetings to ensure that members are appropriately informed when considering the issues.
- Audit and Standards Committee members have carried out their duties diligently, achieving 95% attendance at meetings, have made a valued contribution to governance arrangements and have taken action on specific issues.
- Members have substantially increased formal and informal training and development activities and adjusted their remit accordingly.

### Core Functions

Promoting Good Governance (5)  
Supporting Internal Audit and Internal Control (5)  
Supporting Risk Management (5)  
Assurance Frameworks and Planning (5)  
Supporting Value for Money (5)  
Values & Countering Fraud and Corruption (5)  
External Audit and Inspection (5)  
Promoting Reporting and Accountability (4)

The committee achieves a consistent grade of 4 or 5 across all areas of the assessment against the Core Functions and a grade 5 assessment against the Wider Functions of Ethical Values and Treasury Management. Independence and Accountability and Membership and Effectiveness both score a grade 5, being evidenced as fully compliant with best practice requirements.

<sup>1</sup> The Commissioner and the Chief Constable  
Corporate Support / Financial Services / MB

In the one area where the Committee has not achieved a grade 5 (promoting effective public reporting, partnership governance and accountability), there are plans to improve and develop the arrangements. The Committee's continues to strive for improvements across all areas of its activities and plans for 2017/18 include:

- Helping to improve the outcome focus of the new Police and Crime Plan so that delivery can be measured more effectively.
- Exploring ways to strengthen partnership working with the Police and Crime Panel and the Ethics and Integrity Panel where appropriate.
- Support and monitor the OPCC and Constabulary plans to address the increasingly stringent funding environment.
- Support and challenge any new governance arrangements, for example, from restructuring, greater collaboration with other organisations or joint working on delivery of services.

In carrying out the review Committee members have been able to evidence numerous examples of their impact. This has included:

- Improvements in the clarity of analysis and reporting of risk management within the OPCC.
- Taking steps to ensure that the Committee are appropriately briefed on key issues including potential changes to the funding formula and reports on performance issued by HMIC.
- Improvements to the financial regulations both in terms of the overall wording of the document and greater clarity being provided in respect of ex-gratia payment limits and authorisation.
- Increased understanding of the impact of regulatory changes in relation to the treasury management function, supporting robust scrutiny of the annual treasury management strategy.
- Oversight and scrutiny of a wider range of thematic audit reports recognising the increasing scope of each entities risk profile.
- Changing the committee's arrangements for scrutiny of financial arrangements to support early closedown recognising that this limits the capacity of the committee to input to the pre-audited financial statements.

The review of the effectiveness of the arrangements has demonstrated that the Committee can evidence substantial support, influence and persuasion in carrying out its functions. These are the elements defined by CIPFA as the factors that evidence the Committee's effectiveness.

The Committee's full review of Effectiveness provides further information on the assessment process and CIPFA standards, this together with the Committee's Terms and Reference and detailed work programme for 2016/17 can be found on the Commissioner's website at <https://cumbria-pcc.gov.uk/finance-governance/budget-finance/joint-audit-and-standards-committee/>. The Joint Audit and Standards Committee holds public meetings, Committee papers and audit reports are all available on the Commissioner's website using the above link.

## Introduction

The purpose of an audit committee is to provide those charged with governance<sup>2</sup> independent assurance on the adequacy of the risk management framework, the internal control environment and the integrity of the financial reporting and annual governance processes.

CIPFA's document, Audit Committee's Practical Guidance for Local Authorities and Police, recommends that audit committees review annually their effectiveness. This report sets out for the Commissioner and Chief Constable's Joint Audit and Standards Committee the conclusions of that review and provides a commentary on the effectiveness of the Committee in fulfilling its purpose.

## Review of Effectiveness

The review has been undertaken against the framework of the CIPFA document. It reviews the activities and impact of the Committee against the guidance in relation to the purpose and functions for Audit Committees and a checklist for effectiveness. The full range of activities undertaken by the Committee during 2016/17 is also set out in Appendix A as a consolidated summary of the work of the Committee in fulfilling its functions. For each of the areas in the CIPFA guidance, an assessment is made to award a grade in accordance with the CIPFA standard, based on the conclusions of the review. The grades are set out in table one below. In addition to consideration of Committee activity the review of effectiveness is also supported by consideration of the issues of Committee independence and objectivity and the skills and experience of members. Audit Committee members have further agreed a self-assessment checklist for good practice, included with the CIPFA document to support the annual review.

Table One: CIPFA Effectiveness Evaluation Assessment Key

Score	Assessment Key
5	Clear evidence is available from a number of sources that the committee is actively supporting improvements across all aspects of this area. The improvements made are clearly identifiable.
4	Clear evidence from some sources that the committee is actively and effectively supporting improvements across some aspects of this area.
3	The committee has had mixed experience in supporting improvement in this area. This is some evidence that demonstrates their impact but there are also significant gaps.
2	There is some evidence that the committee has supported improvements, but the impact of this support is limited.
1	No evidence can be found that the audit committee has supported improvements in this area.

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<sup>2</sup> The Commissioner and the Chief Constable  
Corporate Support / Financial Services / MB

## Overall Conclusions and Assessment

The overall conclusion and assessment is that the Audit and Standards Committee is extremely effective in its operation.

The review has demonstrated that within the areas of the self-assessment the Committee can evidence the effective use of substantial support, influence and persuasion in carrying out its functions. These are the elements defined by CIPFA as being evidence of effectiveness. The committee achieves a consistent grade of 5 in 7 out of the 8 areas of the assessment against the Core Functions (with the other being graded a 4) and a grade 5 assessment against the Wider Functions of Ethical Values and Treasury Management. Independence and Accountability score a grade 5 and Membership and Effectiveness also score a grade 5. In the one area where the Committee has not achieved a grade 5 there are plans to improve and develop the arrangements. The key messages arising from the review are that:

- Committee members have carried out their duties diligently, meetings are well attended and members have made an effective contribution to governance arrangements
- Members have kept up to date with training and developments. During 2016/17 these arrangements have continued to include a corporate briefing prior to Committee meetings and for 2016/17 specific development sessions covering treasury management, the police and crime plan and the budget/MTFF. In addition for 2016/17, the constabulary hosted an “introduction to policing day” which was attended by all members and provided a valuable insight into a number of areas of operational policing, including the bail act, control room, child sexual exploitation, cyber crime, custody and neighbourhood policing.
- Another development for 2016/17 is that Members have also been provided with an “Induction Pack and Handbook” which provides a number of useful documents in one handbook and includes details of structures, key individuals and governance arrangements within the OPCC and Constabulary.

As part of the overall assessment process the Commissioner and Chief Constable were asked to comment on the effectiveness of the Committee, their comments were as follows:

### The Police and Crime Commissioner for Cumbria Comment

The Joint Audit and Standards Committee continues to provide independent professional assurance with regard to the governance and standards across the wide spectrum of work undertaken by the Constabulary and OPCC. The service supports both the OPCC and the Chief Constable and is complimentary to the work of internal audit, the public accountability process and Her Majesty’s Inspectorate of Constabulary (HMIC). The Committee’s specialist knowledge and flexibility to provide in depth scrutiny as necessary, gives me, on behalf of the public, additional assurance of the appropriate performance and accountability of the Constabulary.

## Chief Constable for Cumbria Constabulary Comment

The Joint Audit and Standards Committee perform a pivotal function in reassuring me that the appropriate governance and controls are in place within the Constabulary. Because of the skills and individuals on the committee they are able to ask detailed and relevant questions to ensure good governance.

The rest of this report sets out the requirements of the CIPFA guidance, the arrangements for the Committee and the evidence and conclusions of the review. It is set out in four sections with supporting appendices:

- **Section One:** Core Committee Functions and the Effectiveness Checklist page 7-21
- **Section Two:** Possible Wider Functions of an Audit Committee page 22-23
- **Section Three:** Independence and Accountability page 24-25
- **Section Four:** Membership and Effectiveness page 26-28
- **Appendix A:** Committee Activities 2016/17 page 29-31
- **Appendix B:** Committee Terms of Reference Assurance Framework page 32-37
- **Appendix C:** Governance Documents Review Schedule page 38
- **Appendix D:** Committee Attendance page 39
- **Appendix E:** Committee Chair and Member Role Profiles page 40-43
- **Appendix F:** CIPFA Good Practice Checklist page 44-46

# Section One: Core Committee Functions and the Effectiveness Checklist

*CIPFA notes the importance of the capacity of the Committee to promote good governance, making things better, not just reviewing what has happened in the past.*

## Promoting the Principles of Good Governance/Annual Governance Statement

CIPFA guidance makes clear that Audit Committees should address governance principles in the course of its regular business rather than governance being limited to a once a year reporting process.

There should be a local code of governance setting out how the principles of the CIPFA SOLACE good governance framework are applied, that should be reviewed by the Committee. Police Audit Committees should review the Annual Governance statement (AGS) of both the Commissioner and the Chief Constable prior to approval.

The CIPFA guidance provides that to meaningfully review the AGS, the Committee should be in a position to draw on their knowledge of the governance arrangements as they are established and on assurances of their operation in practice. It should also ensure that the AGS is underpinned by a framework of assurance.

Over the course of the year the Committee should receive reports and assurances over the application of the governance framework, monitor action plans and recommendations and consider the application of governance principles to other agenda items. CIPFA notes the importance of the capacity of the Committee to promote good governance, making things better, not just reviewing what happened in the past.

## Self-evaluation, examples, areas of strength and weakness

The Committee's annual work programme includes an independent cyclical review of the Commissioner and Chief Constable's governance framework and all material governance arrangements. During 2016/17 the work of the Committee has included:

- Reviewing and advising on revisions to and the updating of the financial regulations and financial rules, the OPCC Grant regulations, the OPCC scheme of delegation/consent and the OPCC treasury management strategies and practices. The review of treasury management included a briefing by external treasury management advisors (Arlingclose) in respect of changes to the wider economic environment and associated implications for the operation of the treasury management function within the OPCC, following which members were able to robustly challenge changes in the approach to investment strategy. Members input to financial regulations, financial rules and grant regulations has resulted in improvements to the overall wording of the document and greater clarity being provided.

- A review of the role of the Commissioner and Chief Constable's Chief Finance Officer against the CIPFA guidance for police and consideration of the Chief Finance Officer's review of the effectiveness of arrangements for governance, including internal audit and a review of the role of the Head of Internal Audit against CIPFA guidance.
- In line with CIPFA recommendations, the Committee reviewed the Chief Constable and Commissioner's AGS in May, prior to the publication of the unaudited statement and again in July prior to publication alongside the audited accounts. Alongside the AGS, members reviewed the Commissioner and Chief Constables Code of Corporate Governance.
- The Committee receive all audit reports in full, at the point at which they were finalised, with members requesting that reports with significant issues are tabled at Committee meetings. Members have given specific focus to audit reports covering code of ethics, property handling, police pensions, creditors, surrendered and seized firearms, procurement, the multi-agency safeguarding hub, code of corporate governance and stop and search.
- The scope of the audit plan has been significantly developed since 2014/15 to ensure it provides wider governance assurance in addition to that provided on core financial systems and financial governance. The audit areas covered in 2016/17 are highlighted in the bullet above. During 2017/18 the approved audit plan will focus on finances/formula funding, vulnerability, firearms licensing, use of force, commissioning, performance development and 5/15week reviews, duty management, IT capacity, fleet, digital media investigation, business improvement unit and OPCC information security.
- At their meeting in May 2016 internal audit provided members with a draft annual audit opinion and an audit report on the Annual Governance Statement providing assurance from the group Audit Manager (Head of Internal Audit). Members also receive further assurance at each meeting through reports from the external auditors. This included the Audit Findings Report presented to members in July 2016 setting out the external auditor's un-qualified opinion on the financial statements and an un-qualified value for money conclusion.

Through these arrangements and their prior experience and skills, members develop a robust understanding of governance across the OPCC and Constabulary and the extent to which those arrangements are well embedded. This provided the basis on which Committee members provided assurance and add value with regard to governance.

### **Conclusion and Overall Assessment: Assessment Grade 5.**

The Committee is fully compliant with the CIPFA guidance. Clear evidence is available from a number of sources that the Committee is actively supporting improvements across all aspects of this area. The improvements made are clearly identifiable.



## Contributing to the development of an effective control environment & supporting the quality and independence of Internal Audit

*The Audit Charter is a key governance document setting out the purpose, authority, responsibilities and objectives of Internal Audit.*

CIPFA guidance makes clear that the Audit Committee has a clear role in relation to oversight of the internal audit function.

Within policing, the advisory role of the Committee means that this responsibility is managed through support and review of the arrangements for internal audit. These arrangements are set out under the requirements of the Public Sector Internal Audit Standard (PSIAS) and the supporting Local Government Application Note (LGAN) within an Audit Charter.

The Audit Charter sets out the functional reporting arrangements between Internal Audit, the Board<sup>3</sup> and the Joint Audit and Standards Committee. CIPFA guidance sets out a number of roles for the committee as part of the support and review arrangements. These are to oversee Internal Audit's independence, objectivity, performance and professionalism, support the effectiveness of the internal audit process and promote the effective use of internal audit within the assurance framework.

### Self-evaluation, examples, areas of strength and weakness

The Committee's annual work programme, in line with the CIPFA guidance, includes a review of the Internal Audit Charter and a review of a risk based internal audit plan including the audit budget and number of audit days within the plan. The report that incorporates the Plan and Charter was received by members in March 2016 in respect of the 2016/17 financial year. In March 2017 members approved the Plan and Charter for 2017/18 which has increased the number of audit days by 7 from 274 in 2016/17 to 281 in 2017/18 to reflect increased work identified by the OPCC and Constabulary in relation to risks identified. The plan sets out the process undertaken to assess risks and develop a programme of audit in accordance with the risk based approach of the PSIAS.

*The Committee meets annually and independently with the Internal Auditors and receives an annual report and opinion from the Chief Internal Auditor*

The Audit Charter, in compliance with the PSIAS, makes a number of statements setting out how the arrangements for Internal Audit provide assurance with regard to ethics, independence and objectivity, including arrangements for resourcing and ensuring proficiency and due professional care. The Committee receive an annual statement on conformance with the PSIAS and LGAN. In reviewing the Audit Charter Committee members are able to assess and challenge the robustness of these arrangements.

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<sup>3</sup> The Executive Board comprising the Commissioner, the Chief Constable, the Commissioner's Chief Executive and the Commissioner's Chief Finance Officer  
Corporate Support / Financial Services / MB

The Committee meets annually and independently with the Internal Auditors and receives an annual report and opinion from the Chief Internal Auditor on the adequacy and effectiveness of governance, risk management and internal control. The report includes a summary of the audit work on which the opinion is based. This is supported by a report from the Chief Finance Officer on the overall effectiveness of the arrangements for internal audit including the opinion of the external auditor.

The Committee receives all internal and external audit reports in full supporting assurance on the overall control environment. The reporting format was improved in 2014/15 to provide a stronger link between audit recommendations and control objectives. The reports also aim to focus attention on internal control strengths and recommendations. Members have considered reports across a diverse range of Constabulary and OPCC business including procurement, the multi-agency safeguarding hub, mobile & digital, stop & search, governance, self-service travel expenses & overtime and a follow up to the 2016/17 audit of the duties management system.

Monitoring against performance measures and benchmarks for the Internal Audit service was introduced in 2014/15 and has continued throughout 2016/17. Proposed performance measures are reviewed at the start of the financial year and have been included within the Internal Audit Charter on the recommendation of the Committee. Members have received a quarterly monitoring report assessing actual performance against the benchmark. In 2014/15 recommendations were made by members regarding ways in which the service might improve the volume of post audit customer feedback. The result is that during 2016/17 feedback forms have been provided in respect of the majority of finalised audits. Where these were not initially received, a programme of reminders both by internal officers and by internal audit is implemented to ensure 100% compliance.

The terms of reference of the Committee and associated annual work programme fully complies with the detailed CIPFA guidance. Collectively these arrangements ensure members are able to make effective judgements on the effectiveness of internal controls and Internal Audit provision, making recommendations with regards to improvement.

### Conclusion and Overall Assessment: **Assessment Grade 5.**

The Committee is fully compliant with the CIPFA guidance. Clear evidence is available from a number of sources that the Committee is actively supporting improvements across all aspects of this area.

*Internal Audit's work is designed to provide assurance to management and members that effective systems of governance, risk management and internal control are in place in support of the delivery of the Commissioner and Chief Constable's objectives*

## Supporting arrangements for the governance of risk and effective arrangements to manage risk

CIPFA guidance references that Police Audit Committees are directed in the Home Office Financial Management Code of Practice to advise the Commissioner and Chief Constable on the adoption of appropriate risk management arrangements.

It also notes the assurance that risk management provides in respect of the AGS and when reviewing the risk based internal audit plan. The guidance describes governance of risk as the arrangements for leadership, integration of risk management arrangements, ownership and accountability. Effective arrangements to manage risk include:

- those for reviewing risks,
- arrangements that secure the ownership and management of strategic, operational and project risks,
- assurance arrangements for risk assessing strategies and policies,
- the arrangements for monitoring effectiveness and supporting the development and embedding of good practice in risk management.

### Self-evaluation, examples, areas of strength and weakness

In accordance with the CIPFA guidance, specific actions undertaken by the Committee during 2016/17 included:

- Receipt at the Committee's meeting in May of a retrospective report from the Chief Executive setting out the OPCC arrangements for monitoring the effectiveness of risk management. This was the third annual report on the arrangements for risk management following a recommendation made by the Committee in 2013/14.
- Reviewing the arrangements for risk management within the Constabulary and making specific recommendations regarding improving the openness and transparency of those arrangements. This in previous years has resulted in agenda items on risk management being moved from the private agenda to the public meetings.
- Review of the Commissioner's annual Risk Management Strategy. The strategy is a comprehensive document that provides the basis for members to challenge and provide assurance over how risks are governed and managed. The strategy now includes on recommendation from the Committee arrangements for determining risk appetite. The

*The Risk Management Strategy is a comprehensive document that provides the basis for members to challenge and provide assurance over how risks are governed and managed.*

*The Committee has nominated a lead member for risk who provides prior input and advice on the Risk Management Strategy prior to its consideration by the full Committee*

review of Risk Management Strategy is supported by a quarterly review of strategic risk registers that set out the most significant risks facing the Commissioner and Constabulary and the mitigations in accordance with the methodology within the strategy. This ensures the Committee has an effective understanding of the significant risks facing both organisations and can hold risk managers to account.

In accordance with best practice, the Committee also compiles and maintains a separate, dedicated risk register to manage risks relating to the Committee's own activities.

### Conclusion and Overall Assessment: **Assessment Grade 5.**

The Committee is fully compliant with the CIPFA guidance. Clear evidence is available from a number of sources that the Committee is actively supporting improvements across all aspects of this area. The improvements made are clearly identifiable.

## Assurance Frameworks and Assurance Planning

CIPFA guidance explains assurance frameworks as a description that typically outlines the key areas of assurance required by the Audit and Standards Committee that supports the AGS and is available to enable the Committee to meet its terms of reference.

A framework will support the ability to ensure that assurance is planned and delivered efficiently and effectively, avoiding duplication and with independence across a range of assurance providers. It also ensures that the Committee is clear on the extent to which assurance is reliant on the arrangements for Internal Audit.

*The Audit and Standards Committee operates with an assurance-based work programme aligned to its terms of reference*

### Self-evaluation, examples, areas of strength and weakness

The Joint Audit and Standards Committee operates with an assurance-based work programme aligned to its terms of reference and that, in line with the guidance, forms an appropriate balance between cost and risk. The assurance framework that was in place for 2016/17 is set out at appendix B and includes assurances from management, Chief Officers, internal and external audit and external inspectorates. During 2016/17 and in recognition of CIPFA's updated guidance for Audit Committees, members have:

- Improved the arrangements for assurance in relation to a number of areas within the work programme. This included receipt at the May meeting of monitoring reports covering the areas of risk management anti-fraud and corruption monitoring. At their March meeting the Committee received reports covering the Commissioner and Chief Constable's arrangements for providing value for money.
- Improved the efficiency and focus of assurance gathering continued at formal meetings of the Committee by excluding from the agenda audit reports where there are no significant/material issues arising.
- Received an assurance report from the Chief Finance Officer in respect of the sources of assurance members can place reliance on in respect of their review of the statement of accounts.
- Maintained the number of committee meetings at 5 per year to ensure that members can give appropriate time and consideration to agenda items in the context of the widening of the assurance framework.

### Conclusion and Overall Assessment: **Assessment Grade 5**

The Committee is fully compliant with the CIPFA guidance. Clear evidence is available from a number of sources that the Committee is actively supporting improvements across all aspects of this area. The improvements made are clearly identifiable.

## Supporting the development of robust arrangements for value for money and best value

The CIPFA guidance notes that in the Police sector it is the Chief Constable that has statutory responsibility for securing value for money and that the Commissioner's responsibility is to hold the Chief Constable to account for this duty.

The Audit and Standards Committee role is to support both the Commissioner and Chief Constable to fulfil their responsibilities through the assurance process. This should focus on arrangements to ensure value for money and the progress in achieving value for money. This includes how performance in value for money is evaluated as part of the AGS and the Committee's consideration of the external audit opinion on value for money. The AGS should be focused on outcomes and value for money. The Committee should also consider what other assurances are available.

*The Constabulary has developed and agreed a Continuous Improvement, Efficiency and Value for Money Strategy, which sets out the principles the Constabulary will follow and specific reviews which aim to secure maximum value from the resources available to it.*

### Self-evaluation, examples, areas of strength and weakness

*The overall arrangements for value for money are concluded on by the external auditors who provide for the Committee their opinion on value for money. The conclusion for 2015/16 was positive.*

The Commissioner's Code of Corporate Governance and AGS sets out the arrangements for securing the achievement of the goals and objectives set out within the Police and Crime Plan. This includes a performance framework that supports the Commissioner in holding the Chief Constable to account for VFM. These documents also references the receipt annually of HMIC value for money profiles and inspection reports that further support VFM accountability.

The Chief Constable's Code of Corporate Governance provides reference for the Committee to the Constabulary Continuous Improvement, Efficiency and Value for Money Strategy, which sets out the principles the Constabulary will follow and specific reviews, which aim to secure maximum value from the resources available to it. The AGS references the specific reviews that have been undertaken during the year and the improvements in efficiency and effectiveness arising from that work.

The work of the Committee further supports value for money in providing an overview of the treasury management strategy and activities that helps to promote value in the treasury function. This will have greater impact in future years, when decisions will need to be made in respect of borrowing. The timing of decisions will be instrumental to the value for money achieved from the balance between borrowing costs and investment returns.

The overall arrangements for value for money are concluded on by the external auditors who provide for the Committee their opinion on value for money. The conclusion for 2015/16, received by the Committee in the External Auditor's July 2016 Audit Findings Report was positive.

From 2014/15 the format internal audit reports have supported wider assurance for members by covering a specific control objective on 'value: the effectiveness and efficiency of operations and programmes.' Specific audit recommendations with value for money implications are categorised within audit reports under this heading.

Following a review by the Committee during 2013/14 that identified limited 'other' sources of assurance with regard to value for money and securing best value, the Committee now routinely receives a number of reports from the OPCC and Constabulary with a specific focus on value for money. This has included an analysis of HMIC value for money profiles for the Constabulary and OPCC, including further work to benchmark OPCC costs and structure, and the outcome of the HMIC PEEL review of efficiency, effectiveness and legitimacy. As part of the review of the arrangements for value for money, members also sought assurances regarding the approach to the management of reserves, the reserves strategy was included as part of the member development session on the budget, medium term financial strategy and change programme provided in March 2017.

### Conclusion and Overall Assessment: **Assessment Grade 5**

The Committee is fully compliant with the CIPFA guidance. Clear evidence is available from a number of sources that the Committee is actively supporting improvements across all aspects of this area. The improvements made are clearly identifiable.

## Helping to implement values of good governance & countering fraud and corruption

CIPFA guidance states that the role of the Audit and Standards Committee is to have oversight of counter-fraud strategy, assessing whether it meets recommended practice, governance standards and complies with legislation.

The Committee should understand the level of fraud risk to which the organisation is exposed and the implications for the wider control environment. The guidance also recognises the link to ethical standards and the role of the committee in championing good counter-fraud practice. The committee should also monitor performance on counter fraud activity including monitoring action plans and overseeing any major areas of fraud.

### Self-evaluation, examples, areas of strength and weakness

The Audit and Standards Committee undertakes a cyclical review of counter-fraud strategy, policy and action plans as part of the arrangements for review of all core strategic governance documents. This provides an opportunity for members to consider the approach to counter-fraud within the context of the wider governance arrangements and internal controls that support the anti-fraud approach. These arrangements include those covering codes of conduct and ethical behaviour.

During 2016/17 members reviewed and provided constructive feedback on the overall arrangements for integrity. As a result of this feedback changes and improvements have been made to support the clarity of key documents.

In May 2016 members received a report from the Chief Executive monitoring the anti-fraud and corruption arrangements within the OPCC. The report sets out the activity that takes place during the year in line with the strategy and policy and to ensure anti-fraud arrangements are well embedded. The report covered the 2015/16 financial year and members will receive in May 2017 a report covering the 2016/17 financial year.

During 2015/16 the arrangements for ethics and integrity in relation to the Code of Ethics within the Constabulary were subject to internal audit with members receiving a report with an audit judgement of reasonable assurance. The report made three medium priority recommendations primarily covering the areas of training, establishing a lead office for ethics and performance management. During 2016/17 members monitored the implementation of these recommendations.

In July 2016, as part of the arrangements for the financial statements, members received copies of the Commissioner and Chief Constable's letter of management assurance. These are prepared by the respective Corporate Support / Financial Services / MB



Chief Finance Officers and include a full fraud risk assessment. Within the assessment members are briefed on any actual or suspect fraud that has taken place during the year and any changes to the control environment as a consequence of that fraud.

Members further support their understanding of the control environment through receipt of audit reports. During 2016/17 members received a variety of audit reports with judgements of substantial (2), reasonable (4) and partial (2) assurance. The audit reports in relation to major financial systems in respect of self-service overtime and expenses provided reasonable assurance and procurement provided partial assurance. Members receive the full report on all audits supporting a wider understanding of internal controls that can be gained from summary reports.

During 2016/17 the Committee has operated as a Standards Committee for the Commissioner. This has included monitoring the effectiveness of the Commissioner's Code of Conduct and PCC/Officer Protocol, supporting the approach to ethical standards. In 2015/16 the Commissioner and Constabulary established an independent Ethics and Integrity Panel to facilitate a more in-depth scrutiny of arrangements for ethics and integrity including Constabulary conduct matters and the handling of complaints. The second annual report of the Ethics and Integrity Panel was provided to members of the Joint Audit and Standards Committee in May 2016.

### Conclusion and Overall Assessment: **Assessment Grade 5**

The Committee is fully compliant with the CIPFA guidance. Clear evidence is available from a number of sources that the Committee is actively supporting improvements across all aspects of this area. The improvements made are clearly identifiable.

## External Audit & Inspection

CIPFA guidance states that the Audit Committee's role should include receiving and considering the work of the external auditor.

This includes receiving the planned work programme and reports following completion of the audit work such that the committee is able to make judgements on audit resources, assess the effectiveness and quality of the audit (this may include feedback from key people e.g. CFO) and report to the Commissioner or Chief Constable where appropriate. The Committee should also support the implementation of external audit recommendations, review any non-audit work undertaken and have the opportunity to meet separately and privately with the external auditors. The guidance also recognises the assurance that can be provided from reports about financial management and governance from wider inspection agencies.

### Self-evaluation, examples, areas of strength and weakness

The Joint Audit and Standards Committee receive all reports of the External Auditors and conduct an annual private meeting with the External Auditors. The External Auditors have attended all Committee meetings during 2016/17. The Committee's terms of reference are fully compliant with the CIPFA guidance and provide for an annual private meeting with the External Auditors. The Committee receives inspection reports from other agencies where these are relevant to the Committee's functions. Recommendations arising from audit and inspection are monitored for implementation by the Committee.

Membership of the Audit and Standards Committee includes the skills and experience of a former district auditor and former S151 officers, in addition to members who have significant experience of committees fulfilling an audit function. This ensures that the Committee have the skills and experience to assess the work of the external auditors and will have clear expectations regarding the requirements in respect of seniority, quality and experience of audit staff. During 2016/17 members have:

- Undertaken robust scrutiny of the external audit plan, including questioning the robustness of work that will be carried out in respect of the value for money conclusion and the assurance it can provide.
- Received the External Auditors Annual Fee letter that includes a disclosure from the external auditors in respect of their contract for the provision of tax and VAT helpline services to the Commissioner and Constabulary. This was not considered to create any conflicts.
- Received the External Auditors Audit Findings report covering the financial statements, matters of governance and the value for money conclusion in respect of the 2015/16 financial year.
- Scrutinised HMIC reports covering value for money (HMIC annual profiles), national child protection inspections and efficiency, effectiveness and legitimacy (PEEL

inspections). Members have also received a report and briefing from the Deputy Chief Constable covering the full HMIC inspection programme for the Constabulary and issues that need to be brought the attention of members. From 2015/16 members have received regular briefings on any relevant inspection matters as they arise through the formal corporate update session included within each meeting.

- In 2014/15 Members agreed a change to their terms of reference to incorporate responsibility as an audit panel, to oversee the appointment of external auditors for the Commissioner, at the time the relevant provisions of the 2014 Local Audit and Accountability Act come into effect.

### Conclusion<sup>4</sup> : Assessment Grade 5

The Committee is compliant with the CIPFA guidance through a combination of the activity undertaken and the particular specialist mix of skills and experience within the Committee membership.

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<sup>4</sup> This assessment of effectiveness is undertaken against the core functions of the committee with the CIPFA guidance; it is not included in the effectiveness checklist but has been graded on a similar basis.

## Promoting effective public reporting, partnership governance & accountability

*The Committee should consider how assurances of governance are gained in respect of partnership arrangements and may seek to consider these assurances through processes for the AGS.*

The guidance from CIFPA on the core functions of an audit committee focuses primarily on the role of the Committee in relation to financial reporting and governance and specifically on the work of the Committee in relation to the statement of accounts.

This is recommended to include reviewing consistency between the foreword to the accounts, the financial statements and the committee's own understanding of financial challenges and risks, reviewing the sustainability of policies, areas of judgment and changes in accounting policies/treatment. The guidance also notes that the Committee should give consideration to the accessibility of the statements to the lay person e.g. use of plain English and key messages. The Committee should review the financial statements prior to approval, although best practice is to review the accounts prior to the commencement of the audit.

The guidance also considers how the Committee supports transparency and public accessibility in relation to decision making taken through partnership arrangements, specifically where these involve stewardship of public funds. The guidance identifies these arrangements as strategic relationships, shared services, commercial relationships and third sector. The Committee should consider how assurances of governance are gained in respect of partnership arrangements and may seek to consider these assurances through processes for the AGS.

### Self-evaluation, examples, areas of strength and weakness

Financial reporting: The statement of accounts is presented to the Audit and Standards Committee prior to formal approval and at a joint meeting of the Committee and the Public Accountability Conference. This facilitates members in undertaking their review of financial statements and providing assurances to the Commissioner and Chief Constable.

The financial statements are supported by a report from the Chief Finance Officer that consolidates for members all key areas of assurance on which they can place reliance in respect of the statements and details significant areas of risk and the basis of material judgments. This dialogue assists in explaining a number of complex transactions within the 2015/16 statements arising from changes in legislation that have impacted on how the Chief Constables financial position is presented. The 2015/16 report also highlighted to members the work undertaken by the finance team to prepare in advance for the forthcoming earlier date for the statutory publication of both the draft (subject to audit) and final audited statement of accounts.

*The financial statements are supported by a report that consolidates all key areas of assurance and details significant areas of risk and the basis of material judgments.*

Whilst best practice dictates that the statements would be presented to the Committee prior to the commencement of the audit, there is a resource cost to delivering this. This is particularly the case with the financial statements for policing that require a set of group statements and two single entity statements.

During 2016/17 the draft unaudited accounts for 2015/16 were emailed to the Committee in May 2016 in order to provide members with an early opportunity to review and scrutinize the accounts. The subsequent audited accounts were presented in July alongside the External Auditors Audit Findings report. The tight timescales for the production of the accounts and the timing of the May meeting of the committee (at the start of the month) meant that it was not possible for the 2015/16 statement of accounts to be received by the committee prior to publication.

Planning for the expected early closedown timetable for Local Authority financial statements means that the committee will now receive the audited 2016/17 statements at their meeting in July 2017. The timing of the May 2017 meeting is such that the draft (subject to audit) statements will hopefully have been produced and will be able to be presented at that meeting. The reporting deadlines for the issue of papers to committee may mean that the draft statement of accounts will need to be issued as a late paper just prior to the date of the meeting.

The arrangements in respect of governance for partnerships are set out in the appropriate governance documents that are presented to the Committee for cyclical review as part of their review of governance. During 2016/17 members reviewed and contributed to the further development of the Role of the CFO (both OPCC and CC), the Financial Regulations, the Financial Rules, the OPCC Scheme of Delegation/Consent and the OPCC Grant Regulations that provide a framework for working with partners and the third sector.

The overall arrangements for partnerships are set out within the Commissioner and Chief Constable's Code of Corporate Governance which was received by members in May 2016 alongside the AGS, setting out how those arrangements have been complied with. The Internal Auditor's report on the Annual Governance Statement received alongside the Code and AGS confirmed for members that the AGS was accurate and had been prepared in line with the correct process.

### Conclusion and Overall Assessment: **Assessment Grade 4**

The Committee is compliant with the CIPFA guidance but would need to receive the unaudited statement of accounts prior to publication in order to fully meet best practice standards in respect of the contribution to financial reporting. It is hoped that the arrangements put in place for the presentation and reporting of the 2016/17 statement of accounts will assist the committee in fully meeting its requirements for future years. In respect of partnership governance the Committee receives assurance from a number of sources within the overall arrangements for governance. The conclusion is that there is clear evidence from some sources that the Committee is actively and effectively supporting improvements across some aspects of this area.

# Section Two: Possible Wider Functions of an Audit Committee

## Ethical Values and Treasury Management

*The Committee has received and reviewed the Treasury Management Strategy, including related investment and borrowing policies and a comprehensive document covering treasury management practices*

The Audit and Standards Committee undertake two areas of work that CIPFA guidance acknowledges are appropriate to the role of the Committee but not a core function. These areas are Ethical Values and Treasury Management.

In relation to ethical values the guidance acknowledges the role of the Committee in promoting high standards and that it may take on the role and responsibilities of a standards committee.

With regards to Treasury Management the Committee may be nominated as the responsible body for ensuring effective scrutiny of the Treasury Management Strategy and policies. The guidance is clear that this excludes executive and decision making roles in relation to this function. Scrutiny involves developing an understanding of treasury matters and receiving treasury activity reports to support this, reviewing policies and procedures, treasury risks and assurances.

### Self-evaluation, examples, areas of strength and weakness

Evaluation of the role of the Committee in respect of ethical values is covered in the section on good governance & countering fraud and corruption<sup>5</sup>. In respect of treasury management the Committee received and reviewed at its March 2016 meeting the treasury management strategy, including related investment and borrowing policies and a comprehensive document covering treasury management practices that would apply to the 2016/17 financial year.

During 2016/17 members have also received and reviewed the arrangements for Treasury Management proposed for 2017/18. This included a robust scrutiny of the strategy, where members have been keen to ensure an appropriate balance between risk and return in respect of the range of permissible investment counterparties and increased risk in the more traditional banking investments.

To ensure members sufficiently understand treasury matters, training has been provided by the Commissioner's treasury management advisors and treasury management activities reports are presented to the Committee at

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<sup>5</sup> The conclusion and assessment of that review is a grade 5  
Corporate Support / Financial Services / MB

every regular meeting. This understanding is further supported by the skills and experience profile of members of the Committee.

### Conclusion<sup>6</sup> : Assessment Grade 5

The Committee is fully compliant with the CIPFA guidance through a combination of the activity undertaken and the; particular specialist mix of skills and experience within the Committee membership.

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<sup>6</sup> This assessment of effectiveness is undertaken against the core functions of the committee with the CIPFA guidance; it is not included in the effectiveness checklist but has been graded on a similar basis.  
Corporate Support / Financial Services / MB

# Section Three: Independence and Accountability

CIPFA guidance sets out a position statement that covers the key features that should be evidenced within all Audit Committees.

Outside of this statement arrangements should reflect local circumstances and focus on factors promoting effectiveness. The Committee is fully compliant with the requirements within the CIPFA guidance to ensure independence and accountability. Specifically:

- The Committee acts as the principal non-executive advisory function supporting those charged with governance<sup>7</sup> and is independent of executive and operational responsibilities. The Committee has access to and is accountable to the Commissioner, the Chief Constable and the respective Chief Officers of both entities, meets at least 5 times a year and operates with a set of Committee standing orders to regulate business including matters received in public and those to be considered in private.
- The Committee meets privately and independently with both the external auditors and the internal auditors (separately) as part of its annual agenda.
- The Chief Officers<sup>8</sup> or appropriate senior substitutes of the Commissioner and Chief Constable attend all meetings of the Committee. Internal audit and external audit are in attendance in addition to other officers as appropriate to the agenda. The Committee is able to call on other officers as required. The Committee is well attended, attendance for 2016/17 is set out at Appendix C.
- This report constitutes the Annual Report on the assessment of the Committee's performance and is reported to the Executive Board and the Police and Crime Panel.
- The arrangements for the Committee comply with the guidance set out within the Home Office Financial Management Code of Practice. The Code states that the Commissioner and Chief Constable should establish an independent Audit Committee. It is recommended that this is a joint committee and that the Commissioner and Chief Constable should have regard to the CIPFA Guidance on Audit Committees.
- The Committee maintains its independence by ensuring a focus through the work programme on oversight of governance, risk, control and the audit process. It has no delegated decision making or approval powers from the Commissioner or Chief Constable.

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<sup>7</sup> The Commissioner and the Chief Constable

<sup>8</sup> Chief Finance Officers, Chief Executive, Deputy Chief Constable  
Corporate Support / Financial Services / MB



- Agenda items are planned up to 12 months in advance through the development of an annual work programme agreed by the Committee in March and developed from the assurances needed to fulfil the Committee's terms of reference.
- The relationship between the Committee and Commissioner and Chief Constable's respective Chief Finance Officers is one of reciprocal support and constructive challenge.
- The Committee receives full audit reports at the point in which they are agreed, determining those that will be considered as part of the formal Committee agenda on the grounds of the materiality and significance of audit findings.
- All meetings of the Committee are held in public and members have actively challenged the reasons for any issues being discussed in private. Agendas and papers are published on the Commissioner's website supporting accountability and transparency.
- The work program of the Committee ensures it can be effective in holding to account those officers who are responsible for implementing recommendations and actions arising from review. This is achieved through monitoring reports presented at each Committee meeting.
- The assurance format of the Committee's work programme and this Annual Report ensure that the Committee itself is effectively held to account for its own performance.

## Conclusion<sup>9</sup> : Assessment Grade 5

The Committee is fully compliant with the CIPFA guidance in respect of independence and accountability. This is based on the arrangements for the Committee that ensures independence, compliance with regulatory requirements and public accountability.

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<sup>9</sup> This assessment of effectiveness is undertaken against the core functions of the committee with the CIPFA guidance; it is not included in the

effectiveness checklist but has been graded on a similar basis.

# Section Four: Membership and Effectiveness

CIPFA guidance recognises that the membership, composition and operation of the audit committee is a key factor in achieving the characteristics of a good audit committee.

*Police audit committees should comprise between three and five members who are independent of the Commissioner and Chief Constable*

These are defined as:

- Membership that is balanced, objective, independent of mind, knowledgeable and properly trained to fulfil their role.
- Membership that is supportive of good governance principles and their practical application towards the achievement of organisational objectives
- A strong, independently minded chair, displaying a depth of knowledge, skills and interest
- Unbiased attitudes – treating auditors, the executive and management fairly
- The ability to challenge the executive and senior managers when required.

Police audit committees should comprise between three and five members who are independent of the Commissioner and Chief Constable. Recruitment should be publically advertised with a job description that sets out requirements for knowledge and expertise. Candidates should be able to demonstrate their political independence. Appointments should be for a fixed term and formally approved by the Commissioner and Chief Constable and members should follow a Code of Conduct. The guidance acknowledges that the role of Chair may be advertised specifically and will need to take into account the characteristics required by an effective Chair. Induction training and other briefing and training updates should form part of a programme informed by a review of knowledge and skills.

## Self-evaluation, examples, areas of strength and weakness

Membership, composition and operation of the Joint Audit and Standards Committee comply with the CIPFA guidance. The Committee comprises four independent members, appointed through public advert for a tenure of 4 years, with a potential to extend to a maximum of 8 years in compliance with the practices recommended by Standards for England. Independence and objectivity, including political independence is secured through restrictions on membership. Specifically membership excludes:

- Serving elected members/officers of a Council/Local Authority represented on the Cumbria Police and Crime Panel and/or similar Cumbria public sector bodies
- Former elected members/officers of the above Council/bodies (time restricted to 3 years)
- Serving Police Officers and Police staff and former Police Officers/staff (time restricted to 3 years)

- Individuals active in local or national politics
- Individuals who have significant business or personal dealings with the Constabulary/OPCC
- Individuals who have close relationships with any of the above including immediate family members

In addition, standard disqualifications apply to ensure the avoidance of any reputational embarrassment, for example individuals who have been removed from a trusteeship of a charity, anyone under a disqualification order under the Company Directors Disqualification Act. Appointed committee Members are required to abide by a Code of Conduct and Member/Officer Protocol.

The requisite skills and experience of members are secured through the recruitment process based on a role profile. The profiles distinguish between the experience and skills expected of the Committee Chair and those expected of Committee members. The role profile is supported by a person specification that sets out essential and desirable skills, experience and ability across a range of governance, risk, finance and audit requirements. The person specification requirements are set out below. The role profiles for committee members are set out at appendix E.

Essential experience and knowledge	Special aptitudes, intelligence and skills	Desirable experience and knowledge
<ul style="list-style-type: none"> <li>• <i>Experience in Chairing at Committee/Board level.</i></li> <li>• Sound experience of strategic planning, risk management and performance management.</li> <li>• Ability to assure financial and statistical information</li> <li>• Experience of leading or conducting or reviewing audit activity.</li> <li>• Experience of scrutinising financial information and processes.</li> <li>• Knowledge of best practices in governance and internal control</li> <li>• Good understanding of the roles of Internal and External Audit.</li> </ul>	<ul style="list-style-type: none"> <li>• <i>Be able to demonstrate leadership skills to fulfil the responsibilities of the Audit Committee Chair.</i></li> <li>• Ability and confidence to challenge and hold to account.</li> <li>• Treat auditors, executives and management equally and with respect.</li> <li>• To maintain an up to date knowledge and awareness of national and local policing and crime issues.</li> <li>• To have high ethical standards</li> <li>• Good communication skills, both written and oral, with the ability to actively contribute to discussion and debate</li> </ul>	<ul style="list-style-type: none"> <li>• Practical experience in the financial and/or general management of businesses or public sector organisations.</li> <li>• Experience of a Local Government Environment.</li> <li>• Audit Committee/Standards Committee (or equivalent) experience.</li> <li>• Professional Financial Qualification (CCAB or Audit based)</li> </ul>

*Note – text in italic relates to skill relevant only to the committee chair.*

Members are recruited independently of the Commissioner and Chief Constable but are subject to their approval. During 2016/17 recruitment was undertaken for a new Committee Member due to the tenure of an existing committee member coming to the end of his term. The recruitment process resulted in the appointment of a new member to the Committee. The tenure of the new member formally commenced on 1 September 2016 with that member attending the Committee's September 2016 meeting as his first meeting. The appointment of a new member has further strengthened the Committee, the new member is a former Director of Finance within Local Government and the NHS and has prior experience of both internal and external audit.

The work programme for members has again for 2016/17 included formalised development seminars prior to Committee meetings, these sessions support members with a more in-depth understanding of areas within the remit of the Committee's terms of reference. During 2016/17 the development sessions have included treasury management (with the Commissioner's external advisors), the revised Police and Crime Plan, the budget and the medium term financial forecast. Throughout 2016/17, the meeting agenda has included a corporate update, this update is usually provided by the Deputy Chief Constable or Chief Finance Officer's and provides a flavour of the key issues facing the OPCC/Constabulary at the time. During 2016/17 a number of specific additional development activities have been undertaken. In July 2016, the chair joined constabulary officers on a two day "essentials of enterprise risk management" course. In September 2016, the chair attended a CIPFA workshop "Development Day for Police Audit Committee Members" in London. In October 2016, all members attended an introduction to policing day organised by the Constabulary. The day included insights into the implications of the forthcoming changes to the bail act, child sexual exploitation, cyber crime, custody, the control room and an overview of the crime hub pilot.

### Conclusion<sup>10</sup> : **Assessment Grade 5**

The Committee is compliant with the CIPFA guidance in respect of effective membership. This is based on the arrangements for the composition, recruitment and operation of the Committee that ensures independence and a specialist mix of skills and experience that make the Committee members effective in their roles. Effectiveness of members scrutiny function has been enhanced during 2016/17 through the continuation of a more structured approach to member development and the regular inclusion of a corporate update on the agenda for all meetings. In addition, copies of all HMIC inspection reports are now routinely provided to members and the opportunity to discuss these reports and receive an update regarding report recommendations is included on the agenda for meetings.

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<sup>10</sup> This assessment of effectiveness is undertaken against the core functions of the committee with the CIPFA guidance; it is not included in the effectiveness checklist but has been graded on a similar basis.

## Joint Audit &amp; Standards Committee 2016/17 Activities

Tuesday 03 May 16	Thursday 28 July 16	Wednesday 07 September 16	Thursday 24 November 16	Wednesday 15 March 17
<b>PRIVATE INTERNAL AUDIT MEETING:</b> Confidential meeting of Committee members only and the Internal Auditors. (IA)	<b>PRIVATE MEETINGS:</b> Confidential meeting of Committee members only and the newly elected Police and Crime Commissioner. Confidential meeting of Committee members only and the external auditors.	<b>PRIVATE DEVELOPMENT SESSION: Police and Crime Plan, members</b> to be provided with an update on the Police and Crime Plan (Vivian Stafford)	<b>PRIVATE DEVELOPMENT SESSION:</b> Arlingclose LTD, to provide an update on Treasury Management developments (DCFO)	<b>PRIVATE DEVELOPMENT SESSION:</b> Medium Term Financial Forecast, change programme & value for money (CCCFO)
<b>Regular Reports</b>				
<b>CORPORATE UPDATE:</b> To receive a briefing on matters relevant to the remit of the Committee (DCC)	<b>CORPORATE UPDATE:</b> To receive a briefing on matters relevant to the remit of the Committee (DCC)	<b>CORPORATE UPDATE:</b> To receive a briefing on matters relevant to the remit of the Committee (DCC)	<b>CORPORATE UPDATE:</b> To receive a briefing on matters relevant to the remit of the Committee (DCC)	<b>CORPORATE UPDATE:</b> To receive a briefing on matters relevant to the remit of the Committee (DCC)
<b>TREASURY MANAGEMENT ACTIVITIES:</b> To receive for information reports on Treasury Management Activity - Quarter 4/Annual Report (DCFO)	N/A	<b>TREASURY MANAGEMENT ACTIVITIES:</b> To receive for information reports on Treasury Management Activity - Quarter 1 (DCFO)	<b>TREASURY MANAGEMENT ACTIVITIES:</b> To receive for information reports on Treasury Management Activity - Quarter 2 (DCFO)	<b>TREASURY MANAGEMENT ACTIVITIES:</b> To receive for information reports on Treasury Management Activity - Quarter 3 (DCFO)
N/A	<b>INTERNAL AUDIT – PROGRESS REPORT:</b> To receive a report from the Internal Auditors regarding the progress of the Internal Audit Plan. (IA)	<b>INTERNAL AUDIT – PROGRESS REPORT:</b> To receive a report from the Internal Auditors regarding the progress of the Internal Audit Plan. (IA)	<b>INTERNAL AUDIT – PROGRESS REPORT:</b> To receive a report from the Internal Auditors regarding the progress of the Internal Audit Plan. (IA)	<b>INTERNAL AUDIT – PROGRESS REPORT:</b> To receive a report from the Internal Auditors regarding the progress of the Internal Audit Plan. (IA)
<b>INTERNAL AUDIT REPORT(S):</b> To receive reports from the Internal Auditors in respect of specific audits conducted since the last meeting of the Committee. (IA)		<b>INTERNAL AUDIT REPORT(S):</b> To receive reports from the Internal Auditors in respect of specific audits conducted since the last meeting of the Committee. (IA)	<b>INTERNAL AUDIT REPORT(S):</b> To receive reports from the Internal Auditors in respect of specific audits conducted since the last meeting of the Committee. (IA)	<b>INTERNAL AUDIT REPORT(S):</b> To receive reports from the Internal Auditors in respect of specific audits conducted since the last meeting of the Committee. (IA)
N/A	<b>STRATEGIC RISK REGISTER:</b> To consider the COPCC and Constabulary strategic risk register as part of the Risk Management Strategy. (CE/GM & DCC)	<b>STRATEGIC RISK REGISTER:</b> To consider the COPCC and Constabulary strategic risk register as part of the Risk Management Strategy. (CE/GM & DCC)	<b>STRATEGIC RISK REGISTER:</b> To consider the COPCC and Constabulary strategic risk register as part of the Risk Management Strategy. (CE or GM & DCC)	<b>STRATEGIC RISK REGISTER:</b> To consider the COPCC and Constabulary strategic risk register as part of the Risk Management Strategy. (CE/GM & DCC)
N/A	<b>MONITORING OF AUDIT, INTERNAL AUDIT AND OTHER RECOMMENDATIONS AND ACTION PLANS:</b> To receive an updated summary of actions implemented in response to audit and inspection recommendations. (CCCFO)	<b>MONITORING OF AUDIT, INTERNAL AUDIT AND OTHER RECOMMENDATIONS AND ACTION PLANS:</b> To receive an updated summary of actions implemented in response to audit and inspection recommendations. (CCCFO)	<b>MONITORING OF AUDIT, INTERNAL AUDIT AND OTHER RECOMMENDATIONS AND ACTION PLANS:</b> To receive an updated summary of actions implemented in response to audit and inspection recommendations. (CCCFO)	<b>MONITORING OF AUDIT, INTERNAL AUDIT AND OTHER RECOMMENDATIONS AND ACTION PLANS:</b> To receive an updated summary of actions implemented in response to audit and inspection recommendations. (CCCFO)
<b>Cyclical/Annual Reports</b>				
<b>EXTERNAL AUDIT FEES:</b> To receive from the external auditors the proposal in respect of audit fees. (GT)	<b>AUDIT FINDINGS REPORT:</b> To receive from the external auditors the Audit Findings Report in respect of the annual audit of the financial statements and incorporating the External Auditor's Value for Money Conclusion. (GT)	<b>ANNUAL AUDIT LETTER:</b> To receive from the External Auditors the Annual Audit Letter and reports (GT).	<b>ANNUAL REVIEW OF GOVERNANCE:</b> To review the COPCC and Constabulary arrangements for governance; cyclical review over a three years. (Relevant Chief Officers)	<b>TREASURY MANAGEMENT STRATEGY AND TREASURY MANAGEMENT PRACTICES:</b> To review the annual Treasury Management Strategy incorporating the policy on investment and borrowing activity and treasury management practices. (DCFO)

## Joint Audit &amp; Standards Committee 2016/17 Activities

Tuesday 03 May 16	Thursday 28 July 16	Wednesday 07 September 16	Thursday 24 November 16	Wednesday 15 March 17
<b>Cyclical/Annual Reports (continued)</b>				
<b>RISK MANAGEMENT MONITORING:</b> To receive an annual report from the Chief Executive on Risk Management Activity including the Commissioner's arrangements for holding the CC to account for Constabulary Risk Management. (CE/GM)	<b>ASSURANCE FRAMEWORK STATEMENT OF ACCOUNTS:</b> To receive a report from the PCCCFO/Deputy Chief Executive in respect of the PCC's framework of assurance; To receive a report from the CCCFO in respect of the CC's framework of assurance. (PCCCFO/CCCFO)		<b>ANNUAL GOVERNANCE STATEMENT DEVELOPMENT AND IMPROVEMENT PLAN UPDATE:</b> To receive an update on progress against the development and improvement plan within the annual governance statement (PCC CFO and CC FFO)	<b>RISK MANAGEMENT STRATEGY:</b> To provide the annual review of the COPCC (CE/GM) and Constabulary (DCC) Risk Management Strategies.
<b>ANTI-FRAUD AND CORRUPTION ACTIVITIES:</b> To receive an annual report from the Chief Executive on activity in line with the arrangements for anti-fraud and corruption. (CE/GM)	<b>ANNUAL STATEMENT OF ACCOUNTS:</b> To receive the audited Statement of Accounts for the Commissioner and Chief Constable and Group Accounts and consider a copy of a summarised non-statutory version of the accounts (DCFO)		<b>VALUE FOR MONEY:</b> To receive an annual report on Value for Money within the Office of the Police and Crime Commissioner. (DCFO) To receive an annual report on Value for Money within the Constabulary. (DCI) <b>Note, due to a delay in information being provided by the Home Office, this item was deferred to March 2017.</b>	<b>VALUE FOR MONEY:</b> To receive an annual report on Value for Money within the Office of the Police and Crime Commissioner. (DCFO) To receive an annual report on Value for Money within the Constabulary. (DCI) <b>Note, due to a delay in information being provided by the Home Office, this item was deferred from November 2016.</b>
<b>INTERNAL AUDIT –ANNUAL REPORT:</b> To receive the Head of Internal Audit's Annual Report including the Annual Audit Opinion. (IA)				
<b>ETHICS AND INTEGRITY GOVERNANCE:</b> To receive an annual report from the chair of the Ethics and Integrity Panel.				<b>ANNUAL WORK PROGRAMME:</b> <b>ASSURANCE FORMAT:</b> To review and approve an annual work programme covering the framework of assurance against the Committee's terms of reference. (DCFO)
<b>EXTERNAL AUDIT PLAN UPDATE:</b> To receive from the external auditors and update on the Joint Annual External Audit Plan. (GT)				<b>EXTERNAL AUDIT PLAN AND UPDATE REPORT:</b> To receive from the external auditors the joint annual external audit plan and an update report in respect of progress on the external audit plan. (GT)
<b>EFFECTIVENESS OF INTERNAL AUDIT:</b> To receive a report from the PCC Chief Finance Officer in respect of the effectiveness of internal audit. (DCFO)				<b>PROPOSED INTERNAL AUDIT PLAN/ INTERNAL AUDIT CHARTER:</b> To receive a report from the Internal Auditors on the proposed Internal Audit Annual Plan and any proposed revisions. To receive a copy of the internal audit charter from the Internal Auditors. (IA)

## Joint Audit &amp; Standards Committee 2016/17 Activities

Tuesday 03 May 16	Thursday 28 July 16	Wednesday 07 September 16	Thursday 24 November 16	Wednesday 15 March 17
<b>Cyclical/Annual Reports (continued)</b>				
<b>JOINT AUDIT AND STANDARDS COMMITTEE - REVIEW OF EFFECTIVENESS:</b> To receive a report reviewing the effectiveness of the Committee as a contribution to the overall effectiveness of arrangements for governance. (DCFO)				<b>QUALITY ASSURANCE AND IMPROVEMENT PROGRAMME:</b> To receive from the Internal Auditors a report setting out the arrangements for quality assurance and improvement. (IA)
<b>ANNUAL GOVERNANCE STATEMENT</b> <b>▪ Report of the Internal Auditor: Annual Governance Statement:</b> To consider a report from the Internal Auditor reviewing the Annual Governance Statement for the financial year and to the date of this meeting. (PCCCFO & CCCFO)  <b>▪ Effectiveness of Governance Arrangements:</b> To receive a report from the PCCCFO/PCC Chief Executive on the effectiveness of the PCC's arrangements for Governance/ To receive a report from the CCCFO on the effectiveness of the CC's arrangements for governance  <b>▪ Code of Corporate Governance:</b> To consider the PCC/CC Code of Corporate Governance  <b>▪ Annual Governance Statement:</b> To consider the PCC/CC Annual Governance Statement for the financial year and to the date of this meeting				
<b>Ad Hoc Reports</b>				
<b>ADHOC REPORTS AS THEY ARISE: E.G. NATIONAL FRAUD INITIATIVE, STANDARDS, INSPECTION:</b> To consider any other reports falling within the remit of the Committee's terms of reference	<b>ADHOC REPORTS AS THEY ARISE: E.G. NATIONAL FRAUD INITIATIVE, STANDARDS, INSPECTION:</b> To consider any other reports falling within the remit of the Committee's terms of reference	<b>ADHOC REPORTS AS THEY ARISE: E.G. NATIONAL FRAUD INITIATIVE, STANDARDS, INSPECTION:</b> To consider any other reports falling within the remit of the Committee's terms of reference	<b>ADHOC REPORTS AS THEY ARISE: E.G. NATIONAL FRAUD INITIATIVE, STANDARDS, INSPECTION:</b> To consider any other reports falling within the remit of the Committee's terms of reference	<b>ADHOC REPORTS AS THEY ARISE: E.G. NATIONAL FRAUD INITIATIVE, STANDARDS, INSPECTION:</b> To consider any other reports falling within the remit of the Committee's terms of reference

## Joint Audit and Standards Committee: Annual Work Programme Assurance Format

Terms of Reference	Meeting	Work Programme Assurance Activity
<b>Terms of Reference: Governance, Risk and Control</b>		
<p>Review the corporate governance arrangements against the good governance framework and consider annual governance reports and assurances.</p> <p>Note - Underlined governance documents are scheduled for review in 2017.</p>	May 2016 (Ethics and Integrity Annual Report)	<b>ETHICS AND INTEGRITY GOVERNANCE:</b> To receive an annual report from the Chair of the Ethics and Integrity Panel, advising the Committee of the work of the Panel over the previous year and matters pertaining to governance in respect of the arrangements for ethics and integrity.
	November 2016: (All governance reviews excluding ethics and integrity)	<b>ANNUAL REVIEW OF GOVERNANCE:</b> To review the COPCC and Constabulary arrangements for governance; cyclical review over a three years covering:
		▪ <u>Role of the Chief Finance Officer: annual review (2016)</u>
		▪ <u>Financial Regulations: bi-ennial review (2016)</u>
		▪ <u>Grant Regulations: tri-annual review (2016)</u>
		▪ <u>Scheme of Delegation/Consent: annual review (2016)</u>
		▪ <u>Procurement Regulations: bi-ennial review (2017)</u>
		▪ <u>Arrangements for Anti-Fraud and Corruption /whistleblowing: bi-ennial review (2017)</u>
<p>Review the Annual Governance Statements prior to approval and consider whether they properly reflect the governance, risk and control environment and supporting assurances and identify any actions required for improvement</p>	May 2016 & July 2016 (updated governance statement prior to approval and publication)	<b>ANNUAL GOVERNANCE STATEMENT</b>
		▪ <b>Report of the Internal Auditor: Annual Governance Statement:</b> To consider a report from the Internal Auditor reviewing the Annual Governance Statement for the financial year and to the date of this meeting
		▪ <b>Effectiveness of Governance Arrangements:</b> To receive a report from the PCCCFO/PCC Deputy Chief Executive on the effectiveness of the PCC's arrangements for Governance/ To receive a report from the CCCFO on the effectiveness of the CC's arrangements for governance
		▪ <b>Code of Corporate Governance:</b> To consider the PCC/CC Code of Corporate Governance
		▪ <b>Annual Governance Statement:</b> To consider the PCC/CC Annual Governance Statement for the financial year and to the date of this meeting
	November 2016	<b>ANNUAL GOVERNANCE STATEMENT DEVELOPMENT AND IMPROVEMENT PLAN UPDATE:</b> To receive an update on progress against the development and improvement plan within the annual governance statement.



## Joint Audit and Standards Committee: Annual Work Programme Assurance Format

Terms of Reference	Meeting	Work Programme Assurance Activity
<b>Terms of Reference: Governance, Risk and Control</b>		
Consider the arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements	Every meeting excluding May	<b>INTERNAL AUDIT REPORT:</b> To receive reports from the Internal Auditors in respect of specific audits conducted since the last meeting of the Committee ( <i>NB audit work in compliance with PSIAS will cover a specific control objective on 'value: the effectiveness and efficiency of operations and programmes'. Specific audit recommendations will be categorised within audit reports under this heading.</i> )
	March 2017 (delayed from Nov'16)	To receive an annual report on Value for Money within the Office of the Police and Crime Commissioner. To receive an annual report on Value for Money within the Constabulary.
	July 2016 and September 2016 (final report)	<b>AUDIT FINDINGS REPORT:</b> To receive from the external auditors the Annual Audit Findings Report incorporating the External Auditor's Value for Money Conclusion.
Consider the framework of assurance and ensure that it adequately addresses the risks and priorities of the OPCC and Constabulary	March 2017	<b>ANNUAL WORK PROGRAMME: ASSURANCE FORMAT:</b> To review and approve an annual work programme covering the framework of assurance against the Committee's terms of reference.
	July 2016	<b>FRAMEWORK OF ASSURANCE: STATEMENT OF ACCOUNTS:</b> To receive a report from the PCCFO/Deputy Chief Executive in respect of the PCC's framework of assurance; To receive a report from the Deputy Chief Constable/CC in respect of the CC's framework of assurance.
Monitor the effective development and operation of risk management, review the risk profile, and monitor progress of the Police and Crime Commissioner and the Chief Constable in addressing risk-related issues reported to them	March 2017	<b>RISK MANAGEMENT STRATEGY:</b> To provide the annual review of the COPCC and Constabulary Risk Management Strategies.
	May 2016	<b>RISK MANAGEMENT MONITORING:</b> To receive an annual report from the Chief Executive on Risk Management Activity including the Commissioner's arrangements for holding the CC to account for Constabulary Risk Management.
	Every meeting excluding May	<b>STRATEGIC RISK REGISTER:</b> To consider the COPCC and Constabulary strategic risk register as part of the Risk Management Strategy.
Consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions	Every meeting excluding May	<b>INTERNAL AUDIT REPORT:</b> To receive reports from the Internal Auditors in respect of specific audits conducted since the last meeting of the Committee.
		<b>MONITORING OF AUDIT, INTERNAL AUDIT AND OTHER RECOMMENDATIONS AND ACTION PLANS:</b> To receive an updated summary of actions implemented in response to audit and inspection recommendations.

## Joint Audit and Standards Committee: Annual Work Programme Assurance Format

Terms of Reference	Meeting	Work Programme Assurance Activity
<b>Terms of Reference: Governance, Risk and Control (Continued)</b>		
Review arrangements for the assessment of fraud risks and potential harm from fraud and corruption and monitor the effectiveness of the counter-fraud strategy, actions and resources	November – cyclically when updated	<b>ARRANGEMENTS FOR ANTI-FRAUD AND CORRUPTION:</b> To receive the COPCC and Constabulary strategy, policy and fraud response plan.
	May 2016	<b>ANTI-FRAUD AND CORRUPTION ACTIVITIES:</b> To receive an annual report from the Chief Executive on activity in line with the arrangements for anti-fraud and corruption.
<b>Terms of Reference: Internal Audit</b>		
Annually review the internal audit charter and resources	March 2017	<b>INTERNAL AUDIT CHARTER:</b> To receive a copy of the internal audit charter from the Internal Auditors.
Review the internal audit plan and any proposed revisions to the internal audit plan	March 2017/Ad-hoc	<b>PROPOSED INTERNAL AUDIT PLAN:</b> To receive a report from the Internal Auditors on the proposed Internal Audit Annual Plan and any proposed revisions.
Oversee the appointment and consider the adequacy of the performance of the internal audit service and its independence	March 2017	<b>QUALITY ASSURANCE AND IMPROVEMENT PROGRAMME:</b> To receive from the Internal Auditors a report setting out the arrangements for quality assurance and improvement.
	May 2016	<b>EFFECTIVENESS OF INTERNAL AUDIT:</b> To receive a report from the PCC Chief Finance Officer in respect of the effectiveness of internal audit.
	Quarterly	<b>INTERNAL AUDIT PERFORMANCE:</b> To receive from the Internal Auditors quarterly reports on the performance of the service against a framework of performance indicators <i>(provided within the internal audit progress reports and annual report.)</i>
	May 2016	<b>PRIVATE INTERNAL AUDIT MEETING:</b> Confidential meeting of Committee members only and the Internal Auditors
Consider the Head of Internal audit's annual report and opinion, and a regular summary of the progress of internal audit activity against the audit plan, and the level of assurance it can give over corporate governance arrangements	May 2016	<b>INTERNAL AUDIT –ANNUAL REPORT:</b> To receive the Head of Internal Audit's Annual Report including the Annual Audit Opinion.
	Every meeting excluding May	<b>INTERNAL AUDIT – PROGRESS REPORT:</b> To receive a report from the Internal Auditors regarding the progress of the Internal Audit Plan.

## Joint Audit and Standards Committee: Annual Work Programme Assurance Format

Terms of Reference	Meeting	Work Programme Assurance Activity
<b>Terms of Reference: Internal Audit (Continued)</b>		
Consider internal audit reports and such detailed reports as the Committee may request from the Police and Crime Commissioner and the Chief Constable, including issues raised or recommendations made by the internal audit service, management response and progress with agreed actions	Every meeting excluding May	<b>INTERNAL AUDIT REPORTS:</b> To receive reports from the Internal Auditors in respect of specific audits conducted since the last meeting of the Committee.
Consider a report on the effectiveness of internal audit to support the Annual Governance Statement	May 2016	<b>EFFECTIVENESS OF INTERNAL AUDIT:</b> To consider a report of the Commissioner's Chief Finance Officer reviewing the effectiveness of Internal Audit.
<b>Terms of Reference: External Audit/External Inspection</b>		
Comment on the scope and depth of external audit work, its independence and whether it gives satisfactory value for money	March 2017	<b>EXTERNAL AUDIT PLAN:</b> To receive from the external auditors the Annual External Audit Plan
	May 2016	<b>EXTERNAL AUDIT FEES:</b> To receive from the external auditors the proposal in respect of audit fees.
Consider the external auditor's annual management letter, relevant reports and the report to those charged with governance	November 2016/Ad-hoc	<b>ANNUAL AUDIT LETTER:</b> To receive from the External Auditors the Annual Audit Letter and reports
	March 2017	<b>EXTERNAL AUDIT PLAN UPDATE:</b> To receive from the external auditors an update report in respect of progress on the external audit plan
Consider specific reports as agreed with the external auditors/specific inspection reports e.g. HMIC, relevant to the Committee's terms of reference	Every meeting excluding May	<b>ADHOC REPORTS AS THEY ARISE: E.G. NATIONAL FRAUD INITIATIVE, STANDARDS, HMIC/INSPECTION:</b> To consider any other reports falling within the remit of the Committee's terms of reference
Advise and recommend on the effectiveness of relationships between external and internal audit and other inspection agencies and relevant bodies	July 2016	<b>PRIVATE EXTERNAL AUDIT MEETING:</b> Confidential meeting of Committee members only and the external auditors

## Joint Audit and Standards Committee: Annual Work Programme Assurance Format

Terms of Reference	Meeting	Work Programme Assurance Activity
<b>Terms of Reference: Financial Reporting</b>		
Review the Annual Statement of Accounts. Specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements that need to be brought to the attention of the Commissioner and/or the Chief Constable	July 2016	<b>ASSURANCE FRAMEWORK: STATEMENT OF ACCOUNTS:</b> To receive a report from the PCCCFO/Chief Executive in respect of the PCC's framework of assurance; To receive a report from the Deputy Chief Constable/CC in respect of the CC's framework of assurance.
	July 2016	<b>ANNUAL STATEMENT OF ACCOUNTS:</b> To receive the audited Statement of Accounts for the Commissioner and Chief Constable and Group Accounts and consider a copy of a summarised non-statutory version of the accounts
Consider the external auditor's report to those charged with governance on issues arising from the audit of the financial statements	July 2016 and September 2016 (final report)	<b>AUDIT FINDINGS REPORT:</b> To receive from the external auditors the Audit Findings Report in respect of the annual audit of the financial statements and incorporating the External Auditor's Value for Money Conclusion.
<b>Terms of Reference: Accountability Arrangements</b>		
On a timely basis report to the Commissioner and the Chief Constable with its advice and recommendations in relation to any matters that it considers relevant to governance, risk management and financial management	Every meeting (where appropriate)	To be discussed in Committee meetings and noted as feedback in the minutes.
Report to the Commissioner and the Chief Constable on its findings, conclusions and recommendations concerning the adequacy and effectiveness of their governance, risk management and internal control frameworks; financial reporting arrangements and internal and external audit functions	Every meeting (where appropriate)	To be discussed in Committee meetings and noted as feedback in the minutes.
Review its performance against its terms of reference and objectives on an annual basis and report the results of this review to the Commissioner and the Chief Constable	May 2016	<b>JASC Review of Effectiveness:</b> To receive a report reviewing the effectiveness of the committee against the CIPFA framework as a contribution to the overall effectiveness of arrangements for governance
	May 2016	<b>JASC Annual Report:</b> To receive the annual report of the committee (following the review of effectiveness undertaken in May). Following approval, the Annual Report will be presented to the Police and Crime Panel meeting in October by the chair of JASC.

## Joint Audit and Standards Committee: Annual Work Programme Assurance Format

Terms of Reference	Meeting	Work Programme Assurance Activity
<b>Terms of Reference: Treasury Management</b>		
Review the Treasury Management policy and procedures to be satisfied that controls are satisfactory	March 2017	<b>TREASURY MANAGEMENT STRATEGY AND TREASURY MANAGEMENT PRACTICES:</b> To review the annual Treasury Management Strategy incorporating the policy on investment and borrowing activity and treasury management practices.
Review the Treasury risk profile and adequacy of treasury risk management processes		
Receive regular reports on activities, issues and trends to support the Committee's understanding of Treasury Management activities; the Committee is not responsible for the regular monitoring of activity	Every meeting excluding July	<b>TREASURY MANAGEMENT ANNUAL REPORT/ACTIVITIES:</b> To receive for information the treasury management annual report and an update on Treasury Management Activity.
	November 2016	<b>TREASURY MANAGEMENT ADVISORS:</b> To receive briefings/training from the Commissioner's Treasury Management advisors.
Review assurances on Treasury Management	Every meeting excluding May (where applicable)	<b>INTERNAL AUDIT REPORTS:</b> To receive reports from Internal Audit Unit in respect of specific audits conducted since the last meeting of the Committee
<b>Terms of Reference: Standards Activity</b>		
To hear and determine appeals in relation to the OPCC's personnel policies and decisions of the Chief Executive where appropriate	n/a	As and when required, to act as an "Appeal Board"
To hear and determine appeals by Independent Custody Visitors and Independent Members of Police Misconduct Panels from decisions of the Chief Executive	n/a	As and when required, to act as an "Appeal Board"

## Governance Documents Review Schedule

Documents	Review Cycle	Lead Officer	December 2014	December 2015	November 2016	November 2017	November 2018	November 2019	November 2020
Role of the PCC's Chief Finance Officer	annual	Deputy CFO Michelle Bellis	✓	✓	✓	✓	✓	✓	✓
Role of the CC's Chief Finance Officer	annual	Deputy CFO Michelle Bellis	✓	✓	✓	✓	✓	✓	✓
Procurement Regulations	bi-ennial	Head of Procurement Les Hopcroft	✗	✓	✗	✓	✗	✓	✗
Scheme of Delegation/Consent	annual	Chief Executive Stuart Edwards and/or Governance Manager Joanne Head	✓	✓	✓	✓	✓	✓	✓
Arrangements for Anti-fraud & Corruption/Whistleblowing	bi-ennial	Chief Executive Stuart Edwards and/or Governance Manager Joanne Head	✗	✓	✗	✓	✗	✓	✗
Financial Regulations	bi-ennial	Deputy CFO Michelle Bellis	✓	✗	✓	✗	✓	✗	✓
Grant Regulations	tri-ennial	Head of Partnerships and Commissioning Vivian Stafford	✗	✗	✓	✗	✗	✓	✗

## Attendance Listing for Joint Audit &amp; Standards Committee Meetings 2016/17

	3 May 2016	28 July 2016	7 Sept 2016	24 Nov 2016	15 Mar 2017
<b>Independent Members</b>					
Mrs Fiona Daley (Chair)	✓	✓	✓	✓	✓
Mr Andy Hampshire (retired 30/09/2016)	✓	✓	-	-	-
Mr Jack Jones	✓	✓	✓	✓	x
Mrs Fiona Moore	✓	✓	✓	✓	✓
Mr Malcolm Iredale (joined 01/09/2016)			✓	✓	✓
<b>Commissioner's Officers</b>					
Police & Crime Commissioner for Cumbria (Richard Rhodes/Peter McCall)	✓	✓			
Chief Executive (Stuart Edwards)		✓			
Chief Finance Officer / Deputy Chief Executive (Ruth Hunter)	✓	✓	✓		✓
Head of Partnerships & Commissioning (Vivian Stafford)				✓	
Governance and Business Services Manager (Joanne Head)	✓		✓	✓	✓
<b>Constabulary Officers</b>					
Chief Constable (Jeremy Graham)	✓				
Deputy Chief Constable (Michelle Skeer)	✓	✓	✓	✓	✓
Constabulary Chief Finance Officer (Roger Marshall)	✓	✓	✓	✓	✓
Constabulary Director of Corporate Improvement (Jane Sauntson)			✓		
Deputy Chief Finance Officer (Michelle Bellis)	✓		✓	✓	✓
Principal Financial Services Officer (Lorraine Holme)					
Financial Services Assistant (Dawn Cowperthwaite/Dawn Masters/Shelagh Miller)	✓	✓	✓	✓	✓
<b>Internal Audit</b>					
Chief Internal Auditor, Management Audit Unit, Cumbria County Council (Niki Riley)	✓				
Audit Manager, Management Audit Unit, Cumbria County Council (Emma Toyne)	✓	✓	✓	✓	✓
Lead Auditor, Management Audit Unit, Cumbria County Council (Sarah Wardle)	✓				
<b>External Audit</b>					
Appointed Auditor, Grant Thornton (Fiona Blatcher/Robin Baker)	✓	✓	✓		✓
Senior Auditor, Grant Thornton (Richard McGahon)		✓	✓	✓	✓
In-Charge Auditor, Grant Thornton (Laurelin Griffiths)				✓	

## Joint Audit & Standards Committee - Role Profile

Job Title: Committee Chair

### JOB PURPOSE / KEY RESPONSIBILITIES

#### 1 Chair

The Chair of the Committee is responsible for providing leadership to the Committee in effectively discharging its duties and responsibilities as set out in the Committee terms of reference.

Ensuring that the Committee achieves its purpose of providing an independent assurance function for the governance, internal control, risk and financial and non-financial performance of the Constabulary and OPCC.  
Ensuring the Committee fulfils its responsibilities as a Standards Committee.

The Chair must create and manage effective working relationships among the Committee, Police and Crime Commissioner, the Chief Constable, Section 151 officers and both internal and external auditors.

Meet separately with the Section 151 officers and District Auditor to discuss risk compliance and governance issues arising as a result of external or internal audit activity.

Act as the committee's spokesman, using his or her best efforts to see that the committee receives all material to be discussed at the meeting at least one week before the meeting to ensure sufficient time to review information.

#### 2 Conduct of Committee Meetings

Act as the chairman of each Committee meeting ensuring the appropriate conduct of business in accordance with the committee terms of reference.

Conduct the business of each Committee meeting in a manner which will result in all matters on the agenda being dealt with effectively and appropriately.

Propose the termination of discussion on any matter when he or she is of the opinion that the matter has been thoroughly canvassed and discussed and that no new points of view or information are being presented.



Attempt to achieve resolution of all issues discussed at the meeting in respect of which a decision is required and members express conflicting positions, views, or advice, but such attempt should in no way inhibit a member from maintaining a different position, view, or advice.

Ensure that all members who wish to address a matter at a meeting are afforded a reasonable opportunity to do so.

In any case where a member of the Committee has an interest or potential conflict in respect of a matter to be discussed at a meeting, arrange for that member to excuse himself/herself from all or a portion of the Committee discussion.

### 3 Committee Culture

Provide leadership in promoting and supporting a Committee culture characterised by:

- i) The willingness of each member to use his or her best efforts in carrying out his or her duties as a member of the Committee;
- ii) The Committee's insistence on the highest level of integrity accountability and honesty in the actions of the Committee and of the PCC, Chief Constable and the other officers of the OPCC/Constabulary;
- iii) Respect and dignity among the members, officers and the external and internal auditor;
- iv) The candid and timely sharing of information among the members of the Committee, management and the external auditor;
- v) Acceptance by all members of the Committee of the right of every member to hold and express a dissenting opinion; and
- vi) A commitment to best governance practices and standards practices.

### 4 Miscellaneous Matters

Assist the Committee and management to understand and respect the responsibilities of each.

Whenever necessary or desirable, to facilitate the effective performance of the Committee's duties, attend other meetings and committees including those to facilitate governance of the internal audit shared service.

## Joint Audit & Standards Committee - Role Profile

Job Title: Committee Members

### 1. Job purpose / key responsibilities

To contribute to the effective discharge of the duties and responsibilities of the Committee as set out in the Committee terms of reference.

To maintain effective working relationships with committee members, the Police and Crime Commissioner, the Chief Constable, Section 151 officers and both internal and external auditors.

To be diligent in preparing for committee meetings and making an effective contribution to those meetings to provide independent assurance of the governance, internal control and finance, risk and performance management arrangements of the OPCC and Constabulary

### 2 Conduct of Committee Meetings

Contribute to the business of each Committee meeting in a manner which supports all matters on the agenda being dealt with effectively and appropriately.

Address the Committee on all matters where an opinion or decision is required and in such a manner that does not inhibit other members of the committee wishing to express a different opinion.

Advise the Committee Chair where an interest or potential conflict of interest may exist in respect of a matter to be discussed at a meeting and act on the advice of the Chair.

### 3 Committee Culture

As a member of the committee, contribute to a culture that supports.

- i) Each member to use his or her best efforts in carrying out his or her duties as a member of the Committee;
- ii) The highest level of integrity accountability and honesty in the actions of the Committee and of the PCC, Chief Constable and the other officers of the OPCC/Constabulary;

- iii) Respect and dignity among the members, officers and the external and internal auditor;
- iv) The candid and timely sharing of information among the members of the Committee, management and the external auditor;
- v) Acceptance by all members of the Committee of the right of every member to hold and express a dissenting opinion; and
- vi) A commitment to best governance practices.

#### 4        Miscellaneous Matters

When necessary or desirable, to facilitate the effective performance of the Committee's duties, attend other meetings and committees.

## CIPFA Self-assessment of Good Practice

Good Practice Questions	Yes	Partly	No
<b>Audit committee purpose and governance</b>			
Does the Commissioner/Chief Constable have a dedicated audit committee?	✓		
Do the terms of reference clearly set out the purpose of the committee in accordance with CIPFA's Position Statement?	✓		
Is the role and purpose of the audit committee understood and accepted within the OPCC & Constabulary?	✓		
Does the audit committee provide support to the OPCC & Constabulary in meeting the requirements of good governance?	✓		
Are the arrangements to hold the committee to account for its performance operating satisfactorily?	✓		
<b>Functions of the committee</b>			
Do the committee's terms of reference explicitly address all the core areas identified in CIPFA's Position Statement?	✓		
good governance	✓		
assurance framework	✓		
internal audit	✓		
external audit	✓		
financial reporting	✓		
risk management	✓		
value for money or best value	✓		

counter-fraud and corruption	✓		
Is an annual evaluation undertaken to assess whether the committee is fulfilling its terms of reference and that adequate consideration has been given to all core areas?	✓		
Has the audit committee considered the wider areas identified in CIPFA's Position Statement and whether it would be appropriate for the committee to undertake them?	✓		
Where coverage of core areas has been found to be limited, are plans in place to address this?	✓		
Has the committee maintained its non-advisory role by not taking on any decision-making powers that are not in line with its core purpose?	✓		
<b>Membership and support</b>			
Has an effective audit committee structure and composition of the committee been selected? This should include:	✓		
separation from the executive	✓		
an appropriate mix of knowledge and skills among the membership	✓		
a size of committee this is not unwieldy	✓		
where independent members are used, that they have been appointed using an appropriate process	✓		
Does the chair of the committee have appropriate knowledge and skills?	✓		
Are arrangements in place to support the committee with briefings and training?	✓		
Has the membership of the committee been assessed against the core knowledge and skills framework and found to be satisfactory?	✓		
Does the committee have good working relations with key people and organisations, including external audit, internal audit and the chief finance officer?	✓		

Is adequate secretariat and administrative support to the committee provided?	✓		
Effectiveness of the committee			
Has the committee obtained feedback on its performance from those interacting with the committee or relying on its work?	✓		
Has the committee evaluated whether and how it is adding value to the organisation?	✓		
Does the committee have an action plan to improve any areas of weakness?	✓		