



Police and Crime Commissioner for Derbyshire
Chief Constable of Derbyshire

JOINT AUDIT RISK AND ASSURANCE COMMITTEE

ANNUAL REPORT 2015/16

POLICING GOVERNANCE

Since November 2012 police governance has been vested in elected Police and Crime Commissioners (except in London where the elected Mayor is responsible for policing). Police and Crime Commissioners are elected every 4 years, the latest election having taken place after the end of the financial year on 5th May 2016, with the election of Councillor Hardya Dhindsa, the previous Deputy Police and Crime Commissioner.

It is the responsibility of the Commissioner to appoint and if necessary dismiss the Chief Constable and to hold him/her to account for the efficient delivery of policing in the area. Commissioners produce a Police and Crime Plan and set the budget and policing precept.

The Chief Constable retains responsibility for operational policing, and has direction and control of all police officers and all police staff who do not directly support the Commissioner.

Current Home Office guidance is that Chief Constables and Commissioners will be supported by independent Audit Committees. In Derbyshire this is the Joint Audit Risk and Assurance Committee or JARAC.

During the financial year the purpose of the JARAC was to provide independent assurance to the Chief Constable and the Commissioner of the adequacy the following:

- The risk management and the internal control framework operated by the Commissioner and the Chief Constable.**
- The effectiveness of their respective governance arrangements including providing for value for money services.**
- Appointment, support and review of the work of internal and external auditors in their provision of assurance on risk management, internal controls and the annual accounts through their work.**
- Appropriate scrutiny of the annual account (with advice from External Audit), especially the financial reporting process.**

It is a non-executive committee and works to Terms of Reference approved by the Commissioner and the Chief Constable, based on national professional guidance from the Chartered Institute of Public Finance & Accountancy. Therefore, the JARAC operates in line with the principles of good governance. The duties of the JARAC do not include any responsibilities in respect of Professional Standards.

In addition to an audit committee, there is a Police and Crime Panel, hosted by the Derbyshire County Council made up of 16 members to achieve political balance; this panel holds the Commissioner to public account between elections; it has other statutory functions from time to time.

DERBYSHIRE JOINT AUDIT RISK AND ASSURANCE COMMITTEE (JARAC)

In Derbyshire, there are 5 JARAC members, all independent of the Commissioner and the Chief Constable. The members are appointed through an open recruitment process and selected on the basis of experience and expertise. The committee is appointed on a rolling programme with members appointed for periods of up to 5 years.

The members for the 2015/16 financial year were:



(clockwise from bottom right)

Kate Alcock, Chair

Mike Carrington, Vice Chair

Tony Salt

Samantha Hart

Steve Cook

Mike Carrington and Tony Salt stood down after the end of the financial year and Sue Sunderland and Andrew Jenkinson were appointed with effect from 1st June 2016.

The JARAC meets in public at least 4 times a year, usually at Constabulary HQ at Ripley. A programme for the annual cycle of JARAC meetings has been established and the cycle for 2015/16 was as follows:

Quarter	Approx month	Main topic(s)
Spring meeting	March	Value for Money
Summer meeting	June	Risk Management and Review and Advice on Internal Controls
Autumn meeting	September	Financial reporting / Final Accounts /Data Quality and Appraisal
Winter meeting	December	Risk Management

The attached schedule summarises the conclusions from the work of the JARAC during 2015/16. However, our key achievements are summarised below:

The committee used its assurance map to monitor progress and highlight gaps in governance arrangements. The JARAC regularly reviews the risk registers and raises specific issues where appropriate. For example, when the committee was not satisfied about the rationale for risks being removed from the Force's Risk Register it advised that they be reinstated, which they were. Furthermore, a member of the committee attends the Force's Strategic Risk Board to provide assurance to the JARAC that risk is being properly managed.

During the year, the JARAC sought greater understanding of how assurance of good governance is obtained when Derbyshire Constabulary works in collaboration with other forces. Working with the JARACs of the other East Midlands Forces, work was commissioned to examine the governance arrangements of each collaboration and the quality of evidence available to provide the requisite assurance of good

governance. This work will inform the Internal Audit priorities for the next three years.

During the year the JARAC focussed on following up on issues highlighted in Internal Audit and other action plans to ensure that these issues were addressed and internal control procedures improved.

The committee sought a closer working relationship with the Police and Crime Panel. The Chair attended one of their meetings, but was not invited to participate. There has been no attendance by the Police and Crime Panel members at JARAC meetings.

The committee completed its annual self-appraisal. From this it highlighted a need for further briefings in areas of developing operational risks. The self-appraisal also highlighted a skills gap in the committee membership. The committee has now received briefings from specialist officers working in public protection and cyber-crime and has successfully filled the skills gap in its 2016 recruitment.

In 2016/17 the JARAC will continue to seek:

- 1. Further assurance of good governance where the Force is working in collaboration with other Forces and in partnership arrangements.**
- 2. Further assurance that findings from Internal Audit and other inspections are followed up and acted upon.**

The committee will also complete its annual self-appraisal to inform its future training requirements.

Agendas are published in advance on the Commissioner's website <http://www.derbyshire-pcc.gov.uk/Home.aspx> and Minutes are published with Strategic Governance Board papers as well as on the following JARAC agenda.

SUMMARY OF ASSURANCE GAINED 2015/16

Risk Management and Internal Control

Meeting	Minute	Decision / Assurance Gained
16/07/2015	20/15	<u>FORCE RISK MANAGEMENT</u> RESOLVED: 1. Assurance was taken that this area of business is being managed efficiently and effectively
	21/15	<u>POLICE AND CRIME COMMISSIONER RISK MANAGEMENT</u> RESOLVED: 1. The risk update was received and assurance was taken that this area of business is being managed efficiently
16/07/2015	27/15	<u>ASSURANCE MAP 2015</u> RESOLVED: 1. The committee reviewed the final draft map and subject to the amendments noted in 27.3 above approved the Governance and Assurance map
24/09/2015	41/15	<u>OPCC RISK REGISTER – MID YEAR REVIEW 2015</u> RESOLVED: 1. Assurance was taken that the mid-year risk register review has taken place and: 2. That an up to date OPCC risk register has been produced
24/09/2015	42/15	<u>VERBAL UPDATE RE: FORCE RISK MANAGEMENT BOARD</u> RESOLVED: 1. To note the verbal update 2. The Committee took significant assurance in the management of risk through Ms Hart's attendance at the

		Risk Management Board.
17/12/2015	48/15	<u>FORCE RISK MANAGEMENT</u> RESOLVED: 1. Direct assurance was gained that this area of business is being managed efficiently and effectively
17/12/2015	49/15	<u>ANNUAL STRATEGIC RISK BRIEFING</u> RESOLVED: 1. The update on the current force strategic risk was received and assurance was gained that this area of the business is being managed efficiently and effectively
17/12/2015	47/15	<u>HMIC INSPECTION ACTIVITY</u> RESOLVED: 1. Direct assurance was gained that there is a process in place to implement where relevant, HMIC recommendations, but note that there are matters beyond the Forces' control as some recommendations sit with third parties
03/03/2016	11/16	<u>GOVERNANCE AND ASSURANCE MAPPING – COLLABORATION</u> RESOLVED: 1. <u>Verbal update noted</u>

Governance and Value for Money Arrangements

Meeting	Minute	Decision / Assurance
24/09/2015	34/15	<u>JARAC RECRUITMENT</u> RESOLVED: 1. Members noted the JARAC Members recruitment process
24/06/2015	35/15	<u>JARAC MEETING TIMETABLE</u> RESOLVED: 1. The future meeting dates of the JARAC were considered and subject to finalising the July date, the dates were agreed
24/09/2015	43/15	<u>NCRS AND NSIR COMPLIANCE REPORT</u> RESOLVED: 1. Assurance was taken that this area of business is being managed efficiently and effectively, subject to some assurance that sexual crimes are being dealt with appropriately with a report to the December 2015 meeting of the Committee
03/03/2016	08/16	<u>HMIC VALUE FOR MONEY PROFILES (VFM) 2015</u> RESOLVED: 1. In light of the verbal update and that the Police and Crime Commissioner and the Chief Constable have reviewed the VFM profiles the Committee can gain direct assurance.

Oversight of Internal and External Audit

Meeting	Minute	Decision / Assurance
16/07/2015	23/15	<p><u>INTERNAL AUDIT ANNUAL REPORT 2014/2015</u></p> <p>RESOLVED:</p> <ol style="list-style-type: none"> 1. Assurance was taken that the outcome of the work undertaken by Internal Auditors Baker Tilly on the adequacy and effectiveness of the arrangements of governance, risk management and control at Derbyshire Constabulary and the Police and Crime Commissioner for Derbyshire and should be included in the respective Annual Governance Statements.
16/07/2015	24/15	<p><u>INTERNAL AUDIT: GOVERNANCE – MANAGING DELIVERY OF THE POLICE AND CRIME PLAN</u></p> <p>RESOLVED:</p> <ol style="list-style-type: none"> 1. Assurance was taken that the controls upon which the organisation relies to manager this area are suitably designed, consistently applied and effective.
16/07/2015	25/15	<p><u>INTERNAL AUDIT: COMMISSIONING VICTIM SUPPORT SERVICES</u></p> <p>RESOLVED:</p> <ol style="list-style-type: none"> 1. The report was noted
16/07/2015	26/15	<p><u>INTERNAL AUDIT REPORT: DRAFT INTERNAL AUDIT STRATEGY 2015/16 TO 2018/19 INTERNAL AUDIT PLAN</u></p> <p>RESOLVED:</p> <ol style="list-style-type: none"> 1. The adequacy of the proposed strategy for Internal Audit 2015/16 was reviewed comments made 2. To recommend, subject to any amendments following assurance following the assurance mapping being finalised by Mazars, the working plan to the Chief Constable and the Police and Crime Commissioner for their respective approvals.
16/07/2015	22/15	<p><u>EXTERNAL AUDIT ANNUAL FEES</u></p>

		RESOLVED: 1. The fees for 2015/16 audit were noted
24/09/2015	36/15	<u>INTERNAL AUDIT PROGRESS REPORT</u> RESOLVED: 1. Pending receipt of the assurance map, members noted the internal audit plan
24/09/2015	37/15	<u>INTERNAL AUDIT ASSURANCE MAP- DISCUSSION</u> RESOLVED: 1. The discussion was noted.
24//09/2015	38/15	<u>EXTERNAL AUDIT - REPORT TO THOSE CHARGED WITH GOVERNANCE (ISA 260) REPORT 2014/2015</u> RESOLVED: 1. The ISA 206 report to those charged with governance for the financial year 2014/15 was received and discussed.
17/12/2015	52/15	<u>INTERNAL AUDIT – PROGRESS REPORT DECEMBER 2015</u> RESOLVED: 1. Assurance was taken that the internal audit plan addresses relevant matters and is being delivered as expected
17/12/2015	57/15	<u>INTERNAL AUDIT REPORT: ASSURANCE MAPPING</u> RESOLVED: 1. The Committee received the Internal Audit Assurance Maps and approved their consideration for planning for internal audit activities
17/12/2015	53/15	<u>INTERNAL AUDIT REPORT: HR TRANSACTIONAL</u>

		<p>RESOLVED:</p> <ol style="list-style-type: none"> 1. Assurance was taken that the controls upon which the organisation relies to manage this area are suitably designed, consistently applied and effective
17/12/2015	54/15	<p><u>INTERNAL AUDIT REPORT: DATA QUALITY – COMPLAINTS HANDLING</u></p> <p>RESOLVED:</p> <ol style="list-style-type: none"> 1. Assurance was taken that the controls upon which the organisation relies to manage this area are suitably designed, consistently applied and effective
17/12/2015	55/15	<p><u>INTERNAL – INTEGRATED OFFENDER MANAGEMENT</u></p> <p>RESOLVED:</p> <ol style="list-style-type: none"> 1. Assurance was taken that the controls upon which the organisation relies to manage this area are suitably designed, consistently applied and effective
17/12/2015	56/15	<p><u>INTERNAL AUDIT REPORT: CORE FINANCIALS</u></p> <p>RESOLVED:</p> <ol style="list-style-type: none"> 1. Assurance was taken that the controls upon which the organisation relies to manage this area are suitably designed, consistently applied and effective
17/12/2015	50/15	<p><u>EXTERNAL AUDIT- GUIDANCE ON THE APPOINTMENT OF EXTERNAL AUDITORS</u></p> <p>RESOLVED:</p> <ol style="list-style-type: none"> 1. The briefing on the appointment of external auditors was received and noted
03/03/2016	06/16	<p><u>INTERNAL AUDIT PROGRESS REPORT 2015/16</u></p> <p>RESOLVED:</p> <ol style="list-style-type: none"> 1. The below reworded recommendation was accepted. It is recommended that the committee takes assurance that the controls upon which the organisation relies to manage Proceeds of Crime Act cash seizures are suitably designed and effective as detailed in Annex B to the report. The committee cannot

		<p>gain assurance that the risk is being managed effectively. It understands that further work has been undertaken and a follow-up report is requested.</p> <p>2. The recommendation was agreed with the proviso that the follow-up report/process will be reviewed.</p>
03/03/2016	07/16	<p><u>STRATEGY FOR INTERNAL AUDIT 2015/16: INTERNAL AUDIT ASSIGNMENTS</u></p> <p>RESOLVED:</p> <p>1. It was suggested that a report should go to the SGB or a decision be made outside the Board</p>
03/03/2016	04/16	<p><u>EXTERNAL AUDIT PLAN 2015/16</u></p> <p>RESOLVED:</p> <p>1. The External Audit was received</p>
03/03/2016	05/16	<p><u>EXTERNAL AUDIT PROGRESS AND TECHNICAL UPDATE</u></p> <p>RESOLVED:</p> <p>1. Direct assurance was gained that this area of business is being managed efficiently and effectively.</p>

The Financial Reporting Process

Meeting	Minute	Decision / Assurance
16/07/2015	28/15	<u>JARAC ANNUAL REPORT 2014/15</u> RESOLVED: 1. Subject to the agreed amendments the JARAC Annual Report was received and approved
16/07/2015	29/15	<u>ANNUAL GOVERNANCE STATEMENT 2014/15 POLICE AND CRIME COMMISSIONER</u> RESOLVED: 1. The Annual Governance Statement for the Commissioner attached at Appendix A was considered along with the amendments circulated at the meeting 2. It was agreed that the Annual Governance Statement 2014/15 accompany the Statement of Accounts for 2014/15 for audit 3. No further areas of Governance needing further development in 2015/16 were considered to be included in the final statement
16/07/2015	30/15	<u>STATEMENT OF ACCOUNTS</u> RESOLVED: 1. The annual Governance Statement for the Chief Constable contained within the draft 2014/15 Financial Statements as attached to the report were approved 2. The draft Statements of Accounts for 2014/15 were noted
16/09/2015	39/15	<u>DRAFT LETTERS OF REPRESENTATION</u> RESOLVED: 1. The draft Letters of Representation for 2014/15 set out at Appendix A and Appendix B were considered. 2. No relevant matters as advice to the Police and Crime Commissioner and the Chief Constable were raised prior to them and their respective Chief Financial Officers signing the letters.
16/09/2015	40/15	<u>STATEMENT OF ACCOUNTS 2014/15</u>

		<p>RESOLVED:</p> <ol style="list-style-type: none"> 1. A final overview of the Commissioner and Group Statement of Accounts as set out at Appendix A to the report was given to provide assurance to the Police and Crime Commissioner prior to him signing his statement of accounts. 2. A final overview of the Chief Constable Statement of Accounts as set out at Appendix B to the report was given to provide assurance to the Police and Crime Commissioner prior to him signing his statement of accounts.
17/12/2015	51/15	<p><u>ANNUAL AUDIT LETTER 2014/15</u></p> <p>RESOLVED:</p> <ol style="list-style-type: none"> 1. The Annual Audit letter for 2014/15 was received and assurance was taken once again, that arrangements by Derbyshire police for financial reporting, value for money and external reporting were satisfactory 2. The committee noted that the Commissioner and the Chief Constable received the Annual Audit Letter for 2014/15 at the meeting of the Strategic Governance Board on 14 December 2015
03/03/2016	09/16	<p><u>SUMMARY OF REVENUE BUDGET AND PRECEPT PROCESS 2016/17</u></p> <p>RESOLVED:</p> <ol style="list-style-type: none"> 1. Direct assurance was gained that this area of business is being managed efficiently and effectively.
03/03/2016	10/16	<p><u>2015/16 YEAR END ACCOUNTING ARRANGEMENTS AND ACCOUNTING POLICIES</u></p> <p>RESOLVED:</p> <ol style="list-style-type: none"> 1. Direct assurance was gained that this area of business is being managed efficiently and effectively.

