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Dyfed-Powys Police and Crime Commissioner
and Chief Constable

2014/15



COMISIYNYDD
HEDDLU A THROSEDDU
DYFED-POWYS
POLICE AND CRIME
COMMISSIONER

Joint Audit Committee Annual Report



Chairman's Foreword

I present to you this second annual report of the Dyfed-Powys Police and Crime Commissioner and Chief Constable's Joint Audit Committee. The value of an Audit Committee to an organisation is that it provides independent assurance and advice on its governance processes. It looks for example at the arrangements for risk management and financial management and, when deemed necessary, will challenge the processes of the organisation. The members of the Joint Audit Committee for the Dyfed Powys Police and Crime Commissioner and Chief Constable are independent of both of these offices and collectively have the skills and experience necessary to give effective support and advice.

During the year 2014/15 the Joint Audit Committee has focussed on risk management arrangements, the development of the Code of Ethics and the embedding of governance arrangements. It is pleasing to report progress on all these areas. At the same time the committee has examined its own effectiveness to ensure it is on the right track. We did this by consulting with the Police and Crime Commissioner, the Chief Constable and our internal and external auditors, asking all of them if we had the balance right between support and challenge and if they saw any gaps in what we were doing. We also had a self-assessment session where we looked at the detail of what we did and how we did it. The result was that, while we felt we had the balance about right, there were areas to which we did not currently give adequate attention. We will be giving some of the reports from our internal auditors more attention in future.

Policing in Dyfed Powys faces ongoing challenges at a time of unprecedented change and in an era of national austerity. I am confident that these challenges can be faced with no diminution in the passion for good governance which I have found to exist. As I approach the end of my second term as Chair of the Joint Audit Committee, I thank all the officers and staff of the OPCC and the Chief Constable for their willingness to engage constructively with the committee, and I thank my fellow committee members for their support.

Alasdair Kenwright
Chair of the Joint Audit Committee of the Dyfed-Powys Police and
Crime Commissioner and Chief Constable

Dyfed-Powys

Dyfed-Powys is geographically the largest police area in England and Wales, covering 52% of the landmass of Wales, 4,188 square miles. It serves the four counties of Carmarthenshire, Pembrokeshire, Ceredigion and Powys. The area is predominantly rural, with a few localised areas of dense urban population. Its residence population currently stands at 515,114 or 221,858 households.

The Chief Constable for the area is currently Simon Prince. Find out more about Chief Constable Prince [here](#).

The Police and Crime Commissioner for the area is Christopher Salmon. Find out more about Mr Salmon [here](#).

[Click here](#) to read more about the Police and Crime Priorities for Dyfed-Powys.

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Role of the Joint Audit Committee

Audit Committees are critical to the corporate governance process. They provide an independent and high-level focus on the audit, assurance and reporting arrangements that underpin good governance and financial standards. Good governance requires independent, effective assurance regarding the adequacy of internal control, financial management and reporting, risk management, and anti-fraud and corruption arrangements.

In accordance with the Financial Management Code of Practice (2012) a Joint Audit Committee (JAC) for the Police and Crime Commissioner (PCC) and Chief Constable (CC) for Dyfed-Powys was established from the start of the PCC's term. This body is independent from the scrutiny function provided by the Police and Crime Panel. It provides independent advice and recommendations to the PCC and CC to help ensure efficient and effective assurance arrangements are in place. The [Terms of Reference](#) summarise the core functions of the committee and the protocols in place to enable it to operate independently, robustly and effectively.

Membership

Members of the JAC must have an understanding of the financial, risk and control, and corporate governance issues facing the PCC and CC. They must have the ability to challenge, question, probe and seek clarification from the PCC and CC when required. The PCC and CC are satisfied that the 4 members, namely Mr Alasdair Kenwright, Mrs Ann Williams, Mr Gawain Evans and Mr Malcolm MacDonald, provide the right mix of skills and relevant experience, and have demonstrated their passionate commitment to securing the best possible policing service for Dyfed-Powys. A fifth member, Mrs Daphne Evans, resigned as a member of the Committee in June 2014 due to her recent appointment to the Misconduct Panel, which presented a conflict of interests on her duties as a Committee member.

Member	No of meetings held	Number of meetings attended	% of meetings attended
Alasdair Kenwright (Chair)	4	4	100%
Daphne Evans	1	1	100%
Gawain Evans	4	4	100%
Malcolm MacDonald	4	4	100%
Ann Williams	4	4	100%

The JAC meetings are also attended by the PCC and CC, the PCC's Chief Finance Officer and Chief of Staff (as Monitoring Officer) and the CC's Director of Finance. Other officers attend in accordance with reporting requirements. Members of the JAC also meet privately, without the PCC or CC, with both internal and external auditors on a bi-annual basis.

Table: Members' attendance in 2014/15

Key areas of focus for the committee in 2014/15

The JAC met 4 times in 2014/15. The key areas of focus were:

- Financial reporting: The JAC reviewed the PCC and CC financial statements and annual accounting policies. The JAC considered policies for Treasury Management Strategy, Investment, and Reserves and Balances.
- Internal controls: the JAC reviewed the effectiveness of the system of internal controls, taking account of the findings from internal and external audit reports. The JAC sought assurance that control issues identified are being addressed.
- Internal audit: During the year, the JAC oversaw the work of internal audit, undertaken by TIAA.
- External audit: The JAC noted the Annual Audit Letter, which recognised that appropriate arrangements are in place to secure economy, efficiency and effectiveness in the use of resources. The Wales Audit Office drew attention to the level of total usable reserves which had continued to increase.
- Governance: The JAC provided feedback on the content of the Corporate Governance Framework, which was approved and implemented over the course of the year. The JAC approved the PCC and CC's annual governance statements. The JAC also received minutes of the Corporate Governance Group meetings.
- Risk management: the JAC received detailed updates on the Force's new arrangements for risk management.
- Efficiency: The JAC received regular updates on the Public First change programme and related work on process efficiencies, digitalisation, and flexible staffing structures.
- HMIC: The JAC received regular updates on HMIC inspection activity. Members expressed concern over the number of inspections undertaken

'The committee provides a level of intrusive scrutiny that enables me to have a good degree of confidence in the integrity of Force processes and governance.'

Chief Constable Simon Prince

'The Audit Committee is an important part of the new governance arrangements under Police and Crime Commissioners. It provides transparency and acts as an important agent of change for simpler, clearer and less expensive accountability.'

Christopher Salmon
Police and Crime
Commissioner

Priorities for 2015/16

Priorities for the Committee in 2015 /16 include:

- Areas of business which received limited assurance, including Debtors, Responsive Repairs, and Risk arrangements, and follow-up work to address these areas;
- Cost savings plans for 2016 /17 onwards;
- Review of the Public First change programme;
- Estates programme of work;
- Embedding of the new risk management arrangements;
- Value for Money;
- Business continuity.

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