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DYFED-POWYS
POLICE AND CRIME COMMISSIONER
AND
CHIEF CONSTABLE

Joint Audit Committee
Annual Report
2017/18

SAFEGUARDING OUR COMMUNITIES TOGETHER

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The Police and Crime Commissioner and Chief Constable's Joint Audit Committee is independent of both the Chief Constable and Police and Crime Commissioner and comprises members who are able to bring a range of skills and experience to the table. It is, therefore, uniquely positioned to provide assurance and advice on the delivery of good governance within both organisations.

As a Committee we have seen a change of membership during the course of the year. Two of the existing members came up for reappointment having completed their first four year terms. Due to the considerable pressures as Finance Director of the Welsh Government Gawain Evans very reluctantly decided not to seek reappointment for another four year term. It has been a great privilege to be able to draw on his considerable knowledge and experience both as a member of the committee and latterly as the Chair of the committee. Your input has been greatly appreciated and will be missed. Having reached the end of my first four year term I applied for reappointment and was granted another four year term. I am very pleased to continue to undertake the role and I am delighted that I have been appointed to the role of Committee Chair. I would like to record my thanks for the continuing input and support of Alasdair Kenwright and Andre Evans to the work of the Joint Audit Committee.

The vacancy on the committee has been filled by Martin Evans. Martin has already demonstrated since taking up his appointment at the December 2017 meeting that he has much to offer the Committee with his considerable knowledge of corporate governance. His input will greatly enhance the work of the Committee.

2017/18 has seen an increased input from the Joint Audit Committee. We have had the opportunity to consider the annual accounts in greater detail with the chief finance officers providing analysis and background information at a presentation to the Committee. We also had the opportunity to attend the PCC's seminar in December 2017 when details of the financial pressures being faced for the determining of the precept for 2018/19 were discussed. These opportunities greatly enhance the understanding of the financial pressures and constraints on the PCC and the Chief Constable.

Particularly encouraging this year has been the considerable efforts of the finance team to move towards meeting the early closure requirements in producing the annual accounts for 2017/18. This advance exercise and the lessons learnt from it should ensure that the future time constraints will be achieved.

Finally, on behalf of the Committee, I would like to thank officers of the Police and Crime Commissioner and the Chief Constable along with the Internal Auditors and the Wales Audit Office, who have supported its work during the course of the year.

Malcolm MacDonald

Chair of the Joint Audit Committee

The Police and Crime Commissioner and Chief Constable’s Joint Audit Committee (JAC) is a key component of the Dyfed-Powys Police Service’s corporate governance. It provides an independent and high-level focus on the adequacy of audit, assurance and reporting arrangements that underpin good governance and financial standards. This independence is important as the committee is, therefore, uniquely positioned in terms of its ability to provide assurance and advice.

The purpose of the JAC is to provide independent assurance to the Police and Crime Commissioner (PCC) and Chief Constable (CC) on the adequacy of the governance and risk management frameworks, the internal control environment, and financial reporting, thereby helping to ensure efficient and effective arrangements are in place.

The JAC has been established in accordance with the Home Office Financial Management Code of Practice, issued under the Police Reform and Social Responsibility Act 2011 and in line with the Chartered Institute of Public Finance and Accountancy (CIPFA) guidance.

The [Terms of Reference](#) for the JAC summarise the core functions of the committee and the protocols in place to enable it to operate independently, robustly and effectively.



Table: Members’ attendance in 2017/18

Member	Number of meetings scheduled to attend	Number of meetings attended	% of meetings attended
Gawain Evans	2	1	50%
Malcolm MacDonald	4	4	100%
Alasdair Kenwright	4	4	100%
Andre Morgan	4	3	75%
Martin Evans	2	2	100%

Members of the JAC must have an understanding of 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 Membership of the JAC during 2017/18 is as follows:

Gawain Evans	Chair	(& member until 31/10/2017)
Malcolm MacDonald	Chair	(From 06/12/2017)
Alasdair Kenwright	Member	
Andre Morgan	Member	
Martin Evans	Member	(From 01/12/2017)

Each member of the JAC has cleared the police vetting process and has completed a declaration of interest form.

In addition to the formal Committee meetings, Members of the JAC also meet privately, without the PCC or CC, with both internal and external auditors on a bi-annual basis. It is also routine for the Chairman to have discussions with the Statutory Officers about emerging governance related issues.

A seminar was held in June 2017 between Members, the Chief Finance Officer, the Director of Finance and finance leads within the Force to consider the vast level of detail within the then draft Statement of Accounts. This exercise was considered to be particularly valuable by all and assisted with supporting the closure of accounts ahead of the statutory timescales.

Members were invited to the Police and Crime Commissioner's Finance summit in December 2017 which provided stakeholders with an overview of the operational and financial challenges facing the service. This served to contextualise the programme of governance work being undertaken by the JAC and was deemed to be beneficial to all involved.

To support Members' development, an All Wales development day for Joint Audit Committee members took place in February 2018. This provided Members with an opportunity to learn how JACs are operating and to share best practice and ideas for development. During the course of the day, Members considered contemporary governance and audit issues, including the introduction of the Force Management Statements, in addition to deliberating on the role of the committee and how it can support the work of the OPCC and Force by for example considering collaboration activity between the PCC/Force and other bodies in order to provide assurance.

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 to provide information about audits, programmes of work, or any other matters as required.

'I am satisfied that the Commissioner and Chief Constable had appropriate arrangements in place in the year to secure economy, efficiency and effectiveness in their use of resources'
Wales Audit Office Annual Audit Report for 2016-17 received by the Committee in November 2017

The Joint Audit Committee met 4 times in 2017/18. The Committee received reports, recommendations and observations from internal auditors TIAA, Wales Audit Office, HMIC PEEL assessment reports and other inspection activity. The Committee also received presentations from officers of the OPCC and Force on key business areas for them to formulate an independent opinion and provide an assurance to the PCC and CC in respect of the financial and governance controls within the Corporation Soles.

In so doing, the Committee were satisfied that there are no major issues of concern that affects the financial standing of either corporation sole and the control methods are adequate. Furthermore the Committee were satisfied that the governance framework is robust and that appropriate controls are in place to mitigate risk.

The programme of work included the following:

Financial reporting: The JAC reviewed the annual statement of accounts for 2016/17, and considered the Accounting Policies, Treasury Management Strategy, Reserves Policy and the Capital Strategy.

Internal controls: The JAC reviewed Dyfed Powys Police's Controls Assurance Framework, based on the internal audit work carried out by TIAA.

Internal Audit: The JAC had oversight of work undertaken by internal auditors (TIAA), including reviews of commissioned services, the estates strategy, pensions arrangements and Firearms Licensing. The JAC also considered the annual internal audit plan for 2018/19.

External audit: The JAC considered the Wales Audit Office's Audit of Financial Statements for 2016/17. Work was successfully undertaken to facilitate a faster closure of accounts for 2016/17.

Governance: The Terms of Reference for the Committee were reviewed and ratified in July 2017, providing greater clarity as to the role and responsibilities of the committee. Members inputted into the Corporate Governance Framework which was revised to reflect the direction given by the new leadership team. It sets out the principles, structures and processes by which both organisations direct and control the activities through which they account to and engage with the community. The framework enables the Chief Constable and Police and Crime Commissioner to influence and monitor the achievement of strategic priorities and to consider whether the Police and Crime Plan objectives have been met.

The JAC received minutes of the quarterly Corporate Governance Group meetings, which is attended by representatives of the Chief Constable and Commissioner as well as a JAC member. This Group maintains and reviews the effectiveness of the Corporate Governance Framework, and considers the internal and external factors which impact on corporate governance. JAC members inputted into the draft Annual Governance Statements for both the PCC and CC.

Risk Management: The JAC tracked progress made to embed risk management within the Service, and considered how the Corporate risks are being managed. The JAC were delighted to see the substantial assurance achieved by the organisation in relation to Risk Management Mitigation Control.

HMIC: The JAC received updates on HMIC inspection activity over the course of the year.

Priorities for the Committee in 2018/19 include:

- Following the publication of the CIPFA audit committee guidance and the issuing of updated CIPFA statement on the roles of the CFOs in policing the Terms of Reference of the JAC will be reviewed.
- Consider and advise upon financial management arrangements which are currently being considered to develop a comprehensive medium term financial plan.
- Supporting those responsible for producing the Financial Statements to move towards meeting the timetable for the earlier closure of the accounts.
- Oversee the embedding of governance arrangements within the force and OPCC.
- Consider the 2017/18 Force Management Statement for any matters that fall within the terms of reference of the JAC.
- Focus on the implementation of the General Data Protection Regulations and compliance with statutory requirements.
- Maintaining a continuous assessment of the work of the JAC to ensure that best practice is followed and that it is meeting its terms of reference.

'We have identified no emerging strategic risks which could impact on the overall effectiveness of the governance, risk and internal control framework of the organisation and adversely impact on our annual opinion.' TIAA Internal Auditors Summary Internal Controls Assurance Report 2017/18



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