



**Police and Crime Commissioner for Derbyshire**  
**Chief Constable of Derbyshire**

**JOINT AUDIT RISK AND ASSURANCE COMMITTEE**

**ANNUAL REPORT 2013/14**

**POLICING GOVERNANCE: A NEW MODEL**

November 2012 saw a fundamental change in the governance of Policing with the abolition of Police Authorities and the election of Police and Crime Commissioners (except in London where the elected Mayor is responsible for policing). This new model was heralded as a shift from a bureaucratic to an accountable model, with Police and Crime Commissioners elected every 4 years.

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 must 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.

**As part of the 2012 change, the Home Office produced new guidance and expected that Chief Constables and Commissioners would be supported by independent Audit Committees. In Derbyshire this is the Joint Audit Risk and Assurance Committee or JARAC**

**The purpose of the JARAC is 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 keep under review the work of internal and external auditors as they provide assurance on risk management, internal controls and the annual accounts through their work.**
- **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.**

**In addition to an audit committee, there is a Police and Crime Panel, hosted in this case 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. They have been appointed for periods between 3 and 5 years.

The current members are



(clockwise from bottom right)

Kate Alcock, Chair; Mike Carrington, Vice Chair; Tony Salt; Samantha Hart; Steve Cook

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 2013/14 was as follows

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

**The attached schedule summarises the conclusions from the work of the JARAC during 2013/14.**

**The committee will continue with these activities and in 2014/15 we will also focus on the following areas:**

- 1. Following up on issues highlighted in action plans to ensure that they are addressed.**
- 2. Development of an Assurance Map showing assurance activity across the Force, OPCC, PCP, and JARAC to present a holistic approach to governance and to highlight any gaps or overlaps in governance. The map will show how assurance is attained and the frequency of doing so and the status of the assurance. The JARAC will also seek greater understanding of how assurance is established where the Force is working in collaboration with other Forces.**
- 3. Improved communication with the Police and Crime Panel to ensure good governance.**
- 4. Completing a self-appraisal using the model issued by CIPFA in 2013 to monitor its performance and to establish training needs.**

**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 next following JARAC agenda.**

**SUMMARY OF ASSURANCE GAINED 2013/14**

**Risk Management and Internal Control**

<b>Meeting</b>	<b>Minute</b>	<b>Decision/Assurance Gained</b>
13/12/13	29/13	<p><b>HMIC Inspection Activity</b></p> <p><b>RESOLVED:</b>            1. The report was received to gain direct assurance that there is a process in place for the Constabulary to implement HMIC recommendations.</p>
13/12/13	30/13	<p><b>Force Risk Management</b></p> <p><b>RESOLVED</b>            1. The report was received and significant and direct assurance was taken that this area of business is being managed efficiently and effectively.</p>
13/12/13	31/13	<p><b>Report On Attendance At The Force Strategic Risk Management Board</b></p> <p><b>RESOLVED:</b>            1. Assurance was taken from the verbal feedback provided by Ms S Hart that the area of Risk is being managed efficiently and effectively by the Constabulary.</p>
13/3/14	04/14	<p><b>HMIC Inspection Activity</b></p> <p><b>RESOLVED</b>            1. The committee gained direct assurance that there is a process in place to implement where relevant, HMIC recommendations.</p>

**Governance and Value for Money Arrangements**

<b>Meeting</b>	<b>Minute</b>	<b>Decision/Assurance Gained</b>
20/6/13	07/13	<p><b>PCC Risk Management</b></p> <p><b>RESOLVED:</b>            1. The committee took assurance that progress was being made to implement Risk Management in the Office of the Police and Crime Commissioner was noted.</p>
20/6/13	12/13	<p><b>Derbyshire Joint Code Of Corporate Governance For The Police And Crime Commissioner And The Chief Constable</b></p> <p><b>RESOLVED</b>            1. Assurance was taken that suitable and appropriate Code(s) of Corporate Governance are in place for the Commissioner and the Chief Constable, noting that in Derbyshire, a joint Code had been adopted.</p>
13/12/13	38/13	<p><b>Audit Report: Collaboration Governance &amp; Financial Framework</b></p> <p><b>RESOLVED:</b>            1. Assurance was taken as to the design and application of the control framework.            2. To note the 5 medium and 3 low priority matters identified in the action plan relating to the design of the control framework have been accepted by management and will be addressed according to the plan timescale.</p>
13/12/13	41/13	<p><b>NCRS and NSIR Compliance Report</b></p> <p><b>RESOLVED:</b>            1. To gain direct assurance that this area of business is being managed efficiently and effectively.</p>
13/3/14	10/14	<p><b>Value for Money</b></p> <p><b>RESOLVED:</b></p>

Meeting	Minute	Decision/Assurance Gained
		1. The committee took assurance that the controls upon which the organisation relies to manage this area is suitably designed, consistently applied and effective.
13/3/14	11/14	<p><b>Priority Based Budgeting</b></p> <p><b>RESOLVED:</b></p> <p>1. The committee gained assurance from the report that Derbyshire Police is continuing to take steps to deliver future value for money.</p>

#### Oversight of Internal and External Audit

Meeting	Minute	Decision/Assurance Gained
20/6/13	10/13	<p><b>Internal Audit Annual Report</b></p> <p><b>RESOLVED:</b></p> <p>1. To note and take assurance from the Internal Audit Annual Report.</p>
20/6/13	11/13	<p><b>Internal Audit Governance Arrangements</b></p> <p><b>RESOLVED:</b></p> <p>1. To note and take assurance from the Internal Audit Governance Arrangements          2. Members' receive a copy of all future Strategic Governance Board meeting papers.</p>
13/12/13	33/13	<p><b>Annual Audit Letter</b></p> <p><b>RESOLVED:</b></p> <p>1. To receive the Annual Audit Letter for 2012/13 and take assurance that once again the arrangements by Derbyshire Police for financial reporting, value for money and external reporting were satisfactory.</p>

13/12/13	35/13	<p><b>Internal Audit Progress Report</b></p> <p><b>RESOLVED:</b>          1. The Committee takes assurance that the internal audit plan addresses relevant matters and is being delivered as expected.</p>
13/12/13	39/13	<p><b>Follow Up Of Previous Internal Audit Recommendations</b></p> <p><b>RESOLVED:</b>          1. To take assurance from the follow up report that all but 3 of the previous internal audit recommendations have been implemented and that those outstanding have a planned action to deliver.</p>
13/3/14	07/14	<p><b>Internal Audit Progress Report</b></p> <p><b>RESOLVED:</b>          1. The committee took assurance that the internal audit plan addressed relevant matters and was being delivered as expected.</p>
	08/14	<p><b>Internal Audit Report – General Ledger</b></p> <p><b>RESOLVED:</b>          1. The committee took assurance that the controls upon which the organisation relies to manage this area is suitably designed, consistently applied and effective.</p>
	09/14	<p><b>Internal Audit Report – Payments And Creditors</b></p> <p><b>RESOLVED:</b>          1. The committee took assurance that the controls upon which the organisation relies to manage creditors and payment are suitably designed, consistently applied and effective.</p>



## The Financial Reporting Process

<b>Meeting</b>	<b>Minute</b>	<b>Decision/Assurance Gained</b>
26/9/13	22/13	<b>Statement of Accounts 2012/13</b>  <b>RESOLVED:</b> 1. Members were provided with a final overview of the Statement of Accounts as set out within the report to provide assurance to the Chief Constable and the Police and Crime Commissioner prior to them signing their statements of accounts.
13/12/13	33/13	<b>Annual Audit Letter</b> – please see above