

Police and Crime Commissioner for Derbyshire
Chief Constable of Derbyshire

JOINT AUDIT RISK AND ASSURANCE COMMITTEE

ANNUAL REPORT 2016/17

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 elected every 4 years, the latest election having taken place in 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. The Police and Crime Commissioner appointed Peter Goodman as Chief Constable with effect from 1st June 2017.

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.**
- **The financial reporting process.**
- **Have appropriate scrutiny of annual accounts, 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. It does not have any oversight of employee/police officer fraud or ethics. This is managed by the Constabulary Professional Standards Department and overseen by scrutiny carried out directly by the Police and Crime Commissioner through his Head of Compliance and Engagement. The JARAC operates in line with the principles of good governance and reviews its terms of reference and self appraises its performance each year.

In addition to an audit committee, there is a Police and Crime Panel, hosted by the Derbyshire County Council made up of 17 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 of 5 years.

The members for the 2016/17 financial year were:



(from left to right)

Samantha Hart

Susan Sunderland

Kate Alcock, Chair

Steve Cook, Deputy Chair

Andrew Jenkinson

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 2016/17 was as follows:

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

The attached schedule summarises the conclusions from the work of the JARAC during 2016/17. The committee has continued to use its assurance map to monitor progress and highlight gaps in governance arrangements.

As detailed in last year's report, one of the priorities of the Committee was to review the governance and risk management of the collaborations of Derbyshire Constabulary with other East Midlands forces. A programme of internal audits of collaborations was established after a risk assessment and three audits were completed during the year. The programme will continue during the next financial year.

The committee also continued its focus on ensuring that recommendations from Internal Audit and other inspections were followed up and acted upon. Particular attention was paid to finalising the Network Security Audit and the HMIC report on data quality of NCRS and NSIR. There remains a concern about gaining assurance when third parties (outside the Force and OPCC) are responsible for implementing actions following HMIC inspections. The Chair and Deputy Chair met with the Chief Constable and agreed the officers with knowledge of the subject matters of inspections should present the reports to the committee. This has improved member understanding and the quality of challenge by committee members. There was also detailed consideration of

the effective risk management of the partnership arrangements that have been entered into by the PCC.

After consultation with the JARAC it has been agreed that the Commissioner's office will adopt the same system of Risk Management as the Force. This is seen a positive step as it will enable the JARAC to see a clear link (and any gaps or overlaps) between the OPCC and Force Risk registers and for us to gain further assurance that risk mitigation is effectively managed and coordinated. It has also been agreed that in future the committee will receive confidential briefings on non-specific operational risks.

The External Audit was completed successfully and in the requisite timescale. The audit proceeded smoothly and the committee was satisfied that the accounts were of an excellent standard. The auditors' opinion was unqualified and they confirmed that the Force and OPCC satisfied the requirement to provide value for money. The committee had a constructive discussion with KPMG (the external auditors) as to how they will manage the audit for 2017/18 in the significantly shorter timescale required by central government and were reassured by the steps taken by KPMG to facilitate this.

The Internal Auditors issued an overall report for the year that there was adequate and effective risk management, control and governance to manage the achievement of the organisation's objectives for the Chief Constable and Police and Crime Commissioner.

The committee was pleased to welcome Julie Hill, Chair of the Police and Crime Panel to its September meeting and which facilitated greater understanding of both committees' roles and priorities.

The committee completed its annual self-appraisal. This reinforced the need for further briefings in areas of developing operational risks but showed that the skills gap in the committee membership has been filled. The Chair attended JARAC specific CIPFA training in September 2016 and the new members of the committee completed induction training in June 2016.

In 2017/18 the JARAC will:

- 1. Extend its Assurance Framework to cover the governance of partnerships, both where the organisation works in collaboration with other Forces and in more informal arrangements.**
- 2. To seek assurance that partnership arrangements are being satisfactorily governed and monitored to ensure that these arrangements can deliver their elements of the Commissioner's Police and Crime Plan.**
- 3. Seek further assurance on data quality for both NCRS and NSIR systems.**
- 4. Continue to seek assurance that findings from Internal Audit and other inspections are followed up and acted upon.**
- 5. To explore a wider role for the JARAC through discussions with the CFOs, PCC and CC.**
- 6. To develop a process to obtain formal feedback from stakeholders on the performance of the JARAC**

I will stand down as Chair of the JARAC 21 April 2018 and two other members of the committee terms of office come to an end at the end of May 2018. There will be an open recruitment process for these vacancies.



**Kate Alcock
Chair JARAC
September 2017**

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