

**POLICE AND CRIME COMMISSIONER FOR WILTSHIRE AND CHIEF CONSTABLE OF
WILTSHIRE POLICE**

JOINT INDEPENDENT AUDIT COMMITTEE

ANNUAL STATEMENT FOR 2016

The Joint Independent Audit Committee was established by the Police and Crime Commissioner and the Chief Constable in 2012 implementing a recommendation in the Home Office's Financial Management Code of Practice for Police Forces. The Committee is totally independent of both the PCC and the Chief Constable and its role is to provide independent assurance to the Commissioner and Chief Constable on the adequacy of the governance and control processes within their organisations.

Each year the Committee produces an annual statement. The last was issued in November 2015, and the Committee agreed that this year its issue would be brought forward to the Summer, covering the work of the December 2015, and March and June 2016 meetings. The purpose of the annual statement is to summarise the work undertaken by the Committee and to identify any significant concerns or issues.

1. MEMBERSHIP AND MEETINGS

The membership of the Committee since the issue of the 2015 annual statement has been as follows: Mr K Bellamy (Vice Chair), Ms C Baynes, Mr P Hall (Chair), Mr D Line, and Mr R McMillan. The Committee performs its work through quarterly meetings, all of which are open to members of the public. Agendas, reports and minutes can be accessed through the PCC website.

Attendance at the three meetings covered by this annual statement was Mr Bellamy 100%, Mr Hall 100%, Mr Line 100%, Mr McMillan 66%, and Ms Baynes 100%.

2. WORKPLAN

The Committee's provision of assurance on the adequacy of governance and control processes is undertaken through a structured and planned workplan, at the core of which is regular review of:

- Risk management arrangements, focusing on issues of most significant risk
- Annual accounts, and their review by the external auditors
- Internal audit plans and reviews

The Committee reviews its Terms of Reference at least once a year. The Committee reviews its own effectiveness and carries out a self assessment annually. The results of the 2016 self assessment will be reported to the November 2016 meeting of the Committee.

3. KEY FINDINGS, DEVELOPMENTS AND ISSUES OF 2016

- 3.1 Angus Macpherson was re-elected Police and Crime Commissioner for Wiltshire at the May election.

The Committee is grateful for the attendance and contribution of both the Commissioner and the Chief Constable at its meetings. Feedback from audit committees elsewhere in the country indicates that audit committee effectiveness is enhanced if both key individuals play an active part of its work.

- 3.2 The Committee monitored movements in key risks during 2016, focussing on issues that have most potential significant impact on policing objectives. The way that risk registers are presented, and risk mitigation actions described, to the Committee has improved during the past year.
- 3.3 A key risk identified throughout the year by both the PCC and Chief Constable has been around collaboration between police services to achieve savings in response to continued reductions in government grants. The registers identify risks around effective governance and benefits realisation, and the Committee has been keen to understand better the plans and controls being established in order to ensure that the risks do not adversely impact on police operations or funding. In June the Committee was informed that work had continued on the proposed Strategic Alliance between Avon and Somerset and Wiltshire but the period of purdah leading up to the Police and Crime Commissioner election in May 2016 had an impact on the decisions that could be made. After the election the Commissioners and Chief Constables of Avon and Somerset, Gloucestershire, and Wiltshire met to discuss the possibility of collaborating over the provision of enabling services (e.g. finance and HR). All three police services are working towards implementing this collaborative option. Progress with strategic collaboration will continue to be a key focus for the Committee in 2016 / 17.
- 3.4 As a result of the implementation of its 2015 Improvement Plan the Committee received reports and a presentation on the HMIC Value for Money profile, and the outcome of the HMIC Police Efficiency Effectiveness and Legitimacy inspection at its December 2015 and March 2016 meetings. The presentation covered also the plan the Force has developed to deal with the areas for improvement identified by HMIC. The Committee welcomes the positive reports by HMIC, which has assessed Wiltshire's Police service as "Good" in its assessment of effectiveness, efficiency and legitimacy. The Committee will continue to review progress with the Force's improvement plan.
- 3.5 A presentation was given to the March 2016 meeting of the Committee on Community Policing. The key drivers for this project are improving the customer experience of policing, and securing value for money at a time of austerity. Community Policing has been scheduled to be operational throughout Wiltshire and Swindon by October 2016. The Committee looks forward to being kept updated on this project in 2016 / 2017.
- 3.6 The Committee received reports from the internal auditor at each of its meetings. At its June 2016 meeting the Internal Auditor reported in its annual report for 2015 / 2016 that "In my opinion, Wiltshire Police has adequate and effective management, control and governance processes to manage the achievement of its objectives". Twelve internal audit reviews were carried out during 2014/15. Nine of the reviews resulted in substantial or reasonable assurance and three resulted in limited

assurance. The Internal Auditor commented in its annual report that “Recommendations were made to further strengthen the control environment in these areas and the management responses indicated that the recommendations had been accepted”. The internal audit reports for the three reviews that resulted in a limited assurance were submitted to the Committee which supported the recommendations the Internal Auditor made.

- 3.7 There has been a change of internal auditor. The contract with CBSL expired in March 2016. The Commissioner’s Monitoring Board approved the appointment of the South West Audit Partnership (SWAP) as the internal auditor for the Commissioner and Chief Constable from April 2016. In June SWAP presented the internal audit plan for 2016 / 17 that has been agreed with the Chief Finance Officer, and the Committee made some suggestions for minor amendment for consideration by the CFO. The plan, with a coverage of 90 days, is recognised by the Committee to be limited in its breadth and the Committee will wish to keep under review whether this is too limited to provide sufficient audit assurance at a time of significant change in policing.
- 3.8 In June the Committee received a presentation on, and copies of, the annual accounts for 2015/16. The external auditors, Grant Thornton, will present their audit findings to the Committee in September. The external audit plan for 2015 / 16 was considered by the Committee in March.
- 3.9 Other items considered by the Committee in this period include the Force’s insurance arrangements and its integration agreements with Wiltshire Council.

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CHAIR

DATED.....