

Joint Audit Advisory Committee

for

Cheshire Police and Crime Commissioner and the Chief Constable

Annual Report 2019

Chairman's Foreword

This is the 2019 annual report of the Cheshire Police and Crime Commissioner and Chief Constable's Joint Audit Advisory Committee ['the Committee'].

The Committee provides an independent assurance function to the Police and Crime Commissioner ['the Commissioner'] and the Chief Constable on the effectiveness of governance, risk and audit arrangements and controls in place, within the Office of the Police & Crime Commissioner and the Constabulary.

The Committee comprises 5 members in total, a chairman and 4 members. The current four members all took up their posts in April 2017 following a successful recruitment campaign. Members of the Committee are appointed for the period of four years ending 31 March 2021. The fifth Committee member was Helen Waller, whose term of office came to its planned end in July 18.

Membership of the Committee is as follows:

Chairman

David Gilbert is a qualified accountant who has held senior finance positions including Director of Finance and Chief Finance Officer roles in a variety of NHS Organisations. He is currently a Non-Executive Director of the RJA Orthopaedic NHS Hospital in Oswestry where he is Chair of the Audit Committee. He is also a Member of the Health Financial Association's Governance and Audit Committee.

Vice-Chairman

Phil Bearpark is a Chartered Mechanical Engineer and has held a number of senior roles within the UK Rail Industry over the last 28 years. He still works part time in Rail and is now a Director of his own business and a Non-Executive Director of Heathrow Express. Phil is very experienced in audit, governance and risk management.

Members

John Pearsall is a fully qualified member of the Chartered Institute of Internal Auditors. He is also currently Head of Internal Audit, Risk and Insurance Services at Stockport Metropolitan Borough Council with overall responsibility for the delivery of assurance services to the Council. John is also currently a tutor, for the Chartered Institute. John has over 25 years of internal audit, governance, control and risk experience in both the public sector (three local councils) and the private sector (pharmaceuticals, retail and financial services).

Tony Snape is a Chartered Surveyor (Quantity Surveyor) who, following many years running the family building and civil engineering company, has held a variety of positions including: a consultant to Gleeds (Construction Consultants); a Non-Executive Director of the Manchester Building Society; Board Member of Great Places Housing Association. His voluntary roles have included: a Trustee of MOSI (Manchester Museum of Science and Industry) and Chair of the Seashell Trust (a charity for very disabled children) where he is still involved.

Helen Waller was on the Interim Joint Audit Committee from November 2012 and was Chair of the Joint Audit Committee from December 2013 to March 2018. Helen's term as a member of the Committee came to an end in July 2018.

Members of the Committee bring with them a range of experience and skills which cover the various aspects of the Committee's work. Training has been available for members over the last 12 months which has ensured all members are able to contribute fully to the work of the Committee and fulfil their roles professionally.

2018/2019

The Committee business cycle runs beyond the 31 March year-end as we consider draft accounts in May, reports on the Accounts from Grant Thornton our External Auditor in July and the final Audit Letter from our Auditors in November.

In that final audit letter Grant Thornton gave unqualified opinions on the PCC and Constabulary Financial Statements and reported that they were satisfied that in all significant respects the PCC and Chief Constable put in place proper arrangements to secure economy, efficiency and effectiveness in their use of resources for the year ending 31 March 2019.

Meetings during the year have covered a wide range of topics with particular focus on monitoring the strategic risk management framework to ensure that risks were adequately assessed, recorded and mitigated where possible. The Committee has also reviewed the Commissioner's budget proposals and were able to advise the Chief Constable and the Commissioner that, in their opinion, the budget provides sufficient flexibility to maintain sustainable services. In year, there has also been a focus on developments within the Multi-Force Shared Service as it transferred to the Oracle Fusion Platform to deliver efficiencies to users.

We have received copies of the final Internal Audit Reports prepared by the Mersey Internal Audit Agency and have monitored the implementation of the agreed management actions arising from these reports. We were very pleased that the internal auditors, MIAA, were able to provide substantial assurance that there is a good system of internal control designed to meet system objectives and that the controls are generally being applied consistently.

The Committee also considered the Commissioner's and the Chief Constable's Statements of Accounts and Annual Governance Statements to provide assurance that they complied with the relevant requirements. We approved the plans of both internal and external auditors and received their reports which we have considered to ensure that Cheshire Constabulary maintains the high standards of governance, finance and audit that the people of Cheshire would expect. The Committee also monitored the implementation of recommendations agreed by management following audit reviews.

We were able to provide assurance on all items in the internal audit plan, we supported the findings of the external auditors and had visibility on other force activities with regard to governance and risk management.

In addition, as required by our Terms of Reference the Committee has met separately with both Internal and External Auditors. The Chair and Vice Chair have had meetings with Senior Staff of the PCC and Constabulary. The Chair has also met with the PCC and Chief Constable.

A full list of the topics covered in the past year are summarised in Table 1 below;

Overview of topics covered during the period July 18 to November 19						
	Jul-18	Nov-18	Feb-19	May-19	Jul-19	Nov-19
Briefing from						
Police and Crime Commissioner	✓	✓	✓	✓	✓	✓
Chief Constable	✓	✓	✓		✓	✓
JAAC Annual Report		✓				✓
Single Point of contact roles		✓				
External Audit: Audit Findings Report	✓				✓	
Annual Audit Letter		✓				✓
Ext Audit Plan			✓			
Progress Report				✓		
Annual Accounts					Draft	Final
Annual Governance Statement					Draft	Final
Letters of Representation						Final
Internal Audit Annual Plan				Draft	Final	
Internal Audit Progress Reports		✓	✓	✓	✓	✓
Head of Internal Audit Opinion				✓		
Management response to implement agreed actions following Internal Audit Recommendations	✓	✓		✓		✓
Joint Strategic Risk Register	✓	✓	Withdrawn	✓	✓	✓
MFSS Improvement plan			✓	✓		
MFSS Benefits Realisation Report						✓
Value for money profiles		✓				
Service Assurance Plan		✓	✓	✓	✓	✓
2019/20 Budget & Medium Term Financial Strategy 2019/2021			✓			✓

As the Committee developed, members have been asked to focus on areas where they have a particular interest. These are areas where either the Chief Constable or the Commissioner would like some additional input, or the Committee sees that there is an issue pertinent to the Committee’s work which may require further detailed attention.

The members undertaking these roles are termed the ‘single point of contact’ for that area. The single points of contact are as follows:

- David Gilbert – PFI and Disclosure
- Phil Bearpark - Health and Safety;
- Tony Snape - Crime Recording and Property
- John Pearsall - Change Management;

As these are of particular concern to the Committee, the PCC and Chief Constable, the Committee is proposing to agenda a “deep dive” into one of these topic areas at future meetings in order to gain additional assurance.

Table 2

Quorum: Minimum of two members of the committee							
Name	Title	Jul-18	Nov-18	Feb-19	May-19	Jul-19	Nov-19
David Gilbert	Committee Chair	✓	✓	X	✓	✓	✓
Phil Bearpark	Committee Vice-Chair	✓	✓	✓	✓	✓	✓
Antony Snape	Committee Member	✓	✓	✓	✓	✓	✓
John Pearsall	Committee Member	✓	X	✓	X	✓	X
Helen Waller	Committee Member	✓					

The Committee is grateful to all who have given their valuable time to assist its work which has been well supported by senior staff from both the Constabulary and the Office of the PCC. We particularly grateful to the Chief Constable/Acting Chief Constable who attended all of our meetings and the Commissioner who was able to attend all but one meeting.

The future

The Committee will continue our consideration of a number of areas including developing the risk management arrangements, updates on the Medium Term Financial Strategy, reviewing recommendations from Auditors including monitoring the implementation of recommendations and the benefits realisation following recent changes to the Multi Force Shared Services.

The Committee also plan to ask our Internal Auditors to carry out a review of its effectiveness to assess how we might in future provide additional assurance to the Chief Constable and Police and the Crime Commissioner.

Further information

For further information on the work of the Committee, its Terms of Reference, Minutes and Agendas, please refer to the website of the Police and Crime Commissioner for Cheshire. <https://cheshire-pcc.gov.uk>

David Gilbert FCCA

Chairman of the Joint Audit Advisory Committee of the Cheshire Police and Crime Commissioner and Chief Constable

November 2019