

**To: JOINT AUDIT COMMITTEE**

**Date: 27<sup>TH</sup> July 2022**

**By: Chair JAC and CEX of OPCC**

**Title: Update on Potential Areas of Improvement arising from JAC Effectiveness Review January 2022**

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**Purpose of Report/Issue:**

To update the Joint Audit Committee (JAC) on actions arising from the Committee's Review of Effectiveness, as considered by the Committee at its meeting in January 2022.

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**For Information Only**

**Equalities / Human Rights Implications – None arising.**

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**Risk- As discussed in the report.**

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**Background papers – NAO Audit and Risk Assurance Committee Effectiveness Checklist November 2017. Effectiveness of JAC paper at January 2022 JAC**

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**Summary**

The paper provided to the January 2022 JAC reviewing JAC Effectiveness in 2021 included 12 areas for potential improvement. These have all been reviewed by the JAC and by the Chair with the OPCC and all actions completed as evidenced by this short paper.

**Areas for potential improvement**

1. Q6 States that conflicts are required to be **“recorded and declared at the start of each JAC meeting and appropriate action taken”**

This is a standing item on each JAC agenda but since raised in this assessment the Chair has made a point of highlighting and refreshing what this means for attendees. **Action Complete**

2. Q7 “**Training required**” for JAC members has not been fully defined and is provided on an as needed basis mostly via CIPFA and internal briefings but this has generally been adequate.

Considering that most JAC members will be committee members for up to 8 years, a more structured approach would be of benefit and the OPCC have arranged that training needs for members will be considered annually by the Committee, in addition to any ad-hoc training opportunities that may arise. For example, members may wish to consider the programme of training provided by CIPFA (although this would need to be balanced against cost). **Action Complete**

3. Q9 Although the JAC do have the skills to challenge across the core business they would benefit from better knowledge in certain specific areas to fully address this question. In particular “**do we possess the wider skills necessary to be fully effective e.g. in relation to the wider political landscape**”.

This has been discussed between JAC members and OPCC and it has been decided that this will be part of the induction training. In particular, members have recently found a briefing on Force/OPCC governance arrangements helpful in understanding the ‘political landscape’. **Action Complete**

4. Q10 There is a requirement that at least one member of the JAC “**has recent and relevant financial experience to allow them to competently analyse the financial statements**”. Fortunately, we do have one such individual and another from an accounting background, but this needs to be recognised in succession planning.

Noted by the OPCC for subsequent rounds of recruitment especially as the current expert retires from the JAC at the end of 2024. **Action Complete**

5. Q12 All new members are given informal induction by meeting senior stakeholders which has been very useful. However, we need to be able to “**demonstrate we have an effective induction and training arrangements**”

The OPCC have formalised a standard induction programme for new JAC member comprising briefings and training to ensure that new members have a solid understanding both of their role, but also of the roles of Surrey Police and the Police & Crime Commissioner. A draft plan is appended to this paper. **Action Complete**

6. Q16 We are required to “**have sufficient understanding of the overall control environment including governance and outsourcing**”

**arrangements**” and believe that generally we do through our JAC activities, but members believe they would benefit by having a more detailed understanding of corporate governance arrangements in specific areas as they arise e.g., the arrangements between PCC and CC

A meeting was held on 6<sup>th</sup> June 2022 with Surrey Police and OPCC at which a presentation clearly explaining the arrangements was made. This will be built into induction arrangements by OPCC. **Action Complete**

7. Q17 The JAC do not **“use assurance mapping to target areas of greatest risk in the organisation”** but rely on the officers responsible for risk and internal audit to assure us in this respect.

Noted but both JAC and OPCC are content current arrangements are appropriate. **Action Complete**

8. Q21 We do not currently **“provide advice on the scope and preparation of the annual governance statement”** but are invited to review draft and completed documents.

This had been agreed to be a reasonable approach by OPCC and JAC but latest CIPFA guidelines indicate the JAC should ideally be involved in the development of the statement. A member of the team has volunteered to do this and the OPCC will call on them as appropriate **Action Complete**

9. Q32 The JAC Annual Assurance Report is timed to review the calendar year **“not to support the Governance Statement”**

This has been changed to coincide with governance statement compilation date **Action Complete**

10. We do not have significant awareness of the HM Treasury Audit and Risk Handbook and since this requires that **“all audit and risk assurance committee members and their committee secretaries will, of course, need to ensure that they are familiar with the full requirements of the Handbook, and that they operate in accordance with them”** we need to consider if this is relevant to us since the JAC take advice from CIPFA not HM Treasury (JAC to discuss with OPCC)

It has been agreed by all parties that the JAC should work to CIPFA guidelines not Treasury Handbook. **Action Complete**

11. This JAC have worked for the last year in a way focussed on individual skills and collective review which will need consideration in succession planning. If over the next year this is agreed to be the most effective way of working the roles within the JAC would benefit from further definition.

The JAC has found it beneficial to structure with the following expertise in the team and this will be taken into consideration at the next recruitment round:

- Operations, Organisation and Transformation Arrangements
- Business Planning arrangements and Preparation of Annual Report
- Finance and External Audit
- Corporate Governance arrangements
- Risk Management and Internal Audit arrangements
- Change Programme arrangements especially IT

**Action Complete**

12. In the PCC's individual review with the Chair of JAC she suggested it may be useful to consider meeting with other JACs

The JAC are more than happy to meet with other JACs and await any introductions which may arise but will not proactively be seeking introductions

**Action Complete**

The status of these actions will be reviewed during preparation of the next effectiveness review for January 2023.