

**To: Joint Audit Committee**

**Date: 12<sup>th</sup> June 2014**

**By: Ian Perkin, Treasurer**

**Title: Joint Audit Committee – Self Assessment**

---

**Background:**

The Home Office Financial Management Code of Practice states that: 'In setting up the Joint Audit Committee, the Police and Crime Commissioner (PCC) and the Chief Constable should have regard to the Chartered Institute of Public Finance and Accountancy (CIPFA) Guidance on Audit Committees.

Cipfa have recently produced revised guidance on the function and operation of audit committees, "Audit Committees in Local Authorities and Police 2013 Edition", which represents Cipfa's view of best practice for Audit Committees in local authorities and police. In the guidance Cipfa provides a suggested self-assessment check list against recommended best practice, which they recommend should be completed on an annual basis by Audit Committees as an indicator to help identify if there are any areas where the effectiveness of the Committee is less than optimum.

The PCC and Chief Constable's Chief Finance Officers have completed an initial review of the self-assessment check list and this can be found at Appendix A for members to comment on and amend as deemed appropriate

---

**Recommendation**

The Committee is invited to review the initial assessment and decide if they are happy with the rating attributed to each issue and identify if there is any further work, actions or training required as a result of the completion of the self-assessment of good practice.

---

**Contact details:**

**Name:** Ian Perkin  
**Job Title:** Treasurer  
**Telephone number:** 01483 638724  
**Email address:** [ian.perkin@surrey.pnn.police.uk](mailto:ian.perkin@surrey.pnn.police.uk)

---

## Self-assessment of Good Practice

Good Practice Questions		Yes	Partly	No
<b>Audit Committee Purpose and Governance</b>				
1	Do the terms of reference clearly set out the purpose of the committee in accordance with CIPFA's Position Statement?	✓		
2	Is this role and purpose of the audit committee understood and accepted across the authority?	✓		
3	Does the audit committee provide support to the PCC and Chief Constable in meeting the requirements of good governance?	✓		
4	Are the arrangements to hold the committee to account for its performance operating satisfactorily?		✓	
<b>Functions of the Committee</b>				
5	Do the committee's terms of reference explicitly address all the core areas identified in CIPFA's Position Statement?			
	<ul style="list-style-type: none"> <li>• Good governance</li> </ul>	✓		

	• Assurance framework	✓		
	• Internal audit	✓		
	• External audit	✓		
	• Financial reporting	✓		
	• Risk management	✓		
	• Value for money or best value	✓		
	• Counter-fraud and corruption	✓		
6	Is an annual evaluation undertaken to assess whether the committee is fulfilling its terms of reference and that adequate consideration has been given to all core areas?	✓		
7	Has the audit committee considered the wider area identified in CIPFA's Position Statement and whether it would be appropriate for the committee to undertake them?	✓		
8	Where coverage of core areas has been found to be limited, are plans in place to address this?	✓		
9	Has the committee maintained its non-advisory role by not taking on any decision-making powers that are not in line with its core purpose?	✓		

<b>Membership and Support</b>				
10	Has an effective audit committee structure and composition of the committee been selected?  This should include:	✓		
	• Separation of the executive	✓		
	• An appropriate mix of knowledge and skills among the membership	✓		
	• A size of committee that is not unwieldy	✓		
	• Where independent members are used, that they have been appointed using an appropriate process	✓		
11	Does the chair of the committee have appropriate knowledge and skills?	✓		
12	Are arrangements in place to support the committee with briefings and training?	✓		
13	Has the membership of the committee been assessed against the core knowledge and skills framework and found to be satisfactory?	✓		

14	Does the committee have good working relations with key people and organisations including external audit, internal audit and the chief financial officer?	✓		
15	Is adequate secretariat and administrative support to the committee provided?	✓		
<b>Effectiveness of the committee</b>				
16	Has the committee obtained feedback on its performance from those interacting with the committee or relying on its work?			✓
17	Has the committee evaluated whether and how it is adding value to the organisation?			✓
18	Does the committee have an action plan to improve any areas of weakness?			✓