

JOINT INDEPENDENT AUDIT COMMITTEE**13 MAY 2013****PRESENT:** J Cooke (Chair), E Hayward and J Remnant**1. MINUTES**

RESOLVED - That the minutes of the last meeting of the Committee be approved as a correct record subject to the terms of reference being amended for the Committee to agree the assurance framework for and oversee the production of the Police and Crime Commissioner's and Chief Constable's Annual Governance Statements and review and comment on these statements prior to their approval by the Police and Crime Commissioner and Chief Constable. Also, any reference where the Committee should consider matters should be amended to monitor.

2. MATTER ARISING FROM THE MINUTES

Members asked that they be provided with the joint strategic risk register before the next meeting of the Committee.

3. EXTERNAL AUDITOR: AUDIT STRATEGY MEMORANDUMS

The external auditor's audit strategy memorandums for both the Police and Crime Commissioner and the Chief Constable which set out the external auditor's approach to the audit of the financial statements and value for money conclusions for both corporate bodies for the 2012/13 audit were submitted.

The strategies highlight the respective responsibilities of both the auditor and of the audited bodies to ensure the process is conducted professionally and efficiently. The audits are planned to provide reasonable assurance that the financial statements are free from material misstatement and give a true and fair view.

RESOLVED - (i) That the information be noted.

- (ii) That a copy of the governance arrangements: Commissioner's delegations to officers, financial and contract regulations, consents, governance structures and procedures be sent to Members.

4. INTERNAL AUDIT STRATEGY STATEMENT 2013–16 AND ANNUAL PLAN 2013/14

The Internal Audit Strategy Statement 2013 – 16 and the annual Audit Plan 2013/14 for the Police and Crime Commissioner and Chief Constable were submitted.

The terms of reference for Internal Audit are included in the Police and Crime Commissioner's delegations to officers and financial and contract regulations

The Internal Audit Service, provided under a support services agreement with Gateshead Council, is required to objectively examine, evaluate and report upon the adequacy of the control environment as a contribution to the proper, economic, efficient and effective use of resources.

The Treasurer and Director of Finance has delegated responsibility to maintain an adequate internal audit of both the Police and Crime Commissioner and Chief Constable's financial affairs under Section 151 of the Local Government Act 1972 and the Audit Regulations 2011.

The Chief Internal Auditor manages the Internal Audit Service and is responsible for ensuring resources are sufficient to meet the audit plan, which is based on a systematic review and evaluation of all aspects of the internal control environment.

The Internal Audit Service assists all levels of management in delivering the objectives of the Police and Crime Commissioner and Chief Constable through the assessment of exposure to risk and continuous improvement of the control environment. The risk-based audit plan provides purpose and direction in the achievement of this aim.

The Internal Audit Service's strategy is to deliver a risk-based audit plan in a professional and independent manner and to provide the Police and Crime Commissioner and Chief Constable with an opinion on the level of assurance they can place upon their internal control environment and to make recommendations to improve it. The strategy has been updated to reflect the new UK Public Sector Internal Audit Standards from 1 April 2013 which have replaced the previous CIPFA Code of Practice for Internal Audit in Local Government.

- RESOLVED -
- (i) That the Internal Audit Strategy Statement 2013-16 and the 2013-14 annual plan of work of the Internal Audit Service be agreed.
 - (ii) That quarterly monitoring reports showing progress made against the plan be submitted.
 - (iii) That under the key output – to ensure agreed management actions to audit recommendations made are fully implemented, within agreed timescales should be added.

5. EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED - That the press and public be excluded from the meeting during consideration of the remaining business in accordance with the indicated paragraphs of Schedule 12A to the Local Government Act 1972.

6. INTERNAL AUDIT: UPDATE ON INTERNAL AUDIT WORK AND PROGRESS AGAINST ANNUAL AUDIT PLAN – QUARTER 4 -2012/13 (Paragraph 7)

Information on the progress against the annual internal audit plan to date and the recommendations made to management during quarter 4 was submitted.

Eleven internal audit reports were issued during the period, eight concluded that systems and procedures in place were operating well and three were operating satisfactorily. No fraud or irregularity investigations were undertaken during the period. Details of the number and priority of recommendations raised during the period and their agreed implementation timescales were also submitted.

The quality review process which provides assurance of compliance with the CIPFA Code of Practice for Internal Audit 2006, found no significant areas of non-compliance during the period.

RESOLVED - That the information be noted.

**7. SERVICE MANAGEMENT: UPDATE ON THE IMPLEMENTATION OF
OUTSTANDING INTERNAL AUDIT RECOMMENDATIONS
(Paragraph 7)**

Assurance from management in respect of the implementation of outstanding internal audit recommendations during quarter 4 was submitted.

100% of internal audit recommendations raised to 31 March 2013 have been implemented against the current local target of 90%.

RESOLVED - That the information be noted.