

ANNUAL GOVERNANCE STATEMENTS 2015/16**REPORT OF THE JOINT CHIEF FINANCE OFFICER**

1. PURPOSE OF THE REPORT

- 1.1 To review the audited Annual Governance Statements of the Police and Crime Commissioner (PCC) and Chief Constable and recommend for authorisation.

2. Background

- 2.1 The primary responsibility for preparing the annual governance statement (AGS) rests with the PCC and the chief constable. It should be reported to the audit committee which will review it prior to its approval. As specified in the Accounts and Audit Regulations 2015, it is a requirement to publish the AGS with the published accounts of the organisation. In doing this, the aim is to provide an opinion on the level of assurance that the governance arrangements can provide.
- 2.2 The Joint Independent Audit Committee received a report setting out the process, legislation and draft Annual Governance Statements for the Police and Crime Commissioner and Chief Constable at the 20 June meeting. The Committee recommended the draft Statements to be authorised and they were published on 30 June 2016 along with the Statements of Accounts subject to audit.
- 2.3 A recent Internal Audit concluded that the control systems and procedures in place were operating well and that the statements did provide a robust level of assurance to support the 2015/16 Annual Governance Statement. No findings have been raised.
- 2.4 The external auditors have also reviewed the Statements (see their report elsewhere on the agenda) and the final versions are attached in the Appendices. There has been no change to the Police and Crime Commissioners statement. But they recommended that a paragraph similar to that included in the PCC AGS should be inserted in the Chief Constables Annual Governance Statement. The following has therefore been included under the heading "Value for Money and Reliable Financial and performance Statements are Reported and Internal Controls Followed".

"The Internal Audit Service, provided under an 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 the PCC and

Chief Constable's resources. This is achieved through the delivery of a risk based annual audit plan which is monitored by the JIAC on a quarterly basis. The Chief Internal Auditor also prepares an annual report based on the work of the Internal Audit Service which provides an independent and objective opinion on the internal control, governance and risk environments of the PCC and Chief Constable based on the work undertaken by the Internal Audit Service throughout 2015/16."

3. Equal Opportunities Implications

- 3.1 It is considered that there are no equal opportunities implications arising from the report.

4. Human Rights Implications

- 4.1 It is considered that there are no human rights implications arising from the report.

5. Risk Management Implications

- 5.1 There are no additional risk management implications arising directly from this report.

6. Financial Implications

- 6.1 There are no financial implications arising from this report.

7. Recommendations

- 7.1 To recommend that the PCC, Chief Constable and other signatories authorise their audited 2015/16 Annual Governance Statement for publication with the 2015/16 Statement of Accounts.