Report of the PCC Chief of Staff to the Chair and Members of the Joint Audit Committee
23rd June 2016

Executive Officer: Michael Porter, PCC CFO and Deputy Chief Executive

Presented and written by: Michael Porter

Status: For Decision

Annual Governance Statement

1 Purpose

1.1 Authorities, including Police and Crime Commissioners, are required to prepare an Annual Governance Statement (AGS). The report is about all corporate controls and not confined to financial issues and therefore is no longer published within the Statement of Accounts. Guidance from CIPFA envisages that the statement is reviewed by a Member group during the year (rather than just at year end) as an integral and indeed critical component of the review process.

1.2 The Joint Audit Committee has been tasked with 'Considering the Annual Governance Statement for publication with the annual accounts, together with associated action plans for addressing areas of improvement and advising the PCC as appropriate'.

1.3 The purpose of this report is to bring forward the final draft of the 2015/2016 Annual Governance Statement for the PCC and secondly seek any further Member input into the document before the document is officially signed.

2 Recommendations

Members are asked to:

2.1 Agree the final draft of the 2015/2016 PCC Annual Governance Statement for sign off by the PCC as per Appendix A.

2.2 Consider any further contents or amendments to the Statement.

3 Reasons

3.1 The Joint Audit Committee has been tasked with 'Considering the Annual Governance Statement for publication with the annual accounts, together with associated action plans for addressing areas of improvement and advising the PCC as appropriate'

3.2 The document is in its final draft and will need to be signed off by the PCC including any changes/amendments from today's meeting before the end of June.

3.3 The statement has been completed taking into account the Annual Report from Internal Audit and also the comments from Members of this Committee at the March meeting of the Committee.

3.4 With that in mind Members are asked for any comments and feedback on the current contents of the Annual Governance Statement that is attached at appendix A so that these can be incorporated into the final document for sign off by the PCC before the end of

4 Risks

4.1 Publication and approval of the Annual Governance Statement is a mandatory requirement. Failure to achieve this would undermine the PCC's progress in promoting corporate governance and driving up performance.

4.2 The PCC could also expose itself to risk to its reputation if the External Auditor concluded that proper practices were not being followed in preparing the AGS, and commented on this in a public report.

4.3 The arrangements set out in this report mitigate these risks.

5 Conclusions

5.1 The purpose of the Annual Governance Statement process is to provide a continuous review of the effectiveness of an organisation's governance arrangements including internal control and risk management systems. This is intended to give assurance on their effectiveness or otherwise leading to an action plan to address identified weaknesses.