

JOINT AUDIT COMMITTEE TERMS OF REFERENCE REVIEW

Areas for compliance outside of the Terms of Reference

	<u>Area</u> <u>The JAC should:</u>	<u>Do we currently comply</u>	<u>Action</u>
1.	Have clear rights of access to other committees/functions, for example, scrutiny and service committees, corporate risk management boards and other strategic groups (page 1, para 3).	Yes	These are set out within their ToR. Most recently members of the Police and Crime Panel were invited to attend a JAC (Dec 18)
2.	Be directly accountable to the PCC/CC	Yes	PCC and CC both attend meetings. JAC also produce an Annual Report on their work which is provided to both the PCC and CC for comment.
3.	Meet at least 4 times per year	Yes	Meet 5 times per year including approval of accounts meeting.
4.	Meet privately and separately with the external auditor and with the head of internal audit	Yes	At the start of every meeting for at least 30mins.
5.	Have the right to call any other officers or agencies of the authority as required although must recognise the operational independence of the CC	Yes	Most recently the internal audit managers for the SRS were requested to attend a meeting (June 2019)
6.	Report regularly on its work and at least annually report an assessment of their performance	Yes	JAC challenge areas as lead members and also attend annual all Wales training and provide feedback to ensure best practice is being followed.
7.	Remain as an advisory body to the PCC and CC (pg7) and can never be given delegated decision-making or approval powers (pg35)	No	Have removed the approval of the annual audit plan from the ToR.
8.	Operate at a strategic level – care should be taken to avoid straying into matters of operational detail that should be resolved by service managers	Yes	For noting by JAC members.
9.	Be held to account regularly by the PCC/CC (pg 38) – this includes: a. Whether or not the JAC has fulfilled its ToR b. Whether the JAC has adopted recommended practice c. Whether the development needs of the committee members have been assessed and whether committee members are accessing briefing and training opportunities d. Whether the JAC has assessed its own effectiveness or been the subject of a review and the conclusions and actions from that review e. What impact the committee has on the improvement of governance, risk and control within the authority	a. Yes. b. Yes c. Yes d. Yes e. Yes	a. This is undertaken as part of the annual report process. The compliance document is then published to the OPCC website. b. This is considered during the annual self-assessment process and as part of the annual 121 performance reviews. c. Members have portfolios allocated based on their level of skill/expertise. Targeted recruitment has also been undertaken to ensure the right mix of skills are held by members. d. Via the annual self-assessment and 121 performance review process. e. The JAC challenge has allowed the force to reconsider risk rating and mitigating controls to moderate the assessment of risks.
10.	Have a job description	No specific job description	A description of the role is included in the Operating Principles and ToR document.
11.	Continually monitor their political independence (pg 42)	Yes	There is a question that covers this within the annual 121 performance reviews.
12.	Be appointed for a fixed term and be formally approved by the PCC and CC (pg42)	Yes	All JAC appointments are made for a fixed term of 5 years with the possibility of extending for a

			further 5 years. The CFO's are involved in the appointment process of JAC members on behalf of the CC and PCC.
13.	Take part in regular training and development sessions	Yes	Consideration to be given to using the knowledge and skills framework of the CIPFA guidance at appendix c (pg 65) to help identify any gaps in training.
14.	Maintain a register of interests (pg 42)	Yes	Each JAC member is required to complete a related party transactions form on an annual basis by the WAO.

Proposed Amendments to the Terms of Reference

	Suggested ToR in 2018 CIPFA Guidance	Current JAC ToR Wording	Additional Information from CIPFA Guidance Document	Suggested ToR Wording & Rationale	Where & How it will be Monitored
1.	GOVERNANCE RISK AND CONTROL				
1.1	Review the corporate governance arrangements against the good governance framework, including the ethical framework and consider the local code of governance.	Recommend Approval of any Code of Corporate Governance for the Force or the Office of the Police and Crime Commissioner.	There is a need for mechanisms to be in place that encourage & enforce a strong commitment to ethical values and legal compliance.	<p>Recommend Approval of any Code of Corporate Governance for the Force or the Office of the Police and Crime Commissioner.</p> <p>The review of the MoCG is predominantly undertaken on an annual basis but any changes made during the year will also be presented to the JAC. This is the document by which both the OPCC and force conduct their business.</p>	<p>Included in ToR Wording to remain as current ToR.</p> <p>Keep ethics as a separate line in the ToR.</p> <p>Reports received:</p> <ul style="list-style-type: none"> • Manual of Corporate Governance Annual Review • Amendments to the Manual of Corporate Governance (as applicable)
		To have an understanding of any ethical risks and any initiatives to improve ethical behaviour within the force and OPCC.	<p>It states that it is best practice for policing to have a separate Ethics Committee.</p> <p>Ethical standards should be included as regular items on board agendas... risks associated with poor standards should be included in risk assessments, and, where appropriate, risk registers.</p> <p>The JAC needs to have an understanding of any current ethical risks and any initiatives to improve ethical behaviour within the force or PCCs office (pg 28).</p>	<p>To have an understanding of any ethical risks and any initiatives to improve ethical behaviour within the force and OPCC.</p> <p>The JAC will receive an annual report on Ethics. A highlight report from the Ethics Committee is produced - any risks that arise as a result of will be considered for inclusion on the risk register as appropriate.</p> <p>Whistleblowing also supports Ethics. Covered under anti-fraud and corruption.</p>	<p>Included in ToR. Wording to remain the same as current ToR.</p> <p>Suggest a deep dive on Ethics is added to the list for a future meeting.</p> <p>Reports received:</p> <ul style="list-style-type: none"> • Annual Ethics Report • Risk register • Anti-Fraud & Corruption Polices (OPCC & Force)
1.2	Review the annual governance statement[s] prior to approval and consider whether [it] [they] properly [reflects] [reflect] the governance, risk and control environment and supporting assurances and identify any actions required for improvement.	Recommend Approval of the joint Annual Governance Statement for inclusion in the Statement of Accounts.	<p>As part of the annual governance review, the audit committee should consider how effectively the Seven Principles of Public Life are supported.</p> <p>The AGS should be reviewed by the JAC prior to final approval and approved by a body of authority prior to being signed (pg 12).</p>	<p>Review and recommend approval of the joint annual governance statement prior to final approval and consider whether it properly reflects the governance, risk and control environment and supporting assurances and identify any actions required for improvement.</p> <p>The JAC review the AGS prior to its inclusion in the Statement of Accounts.</p> <p>The principles of public life are included within the AGS.</p>	<p>Included in ToR. Adopt CIPFA wording but include 'recommend approval' by the JAC.</p> <p>Reports received:</p> <ul style="list-style-type: none"> • AGS • Financial Performance Report including KPIs • Internal Audit reports

			<p>Over the year receive reports and assurances over the application of the governance arrangements in practice.</p> <p>Monitor implementation of action plans or recommendations to improve governance arrangements.</p> <p>The AGS should be focussed on outcomes and VfM (pg18)</p> <p>The adequacy of counter fraud arrangements are evaluated and reported on in the AGS with reference to the Code (pg 19).</p>	<p>The body of authority for approval is the Strategy and Performance Board.</p> <p>The reports providing assurance on the application of the governance arrangements and to monitor the implementation of action plans/recommendations on governance arrangements are listed opposite.</p> <p>The AGS is constantly being developed and will look to focus more on VfM, outcomes and counter fraud arrangements in the future.</p>	<ul style="list-style-type: none"> • Risk Register • Annual Ethics Report • Board Assurance Framework (when developed) • Outstanding Audit Recs Report
1.3	Consider the arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements.	Consider the arrangements to secure Value for Money and review assurances and assessments on the effectiveness of these arrangements.	<p>There should be arrangements to obtain assurance over performance against VfM objectives and strategies</p> <p>One specific area of activity for the JAC will be in relation to external audits wider work as set out in the codes of audit practice (Wales – WAO Annual Improvement reports) (pg 18)</p>	<p>Consider the arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements.</p> <p>The JAC review the VfM Profiles from HMICFRS via a deep dive every December – this is now supplemented with performance information to aid understanding.</p> <p>A review of the work other JACs receive in relation to VfM has been undertaken.</p> <p>The WAO are looking to undertake a piece of work across the Welsh forces on VfM.</p>	<p>Included in ToR Wording to remain the same as in current ToR as already reflects CIPFA guidance.</p> <p>Reports received:</p> <ul style="list-style-type: none"> • VfM Profiles • TIAA collaborative audits across Welsh forces • WAO VfM work once completed (currently only a draft proposal)
1.4	Consider the framework of assurance and ensure that it adequately addresses the risks and priorities of the OPCC/the constabulary.	Not included in current ToR.	<p>Development of a diagram explaining what assurances exist and who is responsible for them (assurance framework or map).</p> <p>It outlines key areas of the assurances required by the JAC such as on governance, risk and controls and they identify the assurance providers.</p> <p>It is suggested that one of the possible wider functions of a JAC is reviewing whether adequate governance, risk management or audit processes are in place in relation to a specific service or new policy area although the JAC must avoid taking on a policy/scrutiny role (pg 27)</p>	<p>Consider the board assurance framework and ensure that it adequately addresses the risks and priorities of the OPCC and force.</p> <p>An initial meeting is planned to consider the development of the Board Assurance Framework in September with updates reported to JAC as appropriate.</p> <p>Officers will bring specific policy areas to the attention of the JAC as appropriate.</p>	<p>Included in ToR CIPFA wording adopted but tweaked to specifically mention BAF.</p> <ul style="list-style-type: none"> • Board Assurance Framework

1.5	Monitor the effective development and operation of risk management, review the risk profile, and monitor progress of the PCC/the chief constable in addressing risk-related issues reported to them.	Consider and comment upon the strategic risk processes for the PCC and Chief Constable.	Police JACs are directed in the FMCOP (2013) to advise the PCC and CC on the adoption of appropriate risk management arrangements (pg 16). This should include: 1)Oversight of the risk management policy and strategy 2) Oversight of the integration and decision making processes of the organisations 3)ensuring the AGS is an adequate reflection of the risk environment 4)reviewing arrangements to co-ordinate and lead risk management. An example of such an arrangement is the existence of a group to examine, challenge and support the risk assessment process to ensure consistency 5)reviewing the risk profile and keeping up to date with significant areas of strategic risks and major operational or major project risks and seeking assurance that these risks are managed effectively and owned appropriately 6)seeking assurance that strategies and policies are supported by adequate risk assessments and that risks are being actively managed and monitored 7)following up risks identified by auditors and inspectors to ensure they are integrated into the risk management process. 8)overseeing any evaluation or assessment such as a risk maturity assessment or risk benchmarking 9)reviewing evaluation or assurance reports on risk management and monitoring progress on improvement plans 10)monitoring action plans and development work in the field of risk management practice.	Monitor the effective development and operation of risk management, review the risk profile, and monitor progress of the PCC and the chief constable in addressing risk-related issues reported to them. 1) JAC receive the risk management strategy 2) This will be developed as part of the Board Assurance Framework 3) JAC ensure that the AGS reflects the risk environment during their scrutiny of the draft document 4) The Board Assurance should assist with this. 5) Receive the Risk Register quarterly 6) Receive the Risk Register quarterly 7) Receive the Risk Register quarterly 8) We don't undertake risk benchmarking but the JAC receive updates in relation to KPIs and have also overseen the Disaster Recovery updates. 9) Receive the Risk Register quarterly 10)Will be brought to JAC if appropriate	Included in ToR. Adopt CIPFA wording. Reports received: • Quarterly Joint Risk Register • Risk Strategy (as applicable) • Board Assurance Framework • Disaster Recovery Implementation Updates • Financial Performance Report including KPIs
1.6	Consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions.	Review the effectiveness of internal control systems and provide assurance regarding such systems.		Consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions.	Included in ToR. Adopt CIPFA wording. Reports received: • Outstanding audit inspection recs report

1.7	Review arrangements for the assessment of fraud risks and potential harm from fraud and corruption and monitor the effectiveness of the counter fraud strategy, actions and resources.	Consider and comment upon anti-fraud and anti-corruption arrangements including “whistle blowing”.	The JAC should have oversight of the counter fraud strategy – assessing whether it meets recommended practice and governance standards and complies with legislation such as the Bribery Act 2010.	Consider and comment upon anti-fraud and anti-corruption arrangements including “whistle blowing”. Both the force and OPCC anti-fraud and corruption policies are provided to JAC when they are due for renewal	Partly include in ToR Suggest keep current wording on receipt of anti-fraud and corruption policies. Suggest removal of Gifts & Hospitality and Business Interests Registers from the ToR and to monitor via monthly ‘PCC Decisions made’ updates provided by the OPCC and via HMICFRS reports as applicable. Reports received: <ul style="list-style-type: none"> • Internal audit reports • Internal Audit best practice updates • Suggest that Anti-Fraud and Corruption is added as a future deep dive topic. • HMICFRS inspection responses as applicable.
			CIPFA Code of Practice on Managing the Risk of Fraud and Corruption sets out standards for public sector orgs	Internal Audit reports on counter fraud which provides an overview of activities on counter fraud initiatives relating to payments.	
			The JAC should understand the level of fraud risk org is exposed to	This is provided via internal audit reports and the best practice updates provided by TIAA.	
			The JAC should review the annual counter fraud plan of activity and resources, seeking assurance that it is in line with the strategy and fraud risk profile	There is an annual action plan in place which captures this information via audit findings. In addition when issues are highlighted, they are referred to the force Professional Standards Department and are investigated.	
			Monitoring the performance of the counter fraud function	There is an Anti-Corruption Unit with the Professional Standards Department. Anti-corruption is also part of the HMICFRS inspection programme.	
			oversee any major areas of fraud identified and monitoring action plans to address control weaknesses.	This is covered by internal audit an example being the evidential stores risks that are currently being monitored by the JAC. This is also covered by the HMICFRS PEEL inspection programme.	
	Review compliance with policies relating to declarations of interest, gifts and hospitality.	There is no reference to the JAC monitoring the declarations of interests or gifts and hospitality policies.	It is suggested that the annual review of the G&H/BI registers are removed from the ToR. The value they add to the work of the JAC is minimal. The OPCC undertake a detailed review of force registers annually and their compliance with the policy & procedure and a decision log is published. Actions are fed back to the force for a response/remedial action to take place. The HoAC also undertakes a review of the OPCC registers – the report that is currently written for JAC can be approved by the PCC via the box day process and published to the OPCC website, therefore still providing JAC with assurance in this area.		
		Whistleblowing arrangements support the development of ethical conduct and greater transparency, and also help authorities ensure compliance with the Public Interest Disclosure Act 1998. As part of the audit committee’s oversight of the	The OPCC and force currently incorporate whistleblowing in their Anti-Fraud and Corruption policies. A recent inspection has suggested that the force have separate anti-fraud and corruption policy and whistleblowing policy. Work is currently ongoing.		

			governance framework and assurances underpinning the AGS, the audit committee may wish to review the effectiveness of the whistleblowing arrangements.		
1.8	To review the governance and assurance arrangements for significant partnerships or collaborations.	Not included in current ToR.	<p>The role of the JAC in relation to collaboration needs to be clearly defined (pg 23).</p> <p>The JAC should consider the assurance available on whether the partnership or collaboration arrangements are satisfactorily established and are operating effectively (pg 23).</p> <p>Seek assurance that there are appropriate arrangements in place to identify and manage risks. Ensure good governance and obtain assurance on compliance (pg 23).</p> <p>How do we maintain accountability to stakeholders and ensure transparency of decision making (pg 23)</p> <p>Receive assurance over governance arrangements at project stage and seek clarity over its own responsibilities in relation to the governance arrangements of the new collaboration (pg 23)</p> <p><u>Audit committees in partnership.</u> Set up formal audit arrangements for significant areas of governance/risk shared with other organisations – this could involve one audit committee being nominated to take the lead on matters relating to the partnership or each audit committee could nominate representatives to oversee the partnership. (pg 34)</p>	<p>To review the governance and assurance arrangements for significant partnerships or collaborations.</p> <p>Consideration is currently being given as to whether collaboration will be a deep dive in March 2020.</p> <p>ACOR/CFO/HoAC have agreed to commence work in relation to how this can be further looked considered by JAC. An initial piece of work to gather all collaborative projects in one table and to determine what information we have will be commenced shortly.</p>	<p>Include in ToR Adopt CIPFA wording</p> <p>Rather than formal reports to the JAC, this could be discharged via a planned deep dive every other year.</p>
1.9	Not included in suggested CIPFA ToR	Consider and comment upon any policy or strategy regarding asset management.	Not applicable	Consider and comment upon any policy or strategy regarding asset management.	<p>Include in ToR Keep wording in current ToR</p> <p>Reports received:</p> <ul style="list-style-type: none"> • Asset Management Strategy (reviewed on renewal every 3 years)

1.10	Not included in suggested CIPFA ToR	Consider and comment upon any policy or strategy relating to sponsorship.	Not applicable	Unsure as to the value this adds to the work of the JAC.	Suggest this is removed from ToR.
1.11	Not included in suggested CIPFA ToR	Consider and comment upon any policy or strategy regarding commissioning.	Not applicable	The development of a Commissioning Strategy will be reviewed by the Strategic Planning Group and the PCC's Strategy and Performance Board and published on the OPCC website. Information in relation to the PCC's commissioning arrangements are available on the OPCC website.	Suggest this is removed from ToR.
1.12	Not included in suggested CIPFA ToR	Commission assurance work e.g. specialist advice or audit.	Not applicable	Commission assurance work e.g. specialist advice or audit. This provides JAC with an opportunity to request the commissioning of assurance work if they think it is appropriate.	Include in ToR Keep wording in current ToR Reports received: • Not applicable
1.13	Not included in suggested CIPFA ToR	Consider and comment upon compliance with the statutory duties regarding the PCC.	Not applicable	This wording would cover every aspect of the work of the OPCC and would also overlap with the responsibilities of the Police and Crime Panel. It is suggested that the PCC's Annual Report continues to be shared with JAC for their information in order to raise awareness of the work of the OPCC.	Suggest this is removed from ToR.
1.14	Not included in suggested CIPFA ToR	Consider and comment upon any reports from external organisations that are considered to be of relevance by officers.	Not applicable	Consider and comment upon any reports from external organisations that are considered to be of relevance by officers.	Include in ToR Keep wording in current ToR Reports received: • HMICFRS Inspections • Anything else deemed of relevance by officers
2.	INTERNAL AUDIT				
2.1	Annually review the internal audit charter and resources.	Not included in current ToR.	This is the formal document that defines IAs purpose, authority and responsibility. (pg13-14)	We do not have an internal audit charter as our audit function is outsourced.	Do not include in ToR
2.2	Review the internal audit plan and any proposed revisions to the internal audit plan.	Approve (but not direct) the Internal Audit Plan. Review any proposed changes to the Internal Audit Plan.	Since police audit committees must remain advisory bodies, their role will be to support and review the functional reporting arrangements. (pg 13)	Review the internal audit plan and any proposed revisions to the internal audit plan. The requirement for the JAC to 'approve' the internal audit plan has been removed as JAC must remain an advisory body.	Include in ToR Adopt CIPFA wording Reports received: • Internal Audit Plan • Internal Audit Update Report

2.3	Oversee the appointment and consider the adequacy of the performance of the internal audit service and its independence.	<p>Review the effectiveness (including resourcing) of internal audit.</p> <p>Involvement with the recruitment or termination of employment of internal audit.</p> <p>Consider and comment upon any proposals affecting the provision of the internal audit service.</p>		Oversee the appointment and consider the adequacy of the performance of the internal audit service and its independence.	<p>Include in ToR Adopt CIPFA wording</p> <p>Reports received:</p> <ul style="list-style-type: none"> • Internal Audit Reports • Annual Report • Annual Audit Plan • Update on recruitment process (as applicable)
2.4	Consider the head of internal audit's annual report and opinion, and a regular summary of the progress of internal audit activity against the audit plan, and the level of assurance it can give over corporate governance arrangements.	<p>Consider and comment upon the annual report from internal audit.</p> <p>Receive and review internal audit reports and monitor progress of implementing recommendations.</p>		<p>Consider the head of internal audit's annual report and opinion.</p> <p>Receive a regular summary of the progress of internal audit activity against the audit plan.</p>	<p>Include in ToR Adopt CIPFA wording and suggested wording relating to audit recommendation timeframes</p> <p>Reports received:</p> <ul style="list-style-type: none"> • Annual Audit Report • Annual Audit Plan • TIAA Update Report
2.5	To consider the head of internal audit's statement of the level of conformance with the PSIAS and LGAN and the results of the QAIP that support the statement – these will indicate the reliability of the conclusions of internal audit.	Ensure that the performance of all internal audit providers complies with the Public Sector Internal Audit Standards.	<p>Receive regular reports on the results of the QAIP (Quality Assurance and Improvement Program), including the external assessment (pg 15)</p> <p>Receive reports on instances when the IA function does not conform to the PSIAS and considering whether the non-conformance is sufficiently significant that it must be included in the AGS</p>	<p>Ensure that the performance of all internal audit providers complies with the Public Sector Internal Audit Standards.</p> <p>The JAC have had recent conversations after the CIPFA training relating to their involvement in the appointment of external consultants to review Internal Audits compliance with the PSIAS. It is suggested the following wording is included in the ToR:</p> <p>Internal Audit to present arrangements and timescales for external PSIAS assessments</p>	<p>Include in ToR Keep current ToR wording and also add in additional wording relating to Internal Audits appointment of external PSIAS consultants.</p> <p>Reports received:</p> <ul style="list-style-type: none"> • Updates from Internal Audit on compliance with PSIAS • Overview of work undertaken to appoint external PSIAS consultants when appropriate.
2.6	Consider summaries of internal audit reports and such detailed reports as the committee may request from the PCC/the chief constable, including issues raised or recommendations made by the internal audit service, management response and progress with agreed actions.	Receive and review internal audit reports and monitor progress of implementing recommendations.		<p>Receive and review internal audit reports and monitor the progress of implementing any recommendations, providing challenge against completion times.</p> <p>The JAC currently approve deadlines to audit recommendations – as they must remain an advisory body this can no longer happen and is not currently included in the ToR. This has now been added in but state that JAC 'provide challenge against the completion dates' rather than approve them.</p>	<p>Include in ToR Keep wording the same as current ToR</p> <p>Reports received:</p> <ul style="list-style-type: none"> • Detailed audit reports • Outstanding Audit Recs Report

				The JAC discuss all reports in detail from both TIAA and the SRS that have 'limited' or 'no' assurance ratings.	
2.7	Consider a report on the effectiveness of internal audit to support the AGS, where required to do so by the Accounts and Audit Regulations (Wales) 2014 (see Appendix A).	Not included in current ToR.		The Internal Audit findings are incorporated into the AGS to demonstrate assurance.	Do not include in ToR.
2.8	To consider any impairments to independence or objectivity arising from additional roles or responsibilities outside of internal auditing of the head of internal audit. To make recommendations on safeguards to limit such impairments and periodically review their operation.	Not included in current ToR.		Internal Audit should disclose any declarations of interest as part of the responsibilities. This would be raised with officers as appropriate. This could also be discussed in the session members have with audit prior to every JAC meeting as appropriate.	Do not include in ToR.
3.	EXTERNAL AUDIT				
3.1	Support the independence of external audit through consideration of the external auditor's annual assessment of its independence and review of any issues raised by either PSAA or the auditor panel as appropriate.	Not included in current ToR.	Each year they need to disclose an assessment of whether they are independent – what could impact and the safeguards in place JAC should seek assurance on WAO policies and processes for maintain independence and monitoring compliance. JAC should report to the PCC/CC on the results of its consideration on how effective external audit are. (pg 22)	A statement on the independence of external audit is included annually in the ISA 260. Arrangements for the appointment of external audit in Wales differ to that of England – the WAO are our auditors.	Do not include in Tor
3.2	Comment on the scope and depth of external audit work, its independence and whether it gives satisfactory value for money.	Comment on the scope and depth of external audit work, its independence and whether it gives satisfactory value for money. Consider the level of fees charged.		Comment on the scope and depth of external audit work, its independence and whether it gives satisfactory value for money. Consider the level of fees charged.	Include in ToR Keep wording the same as current ToR Reports received: <ul style="list-style-type: none"> • ISA260 • Quarterly update reports • Management Letter • Update on fees • Audit Plan • Annual Audit Report
3.4	Consider the external auditor's annual management letter, relevant reports and the report to those charged with governance.	Receive and review reports from the external auditors including the annual audit report, audit opinion etc.	The JAC should contribute to the response to the annual audit letter (pg 21)	Consider the external auditor's annual management letter, relevant reports and the report to those charged with governance.	Include in ToR Adopt CIPFA wording Reports Received: <ul style="list-style-type: none"> • Management Letter • Annual Audit Report • Annual Audit Plan • ISA 260 • Quarterly Update Report

3.5	Consider specific reports as agreed with the external auditor.	Not included in current ToR.		Consider specific reports as agreed with the external auditor. This includes reports such as the the WAO report on the SRS governance arrangements which were discussed at JAC in 2014.	Include in ToR Adopt CIPFA wording
3.6	Advise and recommend on the effectiveness of relationships between external and internal audit and other inspection agencies or relevant bodies.	Review the effectiveness of external audit.		Advise and recommend on the effectiveness of relationships between external and internal audit and other inspection agencies or relevant bodies. This would be covered as part of the pre-meet with audits that JAC members have before each meeting	Include in ToR Adopt CIPFA wording
3.7	Not included in suggested CIPFA ToR	Monitor progress on implementing any recommendations identified.		Receive a regular summary of the progress of external audit activity and monitor the progress of implementing any recommendations, providing challenge against completion times.	Include in ToR Re-worded to cover timescale completion <ul style="list-style-type: none"> • Outstanding Audit Recommendations Report • Update Reports
3.8	Not included in suggested CIPFA ToR	Consider and comment upon any proposals affecting the provision of the external audit service.		We have no control over the appointment of our external auditors in Wales.	Remove from ToR
4.	FINANCIAL REPORTING				
4.1	Review the annual statement of accounts. Specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit of the financial statements that need to be brought to the attention of the PCC and/or the chief constable.	Provide assurance regarding the Statements of Accounts and that the appropriate accounting policies have been applied.	Good practice for the accounts and AGS to be reviewed by the JAC prior to commencement of the external audit	Review the annual statement of accounts. Specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit of the financial statements that need to be brought to the attention of the PCC and/or the chief constable.	Include in ToR Adopt CIPFA wording Reports received: <ul style="list-style-type: none"> • Statement of Accounts • Budget Setting Timetable • MTFP • ISA 260 • Management Letter
4.2	Consider the external auditor's report to those charged with governance on issues arising from the audit of the financial statements.	Receive and review reports from the external auditors including the annual audit report, audit opinion etc.		Consider the external auditor's report to those charged with governance on issues arising from the audit of the financial statements.	Include in ToR Adopt CIPFA wording <ul style="list-style-type: none"> • ISA 260 • Management Letter
4.3	Not included in suggested CIPFA ToR	Monitor the integrity of any published financial statements and any formal announcements relating to financial performance.		Monitor the integrity of any published financial statements and any formal announcements relating to financial performance.	Include in ToR Keep wording the same as current ToR

4.4	Not included in suggested CIPFA ToR	Consider and comment upon the Financial Strategy (Medium Term Financial Plan).		Consider and comment upon the Financial Strategy (Medium Term Financial Plan).	Include in ToR Keep wording the same as current ToR Reports Received: • MTFP
4.5	Not included in suggested CIPFA ToR	Consider and comment upon any policy or strategy regarding reserves.		Consider and comment upon any policy or strategy regarding reserves.	Include in ToR Keep wording the same as current ToR Reports Received: • Reserves Strategy
4.6	Not included in suggested CIPFA ToR	Consider and comment upon the budget planning process.		Consider and comment upon the budget planning process.	Include in ToR Keep wording the same as current ToR Reports Received: • MTFP • Budget Setting Timetable
4.7	Not included in suggested CIPFA ToR	Consider and comment upon any policy or strategy regarding loans, investments or borrowing.	<p>Pg 4 para 5 – Treasury Management is not deemed to be a core role for the JAC but part of a suggested wider role. (pg 4 para 5)</p> <p>The JAC should develop a greater understanding of TM.</p> <p>Review TM policy and procedures to be satisfied controls are satisfactory</p> <p>Receive regular reports on activities, issues and trends to support their understanding</p> <p>Review the treasury risk profile and adequacy of treasury risk management processes</p> <p>Review assurance on TM eg internal audit reports</p>	<p>Consider and comment upon any policy or strategy regarding loans, investments or borrowing.</p> <p>Suggest that we consider offering training to JAC members if they think it would be of assistance.</p>	<p>Include in ToR Keep wording the same as current ToR</p> <p>Reports Received: • Treasury Management Strategy • Treasury Management 6 Month Update Report • Treasury Management Annual Report • Internal Audit Reports</p>
5.	ACCOUNTABILITY ARRANGEMENTS				
5.1	On a timely basis report to the PCC and the chief constable with its advice and recommendations in relation to any matters that it considers relevant to governance, risk management and financial management.	Not included in current ToR.		<p>On a timely basis report to the PCC and the chief constable with its advice and recommendations in relation to any matters that it considers relevant to governance, risk management and financial management.</p> <p>The JAC undertake this role during the meeting as both the CC and PCC attend.</p>	Include in ToR Use CIPFA wording

5.2	Report to the PCC and the chief constable on its findings, conclusions and recommendations concerning the adequacy and effectiveness of their governance, risk management and internal control frameworks, financial reporting arrangements, and internal and external audit functions.	Not included in current ToR.		Provide an Annual Report to the PCC and the chief constable on its findings, conclusions and recommendations concerning the adequacy and effectiveness of their governance, risk management and internal control frameworks, financial reporting arrangements, and internal and external audit functions.	Include in ToR Adopt CIPFA wording but amend to also include mention of the annual report.
5.3	Review its performance against its terms of reference and objectives on an annual basis and report the results of this review to the PCC and the chief constable.	Review performance with the Terms of Reference annually and report the results of this review to the PCC and Chief Constable		Review its performance against its terms of reference and objectives on an annual basis and report the results of this review to the PCC and the chief constable. The ToR compliance review is undertaken as part of the JAC Annual Report process and the subsequent table published to the OPCC website. The JAC's objectives are set and reported on within the Annual Report.	Include in ToR Adopt CIPFA wording Reports Received: <ul style="list-style-type: none"> • JAC Annual Report • ToR Compliance Table
5.4	Publish an annual report on the work of the committee.	Completion of an Annual Report, to sit in conjunction with the PCC's and Chief Constable's Annual Governance Statement, on the performance of the JAC.		Unsure how this is different to 5.2 so have combined into one.	Include in ToR - see 5.2 for wording.
5.5	Not included in suggested CIPFA ToR	Undertake an annual self-assessment process to ensure the JAC is carrying out its duties effectively and is receiving the support required.		Undertake an annual self-assessment process to ensure the JAC is carrying out its duties effectively and is receiving the support required. All JAC attendees undertake an annual self-assessment process and receive annual 121 performance reviews where concerns raised are addressed by way of an action plan.	Include in ToR Adopt CIPFA wording