

Joint Audit Committee Operating Principles

1. Statement of Purpose

The purpose of the Joint Audit Committee is:

- to provide independent assurance to the Police and Crime Commissioner (PCC) and the Chief Constable regarding the adequacy of the risk management framework and the associated control environment,
- independent scrutiny of ~~the Force's~~ Gwent Police (the force) and the Office of the Police and Crime Commissioner's (OPCC) financial performance,
- to oversee the financial reporting process adapted from CIPFA Audit Committees Practical Guidance for Local Authorities (p9).

2. Scope

The Joint Audit Committee provides comments, advice and assurance on matters relating to the internal control environment of the Force and the ~~Office of the Police and Crime Commissioner (OPCC)~~. It has oversight of general governance matters and will provide comments on any new or proposed PCC policies and strategies or changes to existing relevant policies and strategies which in the opinion of the Chief Financial Officers are significant with regards to financial risk and probity.

If the Joint Audit Committee has concerns about a specific governance or audit matter it may request the relevant policy or strategy to be presented to the Committee in order that assurance may be obtained and constructive comment provided where appropriate.

The Joint Audit Committee has three approval powers:

- ***To recommend approval of the Annual Governance Statements for inclusion in the Statement of Accounts.***
- ***To recommend approval of any Code of Corporate Governance for the Force or the OPCC Office of the Police and Crime Commissioner.***
- ***To approve (but not direct) the Internal Audit Strategy and Plan.***

The following do **NOT** fall within the scope of the Joint Audit Committee:

- Crime Statistic performance.
- Force operational risks.
- HMIC reports with an operational theme/basis e.g. "A Review of the August Disorders" "Intelligence on Criminality Associated With Protest".
- The management of the internal audit function.
- Any reviews carried out by the Police and Crime Panel.

3. Methods of Working

- Advises the Chief Constable and the PCC according to good governance principles.
- Ensures appropriate risk management arrangements.
- Provides robust and constructive challenge.

4. Terms of Reference

Financial Management

- Provide assurance regarding the Statements of Accounts and that the appropriate accounting policies have been applied.
- Monitor the integrity of any published financial statements and any formal announcements relating to financial performance.
- Consider and comment upon any policy or strategy regarding reserves.
- Consider and comment upon the budget planning process.
- Consider and comment upon the Financial Strategy (Medium Term Financial Plan).
- Consider and comment upon any policy or strategy regarding loans, investments or borrowing.
- Consider and comment upon any policy or strategy regarding asset management.
- Consider and comment upon the arrangements for delivery of Value for Money.

Internal Control and Governance Environment

- ***Recommend Approval of the Annual Governance Statements for inclusion in the Statement of Accounts.***
- ***Recommend Approval of any Code of Corporate Governance for the Force or the Office of the Police and Crime Commissioner.***
- Consider and comment upon any policy or strategy relating to sponsorship.
- Consider and comment upon anti-fraud and anti-corruption arrangements including “whistle blowing”.
- Consider and comment upon any policy or strategy regarding commissioning.
- Review the effectiveness of internal control systems and provide assurance regarding such systems.
- Commission assurance work e.g. specialist advice or audit.
- Consider and comment upon compliance with the statutory duties regarding the ~~Police and Crime Commissioner~~PCC.
- Review compliance with policies relating to declarations of interest, gifts and hospitality.
- 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.
- Undertake an annual self-assessment process to ensure the JAC is carrying out its duties effectively and is receiving the support required.
- Consider and comment upon any reports from external organisations that are considered to be of relevance by officers.

Corporate Risk Management

- Consider and comment upon the strategic risk processes for the PCC and Chief Constable.
- Consider and comment upon the corporate risk processes for the PCC and Chief Constable

Internal Audit

- ***Approve (but not direct) the Internal Audit Strategy and Plan.***
- Review the effectiveness (including resourcing) of internal audit.
- Receive and review internal audit reports and monitor progress of implementing recommendations.
- Consider and comment upon the annual report from internal audit.
- Involvement with the recruitment or termination of employment of internal audit.

- Consider and comment upon any proposals affecting the provision of the internal audit service.
- Ensure that the performance of internal audit complies with the Public Sector Internal Audit Standards.

External Audit

- Receive and review reports from the external auditors including the annual audit report, audit opinion etc.
- Review the effectiveness of external audit.
- Consider and comment upon any proposals affecting the provision of the external audit service.
- Consider the level of fees charged.

5. **Reporting Line:** The Joint Audit Committee will report direct to the ~~Police and Crime Commissioner~~ PCC and the Chief Constable. Any concerns that needed to be raised by the external auditors would be done so via the Chair of the Committee who would liaise with the Chief Finance Officer or the Monitoring Officer.

6. **Links:** In the course of its work the Committee may forge links (direct or indirect) with the following and any other organisations deemed appropriate:

- Chief Financial Officers of both the PCC and Chief Constable.
- Monitoring Officer.
- Head of Internal Audit.
- External Auditors.
- Her Majesty's Inspector of Constabulary.
- The Police and Crime Panel.
- Regional Committees and Collaborations.
- Partnerships.

7. **Committee Composition:** 5 people, independent of the Chief Constable and the ~~Office of the Police and Crime Commissioner~~ PCC.

8. **Quorum:** 3

9. Election of Chair & Vice-Chair

- Chair and Vice-Chair to be elected annually by the committee.
- Chair may be re-elected but to serve no more than 3 consecutive years as Chair.

In exceptional circumstances, members will be allowed to re-elect the same individual to the Chair for one further year.

10. **Number of meetings:** 4 formal committee meetings scheduled each year (additional formal meetings may be required).

11. **Information publically available:** the agenda, reports and minutes of formal meetings will be made available on the OPCC and Gwent Police websites.

12. Attendance at Audit Committee Meetings

The ~~Police and Crime Commissioner~~ PCC and the Chief Constable should attend or be appropriately represented at formal meetings of the Joint Audit Committee.

Also in attendance

- Chief of Staff, OPCC
- Chief Finance Officer, OPCC
- Chief Finance Officer, OCC
- Internal Audit
- External Audit
- Other Officers of both the OPCC and Force, when required.