

Appendix 1

Terms of Reference Value for Money Review

The Gwent Joint Audit Committee (JAC) Terms of Reference (ToR) currently include the following statement in relation to Value for Money (VfM):

Consider and comment upon the arrangements for delivery of Value for Money.

An overview of other JAC's ToRs has been undertaken with the outcome included below. More detailed information in relation to the exact wording in the ToRs has been included at appendix 2.

Locations	ToR Reference
Dyfed Powys, North Wales, Bedfordshire, Devon and Cornwall, Dorset, Greater Manchester, Hampshire, Humberside, Kent, Lincolnshire, Merseyside, Northamptonshire, Northumbria, Nottinghamshire, Sussex	Consider arrangements to secure VfM
Avon and Somerset, Derbyshire, Leicestershire	Scrutinise performance to provide VfM
Dyfed Powys, North Wales, South Wales, Bedfordshire, Devon and Cornwall, Dorset, Greater Manchester, Hampshire, Humberside, Lancashire, Lincolnshire, Merseyside, Northumbria	External audit work provides VfM
Dyfed Powys, South Yorkshire	VfM strategy/reports received
Derbyshire	Concentrate on VFM at a meeting (unsure how)
Cleveland	Internal audit to satisfy the external auditor that financial systems and internal controls are effective and that the Police Fund is managed so as to secure value for money.
Devon and Cornwall, Dorset, Durham	Specify in ToR how they monitor VfM
Thames Valley	Take account of factors such as VfM when providing challenge

West Midlands	Reports to include information on VfM
Cheshire, Gloucestershire, Hertfordshire, MOPAC – Metropolitan Police, North Yorkshire	No reference to VfM
Cambridgeshire, Cumbria, Essex, Norfolk Staffordshire, Suffolk, Surrey, Warwickshire, West Mercia, West Yorkshire, Wiltshire	Can't find/not published

Appendix 2

Location	ToR Reference
WALES	
Dyfed Powys	<ol style="list-style-type: none"> 1) Consider the arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements. 2) Comment on the scope and depth of external audit work, its independence and whether it gives satisfactory value for money. 3) Receive a report on the value for money strategy, systems and controls in place, in the management and delivery of services.
North Wales	<ol style="list-style-type: none"> 1) Consider the arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements. 2) Comment on the scope and depth of external audit work, its independence and whether it gives satisfactory value for money.
South Wales	<ol style="list-style-type: none"> 1) To comment on the scope and depth of external audit work and to ensure it gives value for money.
ENGLAND	
Avon and Somerset	<ol style="list-style-type: none"> 1) Scrutinise financial and non-financial performance to the extent that it affects the PCC and Chief Constable's exposure to risk, weakens the control environment and undermines their ability to provide good value for money.
Bedfordshire	<ol style="list-style-type: none"> 1) To consider value for money in all areas of activity for which the Joint Audit Committee are providing assurance on. 2) To comment on the scope and depth of external audit work and to provide an opinion as to the delivery of value for money.
Cambridgeshire	Can't find/not published
Cheshire	No reference to VfM
Cleveland	<ol style="list-style-type: none"> 1) Internal audit to satisfy the external auditor that financial systems and internal controls are effective and that the Police Fund is managed so as to secure value for money.
Cumbria	Can't find/not published
Derbyshire	<ol style="list-style-type: none"> 1) The effectiveness of their respective governance arrangements including providing for value for money services.

	2) They concentrate on VFM at their March meeting
Devon and Cornwall	<p>1) To consider the arrangements to secure value for money and their effectiveness, by reviewing and commenting on the:</p> <p><i>Budget planning process (Annual)</i> <i>Medium Term Financial Plan (Annual)</i> <i>Financial Regulations (Annual)</i> <i>Standing orders on contracts (Annual)</i> <i>Debtor's reports (Quarterly)</i> <i>Arrangements for Commissioning (Annual)</i> <i>Arrangements for the giving of grants (Annual)</i> <i>The policy and strategy for Sponsorship. (Every 2 years)</i> <i>The policy and strategy for Reserves (Annual)</i> <i>Procurement policy (Annual)</i> <i>HMIC Value for Money reports</i> <i>VFM comparisons of the Strategic Alliance</i></p> <p>2) External Audit Comment on the scope and depth of external audit work, its independence and whether it gives satisfactory value for money by reviewing: <i>Quarterly progress reports (Quarterly)</i> <i>Reviewing the plan of work (Annual)</i></p>
Dorset	<p>1) To consider the arrangements to secure value for money and their effectiveness, by reviewing and commenting on the:</p> <p><i>Budget planning process (Annual)</i> <i>Medium Term Financial Plan (Annual)</i> <i>Financial Regulations (Annual)</i> <i>Standing orders on contracts (Annual)</i> <i>Debtor's reports (Quarterly)</i> <i>Arrangements for Commissioning (Annual)</i> <i>Arrangements for the giving of grants (Annual)</i> <i>The policy and strategy for Sponsorship. (Every 2 years)</i> <i>The policy and strategy for Reserves (Annual)</i> <i>Procurement policy (Annual)</i> <i>HMIC Value for Money reports</i> <i>VFM comparisons of the Strategic Alliance</i></p> <p>2) External Audit Comment on the scope and depth of external audit work, its independence and whether it gives satisfactory value for money by reviewing: <i>Quarterly progress reports (Quarterly)</i> <i>Reviewing the plan of work (Annual)</i></p>

Durham	<p>1) Help improve the financial integrity of financial planning and reporting, and the achievement of VFM, in the OPCC, the force and partner organisations.</p> <p>The Committee intend to achieve its objectives in relation to financial reporting and VFM by:</p> <ul style="list-style-type: none"> • Maintaining an understanding of how the MTFP is prepared and the annual budget setting policy and procedure to gain assurance that assumptions made are reasonable and key financial risks have been identified and reported when budget proposals are recommended to the CC and the PCC. • Scrutinising financial performance by reviewing half-yearly budget monitoring reports to gain assurance that appropriate action is being taken to address the risk of significant variances and that assumptions made when the budget was set are monitored effectively. • Considering and challenging the audit plan of the external auditor and the audit fee for the audit of the financial statements and any grant certification work. • Reviewing any changes to accounting policies which will impact on how financial statements are prepared and reported. • Reviewing the annual outturn of revenue and capital expenditure • Reviewing and providing challenge to draft financial statements of accounts (unaudited accounts) and make recommendations, or bring the attention of the PCC or CC, any significant concerns or issues. • Reviewing and providing challenge to the proposed final accounts prior to their approval by the PCC and the CC, ensuring that any issues arising from the process of drawing up, auditing and certifying the accounts are dealt with properly. • Considering the findings and overall intended opinion on the accounts and the VFM conclusion as set out in the audit completion report from the external auditor and ensure that actions required in response to any resultant control weaknesses are implemented by management on a timely basis. • Considering the Annual Audit Letter from the external auditor and making recommendations as appropriate to the PCC and CC. • Regularly reviewing arrangements in place which demonstrate that VFM is achieved and /or identifies where potential improvements could be made.
Essex	Can't find/not published
Gloucestershire	No reference to VFM

Greater Manchester Combined Authority	<ol style="list-style-type: none"> 1) Review the effectiveness of arrangements to secure value for money. 2) Comment on the nature and scope of external audit work to ensure it gives value for money.
Hampshire	<ol style="list-style-type: none"> 1) Consider the arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements. 2) Comment on the scope and depth of external audit work, its independence and whether it gives satisfactory value for money.
Hertfordshire	No reference to VFM
Humberside	<ol style="list-style-type: none"> 1) Considering the arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements. 2) Commenting on the scope and depth of external audit work, its independence and whether it gives satisfactory value for money.
Kent	<ol style="list-style-type: none"> 1) Accounts/Finance To consider steps taken by the PCC and CC to achieve good value for money and to benchmark the costs of service provision.
Lancashire	<ol style="list-style-type: none"> 1) Monitoring the effectiveness of the work of external audit and ensuring that external audit provides value for money.
Leicestershire	<ol style="list-style-type: none"> 1) Financial and non-financial performance to the extent that it affects the PCC and Chief Constable's exposure to risk, weakens the control environment and undermines their ability to provide good value for money. 2) The establishment and maintenance of an effective system of risk management, integrated governance and internal control, across the whole of the PCC and Chief Constable activities that supports the achievement of the objectives of the Police and Crime plan, ensuring probity, value for money and good governance.
Lincolnshire	<ol style="list-style-type: none"> 1) Consider the arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements. 2) Comment on the scope and depth of external audit work, its independence and whether it gives satisfactory value for money.

Merseyside	<ol style="list-style-type: none"> 1) Consider the arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements. 2) Comment on the scope and depth of external audit work, its independence and whether it gives satisfactory value for money.
MOPAC – Metropolitan Police	No reference to VFM
Norfolk	Can't find/not published
North Yorkshire	No reference to VFM
Northamptonshire	<ol style="list-style-type: none"> 1) Consideration of VFM arrangements and review of assurances
Northumbria	<ol style="list-style-type: none"> 1) The scope and depth of external audit work to ensure that it gives value for money. 2) Consider the findings and overall opinion on the accounts and the VFM conclusion as set out in the audit completion report from the external auditor and to seek satisfactory assurance that any action required in response to any resultant control weaknesses are implemented by management on a timely basis.
Nottinghamshire	<ol style="list-style-type: none"> 1) To advise the PCC and CC on the adequacy and effectiveness of the systems of internal control, the arrangements for risk management, control and governance processes, and securing Value for Money.
South Yorkshire	<ol style="list-style-type: none"> 1) Ensuring effective value for money arrangements are in place through oversight of the PCC's Value for Money strategy and delivery against this.
Staffordshire	Can't find/not published
Suffolk	Can't find/not published
Surrey	Can't find/not published
Sussex	<ol style="list-style-type: none"> 1) Considering the arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements.
Thames Valley	<ol style="list-style-type: none"> 1) Take account of relevant corporate social responsibility factors when challenging and advising the PCC and Chief Constable (such as value for money, diversity, equality and health and safety)

Warwickshire	Joint audit committee run in conjunction with West Mercia
West Mercia	Can't find/not published
West Midlands	1) Information reports to include: VFM/Efficiency
West Yorkshire	Can't find/not published
Wiltshire	Can't find/not published