

Warwickshire Joint Audit and Standards Committee Terms of Reference

Statement of Purpose and Terms of Reference

1. Statement of Purpose

Our Audit and Standards Committee is a key component of the Warwickshire Police and Crime Commissioner's and Chief Constable's Corporate Governance. It provides an independent and high-level focus on the audit, assurance and reporting arrangements that underpin good governance, financial and ethical standards.

The purpose of our Audit and Standards Committee is to provide independent advice and recommendations to the Warwickshire Police and Crime Commissioner (PCC) and Chief Constable on the adequacy of the governance and risk management frameworks, the internal control environment, financial reporting and ethics and standards, thereby helping to ensure efficient and effective assurance arrangements are in place. To this end the Committee is enabled and required to have oversight of, and to provide independent review of the effectiveness of the Warwickshire Police and Crime Commissioner's and Chief Constable's governance, risk management and control frameworks, their financial reporting and annual governance processes, internal and external audit and adherence to appropriate standards and ethics.

These terms of reference will summarise the core functions of the Committee in relation to the offices of the Police and Crime Commissioner and to the Police Force and describe the protocols in place to enable it to operate independently, robustly and effectively.

2. Governance, Risk and Control

The Committee will provide advice and recommendations to the PCC and Chief Constable in relation to the following areas:

- Review the corporate governance arrangements against the good governance framework, including the ethical framework.
- Review the Annual Governance Statements prior to approval and consider whether they properly reflect the governance, risk and control environment and supporting assurances and identify any actions required for improvement.
- Consider the arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements.
- Consider the framework of assurance and ensure that it adequately addresses the risks and priorities of the Office of the Police and Crime Commissioner (OPCC) and the Police Force.
- Monitor the effective development and operation of risk management, review the risk profile, and monitor progress of the PCC/Chief Constable in addressing risk-related issues reported to them.

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- Consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions.
- 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.
- Review the governance and assurance arrangements for significant partnerships or collaborations.
- Review the governance and assurance arrangements for significant projects and programmes, including health and safety.
- Review from time to time the effectiveness of selected governance and assurance arrangements: – Estates Management, Business Continuity Management, Environmental Management, Performance Management and Accountability, Cyber Crime, Wellbeing, Vetting and Equality, Diversity, and Inclusion.

3. Internal Audit

The Committee will provide advice and recommendations to the PCC and/or the Chief Constable in relation to the following areas:

- Annually review the internal audit charter and resources.
- Review the internal audit plan and any proposed revisions to the internal audit plan.
- Oversee the appointment and consider the adequacy of the performance of the internal audit service and its independence.
- 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.
- Consider the Head of Internal Audit's Statement of the level of conformance with the Public Sector Internal Audit Standards, Local Government Application Note and the Quality Assurance and Improvement Programme that support the statement – these will indicate the reliability of the conclusions of internal audit.
- Consider summaries of internal audit reports and such detailed reports as the Committee may request from the PCC/Chief Constable, including issues raised or recommendations made by the internal audit service, management response and progress with agreed actions.

- Consider a report on the effectiveness of internal audit to support the Annual Governance Statement, where required to do so by the current Accounts and Audit Regulations (England) .
- Consider any impairments to independence or objectivity arising from additional roles or responsibilities outside of internal auditing of the Head of Internal Audit. Make recommendations on safeguards to limit such impairments and periodically review their operation.

4. External Audit

The Committee will provide advice and recommendations to the PCC or Chief Constable in relation to the following areas:

- 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 Public Sector Audit Appointments Ltd.
- Comment on the scope and depth of external audit work, its independence and whether it gives satisfactory value for money.
- Consider the external auditor's annual audit letter, relevant reports and the report to those charged with governance.
- Consider specific reports as agreed with the external auditor.
- Advise and recommend on the effectiveness of relationships between external and internal audit and other inspection agencies or relevant bodies.

5. Financial Reporting

The Committee will provide advice and recommendations to the PCC or Chief Constable in relation to the following areas:

- 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 financial statements that need to be brought to the attention of the PCC and/or the Chief Constable.
- Consider the external auditor's report to those charged with governance on issues arising from the audit of financial statements.

6. Treasury Management

The Committee will provide advice and recommendations to the PCC in relation to the following area:

- Scrutinise the treasury management strategy and policies and to monitor performance against this strategy

7. Standards

The Committee will do the following:

- Independently scrutinise closed police complaint cases to ensure due process has been followed and make recommendations on areas highlighted.
- Monitor the embedding of the College of Policing Code of Ethics in everyday policing.
- A representative will attend the Police Internal Ethics Committee (or equivalent) and share information between the two Committees.
- Consider reports and policies from an ethics or standards perspective for example HMICFRS reports, gifts and hospitality registers, and new police processes, policies and initiatives.

8. Accountability Arrangements

The Committee will do the following:

- On a timely basis report to the PCC and Chief Constable with its advice and recommendations in relation to any matters that it considers relevant to governance, risk management and financial management.
- Report to the PCC and the Chief Constable 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.
- 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 Chief Constable.
- Publish an annual report on the work of the Committee.

Administrative Arrangements

1. The Committee should comprise of members who are independent of the PCC and the Force.
2. The Committee will comprise up to five members with a quorum of three. One member will be given specific responsibility for ethics and standards.
3. The term of office will be for a minimum of eighteen months and shall not exceed four years.
4. No member of the Committee shall serve for more than eight years.
5. All members of the Committee will be appointed through an open, competitive public and transparent process. Although specific transfer arrangements were put in place to deal with the issues arising from the termination of the Strategic Alliance and the need to set up a Warwickshire only Joint Audit and Standards Committee.
6. The Chair and Vice Chair will be appointed through an open, competitive, public and transparent process, and subject to the transferring arrangements for existing members. In the event of the Chair and/or Vice Chair being unable to fulfil these roles, chairing arrangements will be determined by the Committee itself at its meeting.
7. The members of the JASC will be remunerated and reimbursed for all expenses incurred in the fulfilment of their JASC duties, roles and responsibilities in accordance with the schedule of allowances and expenses agreed by the PCC and Chief Constable.
8. The Committee will meet at least four times a year, nominally March, July, October and January, but with the flexibility to convene additional meetings if necessary. The calendar of meetings shall be agreed at the start of each year, but any changes due to changes in reporting or accounts publications will be discussed with the committee and agreed prior to changes being implemented.
9. Attendance at the Committee, dependent upon the agenda, should include representatives of the Commissioner, the Chief Constable, internal audit and external audit.
10. The Committee will normally conduct its business in public. It will receive any confidential reports in a private session, and will hold informal private sessions to deal with specific topics such as review of the draft statement of accounts prior to its publication, and updates on specific areas of work. This will also be at the discretion of the Committee as advised by the Commissioner and Chief

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Constable on a risk basis, taking into account operational sensitivity and public reassurance.