



To: Joint Audit Committee
From: Chief Finance Officer, OPCC
Date: 27 September 2017

Review of Joint Audit Committee Terms of Reference

1. Recommendations

1.1. The Committee is asked to consider and note the contents of the report and make any further suggested amendments.

2. Background:

2.1. The Joint Audit Committee (JAC) adopted its current terms of reference, (ToR), Appendix A, at the meeting held on 10th December 2013, with a further review and refinement of the ToR taking place at the meetings held in September 2014, 2015 and 2016. The ToR cover JAC's core functions and should be formally adopted and reviewed on an annual basis. Best practice principles should be considered in determining the activities of the Audit Committee.

2.2. The ToR cover the following:

- Constitution – 5 members who are independent of the Police and Crime Commissioner
- Statement of Purpose – covering assurance, governance risk and controls
- Responsibilities – This section consists of:
 - Governance/Regulatory framework
 - Audit activity – Includes considering internal audit strategy
 - Accounts – Review statement of accounts and consider whether appropriate accounting policies have been adopted.
 - Integrity – Oversee the management of conduct, complaints and integrity matters.
- Membership and meetings

- 2.3. When reviewing the Joint Audit Committee terms of reference the following have been taken into consideration:
- CIPFA “Audit Committees: Practical Guidance for Local Authorities and Police” 2013 Edition.

3. Terms of Reference:

- 3.1. The CIPFA Practical Guidance for Local Authorities and Police lists the core functions of an Audit Committee as being:
- Annual Governance Statement
 - Internal Audit
 - Risk Management
 - Assurance Frameworks and Assurance Planning
 - Value for Money and Best Value
 - Countering Fraud and Corruption
 - External Audit
 - Financial Reporting
 - Partnership Governance
- 3.2 The CIPFA position statement on Audit Committees in Local Authorities and Police are attached at Appendix A.

4. Updates made to Terms of Reference as part of the September 2016 review:

- 4.1. At point 3.13 an amendment to be made that the committee provide a view on the suitability of appointment of External Auditors.
- 4.2. Point 4.4 clarification of annual appraisal and performance of the committee members.
- 4.3. Point 4.9 removes the stated months.

5. Recommendations

- 5.1. The Committee is asked to consider and note the contents of the report and make any further suggested amendments.