

## **Joint Audit Committee Terms of Reference**

### **Introduction / Statement of Purpose**

The purpose of the committee is to provide an independent assurance function in respect of the arrangements for governance. This includes assurance on financial and non-financial performance where there is an implication for exposure to risk or where there may be a weakening of the internal control environment.

The committee is responsible for assurance on the overall adequacy of risk management arrangements and will oversee the financial reporting process.

The committee will deal with all matters on internal audit standards.

### **Audit Activity**

- To approve the Annual Audit Plan.
- To consider the head of internal audit's annual report and opinion, and a summary of internal audit activity and the level of assurance it can give over the Police and Crime Commissioner's and Chief Constable's corporate governance arrangements.
- To consider internal audit reports and a report on the implementation of agreed audit recommendations.
- To consider reports dealing with the management and performance of the providers of internal audit services.
- To consider the external auditor's annual letter, relevant reports, and the report to those charged with governance, i.e. the Police and Crime Commissioner and the Chief Constable including the Annual Governance Statement and any changes to the local code of governance.
- To consider specific reports as agreed with the external auditor.
- To comment on the scope and depth of external audit work and to ensure it gives value for money.
- To commission and monitor the effectiveness of the work of the internal and external audit services.

## **Regulatory Framework**

- To maintain an overview of the constitution in respect of contract procedures rules, financial regulations and codes of conduct and behaviour.
- To review any issue referred to it by the statutory officers of the Police and Crime Commissioner and/or the Force statutory officers.
- To monitor the effective development and operation of corporate governance in both corporations sole.
- To oversee the production of the Police and Crime Commissioner's and Chief Constable's Statement on Internal Control and to recommend its adoption.
- To monitor Office of Police and Crime Commissioner and Force policies on "Raising Concerns at Work", the Anti-Fraud and Corruption Strategy and the Office of the Police and Crime Commissioner and Chief Constable's complaints processes.
- To oversee the arrangements for corporate governance and agreeing necessary actions to ensure compliance with best practice.
- To consider the Police and Crime Commissioner's and Chief Constable's compliance with its own and other published audit standards and controls.

## **Financial Reporting**

- To 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 that need to be brought to the attention of the Police and Crime Commissioner/Chief Constable.
- To consider the external auditor's report to those charged with governance on issues arising from the audit of accounts and to report these to the Office of the Police and Crime Commissioner and Chief Constable.
- To consider whether appropriate accounting policies have been followed and any changes to them.

## **Corporate Risk Management**

- To monitor the effective development and operation of risk management within the Office of the Police and Crime Commissioner and Force.
- Approving the Office of the Police and Crime Commissioner and Force corporate risk management strategy and framework; ensuring that an appropriate framework is in place for assessing and managing key risks to the Office of the Police and Crime Commissioner and Force.

## **Inspection and Review**

- Considering Her Majesty's Inspectorate of Constabulary (HMIC), external review agencies and any internal inspection reports that provide assurance on the internal control environment and/or may highlight governance issues for the Office of the Police and Crime Commissioner and/or South Wales Police.

## **Miscellaneous**

- To receive any reports as necessary to the fulfilling of the statement of purpose and terms of reference
- To periodically review the effectiveness of the committee in fulfilling its role