**Terms of reference**

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| **Meeting Title:** | **Police and Crime Commissioner (PCC) and Chief Constable (CC) for Dyfed-Powys Joint Audit Committee** |
| **Statement of meeting purpose:** | Our Joint Audit Committee is a key component of the Dyfed-Powys Local Policing Body’s corporate governance. It provides an independent and high level focus on the audit, assurance and reporting arrangements that underpin good governance and financial standards.  The purpose of our Joint Audit Committee is to provide independent assurance to the PCC and CC on the adequacy of the governance and risk management frameworks, the internal control environment, and financial reporting, thereby helping to ensure efficient and effective arrangements are in place. |
| **Meeting objectives:** | The committee provides independent review of the effectiveness of governance arrangements, risk management and control frameworks, including financial reporting, annual governance processes, and internal and external audit findings. To achieve this, the Committee will:  **Governance, risk and control**   * Advise the PCC and CC according to good governance principles. * Recommend approval of the Annual Governance Statements for inclusion in the Statements of Accounts. * Recommend approval of and Code of Corporate Governance for the Force or the Office of the Police and Crime Commissioner (OPCC). * Consider and comment upon any policy or strategy regarding commissioning. * Consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions. * Consider HMIC and other external review findings to the extent in which they relate to governance and internal control matters. * Monitor the effective development and operation of risk management within the OPCC and Force, including monitoring the OPCC and Force Corporate Risk Registers.   **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. * Comment on the budget planning process. * Consider and comment upon the Financial Strategy (Medium Term Financial Plan). * Consider and comment upon any policy or strategy regarding asset management.   **Internal and External Audit**   * Approve (but not direct) the Internal Audit Strategy and Plan. * Oversee the appointment and review the effectiveness of Internal Audit. * Monitor the progress of implementing recommendations from Internal Audit reports. * Receive and review reports from the external auditors including the annual audit report, audit opinion etc. * Consider and comment upon any proposals affecting the provision of the external audit service. * Consider the level of fees charged by external audit. |
| **Deliverables:** | The Joint Audit Committee will:   * 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 OPCC. * Recommend approval of the Internal Audit Strategy and Plan. * Provide independent assurance in relation to the adequacy of the risk management framework and the associated control environment. * Provide independent scrutiny of Force and OPCC financial performance. * Oversee the preparation and publication of the statutory accounts. * Complete an Annual Report, to sit in conjunction with the PCC’s and CC’s Annual Governance Statement on the performance of the Joint Audit Committee. * Consider any other matter that either Corporations Sole ask the committee to comment and advise upon. |

**Governance**

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| **Chair:** | The Chair of the Joint Audit Committee will be appointed from the membership of the Committee. The appointment of the Chair will take place annually. The Chair may be re-appointed but will serve no more than two consecutive years as Chair. If two years are served as Chair, there must be a break of at least two years before the person can be re-appointed as Chair. |
| **Frequency:** | 4 formal committee meetings and up to 2 workshops/seminars will be scheduled per annum. The Chair of the Joint Audit Committee may convene additional meetings as they deem necessary. The PCC and CC may ask the Joint Audit Committee to convene further meetings to discuss particular issues on which they want the Committee’s advice. |
| **Provides advice to:** | Police and Crime Commissioner and Chief Constable |
| **Membership (post title, responsibility, and nominated second)** | The Joint Audit Committee will comprise of up to five people, independent of Dyfed-Powys Police Force, the Office of the Police and Crime Commissioner and the Police and Crime Panel.  Members will be appointed jointly by the PCC and CC. Members will serve on the Committee for a four year term. Care should be taken to avoid all members terms ending at the same time to ensure continuity. No individual will serve on the Committee for more than eight years in total.  To enhance the credence and standing of the decisions that the Joint Audit Committee makes a quorum of three members will be set.  Co-option may be beneficial for the injection of an independent view where specialist discussion is required. Any co-opted member will not have voting rights.  The PCC and CC should attend or be appropriately represented at formal meetings of the Joint Audit Committee.  Also in attendance will be:   * Chief of Staff, OPCC * Chief Finance Officer, OPCC * Director of Finance, DPP * Internal Audit * External Audit * Other officers of both the OPCC and Force when required   Members of the committee may also sit as advisors on Force groups, for example the Corporate Governance Group, in support of their role. |
| **Arrangements** | Administration to support the Joint Audit Committee will be provided by the OPCC.  Papers will be provided to Members for their consideration 5 working days in advance of the meeting.  The agenda, reports and minutes of formal meetings will be made available bilingually where possible on the OPCC website.  Any decision made to hold an element of the meeting in closed session will be based on those principles outlined in the Local Government Act 1972.  The Chair will meet in closed session with the PCC and CC on an annual basis, or as necessary.  All Members will meet in closed session with the internal and external auditor at least annually.  Appropriate and timely training will be provided to Members to ensure the necessary skills and knowledge. |

**Version control**

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| **Author:** | Carys Morgans and Jayne Woods |
| **Date of approval:** | 25th July 2017 |
| **Date for review:** | March 2018 |
| **Version number:** | 02\_2017 |