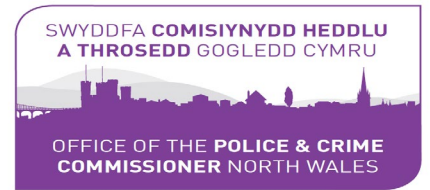




**HEDDLU GOGLEDD CYMRU**  
Gogledd Cymru diogelach

**NORTH WALES POLICE**  
A safer North Wales



# Annual Report of the Joint Audit Committee 2022 / 23

## **Annual Report of the Joint Audit Committee – 2022 / 23**

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## Annual Report of the Joint Audit Committee - 2022/23

### Statement from Chair

As Committee Chair, I am pleased to present the Annual Report of the Joint Audit Committee ('the Committee'; 'the JAC') which covers activities for the period 1st April 2022 to 31st March 2023. The JAC members who served for the year were:-

Name
Rachel Barber
John Cunliffe
Sarah Davies
Julie Perkins
Allan Rainford

The purpose of the Joint Audit Committee is to provide independent advice and recommendation to the Police and Crime Commissioner (PCC) and Chief Constable (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 assurance arrangements are in place. It was good to resume face to face meetings, with all meetings from July 22 being held as hybrid.

During the year the JAC received reports from the internal auditors ('TIAA') on their agreed programme of inspection and reviewed progress on actions identified in their reports. During 2022/23, there were no significant issues raised by the Committee to the OPCC or NWP Chief Constable ('NWPPCC').

As well as relying on the reports of the external auditors, Audit Wales, (AW) on the year end annual report and accounts for 21/22, the Committee considered all year-end documentation received from the Chief Financial Officer of the PCC and the Director of Finance & Resources of the North Wales Police ('the Finance Officers'); the Finance Officers in place for the financial year were:-

Position	Name
Chief Finance Officer - PCC	Kate Jackson
Director of Finance & Resources - NWP	Seb Phillips
Head of Finance – Deputy Finance Officer	Guto Edwards

Examples of specific activity that the JAC has undertaken to facilitate an informed identification, review and assessment of any significant issues, falling within its remit, included:

- A review of the annual financial statements, focusing particularly on accounting policies and practices including placing an emphasis on the narrative report and Annual Governance Statement, which have once again seen more clarity
- Receiving assurance on capital strategy and treasury management strategy, with the former in particular continuing to be challenging in the current external environment
- Reviewing the approach to risk management and delivery of the improvements to the approach to risk management and assurance mapping

- Reviewing the effective, efficient and robust governance arrangements and structures.
- Reviewing and receiving assurance on value for money.
- Receiving assurance on the self-assessment undertaken by the Force in relation to the CIPFA Financial Management Code
- Receiving organisational updates at each quarterly meeting from the Force and OPCC to remain apprised of key events taking place within the Force
- Briefings or Deep dives on: the Force Management Statement, Sustainability and Decarbonisation, various Digital and Information Technology aspects, Communication Strategy, Forensic Collision Investigation and the Forensic Collision Investigation Network, approach to Risk, Attracting Staff, Forensic Collision Investigation Network and ICT resilience.
- The work of the ethics committee
- Receiving assurance on the work in relation to HMICFRS inspections
- Involvement in the development of the internal audit programme, including collaborative audits
- A review of effectiveness of both the internal and external auditors.
- Meeting with All Wales JAC

With regard to the Statement of Accounts the Force and the PCC readiness for the year-end audit was well prepared and no significant issues were raised. It is unfortunate however that due to Audit Wales' timeline, the Statement of Accounts were not available for review by JAC until October 22 and Audit Wales did not issue their report on the completion of the audit until March 2023 following completion of all local authority audits.

I would like to express my appreciation to all support staff and senior officers who have assisted the JAC in meeting its responsibilities. Over the course of the year, as JAC Chair I have assigned many actions requiring follow up activity to provide the necessary assurance to the committee members and this forms an important part of the overall assurance provided by the committee. I appreciate the efforts of staff and officers in this regard. Also I thank the external and internal auditors, the teams from the AW and TIAA respectively, for their reports and contributions to the meetings. This continued dialogue has helped develop the frameworks within the Office of the Police and Crime Commissioner and the North Wales Police Force. I believe the Committee has acted independently offering constructive challenge and supporting transparency. It has delivered against its terms of reference and looks for opportunities for continuous improvement whilst providing scrutiny in an environment of trust, support and mutual respect.

**Rachel Barber**  
**Chair of Joint Audit Committee**

**May 2023**

## 1. Overview

The Joint Audit Committee is required to report annually to the Police & Crime Commissioner (PCC) and the NWP Chief Constable outlining the work it has undertaken during the year and, where necessary, highlight any areas of concern.

The Committee Membership consists of external, independent members. The Terms of Reference of the JAC are attached in **Appendix 1**. During 2022/23 the Force and OPCC reviewed the JAC terms of reference at its Joint Governance Board resulting in minor amendments and in line with CIPFA guidance. These are likely to become effective during 23/24.

The purpose of the JAC is to provide independent advice and recommendations to the PCC and NWPC on the adequacy of the governance and risk management frameworks, the internal control environment, and financial reporting, 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 PCC and Force's governance, risk management and control frameworks, the financial reporting and annual governance process, internal and external audits.

During 2022-23 The Committee held hybrid meetings on four occasions in accordance with its planned schedule:-

- 28<sup>th</sup> July 2022
- 10<sup>th</sup> October 2022
- 8<sup>th</sup> December 2022
- 28<sup>th</sup> March 2023

As well as the scheduled meetings an additional meeting was held to provide more detailed feedback on the annual report and accounts before final sign off.

Agendas, minutes and papers were made available to the public prior to all the scheduled meetings. The exception to this was where items were deemed inappropriate for publication. In these circumstances a closed session agenda, minutes and papers were made available to all JAC members prior to scheduled meetings.

The External Auditors, Internal Auditors, Chief Executive, Chief Finance Officers all have a standing invitation to attend each meeting and do so on a regular basis. The PCC attending the July and October meeting and the outgoing CC the meeting in July and the Temporary CC in October. In addition, officers of the OPCC and Force are invited to attend as appropriate to the agenda. Details of those invited routinely to the Committee meetings are listed in **Appendix 2**.

The Committee Members may meet with the External and Internal auditors outside of the formal meeting schedule and an arrangement has been put in place for the Joint Audit Committee to meet with the auditors prior to each meeting without management or officers present. JAC members met with the internal auditors privately during the early part of 2023.

A number of events were held during the year by or for JAC members including; an annual all Wales JAC training day held virtually in the year; an All Wales JAC meeting hosted by North Wales JAC and

held in a hybrid format; a familiarisation day held for both the JAC and Police & Crime Panel members of North Wales Police and other diarised events that featured alongside the main formal meetings.

### 2. Work of the Committee during 2022/23

Throughout 2022/23, the Committee reported on the nature and outcomes of its work to the Chief Constable and the Police & Crime Commissioner highlighting any areas that should be brought to their attention.

Some of the key themes featured at meetings during the year included:

- A review of the annual financial statements, focusing particularly on accounting policies and practices including placing an emphasis on the narrative report and Annual Governance Statement, which have once again seen more clarity
- Receiving assurance on capital strategy and treasury management strategy, with the former in particular continuing to be challenging in the current external environment
- Reviewing the approach to risk management and delivery of the improvements to the approach to risk management and assurance mapping
- Reviewing the effective, efficient and robust governance arrangements and structures.
- Reviewing and receiving assurance on value for money
- Receiving assurance on the self-assessment undertaken by the force in relation to the CIPFA Financial Management Code
- Receiving organisational updates at each quarterly meeting from the Force and OPCC to remain apprised of key events taking place within the Force
- Briefings or Deep dives on: the Force Management Statement, Sustainability and Decarbonisation, various Digital and Information Technology aspects, Communication Strategy, Forensic Collision Investigation and the Forensic Collision Investigation Network, approach to Risk, Attracting Staff, Forensic Collision Investigation Network and ICT resilience.
- The work of the ethics committee
- Receiving assurance on the work in relation to HMICFRS inspections
- Involvement in the development of the internal audit programme, including collaborative audits
- A review of effectiveness of both the internal and external auditors.
- Meeting with All Wales JAC
- Over the course of the year the many actions requiring follow up activity to provide the necessary assurance to the committee members.

A performance self-evaluation review is undertaken at the end of each year by JAC members and is provided to Finance officers to facilitate an action plan to address opportunities for improvement. An evaluation was undertaken in early 2021 with three areas identified to enhance its contribution. With an induction process in place it was agreed to undertake an evaluation incorporating new committee members early in 2022 and agree an action plan with the Finance Officers for 22/23.

The evaluation has shown that there are opportunities to strengthen the work of the committee further through:

1. Engaging JAC as a key stakeholder in the Internal Audit Future Service Model discussions to allow them to discharge their responsibilities in line with the JAC Terms of Reference

2. Feeding back to the JAC Chair on the effectiveness of the committee from an NPCC and OPCC officer perspective for their consideration along with any other external comment they may wish to seek.
3. Ensuring that the Training Needs of committee members are being formally considered and appropriate plan developed.
4. Considering the extent to which Efficiency, Effectiveness and VFM are featured sufficiently in the work programme to allow them to discharge their responsibilities and;
5. Considering whether the JAC's public reporting is at an appropriate level or whether there was scope for improving transparency and accountability.

The action plan was agreed and progress reviewed during March 2023 and the potential to strengthen in the above areas was discussed during the closed session of the committee. A written report against the action plan was subsequently produced by the Force's Chief Finance Officer so that the steps being taken to strengthen the committees work could be captured but it is worth noting that the feedback on the effectiveness of the committee from those engaging with it was generally balanced and positive which was encouraging to see.

A further review by JAC was undertaken in March / April 2023 against the new CIPFA requirements and along with the feedback received on the committees work for 22/23 from those engaging with it, this will now form the basis for any action plan for the Committee's continued development during 23/24.

A review is currently underway to determine the most appropriate model for internal audit services moving forwards. In line with the JAC terms of reference of determining the appropriateness of the Internal Audit services, audit committee members have been and will continue to be included in this process as a stakeholder. Given the collaborative model of Internal Audit implemented across Welsh Policing, where appropriate the conversations have involved the NWP JAC members in an all wales dialogue.

### 3. Internal Audit

Throughout the course of the year, the JAC is assisted in its work by the internal audit programme which evaluates and contributes to the improvement of governance, risk management and control processes. The internal audit activity provides objective examination, evaluation and reporting on the adequacy of the system of internal control. All internal audits within the annual programme align to the Assurance Framework strategic risks which support the provision of objective assurance against the management and control of the risks. The key findings of the internal audits are reported to the JAC including comments on the appropriateness of key controls in relation to the risks, the strength of the assurances provided for each risk as well as the suitability of the proposed additional risk-mitigating actions.

The Committee is required to ensure that there is an effective internal audit function. This is achieved through the review and approval of the risk based internal audit and anti-fraud plans. During the reporting period the internal audit function was provided by The Internal Audit Agency (TIAA) as part of a two year contract awarded in April 2019, with the option to extend the term for a further two years. Contract arrangements beyond the current term are currently under review, as noted earlier in the report. It will be extended until March 24 whilst the future approach is determined in collaboration with the rest of Wales' forces and OPCC.

Internal audit also plays an important role in supporting the Chief Executive to ensure an effective control environment and has a clearly defined programme of work which includes advisory work in addition to audit.

The Committee continued to have oversight and input into the development of the annual internal audit programme for 22/23, which it had approved at the last meeting of 21/22.

During 22/23 the Committee received two 'Limited Assurance' audits. At the time of writing this report a further limited assurance audit report is awaited and will be provided at the first meeting of 23/24. Limited assurance audits are given a more significant emphasis by the committee and have involved the relevant Force or OPCC management attending the committees as well as the ongoing tracking of actions being given a specific focus in any management updates. The Limited assurance audits from the 22/23 programme were Seized Property and Absence Management and the awaited / pending Limited assurance audit is in the area of Health & Safety Delivery of actions were reported in detail to the JAC offering assurance to the JAC that officers were fully engaged in the delivery of improvements and understanding of the position. Full traceability and assurance is provided to the JAC for all client briefing notes providing transparency of action taken by the Force or OPCC.

There was a delay in presenting the 23/24 audit plan to the March 2023 meeting due to the finalisation of Collaboration audits but the draft plan included a consideration of where further assurance was needed given the recent Limited assurance audits. The North Wales only plan was provided during April and will be presented fully for approval to the July 2023 meeting.

JAC met privately with TIAA in March 23.

#### **4. External Audit**

The external audit contract is provided by Audit Wales (AW) as appointed by the Auditor General for Wales. Declaration of auditor independence and objectivity was accepted by the Committee from AW.

There are clear policy guidelines in place around the provision of non-audit services by the External Auditor. Safeguards are in place which ensures the Committee is kept informed of the scope and value of additional work commissioned from the External Auditors. No additional non-audit work was undertaken by the External Auditors within the year.

The external auditors provided their updated view on their risk based audit approach at the March 2022 meeting and their key areas of focus in the year-end audit via a technical update and planning report, enabling the Committee to ask questions and seek advice as necessary. The key risks identified that might impact the financial statements in 2021/22 included Risk of Management Override, Impact of Covid 19 and Asset Valuations.

The JAC has reviewed the work of External Audit and is satisfied that the external audit service is of a sufficiently high standard and that fees are appropriate and reasonable. The external audit fee for 2022/23 was £86,933 plus VAT an increase of 3.8% on prior year.



The Committee had not received the AW 2022/23 annual plan for the March 23 meeting. It was provided with indicative percentage fee increases for the forthcoming audit along with a delayed delivery date, due to resource constraints within AW. The expectation of the committee (following this update) is that the timelines for the sign off of the 23/24 accounts will continue to be delayed by Audit Wales which will have a bearing on the timelines to which the audit committee can discharge its responsibilities moving forwards.

### 5. Areas of Focus

In our role as JAC members, we undertake a number of activities outside of the formal scheduled meetings on matters relating to the Committee; such as meetings with the Chief Executive, Chief Financial Officers, Members of the Senior Management Team and Internal and External Auditors and specific committee meetings relevant to a Member's specialist areas of focus as set out below:

Name	Focus Area
Rachel Barber	Chair
John Cunliffe	Risk
Sarah Davies	Governance and Ethics
Julie Perkins	Digital
Allan Rainford	Finance

### 6. Governance

The Joint Governance Board met routinely during 2022/2023. Its purpose is to consider the overall joint governance framework and to ensure that the PCC and the CC fulfil their corporate governance responsibilities. The board membership comprises senior officers of both the OPCC and the Force and the Head of Internal Audit. Members of the JAC have attended meetings of the board. The Chief Finance Officer reports to every JAC meeting on its work.

Drafts of the annual governance statement in respect of 2021/2022 were presented and discussed at the Joint Governance Board, to which JAC members are invited. Members of the JAC were able to review and comment on the final draft AGS prior to its final presentation as part of the report and accounts at the JAC meeting on 10<sup>th</sup> October 2022. The progress of the Annual Governance Statement Action Plan for 2022/2023 is routinely discussed at the Joint Governance Board.

A review of The Manual of Governance was instigated in March 23 and so too was a review of the Governance structure. Whilst established as an annual process, this review has been given a particular emphasis by the HMICFRS PEEL inspection that took place within Force during 2022 with the report published in February 23 (and presented to JAC in March23) giving mention to elements of governance that the force should consider in future. JAC will monitor this progress during 23/24 alongside the other Areas For Improvement (AFIs) identified as part of the PEEL Review action plan.

An update from the Ethics Committee was provided at the December meeting. JAC were informed of the resignation of the Chair and the recruitment process for a new post holder.

### 7. Risk Management & Controls

The JAC seeks assurance that there is an appropriate risk management process. It concentrates on the combined strategic risk register and seeks reassurance that it is reasonable, comprehensive and dynamic. It also checks that residual risk is in line with both organisations' appetite for risk. At every JAC meeting members receive and review the risk management update on the organisational risk management process. All JAC members also have access to the OPCC and Force registers before their formal meetings. The reporting continues to evolve in order to provide more succinct outputs and greater transparency to the work the Force undertakes in this area.

The JAC encouraged the Force to introduce formal risk appetite in 19/20. This was reviewed and developed in 20/21, with JAC providing input and scrutiny to the approach adopted. During 21/22 this was incorporated into the risk management and assurance mapping framework. During the year the force decided that assurance mapping would be prioritised on a risk basis and this has progressed. Assurance mapping is also being adopted as a method of risk 'closure' in some instances once a risk has been de-escalated through mitigating actions or controls. A dedicated Risk session was held with JAC members in November 2022, helping to establish a more widely shared understanding of the progress made over recent years and the approach to risk.

Deep Dives and briefings have been undertaken during the year in the following areas: the Force Management Statement, Sustainability and Decarbonisation, various Digital and Information Technology aspects, Communication Strategy, Forensic Collision Investigation Network Risk, approach to Risk, Attracting Staff, Forensic Collision Investigation Network and ICT resilience. These are usually driven by the risk register and not part of the JAC routine agenda. Follow on actions from these reviews are tracked as required via the action log.

During the March 23 meeting the Force outlined its intention to commission an independent review of its risk management processes.

### **8. Value for Money (VFM)**

CIPFA guidance notes that it is the statutory responsibility of the Chief Constable to secure VFM, the Commissioner holds the Chief Constable to account for this responsibility. The role of JAC is to support both the Commissioner and Chief Constable to fulfil their responsibilities. The JAC role is to consider the arrangements to secure VFM and review assurances and assessments on the effectiveness of these arrangements. During 21/22 the JAC received assurance on how the strategic planning cycle is at the heart of its VFM processes and the composition and utilisation of its VFM framework. It received information on savings and outcomes achieved whilst embedding VFM in all that is done.

During the year JAC has sought to understand the revenue and capital underspends against budget and if they could not have been anticipated as part of the financial planning process and therefore resulted in better value for money. Officers have explained the impacts of external factors and also challenged the internal processes offering assurance that this is well understood. However, the area remains an area of focus for the committee and consideration as to whether further transparency was required was an area of consideration stemming from the JAC Evaluation action plan.

In March 2023 WA provided 'that the Commissioner and Chief Constable have appropriate

arrangements in place to secure economy, efficiency and effectiveness in its use of resources'. The PEEL inspection graded the Force as adequate with regard to Strategic planning, organisational management and value for money although two specific areas for improvement were identified in this area one of which was "The force needs to improve how it communicates its financial plans and the challenges it faces in delivering its services". JAC will continue to monitor progress against this area alongside the other areas for improvement.

During 23/24 JAC would like to see the VFM framework considered and presented routinely through items discussed at JAC. Stemming from the JAC Evaluation plan it has been agreed that work in this area will be strengthened through VFM featuring as a dedicated item of the work programme and that a VFM report outlining the VFM implications of other agenda items and other force events featuring at each meeting. Given the potential for commercial sensitivity in this area it has been acknowledged that elements of this will need to feature in a closed session.

### 9. Financial Reporting

The JAC takes a holistic approach to discharging its accountability in relation to the Annual Report and Financial Statements.

Examples of specific activity that the JAC has undertaken to facilitate an informed identification, review and assessment of significant issues in relation to the 2021/22 Statutory Accounts include the following:

- Receiving briefings from the Finance Officers of the PCC and the Chief Constable who are required to bring to the attention of the Committee, on an ongoing basis, any changes to accounting policy, significant financial reporting issues, estimates and judgements, and significant transactions, ensuring the annual accounts have been prepared in accordance with accounting policies;
- the Committee reviewed the integrity of the Financial Statements prior to approval by the Police and Crime Commissioner and the Chief Constable and compliance with accounting policy and any significant adjustments;
- the Committee received reports from the Chief Finance Officers detailing breaches and waivers of the procurement process and assurance on compliance with losses and special payments processes;
- the Committee received and reviewed the draft Annual Report and Financial Statements in preparation for their signature, in October 2022.
- the Committee reviewed the Annual Report (including the Annual Governance Statement), Annual Financial Statements and Accounts to provide a consistency and reasonableness check;
- the Finance Officers presented to the Committee detailed papers on the annual accounts process during the year-end reporting period;
- the Committee considered the external auditor's ISA260 report and unmodified audit opinion. No differences of opinion with the key management judgements were highlighted;
- the Committee considered TIAA's opinion in relation to the overall adequacy and effectiveness of the organisation's risk management, control and governance processes, which provided overall Substantial Assurance.
- The Committee raised the continued slippage in capital expenditure and delivery of projects to the management who ensured that the narrative report was suitably reflective of this slippage.

- The Committee made recommendations on the presentation of the report to improve understandability and the encouragement given to the OPCC in producing the “easy read” summary of the accounts. Further improvements will be made for the 22/23 report.

From its work the JAC was able to conclude that:

- the Annual Report and Financial Statements represented a fair and reasonable view of the Police and Crime Commissioner’s and Chief Constable’s financial position;
- there were no significant accounting policy changes;
- the financial statements were compliant with financial reporting standards;
- areas requiring significant judgements in applying accounting policies had been reviewed;
- there were no significant or unusual transactions in the year.

During the year the Committee received assurance of the progress and compliance with the CIPFA Financial Management Code.

### 10. Raising Concerns

The Force aims to create an environment where staff feels it is safe to raise and discuss concerns and weaknesses openly so that the appropriate responding action plans can be established and monitored through to implementation. During 2022/23, the JAC received assurance against the system for raising concerns as part of its schedule of business. This will continue into 2023/24.

### 11. 2023/24 Forward Plan and Meeting dates

During 2023/24 the JAC will deliver upon its Terms of Reference and the new terms of reference when presented and more specifically:

- Track and review the actions from the Governance Review action plan and support further improvement of governance
- Gain assurance that the work of the Ethics committee progresses with the new chair
- Seek assurance of compliance with the Financial Management Code and guide further improvements in financial presentation to aid understanding
- Continue to review how value for money is achieved and how this is captured in all the work of JAC.
- Track and review actions from the independent review of the risk processes
- Gain assurance of readiness for an effective approach from internal audit for 23/24
- Deliver the action plan derived from its annual self-evaluation effectiveness review
- Monitor the progress and delivery of the action plan for the PEEL review
- Work with the senior officers on the format of the Audit Committee papers to support the effectiveness of efficiency of JAC in meeting the Terms of Reference outcomes

The JAC has four meetings planned during 2023-24 financial year:-

- 27<sup>th</sup> July 2023
- 28<sup>th</sup> September 2023
- 7<sup>th</sup> December 2023
- 28<sup>th</sup> March 2024

## Terms of Reference of the Joint Audit Committee

This Terms of Reference sets out the Joint Audit Committee's position as an advisory committee to support the Police and Crime Commissioner (PCC) and Chief Constable (CC).

### 1. Statement of purpose

- 1.1 The purpose of the Joint Audit Committee (the Committee, JAC) is to provide an independent and high-level focus on the adequacy of governance, risk and control arrangements. Its role is to ensure there is sufficient assurance over governance, risk and control, which gives greater confidence to the PCC and CC that those arrangements are effective.
- 1.2 JAC has oversight of both internal and external audit, together with the financial and governance reports, helping to ensure there are adequate arrangements in place for both internal challenge and public accountability.

### 2. Governance risk and control

- 2.1.1 The Committee will:
  - 2.1.2 Review the PCC's and CC's corporate governance arrangements against the good governance framework, including the ethical framework, and consider the Manual of Governance (which comprises the Code of Corporate Governance, Scheme of Consent, Financial Regulations, and Standing Orders for Contracts).
  - 2.1.3 Monitor the effective development and operation of risk management in the OPCC and force.
  - 2.1.4 Monitor progress in addressing risk-related issues reported to JAC (individual force operational risk are specifically excluded from the remit of JAC).
  - 2.1.5 Consider reports on the effectiveness of financial management arrangements, including with CIPFA's Financial Management Code.
  - 2.1.6 Consider the OPCC's and force's arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements.
  - 2.1.7 Review the assessment of fraud risks and potential harm to the OPCC and force from fraud and corruption.
  - 2.1.8 Monitor the counter fraud strategy, actions and resources.
  - 2.1.9 Review the governance and assurance arrangements for significant partnerships or collaborations.
- 2.2 The PCC nominates JAC to be responsible for ensuring effective scrutiny of the Capital Strategy and Treasury Management Policy.

### 3. Financial and governance reporting

#### 3.1 Governance Reporting

- 3.1.1 The Committee will:

3.1.1.1 Review the Annual Governance Statement prior to approval by the PCC and CC and consider whether it properly reflects the risk environment and supporting assurances, including the head of internal audit's annual opinion.

3.1.1.2 Consider whether the annual evaluation for the Annual Governance Statement fairly concludes that governance arrangements are fit for purpose, supporting the achievement of the OPCC's and force's objectives.

### **3.2 Financial Reporting**

3.2.1 The Committee will:

3.2.1.1 Monitor the arrangements and preparations for financial reporting to ensure that statutory requirements and professional standards can be met.

3.2.1.2 Review the annual statements 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 PCC and CC.

3.2.1.3 Consider the external auditor's reports to the PCC and CC on issues arising from the audit of the accounts.

### **3.3 Arrangements for audit and assurance**

3.3.1 The Committee will consider the OPCC's and force's framework of assurance and ensure that it adequately addresses their risks and priorities.

## **4. External audit**

4.1 The Committee will:

4.1.1 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 the Auditor General or Audit Wales.

4.1.2 Consider the external auditor's annual letter, relevant reports and the report to those charged with governance.

4.1.3 Consider specific reports as agreed with the external auditor.

4.1.4 Comment on the scope and depth of external audit work and ensure it gives value for money.

4.1.5 Advise on commissions of additional work from external audit.

4.1.6 Advise and recommend on the effectiveness of relationships between external and internal audit and other inspection agencies or relevant bodies.

4.1.7 Provide free and unfettered access to the audit committee chair for the auditors, including the opportunity for a private meeting with JAC.

## **5. Internal audit**

5.1 The Committee will:

5.1.1 Review for approval the internal audit charter.

5.1.2 Review proposals made in relation to the appointment of external providers of internal audit services and to make recommendations.

5.1.3 Review the risk-based internal audit plan, including internal audit's resource requirements,

the approach to using other sources of assurance and any work required to place reliance on those sources.

- 5.1.4 Consider significant interim changes to the risk-based internal audit plan and resource requirements.
- 5.1.5 Make appropriate enquiries of both management and the head of internal audit to determine if there are any inappropriate scope or resource limitations.
- 5.1.6 Consider any impairments to the independence or objectivity of the head of internal audit arising from additional roles or responsibilities outside of internal auditing and to recommend and periodically review safeguards to limit such impairments.
- 5.1.7 Consider reports from the head of internal audit on internal audit's performance during the year, including the performance of external providers of internal audit services. These will include:
  - updates on the work of internal audit, including key findings, issues of concern and action in hand as a result of internal audit work
  - regular reports on the results of the quality assurance and improvement programme
  - reports on instances where the internal audit function does not conform to the PSIAS, considering whether the non-conformance is significant enough that it must be included in the Annual Governance Statement.
- 5.1.8 Consider the head of internal audit's annual report, including:
  - the statement of the level of conformance with the PSIAS and the results of the quality assurance and improvement programme that support the statement (these will indicate the reliability of the conclusions of internal audit)
  - the opinion on the overall adequacy and effectiveness of the joint framework of governance, risk management and control, together with the summary of the work supporting the opinion (these will assist the Committee in reviewing the Annual Governance Statement)
- 5.1.9 Consider the summaries of specific internal audit reports as requested.
- 5.1.10 Receive reports outlining the action taken where the head of internal audit has concluded that management has accepted a level of risk that may be unacceptable to the OPCC or force or where there are concerns about progress with the implementation of agreed actions.
- 5.1.11 Contribute to the quality assurance and improvement programme and in particular to the external quality assessment of internal audit that takes place at least once every five years.
- 5.1.12 Consider a report on the effectiveness of internal audit to support the Annual Governance Statement as required by the Accounts and Audit Regulations (Wales) 2014.
- 5.1.13 Provide free and unfettered access to the audit committee chair for the head of internal audit, including the opportunity for a private meeting with the committee.

## **6. Accountability arrangements**

6.1 The Committee will:

- 6.1.1 report to the PCC and chief constable on the Committee's 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.

- 6.1.2 report to the PCC and chief constable on a regular basis on the committee's performance in relation to the terms of reference and the effectiveness of the committee in meeting its purpose.
- 6.1.3 publish an annual report on the work of the Committee including a conclusion on the compliance with the CIPFA position statement.

### **7. General**

- 7.1 The Committee will normally comprise five independent members, who are independent of both the OPCC and force. If it becomes apparent that the membership will fall below four members, recruitment will be undertaken to bring the membership up to five.
- 7.2 The quorum for the Committee will be at least 3 independent members.
- 7.3 The Committee will meet at least four times each year. Additional meetings may be arranged by exception to discuss matters of urgent concern.
- 7.4 The meetings will consist of an open session (which is held in public). If there are agenda items which cannot be discussed in an open session, a closed session will follow.
- 7.5 Training and other events take place on a periodic basis, which members are expected to attend.
- 7.6 Each member is invited to lead in an area where they have specialist knowledge, and may communicate with relevant staff and officers outside of formal meetings in order to inform the rest of the Committee and to provide assurance to the PCC and chief constable.



## OFFICERS INVITED TO JOINT AUDIT COMMITTEE

<b>FORCE OFFICERS:</b>	
Seb Phillips	Director of Finance and Resources
Guto Edwards	Head of Finance
Helen Williams	Financial Control Accountant
Temporary Chief Super Helen Corcoran	Corporate Services
James Sutton	Head of Business Intelligence
Anne Matthews	Finance and Budgets Officer
Philip Kenyon	Force Solicitor
<b>OFFICE OF THE POLICE AND CRIME COMMISSIONER:</b>	
Stephen Hughes	Chief Executive Officer
Kate Jackson	Chief Finance Officer
Angharad Jones	Executive Assistant
<b>By Invitation</b>	
Michelle Phoenix	Audit Wales
Helen Cargill	TIAA