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NORTH WALES POLICE
A safer North Wales



**SWYDDFA COMISIYNYDD HEDDLU
A THROSEDD GOGLEDD CYMRU**

**OFFICE OF THE POLICE & CRIME
COMMISSIONER NORTH WALES**

Annual Report of the Joint Audit Committee 2023 / 24

Annual Report of the Joint Audit Committee – 2023 / 24

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Annual Report of the Joint Audit Committee - 2023/24

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 2023 to 31st March 2024. 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. All meetings during 2023/24 have been 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 2023/24, there were no significant issues raised by the Committee to the OPCC or NWP Chief Constable ('NWPC').

As well as relying on the reports of the external auditors, Audit Wales, (AW) on the year end annual report and accounts for 22/23, 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 Chief 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 risk management strategy, its implementation and delivery of improvements

to risk management and assurance mapping. Done through regular reports and scrutiny of prioritised deep dives.

- Receiving assurance on the IT control environment including cyber security controls and the overall risk management of the infrastructure and application estate to maintain currency
- Reviewing the effective, efficient and robust governance arrangements and structures
- Receiving more detailed information, reporting and 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 and OPCC
- Briefings or Deep dives on: Sexual Assault Referral Unit, ICT Service Delivery Contract, Agile Working Rollout, Collaboration Governance Arrangements, Safer Streets Fund, Safety of Women at Night, Violence against Women and Girls, Applications Management Framework, Cyber Security threats, IT and Technology Risks, Sustainability and the OPCC commissioning process.
- 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. In accordance with Audit Wales' timeline, the Statement of Accounts were reviewed by JAC in October 23 and Audit Wales issued their report on the completion of the audit at the March 2024 meeting.

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 requested 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. I would like to thank Sarah who has left her role as JAC Committee Member at the end of her three year term. Interviews were held during March and we look forward to welcoming our new committee member in due course. Equally thank you to all JAC members for their independence, scrutiny and time.

Rachel Barber
Chair of Joint Audit Committee

May 2024

1. Overview

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.

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, in line with CIPFA guidance, at its Joint Governance Board. These became effective at the start of 23/24.

During 2023-24 The Committee held hybrid meetings on four occasions in accordance with its planned schedule:-

- 27th July 2023
- 28th September 2023
- 7th December 2023
- 28th March 2024

As well as the scheduled meetings a technical briefing session 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 attended the October meeting and the Chief Constable the March meeting. 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.

A number of events were held during the year for JAC members including; an annual all Wales JAC training day held virtually in the year and other diarised events that featured alongside the main formal meetings.

2. Work of the Committee during 2023/24

Throughout 2023/24, 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. Updates relating to the audit committees work and areas of focus were provided to the Chief Constable as part of updates provided to the Strategic Management Board. Furthermore, steps were taken to ensure an effective feedback loop was in place between JAC and the Chief Constable and PCC and vice versa. These took place as diarised sessions involving just the relevant parties. Additionally, the Chair may contact the Police and Crime Commissioner and the Chief Constable directly, in order to bring to their attention any urgent matters.

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. Acknowledging the improvements once again to the Narrative Report and Annual Governance Statement
- Receiving assurance on capital strategy and treasury management strategy, with the former continuing to be challenging in the current external environment
- Reviewing the risk management strategy, its implementation and delivery of improvements to risk management and assurance mapping. Done through regular reports and scrutiny of prioritised deep dives
- Receiving assurance on the IT control environment including cyber security controls and the overall risk management of the infrastructure and application estate to maintain currency.
- Following the review, by officers, of the governance arrangements and structures receiving assurance on the implementation of the action plan
- Receiving more detailed information, reporting and 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 and OPCC
- Briefings or Deep dives on: Sexual Assault Referral Unit, ICT Service Delivery Contract, Agile Working Rollout, Collaboration Governance Arrangements, Safer Streets Fund, Safety of Women at Night, Violence against women and girls, Applications Management Framework, Cyber Security threats, IT and Technology Risks, Sustainability and the OPCC commissioning process.
- 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 alongside a review undertaken by officers of both the OPCC and Force. The merged action plan from 22/23 and 23/24 has been discussed and reviewed in private a number of times during the year. The actions have progressed well to assist the Committee's continued development during 23/24. Examples include developing the VFM assurance provided to the Audit Committee and also

developing the feedback loops available between the JAC Chair, the Chief Constable and the PCC. A further review was undertaken during April 2024 along with a training needs analysis of JAC members. An action plan will be determined for 2024/25.

3. Internal Audit

All Wales commissioned a review in the year regarding the future approach to internal audit with a number of options being considered. Upon conclusion of this work, which included the views of JAC, a procurement process commenced to secure the future provision of internal audit across all four Welsh forces and OPCC. 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.

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 September 2024 whilst the procurement process is undertaken with a new contract starting later in 2024.

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.

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 had oversight of the annual internal audit programme for 23/24.

During 22/23 the Committee received three 'Limited Assurance' audits. 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, Absence Management and Health & Safety Delivery. Progress of actions were reported in detail during 23/24 to the JAC offering assurance to the JAC that officers were fully engaged in the delivery of improvements and understanding of the position. Some delays were experienced in one area, which were explored by the JAC who have been provided assurance that matters are being addressed.

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 were no limited assurance audits for 23/24.

There was a delay in presenting the 24/25 audit plan to the March 2023 meeting. However the draft plan was made available prior to the March and the JAC members are asked to review during April and provide any comments on the plan in order for audits to progress before discussed formally at the July meeting.

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 verbally at the July 2023 meeting and their key areas of focus in the year-end audit via a technical update and planning report. The paper was not received in time to be received in advance of the meeting to be included as part of the papers or to be made public. The key risks identified that might impact the financial statements in 2022/23 included Risk of Management Override, Valuation of Land and Buildings and Treatment of pension scheme surplus.

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 audit year was £100,023 plus VAT an increase of 15% on prior year.

The Committee had not received the AW 2023/24 annual plan for the March 24 meeting, where AW did not attend the meeting. At this meeting it did receive the 2023 Annual Audit Letter confirming AW was 'satisfied that the Commissioner and Chief Constable have appropriate arrangements in place to secure, economy, efficiency and effectiveness in the use of their resources.' Questions raised at the March meeting by JAC members will be posed to AW for response.

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 and IT
Allan Rainford	Finance

6. Governance

The Joint Governance Board met routinely during 2023/2024. 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 2022/2023 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 28th September. 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 the Force during 2022 with the report published in February 23 (and presented to JAC in March 23) giving mention to elements of governance that the force should consider in future. JAC monitored 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 March meeting with the new Chair and Deputy in attendance, sharing the work that had been undertaken since the Chairs appointment and the opportunities they see for the Ethics Committee. The JAC welcomed this update.

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 assurance 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 Force Risk Management Framework was presented to the Senior Leadership Team within the Force in July and was fully supported. This was presented to the JAC September meeting.

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. Due to a number of factors outside the Force's control this has not yet taken place with various solution having been explored.

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.

In March 2024 AW provided 'that the Commissioner and Chief Constable have appropriate arrangements in place to secure economy, efficiency and effectiveness in its use of resources' following its audit of the 22/23 financial year. The PEEL inspection during 22/23 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 has continued to monitor progress against this area alongside the other areas for improvement.

During 23/24 JAC, stemming from the JAC Evaluation plan, received more information and evaluation of VFM. It is an area that has been strengthened and has a prominent feature usually in the closed session. JAC welcomes this and has thanked the team within the Force for the transparency and work within this area during the year.

9. Financial Reporting and Treasury Management

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 2022/23 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 September 2023.
- 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 appreciated the transparency in narrative regarding the continued slippage in capital expenditure and delivery of projects.
- The Committee welcomed the improvements made on the presentation of the report to improve understandability of the accounts and annual governance statement.

From its work the JAC was able to conclude that:

- the Annual Report and Financial Statements represented a true and fair 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.

The Committee has considered quarterly reports on the performance of treasury management activities and reviewed compliance with the Treasury Management Strategy that was approved by the PCC at the beginning of the financial year. The accuracy of planned capital spending and its phasing, has been monitored by JAC and implications for capital financing has been kept under review. In March 2024 JAC considered the Capital Strategy and Treasury Management Strategy for 2024/25 and recommended that the proposed Treasury Management Strategy be approved by the PCC.

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 2023/24, the JAC received assurance against the system for raising concerns as part of its schedule of business. This will continue into 2024/25.

11. 2024/25 Forward Plan and Meeting dates

Annual Report of the Joint Audit Committee – 2023/ 24

During 2024/25 the JAC will deliver upon its Terms of Reference and more specifically:

- Track and review the actions from the Governance Review action plan and support further improvement of governance
- Gain assurance of the work of the Ethics committee
- 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.
- Continue to review and monitor Risk Management and track and review actions from the independent review of the risk processes
- Seek assurance on the effectiveness of the IT control environment.
- Gain assurance of readiness for an effective approach from internal audit for 24/25 including the on-boarding of the new the contract later in 24/25
- 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
- Remain involved in the procurement process for the internal audit provider
- 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
- Review the implementation of the Capital Strategy and Treasury Management Strategy for 24/25 and consider the implications of any variations in capital spending in 24/25 and the medium term.

The JAC has four meetings planned during 2024-25 financial year:-

- 30th July 2024
- 26th September 2024
- 31st October 2024 (provisional Accounts signing)
- 28th November 2024
- March 2025, date to be confirmed

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

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