

# **POLICE AND CRIME COMMISSIONER FOR WILTSHIRE (“PCC”) AND CHIEF CONSTABLE OF WILTSHIRE POLICE (“CC”) STANDING ORDERS FOR JOINT AUDIT COMMITTEE (“JAC”)**

## **1. INTRODUCTION**

The Financial Management Code of Practice for the Police Service of England and Wales issued by the Home Office says in relation to Audit Committees:

‘The PCC and the Chief Constable should establish an independent Audit Committee. It is recommended that this be a combined body which will consider the internal and external audit reports of both the PCC and the Chief Constable. This committee will advise the PCC and the Chief Constable according to good governance principles and to adopt appropriate risk management arrangements in accordance with proper practices. In setting up the Audit Committee, the PCC and the Chief Constable should have regard to the CIPFA Guidance on Audit Committees.

**Membership:** the Audit Committee should comprise between three and five members who are independent of the PCC and the force.

**Terms of Reference:** the Audit Committee should establish formal terms of reference, covering its core functions, which should be formally adopted and reviewed on an annual basis. Best practice principles should be considered in determining the activities of the Audit Committee.

**PCC and Chief Constable representation:** the executive of the PCC and the Force Command Team should be represented at meetings of the Audit Committee’.

The JAC has been established by the PCC and CC with terms of reference as at 10/3/2014 set out at Appendix 1 to these Standing Orders. These Standing Orders set out how the JAC will function. The place of the JAC in the governance structure is set out in Appendix 3 to this document.

## **2. MEMBERSHIP**

2.1 The JAC will have a Chair, may have a Deputy Chair and up to three other members, all of whom must be independent of the PCC, the CC and the Police and Crime Panel.

2.2 Members of the JAC shall be recruited by the PCC and CC or their representatives through open competition. They shall be recruited to ensure that the JAC has all the necessary skills and experience to fulfil its terms of reference, in accordance with the job description for JAC members. To ensure the independence of the JAC, members shall not be:

- A standing or ex-PCC or Chief Constable.
- A member or ex-member of a Police and Crime Panel.
- Serving police officers or have served as a police officer within the last 8 years.

- Currently serving staff of the Constabulary or Office of the Police and Crime Commissioner.
- Elected or ex-local government councillors or those active in local or national politics.
- Currently serving officers of any county, city, borough or district councils within the force area.
- Individuals who have significant business or personal dealings with the Office of the Police and Crime Commissioner or Wiltshire Police.
- Individuals who have close relationships with or who are close personal associates of the PCC or Chief Constable including immediate family members and as such may not have the requisite level of independence required for JAC membership.
- Individuals removed from a trusteeship of a charity.
- Individuals under a disqualification order under the Company Directors Disqualification Act.
- A person who has been adjudged a bankrupt, or made a composition or arrangement with his creditors.
- Persons convicted in the UK, Channel Islands or the Isle of Man of any offence and has had passed on a sentence of imprisonment (whether suspended or not) for a period of not less than three months without the option of a fine, within the last five years prior to their appointment.

2.3 The Chair of the JAC will be appointed from the JAC members by JAC each year at its December meeting.

2.4 All JAC Members will serve for one three year term with an option to serve for another three year term. To ensure continuity, where possible, members shall be rotated on and off the JAC in turn rather than as a group, therefore the term of membership for the JAC will be determined on recruitment of the member.

2.5 The JAC may appoint a Deputy Chair for one year at its December meeting who would be selected by a vote by members of the JAC. The Deputy Chair if appointed will act as Chair at meetings in the absence of the Chair. If the Chair can no longer continue in this role, the Deputy Chair if appointed will act as the Chair until the formal appointment of a new Chair.

2.6 Members of the JAC will be expected to attend training and to develop their skills as part of the member development programme.

2.7 In accordance with the JAC members' code of conduct, each member will be required to record any conflicts of interest in the register of pecuniary and non-pecuniary interests. In addition, JAC members will be required to disclose any such interests at the commencement of any meeting where there is a need to do so due to the nature of the JAC agenda, or immediately if they arise unexpectedly in discussion.

2.8 The PCC and CC may give members 6 months notice in writing to terminate early a term of membership for any reason. Any member may give 6 months notice

to the PCC and Chief Constable to terminate his / her membership early for any reason.

### **3. RIGHTS**

3.1 Only members of the JAC have the right to vote on matters.

3.2 The members of the JAC will be remunerated and reimbursed for all expenses incurred in the fulfilment of their JAC duties, roles and responsibilities in accordance with the schedule of allowances and expenses agreed by the PCC and CC.

### **4. FREQUENCY AND NOTICE OF MEETINGS**

4.1 The JAC will meet four times in each year in March, June, September, and December. The calendar of meetings shall be agreed at the start of each year.

4.2 Further meetings outside the normal cycle of the JAC can be convened at the request of the JAC Chair or any of its members, subject to agreement by the Chair.

4.3 The PCC and or CC may ask the JAC to convene further meetings to discuss particular issues on which they want the JAC's advice.

4.4 Meetings can be requested by the external or internal auditors where this is considered necessary and on agreement of the JAC Chair.

4.5 Unless otherwise agreed, formal notice of each meeting confirming the venue, time and date together with the agenda of items to be discussed, will be forwarded to each member of the JAC, any other person required to attend and all other appropriate persons determined by the Chair, no later than five working days before the date of the meeting.

4.6 Any meetings held outside the normal cycle of meetings should be convened with a minimum notice of five working days. Extraordinary or urgent meetings may be held with less notice but should be for exceptional matters only, subject to the Chair's agreement and quorum requirements. In this case the agenda and any supporting papers will be sent to the JAC members and to other attendees at the same time as the meeting notice is sent out, recognising that if the matter is so urgent that there may only be an oral report. If this is the case then this will be identified on the agenda.

### **5. ATTENDANCE AT MEETINGS**

5.1 Members of the JAC are expected to attend all meetings. Regular non-attendance of JAC members will lead to their removal as a member of the JAC on agreement by the Chair.

5.2 The PCC and Chief Constable or his nominee from the senior officer group, will attend all meetings of the JAC, or ensure that they are suitably and appropriately represented, therefore ensuring that the purpose of the JAC is not compromised and that the members are able to appropriately fulfil their responsibilities. In addition, the

Police Reform and Social Responsibility Act 2011, Section 114 of the Local Government Finance Act 1988 and the Audit and Accounts Regulations 2011 assign a number of statutory responsibilities to each of the Chief Finance Officers of the PCC and Chief Constable. Given the nature of these responsibilities it is expected that the Chief Finance Officers of the PCC and the Chief Constable will attend all meetings of the JAC, or where this is not possible then their nominated representatives.

5.3 The Head of Internal Audit and representatives of the external auditor will be invited to attend meetings on a regular basis. The JAC should meet with the Head of Internal Audit and representatives of the external auditor separately and privately as required by the Committee.

5.4 A minimum of three members of the JAC must be present for the meeting to be deemed quorate, one of whom must be the Chair. In the absence of the Chair an acting Deputy Chair will be agreed from amongst the other Members for the period of the Chair's absence.

## **6. PUBLIC ACCESS**

6.1 JAC meetings will be held in public with the matters discussed being placed in the public domain. Where items are considered to contain any exempt information specified in Appendix 2 to this document the JAC may exclude members of the public or press, and will record their reasons for this decision in the public domain.

6.2 The Chair reserves the right to refuse or suspend access if there is any security risk to the public or caused by the public or if a member of the public's behaviour is aggressive, rude, disruptive, threatening, violent, illegal or otherwise inappropriate.

6.3 A member of the public may not speak or ask questions at the meeting except to address the meeting and present a statement for up to 5 minutes provided always that the statement has been issued to the Chair in advance of the meeting and approved for presentation by the Chair prior to the meeting

6.4 The only routes by which members of the public should contact the JAC and which will guarantee a response are in writing to the Chair at the Office of the PCC address. The email service will have ICT and administration support and so enable an appropriate service level to the public.

6.5 The JAC may hold private informal meetings e.g. for briefing and training purposes without any non-members present if it so decides. Formal decisions cannot be taken at such meetings.

## **7. ACCESS**

7.1 The Chief Finance Officers, the Monitoring Officer, Head of Internal Audit and the representative of external auditor of the PCC and Chief Constable will have free and confidential access to the Chair of the JAC.

## **8. MINUTES OF MEETINGS**

8.1 The clerk of the JAC will record the names of those present at the meeting, write minutes, including the key points and decisions of all JAC meetings, along with any actions stemming from discussion that need to be taken before the next meeting. The minutes of the previous meeting must be approved by the JAC and signed by the chair as a true record at each meeting.

8.2 The clerk of the JAC will establish, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.

8.4 The minutes of the JAC will be placed in the public domain as soon as they have been approved and signed by the Chair, excluding any exempt information set out in Appendix 2 to this document.

## **9. REPORTING**

9.1 The JAC will, having regard to best governance practice, keep its terms of reference under review and make any changes deemed necessary in consultation with the PCC and Chief Constable.

9.2 The JAC will annually review its own performance to ensure it is fulfilling its terms of reference and operating effectively. In doing so it will make any recommendations for change to the PCC and Chief Constable.

10/3/2014

## APPENDIX 1

### STATEMENT OF PURPOSE

**To provide independent assurance on the adequacy of the corporate governance in place and the associated control environment, advising according to good governance principles and proper practices.**

#### **Corporate Governance and Regulatory Framework**

To support the Police and Crime Commissioner for Wiltshire, Chief Constable and statutory officers in ensuring that effective governance is in place and functioning efficiently and effectively, and making any recommendations for improvement.

To review any issue referred to it by the Police and Crime Commissioner for Wiltshire and Chief Constable and make recommendations as appropriate

To make recommendations for any improvements to the arrangements and policies in place in relation to “raising concerns at work”, anti fraud and corruption strategies and complaints processes, in the light of its experience.

To review its own effectiveness on an annual basis

To have regard to the CIPFA Guidance on Audit Committees.

To meet quarterly to review all internal and external audit reports.

#### **Internal and External Audit**

To consider the internal audit strategy and annual audit plan, and make recommendations as appropriate.

To consider the head of internal audit’s annual report and opinion, and a summary of internal audit activity (actual and proposed) and the level of assurance it can give over corporate governance arrangements, and make recommendations as appropriate

To consider summaries of internal audit reports, and make recommendations as appropriate.

To consider reports dealing with the management and performance of the providers of internal audit services, and make recommendations as appropriate.

To consider a report from internal audit on agreed recommendations not implemented within a reasonable timescale and make recommendations as appropriate.

To consider the external auditor’s annual plan, annual governance report,

annual audit letter and relevant specific reports as agreed with the external auditor, and make recommendations as appropriate.

### **Accounts/Finance**

To scrutinise the draft statements of accounts, annual governance statements, and annual audit letter, considering whether appropriate accounting policies have been followed and making any recommendations as appropriate.

### **Corporate Risk Management**

To consider the continuing effectiveness of the Police and Crime Commissioner and Chief Constable's risk management policy and risk management arrangements.

To provide assurance that organisational risks are being managed effectively.

To comment on and monitor the insurance programme, insurance and broker appointment/renewal processes and the arrangements for risk financing.

To seek assurance as to the continuing effectiveness of the Police and Crime Commissioner and Chief Constable's business continuity arrangements.

To review the whistle blowing policy and if the Committee has concerns to escalate them to the Police and Crime Panel, then to the IPCC, then to the Home Secretary.

### **How the Audit Committee will exercise its independence**

All Committee meetings will be held in public

The Committee will have access to all audit reports, plans, accounts, and audit letters.

The Committee can request the Commissioner and / or Chief Constable to attend its next meeting.

If necessary the Committee can have access to the Commissioner and / or Chief Constable at any time.

The Commissioner and Chief Constable will see every report that is submitted to the Committee. The Commissioner and Chief Constable will treat seriously

and respond quickly to any issue raised by the Committee.

The intention and expectation is that the above process will lead to a satisfactory outcome of any issues raised by the Committee. If this is not the case the Committee may approach the external auditor, HMIC, IPCC, or the Police and Crime Panel.

The Committee may have at its request separate meetings with the external and internal auditors.

## **APPENDIX 2 – EXEMPT INFORMATION**

1. Information relating to any individual.
2. Information which is likely to reveal the identity of an individual.
3. Information relating to the financial or business affairs of any particular person (including the PCC or CC if it holds that information).
4. Information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matter arising between the authority or a Minister of the Crown and employees of, or office holders under, the authority.
5. Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.
6. Information which reveals that the PCC or CC proposes—
  - (a) to give under any enactment a notice under or by virtue of which requirements are imposed on a person; or
  - (b) to make an order or direction under any enactment.
7. Information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime.

## **APPENDIX 3 – GOVERNANCE STRUCTURE**