Appendix A

The Police and Crime Commissioner for Lincolnshire

JOINT INDEPENDENT AUDIT COMMITTEE

TERMS OF REFERENCE

STATEMENT OF PURPOSE

1. Our Joint Independent Audit Committee is a key component of the Police and Crime Commissioner (PCC) for Lincolnshire and Chief Constable (CC) of Lincolnshire's corporate governance. It provides an independent and high-level focus on the audit, assurance and reporting arrangements that underpin good governance and financial standards.

2. The purpose of our Joint Independent Audit Committee is to provide independent advice and recommendation to both the PCC and the 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. 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 CC's governance, risk management and control frameworks, its financial reporting and annual governance processes, and internal audit and external audit.

3. These terms of reference will summarise the core functions of the committee in relation to the Office of the Police and Crime Commissioner (OPCC) and to the Force and describe the protocols in place to enable it to operate independently, robustly and effectively. In so doing, the committee will have due regard to equal opportunities generally and the requirements of all equalities, anti-discrimination and human rights legislation.

DUTIES

Governance, risk and control

The committee will, in relation to the PCC/the CC:

4. Review the corporate governance arrangements against the good governance framework and consider annual governance reports and assurances.

5. Review the Annual Governance Statements prior to approval and consider whether they properly reflect the governance, risk and control environment

and supporting assurances and identify any actions required for improvement.

6. Consider the arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements.

7. Consider the framework of assurance and ensure that it adequately addresses the risks and priorities of the OPCC/the Force.

8. Monitor the effective development and operation of risk management, review the risk profile, and monitor progress of the PCC/CC in addressing risk-related issues reported to them.

9. Consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions.

10. Note the recommendations of external inspection and regulatory bodies regarding risk management and internal controls and monitor the implementation of agreed actions

11. Review arrangements for the assessment of fraud risks and potential harm from fraud and corruption, including related whistle blowing policies, and monitor the effectiveness of the counter-fraud strategy, actions and resources. In relation to the above, to give such advice and make such recommendations on the adequacy of the level of assurance and on improvement as it considers appropriate.

Internal audit

The Committee will:

12. Annually review the internal audit charter and resources.

13. Review the internal audit plan and any proposed revisions to the internal audit plan.

14. Oversee the appointment and consider the adequacy of the performance of the internal audit service and its independence.

15. Consider the head of internal audit's annual report and opinion, and a regular summary of the progress of internal audit activity against the audit plan, and the level of assurance it can give over corporate governance arrangements.

16. Consider summaries of internal audit reports and such detailed reports as the committee may request from the PCC/the CC including issues raised or recommendations made by the internal audit service, management response and progress with agreed actions.

17. Consider a report on the effectiveness of internal audit to support the Annual Governance Statement, where required to do so by the Accounts and Audit Regulations.

External audit

The committee will:

18. Oversee the appointment of, and relationship with, the external auditor.

19. Comment on the scope and depth of external audit work, its independence and whether it gives satisfactory value for money.

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

21. Consider specific reports as agreed with the external auditor.

22. Advise and recommend on the effectiveness of relationships between external and internal audit and other inspection agencies or relevant bodies. In relation to the above, to give such advice and make such recommendations on the adequacy of the level of assurance and on improvement as it considers appropriate.

Financial reporting

The committee will:

23. Review the annual statement of accounts. Specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit of the financial statements that need to be brought to the attention of the PCC and/or the CC.

24. Consider the external auditor's report to those charged with governance on issues arising from the audit of the financial statements.

25. In relation to the above, to give such advice and make such recommendations on the adequacy of the level of assurance and on improvement as it considers appropriate.

Accountability arrangements

Following each ordinary meeting, and on publication of the draft minutes, the chairman will meet the PCC and CC to report and discuss the key issues and agreed actions and to give them continuing assurance regarding the committee's performance and fulfilment of its terms of reference. The committee will also:

26. On a timely basis report to the PCC and the CC with its advice and recommendations in relation to any matters that it considers relevant to governance, risk management and financial management.

27. Report to the PCC/the CC on its 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.

28. Review its performance against its terms of reference and objectives on an annual basis and report the results of this review to the PCC/the CC.

PROCEDURE

Membership and attendees

29. The JIAC will comprise five independent members (one of whom will be the chairman), appointed by the PCC and CC. The duration of each appointment will be for up to four years. The PCC and CC may also consider the appointment of co-opted members.

30. The committee will meet at least four times a year, normally on a quarterly basis

31. The following will also attend every ordinary meeting of the JIAC:

    - Office of PCC Chief Finance Officer
    - Research and Performance Officer
    - Force Chief Finance Officer
    - Deputy Chief Constable
    - External Auditor (maximum 2)
    - Internal Auditor (maximum 2)
    - Secretarial Support

32. There will be no other attendees at an ordinary meeting without the express and prior approval of the chairman, to be obtained before publication of the meeting agenda where all attendees will be recorded.

33. The PCC and CC, although not members of the JIAC, may attend any meeting.

Notice of meeting

34. At least 5 clear working days before a scheduled meeting of the JIAC:

- a notice of the date, time and place of the intended meeting and the business proposed to be considered will be published;

- a summons to attend the meeting, specifying the date, time and place of the meeting and the business proposed to be considered, shall be sent to every member of the JIAC, at an address nominated by them.

Admission of press and public

35. All meetings of the JIAC will be open to the press and public, subject to the following paragraph. Accommodation will, as far as is practicable, be made available for them to observe the proceedings.

36. The JIAC will exclude the press and public from all or part of a meeting if:

- the business being transacted has been classified as Protect, Restricted or Confidential under the Government Protective Marking Scheme (GPMS);

- the conduct of the press and/or the public is disorderly and is inhibiting the holding of the meeting, or is likely to be disorderly and to inhibit the holding of the meeting.

37. There is no right for anyone to record the proceedings (for instance, by way of photographs, audio recording, broadcast or video recording) without the approval of the meeting.

Quorum

38. The quorum for the JIAC will be three members. Co-opted members will count towards the quorum of the meeting.
39. If during any meeting of the JIAC the number of members present falls below 3 then the meeting will stand adjourned. The consideration of any business not transacted shall be adjourned to a time fixed by the Chair at the time the meeting is adjourned.

Chairing meetings

40. At any meeting the Chair shall preside, if present. In his or her absence, the members present shall appoint one of their number to act as Chair for that meeting.

Voting

41. Voting at meetings will be determined by a show of hands. Co-opted members will have full voting rights.

42. The names and votes of members shall not normally be recorded in the minutes, but any member may request that his or her vote or abstention be recorded.

43. In the case of an equality of votes, the Chair of the meeting will have a second or casting vote.

Minutes

44. Minutes of meetings will summarise the proceedings and accurately record any resolution(s) passed.

45. Minutes will be submitted to the next following ordinary meeting for approval. When the minutes have been confirmed as a correct record, they will be signed by the Chair.

APPROVAL

46. These Terms of Reference were approved by the PCC and CC on 27 November 2014 and will be reviewed annually.