



APPOINTMENT OF INDEPENDENT MEMBERS OF THE JOINT AUDIT ADVISORY COMMITTEE

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Statement of Purpose

The purpose of the Cheshire Joint Audit Advisory Committee (JAAC) is to provide those charged with governance with independent, objective, and high-level assurance on the adequacy of governance, management, and internal control arrangements. By overseeing both internal and external audit, the JAAC makes an important contribution to ensuring effective assurance arrangements are in place. For the purposes of this document, the term 'Authority' refers to Cheshire PCC and Cheshire Constabulary.

Scope

The JAAC provides comments, advice and assurance on matters relating to the internal control environment of the Constabulary and the Office of the Police and Crime Commissioner (OPCC).

If the JAAC has concerns about a specific governance or audit matter it may request the relevant policy or strategy to be presented to a JAAC meeting in order that assurance may be obtained, and constructive comment provided where appropriate.

The following do not fall within the scope of the JAAC:

- Crime Statistic performance.
- Constabulary operational risks.
- HMICFRS reports with an operational theme/basis
- Any reviews carried out by the Police and Crime Panel

Independence and Effectiveness

The JAAC is independent and objective of executive decision making. It is an advisory committee which provides assurance to those charged with governance (the PCC and Chief Constable). The committee is directly accountable to the PCC and Chief Constable and is independent of the executive or operational responsibilities of the PCC or Chief Constable. Membership comprises of co-opted independent members and the JAAC follows the requirements set out in the Home Office Financial Management Code of Practice.

Core Functions

The core functions of the JAAC are to provide assurance to those charged with governance on a range of core governance and accountability arrangements, responses to the recommendations of assurance providers and helping to ensure robust arrangements are maintained.

Governance, risk and control

- To review the corporate governance arrangements against the good governance framework, including the ethical framework, and consider the local code of governance.
- To monitor the effective development and operation of risk management in the OPCC and force.
- To monitor progress in addressing risk-related issues reported to the committee.
- To consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions.
- To consider reports on the effectiveness of financial management

arrangements, including compliance with CIPFA's Financial Management Code.

- To consider the OPCC's and force's arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements.
- To review the assessment of fraud risks and potential harm to the OPCC and force from fraud and corruption.
- To monitor the counter fraud strategy, actions and resources.
- To review the governance and assurance arrangements for significant partnerships or collaborations.

Financial and governance reporting

Governance reporting

- To review the Annual Governance Statement (AGS) prior to approval by the PCC and Chief Constable and consider whether it properly reflects the risk environment and supporting assurances, including the head of internal audit's annual opinion.
- To consider whether the annual evaluation for the AGS fairly concludes that governance arrangements are fit for purpose, supporting the achievement of the OPCC's and force's objectives.

Financial reporting

- To monitor the arrangements and preparations for financial reporting to ensure that statutory requirements and professional standards can be met.
- To 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 council.
- To consider the external auditor's reports to the PCC and the Chief Constable on issues arising from the audit of the accounts.
- To consider the OPCC's and force's framework of assurance and ensure that it adequately addresses their risks and priorities.

External audit

- To 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 PSAA or the auditor panel as appropriate.
- To consider the external auditor's annual letter, relevant reports, and the report to those charged with governance.
- To consider specific reports as agreed with the external auditor.
- To comment on the scope and depth of external audit work and to ensure it gives value for money.
- To consider the level of external audit fee charged.
- To advise on commissions of additional work from external audit.
- To advise and recommend on the effectiveness of relationships between external and internal audit and other inspection agencies or relevant bodies.
- To provide free and unfettered access to the audit committee chair for the auditors, including the opportunity for a private meeting with the committee.

Internal audit

- To recommend for approval the internal audit charter.
- To review proposals made in relation to the appointment of external

providers of internal audit services and to make recommendations.

- To 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 upon those other sources.
- To consider significant interim changes to the risk-based internal audit plan and resource requirements.
- To make appropriate enquiries of both management and the head of internal audit to determine if there are any inappropriate scope or resource limitations.
- To 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.
- To 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 (QAIP).
 - reports on instances where the internal audit function does not conform to the Public Sector Internal Audit Standards (PSIAS) and Local Government Application Note (LGAN), considering whether the non-conformance is significant enough that it must be included in the AGS.
- To consider the head of internal audit's annual report, including:
 - the statement of the level of conformance with the PSIAS and LGAN and the results of the QAIP 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 council's 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 AGS).
- To consider summaries of specific internal audit reports as requested.
- To 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.
 - To contribute to the QAIP and in particular to the external quality assessment of internal audit that takes place at least once every five years.
 - To 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.

Accountability arrangements

- To 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.
- To 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.

- To publish an annual report on the work of the committee, including a conclusion on the compliance with the CIPFA Position Statement

JAAC Membership and Tenure

To provide the level of expertise and understanding required of the JAAC, and to have an appropriate level of influence, the members of the JAAC need to be of high calibre. When selecting new JAAC members, aptitude will be considered alongside relevant knowledge, skills, and experience.

Characteristics of JAAC membership:

- A membership that is trained to fulfil their role so that members are objective, have an inquiring and independent approach, and are knowledgeable. To aid the JAAC in discharging their purpose, core functions and outputs, all Cheshire JAAC Members will be required to undergo appropriate training, as and when required by the PCC and the Chief Constable, which will be funded by the Authority.
- A membership that promotes good governance principles, identifying ways that better governance arrangement can help achieve the PCC and Chief Constables objectives.
- Financial awareness and awareness of current accounting issues and the principles of risk management and governance.
- A strong, independently minded chair, displaying a depth of knowledge, skills, and interest. There are many personal skills needed to be an effective chair, but key to these are:
 - o promoting apolitical open discussion
 - o managing meetings to cover all business and encouraging a candid approach from all participants
 - o maintaining the focus of the committee on matters of greatest priority.
- Willingness to operate in an apolitical manner.
- Unbiased attitudes – treating auditors, the executive and management fairly.
- The ability to challenge the executive and senior managers when required.
- Knowledge, expertise, and interest in the work of the JAAC and the willingness and ability to keep up to date with new developments relevant to policing and the OPCC both nationally and locally.

While expertise in the areas within the remit of the JAAC is very helpful, the attitude of JAAC members and willingness to have appropriate training are of equal importance. Understanding of the objectives and current significant issues for the police service and OPCC at a local and national level should be present

or be acquired as soon as possible after appointment to the JAAC.

The appointment of new members on the committee should consider the overall knowledge and expertise of the existing members.

Cheshire JAAC will comprise a maximum of five independent members, including the Chair, who are independent of the PCC and the Chief Constable. A minimum of two members must attend for the meeting to be deemed quorate.

Members will be appointed by the PCC and Chief Constable. The initial term of office will be 3 years with up to a further 3 years renewed on an annual basis. The PCC and Chief Constable will appoint the Chair from amongst the members.

In the event of any dispute between JAAC members, this will be settled by a majority vote. In the event of an equal split vote the Chair will have the deciding vote.

Engagement and outputs

The JAAC will be established and supported to enable it to address the full range of responsibilities within its terms of reference and operating principles.

To discharge its responsibilities effectively, the JAAC will:

- meet regularly, at least four times a year, and have a clear policy on those items to be considered in private and those to be considered in public
- be able to meet privately and separately with the external auditor and with the head of internal audit
- include, as regular attendees, the chief finance officers (s151 officers), the chief executive, the head of internal audit and the appointed external auditor; other attendees may include the monitoring officer. These officers should also be able to access the JAAC members, or the chair, as required
- have the right to call on any other officers or agencies of the authority as required; police audit committees should recognise the independence of the Chief Constable in relation to operational policing matters.
- support transparency, reporting regularly on its work to those charged with governance
- report annually at a JAAC meeting on how the JAAC has complied with their terms of reference and operating principles and include an assessment of its performance. This should include an evaluation of its impact and an identification of areas for improvement. This review may be a self-assessment or an external review. The report should be available to the public.

Eligibility to be a Member of the Joint Audit Advisory Committee

- Members must be aged 18 years and over and live or have an interest in the Cheshire police force area.
- Joint Audit Advisory Committee members must be independent of both the Constabulary and the Commissioner. As a result, police officers, police staff, volunteers, Members of the Police and Crime Panel and supporting officers would wish to consider carefully how they could demonstrate independence in making any application.
- Before an appointment to the Committee is confirmed candidates will need to be successfully vetted to non police personnel basic level. (Candidates should note that all arrests, convictions and cautions must be declared on the vetting form whether or not they are “spent” under the terms of the Rehabilitation of Offenders Act).
- A person who is an undischarged bankrupt is not eligible for appointment to the Joint Audit Advisory Committee.
- All appointees must sign a declaration that they agree to uphold the Committee on Standards in Public Life’s seven principles of Public Life.
- All appointees must agree to their name, photo and declarations of interests being made publicly available - including on the Commissioner’s and Constabulary’s websites.

REMUNERATION

Remuneration is set out in Appendix 2.

CHAIR OF THE JOINT AUDIT ADVISORY COMMITTEE

The Chair is appointed by the Commissioner and the Chief Constable from amongst the Members of the Committee.

INTRODUCTION TO CHESHIRE POLICING AREA

About the Police and Crime Commissioner for Cheshire

John Dwyer was the original Police and Crime Commissioner for Cheshire from 2012 to 2016 and he was re-elected in the May 2021 elections. His role is to oversee and scrutinise policing in Cheshire, and to collaborate with others in the criminal justice sector to produce an efficient and effective system. Commissioners are a voice for the people, someone to lead the fight against crime, and someone to hold to account if they don't deliver. They will not run the police force - operational police business is a matter for the Chief Constable. However, the Commissioner can and will hold the Chief Constable to account.

This is a summary of Commissioners responsibilities:

- Appoint the Chief Constable. Although the Commissioner will have the sole responsibility for hiring or firing the Chief Constable, the Police and Crime Panel (PCP) have the authority to veto the appointment of a Chief Constable.
- Hold the Chief Constable to account.
- Produce a Police and Crime Plan. The current Plan is for 2021-2024.
- Attend the PCP. The PCP will set its own agenda.
- Set the annual budget and policing element of the Council Tax precept. The Commissioner will be required to present his/her proposed budget to the PCP for scrutiny. The PCP has the authority to veto the proposed precept.
- Play a role in wider community safety issues beyond policing with all local partners and allocate the budget for community safety grants.
- Directly engage with the public.
- Take into account national policing requirements, such as Counter Terrorism, cross-border policing, knife crime, domestic abuse and large-scale public disorder. A Strategic Policing Requirement (SPR) is dictated from the Home Secretary.
- Publish an annual report stating how priorities and targets have been met, and other information as specified by the Secretary of State to enable greater public awareness of police and crime performance in the area.
- Collaborate for an efficient and effective Criminal Justice System for Cheshire with partners such as the Youth Offending Team, Crown Prosecution Service and Prison Service.

Further detail is provided on the Office of the Police and Crime Commissioner for Cheshire website: www.cheshire-pcc.gov.uk

About Cheshire Constabulary

Cheshire Constabulary was founded in 1857 and is now responsible for policing nearly 1.1 million people.

The Constabulary covers an area of great diversity, with large rural expanses, areas of extensive heavy industry, the areas of Chester and Warrington and also polices a large motorway network. The international airports at Manchester and Liverpool lie on our boundaries as do the areas of Shropshire, Staffordshire, Derbyshire and North Wales.

There are approximately 2,347 regular Police Officers, 152 Police Community Support Officers, 1,532 civilian Police Staff and 166 Special Constables.

Further detail is provided on the Cheshire Constabulary website:
www.cheshire.police.uk

**JOINT AUDIT ADVISORY COMMITTEE
PERSON SPECIFICATION**

	Essential	Desirable
Experience And Knowledge	<p>Understanding of public sector finances</p> <p>Good knowledge and understanding of risk management and internal control.</p> <p>Experience of scrutinising financial information and processes.</p> <p>Knowledge of best practice in audit, governance, counter fraud and internal control</p> <p>Good understanding of the roles of Internal and External Audit.</p> <p>Up to date knowledge and awareness of policing and crime issues.</p>	<p>Practical experience in the financial and/or general management of businesses or public sector organisations.</p> <p>Experience of a Local Government/Policing Environment.</p> <p>Audit Committee/Standards Committee (or equivalent) experience.</p>
Skills and abilities	<p>Analytical ability; ability and confidence to scrutinise and challenge</p> <p>A balanced and proportionate approach</p> <p>Self confidence.</p> <p>Treat auditors, executives and management equally and with respect.</p> <p>High integrity and ethical standards; utmost respect for confidentiality</p> <p>Good communication skills, both written and oral, with the ability to actively contribute to discussion and debate</p>	

SCHEME OF ALLOWANCES

Allowances

- 1 A flat rate annual allowance is payable. The allowance is £2,000 for the Chair and £1,500 p.a. for other members. However if you are an employee of an organisation and receive payment from your employer for time spent in Joint Audit Advisory Committee meetings, an allowance will not be paid but expenses will be paid in line with the travel and subsistence policy.
- 2 The travel and subsistence policy is in line with that payable to Cheshire Constabulary Staff and can be found on the Cheshire Constabulary Website.