

ACCOUNTABILITY BOARD

Meeting to be held on 16 November 2022

JOINT AUDIT COMMITTEE CONSTITUTION AND TERMS OF REFERENCE

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EXECUTIVE SUMMARY

This report recommends a new approach to an Audit Committee which supersedes the decision made by the Commissioner and Chief Constable in September 2015.

RECOMMENDATION

The Police and Crime Commissioner and the Chief Constable are asked to

- 1) Revoke the decision made in September 2015 to set up a Joint Audit and Ethics Committee. committee
- 2) Approve the establishment of a Joint Audit Committee
- 3) approve the Terms of Reference for the Joint Audit Committee.

1. Background

1.1. The Police and Crime Commissioner and the Chief Constable will recall that in July 2022, they agreed to extend the appointment of the three Members of the Joint Audit and Ethics Committee for a further 12 months, to facilitate a review of the committee and any transition to new arrangements to take place.

1.2. Since then, officers have undertaken a review of the arrangements currently in place and recommend the Police and Crime Commissioner and Chief Constable detach the audit function and establish a new Joint Audit Committee to provide independent assurance to the Police and Crime Commissioner (PCC) and the Chief Constable in accordance with the Financial Management Code of Practice.

The proposal

1.3. The proposal is to establish a new Joint Audit Committee.

1.4. The new Joint Audit Committee will meet at regular intervals during the year to review, scrutinise, challenge, and provide reassurance over internal control and governance arrangements across the Constabulary and the Office of the Police and Crime Commissioner. It will report equally to both Chief Constables and Police and Crime Commissioners.

- 1.5.** The Committee will comprise of a chair and four members appointed jointly by the PCC and the Chief Constable, but who are independent of the PCC and Chief Constable.
- 1.6.** Members of the Committee shall be recruited through open competition, in conjunction with the Police and Crime Commissioner and Chief Constable or their representatives. They shall be recruited to ensure that the Committee has all the necessary skills and experience to fulfil its terms of reference, in accordance with the job description. They will also be subject to vetting.
- 1.7.** The Chair of the Committee will be jointly recruited by the PCC and the Chief Constable and will serve for one term (4 years) in the role as Chair where upon they can be re-appointed, if appropriate and subject to agreement by the PCC and Chief Constable. Subject to a maximum of 2 terms.
- 1.8.** All Members will serve for a maximum of 2 terms, each term being a maximum of 4 years.
- 1.9.** On joining the Committee, each member will attend an induction training course to help them understand the roles of the PCC and the Chief Constable, the Police and Crime Panel and the organisations pertaining to the PCC and Chief Constable. Further training on specific relevant topics will be provided as necessary, according to the members' own relevant experience and emerging business needs of the Committee. Members will be expected to attend all such training and to develop their skills as part of a member development programme. Training needs will be considered during the annual appraisal process and a training & development programme established both for the Committee and its individual members as appropriate.
- 1.10.** The Committee will meet at least four times a year.
- 1.11.** Accordingly, officers have now developed a revised Terms of Reference which meet the requirements of the Police and Reform and Social Responsibility Act 2011 (PRSRA), Home Office Financial Management Code of Practice (FMCoP) and the Chartered Institute of Public Finance and Accountancy Audit Committee Guidance.
- 1.12.** The Terms of Reference was considered by the Joint Audit and Ethics Committee at their meeting in October 2022 and is set out at Appendix A. Committee members discussed the issue of whether the new Audit Committee should be open to the public as it is currently. Officers advised that they were going to recommend that the Committee is not to the public however, all meeting papers which were not confidential would be published on the PCC's website for transparency. The Committee members agreed this was appropriate and is common practice.
- 1.13.** Members also suggested that the dates for the meeting should be arranged and released 12 months in advance to ensure that members are aware of their obligations and can work around them.

- 1.14. The Chair commented the documentation currently stated, "suitably qualified members" and felt it was important to ensure the new Committee would be more diverse and that it was desirable for new members to have a finance background or knowledge of appropriate processes. The Chair further queried the proposed restrictions for members around insolvency procedures and advised she would provide some information to assist with the drafting of the pack. This has been done and has been incorporated in the recruitment pack moving forward.

Links to the Police and Crime Plan

2. The Joint Audit Committee provides a mechanism through which assurance can be sought and the public assured with regards to the probity, regularity and value for money of resources deployed in the pursuit of the Police and Crime Plan.

3. Consultations

None

4. Implications

a. Legal

There are no legal comments associated with this paper.

b. Financial

There are no additional costs associated with this paper over and above those in servicing the current Joint Audit and Ethics Committee.

c. Equality considerations

There are no direct Equality implications in the making of this decision.

d. Data Protection Impact Assessment

There are no direct Data protection implications in the making of this decision.

5. Risk Management

None

6. Background Papers

None

7. Public access to information

Information in this form is subject to the Freedom of Information Act 2000 and other legislation.

Part 1 of this form will be made available on the PCC website within 3 working days of approval. Any facts/advice/recommendations that should not be made available on request should not be included in Part 1 but instead on the separate Part 2 form.