

**POLICE AND CRIME COMMISSIONER FOR HERTFORDSHIRE  
AND HERTFORDSHIRE CONSTABULARY**

**JOINT INDEPENDENT AUDIT COMMITTEE**

**STATEMENT OF PURPOSE AND TERMS OF REFERENCE**

**STATEMENT OF PURPOSE**

To provide independent scrutiny and assurance on the adequacy of the corporate governance and risk management frameworks and the associated control environments. To advise according to good governance principles and proper practices and oversee the financial reporting processes.

The Committee is a joint body advising both the Police and Crime Commissioner for Hertfordshire and the Chief Constable.

**TERMS OF REFERENCE (to June 2016)**

**Membership and attendance**

The Committee comprises a Chair and four Members, requiring attendance of three to be quorate. Invitations to attend will normally be extended to the Chief Finance Officer (or deputy), Internal Auditor, External Auditor and Chief Executive to the Police and Crime Commissioner for Hertfordshire. Other attendees will be by invitation according to agenda items and a policy will be developed on items to be considered in private or with a specific attendance.

In the event of the Chair being unavailable, the members will elect one of those present to chair the meeting.

The PCC and Chief Constable are invited to attend each meeting.

**Frequency**

Meetings will be held not less than three times a year. Any of the above named invited attendees may request a meeting if they consider one is necessary.

**Duties**

The duties of the Committee can be categorised as follows:

*Corporate Governance, Internal Control and Financial Reporting*

1. Support the Police and Crime Commissioner, Chief Constable and statutory officers in ensuring that effective governance is in place and functioning efficiently and effectively. Test the overall governance framework and provide

- independent assurance, including in relation to the adoption of good practice and statutory compliance. Identify any areas of weakness and make recommendations for improvement to the Commissioner and Chief Constable as appropriate.
2. Monitor the effective development and operation of the internal control environment and risk management processes and make recommendations for improvement to the Commissioner and Chief Constable, as appropriate.
  3. Review any issue referred to it by the statutory officers of the Police and Crime Commissioner and Chief Constable in relation to corporate governance, risk management or assurance and make recommendations, as appropriate.
  4. Review and endorse the Commissioner's and the Chief Constable's Governance Statements and Statements of Accounts, including the Commissioner's group accounts. Bring to the attention of the Commissioner and Chief Constable any omissions or any amendments proposed for consideration.
  5. Receive and scrutinise performance reports on treasury management and provide effective scrutiny and independent assurance of the treasury management strategy and policies.

#### *Internal and external audit*

6. Undertake an annual review of the Commissioner's and the Chief Constable's system of internal audit.
7. Review and endorse the strategy and plans of internal and external audit, bringing to the attention of the Commissioner and Chief Constable any significant issues which the committee considers merit inclusion.
8. Review progress in delivering the work and reports of internal and external audit and provide an opinion to the Commissioner and Chief Constable on the quality and strength of investigations and findings
9. Review matters arising from the work of internal and external audit, including the external auditor's Annual Governance Report and Audit letters and advise the Commissioner and Chief Constable on the adequacy of response plans.
10. Monitor management action in response to the work of internal and external audit and bring to the attention of the Commissioner and Chief Constable where further or more timely action is considered appropriate.

#### *General*

11. Maintain effective working relationships with the Commissioner, Chief Constable, their offices, Section 151 officers and both internal and external auditors.

#### **Administration**

12. Administrative support to the Committee will be provided by the office of the Police and Crime Commissioner for Hertfordshire.
13. The Committee will issue an annual report to the Commissioner and Chief Constable which refers to work done and recommendations made