

### **8.5.1 Terms of Reference for the Greater Manchester Joint Audit Panel (Police and Crime)**

#### **PURPOSE**

The Joint Audit Panel is a key component of the Deputy Mayor for Policing and Crime (the Deputy Mayor) and the Chief Constable's for Greater Manchester corporate governance framework. It provides an independent and high-level focus on the audit, assurance and reporting arrangements that underpin good governance and financial standards.

The purpose of the Panel is to provide independent assurance on the adequacy of the risk management framework, the internal control environment and the integrity of the financial reporting and annual governance processes in operation within the Chief Constable's Corporation Sole and the GM Mayor's PCC functions.

#### **Governance, Risk and Control**

The panel will Review the corporate governance arrangements against the Delivering Good Governance in Local Government: Framework (CIPFA/Solace, 2016) ('the Framework') including the ethical framework and consider the local code of governance.

1. Review the Annual Governance Statement prior to approval and consider whether it properly reflects the governance, risk and control environment and supporting assurances and identify any actions required for improvement.
2. Consider the arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements.
3. Consider the framework of assurance and ensure that it adequately addresses the risks and priorities of the Police, Crime and Criminal Justice Directorate and the constabulary.
4. Monitor the effective development and operation of risk management processes, review the risk profile of the Force and PCC functions, and monitor progress of the Deputy Mayor / the Chief Constable in addressing risk-related issues reported to them.
5. Consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions.
6. Review arrangements for the assessment of fraud risks and potential harm from fraud and corruption and monitor the effectiveness of the counter fraud strategy, actions and resources.
7. Review the governance and assurance arrangements for significant partnerships or collaborations.
8. Review and consider the Anti-Fraud, Corruption and Bribery Policy on a bi-annual basis.
9. Receive and review a report from the CFO (Force Section 151 Officer) detailing the current status of all fraud investigations in progress and any sanctions and redress taken.

10. The JAP will review and approve the Anti-Fraud, Corruption and Bribery work plan produced by the Professional Standards Branch (PSB).

## **Internal Audit**

The Panel will:

11. Annually review the internal audit charter and resources.
12. Consider the adequacy of the performance of the internal audit service and its independence.
13. Monitor (but not direct) the Internal Audit Plan, relating to the Force and advise on items for inclusion in the plan.
14. Receive progress reports on the Internal Audit work plan and advising the Deputy Mayor and Chief Constable when appropriate action is not taken in response to audit findings, particularly in areas of high risk;
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 the Head of Internal Audit's statement of the level of conformance with the Public Sector Internal Audit Standards and the results of the Quality Assurance Improvement Programme that support the statement – these will indicate the reliability of the conclusions of internal audit.
17. Consider internal audit reports and such detailed reports as the panel may request from the Deputy Mayor / Chief Constable, including issues raised or recommendations made by the internal audit service, management response and progress with agreed actions.
18. 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 2015.
  
19. Consider any impairments to independence or objectivity arising from additional roles or responsibilities outside of internal auditing of the Head of Internal Audit. To make recommendations on safeguards to limit such impairments and periodically review their operation

## **External Audit**

The Panel will:

20. 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 either PSAA or the auditor panel as appropriate.
21. Comment on the scope and depth of External Audit work, its independence and whether it gives satisfactory value for money.
22. Consider the external auditor's annual management letter, relevant reports and the report to those charged with governance.
23. Consider specific reports as agreed with the External Auditor.
24. Advise and recommend on the effectiveness of relationships between external and internal audit and other inspection agencies or relevant bodies.

## **Financial Reporting**

The Panel will:

25. 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 Deputy Mayor / Chief Constable.
26. Consider the External Auditor's report to those charged with governance on issues arising from the audit of the financial statements.

## **Accountability Arrangements**

In line with the GMCA Constitution, the Panel will:

27. Have clear rights of access to other committees.
28. On a timely basis report to the Deputy Mayor and the Chief Constable with its advice and recommendations in relation to any matters that it considers relevant to governance, risk management and financial management.
29. Report to the Deputy Mayor and the Chief Constable 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.
30. Review its performance against its terms of reference and objectives on an annual basis and report the results of this review to the PCC and the Chief Constable.
31. Report to the GMCA Audit Committee on Police Fund activity and assurance.
32. Publish an annual report on the work of the panel.

## **Membership**

The Panel will comprise a maximum of five members including the Chair, who are independent of the Chief Constable and the Mayor. The meeting will only be quorate if at least three members are in attendance.

Initial term of office to be three years with up to a further three years on renewal.

Chair to be agreed by the Deputy Mayor and Chief Constable after considering applications for those interested.

## **Meetings**

The Audit Panel will meet at least five times a year.

The Chair of the Panel may convene additional meetings, as they deem necessary.

Audit Panel meetings will normally be attended by, the Chief Finance Officer(s), or appropriate senior and qualified substitute, the Chief Constable or appropriate senior and qualified substitute, the Head of Internal Audit and the appointed External Auditor. The Panel will have the right to call, as required, any other GMP police officers/staff and officers with responsibility for the GM Mayors Police, Crime and Criminal Justice functions, including the Mayor/Deputy Mayor.

**Skills**

To aid the Panel in delivering its purpose all Members will be required to undergo appropriate training which will be funded by the authority.

**Review**

The Panel will review its terms of reference annually.