



INDEPENDENT AUDIT COMMITTEE

OPERATING PRINCIPLES

INTRODUCTION

The statutory Financial Management Code of Practice requires that a Chief Constable (CC) and a Police and Crime Commissioner (PCC) establish an Independent Audit Committee and recommends that this should be a combined body.

The Chief Constables and Police and Crime Commissioners of Devon & Cornwall and Dorset have created a single Independent Audit Committee to advise them.

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

The Independent Audit Committee is to provide independent assurance to the PCCs and the Chief Constables as to the adequacy of the risk management framework and the associated control environment, to provide independent scrutiny of the Force's and OPCCs financial and non-financial performance to the extent that it affects their exposure to risk and weakens the control environment, and to oversee the financial reporting process.

The Independent Audit Committee will comment and provide advice and assurance on any matter relating to the internal control environment of the Forces' and the OPCCs. In addition to internal and external audit, the functions to be overseen by the committee will include relevant control strategies, such as risk management, the PCCs' and CC's governance and assurance statements, and anti-fraud and anti-corruption arrangements. The Committee will also maintain oversight of general governance matters and comment on proposed new or revised Force or PCC policies and strategies which, in the opinion of the Chief Financial Officers, are significant in terms of financial risk and probity. If the Committee has concerns about a specific governance or audit matter within its remit, it may request the relevant policy or strategy to be presented to the Committee in order that assurance may be obtained.

For the benefit of doubt, the scope of the Independent Audit Committee's remit does **not** extend to include Force performance and Force Operational risks, or HMICFRS reports with an operational focus. Management of the internal audit function and any reviews that may be carried out by Police and Crime Panels are also out of scope.

COMPOSITION

The Financial Management Code of Practice suggests that the Independent Audit Committee should comprise between three and five members, independent of PCCs and Forces. The four corporations' sole have agreed that their Independent Audit Committee should have six members, with a quorum of four, to provide a reasonably robust and resilient approach for the Committee to discharge its duties effectively.

CHAIR AND VICE-CHAIR

The Independent Audit Committee will elect the Chair and Vice-Chair annually. The elections will form part of the Committee's inaugural meeting, and thereafter annually at the Committee's first meeting each calendar year. It is a matter for the members of the Independent Audit Committee to decide any restriction on the number of terms of office for the Chair and Vice-Chair.

ELIGIBILITY

Independent Audit Committee Members must be independent of both Forces and PCCs. Serving police officers, police staff or members of staff employed in the Office of the PCC are not eligible for appointment. A person who has previously been so employed must have a minimum two-year break before being eligible to be appointed to serve on the Independent Audit Committee.

A person who has been appointed or co-opted to serve on the Police and Crime Panel or is a councillor or an employee of a council which is represented on the Panel is not eligible for appointment to the Independent Audit Committee.

Members must have been successfully vetted to non-police personnel vetting (NPPV) basic level before confirmation of their appointment to the Independent Audit Committee. They must declare all arrests, convictions and cautions 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 Independent Audit Committee.

All members must uphold the College of Policing – Code of Ethics and the Committee on Standards in Public Life's seven principles of Public Life. They are required to inform the Monitoring Officer immediately if they become aware of any allegation or complaint that could have a bearing on their conduct or integrity. The Monitoring Officer is the Chief Executive of either Devon & Cornwall or Dorset.

Failure to meet and uphold the necessary standards may result in their removal as a member of the Independent Audit Committee.

Independent Audit Committee members are required to declare relevant pecuniary and other interests which will be recorded in a register of such interests kept by the Monitoring Officer. Additionally, in connection with attending meetings of the Independent Audit Committee, relevant personal or prejudicial interests must always be declared in the approved manner. Relevant gifts and hospitality received must also be declared.

It is a condition of appointment that all Independent Audit Committee members accept that their name, photograph, all declarations of interest, remuneration and expenses received as a Committee member, and registered gifts and hospitality will be made publicly available, including on the Force and PCC websites.

In the interests of individual effectiveness and personal development, it is also a condition of appointment that all Independent Audit Committee members accept that they will be the subject of an annual appraisal process with the Chair of the Committee. The Chair of the Independent Audit Committee will be appraised by the Chief Financial Officers of Devon & Cornwall and Dorset.

RECRUITMENT

Recruitment of new members to the Independent Audit Committee will be carried out in conjunction with the Chair of the Audit Committee and all appointments will be approved by the Chief Constables and Police and Crime Commissioners or their representatives.

The primary considerations when recruiting will be to maximise the Committee's knowledge base, skills, ability to be objective and independent and to have a committee membership that will work well together.

TENURE

Members of the Independent Audit Committee have the opportunity to serve a term of up to five years, reporting directly to the respective PCCs and Chief Constables. To ensure ongoing continuity of the Independent Audit Committee, initially three members will be appointed for three years and the three other members for five years. No person is to serve on the Committee for more than ten consecutive years.

If a member chooses to resign from their appointment they should give six months' notice, unless their circumstances have changed in ways that make it appropriate to resign earlier.

If a member's performance as an Audit Committee member is decided to be unacceptable or if their conduct (including conflicts of interest) is unacceptable the appointment will be terminated. Generally, a one month notice period following the approval of the Chief Constables and PCCs will be given unless the conduct is such that the Chief Constables and PCC's consider it appropriate for immediate dismissal. During the one month notice period attendance at meetings of the Audit Committee will be suspended unless agreed by the Committee Chair or Vice Chair in the case of suspension of the Chair.

FREQUENCY OF MEETINGS

The Independent Audit Committee will meet a minimum of four times each year. This is generally in March, July, September and December. Exceptionally, an additional ad hoc meeting of the Committee may be scheduled if agreed by the two Force Chief Finance Officers, in conjunction with the two Chief Executives. The

Independent Audit Committee has the opportunity to meet internal and external audit, without officers present.

In addition, the members can hold meetings in private for briefings, training and development. Formal decisions cannot be taken at such meetings.

Papers will normally be sent to members one week and one day (8 days) before each meeting.

The Chief Constables and PCCs may ask the Independent Audit Committee to convene further meetings to discuss particular issues on which they seek the Committee's advice. Such meetings will have a minimum notice of five working days.

A forward plan of meeting dates will be in place with a minimum of two meetings in advance.

ATTENDANCE

A minimum number of four (4) members must be present for a meeting to be quorate.

Members are required to attend a minimum of three of the formal Independent Audit Committee meetings in any year except in exceptional circumstances.

The meetings will generally be held at Devon & Cornwall and Dorset Police Force headquarters on an alternate basis.

PCC AND CHIEF CONSTABLE REPRESENTATION

The Financial Management Code of Practice requires the executives of the PCCs and Force Command Teams are represented at meetings of the Independent Audit Committee. This would normally include the Chief Finance Officers and the Chief Executives/Monitoring Officers, plus other OPCC or Force representatives as deemed necessary by the PCCs and Chief Constables.

ADMINISTRATIVE SUPPORT

Reasonable administrative support will be provided to allow the Independent Audit Committee to achieve its purpose.

The allocation of secretariat support to the Independent Audit Committee and its funding will be agreed by the PCCs and Chief Constables as and when necessary.

With the joint approval of the respective Chief Financial Officers of the PCCs and Chief Constables the Committee may procure specialist advice, where this is not already available within the existing Independent Audit Committee support arrangements or, it is not considered appropriate to use that support.

METHODS OF WORKING

The Independent Audit Committee will have a supportive and constructive ethos, whilst providing robust challenge to enable it to provide credible assurance to the Chief Constables and the Police and Crime Commissioners on relevant financial and governance matters. The Committee will advise the Chief Constables and the PCCs according to good governance principles and the adoption of appropriate risk management arrangements.

The Independent Audit Committee will take account of the principles of Corporate Social Responsibility (CSR) (which includes financial and economic stewardship (including VFM); people and communities (including Diversity, Equality and Human Rights) and environmental sustainability and health & safety). All members will follow the College of Policing Code of Ethics.

Members of the Independent Audit Committee who attend other meetings or events on behalf of the Committee will provide a written report back to the committee membership.

DATA SECURITY

Members must be aware of and comply with requirements of the General Data Protection Act at all times.

All restricted papers must be returned to the OPCC or Force for secure disposal.

PROCEDURE

The Independent Audit Committee may seek any or all of those who normally attend but who are not members to withdraw to facilitate open and frank discussion of particular matters.

The Independent Audit Committee may ask any other officials of the Force or OPCC to attend to assist with its discussion on any particular issue.

The Chair may ask any Committee participant or observer to leave the committee at any time during proceedings to facilitate the effective function of the Committee.

REMUNERATION

The remuneration for Independent Audit Committee members will be based upon the fees set by the Home Office for Police Appeals Tribunal Members, as at 2017. The fees payable for the relevant sitting time (see below) are deemed to be inclusive of any necessary preparatory work prior to the meeting. The fees at 2017 are:

- Half day, ie. sittings of 4 hours or less (excluding meal breaks) £105.00
- Full day, ie. sittings of more than 4 hours (excluding meal breaks) £210.00
- Reading time, per hour £15.00
- Other rates/expenses to be agreed as necessary, eg. childcare costs

Meeting and reading time rates thereafter will be increased in line with the Police Pay award commencing 1 September 2018.

REIMBURSEMENT OF TRAVEL COSTS

As a matter of course, the most practical, economic and sustainable method of travel should be used and opportunities to share transport utilised if available. Where a private car is used, reimbursement will be at the relevant HM Revenue and Customs approved rate (the car mileage rate is currently 45p per mile up to 10,000 miles), up to a maximum claim for travel of £120 per meeting.

INDUCTION, TRAINING AND DEVELOPMENT

The Treasurers and Chief Finance Officers, in conjunction with the Chief Executives will devise an appropriate training and induction programme for all Independent Audit Committee members, including provision for refresher and specialist training as required. In determining induction and training requirements for individual Committee members, consideration will be given to legislative requirements and any needs identified by a training needs assessment upon appointment, in the course of the annual appraisal process, or as a result of the annual review of the Independent Audit Committee's effectiveness.

Members of the Independent Audit Committee will also contribute to the development of the Committee in carrying out its role.

BUDGET

An appropriate budget will be set by the four corporations sole to cover the Committee's reasonable cost, including – training, reading time, attendance at meetings, travel and exceptionally accommodation.

This will be reviewed each year as part of the budget setting cycle.

PUBLIC ACCESS

Independent Audit Committee meetings are open to the public and press, who may attend as observers only.

The taking of photographs or recording of proceedings is not permitted without the express written consent of the Chair in advance of the meeting.

Where issues are deemed restricted, commercially sensitive or relate to a member of staff, members of the public or press will not be allowed to observe.

The Chair has the right to refuse or suspend access to the proceedings of the committee if there is a security risk to the public, or caused by the public, or if the behaviour of a member of the public is disruptive, rude, aggressive, threatening, violent, illegal or otherwise considered by the Chair to be inappropriate.

Members of the public or press are not eligible to claim expenses for attending.

The public may contact the Chair of the Independent Audit Committee by writing to the Chair at the OPCC address. The public will not be allowed direct contact to members of the Independent Audit Committee and their personal contact details will remain confidential.

REPORTING

The Independent Audit Committee will bring to the attention of the Chief Constables and Police and Crime Commissioners any matters of significance after each formal meeting of the Committee.

The Independent Audit Committee will produce an annual report of their working for the Chief Constables and Police and Crime Commissioners which will include the annual review of the effectiveness of the Committee.

PUBLICATION OF INFORMATION

The agenda, open reports and open minutes of the Independent Audit Committee will be available on both PCC and Force websites.

Date approved: December 2018

Date of next review: September 2019