**Joint Independent Audit Committee Terms of Reference with effect from 10 May 2021**

**Statement of Purpose**

1. The Joint Independent Audit Committee is a key component of corporate governance for West Yorkshire Police and Mayor’s PCC functions. It provides an independent and high-level focus on the audit, assurance and reporting arrangements that underpin good governance and financial standards.
2. The purpose of the Joint Independent Audit Committee is to provide independent advice and recommendation to the Mayor (for the PCC functions) and the Chief Constable on the adequacy of the governance and risk management frameworks, the internal control environment, and financial reporting, thereby helping to ensure efficient and effective assurance arrangements are in place. To this end the committee is enabled and required to have oversight of, and to provide independent review of, the effectiveness of West Yorkshire Police and the Mayor’s (for the PCC functions) governance, risk management and control frameworks, the financial reporting and annual governance processes, and internal audit and external audit.
3. These terms of reference will summarise the core functions of the committee in relation to the Mayor’s PCC functions and to the Force and describe the protocols in place to enable them to operate independently, robustly and effectively.

**Governance, Risk and Control**

The committee will provide advice and recommendations to the Mayor (for the PCC functions) or Chief Constable in relation to the following areas:

1. Review the corporate governance arrangements against the good governance framework, including the ethical framework and consider the local code of governance.
2. Review the annual governance statements prior to approval and consider whether they properly reflect the governance, risk and control environment and supporting assurances and identify any actions required for improvement.
3. Review treasury management policies, practices and activities including an annual strategy and plan.
4. Consider the arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements.
5. Consider the framework of assurance and ensure that it adequately addresses the risks and priorities of the Mayor’s PCC functions/the Force.
6. Monitor the effective development and operation of risk management, review the risk profile, and monitor progress of the Mayor’s PCC functions/the Chief Constable in addressing risk-related issues reported to them.
7. Consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions.
8. 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.
9. To review the governance and assurance arrangements for significant partnerships or collaborations.
10. To receive requests from, and provide advice to, the Treasurer, Force Chief Finance Officer, Monitoring Officer and Head of Internal Audit.

**Internal Audit**

The committee will provide advice and recommendations to the Mayor (for PCC functions) or Chief Constable in relation to the following areas:

1. Annually review the internal audit charter and resources.
2. Review the internal audit plan and any proposed revisions to the internal audit plan.
3. Oversee the appointment process and consider the adequacy of the performance of the internal audit service and its independence.
4. 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.
5. To consider the Head of Internal Audit’s 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.
6. Consider summaries of internal audit reports and such detailed reports as the committee may request from the Mayor (for PCC functions)/the Chief Constable, including issues raised or recommendations made by the internal audit service, management response and progress with agreed actions.
7. Consider a report on the effectiveness of internal audit to support the AGS, where required to do so by the Accounts and Audit Regulations (England) 2015.
8. To 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 committee will provide advice and recommendations to the Mayor (for PCC functions) or chief constable in relation to the following areas:

1. 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.
2. Comment on the scope and depth of external audit work, its independence and whether it gives satisfactory value for money.
3. Consider the external auditor’s annual management letter, relevant reports and the report to those charged with governance.
4. Consider specific reports as agreed with the external auditor.
5. Advise and recommend on the effectiveness of relationships between external and internal audit and other inspection agencies or relevant bodies.

**Financial reporting**

The committee will provide advice and recommendations to the Mayor (for PCC functions) or Chief Constable in relation to the following areas:

1. 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 Mayor (for PCC functions) and/or the Chief Constable.
2. Consider the external auditor’s report to those charged with governance on issues arising from the audit of the financial statements.

**Accountability arrangements**

Through its committee meetings the committee will deliver the following:

1. On a timely basis report to the Mayor (for PCC functions) 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.
2. Report to the Mayor (for PCC functions) 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.
3. Review its performance against its terms of reference and objectives on an annual basis and report the results of this review to the Mayor (for PCC functions) and the Chief Constable.
4. Report to the Governance and Audit Committee of the Combined Authority on an annual basis on the work of the committee and any matters relating to accounts and audit functions.
5. Publish an annual report on the work of the committee.

**Constitution**

4 members independent of the Mayor and the Chief Constable, one of whom is the appointed Chair.

**Quorum**

3 members, including the Chair. In the absence of the Chair members present will appoint a Chair for that meeting.

19 March 2021