Lincolnshire JIAC Procedure Document

1. Procedure Identification Page

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CONTENTS

	Page
Introduction	3
Committee membership	3
Liaison Officer	3
Committee Forward Plan & Training	3
Chairing meetings	4
Formal meeting attendees	4
Notice of formal committee meetings	4
Quorum	5
Voting	5
Admission of press and public at formal committee meetings	5
Minutes	5
Governance, risk and control	5
Internal audit	7
External audit	8
Financial reporting	9
Accountability arrangements	9
JIAC Annual Report	10

Introduction

The Joint Independent Audit Committee (JIAC) has Terms of Reference (Tor) that have been agreed by the CC and PCC. This procedure note sets out how the JIAC delivers the ToR, direct extracts from the ToR are shown in italics.

Committee membership

1. The JIAC will comprise a minimum of five independent members as detailed in the ToR.

2. Appointment of co-opted members may be approved by the PCC and CC. This will be for the purpose of bringing specialist knowledge to the committee or to add resilience to the quorate.

3. On appointment to the JIAC, a member will serve for a first term of four years. At the end of their first term, the member will be eligible for automatic reappointment for a second term, for a mutually agreed period up to a further four years, subject to the approval of the PCC/CC.
   At the end of any second term, the post will be advertised and the member will be eligible to apply. In line with good governance practice, no member may serve for more than twelve years (three consecutive terms).
   The Member must state their intention to either stand down after the first term or request automatic reappointment at least 4 months prior to their first term end date.

Liaison Officer

4. The committee have a dedicated Liaison Officer who is the main point of contact for the members. The liaison officer role is fulfilled by the Deputy Chief Finance Officer (PCC & CC). The liaison officer has the lead role in supporting the Audit Committee in its work; overseeing the meeting arrangements and paper production; alerting members to available training opportunities; liaising with the Chair on specific matters.

Committee Forward Plan & Training

5. The forward plan is a document that sets out the annual work plan of the committee and will be reviewed at every formal JIAC meeting.

6. Member training requirements will be determined and opportunities will be provided to fulfil those requirements. The Liaison officer will oversee this.

7. Any Local Audit Quality Forum events and opportunities will be communicated to members by the Liaison Officer.

8. Any opportunities for members to interact with their regional peers will be communicated to members by the Liaison Officer.

9. The member induction plan will be reviewed at every recruitment round by the Liaison Officer. This will be circulated to existing members for comment.

10. The website link to the CC's monthly reports will be provided to members for horizon scanning purposes. The Official part of this report will be provided via the data sticks used for the exempt committee papers.

Links to relevant PCC decisions and other reports will be emailed as appropriate to members by the Liaison Officer.

Specific briefing sessions will be held from time to time as agreed by the CFOs and the JIAC members. These will be held on the same day as a formal meeting.

Chairing meetings

11. *At any meeting the Chair shall preside, if present.* Provision for their absence is set out in the ToR.

Formal meeting attendees

12. *The following will attend every ordinary meeting of the JIAC, an appropriate substitute must attend in their absence (in exceptional circumstances only):*

    - *Office of PCC Chief Finance Officer*
    - *Deputy Chief Finance Officer (Liaison officer)*
    - *Research and Performance Officer*
    - *Deputy Chief Constable, (ACC if DCC not available otherwise the meeting will be rescheduled).*
    - *Force Chief Finance Officer*
    - *External Auditor (maximum 2)*
    - *Internal Auditor (maximum 2)*
    - *Secretarial Support*

13. *There will be no other attendees at an ordinary meeting without the express and prior approval of the chairman, to be obtained before publication of the meeting agenda where all attendees will be recorded.*

    Development opportunities for individuals are welcomed by the committee, e.g. interns, and their attendance at meetings is also allowed with prior agreement from the Chairperson.

14. *The PCC and CC, although not members of the JIAC, may attend any meeting.*

    The Liaison Officer will alert the CC and PCC of upcoming meetings so that they can attend if they wish to.

15. The JIAC can call upon specialists, e.g. PSD to attend the meeting for specific topics that they wish to explore further. This should be pre-arranged with the Liaison Officer and give the individual at least one month's notice of their required attendance.

Notice of formal committee meetings

16. The calendar of meetings will be agreed with members at least 6 months in advance under normal circumstances. Formal committee meetings will be scheduled as per the ToR.

17. *At least 5 clear working days before a scheduled formal meeting of the JIAC:*

- *a notice of the date, time and place of the intended meeting and the business proposed to be considered will be published;*

- *a summons to attend the meeting, specifying the date, time and place of the meeting and the business proposed to be considered, shall be sent to every member of the JIAC, at an address nominated by them* (JIAC contact details are held in the OPCC).

  All agenda items will have a written paper prepared except where prior agreement has been made with the Chair on an exceptional basis.

Quorum

18. The quorum for the JIAC is set out in the ToR.

Voting

19. Voting at meetings is set out in the ToR.

Admission of press and public at formal committee meetings

20. *All meetings of the JIAC will be open to the press and public,* subject to the exclusions set out in the ToR. *Accommodation will, as far as is practicable, be made available for them to observe the proceedings*.

Minutes

21. *Minutes of formal committee meetings will summarise the proceedings and accurately record any resolution(s) passed.*

22. The action log and draft minutes will be circulated to the CFOs and Liaison Officer no later than the tenth working day following the formal meeting for approval to circulate to members.

23. The action log and draft minutes will be circulated to members within fifteen working days following the formal meeting.

24. Members must notify the Secretarial Support of any requested changes within 5 workings days of receiving the drafts.

25. Final versions of the action log and minutes will be circulated no later than 30 days after the meeting.

26. *Minutes will be submitted to the following ordinary meeting for approval. When the minutes have been confirmed as a correct record, they will be signed by the Chair.*

Governance, risk and control

The committee will, in relation to the PCC/the CC:

27. *Review the corporate governance arrangements against the good governance framework and consider annual governance reports and assurances*.

The PCC and CC Codes of Corporate Governance are considered at the April meeting as per the forward plan.
A report is provided at every meeting on compliance with governance arrangements.

28. *Review the Annual Governance Statements (AGS) 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*.

    The forward plan has a preliminary draft at the January meeting, the draft at the May workshop on the Financial Statements, and the final version at the July meeting.
    The Chairperson will complete a summary for the PCC and CC, by the end of April, on the activities of the committee, this will feed into the final draft of the AGS.

29. *Consider the arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements*.

    The Value for Money (VfM) and Efficiency Plan are reviewed at the April meeting as per the forward plan. VfM considerations reviewed at every meeting as a core consideration of reports.
    The external auditor's VfM conclusion is presented to the JIAC meeting in July.

30. *Consider the framework of assurance and ensure that it adequately addresses the risks and priorities of the OPCC/the Force.*

    The PCC and CC's assurance map is reviewed at every meeting.

    JIAC members can request any information on specific risks outside of formal meetings; this should be done via the Liaison Officer. There is also the facility to single out and particular area of risk for specific discussion at a meeting, this should be agreed during a meeting to be brought to the next meeting, this may involve a specialist attending, see para 9 above.

    JIAC members can attend the quarterly Force Risk Management Board. New members should do this as part of their induction, other members can attend as and when they choose. The Liaison Officer will advise the members when the Board is taking place and arrange for their attendance.

31. *Monitor the effective development and operation of risk management, review the risk profile, and monitor progress of the PCC/CC in addressing risk-related issues reported to them*.

    The PCC and CC's risk management arrangements are reviewed at every meeting. The forward plan includes reviewing the PCC and CC risk management strategies in July.

32. *Consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions.*

    This is reviewed at every meeting as a core consideration of reports.
    The scheme of arrangements for the discharge of functions (incl. Finance, procurement and Contract Regulations) is on the forward plan to be reviewed in January, and in addition in October if needed.

33. *Note the recommendations of external inspection and regulatory bodies regarding risk management and internal controls and monitor the implementation of agreed actions*.

    The forward plan includes monitoring the implementation of recommendations affecting risk, internal control and corporate control, from HMICFRS/others at every meeting.

34. *Review arrangements for the assessment of fraud risks and potential harm from fraud and corruption, including related whistle blowing policies, and monitor the effectiveness of the counter-fraud strategy, actions and resources. In relation to the above, to give such advice and make such recommendations on the adequacy of the level of assurance and on improvement as it considers appropriate.*

    The PCC and CC's approach to anti-fraud, corruption and whistleblowing is on the forward plan for July. Specific internal audit activity is reported via the internal audit progress reports to JIAC. Regular internal anti-fraud and corruption meetings are recorded within the Review of Compliance with Governance Arrangements paper.

Internal audit

The Committee will:

35. *Annually review the internal audit charter and resources*.

    This is on the forward plan for the July meeting.

36. *Review the internal audit plan and any proposed revisions to the internal audit plan*.

    The annual audit plan is reviewed by JIAC in April. Revisions are agreed with the Chairperson at the time and reported at the subsequent JIAC meeting within the internal audit progress report.

37. *Oversee the appointment and consider the adequacy of the performance of the internal audit service and its independence*.

    During times where the internal auditor is being procured/appointed a progress report will be reviewed at every JIAC meeting during that period. An annual private meeting between members, the internal auditor, and the external auditor is scheduled to be held every July.

38. *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*.

    The internal auditor provides an annual report for both the PCC and CC to the JIAC in July. Members are required to monitor and review the summary of internal audit reports as presented at every meeting.

39. *Consider summaries of internal audit reports and such detailed reports as the committee may request from the PCC/the CC including issues raised or*

recommendations made by the internal audit service, management response and progress with agreed actions.

JIAC monitor progress of actions arising from internal audit reports via the DCC's report on implementation progress at every meeting. Specific reports are provided to the JIAC either directly or scheduled for an agreed meeting, in response to anything that has been formally requested at a JIAC meeting or via the PCC/CC.

40. *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.*

    This will be placed on the forward plan if this becomes a requirement.

41. The Internal Audit Manager has direct access to the Chair, and formal meetings can be arranged at the request of either party.

42. *Hold an annual private meeting with both internal and external auditors.*

    This is on the forward plan to take place annually in July; no other persons will be present to allow full and frank discussion between the committee and the auditors.

External audit

The committee will:

43. *Advise the PCC/CC on the appointment of and relationship with, the external auditor*. *The committee will advise on the relationship with the PSAA (Public Sector Audit Appointments) as and when appropriate.*

    During times where the external auditor is being procured/appointed a progress report will be reviewed at every JIAC meeting during that period.

44. *Comment on the scope and depth of external audit work, its independence and whether it gives satisfactory value for money*.

    The annual external audit plan is agreed by the JIAC in respect of the year's accounts and the associated fees in January.

45. *Consider the external auditor's annual management letter, relevant reports, and the report to those charged with governance*.

    The report to those charged with governance (inquiries of management) is on the forward plan to be presented to JIAC in April for the financial year just gone. The annual audit letter is presented to JIAC in the October meeting; this is accompanied by Management responses to any recommendations if required. A further update on progress against recommendations accompanies the accounting policies paper at the January meeting.

46. *Consider specific reports as agreed with the external auditor*.

    Specific reports are provided to the JIAC either directly or scheduled for an agreed meeting, in response to anything that has been formally requested at a JIAC meeting or via the PCC/CC.

47. *Advise and recommend on the effectiveness of relationships between external and internal audit and other inspection agencies or relevant bodies. In relation to the above, to give such advice and make such recommendations on the adequacy of the level of assurance and on improvement as it considers appropriate*.

    An annual private meeting between members, the internal auditor, and the external auditor is scheduled to be held every July.

48. *Hold an annual private meeting with both internal and external auditors.*

    This is on the forward plan to take place annually in July; no other persons will be present to allow full and frank discussion between the committee and the auditors.

Financial reporting

The committee will:

49. *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 PCC and/or the CC*.

    The annual financial statements are considered in draft (pre-audit) in a workshop in May, the final post-audit version is considered at the July meeting.
    The accounting policies are reviewed at the January JIAC meeting.

50. *Consider the external auditor's report to those charged with governance on issues arising from the audit of the financial statements*.

    The External Audit Report (ISA260) is presented at the JIAC meeting in July, with the Annual Audit Letter following in the October meeting.

51. *In relation to the above, to give such advice and make such recommendations on the adequacy of the level of assurance and on improvement as it considers appropriate*.

    JIAC members can provide their response in the July meeting where the ISA260 is presented, the Chair will feedback to the PCC and CC at the subsequent meeting with them.

Accountability arrangements

Following each ordinary meeting, and on publication of the draft minutes, the chairman will meet the PCC and CC to report and discuss the key issues and agreed actions and to give them continuing assurance regarding the committee's performance and fulfilment of its terms of reference. The committee will also:

52. *On a timely basis report to the PCC and the CC with its advice and recommendations in relation to any matters that it considers relevant to governance, risk management and financial management*.

    Requests should be directed to the Liaison Officer in the first instance.

53. *Report to the PCC/the CC 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.*

    The Chair will meet the PCC and CC to report and discuss the key issues and agreed actions and to give them continuing assurance regarding the committee's performance and fulfilment of its terms of reference. One member may accompany the Chair on every occasion on a voluntary basis as per the forward plan. This is to ensure that members have the opportunity to maintain a relationship with the PCC and CC.

    Following the April meeting a request for feedback on the effectiveness of the committee will be made to the PCC and CC by the Chairperson. Priorities for the forthcoming year will also be requested.

54. *Review its performance against its terms of reference (ToR) and objectives on an annual basis and report the results of this review to the PCC/the CC*.

    The ToR, code of conduct and this procedure document are on the forward plan to be reviewed annually in October.
    The members carry out an annual self-assessment in July. Specific audits on JIAC effectiveness will be undertaken as required.

JIAC Annual Report

55. The Chairperson will complete a summary for the PCC and CC on the activities of the committee for the prior year, by the end of April. This will feed in to the production of the final AGS.