INDEPENDENT AUDIT COMMITTEE

OPERATING PRINCIPLES

Version 5.1
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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 (the four corporations sole) have created a single Independent Audit Committee to advise them.

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. The functions to be overseen by the Committee will include internal and external audit, relevant control strategies, such as risk management, and governance and assurance statements. The Committee provide independent scrutiny of the Forces and PCCs financial and non-financial performance to the extent that it affects their exposure to risk and weakens the control environment; and oversee the financial reporting process. including 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 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.

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

This document supports the Terms of Reference for the Independent Audit Committee.

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 five members, with a quorum of three, to provide a robust and resilient approach for the Committee to discharge its duties effectively.

As a joint committee serving Devon, Cornwall and Dorset, consideration will also be given to achieving a balanced representation from across the three counties, to ensure that local perspectives and contexts are appropriately reflected in the Committee 's work.

CHAIR AND VICE-CHAIR

The Independent Audit Committee will elect the Chair and Vice-Chair annually. 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. In doing so Members have a duty to consider individual tenure of the Independent Audit Committee together with the need to effectively prepare for succession planning in both the role of Chair and Vice Chair as well as consideration of a longer-term appointment for the Chair in line with CIPFA Practical Guidance for Audit Committees.

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 (OPCC) are not eligible for appointment. A person who has previously been so employed or has been directly involved in the Force/OPCC internal or external audit function must have a minimum two-year break before being eligible for appointment to serve on the Independent Audit Committee.

To maintain the objectivity and independence of the Independent Audit Committee (IAC), members must not be politically active. While membership of a political party is not, in itself, a disqualifier, holding a senior or influential role within a political party, or standing as a candidate in any election on a political ticket is considered incompatible with membership.
Individuals who have previously held political office or a politically influential role will be eligible to join the committee only if a minimum period of two years has elapsed since leaving that position.

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 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 and whether 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 Nolan Principles. . They are required to inform the Monitoring Officer immediately if they become aware of any allegation, complaint or event 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 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 may be made publicly available.

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. Appraisals will include discussion of the support provided by other Committee members as well as professional or administrative officers.

Decisions in relation to IAC membership will be a matter for the Chief Constables and PCCs.

RECRUITMENT

Recruitment of new members to the Independent Audit Committee will be carried out, where possible in conjunction with the Chair of the Audit Committee and all appointments will be approved by the CCs and PCCs, or their representatives.

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

As a joint committee serving Devon, Cornwall and Dorset, consideration will also be given to achieving representation from across the areas covered by the two forces, to ensure that local perspectives and contexts are appropriately reflected in the Committee 's work.

Where possible open recruitment will commence six months prior to the end of any Committee member tenure period.

TENURE

Members of the Independent Audit Committee can serve a term of up to five years, reporting directly to the respective PCCs and CCs.

Usually, at the end of a tenure period, an open recruitment process will take place, where members will have the opportunity to reapply for a position subject to the maximum tenure of ten consecutive years. However, if there are extenuating circumstances the maximum tenure can be overruled if approved by the four corporation soles.

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

If a member's performance as an Independent 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 CCs and PCCs will be given unless the conduct is such that the CCs and PCCs consider it appropriate for immediate dismissal.

During the one-month notice period attendance at meetings of the Independent Audit Committee will be suspended unless agreed by the Committee Chair or Vice Chair in the case of suspension of the Chair.

If the Independent Audit Committee ceases to exist in its current form, a notice period of three months will be provided to the Committee Members.

CO-OPTING

In usual circumstances any vacancy in Independent Audit Committee membership will be filled by open recruitment, however, in some circumstances it may be expedient to co-opt a member.

The decision to co-opt must have the explicit agreement of the majority of CCs and PCCs in advance of any selection and appointment process. The number of Committee members including the co-opted member will be no more than the maximum size of the Independent Audit Committee (five members).

The selection of the co-opted member will be based on their specialist knowledge, skills and expertise, and will include consideration of a written application/cv and a suitability interview. The proposed co-opted member is required to pass the normal vetting and right to work processes. The final appointment must be confirmed by the majority of CCs and PCCs.

The co-opted member will be remunerated at the same rate as a committee member.

The tenure of the co-opted member can be no longer than the next cycle of open recruitment. The co-opted member can apply in open competition should they wish to be considered for a permanent appointment. Any appointment term will include the period when they were a co-opted member.

The co-opted member cannot be appointed as the Chair or Vice Chair of the Independent Audit Committee but otherwise has the full rights and responsibilities of other Committee members.

FREQUENCY OF MEETINGS

The Independent Audit Committee will normally meet four times each year, at appropriate times during the audit and financial reporting cycle. Exceptionally, ad-hoc meetings of the Committee may be scheduled if agreed by the two Force Chief Finance Officers, in conjunction with the two Chief Executive Officers.

The Independent Audit Committee can meet internal and external audit as felt necessary by the Committee, with no 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 formal meeting of the Committee. Late papers will be submitted as a matter of exception and only with the agreement of the Committee Chair.

The Chair's papers briefing will take place in the 8-day period prior to each formal meeting of the Committee.

The CCs and PCCs may ask the Independent Audit Committee to convene further meetings to discuss 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 three (3) 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.

Meetings may be held using Microsoft Teams (or equivalent secure alternative), in person in a single location or a combination of in person and Microsoft Teams. However, normally there will be a least one meeting held annually in a single physical location with all members and officers present.

COMMISSIONER AND CHIEF CONSTABLE REPRESENTATION

The Financial Management Code of Practice requires the executive of the PCCs and CCs to be 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 CCs.

PROFESSIONAL AND ADMINISTRATIVE SUPPORT

Reasonable executive and administrative support will be provided to allow the Independent Audit Committee to achieve its purpose. Such support will provide or assist in providing timely production of agendas and reports, management of the Committee’s IT library of relevant support papers and background documents, reports produced by the Committee, including the Committee annual report and annual review of the Committee’s effectiveness.

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

With the joint approval of the respective Chief Financial Officers of the PCCs and CCs the Committee may procure specialist advice, where this is not already available within 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, providing robust challenge to enable it to provide credible assurance to the CCs and the PCCs on relevant financial and governance matters. The Committee will advise the CCs 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 Value for Money); people and communities (including Diversity, Equality and Human Rights) 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 to the Committee membership.

DATA SECURITY

Members must be aware of their responsibilities to always comply with the requirements of the General Data Protection Regulations (GDPR) and the Data Protection Act 2018.

All protectively marked printed papers must be returned to the OPCC or Force for secure disposal.

Force provided computer/technical equipment must be used in accordance with the Force-wide Computer User Security Operating Procedures.

Members are responsible for the physical security of all computer and technical resources. Computers with remote access to the Force network must not be used to connect to any other service or system.

Electronic transcripts of formal meetings of the Independent Audit Committee may be taken by the meeting administrator and will be deleted immediately after the draft minutes have been produced and agreed with the Chair.

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 matters.

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

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

REMUNERATION

Committee members will be remunerated according to their role and responsibilities. The annual fee will be paid in twelve (12) equal payments:

Chair - £6,000 Vice
Chair - £3,500
Member - £2,500

These rates have been in effect from April 2022 and are subject to periodic review. While a light-touch review was undertaken in April 2025, a more comprehensive review of remuneration is planned to coincide with the next full recruitment cycle.

REIMBURSEMENT OF TRAVEL AND CARERS COSTS

As a matter of course, the most practical, economic and sustainable method of travel should be used and opportunities to share transport used if available and it is safe to do so. Where a private car, motorcycle or bicycle 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.

A carers allowance will be paid to the value of 110% of the minimum wage.

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, during the annual appraisal process, or 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 conducting its role.

Personal training and development plans are considered separately.

BUDGET

An appropriate budget will be set by the four corporations sole to cover the Committee's reasonable costs, including – training, travel, carers allowance and exceptionally, accommodation.

This will be reviewed each year as part of the budget setting cycle and should be reviewed in line with the ongoing workload of the Committee.

PUBLIC ACCESS

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

Public access to virtual meetings will be managed in the same way as physical meetings but within the controls of the virtual meeting system.

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/emailing 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 Chair of the Independent Audit Committee will bring to the attention of the CCs and PCCs matters of significance after each formal meeting of the Committee.

The Independent Audit Committee will produce an annual report of their work for the CCs and PCCs which will include the outcome of 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.

REVIEW

The operating principles will be subject to annual review by the Head of Audit and Insurance in conjunction with the Chair of the Independent Audit Committee and approved by the Chief Constables and Police and Crime Commissioners.

Date of next review: June 2027