

PART ONE

Item 14

To: Joint Audit Committee

Date: 10th June 2013

By: Ian Perkin, Treasurer

Title: Terms of Reference

Purpose of Report/Issue:

Members at the March meeting considered draft Terms of Reference for the Committee and requested that several changes be made. Those changes have now been made and a revised draft is attached to this report

Recommendation(s) -

The Committee is asked to approve the revised Terms of Reference.

Contact details:

Name: Ian Perkin

Job Title: Treasurer

Telephone number: 01483 638724

Email address: Perkin11584@surrey.pnn.police.uk

**OFFICE OF THE SURREY POLICE & CRIME COMMISSIONER & SURREY
POLICE FORCE INDEPENDENT AUDIT COMMITTEE**

Statement of Purpose:

To provide independent assurance on the adequacy of the risk management framework and the associated control environment, independent scrutiny of the organisation's financial and non-financial performance to the extent that it affects exposure to risk and weakens the control environment, and to oversee the financial reporting process.

Detailed Terms of Reference:

1. To support the Police & Crime Commissioner (PCC), Chief Constable (CC) and the other statutory officers in ensuring that effective governance is in place for both the Office of the Police & Crime Commissioner and the Chief Constable (separate corporation soles) as well as for the consolidation of "Surrey Police" as a whole.
2. To review any issue referred to the Committee by the statutory officers of the PCC or CC and make recommendations as appropriate.
3. To consider and comment on the effectiveness of the PCC and CC's risk management arrangements, including the control environment and associated anti-fraud and anti-corruption arrangements.
4. To review on a quarterly basis the Risk Registers and Assurance Frameworks for both the PCC and CC and provide assurance that the risk management arrangements that are in place are adequate to effectively manage organisational risk.
5. To review and monitor the effectiveness of the PCC and CC's policies on fraud, irregularity and corruption, including whistle blowing.
6. To review the PCC and CC's arrangements for the making of grants to third party organisations.
7. To consider and comment on the adequacy of the Scheme of Corporate Governance, comprising the Framework for Decision Making and Accountability, the Scheme of Consent, Financial Regulations and Contract Standing Orders and review and comment on the desirability of any proposed changes.
8. To consider and comment upon any policy or strategy relating to sponsorship.
9. To review compliance within the Surrey Police Force and Office of the Surrey Police & Crime Commissioner, with the policies and procedures governing declarations of interest and the receipt of gifts and hospitality.
10. To ensure that an effective system of scrutiny is in place in respect of Treasury Management, strategy, policies and practices
11. To consider and comment on bad debt write-offs approved under the arrangements outlined in the Financial Regulations.

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12. To consider and comment on the appropriateness of contract waivers issued under the procedure outlined in Contract Standing Orders.
13. To approve the internal audit plan and monitor performance, with particular reference to the adequacy of cover and quality of audits.
14. To consider reports from the Internal Auditors and seek assurance that appropriate action is being taken where necessary to address identified areas of weakness and in particular the Head of Internal Audit's annual report and opinion and the level of assurance that it gives over corporate governance arrangements as a whole.
15. Review the performance and effectiveness of the internal audit function.
16. To consider and comment on the arrangements for providing an Internal Audit Service at the end of each contract period with RSM Tenon.
17. To consider the reports of the External Auditors and other inspection agencies and ensure that the appropriate action is being taken where necessary to address identified areas of weakness.
18. To consider and comment on all fee proposals put forward by Grant Thornton the external auditors.
19. To review and recommend approval of the PCC and CC's Annual Governance Statements.
20. To review and recommend for approval to the PCC and CC their respective annual financial accounts and statements.
21. To consider the reports of the External Auditors on the respective annual financial accounts and statements, including detailed consideration of the annual Management Letter to ensure all appropriate steps are being taken to address all issues of concern highlighted by the External Auditors.
22. To support the implementation and operation of appropriate Equality Schemes and Human Rights Policies by the PCC and CC.
23. Where needed, directly commission assurance work (e.g. specialist advice or audit).
24. To annually review the effectiveness of the Audit Committee.
25. There must be a quorum of three Members for the Committee meetings to take place.

IKP 22nd April 2013