

**POLICE AND CRIME COMMISSIONER FOR WILTSHIRE AND CHIEF CONSTABLE  
OF WILTSHIRE POLICE**

**INDEPENDENT AUDIT COMMITTEE**

**PROPOSED STATEMENT OF PURPOSE AND TERMS OF REFERENCE**

<p><b>STATEMENT OF PURPOSE</b>  <b>To provide independent assurance on the adequacy of the corporate governance in place and the associated control environment, advising according to good governance principles and proper practices.</b></p>
<p><b>Corporate Governance and Regulatory Framework</b>                  To support the Police and Crime Commissioner for Wiltshire for Wiltshire and Swindon, Chief Constable and statutory officers in ensuring that effective governance are in place and functioning efficiently and effectively, and making any recommendations for improvement.</p>
<p>To review any issue referred to it by the statutory officers of the Police and Crime Commissioner for Wiltshire and Chief Constable and make recommendations as appropriate</p>
<p>To make recommendations for any improvements to the arrangements and policies in place in relation to “Raising concerns at work”, anti fraud and corruption strategies and complaints processes, in light of its experience.</p>
<p>To review its own effectiveness on an annual basis</p>
<p>To have regard to the CIPFA Guidance on Audit Committees set out in the Annex in conducting its business.</p>
<p><b>Internal and External Audit</b></p>
<p>To consider the internal audit strategy and annual plan, and make recommendations as appropriate.</p>
<p>To consider the head of internal audit’s annual report and opinion, and a summary of internal audit activity (actual and proposed) and the level of assurance it can give over corporate governance arrangements, and make recommendations as appropriate</p>
<p>To consider summaries of internal audit reports, and make recommendations as appropriate.</p>
<p>To consider reports dealing with the management and performance of the providers of internal audit services, and make recommendations as appropriate.</p>
<p>To consider a report from internal audit on agreed recommendations not implemented within a reasonable timescale and make recommendations as appropriate.</p>
<p>To consider the external auditor’s annual plan, annual audit letter and relevant specific reports as agreed with the external auditor, and make recommendations as appropriate.</p>
<p><b>Accounts/Finance</b></p>
<p>To scrutinise the draft statements of accounts and annual governance statements prior to publication, considering whether appropriate accounting policies have been followed and making any recommendations as appropriate.</p>

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## ANNEX

### CIPFA Guidance in relation to Audit Committees

#### 1. Statement of Purpose

The purpose of an audit committee is 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.

#### 2. Core Functions

Audit Committees will:

- Consider the effectiveness of the authority's risk management arrangements, the control environment and associate anti-fraud and anti-corruption arrangements.
- Seek assurances that action is being taken on risk related issues identified by auditors and inspectors
- Be satisfied that the authority's assurance statements, including the Annual Governance Statement and Audit Opinion, properly reflect the risk environment and any actions required to improve it
- Approve (but not direct) Internal Audit's strategy, plan and monitor performance
- Review summary internal audit reports and the main issues arising, and seek assurance that action has been taken where necessary
- Receive the annual report of the Head of Internal Audit
- Consider the reports of external audit and inspection agencies
- Ensure that there are effective relationships between external and internal audit, inspection agencies and other relevant bodies, and that the value of the audit process is actively promoted.
- Review the financial statements, external auditor's opinion and reports to members, and monitor management action in response to the issues raised by External Audit.

#### 3. Features

Good audit committees will be characterised by:

- A strong chair - displaying a depth of skills and interest
- Unbiased attitudes – treating auditors, the executive and management equally.
- The ability to challenge the executive (Police and Crime Commissioner for Wiltshire/Chief Constable) when required
- A membership that is balanced, objective, independent of mind and knowledgeable

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#### 4. Structure and Administration

The audit committee should:

- Be independent of the executive and scrutiny functions
- Have clear reporting lines and rights of access to other boards e.g. Risk Management Group
- Meet regularly, about 4 times each year, and have a clear policy on those items to be considered in private, and those to be considered in public.
- Include, as regular attendees, the Chief Finance Officers or Deputies, the Head of Internal Audit, the External Auditor and relationship manager. Other attendees may be invited e.g. the Monitoring Officer for Standards issues. These officers should be able to have access to the Committee as required.
- Be properly trained to fulfil their role.

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