

SCOTTISH POLICE SERVICES AUTHORITY

March 2007

AUDIT COMMITTEE

SPSA 0002

SCOTTISH POLICE SERVICES AUTHORITY

**AUDIT COMMITTEE
MEMBERSHIP, ADMINISTRATION AND REMIT**

Introduction

1 In accordance with the guidance given within the Scottish Public Finance Manual, the Board of the Scottish Police Services Authority (SPSA) will establish an Audit Committee, effective from 1 April 2007.

2 It is the responsibility of the Audit Committee to independently review SPSA's systems of internal control and external audit process to assist the Board to address the key financial and other risks facing the organisation. The Committee will provide support to the Chief Executive, as Accountable Officer, as required.

Membership of the Audit Committee

3 The Committee shall comprise two non-executive Board Members. The Convener of the Board may attend and the Chief Executive or his nominee will attend. All members, the Convener and Chief Executive shall be circulated with all relevant agendas, minutes and papers.

4 The Chairman of the Audit Committee shall be a non-executive member of the Board other than the Convener.

5 The Chairman and members of the Board who shall be members of the Audit Committee shall be appointed by the Board on the recommendation of the Convener.

6 All members shall serve for a term of two years. At the conclusion of the first term of membership only, members shall be eligible for re-appointment for one further term of two years.

Quorum of the Audit Committee

7 The quorum at any meeting of the Audit Committee shall be two Board Members.

Frequency of meetings

8 The Committee will meet on dates and times as determined by its Chairman, notwithstanding that SPSA's Accountable Officer, internal or external auditors may request that a meeting be held at any time.

9 There shall be no fewer than three meetings of the Audit Committee in each financial year.

10 The meetings of the Audit Committee shall be held so as to complement the conduct of the internal and external audit processes and the preparation of SPSA's financial accounts.

Attendance at Meetings

11 The Head of Finance and Compliance Manager Audit shall report to meetings of the Committee.

12 SPSA's internal and/or external auditors as appropriate should normally be in attendance, and shall have direct access to the Committee at any time.

13 Members of SPSA's staff may be asked by the Committee to attend meetings from time to time when subjects of particular relevance are discussed.

Functions of the Audit Committee

14 The Audit Committee will:

14.1 Advise the Board and the Accountable Officer on the strategic processes for risk, control and governance by ensuring that audit and control systems and processes are in place to identify and manage the risks faced by SPSA in the conduct of its business.

14.2 Review with management SPSA's internal and external financial statements and reports and the adequacy of financial information presented to the Board to ensure that they reflect best practice.

14.3 Discuss with the external auditor the nature and scope of each forthcoming audit and ensure that the external auditor has the full co-operation of staff.

14.4 Consider all relevant reports by the Auditor General for Scotland or the appointed external auditor, including reports on SPSA's accounts, achievements of value for money and the response to any management letters.

14.5 Review with management the effectiveness of SPSA's internal control system and the adequacy of policies and practice to ensure that the aims, objectives and key performance targets of the organisation are achieved in the most economic and effective manner.

14.6 Review management compliance with relevant standards or codes of corporate governance.

14.7 Review the activities of the internal audit function, including its annual programme of work, co-ordination with the external auditors, reports of significant investigations and the responses of management to specific recommendations.

14.8 Advise on matters relating to corporate governance requests for the organisation, in particular the signing of the Statement of Internal Control by the Accountable Officer.

14.9 Consider any other matters when requested to do so by the Board.

14.10 Report on the discharge of its functions to each meeting of the Board following the Audit Committee meeting.

15 In carrying out these functions, the Audit Committee shall have access to such information as is readily available to SPSA.

Proceedings and administration of the Audit Committee

16 The proceedings of the Audit Committee shall be conducted in accordance with the Standing Orders of the Board supported by the duties provided for in this paper.

17 The Executive Support Manager shall act as secretary to the Committee and shall be responsible for the conduct of its administrative affairs, including the production of agenda, circulation of papers and maintenance of minutes, records and files.

18 The minutes (draft or preferably approved) of each meeting of the Committee shall be submitted to the next available meeting of the Board.

19 The Audit Committee may obtain professional independent advice if it considers this necessary and subject to obtaining relevant approval as defined by the Scottish Police Services Authority Internal Scheme of Delegation.

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