



College of
Policing

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Audit and Risk Committee Terms of Reference

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1 Purpose

- 1.1 The purpose of the College of Policing is to provide those working in policing with the skills and knowledge to protect the public, reduce crime and reach their full potential. The College will raise professional standards in policing by using the policing knowledge base, its legal powers, its influence and connection with its members and its ability to set educational requirements, test new ideas and innovate.

The College of Policing has three complementary functions:

- knowledge – developing the research and infrastructure for growing evidence of ‘what works’
 - education – supporting the development of individual members of the profession
 - standards – supporting the development of forces using the best available evidence of ‘what works’.
- 1.2 The Audit and Risk Committee (ARC) supports the Board of the College of Policing (the Board) in discharging its responsibility for overseeing the management of finance, risk, internal and external controls and overall governance. While all directors have a duty to act in the interests of the company, the ARC has a particular role, acting independently from the executive, to ensure that the interests of the public, its members and the Home Secretary as its owner are properly protected in relation to financial reporting and internal control.
- 1.3 The ARC will act with proper regard to the requirements related to the College’s current dual status. The College was established as a company limited by guarantee, owned by the Home Secretary, and an Arms’ Length Body of the Home Office. It is, therefore, bound by both government frameworks and company law.
- 1.4 These terms of reference have been developed with particular regard to the UK Corporate Governance Code, the Financial Reporting Council guidance and the CIPFA/IFAC International Framework – Good Governance in the Public Sector (2014). The areas of the framework most relevant for the ARC are:
- behaving with integrity, demonstrating commitment to ethical values and respecting the rule of law
 - overseeing risk, performance and assurance through robust internal control and strong public financial management and impact measurement
 - overseeing good practice in transparency, reporting and audit to deliver effective accountability.

2 Role and scope

- 2.1 Through its effective monitoring and review, the ARC will advise and support the Board and the Accounting Officer (AO) on the completeness, reliability and integrity of assurance across the College. The ARC will define and assess assurances using the HM Treasury ‘three lines of defence’ model and the corporate risk register will reflect the operational context. The five overarching areas of assurance are set out below with examples of the ARC’s focus under each.

Finance

- The overall integrity of the College’s financial statements.
- Accounting policies, performance and reporting.
- The College’s Annual Report & Accounts (ARA), including the process for reviewing the accounts prior to submission for audit, the levels of error identified and management’s letter of representation to the external auditors.

Governance

- The extent, reliability and integrity of overall governance arrangements in place to meet the Board’s and AO’s assurance needs. The ARC will support the Board, the AO and the executive by providing constructive challenge, sharing good practice and agreeing and reviewing the work of the internal and external auditors.
- The role of risk management in decision making and assurance.
- The consideration of the nine-month and year-end governance statements.
- The annual review of the ARC’s effectiveness.
- The ARC’s annual report for the Board and the ARA.

Internal control

- The College's systems for internal controls, as assessed through the 'three lines of defence' model, focusing on management people, information, corporate governance (with a strong focus on management of risk), delivery and performance, programmes and projects.
- Oversight of management of performance and impact.
- Considering assurance frameworks and related evidence.

Internal and external audit

- Agreeing to the annual plan and in-year changes.
- Considering audit activity, capability and results.
- Reviewing actions arising from audit reports.
- Assessing the quality of the reports and engagements.
- Assessing the adequacy of management response to issues identified by audit activity, including external audit's management letter.
- Assessing the effectiveness of the internal and external audit functions and teams.
- Recommending any changes to the providers of the internal and external audit functions.

Policies

- Considering specific corporate policies, including anti-fraud, security incidents, whistleblowing processes and arrangements for special investigations.

- 2.2 As delegated by the Board, the ARC will review the content of the ARA. The ARC will advise the Board on whether, taken as a whole, the report is fair and balanced and provides the information necessary to enable the public, the College's members and the Home Secretary to understand and assess the College's overall performance. The ARC will provide the Board with its opinion.

3 Governance and membership

Behaviour and responsibilities

- 3.1 ARC members will operate corporately and in line with the College's Code of Ethics.
- 3.2 The ARC Chair will report to the Board formally after each meeting on all matters considered and will make recommendations to the Board as needed.
- 3.3 The ARC will submit a contribution to the annual report, summarising its work during the year.

Appointments to the ARC

- 3.4 The ARC will comprise up to four non-executive Board members. Prospective new members will submit expressions of interest that will be assessed initially by the Nominations and Remuneration Committee (NRC). The chair of the NRC will recommend the preferred candidate to the Board for its approval.
- 3.5 Appointments will be for a period of three years, extendable by no more than two additional two-year periods. The ARC may co-opt additional members to provide specialist skills, knowledge and experience and procure specialist ad hoc advice at the expense of the College, subject to budgets agreed by the Board.

Quoracy

- 3.6 The Committee quorum comprises:
 - the ARC chair (or another Board member, in his/her absence)
 - one other non-executive director.

Other attendees

- 3.7 Other attendees, who are not members of the ARC, will include:
 - the CEO/AO (or a senior executive, in his/her absence)
 - the director of Corporate Services
 - the head of Finance
 - the head of Strategic Planning and Public Interest

- the company secretary
- the head of Internal Audit
- a representative of External Audit
- a representative of the Home Office Crime & Policing Group
- other subject matter experts, at the discretion of the ARC Chair.

3.8 The internal and external auditors will have free and confidential access to the chair of the ARC.

4 Meetings and papers

Logistics

- 4.1 The ARC will meet at least four times a year, with meetings held to coincide with key dates in the financial reporting and audit cycle.
- 4.2 The ARC should, at least annually, meet the external and internal auditors without College staff, to discuss matters relating to its remit and any issues arising from the audit.
- 4.3 Exceptional meetings may be arranged to address urgent matters at the discretion of the Chair or at the request of the Board.
- 4.4 The company secretary will act as secretary to the ARC and will facilitate the ARC's contact with College staff, particularly those most involved in the company's governance, including the CEO, the director of Corporate Services, the head of Finance and the head of Strategic Planning and Public Interest.
- 4.5 These terms of reference and the minutes of the ARC meetings, once agreed, will be published on the College website.

Information requirements

- 4.6 Each meeting will be provided with the following information as a standing requirement:
 - a written or oral report from the Chair of the ARC
 - a written or oral report from the CEO
 - a written report describing the financial position of the College, including movement against forecast and forecasted expenditure against budget
 - a written report describing the key risk(s) faced by the College, assurance measures and mitigating actions
 - a written report describing current audit activity and progress against agreed recommendations
 - any other report required by the chair on behalf of the Board.

- 4.7 As and when appropriate, the ARC will also be provided with:
- proposals for the terms of reference of internal audit and the internal audit strategy
 - the head of Internal Audit's annual opinion and report
 - quality assurance reports on the internal audit function
 - the draft accounts of the organisation
 - the draft governance statement
 - a report on any changes to accounting policies
 - external audit's management letter
 - a report on cooperation between internal and external audit
 - the College's management strategy
 - relevant policies.

Papers

- 4.8 The company secretary will circulate papers five working days before each meeting.
- 4.9 The company secretary will circulate minutes and post them on the College intranet, other than in exceptional circumstances.
- 4.10 The company secretary will record and track actions between meetings.

5 Review

- 5.1 The ARC will review annually its terms of reference and its own effectiveness and recommend any changes to the Board.
- 5.2 The chair of the Board will assess the performance of the chair of the ARC at least annually.
- 5.3 The company secretary will work with the Chair and members of the ARC to ensure effective induction processes and on-going professional development.

About the College

We're the professional body for everyone who works for the police service in England and Wales. Our purpose is to provide those working in policing with the skills and knowledge necessary to prevent crime, protect the public and secure public trust.

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