

MOPAC and MPS Joint Audit Panel

TERMS OF REFERENCE

Composition of the Panel

The joint Audit Panel comprises a Chair and four members, who are independent of the Mayor's Office of Policing and Crime (MOPAC) and the Metropolitan Police Service (MPS). Where it is considered that specialist skills are required, the Panel is able to seek approval from the Deputy Mayor Policing and Crime (DMPC) and Commissioner to add to the membership accordingly.

Representatives of the MOPAC Board and the MPS Management Board are required to attend the formal meetings of the Panel. Attendees are to include:

- MOPAC: Chief Executive; Director of Strategy and MPS Oversight; Chief Financial Officer.
- MPS: Chief People and Resources Officer; Chief Strategy and Transformation Officer; Chief Finance Officer; Head of Strategic Planning and Risk Strategy; DAC Met Operations.

Also attending each meeting will be the Head of Internal Audit for MOPAC and the MPS, and a representative of external audit.

Purpose

The joint Audit Panel is responsible for enhancing public trust and confidence in the governance of MOPAC and the MPS. It also assists MOPAC in discharging statutory responsibilities in holding the MPS to account, and in delivery of the Police and Crime Plan (PCP) and the transformation of the MPS. This is achieved by;

- Advising the DMPC and the Metropolitan Police Commissioner according to good governance principles.
- Providing independent assurance on the adequacy and effectiveness of the MOPAC and MPS internal control environments and risk management frameworks.
- Overseeing the effectiveness of the frameworks in place for ensuring compliance with statutory requirements in health and safety; and inclusion, diversity and equalities.
- Independently scrutinising financial and non-financial performance to the extent that it affects the MOPAC and MPS exposure to risks and weakens internal control.
- Overseeing the financial reporting process.

Objectives

The Audit Panel has a rolling programme of meetings, typically meeting four times a year (March, July, October, January). In effectively discharging its function it is responsible for:

Internal Control Environment and Governance Framework

- Satisfying itself as to the effectiveness of the internal control framework in operation within MOPAC and the MPS and advising the DMPC and Metropolitan Police Commissioner as appropriate.
- Considering the Annual Governance Statements together with associated action plans for addressing areas of improvement and advising MOPAC and the MPS as appropriate.

Police and Crime Plan (PCP) and MPS Transformation

- Regular review of the risks to the delivery of the PCP and MPS transformation and providing assurance of the effectiveness of mitigating actions.

Corporate Risk Management

- Approving the MOPAC and MPS risk management strategies and frameworks; ensuring an appropriate framework is in place for assessing and managing key risks to MOPAC and the MPS.
- Providing assurance to the DMPC and Metropolitan Police Commissioner as appropriate on the effectiveness of the risk management frameworks in operation.

Financial Reporting

- Considering the financial risks to which MOPAC and the MPS are exposed (including those that relate to treasury management) and approving measures to reduce or eliminate them or to insure against them.
- Reviewing the outcome of the external audit of the Annual Accounts and considering any potential issues raised.
- Considering significant financial strategies (including treasury and commercial management), policies and any changes to them.
- Reviewing the annual accounts, including considering accounting policies and any changes to accounting policies.

Inclusion, Diversity and Equalities

- Satisfying itself on behalf of the DMPC and Metropolitan Police Commissioner that an efficient and effectively performing framework is in place to discharge statutory requirements for inclusion, diversity and equalities and to ensure continual improvement.

Safety and Health

- Satisfying itself on behalf of the DMPC and Metropolitan Police Commissioner that an efficient and effectively performing framework is in place to discharge legal duties in relation to health and safety and to ensure continual improvement. In particular with

regard to the safety, health and welfare of police officers and staff, people in the care and custody of the MPS, and members of the public on police premises or property.

Internal Audit

- Advising the DMPC and Metropolitan Police Commissioner on the appropriate arrangements for internal audit and approving the Internal Audit Charter and Strategy.
- Approving (but not directing) the internal audit annual programme.
- Overseeing and giving assurance to the DMPC and Metropolitan Police Commissioner on the provision of an adequate and effective internal audit service; receiving progress reports on the internal audit work plan and ensuring appropriate action is taken in response to audit findings, particularly in areas of high risk.
- Considering the Director of Audit, Risk and Assurance Annual Report and annual opinion on the internal control environment for MOPAC and the MPS; ensuring appropriate action is taken to address any areas for improvement.

External Audit

- Noting the external audit programme and associated fees.
- Reviewing the external auditor's Audit Findings Report and any other reports, reporting on these to the DMPC and Metropolitan Police Commissioner as appropriate and including progress on the implementation of agreed recommendations.
- Reviewing the External Auditor's Annual Audit Letter making recommendations as appropriate to the DMPC and Metropolitan Police Commissioner.

Integrity, Ethics, Fraud and Corruption

- Reviewing and monitoring the effectiveness of MOPAC and MPS strategies and policies for addressing issues of integrity and ethical behaviour and tackling fraud and corruption.

Assurance Framework

- Considering HMICFRS, external review agencies and any internal inspection reports that provide assurance on the internal control environment and/or may highlight governance issues for MOPAC and/or the MPS.
- Advising the DMPC and Metropolitan Police Commissioner on the effectiveness of the overall assurance framework in place.

Audit Panel Effectiveness

- Annual appraisal of the Audit Panel operations is conducted and an annual report produced and reported to the DMPC and the MPS Commissioner, which is published on the Audit Panel webpage.
- Annual performance appraisals of members are conducted by the Chair of the Panel. An annual performance appraisal of the Chair is conducted by the DMPC and Commissioner, informed by the review of Panel effectiveness.