

MPS-MOPAC Joint Audit Committee

TERMS OF REFERENCE

Composition of the Committee

The Joint Audit Committee 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 Committee is able to seek approval from the Deputy Mayor for Policing and Crime (DMPC) and Metropolitan Police Commissioner to add to the membership accordingly.

Representatives of the MOPAC Board and the MPS Executive Committee are required to attend the formal meetings of the Committee. The MPS commits two Executive Committee members as a minimum to each meeting. 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; Deputy Director Strategic Planning and Risk and when required for specific items, Director Performance and Insights, 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 Committee is responsible for enhancing public trust and confidence in the governance of MOPAC and the MPS. It assesses how effectively and efficiently resources are being used to provide value for money and provides an independent view on organisational processes. 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.
- Independently scrutinising financial and non-financial performance to the extent that it affects the MOPAC and MPS exposure to risks and weakens internal control.

It also assists MOPAC in discharging its statutory responsibilities, which include holding the MPS to account for delivery against the Police and Crime Plan (PCP) and of its transformation portfolio.

Objectives

The Joint Audit Committee has a rolling programme of meetings, typically meeting four times a year (April, July, October, and 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.
- Considering the Annual Governance Statements together with associated action plans for addressing areas of improvement.

Corporate Risk Management

- Helping to develop 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.
- Reviewing the effectiveness of the risk management and assurance frameworks in operation.
- Undertaking a series of deep dives into key risks to consider the effectiveness of existing or proposed controls and considering risks escalated by the MPS Audit and Risk Assurance Committee where these are unlikely to deliver target risk scores.

Financial Reporting and Budgeting

- 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 effectiveness of the annual budget setting process including reconciling budget, policy, priorities and resources, and reviewing the in-year financial performance against budget.
- Considering significant financial strategies (including treasury and commercial management), policies and any implications if changes are made to them.
- Reviewing the annual accounts, including considering accounting policies and any changes to accounting policies.
- Considering the counter fraud strategies for MOPAC and the MPS and the effectiveness of the framework supporting the identification, management and reporting of fraud.

Performance Delivery

- Reviewing the MPS performance delivery framework and assessing its effectiveness to deliver the objectives laid out in the Police and Crime Plan, MPS Strategic Plan and address HMICFRS and Casey Review and other external review recommendations.
- Considering the effectiveness of MOPAC oversight to achieve MPS transformation and delivery of the Police and Crime Plan.

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. This may include receiving reports from the MPS Audit and Risk Assurance Committee and MOPAC's Risk and Assurance Group on the follow-up of internal audit recommendations.
- Considering the Director of Audit, Risk and Assurance Annual Report and annual opinion on the internal control environment for MOPAC and the MPS; reviewing action taken to address any areas for improvement.

External Audit

- Considering the external audit plan and associated fees.
- Reviewing the external auditor's Audit Findings Report and Annual Audit Letter and any other reports, and reviewing action taken on the implementation of agreed recommendations.

Reporting

The Joint Audit Committee will produce an annual report to the DMPC and the Metropolitan Police Commissioner which will be published on the Joint Audit Committee webpage, advising them of the effectiveness of the overall assurance framework, the effectiveness of the performance delivery framework to achieve MPS objectives and the effectiveness of MOPAC's oversight.

Annual Review of the Audit Committee's Effectiveness

An annual appraisal of the Joint Audit Committee's effectiveness is to be carried out to identify areas for improvement. A summary will be included in the Joint Audit Committee's annual report.

Annual performance appraisals of members are to be conducted by the Chair of the Committee. An annual performance appraisal of the Chair is to be conducted by the DMPC and the Metropolitan Police Commissioner.