

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 (PCC/Chief Constable) when required;
- A membership that is balanced, objective, independent of mind and knowledgeable.