



## PIRC AUDIT & ACCOUNTABILITY COMMITTEE TERMS OF REFERENCE

### 1. CONSTITUTION

In accordance with the Scottish Public Finance Manual, there is a requirement for the Police Investigations and Review Commissioner (PIRC) to have an Audit and Accountability Committee (AAC).

Having an effective AAC is essential to ensure the organisation has strong corporate governance arrangements.

The AAC's role is to provide strong constructive challenge, where required, as well as robust financial scrutiny.

The AAC will support the PIRC's Accountable Officer with their responsibilities for issues of risk, control and governance and associated assurance through a process of constructive challenge

#### Role

The Committee's role is to:

- Provide robust scrutiny of the governance processes deployed by the PIRC.
- Act as a critical friend to the Commissioner and provide constructive advice.
- Provide robust financial scrutiny, challenge and advice to the PIRC, in particular the Accountable Officer.
- Provide oversight of the PIRC Key Performance Indicators (KPIs) and Strategic Objectives.
- Support the Accountable Officer by overseeing and reviewing the risk, control and governance processes that have been established and the associated assurance processes, through constructive challenge.
- Assist the Accountable Officer in annually reviewing the sources of assurance necessary for audit purposes and to ensure that they are also comprehensive enough to assure the Commissioner.
- Promote effective working relationships with Criminal Justice organisations and stakeholders.
- Ensure the PIRC complies with legislation, including equality obligations and provides an accessible and inclusive service, and
- Promote and build public confidence in the PIRC.



## **Role of Member**

The AAC will comprise of no less than three and no more than five non-executive Members and one Chairperson. The Commissioner, Director of Operations, Accountable Officer and a representative from both internal and external audit may also attend meetings. Non-committee members may be invited to attend meetings by the AAC, as appropriate.

Members and Chair shall be recruited by a panel including representatives from the PIRC and an external organisation, in line with the process for Public Appointments, for an initial period of two years with the possibility of extension, for a further two years

The Committee will be expected to meet formally four times per year. Additional ad-hoc meetings may be required over and above these formal meetings. Unless there are extenuating circumstances, failure to attend two consecutive meetings may result in the termination of appointment.

## **Remuneration**

Members will receive a daily fee and will be reimbursed for all reasonable travel expenses incurred in attending Committee meetings in accordance with current PIRC travel allowances.

## **Specific Duties**

The AAC will be responsible for reviewing the PIRC's systems and processes of finance, operating procedures, corporate governance and accountability. The AAC will be responsible for advising the Accountable officer on:

- The strategic processes for risk, control and governance and the Statement on Internal Control.
- The accounting policies, the statutory financial statements and the annual report of the Commissioner, including the process for reviewing accounts prior to submission for audit, levels of error identified and management's Letter of Representation to the External Auditors.
- The planned activity and results of both Internal and External Audit, including;
  - Discussion with the Accountable Officer of the PIRC's annual Internal Audit programme for the forthcoming year;
  - Reviewing all audit reports presented by the Internal Auditors;
  - Monitoring the implementation of audit recommendations; and
  - The appropriateness of management response to the findings and recommendations identified by audit activity, including the External Auditor's Management Letter.
- Assurances relating to the proper consideration of risks.



- Assurances relating to the corporate governance requirements of the organisation.
- The corporate and business planning process and ensure that any significant issues are drawn to the attention of the Accountable Officer.
- Monitoring policies for preventing and detecting fraud such as whistle-blowing.
- Effective working relationships with Criminal Justice organisations and stakeholders.
- PIRC compliance with legislation, including data protection, health & safety and equality obligations and providing an accessible and inclusive service.
- Carrying out its responsibilities in accordance with PIRC's core values and other policy and strategy documents, and
- Promoting the aims and objectives of the PIRC.

The Committee will also periodically review its own effectiveness and report the results of the review to the Accountable Officer.

### **Authority**

The Committee is authorised to:

- Consider any matter relevant to its duties.
- Have access to all available management information relevant to the conduct of its business.
- Seek any information it requires from any employee of the PIRC in order to perform its duties and, in consultation with the Chair, invite other members of staff to attend meetings of the Committee to deal with specific items as it sees fit.

The appointed Internal Auditors as well as the External Auditors will have free and confidential access to the Chair of the Committee to raise any concerns. Both will also have the discretion to request private meetings with the members of the Committee.

The Committee shall not consider any operational decisions related to complaint handling reviews or investigations.

### **Training**

Members of the Committee will be expected to undertake training to assist them in their committee role.



### **Quorum**

Meetings of the Committee shall be quorate if three members of the Committee are present.

### **Decisions of the Committee**

Any decisions of the Committee shall be taken on a simple majority basis. The Chair shall have a casting vote in the event of equality of voting.

## **2. ORGANISATIONAL ARRANGEMENTS**

### **Meetings**

- Meetings of the Committee will be held quarterly.
- The Chair of the Committee may vary the meeting programme and call additional meetings as necessary.
- The Commissioner, Director of Operations and/or the Accountable Officer may ask the Committee to convene further meetings to discuss particular issues on which the Committee's advice is sought.
- The Committee may ask any or all of those who normally attend but who are not Members of the Committee to withdraw to facilitate open and frank discussion of particular matters.

### **Reporting Arrangements**

- The Committee reports to the Commissioner.
- Minutes (including draft minutes) of the Committee will be presented to the Commissioner, Director of Operations and Accountable Officer for noting and for consideration of recommendations.
- A copy of the public portion of the minutes of Committee meetings will be publicly available on the PIRC website. Minutes of matters taken in private will not be published.
- In suspected cases of fraud, the Committee should satisfy itself that the matter has been appropriately reported to the Scottish Government Fraud Response Team and also to the PIRC Sponsor Team.
- The Committee's Terms of Reference will be made publicly available on the PIRC website.

### **Administrative Support**

- The Accountable Officer shall ensure that administrative support is made available for each meeting of the Committee.



- Draft minutes will normally be prepared within five working days of each meeting of the Committee and, subject to the agreement of the Committee Chair, will be made available to the members of the Committee. Draft minutes will be presented to the following meeting of the Committee to be approved as the official record of the previous meeting.

### **Papers**

- The agenda for meetings of the Committee will be agreed by the Chair in consultation with the Commissioner and/or Director of Operations and/or Accountable Officer.
- The agenda and related papers for meetings of the Committee will normally be issued via email (where secure) five working days prior to meeting.
- For each meeting the Committee will be provided with;
  - Current Performance Management Reports
  - Current Management Accounts
  - Current Risk Register and Action Plan
  - Progress Reports from Internal and External auditors summarising work carried out and emerging findings
- As and when appropriate the Committee will also be provided with
  - Internal Auditor's Annual Opinion and Report
  - Draft statutory Financial Statements of PIRC
- Late items may be added to the agenda for meetings of the Committee subject to the Chair's agreement prior to the commencement of the meeting at which the item is to be considered.

### **Review of Arrangements**

The Committee shall review its Terms of Reference and frequency of meetings on an annual basis.