



Committee Terms of Reference

Audit, Risk and Assurance Committee

Purpose and Scope

1. The overall purpose of the Audit, Risk and Assurance Committee (the ARAC) is to provide oversight and scrutiny of all significant audit and risk matters concerning the Authority and Police Scotland. The ARAC will seek evidence and provide advice and assurance to the Board that the appropriate levels of internal controls are in place across both Police Scotland and the Authority. In addition, the ARAC will provide advice and assurance to the Accountable Officer and Board on these matters and any other specific items which the Board requests of it in relation to audit, risk management and assurance and the integrity of annual reports and financial statements. The ARAC will also consider and approve the Authority's Internal Audit Plan on behalf of the Board.
2. Meetings will be used to consider:
 - 2.1 the strategic processes for risk, control and governance
 - 2.2 the accounting policies, the accounts and the annual report of the organisation, including the process for review of the accounts prior to submission for audit, levels of error identified, and management's letter of representation to the external auditors
 - 2.3 the planned activity and results of both internal and external audit
 - 2.4 approval of the Authority's Internal Audit Plan
 - 2.5 the adequacy of management response to issues identified by audit activity, including external audit's management letter/report, and to issues identified by other external bodies such as HMICS and ICO
 - 2.6 the effectiveness of the internal control environment



- 2.7 assurances relating to the effectiveness of the corporate governance arrangements for the organization
 - 2.8 proposals for tendering for internal audit services or for purchase of non-audit services from contractors who provide audit services and
 - 2.9 anti-fraud policies, whistle-blowing processes, and arrangements for special investigations
 - 2.10 such other matters as required by the Board
 - 2.11 and to advise the Board and the Accountable Officer on these matters.
3. In addition, the ARAC will provide the Board and Accountable Officer with an Annual Report, timed to support finalisation of the accounts and the governance statement, summarising its conclusions from the work it has done during the year.
4. The ARAC will also periodically review its own effectiveness and report the results of that review to the Board and Accountable Officer.

Specialist Advice

5. The ARAC may procure specialist ad-hoc advice at the expense of the organisation, subject to budgets agreed by the Board or Accountable Officer.

Membership

6. The Committee will consist of a minimum of three Authority members including the chair ("the Committee Chair").
7. The quorum of the Committee will be two Members including the Committee Chair.

Attendees

8. Committee meetings will normally be attended by the Accountable Officer, the Chief Financial Officer, the Head of Internal Audit, a representative of External Audit and at least one senior representative of Police Scotland. A senior representative from Forensic Services will attend as required.

Access

9. The Head or representative of Internal Audit and the representative of External Audit will have free and confidential access to the chair of the ARAC.

Meetings

10. The procedures for meetings are:
- 10.1 the ARAC will meet at least four times a year. The chair of the ARAC may convene additional meetings, as they deem necessary.
 - 10.2 the Board or Accountable Officer may ask the ARAC to convene further meetings to discuss particular issues on which they want the committee's advice.



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