



Metropolitan Police Authority

## **FINANCIAL AND CONTRACT REGULATIONS**

### **PART B AND C**

#### **METROPOLITAN POLICE AUTHORITY**

#### **FINANCIAL REGULATIONS**

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## INTRODUCTION

### 3. Status

These Regulations meet the requirement under section 127 of the Greater London Authority Act 1999 for the Metropolitan Police Authority (MPA), as a functional body of the Greater London Authority, to 'make arrangements for the proper administration of its financial affairs'. They have been prepared in accordance with the requirements of the Code of Practice on Financial Management, which is made by the Home Secretary under section 39 of the Police Act 1996. Reference to the "Authority" or "Police Authority" shall mean Metropolitan Police Authority, reference to Chair shall mean the Chairman of the Authority or, as the case may be, of a Committee or Sub-Committee of the Authority, reference to the Deputy Chair shall mean the member appointed to act as the chair in the absence of the Chair, reference to the "Clerk" shall mean the Clerk to the Authority, and reference to the "Treasurer" shall mean the Treasurer to the ~~Police~~ Authority.

### Purpose

3.4. Financial Regulations are a key element in the financial control framework within which the financial management of the MPA and the Metropolitan Police Service (MPS) takes place. They sit within a hierarchy of documents, which set out the governance arrangements in relation to finance, as follows:

- Standing Orders
- Contract Regulations
- Financial Regulations
- Schemes of Delegation
- Financial Instructions
- Approved by the Authority
- Approved by the Authority
- Approved by the Authority
- Approved by the Authority/Commissioner
- Approved by the Treasurer/Commissioner

4.5. The Treasurer is responsible, after consultation with the Commissioner (or the Director of Resources (Force Finance Director as defined by the Code) on his/her behalf), for recommending the Financial Regulations, and any subsequent amendments, for approval by the Authority.

The Treasurer, with the support of the Director of Resources and finance staff, is responsible for promoting the Financial Regulations, but **it is management's responsibility to ensure that financial controls are in place and are complied with.**

3.6. Financial control contributes to the achievement of the organisation's overall objectives and specifically to securing the following objectives in relation to financial management to:

- maintain effective budgetary control over the financial resources allocated to provide an efficient and effective police service;
- comply with all legal requirements in relation to financial transactions and procedures;
- provide accurate, complete and valid accounts and financial information;
- prevent and detect fraud and corruption, misuse of assets and illegal transactions;

- ensure the security of financial and physical assets;
- manage the Authority's finances in an efficient, economical and effective manner.

## **ROLES AND RESPONSIBILITIES**

### **The Authority**

The MPA has the ultimate responsibility for making arrangements for the proper administration of its finances. It has to appoint a chief financial officer (the Treasurer) to carry that responsibility.

Subject to the role of the Mayor and Assembly, the Authority sets the resource framework within which the police service operates.

The Authority approves the financial control framework, including Financial Regulations.

Under the Accounts and Audit Regulations 1996 the Authority is specifically responsible for:

- Approving the Authority's annual accounts prior to audit
- Securing an adequate and effective internal audit

The Authority will establish appropriate committees to assist in the discharge of its financial responsibilities, including an Audit ~~Committee~~Panel.

The Authority will delegate to the Commissioner as much day-to-day responsibility for financial management as it considers appropriate.

### **The Mayor and Assembly**

The Mayor is responsible for preparing the draft annual budget for the Metropolitan Police Authority, after consultation with the Authority, for presentation (together with the component budgets of the GLA and other functional bodies) to the Assembly. The final budget will be approved by the Mayor and/or Assembly depending on circumstances and subject to the Home Secretary exercising reserve powers.

The MPA is responsible for management of the approved budget.

### **The Treasurer**

The Treasurer is the financial adviser to the MPA and is responsible for ensuring that the financial affairs of the Authority and the MPS are properly administered having regard to probity, legality and appropriate standards.

The Treasurer is accountable to the Authority and independent of the Commissioner.

The Treasurer's responsibilities are to:

- provide financial advice to the Police Authority on all aspects of its activity, including the strategic planning and policy making process;

- advise the Authority on the content and implications of the budget and medium term financial plans;
- support the Authority in presenting budget proposals to the Mayor for approval through the Greater London Assembly;
- assist the Authority in seeking to obtain value for money especially through the Best Value process;
- ensure that accurate, complete and timely financial management information is provided to the Authority and the Commissioner;
- advise the Authority on financial propriety;
- provide, under delegation from the Authority, an adequate and effective internal audit and assistance in securing safe and efficient financial arrangements;
- secure the preparation of statutory and other accounts;
- secure appropriate banking arrangements and treasury management including loans and investments;
- advise on risk management and insurance;
- work with the Clerk to the Authority to ensure effective corporate management of the Authority's resources.

### **The Commissioner**

The Commissioner will have responsibility for the financial management of the Metropolitan Police Service under delegation from the MPA determined on advice from the Treasurer.

The Commissioner will devolve financial management responsibility within the Force in accordance with a devolved budget scheme agreed with the Treasurer.

The Commissioner will appoint a Director of Resources with a professional finance qualification to take responsibility for the finance function and for ensuring appropriate financial policies and procedures.

### **The Director of Resources**

The Director of Resources is responsible for providing strategic financial advice to the Commissioner and the management board and for ensuring that the management of finance effectively supports the Commissioner's delegated responsibilities.

The Director of Resources' main responsibilities in relation to finance are to:

- provide the strategic financial perspective on the main management board of the MPS;

- provide financial expertise, advice and information directly to the Commissioner to enable him to fulfil his/her delegated responsibility from the MPA for the financial management of the MPS;
- provide professional leadership of the finance function within the MPS, ensuring that high standards of financial management are maintained; that financial systems and procedures promote the effective conduct of business; and that financial considerations are fully taken into account in all policy decisions;
- take the key role in identifying and leading implementation of strategic, practical and cultural changes in the finance function to enable the MPS to make a successful transition from a central to a local government environment;
- work closely with the Treasurer of the MPA to make proposals for and agree the framework for delegation of financial authority within which the MPS will operate. To ensure that managers at all levels are aware of their responsibilities within the framework and that they adhere to them;
- support the Treasurer of the MPA in his/her statutory responsibilities for the financial affairs of the MPS by ensuring probity, legality and appropriate standards in all financial dealings;
- act as the main point of contact with the Treasurer in providing, receiving and interpreting information on the financial affairs of the MPS;
- ensure effective control of financial planning, budgeting and monitoring in respect of all MPS expenditure;
- take the lead in developing, refining and implementing the strategy for the provision of financial services in the MPS;

- facilitate internal audit's working relationship with the MPS.;

### **Internal Audit**

~~The role of internal audit is to provide the Authority, the Treasurer and MPS management with an independent view of the control environment operating within the MPS.~~

~~Internal audit reports to the Treasurer and has independent access to Authority members via the Audit Committee.~~

Internal Audit is an independent, objective assurance and consulting activity designed to add value and help improve the effectiveness of MPS operations and fulfilment of MPA responsibilities. It enables the MPA and MPS to accomplish their objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

### **External Audit**

The external auditor's responsibilities include reporting on whether the Authority's accounts present fairly the financial position. To do this he/she needs to review the effectiveness of the financial control in the organisation.

## 1. **Budgeting and Financial Planning**

### **Financial Planning**

1. The Commissioner will produce annually a Draft Policing and Performance Plan (encompassing the Best Value Performance Plan and the Efficiency Plan) for submission to the Authority including:
  - a statement of the Authority's priorities and objectives for the year;
  - the planned use of resources to reflect these priorities and achieve the objectives;
  - the financial implications of the planned use of resources;
  - performance targets established by the Authority and/or directed by the Home Secretary.
2. The annual Draft Policing and Performance Plan will reflect the Corporate Plan established by the Commissioner setting down the ways in which the Commissioner intends to meet Force objectives and identifying, in consultation with the Treasurer, the financial and resource implications of the Corporate Plan.
3. The Treasurer, in consultation with the Commissioner, will produce a Medium Term Financial **ProjectionStrategy** taking into account the financial implications of the Corporate Plan, the Authority's financial position and relevant projections in respect of government support, other sources of funding, reserves and expenditure. The Medium Term Financial **Projectionlan** will serve as the basis for advice on the maximisation of resources available to the Authority and offer options for and general assumptions affecting the medium-term resource position of the Authority.

### **Annual Revenue Budget**

4. The Treasurer, in consultation with the Commissioner and the Greater London Authority, will determine the detailed form and timetable for the production of an annual revenue estimate for consideration by the Authority and submission to the Mayor as the component budget for the Authority as part of the consolidated budget.
5. The Director of Resources, on behalf of the Commissioner, shall be responsible for preparing detailed information for the production of the annual revenue estimate, which shall reflect the priorities, objectives and assumptions upon which the Corporate Plan and the Medium Term Financial **ProjectionStrategy** are based.
6. The Authority's revenue budget shall be that proposed by the Mayor and approved by the Greater London Assembly subject to:
  - the provisions of Schedule 6 to the Greater London Authority Act 1999 in relation to the setting of the consolidated budget and approval by the Greater London Assembly;
  - the provisions of Section 95 of the Greater London Authority Act, allowing the Home Secretary to set a minimum component budget.

7. The Treasurer in consultation with the Commissioner shall prepare a report to the Authority, setting out the material differences and their implications for efficient and effective policing, where there is a material difference between the annual revenue estimate considered by the Authority and either:
  - the component budget approved under the provisions of Schedule 6 to the Greater London Authority Act 1999; or
  - a minimum component budget set by the Home Secretary.
8. The Commissioner shall be responsible for the day to day management and control of the annual revenue budget, through a devolved system of budgetary control determined in consultation with the Treasurer. Such day to day management and control shall be subject to the provisions of Standing Orders, Contract Regulations, Financial Regulations and Schemes of Delegation approved by the Authority on advice from the Treasurer.
9. The Commissioner has authority to commit expenditure or to vire between budget headings within the overall approved budget to meet the policies and objectives agreed with the ~~Police~~ Authority and reflected in the Policing and Performance Plan. ~~Expenditure in excess of £1 million on a significant change of policy must be the subject of separate approval by the Authority. Finance Committee will approve budget virements over £1 million. Virements below £1 million will be reported to members through the budget monitoring mechanism. Budget virements should only be made when permanent shifts of priorities or resources are planned.~~

### **Annual Capital Budget**

10. Under the provisions of the Greater London Authority Act 1999, the Mayor is responsible for preparing an annual capital spending plan for the functional bodies, including the Authority, setting out the sources of capital funding available to the Authority and the total capital spending which is expected to be incurred.
11. The Treasurer, in consultation with the Commissioner and the Greater London Authority, will determine the detailed form and timetable for the production of ~~an~~ five year capital programme and annual capital estimate for consideration by the Authority and submission to the Mayor in the preparation of the annual capital spending plan.
12. The Director of Resources, on behalf of the Commissioner, shall be responsible for preparing the detailed information for the production of the five year capital programme and annual capital estimate, which shall reflect the priorities, objectives and assumptions upon which the Corporate Plan and the Medium Term Financial Projection Strategy are based.
13. ~~Upon receipt of the draft capital spending plan prepared by the Mayor the Treasurer shall, in consultation with the Commissioner, advise the Authority on the draft capital spending plan and submit comments in writing to the Mayor. Following consideration of these comments by the Mayor and upon receipt of the capital spending plan from the Mayor the Treasurer will, in consultation with the Commissioner, finalise the annual capital budget and associated capital~~



~~programme. The Treasurer shall, in conjunction with the Commissioner, present the five year capital programme and annual capital budget for approval by the Authority, having regard to the Mayor's annual capital spending plan.~~

14. ~~The Treasurer shall, in consultation with the Commissioner, report on the annual capital budget and associated capital programme to the Authority or a designated Committee of the Authority. The Commissioner has the delegated authority to proceed with all projects in the approved capital programme up to the value of £1 million, subject to the expenditure limits set for overall programme.~~
15. The Commissioner shall be responsible for the day to day management and control of the annual capital budget subject to the provisions of Standing Orders, Contracts Regulations, Financial Regulations and Schemes of Delegation approved by the Authority on advice from the Treasurer.
16. The Treasurer, in consultation with the Commissioner, shall advise the Authority on the most appropriate method of financing proposed capital schemes, taking into account the capital spending plan prepared by the Mayor.

### ~~3.7.~~ ~~2.~~ — **Accounts**

1. The Authority's annual accounts will be prepared under the direction of the Treasurer and on the basis of accounting policies determined by the Treasurer, consistent with any statutory requirements and in compliance with accepted accounting practice.
2. The Treasurer, in consultation with the Director of Resources, will determine the timetable for the preparation of the annual accounts and their submission for audit.
3. The Director of Resources will prepare the annual accounts on behalf of and in consultation with the Treasurer.
4. The annual accounts will be presented to the Audit Committee, and subsequently the Authority, for approval.
5. The Treasurer shall provide to the Greater London Authority financial statements to be consolidated into the summary statement of accounts, required under section 134 of the Greater London Authority Act 1999.
6. The Treasurer, in consultation with the Director of Resources, will determine all accounting procedures and records of the Authority, having regard to all statutory requirements and in compliance with recognised accounting principles, promoting the probity and accuracy of the Authority's accounts.
7. The accounting procedures and records of the Authority will be regulated in a more detailed form through Financial Instructions prepared by the Director of Resources and approved by the Treasurer.

### **3. Financial Systems and Procedures**

1. The Treasurer will authorise the financial systems and procedures for the receipt and payment of all Authority monies and, in consultation with the Director of

Resources on behalf of the Commissioner, will determine procedures and work practices to ensure there is adequate internal control and internal check. The Director of Resources, on behalf of the Commissioner, will not change or amend any financial systems or procedures without the approval of the Treasurer.

2. The Director of Resources, on behalf of the Commissioner, will be responsible for the day to day operation and control of the systems and procedures required to:
  - order goods and services;
  - pay creditors, allowances and expenses;
  - collect and bank all income due to the Authority;
  - provide, safeguard and subsequently dispose of Authority assets.
  - account for taxes and make necessary payments to the appropriate authorities

2.3. The Director of Human Resources Personnel, in consultation with the Director of Resources, will be responsible for the day to day operation and control of the systems and procedures required to pay salaries, wages and pensions.

4. The financial systems and procedures in operation and guidance on their operation will be regulated in a more detailed form through Financial Instructions prepared by the Director of Resources and approved by the Treasurer.

#### **4. Treasury Management**

1. The Treasurer will be responsible for advising the Authority on all matters related to treasury management, investments and borrowing, and for ensuring that treasury management arrangements are in compliance with the CIPFA Code of Practice for Treasury Management in Local Authorities
2. The Treasurer will produce a Treasury Management Policy Statement setting out the principles, policies and management arrangements for approval by the Authority.
3. The Treasurer will produce annually a strategy report setting out the requirements for the forthcoming year and the proposals to meet them, for approval by the Authority or a designated Committee of the Authority.
4. All executive decisions on borrowing, investments or financing (including leasing arrangements) shall be delegated by the Authority to the Treasurer who shall be required to act in accordance with the CIPFA Code of Practice for Treasury Management in Local Authorities.
5. The Treasurer will, in consultation with the Director of Resources, make arrangements for the day to day operation of the treasury management function.
6. The Treasurer will report to the Authority, or a designated Committee of the Authority, on treasury management operations on a quarterly basis. An annual report on treasury management will be presented by 30 September of the succeeding financial year.

#### **5. Banking**

1. The Treasurer will be responsible for advising the Authority on all banking and related arrangements. All arrangements with the Authority's bankers shall be made by or in accordance with principles approved by the Treasurer, who shall authorise the Director of Resources to operate bank accounts on behalf of the Authority.
2. All bank accounts (other than covert accounts) which contain monies that form part of the Authority's police fund shall bear an official title that shall include the name of the Authority. In no circumstances shall an account be opened in the name of an individual or with other than the Authority's official banker(s) as determined by the Treasurer.
3. Covert accounts (i.e. those required for police operations in which the connection of the account with the police needs to be concealed) shall be managed in accordance with principles determined by the Treasurer.
4. The consent of the Treasurer is required before any officer of the Authority or of the Metropolitan Police Service opens or maintains any account which contains monies which do not form part of the Authority's police fund and the title of which includes reference to the Metropolitan Police.
5. The arrangements for authorising and making payments from the Authority's bank accounts will be determined by the Treasurer, in consultation with the Director of Resources, who shall be responsible for their day to day operation.
6. The Director of Resources shall be responsible for arranging for the ordering, control and despatch of the cheques drawn on the Authority's bank accounts, including arrangements for safe custody and the maintenance of a cheque register in a form approved by the Treasurer.
7. The Director of Resources will undertake regular reconciliations of all Authority bank accounts in accordance with arrangements determined by the Treasurer.

## **6. Contracts and Procurement**

The Authority is the legal party for all contracts entered into for the purchase of goods and services, for the provision of works and for the purchase of assets, including land and buildings. Such contracts and the process through which they are procured must comply with the Contract Regulations approved by the Authority and all statutory requirements relating to procurement by a local authority.

## **7. Risk Management and Insurance**

1. The Treasurer shall be responsible for advising the authority on risk management and in conjunction with the Commissioner shall ensure that periodic reviews of risk management are undertaken in order to identify appropriate risk management strategies, including any requirement for insurance cover where no statutory requirement exists.
2. The Commissioner shall, with the advice of the Treasurer, and upon the basis of the periodic reviews of risk management prepare an annual Risk Management

Programme, which the Commissioner and the Treasurer shall report upon to the Authority or a designated Committee of the Authority.

3. The Commissioner shall implement and monitor the measures included in the Risk Management Programme. The Treasurer, in consultation with the Director of Resources, will identify proposals for external insurance cover for approval by the Authority or a designated Committee of the Authority where this is considered appropriate.

## **8. Income**

1. The Treasurer, in consultation with the Director of Resources shall determine the arrangements for the collection, custody, control and deposit of all monies due to the Authority. The Director of Resources will have the day to day operational responsibility for compliance with these arrangements.
2. All monies received on behalf of the Authority shall be banked without delay in the Authority's name.
3. All documentation relating to income receivable by the Authority shall be in the name of the Authority, including agreements for the provision of services, invoices and receipts.
4. All agreements for the provision of services will be subject to the approval of the Authority and will be on the basis of full-cost recovery except with the specific approval of the Authority.
5. The Commissioner shall, in consultation with the Treasurer, and as part of the annual budget cycle review all rents, fees and charges for services provided, for approval by the Authority as part of the budget approval process.
6. The Commissioner shall have all necessary powers of debt recovery including the taking of legal action. Providing appropriate steps have been taken to recover monies due to the Authority, the Commissioner shall be authorised to write off debts considered to be irrecoverable up to an individual maximum amount of £10,000, except where write-off action results from theft or fraud.
7. A schedule of such debts written off, showing their individual and the aggregate value will be reported to the Authority or a designated Committee of the Authority on a periodic basis determined by the Treasurer.
8. Approval from the Authority or a designated Committee of the Authority is required for all debts written off with a value higher than £10,000.
9. All cases where write-off action results from theft or fraud shall be referred to the Treasurer for approval up to an individual maximum amount of £10,000 or for onward reference to the Authority or a designated Committee of the Authority for a debt with a value in excess of £10,000.

## **9. Asset Management**

1. All property utilised in achieving an effective and efficient police service, is in the ownership of the Authority, except where a loan of property is made to the Authority for this purpose.
2. The Treasurer shall, in consultation with the Commissioner, determine the systems and procedures for the management of the Authority's assets and those assets on loan to the Authority encompassing:
  - an Asset Management Plan, which should reflect strategies for key assets, for example the Estates Strategy;
  - the recording and custody of evidence of title;
  - the form of asset registers and inventories;
  - the security of the Authority's assets and those on loan to the Authority;
  - the arrangements for the management and control of the use of the Authority's assets;
  - the arrangements for the reconciliation of asset registers and inventories to physical assets and stocks.
3. The Commissioner shall, in consultation with the Director of Property Services, be responsible for the day to day management of the Authority's assets in compliance with these systems and procedures, subject to the provisions of Standing Orders, Contract Regulations, Financial Regulations and Schemes of Delegation approved by the Authority on advice from the Treasurer.

#### **10. Sponsorship**

1. Gifts, loans of property and sponsorship must comply with conditions approved by the Authority and shall not exceed a maximum equivalent value of one percent of the MPA annual revenue budget.
2. The Director of Resources, on behalf of the Commissioner, must be informed of all offers of gifts, loans of property and sponsorship and shall maintain a record of the market value of all gifts, loans of property and sponsorship received. A report to the Authority will be produced at the end of each financial year.
3. Individual gifts, loans of property or sponsorship with an equivalent market value in excess of £50,000 must be referred to the Treasurer who shall seek approval for acceptance from the Authority or a designated Committee of the Authority.

#### **11. Grants to Voluntary Organisations/Outside Bodies**

Grants made to voluntary organisations shall comply with the conditions of grant aid approved by the Authority and shall not exceed the annual budget agreed by the Authority. The Treasurer shall maintain a register of grants made each year.

#### **12. Voluntary Unofficial Funds**

1. Voluntary unofficial funds for benevolent and other purposes shall only be established with the approval of the Commissioner or an officer authorised by the Commissioner.
2. The Director of Resources shall be made aware of the existence of all such funds and ensure that arrangements are in place for their proper administration and that they are properly audited.
3. The Director of Resources will provide assurance to the Treasurer that such arrangements are in place and ensure a right of access to Internal Audit.

### **13. Grant Funding**

1. Any bid for additional grant funding shall be subject to financial advice from local finance managers, who shall fully participate in the the preparation of the grant submission.
2. The draft grant bid shall be subject to quality assurance assessment by the MPS Finance Department, who shall ensure that full account is taken of the conditions of grant and that all available grant is maximised.
3. The Director of Resources shall ensure that information on all grant submissions is supplied to the Treasurer at the earliest opportunity.

### **143. Audit**

#### **Audit ~~Committee~~Panel**

1. The Authority will establish an Audit ~~Committee~~Panel to oversee the arrangements for internal and external audit, and to review the final accounts prior to approval by the Authority. The Committee may take other responsibilities consistent with its independent role.
2. The Chair of the MPA shall not be the Chair of the Audit ~~Panel~~Committee.

#### **Internal Audit**

3. The responsibility of internal audit is to provide opinions on the adequacy and effectiveness of control systems to:
  - ensure adherence to management policies and directives in order to achieve the organisation's objectives;
  - safeguard assets;
  - secure the relevance, reliability and integrity of information, so ensuring as far as possible the completeness and accuracy of records;
  - ensure compliance with statutory requirements, procedures, laws and regulations;

- ensure the economy, efficiency and effectiveness with which resources are employed.
4. Internal audit will report to the Treasurer and have independent access to members through the Audit Committee. Internal audit will also liaise closely with the Commissioner and his/her staff especially the Director of Resources. The Director of Internal Audit will report to the Treasurer and have independent access to members through the Audit Panel. The Director of Internal Audit will also liaise closely with the Director of Resources and have a right of direct access to the Commissioner.
  5. Internal audit shall have authority to:
    - enter at a reasonable time any Authority premises or land;
    - have access to records, documents and correspondence relating to any transaction of the Authority;
    - review any activity of the Authority and the MPS;
    - require and receive such explanations as are necessary concerning any matter under examination;
    - require any employee of the Authority or officer of the MPS to produce cash, stores or any other asset under his/her control. require any employee or contractor of the Authority or officer of the MPS to produce any asset under his/her control for which the Authority is responsible.
  6. The Director of Internal Audit, on behalf of the Treasurer, shall be informed immediately by the Commissioner, irrespective of whether the matter is the subject of a criminal investigation, of any loss or financial irregularity or suspected irregularity, or of any circumstance which may suggest the possibility of losses or irregularities, including those affecting cash, stores and other property of the Authority for which the Authority is responsible.
  7. The Treasurer shall ensure that serious losses and irregularities are reported to the Audit ~~Committee~~Panel.
  - ~~88.~~ The Treasurer will agree with the Director of Resources, on behalf of the Commissioner, the annual internal audit plan for approval by the Audit ~~Committee~~Panel.
  9. The Commissioner will have the responsibility for identifying and leading implementation of recommendations from internal audit reviews. The Treasurer will report progress in implementation to the Audit Panel.

## External Audit

109. The Audit Commission appoints the external auditor after consultation with the Authority.

110. The external auditor carries out an annual audit to assess:

- whether the Financial Statements present fairly the financial position of the Authority, and have been prepared in accordance with appropriate legislation;
- the adequacy of the Authority's arrangements to secure economy, efficiency and effectiveness in the use of resources
- the general financial standing of the Authority;
- the adequacy of financial systems;
- the adequacy of arrangements for preventing and detecting fraud and corruption;
- the adequacy of arrangements for ensuring the legality of transactions that might have a financial consequence;
- the adequacy of the Authority's Best Value Performance Plan.

124. The Audit Committee will approve the external audit annual programme and fees and receive the external auditor's management letter and other reports.

132. Internal audit will seek to work to standards that will allow external audit to rely on internal audit findings. Internal audit should also seek to co-ordinate their activity with that of external audit.

14. The Commissioner will have responsibility for identifying and leading implementation of recommendations from External Audit Reviews. The Treasurer will report progress in implementation to the Audit Panel.