

Committee Terms of Reference

Report of the Chief Fire Officer

For further information about this report please contact Rod Hammerton, Chief Fire Officer, on 01743 260204 or Germaine Worker, Head of Human Resources and Administration, on 01743 260210.

1 Purpose of Report

This report asks Members to consider the Terms of Reference of the Audit and Performance Management Committee, following the annual review conducted by officers.

2 Recommendations

The Audit and Performance Management Committee is asked to review its Terms of Reference, as set out at the Appendix to the report, and make recommendations for any necessary amendments, to the Fire Authority for agreement.

3 Background

The Audit and Performance Management Committee reviews its Terms of Reference annually and this action is included in the Committee's Work Plan.

The current Terms of Reference are attached as an appendix to this report.

4 Proposed Amendments

Having carried out a review of the Committee's Terms of Reference, Officers do not propose any changes to them.

The Committee is however, able to review its Terms of Reference, which are attached at the Appendix to the report, and recommend any amendments that it considers necessary to the Fire Authority for agreement.

5 Financial Implications

There are no direct financial implications resulting from this report.

6 Legal Comment

Any proposed changes to the Committee's Terms of Reference must be approved at a meeting of the full Fire Authority.

7 Initial Impact Assessment

This report merely proposes changes to the constitutional framework within which the Audit and Performance Management Committee functions. An Initial Impact Assessment is not, therefore, required.

8 Equality Impact Assessment

Officers have considered the Service's Brigade Order on Equality Impact Assessments (Human Resources 5 Part 2) and have decided that there are no discriminatory practices or differential impacts upon specific groups arising from this report. An Initial Equality Impact Assessment is not, therefore, required.

9 Appendix

Audit and Performance Management Committee Draft Terms of Reference

10 Background Papers

There are no background papers associated with this report.

Audit and Performance Management Committee

Quorum - 4

Chair

The Chair of the Committee shall be elected from a member of the largest opposition group.

Members - 7

Peter Adams (Conservative)
Miles Hosken (Conservative)
Chris Mellings (Liberal Democrat) **(Vice Chair)**
Paul Milner (Conservative)
Jane Pinter (Labour)
John Price (Conservative)
Kuldip Sahota (Labour) **(Chair)**

Members of the Fire Authority's Strategy and Resources Committee are precluded from sitting on the Audit and Performance Management Committee and vice versa.

Meeting Dates and Times

2019

11 April
18 July
19 September
5 December

Members may request a meeting with Internal and /or External Audit without Fire Service officers present.

All meetings take place at 2.00 pm at Service Headquarters, unless otherwise advised.

Statement of Purpose

Audit*

To provide an independent and high-level resource to support good governance and strong public financial management

To provide those charged with governance independent assurance on the adequacy of the risk management framework, the internal control environment and the integrity of financial reporting and annual governance processes.

* As defined in the Chartered Institute of Public Finance and Accountancy (CIPFA) Audit Committees: Practical Guidance for Local Authorities and Police (2013)

Performance Management

To oversee the process of assessing progress toward achieving the Fire Authority's predetermined aims, as set out in the Annual Plan. The Committee's role involves building on that process, adding the relevant communication and action on the progress achieved against the predetermined aims.

Audit Core Functions*

To be satisfied that the Fire Authority's assurance statements, including the Annual Governance Statement, properly reflect the risk environment and any actions required to improve it, and demonstrate how governance supports the achievement of the Fire Authority's objectives

In relation to the Fire Authority's internal audit functions: to undertake an effective internal audit 'to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance'

To consider the effectiveness of the Fire Authority's risk management arrangements and the control environment. To review the risk profile of the organisation and assurances that action is being taken on risk-related issues, including partnerships with other organisations

To monitor the effectiveness of and ensure that the Fire Authority has a sound system of internal control, which:

- Facilitates the effective exercise of its functions and the achievement of its aims and objectives;
- Ensures that the financial and operational management of the Fire Authority is effective; and
- Includes effective arrangements for the management of risk

To consider the reports and recommendations of external audit and inspection agencies and their implications for governance, risk management or control
To support effective relationships between external audit and internal audit, inspection agencies and other relevant bodies, and encourage the active promotion of the value of the audit process

To 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

* As defined in the Chartered Institute of Public Finance and Accountancy (CIPFA) Audit Committees: Practical Guidance for Local Authorities and Police (2013)

Terms of Reference

In order to carry out its purpose and core functions the Committee will consider, monitor, review and, as appropriate, approve the following documents:

Governance, Risk Management and Internal Control

- Code of Corporate Governance
- Annual Governance Statement and Annual Statement of Assurance
- Report on the effective development and operation of risk management
- Anti-Fraud, Bribery and Corruption Policy
- Brigade Order on Reporting of Illegality and Malpractice (Whistleblowing)
- Committee Terms of Reference and, where changes are required, make recommendations accordingly to the Fire Authority
- Annual Work Plan
- Role Descriptions of Committee Chair and Vice-Chair and Risk Management and Audit Champion

Internal Audit

- Any proposals for the revision of the Service Level Agreement with Internal Audit
- The Annual Audit Plan
- Revisions to the annual audit plan, as advised by the Head of Internal Audit and agreed by the Treasurer
- The Head of Internal Audit's Annual Report and opinion on the work completed by Internal Audit and the progress made in implementing recommended actions, including progress made against any improvement plans
- Half-yearly reports from the Risk Management Group on the work completed by Internal Audit and the progress made in implementing recommended actions
- Reports on Internal Audit special investigations, including frauds, and consideration of recommendations for strengthening internal controls

External Audit

- The External Auditor's Work Plan, including comments on the scope and depth of external audit work, considering whether it gives value for money
- The Annual Audit Letter
- Reports on external audit assessment frameworks, in order to maintain an awareness of the most current regimes

Financial Reporting

- The Fire Authority's draft Statement of Accounts for review, challenge and approval (as per authority delegated by the Fire Authority on 13 February 2012)
- The audit findings report, based on 'International Standard on Auditing (ISA) 260' of the External Auditor to those charged with governance, which includes the Value for Money Conclusion. The Chair of the Committee will sign the Letter of Representation annually on behalf of those charged with governance

Performance Monitoring

- Monitoring reports on implementation of Annual Plan Aims and Service Targets
- Exception reports on Directorate objectives, where they lead to a failure in Service Targets
- Annual Review on the Service's previous year's performance prior to submission to the Fire Authority
- Monitoring reports on the implementation of Best Value Reviews
- Customer relation issues and monitoring reports on complaints and compliments
- Monitoring reports on the performance of the Fire Authority controlled company, Shropshire Fire Risk Management Services Limited

Miscellaneous

The Committee will oversee and scrutinise Treasury Management and make recommendations, where appropriate, to the Fire Authority.

The Committee will consider, investigate (where appropriate), and report upon, any other matter within its remit, referred to it by the Fire Authority, the Chief Fire Officer, the Treasurer or the Monitoring Officer.

The Committee will ensure the provision of appropriate training and development to ensure that all of its Members are able to discharge their responsibilities

Powers

The Audit and Performance Management Committee will:

- Have no delegated powers (with the exception of approval of the Fire Authority's Statement of Accounts) but can require relevant officers to attend any meeting, where such attendance would be expedient to the work of the Committee
- Have the power to meet privately and separately with the Head of Internal Audit and / or with the External Auditor, independent of the presence of those officers with whom the auditors must retain a working relationship