

## Committee Terms of Reference

### Report of the Chief Fire Officer

For further information about this report please contact Simon Hardiman, 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 Standards, Audit and Performance Committee, following the annual review conducted by officers.

#### 2 Recommendations

The Standards, Audit and Performance 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 Standards, Audit and Performance 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. There may, however, be financial implications associated with some of the responsibilities listed, for which individual reports will be brought to the Committee as necessary.

## **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 Standards, Audit and Performance 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**

Standards, Audit and Performance Committee Draft Terms of Reference

## **10 Background Papers**

There are no background papers associated with this report.

## **Standards, Audit and Performance Committee**

**Members – 8**

**Quorum - 3**

### **Membership**

Members of this Committee shall be drawn from the membership of the Fire Authority

No Member of the Fire Authority's Strategy and Resources Committee is entitled to sit on this Standards, Audit and Performance Committee

Members of this Standards, Audit and Performance Committee are not entitled to sit on the Fire Authority's Strategy and Resources Committee

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

### **Chair**

The Chair of the Committee shall be elected from a member of the largest opposition group or, where there is no clear majority, from the largest group that does not hold the Chair of the Authority.

### **Statement of Purpose**

#### **Standards**

To promote and maintain a high standard of conduct by Members, to oversee the Register of Members' Interests and to oversee the effectiveness of the Authority's procedures for investigating and responding to complaints about Members

#### **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**

The Committee will

Review the Terms of Reference of the Committee at its first meeting following the Annual meeting of the Authority and as may be required throughout the year and make recommendations to the Authority regarding amendments

Agree the role descriptions of the Committee's Chair, Vice-Chair and Risk Management and Audit Champion at its first meeting following the Annual meeting of the Authority and as may be required throughout the year

Approve the Committee's annual work plan in respect of those matters shown below

Governance, Risk Management and Internal Control

Consider, monitor, review and, as appropriate, approve the following documents

- Code of Corporate Governance
- Annual Governance Statement and Annual Statement of Assurance
- Report on the effective development and operation of risk management
- Members Code of Conduct
- Annual Pensions Assurance Report
- Anti-Fraud, Bribery and Corruption Policy
- Brigade Order on Reporting of Illegality and Malpractice (Whistleblowing)

Consider fundamental amendments to locally determined conditions of service and make recommendations to the Fire Authority thereon

Receive Pension Board Minutes for the purpose of providing assurance to the Committee and the Authority on the management of any risk associated to pensions

Receive the Annual Report from the Chair of the Pension Board providing assurance on effectiveness and efficient governance and administration of Firefighter Pension Schemes

## **Internal Audit**

Review, and recommend to the Authority, any proposals for the revision of the Service Level Agreement with Internal Audit

Consider, monitor, review and, as appropriate, approve the following documents

- The Annual Audit Plan
- 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

Consider and approve any revisions to the annual audit plan, as advised by the Head of Internal Audit and agreed by the Treasurer

### **External Audit**

Consider, monitor, review and, as appropriate, approve the following documents

- 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**

Consider, monitor, review and, as appropriate, approve the following documents

- 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**

Consider, monitor, review and, as appropriate, approve the following documents

- Monitoring reports on implementation of Annual Plan Aims and Corporate Performance Indicators
- Exception reports on Directorate objectives, where they lead to a failure in Corporate Performance Indicators
- 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  
Monitoring reports on complaints and compliments and consider any customer relations issues arising from such reports, making recommendations to the Authority and Officers as appropriate

### **Standards**

Ensure the provision of advice to Members on the treatment of disclosable pecuniary interests and other interests

Ensure the provision of advice to Members on conduct matters generally

Develop, maintain and monitor the operation of the Members' Code of Conduct and to advise the Authority on the adoption or revision of this Code

Ensure the provision of advice and training to Fire Authority Members on matters relating to the Members' Code of Conduct

Consider reports regarding the induction, training and development needs of Members and officers, regularly reviewing those needs and make recommendations to the Authority

Oversee the process for the recruitment of an Independent Person and make recommendations to the Fire Authority for their appointment

Review at least annually the Role Description and Skills and Competencies for Independent Persons and make recommendations to the Fire Authority regarding any amendments required

Review the Protocols on Gifts and Hospitality and Member / Officer Relations and make recommendations to the Fire Authority regarding any amendments required

Consider and grant, or otherwise, dispensations in respect of Members' interests where:

1. The dispensation is in the interests of persons living in the area of the Fire Authority; or
2. It is otherwise appropriate to grant a dispensation

Review and amend, where required, the processes and procedures for dealing with complaints against Members

Consider complaints referred to the Committee by the Monitoring Officer and to decide if the complaint should be referred for investigation

Consider investigation reports in respect of Code of Conduct complaints referred to the Committee by the Monitoring Officer

Receive reports from the Monitoring Officer about:

- a) Complaints
- b) The progress and outcome of investigations
- c) The establishment and maintenance of the Register of Interests of Members of the Fire Authority
- d) Dispensations granted to Members of the Fire Authority

Consider any application received from any officer of the Authority for exemption from political restriction under Sections 1 and 2 of the Local Government and Housing Act 1989 in respect of the post held by that officer and, as appropriate, direct the Authority that the post shall not be considered to be a politically restricted post and that the post be removed from the list maintained by the Authority under Section 2(2) of that Act

## **Miscellaneous**

The Committee will

Oversee and scrutinise Treasury Management and make recommendations, where appropriate, to the Fire Authority.

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.

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

## **Powers**

The Standards, Audit and Performance Committee:

- Will have no delegated powers, other than as set out in these Terms of Reference
- 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