

Committee Constitution and Training

Report of the Chief Fire Officer

For further information about this report please contact John Redmond, Chief Fire Officer, on 01743 260203 or Sharon Lloyd, Corporate Support Manager, on 01743 260210.

1 Purpose of Report

This report brings the latest version of the Committee's constitution to the notice of its Members. It also brings Members up-to-date on training issues and asks them to consider what should be the subject of the next training session.

2 Recommendations

Members are asked to:

- a) Note the constitution of the Audit and Performance Management Committee (attached as an appendix); and
- b) Decide what should be the subject of the next training session.

3 Constitution

At its Annual Meeting in July the Fire Authority appoints Members to its committees, which may result in changes to their membership. Changes in the terms of reference of various committees have also been made in recent months.

Under the circumstances it is considered good practice for each of the committees to revisit its constitution at the first meeting after the Fire Authority Annual Meeting to ensure that all committee Members are familiar with the latest terms of reference. Accordingly, the constitution of the Audit and Performance Management Committee is attached as an appendix.

4 Training and Development

The Audit and Performance Management Committee has been keen to undertake training in order to fulfil its role and manage changing circumstances.

Through a self-assessment of their skills Committee Members identified that they have a wide spread of expertise and there are no major issues to be addressed. There were, however, a number of topics, on which they felt it would be useful to receive further training / development. As a result, briefing sessions have been held on:

- The Role of the Audit Committee in February 2009
- Treasury Management in May 2010
- Risk Management in November 2010
- International Financial Reporting Standards (IFRS) Based Financial Statements in March 2011
- Risk Management in July 2011
- Treasury Management and Financial Rules in March 2012
- Statement of Accounts in September 2012
- Annual Statement of Assurance in March 2013

Members are now asked for their views as to whether there are any further topics, on which they wish to receive a briefing.

To support the training and development of Members, the Service has recently subscribed to the CIPFA Better Governance Forum. This provides dedicated access for all Members of the Fire Authority to CIPFA network websites, which contain a wealth of published information, including regular briefings, newsletters and updates, as well as current and past materials.

Finally, Committee Members have in the past been provided with copies of the CIPFA Handbook on Audit Committees. Further copies of the Handbook will be available at the meeting for those Members, who have not yet received one.

5 Financial Implications

There may be some cost implications relating to the provision of training for Members but these are as yet unknown.

The cost of subscription to the CIPFA Better Governance Forum for the remainder of the financial year is £506.66, which can be contained within existing budgets.

6 Legal Comment

There are no legal implications arising from this report.

Bringing the latest version of the Committee's constitution to the notice of its Members is not a legal requirement but represents good practice.

7 Initial Impact Assessment

An Initial Impact Assessment has been completed.

8 Appendix

Audit and Performance Management Committee Constitution

9 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

P Adams
M Bennett
Mrs F Bould
J Hurst-Knight
Dr J Jones (Chair)
T Kiernan
C J Mellings (Vice-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

2013

5 September
14 November

Members may request a meeting with Internal and 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, objective assurance and consulting activity designed to add value and improve an organisation’s operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.”

*As defined in the Public Sector Internal Audit Standards (PSIAS), produced by The Chartered Institute of Public Finance and Accountancy (CIPFA) in association with The Chartered Institute of Internal Auditors (CIIA)

Performance Management

To oversee the process of assessing progress toward achieving the Fire Authority’s predetermined aims, as set out in the Service 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 consider the effectiveness of the Fire Authority’s internal audit, risk management arrangements, the control environment and associated anti-fraud, anti-bribery and anti-corruption arrangements

To seek assurances that action is being taken on risk-related issues identified by auditors and inspectors

To be satisfied that the Fire Authority’s assurance statements, including the Annual Governance Statement, properly reflect the risk environment and any actions to improve it

To approve, but not direct, the internal audit strategy and audit plan and to monitor performance against the plan

To review summary internal audit reports and the main issues arising, and seek assurance that action has been taken where necessary

To receive the annual report of the Head of Internal Audit

To consider the reports of external audit and inspection agencies

To ensure that there are effective relationships between external and internal audit, inspection agencies and other relevant agencies and other relevant bodies, and that the value of the audit process is actively promoted

To review the financial statements, external auditor’s opinion and reports to Members, and monitor management action in response to the issues raised by the external audit

*As recommended in The Chartered Institute of Public Finance and Accountancy publication ‘Audit Committees Practical Guidance for Local Authorities’

Terms of Reference

The Committee will review at least annually, and more frequently, if changes are required sooner, its terms of reference to ensure they are up-to-date, and make recommendations for change to the Fire Authority.

The Committee will consider and approve its annual Work Plan.

At least annually the Committee will review and amend, when necessary, the Role Descriptions of its Chair and Vice-Chair and of its Risk Management and Audit Champion.

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

- 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 the results of the quality and assurance programme and progress 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
- A report on the review of adequacy of the Fire Authority's corporate governance arrangements
- The annual review report on the Fire Authority's Code of Corporate Governance
- The Fire Authority's Annual Governance Statement
- Annual review and re-affirmation of the Fire Authority's Anti-Fraud, Bribery and Corruption Policy
- Annual review and re-affirmation of the Fire Authority's Brigade Order on Reporting of Illegality and Malpractice (Whistleblowing)
- 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 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
- The Annual Audit Letter
- Monitoring reports on implementation of the Service Plan Aims and Public Value Measures
- Exception reports on Directorate objectives, where they lead to a failure in a Public Value Measure
- The report on the contents of the Fire Authority's Annual Report on the previous year's performance
- Monitoring reports on the implementation of Best Value Reviews
- Customer relation issues and monitoring reports on complaints and compliments
- Reports on external audit assessment frameworks, in order to maintain an awareness of the most current regimes

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 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