

Committee Constitution and Training

Report of the Chief Fire Officer

For further information about this report please contact Paul Raymond, Chief Fire Officer, on 01743 260205 or Sharon Lloyd, Corporate Services 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 appointed Members to its committees, which has resulted in some changes in membership of the Audit and Performance Management Committee. Changes in the terms of reference of the Committee 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 Members of the Committee 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

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

In 2008 Committee Members completed an assessment of their skills, which indicated that there was a wide spread of expertise and no major issues to be addressed. There were, however, the following topics, on which they felt it would be useful to receive further training / development.

- Role of IT audit
- Contract Rules
- Risk Management
- Financial Rules
- Treasury Management
- Protection and Quality of Data

Sessions have since 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

Members are now asked for their views as to which topic should be the subject of the next training session.

Finally, to support training, Committee Members were provided with copies of the CIPFA Handbook on Audit Committees, and these will be circulated at the meeting for new Members.

5 Financial Implications

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

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 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 has not, therefore, 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

Peter Adams (Conservative)
Eric Carter (Conservative)
John Hurst-Knight (Conservative)
Jean Jones (Labour)
Terry Kiernan (Conservative)
Chris Mellings (Liberal Democrat)
Leon Murray (Labour)

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

All meetings take place at 2.00 pm in the Conference Room at Service Headquarters, unless otherwise advised.

2011

8 September 2011
24 November 2011

2012

1 March 2012

At one of the above meetings the Committee will meet with Internal and External Audit without Fire Service officers present.

Statement of Purpose

Audit*

To provide independent assurance of the adequacy of the risk management framework and the associated control environment, independent scrutiny of the Fire Authority's financial and non-financial performance to the extent that it affects the Fire Authority's exposure to risk and weakens the control environment, and to oversee the financial reporting process

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

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 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

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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.

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
- 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 and Corruption Policy

- Annual review and re-affirmation of the Fire Authority's Brigade Order on Reporting of Illegality and Malpractice (Whistleblowing)
- The report from the Audit Commission on the three-yearly review of the effectiveness of Internal 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 Fire Authority's draft Statement of Accounts before submission to the Fire Authority
- The External Auditor's Management Letter and Value for Money Conclusion
- The Annual Governance Report from the External Auditor following completion of the annual audit of the accounts
- The annual report 'International Standard on Auditing (ISA) 260' of the District Auditor to those charged with governance
- 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 years' 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.

To ensure the provision of appropriate training and development to ensure that all Members of the Committee 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