

Report of the Chief Finance Officer/S151 Officer for the PFCC to the Chair and Members of the North Yorkshire Fire Independent Audit Committee

2nd April 2019

Presenting Officer: Michael Porter, Chief Finance Officer

Status: For agreement

Audit Committee Terms of Reference, Schedule of Work and Meetings Schedule

1. Purpose

1.1 As this is the first meeting of the North Yorkshire Fire Independent Audit Committee this report seeks approval from Members for the Terms of Reference to be adopted by the Committee for its work during 2019/20, the agreed work plan for the Committee for 2019-20 including the timing of the information coming to the Committee and also to set out and agree the timings of the meetings for the forthcoming financial year.

2. Recommendations

Members are asked to agree:

- 2.1 The Terms of Reference for the Committee as attached at Appendix A.
- 2.2 That the Terms of Reference are reviewed and approved annually prior to the start of the new financial year.
- 2.3 The Schedule of Work for 2019/20 as attached at Appendix B.
- 2.4 The Meeting dates for the Committee as set out in 3.3

3. Reasons

- 3.1 As this is the first meeting of this Committee is it important to agree the Terms of Reference for the Committee, a first draft of these are set out at Appendix A for Members comment, input and ultimately approval.
- 3.2 If Members feel that they do not adequately cover the remit of the panel then amendments can be made.
- 3.3 To ensure that Members can attend as many meetings as possible, and to ensure that those meetings will have at least the minimum number of Members to enable

business to be undertaken, then the meeting dates for 2019/20 are set out below for agreement.

- Tuesday 21st May 2019
- Tuesday 23rd July 2019
- Thursday 28th November 2019
- Tuesday 17th March 2020

3.4 This report also sets out the schedule of work to come to each meeting during 2019/20, aligned with the area of the Terms of Reference covered by the reports, so that Members can see the span of work to be covered and also to ensure them that they will be able to cover their full Terms of Reference.

4. Implications

4.1 Finance

There are no financial implications arising from this report.

4.2 Diversity & Equal Opportunities

There are no diversity or equal opportunities implications arising from this report.

4.3 Human Rights Act

There are no Human Rights Act implications arising from this report.

4.4 Sustainability

There are no sustainability issues arising from this report.

4.5 Risk

There are no risk issues arising from this report.

5. Conclusion

5.1 This report sets out the Terms of Reference, dates of meetings and schedule of work for the Audit Committee for 2019/20 which has been aligned with the Committee's Terms of Reference.

AUDIT COMMITTEE - TERMS OF REFERENCE**Composition of the Committee**

The Audit Committee comprises 5 members who are independent of the Office of the PFCC Fire Rescue Authority (OPFCC FRA). The Corporate Management Board of the Fire Service are required to be represented at each meeting of the Committee.

Quorum of the Committee

No business shall be transacted at the meeting of the Audit Committee unless at least 3 Members of the Committee are present.

Press and Public

The Public shall be admitted to all meetings of the Audit Committee unless excluded by resolution in accordance with the provisions of the Local Government Act 1972 (Schedule 12a), as amended by the Local Government (Access to Information) Act 1985.

A member of the public will not be permitted to speak or ask questions at the meeting except with the consent of the meeting chair.

Exclusion of Public Access

The public must be excluded from meetings whenever it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that confidential information would be disclosed.

Confidential information means information given to the PFCC or Chief Fire Officer (CFO) by a Government Department on terms which forbid its public disclosure or information which cannot be publicly disclosed by Court Order.

Items will be considered '**Below the Line**' or 'not for publication' when they contain exempt information as defined by schedule 12 of the Local Government Act 1972.

Purpose

The Audit Committee is responsible for enhancing public trust and confidence in the governance of the Office of the PFCC FRA and North Yorkshire Fire and Rescue Service. It also assists the PFCC in discharging statutory responsibilities in holding the Fire Service to account. This is achieved by;

- Advising the OPFCC FRA and Chief Fire Officer of North Yorkshire according to good governance principles
- Providing independent assurance on the adequacy and effectiveness of the OPFCC FRA internal control environment and risk management framework.
- Overseeing the effectiveness of the framework in place for ensuring compliance with statutory requirements (and in particular those in respect of health and safety and equalities and diversity.)
- Independently scrutinising financial and non-financial performance to the extent that it affect the OPFCC FRA exposure to risks and weakens the internal control environment
- Overseeing governance and monitoring of governance within the organisation.
- Overseeing the financial reporting process

Objectives

The Audit Committee meets at least four times a year and in effectively discharging its function is responsible for:

Internal Control Environment

- Satisfying itself as to the effectiveness of the internal control framework in operation within the OPFCC FRA and advising the PFCC and Chief Fire Officer as appropriate.
- Considering the Annual Governance Statement for publication with the annual accounts, together with associated action plans for addressing areas of improvement and advising the PFCC as appropriate.

Corporate Risk Management

- Approving the OFPCC FRA corporate risk management strategy and framework; ensuring that an appropriate framework is in place for assessing and managing key risks to the OFPCC FRA.
- Considering the financial risks to which the OFPCC FRA is exposed and approving measures to reduce or eliminate them or to insure against them.
- Providing assurance to the PFCC and Chief Fire Officer as appropriate on the effectiveness of the risk management framework in operation.
- Provide oversight and scrutiny of the risk registers of the PFCC FRA.

Regulatory Framework

- Maintain an overview of the governance framework in respect of contract procedure rules, financial regulations and codes of conduct and behaviour and to review and approve on an annual basis any changes to the Code of Corporate Governance.
- Maintain an overview of the work of the Professional Standards Department in relation to an overview of the number and types of complaints.
- To review any issue referred to it by the Statutory Officers of the PFCC and make recommendations as appropriate.
- To monitor the policies of the PFCC FRA on 'Raising Concerns at Work', anti-fraud and corruption strategy and complaints process.

Internal Audit

- Advising the PFCC and Chief Fire Officer on the appropriate arrangements for internal audit, the appointment of the Internal Auditors and approving the Internal Audit Strategy.
- Approving the internal audit annual programme.
- Overseeing and giving assurance to the PFCC and Chief Fire Officer on the provision of an adequate and effective internal audit service; receiving progress reports on the internal audit work plan and ensuring appropriate action is taken in response to audit findings, particularly in areas of high risk.
- Considering the Head of Internal Audit Annual Report and annual opinion on the internal control environment for the OFPCC FRA; ensuring appropriate action is taken to address any areas for improvement.
- Reviewing and monitoring the effectiveness of OPFCC FRA on fraud, irregularity and corruption.

External Audit

- Advising the PFCC and Chief Fire Officer on the appointment of external auditors.
- Approving on behalf of the PFCC and Chief Fire Officer the external audit programme and associated fees
- Reviewing the external auditor's Annual Completion Report and any other reports; reporting on these to the PFCC and Chief Fire Officer as appropriate and including progress on the implementation of agreed recommendations.
- Reviewing the External Auditor's Annual Audit Letter and making recommendations as appropriate to the PFCC and Chief Fire Officer.

Financial Reporting

- Reviewing the Annual Statement of Accounts and make recommendations, or bring to the attention of the PFCC or Chief Fire Officer, any concerns or issues.
- To consider whether appropriate accounting policies have been followed and any changes to them.

Inspection and Review

- Considering HMICFRS, external review agencies and any internal inspection reports that provide assurance on the internal control environment and/or may highlight governance issues for the PFCC FRA.

Complaints

- Maintain an overview of Fire Service complaints.

Freedom of Information

- Maintain an overview of FOI requests and Performance.
- Act as the review body for Freedom of Information appeals

Civil Claims

- Maintain an overview of Civil Claims

Information Governance

- Review Corporate Strategy, policies and procedures in relation to Information Governance for PFCC FRA.
- Review reports from the Senior Information Risk Owner (SIRO) relating to the implementation of the corporate strategy, compliance with Data Protection Act and other information Governance related legislation.
- Consider any implications for governance and the annual governance statements of the PFCC FRA from issues in this area.

APPENDIX B

FIRE AUDIT COMMITTEE AGENDA PLANNING		ToR	02/04/2019	21/05/2019	23/07/2019	28/11/2019
REGULAR ITEMS						
1	External Audit - Progress Report	External Audit	*	*		*
2	Internal Audit - Progress Report	Internal Audit	*	*	*	*
3	Risk Management Governance Group Update	Corporate Risk Management	*		*	
4	Professional Standards Report	Regulatory Framework and Civil Claims		*		*
5	Information Management Governance Group Update	Information, Complaints and FOIs	*		*	
ANNUAL ITEMS						
6	External Audit - Audit Strategy Memorandum	External Audit	*			
7	External Audit - Request for Declarations	External Audit				
8	External Audit - Request for Declarations Response	External Audit		*		
9	Internal Audit - Draft Internal Audit Plan	Internal Audit	*			
10	External Audit Completion Report	External Audit			*	
11	Annual Internal Audit Report(s) and Opinion(s)	Internal Audit		*		
12	Annual Audit Letter	External Audit				*
13	Corporate Governance Framework	Regulatory Framework	*			
13	Previous Annual Governance Statement actions update	Internal Control Environment	*			
14	Annual Governance Statement	Internal Control Environment		*	*	
15	Draft Accounts	Financial Reporting		*		
16	Final Accounts	Financial Reporting			*	
17	Annual Review of Risk Management	Corporate Risk Management				*
18	Fire Audit Committee Annual Report	Internal Control Framework			*	
ITEMS AS REQUIRED						
19	HMICFRS Reports	Inspection and Review				