

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Items will be considered '**Below the Line**' or 'not for publication' when they contain exempt information as defined by schedule 12 of the Local Government Act 1972.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