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**REPORT AUTHOR:** ASSISTANT CHIEF OFFICER (HUMAN RESOURCES AND ORGANISATIONAL DEVELOPMENT)

**SUBJECT:** REVIEW OF THE AUDIT AND STANDARDS COMMITTEES EFFECTIVENESS 2017/18

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Background Papers: None

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Implications (tick ✓):

LEGAL			FINANCIAL	
HUMAN RESOURCES			EQUALITY IMPACT	
ENVIRONMENTAL			POLICY	✓
CORPORATE RISK	Known	✓	OTHER (please specify)	
	New			

*Any implications affecting this report are noted at the end of the report.*

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**PURPOSE:**

To review the effectiveness of the Audit and Standards Committee during 2017.

**RECOMMENDATIONS:**

That:

1. Members consider the effectiveness of the Audit and Standards Committee; and comment on whether:
  - i. ASC consider that they have been effective and discharged their responsibility in regard to their terms of reference (ASC Terms of Reference are attached as an Appendix);
  - ii. There are any areas of their terms of reference which have not been considered and should be addressed; and
  - iii. There are any areas of training and development that would assist them with the areas of work of the ASC Group.
2. The recorded Minutes of the meeting will be fed into the facilitated meeting to be held on 18 January 2018 to review the Fire Authority's Effectiveness in 2017/18.

## 1. Introduction

- 1.1 The Fire Authority publishes an Annual Review of Effectiveness and Record of Member Attendance. This review and a resultant Action Plan are included in the Fire Authority's Annual Governance Statement, which forms part of the Statement of Accounts.

## 2. 2017/18 Review of the Fire Authority Effectiveness

- 2.1 On 28 September 2017, the Audit and Standards Committee considered proposals for a review of the Fire Authority's effectiveness in 2017/18 and agreed that the Policy and Challenge Groups and Committees review their effectiveness by considering three overarching questions:
- i. Does the Group/Committee consider that they have been effective and discharged their responsibility in regard to the Group's/Committee's terms of reference?
  - ii. Considering the Group's/Committee terms of reference are there any areas that have not been considered and should be addressed?
  - iii. Does the Committee/Group consider any training and development that would assist them with the areas of work of the Group/Committee?
- 2.2 The minutes will be fed into the facilitated meeting to be held on 18 January 2018 following the Budget Workshop to review the Fire Authority's effectiveness in 2017/18. Consideration would also be given at the Budget Workshop to Members' statutory responsibilities and the terms of reference to the full Authority

## 3. Review of Audit and Standards Committee Effectiveness

- 3.1 Audit and Standards is Committee established by the Fire Authority to focus on the following areas of Bedfordshire Fire and Rescue work:
- Audit Activity
  - Regulatory Framework
  - Accounts
  - Standards
- 3.2 The Group has delegated power to take certain decisions on behalf of the Fire and Rescue Authority as identified in the Terms of Reference. The Committee's minutes are submitted to the FRA under a covering report from the Group's Chair with any decisions and recommendations.
- 3.3 Members are requested to review the terms of reference attached to confirm that they are content that the responsibilities for the Audit and Standards

Committee have been discharged effectively or whether there are any areas which have not been met.

3.4 In relation to the Terms of Reference and span of responsibility, Members are asked to consider if there are any training or information items they would like added to the work programme for next year, either to the ASC or to the wider Member Development days.

### 3.5 **Regularity of Meetings:**

3.5.1 The Audit & Standards Committee meets four times a year, meetings for the current year were:

- 16 March 2017;
- 14 June 2017;
- 28 September 2017; and
- 6 December 2017

3.5.2 The meeting dates are agreed when the Calendar of Meetings for the following year is presented to the FRA at their December meeting.

3.5.3 Attendance against the meetings will be reported to the Audit and Standards Committee on 21 March 2018.

### 3.6 **Support:**

3.6.1 The Committee is supported by the Principal Officer with responsibility for Human Resources and Organisational Development.

3.6.2 Officers with responsibility of the areas of work overseen by the Audit and Standards Committee attend to present reports and respond to Members.

Officers who attended regularly during 2017 were:

- ACO, Director of Human Resources and Organisational Development;
- Secretary/Monitoring Officer
- Head of Finance and Treasurer; and
- Head of Organisational Assurance;

3.6.3 Other personnel also attended to present reports and if the leads above were unavailable a Deputy has attended.

3.6.4 The meetings are also attended by the Service External Auditors Ernst & Young and the Service Internal Auditors RSM Tenon who present their reports and answer questions from Members of the Committee.

3.7 Review of Work Carried Out include:

The Audit and Standards Committee reviews their Work Programme each meeting and the following items have been discussed:

- Review of Terms of Reference (first meeting of the year)
- Audit and Governance Action Monitoring Reports (each meeting)
- Corporate Risk Register (each meeting)
- Review of Work Programme (each meeting)

- External Audit Plan 2016/17 (Ernst & Young)
- Annual Audit Fees 2017-18
- Internal Audit Progress Report (RSM)
- Internal Audit Strategy 2017/18 to 2019/20 (RSM)
- Update to the Authority's Financial Regs (Bi-annual review)
- Annual Audit Fees
- Audit Annual Report
- Review of Code of Conduct and Annual Report on Standards including Complaints
- Statement of Accounts and Letter of Representation
- Draft Annual Governance Statement and Action Plan
- Review of 'Monitored Policies'
- Report on Registration of Interests and Gifts/Hospitality
- Statement of Assurance
- Review of Standing Orders
- Review of the Fire Authority's Effectiveness
- Governance Presentation by RSM (see attached Appendix)

**ZOE EVANS**  
**ASSISTANT CHIEF OFFICER (HUMAN RESOURCES AND ORGANISATIONAL DEVELOPMENT)**

**BEDFORDSHIRE FIRE AND RESCUE AUTHORITY****AUDIT AND STANDARDS COMMITTEE****TERMS OF REFERENCE**

The Committee has been established to ensure that the following areas of the Fire and Rescue Service are functioning efficiently and effectively, challenging areas of under performance as required and approving any associated policy or activity as necessary:

- Audit Activity
- Regulatory Framework
- Accounts
- Standards

**Membership**

The Group is to consist of those Members appointed by the Fire and Rescue Authority for the ensuing year or as determined by the Fire and Rescue Authority. One Member, but not a member of the Executive, will be nominated as Chair of the Committee by the Fire and Rescue Authority (the Authority) at its annual meeting and another elected Member will be nominated as Vice Chair at the first Committee meeting held after the annual meeting.

**Quorum**

Business shall not be transacted at any meeting of the Committee unless at least one third of voting members are present and at least one member from two constituent authorities.

**Support**

The Group will be supported by the individual Principal Officer with responsibility for Corporate Services, the Authority's Treasurer, the Monitoring Officer, Head of Finance and Assistant Treasurer, and members of the Strategic Support Team.

**Regularity of Meetings**

The Committee is to meet a minimum of four times a year. Other meetings can be called when deemed necessary by any member of the Committee and following agreement with the Committee Chair.

**Reporting**

The Committee has delegated power to take certain decisions on behalf of the Fire and Rescue Authority as identified in the Terms of Reference. The Committee's minutes are submitted to the Fire and Rescue Authority under a covering report from the Committee's Chair with any decisions and recommendations.

## **Terms of Reference**

### **Audit Activity**

1. To consider reports and opinion from the Authority's Internal Auditors, and a summary of internal audit activity (actual and proposed) and the level of assurance they can give over the Authority's corporate governance arrangements.
2. To consider summaries of specific internal audit reports as requested.
3. To consider reports dealing with the management and performance of the providers of internal audit services.
4. To consider a report from internal audit on agreed recommendations not implemented within a reasonable timescale.
5. To consider the external auditor's annual letter, relevant reports, and the report to those charged with governance.
6. To consider specific reports as agreed with the external auditor.
7. To comment on the scope and depth of external audit work and to ensure it gives value for money.
8. To commission work from internal and external audit.

### **Regulatory Framework**

1. To maintain an overview of the Authority's constitution in respect of contract procedure rules, financial regulations and, subject to the terms of reference on standards below, codes of conduct and behaviour.
2. To review any issue referred to it by the Chief Fire Officer.
3. To monitor the Authority's policies on Whistleblowing, the Anti-fraud and Corruption Strategy and the Authority's Complaints Process.
4. To oversee the production of, and approve, the Authority's Annual Governance Statement on Internal Control and to approve the Fire Authority's Statement of Accounts.
5. To oversee the production of, and approve the Authority's Annual Statement of Assurance fulfilling the requirements as set out in the Fire and Rescue National Framework for England.
6. To consider the Authority's arrangements for corporate governance and agreeing necessary actions to ensure compliance with best practice.
7. To monitor the effective development and operation of corporate risk

management including the annual review of the Authority's Strategic Risk Register.

### **Accounts**

1. To consider the external auditor's report to those charged with governance on issues arising from the audit of the accounts.

### **Standards**

1. To discharge the Authority's duty under the Localism Act 2011 of ensuring that its Members (and any co-opted Members) maintain high standards of conduct.
2. To advise the Authority on the operation of its Code of Conduct and on any changes to the Code (including its register of interests) that may be necessary or desirable.
3. To monitor the operation of the Authority's arrangements for dealing with standards allegations against Members under the Localism Act 2011 and to make any changes that may be necessary or desirable.
4. To receive regular reports on any standards allegations against Members.
5. The Monitoring Officer be authorised to take action on the advice of the Committee Chairman where it is necessary to appoint a Panel of Members to advise whether to investigate a complaint, or an Adjudication Committee to adjudicate upon a complaint following a finding of breach of the Code by a Member, or any other action in relation to the preparation for, or the hearing of, a matter by the Adjudication Committee.

*Revised Terms of Reference and quorum arrangements agreed by the then CFA on 7 September 2011*

*Committee named changed from Audit Committee to Audit and Standards Committee with revised Terms of Reference agreed by the then CFA on 28 June 2012*

*Updated for change of Authority name – December 2012*

*Revised to separate membership from that of Corporate Services Policy and Challenge Group by FRA on 4 June 2013*

*Amendment to the Terms of Reference to include Item 5 under the Regulatory Framework agreed by the FRA on 11 December 2013*

*Reporting Statement included – FRA Meeting 21 July 2016*

*Point 8 under Regulatory Framework (to consider the Authority's compliance with its own and other published standards and controls) be removed as its intention is covered elsewhere in the terms of reference – Recommended by Audit and Standards Committee 8 December 2016 and agreed by FRA 9 February 2017.*