

2015 Final Terms of Reference

Terms of Reference

Stoke-on-Trent and Staffordshire Fire and Rescue Authority

Audit Committee

Constitution

The Committee consists of 6 members with a quorum of 2. In addition the Committee has a non-voting critical friend appointed to it.

The Chair or Vice Chair of the Authority shall not be the Chair of the Audit Committee.

Purpose

The purpose of the Audit Committee is to:

- Oversee the financial reporting process.
- Provide independent assurance of the adequacy of the Authority's risk management and control arrangements.
- Provide independent scrutiny of the Authority's financial performance and other matters where these weaken risk management and control arrangements.

Terms of Reference

Duties include:

Audit

- To approve the internal audit strategy.
- To receive reports on the strategic and annual audit plans from the internal and external Audit Service and to monitor their implementation.
- To receive performance assessment, audit and other external reports and management letters and make recommendations to the Authority as necessary.
- To receive and review internal audit reports and make recommendations to the Authority as necessary.
- To monitor the implementation of approved recommendations relating to internal audit reports and external audit reports and management letters.
- To question the appropriate officers of the Authority on the conduct of the Authority's finances and to question the internal and external auditors on their reports.
- To review the financial statements, external auditor's opinion and reports to Members, and monitor management action in response to the issues raised by external audit.

- To consider the appointment of internal auditors and make recommendations to the Authority.
- To liaise with the Audit Commission and the Authority regarding the appointment, terms of reference and remuneration for external audit.
- To ensure that there are effective relationships and co-ordination between external and internal audit, inspection agencies and other relevant bodies, and that the value of the audit process is actively promoted and duplication of effort is minimised in order to maximise assurance.
- To consider the reports of inspection agencies on financial and related performance matters.
- To provide scrutiny of the Authority's Annual Treasury Management Strategy (as submitted to Strategy and Resources Committee)

Risk Management and Internal Control

- To ensure that appropriate monitoring arrangements are in place for the auditing and review of risk and that responsibilities for risk management are clearly defined.
- To be satisfied that the Authority's internal control arrangements including Annual Governance Statement properly reflect the risk environment and any actions required to improve it.
- To receive an annual statement regarding the Head of Internal Audit opinion upon the systems of internal control in relation to the work undertaken within the year. This should be received following the year end and completion of internal audit work for the year.
- To review the policy and arrangements by which staff may raise concerns about possible improprieties (Confidential Reporting Code) and the embedding of an appropriate ethical culture.

Structure and Administration

- All Members will receive an annual refresher session regarding relevant and good practice in line with their role. New Members should take part in an induction programme covering the key activities, key risks and relevant internal controls.
- Regular attendees will include, the Director of Finance, Assets and Resources, Chief Fire Officer/Chief Executive, Section 151 Officer, Monitoring Officer, Head of Internal Audit, External Auditor. The Committee should also reserve the right to call any other officer or agencies as required.
- The Authority will consider requests from the Audit Committee for the provision of funds for the undertaking of independent investigation where this is deemed to be required in the course of their role.
- The Audit Committee will operate in the role of the Board as outlined within the Public Sector Internal Audit Standards (PSIAS).

Delegation

To agree the audit scope of work and management letter

To approve the Authority's Annual Governance Statement and Statement of Accounts

Recommending and providing an annual statement of assurance on financial governance and operational matters to the Authority

Reporting to: Minutes go to Authority

Frequency of Meetings

The Committee will meet four times per year.

(New separate Audit Committee - established by the Fire Authority on 3 June 2005)
(amended on 26 May 2006, 13 July 2007, 23 May 2009, and 11 March 2011, 21 October 2011, 17 July 2012, 12 December 2012, 21 October 2013 and 30 March 2015)