

Appendix D

Audit and Governance Committee

Proposed Terms of Reference

The Audit and Governance Committee is a sub committee of the Hampshire and Isle of Wight Fire and Rescue Authority (HIWFRA) and is directly accountable to the full Authority.

The Committee is constituted in accordance with the recommended practice stated in the Chartered Institute of Public Finance and Accountancy (CIPFA) position statement on Audit Committees Local Authorities and Police 2022.

Purpose:

The Audit and Governance Committee will:

- provide an independent and high level focus on the adequacy of governance, risk, internal and external audit and financial arrangements.
- ensure there is sufficient and effective arrangements and controls in place to give confidence to our communities.
- provide objective oversight and fulfil the principles of good governance.

Key accountabilities:

Governance functions:

- Consider whether the Annual Governance Statement (AGS) properly reflects the risk environment and demonstrates how governance supports the achievement of the Authority's objectives.
- Approve the AGS for inclusion in the Statement of Accounts.
- Consider whether the Annual Assurance Statement provides adequate assurance across the Authority's range of operations.
- Approve the Annual Assurance Statement for publishing.
- Monitor the arrangements and preparations for financial reporting to ensure statutory requirements are met.
- Consider and approve the Statement of Accounts.
- Consider reports on the effectiveness of financial management controls and monitor arrangements including compliance with CIPFAs Financial Management Code.
- Receive reports detailing any identified fraud and corruption.
- Review governance arrangements for significant partnerships and collaborations.
- Seek assurances that the Authority's risk management arrangements adequately control risk related issues.

- Monitor progress in addressing risks on Authority's Strategic Risk Register.
- Request reports and seek assurances from relevant officers as is deemed necessary by any of the Committee Members.
- Consider any report of His Majesty's Inspectorate of Constabulary's and Fire and Rescue Service (HMICFRS).
- Monitor the progress of any HMICFRS action plan/Areas for Improvement and make recommendations where required.
- Monitor the progress of alignment with Fire Standards and make recommendations where required.

Audit functions:

- Internal Audit
 - Oversee internal audit's independence, objectivity and performance.
 - Support effective arrangements for internal audit.
 - Consider the annual Internal Audit opinion and Internal Audit Strategy.
 - Approve the annual risk based Internal Audit plan for the coming financial year.
 - Approve any significant changes to the risk based Internal Audit plan.
 - Consider Internal Audit progress reports.
 - Approve the Internal Audit Charter.
- External audit
 - Contribute to the operation of effective and efficient external audit arrangements.
 - Consider the External Auditor's management letter to the Authority and any reports from the External Auditor.
 - Make any recommendations relating to External Audit to the Full Authority as necessary.
 - Approve the provision of External Audit.
 - Consider additional commissions of work from External Audit.

Treasury Management

- Consider the arrangements put in place for the effective management and control of treasury management risks.
- Prior to approval by the Authority, receive and consider the:
 - Annual Treasury Management Strategy
 - Mid-year treasury management update report
 - End of year treasury management outturn report.
- Receive regular monitoring reports including reporting on required indicators.

Standards:

- Discharge the Authority's duty to promote and maintain high standards of conduct by Authority Members and co-opted Members through:
 - Championing the Core Code of Ethics and demonstrating behaviours aligned to the five principles within the Core Code of Ethics.

- Making recommendations to the Authority on the revision or replacement of its Code of Conduct.
- Making recommendations to the Authority on the arrangements to be applied for the investigation of allegations of Members failing to comply with the Members Code of Conduct including the appropriate involvement of the Independent Person.
- Considering any allegation of failure to comply with the Members Code of Conduct as above.
- Oversee the recruitment of an Independent Person to the Authority (on a four yearly basis) and make a recommendation to the Authority for their appointment.
- Consider and determine any application by a Members or co-opted Member for the grant of dispensation under section 33 of the Localism Act 2011, relieving the restrictions on participation in and voting on, a matter in which the Members or co-opted Member has disclosed a pecuniary interest.
- Review the Members Allowance Scheme and make recommendations to the full Authority to approval of a Members Allowance Scheme.
- Act as the Authority's appeal body for appropriate categories of employees in accordance with approved policies, where it is not possible for an appeal to be heard by Officers.

Pension Board:

- Act as the Scheme Manager for the Hampshire Firefighters Pension Fund.

Administration of the Committee:

- The Audit and Governance Committee will meet 4 times a year.
- The Committee will comprise 5 Members of the Authority (or such number the Authority determines).
- Appointments to the Committee will be made annually at the Authority's Annual General Meeting (AGM).
- Regular officer attendees will be the Chief Finance Officer, the Monitoring Officer, the Head of Internal Audit and the Deputy Chief Fire Officer.
- External Audit will attend as and when is required.
- The Committee can call upon other officers and agencies as required to fulfil their duties.
- The Chairman will meet with External Audit on an annual basis. Should the Chairman need to, they can engage at other times as is deemed necessary.
- The Committee will provide an annual performance report to the Full Authority detailing how it has complied with the CIPFA position statement, the report will include the work of the committee. The annual performance report will be published once reviewed by the Full Authority.

The Committee will pay due regard to the:

- Fire and Rescue National Framework for England

- CIPFA Financial Management Code
- CIPFA Treasury Management Code
- Local Government Act 2003
- Government Finance Act 1992
- Accounts and Audit Regulations 2015
- Accounts and Audit (Amendment) Regulations 2022
- Local Audit and Accountability Act 2014
- National Audit Office's 2020 Code of Audit Practice
- Statement of Responsibilities issued by Public Sector Audit Appointments (PSAA) Ltd
- Auditing Standards
- CIPFA publication titled Delivering Good Governance in Local Government Framework 2016.
- Principles of the Core Code of Ethics