

APPENDIX B

Article 15 – Audit Committee

15.1 Terms of Reference

Audit Activity

- (a) To consider the internal auditor's annual report and opinion, and a summary of internal audit activity (actual and proposed) and the level of assurance it can give over the Authority's corporate governance arrangements.
- (b) To consider and approve summaries of specific internal audit reports as requested.
- (c) To consider reports dealing with the management and performance of the providers of internal audit Services.
- (d) To consider a report from internal audit on agreed recommendations not implemented within a reasonable timescale.
- (e) To consider the external auditor's annual letter, relevant reports, and the report to those charged with governance.
- (f) To consider specific reports as agreed with the external auditor.
- (g) To comment on the scope and depth of external audit work and to ensure it gives value for money.
- (h) To ensure that there are effective relationships between external and internal audit, inspection agencies and other relevant bodies and that the value of the audit process is actively promoted.
- (i) To commission work from internal and external audit.
- (j) To approve the Treasury Management (Year End) Report.

Regulatory Framework

- (a) To maintain an overview of the Authority's constitution in respect of contract procedure rules, financial regulations and codes of employee conduct and behaviour.
- (b) To review any issue referred to the sub Committee by the Chief Fire Officer, Deputy Chief Fire Officer or Treasurer or member of Authority's Strategic Leadership Team.

- (c) To monitor the effective development and operation of risk management and corporate governance in the Authority.
- (d) To monitor Authority policies on Whistleblowing and the anti-fraud and anti-corruption strategy and the Authority's complaints process.
- (e) To consider the Authority's arrangements for corporate governance agreeing necessary actions to ensure compliance with best practice.
- (f) To approve the Authority's Annual Governance Statement.
- (g) To consider the Authority's compliance with its own and other published standards and controls.

Accounts

- (a) To review the annual statement of accounts. Specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the council.
- (b) To consider the external auditor's report to those charged with governance on issues arising from the audit of accounts.
- (c) Approve the audited Statement of Accounts and approve publication of the same (NB this can also be approved by the Policy and Resources Committee if necessary).

15.2 Members' Code of Conduct

To determine allegations made under the Member Code of Conduct Procedure and refer sanctions proposed and any complaint allegation requiring further investigation to the Authority's Appeals Committee.

15.3 Discipline Procedures for Statutory & Relevant Officers

- (a) To act as Investigating and Disciplinary Committee where an allegation is made against the Chief Fire Officer, Deputy Chief Fire Officer, Assistant Chief Fire Officer, Monitoring Officer or Treasurer in line with the Authority's policy for Discipline Procedures for Statutory Officers.
- (b) To determine whether any allegation of misconduct by a statutory/relevant officer should be investigated by an independent investigator;
- (c) To determine whether the statutory/relevant officer subject to the allegation should be suspended while the investigation is conducted;

(d) To appoint the independent investigator subject to the involvement of the statutory/relevant officer

(e) Appoint Independent Members to the Independent Panel.

(f) To consider the outcome of any resultant investigation and representations from the statutory/relevant Officer and either:

- (i) determine there is no case to answer
- (ii) determine a sanction short of dismissal; or
- (iii) recommend dismissal to the full Authority

15.4 Membership

5 voting members.

15.5 Quorum

Three voting members

Standing Order 36: Disciplinary Action

36.1 No disciplinary action concerning the dismissal of the Chief Fire Officer, Deputy Chief Fire Officer, Assistant Chief Fire Officer, Monitoring Officer or the Treasurer (“the Relevant Officer”) may be taken by the Authority, or by a committee, a subcommittee, a joint committee on which the Authority is represented or any other person acting on behalf of the Authority, other than in accordance with a decision by the full Authority.

36.2 Disciplinary action short of dismissal in respect of the Relevant Officer may be taken by the Audit Committee in its capacity as the IDC.

36.3 Any suspension of the officer in respect of Standing Order 36 for the purpose of investigating the alleged misconduct occasioning the action; and any such suspension must be on full pay and terminate no later than the expiry of two months beginning on the day on which the suspension takes effect unless agreed otherwise by the Audit Committee.

36.4 Any allegation of misconduct and any proposed disciplinary action must comply with the Statutory Officers’ Disciplinary Procedure as currently in force