



AGENDA ITEM: 11

NORTH WALES FIRE AND RESCUE AUTHORITY

15th December 2008

CONSTITUTIONAL REVIEW

Report by Colin Everett, Clerk

Purpose of Report

- 1.** To propose recommendations for the continuance of the Executive Panel and the formation of an Audit Committee as outcomes of the constitutional review.

Introduction

- 2.** The Authority has undertaken a constitutional review in response to the recommendations of the Wales Audit Office (sources: Review of Scrutiny Arrangements: North Wales Fire and Rescue Authority 06/08 and Scrutiny and Member Engagement in Fire and Rescue Authorities – good practice Mid and West Wales, North Wales and South Wales Fire and Rescue Authorities (06/08). The Authority received and considered these source documents at its annual meeting and directed a review.
- 3.** The purpose of the constitutional review was threefold:
 - **To consider in depth the recommendations of the Wales Audit office**
 - **To consider the need for a separation of functions (executive and non-executive) and the need for greater accountability within the constitution**

➤ **The scope for greater elected member involvement across the total membership of the authority**

4. A presentation on the provisional recommendations of the review was made by the Clerk at the last meeting. The authority resolved:
to agree that the Clerk present full recommendations on the options to the Authority at its next meeting in December, responding to the advice given.

5. Outcomes of the Constitutional Review

The recommendations which follow, based on the direction given by the Authority at its last meeting, present two options to choose between for the membership of the Executive Panel and a proposed membership and terms of reference for an Audit Committee.

The Authority is requested to address the recommendations and to introduce the adopted constitutional changes from the 2009/10 municipal year.

6. Recommendations

Executive Panel

1. That the Executive Panel is retained and its terms of reference are re-adopted;
2. That the Executive Panel membership comprises either
(1) 2 nominated elected members per constituent authority and the Chair and Vice-Chair of the Authority (14 members) or
(2) 2 nominated elected members per constituent authority (including the Chair and Vice-Chair);
3. That the Executive Panel membership is not required to be politically balanced unless so directed by the Fire Authority;

Audit Committee

4. That an Audit Committee be appointed with effect from the 2009/10 municipal year;
5. That the Audit Committee membership be comprised of all non-Executive members;
6. That the Chair and Vice-Chair of the Committee be appointed from different constituent authorities in the interests of representations of the communities of North Wales;
7. That the Committee have the four primary roles of governance audit and scrutiny, financial and resource management audit and scrutiny, risk management and assurance audit and scrutiny and performance audit and scrutiny;
8. That the Committee assume the constitutional roles and responsibilities of overview and scrutiny;
9. That the Committee has a forward work programme according to its terms of reference and the reporting cycles of the Authority (e.g. the budget cycle, the improvement plan cycle);
10. That the Committee meet a minimum of twice per municipal year;
11. That the Committee have the facility to set-up time-limited task groups to undertake reviews and the discretion to co-opt Executive members with relevant expertise onto these groups; and
12. That the Chief Fire Officer, Treasurer and Clerk assess the resourcing needs of the Audit Committee.

7. Appendices

1. Presentation slides from previous meeting (attached to minutes of previous meeting).
2. Terms of Reference of the Executive Panel.
3. Terms of Reference of the proposed Audit Committee.

NORTH WALES FIRE AND RESCUE AUTHORITY

EXECUTIVE PANEL TERMS OF REFERENCE

1. Membership

1.1 The Executive Panel shall comprise 14 members as follows:

The Chairman and Vice-Chairman of the Authority and two members invited from the representatives of the six constituent authorities.

2. Terms of Reference

2.1 The Panel shall on an ad hoc basis meet to undertake such functions as delegated to it by the Authority e.g. in the appointment of the Chief and other Senior Fire Officers and deal with the disciplinary matters relating to these and other posts. The Panel shall deal with constitutional and other matters which are considered by the Clerk and Chief Fire Officer in consultation with the Chairman as suitable for referral to the Panel. Other matters that will arise from time to time which are not urgent but nevertheless require consideration by a small panel of members will be dealt with by the Panel and then submitted for recommendation to a full meeting of the Authority. The approval of the Chairman will always be sought before any meeting is called.

2.2 The Standing Orders governing meeting of the Authority shall also apply to meetings of the Executive Panel.

2.3 The **Executive Panel** shall on behalf of the Authority:

- i. Act as the Appointments Panel when appointing the Chief Fire Officer
- ii. Act as the panel to hear disciplinary proceedings commenced against the Chief Fire Officer;
- iii. Deal with certain pension matters relating to the post of Chief Fire Officer;
- iv. Act as the Appointments Panel when appointing the Deputy and Assistant Chief Fire Officers;
- v. Act as the Appointments Panel when appointing the Assistant Chief Officer (Finance and Procurement);
- vi. Make recommendations, as the need arises, regarding the appointment of (a) Clerk to the Authority and (b) Treasurer to the Authority;
- vii. Act as the appeal panel as set out in the authority's procedures on discipline, capability and grievances;
- viii. Act on behalf of the Authority in the use of discretionary powers under the Firefighters' Pension (Wales) Scheme;
- ix. Act on behalf of the Authority in the use of discretionary powers under the Local Government Pension Scheme Regulations;
- x. Act on behalf of the Authority, and if necessary decide and/or make recommendations on personnel related matters after consultation with the Chairman;

- xi. Deal with any policy and/or constitutional matter and any other urgent business at the discretion of the Chief Fire Officer/Clerk/Treasurer, following prior consultation with the Chairman.

2.4 In addition the Panel shall exercise the authority's functions under sections 3 to 6 of the Local Government Act 1999 including:

- i. overseeing and monitoring the authority's compliance with the best value requirements of the 1999 Act;
- ii. overseeing and approving best value reviews;
- iii. overseeing and approving the content of the best value performance plan;
- iv. monitoring performance against best value performance indicators and local performance indicators.

2.5 In addition the Executive Panel shall act as the Fire Authority's audit committee in accordance with CIPFA's guidance "Audit Committees: Practical Guidance for Local Authorities". This shall include approval of the internal audit strategy, the annual programme of internal and external audit and the annual audit report.

2.6 In addition the Executive Panel shall, for each financial year in accordance with the Accounts and Audit Regulations (Wales) 2005, approve the Authority's Annual Statement of Accounts and formally acknowledge the Letter of Representation sent to the External Auditor.

AUDIT COMMITTEE: DRAFT TERMS OF REFERENCE

The Audit Committee shall be responsible for the following (and shall have delegated authority accordingly):

1. Governance

- (a) To oversee the production of the North Wales Fire and Rescue Authority's Annual Governance Statement and to recommend its adoption to the North Wales Fire and Rescue Authority.
- (b) To maintain an overview of the North Wales Fire and Rescue Authority's constitution, particularly in respect of the contract procedure rules and financial procedure rules.
- (c) To review any issue referred to it by the Chief Fire Officer, S. 151 Officer or Clerk, the North Wales Fire and Rescue Authority or the Executive Panel.

2. Financial, Resources and General Management and Assurance

The Committee shall:

- (a) Approve the Internal Audit Annual Work Programme;
- (b) Consider the Internal Audit reports;
- (c) Consider the Internal Audit Annual Report;
- (d) Appoint an effective and efficient Internal Audit Service; and
- (e) Review the performance of the Internal Audit Service;
- (f) Consider the Wales Audit Office's Annual Management Letter;
- (g) Consider the Annual Financial Statements and provide any comments to the North Wales Fire and Rescue Authority;
- (h) Provide feedback to the Wales Audit Office upon performance of the external audit.

3. Risk Management Panel

The Committee shall:

- (a) Monitor the effective development and operation of corporate risk management and corporate governance in the North Wales Fire and Rescue Authority;

- (b) Monitor the effectiveness of the internal control environment.
4. **Performance**

The Committee shall:

- (a) Review the effectiveness of performance management;
- (b) Review the achievement of Strategic Plan objectives;
- (c) Review the achievement of agreed performance indicators; and
- (d) Generally comment upon and make recommendations to the North Wales Fire and Rescue Authority Executive Panel or the Executive Group on the performance of the North Wales Fire and Rescue Authority.

5. **Overview and Scrutiny**

The Committee may:

- (a) Review the effectiveness of policies and strategies approved by the Executive Panel;
- (b) Review the effectiveness of decisions made by the Executive Panel;
- (c) Review generally the performance of the North Wales Fire and Rescue Authority Service;
- (d) Make such reports or recommendations to the North Wales Fire and Rescue Authority, Executive Panel or Executive Group as it considers appropriate;
- (e) Request the Clerk that a matter be added to any agenda for the North Wales Fire and Rescue Authority, Executive Panel or Executive Group provided that at least 10 clear days notice is given of such a request. All reasonable steps shall be taken to provide a written report on the matter to the meeting, but where this is not possible, an oral report shall be given;
- (f) The right to make a request under paragraph (d) shall be vested in the Chairperson of the Audit Committee or any three Members of that Committee;
- (g) where the Audit Committee considers that a matter requires urgent consideration by either the North Wales Fire and Rescue Authority or the Executive Panel then the Audit Committee shall have power to request a meeting of that Committee in accordance with rule (d) above.