

**The report is Not Exempt**

**The report is for Decision**

**REPORT TO: FIRE AUTHORITY**

**MEETING DATE: 18 March  
2019**

**SUBJECT: Changes to the terms of reference of the Resource Management Committee (RMC) (Article 6) and the Performance, Audit and Scrutiny Committee (PASC) (Article 7)**

**SUMMARY**

The Accounts and Audit (Wales) (Amendment) Regulations 2018 amend the 2014 Regulations which make provision with respect to the accounts and audit of local government bodies in Wales whose accounts are required to be audited.

Previously, Fire and Rescue Authorities were required to prepare their statement of accounts by 30th June each year for publication by 30th September. However, from the 31st March 2019, as a result of the new Regulations, the Fire and Rescue Authorities will be required to prepare their statement of accounts by 31st May for publication by 31st July following the year to which it relates.

In order to enable the Fire Authority to process its accounts in accordance with these new timescales, it is necessary to change the Constitution in order to amend the terms of reference of the Resource Management Committee (RMC) (Article 6) and the Performance, Audit and Scrutiny Committee (PASC) (Article 7) as set out in the report.

**RECOMMENDATIONS:**

That the Fire and Rescue Authority approves the following changes to the Constitution:

1. That para 6.4 ix of Article 6 (Appendix 1) setting out the terms of reference to the Resource Management Committee requiring receipt of a draft statement of accounts prior to audit be deleted.
2. That a new term of reference be added to Article 7 (Appendix 2) relating to the Performance Audit and Scrutiny Committee (PASC) requiring that the Committee notes the draft statement of accounts, generally during the audit period, and to then recommend the final annual statement to the Fire Authority for approval, or in appropriate circumstances approve the annual statement of accounts itself.

<b>REPORT APPROVAL</b>	
<b>Clerk/Monitoring Officer:</b>	<b>Comments:</b> Approved <b>Date:</b> 11.03.19
<b>Relevant Director:</b>	<b>Comments:</b> Approved <b>Date:</b> 08.03.19
<b>Section 151 Officer /Treasurer:</b>	<b>Comments:</b> Approved <b>Date:</b> 11.03.19
<b>Chief Fire Officer/ Deputy Chief Fire Officer</b>	<b>Comments:</b> Approved <b>Date:</b> 10.03.19

<b>BACKGROUND PAPERS USED IN PREPARATION OF THIS REPORT:</b>
Mid and West Wales Fire and Rescue Authority Constitution The Accounts and Audit (Wales) (Amendment) Regulations 2018

Presenting the Report:	Chris Moore Section 151 Officer
Report Author(s) and Designation	Iwan Cray Corporate Head of Resources
Date original report written	25/02/2019

**Mae'r Adroddiad Heb ei eithrio**

**Mae'r Adroddiad AR GYFER PENDERFYNIAD**

**ADRODDIAD I'R: AWDURDOD TÂN**

**DYDDIAD Y CYFARFOD: 18  
Mawrth 2019**

**TESTUN: Newidiadau i Gylchoedd Gorchwyl y Pwyllgor Rheoli Adnoddau (Erthygl 6) a'r Pwyllgor Archwilio a Chraffu ar Berfformiad (Erthygl 7)**

**CRYNODEB:**

Mae Rheoliadau Cyfrifon ac Archwilio (Cymru) (Diwygio) 2018 yn diwygio Rheoliadau 2014, sy'n gwneud darpariaeth mewn perthynas â chyfrifon ac archwilio cyrff llywodraeth leol yng Nghymru y mae'n ofynnol i'w cyfrifon gael eu harchwilio.

Yn flaenorol, roedd yn ofynnol i Awdurdodau Tân ac Achub baratoi eu datganiad o gyfrifon erbyn 30 Mehefin bob blwyddyn, i'w gyhoeddi erbyn 30 Medi. Fodd bynnag, o 31 Mawrth 2019 ymlaen, ac o ganlyniad i'r Rheoliadau newydd, bydd yn ofynnol i'r Awdurdodau Tân ac Achub baratoi eu datganiad o gyfrifon erbyn 31 Mai i'w gyhoeddi erbyn 31 Gorffennaf yn dilyn y flwyddyn y mae'r datganiad yn berthnasol iddi.

Er mwyn galluogi'r Awdurdod Tân i brosesu ei gyfrifon yn unol â'r amserlenni newydd hyn, mae'n angenrheidiol newid y Cyfansoddiad er mwyn diwygio cylchoedd gorchwyl y Pwyllgor Rheoli Adnoddau (Erthygl 6) a'r Pwyllgor Archwilio a Chraffu ar Berfformiad (Erthygl 7), fel y nodir yn yr adroddiad.

**ARGYMHELLION:**

Bod yr Awdurdod Tân ac Achub yn cymeradwyo'r newidiadau canlynol i'r Cyfansoddiad:

1. Bod paragraff 6.4 ix o Erthygl 6 (Atodiad 1), sy'n nodi cylch gorchwyl y Pwyllgor Rheoli Adnoddau, sy'n ei gwneud yn ofynnol i ddatganiad drafft o'r cyfrifon ddod i law cyn yr archwiliad, yn cael ei ddileu.
2. Bod cylch gorchwyl newydd yn cael ei ychwanegu at Erthygl 7 (Atodiad 2) mewn cysylltiad â'r Pwyllgor Archwilio a Chraffu ar Berfformiad, sy'n ei gwneud yn ofynnol i'r Pwyllgor nodi'r datganiad drafft o gyfrifon, yn gyffredinol yn ystod y cyfnod archwilio, ac yna argymhell y datganiad blynyddol terfynol i'r Awdurdod Tân i'w gymeradwyo, neu, o dan amgylchiadau priodol, gymeradwyo'r datganiad blynyddol o gyfrifon ei hun.

<b>CYMERADWYO'R ADRODDIAD</b>	
<b>Clerc:</b>	<b>Sylwadau: Cymeradwywyd</b> <b>Dyddiad: 11.03.19</b>
<b>Cyfarwyddwr:</b>	<b>Sylwadau: Cymeradwywyd</b> <b>Dyddiad: 08.03.19</b>
<b>Cyllid/Trysorydd:</b>	<b>Sylwadau: Cymeradwywyd</b> <b>Dyddiad: 11.03.19</b>
<b>Prif Swyddog Tân / Dirprwy Brif Swyddog Tân</b>	<b>Sylwadau: Cymeradwywyd</b> <b>Dyddiad: 10.03.19</b>

<b>PAPURAU CEFNDIR A DDEFNYDDIWYD WRTH BARATOI'R ADRODDIAD HWN:</b> Cyfansoddiad Awdurdod Tân ac Achub Canolbarth a Gorllewin Cymru Rheoliadau Cyfrifon ac Archwilio (Cymru) (Diwygio) 2018
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Yn cyflwyno'r Adroddiad:	Chris Moore Swyddog A151
Awdur(on) yr Adroddiad a'u Swyddi	Iwan Cray Pennaeth Corfforaethol Adnoddau
Dyddiad yr ysgrifennwyd yr adroddiad gwreiddiol	25/02/2019

**REPORT TO THE FIRE AUTHORITY  
18 MARCH 2019**

**CHANGES TO THE TERMS OF REFERENCE OF THE RESOURCE MANAGEMENT  
COMMITTEE (RMC) (ARTICLE 6) AND THE PERFORMANCE, AUDIT AND SCRUTINY  
COMMITTEE (PASC) (ARTICLE 7)**

**1 Summary**

- 1.1 The Accounts and Audit (Wales) (Amendment) Regulations 2018 amend the 2014 Regulations which make provision with respect to the accounts and audit of local government bodies in Wales whose accounts are required to be audited.
- 1.2 Previously, Fire and Rescue Authorities were required to prepare their statement of accounts by 30th June each year for publication by 30th September. However, from the 31st March 2019, as a result of the new Regulations, the Fire and Rescue Authorities will be required to prepare their statement of accounts by 31st May for publication by 31st July following the year to which it relates.
- 1.3 In order to enable the Fire Authority to process its accounts in accordance with these new timescales, it is necessary to change the Constitution in order to amend the terms of reference of the Resource Management Committee (RMC) (Article 6) and the Performance, Audit and Scrutiny Committee (PASC) (Article 7) as set out in the report.

**2 National/Wales Position**

- 2.1 Under the existing Regulations, Fire and Rescue Authorities are required to prepare their Statement of Accounts by 30th June 2018 and to publish it by 30th September 2018. However, in relation to a year ending on or after 31st March 2019, Fire Authorities will be required to prepare their statement of accounts by 31st May following the year to which the statement relates and to publish it by 31st July following the year to which it relates.

**3 Mid and West Wales Fire and Rescue Service Current Position**

- 3.1 See section 2 above.

**4 Proposal**

- 4.1 It is proposed and recommended within this report that in order to meet the statutory requirements going forward, as set out by The Accounts and Audit (Wales) (Amendment) Regulations 2018, the Constitution of the Mid and West Wales Fire and Rescue Authority will need to be amended. These changes are set out in Appendices 1 and 2 to the report. If the recommended changes are approved this will enable the draft accounts for 2018-19 to be published on or before the 31<sup>st</sup> May 2019 and to be sent to Wales Audit Office as soon as possible thereafter for auditing. The audited Statement of Accounts will then be reported to Performance Audit and Scrutiny Committee for approval on 29<sup>th</sup> July 2019 and finally reported to Fire Authority in September. In appropriate circumstances the Accounts could be approved by the PASC itself.

**5 Financial/Procurement Implications**

- 5.1 Considered not relevant.

## **6 Risk Assessment/Legal Implications**

6.1 The Fire Authority is legally required to comply with the timetables set in the Regulations.

## **7 Equality and Diversity Including Welsh Language**

7.1 Considered not relevant.

## **8 Human Resource and People Development**

8.1 Considered not relevant.

## **9 Information and Communications Technology (ICT)**

9.1 Considered not relevant.

## **10 Estates**

10.1 Considered not relevant.

## **11 Service Delivery**

11.1 Considered not relevant.

## **12 Fire Authority Governance**

12.1 Under Article 7 of the Constitution it is for the Performance, Audit & Scrutiny Committee to consider the audit of accounts.

## **13 Consultation & Communication**

13.1 The regulatory changes have been made following consultation with the appropriate Officers, the Clerk and the Section 151 Officer.

## **14 Evaluation**

14.1 Considered not relevant.

## **15 Well-being of Future Generations (Wales) Act 2015**

15.1 The annual accounts process is completed having regard to the principles embedded in the Well Being of Future Generations (Wales) Act 2015.

## **16 Data Protection and Privacy Issues**

16.1 The report does not include personal information concerning individuals other than where information is provided as required under the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Local Authority Accounting 2017-18.

## **17 Recommendations**

17.1 That the Fire and Rescue Authority approves the following changes to the Constitution:

1. That para 6.4 ix of Article 6 (Appendix 1) setting out the terms of reference to the Resource Management Committee requiring receipt of a draft statement of accounts prior to audit be deleted.
2. That a new term of reference be added to Article 7 (Appendix 2) relating to the Performance Audit and Scrutiny Committee (PASC) requiring that the Committee notes the draft statement of accounts, generally during the audit period, and to then recommend the final annual statement to the Fire Authority for approval, or in appropriate circumstances approve the annual statement of accounts itself.

## ARTICLE 6 - RESOURCE MANAGEMENT COMMITTEE

### 6.1 Remit

The Resource Management Committee is responsible for the effective management of the resources of the Fire Authority, in particular managing and developing the financial, human and property of the Authority together with its procurement, Information and Communication Technology (ICT), human resource and transport functions and its engagement with stakeholders.

### 6.2 Composition

This committee is made up of 15 members and representation will bear the same proportionality as the political composition of the whole Authority, and will seek to reflect the membership of its Constituent Authorities.

### 6.3 Quorum

The quorum for the committee shall be 5.

### 6.4 Terms of Reference

The terms of reference of the committee are as follows:

- i. To consider the detailed budget requirement of the Authority , along with the observations of the constituent Authorities, and to make recommendations thereon to the full Fire Authority;
- ii. To consider the financial aspects of all matters and projects specifically referred to the Committee, to monitor income and expenditure during the financial year and to report on such monitoring to the Fire Authority if necessary;
- iii. To consider relevant matters relating to Land and Property management;
- iv. To consider relevant all matters relating to Procurement, Information Communication Technology, Transport relevant to the Authority;
- v. To consider and to submit to the Authority: Financial Regulations for the Control and Management of the Authority's finances and any amendments thereto;
- vi. To consider and to make recommendations to the Fire Authority in relation to all capital expenditure and the revenue consequences arising there from and methods of financing;
- vii. To exercise, on behalf of the Authority, its powers in relation to the following matters, other than those delegated to specific Officers:
  - Routine financial matters and, in particular, the authorisation of payments not otherwise dealt with;
  - The management of all funds and investments and the supervision of banking arrangements;
  - Supervision of raising loans;
  - Insurances and Risk Management issues;
  - Any other matters specifically referred to the Committee by the Authority.



- ix. ~~To receive the draft annual statement of accounts prior to audit~~
- x. To consider reports from the Chief Fire Officer and nominated officers on matters relating to Local and National Conditions of Service, as appropriate, for all employees of the Authority and to make determinations thereon.
- xi. To make arrangements to undertake consultations with the representative bodies on strategic matters and to arbitrate upon disputes, as appropriate. This will usually take place by convening meetings of the Joint Consultative Forum, whose terms of reference are set out within this constitution.
- xii. To monitor the implementation of the Service's Equal Opportunities Policy and to receive reports thereon from the Chief Fire Officer and nominated officers.
- xiii. To consider reports from the Chief Fire Officer and nominated officers upon the operation of the Service's Sickness and Absence Monitoring Policy.
- vx. To consider reports from the Chief Fire Officer and nominated officers relating to National and Local recruitment campaigns.
- xv. To consider reports from the Chief Fire Officer and nominated officers on learning and development and workforce planning activities.
- xvi. To consider reports from the Chief Fire Officer and nominated officers on the Service's Health & Safety/Risk Management Strategy.
- xvii. To consider all matters relating to the implementation and management of the Authority's Welsh Language Policy.
- xviii. The Chair of the Resource Management Committee shall be ex officio the Fire Authority's nominee to sit as a Director of Rescue 365 Community Interest Company. As part of fulfilling the role, the Chair of Resource Management Committee shall, as appropriate, provide reports to the Fire Authority regarding the operations and activities of Rescue 365. Any other matters specifically referred to the Committee by the Authority.

## Appendix 2

### ARTICLE 7 - PERFORMANCE, AUDIT & SCRUTINY COMMITTEE

#### 7.1 Remit

The Performance Audit and Scrutiny Committee (PAS) is responsible for demonstrating the Authority's commitment to efficient and effective deployment of public resources and the attainment of performance targets.

#### 7.2 Composition

The committee is made up of 15 members and representation bears the same proportionality as the political composition of the whole Authority and will seek to reflect the membership of its Constituent Authorities.

#### 7.2 Quorum

The quorum for the committee shall be 5.

#### 7.3 Terms of Reference

The Performance Audit and Scrutiny Committee will assist the Authority in policy development issues relating to overall strategy, policy and co-ordination, and scrutiny of performance across all of the Authority's functions; and the direction and use of resources. The terms of reference for PAS are as follows:

- Audit (both internal & external) • Performance Management • Scrutiny • Risk Management

##### 7.3.1 Audit Activity

- To commission work from internal and external audit and approve the respective annual plans and associated fees;
- To consider the Head of Internal Audit'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;
- To consider summaries of specific internal audit reports as requested;
- To consider reports dealing with the management and performance of the providers of internal audit services;
- To consider a report from internal audit on agreed recommendations not implemented within a reasonable timescale;
- To consider the external auditor's annual letter, relevant reports, and the report to those charged with governance;
- To consider specific reports as agreed with the external auditor;
- To comment on the scope and depth of external audit work and to ensure it gives value for money;
- To liaise with Wales Audit Office over the appointment of the Authority's external auditor;

- x. To monitor Authority procedures on “Whistleblowing” and the anti-fraud and anti-corruption strategy;
- xi. To approve and oversee the production of the Authority’s Statement of Assurance and recommend it to the Authority;
- xii. To consider the Authority’s arrangements for corporate governance and agreeing necessary actions to ensure compliance with best practice;
- xiii. To consider the Authority’s compliance with its own and other published standards and controls;
- xiv. To consider the external auditor’s report to those charged with governance on issues arising from the audit of the accounts.
- xv. **To consider and note the draft statement of accounts during the audit period.**
- xvi. **To recommend to the Fire Authority the audited Annual Statement of Accounts and, in appropriate circumstances approve** the Authority’s Annual Statement of Accounts and authorising the signature of the accounts by the Chair and Chief Fire Officer.

### 7.3.2 Performance Management

- i. To develop and oversee the development of an appropriate performance monitoring framework;
- ii. To establish performance review systems and targets and ensure that they are implemented and monitored for use by the Authority;
- iii. To promote a focus on performance targets and the validation of the underpinning data;
- iv. To advise on the setting of relevant performance indicators and targets in annual plans and corporate strategies;
- v. To develop the Authority’s scrutiny role in looking at areas of performance in need of improvement;
- vi. To ensure delivery of the Authority’s Risk Reduction Planning targets and results;
- vii. To receive all external reports on the performance of the Authority, consider and recommend to the Authority action plans relating to these reports and to monitor progress against approved action plans;
- viii. To receive annual reports on complaints, compliments and Freedom of Information requests in accordance with the Code of Corporate Governance.