

Minutes of the Audit Committee

1st September, 2014 at 12.30 pm
at Fire Service Headquarters, Vauxhall Road, Birmingham

Present: Councillor Singh (Chair);
Councillors Aston, Mottram and Quinnen;
Mr Ager.

Apology: Councillor Yardley.

30/14 **Minutes**

Resolved that the minutes of the meeting held on 9th June, 2014, be approved as a correct record.

31/14 **Corporate Risk 2013/14 - Quarter 4**

The Committee received the Corporate Risk Assurance Map summary and noted the position statement detailing the work undertaken in support of the management of each of the Service's Corporate Risks.

Corporate Risks were those which, if they occurred, would seriously affect the Authority's ability to carry out its core functions or deliver its strategic objectives as set out in The Plan. The Authority currently had eleven corporate risks. The Corporate Risk Assurance Map summary provided a description of each risk and an overview of its rating. The quarter four position statement set out the outcomes of the regular review of each risk by the risk owner. The Committee noted the position with regard to each risk.

A member asked how independent assurance on risk was obtained. The Committee was advised that the Authority's external and internal auditors provided this assurance and it would be possible to provide this information in the update reports.

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In response to a question, the Committee was updated on Risk 7 and the anticipated impact of the HS2 proposals.

Resolved that the Corporate Risk Assurance Map Summary be approved.

32/14

Treasury Management – Annual Report 2013/2014

The Committee considered the Treasury Management Annual Report for 2013/14 which was a requirement of the Authority's approved Treasury Management Strategy. The report outlined the outturn position for treasury activity and prudential indicators and confirmed that the Authority had complied with its legislative and regulatory requirements under the approved Strategy.

The report indicated that no capital borrowing took place in 2013/14 and the statutory borrowing limit was not breached. The Authority's external debt was £41.784m and investment was £53.4m. There was continuing uncertainty following the 2008 national financial crisis resulting in low returns compared to borrowing rates. The treasury strategy was therefore to postpone borrowing to reduce risk.

Resolved that the prudential and treasury indicators be approved.

33/14

CIPFA Audit Committee Update No. 14

The Committee considered an Audit Committee update published by the Chartered Institute of Public Finance and Accountancy [CIPFA]. The updates were designed to support public sector audit committee members and to provide a practical resource for those who supported audit committees. The focus for the fourteenth edition was on external audit quality and independence, the Government consultation on local audit regulations and an ongoing CIPFA consultation on a new counter fraud code.

With regard to external audit, it was likely that the Government would nominate "an appointing person" to operate a collective procurement on behalf of authorities.

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Authorities (including police and health bodies covered by the Act) would have the option of choosing a collective procurement. If they choose this option it would replace the requirement under the Act to establish an auditor panel to oversee and recommend an appointment. Further guidance was expected in due course.

With regard to the counter fraud proposals, the Committee was reassured that the Authority already had a strong anti-fraud culture which had been assured by internal audit.

34/14

Work Programme

The Committee noted a draft work programme for 2014/2015. This would be subject to review by the Committee from time to time.

Members were asked to complete and return the knowledge and skills questionnaire to inform a report to the next meeting of the Committee on training for members.

The Committee discussed the timescales for submission of the Annual Governance Statement to the Authority and felt that the Audit Committee should have the opportunity to consider and comment on the Statement before it was submitted to the Authority. The external auditor's representative indicated that this had not been possible in 2014 because of the timescales for the 2013/14 audit and reassured the Committee that there had been very few audit issues on the accounts. Discussions would, however, take place with officers to accommodate this request in 2015.

35/14

Update on Topical, Legal and Regulatory Issues

There was no new information to be presented.

(The meeting ended at 1.00 pm)

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