

Minutes of the Audit Committee

20th January, 2014 at 12 noon
at Fire Service Headquarters, Vauxhall Road, Birmingham

Present: Councillor Singh (Chair);
Councillor Singh Atwal (Vice-Chair);
Councillors Aston and Sealey;
Mr Ager.

Apology: Councillor Mottram.

1/14

Minutes

Resolved that the minutes of the meeting held on 14th October, 2013, be approved as a correct record.

2/14

Corporate Risk Update

The Committee received the Corporate Risk Assurance Map 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 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.

The Internal Audit annual audit of corporate risk arrangements would take place during the third quarter of 2013/14.

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Members noted that there had been reductions in overall risk scores in relation to the Authority being unable to deliver its core objectives as a result of insufficient or ineffective employees, as the Service had now recruited sufficient new firefighters to maintain the operational establishment, and had made substantive appointments to a number of managerial posts, thus strengthening the control environment. Corporate risks 1 and 5 which related to employee relations and disruption to the service continued to attract a high risk score as a result of ongoing industrial action by the Fire Brigades Union in connection with its dispute with Government about the pension scheme. The Service had put in place contingency arrangements which had enabled an emergency response service to be maintained during each occasion of industrial action.

Members referred to the proposals for the HS2 line which affected the Headquarters site and asked if this would be included as an emerging risk. The Committee was informed that officers were seeking clarity on the proposals and how they would impact on Headquarters and the Service. This matter would be included as an emerging risk and would be referred to in the next quarterly update to the Committee.

Resolved that the Corporate Risk Assurance Map Summary be approved.

3/14

Internal Audit Charter

The Committee was informed that the Chartered Institute of Public Finance and Accountancy Code of Practice for Internal Audit had been replaced by a new set of standards introduced under the Accounts and Audit Regulations 2013. The Internal Audit Terms of Reference approved by the Committee in January 2013 needed to be revised to align with the new statutory requirements to produce an Internal Audit Charter. A draft Charter was submitted for consideration.

Resolved that the Internal Audit Charter be approved.

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4/14 Internal Audit – Progress Report

The Committee noted a report from their internal auditor which detailed the progress made against the delivery of the 2013/2014 Internal Audit Plan. The information contained within the report would inform the overall opinion in the Internal Audit Annual Report at the end of the year.

The Committee was advised that audit recommendations with regard to two audit areas that were under consideration by management when the report was published had now been accepted. In particular, key issues raised on assurance on the payroll/pension system had been satisfactorily resolved.

5/14 CIPFA Audit Committee Update No. 12

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 this edition was on reviewing internal audit quality and the new CIPFA publication 'Audit Committees Guidance for Local Authorities and the Police'. Internal Audit would produce a year-end report on performance against the new guidance for the meeting of the Committee in June 2014.

A member suggested that there should be a peer review of this Committee's operation in addition to the annual self assessment. The Committee was informed that if this was carried out by the external auditor there would be a cost implication. Training by the external auditor could, however, be provided without charge.

6/14 Work Programme

The Committee noted its work programme for 2013/2014.

7/14 Update on Topical, Legal and Regulatory Issues

There was no new information to be presented.

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8/14

Annual Audit Letter 2012/13

The Committee received the Annual Audit Letter 2012/13 produced by the Authority's external auditors, Grant Thornton. The Letter summarised the key findings of audit work carried out in relation to the audit of the 2012/13 accounts, the Whole of Government accounts, and assessing the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources. The audit conclusions were an unqualified opinion on all three elements.

9/14

Audit Committee Update

The Committee received an update from the Authority's external auditors, Grant Thornton, on progress with their audit work; a summary of emerging national issues and developments that might impact on the Authority; and a number of challenge questions on these emerging issues. The external auditor drew the Committee's particular attention to issues around the future of control room services; Sir Ken Knight's recent review of fire and rescue authorities; procurement issues; and property, plant and equipment revaluations.

(The meeting ended at 12.30 pm)

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