

WEST MIDLANDS FIRE AND RESCUE AUTHORITY

19 SEPTEMBER 2011

1. ANNUAL GOVERNANCE REPORT 2010/2011

Joint report of the Chief Fire Officer and the Treasurer.

RECOMMENDED

- 1.1 THAT the Authority note the contents of the Annual Governance Report (AGR) 2010/2011 which is attached as Appendix 1 to this report and agree the response to the proposed Action Plan.
- 1.2 THAT the contents of the Letter of Representation, attached as Appendix 2 to this report, be approved.

2. PURPOSE OF REPORT

- 2.1 The AGR is submitted to inform the Authority of the audit work undertaken by the Audit Commission and provides a summary of findings as a consequence of this audit work. The Authority is also required to agree the appropriate response to the proposed Action Plan contained within the AGR.
- 2.2 The Authority is required to approve the Letter of Representation, following which the Auditor will issue a final opinion and conclusion.

3. BACKGROUND

- 3.1 The AGR sets out the key messages arising from the audit work undertaken during the year. The report includes:
 - 3.1.1 the messages arising from the audit of financial statements and the results of work undertaken to assess our arrangements to secure value for money, and
 - 3.1.2 an Action Plan (AP) which details seven recommendations for improvement (Appendix 4 of the AGCR) and the draft response to each of the recommendations for comment and final approval by the Authority.

- 3.2 It is the intention of the Auditor to issue an unqualified opinion on the Authority's financial statements. As a result of the audit a number of adjustments have been made to the accounts, none of the adjustments have had any impact upon the overall reported performance or net assets of the Authority.
- 3.3 The Auditor intends to issue an unqualified value for money conclusion which will state that:
- the Authority has proper arrangements in place to secure financial resilience; and
 - the Authority has proper arrangements for challenging how it secures economy, efficiency and effectiveness.
- 3.4 Prior to issuing the final opinion and conclusion the Auditor requires a Letter of Representation (LR) about the financial statements and governance arrangements, a draft LR is attached as Appendix 2 for comment and approval.
- 3.5 Representatives from the Audit Commission will be present at the meeting to answer Members' questions in relation to the AGR.
- 3.6 The AGR was presented to Audit and Performance Review Committee on 5 September 2011.

4. **EQUALITY IMPACT ASSESSMENT**

In preparing this report an initial Equality Impact Assessment is not required. The matters contained in the AGR do not relate to a policy change.

5. **LEGAL IMPLICATIONS**

The audit of accounts has been completed in accordance with the requirements of the Audit Committee Act 1988, the Code of Audit Practice issued by the Audit Commission and International Standards on Auditing (UK and Ireland) issued by the Audit Practices Board.

6. **FINANCIAL IMPLICATIONS**

There are no direct financial implications arising in this report.

BACKGROUND PAPERS

Final Accounts 2010/2011 – Files located in the Finance Office.
Audit and Performance Management Committee Agenda Item
5 September 2011.

VIJ RANDENIYA
CHIEF FIRE OFFICER

STUART KELLAS
TREASURER