

WEST MIDLANDS FIRE AND RESCUE AUTHORITY

AUDIT COMMITTEE

10 JUNE 2013

1. **AUDIT PLAN 2012/13**

Report of the Chief Fire Officer.

RECOMMENDED

THAT the Committee approve Grant Thornton's Audit Plan to enable the delivery of the audit of financial statements and the value for money conclusion 2012/13.

2. **PURPOSE OF REPORT**

The purpose of the report is to seek Committee approval of Grant Thornton's Audit Plan. The plan (attached in Appendix 1) sets out the audit work Grant Thornton will undertake in respect of the audit of the Authority's financial statements and the delivery of its value for money conclusion on the Authority's arrangements to secure economy, efficiency and effectiveness.

3. **BACKGROUND**

- 3.1 Members will be aware that this Audit Plan is the first since the Audit Commission's public body external audit work was outsourced to private audit practice, with Grant Thornton being awarded an initial 5 year contract for undertaking the Authority's external audit work from 2012/13.
- 3.2 The Audit Plan 2012/13 sets out the audit work that Grant Thornton propose to undertake and the key deadlines and milestones associated with the delivery of this work. The plan has been developed using a risk based approach and considers the risks relevant to both the audit of accounting statements and the value for money conclusion.
- 3.3 Included within the Audit Plan are the results of Grant Thornton's interim audit work of the following areas:

- The effectiveness of the internal audit function.
- Internal audit's work on key financial systems.
- Walkthrough testing where risk of material misstatement has been identified.
- A review of information Technology controls.

As a result of this work one action plan item concerning the updating of pensions accounting records has been identified.

- 3.4 The Code of Audit Practice requires Grant Thornton to issue a value for money conclusion. The conclusion will be based upon the same two reporting criteria used in the 2011/12 audit, namely, that the Authority has proper arrangements in place for:

- Securing financial resilience
- Challenging how it secures economy, efficiency and effectiveness in its use of resources

- 3.5 The Authority is required to prepare the accounting statements by the 30 June 2013 for inspection by Grant Thornton. It is intended to submit the audited 2012/13 accounts to the Authority for approval by 30 September when the Auditor aims to issue the opinion and value for money conclusion. The plan sets out the key phases and activities for the delivery of the audit work. All reports arising from this audit work will be discussed and agreed with appropriate officers prior to submission to Members.

- 3.6 Representatives from Grant Thornton will be in attendance at Audit Committee.

4. **EQUALITY IMPACT ASSESSMENT**

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

5. **LEGAL IMPLICATIONS**

The production of the Audit Plan complies with the statutory requirements set out within the Audit Commission Act 1988 and the Code of Audit Practice for local government bodies.

6. **FINANCIAL IMPLICATIONS**

The scale fee for undertaking West Midlands Fire and Rescue Authority's external audit work for 2012/13 is £51,515.

BACKGROUND PAPERS

Audit Committee, 10 September 2012, Agenda Item 4, Appointment of External Auditors

Audit Committee, 11 June 2012, Agenda item 4, Contract Award for the Provision of External Audit Services and Confirmation of Audit Scale Fee and Work Programme 2012/13.

The contact name for this report is Mike Griffiths, Director Resources, contact 0121 380 6919.

VIJ RANDENIYA
CHIEF FIRE OFFICER

