

**Minutes of the Audit Committee**

**15<sup>th</sup> June, 2015 at 12.30 pm  
at Fire Service Headquarters, Vauxhall Road, Birmingham**

**Present:** Councillor Singh (Chair);  
Councillor Mottram (Vice-Chair);  
Councillor Quinnen;  
Mr Ager.

**Apology:** Councillor Aston.

17/15 **Minutes**

**Resolved** that the minutes of the meeting held on 23<sup>rd</sup> March, 2015 be confirmed as a correct record.

18/15 **Governance Statement 2014/15**

The Committee received the Authority's draft Governance Statement for 2014/2015.

The Governance Statement was designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It could therefore, only provide reasonable and not absolute assurance of effectiveness.

The Governance Statement would be considered for approval by the Authority at its meeting on 29<sup>th</sup> June, 2015 and would be amended to include reference to the monitoring work undertaken by the Scrutiny Committee as well as the Audit Committee.

19/15 **Monitoring Policies on Raising Concerns at Work – Whistle Blowing Standing Order 2/20 and Regulation of Investigatory Powers Act 2000**

Further to Minute No. 22/14 (9 June, 2014), the Committee noted the content of the Authority's Whistle-Blowing Standing Order and also that there had been no incidents of whistle blowing in the year up to 31 March 2015. There had also been no requests received to enact the Regulation of Investigatory Powers Act 2000.

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Members noted that the Whistle Blowing Standing Order was consulted on in June 2014 and published in November 2014 and would, in line with the West Midlands Fire Service's policy, be reviewed every three years. The Data Protection Act 1998 was consulted on and amended to include a policy on surveillance in May 2012. This policy would commence its review in November 2015 to be completed by May 2016. This would result in an amalgamation of Data Protection and The Regulation of Investigatory Powers Act 2000 (RIPA) to form the Data Security and RIPA Framework.

### **Resolved:-**

- (1) that it be noted that there had been no incidents of whistle blowing reported and no requests to enact the Regulation of Investigatory Powers Act 2000 in West Midlands Fire Service in the last year up to 31 March 2015;
- (2) that the content of the Whistle Blowing Standing Order 2/20 and the Data Protection Policy 1998 Standing Order 2/16 be noted, particularly insofar as Standing Order 2/20 required amendment to reflect recent governance changes within the Authority.

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### **Annual Report of the Audit Committee 2014/15**

The Committee received the Annual Report of the Audit Committee 2014/15. The report detailed the results of the Audit Committee's self assessment/review of effectiveness, together with details on the business undertaken by the Committee during the 2014/15 Municipal Year.

Members requested that the Report be amended to correct a typographical error and to update the meetings information.

<p><b>Resolved</b> that, subject to the amendments as indicated above, the Annual Report of the Audit Committee 2014/15 be approved and presented to the next meeting of the Authority.</p>
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### 21/15 Audit Committee Update

The Committee received and noted an update from its external auditor which set out Grant Thornton's progress in delivering its responsibilities and a summary of emerging national issues and developments which might impact on the Authority.

The external auditor drew the Committee's particular attention to issues around the Authority's involvement in a contract for the supply of smoke alarms and carbon monoxide alarms for all English Fire and Rescue Authorities under the Smoke and Carbon Monoxide Alarm (England) Regulations 2015 (see Executive Committee Minute No. 10/15 – 23<sup>rd</sup> March, 2015).

In relation to the associated challenge question "Has your authority agreed how they are going to disclose this inventory within their financial statements?" the external auditor reported that she had discussed this matter with finance officers and they were comfortable with the disclosure of the inventory.

Responses were given to members' enquiries as to the current status and location of the alarms and that any charge for their installation was dependent upon individual fire authorities.

### 22/15 External Audit Work Programme and Scale of Fees for 2015/16

The Committee noted the external audit work programme and the scale of fees for the 2015/16 audit work to be undertaken by Grant Thornton.

Grant Thornton UK LLP had been appointed to audit the Authority's accounts for a five year period from 2012/13 until 2016/17.

The scale fee was set at £38,636 for 2015/16 which was a reduction of £12,879 compared to the 2014/15 fee of £51,515.

**Resolved** that the external audit work programme and the scale of fees for 2015/16 be noted.

### 23/15 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.

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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 and the responses made by officers, where appropriate.

**Resolved** that the Corporate Risk Assurance Map Summary be approved.

24/15

### **Annual Internal Audit Report 2014/15**

The Committee received the Authority's Annual Internal Audit Report for 2014/15, which detailed the work the internal audit service had undertaken during the year. The report indicated that as a result of this work, Internal Audit could provide reasonable assurance that the Authority had adequate and effective governance, risk management and internal control processes.

A summary of the work undertaken during the year included:-

- the areas subject to review during the year (Auditable Area);
- the level of risk to the Authority assigned to each auditable area (high, medium or low);
- the number of recommendations made as a result of each audit review;
- details of any other work undertaken outside of the original plan.

The report also summarised the key control issues that had arisen during the year.

**Resolved** that the Annual Internal Audit report for 2014/15 be approved.

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### Review of the Effectiveness of Internal Audit

The Committee was advised that the Accounts and Audit (England) Regulations 2011 required authorities to conduct a review of the effectiveness of internal audit at least once a year. It was appropriate for this to be reviewed by this Committee.

The Committee received evidence as to the conduct of the internal audit process against a number of measures of effectiveness as follows:-

- the process by which the control environment and key controls had been identified;
- the process by which assurance had been gained over controls;
- the adequacy and effectiveness of the remedial action taken where there were deficits in controls;
- the operation of this Committee and the internal audit function to current codes and standards;
- an assessment against the five principles set out in the CIPFA document 'The Role of the Head of Internal Audit'.

The Audit Manager reported that the Committee's requirement to receive this report on at least an annual basis would cease within the next year or two.

**Resolved** that the review of effectiveness of Internal Audit be approved.

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### Update on Topical, Legal and Regulatory Issues

There was no new information to be presented.

(The meeting ended at 12.55 pm)

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