

WEST MIDLANDS FIRE AND RESCUE AUTHORITY

AUDIT COMMITTEE

15 OCTOBER 2012

1. **ANNUAL AUDIT LETTER 2011/12**

Joint report of the Chief Fire Officer and the Treasurer.

RECOMMENDED

THAT the Audit Committee notes the Annual Audit Letter (AAL) attached as Appendix 1 to this report.

2. **PURPOSE OF REPORT**

This report is submitted to inform the Committee of the findings of the external audit work undertaken for the audit year 2011/12 which is summarised in the attached AAL.

3. **BACKGROUND**

3.1 The attached AAL summarises the key findings from external audit work undertaken for the 2011/12 audit year. The audit comprised two elements:

- The audit of financial statements.
- An assessment of the arrangements in place to enable value for money to be achieved in the use of resources.

3.2 The Annual Governance Report (AGR) presented to Audit Committee on 10 September 2012 and subsequently to the Authority on 24 September 2012 outlined the findings of the audit work undertaken.

3.3 Following the Authority meeting the auditor issued an unqualified opinion on the Authority's 2011/12 financial statements included in the Authority's Statement of Accounts.

- 3.4 As part of the external audit work programme, the auditor was required to provide a value for money conclusion. This assessment was undertaken against two criterion:
- The arrangements in place to secure financial resilience.
 - The arrangements in place for challenging how economy, efficiency and effectiveness are secured.
- 3.5 As a consequence of this work the auditor concluded that, for 2011/12, the Authority made proper arrangements to secure economy, efficiency and effectiveness in the use of its resources.
- 3.6 The Chief Fire Officer and Director of Resources have been consulted and have agreed the content of the AAL.

4. **EQUALITY IMPACT ASSESSMENT**

In preparing this report an initial Equality Impact Assessment is not required and has not been carried out. The matters contained in this report will not lead to and/or do not relate to a policy change.

5. **LEGAL IMPLICATIONS**

There is a legal requirement for the Authority to consider the AAL Statutory Instrument 2006 No. 564 – The Accounts and Audit (Amendment) (England) Regulations 2006.

6. **FINANCIAL IMPLICATIONS**

The agreed scale fee for the provision of external audit services for the audit year 2011/12 was £85,860. The Audit Commission has paid a rebate of £6,869 to reflect attaining internal efficiency savings, reducing the net amount payable to the Audit Commission to £78,991.

BACKGROUND PAPERS

Annual Governance Report 2011/12, agenda item 5, Audit Committee 10 September 2012 and agenda item 6 Fire Authority 24 September 2012.

VIJ RANDENIYA
CHIEF FIRE OFFICER

STUART KELLAS
TREASURER