

Minutes of the Audit Committee

Monday 10th June, 2013 at 12.30 pm
at Fire Service Headquarters, Vauxhall Road, Birmingham

Present: Councillor Singh (Chair);
Councillor O'Reilly (Vice-Chair);
Councillor Quinnen;
Mr Ager.

Apologies: Councillors Aston and Sealey.

20/13 **Minutes**

Resolved that the minutes of the meeting held on 8th April, 2013, be approved as a correct record.

21/13 **Governance Statement 2012/2013**

The Committee received the Authority's draft Governance Statement for 2012/2013.

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 24th June, 2013.

22/13 **Monitoring Policies on Raising Concerns at Work – Whistle Blowing Standing Order 2/20 and Regulation of Investigatory Powers Act 2000**

The Committee noted the content of the Authority's Whistle Blowing Standing Order and also noted that there had been one incident of whistle blowing in the year up to 30th April, 2013. There had been no requests received to enact the Regulation of Investigatory Powers Act 2000.

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It was noted that the law relating to whistleblowing had changed to enable individuals who blew the whistle on their employer to be protected from bullying or harassment by colleagues. Previously, the law only protected the worker from harassment or bullying by their employer. In addition, an Employment Tribunal now had the power to reduce the compensation awarded by up to 25% if it found that a disclosure was not made in good faith.

It was now proposed to create an annual report detailing complaints made under the Whistleblowing Policy and any approvals to enact the Regulations of Investigatory Powers Act 2000 which would be in line with each financial year.

Standing Orders were visible to view electronically via the Important News section of the West Midlands Fire Service intranet and kept in the Library for reference. Standing Orders were also referred to in both employees and contractor inductions.

Resolved:-

- (1) that details of one incident 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 30th April 2013, be noted;
- (2) that the reporting period of the Whistleblowing Policy and the Regulation of Investigatory Powers Act 2000 be in line with each Financial Year;
- (3) that the content of the Whistle Blowing Standing Order 2/20 and the Data Protection Policy 1998 Standing Order 2/16, be noted.

23/13

Annual Report of the Audit Committee 2012/13

The Committee received the Annual Report of the Audit Committee 2012/13. 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 2012/13 Municipal Year.

Resolved that the Annual Report of the Audit Committee be approved and presented to the next meeting of the Authority.

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24/13

Audit Plan 2012/13

Approval was sought to Grant Thornton's Audit Plan 2012/13 which set out the audit work Grant Thornton would undertake in respect 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.

Resolved that Grant Thornton's Audit Plan 2012/13 be approved to enable the delivery of the audit of financial statements and the value for money conclusion 2012/13.

25/13

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 Committee noted that the format of future reports would change as a result of new internal audit standards.

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

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Internal Audit – Risk Management Audit Report

The Committee received the findings of the annual internal audit review of the Authority's risk management arrangements which entailed reviewing the progress made on recommendations made in 2011/12.

Whilst good progress had been made in most areas, it was noted that two significant recommendations were yet to be fully implemented.

27/13

Annual Internal Audit Report 2012/13

The Committee received the Authority's Annual Internal Audit Report for 2012/13, 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 2012/13 be approved.

28/13

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 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.

Resolved that the Corporate Risk Assurance Map Summary be approved.

29/13

Confirmation of External Audit Work Programme and Scale of Fees for 2013/14

The Committee noted the external audit work programme and the scale of fees for the 2013/14 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 £51, 515 for 2013/14 which was the same as the fee set in 2012/13 and represented a reduction of £28k compared to the 2011/12 fee.

30/13

CIPFA Audit Committee Update No. 10

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 the tenth edition was the new Public Sector Internal Audit Standards.

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Audit Committee – Skills Audit Results

Consideration was given to the results of the latest skills audit and approval sought to agreeing priorities for the Committee's training programme.

The annual skills audit would enable members to have the opportunity to record details of any relevant experience and knowledge and to identify areas where they felt they would benefit from additional training. The results of the skills audit would be assessed and a plan of action drawn up to address any training gaps.

Details of five skills audit forms that had currently been completed and returned were now submitted.

Resolved that the results of the latest Audit Committee Skills Audit be noted and the following priorities for the Audit Committee's training programme be approved:

- the Assurance Framework;
- Financial Regulations/Contract Standing Orders.

32/13

Update on Topical, Legal and Regulatory Issues

There was no new information to be presented.

(The meeting ended at 1.08 pm)

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