

## **Minutes of the Audit Committee**

**24<sup>th</sup> March, 2014 at 12.30 pm**  
**at Fire Service Headquarters, Vauxhall Road, Birmingham**

**Present:** Councillor Singh (Chair);  
Councillor Singh Atwal (Vice-Chair);  
Councillors Aston, Mottram and Sealey;  
Mr Ager.

10/14      **Minutes**

**Resolved** that the minutes of the meeting held on 20<sup>th</sup> January, 2014, be approved as a correct record.

11/14      **Committee Terms of Reference**

The Committee received an updated terms of reference which had been amended by the Audit Manager to take on board CIPFA's new position statement "Audit Committees in Local Government". The statement emphasised the importance of audit committees being in place in all principal local authorities and recognised that audit committees were a key component of good governance.

**Resolved to recommend to the Authority** that the revised terms of reference of the Audit Committee, attached as an Appendix, be approved.

12/14      **Audit Plan 2013/14**

Approval was sought to Grant Thornton's Audit Plan 2013/14 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.

## **Audit Committee – 24<sup>th</sup> March, 2014**

Members were informed that the Director Resources had put in place appropriate actions to address an instance of incorrectly recorded pension contributions.

**Resolved** that Grant Thornton's Audit Plan 2013/14 be approved to enable the delivery of the audit of financial statements and the value for money conclusion 2013/14.

13/14

### **Audit Committee Update for the West Midlands Fire and Rescue Authority – External Auditor**

The Committee 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 which might impact on the Authority and a number of questions arising from those issues that the Committee might wish to consider as follows:

- 2015/16 Fire and Rescue Authority Transformation Funds Bid Process.
- Proposed increases to employee contribution rates of the Firefighters Pension Scheme from 1 April, 2014.
- Local Audit and Accountability Act – Authorities to choose their own auditors.
- Was the best use being made of alternative delivery models in local government.
- Accounting for and financing the local government pension scheme costs.
- Changes to the Local Government Pension Scheme.

The following responses were made to members' questions:-

- The financial risk associated with the High Speed (HS) Rail Route2 was approximately £17m;
- More independent members would be required for the auditor panel required under the provisions of the Local Audit and Accountability Act.

14/14

### **Communication with the Committee by the External Auditor**

The Committee noted a report from the external auditor which detailed the progress made against delivering Grant Thornton's responsibilities to the Authority and included:-

## **Audit Committee – 24<sup>th</sup> March, 2014**

- matters in relation to fraud;
- matters in relation to law and regulations;
- matters in relation to going concern;
- matters in relation to related parties; and
- matters in relation to accounting estimates.

The questions asked of management and the responses received were reported.

A member asked whether the one whistleblowing disclosure in 2012/13 should have been reported to the Committee. The Audit Services Manager replied that the matter was fairly insignificant and had therefore been dealt with without recourse to the Committee.

### **15/14      External Audit Work Programme and Scale of Fees for 2014/15**

The Committee noted the external audit work programme and the scale of fees for the 2014/15 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 2014/15 which was the same as the fee set in 2013/14.

**Resolved** that the external audit work programme and the scale of fees for 2014/15 be noted.

### **16/14      Internal Audit Plan – 2014/15 to 2016/17**

The Committee received the internal audit plan for the period 2014/15 to 2016/17. The plan had been drawn up in consultation with senior management in the Service. The plan was fluid and kept under review and any proposed changes would be reported to the Committee for approval.

**Resolved** that the internal audit plan for 2014/15 to 2016/17 be approved.

## Audit Committee – 24<sup>th</sup> March, 2014

### 17/14 **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.

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 three 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.

### 18/14 **Work Programme**

The Committee noted its work programme for 2013/2014.

### 19/14 **Update on Topical, Legal and Regulatory Issues**

There was no new information to be presented.

(The meeting ended at 1.05 pm)

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