

**WEST MIDLANDS FIRE AND RESCUE AUTHORITY**

**AUDIT COMMITTEE**

**12<sup>th</sup> OCTOBER 2009**

1. **RESPONSE TO EXTERNAL AUDIT LETTER RE AUDIT COMMITTEE RESPONSIBILITY FOR PREVENTING AND DETECTING FRAUD**

Report of the Chair of the Audit Committee

RECOMMENDED

That the attached letter be noted.

2. **PURPOSE OF REPORT.**

- 2.1 To ask the Committee to note the issues raised from the response to the External Auditors in respect of their enquiry about the Audit Committee's involvement in the prevention and detection of fraud.

3. **BACKGROUND**

- 3.1 In June 2009 the Audit Commission wrote to the Chair of the Audit Committee in their capacity as External Auditors to the Authority. They requested assistance in completing their work on the 2008/09 accounts.
- 3.2 In order to comply with International Standard for Auditing (UK and Ireland) 240 "The Auditor's Responsibility to Consider Fraud in an Audit of Financial Statements" the external auditor needs to gain an understanding of how the Committee exercises oversight of management's processes for identifying and responding to the risks of fraud and the internal controls established to mitigate them.
- 3.3 The attached letter lists the questions asked and the Chair's response to these enquiries

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**

The Accounts and Audit Regulations Act states that a relevant body must “maintain an adequate and effective system of internal audit of its accounting records and of its system of internal control in accordance with the proper internal audit practices”.

6. **FINANCIAL IMPLICATIONS**

There are no direct financial implications arising from this report.

**BACKGROUND PAPERS**

None

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