

Minutes of the Audit Committee

12 June 2017 at 12:30 pm
at Fire Service Headquarters, Vauxhall Road, Birmingham
B7 4HW

Present: Councillors T Singh (Chair), Cartwright, M Idrees, Mottram, and Sealey

Apologies: Councillors Aston, B Singh, P. Singh
Mr Ager (Independent Member)

18/17 **Minutes of the Audit Committee held on 16 January 2017**

Resolved that the minutes of the meeting held on 27 March 2017, be approved as a correct record, subject to the following amendment:

In respect of minute 8/17, it was noted that the terms of reference of the Audit Committee should have included reference to the Pension Board.

19/17 **Governance Statement 2016/17**

The Committee received the Governance Statement for 2016/17.

It is a requirement for every Local Authority to produce a Governance Statement with its Statement of Accounts.

It was noted that 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 can, therefore, only provide reasonable and not absolute assurance of effectiveness. The Governance Statement is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Authority's policies, aims and objectives, to evaluate the likelihood of

those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The Governance Statement covered the following areas:

- Scope of Responsibility
- Purpose of the Governance Framework
- The Governance Framework, including specific reference to audit arrangements, corporate risk management arrangements and performance management
- Review of Effectiveness, including the Authority's political governance arrangements, the provision of internal audit, and the development of the Audit Plan
- Significant Governance Arrangements within the Authority, including the Authority's Corporate Strategy 'The Plan' and effectiveness of the Service Delivery Model, external audit work undertaken during 2016/17, and reference to the external environment that the Authority is operating in

20/17 **Monitoring Policies on Raising Concerns at Work – Whistle Blowing Standing Orders 2/20 and Regulation of Investigatory Powers Act 2000**

The Committee received and noted the report on Monitoring Policies on Raising Concerns at Work – Whistle Blowing Standing Orders 2/20 and Regulation of Investigatory Powers Act 2000.

One allegation of whistle blowing had been reported through the Whistle Blowing Policy (Standing Order 2/20), which had been raised by an external Brigade employee.

The allegation had been made during the year up to 31 March 2017.

It was reported that there had been no requests to enact the Regulation of Investigatory Powers Act 2000 in the last year up to 31 March 2017.

It was noted that the Whistle Blowing Policy (Standing Order 2/20) was scheduled to be reviewed at the end of 2017.

It was noted that the Data Protection Act 1988 had been consulted on and amended to include a policy on surveillance in May 2012. The Data Protection Act 1988 had now been added into Standing Order 01/05 Management of Information.

21/17 **Annual Internal Audit Report 2016/17**

Approval was sought for the Annual Internal Audit Report 2016/17 which had been compiled by the internal auditors.

The report detailed the work of the internal audit service undertaken in 2016/17, providing an opinion on the adequacy and effectiveness of the Authority's governance, risk management and internal control process. The contents of the report also provide one element of the evidence that is required to underpin the Authority's Governance Statement.

The report summarised the audit work undertaken during the year, including:

- 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 work undertaken outside of the original plan

The report also provided a summary of the key control issues that arose during the year.

Customer satisfaction questionnaires were issued for all audits carried out. From the responses returned, the average scores were 4.5, which compared favourably with the target score of four (equalling good), representing a positive opinion.

The report provided a summary of the work completed to inform the 2016/17 Internal Audit Opinion:

- 11 areas were audited, one of which was carried forward to the 2017/18 plan
- The level of assurance for six of the areas had been rated as substantial and one area had been rated as limited. Three of the areas were not rated as the review of that particular area was ongoing at the time of the report.
- The area where the level of assurance had been rated as limited was Data Protection / IT, where it had been considered that the Authority could be at risk of continued data breaches and potential sanctions being applied by the Information Commissioner's Office. However, it was noted that management had recognised the importance of these issues as part of the Management of Information plan and had taken prompt action to address these matters.
- It was intended that Data Protection / IT would be revisited by the internal auditors.

Resolved that the Annual Internal Audit Report 2016/17 be approved.

22/17 **Annual Report of the Audit Committee 2016/17**

The Committee received the Annual Report of the Audit Committee 2016/17.

The report provided an overview of the business of the Committee during the year 2016/17, meetings held, Committee Members and attendance record, and the Committee's main achievements.

It was noted that the Committee Terms of Reference cited within the report required amending to reflect the role of the Pension Board and that the section would be corrected before submission to the full Authority.

Resolved that the Annual Report of the Audit Committee be approved and submitted to the Fire Authority, pending the amendment to the Committee Terms of Reference.

23/17 **Notes of the Pension Board**

The Committee received and noted the notes of the Pension Board (meeting held 9 May 2017).

The Committee was advised that the production and distribution of the annual benefit statements for this year were on target.

24/17 **Audit Committee Work Programme 2016/17**

The Committee noted the Audit Committee Work Programme 2016/17.

25/17 **Update on Topical, Legal and Regulatory Issues**

The Committee received a verbal update from the external auditor (Grant Thornton) that the work associated with the 2016/17 Statement of Accounts was currently on target.

(The meeting ended at 12:48 pm)

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