

Minutes of the Audit Committee

9th June, 2014 at 12.30 pm
at Fire Service Headquarters, Vauxhall Road, Birmingham

Present: Councillor Singh (Chair);
Councillors Aston and Mottram;
Mr Ager.

20/14 **Minutes**

Resolved that the minutes of the meeting held on 24th March, 2014, be approved as a correct record.

21/14 **Governance Statement 2013/14**

The Committee received the Authority's draft Governance Statement for 2013/2014.

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 21st July, 2014.

22/14 **Monitoring Policies on Raising Concerns at Work – Whistle Blowing Standing Order 2/20 and Regulation of Investigatory Powers Act 2000**

Further to Minute No. 22/13 (10 June, 2013), the Committee noted the content of the Authority's Whistle-Blowing Standing Order and also that there had been no incidents of whistle blowing in the year up to 31 March 2014. There had also been no requests received to enact the Regulation of Investigatory Powers Act 2000.

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Members noted that the Whistle Blowing Standing Order was consulted on and amended in April 2011. A review was currently being undertaken in line with the West Midlands Fire Service's policy to review Standing Orders every three years.

Standing Orders were accessible electronically to all personnel and the 'Important News' section of the Service's intranet site notified employees when amendments to Standing Orders were made. Standing Orders were also referred to in both employee and contractor inductions.

Resolved:-

- (1) that it be noted that there had been no incidents 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 31 March 2014;
- (2) that the content of the Whistle Blowing Standing Order 2/20 and the Data Protection Policy 1998 Standing Order 2/16 be noted.

23/14

Annual Report of the Audit Committee 2013/14

The Committee received the Annual Report of the Audit Committee 2013/14. 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 2013/14 Municipal Year.

Members requested that the Report be amended to correct a typographical error; update the meetings information and remove Councillors O'Reilly and Quinnen's names from the attendance data.

<p>Resolved that, subject to the amendments as indicated above, the Annual Report of the Audit Committee 2013/14 be approved and presented to the next meeting of the Authority.</p>

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24/14 Audit Committee Update

The Committee received and 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 and developments which might impact on the Authority. The external auditor drew the Committee's particular attention to issues around the future control room services scheme and cost benefit analysis guidance for local partnerships.

In response to the challenge question "Has the Authority planned how it will track and report against the value for money criteria set out in the Fire Transformation Fund application?" it was reported that if the Authority was successful in its bid then challenge control would be introduced.

25/14 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'.

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

26/14

Self Assessment of Good Practice and Effectiveness

The Committee considered the results of its self assessment of good practice and effectiveness exercise which had been completed following the March meeting of the Committee. The exercise was based on the model provided by the Chartered Institute of Public Finance (CIPFA) in its Audit Committees – Practical Guidance for Local Authorities 2013 Edition.

The self assessment formed part of an overall review of the Audit Committee based on the same CIPFA guidance and was based on the three separate activities of:-

- self assessment exercise (the report to the Committee);
- members knowledge and skills framework (copies had been provided to Committee members and once completed and returned the results would be reported to the Committee);
- evaluating the effectiveness (once the framework exercise was completed, a more detailed evaluation of the Committee's effectiveness could be undertaken).

The Committee was requested to give consideration to the results of the self assessment exercise and in particular to the three questions to which the Committee had given negative answers:-

- Has the Committee obtained feedback on its performance from those interacting with the Committee or relying on its work?
- Has the Committee evaluated whether and how it is adding value to the organisation?
- Does the Committee have an action plan to improve any areas of weakness?

It was reported that in relation to question two the main achievements of the Committee were included in its Annual Report to the Authority. Officers would consider and make recommendations to the Committee on how to capture feedback and devise an action plan as indicated by questions one and three.

Members felt that the undertaking of an annual self assessment might prove difficult as the membership of the Committee often changed each year.

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Annual Internal Audit Report 2013/14

The Committee received the Authority's Annual Internal Audit Report for 2013/14, 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.

Members requested that officers report to the Committee any investigation of potential fraud as and when they occurred.

Resolved that the Annual Internal Audit report for 2013/14 be approved.

28/14

CIPFA Audit Committee Update No. 13

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 thirteenth edition was on reviewing the audit plan and an update on the Local Audit and Accountability Act.

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Update on Topical, Legal and Regulatory Issues

There was no new information to be presented.

(The meeting ended at 12.58 pm)

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