

WEST MIDLANDS FIRE AND RESCUE AUTHORITY

AUDIT AND PERFORMANCE MANAGEMENT COMMITTEE

28 MARCH 2011

1. **AUDIT PLAN 2010/11**

Report of the Chief Fire Officer.

RECOMMENDED

THAT the Committee approve the Audit Commission's Audit Plan and fee to enable the audit of financial statements and the value for money conclusion 2010/11.

2. **PURPOSE OF REPORT**

The purpose of the report is to seek Committee approval of the Audit Commission's Audit Plan and fee. The plan sets out how it is intended to undertake audit work to support the audit of financial statements, the value for money conclusion for 2010/11 and details the fee associated with the delivery of the plan.

3. **BACKGROUND**

3.1 The Audit Plan, attached as Appendix 1 to this report, sets out the audit work that the Audit Commission propose to undertake and the key deadlines and milestones associated with the delivery of this work. The plan is based upon the Audit Commission's risk based approach to audit planning. It reflects:

- audit work specified by the Audit Commission for 2010/11;
- current national risks relevant to local circumstances; and
- local risks.

3.2 On the basis of risks identified the Audit Commission produce a testing strategy which consists of testing key controls and/or substantive tests of transaction streams and material account balances at year end. Table 2 within the plan details the proposed timetable. Detailed testing of financial statements will start on the 4 July 2011.

3.3 The Authority is required to prepare the financial statements by 30 June 2011 (it is intended to submit the 2010/11 accounts to the Authority for approval on 27 June 2011). The Audit Commission is required to complete the audit and issue the opinion and the value for money conclusion by 30 September 2011.

3.4 This work will support a number of planned outputs which are detailed in Table 4 of the plan. All reports will be discussed and agreed with appropriate officers prior to submission to Members.

4. **EQUALITY IMPACT ASSESSMENT**

In preparing this report an initial Equality Impact Assessment is not required as the matters contained in this report do not relate to a policy change

5. **LEGAL IMPLICATIONS**

The production of the Audit Plan complies with the statutory requirements set out within the Audit Commission Act 1988.

6. **FINANCIAL IMPLICATIONS**

The Audit fee for the delivery of the work set out in the Audit Plan was approved by Members at Authority on 19 April 2010. The fee was £93,326 less a one off £5,790 subsidy associated with the transition to International Financial Reporting Standards (IFRS). Since agreeing this fee, a rebate of £1,414 has been given to reflect the new arrangements in place for local value for money audit work. The net fee, therefore, has been reduced to £86,122. This information is detailed, in full, on page 4 of the Audit Plan.

BACKGROUND PAPERS

Audit Commission Annual Audit and Inspection Fee Letter 2010/11 dated 19 March 2010.

West Midlands Fire and Rescue Authority 19 April 2010, agenda item 5, External Audit Plan and Scale of Fees 2010/11

VIJ RANDENIYA
CHIEF FIRE OFFICER