

Minutes of the Audit and Performance Management Committee

**11 June, 2012 at 1.30pm
at Fire Service Headquarters, Birmingham**

Present: Councillor Turner (Chair);
Councillor Tranter.
Mr Ager (Independent Member).

Councillor Douglas Maul (Lead Member for
Performance Management)

Councillor H Quinnen (Observing).

Apologies: Councillor Griffiths (Vice-Chair) and Singh.

20/12 **Minutes**

Resolved that the minutes of the meeting held on 26 March, 2012 be approved as a correct record.

21/12 **Contract Award for the Provision of External Audit Service
and Confirmation of Audit Scale fee and Work Programme
2012/2013**

The Committee noted that Grant Thornton UK LLP had been appointed to audit the Authority's accounts for a five year period commencing 1 September, 2012. This followed a review of public sector audit practices by the Department for Communities and Local Government in 2011. To minimise disruption to the Authority the Audit Commission had been appointed on an interim basis from 1 April to 31 August, 2012 to keep a watching brief prior to Grant Thornton UK LLP taking over.

The Committee also noted its audit work programme and scale fee of £51, 515 for 2012/13. Members welcomed the 40% fee reduction following the Audit Commission's recent consultation.

22/12 Operational Assessment and Fire Peer Review Challenge

It was reported that the Chief Fire Officers' Association (CFOA) and the Local Government Association (LGA) had undertaken a review of the concept of Operational Assessment (OPA). The review had determined that OPA was broadly fit for purpose; had formed a sound basis to underpin sector improvement and supported the move away from centralised regulation and inspection through the adoption of a sector driven approach to performance improvement. In December, 2011, the concept of OPA had been re-launched as a fire sector standard assurance tool.

The Corporate Board had agreed to undertake an OPA self-assessment and would receive a peer challenge from 9 to 12 July, 2012. The Service would be required to evidence its performance across seven key assessment areas (KAA):-

- Community risk management
- Prevention
- Protection
- Response
- Health and safety
- Training and development
- Call management and incident support

The Chair and Vice-Chair of the Authority would be interviewed as part of the peer challenge and would be consulted upon which other members of the Authority to interview.

The final report of the OPA and peer challenge would be submitted to the Committee.

23/12 Review of Organisational Assurance

Further to Minute No. 4/12 of the meeting held on 9 January, 2012 the Committee noted an update on the implementation of recommendations following a review of Organisational Assurance.

24/12 Governance Statement 2011/2012

The Committee received the Authority's draft Governance

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Statement for 2011/2012.

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Some suggested changes were discussed, specifically around the detailed reference to the review of Internal control which could be referenced in a more summarised format. In addition, particular reference to the Authority's funding uncertainty would be further highlighted within the final Governance Statement due to be submitted to the Authority at its annual meeting on 25 June, 2012.

25/12 Monitoring Policies on Raising Concerns at Work – Whistle Blowing Standing Order 2/20

The Committee noted the content of the Authority's Whistle Blowing Standing Order and also noted that there had been no incidents of whistle blowing in the year up to 30 April, 2012.

26/12 Annual Internal Audit Report 2011/2012

The Committee received the Authority's Annual Internal Audit Report for 2011/2012, which detailed the work the internal audit service had undertaken in 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, which was an indication that there were no major weaknesses in those processes. This was an 'unqualified opinion' which was the highest level of assurance that could be given by the internal audit service. The annual report was one element of the evidence that underpinned the Governance Statement the Authority was required to make within its annual financial statements.

The report also summarised the key control issues that had arisen during the year and recommendations made by the internal audit service to address those issues.

Resolved that the Annual Internal Audit report for 2011/12 be approved.

27/12 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 review to be carried out 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 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, as now submitted, be approved.

28/12 Update on Topical, Legal and Regulatory Issues

There were none.

(The meeting ended at 2.23 pm)

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