

Minutes of the Audit Committee

13th October, 2014 at 12.30 pm
at Fire Service Headquarters, Vauxhall Road, Birmingham

Present: Councillor Singh (Chair);
Councillor Mottram (Vice-Chair);
Councillors Aston and Quinnen.

Apology: Mr Ager (Independent Member).

36/14 **Minutes**

Resolved that the minutes of the meeting held on 1st September, 2014, be approved as a correct record, subject to an amendment in paragraph 3 of Minute No. 33/14 (CIPFA Audit Committee Update No. 14), to include local authorities, along with police and health bodies that were covered by the Act.

37/14 **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.

Further to an update on the National Fraud Initiative, in relation to retired fire fighters in receipt of pension, members asked for clarification as to how confirmation was sought regarding deceased fire fighters. It was reported that information was received from the National Association of Retired Fire Fighters (NARF). Retired fire fighters in receipt of pension were also asked to complete a form annually. Signatures were checked when forms were returned in an effort to reduce the risk of fraudulent claims.

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Members also asked why fraud was not detected earlier with regard to serving fire fighters. It was reported that a large amount of data needed to be collected from various agencies, including payroll and the Department for Work and Pensions. Members were advised that it was particularly difficult to detect fraud in respect of retained fire fighters if they were eligible to claim benefits due to their reduced income.

38/14

Corporate Risk 2014/15 – Quarter 1 Update

The Committee received the Corporate Risk Assurance Map and noted the position statement detailing the work undertaken in support of the management of each of the Service's Corporate Risks.

Corporate Risks were those which, if they occurred, would seriously affect the Authority's ability to carry out its core functions or deliver its strategic objectives as set out in the Plan. The Authority currently had eleven corporate risks. The Corporate Risk Assurance Map summary provided a description of each risk and an overview of its rating. The position statement set out the outcomes of the regular review of each risk by the risk owner. The Committee noted the position with regard to each risk.

The Internal Audit annual audit of corporate risk arrangements would take place during the third quarter of 2014/15.

Members noted that there had been reductions in overall risk scores in relation to the Authority being unable to deliver its core objectives as a result of insufficient employees. This was as a result of the Service having recruited sufficient new fire fighters to maintain the operational establishment and having made substantive appointments to a number of managerial posts, thus strengthening the control environment. Corporate risks 1 and 5 which related to employee relations and disruption to the service continued to attract a high risk score as a result of ongoing industrial action by the Fire Brigades Union in connection with its dispute with Government about the pension scheme. The Service had put in place contingency arrangements which had enabled an emergency response service to be maintained during each occasion of industrial action.

Resolved that the Corporate Risk Assurance Map Summary be approved.

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39/14 **Treasury Management – Mid Year review – 2014/15**

The Committee received the Treasury Management Strategy Statement and Annual Investment Strategy mid-year report, which outlined the performance of the Treasury Management function in the current financial year.

Resolved that the update be noted and that the prudential and treasury indicators be approved.

40/14 **Internal Audit – Progress Report**

The Committee noted a report which detailed the progress made against the delivery of the 2014/2015 Internal Audit Plan. The information contained within the report would inform the overall opinion in the Internal Audit Annual Report at the end of the year.

41/14 **Work Programme**

The Committee noted its work programme for 2014/2015.

42/14 **Update on Topical, Legal and Regulatory Issues**

It was reported that there was a proposal to establish a Regional Pensions Board which would give the Authority the opportunity to engage in the administration of the pension scheme. The consultation process would commence shortly and members would receive an update at the next meeting.

(The meeting ended at 1.05 pm)

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