

# **WEST YORKSHIRE FIRE AND RESCUE AUTHORITY**

## **MINUTES OF A MEETING OF THE AUDIT COMMITTEE HELD AT FIRE SERVICE HEADQUARTERS, BIRKENSHAW, ON 30 JUNE 2011**

Present: Councillors T Austin (in the chair), V Binney, R Brown and A McKenna  
(as substitute for Councillor J Dodds)

In attendance: Mr M Wilkinson - Standards Committee chair  
Graham Kettles - Audit Commission  
Paul Lundy - Audit Commission  
Catherine Wimpenny - Internal Audit

Apologies: Councillors J Cole and J Dodds

### **37 MINUTES OF THE LAST MEETING**

#### **RESOLVED**

That the Minutes of the meeting held on 15 April 2011 be signed by the Chair as a correct record.

### **38 URGENT ITEMS**

None.

### **39 EXCLUSION OF THE PUBLIC – SECTION 100A, LOCAL GOVERNMENT ACT 1972**

The meeting determined that there were no items which necessitated the exclusion of the public.

### **40 DISCLOSURES OF INTEREST**

There were no disclosures of interest in any matter under discussion at the meeting.

### **41 AUDIT COMMITTEE ANNUAL REPORT 2010 - 11**

The Chief Finance Officer submitted a report which provided an update of the work undertaken by the Audit Committee during the 2010 – 11 financial year. The report covered the following areas of responsibility;

- Internal audit
- Statement of accounts
- External audit
- Performance management
- Customer satisfaction
- training

## **RESOLVED**

- (i) That the report be noted; and
- (ii) That future training sessions for Members be scheduled to coincide with Committee meeting dates.

## **42 PERFORMANCE MANAGEMENT ACTIVITY REPORT**

The Director of Corporate Resources submitted two reports informing Members of the Authority's performance against key indicators and of its performance in comparison with other Metropolitan Fire and Rescue authorities for the following periods;

- 1 April 2010 – 31 March 2011
- 1 April 2011 – 31 May 2011

## **RESOLVED**

That the report be noted.

## **43 QUARTERLY REVIEW - INTERNAL AUDIT SUMMARY**

Consideration was given to a report of the Chief Finance Officer which advised of the progress made by internal audit from April to June 2011.

Members were advised that five audits had been completed, four of which received the highest level of substantial assurance, the fifth audit (ICT) having received adequate assurance.

## **RESOLVED**

That the contents of the report be noted.

## **44 ANNUAL GOVERNANCE STATEMENT**

The Chief Fire Officer and Chief Executive submitted a report which sought approval for the Annual Governance Statement.

The paper related to the overall governance of the Authority and presented the following significant governance issues;

- cuts in Fire Service funding
- environmental sustainability

## **RESOLVED**

That the Annual Governance Statement be approved by the Committee and signed by the Chair.

## **45 STATEMENT OF ACCOUNTS 2010 – 2011**

The Chief Finance Officer presented a detailed report covering;

- the revenue and capital outturns for the year
- the formal statement of accounts for 2010 – 11
- the Treasury Management report for 2010 – 11
- Members' allowances outturn for 2010 – 11

Members were advised that there had been an underspend of £2.1m on the revenue account which had been due, in the main, to the pay freezes in 2010 – 11. Work was now being done to counter the anticipated loss of grant in the forthcoming year. The Chief Finance Officer reported that the strategy for use of balances would be to reserve them until the fourth year of the spending review period as previously reported to the Authority.

With regard to the capital plan, Members were advised that 85% of the plan had been delivered in 2010 – 11 due to the approved changes to scheme slippage and improved plan management.

Changes due to the introduction of International Financial Reporting System (IFRS) requirements resulted in a significant increase in the size of the statement of accounts. The Finance Manager explained briefly the key change to the statement of accounts and the role of the four key statements.

Members received the outturn report related to Treasury Management and the Chief Finance Officer confirmed that all activity had been within the approved Treasury Management strategy. The Chief Finance Officer then explained that the Authority had taken advantage of low interest rates offered by variable rate short term loans rather than entering into new long term borrowing arrangements and would continue to monitor the movement in interest rates in relation to future borrowing .

## **RESOLVED**

- (i) That the revenue and capital outturn for 2010 / 2011 be noted;
- (ii) That the Statement of Accounts 2010 / 2011 be noted;

- (iii) That the Treasury Management report for 2010 / 2011 be noted; and
- (iv) That the report on Members' Allowances for 2010 / 2011 be noted.

#### **46 INTERNAL AUDIT ANNUAL REPORT 2010 – 11**

Consideration was given to a report of the Chief Finance Officer which sought Members' endorsement of the conclusion as to the effectiveness of the system of internal audit and which asked Members to note the audit opinion on risk management and the internal control environment during 2010 / 11.

It was reported that there had been no major concerns and no new items of significance. 50% of the internal audit work had been based on risk and the remaining 50% on key financial systems.

A copy of the internal audit summary plan for 2011 – 12 was attached as an annex to the report now submitted.

#### **RESOLVED**

- (i) That endorsement be given to the Chief Finance Officer's conclusion as to the effectiveness of the system of internal audit; and
- (ii) That the audit opinion on risk management arrangements and the internal control environment, providing assurance to the process of compiling the Annual Governance Statement (Min no. 44 refers), be noted.

#### **47 PERFORMANCE INDICATORS OUTTURN 2010 – 11**

The Director of Corporate Resources submitted a report which informed Members of the Authority's performance indicator outturn figures for 2010 – 11.

Those areas where it appeared that the Authority was not achieving its targets were as follows;

- Health and safety (less than 3 days' injury, no lost time)

Members were advised that, whilst the target was not being met, it did reflect an increase in the reporting of such injuries and was a reflection of a more robust health and safety management system.

#### **RESOLVED**

That the report be noted.

Chair