

WEST YORKSHIRE FIRE AND RESCUE AUTHORITY

MEETING OF THE AUDIT COMMITTEE TO BE HELD ON FRIDAY 18 JUNE 2010 AT 10.30 A.M. IN THE CONFERENCE ROOM, FIRE SERVICE HEADQUARTERS, BIRKENSHAW

AGENDA

1. Minutes of meeting held on 19 March 2010 (p 1)
2. Urgent items
3. Admission of the Public :
The Committee is asked to consider whether, by resolution, to exclude the public from the meeting during the items of business marked with an 'E' reference, because of the possibility of the disclosure of exempt information.
4. Declarations of interest

To consider any Declaration of Interest in relation to any item of business on the agenda.

Items for Decision

5. Annual Governance Statement (p 7)
6. Statement of Accounts 2009 / 10 **NOT YET AVAILABLE**

Items for Noting

7. Minutes of a meeting of the Regional Management Board held on 25 March 2010 (p 20)
8. Performance Management Activity report (p 27)
9. Internal Audit Annual report (p 33)
10. Audit Committee Annual report (p 41)
11. Code of Audit Practice (p 44a)
12. Statement of Responsibilities of auditors and or audited bodies (p 71)

13. Annual Audit fee 2010 / 11 (p 86)
14. Audit progress report (p 90)
15. LAA update report (p 96)
16. Partnership Register – review (p 106)

WEST YORKSHIRE FIRE AND RESCUE AUTHORITY

MINUTES OF A MEETING OF THE AUDIT COMMITTEE HELD AT FIRE SERVICE HEADQUARTERS, BIRKENSRAW, ON 18 JUNE 2010

Present: Councillor V Binney (in the chair), A Castle, J Dodds (as substitute for Councillor M Khan), D Gray and T Hardwick

In attendance : Mr M Wilkinson - Standards Committee chair
Graham Kettles - Audit Commission
Simon Straker - Internal Audit

48 CHAIR'S ANNOUNCEMENTS

The Chair reported that, for the sake of clarity, the agenda would be considered in an order different to that listed on the committee papers. Item 9 (Internal Audit Annual Report – Min no.53 refers) would be taken immediately before agenda item 5 (Annual Governance statement) and agenda item 15 (Local Authority Agreement (LAA) report – Min no.58 refers) would be considered immediately prior to agenda item 10 (Audit Committee Annual report).

49 MINUTES OF THE LAST MEETING

RESOLVED

That the Minutes of the meeting held on 19 March 2010 be signed by the Chair as a correct record.

50 URGENT ITEMS

None.

51 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.

52 DISCLOSURES OF INTEREST

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

53 INTERNAL AUDIT ANNUAL REPORT

Consideration was given to a report of the Chief Fire Officer and Chief Executive which sought Members' endorsement of the Chief Finance Officer's 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 2009 / 10. A copy of the internal audit summary plan for 2010 / 11 was attached as an annex to the report now submitted.

The report set out a summary of the internal audit opinion on internal audit and controls which had been reported throughout the year to this Committee together with a summary of the work performed in 2009 / 10. Members were advised that internal audit had given a positive opinion and either substantial or adequate assurance in each audit area.

RESOLVED

- (i) That endorsement be given to the Chief Finance Officer's conclusion as to the effectiveness of the system of internal audit;
- (ii) That the audit opinion on risk management arrangements and internal control environment be noted, thereby providing assurance to the process of compiling the Annual Governance Statement; and
- (iii) That the outstanding recommendation from the original audit of Health and Safety Management be reviewed and reported back to the September meeting of this Committee.

54 ANNUAL GOVERNANCE STATEMENT

The Chief Fire Officer / Chief Executive and Members of the Management Board 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;

- Anticipated loss of grant
- Safeguarding of the environment
- Data quality and security

A copy of the statement was attached as an annex to the report now submitted.

RESOLVED

That, subject to the deletion of reference to the, now defunct, Use of Resources assessment (originally scheduled for 2010 / 2011), the Annual Governance Statement for 2009 / 10 be approved for inclusion in the Statement of Accounts to be submitted to the full Authority on 25 June 2010 for approval.

55 STATEMENT OF ACCOUNTS 2009 / 2010

The Chief Finance Officer presented a detailed report covering :-

- The revenue and capital outturn for the year
- The Annual Governance Statement
- The formal statement of accounts for 2009 / 2010
- The treasury management report for 2009 / 2010
- Members' allowances outturn for 2009 / 2010

Members were advised that there had been an underspend of £1.2m on the revenue account and that the Authority had available balances of £7.3m.

It was further reported that approximately 65% of the capital plan had been spent during the course of the year. As part of the measures taken the previous year to increase the proportion of capital spending in future years, it was reported that new internal rules had been implemented to better monitor slippage and to improve the relevance of the capital plan as a strategic planning document.

With regard to Treasury Management, this continued to be high profile in the light of the collapse of the banking system and the level of borrowing during the course of the year had been kept to a minimum and internal balances had been increasingly used to ensure the security of the Authority's funds.

RESOLVED

- (i) That the revenue and capital outturn for 2009 / 2010 be noted;
- (ii) That the Annual Governance Statement be recommended to the full Authority for approval;
- (iii) That the Statement of Accounts be recommended to the Authority for approval;
- (iv) That the Treasury Management report for 2009 / 2010 be noted; and
- (v) That the outturn for Members' allowances be noted.

56 MINUTES OF THE REGIONAL MANAGEMENT BOARD

RESOLVED

That the Minutes of a meeting of the Regional Management Board held on 25 March 2010 be noted.

57 PERFORMANCE MANAGEMENT ACTIVITY REPORT

The Director of Corporate Resources submitted a report informing Members of the Authority's performance against key indicators and of its performance in comparison with other Metropolitan Fire and Rescue authorities. The report referred specifically to those areas where the Authority was not achieving its targets as follows;

- Arson incidents
- Fire fatalities

Members were advised that, whilst the targets were not being met in these specific areas, the rate of improvement with reference to arson continued to improve. The number of fire fatalities was above target and had increased over last year but still, Members were reminded that the total figure was low for an area such as West Yorkshire.

RESOLVED

That the report be noted.

58 LOCAL AUTHORITY AREA AGREEMENT (LAA) REPORT

Consideration was given to a report of the Director of Fire Safety and Community Relations which informed Members of District performance against core fire and road safety related national indicators in the 2009 / 2010 fiscal year.

Members were reminded that fire indicators no longer formed part of the national indicator set and only one districts (Wakefield) had chosen them as a local indicator. It was further reported that there had been differing degrees of success with regard to the road safety targets, in which the Fire Service was a partner. Members were advised that it was unlikely that the road safety projections made by Government would be met.

RESOLVED

That the report be noted.

59 AUDIT COMMITTEE ANNUAL REPORT

The Chief Finance Officer submitted a report which set out the different areas of work covered by the Audit Committee during 2009 / 2010.

RESOLVED

That the report be noted.

60 CODE OF AUDIT PRACTICE

Mr Graham Kettles, representative of the Audit Commission, presented the Code of Audit Practice 2010 to Members. The Code was reviewed on a five-yearly cycle by Parliament and could act as a checklist for the Committee to use when monitoring the work of the Audit Commission.

RESOLVED

That the Code of Audit Practice 2010 be noted.

61 STATEMENT OF RESPONSIBILITIES OF AUDITORS AND / OR AUDITED BODIES

Members were introduced to the general guidance which set out the responsibilities and reporting requirements of the Audit Commission.

RESOLVED

That the report be noted.

62 ANNUAL AUDIT FEE 2010 / 11

Members considered the content of a letter from the Audit Commission which set out the planned audit fees for 2010 / 11. Since the receipt of the letter, Government policy had led to a change in the responsibilities of the Commission and the removal of the Use of Resources assessment in particular.

Despite the removal of the responsibility for Use of Resources the cost of this assessment remained within the fees. The Auditor explained that the fees letter had been issued prior to the removal of the Use of Resources and, because of the short timescale, had not received firm guidance of the status of the letter.

Members commented that they would anticipate a reduction in the fees to reflect the reduced workload. As this issue would be reflected throughout the fire service, the Committee agreed to write to the Local Government Association (LGA) to request that the issue be raised with the Audit Commission at national level.

RESOLVED

- (i) That a letter be submitted to the Local Government Association requesting that the issue of Audit Fees relating to the Use of Resources be raised with the Audit Commission at national level; and
- (ii) That the Audit Commission work and fees be kept under review and any progress be reported to the next meeting.

63 EXTERNAL AUDIT PROGRESS REPORT

Members considered the progress made by the Audit Commission with its agreed workplan. It was reported that the work for 2009 / 2010 was largely complete and it was anticipated that detailed work would commence in July on the Authority's approved Statement of Accounts.

RESOLVED

- (i) That the progress report be noted; and
- (ii) That the Finance team be congratulated on the work that had been done and assessed for the, now defunct, Use of Resources assessment.

64 PARTNERSHIP REGISTER

The Director of Fire Safety and Community Relations submitted a report which informed Members of the review of the Partnership register which had been requested at a

previous meeting to ensure the Authority's partnerships complied with the approved Partnership policy.

RESOLVED

- (i) That work be undertaken to examine the reasons why it appeared that no risk assessment was held for some partnerships; and
- (ii) That, subject to (i) above, the content of the Partnership register be noted.

Chair