



Minutes

Audit Committee

Date: 17 April 2015

Time: 10.30 a.m.

Venue: Conference Room, Fire and Rescue Service Headquarters, Birkenshaw

Present: Councillor J Cummins (in the chair), K Akthar, L Holmes, H Middleton and K Renshaw

In Attendance: John Prentice – KMPG (External Auditor)
Simon Straker – Kirklees Metropolitan Council (Internal Auditor)

Apologies: Councillor A Stubbley

26 Minutes of the last meeting

RESOLVED

That the Minutes of the meeting held on 6 February 2015 be signed by the Chair as a correct record.

27 Urgent items

None.

28 Admission of the public

There were no items which required the exclusion of the public and press.

29 Declarations of interest

There were no declarations of disclosable pecuniary interest in any matter under consideration at the meeting.

30 Performance Management Report

Members considered a report of the Chief Legal and Governance Officer which advised of those areas of performance where key targets had not been achieved or where West Yorkshire had the poorest performance when compared with all seven metropolitan fire authorities. No areas of performance fell within this category.

The area of performance where the report showed as falling short of target related to the number of operational risk visits undertaken. Members were advised that the target had, in fact, been reached by 31 March 2015 but the table had not been officially updated prior to the despatch of papers for the meeting.

As statutorily required, it was also reported that no applications had been made between 1 April and 31 December 2014 under the Regulation of Investigatory Powers Act (RIPA) 2000.

RESOLVED

That the report be noted.

31 Internal Audit Quarterly Review

Members received a report of the Chief Finance and Procurement Officer which introduced a summary of the internal audit activity for the period January – March 2015.

It was reported that there were 8 audits in progress and at various stages of completion – progress would be reported to the June Audit Committee meeting with a final opinion as appropriate.

The audit on Stores Security and Probity had received substantial assurance and Members were advised that the audit opinion of adequate assurance had not been changed in respect of the IT inventory probity arrangements (initially carried out as part of the 2012 – 13 audit plan). It was reported that this would remain on the review report until such time as substantial assurance had been received.

Members were informed of an issue related to the national fraud initiative concerning duplicate payments in 2013 – 14 which had been due, in part, to the transfer to the new SAP system. Some of this remained unrecovered and would be followed up at the earliest opportunity.

Questions were raised by Members with regard to the following;

- Creditor control
- IT inventory detail
- Implementation of SAP systems

RESOLVED

That, subject to an amendment to Section 10 of the Internal Audit Quarterly Report (January to March 2015) which detailed “targets” for 2014 / 15 rather than “actual” figures, the report be noted.

32 Draft Internal Audit Plan 2015 / 16

Consideration was given to a report of the Chief Finance and Procurement Officer which provided an outline of the proposed programme of internal audit work for 2015 – 16.

The areas to be investigated included;

- Key financial systems (salaries, creditors, income and new bank contract)
- Other systems / locations (financial planning, budgetary control, capital plan management and asset inventory control)

- Corporate Governance
- Business risks and controls (RDS availability, business continuity, duty systems, severe weather, counter fraud, unwanted fire signal policy, equalities and diversity, firefighter attacks / violence at work)
- Follow-up audits (responsive repairs procurement)

It was reported that 50% of the audit work would examine business risks (70% of which were already included in the corporate risk register). The remaining internal audit work would focus on financial and governance arrangements (80 days).

Members were advised that two of the key areas to be examined would be;

- Management control (adequacy and effectiveness), and
- Basic equipment / asset inventory systems

RESOLVED

That the report be noted.

33 External Audit – progress report and technical update

Consideration was given to a report of the Chief Finance and Procurement Officer which introduced an update of technical issues provided by the external auditor.

Members were advised that the auditors' work focused on the following areas;

- Financial statements, and
- Value for money

It was reported that the following issues had also been identified as having a low impact on the Authority;

- Audit Commission work programme and scale fees 2015 – 16
- Transfer of Audit Commission responsibilities from 1 April 2015
- Audit Commission (Value for Money) profile update
- The Accounts and Audit Regulations 2015
- Accounting for collaboration – transition issues
- Taxation of the police and fire pensions who have lost their Protected Pension Age

It was reported that a reduction of external audit fees for 2015 – 16 had been finalised (25%) and that, following the abolition of the Audit Commission with effect from 30 April 2015, key changes would be made to the official reporting system from 2017 – 18 when the statement of accounts would be completed by 31 July each year as opposed to the current 30 September.

RESOLVED

That the report be noted.