

10. Report from Audit Committee

Purpose of report

1. To inform the Authority of the proceedings of the Audit Committee Meeting held on 28 September 2012.
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Recommendation

The Audit Committee recommends that the Authority note the proceedings of the Committee meeting held on 28 September 2012.

External Audit Annual Governance Report 2011/12

2. The Committee considered the External Audit Annual Governance Report 2011/12.
3. The Audit Committee is required to consider the matters set out in the External Audit Annual Governance Report prior to approving the financial statements.
4. The External Auditor advised the Committee that the audit had been completed and that he proposed to issue an audit report, including an unqualified opinion on the Authority's financial statements. He proposed to issue an unqualified value for money conclusion. The Committee was advised that the standard of financial statements and associated working papers provided to the External Auditors were improved from last year.
5. The Committee thanked the Authority's staff in ensuring that an unqualified opinion was proposed by the External Audit.
6. The Committee agreed that:
 - (i) The External Audit Annual Governance Report 2011/12 be noted;
 - (ii) The letter of representation be approved on behalf of the Authority; and
 - (iii) The response to the proposed action plan set out in the report be agreed.

Statement of Accounts 2011/12

7. A report was considered that presented the Statement of Accounts 2011/12 for approval.
8. The Committee was advised that following completion of the external audit the Authority was required to approve the Statement of Accounts by 30 September 2012 and that the Authority had delegated the function to the Audit Committee.

9. The Treasurer presented the Statement of Accounts 2011/12 and it was noted that there had been some amendments that had arisen following the audit process. These amendments had been non-material adjustments and there were no overall changes in the Accounts that had been previously circulated.
10. The Committee approved the Statement of Accounts 2011/12 as amended.

Annual Governance Statement

11. The Committee considered a report which put forward the Annual Governance Statement and supporting assurances for approval.
12. Members were advised that the Annual Governance Statement included information on how the Authority had monitored the effectiveness of its governance arrangements and set out any planned changes for the current period.
13. The Annual Governance Statement identified the Authority's obligations and objectives, established controls to manage risks and ensured that the controls were working effectively.
14. The Treasurer presented the Committee with the draft Annual Governance Statement and confirmed that a further report on progress would be presented to the committee in April 2013.
15. The External Auditor confirmed that the Annual Governance Statement complied with the requirements of the CIPFA/SOLACE Delivering Good Governance in Local Government Framework and was consistent with other information arising from the audit of the financial statements. Furthermore it was noted that the Internal Auditors would audit the Annual Governance process.
16. The Committee agreed that the Annual Governance Statement and supporting assurances be approved.

Draft Internal Audit Plan 2012/13

17. A report was considered that provided the Committee with the Draft Internal Audit Plan for 2012/13.
18. Members were advised that there would be a total of 111 audit days of which 99 would focus on operations and 12 would focus on management.
19. The Draft Internal Audit Plan 2012/13 was a risk based plan which took into account the adequacy of the Authority's risk management, performance management and other assurance processes. It was based upon the risk priorities of the Authority's Corporate Risk Register as well as upon Independent Risk Assessment.
20. The Acting Service Manager for Worcestershire Internal Audit Shared Service presented the draft Internal Audit Plan for 2012/13 which had been previously considered by the Treasurer and External Auditors.

21. The Committee agreed that the Draft Internal Audit Plan 2012/13 be approved.

Financial Considerations

Consideration	Yes/No	Reference in Report i.e paragraph no.
There are financial issues that require consideration	No	

Legal Considerations

Consideration	Yes/No	Reference in Report i.e paragraph no.
There are legal issues e.g. contractual and procurement, reputational issues that require consideration	No	

Additional Considerations

22. The table below sets out any additional issues arising from the proposals contained in this report and identifies the relevant paragraphs in the report where such issues are addressed.

Consideration	Yes/No	Reference in Report i.e paragraph no.
Resources (e.g. Assets, ICT, Human Resources, Training & Development, Sustainability).	No	
Strategic Policy Links (e.g. IRMP, Authority Plan, Equality & Diversity, Partnerships, Environmental Impact).	No	
Risk Management / Health & Safety (e.g. risk management and control measures, risk register score).	No	
Consultation with Representative Bodies	Yes	Paragraph 20

Supporting Information

Background papers – Agenda and Papers, Audit Committee, 28 September 2012

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