

10. Report from Audit and Standards Committee

Purpose of report

1. To advise Members of the proceedings of the Audit and Standards Committee meeting held on 22 January 2014.
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Recommendation

It is recommended that the Authority notes the proceedings of the Audit and Standards Committee meeting held on 22 January 2014.

Internal Audit Monitoring Report 2013/14

2. The Committee considered a report that provided an interim progress update on the 2013/14 plan delivery. The report detailed audits that had taken place during 2013/14 including:
 - Risk Management Health Check
 - Main Ledger and Budgetary Control
 - Operational Logistics
 - Asset Management 2012-13
 - Payroll and Pensions including GARTAN System
 - Corporate Governance
 - Business Continuity Follow Up
3. The Service Manager advised Members that the Debtors and Creditors reports, Operational Logistics and Community Safety audits were now finalised and no high priority recommendations had been identified.
4. It was noted that the rest of the planned audits were progressing well and there were no areas of concern to bring to Members' attention.
5. The Committee noted the contents of the report.

Annual Audit Letter 2012/13

6. The Committee considered a report from its External Auditors, Grant Thornton UK LLP that presented the Annual Audit Letter 2012/13.
7. The Annual Audit Letter summarised the findings from the 2012/13 audit and comprised two elements namely the audit of the Authority's financial statements and an assessment of the Authority's arrangements to achieve value for money in the use of resources.
8. The key messages in the Audit 2012/13 were as follows:

- (i) The Authority had taken appropriate account of the current economic climate and the plans were supported by detailed and robust assumptions.
 - (ii) The Authority had a sound understanding of the current financial environment and undertook robust planning for the medium and long term.
 - (iii) There was a strong link between the Authority Plan and the Community Risk Management Plan.
 - (iv) Scenario planning around the level of grant funding had been undertaken and considered within the Authority's detailed medium term financial plan to ensure that reserves were sufficient to meet future expenditure.
 - (v) The Authority historically closely monitors its expenditure and did not exceed budget levels.
 - (vi) The Senior Management Board provided clear leadership on spending priorities and demonstrated a clear understanding of the resource requirements of the Service.
 - (vii) The Service had challenged the existing delivery arrangements of the community safety and training provision and had implemented changes.
 - (viii) Performance management was strong and appropriately challenged.
 - (ix) The Authority benchmarked its performance with other authorities to identify areas for improvement. Efficiencies had been made and efficiency plans continued to be implemented.
9. The Engagement Lead had issued an unqualified opinion on the Authority's financial statements on 30 September 2013.
10. The Engagement Lead issued an unqualified Value for Money Conclusion on 30 September 2013 as no matters had been identified that led him to believe that the Authority did not have proper arrangements in place for securing economy, efficiency and effectiveness.
11. The Engagement Lead was satisfied that in all respects Hereford & Worcester Fire Authority had put in place proper arrangements to secure value for money in its use on resources for the year ending 31 March 2013.
12. The Committee noted the Annual Audit Letter 2012/13.

External Audit Fee 2013.14

13. The Committee considered a report that apprised them of the audit fee for the Authority along with the scope and timing of the work to be undertaken.
14. Members were advised that the fee of £43,829 was the same as last year.

15. The fee excluded any work requested by the Authority that Grant Thornton may agree to undertake outside of the Code audit. Each additional piece of work would be separately agreed and a detailed project specification and fee would be agreed with the Authority.
16. The report included an outline of the audit timetable:
 - Audit Planning and Interim Audit – January to March 2014
 - Final accounts audit – July/August 2014
 - Value for Money Conclusion – January to September 2014
 - Whole Government accounts – September 2014
 - Annual Audit Letter – October 2014
17. The Committee noted the contents of the report.

Informing the Audit Risk Assessment 2013/14

18. A report was considered that advised members of the Audit Risk Assessment carried out by Grant Thornton, UK, LLP, the Authority's External Auditor in deriving the External Audit Plan.
19. In previous years the Audit Risk Assessment had been dealt with in correspondence between the Auditor, Chair of the Audit Committee, Treasurer and Monitoring Officer.
20. From 2012/13 it was agreed to bring the information to the attention of all Committee Members to further enhance the openness of governance.
21. No specific risks were highlighted that were abnormal or which caused the Treasurer or External Auditor particular concern.
22. The Committee noted the report.

Member Development Working Group Update

23. The Committee considered a report that advised Members of the proceedings of the Member Development Working Group meeting held on 1 October 2013.
24. The Induction Schedule had gone well and feedback received had been positive.
25. Future training sessions for Members included:
 - Budget Seminar – 30 January 2014
 - Pensions Seminar (March 2014)
 - Major Operational Exercise (June 2014)

26. It was noted that Members' attendance at some of the training sessions had been relatively low and it was suggested that members be texted to remind them of these sessions.
27. Members were advised that text reminder technology would shortly be rolled out to the Committee Services Team.
28. The Member Development Working Group planned to meet in April 2014 to work on the Member Development Programme for 2014/15.
29. The Committee noted the contents of the report.

Corporate Considerations

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| Resource Implications (identify any financial, legal, property or human resources issues) | None |
| Strategic Policy Links (identify how proposals link in with current priorities and policy framework and if they do not, identify any potential implications). | Proposals for Member Development accord with 'Our Strategy' |
| Risk Management / Health & Safety (identify any risks, the proposed control measures and risk evaluation scores). | None |
| Consultation (identify any public or other consultation that has been carried out on this matter) | Members will be surveyed to ascertain their views regarding the Member Development Programme. |
| Equalities (has an Equalities Impact Assessment been completed? If not, why not?) | The Member Development Programme has incorporated information on the Ethical Framework and Equality and Diversity. |

Supporting Information

Background papers – Agenda and Papers Audit and Standards Committee 22 January 2014

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