



Minutes

Members Present

Mrs. L Duffy (Chair), Mrs L Hodgson (Vice-Chair), Mr J Cairns, Mrs G Hopkins, Mrs F Oborski, Mr T Spencer and Mr J Thomas, Mr P Watts.

No.	Item
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1. **Apologies for Absence**

Mr. D Greenow and Mr. B Matthews.

2. **Named Substitutes**

None.

3. **Declaration of Interests (if any)**

The Chairman invited any Member to declare an interest in any of the items on this Agenda. The following interest was declared:

- Mrs. L Hodgson - personal and prejudicial interest in relation to item 10 Internal Audit Arrangements – she is a Worcester City Councillor.

4. **Confirmation of Minutes**

RESOLVED that the minutes of the meeting held on 29 June 2011 be confirmed as a correct record and signed by the Chairman.

5. **External Audit Annual Governance Report 2010/11**

The Treasurer apologised to the Committee for the lateness of the Accounts and thanked the Auditors for their patience.

The District Auditor presented the Annual Governance Report, which was tabled at the meeting and explained that the transition to International Financial Reporting Standards (IFRS) together with reduced capacity in the Finance Team had had a significant impact on the length of time taken to produce the accounts and on the quality of the financial statements and working papers. This had led to a postponement of the audit, which resulted in an additional cost of £7,000 to the Authority.

The District Auditor explained that although he had been unable to complete his work due to some outstanding issues he planned to give an unqualified audit opinion. He stated it was necessary for the Committee to approve the letter of representation on behalf of the Authority before the Auditor could issue his opinion and conclusion.

The District Auditor informed the Committee that he also planned to issue an unqualified value for money conclusion as he expected to conclude that the

Authority had sound financial governance and good financial control. Members expressed concern that the issues raised by the Auditor should be addressed prior to future audits and that controls should be put in place to reduce future risks with regards to the quality of financial statements and working papers.

The Treasurer assured Members that resourcing for the 2011/12 accounts process would be addressed in a timely manner to enable the accounts to be produced on time in future.

Mr J Cairns abstained from the vote.

RESOLVED that:

- i) the External Audit Annual Governance Report 2010/11 be noted;***
- ii) the letter of representation be approved on behalf of the Authority; and***
- iii) the response to the proposed action plan be agreed.***

6. Statement of Accounts

The Treasurer presented the Accounts, which were tabled at the meeting and explained that the Accounts were no longer prepared on the basis of UK “Generally Accepted Accounting Practice” (GAAP) but were instead produced under the International Finance Reporting Standards (IFRS) bases in full.

The Treasurer explained in detail to Members the Core Financial Statements i.e. the Movement in Reserves Statement, the Comprehensive Income & Expenditure Statement, the Balance Sheet and Cash Flow Statement.

The Committee commended the Finance Team for their hard work in producing the accounts in such detail.

Mr J Cairns abstained from the vote and declared this was due to late receipt of the accounts.

RESOLVED that the Statement of Accounts 2010/11 be approved.

7. Annual Governance Statement

The Clerk presented the Annual Governance Statement and Supporting Assurances for consideration by the Committee and stated that at its meeting on 29 June 2011, the Committee had reviewed the draft Statement and Supporting Assurances prior to the final approval, in line with the best practice as recommended by CIPFA.

The Clerk explained that there were no significant governance issues that had been identified and that the Governance Review Group would continue to produce recommendations over the coming year to address and further enhance the Authority’s governance arrangements.

RESOLVED that the Annual Governance Statement and Supporting Assurances be approved.

8. Risk Management Strategy and Strategic Risk Register

The Acting Director of Corporate Services explained that the effectiveness of the arrangements to manage risk had been reviewed and that a revised strategy had been developed to ensure the Authority identified strategic risks. The Strategic Risk Register had been prepared to identify controls which mitigated the identified risks.

RESOLVED that the revised Risk Management Strategy and Policy and the live Strategic Risk Register be recommended to the Authority for approval.

9. Internal Audit Update

The Chief Internal Auditor informed the Committee that Worcestershire County Council would no longer provide Internal Audit Services to the Fire and Rescue Authority and responsibility for the provision of the service would be transferred to a Consortium hosted by Worcester City Council.

The Chief Internal Auditor stated that there were no outstanding issues with regards to the Internal Audits that had taken place.

RESOLVED that the report be noted.

[Mrs L Hodgson left the meeting]

10. Internal Audit Arrangements

The Treasurer stated that his report on the matter had previously been considered by all Members at the earlier full Authority meeting. Following a question from a Member the Treasurer explained that if there were any indication that the number of audits would exceed the budget then the Internal Audit Plan would be reviewed. The Clerk stated that the Internal Audit Plan would be considered and approved by the Committee.

Following further questions from Members, the Chief Fire Officer explained that the internal audit plan would be agreed by the Committee prior to the audits taking place. The District Auditor stated that there was more flexibility with regards to Internal Audit work in comparison with External Audit, therefore it would be unlikely that additional work would be carried out which was not included in the Internal Audit Plan.

RESOLVED that the report be noted.

The meeting concluded at 2.23pm

Signed: _____

Chairman

Date: _____