



## Minutes

### Members Present

Cllr. Lynne Duffy (Chair)  
Cllr. David Greenow, Cllr. Gay Hopkins, Cllr. Bob Matthews, Cllr. Terry Spencer,  
and Cllr. John Thomas.

**At the outset of the Meeting the Chairman welcomed Cllr. Bob Matthews, Herefordshire Council, to his first meeting of the Audit Committee.**

- | No. | Item   |
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| 1.  | <b>Apologies for Absence</b><br>Cllr. Liz Eyre, Cllr Lucy Hodgson, Cllr. Fran Oborski and Cllr Peter Watts   |
| 2.  | <b>Named Substitutes</b><br>None.  |
| 3.  | <b>Declaration of Interests (if any)</b><br><br>The Chairman invited any Member to declare an interest in any of the items on this Agenda and there were no such declarations.   |
| 4.  | <b>Confirmation of Minutes</b><br><b>RESOLVED that the minutes of the meeting held on 28 April 2011 be confirmed as a correct record and signed by the Chairman.</b>   |
| 5.  | <b>Provisional Annual Statement of Accounts 2010/11</b><br>The Treasurer informed the Audit Committee of the changes in the presentational process of the Annual Statement of Accounts resulting from: <ul style="list-style-type: none"><li>i. The changes arising from the Accounts and Audit Regulations 2011 and</li><li>ii. The requirement to present the statement of accounts in accordance with the International Financial Reporting Standards.</li></ul> The Treasurer told the Committee that he would present the audited Statement of Accounts for detailed consideration and approval on the 28 September.<br>The meeting requested that the Members be given basic training in the IFRS presentation so that they could analyse the Statement of Accounts better and this was agreed (Mr Grant Patterson of the Audit Commission offered his assistance in this training)<br><b>RESOLVED that the Report be noted.</b> |
| 6.  | <b>Internal Audit Update</b><br>Mr Gordon Smith, Chief Internal Auditor, Worcestershire County Council, provided an update on Internal Audit Activities since the Audit Committee meeting on 21 April 2011.  |

Mr Smith reported that audit examination of the financial systems found that, in general, the internal controls appear reliable and effective and operating satisfactorily. The audits identified some areas that should be addressed to strengthen the existing controls and the management response was awaited.

The Committee noted that Worcestershire County Council no longer provides the Treasurer to the Authority and had given notice to withdraw from providing Internal Audit services to HWFRA. However since receiving this notice the Authority had been advised that Worcestershire County Council wish to reconsider this position, and the matter was under review.

**RESOLVED that the Internal Audit Update be noted.**

## **7. External Audit Progress Report 2010/11 and Annual Fee 2011/12**

### **7.1 External Audit Progress Report 2010/11**

Mr. Grant Patterson, District Auditor, Audit Commission, informed the Committee of progress on External Audit for the financial year 2010/11, and presented a report outlining the following:

- Progress of the audit;
- Audit coverage and inputs;
- Planning for 2011/12, its Work with Internal Audit; and
- Conclusion of the Audit.

The report also draws attention to the following topical issues:

- The Fire Futures Review;
- Payment of the Fire Revenue Grant and Fire Capital Grant; and
- The Publication and Consultation Document 'Future of Local Public Audit'.

He reported that the audit was on schedule and that no issues had been identified for attention. He further informed the Committee that if any matter of significance arose before the conclusion of the audit he would bring it to the attention of the Committee through the Chairman.

### **7.2 External Audit Work Programme and Fees 2011/12**

Mr Patterson presented the Audit Commission's proposed work programme and fees for the audit of financial year 2011/12. The Committee noted the reduction in fees from £79,400, indicative, for 2010/11 to £73, 048 proposed for 2011/12. Mr Patterson reported that there could be further rebates in the order of 8%.

**RESOLVED that the External Audit Update be noted.**

## **8. National Fraud Initiative 2010/11**

The Director of Finance informed the Committee of the final position in relation to the National Fraud Initiatives (NFI) 2010/11; the Committee noted that 147 matches had been identified, all of them had been investigated and no fraud had arisen from same.

**RESOLVED that the Report be noted.**

## 9. Annual Governance Statement

The Clerk provided the Committee with an opportunity to review the Annual Governance Statement and Supporting Assurances prior to the final approval in September.

She told the meeting that the Authority has in place a Code of Corporate Governance which was robust and worked well. There were three live issues being addressed in the course of this review:

- i. Partnership working;
- ii. The Authority's governance review; and
- iii. The remaining matters from the retirement of the former Chief Fire Officer.

**RESOLVED that the Report be noted.**

## 10. The Future of Local Public Audit

The Treasurer told the Committee that following the Secretary of State's proposals to disband the Audit Commission and refocus local public audit the Department of Communities and Local Government had issued a consultation document on "*The Future of Local Public Audit*".

The document outlined some 50 points, giving suggested solutions as appropriate with a return deadline of 30 June 2011. The Treasurer and the Clerk had considered these matters and drafted responses on behalf of the Authority, for consideration and approval by the Audit Committee prior to submission to CLG by 30 June 2011.

The Committee considered the draft responses presented by the Treasurer and the Clerk and approved same.

**RESOLVED that the Committee approve the Authority's response to the consultation on the Future of Local Public Audit.**

## 11. Audit Committee Work Programme 2011/12

The Clerk put forward a draft work programme for the coming year for the Audit Committee to consider and amend as appropriate, prior to approval.

**RESOLVED that the Audit Committee Work Programme 2011/12 be approved.**

The meeting concluded at 11.38 am

Signed: \_\_\_\_\_

Chairman

Date: \_\_\_\_\_