

Annual Report of the Chair of the Audit and Performance Management Committee

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1 Purpose of Report

This report presents the Annual Report of the Audit and Performance Management Committee for the period April 2012 to March 2013.

2 Recommendations

Members are asked to note the Annual Report of the Audit and Performance Management Committee.

3 Constitution and Meetings

The constitution of the Committee was last reviewed by the Committee in June 2012, when Members agreed a number of changes to its Terms of Reference to bring them up-to-date. At the same time the Committee reviewed the Role Descriptions of its Chair and Vice Chair and of the Member Champion for Risk Management and Audit. The changes recommended by the Committee were agreed by the Fire Authority at its Annual Meeting in July 2012.

The Committee is politically balanced and comprises of seven Members, with a quorum of 4. Its Chair is Councillor Dr Jones, and its Vice-Chair is Councillor Mellings.

Since March 2012 the Committee has met four times: in June, September and November 2012, and March 2013.

The Committee has the power to meet privately and separately with the Head of Internal Audit and/or External Auditor, independent of the presence of officers. No such meetings have taken place in the last year, as Members have had no issues, which they wished to raise in such a manner.

4 Role of the Committee

As its name suggests, the role of the Committee splits into two areas, namely audit and performance management. The overarching purpose of the Committee in these two areas is as follows:

Audit*

To provide independent assurance of the adequacy of the risk management framework and the associated control environment, independent scrutiny of the Fire Authority's financial and non-financial performance to the extent that it affects the Fire Authority's exposure to risk and weakens the control environment, and to oversee the financial reporting process

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This is the purpose recommended in The Chartered Institute of Public Finance and Accountancy publication 'Audit Committees Practical Guidance for Local Authorities'

Performance Management

To oversee the process of assessing progress toward achieving the Fire Authority's predetermined aims, as set out in the Service Plan
The Committee's role involves building on that process, adding the relevant communication and action on the progress achieved against the predetermined aims.

The full terms of reference of the Committee can be found in Section 3 of the Members' Handbook at the following link:

<http://www.shropshirefire.gov.uk/sites/alpha.shropshirefire.gov.uk/files/fra/membershandbook/04%20%20audit%20and%20performance%20management%20committee.pdf>

For ease of reference this report splits the work carried out by the Committee into the two areas referred to above: Audit; and Performance Management.

5 Audit

The Committee has received regular reports from both Internal and External Audit, including:

External Audit

- Statement of Audit Progress
- Communication with the Auditor
- Annual Governance Report
- Annual Audit Letter
- Audit Fee Letter
- Update for the year ended 31 March 2013
- Operational Performance Assessment

Internal Audit

- Summary Audit Report
- Compliance with the Code of Corporate Governance

As stated in section 3 above, the Committee has not felt it necessary to raise any matters in private with either Internal or External Audit.

In accordance with the power delegated to it by the Fire Authority (on 13 February 2012), the Committee has approved The Statement of Accounts 2011/12 and formally adopted External Audit's Annual Governance Report 2011/12. Following which, the Chair of the Committee, Chief Fire Officer and Treasurer signed the Letter of Representation for the year ended 31 March, as required by External Audit.

The Committee has approved the Annual Governance Statement (AGS) 2011/12 and AGS Improvement Plan 2012/13, to be included in The Statement of Accounts and has monitored progress made on the AGS Improvement Plan.

Risk Management

The Committee has received regular reports from the Service's Risk Management Group (of which Councillor Dr Jones, as Chair of the Committee, is a Member), monitoring progress made against Internal Audit recommendations.

6 Performance Management

Throughout the year the Committee has monitored the Service's performance against the Fire Authority's Public Value Measures. It has received an annual report, summarising compliments and complaints received by the Service.

The Committee has also monitored the performance of the Retained Duty Service, looking, in particular, at those stations where availability of appliances and recruitment are problematic.

7 Training and Development

At the request of its Members, the Committee has received presentations on the following areas over the past year:

- The Statement of Accounts;
- The Annual Statement of Assurance; and
- Business Fire Safety.

8 Financial Implications

There are no financial implications arising from this report.

9 Legal Comment

There are no legal implications arising from this report.

10 Risk Monitoring

When writing this report officers have reviewed Brigade Order 3 Part 2 Risk Management Protocol and have determined that there are no risk implications associated with it.

11 Equality Impact Assessment

This report is purely an update on the work of the Committee since April 2012 to date and it, therefore, has no impact on people. Accordingly, an Equality Impact Assessment has not been completed.

12 Appendices

There are no appendices attached to this report.

13 Background Papers

There are no background papers associated with this report.