

NORTH WALES FIRE AND RESCUE AUTHORITY AUDIT COMMITTEE

Minutes of the Audit Committee Meeting of the North Wales Fire and Rescue Authority held on 31st January 2011 at the Fire and Rescue Headquarters, St Asaph. Meeting commenced at 2pm.

PRESENT

Cllr E C George (Chair)	Wrexham County Borough Council
Cllr D Barratt	Flintshire County Council
Cllr E M Jones	Gwynedd Council
Cllr N M Jones	Flintshire County Council
Cllr W Knightly	Conwy County Borough Council
Cllr D Mackie	Flintshire County Council
Cllr G O Williams	Gwynedd Council

ALSO PRESENT:

D Docx (Deputy Chief Fire Officer); S Forrest (Accountant, Treasurer's Department, Conwy County Borough Council); M Halstead (Head of Audit, Conwy County Borough Council); K V Williams (Audit, Conwy County Borough Council); V Stevens (KPMG); V DeZouche (KPMG); C Dingle (Finance Manager); G Jones (Executive Support Manager); A Davies (Member Liaison Officer).

Apologies:

Cllr P C Evans	Conwy County Borough Council
Cllr M Griffith	Gwynedd Council
Cllr A Minshull	Flintshire County Council
Cllr A Tansley	Conwy County Borough Council
C Everett	Clerk

1 DECLARATIONS OF INTEREST

1.1 Cllr E C George declared an interest as a member of Wrexham County Borough Council in relation to the public borrowing from Local Authorities.

2 MINUTES

2.1 The minutes of the meeting held on 27th September 2010 were approved as a correct record. There were no matters arising.

3 PRUDENTIAL INDICATORS, TREASURY MANAGEMENT STRATEGY, INVESTMENT STRATEGY AND MINIMUM REVENUE PROVISION POLICY

3.1 The purpose of this report was to present to Members the Prudential Indicators, Treasury Management Strategy, Investment Strategy and Minimum Revenue Provision (MRP) Policy for 2011/12. The Audit Committee has been tasked with ensuring effective scrutiny of the treasury management strategy and policies and based on their findings make recommendations to the Fire and Rescue Authority.

3.2 Sandra Forrest elaborated upon the report with the aid of a Powerpoint presentation which explained various aspects of the prudential indicators, treasury management strategy, investment strategy and the minimum revenue provision policy.

3.3 Members asked a number of questions on the strategies detailed in the report to clarify their understanding and having effectively scrutinised the report were satisfied that they were able to recommend the contents of the report for approval by the Fire and Rescue Authority.

3.4 **RESOLVED to approve each of the four key elements of the reports, and recommend to the Fire and Rescue Authority :**

(i) Prudential Indicators;

(ii) Treasury Management Strategy for 2011/12;

(iii) Investment Strategy;

(iv) Minimum Revenue Provision Policy.

4 INTERNAL AUDIT STRATEGY 2008-2012

4.1 Mike Halstead explained to Members that the overall strategy of Internal Audit is:

"To deliver a risk-based audit plan in a professional, independent manner, to provide the organisation with an opinion on the level of assurance it can place upon the internal control environment, and to make recommendations to improve it."

4.2 The audit function is undertaken by Conwy County Borough Council as part of the Financial Service Level Agreement, with 50 days per annum allocated for audit purposes. An audit needs assessment was undertaken to produce the current programme and risk ratings assigned against all the activities. The current programme of work will conclude in 2012.

4.3 Although some activities were rated as an 'A' risk, it was explained that they had not all been audited due to them being closely monitored on a regular basis. The Audit team maintains knowledge of the

organisation through informal monitoring of committee papers. The team also works closely with KPMG, the external audit provider.

4.4 The Deputy Chief Fire Officer informed Members that the managers will sometimes identify areas of concern and ask the Internal Audit Team to investigate and provide either reassurance or recommendations.

4.5 Following the initial audit, a follow-up audit will be undertaken 6-8 months later and if there had been no improvement in initial areas of concern these would be reported to the Audit Committee.

4.6 **RESOLVED to note the Internal Audit Strategy 2008-2012.**

5 ANNUAL AUDIT LETTER

5.1 Virginia Stevens from KPMG presented the annual audit letter to the Committee. In accordance with the recently introduced Local Government Measure the majority of the issues that were traditionally reported in the annual audit letter will be included in the Annual Improvement Report in future.

5.2 It was noted that the letter had been written prior to the December extraordinary Authority meeting when decisions had been made about the budget. The Deputy Chief Fire Officer confirmed that KPMG had been updated about the medium term financial strategy and how the Authority would be addressing the need to make budget reductions over the three years.

5.3 **RESOLVED to accept the Annual Audit Letter and note that it will be presented to the Authority and the public as part of the Annual Improvement Report.**

The Chair thanked the Conwy Audit and Finance team for their work and continued support to the Committee and Authority.

The above minutes, pending any inclusions shown, are approved as a true and correct record of proceedings.

Signed:_____Dated:_____