

MINUTES OF A MEETING OF THE AUDIT COMMITTEE

HELD ON 22nd JUNE 2011

Present:

Councillors Phillip Holley (Vice-Chairman - in the Chair), Basil Curley, Patricia Young and Ken Harper (Independent Member)

Also in Attendance: Jim Owen (Deputy County Fire Officer), Paul McKeivitt (Treasurer, Wigan MBC), Gwynne Williams (Deputy Clerk and Authority Solicitor), Andrea Heffernan (Head of Finance and Technical Services), Tony Clarke (Strategic Finance Manager, Wigan MBC), Martyn Kenyon (Lead Officer - Audit and Risk Management, Wigan MBC), Bradley Frost (Corporate Risk Manager) and Donna Parker (Democratic Services Manager)

Guest: Andrew North (Audit Manager – Audit Commission) and Jackie Bellard (District Auditor – Audit Commission)

26. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Lynda Byrne.

27. MINUTES OF PREVIOUS MEETING

The Minutes of the Meeting held on 2nd March 2011 were confirmed as a correct record and signed by the Chairman.

28. DECLARATION OF INTEREST

There were no Declarations of Interest received.

29. URGENT BUSINESS (IN ANY)

Councillor Phil Holley, Vice-Chairman took the opportunity to thank former Members of the Authority, Councillor Colin Shaw and Jack Walton, for chairing this Committee over recent years and wished them both the best for the future.

In addition, the Committee thanked Councillor Phil Holley, Vice Chairman, for his contribution to the Authority over the past three years and wished him all the best for the future.

30. GREATER MANCHESTER FIRE AND RESCUE AUTHORITY CORPORATE RISK REGISTER UPDATE

Consideration was given to a report of the County Fire Officer and Chief Executive which provided an update on Greater Manchester Fire and Rescue Authority's Corporate Risk Register.

A copy of the current Corporate Risk Register was attached at Appendix 2 of the report, for Members reference. It was reported that all current corporate risks had been reviewed with each risk owner and any amendments had been formally approved by the Corporate Leadership Team prior to updating the risk register.

It was reported that a Member Training and Development Session on 'Risk Awareness' would take place at the rise of the Authority meeting on 8th September 2011.

Recommended: That the content of the report, be noted.

31. FUTURE ARRANGEMENTS FOR LOCAL AUDIT

Consideration was given to a report of the County Fire Officer and Chief Executive which provided an update on the consultation exercise currently being undertaken by Communities and Local Government (CLG) into the future of local public audit, following the decision to disband the Audit Commission. The report set out GMFRS's draft response to the consultation for Members' consideration prior to submission to the CLG. The deadline date for all responses was 30th June 2011.

The consultation set out the CLG's 'vision for the future of local audit' which would determine the future arrangements for External Audit Services for public bodies, and was stated to be "firmly based on four principles", including:-

- Localism;
- Transparency;
- Removal of the overheads charged by the Audit Commission to service the central government machine;
- High standards of auditing.

Resolved: GMFRS response to 'Future of local public audit' consultation document be approved and submitted to CLG prior to 30th June 2011.

32. CORPORATE GOVERNANCE ARRANGEMENTS - ANNUAL ASSESSMENT

Consideration was given to a report of the Treasurer which submitted the annual review assessing the Authority's compliance against its Local Code of Corporate Governance, which aligned with the best practice as set out in the 'CIPFA Finance Advisory Network – Rough Guide'. The review supported and informed the Authority's statutory disclosure statements. Areas where action was required or being taken were set out in paragraph 4 of the report. The six core principles taken from 'The Good Governance Standard for Public Services (2004)' as adopted for local government purposes were the following:-

- Focusing on the purpose of the Authority and on outcomes for the community and creating and implementing a vision for the local area;
- Members and officers working together to achieve a common purpose with clearly defined functions and roles;
- Promoting values for the Authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour;
- Taking informed and transparent decisions which are subject to effective scrutiny and managing risk;
- Developing the capacity and capability of members and officers to be effective;
- Engaging with local people and other stakeholders to ensure robust public accountability.

Members were informed that GMFRA's position against the local code of corporate governance remained strong. There were some areas where further detailed work was required or was being carried out to ensure full compliance with the code. The analysis at Appendix B of the report detailed the current position of actions that were scheduled at the conclusion of the previous year's review and demonstrated that work continued to address the majority of actions.

Recommended: That the content of the report be noted.

33. INTERNAL AUDIT ANNUAL REPORT 2010/11

Consideration was given to a report of the Treasurer which provided Members with an overview of the work and performance of the Internal Audit Section throughout 2010/2011. The report along with the further independent reviews carried out by the External Auditors provided an assurance of the effectiveness of the Internal Audit Service. Details of Internal Audit work performed in the first half of 2010/2011 had been reported to this Committee on 1st December 2010 (Minute 14 refers).

Members were advised that Internal Audit work was planned to provide an ongoing and independent review of the major areas of risk faced by the Authority. This ensured that the controls required to properly manage those risks could be examined and tested where appropriate, to ensure that they were adequate and operating effectively. The results of the major areas of review were as follows:-

- Corporate Governance / Internal Controls Assessments;
- Operational Assurance;
- Performance Information;
- Annual Governance Statement;
- Material Systems Quality Assurance Assessment;
- Specialist Audit Work / Other Audit work.

The report concluded that the Authority maintained a high quality and effective Internal Audit Service and that it operated an effective overall internal control environment.

Resolved: That the report and the formal assurances provided in relation to the adequacy and effectiveness of the Internal Audit Service and the Authority's Governance Arrangements and Internal Control Environment, be approved.

34. ANNUAL GOVERNANCE STATEMENT

Consideration was given to a report of the Treasurer which sought approval of the Annual Governance Statement. Once approved the Statement would be signed by the Chairman and the County Fire Officer & Chief Executive and would be included in the Authority's Statement of Accounts for 2010/11.

Members were informed that although the production and approval of the Annual Governance Statement was now a statutory requirement, it was a continual enhancement of disclosure arrangements successfully introduced by the Authority in 2003.

Recommended: That the Annual Governance Statement for the year ended 31st March 2011, be approved.

35. STATEMENT OF ACCOUNTS 2010/11

The Treasurer submitted a report presenting the Authority's Statement of Accounts for 2010/11. The report explained the figures and key issues in the accounts.

Members were advised that the Accounts and Audit Regulations had changed for 2010/11 and Members were no longer required to approve the Statement of Accounts (SOA) by the end of June. Members must however approve the accounts once the Audit had been completed and in any case prior to the 30th September 2011. The regulations required that the SOA be certified by the Chief Financial Officer by the 30th June 2011. Therefore the accounts would be certified on the close of this meeting

Recommended: That the Statement of Accounts for 2010/11, be noted.

36. INFORMATION SECURITY POLICIES

Consideration was given to a report of the County Fire Officer and Chief Executive which sought approval of the following nine Information Security Policies:-

- Information Security Policy;
- Acceptable Use Policy;
- Email Policy;
- Mobile Phone Policy;

- Internet Policy;
- Password Guidance;
- Security Incident Reporting Policy;
- Clear Desk and Screen Policy;
- Removeable Media and Mobile Device Policy.

Members were advised that the above Information Policies would provide a framework for best practice that should be followed by all GMFRS employees and third party contractors. In addition, the implementation of these policies would assist the security of GMFRS information assets and reduce the impact of security incidents and ensure that these were effectively responded to.

Recommended: That the nine Information Security Policies, as detailed above, be approved.

CHAIRMAN

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