

## MEETING OF THE ROYAL BERKSHIRE FIRE AUTHORITY'S AUDIT COMMITTEE

Held on Thursday 11 October 2007

Strategic Command Centre, Royal Berkshire Fire and Rescue Service Headquarters, 103 Dee Road, Tilehurst, Reading, Berkshire, RG30 4FS



**Those present:** Councillor Phillip Bicknell (Member, Fire Authority)  
Councillor Chris Harris (Member, Fire Authority)  
Councillor Iain McCracken (Member, Fire Authority)  
Councillor Dexter Smith (Member, Fire Authority)

**In attendance:** Julie Barker (RSM Bentley Jennison) (*Item 01.09.07*)  
Deborah Cripps (RSM Bentley Jennison) (*Item 01.09.07*)  
Lynda Kenyon (Committee Manager)  
Kevin Parker (Reading Borough Audit Services) (*Item 01.07.07*)  
Richard Plumb (RSM Bentley Jennison) (*Item 01.09.07*)  
Richard Taylor (Clerk and Monitoring Officer)  
Andrew Vallance (Authority Treasurer)

### 01.01.07 ELECTION OF CHAIRMAN

The Clerk and Monitoring Officer invited nominations for the position of Chairman of the Audit Committee for the ensuing year (2007/08) until the Fire Authority's Annual meeting in June 2008. Councillor Dexter Smith nominated Councillor Iain McCracken, and this was seconded by Councillor Phillip Bicknell. There were no further nominations.

Councillor Iain McCracken was duly elected Chairman of the Audit Committee for the ensuing year (2007/08) until the Fire Authority's Annual meeting in June 2008.

**Councillor Iain McCracken in the Chair.**

### 01.02.07 ELECTION OF VICE-CHAIRMAN

The Chairman nominated Councillor Dexter Smith for the position of Vice-Chairman of the Audit Committee for the ensuing year (2007/08) until the Fire Authority's Annual meeting in June 2008, and this was seconded by Councillor Phillip Bicknell. There were no further nominations.

Councillor Dexter Smith was duly elected Vice-Chairman of the Audit Committee for the ensuing year (2007/08) until the Fire Authority's Annual meeting in June 2008.

### 01.03.07 COMMITTEE MEMBERSHIP

The Audit Committee **Noted** the Membership of the Audit Committee, as resolved by the Fire Authority at its annual meeting on 27 June 2007. The Audit Committee also **Noted** that Councillor Mrs May Dodds had been appointed as a Member of the Audit Committee in place of Councillor Mrs Patricia O'Connor (until the Fire

**Action**

Authority's Annual Meeting in June 2008), and that Councillor Iain McCracken had replaced Councillor Alan Ward as a Member of the Audit Committee for the ensuing year.

#### **01.04.07 APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillor Mrs May Dodds (Member, Fire Authority) and Councillor Miss Emma Webster (Member, Fire Authority).

#### **01.05.07 DECLARATION OF INTERESTS**

Having been reminded that, in accordance with the Fire Authority's Code of Conduct, Members were required to declare interests, which were Personal or Personal and Prejudicial, where appropriate, it was **Noted** that, on this occasion, there were no such declarations to be made.

#### **01.06.07 AUDIT COMMITTEE - TERMS OF REFERENCE**

The Audit Committee considered the presented Terms of Reference, as agreed by the Fire Authority at its meeting on 27 June 2007, and whether to include frequency of meetings within the Terms of Reference. The Clerk and Monitoring Officer advised that the Terms of Reference could be re-visited, as required, for subsequent consideration and approval by the Fire Authority.

#### **The Audit Committee:**

- **Agreed** not to set a definitive number of meetings per year at the current time, but reserved the right to re-visit the Terms of Reference as required.
- **Noted** the Terms of Reference.

#### **01.07.07 INTERNAL AUDIT ANNUAL ASSURANCE REPORT 2006/07**

The Audit Committee was advised of the outcome of internal audit activity during the last year and any matters of particular concern, and of an overall Assurance Opinion on the work undertaken.

The Authority Treasurer introduced Kevin Parker (Reading Borough Audit Services) who provided an explanation of the work conducted and the methodology used to provide an overall Assurance Opinion. He noted that the Fire Authority's internal control environment was satisfactory in relation to the Fire Authority's main financial systems, and he referred to the matters highlighted at Section 4 of the report which informed the overall Assurance Opinion. He also referred, specifically, to the two high-risk recommendations, namely Payroll and Asset Management. Kevin Parker confirmed that all the reports would be made available to the external Auditors and to the new internal Auditors, RSM Bentley Jennison.

The Authority Treasurer reported that the recommendation relating to Payroll was expected to be resolved by Christmas this year and that development work on the Royal Berkshire Fire and Rescue Service's Firewatch recording system was being progressed. He reported that progress had been made with asset management and he noted that this was a fundamental part of the Comprehensive Performance

Assessment (CPA). The Authority Treasurer also noted that RSM Bentley Jennison would be following up and monitoring progress and reporting back to the Audit Committee, as required.

The Authority Treasurer recommended that the Audit Committee continue to monitor the progress and action being taken on the presented recommendations.

In response to questions from the Audit Committee, the Authority Treasurer confirmed that a detailed spreadsheet on property management and assets had been prepared by Support Services, but that it might need further work to meet requirements, that individual IDs at Stations for individual uniformed staff would be introduced, and that the apportionment, and balance, of the number of Audit days could be re-visited by the Audit Committee, as required.

Kevin Parker, in response to a question from the Chairman concerning the assessment of risk ratings, reported that recommendations had been based on the strict assessments of risk.

The Chairman noted that the Audit Committee should be mindful of the identified 'Medium' risks.

**The Audit Committee Noted** the Internal Audit Annual Assurance Report 2006/07.

Kevin Parker left the meeting.

#### **01.08.07 EXTERNAL AUDIT 2006/07 ANNUAL GOVERNANCE REPORT**

The Audit Committee was advised of the receipt of the Audit Commission's Governance Report in respect of the 2006/07 Audit.

The Authority Treasurer referred to the key observations relating to the Fire Authority's accounting practices and financial reporting, as detailed in the report presented, and, in particular to the recommendations relating to the Statement on Internal Control. In respect to identified outstanding issues relating to the systems of accounting and financial control, the Authority Treasurer assured the Audit Committee that the IT Department was currently working on the systems security and reported that the IT Manager expected the outstanding issues to be resolved by the end of the year, that an additional signatory for manual cheques had now been addressed and embedded, and that individual IDs were being introduced for the authorising of overtime/enhancement forms.

In response to a question from the Chairman, the Authority Treasurer confirmed that risk management was being broadened, as best practice, as much as possible across the organisation, however he noted that resources continued to be an issue.

The Authority Treasurer agreed to action the Chairman's request that more definitive reporting and target dates be included within the Action Plan and that an additional column be added to the Action Plan to identify the outcome and achievability of each recommendation.

**AV**

**The Audit Committee:**

- **Agreed** that the Authority Treasurer should invite the respective Officers to the next meeting to provide a progress update on the systems security.
- **Agreed** that the Authority Treasurer should invite the respective Officer(s) to the next meeting to provide an update on the Royal Berkshire Fire and Rescue Service's Procurement Strategy.
- **Noted** the positive comments made in the report.
- **Noted** that an unqualified audit opinion would be issued on the annual accounts for 2006/07.

**AV**  
Agenda next meeting

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**01.09.07 INTERNAL AUDIT STRATEGY 2007-2010 AND AUDIT PLANS FOR 2007/08 AND 2008/09**

The Audit Committee was invited to consider the internal audit strategy for 2007-2010 and to propose internal audit plans for 2007/08 and 2008/09.

The Authority Treasurer introduced Richard Plumb (RSM Bentley Jennison) who provided a summary of the report presented, including the role of internal audit, the purpose of the report, and RSM Bentley Jennison's overall responsibilities, and the audit needs assessment methodology. He noted that discussions had taken place between RSM Bentley Jennison and senior Royal Berkshire Fire and Rescue Service personnel to inform the internal audit programme, and he reported that a 3-year audit strategy had been developed, however he noted that systems and key risks might change. He provided an outline summary of the Audit strategy for 2007/08-2009/10, the periodic Audit Plan for 2007/08 and the periodic Audit Plan for 2008/09.

**The Audit Committee:**

- **Supported** the Chairman's proposal that the Authority Treasurer, at the next meeting, present the Risk Register to the Audit Committee in more detail than usually reported to the Fire Authority.
- **Agreed** the internal audit strategy as set out in Appendix A (Audit Strategy for 2007/08 - 2009/2010) of the report presented.
- **Agreed** the internal audit plan for 2007/08 as set out in Appendix B (Periodic Audit Plan for 2007/08) of the report presented.
- **Agreed** the internal audit plan for 2008/09 as set out in Appendix C (Periodic Audit Plan for 2008/09) of the report presented.

**AV**  
Agenda next meeting

**01.10.07 DATE OF NEXT MEETING(S)**

**The Audit Committee Agreed** that the Committee Manager should seek a suitable date in January 2008 for the next meeting, the meeting to be held at Headquarters, Royal Berkshire Fire and Rescue Service.

**LK**