

NORTH WALES FIRE AND RESCUE AUTHORITY

Minutes of the Audit Committee Meeting of the North Wales Fire and Rescue Authority held on 27th November 2009 at the Fire and Rescue Headquarters, St Asaph. Meeting commenced at 10am.

PRESENT

Cllr D Barratt	Flintshire County Council
Cllr E C George	Wrexham County Borough Council
Cllr M Griffith	Gwynedd 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); C Everett (Clerk); S Forrest (Accountant, Treasurer's Department, Conwy County Borough Council); M Halstead (Head of Audit, Conwy County Borough Council); A Davies (Member Liaison Officer).

Apologies:

Cllr B Blackmore	Wrexham County Borough Council
Cllr P C Evans	Conwy County Borough Council
Cllr A Minshull	Flintshire County Council
Cllr A D Tansley	Conwy County Borough Council
Cllr G Williams	Denbighshire County Council

1 NOMINATION OF CHAIR/VICE-CHAIR

- 1.1 The Clerk opened the meeting and asked for nominations for chair of the committee. Cllr E C George was nominated and seconded as chair and Cllr D Barratt was nominated and seconded as vice-chair.
- 1.2 **RESOLVED to appoint Cllr E C George as chair and Cllr D Barratt as vice-chair subject to ratification at the next Authority meeting on 21st December.**

2 DECLARATIONS OF INTEREST

- 2.1 None.

3 TERMS OF REFERENCE

3.1 The Clerk reminded the committee that the terms of reference had been approved by the full Authority. The Audit Committee had been set up following a recommendation from the Wales Audit Office. The Committee will hold planning meetings 3-4 times a year based on a scheduled work plan.

4 TRAINING ON THE ROLE OF THE AUDIT COMMITTEE

4.1 Members had received some audit training on 19th October. Mike Halstead informed members that his presentation provided more detail on the annual governance statement.

4.2 The annual governance statement replaces the statement on internal control and its scope extends to how the Authority conducts its business, internally, and in its dealings with others. It is a key corporate document and the Chief Fire Officer and the Chair of the Authority have joint responsibility as signatories for its accuracy and completeness.

4.3 The annual governance statement will be ready for inspection by the Audit Committee in early June and parts of it will be available for the March meeting.

4.4 The six core principles of the Annual Governance Statement are:

- purpose of the Authority and outcomes for the community
- members and officers work and share common purpose with clearly defined roles and functions
- promoting the values of the Authority; high standards of conduct and behaviour
- informed and transparent decisions subject to effective scrutiny and managing risk
- developing capacity and capability, members and officers
- engage with community served to ensure robust accountability.

4.5 It was noted that the Audit Committee did not need a 'call in' procedure as the Executive Panel makes recommendations to the Authority.

4.6 The Audit Committee will want to be satisfied that:

- principal risks to achievement of objectives have been identified
- key controls to manage risks are identified
- be assured that key controls operate and are effective
- be informed of and monitor action plans to address weaknesses/gaps in control and assurances.

4.7 **RESOLVED to note the information provided and that work towards the annual governance statement will be presented to the Committee in March.**

5 INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

5.1 Members received a presentation on the new standards of financial reporting. The IFRS is a fundamental change to UK Local Authority financial reporting. Members need to be informed of the IFRS project plan for North Wales Fire and Rescue Authority and their role in the plan.

5.2 The IFRS aims to harmonise financial reporting in a world of cross-border trade and investment, and increased globalisation and the main objective is that, worldwide, all accounts will be prepared on the same basis. Local Authorities are expected to fully adopt the rules for the 2010/11 accounts. The UK NHS and Central Government have fully adopted the rules from 2009/10 and to date over 100 countries from Canada to China including the Australian and New Zealand public sectors have adopted the rules.

5.3 Main changes affect Private Finance Initiative buildings (the Authority does not own any), component accounting, leases and employee benefits. The latter could cost the Authority, however, it is anticipated that the Assembly will issue regulations to avoid any impact on Local Authority revenue. There will also be changes to the main statements in the Statement of Accounts.

5.4 The Audit Committee's role in the implementation of the IFRS will be to approve the amended accounting policies and the transition balance sheet by 31st March 2010. Members will receive a report assessing the impact of the IFRS changes on the Fire and Rescue Service's accounts as well as a report on the project plan to ensure the successful implementation of IFRS.

5.5 **RESOLVED to note the information provided and receive a further report on its implications.**

6 FORWARD WORK PLAN

6.1 A draft forward work plan was tabled at the meeting for Members to consider.

6.2 **RESOLVED that officers would finalise the work plan for 2010 and share with members at a later date.**