

1 INTRODUCTION

1.1 As the Committee will be aware, the Audit Commission's Annual Audit and Inspection Plan sets out the work that they will be undertaking for the 2008/2009 financial year. The plan is based on the Commission's risk-based approach to audit planning and the requirements of the fire and rescue performance assessment framework which reflects:

- audit and inspection work specified by the Audit Commission for 2008/2009;
- current national risks (where relevant); and
- local risks and improvement priorities.

1.2 The purpose of this report is to outline, for the information of the Committee, the proposals contained within the Audit and Inspection Plan for 2008/2009, a copy of which is attached for information. The Authority's Audit Manager will be present at the meeting to answer any questions from Members.

2 FIRE AND RESCUE PERFORMANCE ASSESSMENT FRAMEWORK

2.1 For 2008/2009 the Audit Commission will be required to issue an audit report for Tyne and Wear Fire and Rescue Authority which gives their opinion on the following areas:

- Whether the financial statements present fairly the financial position of the Authority as at 31 March 2009; and
- Whether the Authority has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

2.2 Furthermore, in fulfilling this requirement, the Audit Commission will produce the following reports;

- An opinion Audit plan on the Authority's financial statement
- A Value for Money conclusion following a review of the Authority's corporate performance management and financial management arrangements including follow-up audits on work undertaken in previous years in order to determine what progress there has been.

PREVENTING PROTECTING RESPONDING

- A Use of Resources assessment, which has been overhauled and will now be focussed on three themes each underpinned by detailed Key Lines of Enquiry. As well as providing information on how well the Authority is managing its resources, this assessment will also form part of the Comprehensive Area Assessment framework planned for 2009.
- 2.3 The approach to be followed by the Audit Commission is that where significant risks are identified with regard to the Use of Resources KLOES the Auditor will consider the arrangements that have established by the Authority to mitigate such risks and they will subsequently use this information to determine where they will direct their audit work.
- 2.4 From initial assessments already undertaken by Audit Commission staff the perceived risk areas that they have highlighted as a focus for attention in 2008/2009 are contained in Appendix 1 of the Annual Audit and Inspection Plan attached to this report.

3 INDICATIVE TIMETABLE 2008/2009

- 3.1 Prior to the publication of any of the completed reports highlighted above the Audit Commission will discuss and agree the content with the appropriate officers before the reports are issued and placed on the agenda of the Governance Committee. The indicative timetable for agreement and publication of the various audit reports for 2008/2009 is as follows:

Planned output	Indicative data
2008/2009 Audit and Inspection Plan	May 2008
Fire and Rescue Performance Assessment framework scorecard	March 2009
Interim Audit report	June 2008 (if required)
Annual Governance report	September 2009
Opinion on the financial statements and Value for Money conclusion	September 2009
Final Accounts memorandum	October 2009 (if required)
WGA audit report	October 2009
Annual Audit and Inspection Letter	TBC

4 FINANCIAL IMPLICATIONS

- 4.1 The cost of the 2008/2009 Audit and Inspection work is set out below.

Audit Area	Planned fee 2008/09
Total audit fee	£74,200
Total inspection fee (funded by CLG grant)	£25,404

Further details on how the costs have been calculated are outlined in the Audit Commission document attached to this report.

4.2 The Authority will meet these costs from earmarked finances within the 2008/2009 budget.

5 RECOMMENDATIONS

5.1 The Committee is requested to:

- a) Consider the Annual Audit and Inspection Plan for 2007/08
- b) Receive further reports as appropriate

BACKGROUND PAPERS

The undermentioned Background Papers refer to the subject matter of the above report:

- Annual Audit and Inspection Plan – Audit 2008/2009

