



Minutes

Audit Committee

Date: 26 July 2019

Time: 10.30 am

Venue: Fire and Rescue Headquarters, Birkenshaw

Present: Councillor K Renshaw (in the Chair), G Almas, R Downes, P Harrand, D Jenkins (as substitute for Councillor R Grahame) and M Pervaiz

In Attendance: Simon Straker – Kirklees MC (internal audit)
Paul Hewitson – Deloitte (external audit)
Caroline Jamieson – Deloitte (external audit)

Apologies: Councillor R Grahame

1 Minutes of the last meeting

RESOLVED

That the Minutes of the meeting held on 26 April 2019 be signed by the Chair as a correct record.

2 Urgent items

None.

3 Admission of the public

There were no items which required the exclusion of the public and press.

4 Declarations of interest

There were no declarations of disclosable pecuniary interest made in any matter under consideration at the meeting.

5 Abridged performance management report

The Chief Legal and Governance Officer submitted a report which advised Members of the performance against key performance indicators where targets were not being achieved as follows;

- Arson
- Actual rescues, and
- Dwelling fires

Members sought information on the Firemapping tool which allowed for close examination and interpretation of incidents and particularly those related to arson and requested that information be made available in respect of convictions for arson.

It was further reported that no applications, authorisations or rejections had been made under the Regulation of Investigatory Powers Act (RIPA) 2000 during the relevant period. Members were reminded that, as explained at the 27 June 2019 meeting of the Full Authority, due to its limited use nationally, the requirement for Fire and Rescue Services to report upon the use of RIPA powers would shortly be removed by the Investigatory Powers Commissioner.

No further performance reports in respect of RIPA would be submitted to the Audit Committee and Members were advised that the recording of performance targets was being reviewed with a view to presenting more precise and timely information to Members.

RESOLVED

That the report be noted.

6 Risk Management Strategy Group update

Consideration was given to a report of the Director of Service Delivery which advised of the risk management activity and developments reported to the Risk Management and Strategy Group in June 2019.

Members were informed that 22 risks had been reviewed together with a newly created risk relating to cyber threats / attacks which had been scored in the 'very high' risk category. The risk score for "inability to continue / deliver duty systems" had increase from 12 to 16 based on the impact of a number of issues linked to the interpretation of the Working Time Directive. It was further reported that risks relating to the UK leaving the EU were discussed at each meeting of the Group and those risks on the Community Risk Register were currently being reviewed against West Yorkshire Fire and Rescue Service (WYFRS) corporate risks, including foreseeable risks.

It was reported that the register currently identified seven 'very high' risks relating to;

- Loss or reduction in Government grant
- Wide area flooding
- Responding to a marauding terrorist firearms attack
- Risk in the national threat level to critical for a short period of time
- Inability to continue / deliver duty systems
- Reduced availability of retained duty system staff, and
- A digital or unauthorised attempt to access WYFRS systems

RESOLVED

That the report be noted.

7 Internal audit quarterly report

Members received a report of the Chief Finance and Procurement Officer which advised of the internal audit activity for the period April to June 2019.

One audit of key financial systems had been completed (Payroll Key Controls) which received adequate assurance and the business risk of Staff Fatality at an Incident had been awarded substantial assurance. Advice was included in the review of Payroll Key Controls with regard to the work that could be undertaken to progress towards an award of substantial assurance.

It was further reported that assurance had been given following an internal audit assessment about the financial probity and governance related to the Emergency Services Mobile Communications project (ESMCP).

RESOLVED

- a) That the report be noted; and
- b) That future quarterly internal audit reports include detail of the timeframes involved where recommendations are made for improvement in an action plan.

8 Internal audit annual report 2018 – 19

Members reviewed a report of the Chief Finance and Procurement Officer which sought endorsement of the conclusion related to the effectiveness of the system of internal audit and which asked Members to note the audit opinion on risk management and internal control during 2018 – 19.

The following issues were raised;

- Detail of service level agreement (SLA)
- Performance against SLA

RESOLVED

- a) That endorsement be given to the Chief Finance and Procurement Officer's conclusion as to the effectiveness of the system of internal audit;
- b) That the audit opinion on governance, risk management arrangements and the internal control environment in 2018 – 19 be noted, thereby providing assurance to the compilation process of the Annual Governance Statement 2018 – 19; and
- c) That future reports include detail of target completion dates in respect of the recommendations on actions from the external assessment of the system of internal audit compliance.

9 Statement of accounts and financial outturn 2018 – 19

Consideration was given to a report of the Chief Finance and Procurement Officer which presented the draft Statement of Accounts 2018 – 19. Members were advised that it was hoped that the external auditors would be able to sign off the Statement by the statutory deadline of 31 July 2019.

RESOLVED

- a) That the revenue and capital outturn for 2018 – 19 be noted;
- b) That approval be given to the draft statement of accounts 2018 – 19; and
- c) That the report on members' allowances 2018 – 19 be noted.

10 External audit annual report 2018 – 19

The Chief Finance and Procurement Officer submitted a report which presented the external auditor's ISA260 report following the audit of the Fire Authority 2018 – 19 Statement of Accounts and which set out the status and conclusions from the audit.

Members were advised that there were some issues that required further examination including the following;

- Accuracy of financial statements
- Actuarial review subsequent upon the McCloud pensions ruling

The representatives from Deloitte (external auditors) advised Members that they anticipated that the report could be concluded by the relevant statutory deadline of 31 July prior to the submission of the Letter of Representation (attached as an annex to the report now submitted).

The report detailed a number of significant risks as identified by the external auditor and Members considered comments from the Chief Finance and Procurement Officer in respect of those risks as the formal management response.

RESOLVED

- a) That the report be noted;
- b) That, for the reasons of non-materiality, no adjustments be made by management to amend the misstatements as identified;
- c) That it be confirmed that consideration had been given to the Letter of Representation and that it be signed by the Chief Finance and Procurement Officer subsequent upon the completion of the audit on 31 July 2019 by Deloitte LLP; and.
- d) That the Committee expresses its desire that the External Audit annual reports be submitted to the Audit Committee at least five clear days before the date of the relevant Audit Committee meeting.

Chair