



# Minutes

## Audit Committee

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Date: 31 January 2020

Time: 10.30 am

Venue: Fire and Rescue Headquarters, Birkenshaw

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

In Attendance: P Hewitson – Deloitte (external audit)  
S Straker – Kirklees MC (internal audit)

Apologies: Councillor K Renshaw

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### **23 Minutes of the last meeting**

#### **RESOLVED**

That the Minutes of the meeting held on 18 October 2019 be signed by the Chair as a correct record.

### **24 Matters arising**

There were no matters arising from the previous Minutes.

### **25 Urgent items**

None.

### **26 Admission of the public**

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

## **27 Declarations of interest**

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

## **28 Internal Audit quarterly review**

The Chief Finance and Procurement Officer submitted a report which presented the internal audit activity for the period October to December 2019.

Members were advised that eight audit plans had been completed (including three follow-up audits). It was noted that the key recommendations in the report relating to the Protection Database was a typographical error and related to the internal audit of Additional Responsibility Allowances.

It was reported that the Off-roll Payroll audit and Absence Management audit (other financial systems) had both been completed with substantial assurance. Similarly, the Hydrant Management & Maintenance audit had received substantial assurance whilst the business risk audit of Wide Area Flooding had been completed with adequate assurance. An award of substantial assurance had been applied to the Counter Fraud & Corruption audit.

It was further reported that the GDPR compliance audit had been deferred until 2020 – 21 at the request of the Chief Legal and Governance Officer.

Follow-up audits were detailed as follows;

- Protection (Commercial premises) database – adequate assurance
- Electronic maintenance of operational competence and other mandatory training – limited assurance
- Additional Responsibility allowances (ARA) – adequate assurance

Members noted the recommendations from each audit and commented on the following issues;

- Delay in ICT training – officers advised that this was due to the decisions currently being taken with regard to ICT improvements across the Service although a work-round had been devised with manual interventions required.
- Possible financial impact of the updating and work related to Additional Responsibility Allowances
- Delay / deferral of internal audits at management request (stores and information governance)
- Internal audit resourcing – Members reassured that all scheduled audits would be delivered within the financial year

## **RESOLVED**

- a) That the report be noted; and
- b) That the delay in adequate ICT training be noted as a potential weakness in the risk management register

## **29 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 from 1 April – 30 September 2019 as follows;

- Actual rescues
- Road traffic collisions

A copy of updated figures to date had been circulated at the meeting.

### **RESOLVED**

- a) That the report be noted;
- b) That, where practicable, future reporting of actual rescues be separated out into West Yorkshire Fire and Rescue rescues and those related to the Cause for Concern protocol with West Yorkshire Police (WYP) and Yorkshire Ambulance Service (YAS);
- c) That, road traffic collisions from a WYP perspective be the subject of a Spotlight On report to Community Safety Committee; and
- d) That Officers examine possible improvements to the timeliness of the figures reported to Committee

## **30 Risk Management strategy group**

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 Strategy Group in December 2019.

Members were advised that two risks had moved up the register whilst two other risks had been removed and that a risk management Member awareness session would be arranged for the current municipal year.

### **RESOLVED**

That the report be noted.

## **31 External audit plan 2019 - 20**

(This item was considered as exempt information under Schedule 12(A) of the Local Government Act 1972 – relating to financial or business affairs)

Consideration was given to a report of the external auditors (Deloitte) which set out the external Audit work that had been carried out on the 2019 – 20 financial statement together with the annual governance statement and value for money conclusion. Detail was provided of the professional fees to be charged for the relevant period together with the perceived risks and their associated materiality.

Members' attention was drawn to typographical errors relating to the materiality threshold figures in the report which should read £0.092m and not £0.92m.

Members were advised that, following a preliminary assessment, those areas currently most at risk of material misstatement were as follows;

- Property valuations
- Completeness of expenditure, and
- Management override of controls

The following issues were specifically raised by Members;

- Lack of a detailed breakdown of additional fees proposed to be charged by Deloitte – this issue had been referred by the Chief Finance and Procurement Officer to the Public Sector Audit Appointments organisation (PSAA) for remediation following a failure to agree
- Dissatisfaction with the reporting of figures in £m
- Concern at lack of specific information related to fraud responsibilities and representations and specifically the failure to comment on whether any fraud had been suspected – Members were advised that clarification on this issue would be provided in the Letter of Authority to be reported at a future date
- Perceived omission of reference to the legal judgement on pensions as being a significant risk for the Authority - the representative from Deloitte advised that, as no decision had yet been taken about who would be liable for additional costs, and so no information was available with regard to materiality, this could not be included in the current report

## **RESOLVED**

- a) That the report be noted;
- b) That the proposed current materiality threshold of £0.084m be approved as detailed in the report now submitted;
- c) That future reports be reported in £k and not £m;
- d) That support be given to the Chief Finance and Procurement Officer's submission to the PSAA regarding proposed additional external audit charges; and
- e) That Members be advised of the response to the appeal detailed at d) above

Chair