



Minutes

Audit Committee

Date: 29 July 2022

Time: 10:30

Venue: FSHQ

Present: Cllrs K Renshaw (in the Chair), R Downes, M S Fazal (as substitute for S Tulley), D Hall, J Illingworth and A Zaman

In Attendance: S Straker - Kirklees KMC (internal audit)

Apologies: Cllr S Tulley

1 Minutes of last meeting held on 22 April 2022

RESOLVED

That the Minutes of the meeting held on 22 April 2022 be signed by the Chair as a correct record.

2 Matters arising

None

3 Urgent items

None

4 Admission of the public

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

5 Declarations of interest

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

6 Risk Management Group Quarterly Update

Members were presented with a report from the Director of Corporate Services giving details of the risk management activity and developments reported to Risk Management Strategy Group (RMSG) in April and June 2022 and highlighting any future risks or risk related areas.

In the period considered 38 (out of 54) risks have been reviewed and Members were given a summary of the key areas as follows;

- The risk relating to Covid19 has been removed
- The risk relating to errors made in the Procurement Process has been removed following a successful audit
- A new risk relating to the redevelopment of HQ has been created
- The score attached to the risk relating to the impact on the Authority of the national and international economic downturn has increased from 6 to 9
- The score attached to the risk of industrial dispute has increased from 12 to 16
- The score attached to the risk of fuel availability has increased from 2 to 12
- The score attached to the risk relating to the provision of an effective commercial premises risk management system has increased from 12 to 15.

Members were given a summary of the current very high risks;

- 1) Loss or reduction in government grant.
- 2) Wide area flooding and swift water rescue
- 3) Responding to a marauding terrorist attack event.
- 4) Inability to continue/deliver duty systems.
- 5) Industrial dispute resulting in reduced levels of service and effect on reputation.
- 6) A digital attack or an unauthorised attempt to access WYFRS systems that impacts on the integrity, confidentiality, or availability of systems and / or the information within them
- 7) Failure to provide an effective commercial premises risk management system for operational response, which could have a significant impact on fire fighter safety, operational effectiveness and organisational reputation.

Members were advised that following the meeting in April 2022 and after receiving feedback from Deloitte (External Auditors) the risk scoring scales have been reviewed, with specific focus on the probability percentages for the likelihood ratings. The review found that other fire services did not use a standard scale, that the majority of services did not include a percentage scale for probability and that WYFRS do not have a scientific method for calculating such percentages. It was therefore proposed and agreed at the RMSG meeting that the percentage ratings are removed, but that the descriptors remain and be relied upon.

Members were assured that the risk relating to climate change is included and that despite the increase in the score of the risk relating to fuel availability that the supply of fuel is not an issue as sufficient stock is maintained to cover at least 6 weeks and is from a government backed supplier. The Chief Finance and Procurement Officer confirmed that the fuel budget has been increased but that an overspend is still forecast which will be considered at the budget review in August 2022.

RESOLVED

That the report be noted

7 Abridged Performance Management Report

Consideration was given to a report of the Director of Service Delivery which gave a summary of the full year and outlined the Authority's performance against key performance indicators for the period 1 April 2021 – 31 March 2022.

Members were pleased to note that all targets had been achieved.

RESOLVED

That the report be noted

8 Internal Audit Quarterly Report

The Chief Finance and Procurement Officer submitted a report which provided a summary of the audit activity for the period April to June 2022. Members were informed that in that period four audits have been completed, all of which received positive audit opinions;

- Treasury Management, which was given an audit opinion of Adequate Assurance and an action plan has been agreed to set up more resilience
- Bank Reconciliation, which was given an audit opinion of Adequate Assurance, and the action plan had already resolved the issue
- Management of Severe Weather Risk, which was given an audit opinion of Substantial Assurance and
- High Risk Referral Visits, which was given an audit opinion of Adequate Assurance.

Members were advised that a further audit on CIPFA Financial Management Code is on-going but members were assured it would receive a positive assurance opinion.

The report also included the Audit Plan 2022/23 Delivery

In response to a Member query regarding the action plans, members were assured that these were all followed up through the RMSG.

RESOLVED

That the report be noted

9 Revenue Outturn

The Chief Finance and Procurement Officer submitted a report which provided a summary of the Authority's financial outturn for 2021/22 and the Members allowances payments made in 2021/22. The report focused on;

- Revenue Expenditure, which included a brief explanation of the major variances against budget;
 - Operational Employees -£136k
 - Support Staff -£131k
 - Training -£67k
 - Other Employee Expenses £74k

- Premises -£97k
 - Transport £117k
 - Supplies and Services -£791k
 - Income -£620k
- Capital Expenditure Outturn which included details of the capital expenditure of note in 2021/22;
 - The replacement of operational uniforms and helmets, costing £1.25m
 - The refurbishment of Todmorden, Rawdon and Ilkley Fire Stations, costing £0.252m
 - Installation of vehicle CCTV in our fleet amounting to £0.287m
 - Improvement to our ICT infrastructure, including replacement of network switches, and the updating of ICT equipment in fire stations.

and

- Members' Allowances Outturn, which is a statutory requirement under Regulation 26A of the Local Authorities (Member Allowances) Regulations 1991.

RESOLVED

That the report be noted

10 Annual Governance Statement

Members considered a report of the Chief Finance and Procurement Officer which presented the Annual Governance Statement 2021/22 for approval and inclusion in the 2021/22 Statement of Accounts.

Members were advised that the statement is split into the following five sections:

- Scope of Responsibility and Code of Corporate Governance
- The Purpose of the Governance Framework
- The Governance Framework
- Review of Effectiveness
- Significant Governance Issues

And that a new governance issue has been identified for 2022/23;

- Implementation of the Fire Standards Programme.

Members were further informed of the governance issues remaining from 2020/21;

- Central Government Funding uncertainty
- Implications Matzak Court of Justice Ruling (albeit the risk has reduced following the decision of the Supreme Court in the case of Tomlinson-Blake v Royal Mencap).
- Policing and Crime Act 2017
- Implementation of the Performance Management System

Finally, Members were informed that one governance issue identified in 2020/21 had been resolved by the appointment of the Director of Corporate Services in May 2022 to fulfil the role of Monitoring Officer.

RESOLVED

That the Annual Governance Statement be approved

Chair