

NORTH WALES FIRE AND RESCUE AUTHORITY
AUDIT COMMITTEE

Minutes of the **Audit Committee** of the North Wales Fire and Rescue Authority held on Monday 17 June 2024 virtually via Zoom. Meeting commenced at 09.30hrs.

Councillor

Mark Young (Chair)
Gwynfor Owen (Deputy Chair)
Bryan Apsley
Tina Claydon
Sharon Doleman
John Brynmor Hughes
Gareth R Jones
Austin Roberts
Michelle Walker

Representing

Denbighshire County Council
Gwynedd Council
Wrexham County Borough Council
Flintshire County Council
Conwy County Borough Council
Gwynedd Council
Conwy County Borough Council
Conwy County Borough Council
Denbighshire County Council

Also present:

Dawn Docx (left 10:00)
Helen MacArthur
Dafydd Edwards
Helen Howard
Gareth Owens
Anne-marie Harrop
Angharad Ellis
Kate Havard
Kieran Vickery
George Jones
Lisa Allington

Chief Fire Officer
Assistant Chief Fire Officer
Treasurer
Head of Finance and Procurement
Monitoring Officer
Mersey Internal Audit Agency
Mersey Internal Audit Agency
Audit Wales
Audit Wales
Atebol - Translator
Executive Assistant – Note Taker

1.0 APOLOGIES

Councillor

Marion Bateman
Adele Davies-Cooke
Jeff Evans
Marc Jones
Beverley Parry-Jones

Representing

Flintshire County Council
Flintshire County Council
Anglesey County Council
Wrexham County Borough Council
Wrexham County Borough Council

ABSENT

Councillor

Arwyn Herald Roberts

Representing

Gwynedd Council

2.0 DECLARATIONS OF INTEREST

2.1 There were no declarations of interest to record. A Member queried if a discussion around item 6 would be allowed whilst in the pre-election period and the Monitoring Officer confirmed that it was, providing there were no political statements made.

3.0 NOTICE OF URGENT MATTERS

3.1 There were no notices of urgent matters.

4.0 MINUTES OF THE MEETING HELD ON 18 MARCH 2024

4.1 The minutes of the meeting held on 18 March 2024 were submitted for approval.

4.2 RESOLVED to:

i) approve the minutes as a true and accurate record of the meetings held.

5.0 MATTERS ARISING

5.1 ACFO MacArthur provided apologies that there had been no progress with regards paragraph 15.1, meeting in a hybrid way and that she would ensure that this was put in place ready for the next Audit Committee meeting.

5.2 In respect to item 5.1, the Treasurer confirmed that he had spoken with Civil Servants in the Welsh Government and was expecting information on the Pensions Grant. With the election ongoing it was unlikely that a response would now be received until a new UK Government had been formed and the final figure agreed. It was expected that there would be a grant but the amount was as yet unknown. A residual financial risk remains but the approach taken during the budget setting process had minimised this risk.

6.0 GOVERNANCE ARRANGEMENTS FOR FIRE AND RESCUE SERVICES IN WALES

6.1 CFO Docx presented the paper on the Governance Arrangements for Fire and Rescue Services in Wales and highlighted recent communication to council leaders from the Welsh Government Cabinet Secretary with responsibility for fire. The paper also confirmed the recent publication of the Senedd's Equality and Social Justice Scrutiny Committee, "Sound the Alarm: Governance of Fire and Rescue Services", which considered the sector's governance arrangements.

- 6.2 These documents highlighted to Members of the North Wales Fire and Rescue Authority's (the Authority) the work being undertaken to consider issues relevant to the governance arrangements around the fire sector in Wales.
- 6.3 It was asked if the Audit Committee would be involved in any future work in the area of changes to governance and the CFO confirmed that the Cabinet Secretary intended to attend the Full Fire Authority meeting in July, and that this would be the opportunity for Members to ask any questions regards their involvement in the process.
- 6.4 A Member stated that he felt that they would be looking to implement a skills-based board of smaller numbers and that there seemed to be some benefit to this.
- 6.5 Another Member expressed some concern about moving away from a democratic model of Governance as this may result in less accountability at a local level. They felt that the current model placed a duty on the Council Leaders to select the right people to sit on the Authority.
- 6.6 One further Member stated that a reduction in the number of Members may not necessarily resolve the issue and that the problems in South Wales were not reflective of all Fire Services in Wales.
- 6.7 The CFO confirmed that there needed to be dialogue with Leaders in North Wales and that both she and the Chair would work through the Social Partnership Forum in order to ensure the Authority is able to put forward it's views on Governance to the Cabinet Secretary.
- 6.8 Some concern was expressed that the decision in Cardiff had been driven by the situation in the South, and that some of the ideas expressed by the Cabinet Secretary were not tenable.
- 6.9 The Treasurer noted that further to his experience of sitting in Council Cabinets and in National Park Authority meetings, as well as being involved in the Fire Authority, he was concerned about some suggestions in the national papers on Governance. He felt that the idea that CFOs could be generalists without FRS experience may reduce cost-effectiveness and that Council Cabinet members were busy with a portfolio, and would not be able to prioritise FRA duties.
- 6.10 He further stated that a precept would be a more transparent means of funding FRAs, provided that the majority of members were constituent LA councillors.

6.11 The Monitoring Officer gave some background as to how the Cabinet was formed at a local level and felt that there would be little time for a Cabinet member to be able to sit on the Authority.

6.12 RESOLVED to:

- i) note the work initiated by the Cabinet Secretary for Housing, Local Government and Planning with the South Wales Local Authorities; and**
- ii) note the second part of the report published by the Equality and Social Justice Committee's report setting out their opinions for change to the governance arrangements for Fire and Rescue Services in Wales.**

7.0 AUDIT WALES AUDIT PLAN 2024

7.1 Kate Havard and Kieran Vickery from Audit Wales were introduced to Members and the Audit Wales Audit Plan for 2024 was delivered. The purpose of this report was to confirm the 2024 Audit Plan which detailed the audit approach and work to be undertaken by Audit Wales as the Authority's statutory auditors. It was confirmed that this was now the final version.

7.2 ACFO MacArthur noted the revised timetable for the production and audit of the accounts, and advised that the Finance Department had been able to compile the draft accounts for 2023/24 by the end of May. Kate Harvard confirmed that although the revised deadline for the final accounts audit was the 30 November, every effort would be made to conclude the work in time for the Audit Committee in September 2024. Thanks were given to the Finance team for their hard work in closing the accounts a month ahead of schedule.

7.3 It was confirmed that the current Corporate Plan had expired as of 31 March 2024; however, the Community Risk Management plan, which had already been approved in draft form, was now out for consultation and would be brought before the Authority for ratification in the July meeting.

7.4 Kate Havard confirmed that clarification on what audit work would be carried out in relation the Local Government Measure 2009 would be provided at the next meeting of the Audit Committee.

7.5 The Treasurer noted that closing the accounts on time had been a heroic effort, and also gave thanks to the Finance Team for their hard work. He further noted his concern that not all auditing standards were as relevant to the public sector as the private sector. Audit Wales acknowledged this concern and confirmed that every effort was made to ensure that the approach was as relevant as possible whilst ensuring compliance with the relevant standards. Audit Wales also gave thanks to the Finance Team for closing the accounts a month early.

7.6 RESOLVED to:

- i) note the scope of the work undertaken by Audit Wales.**
- ii) Clarification on the work to be undertaken in relation to the Improvement Measure 2009 to be provided to a future meeting.**

8.0 INTERNAL AUDIT ANNUAL REPORT 2023/24

8.1 Angharad Ellis from the MIAA presented the Internal Audit Annual Report 2023/24 paper which noted that, under the terms of the Accounts and Audit (Wales) Regulations 2014 Part 3 5. (2), the Authority was required annually to conduct a review of the effectiveness of its system of Internal Control.

8.2 ACFO MacArthur noted that this had been the first year of the Authority's work with MIAA and felt that the findings were proportionate and appropriate. Thanks were given to the MIAA Audit team for their efforts.

8.3 A Member noted that the only high-risk area was cyber security and MIAA confirmed that this was not specific to North Wales. ACFO MacArthur noted that this was a common risk across the public sector, that it was closely monitored within the Service, and that a plan of action was in place in order to address the recommendation in this area from MIAA.

8.4 RESOLVED to:

- i) note the content of the Head of Audit and Procurement's Annual Report and the overall 'opinion' upon the adequacy and effectiveness of the Authority's framework of governance, risk management and control.**

9.0 INTERNAL AUDIT UPDATE

9.1 Angharad Ellis from MIAA delivered the Internal Audit Update paper, the purpose of which was to provide Members with an update of the work undertaken by the Authority's internal audit providers, MIAA, for the 2023/24 financial year and for the period to 31 May 2024.

9.2 RESOLVED to:

- i) note the work undertaken by MIAA during 2023/24; and**
- ii) note the progress made in implementing the 21 agreed recommendations.**

10.0 TREASURY MANAGEMENT OUTTURN REPORT 2023/24

- 10.1 Dafydd Edwards, Authority Treasurer, presented to Members the Treasury Management Outturn Report 2023/24, an update on the treasury management activity and compliance with the treasury management prudential indicators for the period 1 April 2023 – 31 March 2024.
- 10.2 Regarding the economic context, the Treasurer predicted that UK CPI figures to be announced on 17 June would meet the 2% target, and while the Bank of England were unlikely to reduce interest rates on 18 June, an interest rate cut is expected before long.
- 10.3 Members were advised that Helen Howard, Head of Finance and Procurement, would be leaving the Service at the end of June 2024 and thanks were given to her for all of her help, support and hard-work over the years. Members and officers wished her all the best for the future.
- 10.4 A Member asked if a long-term loan could be paid back over a shorter period of time in order to save in interest, and the Treasurer responded that the redemption premium would be too high to make this a viable option; however, this would be monitored by officers and if there were the opportunity to do this in the future, it would be looked into.

10.5 RESOLVED to:

- i) approve the treasury management activities and prudential indicators for the period 1 April 2023 – 31 March 2024;**

15.0 URGENT MATTERS

- 15.1 There were no urgent matters to discuss.

ACFO MacArthur advised Members that the Members Budget Scrutiny Working Group held in the previous financial year had been a prime opportunity to engage Members with the budget setting process and had been really beneficial. These meetings would continue across the next six-months and Members were asked if they felt the membership of the group should be extended. It currently sat at one Member per Local Authority.

Members confirmed that the membership as it stood was acceptable and confirmed that they were happy for it to proceed on that basis, and that the Chair of the Audit Committee continue to chair the Budget Scrutiny Working Group.

Meeting closed 10.46 hrs