

NORTH WALES FIRE AND RESCUE AUTHORITY
AUDIT COMMITTEE

Minutes of the **Audit Committee** of the North Wales Fire and Rescue Authority held on Monday 16 September 2024 virtually via Zoom. Meeting commenced at 09.30hrs.

Councillor

Mark Young (Chair)
Gwynfor Owen (Deputy Chair)
Adele Davies-Cooke
Tina Claydon
Sharon Doleman
John Brynmor Hughes
Marion Bateman
Austin Roberts
Marc Jones
Arwyn Herald Roberts

Representing

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

Also present:

Helen MacArthur
Dafydd Edwards
Gareth Owens
Anne-Marie Harrop
Angharad Ellis
George Jones
Ffion Evans
Ellie Williams

Assistant Chief Fire Officer
Treasurer
Monitoring Officer
Mersey Internal Audit Agency
Mersey Internal Audit Agency
Translator
Executive Assistant – Note taker
Executive Assistant – Note Taker

1.0 APOLOGIES

Councillor

Jeff Evans
Dylan Rees
Bryan Apsley
Beverley Parry-Jones

Representing

Anglesey County Council
Anglesey County Council
Wrexham County Borough Council
Wrexham County Borough 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 on the lack of progress in regards to paragraph 15.1 and provided assurance it would be resolved for the next Audit Committee meeting.

5.2 In respect of item 5.1, the Treasurer confirmed that he had spoken with Welsh Government Civil Servants and was expecting information on the Pensions Grant. With the election ongoing it was unlikely that a response would 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 remains unknown. A residual financial risk remains but the approach taken during the budget setting process has 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 The reports highlight to Members work being undertaken to consider issues relevant to the governance arrangements around the fire sector in Wales.

- 6.3 It was queried if the Audit Committee would be included in future discussions on the changes to governance arrangements. CFO confirmed that the Cabinet Secretary intended to attend the Full Fire Authority meeting in July to provide an opportunity for Members to ask any questions regarding their involvement in the process.
- 6.4 A Member stated the likely outcome of Welsh Government implementing a skills-based board of smaller numbers, highlighting the benefit of this.
- 6.5 Concerns were raised on moving away from a democratic model of Governance as there may be less accountability at a local level with the current model placing a duty on Council Leaders to select the right people to sit on the Authority.
- 6.6 It was further stated that a reduction in the number of Members would not necessarily resolve issues with the held belief that problems in South Wales are 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 CFO 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 The Treasurer noted further to his experience of sitting in Council Cabinets and in National Park Authority meetings, as well as being involved in the Fire Authority, concerns around suggestions in the national papers on Governance. The idea that CFO's could be generalists without FRS experience may reduce cost-effectiveness with Council Cabinet members busy with a portfolio and unable to prioritise FRA duties.
- 6.9 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.

6.10 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 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.
- 7.2 ACFO MacArthur highlighted the revised timetable for the production and audit of the accounts advising 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.
- 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 Harvard 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 advised closing the accounts on time had been a heroic effort, giving thanks to the Finance Team for their hard work. Audit Wales acknowledged concerns around auditing standard differences between the private and public sector and confirmed that every effort was made to ensure that the approach was relevant when maintaining compliance with the relevant standards.

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 MIAA presented the Internal Audit Annual Report 2023/24 paper which noted 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 this had been the first year of the Authority's work with MIAA and felt that the findings were proportionate and appropriate. Appreciation was 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.

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 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.

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 on interest, the Treasurer advised that the redemption premium would be too high to make this a viable option however, this would be monitored by officers and if there was an opportunity to do this in the future, it would be explored.

10.5 RESOLVED to:

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

11.0 URGENT MATTERS

11.1 ACFO MacArthur advised Members that the Members Budget Scrutiny Working Group held in the previous financial year had been an opportunity to engage Members with the budget setting process and had been really beneficial. These meetings will continue across the next six-months and Members were asked if they felt the membership of the group should be extended.

11.2 Members confirmed that the membership as it stood was acceptable and confirmed they were happy for it to proceed, with the Chair of the Audit Committee to remain as Chair for the Budget Scrutiny Working Group.

Meeting closed 10:46 hrs