

Minutes of the Audit and Risk Committee

18 July 2022 at 14:00 hours

Conducted as a public meeting at Headquarters and digitally via Microsoft Teams

Present: Councillor Miks (Chair) and Councillor Barrie

Virtually: Councillor Miller, Councillor Rizwan Jalil, John Mathews (Internal Audit), Peter Farrow (Internal Audit), Martina Doolan, Satinder Sahota.

Officers: Gary Taylor, Kal Shoker, Karen Gowreesunker, Kirsty Tuffin, Mike Griffiths, Paul Gwynn and Tom Embury

Please note: The Audit and Risk Committee was not quorate and therefore all decision items were deferred to the next Committee meeting.

83/22 **Apologies for Absence**

Apologies for absence were received from Councillor Spence and Mr Mike Ager.

84/22 **Declarations of Interest**

There were no declarations of interest registered.

85/22 **Minutes of the Audit and Risk Committee held on 06 June 2022**

The minutes of the Audit and Risk Committee held on 06 June 2022 was deferred to the next Audit and Risk Committee meeting.

86/22 **Statement of Accounts 2021-2022**

The Statement of Accounts 2021-2022 was deferred to the next Audit and Risk Committee meeting.

87/22 **Treasury Management – Annual Report – 2021-22**

The Treasury Management – Annual Report – 2021-22 was deferred to the next Audit and Risk Committee meeting.

88/22 **Approach to be Taken in Respect of Immediate Detriment Cases Under the McCloud/Sargeant Ruling**

The Approach to be Taken in Respect of Immediate Detriment Cases Under the McCloud/Sargeant Ruling was deferred to the next Audit and Risk Committee meeting.

89/22 **Pension Board – Pension Administration Issues**

Tom Embury presented the Pension Board – Pension Administration Issues report that outlined recent issues with the Firefighters Pension Scheme Administration and the steps West Midlands Fire Service had taken to resolve these issues.

The Committee were advised that the report had originally been commissioned by the Independent Chair of the Pension Board prior to his resignation and highlighted the four key issues:

- PAYE
- Aprils pay calculations
- Data Breach (May payment)
- Incorrect figures in communication to Members of the scheme

An independent review of these issues would be commissioned and delegated to the Chair of the Committee. Key findings of this review would be brought back to the Audit and Risk Committee.

Mike Griffiths, Section 151 Officer, advised the Committee that, as per point 3.4 of the report, the data breach had been a result of window envelopes used to circulate payslips that raised concerns from some members. It was confirmed that payslips could be posted in window envelopes in future provided they did not have bank details on them and a covering letter was also circulated alongside the payslip to mitigate any risk.

The Chair of the Committee advised that she had been working with officers following members of the scheme raising their concerns via email and asked officers why the service had moved to the new Oracle system. Mike Griffiths confirmed that

the reasons for moving had been that systems had been outdated and had not aligned with each other, for example, the Finance and Payroll systems had previously been provided by Sandwell Council. All staff had been trained on the system in which the investigation would also look into.

90/22 **Pension Board – Appointment of Independent Chair**

The Pension Board – Appointment of Independent Chair report was deferred to the next Audit and Risk Committee meeting.

91/22 **Confirmation of Auto-Enrolment Date**

Paul Gwynn, Payroll and Pensions Manager, presented the Confirmation of Auto-Enrolment Date report that outlined the requirement for Auto-Enrolment that ensured compliance with the rules of the Pension Scheme and Workplace Pensions Regulations.

The Committee were advised that under the Pensions Act 2008, all employers had been required to put staff that qualified onto a workplace pension, also known as Auto-Enrolment. The first enrolment by the Service had taken place on 1st August 2013 and the latest enrolment had been 1st June 2019. Therefore, the service had to auto-enrol members eligible between 1st March 2022 – 31 August 2022. It had been agreed that the service would undertake their auto-enrolment on 1st August 2022.

Following queries around the number of schemes, Paul Gwynn confirmed that the service had two schemes: one for operational staff and one for non-operational staff. The service used the local government pension scheme (LGPS) for those in non-operational roles.

92/22 **Update on Topical, Legal and Regulatory Issues (Verbal Report)**

Gary Taylor, Assistant Chief Fire Officer, advised the Committee that a change had been made to the risk level for Risk 6.1, since the last update to the Committee on 6 June 2022. The risk had been increased from 12 to 16 and likelihood changed from 3 to 4, given the range industrial action undertaken in the rail and

legal sectors and discontent on the standard of living. The Committee were advised that given these changing factors a detailed update on Corporate Risk 6.1 would be brought to the next meeting. The Chair of the Authority agreed this would be the best approach.

Mike Griffiths confirmed he had no topical, legal, and regulatory issues to raise to the Committee.

93/22 **Draft Audit and Risk Committee Work Plan 2022-2023**

Tom Embury, Deputy Clerk, presented the Audit and Risk Committee Work Plan for 2022-2023 that outlined the planned agenda items for future scheduled Audit and Risk Committee meetings.

Gary Taylor advised that the SIRO report had been duplicated in both November 2022 and March 2023 and confirmed it would be brought to the March Audit and Risk Committee Meeting.

The meeting closed at 14:47 hours.

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