

Minutes of the Audit and Risk Committee
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3 June 2019  
at Fire Service Headquarters, Vauxhall Road,  
Birmingham B7 4HW

Present: Councillors Miks (Chair), Iqbal, Jenkins, Dehar and Mr  
Ager (Independent)

Apology: Councillor Craddock Richard Percival, Grant Thornton  
DCFO Phil Hales

As well as the Members of the Committee the following officers  
attended the meeting:

Javed Aktar, Grant Thornton  
Peter Farrow, Audit Manager  
John Matthews, Internal Audit  
Mike Griffiths, Treasurer  
Kal Shoker, Finance Manager  
Satinder Sahota, Monitoring Officer (Item 5 only)  
Gary Taylor, Assistant Chief Fire Officer (Observer)

23/19 **Declarations of Interest**

There were no declarations of interest.

24/19 **Minutes of the Audit and Risk Committee held on 25  
March 2019**

Resolved that the minutes of the Audit and Risk  
Committee held on 25 March 2019 be approved as a  
correct record.

25/19 **Governance Statement 2018-19**

The Committee received the Governance Statement for  
2018/19.

It is a requirement for every Local Authority to produce a Governance Statement with its Statement of Accounts.

The Governance Statement covered the following areas:

- Scope of Responsibility
- Purpose of the Governance Framework
- The Governance Framework, including specific reference to audit arrangements, corporate risk management arrangements and performance management
- Review of Effectiveness, including the Authority's political governance arrangements, the provision of internal audit, and the development of the Audit Plan
- Significant Governance Arrangements within the Authority, including the Authority's Corporate Strategy 'The Plan' and effectiveness of the Service Delivery Model, external audit work undertaken during 2018/19, and reference to the external environment that the Authority is operating in.

The Committee noted the Audit Work that had been undertaken during 2018/19 and issues that had been identified in the reviews of the Payrolls Section. These were highlighted in the Annual Internal Audit Report and had been raised with relevant managers and actions had been taken to achieve improvements.

Mr Ager found the wording on paragraph 5.5 a little harsh, but it was agreed to leaving the wording in the report. The Treasurer stated the Annual Internal Audit Report was one of the best reports in terms of the least number of significant issues identified.

The External Auditor suggested that an additional section should be added to the Governance Statement to reflect the announcement regarding the transfer of governance to the Combined Authority not proceeding.

The Treasurer and External Auditor agreed to amend the Governance Statement in respect of the change of governance arrangements prior to approval by the Fire Authority at the Annual General Meeting on the 24 June 2019 and signing by the Chair and Chief Fire Officer.

**Resolved** that following amendment by the Treasurer in agreement with the External Auditor that the Governance Statement for 2018/19 be approved.

26/19 Monitoring Policies on Raising Concerns at Work – Whistleblowing Standing Order 2/20 and Regulation of Investigatory Powers Act

The Committee received and noted the report on Monitoring Policies on Raising Concerns at Work – Whistle Blowing Standing Order 2/20 and Regulation of Investigatory Powers Act 2000.

It was noted that there had be no allegations of whistle blowing reported through the Whistle Blowing Policy S/O 2/20.

It was noted that there had been no requests to enact the Regulation of the Investigatory Powers Act 2000 in the last year up to 31 March 2019.

Standing Order 2/20 had been consulted upon 8 August 2018 with only minor amendment and had been published on 6 December 2018.

27/19 Internal Audit Annual Report 2018-19

Approval was sought for the Annual Internal Audit Report 2018-19 which had been compiled by the internal auditors.

The report detailed the work of the internal audit service undertaken in 2018-19, providing an opinion on the adequacy and effectiveness of the Authority's governance, risk management and internal control process. The contents of the report also provided one element of the evidence that is required to underpin the Authority's Governance Statement.

The report summarised the audit work undertaken during the year, including:

- the areas subject to review during the year (Auditable Area)
- the level of risk to the Authority assigned to each auditable area (high, medium or low)
- the number of recommendations made as a result of each audit review
- details of any work undertaken outside of the original plan

The report also provided a summary of the key control issues that arose during the year.

Customer satisfaction questionnaires were issued for all audits carried out. From the responses returned, the average scores were 4.5, which compared favourably with the target score of four (equally good), representing a positive opinion.

Two reviews were currently in progress, and there were two recommendations from the Audits undertaken, one significant and one that merits attention. All of the audits had received a Substantial level of assurance.

Based on the work undertaken during the year and the implementation of the recommendations made, the Internal Auditor provided “reasonable assurance” that the Fire Authority has an adequate and effective framework of governance, risk management and control.

The Auditor stated that this is an unqualified opinion and the highest level of assurance available to Audit Services.

**Resolved** that the Annual Internal Audit Report for 2018/19 be approved.

## 28/19 Audit and Risk Committee Annual Report 2018-19

Approval was sought for the Audit and Risk Committee Annual Report 2018-19 which had been compiled by the internal auditors.

Following approval the report is submitted to the Annual Meeting of the Fire Authority. The report provided an overview of the business of the Committee during 2018/19, meetings held, Committee Members and attendance record and the business undertaken. Information flows through to the Committee, following a lot of work being undertaken and no issues of real concern had been identified. Adequate systems were in place to identify risks.

**Resolved** that the Annual Report of the Audit Committee be approved and submitted to Annual Meeting of the Authority.

## 29/19 Audit Committee Update from External Auditors

Richard Percival stated that the accounts had been received before the required deadline. The team from Grant Thornton were currently auditing the accounts.

Page 89 of the account's disclosure refers to contingent liability in respect of Pensions. The McCloud case outcome was expected in the next few weeks and this may or may not have a cash impact on fire authorities and dependent upon the result Grant Thornton may recommend a change to the disclosure.

The External Auditor would note the impact of the change to the Combined Authority arrangements and continue to monitor.

There were no substantive or overarching issues to report.

### 30/19 Update on Topical, Legal and Regulatory Issues

Following an update to Members of the Authority at the Policy Planning Forum held prior to the Audit and Risk Committee, there were no new issues to report.

### 31/19 Audit and Risk Workplan 2018-2019

The Committee noted the Work Programme for 2018/19.

### 32/19 CIPFA Audit Committee Update Issue 28 – March 2019

The CIPFA Update had been circulated in March 2019 and the Committee noted the contents.

### 33/19 Private Meeting with External Auditors

The Members of the Audit and Risk Committee did not require a private meeting with the External Auditors.

### 34/19 Workshop for Members on Statement of Accounts 2018/19

The Members of the Audit Committee attended a Workshop on the Statement of Accounts 2018/19.

The meeting finished at 1320 hours.

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