

**Minutes of the Audit and Risk Committee**

**21 March 2022 at 10:30 hours**

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

- Present:** Councillor Catherine Miks (Chair), Councillor Padda, Councillor Barrie
- Virtually:** Mr Mike Ager, Councillor Miller, Councillor Spence, Peter Farrow (Internal Audit), John Mathews (Internal Audit), Avtar Sohal (Grant Thornton), Philip Tromans (Internal Audit) Harkamal Vaid (Grant Thornton),
- Officers:** Gary Taylor, Martina Doolan, Mike Griffiths, Kal Shoker, Stephen Timmington and Kirsty Tuffin.
- Observers:** Steven Price-Hunt

54/22 **Apologies for Absence**

Apologies for absence were received from Karen Gowreesunker, Clerk of the Authority and Neil Chamberlain, Chair of Pension Board.

55/22 **Declarations of Interest**

There were no declarations of interest registered.

56/22 **Minutes of the Audit and Risk Committee held on 06 December 2021**

Resolved:

1. That the minutes of the previous meeting, held on 06 December 2021, be approved as a correct record of proceedings.

57/22 **Annual Report of the Senior Information Risk Owner**

Gary Taylor, SIRO – Assistant Chief Fire Officer, and Martina Doolan, Data and Governance Manager, presented the Annual Report of the Senior Information Risk Owner that provided assurance in relation to how the service discharged its duties and responsibilities in relation to information governance.

The Committee were provided an overview of the key roles and responsibilities that included the Chief Fire Officer who had been the most senior role in the service and had been responsible for the following:

- advising the Fire Authority and for ensuring, along with the Authority's Monitoring Officer and Treasurer, that the Authority could effectively discharge all responsibilities imposed upon it by statute and guidance.

West Midlands Fire and Rescue Authority and West Midlands Fire Service were also required to operate in accordance with a wide range of legislation. They were accountable to the communities of the West Midlands for the service provided by the fire service. The role of Senior Information Risk Owner (SIRO) had been held by the Assistant Chief Fire Officer for Operations and had been responsible for the following:

- information security within West Midlands Fire Service.
- The SIRO role had been supported by the information Asset Owners (IAO) who are the Strategic Enabling Team (SET) with responsibilities for information assets within their respective areas.

The Data Protection Officer had the following responsibility:

- monitoring internal compliance,
- inform and advise on the organisation's data protection obligations,
- provide advice regarding Data Protection Impact Assessments (DPIAs)
- and act as a contact point for data subjects and the supervisory authority i.e. The Information Commissioner's Office (ICO).

Employees had been responsible for:

- adhering to the relevant policies of the organisation in respect of protecting information
- adhering to appropriate classifications,
- handling instructions and
- confidentiality requirements.

The Committee were advised that the purpose of the SIRO report had been to ensure good practice, assurance (both internally and externally), to help identify weaknesses and strengths and ensured transparency. Substantial assurance had already been achieved from the internal auditors with another themed review to take place in 2022 that would focus upon freedom of information.

Following discussions on spam emails, it was noted that there had been approximately 350k cyber-attacks experienced by the Service since the beginning of the crisis in Ukraine (24 February). This reflected the scale of the issue and the risk to the cyber security of the Service. It is also reflected in the work that had been implemented on the Service's infrastructure, which had enabled the successful blocking of threats to date. The aim was to ensure that the highest level of cyber security was maintained but done so in as seamless a manner as possible to ensure a good user experience was also maintained. The Committee were advised that it was a constantly evolving situation; as the Service put measures in place to thwart threats, hackers changed their methods.

The Chair of the Committee enquired as to what could be done to highlight the findings of the report to Members of the Authority as a whole. Gary Taylor advised that although the details of the Annual Report of the SIRO Report would be recorded and submitted to the Authority via the minutes of this committee. It could be possible with the approval the Chair of the Authority for an update to be provided directly to Members via a meeting of the full Fire Authority or via a briefing at the Policy Planning Forum. It was agreed that the Chair of the Committee would discuss the matter with the Chair of the Authority to propose a discussion be had on cyber security at Fire Authority or Policy Planning Forum to make all Members aware.

Steve Price-Hunt, requested to ask questions on the report, as a member of the public. The Chair of the Committee granted permission for Steve Price-Hunt to ask questions and advised that should it be required a written response would be provided to Steve within 7 working days. Following Steve's questions Martina Doolan advised that attempts to answer the questions

would be made, with further information to be provided following the meeting where required.

In answer to the questions, Martina Doolan advised that:

- The observation made that it was believed that all referrals to the Information Commissioner's Officer should be recorded was acknowledged. However, such referrals may be included and further information would be provided to Steve following the meeting.
- With regard to the Subject Access Requests, the improvements observed in retrieving relevant information, increasing from 29% in 2020 to 39% in 2021, was largely attributable to how technology was being used. This remained in its infancy, with a number of pilots having been carried out to date, and it was expected that further improvements would be realised as progress was made.
- There was tribunal process, with the ability to refer a matter to the First Tier Tribunal. Martina advised that further information would be provided to Steve following the meeting.

Gary Taylor re-assured Members that if it was not possible to respond to individual's request within 30 days, the Service would notify the individual and provide a rationale as to why.

Resolved:

1. That it be agreed that the Annual Report of the Senior Information Risk Owner (SIRO) be approved.
2. That it be agreed that the Chair of the Committee would discuss the matter with the Chair of the Authority for the proposal to discuss the cyber security threat faced at Fire Authority or Policy Planning Forum to make all members aware.
3. That it be agreed that further details on referrals to the Information Commissioner's Officer be provided to Steven Price-Hunt following the Committee Meeting.

## 58/22 **Internal Audit Charter – Annual Review**

Peter Farrow, Internal Auditor, presented the Internal Audit Charter – Annual Review report that outlined the scope and background and mission of the internal auditors.

The Committee were advised that no changes had been made to the Internal Audit Charter since it was last reviewed and approved by Committee in March 2021.

Resolved:

1. That it be agreed that the existing Internal Audit Charter be reviewed and approved subject to its next annual review.

59/22 **Internal Audit Plan – 2022-2023**

Peter Farrow, Internal Auditor, presented the Internal Audit Plan – 2022-2023 report that outlined the proposed Internal Audit Plan for 2022/23 and a indicative plan covering the period 2023/24 to 2024/25.

The Committee were advised that a fluid approach would be given to the Internal Audit Plan to reflect changes in the risks faced by the service and would be updated periodically to reflect this. Any changes to the plan would be brought to the Audit and Risk Committee for approval. The assessment of assurance need/risk analysis and RAG rating were explained to members. Mike Griffiths confirmed that the plan had been shared with himself and other SET Officers and were in agreement with the plan.

Following queries around the high score given to the payroll pension systems, Peter Farrow re-assured Members that despite the rating, internal auditors had no concerns but as the key financial systems fundamentally dealt with large sums of money and were an essential part of the service, it had been important the rating reflected that.

Following a query around the risk of management of fuel and whether this should be raised from medium to red, given the situation of fuel supplies in the United Kingdom at present, John Mathews re-assured Members that Internal Auditors reviewed the risk in December and determined the risk remained amber but would take Members comments on board. Mike Griffiths also re-assured Members and advised that in recognition of the fuel situation, the Fire Authorities business continuity arrangements had been in place that ensure stations had been in a good place with their fuel supplies and had been regularly monitored.

Resolved:

1. That it be agreed that the Internal Audit Plan for 2022/23 be approved.

## 60/22 **Internal Audit – Progress Report**

John Mathews, Internal Auditor, presented the Internal Audit – Progress Report that outlined the issues raised from the work undertaken by internal audit so far in the current financial year.

The Committee were advised that the progress report would feed into and informed the Internal Audits overall opinion in the Internal Audit – Annual Report that would be provided at the year end. The assessment of assurance was explained to members. As per appendix 1, substantial rating had been provided on the majority of completed auditable areas of work. those in progress had been:

- Risk Management
- Governance
- Accounts receivable

Since the publication of this report, Internal Audits had circulated a Governance Report for Officers to review.

The Committee were advised that, as per appendix 1, the following issues that arose were:

- Workforce planning
- Fixed asset Accounting/Asset management
- Accounts payable
- Budgetary control

The workforce planning issues were outlined and the committee were advised that a plan had been devised with the Fire Authority and a follow up review would take place as part of the internal audit plan for 2022-23. It was agreed that an update on this be provided at the next Audit and Risk Committee meeting.

Resolved:

1. That it be agreed that the Internal Audit Progress Report be noted.

2. That it be agreed that an update regarding the Fire Authorities plan and the workforce planning issues be provided at the next Audit and Risk Committee meeting.

61/22 **Informing the Audit Risk Assessment 2021-2022**

Avtar Sohail, Grant Thornton – External Auditor, presented the Informing the Audit Risk Assessment 2021-2022 report that provided an update on the progress of the external auditor in delivering their responsibilities.

The Committee were advised that as part of the risk assessment conducted by external auditors required management to provide information following external auditors' queries, as per appendix 1 of the report. The information provided by management had been in line with expectations and therefore nothing required additional consideration from the Committee.

Resolved:

1. That it be agreed that the Informing the Audit Risk Assessment – West Midlands Fire & Rescue Authority 2021/22, be noted.

62/22 **Auditor Annual Report 2020-2021**

Avtar Sohail, Grant Thornton – External Auditor, presented the Informing the Auditor Annual Report 2020-2021 report that outlined the findings of the external audit work undertaken for the audit year 2020-2021.

The Committee were advised that the Auditor Annual Report would replace the Audit Letter previously provided to the Committee moving forward. Following the change to the approach to value for money, the main areas of work highlighted, as per appendix 1, were:

- Financial sustainability
- Governance
- Improving economy, efficiency and effectiveness
- Covid-19 arrangements
- Opinion on the financial statements

The Committee were advised that there had been no significant weaknesses that required the Committees attention, that good governance practices had been in place and therefore a clean audit opinion had been given.

Following queries around the external auditors timescales, Avtar Sohail advised Members that as a result of the audit market fluctuating and higher demand on auditors, the deadline for the submission of statement of accounts had been extended from July to September, as done in the previous year. Grant Thornton were hopeful to meet this deadline however, had been dependent upon its findings.

Resolved:

1. That it be agreed that the Auditor's Annual Report (AAR) 2020/21 on the West Midlands Fire and Rescue Authority be noted.

**63/22 Update on Topical, Legal and Regulatory Issues (Verbal Report)**

Mike Griffiths, (WMFS) Section 151 Officer, advised the Committee there were no updates on Topical, Legal and Regulatory Issues.

**64/22 Audit and Risk Committee Work Plan 2021-2022**

Kirsty Tuffin, Democratic Services Officer, presented the Audit and Risk Committee Work Plan for 2021-2022 that outlined the planned agenda items for future scheduled Audit and Risk Committee meetings.

The Committee were advised that as per the agenda pack, the Fraud Awareness Training and the Private Meeting with Internal Auditors had been scheduled to take place following the exclusion of the press and public. Members were advised that a separate private meeting invite had been circulated and Members would be asked to join via the link circulated when appropriate.

Resolved:

1. That it be agreed that the Audit and Risk Committee Work Plan 2021-2022 be noted.



65/22 **Fraud Awareness Training**

Phillip Tromans, Internal Audit, provided Members of the Committee with training on Fraud Awareness.

Resolved:

1. That it be agreed that the training on fraud awareness be noted.

66/22 **Private Meeting with Internal Auditors**

Members of the Committee met with Peter Farrow, Internal Auditor, and John Mathews, Internal Auditor to raise any concerns they may have. No concerns were raised.

Resolved:

1. That it be agreed that the private meeting with internal auditors be noted.

The meeting closed at 12:53 hours.

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