

**Minutes of the Audit and Risk Committee**

**27 September 2021 at 10.30 hours**

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

**Present:** Councillor Catherine Miks (Chair), Councillor Chadda, Councillor Spence, Councillor Ferguson.

**Virtually:** Councillor Miller, Mr Ager, John Mathews (Internal Audit), Avtar Sohal (Grant Thornton)

**Officers:** Gary Taylor, Mike Griffiths, Satinder Sahota, Kal Shoker, Paul Gwynn, Martina Doolan, Karen Gowreesunker Phil Fellows, Kirsty Tuffin.

30/21 **Apologies for Absence**

Apologies for absence were received from Councillor Barrie and Neil Chamberlain (West Midlands Police and Chair of WMFS Pension Board).

31/21 **Declarations of Interest**

There were no declarations of interest registered.

32/21 **Minutes of the Audit and Risk Committee held on 19 July 2021**

Resolved:

1. That the minutes of the previous meeting, held on 19 July 2021, be approved as a correct record of proceedings.

33/21 **Audit and Risk Committee Terms of Reference 2021-2022**

Karen Gowreesunker, West Midlands Fire Service (WMFS) Clerk, presented the Audit and Risk Committee Terms of Reference 2021-2022 report that outlined the Audit and Risk Committee Terms of Reference for 2021-2022, as per appendix 1 of the report.

It was recommended that Members noted the Terms of Reference, approved at Fire Authority on 21 June 2021. No amendments were requested, and the Audit and Risk Committee Terms of Reference 2021-2022 were noted.

Resolved:

1. That it be agreed that the Audit and Risk Committee Terms of Reference for 2021-2022 be noted.

34/21 **Immediate Detriment – Contribution Holidays**

Mike Griffiths, (WMFS) Section 151 Officer, presented the Immediate Detriment – Contribution Holidays report, that sought approval to reverse the decision at the last Committee held on 19 July 2021, specifically that the 10th June 2021 Home Office guidance is not followed for cases where a member is eligible for a “contribution holiday” under the rules of the 1992 Scheme and relevant cases are to be treated in the same way as they were prior to the updated guidance issued on 10th June 2021.

The Committee were advised that following the decision in July 2021 to implement the Home Office Guidance, the Chief Fire Officer had recommended the reversion of this decision as the guidance would result in members who have had a contributions holiday being treated differently to other members that fall within the Immediate Detriment category. This could result in the view aligned to the Equality Act that they are receiving less favourable treatment. Other Fire Authorities/Pension Boards were processing contribution holiday scheme members as immediate detriment cases and not further delaying the outcome of remedy.

The Service had received 3 appeals so far, with the expectation of more, if the decision was not reversed. From a local employee perspective, it had been identified that some employees who are pension scheme members were postponing their retirement. This had been incurring a financial pension detrimental impact. Therefore, the request to reverse the decision to implement the Home Office Guidance had been for the benefit of its members. Satinder Sahota, (WMFS) Monitoring Officer, provided the Committee with legal reassurance that non-Statutory guidance would typically be implemented unless there was a valid reason

as to not and given the reasons outlined to the Committee, the decision would be justifiable.

Resolved:

1. That it be agreed that in consideration of the Court of Appeal interim order entitling claimants to be treated as members of the FPS 1992 and the unresolved pensions issues, the scheme administrator does not apply the updated Home Office guidance issued on 10th June 2021 in its entirety to all future retirement case.
2. That it be agreed that the Scheme administrator revises the treatment to any cases affected since the last Audit and Risk Committee on 19th July 2021.
3. That it be agreed that the 10th June 2021 Home Office guidance is not followed for cases where a member is eligible for a “contribution holiday” under the rules of the 1992 Scheme and relevant cases are to be treated in the same way as they were prior to the updated guidance issued on 10th June 2021.

### 35/21 **Internal Audit – Progress Report**

John Mathews, internal auditor, presented the Internal Audit – Progress report that detailed the matters arising from internal audit work undertaken so far in the current year and provided a progress update on the delivery of the 2021/22 Internal Audit Plan issued at the year end.

The Committee were advised that following CIPFA guidance moving forward, where appropriate, reports issued would include an overall opinion based upon criteria outlined in Appendix 1 of the report. These opinions were categorised into the following 4 areas:

1. No assurance
2. Limited
3. Reasonable
4. Substantial

The Committee were advised that some audits had now been completed, as per appendix 1 of the report, and work had started with the Environment Protection Targets. John Mathews re-assured Members that although the key financial audits had not

started, the team had been working with the Fire Service financial team on the new financial system to provide the Committee with a level of assurance. Feedback would be provided to the Committee on the Service Quality Questionnaire (SQQ), once received. The two issues highlighted within the report included:

1. Data Protection
2. Management of Fuel

Following questions on data protection, Martina Doolan, Data and Governance Manager, reassured the Committee that the Fire Service was working within the Government and the national cyber security issued guidance. A work plan, incorporating this guidance, had been in development, to ensure that these standards were being met. A move to Microsoft 365 had also provided the Service with further protection. Phil Fellows advised that all pension files for active and non-active Members had now been digitised onto a secure system.

Resolved:

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

36/21 **Annual Report from Sandwell Audit in Respect of Information Governance**

Gary Taylor, SIRO – Assistant Chief Fire Officer, and Martina Doolan, presented the Annual Report from Sandwell Audit in Respect of Information Governance that provided the assurance from internal audit at Sandwell MBC in relation to how the organisation discharges its duties and responsibilities in relation to information governance.

The Committee were advised that with the assistance of Sandwell's Audit Team, the theme for the financial year 2020-2021 had been focused upon the handling of subject access requested under the Data Protection Act 2018. Although, the audit had been delayed as a result of the Coronavirus pandemic and the availability of staff at Sandwell MBC and West Midlands Fire Service, the audit was conducted between April 2020 and September 2020. Overall, the Service had received a rare

recording of 'substantial assurance', with only the two following areas for improvement identified:

1. Response times for some subject access requests.
2. Monthly reporting of requests to the Strategic Enabling Team (SET).

The Committee were reassured that although some response times for requests had been outside the 30-calendar day statutory limit, the Service was trialling an automated e-discovery tool to help mitigate this issue with a pilot scheduled to take place in September. The issue around the monthly reporting to SET had already been rectified with the implementation PowerBi dashboard for SET members to see requests in real time instead of monthly reports.

The Committee thanked Gary Taylor, Martina Doolan and the team for all their hard work.

Resolved:

1. That it be agreed that the Annual Report from Sandwell Audit in Respect of Information Governance be noted.

### 37/21 **Audit Findings 2020-2021**

Avtar Sohal, representative from Grant Thornton, presented the Audit Findings 2020-2021 report, that outlined the key messages arising from the external audit work undertaken during the year to support the Auditor's opinions and conclusions.

The Committee were advised that a substantial amount of the audit had been completed and no audit adjustments had arisen from the audit work so far. Grant Thornton had not been aware of any matters that would require modification of their audit opinion or material changes to the financial statements, subject to the outstanding matters, as per Appendix 1, being completed. It was anticipated that the Auditors Annual Report would be issued by 31 December 2021, as a result of the value for money work being incomplete. This deadline would be in line with the National Audit Office's revised deadline, which required the report to be issued no more than three months after the date of the opinion on the financial statements.

Resolved:

1. That it be agreed that the content of the Audit Findings 2020-2021 be noted.

38/21 **Statement of Accounts 2020-2021**

Mike Griffiths presented the Statement of Accounts 2020-2021 report, that outlined the Authority's Statement of Accounts for the financial year ended 31 March 2021.

The Committee were advised that the Statement of accounts had received minimal descriptive changes and no changes had been made to the core figures within the financial statements since the 19 July Committee meeting whereby, the draft version was approved.

Resolved:

1. That it be agreed that the Statement of Accounts for 2020-2021 as set out in appendix A be approved.
2. That it be agreed that the Statement of Accounts Summary for 2020-2021 set out in appendix B be noted.

39/21 **Annual Report of the Pension Board 2020-2021**

Kal Shoker, WMFS Finance Manager, presented the Annual Report of the Pension Board 2020-2021 that outlined the key work of the Pension Board throughout 2020-2021.

The Committee were advised that Pension Board maintained its functioning throughout the Coronavirus pandemic meeting virtually to ensure business continuity of its role and reported to the Audit and Risk Committee as a Standing Committee of the Authority. The attendance of Pension Board Members and the Terms of Reference was also included within the annual report.

The Committee thanked the Pension Board for their hard work.

Resolved:

1. That it be agreed that the Annual Report of the Pension Board 2020-2021 be approved.

40/21 **Audit and Risk Committee Work Plan 2021-2022**

Karen Gowreesunker presented the Audit and Risk Committee Work Plan for 2021-2022. It was agreed that as a result of Coronavirus related delays the Annual SIRO Report be moved from 25 October to the December meeting. It was agreed that a detailed report be provided on vacant properties held by the Fire Service at the December meeting.

Resolved:

1. That it be agreed that the Audit and Risk Committee Work Plan for 2020-2021 be approved.
2. That it be agreed that the Annual SIRO report be brought to the December Audit and Risk Committee meeting.
3. That it be agreed that an update report on vacant properties held by the Fire Service be provided at the December meeting.

41/21 **Exclusion of press and public**

Resolved:

1. That it be agreed that the press and public be excluded from the rest of the meeting to avoid the possible disclosure of exempt information.

42/21 **CIPFA Audit Committee Update No35**

John Mathews presented the CIPFA Audit Committee Update (No35) Report that outlined the publication and contents of issue 35 of CIPFA's Audit Committee Update.

The Committee were advised that the latest edition focused upon three key areas:

- A focus on risk management and the support that audit committees can provide for improving local arrangements,
- A review of the differences between the work of an audit committee and scrutiny and opportunities to work together,
- An update on the new consultation launched by the Ministry of Housing, Communities and Local Government on local audit and audit committees.

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Following questions upon training, the Committee were advised that training could be provided by CIPFA themselves and would be held virtually, if Members wish to attend.

Resolved:

1. That the contents of the latest CIPFA Audit Committee update be noted.

The meeting closed at 11.08 hours.

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