

Minutes of the Audit and Risk Committee

07 June 2021 at 14.00hrs

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

Present: Councillor Catherine Miks (Chair), Councillors Barrie, Miller, Spence, Mr Ager, Avtar Sohal and Siobhan Barnard (Grant Thornton) Peter Farrow (Sandwell MBC)

Apologies: Neil Chamberlain (West Midlands Police and Chair of WMFS Pension Board

Officers in attendance: Karen Gowreesunker, Mike Griffiths, Kal Shoker, Gary Taylor

11/21 **Declarations of Interest**

There were no declarations of interest registered.

12/21 **Minutes of the Audit and Risk Committee held on 22 March 2021**

Resolved that the minutes of the Audit and Risk Committee held on 22 March 2021 be approved as a correct record of proceedings.

13/21 **Corporate Risk Update – Quarter 3 & 4 2020-21**

Gary Taylor (West Midlands Fire Service (WMFS) Assistant Chief Fire Officer) presented the report, detailing a six-month period covering Quarters 3 and 4, 2020/21. In addition, the report informed upon the management of Corporate Risk during the Business Continuity arrangements for Covid-19 operable since March 2020. The importance of this was emphasised to ensure Members remain informed about all aspects relating to the management of the Fire Authority's Corporate Risks.

It was reported that Corporate Risks continued to be effectively managed; they will continue to be submitted to the Strategic Enabling Team meetings on a quarterly basis and reported into the Audit and Risk Committee every six months whilst the Covid-19 pandemic continues.

Members attention was drawn to the two indicators that experienced an increase during the period reported. There were no decreases during the period.

During Quarter 3 in December 2020, Corporate Risk 7.2 increased its risk score to Likelihood 3, Impact 3, providing a risk score of 9 (an increase from 6). This has not changed the amber confidence opinion. It has remained at this level throughout Quarter 4. The increase in the risk score related to an ICT security breach by external source, ongoing forensic work is taking place.

During Quarter 4 in January 2021, Corporate Risk 4.1 increased to Likelihood 3, Impact 3, providing a risk score of 9 (an increase from 6). In March 2021 this reverted to an overall risk score of 6 with Likelihood 2 and Impact 3. Neither change altered the amber overall confidence opinion. The increase in the risk score in January 2021 was due to the limited level of activity being undertaken by Fire Safety Officers due to Covid-19 restrictions.

A Member sought clarification upon the anticipated timescale to rectify Corporate 6.1 from Red to Amber level of confidence. Gary Taylor confirmed that alternative capability was being evaluated, building upon a previous assessment within the past two years. He assured the Committee the Chief Fire Officer would present mitigation options for consideration by Members of the Fire Authority.

A Member enquired of Corporate Risk 4.1, specifically the actions to manage hydrant capacity. Gary Taylor confirmed the Service was working with Water Companies and Local Authority Planning/Building Development Teams to manage capacity and compatibility of resources and equipment.

The Chair sought reassurance that the issues referred in Corporate Risk 2.3 had been addressed. Gary Taylor confirmed improvement through the adaptation of practice and co-

ordinated implementation to three domains of health surveillance, infection prevention control and safe systems of work. The integrity of these has been cascaded into the Service through briefings and auditing.

The Committee **approved** the Corporate Risk Summaries (Quarter 3 and 4, 2020/21) and **noted** the management of corporate risk through the Business Continuity arrangements.

14/21 **Internal Audit Annual Report 2020 -21**

Peter Farrow (Sandwell Council) presented the report, explained as the annual composite of all periodic updates provided to the Committee during the period of 2020-21. Members were re-appraised of the contextual basis of the agreed audit plan, the definition of 'reasonable assurance' and of the different levels of assurance and definitions therein. It was confirmed there were no fundamental recommendations required on any audit.

Members were advised the Data Protection Audit was at draft stage and would be completed imminently.

It was confirmed that customer satisfaction was good. A revised customer satisfaction survey will be developed for 2021-22 to ensure the feedback provided is maximised to advise audit processes and development of audit plans.

There were no questions from Members.

The Committee **approved** the Annual Internal Audit report for 2020/21.

15/21 **Governance Statement 2020-21**

Mike Griffiths (WMFS Section 151 Officer) presented the report, summarising context of the statutory duty under the Local Government Act 1999 to ensure the business of the Fire Authority is conducted in accordance with the law and proper standards, that public money is safeguarded and properly accounted for and used economically, effectively and efficiently. The provision of a Governance Statement with audited Statement of Accounts is a requirement of this legislation.

Members were appraised in detail of each section of the Governance Statement. There were no questions or items for

consideration from Members; the Chair acknowledged the quality of content within the Governance Statement.

The Committee **approved** the Governance Statement for 2020/21.

16/21 **Audit Plan 2020- 21**

Avtar Sohal (Grant Thornton) presented the report. The appended Audit Plan was summarised providing details of the work to be undertaken by Grant Thornton in respect of the Authority's financial statements and delivery of its value for money conclusion for 202/21.

It was explained that the significant risks identified within the scope of the audit are applicable to all Fire and Rescue Services. Members attention was drawn to the level of materiality being marginally higher than the previous audit year, which also applied to the overall audit logistics cost. The deliverable date for the Audit was confirmed as 30 September 2021, together with affirmation of compliance to the Financial Council's Ethical Standard (revised 2019).

The Chair enquired if the audit plan accounted for potential additional work arising from review of land holdings and remedy of pension legislation; both of which featured in 2019/20 and will be on-going. Avtar Sohal stated that both may require more detail and earlier in the audit process than the previous year.

The Committee **approved** Grant Thornton's Audit Plan to enable the delivery of the audit of financial statements and the value for money conclusion 2021/22.

17/21 **Informing the Audit Risk Assessment – WMFRA 2020-21**

Avtar Sohal (Grant Thornton) presented for information an update on Grant Thornton's progress in delivering their responsibilities. It was explained that under International Standards on Auditing (UK) auditors have specific responsibilities to communicate with the Audit and Risk Committee and specifically items can include:

- Matters in relation to fraud;
- Matters in relation to law and regulations;
- Matters in relation to related parties; and
- Matters in relation to accounting estimate.

The content of the appended report was contextualised to the Committee, as a series of questions and responses received from the Authority's management to address the matters detailed above.

A Member enquired if the Auditor was content with the responses provided by the Service. The reply was affirmative, evidence of practice sufficient to each of the areas for questioning. There are no unusual gaps or differences from submissions of previous years.

The Committee **noted** the content of the Informing the Audit Risk Assessment – West Midlands Fire & Rescue Authority 2020/21.

18/21 **Annual Report of the Audit and Risk Committee 2020-21**

The Chair presented the Annual Report of the Audit and Risk Committee for 2020-21. There were no matters arising from Members.

The Committee **approved** the content and format of its Annual Report 2020/21 and agreed its submission to the next meeting of the Authority.

19/21 **Audit and Risk Committee Work Plan 2020-2021 March 21**

The Committee **noted and approved** progress of its work programme for 2020-21.

20/21 **Update on Topical, Legal and Regulatory Issues**

Mike Griffiths (WMFS Section 151 Officer) informed the Committee of release of the Spring update report detailing progress to implement recommendations of the Redmond

Review. Members were advised to access the link referenced in the letter within the agenda pack. Avtar Sohal (Grant Thornton) confirmed the company were supportive of the Redmond Review.

The Committee **noted** the content of the verbal report.

The meeting closed at 15.30 hours.

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