

## NORTH WALES FIRE AND RESCUE AUTHORITY AUDIT COMMITTEE

Minutes of the Audit Committee Meeting of the North Wales Fire and Rescue Authority held on 10 September 2018 at the Fire and Rescue Headquarters, St Asaph. Meeting commenced at 2pm.

### PRESENT

#### Councillors:

J R Skelland (Chair)	Wrexham County Borough Council
B Apsley	Wrexham County Borough Council
A I Dunbar	Flintshire County Council
D Rees	Anglesey County Council
W P Shotton	Flintshire County Council
N Smith	Conwy County Borough Council
W O Thomas	Flintshire County Council
D Wisinger	Flintshire County Council

### ALSO PRESENT:

K Finch (Treasurer); G Owens (Deputy Clerk); H MacArthur and S Morris (Assistant Chief Officers); K V Williams (Audit Department, Conwy County Borough Council); J Brown (Finance Manager); A Hughes and S Williams (Wales Audit Office); A Davies (Member Liaison Officer).

### APOLOGIES:

#### Councillors:

A Daniels	Gwynedd Council
I D Lloyd	Gwynedd Council
S Lloyd-Williams	Conwy County Borough Council
G Lowe	Wrexham County Borough Council

#### Officers:

S Forrest	Head of Accountancy and Exchequer Services, Conwy County Borough Council
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### 1 DECLARATIONS OF INTEREST

1.1 None.

### 2 MINUTES OF THE MEETING HELD ON 4 JUNE 2018

2.1 The minutes of the meeting held on 4 June 2018 were submitted for approval.

2.2 **RESOLVED to approve the minutes of the last meeting as a correct record.**

### 3 MATTERS ARISING

3.1 There were no matters arising.

### 4 HEALTH AND WELLBEING PRESENTATION

4.1 The HR Manager delivered a presentation informing members of the assistance and support provided to staff in terms of health and wellbeing. Members were pleased to note that the Service has Blue Light Champions who have received training to undertake the role of assisting and sign posting individuals who require mental health support.

4.2 **RESOLVED to note the information provided.**

### 5 STATEMENT OF ACCOUNTS

5.1 ACO MacArthur presented the audited statement of accounts for 2017/18 including the governance statement, both of which had been subject to audit by the Wales Audit Office (WAO). The report also presented the findings of the Auditor General for Wales.

5.2 It was noted that the Audit Committee's role was to ensure effective scrutiny of finance reports and, based on its findings, make recommendations to the Fire and Rescue Authority. In compliance with the Accounts and Audit (Wales) (Amendment) Regulations 2010, it is a requirement that the audited accounts are approved by Members by 30 September.

5.3 The draft accounts and governance statement had been submitted for audit on 1 June 2018. These confirmed the draft outturn position of net expenditure of £33.329m, resulting in a contribution from reserves of £93,083. The final audited position remains unchanged.

5.4 It was noted that in line with WAO recommendations, a number of adjustments had been made, although these adjustments had no overall impact on the Authority's outturn position. However, there were two items that were considered for adjustment but management decided not to adjust due to them not being material and it was confirmed by officers that they will be fully addressed in 2018/19; these were:

- a miscoding of a grant;
- at the year end a capital invoice amounting to £134,000 had been received. This was not accounted for in 2017/18 as not all work had been completed.

- 5.5 It was noted that an all-Wales FRAs' pension issue had been identified during the course of the audit; an additional narrative disclosure had been included in the statement of accounts explaining the issue and the WAO had confirmed that the issue is not material to the opinion for 2017/18 although further work is ongoing to ensure that the matter is resolved for future financial years.
- 5.6 Notwithstanding the above, it was pleasing to note that the Auditor General for Wales proposed to issue an unqualified audit report. The Statement of Accounts and Governance Statement had been prepared in accordance with the timetable and no changes had been made to the previously reported outturn position. It was also noted that the AGW outlined actions required to ensure that the Authority is able to meet changes to the timetable for 2018/19; ACO MacArthur confirmed that the Authority will work with the auditor to ensure that recommendations are addressed.
- 5.7 **RESOLVED to**
- (i) note the statement of accounts and annual governance statement for 2017/18;**
  - (ii) note the report produced by the Auditor General for Wales;**
  - (iii) note the management responses to issues raised by the Auditor General; and**
  - (iv) recommend approval of the audited accounts and governance statement for 2017/18 by the Fire and Rescue Authority.**

## 6 AUDIT OF FINANCIAL STATEMENTS

- 6.1 Amanda Hughes from the WAO presented the audit of financial statements to members.
- 6.2 Ms Hughes detailed the work involved in auditing the statements and that there had been continuous dialogue with finance officers at Conwy CBC and NWFRS to deal with issues identified. However, moving forward Ms Hughes was confident that the Authority will address the recommendations made and will continue to work well with the auditors. ACO MacArthur reiterated that plans are already in place to ensure clarity and efficiency in the process of preparing next year's statement of accounts. Ms Hughes confirmed that the WAO will issue an unqualified audit report.
- 6.3 **RESOLVED to**
- (i) note the audit of financial statements and the recommendations within;**
  - (ii) note that the AGW will be issuing an unqualified audit report;**
  - (iii) recommend that the Fire and Rescue Authority approves the letter of representation to be sent to the Auditor General for Wales.**

## 7 TREASURY MANAGEMENT AND PRUDENTIAL INDICATORS

- 7.1 The Treasurer presented the report in order for the Audit Committee to review the report before submission to the Fire and Rescue Authority. A requirement of the CIPFA Prudential Code is that prudential indicators are monitored on a regular basis and any significant changes approved. Similarly, changes to long term borrowing and counterparties need to be reported as part of the CIPFA code on Treasury Management.
- 7.2 Since the approval of the Prudential Indicators and the Treasury Management Strategy for 2018/19 by the Fire and Rescue Authority on 19 March 2018, the Prudential Indicators (PIs) estimated for 2018/19 onwards have changed due to the actual expenditure on the capital programme for 2017/18 being less than the estimated outturn; in essence, the capital expenditure for 2018/19 has increased over the original estimate due to schemes that were not fully completed in 2017/18 rolling over to 2018/19.
- 7.3 It was confirmed that there continues to be a provision of £100k set aside in the event that an interest rise occurred during the year.
- 7.4 **RESOLVED to recommend to the Fire and Rescue Authority the approval of the amended Prudential Indicators as detailed in the report.**