

LANCASHIRE COMBINED FIRE AUTHORITY

AUDIT COMMITTEE

Thursday, 28 September 2017, at 10.00 am in the Main Conference Room, Service Headquarters, Fulwood.

MINUTES

PRESENT:

Councillors

J Shedwick (Chairman)
S Clarke
S Holgate
A Kay
M Khan
D Smith

Officers

C Kenny, Chief Fire Officer (LFRS)
K Mattinson, Director of Corporate Services (LFRS)
J Bowden, Head of Finance (LFRS)
D Brooks, Principal Member Services Officer (LFRS)

In attendance

K Murray, External Audit, Grant Thornton
J Taylor, Internal Audit, Lancashire County Council

10/17 APOLOGIES FOR ABSENCE

Apologies for absence were received from County Councillor Matthew Tomlinson.

11/17 DISCLOSURE OF PECUNIARY AND NON-PECUNIARY INTERESTS

None received.

12/17 MINUTES OF THE PREVIOUS MEETING

In the absence of the Chairman, the Vice-Chairman, County Councillor John Shedwick took the chair.

RESOLVED: - That the Minutes of the last meeting held on 22 June 2017 be confirmed as a correct record and signed by the Chairman.

13/17 EXTERNAL AUDIT - LETTER OF REPRESENTATION

As part of the year-end process the Authority was required to sign a letter of representation. This letter confirmed that the Authority had disclosed all relevant information in its accounts for the year in question and that all issues which should have been brought to the attention of the auditors had been.

The Treasurer confirmed that there were no issues that should have been brought to the attention of the auditors but which had not been. The Treasurer confirmed he would sign the letter at the meeting, as there were no further issues which he felt required disclosure.

RESOLVED: - That the Audit Committee authorised the signing of the letter by the Chairman of the Committee.

14/17 EXTERNAL AUDIT - AUDIT FINDINGS REPORT

Under the statutory Code of Audit Practice for Local Government bodies our external auditors, Grant Thornton were required to issue a report to those charged with governance summarising the conclusions from their audit work. Members considered this report which was presented by Karen Murray.

The main issues within the Audit Findings Report were as follows:-

- Audit opinion - the auditor would give an unqualified opinion on the financial statement;
- Value for money - the auditors concluded that the Authority had proper arrangements in all significant respects to ensure it delivered value for money in its use of resources.

The auditors had identified one issue which needed to be highlighted in terms of the treatment of the Authority's share of North West Fire Control, as set out on page 14 of the Audit Findings Report. This principle would need to be adopted for future year's accounts.

The auditor had also identified three adjustments which were required in terms of misclassifications and disclosure changes as set out on page 19 of the Audit Finding Report, and these changes had been incorporated into the final statement of accounts.

In addition it was considered best practice to present the amended statement of accounts. This was originally approved by Resources Committee in June 2017 and the revised accounts including the audit amendments were re-presented to the Resources Committee on 27 September 2017 for re-approval.

Following the audit a number of changes had been made to the accounts, as set out in the report now presented and considered by Members.

RESOLVED: - That the Committee:-

- i) Noted the matters raised in the report;
- ii) Noted the unqualified opinion on the financial statements;
- iii) Noted the value for money conclusion;
- iv) Noted the amended Statement of Accounts.

15/17 INTERNAL AUDIT MONITORING REPORT

The Internal Auditors produced a summary of progress against the annual plan for each Audit Committee meeting, setting out progress to date and any significant findings. The report for the period up to September 2017 was presented by Judith Taylor (Senior Auditor for Lancashire County Council).

Progress to date in relation to the Plan was provided. Of the 80 total planned days; 5 days had been completed to date.

In addition a further 7 days had been spent during the first quarter of the financial year in completing and finalising reviews outstanding from 2016/17 audit plan. The findings from these reviews were reported in the 2016/17 Annual Report that was presented to the Audit Committee at its last meeting in June.

RESOLVED: - That the Committee noted the report.

16/17 RISK MANAGEMENT UPDATE

The report highlighted action taken in respect of corporate risk since the last Audit Committee meeting.

The latest review of the corporate risk register had identified 3 new risks which warranted inclusion on the corporate risk register: -

Risk number 21 was concerned with risk of rapid external fire spread in high rise premises resulting in a major incident.

The Director of Corporate Services advised that all high rise residential premises had been audited, in conjunction with relevant Local Authority. Only one building had been found with ACM cladding panel. This was on a 6-storey section of building (top section), which was being managed locally to limit the risk this presented. An on-going risk based inspection plan had been agreed based on an order of priority as detailed in the report. A number of community reassurance visits had been undertaken and a temporary amendment had been made to the pre-determined attendance to high rise to include an Ariel Ladder Platform.

Risk number 22 was concerned with the failure to maximise collaborative opportunities presented by Policing and Crime Act.

It was noted that there were well-developed relationships with Lancashire Constabulary and North West Ambulance Service with regular meetings held to discuss issues and opportunities. Collaboration was already taking place i.e. Emergency Medical Response, Gaining Entry, Missing Persons, Air Support (Drone) and Site Sharing etc.

Risk number 23 was concerned with a lack of leadership capacity impacting on delivery of services.

It was noted that the Workforce Plan had been agreed and implemented; this identified our challenges and workforce profile. The Recruitment Policy was in place; this reviewed the success of recruitment campaigns against the knowledge and skills gap.

In addition there were a number of systems in place: appraisal, leadership development programmes, coaching and mentoring. Action Learning Sets had been introduced and Leadership Conferences had been delivered in April 2017 with a second planned for October 2017. A Promotion Board was also in place with clear development and promotion pathways established for operational staff.

An updated corporate risk register was considered by Members. Of the existing risks 1 had been reviewed:-

Operational staff do not have the required skills to operate safely at an incident with the potential to result in firefighter injuries or fatalities

It was noted that recruitment of wholetime and RDS staff was underway against national standards. Initial and continuation training was based on National Occupational Standards, National Occupational Guidance and Training Specifications. Role competencies had been identified and recorded with appropriate re-training frequencies identified. Refresher training had been commissioned, devised and delivered to cover a wide range of skills. An operational assurance policy was in place through a dedicated team that continually assessed operational readiness. Such learning resulted in a range of actions and thus constant evolution / improvement in safety and effectiveness. Given the level of work involved it was proposed the risk be increased to 9.

In addition, the Director of Corporate Services advised that the previously discharged risk of 'insufficient staffing resources due to industrial action to deal with operational demand and fulfil statutory responsibilities' was being monitored; should the need to put this risk onto the register arise, agreement would be sought with the Chairman and Vice-Chairman of the Committee.

RESOLVED: - That the Audit Committee noted the actions taken and endorsed the revised corporate risk register.

17/17 CONSULTATION ON AUDITOR APPOINTMENT FROM 2018/19

The Director of Corporate Services advised that following a national procurement exercise undertaken, Public Sector Audit Appointments (PSAA) had consulted with relevant bodies on the proposed audit appointment for future years.

PSAA was proposing to appoint Grant Thornton (UK) LLP to audit the accounts of Lancashire Combined Fire Authority for five years from 2018/19. The appointment would start on 1 April 2018.

Should the Authority wish to make representations on this appointment it had until 22 September 2017 to do so. Following consultation with the Chairman and Vice-Chairman of the Audit Committee it was agreed that the Authority would not make any such representations therefore a response had been submitted on that basis.

RESOLVED: - That the Audit Committee noted the report.

18/17 DATE OF NEXT MEETING

The next meeting of the Committee would be held on Thursday 25 January 2018 at 10:00 hours in the Main Conference Room at Lancashire Fire and Rescue Service Headquarters, Fulwood.

A further meeting date was noted for 22 March 2018 and dates agreed for 24 July 2018 and 27 September 2018.

M NOLAN
Clerk to CFA

LFRS HQ
Fulwood