

LANCASHIRE COMBINED FIRE AUTHORITY

AUDIT COMMITTEE

Tuesday, 24 September 2019, at 10.00 am in the Main Conference Room, Service Headquarters, Fulwood.

MINUTES

PRESENT:

Councillors

S Clarke
S Holgate
A Kay
M Khan OBE
M Parkinson OBE (for N Hennessy)
J Shedwick (Vice-Chair, in the Chair)
D Smith

Officers

B Norman, Assistant Chief Fire Officer (LFRS)
K Mattinson, Director of Corporate Services (LFRS)
D Brooks, Principal Member Services Officer (LFRS)

In attendance

R Tembo, External Audit, Grant Thornton
J Taylor, Internal Audit, Lancashire County Council

13/19 APOLOGIES FOR ABSENCE

Apologies for absence were received from County Councillor N Hennessy.

14/19 DISCLOSURE OF PECUNIARY AND NON-PECUNIARY INTERESTS

None received.

15/19 MINUTES OF THE PREVIOUS MEETING

RESOLVED: - That the Minutes of the last meeting held on 30 July 2019 be confirmed as a correct record and signed by the Chairman.

16/19 EXTERNAL AUDIT - ANNUAL AUDIT LETTER

The External Auditor's Annual Audit Letter represented an overall assessment of the Authority's performance, drawing on the Auditor's findings and conclusions from their work, which had previously been reported to the Audit Committee.

Members considered the Annual Audit Letter which summarised Grant Thornton's 2018/19 audit of the Authority as presented by Richard Tembo.

The Auditors had issued an unqualified opinion on the Authority's 2018/19 accounts on 30 July 2019. The External Auditors were satisfied that the Authority put in place proper arrangements to ensure economy, efficiency and effectiveness in its use of resources. The Authority received a positive assessment by the Fire Inspectorate this year and continued to have appropriate arrangements in place to manage its financial position. It was noted that the External Auditor's fee of £28,169 was £4,500 higher than that included in the Audit Plan of £23,639 and £2,500 higher than that included in the Annual Finding Report with the reasoning set out on page 10 of the Annual Audit Letter. The Director of Corporate Services advised that this was a topic for discussion on the next Lancashire Financial Officers meeting however, the increase was consistent with similar audited bodies and ultimately required Public Sector Audit Appointments approval before final agreement.

RESOLVED:- That the Audit Committee noted and endorsed the content of the Annual Audit letter 2018/19.

17/19 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 from 1 April 2019 to 6 September 2019 was presented by Judith Taylor. It was noted that work carried out during this period was in accordance with the agreed audit plan.

The report identified that 16.5 days had been spent this financial year on the 2019/20 plan which equated to 24% of the totalled planned activity of 70 days. Consistent with previous years, the audit programme was scheduled for completion during the second half of the financial year.

Progress to date in relation of the plan was provided and discussed by Members. It was noted that the Local Pensions Partnership had appointed Deloitte as its internal auditor and in relation to their pensions administration audit (which included the calculations and payment of retirement benefit and lump sum calculations in relation to the firefighter pension schemes) Deloitte provided an overall engagement risk rating of ineffective, which was defined as 'risk mitigation or control absent or ineffective'. The Director of Corporate Services had a meeting scheduled with the Head of the Pension Fund to discuss the matter further to review this.

RESOLVED: - That the Committee noted and endorsed the report.

18/19 RISK MANAGEMENT

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 one new risk which warranted inclusion on the corporate risk register which was the discontinued or long term malfunction in the Key Performance Management

software product (CORVU).

An updated corporate risk register was considered by Members with changes summarised in the report.

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

19/19 DATE OF NEXT MEETING

The next meeting of the Committee would be held on Tuesday 28 January 2020 at 10:00 hours in the Main Conference Room at Lancashire Fire and Rescue Service Headquarters, Fulwood. A further meeting date was noted for 31 March 2020.

To allow for any potential timing difficulties for the audit of the accounts, it was agreed to keep both 21 July and 28 July 2020 dates in the diary for the July meeting and the September date was agreed as 29 September 2020.

M NOLAN
Clerk to CFA

LFRS HQ
Fulwood