

Lancashire Combined Fire Authority

Audit Committee

Thursday, 28 November 2024, at 10.00 am in the Main Conference Room,
Service Headquarters, Fulwood.

Minutes

Present:	
Councillors	
S Clarke	
M Clifford (Chair)	
J Hugo	
F Jackson	
M Salter	
J Shedwick (Vice-Chair)	
J Singleton	

Officers
S Brown, Director of Corporate Services (LFRS) L Barr, Member Services Officer (LFRS) J Meadows, Head of Finance (LFRS) A Latham, Financial Accountant (LFRS)

In attendance
A Dalecki, Internal Audit, Lancashire County Council L Rix, Internal Audit, Lancashire County Council G Jones, External Audit, Grant Thornton

21/24	Apologies for Absence
	None received.
22/24	Disclosure of Pecuniary and Non-Pecuniary Interests
	None received.
23/24	Minutes of the Previous Meeting
	Resolved: - That the Minutes of the last meeting held on 26 September 2024 be confirmed as a correct record and signed by the Chair.

24/24	<p>External Audit Findings Report</p>
	<p>Georgia Jones, Key Audit Partner presented the Audit Findings report to the Committee.</p> <p>Under the Statutory Code of Audit Practice for Local Government bodies, the Authority's external auditors, Grant Thornton, were required to issue a report to those charged with governance that summarised the conclusions from their audit work.</p> <p>The Audit Committee had received the draft Audit Findings Report which summarised the conclusions from the external auditor's work undertaken as part of the year-end audit of accounts at the September Committee meeting. The updated report confirmed that all the work had been completed and the letter of assurance from the pension fund auditor had been received. Once confirmation was received that the assurance had been completed, the opinion would be signed.</p> <p>It was noted that the only addition that had changed the account was the insertion of a contingent liability note in relation to the Matthew's legal case. It was expected that any liability that could transpire would be covered by the pension top-up grant.</p> <p>Georgia Jones gave her thanks to the Finance Team for their work on the audit and expressed her appreciation for their assistance.</p> <p>Resolved: - That the Committee noted and endorsed the updated Audit Findings Report.</p>
25/24	<p>Internal Audit Monitoring Report</p>
	<p>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 01 April 2024 to 07 November 2024 was presented by Laura Rix, Senior Auditor.</p> <p>To date, 26 days had been spent this financial year on completion of the 2024/25 plan, equating to 37% of the total planned audit activity of 70 days. The table in the report showed the current status of all audit work.</p> <p>It was noted that the audit of 'Implementations of Learning from National Incidents' had been positive with minor actions as per the report pack in the agenda.</p> <p>Members were informed that work had now commenced on the key financial systems and Cyber Security.</p> <p>In response to a query from County Councillor Shedwick in relation to the number of Audit days used over a 6-month period and the planned usage of the remaining 44 days, Laura Rix explained that the report had been created 6 weeks prior to the meeting and numerous days had been used in that period for work on the Key Financial Systems. No issues were anticipated with using the remaining days for the planned work.</p>

	Resolved: - That the Committee noted the report.
26/24	Risk Management
	<p>The Director of Corporate Services presented the report to Members.</p> <p>In March 2024, the Audit Committee supported the updated Lancashire Fire and Rescue Service (LFRS) risk management policy, procedure, and the associated organisational risk register. This aligned with ISO 31000:2018 standards, was in line with the National Fire Chiefs Council (NFCC) template and represented good practice in the sector. Effective risk management practices were integrated into quarterly Corporate Performance Board (CPB) meetings agendas, provided strategic oversight, ensured legislative compliance, optimised resource allocation, and facilitated risk reporting to the Combined Fire Authority.</p> <p>The Audit Committee was a cornerstone of the Authority's governance framework, tasked with providing independent assurance to governance stakeholders regarding the adequacy of LFRS's risk management framework, annual governance processes, and internal control environment. Its primary function included evaluating the effectiveness of the Authority's risk management arrangements.</p> <p>The Civil Contingencies Act (CCA 2004) set out the legal framework for contingency arrangements to assess, plan and advise against LFRS organisational risks, be it departmental or corporate, however, there was no prescriptive way within the framework of doing that. Therefore, the Service had the freedom to manage risk using a method that ensured a clear governance structure that best met the needs of the business.</p> <p>This moral and statutory duty not only required LFRS to take all reasonable actions to safeguard its employees, assets, and the public, but also ensured that it was not financially or operationally disrupted. It could meet this duty by ensuring that risk management played an integral part in the governance of the Service at a strategic, tactical, and operational level.</p> <p>The risk management policy and procedure at LFRS ensured compliance with legislative requirements and NFCC good practice. The policy and procedure were aligned with ISO 31000:2018, to ensure an accurate description and appropriate monitoring and management of LFRS risks. Additionally, a tiered approach to risk was in place which allowed for escalation and de-escalation as needed.</p> <p>Effective risk management practices aligned with ISO 31000:2018 yielded numerous benefits for LFRS that included proactive risk mitigation, enhanced decision-making, clear accountability, and improved financial control.</p> <p>Risk Management was integrated into quarterly CPB meetings, as a standing agenda item LFRS aimed to provide strategic oversight of the risk management process. Overall, the measures enabled LFRS to fulfil its legislative duties and optimise resource allocation whilst providing a structured mechanism for reporting on risk to the Audit Committee. The Corporate Risk Register was reviewed quarterly, and updates provided by all pertinent risk managers and owners.</p>

Members noted that the top three risks identified in the risk register were:

- Loss of Funding (it had been confirmed that the Service would receive a 1-year settlement for 2025/26, however, a multiyear financial settlement that ensured financial sustainability was likely for 2026/27);
- Telecommunications (actions were noted on page 80 of the agenda pack - It was highlighted that a planned power outage took place at the Service's Leadership & Development Centre to test the Business Continuity Plan and testing also took place for the scenario of a Service-wide outage due to flooding); and
- Retention and Recruitment of On-Call Staff (actions were noted on page 87 of the agenda pack – On-Call availability had begun to improve with the measures in place).

In response to a question from County Councillor Singleton in relation to the measures in place to mitigate the risk for telecommunications, the Director of Corporate Services advised that he would investigate the measures and feedback his findings at a future committee meeting.

County Councillor Shedwick commented that the Service was well represented by the CFO regarding the implementation of the new mobilising system and asked how the Risk ID 11h 'Loss of NWFC Mobilising System', on Page 87 of the agenda pack, was a closed risk.

Councillor Hugo highlighted that no implications had been identified in terms of Equality, Diversity and Inclusion (EDI) on Page 76 of the agenda pack and, although LFRS was nationally recognised for having outstanding culture, she suggested it would be prudent to consider adding EDI to the risk register. The impact of the EDI risk to the Service could be catastrophic, as seen in other Fire and Rescue Services. The Director of Corporate Services advised that he would find information outside of the meeting about how that risk was managed and would feed back to a future meeting.

Members discussed EDI in the Fire Service, that LFRS had outstanding culture regarding EDI, and work in that area would need to be continuous.

It was suggested that a training session be delivered to Members around EDI & Culture to explore the issues respectfully and openly and all Members agreed. The Director of Corporate Services advised that the option of training may be able to be provided at a future Strategy meeting and would discuss with the Executive Board.

Laura Rix believed that an Audit on EDI had previously taken place. She would investigate and bring any findings back to the committee.

The Chair stated that the risk map in the agenda pack was very useful for providing risk information.

Resolved: - That the Committee: -

- i) Endorsed LFRS's risk management arrangements: and

	ii) Noted the up-to-date Corporate Risk Register and its content.
27/24	Date of Next Meeting
	<p>The next meeting of the Committee would be held on 27 March 2025 at 10:00 hours in the Main Conference Room at Lancashire Fire and Rescue Service Headquarters, Fulwood.</p> <p>Further meeting dates were noted for 24 July 2025 and agreed for 25 September 2025.</p>

M Nolan
Clerk to CFA

LFRS HQ
Fulwood