

NORTH WALES FIRE AND RESCUE AUTHORITY
AUDIT COMMITTEE

Minutes of the **Audit Committee** of the North Wales Fire and Rescue Authority held on Monday 17 March 2025 virtually via Zoom. Meeting commenced at 09.30hrs.

Councillor

Mark Young (Chair)
Bryan Apsley
Marion Bateman
Tina Claydon
Adele Davies-Cooke
Sharon Doleman
John Brynmor Hughes
Gareth R Jones
Marc Jones
Beverley Parry-Jones (left 10:14)
Austin Roberts

Representing

Denbighshire County Council
Wrexham County Borough Council
Flintshire County Council
Flintshire County Council
Flintshire County Council
Conwy County Borough Council
Gwynedd Council
Conwy County Borough Council
Wrexham County Borough Council
Wrexham County Borough Council
Conwy County Borough Council

Also present:

Helen MacArthur
Anthony Jones
Elgan W Roberts
Dafydd Edwards
Gareth Owens
Carwyn Rees
Angharad Ellis
Carwyn Rees
George Jones
Lisa Allington

Assistant Chief Fire Officer
Assistant Chief Fire Officer
Head of Finance and Procurement
Treasurer
Monitoring Officer
Audit Wales
Mersey Internal Audit Agency
Audit Wales
Translator
Executive Assistant – Note taker

1.0 APOLOGIES

Councillor

Gwynfor Owen (Deputy Chair)
Jeff Evans
Arwyn Herald Roberts

Representing

Gwynedd Council
Anglesey County Council
Gwynedd Council

2.0 DECLARATIONS OF INTEREST

2.1 There were no declarations of interest to record.

3.0 NOTICE OF URGENT MATTERS

- 3.1 ACFO Ant Jones was welcomed to the meeting to update Members on two wildfire incidents experienced over the last 24 hours. The first was in Blaenau Ffestiniog around 18:30 the previous evening and was the result of a controlled burn that had become unmanageable and therefore confirmed a wildfire. The wildfire unit, command unit and welfare unit were in attendance along with six pumps. There had been some concern about the fire spreading towards residential dwellings and a plastic factory. At the height of the incident, the fire front (the length of the fire from end to end) had been approximately 300m. Due to the darkness it was not possible to use the helicopter resource; however, the North Wales Police drone had provided good sight on the incident. A Level 3 Wildfire Officer had been in charge and the crews had used several tactics, including beaters, to attack the fire and quickly managed to extinguish it shortly before midnight. Crews remain on site looking for hot spots.
- 3.2 The second incident had been reported at 22:00 last night in Trawsfynydd and had run concurrently to the incident in Blaenau Ffestiniog. It had begun as a small fire in the open and had then been declared a wildfire by crews. The area affected had initially been approximately 86 acres of gorse and bracken with approximately 200 hectares of land burnt, and at its height the fire front had been 500m across with a flame height of 1m. A Level 3 Wildfire Officer had also attended this incident. There had been a large area of land, marsh and streams and the priority had been to protect property. The wind had since picked up resulting in an increase in the length of the fire and crews remain on the incident ground working to prevent spread into the local forest land. A more effective attack would be possible during daylight hours and throughout both incidents, crews had used their local skills and knowledge to excellent effect. The Control teams were also commended in managing the resources for both incidents.

4.0 MINUTES OF THE MEETING HELD ON 16 DECEMBER 2024

- 4.1 The minutes of the meeting held on 16 December 2024 were submitted for approval. It was proposed that they were an accurate recording of proceedings, and this was seconded with all in agreement.

4.2 RESOLVED to:

- i) approve the minutes as a true and accurate record of the meetings held, noting the above amendments.**

5.0 MATTERS ARISING

- 5.1 There were no matters arising.

6.0 INTERNAL AUDIT PROGRESS REPORT 2024-25

6.1 Angharad Ellis from MIAA was welcomed to the meeting and presented the progress report from Internal Audit, to provide Members of the North Wales Fire and Rescue Authority (the Authority) with an update of the work undertaken by the Authority's internal audit providers, MIAA, as of 28 February 2025.

6.2 ACFO MacArthur gave thanks to Angharad and the team and encouraged Members to participate in any of the workshops that MIAA deliver as they were instrumental in developing understanding. Angharad confirmed that a new calendar would soon be out for 2025/26 and that a workshop on fraud was likely to be included.

6.3 RESOLVED to:

- i) Note the work undertaken by MIAA during 2024/25; and**
- ii) Note the work finalised between 1 December 2023 to 28 February 2025.**

7.0 INTERNAL AUDIT PLAN 2025/26

7.1 Angharad Ellis was invited to present the Internal Audit Plan 2025/26 paper which delivered to Members the proposed internal audit plan for the 2025/26 financial year.

7.2 Members were signposted to section 6 and Appendix A which set out the three-year strategic internal audit plan.

7.3 The Treasurer noted that on page 26 of the pack, the plan for the year was shown and asked if MIAA felt that it was the best use of a finite resource that they sit in on the Budget Scrutiny workshops. Angharad confirmed that only five days of the allocated 70 were dedicated to these workshops and so the decision was with Members as to whether they felt it helpful that they attend.

7.4 ACFO MacArthur confirmed that as part of budget scrutiny, the new business case model would be introduced and that it may be more effective for them to spend those five days' time on that. It was agreed that the five days remain flexible to be spent as the need dictated.

7.5 RESOLVED to:

- i) Approve the proposed audit work programme for 2025/26.**

8.0 AUDIT WALES – ANNUAL AUDIT SUMMARY 2024

- 8.1 Carwyn Rees from Audit Wales was welcomed to the meeting and presented the Audit Wales Annual Audit Summary 2024 paper.
- 8.2 It was noted that there were no new matters to report and the accounts had received an unqualified opinion.
- 8.3 Some national reports had been flagged within the paper that may be of interest to Members.
- 8.4 The Treasurer noted that the situation with the audit of accounts had been very good over the last couple of years and this was to be commended. Carwyn confirmed that plans were in place to begin the audit process slightly earlier this year which would mean that the following year would also be able to commence earlier, so streamlining processes. He also noted that they were looking forward to working with the new Head of Finance and Procurement, Elgan Roberts for a full financial year and thanked him for his invaluable support.

8.5 RESOLVED to:

- i) note the annual audit summary.**

9.0 AUDIT WALES ANNUAL RISK ASSESSMENT

- 9.1 Carwyn Rees from Audit Wales was asked to provide Members with a verbal update on the Audit Wales Annual Risk Assessment.
- 9.2 He confirmed that planning for the 2025/26 performance audit had commenced and the areas of risk in the financial statement should be brought to the Committee in June 2025. He noted that the audit approach was changing from a national programme looking at themes from the National priorities, to more of a formalisation of planning locally within the Authority to make sure that audit work focussed on the Authority's risks. This was something that had been done at a higher level in the past and more resources were now being dedicated to this due to the changing risk environment within all fire authorities.
- 9.3 It was asked how the Forward Work Programme was developed to make sure that it fit in with workloads, and Carwyn responded that discussions were taking place with the team within the Service to carry the audit out in two tranches to fit in better with staff commitments. There were some necessary pieces, largely around document review, and it could be cumbersome for officers to deal with this in one go. This would be supplemented with interviews with relevant individuals within the Service. It was discussed and agreed that the treasurer as S151 officer and ACFO MacArthur should be interviewed at the same time.

- 9.4 Carwyn further confirmed that there would not be a report provided to Members on the back of the Risk Assessment, rather reports would be provided by exception.

9.5 RESOLVED to:

- i) Note the content of the update provided.**

10.0 TREASURY MANAGEMENT REPORT Q3 2024/25

- 10.1 Dafydd Edwards delivered the Treasury Management Report Q3 2024/25 to Members and advised that the purpose of this report was to provide Members of the Authority with an update on the treasury management activity and compliance with the treasury management prudential indicators for the period 1 April 2024 – 31 December 2024.
- 10.2 Key areas of the Treasury Management Report were highlighted and one Member noted that, in relation to the refinance aspects, it appeared that most of the loans would come to an end within either a year or ten years and asked what the context behind that was. The Treasurer responded that this was often a consequence of history in terms of the way that interest rates had moved over time and the guidance received from Arlingclose had been accurate in that they had advised not to borrow any more whilst interest rates were high. This was an area that would be looked at in August when there was a need to borrow more, and the profile would be planned so that all the redemptions would not be hit at the same time.

10.3 RESOLVED to:

- i) note the treasury management activities and prudential indicators for the period 1 April – 31 December 2024.**

11.0 PAYROLLING BENEFITS 2025-26

- 11.1 Elgan Roberts, Head of Finance and Procurement, presented the Payrolling Benefits 2025-26 paper which provided members of Audit Committee with an update on the requirement to implement all Employee Benefits, that require a P11D form at the end of each Tax Year, through the Payroll System. In 2024, the Government announced that from 6 April 2026, employers will be required to report and pay Income Tax and Class 1A NICs (National Insurance Contributions) on most Benefit in Kind (BiKs) in real-time on the Full Payment Submission (FPS).
- 11.2 It was asked how staff understanding of the new approach would be ensured, and ER confirmed that a list of all staff in scope was in place and that the change would be treated as a project with communication channels with those staff and stakeholders being critical to successful implementation.

- 11.3 A Member asked, in relation to paragraph 7 around testing the process on a small number of employees, whether there had been any objections from those employees selected to take part in this trial. ER confirmed that the Payroll Manager would be linking in with those staff involved and lessons learned would be noted for the future.
- 11.4 ACFO MacArthur clarified that the important thing to recognise was that this did not alter the amount of tax that staff would pay, rather improved their understanding of the process and ensured that any deductions happened at source rather than at the end of the financial year.
- 11.5 A Member asked, in relation to the change in legislation with the double cab Pick-Up vehicles, were there staff that would be impacted by that, and would staff be warned as soon as this system was implemented to enable them to do something different if necessary.
- 11.6 ACFO MacArthur confirmed that she was not aware of any staff that would be impacted by the proposed changes to the double cab tax but the new approach would ensure that staff were aware of any changes much earlier than under the existing arrangements.

11.7 RESOLVED to:

- i) Note the legislation changes; and**
- ii) Support incremental trialling of payrolling benefits over the 2025/26 financial year to prepare for full implementation from April 2026 in line with the legislative requirement.**

12.0 IFRS 16 IMPLEMENTATION FOR 2024/25

- 12.1 Elgan Roberts presented the IFRS 16 Implementation for 2024/25 paper, the purpose of which was to provide Members of the Authority with an update about the necessary changes required for the implementation of International Financial Reporting Standards 16 (IFRS 16) for the 2024/25 annual accounts.
- 12.2 Members' attention was drawn to paragraph 14 of the paper which provided a list of leases impacted by this implementation.
- 12.3 A Member sought clarification on the de-minimis of ten thousand pounds and ER confirmed that this was a technical limit for IFRS 16. ACFO MacArthur further clarified that this meant smaller leases, such as the hire of photocopiers, would not be treated as capital assets so reducing the required workload. This was standard practice across organisations.

- 12.4 The Treasurer gave thanks to ER for his work in getting this over the line, as it had been pending since around 2020, and recommended that Members endorse the report.

12.5 RESOLVED to:

- i) Note the legislative change for IFRS 16;**
- ii) approve a de-minimis level of £10k for lease recognition; and**
- iii) approve the discount rate to be based on the borrowing cost as of 1 April 2024, or at commencement of the lease.**

13.0 NWFRA CONTRACT PROCEDURE RULES SUMMARY 2025

- 13.1 Elgan Roberts explained to Members that the purpose of this report was to present the proposed changes to the Contract Procedure Rules (CPR) of the Authority, following amendments to align with the Procurement Act 2023, implemented on 24 February 2025 and discussed the key changes.
- 13.2 ACFO MacArthur highlighted that where possible, collaboration and joint procurement was carried out with the other Welsh Fire and Rescue Services (FRS).
- 13.3 A Member queried how it would be ensured that the Service had the capacity to comply with the CPR, ER confirmed that plans were in place to employ a Procurement Officer to provide valuable support to the Contracts and Procurement Manager moving forward. In addition, technology would be used to simplify reporting and ER provided the example that all suppliers were categorised within the financial ledger and this information could be quickly collated when necessary.
- 13.4 ER further highlighted that, where possible, local suppliers were being utilised and gave examples of where there had been a change to use local suppliers within North Wales region. The Chair asked how value for money could be demonstrated with one quote and ER stated that one quote was an absolute minimum. However, as good practice, and to demonstrate the most advantageous offer, two or more quotes would always be sought where possible.
- 13.5 It was asked if small firms up to £30k were worked with to ensure that they were best equipped to put in a quote and ACFO MacArthur confirmed that they were. It was noted that the employment of the aforementioned Procurement Officer would also help in this area as they would be able to build better connections across North Wales.

13.6 RESOLVED to:

- i) Note the key changes in the CPR; and**
- ii) recommend approval of the CPR by the Authority.**

14.0 URGENT MATTERS

- 14.1 ACFO MacArthur noted that Members had been issued with a link to complete an electronic declaration of interest form and asked that they ensure this be completed as soon as possible, and at the latest by the end of March, as this was a requirement of the annual audit.
- 14.2 Elgan Roberts asked Members whether, in relation to budget setting for 2026-27, it was felt that the Budget Scrutiny workshops were of value and that they be continued.
- 14.3 Members voted that these workshops continue and that the same process as previous years be followed with five meetings held as in the previous year, with one representative from each constituent local authority.

Meeting closed 10:55