

**NORTH WALES FIRE AND RESCUE AUTHORITY**  
**AUDIT COMMITTEE**

Minutes of the **Audit Committee** of the North Wales Fire and Rescue Authority held on Monday 18 September 2023 virtually via Zoom. Meeting commenced at 09.30hrs.

**Councillor**

Mark Young (Chair)  
Gwynfor Owen (Deputy Chair)  
Michelle Blakeley-Walker  
Arwyn Herald Roberts  
Tina Claydon  
Bryan Apsley  
John Brynmor Hughes  
Marc Jones  
Beverley Parry-Jones  
Austin Roberts  
Jeff Evans  
Adele Davies-Cooke

**Representing**

Denbighshire County Council  
Gwynedd Council  
Denbighshire County Council  
Gwynedd Council  
Flintshire County Council  
Wrexham County Borough Council  
Gwynedd Council (left 10.04am)  
Wrexham County Borough Council  
Wrexham County Borough Council  
Conwy County Borough Council  
Anglesey County Council  
Flintshire County Council

**Also present:**

Helen MacArthur  
Dafydd Edwards  
Gareth Owens  
Mike Whiteley  
David Tomalin  
Anne-Marie Harrop  
Angharad Ellis  
George Jones  
Ffion Evans  
Steve Morris  
Stephen Kitching  
Paul Roberts

Assistant Chief Fire Officer  
Treasurer  
Monitoring Officer  
Audit Wales  
Audit Wales  
Mersey Internal Audit Agency  
Mersey Internal Audit Agency  
Atebol - Translator  
Executive Assistant  
Head of ICT  
Arlingclose  
Arlingclose

1 **APOLOGIES**

**Councillor**

Cllr Marion Bateman

**Representing**

Flintshire County Council

**ABSENT**

**Councillor**

**Representing**

## **NOMINATION FOR CHAIR**

Before commencement of the meeting Gareth Owens confirmed that Cllr. Nigel Smith had resigned from North Wales Fire and Rescue Authority following his appointment to the Cabinet for Conwy CBC. The nomination of Cllr Mark Young to be elected as the Chair was received from Cllr Austin Roberts and seconded by Cllr Michelle Blakeley-Walker. The nomination was voted upon and Mark Young was appointed as Chair for the remainder of the year.

Cllr Mark Young thanked the committee and thanked Cllr Nigel Smith for his work.

### **RESOLVED that:**

- i) Mark Young be appointed as Chair with immediate effect**

## **NOMINATIONS FOR DEPUTY CHAIR**

Nominations for Deputy Chair were put forward. Cllr Roberts put forward the nomination for Cllr Gwynfor Owen to be Deputy Chair and Cllr Michelle Blakeley- Walker seconded that nomination.

All were in favour and Cllr Gwynfor Owen was appointed as deputy chair.

### **RESOLVED that:**

- i) Cllr Gwynfor Owen be appointed as Deputy Chair with immediate effect**

## **2 DECLARATIONS OF INTEREST**

2.1 There were no declarations of interest to record. Nominations for chair

## **3 NOTICE OF URGENT MATTERS**

3.1 There was no notice of urgent matters.

Mark Young noted that a quick update about the consultation was to be added at the end of the meeting.

## **4 MINUTES OF THE MEETING HELD ON 19 JUNE 2023**

4.1 The minutes of the meeting held on 20 March 2023 were submitted for approval.

#### 4.2 **RESOLVED to:**

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

### **5 MATTERS ARISING**

5.1 There were no matters arising.

### **6 TRAINING SESSION – INTRODUCTION TO TREASURY MANAGEMENT**

6.1 A training session was provided for members by Stephen Kitching and Paul Roberts from Arlingclose, the Authority's Treasury Management advisors. Members were given a detailed presentation on the work that is being carried out between Arlingclose and the Service.

6.2 The purpose of the training was to enable Members to more fully understand the background and technical aspects of treasury management including the governance arrangements. The update highlighted the need to ensure the governance framework is correct and provide suitable scrutiny. Scrutiny should include questioning the affordability and sustainability of arrangements including the revenue impact on these decisions over time.

6.3 The training provided an economic overview including longer term trends for inflation and interest rates. Members highlighted a number of areas including the longer-term risks associated with decisions relating to the capital plan and borrowing. Discussions were held on the possibility of default by other local authorities and Arlingclose provided assurance that the UK Government acted as the lender of last resort through the PwLB.

6.4 Members thanked Arlingclose for the presentation.

#### 6.5 **RESOLVED to:**

- i) **note the information provided.**

### **7. AUDIT WALES AUDIT PLAN**

7.1 The purpose of the report is to confirm the 2023 Audit Plan, which details the audit approach and work to be undertaken by Audit Wales as North Wales Fire and Rescue Authority statutory auditors.

7.2 Members received an update on the approach to the Authority's financial statements including the specific areas of focus. It was noted that work undertaken so far had not highlighted any significant issues associated with the introduction of the new financial system.

- 7.3 Members were updated that the Audit is on track and did not anticipate any issues which would prevent the audited accounts being presented to the Fire and Rescue Authority at its meeting in October 2023. It was noted that the Service's Finance Team had managed the transition from Conwy CBC well and queries were being addressed in a constructive and timely manner.
- 7.4 A brief update was provided on the planned performance work and key contacts were noted.
- 7.5 The audit fee of £72,237 was noted which is an increase of 3.6%. The year on year increase was less than the inflationary uplift contained with Audit Wales' fee scheme.

7.3 **RESOLVED to:**

- i) **note the scope of work undertaken by Audit Wales with no issues arising; and**
- ii) **acknowledge the work undertaken by the Service's Finance Department in implementing new financial systems and the production of the financial statements.**

## **8 INTERNAL AUDIT UPDATE**

- 8.1 MIAA provided an update report to Members on work undertaken in the period 20 June 2023 to 18 August 2023. This confirmed that the work on the Payroll and Attendance Management arrangements had commenced. It was also noted that MIAA had undertaken work on reviewing policies in relation to fraud, corruption and bribery and was supporting the Service in relation to the National Fraud Initiative (NFI).
- 8.2 Angharad Ellis from MIAA presented the Internal Audit Charter and provided members with an overview.

8.5 **RESOLVED to:**

- i) **note the reports provided and the work undertaken by MIAA to date; and**
- ii) **note the content of the internal audit charter**

## **9 TREASURY MANAGEMENT UPDATE REPORT**

- 9.1 The purpose of the report is to provide the Members with an update on the treasury management activity, and compliance with the treasury management prudential indicators for period 1 April 2023 to 30 June 2024.
- 9.2 ACFO MacArthur presented the report which confirmed the economic challenges including uncertainty around interest rates. It was noted that the Authority's borrowing is below the capital financing requirement due to the use of internal resources.
- 9.3 Members noted that surplus cash was held for working capital purposes only and was placed on deposit to allow immediate access. ACFO MacArthur confirmed that an account with the Debt Management Officer (UK Treasury) had been opened to allow deposits to be made which would further reduce the exposure of the Authority to UK banks.
- 9.4 **RESOLVED to:**
- i) **noted by members the treasury management activities and prudential indicators for the period 1 April 2023 to 30 June 2023**

## **10 PROCUREMENT UPDATE**

- 10.1 The purpose of this report is to provide Members with an update on the procurement arrangements within the North Wales Fire and Rescue Authority. ACFO McArthur explained that this was a new report being presented to the committee, since the appointment of the Procurement and Contracts Manager in February of this year.
- 10.2 ACFO MacArthur provided an update on the legislative and regulatory environment including developments around socially responsible procurement duties.
- 10.3 Members were advised on procurement activity in the period from April 2023 to August 2023 and the procurement approaches adopted.
- 10.4 Members noted the operating environment and commented on the need to have transparency on the Authority's approach to ensuring that local suppliers were enabled to participate with procurement arrangements
- 10.5 **RESOLVED to:**
- i) **note the report and associated activity; and**  
ii) **request that future reports provided further information on how the Authority was performing against the policy requirements.**

## **11 PROPOSAL FOR BUDGET SCRUTINY WORKING GROUP**

- 11.1 ACFO MacArthur presented this report and outlined to Members the proposals to form a Members' working group to provide budget scrutiny and assurance. The group will be derived from members of the Audit Committee and chaired by the chair of the Audit Committee.
- 11.2 Members would be supported by the Authority's Treasurer to enable the members to understand the financial arrangements in more detail and undertake scrutiny of key areas of expenditure.
- 11.3 It was proposed that the working group would hold 4 meetings which would run between October and November. Meetings would consist of Budget overview, Payroll, Non-pay and Capital Financing; and closure and agreement of next steps
- 11.4 Dafydd Edwards supported the recommendation and confirmed that this would assist the Authority when setting the budget. Gareth Owens provided guidance in relation to the constitution of the group and confirmed that a member from each local authority would be appropriate.

### **11.5 RESOLVED to:**

**i) approve the creation of a Members' Budget Scrutiny Working Group with the objective of providing budget scrutiny and assurance; and**

**ii) approve the appointment of one specific individual Member representing each constituent local authority, and one reserve Member from each constituent local authority.**

## **12 URGENT MATTERS**

- 12.1 As stated in agenda item point 3 Members asked for an update on the Emergency Cover Review Consultation.
- 12.2 Mark Young raised that this was not the first time that Members had not been kept abreast of changes and had found out from the press first.
- 12.3 Cllr Jones – raised that he did not have a problem with us extending the time frame, but it would have been good to have an explanation beforehand. Can we make sure that this does not happen again and that we have a clear explanation?
- 12.4 ACFO McArthur apologised and noted that although a communication had been drafted it was unfortunate that this had not been circulated sooner. The decision had been taken to allow constituent local authorities additional time to comply with their own internal governance arrangements prior to submitting their response.

Meeting closed 11.19 hrs