

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 March 2024 virtually via Zoom. Meeting commenced at 09.30hrs, following a training session on cyber security delivered from 09:00 to 09:30.

Councillor

Mark Young (Chair)
Gwynfor Owen (Deputy Chair)
(left 11:14)
Bryan Apsley (left 10:16)
Tina Claydon
Jeff Evans (from 09:58)
John Brynmor Hughes
Gareth R Jones
Marc Jones (from 09:11; left 10:19)
Beverley Parry-Jones (left 10:51)
Arwyn Herald Roberts

Representing

Denbighshire County Council
Gwynedd Council

Wrexham County Borough Council
Flintshire County Council
Anglesey County Council
Gwynedd Council
Conwy County Borough Council
Wrexham County Borough Council
Wrexham County Borough Council
Gwynedd Council

Also present:

Helen MacArthur	Assistant Chief Fire Officer
Dafydd Edwards	Treasurer
Helen Howard	Head of Finance and Procurement
Catherine Watts	Mersey Internal Audit Agency
Angharad Ellis	Mersey Internal Audit Agency
Paul Roberts	Arlingclose
Stephen Kitching	Arlingclose
George Jones	Atebol - Translator
Lisa Allington	Executive Assistant – Note Taker

1.0 APOLOGIES

Councillor

Sharon Doleman
Austin Roberts
Michelle Walker

Representing

Conwy County Borough Council
Conwy County Borough Council
Denbighshire County Council

ABSENT

Councillor

Cllr Marion Bateman
Adele Davies-Cooke

Representing

Flintshire County Council
Flintshire County Council

Following the Cyber Security training session, it was asked how Members would be reported back to with regards to Cyber Security and ACFO MacArthur responded that North Wales Fire and Rescue Service (the Service) had a Cyber Security Lead in place and that she herself was the appointed Senior Information Risk Owner (SIRO). A process was in place within the Service in order to monitor and manage cyber threats and every employee was encouraged to take responsibility for their own cyber security, and provided with the methods to enable them to do so.

It was agreed that a report on cyber risks within the Service would be provided to a future Audit Committee meeting, as a Part II item due to the sensitive nature of its content.

2.0 DECLARATIONS OF INTEREST

2.1 There were no declarations of interest to record.

3.0 NOTICE OF URGENT MATTERS

3.1 CFO Docx reported on events which had taken place over the last month in relation to the cultural aspects associated with the sector.

The CFO noted that on 26 February, the Deputy Minister for Social Partnership, Hannah Blythyn, had announced an intervention with South Wales Fire and Rescue Service (SWFRS) in that the Fire Authority had been removed and Commissioners would be put in place by the Welsh Government with terms of reference to improve its culture. It was also necessary to appoint an interim Chief Fire Officer.

Immediately following that announcement, the Chief Fire and Rescue Advisor for Wales, Dan Stephens, had contacted both North Wales Fire and Rescue Service and Mid and West Wales Fire and Rescue Service (MAWWFRS) in order to ascertain whether there were any senior officers who may be interested in assuming the role of Interim Chief Fire Officer at SWFRS, working under the commissioners. ACFO Stuart Millington had expressed an interest in this role and was subsequently appointed. Within NWFRS, Justin Evans has been appointed to the vacant role of Assistant Chief Fire Officer (ACFO) for the duration of the secondment of Stuart Millington.

In March, proposals for independent oversight of the progress of NWFRS and MAWWFRS in the cultural reforms had been jointly developed by the Service and MAWWFRS and provided to the Deputy Minister. This proposal included assessment of the position and progress against the findings of other reviews within the sector including South Wales Fire and Rescue Service, and to ensure that priorities were identified for further action. It is currently proposed that the same reviewer would be used at both NWFRS and MAWWFRS.

The Deputy Minister had subsequently delivered a statement advising that this would take place; however, funding would need to be provided by the services involved and may cost up to £0.5m.

Alongside this, ITV Wales had been running a story regarding alleged complaints within the Service. The CFO confirmed her concern for any member of staff who is experiencing poor behaviours and has reached out to and encouraged colleagues to report any poor behaviours being experienced.

On 11 March, the Chair and the CFO provided evidence to the Equality and Social Partnership Forum at the Senedd in Cardiff.

The Chair of the Audit Committee thanked the CFO for her update. He noted that communication with Members needed to be maintained to ensure that they were kept aware of all issues. The CFO confirmed that the Service was trying to get information out as expediently as possible. She also advised that an internal board was being compiled to look at more of the detail of the review, and that regular reports would be provided to the North Wales Fire and Rescue Authority (the Authority) to advise of progress.

A Member queried the sum of money required to have the Independent review and it was responded that an accurate figure could not be provided until the full scope and the independent evaluator was known. However, if the review was not KC led it was likely to cost less than the estimate. The CFO also noted that it would be necessary to provide support for existing staff and this would also need to be factored into the costings.

The role of Members was discussed and it was confirmed that their input was critical especially through the role of the EDI Member Champion. The EDI Champion would be involved with the internal board, as would members of the Standards Committee.

4.0 MINUTES OF THE MEETING HELD ON 18 DECEMBER 2023

4.1 The minutes of the meeting held on 18 December 2023 were submitted for approval.

4.2 RESOLVED to:

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

5.0 MATTERS ARISING

- 5.1 The Treasurer noted that in relation to paragraph 6.4 which referred to risks to the budget, he had been advised that the UK Government would be providing funding to the Welsh Government to support with the increased pensions costs, although the amount of funding to be received was as yet unknown.
- 5.2 Further in relation to 6.6 which asked for a common statement of explanation to be provided to Members by Officers for them each to present to their constituent councils in order to explain the how the levy had been reached, an explanatory statement had been issued and it was hoped that this had been of use for Members in setting a budget.

6.0 FINANCIAL RESERVES STRATEGY

- 6.1 ACFO MacArthur presented the Financial Reserves Strategy paper which aimed to provide Members with an updated version of the Financial Reserves Strategy (the Strategy).
- 6.2 A Member asked if the risk in relation to pensions was being covered by reserves and ACFO MacArthur responded that the financial impact would be in the region of £300,000. It remained an open risk; however, it was anticipated that this would be covered by the Welsh Government. If it were not, permission to use reserves would be sought.

6.3 RESOLVED to:

- i) Approve the Financial Reserves Strategy, as a basis for managing the Authority's usable reserves.**

7.0 TREASURY, MANAGEMENT AND CAPITAL OVERVIEW PRESENTATION BY ARLINGCLOSE

- 7.1 Paul Roberts and Stephen Kitching were introduced to Members and their role with the Service was explained. A presentation on the treasury, management and capital overview was delivered.

7.2 RESOLVED to:

- i) note the content of the presentation**

8.0 TREASURY MANAGEMENT REPORT Q3 2023/24

- 8.1 Dafydd Edwards presented the Treasury Management report for quarter 3 of 2023-24, the purpose of which was to provide Members with an update on the treasury management activity and compliance with the treasury management prudential indicators for the period 1 April 2023 – 30 December 2023.

8.2 RESOLVED to:

- i) note the treasury management activities and prudential indicators for the period 1 April – 31 December 2023.**

9.0 TREASURY MANAGEMENT PRACTICES (TMPS)

9.1 Dafydd Edwards, Authority Treasurer, presented the Treasury Management Practices report which advised Members that the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management requires the Authority to approve relevant practices, principles and schedules annually. These were required to ensure that the Authority's Treasury Management policy was set and adhered to, and to establish working practices and controls in order to implement the approved strategy.

9.2 RESOLVED to:

- i) recommend that the Authority approve the Treasury Management Practices, Principles and Schedules for 2024/25 as set out in this report and Appendix. This will ensure compliance with CIPFA's Code of Practice for Treasury Management.**

10.0 TREASURY MANAGEMENT STRATEGY (TMS) 2024/25

10.1 Dafydd Edwards, Treasurer, presented the Treasury Management Strategy (TMS) 2024/25 which presented to Members the proposed Treasury Management Strategy for the period April 2024 – March 2025, and provided them with details and explanations of the proposed Strategy, in order to facilitate Members' support for approval by the Authority on 15 April, and equip Audit Committee Members with a solid foundation for their quarterly monitoring and scrutiny of actual Treasury Management activity during 2024-25.

10.2 RESOLVED to:

- i) endorse the Treasury Management Strategy for 2024/25; and**
- ii) recommend approval by the Authority.**

11.0 CAPITAL STRATEGY 2024/34

11.1 ACFO MacArthur presented the Capital Strategy 2024/34 which aimed to present to Members the proposed Capital Strategy for the period April 2024 – March 2034, and provide details and explanations of the proposed Strategy, in order to facilitate Members' support for approval by the Authority on 15 April.

11.2 RESOLVED to:

- i) endorse the Capital Strategy for 2024- 2034; and**
- ii) recommend approval by the Fire and Rescue Authority.**

12.0 INTERNAL AUDIT PLAN 2023/24 UPDATE REPORT, INCL. KEY FINANCIAL PROCESSING CONTROLS 2023/24; NATIONAL FRAUD INITIATIVE 2022/23; AND RISK MANAGEMENT CORE CONTROLS 2023/24

12.1 Angharad Ellis presented the Internal Audit Plan 2023/24 Update Report and Members were advised that the purpose of this report was to provide an update of the work undertaken by the Authority's internal audit providers, MIAA, for the for the period 1 December 2023 to 29 February 2024.

12.2 A summary of each of the individual reports provided was given.

12.3 The Head of Finance and Procurement and her team were thanked, along with colleagues from MIAA, for the work that had been dedicated to the audit.

12.4 RESOLVED to:

- i) Note the work undertaken by MIAA during 2023/24; and**
- ii) Note the work finalised between 1 December 2023 to 29 February 2024, including the agreed recommendations for further improvement.**

13.0 INTERNAL AUDIT PLAN 2024/25

13.1 Angharad Ellis outlined the proposed internal audit plan for the 2024/25 financial year.

13.2 A Member asked, if work on the business case for the New Training Centre were required, would it be included in the Audit Plan. Angharad Ellis confirmed that whilst it was not currently included in the Audit Plan, it could be added at a later date.

13.3 Dafydd Edwards highlighted that the allocation of the days between the proposed audits would be agreed prior to the commencement of the audit plan.

13.4 RESOLVED to:

- i) Approve the proposed audit work programme for 2024/25 and endorse the three-year strategic plan.**

14.0 AUDIT WALES ANNUAL AUDIT SUMMARY

14.1 Carwyn Rees from Audit Wales provided Members with the Annual Audit Summary 2023 produced by Audit Wales.

14.2 RESOLVED to:

i) **note the annual audit summary.**

15.0 URGENT MATTERS

15.1 There were no urgent matters to discuss.

ACFO MacArthur queried whether Members would prefer for these meetings to be held in a hybrid manner, and Members confirmed that they would like this opportunity. It was agreed that the next meeting on 17 June would be held in a hybrid manner.

Meeting closed 11.19 hrs