

NORTH WALES FIRE AND RESCUE AUTHORITY AUDIT COMMITTEE

Minutes of the Audit Committee Meeting of the North Wales Fire and Rescue Authority held on 18 October 2021 via Zoom. Meeting commenced at 9.30am.

PRESENT

Councillors:

W O Thomas (Chair)	Flintshire County Council
B Apsley	Wrexham County Borough Council
B Blakeley	Denbighshire County Council
A I Dunbar	Flintshire County Council
S Lloyd-Williams	Conwy County Borough Council
G Lowe	Wrexham County Borough Council
W P Shotton	Flintshire County Council
D Wisinger	Flintshire County Council

ALSO PRESENT:

H MacArthur (Assistant Chief Fire Officer); S Morris (Assistant Chief Officer); M Georgiou (Deputy Monitoring Officer); G Williams (Accountancy and Exchequer Services, Conwy County Borough Council); K V Williams (Audit Department, Conwy County Borough Council); M Edwards (Audit Wales); Jodie Williams (Audit Wales); H Howard (Head of Finance); A Davies (Member Liaison Officer).

1 APOLOGIES:

B Parry-Jones	Wrexham County Borough Council
G A Roberts	Gwynedd Council
K Finch	Treasurer

2 DECLARATIONS OF INTEREST

2.1 None.

3 MINUTES OF THE MEETING HELD ON 26 JULY 2021

3.1 The minutes of the meeting held on 26 July 2021 were submitted for approval.

3.2 **RESOLVED to approve the minutes of the last meeting as a correct record.**

4 MATTERS ARISING

4.1 There were no matters arising.

5 AUDITED STATEMENT OF ACCOUNTS AND ANNUAL GOVERNANCE STATEMENT 2020/21

5.1 ACFO MacArthur presented the audited Statement of Accounts for 2020/21 including the Annual Governance Statement to Members. The report also presented the findings of the Auditor General for Wales which confirmed an unqualified audit opinion.

5.2 It was noted that the Audit Committee's task was to ensure effective scrutiny of finance reports and, based on its findings, make recommendations to the Executive Panel.

5.3 The draft accounts were submitted for audit on 28 May 2021. These confirmed net expenditure of £38.55m, with a contribution to the General Fund of £0.063m. The final audited position remains unchanged. The Authority's Annual Governance Statement demonstrated compliance with the CIPFA/Solace Delivering Good Governance in Local Government Framework (2016). The report issued by Audit Wales on behalf of the Auditor General for Wales confirmed an unqualified audit opinion.

5.4 In terms of the timescales, it was noted that the Accounts and Audit (Wales) (Amendment) Regulations 2010 required that the audited accounts and annual governance statement normally be approved by Members by 31 July. However, due to the pandemic, these timescales have been extended to 30 November 2021.

5.5 M Edwards from Audit Wales detailed the work undertaken by auditors on the statement of accounts. The report highlighted that a number of misstatements had been identified which had then been corrected by management. Two misstatements identified by auditors remained uncorrected and the auditor confirmed that these were not material but needed to be drawn to Members' attention due to their relevance to Members' responsibilities over the financial reporting process. Members noted the summary of corrections that had been made and recognised the importance of learning from these for future reports.

5.6 Cllr Lloyd-Williams wished to place on record the Committee's appreciation for the officers' work in preparing such detailed accounts and recognised the efforts involved in co-operating with Audit Wales despite Covid pressures and restrictions.

5.7 **RESOLVED to**

- (i) note the audited outturn position and performance as detailed within the 2020/21 Statement of Accounts;**
- (ii) note the governance arrangements and action plan as outlined within the 2020/21 Annual Governance Statement;**
- (iii) note the report of the Auditor General for Wales which confirms an unqualified audit opinion;**
- (iv) note the proposed letter of representation; and**
- (v) confirm the recommendation of approval of the final audited 2020/21 Statement of Accounts to the Executive Panel at its meeting on 18 October 2021.**

6 TREASURY MANAGEMENT AND PRUDENTIAL INDICATORS

6.1 G Williams presented an update to Members on the Capital and Treasury Management Strategy for 2021/22 including revisions to the Prudential Indicators.

6.2 The Capital and Treasury Management Strategy for 2021/22 was approved by the Authority on 15 March 2021. It was noted that the Prudential Indicators estimated for 2021/22 had been revised to reflect the current capital expenditure forecast for the 2021/22 financial year.

6.3 **RESOLVED to note the current borrowing and investment positions and approve the revised Prudential Indicators as set out in the report.**

7 BUDGET SETTING 2022/2023

7.1 ACFO MacArthur presented the report which provided information about the budget process, planning assumptions and timescales for setting the Fire and Rescue Authority's revenue budget for 2022/23.

7.2 Members were reminded that the Authority is required to set the revenue budget for 2022/23 at its meeting on 20 December 2021. The preliminary work required to establish the base budget has commenced which includes a review of current expenditure levels, key planning assumptions and risks.

7.3 Members were complimentary about the report. One Member commented that it was important to look at the risks and uncertainties in a proactive way and that the Authority needed to move forward safely and robustly.

- 7.4 ACFO MacArthur informed Members that she had met with Directors of Finance for all local authorities in North Wales and explained the Authority's process including the need to revise the budget to address the challenges being faced. Members were reminded of the challenges outlined by the Chief Fire Officer at the Fire Authority meeting in September 2021. These will be progressed at the members' workshop to be held on 2 November and included in the budget presented to members in December 2021.
- 7.5 Members felt that the Authority and Service should be promoting the excellent work being undertaken far more in order for the public to realise the amount of work the Service does on its own and within various partnerships.
- 7.6 **RESOLVED to**
- (i) note the planning assumptions being used to set the revenue budget for 2022/23; and**
 - (ii) note the proposal to seek approval for the 2022/23 revenue budget by the Authority at its meeting of 20 December 2021.**