

**MINUTES OF AUDIT AND STANDARDS COMMITTEE
INFORMAL MEETING HELD ON 2 MARCH 2023**

Present: Councillors C Atkins (Chair) and I Shingler
ACO G Chambers and Mr S Frank, Ms L Fair and Ms N Upton
Ms D Hanson, Ernst & Young
Ms S Rowlett, RSM

Please note: any decisions made by the Committee at this meeting need to be ratified by the Fire and Rescue Authority to take effect, as the meeting was held informally.

22-23/ASC/41 Apologies

An apology for absence was received from Councillor J Burnett.

22-23/ASC/42 Declarations of Disclosable Pecuniary and Other Interests

There were no declarations of interest.

22-23/ASC/43 Communications

There were no communications.

22-23/ASC/44 Minutes

RESOLVED:

That the Minutes of the meeting held on 12 January 2023 be confirmed as a true record.

22-23/ASC/45 Public Participation

45.1 There were no members of the public present.

22-23/ASC/46 External Audit Plan 2023/24

- 46.1 Members received a report on the External Audit Plan for 2023/24 setting out the proposed scope of the audit of the 2021/22 accounts.
- 46.2 Ms D Hanson, Audit Partner, EY, referred members to the following areas of risk that had been identified as detailed within the report: valuation of land and buildings, management override and pension liability. The valuation of land and buildings was particularly complex, with some assets still subject to evaluation. The other two areas of risk were standard, with the pension liability identified as an inherent risk due to the balances involved. Going concern disclosures was also an area of focus.
- 46.3 Materiality had been set at 2% of gross expenditure, or £871,000, with the performance materiality set at 75%, or £654,000. No significant value for money risks had been identified.
- 46.4 In response to a question from the Assistant Chief Officer and Treasurer on the timing of the 2021/22 audit, which would now take place during the preparation for the 2022/23 audit and the corresponding impact on workload and response times from Finance Officers to queries from the audit team, Ms Hanson agreed that the timing was not ideal and that EY would seek to manage the impact on the Service and provide additional flexibility to allow staff the ability to complete their work on the more recent accounts. She also confirmed that it was now being proposed to conduct the 2022/23 audit between 19 August and 9 October 2023, recognising that many staff many be on leave during the summer holiday period.
- 46.4 The Assistant Chief Officer and Treasurer highlighted the section in the report on “developing the right audit culture” and suggested that this may be pertinent to the following agenda item, which was the review of the effectiveness of the external auditors. He also advised that the additional audit fee set out in the report, £15,675, was the additional fee as amended following its referral to the Public Sector Audit Appointments Ltd. (PSAA) (£15,000 less than originally proposed by EY) as a result of the Committee’s challenge of previous years’ fees.
- 46.5 Ms Hanson reported that any additional fees, regardless of whether they were contested or not, had to be referred to the PSAA as part of the contractual arrangements with PSAA responsible for the management of the process.

RESOLVED:

That the report be acknowledged.

22-23/ASC/47 Ernst & Young Quality Assurance Processes

- 47.1 The Assistant Chief Officer and Treasurer introduced the report on the external audit quality assurance process, reminding Members that the same process had been undertaken in relation to the internal auditors at the Committee's previous meeting. A link was included in the report to the most recent version of EY's Transparency Report, which was published in 2022. The main areas covered were strategic performance, structure, governance and performance.
- 47.2 Ms D Hanson advised that the Transparency Report was published annually in June/July. Many of the issues addressed in the report related to high profile issues in the corporate world. She highlighted the importance of the culture and mindset of an organisation and that this led to the need for EY to be challenging of management and to always seek evidence to back up statements made.
- 47.3 The Assistant Chief Officer referred to a typo in paragraph 3.2 of the report that referred to Mr N Harris, the previous Audit Partner for the Authority. This would be amended to refer to Ms D Hanson, who was currently undertaking this role.

RESOLVED:

That the report be considered and the effectiveness of the quality assurance processes of the Fire and Rescue Authority's external auditors Ernst and Young be confirmed.

22-23/ASC/48 Internal Audit Progress Report

- 48.1 Mrs S Rowlett of RSM provided the Committee with an update of progress made against the internal audit plan for 2022/23.
- 48.2 No audit reports had been finalised since the last meeting of the Committee. Three were currently in progress relating to Data Quality- Information Management and Governance Arrangements including GDPR, Implementation of Actions from HMICFRS and Key Financial Controls. The final reports of these audits would be presented to the next meeting of the Committee.

RESOLVED:

That the submitted report be received.

22-23/ASC/49 Internal Audit Strategy 2023/24 to 2025/26

- 49.1 Mrs S Rowlett of RSM submitted a report on the Internal Audit Strategy from 2023/24 to 2025/26. The areas of focus had been agreed with the Service's Corporate Management Team and included contaminants and staff health and safety, strategic approach to partnerships and collaboration, governance of the Project Management Office and stock control in stores and technical bay, in addition to cyclical audits such as follow up and Key Financial Controls. The Audit Plan for 2023/24 was appended to the report at Appendix B, with the Internal Audit Charter at Appendix C.
- 49.2 It was noted that the audit on contaminants and staff health and safety was taking place across Bedfordshire, Cambridgeshire and Essex, to identify and share areas of best practice.
- 49.3 The Assistant Chief Officer and Treasurer highlighted the links to the audit plan with recent discussions held with Members on contaminants and health and safety at recent Member Development Days, with a sum of £200,000 being approved at the most recent Authority meeting for work in this area, which would include the preventing used PPE from being relocated to stations or homes prior to its being decontaminated.
- 49.4 Mr G Britten, the Monitoring Officer, directed Members' attention to a typo on page 75 of the pack, which referred to Bedfordshire and Luton Fire and Rescue Authority. It was noted that this would be changed to Bedfordshire Fire and Rescue Authority.

RESOLVED:

1. That the submitted report be received.
2. That the full Authority be recommended to approve the Internal Audit Plan for 2023/24.

22-23/ASC/50 Internal Audit Actions Update

- 50.1 Ms L Fair, Business Support Manager, presented the Committee with a summary of actions arising from internal audit reports over the last three fiscal years, progress to date on current action plans, proposals to extend the original timing for completion and those that had been completed since the last meeting.
- 50.2 There were five actions set out in Appendix B that had not yet been completed. The first action related to a risk management workshop that had to be postponed due to the weather. This was now taking place on 6 March 2023 and would be completed at that time. The second, on HR – support staff recruitment, was awaiting the creation of an Authorisation to Recruit E-form and was nearing completion. The other three actions were currently in progress and no extension requests were being sought at this meeting.

RESOLVED:

That the progress made to date against action plans be acknowledged.

22-23/ASC/51 National Fire Standards

- 51.1 Mr S Frank, the Head of Strategic Support and Assurance, presented a report on the National Fire Standards, including a gap analysis on the integration of Fire Standards into Business as Usual (BAU). A detailed presentation had been provided at the Member Development Day held on 23 February 2023. This had also been part of discussions with the HMICFRS inspection team, with the Head of Strategic Support and Assurance expressing the view that this had been a very positive discussion.
- 51.2 The first regional meeting had taken place on 23 February 2023, chaired by Station Commander Chris Molloy. The aim of these meetings was to share good practice, reduce duplication and explore possible collaboration opportunities.
- 51.3 To date, 14 standards had been published with 2 additional ones currently being proposed. All of the standards were first considered by the Head of Strategic Support and Assurance and then referred to Subject Matter Experts as appropriate. Value for money considerations were also being taken into account as part of the process.
- 51.4 The Service was close to achieving full compliance in relation to the Code of Ethics.
- 51.5 How the Service would go about adopting all fire standards had been integrated into all functional strategies for 2023-27 in line with the Service's Community Risk Management Plan (CRMP), and the Head of Strategic Support and Assurance expressed the view that all standards would be incorporated into Business as Usual by the end of the 2023-2027 CRMP period.
- 51.6 Through the adoption of a regional approach, it had been recognised that Bedfordshire and Hertfordshire were currently the most advanced Services in the region regarding the implementation of the fire standards.
- 51.7 The Head of Strategic Support and Assurance suggested that the Committee receive quarterly reports on the implementation of the fire standards and/or exception reports, similar to the reporting against the Service's Corporate Risk Register. The gap analysis would enable any areas of strength and weakness to be reported to the Committee and for Members to monitor progress.

RESOLVED:

That the project continues to be supported and the regional approach be approved.

22-23/ASC/52 Work Programme

- 52.1 The Committee considered the proposed work programme for 2023/24, noting that this was the final meeting of the current Municipal Year and the next meeting of the Committee would be held in July 2023, following both the elections and the Authority's Annual General Meeting.
- 52.2 The Assistant Chief Officer and Treasurer reported that the External Audit Results report on the 2022/23 audit would be deferred from the Committee's next meeting as the Committee had today been advised that this audit would be undertaken in September 2023. It was therefore likely that this would be submitted to the meeting of the Committee in January 2024.
- 52.3 As discussed earlier in the meeting, a quarterly report on the National Fire Standards would be submitted to the Committee.

RESOLVED:

1. That the Committee's updated Work Programme be received.
2. That a quarterly update on the National Fire Standards be added to the Committee's work programme from 2023/24.

The meeting ended at 10.46 am