

**MINUTES OF THE AUDIT AND STANDARDS COMMITTEE INFORMAL MEETING HELD ON 29 SEPTEMBER 2022
AT 10.00am**

Present: Councillors C Atkins (Chair), J Burnett, D Franks, J Gambold and I Shingler
Mr J Atkinson, Mr G Britten, ACO G Chambers, Ms S Fecondi and Mr S Frank
Mrs D Hanson, Ernst & Young
Mrs 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/AS/017 Apologies

17.1 There were no apologies.

17.2 The Chair welcomed Mr G Britten to the meeting. Mr Britten had recently been appointed as the Authority's new Monitoring Officer to replace Mr Atkinson, who had held this role for seven years, upon Mr Atkinson's forthcoming retirement.

22-23/AS/018 Declarations of Interest

18.1 There were no declarations of interest.

22-23/AS/019 Communications

- 19.1 The Assistant Chief Officer and Treasurer reported that a letter had been received from Ernst & Young. This would be discussed under the External Audit Update.

22-23/AS/020 Minutes

RESOLVED:

That the Minutes of the meeting held on 14 July 2022 be confirmed as a true record.

22-23/AS/021 Public Participation

- 21.1 There were no members of the public present.

22-23/AS/022 External Audit Update

- 22.1 Mrs D Hanson of Ernst & Young (EY) introduced herself as the new Audit Manager for the Authority following the departure of Mr N Harris. She would be supported by Mr O Randall, who was replacing Ms J Kriek. A number of handover meetings had taken place, both internally at EY and with the Assistant Chief Officer and Treasurer, to ensure a smooth transition for the new external audit team.
- 22.2 Mrs Hanson explained that, due to ongoing resourcing issues, the timetable for completion of the audit of the Authority's Statement of Accounts had been delayed and it was anticipated that this would now commence in March 2023, rather than December 2022 as previously reported. Recognising the impact on the Authority, EY would be working closely with the Finance Team to minimise any further delay and had resourced the team with staff members with appropriate levels of experience.

- 22.3 In response to a question on the impact of resources on the completion of audits for future years, Mrs Hanson advised that all 2021/22 and 2022/23 audits to be undertaken under the PSAA arrangements were currently in the process of being timetabled, as the PSAA contract ended on 31 March 2023. The 2022/23 audit had originally been planned for completion by December 2023 and had now been delayed to conclude by March 2024. As the Authority was one of EY's smaller and less complex audits, it was unlikely that the audit would be in the final tranche, and EY would endeavour to ensure the Authority was notified of any potential delays to the completion of the audit of the 2022/23 Statement of Accounts.
- 22.4 In response to a question from the Chair, the Assistant Chief Officer and Treasurer detailed the impact of the delay in the completion of the audit on the workload of the Finance Team, confirming that he was working closely with EY to avoid busier periods, such as January/February when the budget was being produced.

RESOLVED:

That the external audit updated be received.

22-23/AS/023 Internal Audit Progress Report 2021/22 and 2022/23

- 23.1 Mrs S Rowlett of RSM submitted a report on progress made against the internal audit plan for 2021/22 and 2022/23. The 2021/22 internal audit programme had now been concluded with the follow up audit being finalised. Of the 27 management actions identified throughout the year, evidence had only been provided in relation to 11 of these, with 5 having been completed and 6 still in progress. RSM had met with management to discuss the lack of evidence provided to the internal audit team and to agree a new process going forward.
- 23.2 The Assistant Chief Officer and Treasurer confirmed that further evidence had been provided and that the completion of the majority of actions should be reported to the next meeting of the Committee.
- 23.3 The 2022/23 audit programme had commenced with one audit completed, one in progress and the remainder scheduled throughout the year.

RESOLVED:

That the report be received.

22-23/AS/024 Internal Audit Actions Update

- 24.1 Mr S Frank, the Head of Strategic Support and Assurance, introduced the report which provided a summary statistical analysis of actions arising from internal audit reports over the last three financial years to date and from the Fire and Rescue Authority's current Annual Governance Statement; together with any exception report on those actions currently in progress, progress to date on current action plans and proposals to extend the original timing for completion.
- 24.2 Extension requests were being sought in relation to the following two areas:
- Human Resources – Grey Book Recruitment: the policy was in the process of being updated and should be completed by the end of Quarter 3, therefore an extension was being requested to December 2022.
 - Asset Management – Asset Tracking: the asset tracking for equipment was proceeding well; however a three month delay was experienced due to a shortage of personnel and an extension was being requested accordingly.
- 24.3 The Assistant Chief Officer and Treasurer updated the Committee on the action relating to asset management. He had spoken with the relevant Area Commander and had ascertained that the action had been completed. Work remained ongoing to log additional assets located in the Training Centre and Stores, but the original action to log 18,000 assets had been completed and therefore an extension was no longer required.
- 24.4 The Assistant Chief Officer and Treasurer advised that the Human Resources - Grey Book recruitment action to update the On-Call Recruitment Policy had not yet been completed as the Human Resources Team had been running various recruitment campaigns and had to prioritise the work associated with this process. There was also an issue related to the current employment market, with individuals agreeing offers of employment, then deciding to take other offers that subsequently had been made available to them.
- 24.5 The view was expressed that, given the current economic climate and the recent Government announcements in the mini-budget, recruitment and retention of suitable candidates would only become more difficult.

- 24.6 Ms S Fecondi, Head of Human Resources highlighted the substantial assurance audit opinion that had been awarded to this area of Human Resources by the internal auditors and expressed the view that the outstanding work required on the On Call Recruitment Policy would be completed by the end of the third Quarter, December 2022, in line with the extension request.

RESOLVED:

1. That progress made to date against action plans be acknowledged.
2. That the extension request for Human Resources – Grey Book Recruitment to the end of December 2022 be approved.

22-23/AS/025 Abatement Policy

- 25.1 Ms S Fecondi, Head of Human Resources, presented a report on the Abatement and Re-engagement Policy that had been updated in accordance with the recently issued Local Government Association guidance. The changes made were to Paragraphs 3-5 in Section 4.2 (Abatement Rules),
- 25.2 Under the abatement policy, if a member of staff retired and was then subsequently re-engaged, the level of pay, when combined with the amount of pension payment being received, could not exceed the level of salary received prior to retirement. The Service had discretion not to abate; however, it would then be liable for the additional pension costs.
- 25.3 The Committee was advised that this did not apply to the 2015 Firefighter Pension Scheme.
- 25.4 As the guidance did not include a definition of “material change”, it was being proposed within the Policy that calculations be taken at the point of re-engagement and henceforth on an annual basis, or upon a material change or a request from the affected employee. This should identify any changes resulting from pay awards, pension changes or additional allowances.
- 25.5 In response to a question referring to previous discussions of abatement and whether the updated Policy was in accordance with regulations, the Head of Human Resources confirmed that this was the case and that this had been verified by the Service’s independent pension administrators, Local Pensions Partnership Administration (LPPA).
- 25.6 The Chair requested that Paragraph 61 of the LGA guidance, which stated that *“informal guidance issued by CLG in 2009 references the “level of earnings directly prior to...retirement” and goes on to say: “The substantive pay at the last day of*

service comprised of all permanent elements of pensionable pay, expressed as an annual rate, should be the level of earnings used for the comparison”, be included in the Policy so that it was clear which pay figure was to be used for the initial abatement calculation.

RESOLVED:

That the proposed amendments to the Abatement and Re-engagement Policy be approved, subject to the inclusion of Paragraph 61 of the Local Government Association guidance, as this clarified which pay figure should be used in the initial abatement calculation.

22-23/AS/026 Review of Work Programme 2022/23

- 26.1 The Committee considered the proposed work programme for 2022/23.
- 26.2 The Assistant Chief Officer and Treasurer advised that, as a result of the delays to the audit of the Statement of Accounts as discussed earlier in the meeting, the Audit Results report would need to be deferred from the Committee’s meeting on 12 January 2023 to sometime after the audit had been concluded in March 2023.
- 26.3 The Committee was advised that the Internal Audit Actions Update report would include information on the 16 management actions that had not been evidenced through RSM’s follow-up audit.

RESOLVED:

That the Committee’s Work Programme for 2022/23 be received.

22-23/AS/027 Local Government Act 1972, Schedule 12A, Paragraph 3 of Part 1: Exclusion of the Public

RESOLVED:

That, pursuant to Sections 100A(2) and 100A(4) of the Local Government Act 1972, the public be excluded from the discussion of the following item on the grounds that the matters to be discussed involve the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Act (as amended):

Item

Corporate Risk Register

The meeting finished at 10.51am