

**MINUTES OF AUDIT AND STANDARDS COMMITTEE MEETING HELD ON 10 JULY 2019**

Present: Councillors J Chatterley, J Gambold, K Malik and Y Waheed  
Mr J Atkinson, ACO G Chambers, GC I McLaren and Mr J Harrison  
Mr N Harris, Ernst & Young  
Mrs S Rowlett and Mr S Parmar, RSM

19-20/ASC/1 Apologies

1.1 An apology for absence was received from Councillors Duckett and Headley.

19-20/ASC/2 Election of Vice Chair

**RESOLVED:**

That Councillor Duckett be elected Vice Chair of the Committee for 2019/20.

19-20/ASC/3 Election of Chair for the Meeting

3.1 In the absence of the Chair and Vice-Chair, Councillor Malik was elected to preside as Chair over the meeting.

#### 19-20/ASC/4 Declarations of Disclosable Pecuniary and Other Interests

4.1 There were no declarations of interest.

#### 19-20/ASC/5 Communications

- 5.1 The Committee received the two most recent Emergency Services Sector briefings from RSM.
- 5.2 The first one, dated March 2019, suggested that audit committees seek assurances from their authorities that the actions identified as a result of the HMICFRS inspection were being progressed.
- 5.3 The Assistant Chief Officer advised that the full Authority had been presented with the findings of the inspection and that an action plan had been developed to address the areas identified as needing improvement. Actions were also incorporated as part of the Service's Community Risk Management Plan (CRMP). A further report highlighting progress against the action plan would be submitted to a future meeting of the Authority.
- 5.4 The second briefing, dated June 2019, identified two areas for consideration by the Committee. The first was in relation to wellbeing and mental health support in the emergency services sector.
- 5.5 The Assistant Chief Officer reported that the Service had been proactive in offering support to its employees. A management briefing had recently been held for senior managers on how support could be offered to employees affected by mental health issues. A half day training course had also been provided to middle managers.
- 5.6 The Service had adopted a blue light pledge supported by Mind. Support was also available through the Firefighter's Charity and the Service's own Employee Assistance Programme. The relevant contact numbers were readily available to all staff. A policy to encourage employees to talk about their issues with their line managers had also been introduced.
- 5.7 A stress survey was currently being undertaken and a joint event with the Service's collaboration partners was being planned with the next workshop focused on mental health and wellbeing, with opportunities for both the Police and Fire and Rescue Services to outline the support available.
- 5.8 The briefing also suggested that the Committee seek assurances that the Service performed well against national benchmarks and that action plans were in place for areas of improvement.
- 5.9 The Committee was advised that the annual performance report would be submitted to the next meeting of the Authority; however, the performance against national benchmarks for the fourth quarter was not yet available and would be reported to the Authority in October 2019.

5.10 The Assistant Chief Officer assured Members that action plans would be implemented as required.

**RESOLVED:**

That the communications be received.

19-20/ASC/6 Minutes

**RESOLVED:**

That the Minutes of the meeting held on 12 April 2019 be confirmed and signed as a true record.

19-20/ASC/7 Public Participation

7.1 There were no members of the public present.

19-20/ASC/8 Review of Terms of Reference

8.1 Members were requested to review the Terms of Reference for the Audit and Standards Committee.

8.2 Mr J Atkinson, the Secretary and Monitoring Officer, advised that the terms of reference had been amended in 2018 and that no further changes were required at this time.

**RESOLVED:**

That the Terms of Reference be received.

19-20/ASC/9 Internal Audit Annual Report (RSM)

9.1 Mrs S Rowlett, RSM, introduced the annual report on progress made against the internal audit plan for 2018/19. The overall audit opinion for the year was one of reasonable assurance. The audit of stock controls had been awarded partial assurance.

9.2 In relation to the follow up audit, the Assistant Chief Officer advised that one of the actions arising from the procurement audit had not been completed by the identified completion date as there had been staffing changes. The action had now been completed.

9.3 In response to a question about the stock control audit, Mrs S Rowlett reported that RSM had been requested to undertake the audit as management had identified that there were issues. The audit identified that in a large number of cases, stock levels were not being accurately reported.

- 9.4 The Assistant Chief Officer advised that the Service was in the process of procuring a new asset management/stock control system and that this should resolve the issues identified, as well as other improvements that had been made in the interim period.
- 9.5 Group Commander McLaren assured the Committee that the inventory on all fire appliances was checked every day.
- 9.6 The Committee was advised that both the internal and external auditors undertook checks on the asset register.

**RESOLVED:**

That the report be received.

19-20/ASC/10 Internal Audit Progress Report (RSM)

- 10.1 Mrs S Rowlett of RSM introduced a report on the progress made against the internal audit plan for 2019/20. Three audits had been completed since the last meeting of the Committee: governance, stock control and follow up. Two audits were currently in progress for 2019/20.
- 10.2 The Committee noted that an audit of the Community Risk Management Plan had been added to the audit programme for 2019/20. This had arisen from the tri-service agreement with Cambridgeshire and Essex Fire and Rescue Services.

**RESOLVED:**

That the internal audit progress report for 2019/20 be received.

19-20/ASC/11 External Audit Fees 2019/20 and Working with You Document

- 11.1 Mr N Harris, Ernst & Young, submitted the proposed annual audit fees for 2019/20. The indicative fee for 2019/20 was £23,271, unchanged from the previous year.
- 11.2 Ernst & Young's "Working with You" document was also submitted to the Committee for information.
- 11.3 Mr N Harris indicated that the scale fee may need to be revisited following the closure of the accounts.

**RESOLVED:**

That the letter dated 29 April 2019 submitting the external Annual Audit Fees for 2019/20 be received.

## 19-20/ASC/12 Pre Audit 2018/19 Annual Governance Statement and Statement of Accounts

- 12.1 The Assistant Chief Officer submitted the 2018/19 Statement of Accounts, including the Annual Governance Statement, for initial approval by the Committee. Due to resourcing issues, the external auditors had not been able to complete the audit on the Statement of Accounts and the audited Statement would be submitted to the next meeting of the Committee.
- 12.2 The Assistant Chief Officer reported that the underspend had led to a year-end contribution to the reserves of £727,000, with an additional £340,000 received from the Authority's previous pension administrators.
- 12.3 In relation to reserves, the Authority held £2.6 million in general reserves, with earmarked reserves at £7.475 million. These would be discussed in detail at the Members' Budget Workshop in November 2019.
- 12.4 Mr J Harrison, the Chief Accountant, presented the Statement of Accounts and reiterated the position in relation to the underspend and the reserves. He also drew the Committee's attention to the assets held and pension liabilities. These were currently estimated at £360 million, although the liability may increase by £10-15 million as a result of the McCloud judgement. A number of sections in the Statement would have to be updated to reflect the current position.
- 12.5 Mr N Harris acknowledged the work that had been undertaken to prepare the Statement of Accounts by Officers in the Service. By doing this, the Service had met its statutory obligations. Ernst & Young had been forced to postpone the conclusion of audits of 19 authorities due to low levels of resource. Mr Harris had submitted a letter which was appended to the report, explaining the current position and the responsibility on the external auditors to provide a high quality service to its clients. A recruitment campaign had been undertaken and a number of senior auditors were joining the firm.
- 12.6 The audit of the Authority's accounts would be undertaken in August 2019, with the audited accounts being submitted to the next meeting of the Committee as advised by the Assistant Chief Officer.
- 12.7 Mr N Harris referred to the National Audit Office and Public Sector Audit Appointment's current review of the Audit Code of Practice and to the annual report on the outcome of audits.
- 12.8 Mrs S Rowlett commented on the internal audit section of the Annual Governance Statement and advised that the statement from the annual report would need to be updated as there had been an audit opinion of partial assurance on stock controls during 2018/19.
- 12.9 The Assistant Chief Officer reported that the draft accounts had been loaded onto the Service website on 23 May 2019 for a period of 6 weeks for members of the public to query. There had been no challenge to the accounts.

12.10 Mr N Harris confirmed that no objections had been received and expressed the view that this may have been due to the Authority's proactive action to investigate the pension issue.

**RESOLVED:**

1. That the pre external audit version of the 2018/19 Statement of Accounts and Annual Governance Statement be approved subject to audit.
2. That the delay to the external audit of accounts be noted.

19-20/ASC/13 Review of Code of Conduct and Annual Report on Standards

- 13.1 Mr J Atkinson, the Secretary and Monitoring Officer, introduced his report on developments relating to the standards function during 2018/19. No complaints had been received against Members of the Authority and no wider standards issues had come to light.
- 13.2 The Code of Conduct was reviewed on an annual basis and had been last updated in April 2018. No further updates were recommended at this time.
- 13.3 The Secretary and Monitoring Officer submitted the executive summary of the review by the Committee on Standards in Public Life on local government ethical standards for the Committee's information.

**RESOLVED:**

1. That the update on standards be received, and that it be noted that no complaints had been received against Members during 2018/19.
2. That no further changes be made to the Authority's Code of Conduct at this time as it was reviewed and approved by the Fire Authority on 26 April 2018.

19-20/ASC/14 Corporate Risk Register

- 14.1 Group Commander McLaren presented an update on the review of the Corporate Risk Register. There were currently 37 risks on the register, 15 of which were treated. Updates on 13 of these risks were provided in the report.
- 14.2 The Assistant Chief Officer advised that the Register was currently being reviewed and suggested that the Committee receive the updated full Register at its next meeting.

**RESOLVED:**

1. That the continuing development of the Service's Corporate Risk Register be acknowledged.
2. That the full Corporate Risk Register be submitted to the next meeting of the Committee.

19-20/ASC/15 Review of Work Programme 2019/20

15.1 The Committee considered the proposed work programme for 2019/20.

15.2 The Committee agreed to add the External Audit, Audit Results Report to the work programme for its September meeting and the External Audit Annual Audit Letter to its December meeting.

**RESOLVED:**

1. That the Committee's Work Programme for 2019/20 be received.
2. That the External Audit, Audit Results Report and the External Audit Annual Audit Letter be added to the Committee's work programme in September and December respectively.

The meeting ended at 11.02 am