

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 December 2023 virtually via Zoom. Meeting commenced at 09.30hrs.

Councillor

Mark Young (Chair)
Gwynfor Owen (Deputy Chair)
Bryan Apsley
Cllr Marion Bateman
Tina Claydon
Adele Davies-Cooke
Sharon Doleman
Jeff Evans
John Brynmor Hughes
Gareth R Jones
Marc Jones
Beverley Parry-Jones
Arwyn Herald Roberts
Austin Roberts

Representing

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

Also present:

Helen MacArthur
Dafydd Edwards
Matt Brushett
Philippa Dixon
Anne-Marie Harrop
Angharad Ellis
George Jones
Lisa Allington

Assistant Chief Fire Officer
Treasurer
Audit Wales
Audit Wales
Mersey Internal Audit Agency
Mersey Internal Audit Agency
Atebol - Translator
Executive Assistant – Note Taker

1 **APOLOGIES**

Councillor

Michelle Blakeley-Walker

Representing

Denbighshire County Council

2 DECLARATIONS OF INTEREST

2.1 There were no declarations of interest to record.

3 NOTICE OF URGENT MATTERS

3.1 There was no notice of urgent matters.

4 MINUTES OF THE MEETING HELD ON 18 SEPTEMBER 2023

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

4.2 **RESOLVED to:**

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

5 MATTERS ARISING

5.1 There were no matters arising.

6 BUDGET SCRUTINY UPDATE

6.1 ACFO MacArthur presented the Budget Scrutiny Update paper which aimed to provide Members of the Audit Committee (the Committee) with an update on the work of the Budget Scrutiny Working Group (the Group) and to seek endorsement of the current financial planning assessment to set a balanced budget for 2024/25.

6.2 The Chair noted that the Budget Scrutiny Working Group meetings had been professional and productive meetings and Officers had been challenged throughout the process. Through the work of the Group, the levy had been reduced from 15% to 10.8% which also addressed the deficit from the previous year.

6.3 The Treasurer gave thanks to members of the Group for their hard work over the last few months and noted that it had been of great benefit in the budget setting process. He further noted that there had been a request by some Members to attempt to bring the levy below 10% in deference to the difficult financial situation that the Local Authorities find themselves in currently.

6.4 ACFO MacArthur advised that there remained some risks relating to the budget which included outstanding national pay negotiations, clarity on pension costs following the valuation and uncertainties around inflation and interest rates. ACFO MacArthur noted that as much work as possible had been carried out in ensuring that the budget had been reduced as far as possible following challenges from the Group.

- 6.5 A Member advised that their own constituent council had indicated that they would only be happy to accept a single percentage figure levy and anything above that would be rejected. The Chair responded that whilst this was something that would obviously be preferred, a commitment to that could not be given; however, all work possible was being carried out in order to identify options for further reductions of the utilisation of reserves.
- 6.6 A Member asked if a common statement of explanation could 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. The Chair responded that this was an area that Officers were currently working on and would be produced following approval of the final budget by the Authority at its meeting in January.
- 6.7 Another Member noted that they felt it would be irresponsible to aim for a lower figure just so that it would come in under 10%, and that the needs and requirements of the Service to enable it to operate effectively should come first. It could also mean that any amounts cut from this year's budget may have to be deferred to the following year, which would still have a detrimental financial impact on local authorities.
- 6.8 A Member noted that there was reference to lease costs within the report and asked whether there were plans in place to look at these more closely. ACFO MacArthur responded that the vast majority of lease costs related to vehicles which were a necessity as part of the operational model. However, a cost benefit analysis was carried out each time a new vehicle was required to establish if the vehicle was a necessity, and whether it would be more cost effective to lease or buy.
- 6.9 It was noted that the lease costs also included three buildings, with the largest lease cost relating to the Joint Control Centre (JCC). This was a vital resource as it allowed for collaborative working in the Control Room with the North Wales Police (NWP). This collaborative working had been the result of a decision made by the Authority some time ago and it was strongly recommended that it remain in place. Therefore any future proposal would require a detailed analysis and approval by the Authority.
- 6.10 ACFO MacArthur confirmed that all leased assets, including the JCC, would be reassessed as they reached their break clause in order to establish viability.

6.11 **RESOLVED to:**

- i) Note and endorse the findings of the Budget Scrutiny Working Group; including**
- ii) the planning assumptions being used to develop the revenue budget for 2024/25;**
- iii) the current financial planning assessment of a budget requirement of £49.194m for 2024/25;**
- iv) the proposal to undertake further work to identify opportunities for the further reductions in expenditure for the 2024/25 financial year and/or utilisation of reserves; and**
- v) the proposed work programme for 2024/25 onwards.**

7. TREASURY MANAGEMENT UPDATE

7.1 ACFO MacArthur presented the Treasury Management Update paper which provided Members of the Authority with an update on the treasury management activity and compliance with the treasury management prudential indicators for the period 1 April 2023 – 30 September 2023.

7.2 It was asked how the provision of loans was managed and from where investments were sought when they were required. ACFO MacArthur responded that loans were primarily sourced from the Public Loans Works Board (PWLB) although some local authorities were also used for short term loans. It was noted that cash holdings were held in deposit accounts with the Authority's bankers and also the UK Government's Debt Management Account Deposit Facility (DMADF).

7.3 **RESOLVED to:**

- i) note the treasury management activities and prudential indicators for the period 1 April – 30 September 2023.**

8 INTERNAL AUDIT PROGRESS REPORT

8.1 The Internal Audit Progress Report paper was presented to Members by Angharad Ellis from the MIAA, the purpose of which was to outline an update of the work undertaken by them as the Authority's internal audit providers.

8.2 ACFO MacArthur thanked the MIAA for their work to date and noted that they had been looking at a number of fundamental key areas for the Service which had been of great benefit.

8.3 **RESOLVED to:**

- i) **Note the work undertaken by MIAA to 30 November 2023 and note the reviews planned for the remainder of the financial year.**

9 PAYROLL AND ATTENDANCE MANAGEMENT REVIEW

9.1 Angharad Ellis, MIAA, outlined the Payroll and Attendance Management Review paper, the purpose of which was to present to Members the findings of the internal audit review of the payroll and attendance management arrangements and controls.

9.2 It was noted that a number of recommendations had been made by MIAA with regards to the Service's payroll and attendance systems, and that a follow up would be carried out next year in order to ensure that these recommendations had been carried out. Feedback would be provided to the Committee at that point.

9.3 ACFO MacArthur noted that Finance, Payroll and HR worked very hard in this area and it was pleasing to see that reflected in the report.

9.4 **RESOLVED to:**

- i) **Note the findings of the internal audit review of the payroll and attendance management arrangements.**

10 CERTIFICATION ON COMPLIANCE WITH LOCAL GOVERNMENT MEASURE (LGM) 2009 PERFORMANCE ASSESSMENT REQUIREMENTS

10.1 ACFO MacArthur presented the Certification on Compliance with LGM 2009 Performance Assessment Requirements paper which confirmed to Members the outcome of the external audit of the Authority's 2023/24 improvement measures, as required by the Local Government (Wales) Measure 2009.

10.2 **RESOLVED to:**

- i) **Note the audit letter which confirms that the Authority has discharged its responsibilities under the Local Government (Wales) Measure 2009.**

11 URGENT MATTERS

11.1 There were no urgent matters to discuss.

Meeting closed 10.32 hrs