



**MINUTES OF THE MEETING OF THE AUDIT COMMITTEE held on Wednesday, 16 November 2022 at Lecture Theatre - Training Centre, Sadler Road, Winsford, Cheshire CW7 2FQ at 10.30 am**

**PRESENT:** Councillors Nick Mannion (Chair), Rachel Bailey, Brian Gallagher and Independent Audit Committee Member Suzanne Horrill

**1 INTRODUCTIONS AND APOLOGIES**

The Chair welcomed attendees to the meeting and introductions were made. It was noted that apologies were received from Councillor James Nicholas. Paul Vaughan, Treasurer was also unable to attend.

**2 PURPOSE OF THE COMMITTEE**

The Chair lead the discussion on the purpose of the Audit Committee. He highlighted the responsibilities of the Committee that were agreed by the Governance and Constitution Committee which was attached to the agenda pack.

The Committee discussed adding responsibility for risk management to the Committee. It was agreed that the Chartered Institute of Public Finance Accounting guidance would be brought to the meeting to discuss responsibilities further. Officers would consider the responsibilities of the current Committee arrangements and report back to the Governance and Constitution Committee with recommendations for proposals/options.

**RESOLVED: That**

**[1] the Committee consider the guidance issued by Chartered Institute of Public Finance Accounting at its next meetings; and**

**[2] officers submit a report reviewing the responsibilities of existing Committee arrangements and provide proposals/option to the Governance and Constitution Committee at its next meeting.**

**3 INTERNAL AUDIT - ROLE, ANNUAL PLAN AND UPDATE**

The Internal Auditor introduced the item which enabled the Committee to discuss the role of internal audit, the Internal Audit Charter and the Service's Internal Audit Plan.

A Member requested that further training be provided to Members to allow them to gain a deeper understanding of internal audit and the governance arrangements for this function within the Service. Officers were asked to arrange a training session to be delivered by the internal auditor.

**RESOLVED: That**

**[1] the internal auditor to liaise with officers to provide specific internal audit training for Members of the Audit Committee.**

#### **4 EXTERNAL AUDIT - ROLE, ANNUAL PLAN AND UPDATE**

The External Auditor introduced the item which enabled Members to discuss the role of external audit, the Service's external audit plan and the Audit Findings Report. She explained the various statutory requirements that applied to the Service, and the recommendations made within the Audit Findings Report.

The External Auditor confirmed that the external audit opinion would be provided once the accounts were signed off by the Service.

A Member queried the recommendation contained within the Audit Findings Report for buildings to be remeasured. The External Auditor explained that this was standard practice for the sector and the Service had plans to remeasure buildings on a 5-year rolling basis which aligned with the fire station modernisation programme.

The Independent Audit Committee Member raised concerns about the delays with the work of the property valuer. The External Auditor advised that this was due to the property valuer having reduced capacity and it was suggested that the timeframes for work completion could be reviewed next year.

#### **5 FUTURE WORK PROGRAMME OF THE COMMITTEE**

The Director of Governance introduced the item which allowed the Committee to consider the future work programme.

The External Auditor advised that the current dates included in the work programme did not align adequately with external audit timescales. It was agreed that officers would liaise with the External Auditor to find a suitable programme and inform the Committee of any changes to meeting dates.

**RESOLVED: That**

**[1] officers and the auditors amend the work programme and committee meeting dates to better align with reporting requirements.**

#### **6 TRAINING AND DEVELOPMENT FOR COMMITTEE MEMBERS**

The Director of Governance introduced the item which was intended to enable the Committee to consider training and development requirements to assist Members with their role.

A Member raised concerns that the local elections in May could impact the membership of the Audit Committee. A mechanism was needed to ensure adequate training was provided to new members. Ideally, Members of the Audit Committee needed continue to sit on the Committee for the duration of their tenure on the Fire Authority.

**7 INTERNAL AUDIT REPORT - BUSINESS CONTINUITY PLANNING REVIEW**

The Internal Auditor introduced the report on Business Continuity Planning for consideration of the Committee. She explained that the review into business continuity planning formed part of the Annual Internal Audit Plan for 2022-23. The overall internal audit opinion for the review provided substantial assurance.

The Independent Audit Committee Member expressed concern with the timeframe associated with recommendations rated as a medium risk. The Internal Auditor explained the timeframes noted in the report were in line with the management processes of the Joint Corporate Services and were appropriate considering other operational pressures.

**RESOLVED: That**

**[1] the Internal Audit Report – Business Continuity Planning Review be noted.**

**8 INTERNAL AUDIT - PROGRESS REPORT QUARTER 2 2022-23**

The Internal Auditor introduced the report which enabled the Committee to consider the progress for quarter two against the Annual Internal Audit Plan for 2022-23.

She advised that there had been requests to defer the Blue Light Collaboration review and the Microsoft 365 project delivery review. She expressed concern with the deferral requests as this meant that there was a risk that insufficient audit work would be completed in time to provide an internal audit opinion. The Committee noted the need to resolve this situation as a matter of urgency and agreed that officers should liaise with internal audit to determine whether the reviews planned could go ahead or whether new areas were needed. This would need to be determined quickly.

**RESOLVED: That**

**[1] the Internal Audit Progress Report Quarter 2 2022-23 be noted; and**

**[2] officers liaise with internal audit colleagues to determine the way forward with delivery of the rest of the programme of audits to be completed during 2022-23 to inform the internal audit opinion.**