



MINUTES OF THE MEETING OF THE AUDIT COMMITTEE held on Wednesday, 25 January 2023 at Fire Conference Room - Fire Service HQ, Clemonds Hey, Winsford, Cheshire, CW7 2UA at 10.00 am

PRESENT:

Members:

Councillor Nick Mannion (Chair)
Councillor Rachel Bailey
Councillor James Nicholas

Auditors:

Charles Black, Mersey Internal Audit Agency (via Teams)
Michael Green, Grant Thornton

Officers:

Andrew Leadbetter, Director of Governance
Paul Vaughan, Treasurer
Louise Willis, Planning, Performance and Risk Manager
Emilie Salkeld, Governance Officer

1A RECORDING OF MEETING

Members were reminded that the meeting would be audio recorded.

1B APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Brian Gallagher and Independent Audit Committee Member Suzanne Horrill.

1C DECLARATIONS OF MEMBERS' INTERESTS

There were no declarations of Members' interests.

1D MINUTES OF THE AUDIT COMMITTEE

The Director of Governance advised that the Independent Audit Committee Member had suggested an action tracker be introduced for Audit Committee. Members agreed this. Verbal updates were provided by officers.

RESOLVED: That

[1] the minutes of the Audit Committee held on Wednesday 25th January 2023 be confirmed as a correct record; and

- [2] an action tracker be reported to the Audit Committee as a standing item.**

1E APPOINTMENT OF EXTERNAL AUDITOR

The Treasurer informed Members that a new external auditor had been appointed for the Fire Authority as per the Public Sector Audit Appointments arrangements. Mazars LLP would be the Authority's external auditor from 2023-24 to 2027-28. A handover from the current auditors would be taking place in the coming months.

2 INTERNAL AUDIT - PROGRESS REPORT QUARTER 3 2022-23

The Internal Auditor introduced the report which enabled the Committee to consider the progress for Quarter 3 against the Annual Internal Audit Plan for 2022-23.

He advised that the report on financial controls was completed in December 2022 and due to be reported later in the agenda. The audits relating to the Station Management was now in field work and the Microsoft 365 audit had been progressed and both would be reported at the next Audit Committee meeting. He also stated that the draft Internal Audit Plan 2023-24 was underway and due to be presented at the next Audit Committee meeting.

A member had raised concerns relating to the external audit recommendation concerned with procurement that was reported at a Fire Authority meeting. The External Auditor provided further clarity surrounding the recommendation and the Treasurer advised that the financial regulations had recently been updated to align closer to Cheshire Constabulary's approach to procurement. It was suggested that a future item be included on the Audit Committee forward plan.

RESOLVED: That

- [1] the Internal Audit – Progress Report Quarter 3 2022-23 be noted; and**
- [2] progress on the external auditor's recommendation on procurement be added to the forward plan for the Audit Committee.**

3 INTERNAL AUDIT REPORT - FINANCIAL CONTROLS REVIEW

The Internal Auditor introduced the report which informed Members of the outcomes from the review of the combined financial systems. The audit focused on the key controls within financial systems and involved reviewing the most significant controls within: General Ledger, Accounts Payable, Accounts Receivable, Treasury Management and Budgetary Control. It also included an evaluation of the management, use and control of Reserves.

He advised that the audit gave the highest assurance with no recommendations raised as part of the review. Members noted the positive outcome of the review.

A member had, prior to the meeting, queried the dates associated with the review;

they were all the same. The Internal Auditor suggested that this was because there were no issues to discuss; therefore, the audit was presented and accepted on the same date.

RESOLVED: That

[1] the Internal Audit Report – Financial Controls Review be noted.