



COMBINED FIRE AUTHORITY

11 JUNE 2018

NOTES OF THE AUDIT AND RISK COMMITTEE HELD ON 22 MAY 2018

REPORT OF THE CHAIR OF THE AUDIT AND RISK COMMITTEE

Members Present: Cllr J Turnbull in the Chair
Cllrs B Avery, and L Marshall

Apologies: Cllr D Bell (Cllr R Manchester attending) and M Kirkham of Mazars

Purpose of the report

1. The purpose of this report is to provide members with an update of the discussions and recommendations of the Audit and Risk Committee held on 22 March 2018.

Corporate Governance Action Plan Update

2. The Committee were updated with the progress being made in relation to the actions arising from the corporate governance action plan. Members considered and discussed the findings and associated risks within the plan.

The Committee **noted** the report.

Corporate Risk Register update

3. Members were presented with the details of the corporate risk register as at 31 March 2018. There were eight risks on the risk register. Changes to the register were summarised and discussed.

The Committee **considered** and **noted** the report.

Internal Audit Progress Report

4. The Committee were updated on work undertaken by Internal Audit between 01 April 2017 and 31 March 2018. Progress against planned work, amendments to the annual audit plan and the audit recommendations were considered. It was noted that there were no outstanding management responses to draft reports, no reports issued with a limited assurance opinion and no unplanned work carried out this quarter. The summary of agreed target performance indicators was also considered.

The Committee **noted** the report.

Fraud and Corruption Annual Report

5. Members were informed and received assurances regarding work undertaken in order to identify, control and prevent fraud and corruption.

It was noted that following the National Fraud Initiative matching exercise in October 2016, no instances of fraudulent activity were identified. Eleven errors highlighting potential weakness in relevant CDDFRS or DCC systems of control and/or procedures were identified and have been addressed. The next data matching exercise is due to take place in October 2018. No instances of fraud were identified as occurring in 2017/18.

The Committee **noted** the report.

Internal Audit Plan

6. Members were presented with the details of the internal audit plan for the period 01 April 2018 to 31 March 2019, which had been agreed with the service leadership team on 17 April 2018.

The internal audit plan will deliver 71 productive audit days in 2018/19, in line with the Service Level Agreement with the Authority. The scope of the planned audit reviews were explained to the Committee.

The Committee **agreed** the Internal Audit Plan for 2018/19.

External Audit Progress Report

7. The Committee received an update from the Authority's external auditors. The key areas highlighted were an update on the revised value for money conclusion guidance set out by the National Audit Office, testing of the expenditure and journals with no issues reported, the fieldwork stage of the audit which will commence in July 2018 and the monitoring report which highlights full compliance with the Regulator's standards for Mazars LLP.

The Committee **noted** the report.

External Audit Fees

8. The Committee were presented with the fees for external audit 2018/19 which, as a result of bulk procurement in opted out bodies, will be reduced by £6,642 plus VAT from £28,877 to £22,235 plus VAT. The audit approach for the year will remain the same.

The Committee **noted** the letter.

PART B

Internal Audit Recommendations

9. Members discussed and considered the four medium priority recommendations overdue against the original target implementation dates. It was noted that target implementation dates have been agreed in all cases.

The Committee **noted** and **approved** the revised target dates set out.