

**Minutes of the Meeting of
Shropshire and Wrekin Fire and Rescue Authority
Audit and Performance Management Committee
held in the Oak Room, Headquarters, Shrewsbury
on Thursday, 14 September 2017 at 2.00 pm**

Present

Members

Councillors Adams, Hosken, Mellings (Vice-Chair), Milner, Pinter, Price and Sahota (Chair)

Officers

Andy Johnson	Deputy Chief Fire Officer	DCFO
Louise McKenzie	Assistant Chief Fire Officer	ACFO
James Walton	Treasurer	
Joanne Coadey	Head of Finance	HoF
Ged Edwards	Planning, Performance and Communications Manager	PPCM
Germaine Worker	Head of Human Resources and Administration	HHRA
John Harrison	Company Manager	CM
Adam Matthews	Assistant Group Commander	AGC
Lynn Ince	Executive Support Officer	ESO

External Bodies

Mr Stocks	Grant Thornton, External Audit
Mr Chadderton	Audit Services, Shropshire Council

1 Apologies for Absence

Chief Fire Officer Rod Hammerton

2 Disclosable Pecuniary Interests

Councillor Mellings declared a Disclosable Pecuniary Interest in item 14 as a member of the Board of Directors of Shropshire Fire Risk Management Services Ltd.

Councillor Mellings had been granted a dispensation by the Fire Authority to take part in the discussion of, and voting on, certain matters, which relate to Shropshire Fire Risk Management Services Ltd.

On this occasion, the report being considered detailed the performance of Shropshire Fire Risk Management Services and was for information purposes only. It was therefore, deemed appropriate for Councillor Mellings to participate in the discussion of these items.

Councillor Hosken also declared a Disclosable Pecuniary Interest in item 14 as he is also a Director of Shropshire Fire Risk Management Services Ltd.

3 Public Questions

None

4 Minutes

Resolved that the minutes of the Audit and Performance Management Committee meeting, held on 19 July 2017, be agreed and signed by the Chair as a correct record

5 Statement of Accounts 2016/17

This report presented the completed Statement of Accounts for 2016/17 to the Committee for consideration and approval.

The HoF presented the report and explained that the timetable for production and approval of the Statement will change next year with the Statement being produced in May and auditing and approval being completed by July. Officers have worked to the revised timings this year and everything has been completed on time, with officers being confident with the process for next year.

Resolved that the Committee:

- a) Approve the Statement of Accounts 2016/17 (subject to final auditor amendment); and
- b) Delegate final amendments following completion of the audit to the Head of Finance, in consultation with the Chair of the Committee.

6 Annual Governance Statement 2016/17 Improvement Plan

This report summarised the progress made to date against the improvements contained in the Annual Governance Statement (AGS) Improvement Plan 2017/18.

Members requested further information about new inspection regime referred to in IRN 6. The DCFO explained that inspection will take place every 3 years. The inspection regime starts nationally in January 2018 and the first inspection for this Service should happen before the end of 2019. There will be some notice given for organisational inspections with smaller themed inspections having a shorter notice period.

Resolved that the Committee note the progress made against each of the improvements contained in the AGS Improvement Plan 2017/18.

7 Audit Findings 2016/17

Mr Stocks presented the Audit Findings Report on the audit for the year ended 31 March 2017.

Mr Stocks reported that officers had produced a good set of accounts and working papers. Grant Thornton staff worked closely with officers during the audit and consider the Authority to be in a good place for next year.

With regard to the Value for Money (VfM) conclusion, an initial risk in March 2017 had identified no significant risks so minimal work was undertaken within the audit on VfM. One area for improvement was, however, identified with regard to the Medium Term Financial Plan.

Mr Stocks concluded by thanking the Head of Finance and the Finance Team for their work on the Statement of Accounts and the audit.

Members raised concerns over the issue of property valuations as outlined on page 14 of the report and asked Mr Stocks to provide further information on this. Mr Stocks explained that there are many different valuation techniques for property. Investment properties are valued annually due to market fluctuations. Public sector assets which form the majority of the fire authority's property assets are only used for specialist activities and are valued at Depreciated Replacement Cost. They require a valuation at least every five years and an impairment review every year.

This year, valuation variances in relation to the Authority's assets were pushing towards material figures. If the variances had been any much higher, they may could affect the financial statements for the year and a valuation would have been needed.

Members queried the impact of noting the mis-statement and not adjusting it. Members also asked what the cost of undertaking a valuation every year was. Mr Stocks explained that provided the figure stays below materiality, then a clean opinion can be given on the audit. The significant danger is that there is not much time next year to undertake a valuation and any amendments that are required might miss the deadline. The HoF commented that the cost of undertaking the valuation is not excessive and a desktop evaluation could be done. Officers have taken on the points raised by Mr Stocks in relation to this issue and are happy to move forward in the way suggested.

As the auditor's opinion is that the Authority is a well-run and efficient organisation, the Committee asked for Mr Stock's views of any proposed takeover. Mr Stocks commented that the Authority has a very good track record and the auditors are satisfied with its VfM. As mergers or takeovers etc. are based on economies of scale, the Authority need to look at what is best for the people of Shropshire and the organisation itself. Can the Authority provide the service with the funding it will get or does it need to look at other opportunities.

Resolved that the Committee formally adopt the Audit Findings for 2016/17

Committee Clerk's Note

The Letter of Representation for the year ended 31 March 2017 would be signed at a later date, when the Statement of Accounts had been finalised, by the Committee Chair, Chief Fire Officer and Treasurer (in accordance with the authority delegated to them by the Fire Authority at its meeting on 13 February 2012).

8 Review of Whistleblowing Policy

This report requested the Committee to recommend that the Fire Authority approve the Whistleblowing Policy (attached as an appendix), following the annual review conducted by officers.

The ACFO presented the report and advised the Committee that the only amendments to the Policy were minor changes to the job titles on page A-3.

Resolved that the Committee have considered the Whistleblowing Policy and recommend that the Fire Authority approve the Policy without amendment.

9 Annual Review 2016/17

This report presented the draft Annual Review (also known as the Annual Statement of Assurance) for 2016/17 and gave the Committee an opportunity to make comment on the draft, prior to its going forward to the full Fire Authority for consideration and approval.

Members requested that the Service's Prevention activities be outlined clearly and the ACFO undertook to tidy up the paragraph in the Review that relates to this.

Resolved that the Committee, having made comment on the draft Annual Review 2016/17, forward the Report to the Fire Authority for consideration and formal adoption

10 Corporate Risk Management Summary

This report was the latest of regular risk summary report, to the Audit and Performance Management Committee.

Resolved that the Committee note the contents of the report.

11 Performance Monitoring

11a Service Targets April to August 2017

This report presented a summary of the Service's performance for the period April to August 2017.

The DCFO presented the report which showed that performance is good except for the 2 challenging targets.

Members asked how the Service is trying to reduce the numbers of incidents. The DCFO explained that there is a programme of ongoing identification of vulnerable persons, which is undertaken with the local authorities. Door knocking campaigns are undertaken in the immediate vicinity when an incident occurs, as awareness is raised in local area. For more serious incidents, awareness campaigns will target a larger area with a specific focus on the type of incident.

The Committee commented that it was interesting to see the age variations in incidents. The DCFO explained that the Service targets the elderly as they are most likely to suffer injury or death in fires and are more likely to be negatively affected.

Members asked if there were any geographical patterns to the issue. The DCFO responded that, as might be expected, numbers of incidents are focused as to levels of population. There are of course underlying social factors such as levels of rented accommodation and / or increased deprivation. The Service is working with local authorities to target such areas.

Resolved that the Committee note the report

11b Presentation on Service Targets

As agreed at the July 2016 meeting of the Committee, the Head of Operational Risk Management gave a presentation on the following 2016/17 Service Target:

The first fire engine will arrive at an emergency incident with at least 4 firefighters within 15 minutes on 89% of occasions

A copy of the presentation slides has been placed on the signed minute file for this Committee.

Resolved the Committee note the presentation

11c Wholetime and Retained Duty System Performance Monitoring April to August 2017

This report provided information regarding the ongoing performance and management in terms of the availability of Wholetime and Retained Duty System (RDS) appliances in Shropshire.

The AGC presented the report to the Committee and advised that, in addition to the staffing changes outlined in the report, there had been a RDS resignation from Albrighton in the last couple of days. There is a wholetime employee who is looking to become a RDS firefighter at the same station so their application will be processed.

Resolved that the Committee note the report

12 Exclusion of Press and Public

Resolved that the Committee being satisfied in all the circumstances of the case that the public interest in maintaining the exemption outweighs the public interest in disclosing this information, formally resolve that the press and public and press be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information, as defined in paragraphs 3 and 4 of Schedule 12A to the Local Government Act 1972.

13 Corporate Risk Management Summary (Paragraph 4)

The Committee received Appendix C to report 10 – Corporate Risk Management Summary, which was considered in closed session, as it contained exempt information.

Resolved that the Committee note exempt Appendix C to report 10.

14 Shropshire Fire Risk Management Services Ltd. Performance Update (Paragraph 3)

This report provided information on the performance of the Fire Authority controlled company, Shropshire Fire Risk Management Services Ltd.

Resolved that the Committee note the report.

The meeting closed at 3.30 pm.

Chair.....

Date.....