

**Minutes of the Meeting of
Shropshire and Wrekin Fire and Rescue Authority
Audit and Performance Management Committee
held in the Beech Room, Headquarters, Shrewsbury
on Wednesday, 19 July 2017 at 2.00 pm**

Present**Members**

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

Officers

Rod Hammerton	Chief Fire Officer	CFO
Louise McKenzie	Assistant Chief Fire Officer	ACFO
Joanne Coadey	Head of Finance	HoF
John Das Gupta	Area Manager	AM
John Harrison	Company Manager	CM
Lynn Ince	Executive Support Officer	ESO

External Bodies

Mr McLarnon	Grant Thornton, External Audit
Ms Pilawski	Audit Services, Shropshire Council
Mr Chadderton	Audit Services, Shropshire Council

1 Apologies for Absence

Councillor Hosken, Andy Johnson (Deputy Chief Fire Officer), Ged Edwards, Planning, Performance and Communications Manager) and James Walton (Treasurer)

Councillor Adams did not attend.

2 Disclosable Pecuniary Interests

Councillor Mellings declared a Disclosable Pecuniary Interest in item 15 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.

3 Public Questions

None

4 Minutes

Resolved that the Committee agree the minutes of the Audit and Performance Management Committee meeting, held on 26 April 2017, and that the Chair sign them as a correct record.

5 Committee Constitution and Training

This report brought the latest version of the Committee's constitution to the notice of its Members. It also asked Members to consider what training they wished to receive in order to fulfil their role on the Committee effectively.

Resolved that the Committee

- a) Note the constitution of the Audit and Performance Management Committee, attached as an appendix to the report; and
- b) Did not specify any training that they wish to receive in order to fulfil their role on the Committee effectively.

6 External Audit

6a Audit Fee Letter 2017/18

The External Audit Fee Letter 2017/18 set out details of the 2017/18 audit fee for the Authority, along with the scope and timing of External Audit's work and details of their team.

Members queried if the audit fee fluctuates from year to year. Mr McLarnon explained that Public Sector Audit Appointments Ltd set the audit fee, which is based on historic costs over a 3-year rolling total. There is no facility for negotiation in relation to the fee but requests for variations can be submitted if required.

Resolved that the Committee note the Audit Fee Letter 2017/18.

6b Audit Committee Update for Year ended 31 March 2017

This paper reported on Grant Thornton's progress in delivering their responsibilities.

Mr McLarnon reported that there is possible slippage with regard to the delivery of the Final Accounts audit. The Fire Authority have delivered on all their requirements but there is a possible delay on Grant Thornton's side, which they are addressing.

With regard to the Apprentice levy as set out on page 7 of the report, the ACFO advised that officers have been looking at options as to how this can be drawn down and a report on this will be taken to the Standards and Human Resources Committee in October 2017.

Members queried if there were any headline issues in relation to the Final Accounts Audit and the Value for Money conclusion. Mr McLarnon assured the Committee that no headline issues or significant risks had been identified.

Resolved that the Committee note the Audit Update Report.

7 Statement of Accounts 2016/17

This report presented the unaudited Statement of Accounts to the Committee for discussion prior to presentation of the final, audited Statement at the September meeting of the Committee.

The Committee commented that it was useful to see a draft of the Statement before it comes to the September meeting of the Committee for approval. The HoF advised that due to the changes to the reporting timetable that take effect next year, it will no longer be feasible for this to happen.

Resolved that the Committee note the draft Statement of Accounts 2016/17

8 Annual Governance Statement 2016/17 and Improvement Plan 2017/18

The purpose of this report was twofold: it set out the draft Annual Governance Statement (AGS) for 2016/17 and AGS Improvement Plan 2017/18 to be included in the Fire Authority's Statement of Accounts; and it also detailed progress on the 2016/17 Improvement Plan.

The HoF presented this report and advised that Appendix B to the report is overseen by Internal Audit. Page 9 of the report refers to the Code of Corporate Governance and gives a link to the document. This link is to be removed on the advice of Internal Audit as its inclusion implies that the Code of Corporate Governance has also been audited externally, which is not the case.

The Committee asked for further information on the Payroll Systems Review as detailed on page 8 of Appendix A. The ACFO explained that Payroll services are contracted out to Shropshire Council and that the review covers a number of different pieces of work. The risk has remained amber, i.e. it will be carried forward to next year, due to the ongoing project work and the Retained Duty System pay issue, which is also ongoing.

The ACFO further explained that there is no definitive completion date as there are numerous work packages, which all have different end dates.

Resolved that the Committee

- a) Note the progress made on the 2016/17 Improvement Plan;
- b) Agree to close the 2016/17 Improvement Plan, carrying forward any outstanding issues to the 2017/18 Improvement Plan; and
- c) Agree the AGS and 2017/18 Improvement Plan for inclusion in the 2016/17 Statement of Accounts

9 Corporate Risk Management Summary

This report updated Members on the status of risks on the Corporate Risk Register.

In response to a question, concerning whether cyber risk fitted at department or corporate level, the ACFO explained that cyber risks are managed through the information asset owners. Any relevant issues would be flagged on the Corporate Risk Register and any actions recorded. The ACFO also advised that an audit of information security is being undertaken. The results of this audit will go to the Risk Management Group for review.

Resolved that the Committee note the contents of the report.

10 Internal Audit Annual Report

This report provided Members with details of the work undertaken by Internal Audit for the year ended 31 March 2017. It reported on progress against the annual audit plan and also provided the Head of Audit's opinion on the overall adequacy and effectiveness of the organisation's governance, risk management and control processes.

Ms Pilawski presented the report to the meeting and advised that there were no fundamental recommendations arising from the audits undertaken during 2016/17. Three audit recommendations were rejected by management during 2016/17 but the risks were taken on board and have been included in the operational risk register.

Ms Pilawski also advised that the IT Systems Audit has a longer follow up period for recommendations as there is a focus on high risk elements in this audit. The Committee queried this, as it is the fourth year of the follow up recommendations. Ms Pilawski advised that there have been improvements but these have not been significant enough to alter the audit opinion. The ACFO further advised that with regard to the IT Recommendation Follow Up audit, of the eight outstanding areas, officers anticipated that five would move but this did not happen. Recommendations are being implemented as work on systems progresses.

Resolved that the Committee have considered and endorse

- a) Performance against the Audit Plan for the year ended 31 March 2017;
- b) That the system of governance, risk management and internal control is operating effectively and can be relied upon when considering the Annual Governance Statement for 2016/17; and
- c) The Head of Audit's positive year-end opinion on the Authority's internal control environment for 2016/17 on the basis of work undertaken and management responses received.

11 Risk Management Group Internal Audit Progress Monitoring Report

This report provided an update on the monitoring of recommendations made by Internal Audit, which is undertaken by the Risk Management Group. It specifically covered details about the progress made against outstanding recommendations.

The HoF presented this report and explained that the information contained in it largely mirrors that set out in the Internal Audit report at item 10. Officers provided assurance to the Committee that the recommendations are being addressed.

Resolved that the Committee note

- a) The progress made against outstanding recommendations; and
- b) That the Risk Management Group will continue to monitor progress against all recommendations, reporting to this Committee on a regular basis.

12 Summary of Compliments and Complaints 2014/15 to 2016/17

This report advised Members of summary details regarding the compliments and complaints received during 2016/17, with comparisons to 2015/16 and 2014/15.

The AM presented the report and explained that there has been an increase in the number of complaints received but there is no identifiable reason for this. Officers are aware of numerous issues to driving and action is being taken to improve driving behaviour across the Service. There has also been an increase in environmental complaints, which may be due to housing development moving closer to fire stations.

The AM also advised that all complaints are fully investigated and any learning outcomes are implemented.

Members queried if the Service had made it easier for the public to complain. The AM responded that the impact of social media, for example FaceBook, has made it easier and there appears to be a corresponding trend between social media use and the number of complaints received. The CFO also advised that if the public contact the Service with a 'concern', officers treat this as a complaint so that the appropriate investigation procedure can be followed.

The Committee commented that the level of complaints needed to be put into perspective. Less than 30 complaints in a year is good considering the breadth of work undertaken by the Service, especially as a large proportion of the complaints are unsubstantiated.

Resolved that the Committee note the report.

13 Performance Monitoring

13a Service Targets April to June 2017

This report presented a summary of the Service's performance from April to June 2017.

Members questioned if any variance was included in the 5-year targets. The CFO explained that previous performance is taken into account when setting targets but there will be diminishing returns. The targets set are tough but this focuses work and drives better working with partners especially with regard to data and proactivity.

Members expressed concern about the number of deliberate fires. The AM explained that the Service had done a lot of work towards reducing this number. The Fire Crime Officer works closely with the Police regarding increasing patrols or catching perpetrators.

Resolved that the Committee note the report.

13b Service Targets Presentation

Officers gave a presentation on the following 2017/18 Service Target:

Fire and heat damage emanating from accidental fires in domestic dwellings and regulated business will be confined to the room of origin on not less than 89% of occasions during 2017/18.

Reduce number of fires and impact of fires. Links everything but most strategic.

Resolved that the Committee note the presentation.

13c Wholetime and Retained Duty System Performance Monitoring April to June 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.

Resolved that the Committee note the contents of the report.

14 Exclusion of Press and Public

Resolved that under Section 100(A)(4) of the Local Government Act 1972, having been satisfied in all the circumstances of the case that the public interest in maintaining this exemption outweighs public interest in disclosing this information, it is formally resolved that the press and public 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 paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972.

15 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.

16 Exempt Appendix to Corporate Risk Management Summary

The exempt appendix to report 9 – Corporate Risk Management Summary, which contained exempt information, was tabled to the Committee. A copy will be attached to the signed minutes for this meeting.

Resolved that the Committee note the exempt appendix to report 9, Corporate Risk Management Summary.

The meeting closed at 3.40 pm

Chair _____

Date _____