

**Minutes of the Meeting of  
Shropshire and Wrekin Fire and Rescue Authority  
Standards, Audit and Performance Committee  
held in the Oak Room, Headquarters  
on Wednesday, 27 April 2022 at 2.00 pm**

**Present**

**Members**

Councillors Evans (Chair), Hignett, Lea, Minnery, Overton, Price and Thompson

**Officers**

Rod Hammerton	Chief Fire Officer	CFO
Simon Hardiman	Assistant Chief Fire Officer (Service Support)	ACFO(SS)
Dan Quinn	Assistant Chief Fire Officer (Service Delivery)	ACFO(SD)
Joanne Coadey	Head of Finance	HoF
Jan Morris	Head of Transformation and Collaboration	HoTC
Germaine Worker	Head of Human Resources and Administration	HHRA
Lynn Ince	Executive Support Officer	ESO

**External Bodies**

David Rowley	Grant Thornton, External Audit
Andy Bromage	Worcestershire Internal Audit Shared Services
Helen Tiffney	Worcestershire Internal Audit Shared Services

**1 Apologies for Absence**

Councillor Burchett  
James Walton, Treasurer  
Ged Edwards, Planning and Performance Manager  
Avtar Sohal, Grant Thornton

**2 Disclosable Pecuniary Interests**

None

**3 Public Questions**

None

**4 Minutes**

**Resolved** that the minutes of the Standards, Audit and Performance Committee meeting, held on 2 December 2021, be agreed and signed by the Chair as a correct record.

## 5 Review of Committee Terms of Reference

This report asked Members to consider the Terms of Reference of the Standards, Audit and Performance Committee, following the annual review conducted by officers.

Members queried the amendments to the Committee Terms of Reference which were made at the Authority's Annual Meeting in June 2021, and which were not reflected in the Appendix to the report. The ESO undertook to double-check these changes and amend the Terms of Reference before the Annual Meeting in June 2022.

**Resolved** that the Committee having reviewed its Terms of Reference, as set out in the Appendix to the report, recommend them to the Fire Authority for agreement with the amendments outlined above.

## 6 Review of Member Role Descriptions

This report asked Members to review the Role Descriptions for the Chair and Vice-Chair of the Standards, Audit and Performance Committee, the Member Champion for Risk Management and Audit and the Fire Authority's Independent Person.

Members requested that the Special Responsibility Allowance for the role be included in the Role Description for the Chair of the Committee. The ESO undertook to make this inclusion.

**Resolved** that the Committee approve the following Role Descriptions with the amendments as set out above:

- Chair of Standards, Audit and Performance Committee
- Vice-Chair of Standards, Audit and Performance Committee
- Member Champion for Risk Management and Audit
- Fire Authority Independent person

## 7 Code of Corporate Governance

### 7a Code of Corporate Governance 2021/22

This report gave the Committee an opportunity to make comment on the draft Code of Corporate Governance 2020/21, prior to it going forward to the full Fire Authority for consideration and formal adoption.

**Resolved** that the Committee

- a) Have reviewed the draft Code of Corporate Governance 2021/22, attached at the Appendix to the report; and
- b) Agree to forward the draft Code, without amendment, to the Fire Authority for consideration and formal adoption.

## **7b Internal Audit Report on Corporate Governance 2020/21**

The ACFO (SS) advised the Committee that the headline of this report is that the assurance level is good.

**Resolved** that the Committee note the Internal Audit Report on Corporate Governance 2021/22.

## **8 Internal Audit Annual Report**

This report provided a summary of Internal Audit's work over 2021/22.

The HoF presented this report on behalf of the Head of Internal Audit from Shropshire Council. Of the five Internal Audit reports issued during the year, four had 'good' opinions and 1 had a 'reasonable' opinion. The report also advised that the ICT Helpdesk picked up in this year's audit.

Members asked if the 'reasonable' level of assurance for the Payroll System Audit was related to compliance with controls. The HoF explained that it is related to checks and processes which have been strengthened to improve the level of assurance going forward.

The HoF assured the Committee that the ICT Review will be addressed as matter of urgency and that the Contracts Register has also been revamped to address the issues raised in the audit.

The HoF advised the meeting that this is the last report that Shropshire Council will provide as Internal Audit provision will be provided by Worcestershire Internal Audit Shared Services from 1 April 2022.

**Resolved** that the Committee note and endorse

- a) Performance against the Audit Plan for the year ended 31 March 2022;
- b) That reasonable assurance can be provided 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 2021/22. The Authority is highly recommended to seek independent IT infrastructure assurance to allow the full control environment to be assessed; and
- c) The Head of Audit's reasonable year end opinion on the Authority's internal control environment for 2021/22 based on the work undertaken and management responses received.

## **9 External Audit**

Mr Rowley explained that there are four items from External Audit on the agenda for this meeting and that the Annual Audit Letter has been supplanted by ISO 540 standard letter (item 9b on agenda) which focuses on accounting estimates and the risk of significant misstatement in the financial statements.

The significant risks for this Authority are related to property valuation and pensions but these are audit risks and as such there is minimal impact on the financial performance of the Authority.

## 9a Auditors Annual Report

Mr Rowley presented the Auditor's Annual Report on Shropshire and Wrekin Fire and Rescue Authority 2021/22 and advised that there has been a change to the Value for Money strand of the audit process which has led to the production of the Auditor's Annual Report.

Mr Rowley then highlighted the following points to the Committee:

- The table on page 3 of the report shows that no risks of significant weakness have been identified for the Authority
- Officers' co-operation in the audit process is much appreciated by the auditors
- In relation to Financial Sustainability, the Authority has been found to forecast and/or manage its budgets well
- There are three levels of recommendation that the Service auditor can give, these are statutory which are in the public interest; key; and improvement which are at best practice level. The recommendations for the Authority are as set out in the report
- The audit has shown that the Authority's governance arrangements generally are good practice but there are some improvement recommendations that should be implemented in relation to the risk management structure
- The Authority is improving the '3 Es' of economy, efficiency and effectiveness with its Take Stock, Catch Up and Forge Ahead process bringing workstreams together
- There has been some delay to the implementation of previous Improvement recommendations due to work being paused by Covid-19 pandemic
- There are no recommendations for the Authority in relation to Covid-19 but good evidence has been found of proactive and innovative thinking in response to the pandemic.

**Resolved** that the Committee note the Auditor's Annual Report on Shropshire and Wrekin Fire and Rescue Authority 2021/22

## 9b ISO 540 Audit Letter

The Committee received the External Auditor's ISO 540 Audit Letter.

**Resolved** that the Committee note the ISO 540 Audit Letter for the year ended 31 March 2022.

## 9c The Audit Plan

This paper set out an overview of the planned scope and timing of the external audit, as required by the International Standards on Auditing (UK & Ireland) 260.9/20.

Referring to the risk of material misstatement, as set out on page 11 of the report, Mr Rowley advised that materiality for Shropshire and Wrekin Fire and Rescue Authority is based on 2% of the Authority's prior period gross expenditure for the year. Mr Rowley also advised that the risks for 2021/22 are comparable to previous years with the focus being on Pensions and Property, Plant and Equipment.

Mr Rowley explained that page 5 of the report sets out the mitigation of those risks which are present in any organisation. The risk of fraudulent transactions has been rebutted for this Authority and there is no evidence of management over-rides occurring in previous years. The Audit Team has also not identified any risks of significant weakness in relation to Value for Money.

The timeline for the Audit is set out on page 13 of report and the audit fees, as set out on page 14 of the report are just under £40k. There are no significant facts or matters that impact on Grant Thornton's independence as auditors.

**Resolved** that the Committee note The Audit Plan for the Year Ending 31 March 2022.

## 9d Informing the Audit Risk Assessment

This report contributes towards the effective two-way communication between external auditors and the Standards, Audit and Performance Committee, as 'those charged with governance'. The report covered some important areas of the auditor risk assessment, where External Audit is required to make inquiries of the Committee under auditing standards.

**Resolved** that the Committee note the report

The Committee thanked Mr Rowley for his very good presentation of the Audit reports.

## 10 Statement of Accounts 2021/22 Review of Accounting Policies

This report presented the accounting policies to be used in the production of the Fire Authority's Statement of Accounts 2021/22, for consideration and approval. The report also stated the areas of estimation uncertainty to the Committee, and what is being done to mitigate the risks around this uncertainty.

The HoF presented this report and advised that no new accounting policies have been added for 2021/22 and that the existing policies have been streamlined with deletions shown in the Appendix to the report.

**Resolved** that the Committee

- a) Approve the accounting policies, prior to the presentation of the Statement of Accounts 2020/21; and
- b) Note the risks associated with estimation uncertainty within the financial statements, and how they are mitigated.

## **11 Internal Audit Provision from 2022/23**

This report informed the Committee of a change in provider for Internal Audit Services from 2022/23.

The HoF presented this report and advised the Committee that the new Internal Audit provider brings a fundamental culture change in the approach to Internal Audit. The HoF introduced Mr Andy Bromage and Mrs Helen Tiffney from Worcestershire Internal Audit Shared Services (WAISS) to the Committee and asked them to introduce themselves further to the Committee.

Mr Bromage advised that he is the Head of WAISS who have delivered Internal Audit services to five District Councils for ten years. WAISS provide the Internal Audit function for Hereford & Worcester Fire and Rescue Service (HWFRS) and have strong links with the External Auditors, Grant Thornton. WAISS operate from Worcester and use remote and on-site meetings to conduct audits and liaise with their clients. There will be a move to focus on the value-added aspects of audit, with WAISS working with officers to drive improvement. WAISS look at how organisations add value and work with services to manage risks effectively.

Mrs Tiffney explained that there are three stages in the auditing process of audit planning, fieldwork and reporting. WAISS have five levels of assurance that can be given for audit from No to Full assurance. There are also three priority ratings for audit recommendations: high risk recommendations need to be addressed within 6 months, medium risk should be addressed within a year and low risk recommendations are deemed to be best practice. WAISS will work with the Authority and do accept that some risks cannot be eliminated.

The CFO commented that this has been an intentional transition to enable the Service to look at value and ways of working.

Councillor Thompson left the meeting at this point (2.50 pm)

Members asked if HWFRS has any involvement in the audit process for this Authority. Mr Bromage explained that WAISS have their own team of auditors and do not draw resources from any other organisations. WAISS work with HWFRS on a purely contractual basis for the provision of Internal Audit services to their organisation.

The Committee acknowledged Mr Bromage's explanation but still had some reservations in relation to WIASS partners. Officers gave strong assurance to the Committee that HWFRS will have no influence over the outcomes of Shropshire Fire and Rescue Service audits.

Councillor Thompson returned to the meeting at this point (2.53 pm)

Members asked when the 12-month contract with WIASS commences. The HOF explained that the 12-month contract runs from 1 April 2022 to 31 March 2023. Several internal audits will be undertaken during the year with the first annual report, which will set out performance and benefits / disbenefit findings being received in the summer of 2023. It may then be possible to enter into a longer contract with WIASS as either a contractor or a partner.

**Resolved** that the Committee note the report.

## **12 Review of Anti-Fraud, Bribery and Corruption Strategy**

This report requested the Committee to recommend that the Fire Authority re-affirm the Anti-Fraud, Bribery and Corruption Strategy (attached as the Appendix to the report), following the annual review conducted by officers.

**Resolved** that the Committee agree to recommend that the Fire Authority re-affirm the Anti-Fraud, Bribery and Corruption Strategy without amendment.

## **13 Review of Reporting and Illegality and Malpractice Process**

The Committee has the responsibility to review, and amend as necessary, the Authority's process for the Reporting of Illegality and Malpractice (Whistleblowing). Officers will bring this to the July meeting of this Committee for approval, as it requires updating to reflect the change of Internal Audit provider.

**Resolved** that the Committee note the update given.

## **14 Annual Governance Statement Improvement Plan 2021/22**

This report summarised the progress made to date against the improvements contained in the Annual Governance Statement (AGS) Improvement Plan 2021/22.

The ACFO (SS) presented the report and highlighted the following areas:

- Item 2 – Fitness Standard – a new risk assessed system has been implemented to ensure appropriate support is received by individuals
- Item 4 – Integrated Command and Control System (ICCS) - has been implemented and is now live in the Service.
- Item 6 – Fleet and equipment strategy – the first three new pumping appliances have been delivered to the Service and employees are now in a training and familiarisation period. Once this has been completed, one appliance will be based in a station in the north of the county, with one in south and one in west as well.

**Resolved** that the Committee note the progress made on the 2021/22 Improvement Plan.

Councillor Minnery left the meeting at this point (3.00 pm)

## 15 Corporate Risk Management Summary

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

The ACFO (SS) presented this report and advised that the reporting methodology has been amended so that static risks are no longer included in this report. Three risks have been removed from the Risk Register since the last update to this Committee and these are as set out on page 3 of the report.

The ACFO (SD) gave the following update on supply chain risk:

- Significant cost increases are being seen across all areas including 20% on paper, 15-25% in construction and 37% in energy
- The capital programme has been reviewed to facilitate a move to short-term single trade building work
- There are delays with products and spare parts for example there is currently a 16-week lead time on a replacement part for a treadmill and a six-month delivery time for replacement drysuits
- Contractors are becoming increasingly unwilling to commit to projects
- Challenges are changing week by week for example energy costs have recently increased by £90k
- Pressure is also being seen on pay increases as well.
- The Service is, however, coping well and is remaining flexible and nimble in relation to procurement of various items such as uniforms

The ACFO (SS) added that the Telford Central build is currently within the set tolerances. There has been a steel issue, which has been resolved, but supply and demand and increasing prices are the biggest issues. Contingency level going down.

The ACFO (SD) advised that officers feel it is important to keep the Committee informed of the situation as it constantly changing and does not seem to have peaked yet.

**Resolved** that the Committee note the contents of the report.

Councillor Overton left the meeting at this point (3.15 pm)

## 16 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 (RMG). It specifically covered details about the progress made against outstanding recommendations.



The ACFO (SS) presented this report and advised that the outstanding recommendations are set out in table on page 3 of the report. The ACFO (SS) also clarified that whilst the Internal Audit Annual Report stated that there were 11 outstanding recommendations, this report gives the figure as 6 outstanding as 5 have been completed but Internal Audit have not yet given their assurance on these hence the discrepancy in the numbers.

**Resolved** that the Committee note

- a) The progress made against the 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.

Councillor Overton returned to the meeting at this point (3.17 pm)

## **17 Performance Monitoring**

### **17a Corporate Performance Indicators including Retained Duty System Performance – April to December 2021**

This report presented a summary of the Service's performance from April to December 2021.

The HoTC presented this report and highlighted the following in relation to the Corporate Performance Indicators (CPIs)

#### **CPI 1 – All Fires**

Performance is good with the year to date figures being marginally above the lower tolerance for this CPI

#### **CPI 2 – Accidental Dwelling Fires**

There is positive performance on this CPI with accidental dwelling fire figures below the lower tolerance

#### **CPI 3 – Deliberate Fires**

Very positive performance has been seen on this indicator with 233 deliberate fires which is an 11% reduction on the same period last year

#### **CPI 4 – Fire related deaths and serious injuries**

No fire related injuries or deaths were sustained in the Quarter 3 reporting period

#### **CPI 5 – Fires confined to room of origin**

Performance on this CPI has improved between July and November 2021 with a higher performance figure equating to better performance across the Service

#### **CPI 6 – Injuries sustained to staff through operational activity**

There have been 9 injuries between April and December 2021. Of these, 3 were RIDDOR reportable as they involved absences of more than 7 days.

### **CPI 7 – Response Standard**

The Response standard has been surpassed in all three areas of urban, town and fringe and rural

### **CPI 8 – Fires in regulated buildings**

There were 28 incidents recorded as fires in regulated buildings in Quarter 3 which is a reduction in occurrence rates for Quarters 1 and 2

### **CPI 9 – Diversity, Establishment and Firefighter Competence**

The figures for this CPI are as set out in the report. There are no comparison figures for this CPI as it was introduced in 2021/22 however the competency figures show there is healthy compliance and education of employees about the reasons for declaring their ethnicity is being undertaken

Members asked if there had been an increase in fires during the pandemic. The CFO advised that whilst there was a reduction in accidental dwelling fires there was an increase in the burning of rubbish etc, but this has been overcome as Covid restrictions have been released.

**Resolved** that the Committee note the report.

## **17b Corporate Performance Indicators and Proposed Tolerances for 2022/23**

This report presented the Corporate Performance Indicators for 2022/23 as agreed by the Strategy and Resources Committee at its meeting on 23 March 2022. The report also included the data provided to the Committee to inform its decision making.

The ACFO (SS) presented this report and explained that it had been taken to Strategy and Resources Committee in March for decision and is brought to this Committee for information as those tasked with monitoring performance against the CPIs.

The ACFO (SS) also explained that 2021/22 was the first year that tolerances were applied to the CPIs along with the introduction of CPI 8 – fires in regulated buildings and CPI 9 – diversity, establishment and firefighter competence. The existing tolerances for the CPIs will be retained with a tolerance of + or – 3% being introduced for CPI 8.

**Resolved** that the Committee

- a) Note the report and acknowledge the work undertaken to determine the proposed Corporate Performance Indicators for 2022/23;
- b) Note the proposed Corporate Performance Indicators for 2022/23; and
- c) Note the introduction of a tolerance for Fires in Regulated Buildings (CPI 8).

## Standards

### 18a Code of Conduct Complaints 2021/22

**Resolved** that the Committee note that, whilst not a legal requirement, it is good practice for Members to receive regular updates on Code of Conduct complaints, even if there have been none. The ESO reported that, during the period 2021/22, the Fire Authority had received no complaints that any of its Members had breached its Code of Conduct

### 18b Review of Protocols

**Resolved** that the Committee note that a review has been undertaken of the following documents and there are currently no amendments proposed to them:

- Member / Officer Relations Protocol; and
- Gifts and Hospitality Protocol

## Member Development

### 19 Member Development 2021/22 and 2022/23

This report updated the Committee on Member development activity over the past year and proposed training and development activity for the year April 2022 to March 2023.

The CFO advised that in addition to the training outlined in the report, Officers are arranging fire-specific governance training for Members which will be provided by the Centre for Governance and Scrutiny session

**Resolved** that the Committee

- a) note the backward looking report for 2021/22; and
- b) agree the proposed training and development activity for 2022/23.

## Pension Board

### 20 Pension Board Minutes

**Resolved** that the Committee note the minutes of the Pension Board meeting, held on 10 January 2022.

The meeting closed at 3.35 pm.

**Chair**.....

**Date**.....