

**Minutes of the Meeting of
Shropshire and Wrekin Fire and Rescue Authority
Standards, Audit and Performance Committee
Held via Microsoft Teams
On Thursday, 30 April 2020 at 2.00 pm**

Present

Members

Councillors Blundell, Dee (Vice-Chair), Milner (from 3.00 pm), Minnery, Price, Sahota (Chair) and Thompson

Officers

Dave Myers	Deputy Chief Fire Officer	DCFO
Simon Hardiman	Assistant Chief Fire Officer	ACFO
James Walton	Treasurer	Treasurer
Joanne Coadey	Head of Finance	HoF
Ged Edwards	Planning, Performance and Communications Manager	PPCM
Germaine Worker	Head of HR and Administration	HHRA
Adam Matthews	Group Manager	GM
Lynn Ince	Executive Support Officer	ESO

External Bodies

Richard Percival	Grant Thornton, External Audit
David Rowley	Grant Thornton, External Audit
Pete Chadderton	Audit Services, Shropshire Council

1 Apologies for Absence

Councillor Adams

2 Disclosable Pecuniary Interests

Councillor Dee asked that it be noted that she is a recipient of a Service pension

3 Public Questions

None

4 Minutes

Resolved that the minutes of the Standards, Audit and Performance Committee meeting, held on 5 December 2019, 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.

Resolved that the Committee recommend the amendments to the Terms of Reference, as set out in the report, to the Fire Authority for agreement.

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 and for the Member Champion for Risk Management and Audit.

Resolved that the Committee approve the Role Descriptions for the Chair and Vice-Chair of the Standards, Audit and Performance Committee and the Member Champion for Risk Management and Audit without amendment.

7 Code of Corporate Governance

7a Code of Corporate Governance 2019/20

This report gave the Committee an opportunity to make comment on the draft Code of Corporate Governance 2019/20 prior to it going forward to the full Fire Authority for consideration and formal adoption.

The PPCM presented this report and explained that the Internal Audit report on Corporate Governance 2019/20 has come to the Committee following a change in guidance. Previously this report would have been discussed with officers, but it is now deemed more appropriate for it to be brought to Members.

Resolved that the Committee

- a) Receive the draft Code of Corporate Governance 2019/20; as 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 2019/20

Resolved that the Committee note the Internal Audit Report on Corporate Governance 2019/20.

8 External Audit

8a 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.

Mr Percival introduced himself to the meeting and explained that he would be overseeing the Engagement Lead Role as Robin Baker is off on long-term sickness. Mr Percival explained that he has experience of working with local authorities including Shropshire Council and Telford & Wrekin Council and West Midlands Fire and Rescue Authority. Mr Percival advised that the effects of the Covid-19 pandemic on the discharge of the audit functions has been cited as a significant risk in the Audit Plan because of the possible effect on valuations and potential issues with remote working.

Mr Rowley then talked through the report and drew members attention to the following points:

- On page 5 of the report, the risk related to the revenue cycle including fraudulent transactions is a presumed risk that is adapted for local authorities, but which has been rebutted for this Authority
- Pages 6 and 7 of the report set out the significant risks for the Authority including Covid-19 which has been factored into all areas of the audit. The proposed response to the issue is set out on page 6 of the report.
- Materiality, as set out on page 9 of the report, relates to material misstatements that would affect the decision making of users of the accounts. Any misstatements that are deemed to be not 'clearly trivial' must be reported to those charged with governance, i.e. this committee
- The deadline for the submission of audited accounts has been extended from 31 July 2020 to 30 November 2020. The aim, however, is to still work to the timeline set out on page 11 of the report which includes completing the audit for the July date. Given the current changing environment, this does give some scope to move the completion date if there is any hold-up with external information such as from the Shropshire County Pension Fund.
- The proposed audit fees for the 2019/20 audit are as set out on pages 12 and 13 of the report.

The Committee queried if the Authority should take advantage of the extension to the submission date due to the impact of Covid-19. Mr Rowley explained that the intention is to complete the main body of work in the same vein as previous years, so that it is ready for sign-off in July although, if necessary, sign-off could move back. The HoF added that the plan is to complete the year-end processes at the end of May and then work towards completing the audit in mid-summer. This is to avoid the Finance Team having to work on the audit requirements at the same time as the budget setting processes begin. The HoF advised that if there is any slippage from the year-end completion on 31 May, dates may move back by one week.

Members asked for more information about the impact of the Covid-19 crisis on the Value for Money risk assessment that is referred to on page 3 of the report. Mr Rowley referred Members to page 10 of the report which sets out the three areas which could prejudice the outcome of the Value for Money risk assessment and explained that historically the Authority has very good value for money arrangements. Work will need to be undertaken to assess to what extent the changes caused by Covid-19 have impacted on the Authority.

Members asked if there was any flexibility if the audit is not completed on time. Mr Rowley explained that there has been a four-month shift in the submission deadline from 31 July to 30 November. This gives ample opportunity to complete the bulk of work by the required date.

The Committee asked if the audit would be completed electronically or physically. Mr Rowley explained that the audit will be completed using video calls and share screen technology together with Inflow which facilitates the sharing of papers and information. Auditors and officers do not anticipate that there will be too many issues with accessing the relevant information. The HoF added that the audit requirements should be fulfilled with regular video calls and providing information earlier in case there are any issues with sharing it that need to be addressed.

Resolved that the Committee note The Audit Plan for the Year Ending 31 March 2020.

8b Informing the Audit Risk Assessment

This report contributed 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.

Mr Rowley presented this report and highlighted the following issues to the Committee:

- The McCloud Sargeant Pensions case is still ongoing so could still be an issue for the Authority
- The Covid-19 pandemic has not been included in this report as the report was written before the crisis occurred. Members queried if it should be included given the potential implications of the situation. In response, Mr Rowley explained that this is a backwards looking document and it may be that Covid-19 will have more impact on the 2020/21 audit. It is a unique challenge for the Authority which is covered in the Audit Plan for 2019/20.
- No impacts have been identified in relation to fraud, laws and regulations and Going Concern considerations
- Nor have any issues been identified with related party transactions and accounting estimates

Resolved that the Committee note the report.

9 Statement of Accounts 2019/20 Review of Accounting Policies

This report presented the accounting policies to be used in the production of the Fire Authority's Statement of Accounts 2019/20 for consideration and approval.

The HoF presented this report and advised that there are no new additions to the accounting policies but the affects of the Coronavirus pandemic on legislation are reflected in the policies.

Resolved that the Committee approve the accounting policies, prior to the presentation of the Statement of Accounts 2019/20.

10 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 at the Appendix to the report) following the annual review conducted by officers.

The HoF presented this report and advised that there are no significant changes to the Policy. The only amendments are minor ones that relate to information about the Authority.

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

11 Annual Governance Statement 2019/20 Improvement Plan

This report summarised the progress made to date against the improvements contained in the Annual Governance Statement (AGS) Improvement Plan 2019/20.

The PPCM introduced this report and the following updates were given on the improvements set out in the Plan.

People

- The collective agreement for Wholetime crewing is still awaiting feedback from the Fire Brigades Union
- The Retained Sustainability Project has been delayed because of the Covid-19 crisis. This delay will allow the Service to maximise the benefit of the 12-month secondment that is in place for the project.

Process

- Work is continuing on the Risk Management System and the automation of over the border information sharing
- LEO is enabling staff to access training remotely during lockdown
- Process improvements are being developed for the Finance system

Systems

The IT Health Check has been completed and the assessment result is good.

Property

- The planning application has been submitted for the Telford Central Project. There are risks associated with this due to Covid-19 and the possible issue of capacity within the construction industry. This has caused the tender date to be moved back by a week. A report on the Telford Central Project will be brought to the Fire Authority meeting on 24 June.
- The station security project is currently on hold because of lockdown

Appliances

- Work is ongoing with Technical Services regarding the requirements for the appliances that have been reallocated from wholetime to on-call and training use
- The Incident Command vehicle will go live on 1 May 2020 at Tweedale

Collaboration

Work is ongoing on the four workstreams identified in the Strategic Alliance Plan

Resolved that the Committee note the progress made against each of the improvements contained in the Annual Governance Statement Improvement Plan 2019/20.

Councillor Milner joined the meeting at this point (3.00 pm)

12 Corporate Risk Management Summary

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

The PPCM presented this report and drew Members attention to the current position as set out on page 2 of the report. Two new risks related to Service disruptions due to Covid-19 and personal protective equipment for emerging activities were added to the Risk Register in March 2020. The PPCM reported that the Covid-19 Planning Group is now meeting every other day instead of every day as it was at the beginning of the pandemic.

Resolved that the Committee note the contents of the report.

13 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 covers details about the progress made against outstanding recommendations.

The PPCM presented this report and explained that the increase in the number of outstanding recommendations is related to the changeover of Finance, Payroll and HR systems to Telford & Wrekin Council. The HoF added that there were several recommendations from the original audit which it was envisaged would be completed by June 2020. The follow-up audit which was done six months later led to more recommendations being identified. It is hoped that most of these recommendations can be satisfactorily addressed by September 2020.

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.

14 Performance Monitoring

14a Summary of Annual Performance against Service Targets

This report summarised performance against the Service Targets over the last year, the learning that has come from trying to meet them and the plans for continuing to do so.

The ACFO presented this report and highlighted the following issues:

Response

The Service has failed to meet this target for the second year since it was set. This is an issue that is also being seen at a national level with Home Office data showing a significant rise in response time across all incident types. The main factors causing this increase are thought to be increased levels of traffic and the location of incidents being further away from stations. Another factor for this Service is the type of incident, as the Service has graded responses to automatic fire alarms and animal rescues.

Accidental Dwelling Fires

There has been a significant improvement in performance against this target with the lowest number of incidents ever recorded in the county at 195. This is a reduction from 254 in 2015/16 which equates to a 23.3% reduction over the five-year period for which the target reduction was 25%.

Deliberate Fires

Achieving performance against this indicator again this year means that the Service has surpassed its target of a 25% reduction over five years. It should be remembered however that this target is susceptible to external influences including the increased occurrence of fly-tipping, mainly in the Shrewsbury and Telford areas.

Death and Serious Injury

This target has again been achieved this year with the 7 incidents that did occur including two fatalities in accidental dwelling fires and 5 serious injuries in dwelling fires. It was agreed by the Strategy and Resources Committee, when they set the targets for 2020/21 in March this year, that future performance reporting for this target will report deaths and serious injuries as two separate figures.

Members expressed that the performance was very pleasing overall but questioned what action should be taken in relation to the response time target. There was a discussion about whether performance against the target could be addressed by reducing the target or if resources should be looked at to enable it to be met. The ACFO explained that the target has been deliberated by the Strategy and Resources Committee and has been set at 89% for 2020/21. This maintains the target from previous years and enables it to be considered further in the Integrated Risk Management Plan. The Committee agreed that this was the best way forward.

The Committee queried if there had been an increase in fires due to waste disposal centres being closed because of the Covid-19 lockdown. The ACFO explained that there has not been a significant increase in deliberate fires but there has been an increase in bonfires. This issue is being addressed via various sources including social media with the message that homeowners should store rubbish safely until it can be disposed of properly and should ensure that fireloading within properties is reduced and escape routes maintained.

Members asked if homes of multiple occupancy (HMOs) were more of a fire risk than normal dwellings. The ACFO explained that there is no increased fire risk with HMOs if they are managed appropriately and the necessary maintenance of safety systems is undertaken.

Resolved that the Committee note the report.

14b Service Targets 2020/21

This report presented the agreed Service Targets for 2020/21.

Resolved that the Committee note the report.

14c Wholetime and On Call (Retained Duty System) Performance Monitoring April 2019 – March 2020

This report provided an annual summary of information for April 2019 – March 2020, regarding the performance and management of the availability of Wholetime and On Call (Retained Duty) Systems in Shropshire.

The AM presented this report and highlighted the following points

- Wholetime availability has been 100% over the 12 months covered by the report

- On Call availability has been 96.98% for the same period. This is a 0.8% drop on the previous year, but the Service is still leading the United Kingdom in on call availability
- The Group Support Team has provided an extra 758 hours of support to stations in 2019/20
- The recruitment campaign is ongoing and is utilising the recruitment material that has been introduced nationally
- A presentation on On Call Recruitment will be given to the Committee once face to face meetings are resumed
- The On Call Recruit Course has been put on hold as a result of the Covid-19 pandemic

Resolved that the Committee note the contents of the report.

Councillor Minnery left the meeting at this point (3.45 pm)

15 Standards

15a Code of Conduct Complaints 2019/20

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 HHRA reported that, during the period 2019/20, the Fire Authority had received no complaints that any of its Members had breached its Code of Conduct

15b Review of Protocols

Officers have carried out a review of the Member / Officer Relations Protocol and the Gifts and Hospitality Protocol and propose minor amendments to both documents.

Resolved that the Committee

- Agree the proposed minor amendments to the
- Member / Officer Relations Protocol; and
- Gifts and Hospitality Protocol; and
- Recommend the Protocols to the Fire Authority without further amendment.

16 Member Development

This report updated the Committee on Member development activity over the past year and proposed training and development activity for the year April 2020 to March 2021.

The DCFO presented this report and drew Members' attention to the proposed training and development activities for 2020/21.

Resolved that the Committee note the backward-looking report for 2019/20 and agree the proposed training and development activity for the year ahead.

17 Pension Board

17a Minutes

Resolved that the Committee note the minutes of the Pension Board meeting held on 26 March 2020.

17b Pension Board Annual Report 2019

This report brought the Pension Board Annual Report 2019 to the Standards, Audit and Performance Committee for information.

Resolved that the Committee note the Pension Board Annual Report 2019.

17c Data Quality Improvement Plan

The Committee was asked to approve the Data Improvement Plan which addressed the key issues raised in the data quality review of the firefighter pension schemes that took place in 2019.

Resolved that the Committee approve the Data Quality Improvement Plan.

18 Exclusion of Press and Public

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

19 Corporate Risk Management Summary (Paragraph 4)

The Committee received Appendix C to report 12 – 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 12.

The meeting closed at 4.05 pm

Chair

Date