

**Minutes of the Meeting of  
Shropshire and Wrekin Fire and Rescue Authority  
Standards, Audit and Performance Committee  
held in the Oak Room, Headquarters  
on Friday, 24 September 2021 at 10.00 am**

## **Present**

### **Members**

Councillors Burchett, Evans (Chair), Lea and Price

### **Officers**

Rod Hammerton	Chief Fire Officer	CFO
Simon Hardiman	Assistant Chief Fire Officer (Corporate Services)	ACFO (CS)
James Walton	Treasurer	Treasurer
Joanne Coadey	Head of Finance	HoF
Jan Morris	Head of Transformation and Collaboration	HoTC
Lynn Ince	Executive Support Officer	ESO

### **External Bodies**

Mr Rowley and Mr Rycroft	Grant Thornton, External Audit
Mr Chadderton	Audit Services, Shropshire Council

## **1 Apologies for Absence**

Councillors Hignett, Minnery, Sahota (Vice-Chair) and Thompson

## **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 29 July 2021, be agreed and signed by the Chair as a correct record.

## **5 Statement of Accounts 2020/21**

This report presented the completed Statement of Accounts 2020/21 to the Committee for consideration and approval.

**Resolved unanimously** that the Committee:

- a) Approve the Statement of Accounts 2020/21 (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 2020/21 and Improvement Plan 2021/22**

The purpose of this report was twofold: it set out the draft Annual Governance Statement (AGS) for 2020/21 and the AGS Improvement Plan 2021/22 to be included in the Fire Authority's Statement of Accounts. It also reported on initial progress of activities contained within the 2021/22 Improvement Plan.

The Committee questioned the completion dates in the report which are all currently July 2022. The HoF, who presented the report, explained that the dates will be reviewed and refined as necessary during the year. The HoF also confirmed item 3 on the Improvement Plan is on target to be completed by the end of the year.

**Resolved** that the Committee

- a) Agree the Annual Governance Statement 2020/21 and 2021/22 Improvement Plan for inclusion in the 2020/21 Statement of Accounts; and
- b) Note the progress made on the 2021/22 Improvement Plan.

## **7 External Audit - Audit Findings Report 2020/21**

Mr Rowley presented the Audit Findings Report for the year ended 31 March 2021 and highlighted the following points

- A 'clean' audit opinion will be issued
- The Audit Team are in communication with the auditor of the Shropshire County Pension Fund regarding confirmation their audit
- There has been a slight delay to the valuations of Land and Buildings (PPE)
- Materiality levels, as set out on page 6 of the report, have not changed since the Audit Plan was received by the Committee in April 2021
- Regarding the significant risks detailed in Section 2 of the report, the first two risks are assumed risks for all audits
- There have been no issues identified in relation to Management override of controls.
- No significant issues have been determined in relation to revenue recognition
- There are no concerns in relation to Covid grants as the Fire Authority did not receive large amounts of grants

- Regarding the key judgments and estimates as set out on pages 10 and 11 of the report, there are large estimates involved and small changes in assumptions can lead to large changes in estimates for example for inflation etc
- The Audit Team are of the opinion that they have good assurances regarding Pension Liabilities
- There is an issue with the understatement of assets held by the Shropshire County Pension Fund. This is due to a time lag in the valuation of assets which are often valued retrospectively. The share of assets will need to be assessed to confirm if an adjustment is needed in the Fire Authority accounts in relation to this
- The Audit Team are comfortable with methods used for the valuation of PPE but there are still admin tasks to finish on this area of the audit. Once completed, the findings will be reported back to this Committee
- As detailed on page 12 of the reports, discrepancies were noted between the establishment reports used by the Human Resources and the Finance Departments. This could lead to possible control issues and the issue is being addressed by the Service
- No concerns have been identified in relation to the Authority's ability to continue as a 'going concern'
- There has been a change to the Value for Money audit which is now a more involved piece of work and therefore there has been an extension to the completion date for this audit. It is now intended that it will be completed in October / November. There appear to be no particular concerns at present, but the findings will be reported to the Committee
- The issues identified in Appendices A and B to the report are being addressed
- The audit adjustments, as set out in Appendix C to the report, have no impact on the financial performance of the Service
- The adjustment to cash / cash equivalents, as detailed on page 25 of the report, relates to Grant funding that was received in advance and posted incorrectly. The adjustment is a movement between lines on the balance sheet and has no impact on the Service's financial position.
- The disclosures set out on page 26 of the report are issues that were identified during the audit process and which need addressing
- There has been no change to the audit fees, which remain at the levels set out in the Audit Plan
- Mr Rowley asked that the Auditors appreciation to the Finance Team for their work and co-operation throughout the audit process

Members asked if the same issues occur in the audit each year. Mr Rowley explained that it is difficult to provide a definite answer, but more issues have been identified this year. It is worth noting that there has been a change to the Audit Team which helps to avoid familiarity with the organisation together with a change in audit requirements which will have affected the number of issues identified.

Members queried the disclosure, on page 27 of the report, related to IFRS 15 which has not been adjusted in the final set of financial statements. The HoF advised that Officers will, as recommended by the Auditors, undertake quality assurance with Hereford & Worcester Fire and Rescue Service.

Members requested that the Audit Findings Report be distributed earlier in future. Mr Rowley responded that the production of the report had been challenging due to remote working and changes in legislative requirements and he reassured the Committee that he had taken their comments on board and would endeavour to issue the report earlier in the future.

**Resolved** unanimously that the Committee formally adopt the Audit Findings for 2020/21

### **Committee Clerk's Note**

The Letter of Representation for the year ended 31 March 2020 was signed 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).

The External Auditors left the meeting at this point (10.35 am) whilst the following item was considered.

## **8 Appointment of External Auditors 2023/24**

This report informed the Committee of the next round of external auditor appointments and asked the Committee to consider the options available and recommend the preferred option to the Fire Authority.

Members asked if any potential governance change in future would affect the external audit arrangements. The Treasurer and the HoF both advised the Committee that they did not think there would be any effect on the external audit arrangements if there was a change in governance model.

The Committee expressed concern that the current External Audit appear to be struggling and queried if the sector-led approach as set out in the report was the best option for the Fire Authority. The CFO advised that the sector led option is the best way to achieve economies of scale and the HoF added that using Public Sector Audit Appointments (PSAA) helps to ensure that the Authority will pay a reasonable price for an effective audit. The Treasurer further explained that, historically, costs have been reducing but it has now been realised that they have reduced too far and are now starting to increase. Using larger audit firms who are managed through PSAA is therefore the better option.

**Resolved** that having considered the options available for external auditor appointment from 1 April 2023, the Committee recommend the sector led body approach to the Fire Authority.

The External Auditors returned to this meeting at this point (10.45 am)

## **9 Annual Review 2020/21**

This report presented the draft Annual Review (also known as the Annual Statement of Assurance) for 2020/21 and gave the Committee an opportunity to make comment on the draft, prior to it going forward to the full Fire Authority for consideration and approval.

The ACFO (CS) presented the report and explained that this is an electronic document which is published on the Service website. The ACFO (CS) advised the Committee that the full Fire Authority will agree the document before it is formally published.

The Committee commented that it liked the document and thought that it was both user friendly and appealing to read.

**Resolved** that having made comment on the draft Annual Review 2020/21, the Committee recommend its adoption by the Fire Authority.

## 10 Corporate Risk Management Summary

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

The ACFO (CS) presented the report and highlighted that there are currently 13 risks on the Corporate Risk Register. The only change on the Register since the last report to this Committee in July 2021 is that the direction of travel for the risk relating to PPE for emerging activities is reducing due to increased knowledge of PPE requirements.

Members asked if the risk related to the ICCS system is still relevant. The ACFO (CS) confirmed that a new system will be live by end of this year.

Members queried why risks remained on Register for such long periods of time, for example some were raised in 2012. The ACFO (CS) responded that some risks do have extended dates, but they are still live risks and are kept on the Register as the risks identified will change over time. Members felt strongly that the risks on the Register should be managed and addressed such as the risk related to the failure of primary suppliers and suggested that it would be pertinent to look at how the information is presented on the Register, for example identifying risks as managed or emerging.

The Committee asked about Fire Control and the Covid risk. The ACFO (CS) explained that Fire Control is a critical function for the Service especially as it has a small number of employees. Steps taken to mitigate the Covid risk include restricting Control Room access and ensuring employees are undertaking appropriate social distancing etc. Volunteers from the wider Service have also been trained to answer fire calls in order to provide resilience should staffing levels be reduced.

The Service also has a fallback arrangement in place with Hereford & Worcester and Cleveland Fire and Rescue Services, which enables those Services to answer fire calls if this Service's Fire Control does not have sufficient capacity. Members asked, on average, how many time this situation occurs. The ACFO (CS) explained that it is a tri-service agreement and it tends to be more that we help them more than they help us.

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

## 11 Performance

### Corporate Performance Indicators including Retained Duty System Performance – April to June 2021

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

The ACFO (CS) presented this report and talked through the performance for each of the Corporate Performance Indicators (CPIs), as set out in the report, highlighting the following

#### **CPI 1 – All Fires**

Performance for this indicator is currently above the 5% upper tolerance but analysis of the data does show a month-on-month improvement throughout Quarter 1.

The Service's Performance and Risk Group have discussed this issue at their meeting and identified that performance will be back within the indicator tolerance for Quarter 2

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

Performance for Quarter 1 is well below the tolerance level for this CPI.

#### **CPI 3 – Deliberate Fires**

There is strong performance against this CPI with a 31% reduction in incidents compared to the same period in 2020/21.

#### **CPI 4 – Fire Related Deaths and Serious Injuries**

Whilst the targets for this indicator have been removed, the Service continues to monitor numbers of fire related deaths and serious injuries, with 5 incidents of serious injury being recorded in Quarter 1 and no fire related deaths.

#### **CPI 5 – Fires Confined to Room of Origin**

This CPI was retained by the Strategy & Resources Committee as an internal performance measure. The Service is currently exceeding the tolerance level for this CPI which is good

#### **CPI 6 – Injuries sustained to Staff through Operational Activity**

Six injuries to staff were recorded in Quarter 1; two of these were reportable under RIDDOR regulations.

#### **CPI 7 – Response Standard**

The change to the response standard reporting was a significant part of the Service's Community Risk Management Plan work and the target is currently being passed in the three distinct areas.

Members asked for clarification of how response times are measured. The ACFO (CS) explained that the response time is measured from when the first resource is mobilised by Fire Control. The call time is also monitored. The Response time could be measured from the time of the call but the Service measures from the mobilising point in order to ensure that the appropriate

response is being sent and accurate data is being collected. For On Call stations, the response time is measured from when the alert message is sent to the crews.

The ACFO (CS) also explained that the categories for the CPI were set using Local Super Output Area figures which are based on population. The Urban category covers Shrewsbury, Telford, Wellington and Oswestry; the Town & Fringe category is towns such as Bridgnorth / Market Drayton etc.; and the rural category covers smaller towns such as Clun.

Members asked if the response times are analysed to assess performance. The ACFO (CS) explained that they are drilled down into with the Officer-in-Charge having to provide reasons for any failure to meet the response time so that these can then be mitigated, if possible, in the future. The ACFO (CS) undertook to provide information to Members on missed response times for Quarter 4 of 2020/21.

In response to a query from the Committee regarding the placement of an extra appliance if needed, the ACFO (CS) explained that in situations where the Service is not confident that it can maintain response times for example during periods of flooding in Shrewsbury, it will split the location of its appliances with one being based at Headquarters and the other at the Ambulance Station, next to Shirehall.

#### **CPI 8 – Fires in Regulated Buildings**

Incidents are classified as accidental or deliberate through the Fire Investigation process and care homes are included as Regulated Buildings.

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

Establishment and Diversity figures will be reported to Committee in Quarters 2 and 4 of the reporting year. Competency figures are included in the report but as this is a newly established CPI there are currently no comparison figures.

#### **On Call Availability**

Higher levels of availability were achieved throughout the pandemic, which can be attributed to lockdown, increased working from home and furlough. Whilst availability has dropped slightly in comparison to the same quarter in 2020/21, levels remain high across the Service.

Members noted that 40 On Call employees had left the Service during the past 12 months and asked if exit interviews are undertaken with leavers. The ACFO (CS) confirmed that exit interviews are carried out and there are various reasons for employees leaving including age and / or change of primary employment.

The ACFO (CS) also advised that the Service does recognise stations who achieve sustained 100% availability with a letter from the CFO and attendance at the Service's Celebration of Success

The table on page 9 of the report shows that Albrighton currently has the lowest availability and Members asked if this was due to the proximity of West Midlands Fire and Rescue Service. The ACFO (CS) explained that it appears to be a mix of that and low numbers of people working in vicinity of the station.

Members asked about the viability of On Call stations and queried when, or if, the Service would consider closing a station if it had consistently low availability. The ACFO (CS) responded that this would be unlikely and highlighted that the pandemic has given new opportunities for On Call recruitment with increased potential for recruits due to the increase in homeworking.

**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 Paragraph 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.

The meeting closed at 11.50 am.

**Chair**.....

**Date**.....