

**Minutes of the Meeting of
Shropshire and Wrekin Fire and Rescue Authority
Audit and Performance Management Committee
held at Headquarters, Shrewsbury
on Thursday, 10 March 2011 at 2.00 pm**

Members

Councillors Adams, Dixon, Dr Jones (Chair), Mason and Mellings (Vice-Chair)

Officers

Assistant Chief Fire Officer, Treasurer and Management Support Officer

External Bodies

Mr Patterson and Ms Mayne (Audit Commission)

Councillor Jones began by welcoming Mr Patterson and Ms Mayne from the Audit Commission to the meeting and thanked them for the presentation on International Financial Reporting Standards based financial statements, which they had given immediately prior to the meeting.

1 Apologies for Absence

Apologies for absence had been received from Councillors Eade and Kiernan.

2 Declarations of Interest

There were no declarations of interest.

3 Minutes

Members received the minutes of the meeting of the Audit and Performance Management Committee, held on 30 November 2010.

It was proposed by Councillor Mellings, seconded by Councillor Adams and

Resolved that the minutes of the meeting of the Audit and Performance Management Committee, held on 30 November 2010, be approved and signed by the Chair as a correct record

4 Public Questions

No public questions, statements or petitions had been received.

5 Audit and Performance Management Committee Work Plan 2011-12

This report put forward a 2011 / 2012 Work Plan for the Audit and Performance Management Committee for consideration and approval by Members.

It was proposed by Councillor Adams, seconded by Councillor Mason and

Resolved that the Committee approve the Audit and Performance Management Committee Work Plan 2011 / 2012, attached as an appendix to the report, without any amendments.

6 Audit Commission Matters

6a External Audit Statement of Audit Progress 2010/11

This paper reported on the Audit Commission's progress in delivering its responsibilities as the Authority's external auditor. It also sought to highlight key emerging national issues and developments, which may be of interest to Members. At the end of the update Members were asked to consider a number of questions in order to ensure that they have received sufficient assurance on the emerging issues.

Ms Mayne informed the Committee that the intention is to bring this report to each meeting of the Audit and Performance Management Committee and that the report can be tailored to the client's needs.

Ms Mayne talked through the report and highlighted the items set out on page 3 of the report, particularly the meeting with Internal Audit to ensure that work is not being duplicated. The report also set out the changes to audit, which have been brought about by the Clarity Project, a comprehensive project that has been undertaken to enhance the clarity of all the International Standards on Auditing (ISAs).

Ms Mayne then referred to page 7 of the report, which referred to the 2011/12 Audit Fees. The Audit Commission has now set its proposed fee scales for the 2011/12 audit. This has been done by taking the 2010/11 fees as a basis and then applying savings as appropriate. This equates to an approximate reduction of 8% on the Audit Fee for this organisation. Further details of the exact fee will be reported to the next meeting of this Committee.

Councillor Jones thanked the Audit Commission for their papers, which were very informative. She then referred to page 10 of the report and the key considerations that are set out there. Each of the bullet points were then considered by the Committee as follows:

- The Committee is happy that the Authority has set its 2011/12 budget in line with the allocations from Central Government and other income assumptions.

- The response to the consultation on the future of fire and rescue control services in England will be considered by the Strategy and Resources Committee at its meeting on 17 March 2011. This is in line with the delegation made by the Fire Authority at its meeting on 9 February 2011.
- The research published on the Communities and Local Government website in relation to the cost of fire, retained duty system and Fire Service Emergency Cover (FSEC) major incidents risk assessment module has been considered by officers in planning. Councillor Jones asked if a report should be brought to the Committee. Mr Patterson advised that it does not necessarily need a separate paper. The Assistant Chief Fire Officer (ACFO) pointed out that the salient points of these documents are set out on page 6 of the report and that further information can be brought to the Committee, if necessary
- The Financial Reporting Council's report 'Update for Audit Committees: Issues arising from current economic situations' will be emailed to Members of the Committee for consideration. The Treasurer will bring a short report on those areas which are relevant to the Fire Authority to the next meeting of this Committee.

Councillor Mellings commented that he had found the format of the reports to be very helpful in highlighting both local and wider issues in relation to audit. Councillor Mellings then referred to paragraph 44 on page 8 of the report, which relates to companies 'hoarding cash' and asked if there were any implications for the Fire Authority, as it is deemed to be 'cash-rich'. Mr Patterson explained that this relates to the accurate forecasting of cash flows etc and he is not aware of any issues relating to this with regard to the Fire Authority. There is no definitive Audit Commission view on this issue. It is up to individual organisations to determine. Ms Mayne did, however, indicate that there has been some questioning of the management of reserves within public bodies and that there has been some negative press coverage of this issue.

Councillor Mellings requested that links to documents and websites be provided in future reports. Ms Mayne undertook to do this.

Resolved that the Committee note the report

6b 2010/11 Revised Fee Letter

This letter advised of the Audit Committee's revised fee for 2010/11.

Mr Patterson explained that the Letter provides a summary of the fee for 2011/12 and that there is a distinction between the fee and cash paid. Mr Patterson highlighted that the fee for 2011/12 is £63,909 and that this figure has been arrived at due to the factors set out on page 3 of the Letter.

Resolved that the Committee note the letter

6c 2010/11 Opinion Audit Testing Strategy

This paper set out the audit work, which the Audit Commission proposes to undertake to support its opinion on the Fire Authority's 2010/11 financial statements and the value for money conclusion.

Mr Patterson explained that the audit opinion risks outlined in the report do not necessarily mean that the organisation is running poorly. Page 5 of the report details those areas where there is uncertainty and, therefore, where extra work is needed. The Audit Commission's Team Lead has been working on these areas with the Finance Department.

Mr Patterson then explained that there has been a change to the Value for Money (VfM) conclusion, which has been streamlined to two key questions. There is also still a duty on the auditor to consider Use of Resources, as part of the legislation regarding this is unchanged. This issue is not, however, considered to be a risk and further information will be brought back to the Committee regarding this.

Councillor Adams commented that the auditor's confidence is a good reflection on officers. Mr Patterson responded that a lighter touch was being taken with more detail on financial resilience. The Use of Resources is a small part of a larger picture.

Councillor Mellings asked about the statutory requirement to approve the accounts by the end of June. Mr Patterson explained that this may be removed, if the draft amendment to the regulations goes through. The decision as to when to report on the accounts may become a local one, which is dependent on the timetable of the audit. This may then affect committee dates.

Councillor Mellings then asked if the Committee should be meeting with Internal and External Audit without officers present. Mr Patterson explained that it is considered good practice to have one meeting per year such as this. Councillor Mellings asked that this be considered when the Committee's Terms of Reference are next reviewed.

Resolved that the Committee note the report

7 Internal Audit: Progress Report on 2010/11 Audit Plan; and Proposed 2011/12 Audit Plan

This report detailed progress on the 2010/11 Internal Audit Plan and sought the Committee's confirmation of the 2011/12 Plan.

The Treasurer referred to Appendix A to the report and recommended that the Committee should consider leaving the audit programme as is set out but with flexibility to be included as the programme goes forward. There is a possibility that there may be some scope for flexibility in the Computer Services and the Capital Budgeting and Accounting audit areas.

Councillor Dixon commented that flexibility is the key and Councillor Adams added that the programme should automatically include flexibility

The Treasurer advised that the standard Audit Risk Assessment could possibly be downplayed in constructing the next four-year programme, although there are limits, as some audits are regarded as key by the Audit Commission.

Councillor Mellings referred to Appendix B and asked for an update on the Payroll and Personnel audit area, which is still in progress. The Treasurer explained that he had not been able to obtain an update on the progress of this prior to the meeting.

It was proposed by Councillor Mellings, seconded by Councillor Adams and

Resolved that the Committee:

- a) Note progress on work in the current year (2010/11);
- b) Confirm its 2011/12 Internal Audit Programme; and
- c) Note the revised approach suggested for the 2012 – 2016 Audit Needs Assessment.

Mr Patterson left the meeting at this point (3.00 pm).

8 Risk Management Group Internal Audit Progress Monitoring Report

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

Councillor Mellings commented that there had been concerns over progress with these issues but the position now, as detailed in the paper, is excellent.

Resolved that the Committee:

- a) Note the progress that has been made against the outstanding recommendations; and
- b) Note that the Risk Management Group will continue to monitor progress against all recommendations, reporting progress to this Committee on a regular basis

9 Annual Governance Statement

9a Timetable

This report informed Members of the process, which will be put in place to ensure that the Authority's Annual Governance Statement (AGS) is ready for inclusion in the Final Accounts for 2010/11.

It was proposed by Councillor Adams, seconded by Councillor Dixon and

Resolved that the Committee agree the proposed Annual Governance Statement timetable, as detailed in paragraph 5 of the report

9b Improvement Plan 2010/11

This report summarised the progress made to date against the improvements contained in the Annual Governance Statement (AGS) Improvement Plan 2010/11.

Councillor Jones referred to the appendix to the report and asked for an update on the progress with the Asset Management System. The ACFO explained that this is still undergoing review.

Resolved that the Committee note the progress made against each of the improvements contained in the Annual Governance Statement Improvement Plan 2010/11

10 Anti-Fraud and Corruption Strategy

This report requested Members to recommend that the Fire Authority adopt the Anti-Fraud and Corruption Strategy (attached as an appendix to the report), following the annual review conducted by officers.

The Treasurer explained that an item will be placed on the internal staff newsletter ('The Pink') reminding staff of this Strategy.

Councillor Jones referred to page 1 of the Strategy and asked that the last paragraph on that page be amended to read '...those responsible for investigating matters must be fully supported by all officers **and Members**'. The Treasurer undertook to ensure that this amendment was made.

It was proposed by Councillor Mason, seconded by Councillor Mellings and

Resolved that Members, having considered the Anti-Fraud and Corruption Strategy attached as an appendix to the report, recommend its adoption to the Fire Authority

11 Performance Monitoring

11a Performance against Best Value Performance Indicators April 2010 to December 2010

The Service Performance Group has received a management paper detailing performance. This agenda item acts as an Exception Report, bringing to the attention of Members key strategic performance issues, which are summarised below. Areas of poor performance are being addressed through the Service Performance Group.

Corporate measures continue to experience high levels of achievement against targets. Financial Indicators are all performing on target with the exception of BV8, with the achievement falling to 96.9 percent of undisputed invoices being paid within 30 days (target is 99 percent). Sickness indicators are within agreed targets and performing well, as are those for Equality and Diversity, where still appropriately measured. Environmental impact has improved from the last quarter to a current assessment value of 823 against the year end target value of 820. There have been 46 personal injury staff accidents in the year to date, whereas there were a total of 49 for the last full year. Of these, 15 have been during operational incidents – 9 in December alone.

Operational measures show that wholtime appliances remain available for 100 percent of the time. The previous high increase in the number of deliberate secondary fires has noticeably reduced, with only 10 occurring in December, and it is now predicted that target should be met. The number of accidental dwelling fires has risen, with the expected seasonal high occurring in December. It should be noted that 57 out of 169 accidental dwelling fires were out when the Service arrived. Improvements have been seen in all three smoke alarm measures (number fitted, number NOT fitted and number which failed to activate), which, although still failing target, are experiencing a reduced margin of percentage failure.

The National Indicators show the Authority to have improved, with the number of primary arson fires occurring in the Telford and Wrekin area reducing and with secondary arson falling in the Shropshire Council area. A reducing trend is continuing as the year progresses. The Authority is on track to achieve target for the number of all primary fires and resulting casualties and fatalities.

The above commentary acts as a précis of performance for the previous reporting period. More detailed information is available upon request from the Service's Performance Analyst.

Resolved that the Committee note the agenda summary given

11b Summary of Progress within the Improvement Priorities

At its meeting on 11 February 2009 the Fire Authority agreed a suite of Improvement Priorities to ensure the successful delivery of its overarching aims and objectives. There are three priority areas, namely Capacity, Competence and Communication, each with supporting stages / work streams managed under the heading "Customer Focus". There is nothing of exception to report with these supporting stages / work streams up to the end of February 2011.

Further information on the above will be reported in the 2010/11 Annual Report due for publication in June 2011.

Resolved that the Committee note the agenda summary given

11c Retained Duty System Performance Monitoring April to September 2010

This report provided information regarding the ongoing performance of the Retained Duty System in Shropshire.

The ACFO reported that appliance availability is showing a year-on-year improvement, with some other Brigades having a retained appliance availability of between 40 to 50%.

The Committee then discussed the relevance of the report in its current format, which was originally introduced, between four and five years ago, as part of the Integrated Risk Management Planning process. The Committee agreed that future reports should take the format of an agenda paragraph with a specific focus on retained appliance availability. Exception reporting will also be used if appropriate.

Resolved that the Committee note the contents of the report

12 Public Value Performance Measures (Revised) 2011/12

This report informed Members of further developments to produce and implement a meaningful and simplified suite of performance measures.

The ACFO circulated the draft Service Plan, which will be presented to the Strategy and Resources Committee on 17 March 2011 for consideration. He highlighted that there were slight discrepancies between the measures set out in the report and those on the Service Plan.

Councillor Mason asked if stopping providing free smoke alarms will be good or bad for the Service. The ACFO explained that this was a judgement call regarding the cost of provision etc. The budget has been reduced but the focus will now be on precision prevention and targeted at specific at-risk groups.

Councillor Adams left the meeting at this point (3.12 pm).

The ACFO was asked if building design, particularly in Telford, contributed to the spread of fires. He explained that new building design, as found on many modern housing estates, is heavily regulated. He further explained that the biggest potential for fires to spread to neighbouring properties is in areas, such as Shrewsbury or Ludlow, where older historic properties exist in more densely situated areas that pre-date modern building regulations. There is a social risk in Telford but less of a building risk due to modern building design.

Councillor Adams returned to the meeting at this point (3.14 pm).

Councillor Jones asked if Public Value Measure 1a covered road traffic collisions. The ACFO confirmed that it covers every sort of incident that the Service attends.

Councillor Jones then suggested, and the Committee agreed, that a small subgroup of the Committee be established to ensure that there was Member input into the establishment of the underlying measures. It was agreed that this group would consist of the Chair and Vice-Chair of the Committee plus one other Member of the Committee.

Committee Clerk Note

At the end of the meeting, it was agreed that Councillor Dixon would be the third member of the subgroup.

It was proposed by Councillor Mellings, seconded by Councillor Dixon and

Resolved that the Committee approve, and agree to monitor (on a quarterly basis) the proposed 'Public Value Measures' set out within the report

13 Equality and Diversity

13a Progress on the Single Equality Scheme

There are currently 52 actions contained in the Single Equality Scheme (SES), of which to date:

- 4 (8%) have been completed since the last review;
- 19 (36%) are in progress;
- 13 (25%) are not yet due;
- 12 (23%) are ongoing actions, which are completed for the duration of the Scheme; and
- 4 (8%) are overdue (to be reviewed by the Steering Group).

A summary of some of the actions is given below.

The discipline and grievance training programme has now been completed and dyslexia awareness training was completed in December 2010. The actions from the Equality Impact Assessment of the new HQ building have now been completed and incorporated, where reasonable, into the programme. An audit of part of the Equality Framework is currently being considered with our regional partners as long as it is cost neutral. The HR team is currently testing the proposed electronic application form. Feedback has now been received on the Crucial Crew presentations and an updated lesson plan is to be introduced in June 2011, which will be more interactive and use the smoke filled tent.

We are currently attending the Shrewsbury Action Against Racism group and hope to be involved in local projects during the forthcoming year. We have also been working with our regional Fire Service partners on a review of our Equality Impact Assessment process.

Resolved that the Committee note the agenda summary given

13b Equality and Diversity Steering Group Summary Report

Since the last Committee update the Steering Group has met once (on 26 January 2011). A presentation was given by Andy Griffiths, Wellington Station Manager, informing the Steering Group of its local work and links to Equality and Diversity. The following are some of the groups/events they have been involved with:

- Wellington Neighbourhood Delivery Group
- Donnington Partnership
- Connecting Communities
- Youth Parliament
- Women's Eid Mela
- Telford College of Arts and Technology
- Age UK celebration

A presentation was also given by Patrick Devine the Equalities Co-ordinator of the Telford Race, Equality and Diversity Partnership, informing the Group of the changes to this partnership and how the new organisation, Rights and Fairness Telford (RAFT) will focus their work activities in the future.

The Group also received positive feedback from managers, who had attended the transgender awareness course, provided by the Gender Advisory Bureau. A briefing guide for managers on the Equality Act is currently being devised and a similar one will be developed for Members. The Group agreed to renew the membership of Networking Women in the Fire Service (NWFS) and the Asian Fire Service Association (ASFA), both of which have given a reduction in their current rates to reflect budget cuts. Membership of Stonewall is also due for renewal shortly and the E&D officer has contacted them to review their membership costs.

Councillor Adams commented that he was pleased to see that the Service is engaging with the Youth Parliament

Resolved that the Committee note the agenda summary given

The meeting closed at 3.20 pm.

Chair.....

Date.....