

**Minutes of the Meeting of
Shropshire and Wrekin Fire and Rescue Authority
Audit and Performance Management Committee
held at Headquarters, Shrewsbury
on Thursday, 9 September 2010 at 2.00 pm**

Members

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

Officers

Deputy Chief Fire Officer, Treasurer, District Officer South, Planning and Performance Manager, Performance Analyst, Equality and Diversity Officer, Corporate Services Manager (for items 11 and 12 only), Management Support Officer

Audit Commission

Mr Wilson and Mr Patterson

1 Election of Chair

It was proposed by Councillor Mellings and seconded by Councillor Dixon

That Councillor Dr Jones be elected Chair of the Audit and Performance Management Committee.

There being no other nominations, Councillor Dr Jones was duly elected Chair to hold office for the ensuing year.

The Chair welcomed Mr Ashley Wilson and Mr Grant Patterson from the Audit Commission to the meeting.

2 Appointment of Vice-Chair

It was proposed by Councillor Adams and seconded by Councillor Kiernan

That Councillor Mellings be appointed Vice-Chair of the Audit and Performance Management Committee.

There being no other nominations, Councillor Mellings was duly appointed Vice-Chair to hold office for the ensuing year.

3 Apologies for Absence

Apologies for absence had been received from Councillor Mason.

4 Declarations of Interest

There were no declarations of interest.

5 Minutes

Members received the minutes of the meeting of the Audit and Performance Management Committee, held on 13 May 2010.

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

Resolved that the minutes of the meeting of the Audit and Performance Management Committee, held on 13 May 2010, be approved and signed by the Chair as a correct record

6 Public Questions

No public questions, statements or petitions had been received.

7 Constitution and Training

This report brought the latest version of the Committee's constitution to the notice of its Members. The report also advised of the need to alter the November 2010 meeting date. Finally, the report brought Members up to date on training issues and requested them to consider what should be the topic of the next training session.

Members agreed that an alternative date should be found for the November 2010 meeting and requested that in future, where possible, steps should be taken to avoid clashes with meetings of constituent authorities. The Management Support Officer undertook to rearrange the meeting.

Resolved that the Committee:

- a) Note the constitution of the Audit and Performance Management Committee (attached as an appendix to the report);
- b) Agree that an alternative date should be found for the November 2010 meeting; and
- c) Having noted the latest position with regard to training, agree that Risk Management should be the subject of the next training session

8 Amendments to Final Accounts

This report set out the significant changes to the Annual Accounts since they were presented to the Fire Authority in June, and explained their implications. Councillor Dixon asked if the Council Tax Debtors quoted in the report were cumulative figures. The Principal Accountant confirmed that they were. Councillor Dixon also asked if the Consumer Price Index was always lower than the Retail Price Index (RPI). Mr Patterson (Audit Commission) explained that the RPI generally does not include house prices.

Councillor Eade asked what the age of the debt owed by the debtors shown on the books was and if the Fire Authority was able to chase the debtors for payment. The Principal Accountant explained that the constituent authorities are considered to be agents of the precepting authorities. There is no information available regarding the debts, as the movement on the accounts reflects the position at the end of the year. Councillor Mellings asked for confirmation that this was not a cash transaction. The Principal Accountant confirmed that this item had no cash implications, as it is purely an accounting transaction. Mr Patterson explained that the surplus / deficit on the Collection Fund is due to the Council Tax debtor / creditor relationship and is purely a confirmation of what is owed. He also explained that there has been some debate in the audit profession about the validity of including this information in the accounts.

Resolved that the Committee note the changes and their effect

9 Annual Governance Report 2009/10 and Audit Commission Issues

Mr Wilson and Mr Patterson presented the Audit Commission's report on the audit for the year ended 31 March 2010.

Mr Patterson informed the Committee that this was his first year as Auditor for the Authority and referred the Committee to page 4 of the report, which set out the unqualified opinions that he would be issuing.

Mr Patterson confirmed that he was happy that the risks outlined on page 6 of still remain. He drew Members' attention to changes detailed at paragraph 12 on page 7, which are material changes, rather than changes to the bottom line of the balance sheet. Members' attention was also drawn to paragraph 13, which details the Authority's disclosure of capital commitments. Mr Patterson then thanked staff for their co-operation and help during the audit process.

Mr Wilson referred to the issue of information received from the valuer. There may be issues as to whether they provide the level of service desired as the information given has led to changes to the accounts.

Mr Patterson then referred Members to page 9 of the report, which detailed the Authority's Performance against Value for Money (VfM) criteria. The assessment of VfM has moved away from scoring to a simple question of whether or not the criteria are met. Mr Patterson stated that the Authority has not gone 'backwards' and that he is happy to issue an unqualified VfM decision. Further detail on the VfM assessment is attached in Appendix 4 to the report.

Councillor Adams referred to some of the language used in Appendix 4 and questioned if it reflected how the Authority was performing. Mr Patterson acknowledged his comments and undertook to review this before the final version of the report was issued.

Councillor Dixon asked what the current situation was with regard to the Audit Commission. Mr Patterson replied that the Secretary for Communities and Local Government had announced the abolition of the Audit Commission in August, which will be ratified by Parliament during the current session. Work is ongoing to ensure a smooth transition to the new audit arrangements.

Mr Patterson further explained that the Authority will have the right to appoint its auditor from 2012/13 and that the Audit Commission will definitely carry out the audits for the next two financial years. A staff buyout of the Commission is currently being explored. It was likely that more information would become available over the next six months.

The audit fees for 2010/11 and 2011/12 are still to be considered. There may be a small rebate for 2010/11 and there should be a reduction for 2011/12, as a result of the change in the VfM assessment. Further guidance about the fee should be released before Christmas and Mr Patterson undertook to attend the next meeting of the Committee in order to discuss the audit fee.

Councillor Eade congratulated the Principal Accountant and Finance staff on producing the accounts. He also stated that he felt that a large central overhead charge should not be reflected in the audit fee. Mr Patterson reiterated that the Audit Commission will be bringing a revised fee figure back to the Authority.

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

Resolved that the Committee formally adopt the Annual Governance Report 2009/10

The Chair, Deputy Chief Fire Officer and Treasurer (in accordance with the authority delegated to them by the Fire Authority at its meeting on 19 July 2006) then signed the Letter of Representation for the year ended 31 March 2010, as required by the Audit Commission.

10 Annual Governance Statement Improvement Plan 2010/11

This report presented the new 'Annual Governance Statement' Improvement Plan for 2010/11, formally approved by the Fire Authority on 16 June 2010, and the progress made to date against the improvements contained in that Plan.

Resolved that the Committee:

- a) Note the contents of the Fire Authority's Annual Governance Statement Improvement Plan 2010/11; and
- b) Note the progress made against each of the improvements contained in this Plan.

The Corporate Services Manager (CSM) joined the meeting at this point (2.40 pm).

11 Code of Corporate Governance 2010/11

This report gave the Committee an opportunity to comment on the draft Code of Corporate Governance 2010/11, prior to its going forward to the full Fire Authority for agreement and adoption.

The CSM gave Mrs Hall's (Internal Audit, Shropshire Council) apologies to the meeting as she was unable to attend to present the report at Agenda Item 12. The CSM also informed the Committee that she would present agenda items 11 and 12 together, as they were directly related to one another.

The CSM referred to agenda item 12 and to the section 1.4 of the table therein, which related to the Register of Member's Interests. The CSM advised the Committee that the Register of Member's Interests can now be accessed on the Authority's website.

The CSM then referred to section 1.6 of the table at agenda item 12, which tied in with section 5.2.1 on page 32 of the draft Code of Corporate Governance and referred to the Member development review process. The CSM asked Members to consider whether they wished this process to continue. Councillor Mellings commented that he felt that the Fire Authority required a non-bureaucratic system to determine Member training needs together with a framework to meet those needs relevant to the Fire Authority. The CSM explained that the self-assessment questionnaire referred to in the Code set out a framework and, therefore, may be a starting point. The Committee agreed that the relevance of the Member Development questionnaire should be checked and, in consultation with the Chair, should be amended as necessary before being sent to Members. The rate of return and the responses received should then be taken to Human Resources Committee for discussion. The CSM undertook to do this and to amend the Code of Corporate Governance accordingly.

Councillor Dr Jones referred to section 2.2.3 on page 11 of the Code and asked that this be amended to include the Leader of the Opposition attending Chair's Briefing. The CSM undertook to make this amendment.

Resolved that the Committee forward the draft Code, with appropriate amendments, to the Fire Authority for approval and formal adoption

12 Internal Audit Report on Compliance with the Code of Corporate Governance 2010/11

The Committee received the Internal Audit Report on Shropshire Fire and Rescue Service Compliance with the Code of Corporate Governance. The issues raised in the report had been addressed during the discussions regarding the Code of Corporate Governance at item 11 on the agenda.

Resolved that the Committee note the Internal Audit Report on Shropshire Fire and Rescue Service Compliance with the Code of Corporate Governance

The CSM left the meeting at this point (2.50 pm).

13 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 about the progress made against outstanding recommendations.

The Treasurer advised that the report did not show the lesser Internal Audit recommendations, i.e. those “Requiring Attention”, however the Risk Management Group had put in place a process for finalising them. Councillor Mellings commented that a lot of work had been done on the outstanding recommendations and asked how many items “requiring attention” are currently outstanding. The Treasurer replied that he did not have this information to hand but undertook to bring it to the next meeting.

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.

14 Performance Monitoring

14a Performance against Best Value Performance Indicators April 2010 to June 2010

This report informed Members of the Brigade’s performance against nationally prescribed Best Value Performance Indicators (BVPIs) for the period 1 April 2010 to 30 June 2010.

Each of the appendices to the report was discussed in detail and a brief summary of the more significant points raised, follows.

Appendix A

The Performance Analyst explained that some of the Corporate Indicators, such as those relating to ethnicity had been removed from the report.

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| BV2b | It is proposed that this indicator be removed from future reports due to the Communities and Local Government returns being changed. |
| BV206(i) | Performance against this indicator has been affected by migration issues. This is being addressed through crew awareness. |
| BV206 (iii + iv) | This indicator relates to the impact of arson. Work has been ongoing to reduce arson incidents but there has been another recent spate of incidents. |

- BV209 The three parts of this indicator are currently failing. Work is being undertaken to address this.
- BV146 (i + ii) The Incident Reporting System (IRS) records information relating to this indicator differently. The difference in recording method needs to be investigated further.

Appendix D

The information contained in this appendix is a high level summary. The Performance Analyst can provide further detail to Members, if they require it.

Appendix F

The Authority is on target to meet the indicators contained in this appendix.

Appendix G

The sickness absence days reportable under RIDDOR relate to two people with continued absences. There is a formatting issue with the second table in this appendix, which will be rectified for the next meeting.

Councillor Eade asked about all of the indicators being scrapped in future, as he felt it was time to move on from the previous reporting regime. The Performance Analyst explained that under Public Value there will be a move to exception reporting and the report is slowly being modified to support this. The Deputy Chief Fire Officer (DCFO) explained that part of the public value consultation concerns the performance indicators being reduced to seven.

The DCFO went on to say that, in its current format, the report contains useful management information and also provides a clear indication of levels of activity. Councillor Dr Jones suggested that those indicators with no value should be removed, as, whilst the information may be useful for operational issues, Members did not need it. Councillor Eade indicated that he was keen for the new indicators to be introduced and for future reports to contain information regarding performance against the seven indicators.

Councillor Adams requested that exception reporting should include successes as well as failures. Councillor Mellings requested that drilled-down information should be available under the seven indicators for those Members, who require it.

The Committee then agreed that future performance reporting should be based on the seven high level indicators, which are currently being considered as part of the Public Value consultation.

Committee Clerk's Note

Whilst the Committee agreed that the format of future performance reporting should be changed, it is unclear if this can be done before the Public Value consultation has been concluded. Therefore, the format may not be changed immediately.

Resolved that the Committee:

- a) Note the reporting style and content in respect of performance; and
- b) Note the removal of BVPIs, suggested by the Strategy and Resources Committee

14 b Summary of Progress within the Improvement Priorities for 2009/10

The purpose of this report was to demonstrate to Members progress on the Fire Authority's Improvement Priorities.

Resolved that the Committee note the contents of the report

14c Retained Duty System Performance Monitoring April 2010 to June 2010

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

The District Officer South asked Members if they were happy with the content of the report or if there were any changes that they would like to see made. Councillor Dr Jones replied that it was a clear and comprehensive report, whilst Councillor Dixon commented that the graphs in the appendix appeared to be superfluous. Councillor Adams asked what the report was used for and who it went to outside of the Committee. The District Officer South explained that the report went to the Service Performance Group (SPG) before being brought before the Committee. The DCFO explained that the report originated from the Retained Review and was taken to SPG for scrutiny / action, as the detail contained in it was useful for internal management.

The Committee agreed that the appendix to the report, which shows Retained Appliance Availability / Crewing, should be removed from future reports.

Resolved that the Committee note the contents of the report

The Equality and Diversity (E&D) Officer joined the meeting at this point (3.30 pm).

15 Equality and Diversity

15a Equality and Diversity Steering Group Summary Report

The report provided the Committee with a summary report on the work of the Equality and Diversity Steering Group.

Councillor Dr Jones commented that she had attended the Steering Group meeting at Wellington Fire Station and had been heartened to see the level of work being done 'on the ground'.

Councillor Eade asked if a co-ordinated approach could be taken to equality and diversity across the Fire Service, Telford & Wrekin Council and Shropshire Council. The E&D Officer explained that there are currently four projects linking partner agencies, such as health, police and the fire and rescue authorities across the Region.

Councillor Eade asked if it was feasible that one organisation could deliver equality and diversity. The E&D Officer responded that there were areas where this may be possible but there were others where an individual approach was needed.

Resolved that the Committee note the contents of the report

15b Progress on the Single Equality Action Plan

The report updated Members on the progress of actions identified within the Single Equality Action Plan, which was being monitored through the Directorate Business Plans.

Councillor Adams left the meeting at this point (3.52 pm).

Resolved that the Committee note the progress on the actions in the Single Equality Action Plan

The meeting closed at 3.53 pm.

Chair.....

Date.....