

**Minutes of the Meeting of
Shropshire and Wrekin Fire and Rescue Authority
Audit and Performance Management Committee
Held in the Oak Room, Headquarters, Shrewsbury
On Wednesday, 26 April 2017 at 10.00 am**

**Present
Members**

Councillors Hosken, Hurst-Knight, Jones (Chair) and Mellings (Vice-Chair)

Officers

Rod Hammerton	Chief Fire Officer	CFO
Andy Johnson	Deputy Chief Fire Officer	DCFO
Louise McKenzie	Assistant Chief Fire Officer	ACFO
James Walton	Treasurer	
Joanne Coadey	Head of Finance	HoF
Ged Edwards	Planning, Performance and Communications Manager	PPCM
John Harrison	Company Manager	CM
Germaine Worker	Head of HR and Administration	HHRA
Lynn Ince	Executive Support Officer	ESO
Maxine Titley	Admin Support Team Supervisor	ASTS

For agenda item 14

Yvonne Thayer	Service Development Officer	SDO
Scott Hurford	Group Commander Shrewsbury, Telford and Wrekin	GC

External Bodies

Mr McLarnon	Grant Thornton, External Audit
Mr Chadderton	Audit Services, Shropshire Council

1 Apologies for Absence

Councillors Adams and Pinter.

2 Disclosable Pecuniary Interests

Councillor Mellings declared a Disclosable Pecuniary Interest in item 17 as a member of the Board of Directors of Shropshire Fire Risk Management Services Ltd.

Councillor Mellings had been granted a dispensation by the Fire Authority to take part in the discussion of, and voting on, certain matters, which relate to Shropshire Fire Risk Management Services Ltd.

On this occasion, the report being considered detailed the performance of Shropshire Fire Risk Management Services and was for information purposes only. It was therefore, deemed appropriate for Councillor Mellings to participate in the discussion of these items.

3 Public Questions

None

4 Minutes

Resolved that the Committee agree the minutes of the Audit and Performance Management Committee meeting, held on 8 December 2016, and that the Chair sign them as a correct record.

5 Review of Committee Terms of Reference

This report proposed minor amendments to the Terms of Reference of the Audit and Performance Management Committee for consideration and recommendation to the Fire Authority, following the annual review conducted by officers.

Resolved that the Committee

- a) Has reviewed its Terms of Reference;
- b) Agree the proposed amendments set out at section 4 of the report; and
- c) Agree to make recommendations accordingly to the Fire Authority.

6 Review of Member Role Descriptions

This report asked Members to review the Role Descriptions for the Chair and Vice-Chair of the Audit and Performance Management Committee and Member Champion for Risk Management and Audit.

Resolved that the Committee

- a) Has review the Role Descriptions for the Chair and Vice-Chair of Committee, and for the Member Champion for Risk Management;
- b) Agree the proposed minor amendments as set out in Section 4 of the report; and
- c) Agree the Member Role Descriptions without further amendment.

7 Code of Corporate Governance 2016/17

This report gave the Committee an opportunity to make comment on the draft Code of Corporate Governance 2016/17, prior to its going forward to the full Fire Authority for consideration and formal adoption.

The PPCM presented the report and advised that there had been a revamp of the document to reflect changes in the governance framework for local authorities. Internal Audit have reviewed the Code and rated it as 'good'. The Code, as it appears in the Appendix to the report, is supported by a working document, which contains evidence and links to any referenced documents.

Members praised the format of the Code and commented that it was comprehensive and interesting. Members acknowledged the new governance framework and asked Internal Audit if the Authority was robust with regard to evaluation of the Code. Mr Chadderton commented that there is a massive variation in the type of documents, which authorities have produced in response to the CIPFA guidance note. It does however seem that this Authority is ahead of others with regard to this.

A query was raised regarding what value the Code of Corporate Governance added to the organisation. The CFO responded that the Code helps with compliance rather than directly providing improvements as it captures what activities the Authority is undertaking. Mr Chadderton also added that the Code helps with transparency as it provides a publicly available level of assurance.

Resolved that the Committee

- a) Having made comment on the draft Code of Corporate Governance 2016/17, attached as an appendix to the report;
- b) Agree to forward the draft Code, without amendment, to the Fire Authority for consideration and formal adoption.

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 International Standard on Auditing (UK & Ireland) 260.

Mr McLarnon presented the report and highlighted various items including changes to the CIPFA Code of Practice, which aim to make the financial statements more accessible to the layperson, and the introduction of the earlier closedown date for the approval and audit of the financial statements.

With regard to the Value for Money (VfM) conclusion, Mr McLarnon reported that there had been a change to the VfM framework last year and auditors now have to risk assess VfM against the criteria set out on page 11 of the report. The initial risk assessment has deemed there to be no significant risks for the Authority and, as such, no further work is needed on this area.

Resolved that the Committee note the External Audit Plan for the Year Ended 31 March 2017

8b Informing the Audit Risk Assessment

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

Mr McLarnon presented the report and explained that the document, as set out in its Purpose on page 4, poses questions for management response. There were no issues to bring to the attention of the Committee and Members confirmed that they were happy with the management responses set out in the report.

Resolved that the Committee note the report.

9 Internal Audit Quality Assurance Improvement Programme External Assessment

This report informed the Committee of the outcomes of the external assessment of Shropshire Council's Internal Audit Service's compliance with the Public Sector Internal Audit Standards.

Mr Chadderton explained that this was a follow on report to that received by the Committee at its December 2016 meeting. The external assessment, which was undertaken by CIPFA, concluded that Shropshire Council Audit Services generally conforms to the requirements of the Public Sector Internal Audit Standards. 'Generally conforms' is the highest rating that CIPFA will award in their assessment.

With regard to the Recommendations at Appendix A to the report, Mr Chadderton advised that recommendation 3 was relevant for the Fire Authority, as the Head of Audit will have to state in her annual report to the Committee that the service has been free from interference throughout the year.

Members commented that it was a thorough report and that it was good to have assurance from an external body with regard to the service provided by Internal Audit.

Resolved that the Committee endorse the information set out in the report.

10 Statement of Accounts 2016/17 Review of Accounting Policies

This report presented the accounting policies to be used in production of the Fire Authority's Statement of Accounts 2016/17, for consideration and approval.

Resolved that the Committee approve the accounting policies, prior to the presentation of the Statement of Accounts 2016/17 in September 2017.

11 Annual Governance Statement 2016/17 Improvement Plan

This report summarised the progress made to date against the improvements contained in the Annual Governance Statement Improvement Plan 2016/17.

The PPCM presented the report and informed Members that a closedown report will be presented to the Committee at its July meeting. The PPCM gave a quick update on the improvements set out in the Appendix to the report.

Resolved that the Committee note the progress made against each of the improvements contained in the AGS Improvement plan 2016/17.

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, following the annual review conducted by officers.

The HoF presented the report and explained that this was the annual review of the Strategy and that the only amendments were minor changes in terminology.

Resolved that the Committee having considered the Anti-Fraud, Bribery and Corruption Strategy, attached as an appendix to the report, agree to recommend that the Fire Authority re-affirm the document without further amendment.

13 Corporate Risk Management Summary

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

The PPCM drew Members' attention to page 6 of Appendix A and highlighted the new risk that had been added to the Register. This risk relates to the change of the Wide Area Network (WAN) provider and possible effects on the primary turn out system. A risk assessment on the arrangements for the transition period has provided assurance that there is robust fall-back provision. The ACFO reported that the change in WAN provider should take place at the end of June 2017. Site surveys are being undertaken but these are not expected to highlight any major issues. Any potential slippage in date should identified by the end of April.

The PPCM also highlighted noted the change in the direction of travel related to the Policing and Crime Bill 2016. The CFO explained that there is uncertainty around this issue, which should disappear over the next month. The Police and Crime Commissioner (PCC) is developing a business plan, which may propose significant changes in the future.

Resolved that the Committee note the contents of the report.

The Committee took a short break at this point (10.55 am) and reconvened at 11.00 am

14 Service Transformation Programme

The SDO and the GC gave a presentation on the benefits that had emanated from the Service Transformation Programme. The GC demonstrated the Area Command Dashboard to the meeting.

The CFO asked how Retained Duty System (RDS) staff had responded to the level of scrutiny that the dashboard provides. The GC explained that this level of scrutiny always went on but previously it involved a lot more chasing around. Staff do see the benefits of the system and it is envisaged that the next version will be extended to include Individual Development Records and be opened to Watch Manager (WM) level. This would be useful as WMs are expected to manage RDS contracts. The system should lead to a change in behaviour as it is fairer to all staff. The majority of RDS employees give more than their contracted hours but this can be fractured easily, if it is perceived that they are being treated unfairly.

Resolved that the Committee note the presentation.

15 Performance Monitoring

15a Service Targets April 2016 to March 2017

This report presented a summary of the Service's performance from April 2016 to March 2017.

The DCFO highlighted that two targets had not been achieved and that a detailed explanation of these targets was set out in the Appendix to the report.

Members acknowledged that the failure of the Accidental Dwelling Fires (ADF) was disappointing but recognised that social issues do influence performance against this target. The CFO commented that the targets are incredibly tough but this should push the Service onto greater collaboration and achieving access to data with the aim to keep improving performance. Taste of failure not so bad for an organisation.

Members noted the increase in vehicle arson increase from 34 to 50 incidents (as detailed on page 3 of the Appendix to the report). The DCFO explained that the incidents have primarily been in the Telford area and that when vehicle arson incidents are identified, the Service and the Police work closely together to prevent further occurrences. The CFO added that there is a national influence on vehicle arson with numbers of incidents increasing as the value of scrap metal decreases.

Resolved that the Committee note the report.

15b Service Targets 2017/18

This report presented the proposed Service targets for 2017/18.

The DCFO explained that this report was originally produced two months ago for the Strategy and Resources (S&R) Committee so the data reported in it has changed. When the S&R Committee agreed the target setting it looked like the Service would achieve all its targets for 2016/17 although as shown in the previous paper this is not the case. It is however, believed that the targets set out in this papers are suitable and stretching for the Service.

Resolved that the Committee note the Service targets for 2017/18.

15c Wholetime and Retained Duty System Performance Monitoring October to December 2016

This report provided information regarding the ongoing performance and management in terms of the availability of wholetime and Retained Duty System (RDS) appliances in Shropshire.

The DCFO confirmed that the report presented data for the whole year rather than just October to December. Across the year, Wholetime availability has been 100% and RDS availability has been 98.1%.

The report has a new format, which includes new charts that give a breakdown of the reasons for RDS unavailability over the period. The Appendix to the report is based on exception reporting with stations that are performing well included as well as those stations whose performance is concerning. The dark areas of the bar graphs in the Appendix show unavailable time for stations.

Members reported that the new format was excellent and very informative.

Resolved that the Committee note the contents of the report.

16 Exclusion of Press and Public

Resolved that the press and public 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 3 of Part 1 of Schedule 12A to the Local Government Act 1972.

17 Shropshire Fire Risk Management Services Ltd. Performance Update (Paragraph 3)

This report provided a summary of activity and performance for Shropshire Fire Risk Management Services Ltd since November 2016.

Resolved that the Committee note the report.

Before the meeting closed, Councillor Mellings, Vice-Chair of the Committee, thanked Councillor Jones for her input to the Audit and Performance Management Committee and for her work and commitment during her time on the Fire Authority. The CFO added that Councillor Jones had been a gentle but effective Chair.

Councillor Mellings also thanked Councillor Hurst-Knight for his input and commitment to the Committee.

Councillor Jones acknowledged the Committee's thanks and then thanked Councillor Mellings for support as a very competent Vice Chair of the Committee.

The meeting closed at 11.30 am

Chair

Date _____