

**Minutes of the Meeting of  
Shropshire and Wrekin Fire and Rescue Authority  
Standards, Audit and Performance Committee  
held in the Oak Room, Headquarters, Shrewsbury  
on Thursday, 18 July 2019 at 2.00 pm**

## **Present**

### **Members**

Councillors Adams, Blundell, Dee (Vice-Chair), Minnery and Thompson

### **Officers**

Rod Hammerton	Chief Fire Officer	CFO
Andy Johnson	Deputy Chief Fire Officer	DCFO
James Walton	Treasurer	Treasurer
Joanne Coadey	Head of Finance	HoF
Ged Edwards	Planning, Performance and Communications Manager	PPCM
Lynn Ince	Executive Support Officer	ESO

### **External Bodies**

Mr Jones and Mr Rowley                      Grant Thornton, External Audit  
Ms Pilawski and Mr Chadderton      Audit Services, Shropshire Council

## **1 Apologies for Absence**

Councillors Milner, Price and Sahota

Councillor Dee took the Chair for the meeting as Councillor Sahota had given his apologies.

## **2 Disclosable Pecuniary Interests**

None

## **3 Public Questions**

None

## **4 Minutes**

**Resolved** that the minutes of the Audit and Performance Management Committee meeting, held on 11 April 2019, be agreed and signed by the Chair as a correct record.

## 5 Committee Constitution and Training

This report brought the latest version of the Committee's constitution to the notice of its Members. It also asked Members to consider what training they wished to receive in order to fulfil their role on the Committee effectively.

The Committee requested that it be given Standards training in relation to the scrutiny functions that previously sat with the Standards and Human Resources Committee. The ESO undertook to arrange this.

The Committee requested that the Standards, Audit and Performance Committee scheduled for Thursday, 19 September 2019 be rearranged due to a clash with the full council meeting at Shropshire Council.

**Resolved** that the Committee

- a) Note the constitution of the Standards, Audit and Performance Committee (attached as an appendix to the report); and
- b) Advise that they require training on Standards issues, in order to fulfil their role on the Committee effectively.

## 6 Statement of Accounts 2018/19

This report presented the completed Statement of Accounts for 2018/19 to the Committee for consideration and approval.

The HoF presented this report and particularly highlighted the Pension issue related to 'transitional protection' (as detailed on page 2 of the report) which the Court of Appeal has ruled amounts to unlawful discrimination. The Court will subsequently require compensation to be paid to those Pension Scheme members that transferred to the new schemes, potentially including Firefighter Pension Scheme members. This could lead to an increase in pension liabilities for the Fire Authority of approximately £9.5m based on calculations undertaken by the Authority's actuaries and using specific assumptions.

The Chair thanked the HoF for the Statement of Accounts Awareness Session which had been delivered immediately prior to the meeting.

**Resolved unanimously** that the Committee:

- a) Approve the Statement of Accounts 2018/19 (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.

## **7 Annual Governance Statement 2018/19 and Improvement Plan 2019/20**

The purpose of this report was twofold: it set out the draft Annual Governance Statement (AGS) for 2018/19 and AGS Improvement Plan 2019/20 for inclusion in the Fire Authority's Statement of Accounts; and it also detailed progress on the 2018/19 Improvement Plan.

**Resolved** that the Committee

- a) Note the progress made on the 2018/19 Improvement Plan;
- b) Agree to close the 2018/19 Improvement Plan, carrying forward any outstanding issues to the 2019/20 Improvement Plan; and
- c) Agree the Annual Governance Statement and the 2019/20 Improvement Plan for inclusion in the 2018/19 Statement of Accounts.

## **8 External Audit**

### **8a Audit Findings 2017/18**

Mr Jones presented the Audit Findings Report on the audit for the year ended 31 March 2019 and highlighted the following points in the report.

- It is hoped that the audit will be completed soon subject to the outstanding matters as detailed on page 3 of the report being addressed.
- There has been a change to the asset impairment process as detailed on page 7 of the report. Members queried this as there is no change in the figures quoted in the report for the value of the Authority's land and buildings despite the report stating that there has been a net increase in the value. Mr Rowley explained that this was due to an issue with land and building additions. Unusually, these additions were being impaired straight away and entered into the balance sheet. This has necessitated what is essentially a technical change with additions now being adjusted at the year end instead. This means that whilst there is no cash change, there is a slight change in where the additions are posted to the reserve.
- The Pension judgement as referred to on page 9 on the report is likely to have a large material impact on the Authority. This issue will affect every fire authority and is something that authorities could not have done anything about. The Pension Liability funding issue has also been noted under the Going Concern findings as set out on page 10 of the report.
- In response to Members' request for an explanation of material fraud as mentioned on page 11 of the report, Mr Rowley explained that material fraud is anything that would affect the understanding of the accounts
- The audit adjustments for the Authority are set out on page 17 of the report. More adjustments will need to be made as the position with the pensions liability issues becomes clearer.

- A fee variation of £4,500 is proposed on page 19 of the report to take account of the work related to pensions. This additional fee is still to be discussed and agreed with officers.

The Chair thanked officers for all their work on the audit.

**Resolved** that the Committee formally adopt the Audit Findings for 2018/19

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

The Letter of Representation for the year ended 31 March 2019 will be signed at a later date 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).

### **8b Audit Fee Letter 2019/20**

The External Audit Fee Letter 2019/20 set out details of the 2019/20 audit fee for the Authority, along with the scope and timing of External Audit's work and details of their team.

Mr Rowley talked through the audit fee letter and explained that this will go to Public Sector Audit Appointments (PSAA) in April. The auditors do not foresee any additional charges being incurred before this time.

**Resolved** that the Committee note the Audit Fee Letter 2019/20.

## **9 Corporate Risk Management Summary**

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

The PPCM presented this report and advised Members that the Risk Management Group will be recommended to remove the risk related to the migration to the new Payroll, HR and Finance systems from the Register. Members asked what happens when a risk is removed from the Register. The PPCM explained that the risk then becomes 'business as usual' and is monitored at the department level.

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

## **10 Internal Audit Annual Audit Report**

This report provided Members with details of the work undertaken by Internal Audit for the year ended 31 March 2019. It reported on progress against the annual audit plan and also provided the Head of Audit's opinion on the overall adequacy and effectiveness of the organisation's governance, risk management and control processes.

Ms Pilawski presented this report and advised that she could give reasonable assurance on the Authority's internal control environment for 2018/19 taking into the change to business systems that had occurred in 2018/19.

Members commented that it was pleasing to see that the system changes had been assessed and assurances about how they are working received.

**Resolved** that the Committee have considered and endorse

- a) Performance against the Audit Plan for the year ended 31 March 2019;
- b) That the system of governance, risk management and internal control is operating effectively and can be relied upon when considering the Annual Governance Statement for 2018/19; and
- c) The Head of Audit's reasonable year end opinion on the Authority's internal control environment for 2018/19 based on the work undertaken and management responses received.

## 11 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 covered details about the progress made against outstanding recommendations.

The PPCM presented this report and advised that the new recommendations, received since the last report to this Committee in September 2018, relate to the move to the new Finance, Human Resources and Payroll systems.

Members commented that this shows that a robust audit had been undertaken on those systems.

**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.

## 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 (attached as an appendix to the report), following the annual review conducted by officers.

The HoF presented this report and highlighted the changes that had been made to the Strategy.

Members asked why there was no mention of whistleblowing in this Strategy. The HoF explained that there is a separate standalone Whistleblowing Policy.

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

## 13 Summary of Compliments and Complaints 2015/16 to 2018/19

This report advised Members of summary details regarding the compliments and complaints received during 2018/19, with comparisons to the previous three years.

The DCFO presented this report and highlighted the reduction in poor driving behaviour complaints. It also appears that the Service has remedied environmental complaints, which had started to increase in number in previous years. The DCFO also highlighted that an appeal against the outcome of a complaint had been received during the reporting year.

Members asked for an explanation of 'conduct prejudicial to reputation of Service'. The DCFO explained that this concerned behaviour which did not meet the expected standards of the Service. Conduct is also considered in a broader light due to the high profile of the Service and the impact of social media. Members asked if staff are made aware of the implications of posting on social media. The DCFO explained that staff had received training regarding the use of Twitter when Twitter accounts were set up for individual stations. New recruits also receive advice on the appropriate use of social media.

Members asked how complaints are reported to the Service. The DCFO explained that complaints are received through a number of means, including via phone, email and feedback from fire safety inspections. There is also a facility on the Service's website which allows complaints and compliments to be submitted.

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

## 14 Performance Monitoring

### 14a Service Targets April to June 2019

This report presented a summary of the Service's performance from April to June 2019.

The DCFO presented this report and informed the Committee that although it was very early in the reporting period, the Service has had a good start to the year and is predicted to achieve 5 of the 7 Service Targets. The DCFO then highlighted the following in relation to those targets.

- **Response**

There is a known error on the Mobile Data Terminals which has affected the statistics for this target. Officers are confident that the Service is not failing to the extent indicated in the report and anticipate a 5% improvement in performance in the next quarter.

There has been a downwards trend in response times across the country which is attributed to traffic conditions and dressing procedures for responding crews.

The increase in average response time in this Service is due to prevention work that has been undertaken locally. A presentation on this target will be given to the next meeting of this Committee.

- **Primary fires and accidental dwelling fires**  
Current performance indicates that these targets are on course to be achieved and the DCFO highlighted the impact of Crucial Crew work.
- **Injuries to staff through firefighting**  
This target is currently not predicted to be achieved but performance may change through the year.

Members asked how this Service's performance compares to other fire and rescue services. The DCFO explained that it is difficult to say as all fire and rescue services have different indicators, and when they are the same, they may not be measured in the same way. However, the HMI is anticipated to raise this issue in their "State of the Nation" report. Locally, the Service is already starting to benchmark with H&WFRS through the Fire Alliance.

Members asked if there was any pattern to the four injuries to staff that were sustained during training events. The DCFO explained that it is hard to identify patterns with such small numbers, but the four incidents are all related to scalds sustained during compartment fire training. All the incidents have been investigated and any identified improvements actioned.

**Resolved** that the Committee note the report

#### **14b Wholetime and On Call (Retained Duty System) Performance Monitoring April 2018 to March 2019**

This report provided summary information, for the whole year 2018/19, regarding the performance and management of the availability of Wholetime and On Call Retained Duty System (RDS) appliances in Shropshire.

The DCFO presented this report and advised Members that it is hoped that the draft agreement for the new negotiated Wholetime Shift System will be forwarded to the Fire Brigades Union Executive for agreement. The DCFO also highlighted the excellent performance of the On-Call stations and reminded Members that even those stations who are performing less well, still have excellent performance in comparison with other services.

In response to a question from Members, the DCFO explained that Group Support Team (GST) support is only used to maintain availability and could include cover as crew or specialist cover such as incident command and / or driver.

Members asked if there was any recognition given to those stations who maintained exceptional levels of cover. The DCFO advised that the Service is looking to bring in this type of recognition via a revamp of its awards.

**Resolved** that the Committee note the report

## 15 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.

## 16 Corporate Risk Management Summary (Paragraph 4)

The Committee received Appendix C to report 9 – 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 9.

The meeting closed at 3.05 pm.

**Chair**.....

**Date**.....