

**Minutes of the Meeting of
Shropshire and Wrekin Fire and Rescue Authority
Audit and Performance Management Committee
held at Headquarters, Shrewsbury
on Thursday, 9 July 2015 at 2.00 pm**

Present

Members

Councillors Fletcher, Dr Jones (Chair), Kiernan and Mellings (Vice-Chair)

Officers

Assistant Chief Fire Officer, Treasurer, Head of Service Delivery, Head of Service Delivery Transformation, Accountant, Corporate Support Manager and Executive Support Officer

External Bodies

Ms Edmonds (Grant Thornton, External Audit)

Mrs Pilawski and Mr Seddon (Audit Services, Shropshire Council)

1 Apologies for Absence

Apologies for absence had been received from Councillors Adams, Hurst-Knight and Mason.

2 Disclosable Pecuniary Interests

The Chair reminded Members that they must not participate in the discussion of, or voting on, any matter, in which they had a Disclosable Pecuniary Interest, and that they should leave the room prior to the commencement of the debate on any such matter.

Councillor Kiernan and Mellings declared a Disclosable Pecuniary Interest in items 12 and 15, as Directors of Shropshire Fire Risk Management Services Ltd.

They had been granted a dispensation by the Fire Authority, which allowed them to take part in the discussion of, and voting on, matters, relating to Shropshire Fire Risk Management Services Ltd. providing that legal opinion considered the participation to be appropriate. On this occasion, the report to be considered detailed the performance of Shropshire Fire Risk Management Services Ltd. and was for information purposes only. It was, therefore, deemed appropriate for Councillors Kiernan and Mellings to participate in the discussion of these items.

3 Minutes

Members received the non-exempt minutes of the Audit and Performance Management Committee meeting, held on 23 April 2015.

The Committee could not agree the non-exempt minutes of the meeting held on 23 April 2015, or that they be signed as a correct record, as there were only three Members present, who attended that meeting, and the quorum for the Committee is four.

Committee Clerk's Note

The Committee Clerk has written to the Members, who were present at the meeting, held on 23 April 2015, and asked them to sign a copy of the non-exempt minutes to confirm that they are a correct record of the meeting. Once the signed copies have been received it will be possible to bring the minutes back to the Committee for agreement that they be signed as a correct record.

4 Public Questions

No questions, statements or petitions had been received from members of the public.

5 Committee Constitution and Training

This report brought the latest version of the Committee's constitution to the notice of its Members. It also brought Members up-to-date on training issues and asked them to consider what should be the subject of the next training session.

Councillor Fletcher requested that an explanation session be provided on the Statement of Accounts. The Treasurer replied that he would provide more detail on the Statement of Accounts later on this agenda but he agreed that it was a complex and unique document and confirmed that the Head of Finance (HoF) would prepare an explanation session on the Statement of Accounts for the September meeting. The Corporate Support Manager (CSM) asked if there were any other areas, in which the Committee required training. Councillor Dr Jones suggested a training session on the role of the Audit Committee would be helpful.

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

Resolved that the Committee:

- a) Note the constitution of the Audit and Performance Management Committee (attached as an appendix to the report); and
- b) Agree that future training should include an explanation session on the Statement of Accounts and the Role of the Audit Committee

6 External Audit

6a Audit Fee Letter 2015/16

The External Audit Fee Letter 2015/16 set out details of the 2015/16 audit fee for the Authority, along with the scope and timing of External Audit's work and details of their team.

Ms Edmonds presented this item and apologised for the references to the 'Council', rather than the Authority, which were contained in the document. She advised that there had been a £10k reduction in the audit fee for 2015/16, which was due to the closure of the Audit Commission.

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

Resolved that the Committee note the External Audit Fee Letter 2015/16

6b Audit Update for Year ended 31 March 2015

This paper reported on Grant Thornton's progress in delivering their responsibilities as external auditors. The paper also included a summary of emerging national issues and developments that might be relevant to the Fire Authority and a number of challenging questions in respect of these emerging issues, which the Committee might wish to consider.

Ms Edmonds drew Members' attention to page 5 of the document, which stated that the audit findings would be reported to this Committee in September 2015. She explained that there were various challenge questions, contained within the document, which the Committee might wish to build into its training throughout the year. Councillor Mellings asked what would be the mechanism for doing this. The Assistant Chief Fire Officer (ACFO) explained that officers were aware of the issues raised. Work was ongoing in relation to them and the issues would be brought forward to Members at the appropriate time.

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

Resolved that the Committee note the Audit Update Report

7 Internal Audit Annual Report 2014/15

This Annual Report provided Members with details of the work undertaken by Internal Audit for the year ended 31 March 2015. It reported on progress against the annual audit plan. It also provided the Head of Audit's (Audit Service Manager's) opinion on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control, as required by the Public Sector Internal Audit Standards, which in turn contributed to the review of the effectiveness of the systems of internal control as required by the Accounts and Audit Regulations 2011 4(2).

Mrs Pilawski drew Members' attention to page 5 of the report, which set out the Audit assurance opinions delivered in 2014/15. Of these, the two limited opinions would be followed up in that financial year. There were no fundamental recommendations issued in 2014/15.

Councillor Dr Jones asked if there had ever been any fundamental recommendations to the Authority. Mrs Pilawski responded that there had but that the numbers were in single figures.

The ACFO explained that the payroll system audit had led to broader payroll automation of travel and subsistence processes. The majority of the recommendations arising from the Information Technology Audit follow-up were now complete and this would now be audited again.

Councillor Mellings commented that this was an excellent outturn, which provided substantial assurance to Members. He thanked all of the officers, who had been involved in this work.

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

Resolved that the Committee note the Internal Audit Annual Report 2014/15

8 Statement of Accounts 2014/15

In accordance with a request from the Committee, a copy of the unaudited Statement of Accounts 2014/15 was brought to Members for discussion prior to presentation of the final, audited Statement at the September meeting of the Committee.

The Treasurer presented the Statement of Accounts and gave a brief overview of each of the sections. He thanked the HoF and her team for producing the Statement of Accounts. He advised that this was an opportunity for the Committee to identify which areas of the Accounts it would like to consider in more detail.

Councillor Dr Jones and Councillor Mellings both considered that more detail and explanation on pensions would be useful.

Councillor Mellings commented that the notes to the Statement were very comprehensive and clear. Referring to the Cash and Cash Equivalent figure, he asked if the Authority was obtaining best use of the £19k of current assets. The Treasurer replied that the Authority's investment policy was risk averse in that it looked for return **of** the investment, rather than a return **on** the investment. The Authority's policy was to invest in triple 'A' rated organisations only or those backed by Government, which typically gave a 0.3% to 0.6% return. It was possible to increase the Authority's risk appetite but the benefits of this would probably be negligible. He concluded that it was a complex but interesting issue and suggested that Treasury Management training could be provided to the Committee. Councillor Mellings felt that such training would be very beneficial for the Committee.

Councillor Mellings then referred to the increase in reserves of £2.5m, which was scheduled for use at Telford Central, and asked what the timeline was for this work.

The ACFO explained that a review of the required work had started in April 2015 and would conclude in April 2016. Officers would then report back to the Fire Authority, outlining potential developments, including the possibility of multi-agency working. Councillor Mellings asked if this was a medium-term project. The ACFO confirmed that it was, with the initial phase taking 12 to 18 months and then up to 2 years build time. It was, therefore, likely that the project would be completed in 2018/19 or 2019/20.

Referring to pages 49 and 50 of the Statement of Accounts, Councillor Mellings asked for an explanation of the change within the Corporate Performance and Operations column on the table. The Treasurer explained that he did not have any detail to hand regarding the movement within the headings. The Treasurer and Accountant undertook to provide this detail to Members outside of the meeting.

It was proposed by Councillor Dr Jones, seconded by Councillor Mellings, and

Resolved that the Committee note the Statement of Accounts 2014/15

9 Annual Governance Statement 2014/15 and Improvement Plan 2015/16

The purpose of this report was twofold: it set out the draft Annual Governance Statement (AGS) for 2014/15 and AGS Improvement Plan 2015/16 to be included in the Fire Authority's Statement of Accounts; and it detailed progress on the 2014/15 Improvement Plan.

It was proposed by Councillor Mellings, seconded by Councillor Hurst-Knight and

Resolved that the Committee:

- a) Note the progress made on the 2014/15 Improvement Plan;
- b) Agree to close the 2014/15 Improvement Plan, carrying forward any outstanding issues to the 2015/16 Improvement Plan; and
- c) Agree the AGS and 2015/16 Improvement Plan for inclusion in the 2014/15 Statement of Accounts

10 Summary of Compliments and Complaints 2012/13 to 2014/15

This report advised Members of summary details regarding the compliments and complaints received during 2014/15, with comparisons to 2012/13 and 2013/14.

The Committee approved of the inclusion in the appendix of examples of compliments received.

Councillor Mellings commented that a total number of 12 complaints was very good and continued the trend in reduction of numbers of complaints over the past few years. He then asked what learning points had come out of the complaints received. The ACFO explained that there were many learning points but one of the main areas had been in relation to poor driving behaviour, in particular with regard to Retained Duty System crews responding to their station.

This has been tackled at both an individual and Service-wide level, with information being disseminated to all stations.

It was proposed by Councillor Dr Jones, seconded by Councillor Fletcher, and

Resolved that the Committee note the report

11 Performance

11a Service Targets April to June 2015

This report presented a summary of the Service's performance for the period April 2015 to June 2015.

The ACFO advised the Committee that currently measures 2b – accidental dwelling fires to be reduced to not more than 236 during 2015/16, and 3b – injuries sustained to staff through firefighting will be reduced to not more than 27 injuries during 2015/16 - were predicted to fail.

Councillor Mellings asked for more detail regarding these measures. The Head of Service Delivery advised that measure 2b would be covered in the presentation at item 11b.

With regard to measure 3b, the ACFO advised that there had been 3 injuries in April, 2 in May and 2 in June. It was still early in the year but there had been no identifiable themes or issues in relation to these injuries and there had been no RIDDOR reportable injuries.

Councillor Dr Jones asked if the injuries were related to equipment. The ACFO explained there was no evidence of this, although there had been an issue relating to the fluorescent strip on firefighter jackets and a reddening of skin. Work was currently being undertaken to minimise the occurrence of this.

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

Resolved that the Committee note the report

11b Presentation on Service Targets

In accordance with the request made at the last meeting of the Committee, the Head of Service Delivery (HSD) gave a presentation on the following 2015/16 Service Targets:

- All accidental fires will be reduced to not more than 584 fires
- Accidental dwelling fires to be reduced to not more than 236
- Fire-related deaths and injuries in the community will be reduced to not more than 20

A copy of the presentation slides has been placed on the signed minute file for this Committee.

It was proposed by Councillor Dr Jones, seconded by Councillor Mellings, and

Resolved that the Committee note the presentation

11c Wholetime and Retained Duty System Performance Monitoring January to March 2015

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

The HSD reported that industrial action by the Fire Brigades Union had reduced over the three-month period covered by report. With regard to RDS stations Cleobury Mortimer, Much Wenlock and Oswestry Pump 2 availability had increased over the three-month period covered by the report but Albrighton and Minsterley were struggling.

The HSD reported that the Group Commander Shropshire Rural Performance Group was working with the RDS Working Group to drive forward the improvement initiatives, identified in the recent RDS survey.

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

Resolved that the Committee note the report

12 Shropshire Fire Risk Management Services Performance Reporting

This report provided information on the performance of the Fire Authority controlled company, Shropshire Fire Risk Management Services. The appendix to this report contained exempt information and would, therefore, be considered in closed session at item 15.

The Head of Service Delivery Transformation advised that the revised Business Plan would be presented to the Fire Authority at its meeting in October 2015.

It was proposed by Councillor Dr Jones, seconded by Councillor Fletcher, and

Resolved that the Committee note the report

13 Local Government Act 1972

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

Resolved that, under section 100A (4) of the Local Government Act 1972, the public be excluded from the meeting for the following items on the grounds that they involved the likely disclosure of exempt information, as defined by the provisions of Part I of Schedule 12(A) to the Act, by virtue of Paragraph 3

14 Exempt Minutes (Paragraph 3)

Members received the exempt minutes of the Audit and Performance Management Committee meeting, held on 23 April 2015.

The Committee could not agree the exempt minutes of the meeting held on 23 April 2015, or that they be signed as a correct record, as there were only three Members present, who attended that meeting, and the quorum for the Committee is four.

Committee Clerk's Note

The Committee Clerk has written to the Members, who were present at the meeting, held on 23 April 2015, and asked them to sign a copy of the exempt minutes to confirm that they are a correct record of the meeting. Once the signed copies have been received it will be possible to bring the minutes back to the Committee for agreement that they be signed as a correct record.

15 Shropshire Fire Risk Management Services (Paragraph 3)

The Committee received the following appendices to report 12, which contained exempt information:

- 15a First Quarter 2015/16 Financial Statements
- 15b Performance Information and Commentary

It was proposed by Councillor Dr Jones, seconded by Councillor Mellings, and

Resolved that the Committee note exempt papers:

- 15a First Quarter 2015/16 Financial Statements
- 15b Performance Information and Commentary

The meeting closed at 3.20 pm.

These minutes were agreed by the Committee and signed as a correct record by the:

Chair.....

on

Date.....