

**Minutes of the Meeting of
Shropshire and Wrekin Fire and Rescue Authority
Standards, Audit and Performance Committee
held via Microsoft Teams
on Thursday, 22 April 2021 at 2.00 pm**

Present

Members

Councillors Dee (Vice-Chair), Milner and Thompson

Officers

Rod Hammerton	Chief Fire Officer	CFO
Simon Hardiman	Assistant Chief Fire Officer (Service Support)	ACFO(SS)
Dan Quinn	Assistant Chief Fire Officer (Service Delivery)	ACFO(SD)
James Walton	Fire Authority Treasurer	Treasurer
Joanne Coadey	Head of Finance	HoF
Andrew Kelcey	Head of Resources	HoR
Germaine Worker	Head of Human Resources and Administration	HHRA
Adam Matthews	Group Manager Shropshire	GM
Lynn Ince	Executive Support Officer	ESO

External Bodies

Mr Avtar Sohal	Grant Thornton, External Audit
Mr Peter Chadderton	Audit Services, Shropshire Council

1 Apologies for Absence

Councillors Adams, Blundell, Price and Sahota
Ged Edwards, Planning and Performance Manager
David Rowley, Grant Thornton
Ceri Pilawski, Audit Services

2 Disclosable Pecuniary Interests

Councillor Dee declared an interest in item 16 on the agenda – Pension Board Minutes – as she is in receipt of a Fire Service Pension.

3 Public Questions

None

4 Minutes

Resolved that the minutes of the Standards, Audit and Performance Committee meeting, held on 3 December 2020, be agreed and signed by the Chair as a correct record.

5 Review of Committee Terms of Reference

This report asked Members to consider the Terms of Reference of the Standards, Audit and Performance Committee, following the annual review conducted by officers.

Resolved that the Committee having reviewed its Terms of Reference, as set out in the Appendix to the report, recommend the amendments set out in the report to the Fire Authority for agreement.

6 Review of Member Role Descriptions

This report asked Members to review the Role Descriptions for the Chair and Vice-Chair of the Standards, Audit and Performance Committee, the Member Champion for Risk Management and Audit and the Fire Authority's Independent Person.

Resolved that the Committee approve the following Role Descriptions with the amendments as set out in the report:

- Chair of Standards, Audit and Performance Committee
- Vice-Chair of Standards, Audit and Performance Committee
- Member Champion for Risk Management and Audit
- Fire Authority Independent person

7 Code of Corporate Governance

7a Code of Corporate Governance 2020/21

This report gave the Committee an opportunity to make comment on the draft Code of Corporate Governance 2020/21, prior to it going forward to the full Fire Authority for consideration and formal adoption.

The HoF presented this report and advised Members that the changes brought about in response to the Covid-19 pandemic have been referenced within the Code of Corporate Governance document.

Resolved that the Committee

- a) Have reviewed the draft Code of Corporate Governance 2020/21, attached at the Appendix to the report; and
- b) Agree to forward the draft Code, without amendment, to the Fire Authority for consideration and formal adoption.

7b Internal Audit Report on Corporate Governance 2020/21

Resolved that the Committee note the Internal Audit Report on Corporate Governance 2020/21.

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 the International Standards on Auditing (UK & Ireland) 260.9/20.

Mr Sohal introduced himself to the Committee and explained that he is a Director within the Public Sector Audit Team in the Midlands and is taking over the role of Engagement Lead from Richard Percival who has retired. Mr Sohal explained that he has 15 years in experience in public sector audit and will also be the Engagement Lead for Hereford & Worcester and West Midlands Fire and Rescue Services.

Mr Sohal then presented the report to the Committee and highlighted the following points:

- There are three specific risks identified by the audit team which require special audit consideration. These are:
 - Management over-ride of controls – this risk relates to ISA (UK) 240 and is applicable to all audits undertaken in all organisations
 - Valuation of land and buildings and valuation of pension fund – these are specific risks for the Authority due to the complicated estimated required within the valuations which may lead to the values being materially misstated
- Materiality is planned to be £0.49m for this year which is approximately 2% of the prior year gross expenditure. Any material misstatements with a variance in excess of £0.025m will be included in the Audit Findings Report
- There has been a change to the Audit Code of Practice regarding Value for Money (VfM). This requires the audit team to undertake more work and deliver a larger report on specific areas of VfM
- Audit planning has commenced, and work is being co-ordinated with the Finance Department. The aim is to meet the audit deadline of 30 September 2021
- The Audit Fee has increased to £36,716 for 2020/21 due to the increase in VfM work and auditing standard changes
- The Audit Fee is moderated by Public Sector Audit Appointments (PSAA) and they have agreed the increase in principle however the increase will not take effect until the audit process has been completed
- The increased fee is purely due to increased levels of work caused by changes to audit standards. Grant Thornton have feedback to PSAA that work needs to be undertaken to ensure that the base level fee is correct in order to avoid significant variations in audit fees

Resolved that the Committee note The Audit Plan for the Year Ending 31 March 2021.

8b Informing the Audit Risk Assessment

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

Mr Sohal presented the report and explained that the audit team are required to obtain management responses to a series of questions and to share these responses with those charged with governance, that is this Committee.

Resolved that the Committee note the report

9 Statement of Accounts 2020/21 Review of Accounting Policies

This report presented the accounting policies to be used in the production of the Fire Authority's Statement of Accounts 2020/21, for consideration and approval. The report also stated the areas of estimation uncertainty to the Committee, and what is being done to mitigate the risks around this uncertainty.

Resolved that the Committee

- a) Approve the accounting policies, prior to the presentation of the Statement of Accounts 2020/21; and
- b) Note the risks associated with estimation uncertainty within the financial statements, and how they are mitigated.

10 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 the Appendix to the report), following the annual review conducted by officers.

The HoF presented this report and informed the Committee that the removal of value for money from the Audit Code of Practice is reflected in the amended document which also includes other minor amendments. Once the Fire Authority has ratified the Strategy, the amended document will be circulated to all Service employees.

Resolved that the Committee agree to recommend that the Fire Authority re-affirm the Anti-Fraud, Bribery and Corruption Strategy without amendment.

11 Annual Governance Statement Improvement Plan 2020/21

This report summarised the progress made to date against the improvements contained in the Annual Governance Statement (AGS) Improvement Plan 2020/21.

Resolved that the Committee note the progress made against each of the improvements contained in the Annual Governance Statement Improvement Plan 2020/21.

12 Corporate Risk Management Summary

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

The ACFO(SS) presented this report and advised the Committee that there are no changes to the direction of travel for the risks on the Corporate Risk Register but a new risk related to a delay in implementing the new fitness standards has been added to the Risk Register.

Resolved that the Committee note the contents of the report.

13 Performance Monitoring

13a Corporate Performance Indicators 2021/22

This report presented the Corporate Performance Indicators (CPIs) for 2021/22 as agreed by the Strategy and Resources Committee at its meeting on 18 March 2021.

The ACFO(SS) presented this report and talked through each indicator as set out in it. The Committee were advised that targets will be monitored and will evolve over time. It is also proposed that a further two CPIs related to Finance and Environment be added to the indicator suite in the future.

Members asked if the pandemic had had any consequences for the numbers of deliberate fires occurring. The ACFO(SS) explained that an increase in the number of secondary fires has been seen. This is attributed to a rise in levels of bonfires and fly tipping due to household recycling centres being shut.

Members also asked for clarity around the cut-off points for the town and fringe element of the response standard (CPI 7). The ACFO(SS) explained that the definition is based on Super Output Areas (SOAs) which are based on population figures within those areas. The ACFO(SS) undertook to share the scientific explanation and data used with Members outside the meeting.

The ACFO(SD) informed the Committee that the closedown report for 2020/21 performance monitoring will be brought to the next meeting of the Committee, with quarterly updates then being provided for 2021/22.

Resolved that the Committee note

- a) The Corporate Performance Indicators for 2021/22; and
- b) The rationale that has been used to set these indicators.

14 Standards

14a Code of Conduct Complaints 2020/21

Resolved that the Committee note that, whilst not a legal requirement, it is good practice for Members to receive regular updates on Code of Conduct complaints, even if there have been none. The ESO reported that, during the period 2020/21, the Fire Authority had received no complaints that any of its Members had breached its Code of Conduct

14b Review of Protocols

Resolved that the Committee note that a review has been undertaken of the following documents and there are currently no amendments proposed to them:

- Member / Officer Relations Protocol; and
- Gifts and Hospitality Protocol

15 Member Development 2020/21 and 2021/22

This report updated the Committee on Member development activity over the past year and proposed training and development activity for the year April 2021 to March 2022.

Members commented that they had been pleased to attend the sessions provided during 2020/21 and particularly praised the Mental Health First Aid training session that had been attended by Members earlier in the day.

The Committee queried if it was possible for Members to visit their local On Call stations. The ACFO(SD) confirmed that once Covid-19 restrictions have concluded, the Service is keen to build relationships between Members and stations.

Resolved that the Committee

- a) note the backward looking report for 2020/21; and
- b) agree the proposed training and development activity for 2021/22.

16 Pension Board Minutes

Resolved that the Committee note the minutes of the Pension Board meeting, held on 11 December 2020.

17 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.

18 Corporate Risk Management Summary (Paragraph 4)

The Committee received Appendix C to report 12 – 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 12.

The meeting closed at 3.10 pm.

Chair.....

Date.....