

**Minutes of the Meeting of
Shropshire and Wrekin Fire and Rescue Authority
Audit and Performance Management Committee
held at Headquarters, Shrewsbury
on Thursday, 24 November 2011 at 3.00 pm**

Members

Councillors Adams, Carter, Hurst-Knight, Dr Jones (Chair), Kiernan, Mellings (Vice-Chair) and Murray

Officers

Deputy Chief Fire Officer, Assistant Chief Fire Officer (Corporate, Performance and Operations), Treasurer, Head of Finance and Executive Support Officer

External Bodies

Mrs Mayne (Audit Commission)
Mrs Pilawski (Audit Services, Shropshire Council)

The Chair began by welcoming Ms Mayne, Audit Commission and Mrs Pilawski, Audit Services, Shropshire Council to the meeting. She also introduced Rachel Musson, the Fire Authority's Treasurer, to the Committee and welcomed her to her first Audit and Performance Management Committee meeting.

The Chair reminded Members that, once the business on the agenda had been considered, there would be an informal meeting between members of the Committee and the Fire Authority's Auditors.

1 Apologies for Absence

There were no apologies for absence.

2 Declarations of Interest

There were no declarations of interest.

3 Minutes

Members received the minutes of the meeting of the Audit and Performance Management Committee, held on 8 September 2011.

The Chair referred to page 8 of the minutes of the previous meeting and, in particular, the issue around the clarification of the public value measure that 'the first fire engine will arrive with a minimum competent crew of 4 staff on 100% of occasions'. This issue had been addressed in report 8a on the agenda for this meeting.

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

Resolved that the minutes of the meeting of the Audit and Performance Management Committee, held on 8 September 2011, be approved and signed by the Chair as a correct record

4 Public Questions

No public questions, statements or petitions had been received.

5 External Audit Matters

5a Annual Audit Letter

Mrs Mayne presented the Annual Audit Letter 2010/11 (the Letter) to the meeting and talked through the key messages contained in the Letter.

Mrs Mayne referred to page 4 of the Letter and particularly to the joint working arrangements that are in place with Hereford and Worcester Fire and Rescue Authority (HWFRA). Mrs Mayne informed the meeting that Mr Patterson is the appointed auditor for both Shropshire and Wrekin Fire and Rescue Authority and HWFRA and he, therefore, has an overview of both authorities and their joint working.

Mrs Mayne then referred to the introduction of the International Financial Reporting Standards, as detailed on page 7 of the Letter, and commented that the Fire Authority should be pleased with the accounts, which were compliant with the guidelines. Referring to the Whole of Government Accounts, she advised that the Audit Commission must produce a consolidation pack, summarising the Authority's financial statements. She reported that a consolidation pack had been submitted, which was consistent with the Authority's audited financial statements as at 29 September 2011.

Mrs Mayne finally highlighted the comment on page 11 of the Letter, which stated that the Authority has taken a positive and constructive approach to the audit and thanked the Authority staff for their support and co-operation during the audit. The Chair echoed this sentiment and thanked the Finance Team as a whole for their involvement in producing a successful audit under difficult circumstances.

Councillor Carter referred to future funding for the Fire Service, as detailed on pages 4 to 5 of the Letter, and informed the Committee that Mark Pritchard MP is to raise the issue of future funding with the Fire Minister Bob Neill MP.

Resolved that the Committee note the Annual Audit Letter 2010/11

5b External Audit Statement of Audit Progress

Mrs Mayne presented the External Statement of Audit Progress Report to the meeting. A synopsis of the points raised follows.

Mrs Mayne referred to page 2 of the report and explained that this is a relatively quiet time of year for audit. Work will begin in January 2012 on assessing the control environment for the 2011/12 audit. There will also be liaison with Audit Services at Shropshire Council to establish if there are any areas of overlap between the two audits, thereby minimising duplication of work. The next of these reports will contain more detail on the 2011/12 audit.

With regard to the procurement exercise for outsourcing the Audit Commission's in-house audit practice, Mrs Mayne informed the Committee that 13 firms have completed the pre-qualification stage and have been formally invited to tender for the work. The final date for applications is 16 December 2011. It is expected that the decision regarding the contract awards will be made on 24 February 2012, with a formal announcement regarding the outcome being made in March 2012.

Mrs Mayne informed the Committee that there are no changes to the work required for the 2012/13 audit and that the final audit fees will be published in April 2012 after the results of the outsourcing exercise have been announced.

Resolved that the Committee note the contents of the report

6 Process for Approval of the Statement of Accounts 2010/11

This report noted the timetable for approval of the Statement of Accounts for 2010/11, following changes in the Accounts and Audit (England) Regulations 2011.

The Head of Finance (HoF) talked through the amended timetable that had been followed for the approval of the 2010/11 accounts and which was set out in the report. The HoF informed the Committee that there is limited scope for alteration to this process due to the mandatory timetable, which was set out in the Accounts and Audit Regulations 2011.

Councillor Mellings commented that it may be too soon to reflect on how the amended timetable had worked but he felt that the previous procedure, where the Statement of Accounts were approved by the Fire Authority in June and then the Final Accounts and the Annual Governance Report were presented to the Audit and Performance Management Committee (A&PMC) in September, seemed to work better. The amended timetable is possibly too cumbersome and it may be better for the Fire Authority to delegate approval of the Final Accounts to the A&PMC. Councillor Mellings' reasoning for this suggestion is that the A&PMC is charged with governance for the Fire Authority and may be better placed to look in depth at the accounts, as it is a smaller committee.

Councillor Carter agreed that Councillor Mellings' comments made sense but he was concerned that the Fire Authority may not be prepared to accept the recommendation.

The HoF suggested that she be tasked to discuss possible changes with the Audit Commission and the Treasurer and to bring recommendations arising from this discussion to a future meeting of the Fire Authority. The Committee felt that this was the most appropriate course of action.

Councillor Mellings asked about the possibility of Members receiving a training session on the Statement of Accounts, with last year's accounts being used as a practical example to improve understanding. The HoF confirmed that this was programmed into the Member Training Schedule but clarification was needed as to whether the session would be run purely for members of the A&PMC or for the Fire Authority as a whole. The HoF undertook to clarify this issue.

It was proposed by the Chair, seconded by Councillor Mellings and

Resolved that the Committee:

- a) Note the report; and
- b) Agree that improvements could be made in the current process for approval of the Statement of Accounts and task the Head of Finance to discuss possible changes with the Audit Commission and the Treasurer and to bring recommendations arising from this discussion to a future meeting of the Fire Authority.

7 Annual Governance Statement Improvement Plan 2011/12

This report summarised the progress made to date against the improvements contained in the Annual Governance Statement (AGS) Improvement Plan 2011/12.

An amended appendix to the report was tabled (a copy of which is attached to the signed minutes).

The Assistant Chief Fire Officer (ACFO) informed the Committee that there are currently 3 open entries on the AGS Improvement Plan and detailed progress against each of these as follows.

With regard to Resource Management (IRN 2), the pilot of the Asset Management System should be completed in March 2012 with the System being rolled out across the Service in July 2012.

In relation to Risk Management and Business Continuity Planning (IRN 3), the ACFO informed the Committee that the Planning and Performance Manager will be taking on the Risk Management role in the near future.

Internal Audit has completed their investigations into Information and Communications Technology (ICT) following the two catastrophic failures that have occurred this year. An Action Plan has been developed from the results of the audits and this will be implemented with effect from the end of November 2011. Internal Audit is to review ICT again next year.

Mrs Pilawski informed the Committee that Internal Audit are satisfied that the Fire Authority is taking a robust approach to controls.

The chair asked if Risk Management training was to be provided, as detailed in IRN 3. The ACFO confirmed that this would be provided but there may be some slippage due to the Planning and Performance Manager currently being committed to several business critical projects.

Resolved that the Committee note the progress made against each of the improvements contained in the AGS Improvement Plan 2011/12

8 Performance Monitoring

8a Public Value Performance Measures 2011/12

This report provided a summary of the organisational Public Value Performance Measures, as documented in the 2011/12 Service Plan.

The ACFO referred to the issue regarding clarification of Public Value measure 1b, i.e. 'the first fire engine will arrive with a minimum competent crew of 4 staff on 100% of occasions' that had been raised at the last meeting of the Committee. The ACFO explained that officers do recognise that there are two separate elements contained within the measure and that this does need to be amended to provide clarity. The ACFO proposed that this should be done through the strategic planning process. Members confirmed that they were happy with this approach.

The ACFO asked Members to note that the number of accidental fire deaths in dwellings since April 2011 has greatly exceeded anticipated levels. These are extremely unusual circumstances and a full report on this issue will be provided to the Fire Authority at its meeting in December 2011.

The Deputy Chief Fire Officer (DCFO) then provided a verbal update on Aim 2, i.e. 'to reduce the number of fires in our community'.

Councillor Mellings expressed concern that there had been a suggestion in a report in the Shropshire Star that the increase in fire deaths is related to the cuts in the Fire Service and the message that this sends to the public. The DCFO responded that this question had arisen several times in recent radio and television reports but a clear answer has been given that there is no correlation between the two.

A document containing additional data was tabled (a copy of which is attached to the signed minutes).

The DCFO referred to page 1 of the document, which shows that there has been a spike in the number of accidental domestic fires in April 2011. This is an unusual trend, as the tendency is for numbers to peak in the summer months. The spike in April 2011 could possibly be related to the period of good weather that occurred in this month and also to the fact that there were several bank holidays, which meant that there were more people at home. It should, however, be noted that approximately 56% of the accidental domestic fires attended in this month were out on arrival.

Page 2 of the document showed a comparison of rainfall and the number of incidents. There are high levels of incidents in both April and August 2011, which may be linked to comparatively low levels of rainfall in these months. There is also a link to anti-social behaviour and the Service has been undertaking partnership work, e.g. with West Mercia Police, to address this issue in those areas, such as Tweedale, where the majority of incidents have taken place.

The third page of the document showed cumulative secondary arson figures for 2010 and 2011. The DCFO informed the meeting that the Service is likely to struggle to meet its targets for this in 2011 but work with partners is taking place to address this issue.

Councillor Adams asked if there was a plan in place with the Police to address the issue of deliberate fires. The DCFO confirmed that the Service's Fire Crimes Officer works closely with the Police and the local authorities to address this issue. Work is also undertaken with schools in those areas where incidents are prevalent.

Councillor Hurst-Knight asked if the Small Fires Unit was still used to tackle these incidents. The ACFO explained that the Unit had been piloted but had not proved to be cost-effective and the scheme had, therefore, been abandoned.

Resolved that the Committee note the report's contents and the verbal update provided by the DCFO regarding performance against Aim 2: 'To reduce the number of fires in our community'

15b Retained Duty System Performance Monitoring July 2011 to September 2011

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

A revised version of this report, which contained data for September 2011, was tabled (a copy of which is attached to the signed minutes).

The DCFO referred to page 4 of the report, which shows appliance availability and reported that this is currently high (above 90%). This is as a result of the Service addressing the issues that have been affecting availability.

Councillor Adams asked if retention levels for RDS firefighters were good. The DCFO confirmed that they were, with there being relatively low levels of staff turnover.

The Committee noted that there were still concerns about recruitment levels at Oswestry, Cleobury Mortimer and Much Wenlock, although, as documented in the report, there have been some positive developments at these stations with regard to recruitment.

Councillor Mellings referred to Table C (ii) in the report and expressed surprise at the increase in the levels of cover provided by the Retained Support Officers at Ludlow (an increase from 5.5 hours in Quarter 1 to 116.25 hours in Quarter 2). The DCFO explained that one person being absent can result in such increases in cover, especially if the person concerned is a key person in keeping the appliance on the run.

Councillor Mellings referred to the station establishment figures on page 8 of the report and asked if the budgets for stations were based purely on the establishment unit guide for the station or if an additional percentage was included.

The HoF explained that current policy is not to budget for the full establishment, as it recognised that there is likely to be movements within personnel during the financial year, i.e. leavers and starters.

Resolved that the Committee note the contents of the report

The meeting closed at 3.50 pm. The Committee then held an informal meeting with Mrs Mayne of the Audit Commission (external audit) and Mrs Pilawski of Audit Services, Shropshire Council (internal audit).

Chair.....

Date.....