

**Minutes of the Meeting of
Shropshire and Wrekin Fire Authority
Audit and Performance Management Committee
held at Brigade Headquarters, Shrewsbury
on Thursday, 13 May 2010 at 2.00 pm**

Members

Councillors Adams, Mrs Greenaway (Vice-Chair), Dr Jones (Chair), Kiernan, Mason, Mellings and Price

Officers

Assistant Chief Fire Officer (Corporate, Operations and Performance), Treasurer, Head of District Performance, District Officer South, Planning and Performance Manager, Performance Analyst, Equality and Diversity Officer, Management Support Officer and Principal Auditor (Internal Audit Shropshire Council)

1 Apologies for Absence

There were no apologies for absence.

The Chair welcomed Kathy Hall from Internal Audit to the meeting.

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 18 February 2010.

Councillor Greenaway asked if the Treasurer had investigated the Audit Commission's increase in fees. The Treasurer confirmed that he had spoken to the Audit Commission and this had resulted in the Service being offered a discount. He explained that the increase in fees was due to national scales, and the increased work involved regarding Data Quality and Use of Resources.

It was proposed by Councillor Mason, seconded by Councillor Price and

Resolved that the minutes of the meeting of the Audit and Performance Management Committee, held on 18 February 2010, be approved and signed by the Chair as a correct record

4 Public Questions

No public questions, statements or petitions had been received.

5 Audit and Performance Management Committee Terms of Reference

This report provided details of the Terms of Reference of the Audit and Performance Management Committee, as they appear in the Fire Authority's Members' Handbook, for review by the Committee.

The Treasurer suggested that, as Treasury Management Scrutiny had been delegated to the Committee, it should be included in the Terms of Reference in order to make the delegation permanent. The Committee agreed with the proposed amendment.

Subject to the addition of 'The Committee will oversee and scrutinise Treasury Management and make recommendations, where appropriate, to the Fire Authority', it was proposed by Councillor Price, seconded by Councillor Greenaway and

Resolved that the Audit and Performance Management Committee agree the amended Terms of Reference for recommendation to the Fire Authority

6 Member Role Descriptions

This report asked Members to review the existing Role Descriptions for the Chair and Vice-Chair of the Audit and Performance Management Committee and Member Champion for Risk Management and Audit and make recommendations regarding any additions and / or amendments required to the Fire Authority.

Councillor Dr Jones and Councillor Greenaway felt that, taking into account their experience as Chair and Vice-Chair of the Committee, they felt that Role Descriptions did not require any amendments. The Committee concurred that they were happy with the Role Descriptions as they stood.

It was proposed by Councillor Price, seconded by Councillor Greenaway and

Resolved that no amendments to the Role Descriptions for the Chair, Vice-Chair, and for the Member Champion for Risk Management and Audit were required

7 Member Champions and Reporting

This report examined the current Member Champion reporting regime and advised of a fundamental review of Member Champion roles.

The Committee felt that a Member Champion should add value as part of their role, but in some areas there was not the opportunity to do this. Councillor Mellings suggested that there could be a reduction in roles and areas covered.

It was proposed by Councillor Price, seconded by Councillor Mason and

Resolved that Members note:

- a) The current Member Champion reporting regime; and
- b) That a report on Member Champion roles and reporting will be taken to the June meeting of the Fire Authority

8 Internal Audit Annual Report

Mrs Hall, Principal Auditor for Shropshire Council, summarised her report and pointed out that 8 recommendations were still outstanding, which were now being addressed through the Risk Management Group. She highlighted the 3 audits, which had now been rescheduled. Credit card purchases were now being tightened up and monitored, along with overtime claims, which would help prevent the possibility of fraud and corruption.

Mrs Hall thanked all staff for their cooperation and help in the audit process.

Councillor Mellings asked how the 8 outstanding recommendations would be monitored. Mrs Hall responded that they would be picked up through the Risk Management Group. She added that managers would be required to give more realistic timescales for completion of the audit recommendations to assist in the monitoring process.

Resolved that the Committee note the contents of the report

9 Risk Management Group Internal Audit Progress Monitoring Report

This report provided Members with an update on the monitoring of recommendations made by Internal Audit that is undertaken by the Risk Management Group. It specifically covered details about the progress made against outstanding recommendations.

The Head of District Performance gave an overview of the report and appendix and highlighted the outstanding recommendations. He added that ongoing recommendations would be regularly monitored through the fortnightly Chief Officers' Group and Service Performance Group meetings.

Mrs Hall left the meeting at this point (2.35 pm).

There was a discussion regarding monitoring fuel usage. The Assistant Chief Fire Officer confirmed that fuel cards were registered to specific vehicles and the volume of fuel used was relatively small. Larger vehicles were harder to monitor, because fuel was consumed during pumping but no mileage was registered during this process.

It was proposed by Councillor Mason, seconded by Councillor Price and

Resolved that Members:

- a) Note the actions the Risk Management Group and Internal Audit are taking to progress all outstanding recommendations;
- b) Approve the improvements suggested in Appendix 1; and
- c) Note the progress made against the outstanding recommendations currently being monitored by the Risk Management Group

10 Annual Governance Statement 2009/10 and Improvement Plan 2010/11

This report set out the draft Annual Governance Statement (AGS) and AGS Improvement Plan 2010/11 to be included in the Fire Authority's Final Accounts for 2009/10.

The Head of District Performance explained that amendments would need to be made to the AGS regarding audits completed and planned, as some had been brought forward into 2009/10 and others delayed until 2010/11.

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

Resolved that the Committee approve the Annual Governance Statement 2009/10, and AGS Improvement Plan 2010/11, subject to amendments being made to the lists of audits completed and planned, to be forwarded for signing at the meeting of the Fire Authority in June

11 Review of Treasury Management Arrangements

This report set out the current arrangements for review by the Committee, as requested by the Fire Authority in April 2009.

The Treasurer gave an overview of his report to Members. He informed them that the Service was being very cautious with the investment of public money. He explained that the Service inherited all assets and borrowing started in 1998 from the Public Works Loan Board, over lengthy periods and at historically low interest rates.

Councillor Mellings suggested that in the appendix under TMP10 it should read 'Members and Staff' rather than just Staff. The Treasurer concurred this would be a good idea.

Subject to the inclusion of the word 'Members' in TMP10 at Appendix 1, it was proposed by Councillor Mason, seconded by Councillor Price and

Resolved that the Committee endorse the arrangements, set out in the report, and that it recommend that the Fire Authority:

- a) Formally adopts the clauses in Section 5 of the Chartered Institute of Public Finance and Accountancy (CIPFA) Code; and
- b) Amends its Treasury Policy to refer specifically to investments

12 Summary of Compliments and Complaints 2007/08 to 2009/10

This report advised Members of summary details regarding the compliments and complaints received during 2009/10, with comparisons to 2007/08 and 2008/09.

Councillor Dr Jones asked why some complaints were withdrawn. The Assistant Chief Fire Officer responded that some complainants did not wish their complaint to be subject to a full investigation.

Resolved that the Committee note the contents of the report

13 Performance

13a Operational Performance Assessment Key Performance Indicators

This report informed Members of the score, which would be attributed to the Authority for the Key Performance Indicator element of the performance assessment 2009/10, based on current performance, if assessed.

The Performance Analyst explained that the report would be the last of its kind going to the Committee, as it was to be superseded by Public Value.

Resolved that the Committee:

- a) Note the reporting content; and
- b) Note that this report will be superseded by Public Value reporting in the future

13b Performance against Best Value Performance Indicators April 2009 to March 2010

This report informed Members of the Brigade's performance against nationally prescribed Best Value Performance Indicators for the period 1 April 2009 to 31 March 2010.

Appendix D to the report was tabled at the meeting and a copy has been attached to the signed minutes.

The Performance Analyst delivered her report to Members, highlighting key areas, namely:

BV8

This was a reporting issue, and a report was required from Shropshire Council.

BV8 - Local Indicator

This target had improved throughout the year.

BV11a

There was a mistake in the report where the figures should read 1/16 and not 1/15. This would change the outturn to 6.5%.

BV11b and BV11c

The figures in the report should also read 1/16 and not 1/15.

BV15

The target is failing due to 1 person effecting results. The target was set based on 1 person, the percentage difference is due to the change in the denominator of the number of Wholetime firefighters.

BV16

The figures remain static resulting from the recruitment freeze.

BV143

There are no accidental dwelling fire deaths.

BV143(ii)

The target is failing due to 1 incident where there were 4 casualties.

BV146

The target is failing which may be the result of a high staff turnaround and the confidence to challenge calls.

BV208

There are problems gathering data through CLG's IRS system.

Appendix D

The Service is expected to achieve the target and will review next year through the Committee.

Appendix F

Work is being done to improve the targets, the Cycle to Work Scheme is being launched, and optical smoke detectors are being purchased. It may be useful for information regarding electrical usage on stations to be reported. Consideration to this appendix will be given as this report is under review due to Public Value.

Appendix G

There was 67 days lost. Work is being done to reduce sickness in the Training Centre. There are a number of accidents involving recruits.

Appendix H

There were no financial issues reported. Councillor Mellings asked why there was a lack of data in the appendix for the past few months. The Treasurer responded that this was because officers were concentrating on the end of year closedown.

Resolved that the Committee:

- a) Note the reporting style and content in respect of performance; and
- b) Agree that no amendments to future reports were required

13c Summary of Progress within the Improvement Priorities for 2009/10

The purpose of the report was to demonstrate to Members progress on the Fire Authority's Improvement Priorities.

The Planning and Performance Manager gave an overview of his report, highlighting key areas.

Resolved that the Committee note the contents of the report

13d Retained Duty System Performance Monitoring December 2009 to March 2010

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

Councillor Mrs Greenaway asked how the Service recruits in specific areas. The District Officer South responded that boards are put outside the local fire station, leaflets are delivered to the local area and doors are knocked to deliver information to the local community.

Resolved that the Committee note the contents of the report

The District Officer South and Head of District Performance left the meeting at this point (3.40 pm) and the Equality and Diversity Officer joined the meeting.

14 Equality and Diversity

14a Equality and Diversity Steering Group Summary Report

The report provided the Committee with a summary report on the work of the Equality and Diversity Steering Group.

The Equality and Diversity (E&D) Officer brought Members' attention to the main areas of work of the Steering Group. A discussion took place regarding the Equality Impact Assessment (EQIA) Process. The E&D Officer informed Members that work was being carried out with the Primary Care Trust, Police and Shropshire Council to make comparisons, and bring together all resources to ensure that the EQIA process was as effective as possible.

Councillor Adams asked how you can judge the effectiveness of work done with different groups. The E&D Officer gave the example of an increase of applications from different groups following taster sessions on stations. The Department for Communities and Local Government had set targets that the Service was expected to achieve, and it was a legal requirement to do the work in order to achieve them.

Resolved that the Committee note the contents of the report

14b Progress on the Single Equality Action Plan

The report updated Members on the progress of actions identified within the Single Equality Action Plan, which was being monitored through the Directorate Business Plans.

Councillor Adams asked about the equal pay review on the Action Plan. The E&D Officer responded that the Service was awaiting more information from the Chief Fire Officers' Association, but an equal pay review would need to be completed in the next 2 years.

Councillor Dr Jones asked about Member training. The E&D Officer explained this was currently under review and for the Service to achieve 'excellence' in the Fire and Rescue Service Framework it would need to demonstrate support for elected Members.

Resolved that the Committee note the progress on the actions in the Single Equality Action Plan

The meeting closed at 4.10 pm.

Chair.....

Date.....

Audit and Performance Management Committee

Quorum - 4

Chair

The Chair of the Committee shall be elected from a member of the largest opposition group.

Members – 7

Peter Adams (Conservative)
John Dixon (Conservative)
Jean Jones (Labour) (**Chair**)
Terry Kiernan (Conservative)
Clive Mason (Labour)
Chris Mellings (Liberal Democrat)
Mal Price (Conservative)

Members of the Fire Authority's Strategy and Resources Committee are precluded from sitting on the Audit and Performance Management Committee and vice versa.

Meeting Dates

2010

18 February 2010
13 May 2010
9 September 2010
25 November 2010

Statement of Purpose

Audit*

To provide independent assurance of the adequacy of the risk management framework and the associated control environment, independent scrutiny of the Fire Authority's financial and non-financial performance to the extent that it affects the Fire Authority's exposure to risk and weakens the control environment, and to oversee the financial reporting process

* As recommended in The Chartered Institute of Public Finance and Accountancy publication 'Audit Committees Practical Guidance for Local Authorities'

Performance Management

To oversee the process of assessing progress toward achieving the Fire Authority's predetermined goals, as set out in the Corporate Plan. The Committee's role involves building on that process, adding the relevant communication and action on the progress achieved against the predetermined goals.

Audit Core Functions*

To consider the effectiveness of the Fire Authority's risk management arrangements, the control environment and associated anti-fraud and anti-corruption arrangements

To seek assurances that action is being taken on risk-related issues identified by auditors and inspectors

To be satisfied that the Fire Authority's assurance statements, including the Annual Governance Statement, **properly** ~~property~~ reflect the risk environment and any actions to improve it

To approve, but not direct, the internal audit strategy and audit plan and to monitor performance against the plan

To review summary internal audit reports and the main issues arising, and seek assurance that action has been taken where necessary

To receive the annual report of the Head of Internal Audit

To consider the reports of external audit and inspection agencies

To ensure that there are effective relationships between external and internal audit, inspection agencies and other relevant bodies, and that the value of the audit process is actively promoted

To review the financial statements, external auditor's opinion and reports to Members, and monitor management action in response to the issues raised by external audit

* As recommended in The Chartered Institute of Public Finance and Accountancy publication 'Audit Committees Practical Guidance for Local Authorities'

Terms of Reference

The Committee will review at least annually, and more frequently, if changes are required sooner, its terms of reference to ensure that they are up-to-date, and make recommendations for change to the Fire Authority.

The Committee will consider and approve its annual Work Plan.

In order to carry out its purpose and core functions the Committee will consider, monitor, review and, as appropriate, approve:

- Any proposals for the revision of the Service Level Agreement with Internal Audit
- The Annual Audit Plan
- Revisions to the annual audit plan, as advised by the Head of Internal Audit and agreed by the Treasurer
- The Head of Internal Audit's Annual Report and opinion on the Fire Authority's framework of internal controls
- Half-yearly reports from the Risk Management Group on the work completed by Internal Audit and the progress made in implementing recommended actions
- Reports on Internal Audit special investigations, including frauds, and consideration of recommendations for strengthening internal controls
- A report on the review of the adequacy of the Fire Authority's corporate governance arrangements
- The annual review report on the Fire Authority's Code of Corporate Governance
- The Fire Authority's Annual Governance Statement
- Annual review and re-affirmation of the Fire Authority's Anti-Fraud and Corruption Policy
- Annual review and re-affirmation of the Fire Authority's Brigade Order on Reporting of Illegality and Malpractice (Whistleblowing)
- The report from the Audit Commission on the three-yearly review of the effectiveness of Internal Audit
- The External Auditor's Work Plan, including comments on the scope and depth of external audit work, considering whether it gives value for money
- The Fire Authority's draft Statement of Accounts before submission to the Fire Authority for approval, or, if it is not practicable for the Committee to consider and comment upon the draft Statement, it will ensure that the Fire Authority considers and comments upon the draft Statement prior to approval
- The External Auditor's Management Letter and Use of Resources Judgement

- The Annual Governance Report from the External Auditor following completion of the annual audit of the accounts
- The annual report 'International Standard on Auditing (ISA) 260' of the District Auditor to those charged with governance. The Chair of the Committee will sign the Letter of Representation annually on behalf of those charged with governance (as per authority delegated by the Fire Authority on 19 July 2006).
- Monitoring reports on implementation of the Corporate Plan
- Monitoring reports on the Brigade Service Objectives
- Monitoring reports on the Brigade performance indicators
- The report on the contents of the Fire Authority's Annual Report on the previous years' performance
- Progress reports on the Equality and Diversity Steering Group Action Plan
- Progress reports on the Corporate Equality Action Plan
- Monitoring reports on the implementation of Best Value Reviews
- Customer relations issues and monitoring reports on complaints and compliments
- Reports on the Audit Commission's assessment frameworks, such as Comprehensive Area Assessment, in order to maintain an awareness of the most current regimes

The Committee will oversee and scrutinise Treasury Management and make recommendations, where appropriate, to the Fire Authority.

The Committee will consider, investigate (where appropriate), and report upon, any other matter within its remit, referred to it by the Fire Authority, the Chief Fire Officer, the Treasurer or the Monitoring Officer.

To ensure the provision of appropriate training and development to ensure that all Members of the Committee are able to discharge their responsibilities

Powers

The Audit and Performance Management Committee will:

- Have no delegated powers but can require relevant officers to attend any meeting, where such attendance would be expedient to the work of the Committee
- Have the power to meet privately and separately with the Head of Internal Audit and/or with the External Auditor, independent of the presence of those officers with whom the auditors must retain a working relationship