

**Minutes of the Meeting of
Shropshire and Wrekin Fire Authority
Audit and Performance Management Committee
held at Brigade Headquarters, Shrewsbury
on Thursday, 18 February 2010 at 2.00 pm**

Present

Members

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

Officers

Deputy Chief Fire Officer, Assistant Chief Fire Officer, Treasurer, Head of Fire Control, District Officer South, Information Officer, 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 Non-Exempt Minutes

Members received the non-exempt minutes of the meeting of the Audit and Performance Management Committee, held on 26 November 2009.

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

Resolved that the non-exempt minutes of the meeting of the Audit and Performance Management Committee, held on 26 November 2009, 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 Work Plan 2010-11**

This report put forward a 2010 / 2011 Work Plan for the Audit and Performance Management Committee for consideration and approval by Members.

The Assistant Chief Fire Officer explained that the report on Compliments and Complaints would go to the next Committee meeting in May, thus giving a full year of statistics.

The Treasurer advised that Treasury Management should be included in the Work Plan, as responsibility for this had previously been delegated to the Committee by the Fire Authority. He was awaiting the Treasury Management policies of Shropshire Council before reviewing those of the Fire Authority, as the Council provides Treasury Management services for the Authority. Councillor Mellings suggested that a training session on Treasury Management be held in May and the Treasurer agreed that this would be beneficial.

Following a discussion regarding reporting from the Risk Management Group, the Committee decided that a 6-monthly report was sufficient.

It was proposed by Councillor Kiernan, seconded by Councillor Mrs Greenaway and

Resolved that the Committee approve the Work Plan 2010 / 2011, with the addition of a report on Treasury Management, which, it is intended, will go to the Committee in May

6 **Audit Commission Progress Report February 2010**

This report provided the Committee with a report on the Audit Commission's progress in delivering its responsibilities as the Authority's external auditor.

The Treasurer notified the Committee that he had invited the Audit Commission to attend the meeting but no-one had been available.

The Committee felt that, in the current financial climate, an explanation was required for the dramatic increase in the Commission's fees. The Treasurer suggested he contact the Commission for further discussion, which the Committee agreed would be the most suitable course of action.

There was a discussion regarding the final accounts and the Committee requested that this subject be incorporated into the training session on Treasury Management.

Resolved that the Committee note the contents of the report

7 International Financial Accounting Standards

This report informed the Committee about the introduction of International Financial Reporting Standards, and the change in financial reporting from UK Generally Accepted Accounting Practice.

Councillor Mellings asked the Treasurer if the change in financial reporting would affect the 2009/10 and 2010/11 budget. The Treasurer confirmed that it would, but the Government intended to introduce offsetting requirements to ensure that there would be no net impact on costs.

Councillor Mellings appreciated the extra work that this involved for officers, but felt that Members did need to be provided with an awareness of the new standards, particularly as they were required to approve the accounts. He hoped that this would be included in the training mentioned in the Audit Committee's Progress Report.

Resolved that the Committee note the implications of the introduction of International Financial Reporting Standards for Local Government

8 Internal Audit – 2010/11 Audit Plan and Progress Report on 2009/10

This report sought the Committee's confirmation of the 2010/11 Internal Audit Plan, and reported progress on the 2009/10 Plan.

The Treasurer explained he had compiled the report with the assistance of Internal Audit. He gave a brief overview of the report, bringing the Committee's attention to the appendix, and the days included for fraud and corruption. He also explained that the Risk Management Group would look at systems to identify any potential weaknesses, which would warrant audit.

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

Resolved that the Committee:

- a) Note progress on work in the current year; and
- b) Amend its 2010/11 Internal Audit Programme by bringing forward Banking and Insurance audits, and adding Purchase/ Procurement, Asset Management and Vehicle Fleet audits from the current year (2009/10)

9 Risk Management Group Internal Audit Progress Monitoring Report

The report provided Members with 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 Head of Fire Control brought the Committee's attention to the appendix and explained that, once recommendations had been completed, they would be taken off the appendix.

Resolved that the Committee:

- a) Note the progress that has been made against the outstanding recommendations: and
- b) Note that the Risk Management Group will continue to monitor progress against all recommendations, reporting progress to the Committee on a regular basis

10 Annual Governance Statement

10a Timetable

This report informed Members of the process, which would be put in place to ensure that the Fire Authority's Annual Governance Statement was ready for inclusion in the Final Accounts for 2009/10.

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

Resolved that the Committee agree the proposed Annual Governance Statement timetable, as detailed in the report

Kathy Hall, Internal Audit, left the meeting at this point (2.30 pm).

10b Improvement Plan 2009/10

This report summarised the progress made to date against the improvements, contained in the Annual Governance Statement Improvement Plan 2009/10.

Resolved that the Committee note the progress made against each of the improvements, contained in the Annual Governance Statement Improvement Plan 2009/10

11a Anti-Fraud and Corruption Strategy

This report requested Members to recommend that the Fire Authority adopt the Anti-Fraud and Corruption Strategy, following the annual review conducted by officers.

A discussion took place regarding the wording of the Strategy. Members felt that an additional paragraph was required to make it clear that officers at any level in the Authority could be involved in fraud and corruption.

Resolved that the Committee agree to recommend to the Fire Authority that it adopt the Anti-Fraud and Corruption Strategy with an additional paragraph for clarification as detailed above

11b Reporting of Illegality and Malpractice

For decision

The Committee received the Brigade Order on Illegality and Malpractice for their reaffirmation.

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

Resolved that the Committee reaffirm the Brigade Order on Illegality and Malpractice

The meeting adjourned at 2.40 pm for the Equality and Diversity Officer to be called and reconvened at 2.55 pm.

12 Equality and Diversity Steering Group Summary Report

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

The Equality and Diversity Officer gave Members a brief overview of the report. In response to a question from the Chair the Equality and Diversity Officer confirmed that Members would receive Equality and Diversity training during the current year.

Resolved that the Committee note the contents of the report

13 Progress on the Corporate Equality Action Plan

The purpose of this report was to update Members on the progress of actions identified within the Single Equality Action Plan, which is monitored through the Directorate Business Plans. The Single Equality Action Plan replaces the earlier Corporate Equality Action Plan.

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

14 Performance Assessment – Key Performance Indicators 2009/10

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

Resolved that the Committee:

- a) Note the report content; and
- b) Monitor action plans necessary on failing or high risk indicators

15 Performance against Best Value Performance Indicators April to December 2009

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

The Statistical Research Officer gave a brief overview of the appendices to the report, which were then discussed in detail, and the following significant issues were highlighted:

Appendix A

BVPI 8

There is a continual improvement. 1 invoice can greatly impact on the statistics.

BVPI 11

The figure will not change due to there not being a change in staff.

BVPI 12

November and December was impacted on by wholetime staff being off long term.

BVPI 16

There is still an issue over staff not declaring a disability. Other services also have the same problem. The BVPI is set on national targets.

BV142

There has been an increase of female firefighters in the last intake of recruits.

BV206

The figure is improving due to certain areas of the community being targeted

Councillor Price left the meeting at this point (3.15 pm).

Appendix B

Councillor Adams asked how it was possible to have appliance availability of 100% when vehicles require maintenance. The Statistical Research Officer confirmed that the target could be achieved by using the reserve fleet and that maintenance was scheduled in.

Appendix C

More work would be done with regards to these targets in the future.

Appendix D

The Appendix shows noticeable improvement from previous years.

Appendix E

All targets are showing achievement, other than secondary arson, although the failing number of incidents is reducing month by month. Councillor Adams asked how the Service could improve further on the target. The Statistical Research Officer replied that improvement could be achieved by reducing anything, which impacts on the carbon footprint.

Appendix F

The Resources Manager has confirmed that the Service is on target to achieve 830 in quarter 4.

Appendix H

All financial indicator dates have been achieved.

Resolved that the Committee noted the reporting style and content in respect of performance

16 Retained Duty System Performance Monitoring

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

Resolved that the Committee note the contents of the report

17 Summary of Progress within the Improvement Priorities for 2009/10

This report demonstrated to Members progress on the Fire Authority's Improvement Priorities for 2009/10.

Resolved that the Committee note the contents of the report

18 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 item, on the grounds that it involved the likely disclosure of exempt information, by direction of a Government Minister.

19 Exempt Minutes (Confidential)

Members received the confidential minutes of the meeting of the Audit and Performance Management Committee, held on 26 November 2009.

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

Resolved that the exempt minutes of the meeting of the Audit and Performance Management Committee, held on 26 November 2009, be approved and signed by the Chair as a correct record

The meeting closed at 3.55 pm.

Chair.....

Date.....



Anti-Fraud and Corruption Strategy

Introduction

Shropshire and Wrekin Fire Authority employs over 600 staff, and manages a revenue budget of over £20m per year. In administering its responsibilities, the Authority is set against fraud and corruption, whether it is attempted from inside or outside of the organisation. To this end, it is committed to an effective anti-fraud and corruption strategy designed to

- encourage prevention
- promote detection and
- identify a clear pathway for investigation.

This strategy is based on a series of comprehensive and inter-related procedures designed to prevent, detect and deter fraud and to take effective action against any attempted or actual fraudulent act affecting the Authority.

Scope

It is expected that all officers (permanent and temporary) and Members of the Authority will lead by example, and ensure adherence to legal requirements, rules, procedures and practices.

The Authority also expects that the individuals and organisations that it comes into contact with (i.e. suppliers, contractors, service providers and consultants) will act towards the Authority with integrity and without thought or actions involving fraud and corruption.

Culture

The Authority's employees are an important element in its stance on fraud and corruption, and they are positively encouraged to raise any concerns that they may have on these issues where they are associated with the Authority's activity.

The Authority's Brigade Order, "Reporting of Illegality and Malpractice (Whistleblowing)" gives details about the support and safeguards that are available to those who do raise concerns.

Members of the public can also report concerns through the Authority's complaints procedure, the District Auditor or the Local Government Ombudsman, or, where the conduct of Members is concerned, through the Local Fire Authority Standards Committee.

The Authority participates in the National Fraud Initiative, the Audit Commission's bi-annual data matching exercise which seeks to detect fraudulent payments from the public purse. In addition, the Authority proactively incorporates anti fraud work into its Internal Audit plans.

Prevention

Staff

A key preventative measure in the fight against fraud and corruption is to take effective steps at the recruitment stage to establish, as far as possible, the previous record of potential staff, in terms of their propriety and integrity. In this regard, temporary and casual staff should be treated in the same manner as permanent staff.

Once officers are recruited in accordance with Human Resources guidelines, they are expected to adhere to the Authority's procedures, practices and policies.

Officers who are members of professional bodies must follow that body's Code of Conduct. Officers may also voluntarily register membership of other bodies. The Authority's Brigade Order "Gifts and Hospitality" outlines the procedure to be followed by officers, if they receive gifts or hospitality from a supplier or other stakeholder.

Members

Members must sign an undertaking to abide by the Authority's Code of Conduct and any breaches of this Code are dealt with by the Local Fire Authority Standards Committee. Under the Code Members must complete a register of their financial and other interests, which is available for inspection by the public. The Fire Authority also has in place a detailed Protocol on Gifts and Hospitality for Members.

The agenda for every meeting of the Authority includes an item on declarations of interest, at which point Members must declare if they have a personal or prejudicial interest in any business to be considered at that meeting. If the interest is prejudicial the Member may speak about the issue but then must leave the room when that item is considered. Members are also required annually to declare any related party transactions.

Systems and Procedures

Financial regulations and standing orders relating to contracts and for the regulation of business are in place to ensure that Members and officers act in accordance with best practice when dealing with the Authority's affairs. The Authority has a statutory duty under Section 151 of the Local Government Act 1972 to make arrangements for the proper administration of its financial affairs, and ensure that one of its officers has responsibility for the administration of these affairs. The Authority's designated Chief Finance Officer is the Treasurer. In his absence the Principal Accountant acts as the deputy section 151 officer.

The Authority has developed systems and procedures which incorporate efficient and effective internal controls and which include adequate segregation of duties. The Treasurer is responsible for the operation and documentation of such systems. Their existence and appropriateness is independently reviewed and reported upon by Internal Audit Services at Shropshire Council.

Reporting of Financial Malpractice

The Authority is committed to ensuring the prevention and detection of fraud and corruption, and will endeavour to investigate all potential occurrences in a prompt and timely manner.

In the event that an employee is concerned about suspected unlawful conduct, they should speak in the first instance to their line manager, or, if this is not appropriate, to a senior manager.

Senior management are responsible for following up any allegation of fraud or corruption received, and will be expected to deal with it urgently, referring it to the Treasurer, or, if this is not appropriate, to Internal Audit Services.

The Treasurer has statutory duties in relation to financial administration and stewardship on behalf of the Authority. Section 114 of the Local Government Finance Act 1988 requires the Treasurer to report to the Authority, if one of its officers.

- has made, or is about to make a decision, which involves incurring unlawful expenditure
- has taken, or is about to take, an unlawful action, which has or would result in a loss or deficiency to the Authority
- is about to make an unlawful entry in the Authority's accounts

Procedures are in place within Internal Audit Services to investigate any allegations presented to them. The Treasurer, together with the Authority's Internal Auditors, will

- deal promptly with the matter
- record all evidence received
- ensure that evidence is sound and adequately supported
- ensure security of all evidence collected
- contact other agencies where necessary, e.g. the Police
- implement the Authority's disciplinary procedures where appropriate

It should be noted that this direction applies to staff at all levels within the Service. Should it be senior management, who are suspected of any unlawful conduct, then the employee should report their concerns directly to the Treasurer or, if not appropriate, to Internal Audit Services or the Monitoring Officer.

Outcomes

Following an investigation, the outcomes and findings of the investigation will be used to strengthen management processes and systems already in place, to ensure that any potential reoccurrences of fraud or corruption are minimised.

Conclusion

This Strategy demonstrates that Shropshire and Wrekin Fire Authority has systems and procedures in place to assist in the fight against fraud and corruption.

The Strategy will be brought to the attention of all employees and Members, and will be reviewed regularly to ensure that its contents remain up-to-date.