

**MINUTES OF THE MEETING OF THE ROYAL BERKSHIRE FIRE  
AUTHORITY'S AUDIT AND GOVERNANCE COMMITTEE**



**Held on Thursday 9 May 2013 at 6.30pm**

**Strategic Command Centre, Headquarters, Royal Berkshire Fire  
and Rescue Service, Dee Road, Tilehurst, Reading, Berkshire,  
RG30 4FS**

**Committee Members:** Councillor Diana Coad  
Councillor Andrew Cumpsty  
\*Councillor Paul Gittings (*substituting*)  
Councillor Haqeeq Dar  
Councillor John Lenton  
\*Councillor Iain McCracken, Chairman (*from 6.35pm*)  
Councillor Mohammed Rasib  
Councillor Rebecca Rye  
\*Councillor Emma Webster (*substituting*)  
Councillor Alan Ward, Vice Chairman  
*\*present*

**In Attendance:** Olaf Baars (Deputy Chief Fire Officer, DCFO)  
Conor Byrne (Senior Accountant, SA)  
Kate Handy (Director, Ernst & Young)  
Daniel Harris (Head of Internal Audit, RSM Tenon)  
Andy Haste (Head of Transport and Engineering)  
Yasmeen Mahmood (Haines Watts)  
Nick Oxborough (Group Manager, Performance Review, GMPR)  
Caroline Redzikowska (Director, Corporate Services, DCS)  
Fayth Rowe (Committee Officer)  
Paul Southern (Assistant Chief Fire Officer, ACFO)  
David Wilkinson (Partner, Ernst & Young)  
Andrew Vallance (Director Resources, DR)

**Observers** Royal Berkshire Fire and Rescue Service - Officer

**Action**

**195. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Cllrs Diana Coad, Andrew Cumpsty, Haqeeq Dar, John Lenton, Mohammed Rasib, Rebecca Rye and Alan Ward. The Chairman thanked Cllrs Paul Gittings and Emma Webster for substituting and making the Committee quorate.

**196. DECLARATIONS OF INTEREST**

There were no Declarations of Interest received from Members and Officers.

**197. MINUTES OF THE MEETING HELD ON 14 MARCH 2013**

**Resolved:**

That the Minutes of the meeting held on 14 March 2013 be approved for signing

by the Chairman.

It was noted that the actions from the last meeting had been discharged.

**198. CONSIDERATION OF ANY MATTERS PROPERLY REFERRED TO THE COMMITTEE FOR DECISION**

**Resolved:**

That the Fuel Management Audit was referred by the Fire Authority on 27 March 2013 and was item 12 on the agenda.

**199. INTERNAL AUDIT ANNUAL REPORT FOR 2012/13**

DR introduced Yasmeen Mahmood, Auditor (Haines Watts) to the Committee and advised that this would be the last internal audit received from Haines Watts. Yasmeen Mahmood provided an overview of the report (Annex A) and advised that the Internal Audit gave the Fire Authority a satisfactory opinion and reported that there were 7 high recommendations during the year. The following recommendations raised for a review were given limited assurance;

- Fuel
- IT Change and Configuration Management, and
- IT Disaster Recovery and Back up

In response to the Chairman expressing his surprise at the outcome of a review into IT Disaster Recovery and Back Up, the DCFO stated that he was satisfied with the Operational Systems.

Yasmeen Mahmood explained that the reviews were not based on the fact that systems were not working, but on the required information was not available to auditors on time.

The ACFO commented that he was comfortable with the robust systems that were in place. The DCFO added that RBFRS were in the process of carrying out a server virtualisation. The business continuity plans had critical systems through Crisis Commander which could be used from anywhere broadband could be received.

Councillor Emma Webster stated that if the RBFA was investing in an Internal Audit service, then it was necessary to provide the evidence. She added, that if there was no sufficient resource or evidence available, then officers should say. She commented that Members would need to make the decision whether it was appropriate.

In response to the DCFO, the Chairman stated that in his view he felt that it had not been clear at the time of the review who was responsible and that therefore there was a flaw in the system. He went on to say that he hoped that IT Change and Configuration Management and IT Disaster Recovery and Backup would not be given limited assurance again.

Yasmeen Mahmood reported that the Internal Audit Assurance Report gave the Fire Authority a satisfactory opinion with 1 high recommendation on Fuel.

Councillor Emma Webster thanked Yasmeen Mahmood for her report and Haines Watts for their service. Yasmeen Mahmood took the opportunity to thank the Chairman and Members of the A&GC and RBFRS Officers for their time and

patience.

*Yasmeen Mahmood left the meeting at this point.*

**Resolved:**

That the report be noted.

**200. INTERNAL AUDIT PLAN 2013/14**

The DR introduced Daniel Harris, Head of Internal Audit from RSM Tenon. Daniel Harris briefly outlined the background of RSM Tenon and reported that the company had 300 internal auditors nationally, 600 public sector clients and 6 Fire Authority clients.

Daniel Harris took the Committee through the three year internal audit strategy and advised that it was in line with CIPFA guidelines to give an opinion on risk management. In answer to a query from the Chairman, Daniel Harris reported that as part of the tender document, specific areas of internal audit has been received from the A&GC e.g. contracts and pensions.

In referring to his report, he advised that RSM Tenon intend to meet with the external auditors to minimise duplication. He reported that Appendix A outlined the areas that would be reviewed during the three year period and Appendix B, provided a detailed description of specific coverage in 2013/14.

In response to Councillor Emma Webster, Daniel Harris stated that his core team consisted of five. He added that there was an IT audit team which was a discrete team and reported that specialist teams were available as and when required.

In discussing the plan, Daniel Harris advised that he wanted to work through the plan with management and A&GC, in order to provide the opportunity for the required audit information to be received. The ACFO reported that a discussion with RSM Tenon had been held in relation to managed workloads for the forthcoming Peer Review in September 2013.

The Chairman requested that dates for the proposed audits be made available so that the committee can monitor progress as to whether the overall plan was on target or whether slippages had occurred and what remedial action, if any was being taken.

Councillor Paul Gittings stated that he had hoped that checks were unannounced, for example fuel audits and commented that he wanted reassurance of what strategies were in place.

Daniel Harris advised that last year's final internal audit report would be reviewed to examine whether policies and procedures had been put in place.

In response to a question from the Chairman regarding the internal audit fees, the DR advised that savings had been made on last year.

The Chairman commented that he had hoped the audit opinion of Satisfactory would be given a gentle prod.

In response, Daniel Harris advised that RSM Tenon would follow up the recommendations in the 2012/13 reviews.

**Resolved:**

DR

That the report be noted.

## **201. DAVID WILKINSON: PARTNER, ERNST & YOUNG**

The DR introduced David Wilkinson; Partner, Ernst & Young to the Committee. David Wilkinson thanked the Committee for inviting him to the meeting and reported that Ernst & Young saw an opportunity to get back into public sector auditing. He outlined that his background was auditing and that he would bring his experience from the private sector.

He further added that Ernst & Young had not been involved in public sector auditing, although it had provided public sector advisory. The firm had public sector expertise and reported that 140 employees had come from the Audit Commission. He stated that the firm had developed an approach to public sector auditing by the use of electronics to make auditing more efficient and reported that there was a big focus on risk working under international standards.

He provided an example of the audit processes used that had been developed for private sector clients.

He reported that the external audit fees had been reduced and were fixed for five years. He stated that he had hoped that the RBFA may consider Ernst & Young as their external auditors beyond the fixed period.

In response to a question received from the Chairman on fees, David Wilkinson reported that the 40% reduction in the fees came from the Audit Commission overhead.

The Chairman asked that given the focus on risk whether any form of risk modelling were carried out in relation to risk management. In response, David Wilkinson reported that modelling was not carried out on risk management although, inherent risks were examined, for example, by examining the organisations own risk register.

The DR advised that the risk register was brought to this Committee once a year.

## **202. EXTERNAL AUDIT PLAN AND FEES 2012/2013**

Kate Handy; Director, Ernst & Young was introduced to the Committee. She outlined the overall external audit plan and the risks identified. She also highlighted the processing strategy, where reports were brought to the Committee and reported that the firm complied with international auditing standards.

Kate Handy reported that focus was made on areas of potential risk and had identified Financial Statement risks and other financial risks due to fraud and error. She advised the Committee that although not concerned, auditors need to remain sceptical and reported that this risk had been applied to all local government plans.

In taking the Committee through the report, Kate Handy stated that the external auditors wanted to work with the new internal auditors.

Kate Handy reported that the fees had been reduced based on assumptions and in answer to the Chairman, she stated that if assumptions were not met; an additional fee could be added. David Wilkinson reassured the Committee that there was a check and balance regarding fees which would need to go to the Audit

Commission.

Councillor Emma Webster thanked Kate Handy for her work and stated that she was pleased to see Ernst & Young in their new guise. She also welcomed the private sector experience that would be brought in and was interested in working with Kate Handy and her team.

David Wilkinson provided a brief outline of how the Government Sector Team (GST) worked during busy private and public body periods. He advised that his role was as required by the Committee.

The Chairman agreed with Councillor Ms Webster and said he felt there was a lot to be gained by shared best practice between the private and public sectors and requested that the timetables of the internal and external auditors matched.

The Chairman thanked both Kate Handy and David Wilkinson for their presentation and external audit report.

DR/Senior  
Accountant

**Resolved:**

That the report be noted.

**203. DRAFT ANNUAL GOVERNANCE STATEMENT (2012/13)**

The DR introduced the report and advised that the Draft Annual Governance Statement was similar to previous years in relation to self assessment scores and drew the Committee to the following areas;

- Governance
- Partnership arrangements, and
- Shared transport

In discussing the benefits of shared services and partnership arrangements, the DCFO introduced the Head of Transport and Engineering to the Committee, who commented on the good relationship between Royal Berkshire and Hampshire FRS and the quality of the facilities at Hampshire FRS.

The DR reported that Hampshire County Police and Fire were sharing most of their services.

In relation to the Thames Valley Control Project (TVCP), Councillor Gittings commented that there was a need to monitor partnership activity to determine value for money. In response to Councillor Paul Gittings, the DR advised that reports on the governance arrangements of partnerships would be brought to the Management Committee.

Councillor Emma Webster requested that the Draft Annual Governance Statement be sent to those Committee Members who were unable to attend the meeting. In addition, the Chairman requested that Members forward their comments and observations on the report by a specific deadline.

DR

The DCFO stated that the Strategic management of risk had been taken over by the ACFO.

**Resolved:**

That the draft Annual Governance Statement 2012/13 be scrutinised and that the proposed action plan for 2013/14 to address areas of weakness be commented upon by 20 June 2013.

**204. FINAL ACCOUNTS 2012/13 – COMMITTEE CHAIRMAN’S LETTER TO EXTERNAL AUDITORS**

The DR took the Committee through the report and reported that the Chairman was mandated to write a letter to the Director of the external auditors each year.

**Resolved:**

That the report be considered and the final content of the draft letter from the Committee Chairman to the external auditors be agreed.

**205. DRAFT AUDIT AND GOVERNANCE COMMITTEE ANNUAL REPORT**

The Chairman deferred this item to Item 13 on the agenda (Minute reference 207).

**206. FUEL MANAGEMENT AUDIT**

The DCFO provided a further update following the report received by the Committee on 14 March and the Fire Authority on 27 March 2013. He advised that the policy was amended in March 2013 and following a spot check where disappointing results were found, weaknesses had arisen which had not been identified by the internal auditors. A revised policy had since been implemented which had put constraints and limitations on the access to fuel.

In referring to the report, the DCFO reported that the Head of Transport and Engineering had identified digital controls that could be retrofitted to existing pumps to control the access and record fuel usage. The Head of Transport and Engineering outlined that he had received a single quote for the purchase of digital controls on 9 pumps and the annual maintenance costs. He advised that he would be going to the market for a tender exercise.

The Chairman asked if the digital controls would resolve all the issues that had been identified. In response, the DCFO advised that the only manual element would be the vehicle log book and mileage.

Councillor Emma Webster stated that she carried out a spot check at Whitley Wood and Bracknell Fire Stations and reported that she found no discrepancies in the recording. She asked how long would it take for the implementation of digital controls whilst it was going to procurement.

The DCFO confirmed that digital controls would go out to tender and commented that there was a need to put something more robust in place. The Head of Transport and Engineering reported that six pumps would need to be replaced not only due to they cannot be automated with the digital controls but due to their age, they would need to be replaced in the next 3-4 years. The three remaining pumps that were able to be automated would also need to be replaced in the next 4-5 years.

The ACFO reported that officers had been issued with fuel cards to access fuel at petrol stations.

The GMPR reported the internal audit plan had scheduled a follow up to the fuel management audit. In response, Daniel Harris reported that the internal auditors had scheduled a review of the fuel audit in quarter one and suggested that the timing for the review was re-configured.

DR

In response to the Chairman, the DR reported that the procurement of digital controls would be funded from reserves.

Councillor Paul Gittings commented that he thought that RBFA should go ahead with the procurement of digital controls.

The option of leasing digital controls was provided by The Head of Transport and Engineering.

With the Chairman's desire for the equipment to be fail safe, including wear and tear, he moved a recommendation from the Committee **'that the Management Committee be requested to accept an urgent item on the Agenda for their Meeting on 20<sup>th</sup> May 2013 and that the Management Committee be recommended to authorise officers to procure digital controls for fuel management, and that the estimated budget set out in the report, including the annual maintenance fees be approved'**. This was seconded by Councillor Emma Webster.

DCFO

**Resolved:**

- a) **That the Management Committee be requested to accept an urgent item on the Agenda for their Meeting on 20<sup>th</sup> May 2013, and**
- b) **That the Management Committee be recommended to authorise officers to procure digital controls for fuel management, and that the estimated budget set out in the report, including the annual maintenance fees be approved.**

**207. ANNUAL REPORT ON GOVERNANCE INCLUDING MEMBER ATTENDANCE**

The DCS reported that the A&GC took responsibility of governance following the demise of the Standards Committee. She added that A&GC was now responsible for complaints by Members and Member attendance.

The DCS advised that following the Fire Authority on 27 March 2013 she had contacted South East Employers given that they were in the business of carrying out assessments of allowances. She also advised that Dr Declan Hall had an arrangement with South East Employers and reported that they had access to a wide range of resources.

She stated that South East Employers would take three days to carry out a review (five days previously by Dr Declan Hall) and outlined the fees per day of South

East Employers and Dr Declan Hall.

The DCS suggested that South East Employers examine the structure and the numbers of the Fire Authority as approved by Members at the RBFA on 27 March 2013. In response, Councillor Emma Webster reported that she thought that the numbers approved were in relation to changes in the population and that she did not vote on the item when raised at the RBFA meeting on 27 March 2013. Councillor Paul Gittings commented that he too thought the numbers raised were in relation to the growth of the population and stated that he did not think a review should be held on the number of committees.

In relation to the quoted fees of South East Employers and Dr Declan Hall, Councillor Paul Gittings suggested that the lowest tender should be considered.

The Chairman stated that Bracknell Forest Council had used the services of Dr Declan Hall on at least three separate occasions. The DCS further suggested that the services of Dr Declan Hall could be received via his work with South East Employers.

In response, the Chairman commented that he wanted South East Employers to determine who carried out the review and outlined that the savings between the fees that were quoted amounted to a mere £300. He stated that he did not want the review to examine the numbers of RBFA rather the purpose of the review was to establish an independent assessment of member allowances as prescribed at an earlier meeting.

On examining the Members Attendance, Councillor Emma Webster highlighted that some Members had not attended meetings on a regular basis and commented that this meeting was quorate as a result of substitutes. She added that Members received an annual plan of meetings from both their Unitary and RBFA and stated that enough notice had been given to allow Members to plan.

The Chairman stated that A&GC meeting dates had been moved. He commented of his frustration as it was a struggle to get Members to attend A&GC on occasions. He discussed the importance of A&GC and suggested that perhaps the structure be examined to make the Committee more available. He stated that he would raise this issue with the Fire Authority Chairman, Councillor Colin Dudley.

In response, Councillor Emma Webster requested that meetings were not moved to be held in the daytime.

The DCS drew the Committee's attention to the following observations made from the Members attendance;

- Poor attendance this year
- Number of extraordinary meetings held this year
- Reason for apologies had not always been provided. Reasons for absence when given were due to annual leave or clashes with Unitary Authority meetings. RBFA tried to avoid clashes with scheduled Unitary Authority meetings when programming meetings for the year

The DCS reported that in the absence of a Member attending a meeting that they should seek to arrange a substitute to attend on their behalf and a reason should

be provided for absence. She reported that this issue was raised at last year's Annual Meeting on 28 June 2012.

In response to a suggestion made by the DCS, the Committee reported that they were content to include the observations made on the Member Attendance into the Draft Annual Report of the A&GC.

DCS

Councillor Paul Gittings commented that all Members had extra commitments and referred to the numbers on committees. He stated that it was not unreasonable for Members to arrange the attendance of substitutes and he reported that he would raise this issue at his next Group meeting.

Further comments were made on the amount of officer time used to make this meeting quorate and a suggestion was made for Member Attendance to be viewed midyear. Councillor Emma Webster stated that she would raise this issue with her Group Leader.

The DCS reported that she had issued two discretionary dispensations in relation to the Scheme of Allowances and precept. She advised that it was her intention to further report on dispensations at the Annual Fire Authority meeting on 26 June 2013 and advised that she would be seeking the Fire Authority to consider to grant dispensations to all current Committees once a year at annual meetings. She added that she would also request that the Fire Authority consider that dispensations were covered for one municipal year, due to three Unitary Authority's appointed their Members on a yearly basis.

**Resolved:**

- 1.1 That the report be noted, and
- 1.2 That the review of Members Allowances as agreed by the Fire Authority on 27 March 2013 be noted, and
- 1.3 That Member dispensations granted for the year be reported to the Annual meeting of the Fire Authority on 26 June 2013 be noted, and
- 1.4 That it be RECOMMENDED to the Fire Authority on 26 June 2013:
  - a) That the report be noted, and
  - b) That the invite of two deputy Independent Members to continue in that role for a further year be agreed, and
  - c) That the remuneration of the Independent Person /s be reviewed as part of the review of allowances agreed by the Fire Authority on 27 March be agreed; and
  - d) That the 2013-14 attendance record agreed by the Fire Authority Members be noted.

**208. QUARTERLY PERFORMANCE REPORT**

The GMPR introduced the report and advised it covered the overall performance against five themes of RBFRS. In referring to the scorecard he brought members

attention to the red column, Achieving Effective and Efficient Procurement and Use of Resources. The cause of the red performance indicator was due to the timing of the information being provided to the recording system and although it did not accurately reflect actual performance, it did give a poor impression. He reported that the Members and Auditors would be provided with accurate figures and officers would consider how best to report this area in the future.

GMPR

He outlined that the ambers, Making communities safer and Managing organisational risk were part of a major review in risk management and the high scores were due to the Thames Valley Fire Control Project (TVFCP).

The GMPR reported positive performances across service delivery and highlighted the following;

- That there was a decrease in the number of accidental dwelling fires where the fire is contained to the room of origin. The decrease was against the target set.
- That the number of serious casualties as a result of an accidental dwelling fire was below target.

Councillor Emma Webster queried whether the 0% target of the number of fatalities as a consequence of an accidental dwelling fire was reasonable. She also commented on the message that was sent out regarding the amber, Making communities safer and the increase of Home Fire Risk Checks (HFRC). She queried whether the target should indicate that RBFRS do not want any fire deaths, but had to accept some.

In response, the DCFO reported that figures showed it was the worst number of fire deaths this year, which put the scorecard into amber. He reported that although there were fewer Home Fire Risk Checks (HFRC) there was an increase in HFRCs in targeted risk areas.

Councillor Paul Gittings stated that the high number of fire deaths were outside RBFRS's control and suggested that the target was set at an average per year.

The DCFO discussed the problems with the presentation of the performance report. The ACFO reported that RBFRS were due to appoint an Information Officer and their role would examine performance measures. He added that the problems in the performance systems were known and a review would be held on how best to present the report in the future.

David Wilkinson suggested that explanatory notes were put against the performance measures. Kate Handy requested a copy for the quarterly performance report.

DR

The Chairman requested that the scorecard indicating red is resolved by the next meeting.

GMPR

The DCFO reported that there was no correlation with the attendance time and time from ignition. He reported that the number of deliberate fires had decreased, and commented that the reduction could be based on the fact that there had been a lot of rain fall. In response, Councillor Emma Webster stated that it would have

been useful to have had this context as part of the report.

The GMPR reported that the recording of appraisals had changed this year and advised that it would become a single annual report. He advised that the performance score of the number of staff that had received their PDI in the last 12 months was 68.5%. The ACFO reported that uniform and non- uniform appraisals were previously held at different times of the year.

The Chairman stated that it would have been useful for commentary to be given to explain the change of the recording of appraisals and commented that he would have liked to have seen the figure of the set target. He thanked the GMPR for a good report.

**Resolved:**

That the report be noted.

**209. MEMBERS SCHEME OF ALLOWANCES**

The DCS updated Members on this item during her Annual Governance and Member attendance report (Minute reference 207).

**210. DATE OF NEXT MEETING**

Thursday 12 September at 6.30 pm in the Strategic Command Centre.  
Headquarters, Royal Berkshire Fire and Rescue Service.

**211. EXCLUSION OF THE PUBLIC**

**Resolved:**

That under Section 100(A)(4) of the Local Government Act 1972 (as amended), the public be excluded from the meeting for the following Agenda Items on the grounds that they involve the likely disclosure of exempt information, as defined in the Paragraphs 1, 2, 3 and 4 of Part I of Schedule 12A of the said Act indicated and is exempt information if, and so long as, in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

*The external and internal auditors left at this point of the meeting.*

**212. PART II MINUTES OF THE MEETING HELD ON 14 MARCH 2013**

**Resolved:**

That the Part II Minutes of the meeting held on 14 March 2013 be approved for signing by the Chairman.