

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



Held on Wednesday 12 March 2014 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 Haqeeq Dar
Councillor John Lenton (**Cllr Dudley substituting*)
*Councillor Iain McCracken, Chairman
*Councillor Mohammed Rasib
*Councillor Rebecca Rye
*Councillor Alan Ward, Vice Chairman
**present*

In Attendance: Gerry Barry (Information Manager, IM)
Conor Byrne (Senior Accountant, SA)
Maira Fraser (Democratic Services Manager, DSM)
Andy Fry (Chief Fire Officer, CFO)
Maria Grindley (External Auditor, Ernst & Young)
Andy Mancey (Acting Assistant Chief Fire Officer, A/ACFO)
Nick Oxborough (Group Manager, Performance Review, GMPR)
Andrew Patterson (Internal Auditor, Baker Tilly)
Linda Pye (Principal Policy Officer, PPO)
Caroline Redzikowska (Director, Corporate Services, DCS)
Fayth Rowe (Committee Officer, CO)
Paul Southern (Assistant Chief Fire Officer, ACFO)
Andrew Vallance (Director of Resources, DR)
Graham West (External Auditor, Ernst & Young)

Action

207. APOLOGIES FOR ABSENCE

Apologies for inability to attend the meeting were received on behalf of Councillors Andrew Cumpsty and John Lenton. Councillor Colin Dudley acted as substitute for Councillor John Lenton.

208. DECLARATIONS OF INTEREST

In accordance with the provisions of the Fire Authority's Local Code of Conduct there were no declarations of interest received from Members.

There were no Declarations of Interest received from Officers.

209. MINUTES OF THE MEETING HELD ON 28 NOVEMBER 2013

Resolved:

That the Minutes of the meeting held on 28th November 2013 be approved as a

true and correct record and signed by the Chairman.

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

None referred.

211. PROPOSED AUDIT PLAN FOR 2014/15

The ACFO outlined areas of the Royal Berkshire Fire Authority (RBFA) and Royal Berkshire Fire and Rescue Service (RBFRS) which would be audited during 2014/15 by external auditors (Ernst & Young) and contracted internal auditors (Baker Tilly). The report also set out areas for audit by the RBFRS Performance Review Department and outlined a process for agreeing future audit plans.

The ACFO referred to Appendix A of the report which set out proposed audits which would be conducted by Performance Review. These had been made on the basis of a risk analysis and had been compiled by looking at risks identified in the Corporate Risk Register and through discussions on risk areas with Directors. This approach had led to eight potential audit areas being included on a shortlist for further consideration. Corporate Management Team had reviewed the shortlist and had prioritised six audits which were marked 'RECOMMENDED' in the audit plan attached at Appendix A. Members of the Audit and Governance Committee were invited to review the potential audit areas. However, following the recent flooding, an organisational and multi-agency debrief process would be undertaken by the Performance Review Department which could take six months to complete and this might therefore have an impact on the capacity of the Department to complete all six audits within the 12 months timescale. The Audit and Governance Committee were therefore asked to prioritise areas for audit which would be completed as capacity allowed.

The following areas had been identified for audit:

- Safeguarding – children and young people: To audit the RBFRS policy and procedure on Safeguarding to ensure that it was being complied with operationally within the service (RECOMMENDED);
- Management of Occupational Road Risk – To audit the RBFRS policy and procedure on occupational road risk to ensure that it was being complied with (RECOMMENDED);
- Fleet Maintenance Records – To audit the RBFRS fleet maintenance records to ensure they were reliable, robust and accurate (RECOMMENDED);
- Loss and Damaged Equipment Procedure – Compliance with RBFRS policy and procedure on accounting for loss and damage to equipment (RECOMMENDED);
- Operational Training and Recording – To audit how training records were entered and maintained on the Firewatch (RECOMMENDED);
- Operational Risk Information – Compliance with the policy for the collection and distribution of operational risk information to firefighters (RECOMMENDED).
- Strategic Planning Policy – Look back at previous 12 months on the level of

compliance with the Strategic Planning Policy (NOT RECOMMENDED);

- High Rise – Follow up audit on RBFRS High Rise risk collection policy and procedure to ensure the areas identified in the last audit had been actioned (NOT RECOMMENDED);

Councillor Iain McCracken referred to the proposed follow up audit on RBFRS High Rise risk collection policy. He would like to see this audit brought forward as a priority.

The CFO advised that these were discreet programmes of audit work and rather than rank them a view could be taken as to which ones were more important than others. Councillor Rebecca Rye suggested that alternatively they could be ranked in priority order 1-3 with 1 being high priority and 3 being 'nice to do'. The ACFO confirmed that he would be happy with any approach but that he could also suggest areas which in his view were a priority. These were:

- Safeguarding – Children and young people
- Management of Occupational Road Risk
- Operational Training and Recording
- High Rise

The other priorities could be picked up as part of the contractual arrangements. Members agreed to this approach.

The ACFO also referred to table 1 in paragraph 3.12 which set out a timetable for the development of future audit plans and focused on planning audits which the Performance Review Department would conduct over the coming year.

Appendix B to the report set out the external auditor, Ernst & Young's, proposed Plan for auditing the 2013/14 accounts. The report summarised assessment of the key risks which drove the development of an effective audit for RBFA and outlined the planned audit strategy in response to those risks. Maria Grindley made reference to Section 2 – Financial Statement Risks. Risk of Management Override had been included in the section on Significant Risks. However, she pointed out that this was not specific to the RBFRS Audit Plan but was included in all audit plans following pressure from Central Government.

A copy of the RBFA contracted auditors' Audit Plan could be found set out at Appendix C. It was proposed that the contracted auditors would undertake audits in 2014/15 around Fire-fighter Pension Administration, Key Financial Systems, Governance, Risk Management, IT Systems and Security, and Car Pool Usage.

Councillor Colin Dudley asked if the Fire Authority was compliant with ISO27001 in relation to information security and whether procedures were being followed. Gerry Barry advised that procedures had been put in place and it was hoped that the RBFRS would be fully compliant within 3 years. However, the main area of focus at present was in relation to Thames Valley Control. Councillor Iain McCracken asked if PSN had had an impact. Gerry Barry responded that this was an accreditation that had been passed down to local authorities. However, she confirmed that secure e-mail was an issue which was high on the IT agenda for the fire authority.

Councillor Iain McCracken referred to item 6 in Appendix A – Risk Management. He would like to have sight of the Risk Register referred to in this item. The CFO confirmed that this was a structured audit programme and therefore there needed

to be a link between the risk management arrangements. Councillor McCracken also asked if specific target dates could be included for each item on the Audit Plan rather than Quarter 1, 2, 3 etc.

Councillor Diana Coad referred to Appendix C and stated that she was opposed to the bullet point under Fire-Fighter Pension Administration which stated "Check early retirement, especially where members are subsequently re-employed by the force."

Resolved:

- (a) That the proposed areas of audit, as set out under items 9-16 in Appendix A to be conducted by the RBFRS Performance Review Department during 2014/15 be agreed;
- (b) That a priority order of items agreed under paragraph 2.1 should capacity of the Performance Review Department become an issue (details contained under paragraph 3.10) be agreed;
- (c) That the External Audit Plan 2013/14 (to be conducted by Ernst & Young) contained within Appendix B and associated fees (outlined in paragraph 3.7) be agreed;
- (d) That the contracted internal auditors Audit Plan for 2014/15 (to be conducted by Baker Tilly) contained within Appendix C be agreed, and
- (e) That the process and timetable for developing future Audit Plans be agreed.

212. INTERNAL AUDIT PROGRESS REPORT

Andrew Vallance and Andrew Patterson introduced the report which set out progress made with the internal audit plan for 2013/14. Members noted that the audit plan for the year had been agreed at the 9th May 2013 Audit and Governance Committee meeting. Mr Patterson explained that to date one of the agreed audits (Fire Fighters Pension Administration) had been completed. Draft reports had been issued in respect of the audits of IT Resilience and Key Financial Systems. Although the final reports for these audits had not as yet been agreed no issues had emerged during the audit that would adversely affect the Head of Internal Audit's opinion.

The audit of Risk Management and Governance was due to start on the 10th March 2013. The start date for this audit had however been delayed. Appointments had now been made to meet with relevant members of staff to get the audit underway.

The audit on Fuel Management was unlikely to be completed by the next meeting but the field work for this audit had been completed. Officers noted that electronic fuel pumps had been installed so this area could now be audited.

The Annual Report would be presented to the next Audit and Governance Committee meeting.

Resolved:

That the report be noted.

213. CONTRACT STANDING ORDERS AND FINANCIAL PROCEDURE RULES

The Fire Authority was required by law to have within its Constitution rules or standing orders setting out the requirements of the Fire Authority for the proper conduct of the affairs of the Authority in relation to various matters such as the proper conduct of Fire Authority and Committee meetings, the Terms of Reference of those Committees and the powers delegated to officers. It was also required to have specific rules in relation to the procurement of contracts and the conduct of its financial affairs.

The Director Corporate Services in her capacity of Clerk and Monitoring Officer had undertaken a review of the Fire Authority's Contract Standing Orders (CSOs) and of the existing Financial Regulations in consultation with the Director of Resources and the Head of Procurement. The review had taken some time to complete due to the complexity of the documents but hopefully they would be straightforward to implement. The main changes to the documents had been set out on pages 22 to 24 of the agenda and included changes to the contractual threshold limits, changes to the waiver of Standing Orders, authorisation levels and the balance of quality versus price required when considering bids.

It was also proposed that the Director of Corporate Services in consultation with the Director of Resources and the Chairman of the Audit and Governance Committee be given delegated authority to make minor or required amendments to both Contract Standing Orders and the Financial Rules as a result of changes to legislation, EU thresholds, introduction of new equipment and systems or internal reorganisation within the Service.

Councillor Colin Dudley raised concerns in relation to the procurement process and in particular to the setting of weighting on tenders. The DCS responded that each tender would be considered on an individual basis and that the relevant Client Officer and the Head of Procurement would work in conjunction to look at whether the price would be a driver or whether a higher quality was more important. The weighting would then be balanced around that requirement and would be dependent on what was actually being purchased. However, weighting would not be heavily biased towards either price or quality. Councillor Dudley confirmed that he understood the process but he was concerned about how that would be perceived by members of the public and how they could be reassured. The DCS confirmed that the Head of Procurement was an expert in his field and he would provide the protection required as it would be his role to challenge and advise Officers. Councillor Dudley said that the Committee was being asked to agree changes to threshold limits but that the Head of Procurement could not possibly be an expert in all areas. The CFO responded that the Head of Procurement was a specialist role and he referred to the recent successful procurement of a facilitation exercise whereby bids had been assessed on the lowest cost. The ACFO confirmed that the Strategic Asset Management Committee were confident that Officers were also involved in the procurement process and that Members were often involved with procurement at an early stage particularly in relation to the procurement of buildings, maintenance etc.

Councillor Alan Ward agreed that the proposed authorisation/delegation process was not unusual but he would prefer it if three people could make a decision rather than two. There was a check and balance process in place in local authorities with the Portfolio Holder involvement but that was not the case with the Fire Authority and therefore it was necessary to let the appropriate Officers get on with it as they had the necessary experience.

Councillor Iain McCracken queried when the Standing Orders and Financial Regulations had last been looked at. The DCS confirmed that they had last been considered in late 2011/early 2012 and since that date further work had been undertaken in respect of the figures which had also been compared with other Fire Authorities to ensure consistency. It was also noted that the limits had last been set in 1997 and had been based on those used at Wokingham and that was the reason why substantial changes were proposed as the original figures were out of date.

Councillor Diana Coad raised a number of queries one of which was in relation to paragraph number 20.5 of the Contract Procedure Rules. It stated that all tenders would be opened at the same time in the presence of the Director (Resources), the Head of Procurement and the relevant Director or Authorised Officer or officers authorised on their behalf. She felt that a Member should be included in the opening of tenders process. The DCS advised that that paragraph did not preclude a Member being present but it allowed tenders to be dealt with effectively. If mention was made in that paragraph that a Member would need to be present then they would have to attend and tendering opening often happened during the daytime. The CFO confirmed that any tenders received which were above the threshold limits would be brought to Committee in any event.

Resolved:

- (a) That the report be noted;
- (b) That the draft revised Contract Standing Orders and Financial Procedure Rules be recommended to the Fire Authority for approval; and
- (c) That the Director of Corporate Services in consultation with the Director of Resources and the Chairman of the Audit and Governance Committee be given delegated authority to make minor or required amendments to both Contract Standing Orders and the Financial Rules for the reasons set out in paragraph 3.9 of the report be recommended.

214. CORPORATE PLAN: ACTION PLAN 2014/15 AND FUTURE TARGET-SETTING APPROACH

Andy Fry (Chief Fire Officer) sought approval from the Audit and Governance Committee for the targets contained within the Action Plan section of the Corporate Plan for 2014/15 and also sought approval of the target-setting process for developing targets for the future.

The CFO explained that this was a four year plan which was refreshed annually and this was its final iteration. Currently the document comprised three sections: a backward look, a forward look and the Integrated Risk Management Plan (IRMP). It was being proposed that in future years all sections would be consolidated into a single more coherent document.

The CFO asked Members to consider and if appropriate approve the proposed corporate performance targets for 2014/15 set out in the report. The CFO explained that the revised target-setting process would result in SMART (Specific, Measurable, Achievable, Relevant and Time-bound) targets being set and would have a named responsible Officer for each target. All targets set would be intended to improve, maintain or reduce performance and a clear rationale would be provided to support the targets that were set.

The Strategic Performance Board (attended by senior officers from all four directorates) would oversee the monitoring of delivery of the targets. The Audit and Governance Committee would monitor performance and any corrective action that was being taken. Measures and targets would be reported to the Fire Authority annually.

Councillor Diana Coad felt that it was not appropriate to have targets in respect of 'number of deaths from fire' and 'percentage of dwelling fires contained to the room of origin' as the authority did not have control over these targets. She felt that it would be appropriate to have these as aspirations rather than targets. Officers reported that preventing all fire deaths was a target and it was lamentable that the target had not been achieved this year. In terms of the 'room of origin' target the authority did have some influence over this target by ensuring for example that callers were advised correctly when calls about fires came in and the speed at which calls were responded to.

Councillor Rebecca Rye, while happy to accept the inclusion of a target relating to 'deaths from fire', was concerned about the wording and asked that this be revisited. Officers explained that they would review the wording but that this was an area that the authority had responsibility for. Information gathered following a fatality was used to try and prevent future incidents. The Fire Authority was however not the only organisation with responsibility for this issue and it was therefore imperative that work was undertaken with partner organisations (including parishes, local authorities, volunteers and the police). Preventative work (including home fire safety checks and fire detector installation) was essential to reduce the number of fatalities especially with more vulnerable residents and partner organisations were well placed to assist with this activity.

Councillor Coad queried why the 'total risk score' target had not been met. Officers explained that this was a result of the way risk management had been undertaken in the past and it was anticipated that the new scheme being adopted would result in improvements.

Members queried why the 'risk critical operational training completed for available personnel' target had not been met. Officers noted that until August 2013 the target of 100% had been achieved. The industrial action and inclement weather that occurred since then had meant that not all training had been undertaken on time. A programme had now been put in place and as a result all training should be completed by the end of April 2014. Members requested that a note to that effect be inserted into the comments column.

The CFO reported that when this report had been considered at CMT it had been agreed that the comment column would be amended to include information setting out why the target had been missed and the corrective action that would be taken. This information would appear in future iterations of the report.

Councillor Colin Dudley was very concerned that the authority had failed to

undertake the 'percentage of home fire safety checks in at risk properties'. Prevention was a key activity for the service and he felt that the number of checks were inadequate especially when compared to other brigades. Officers reported that this was one of the issues that had been raised during the recent peer review. It was an area that was being focussed on. Partnership work was needed to ensure that vulnerable residents had home fire safety checks undertaken. Officers stressed that it was more important to ensure that all vulnerable residents were receiving assistance rather than focussing on the sheer volume of checks.

Councillor Dudley also raised concern that only 82% of eligible staff had completed Performance Development Interviews (PDIs).

Councillor Dudley noted that many targets were based on three year trends and he felt that some of the targets were not ambitious enough. While he welcomed the inclusion of SMART targets he felt that more 'stretch targets' needed to be included in the plan.

Councillor Iain McCracken observed that he would like to see three year trend graphs included in future iterations of the report. He would also welcome the inclusion of more stretch targets. He also supported the CMT proposals to amplify the comments column. He thanked Officers for such a comprehensive report.

ACFO

Resolved:

- (a) That the progress to-date against the Fire Authority Corporate Plan 2013/14 be noted. This is set out in the Draft Annual Report 2013/14 (in Appendix A);
- (b) That the Corporate Plan Targets for the 2014/15 Action Plan summarised under paragraph 3.7 (with further detail in pages in Appendix A) be agreed;
- (c) That the target setting approach (set out under 3.10) for developing future targets for the Fire Authority's Corporate Plan be agreed.

215. DRAFT ANNUAL REPORT

Councillor Iain McCracken presented the draft Annual Report for onward submission to the Fire Authority meeting which would be held on 23rd April 2014. The report set out the work undertaken by the Committee over the past year.

Resolved:

That the format and content of the draft annual Audit and Governance report be agreed for submission to the Fire Authority.

216. FREEDOM OF INFORMATION UPDATE

Gerry Barry introduced the report which provided Members of the Committee with an overview of the number and type of Freedom of Information (FOI) Requests during 2013. The Information Manager (IM) reported that there had been a year on year increase in the number of FOI requests and also an increase in the complexity of the requests received. It was however pleasing to note that the time taken to process the requests was decreasing. This was largely due to the fact that the team had developed their skills over time.

The Management Committee's decision to introduce charging for Incident Recording System and Fire Investigation Reports was likely to reduce the number

of requests in the future. It was anticipated that the reports would probably only be requested by insurance companies and investigators as a result of the introduction of the charges.

Councillor Colin Dudley asked if many of the requests pertained to information that was readily available. The IM replied that this was rarely the case despite the publication of a lot of information. Officers were investigating whether it might be cost effective to produce information for both fiscal and calendar years.

Councillor Dudley was also concerned about the number of FOI requests that were received from other local authorities, Thames Valley Police, Councillors, Members of Parliament and other Political Groups. Officers explained that the numbers associated with Thames Valley Police were slightly misleading. Many of the requests related to ACPO forms which were more closely aligned to Data Protection than FOI. This procedure was necessary in order to provide an audit trail as personal information was being shared.

Resolved:

That the report be noted.

217. QUARTERLY PERFORMANCE REPORT

Nick Oxborough, Group Management (Performance Review), provided the Audit and Governance Committee with an overview of the Royal Berkshire Fire and Rescue Service's (RBFERS) quarterly performance against the indicators which contributed to the core strategy scorecard for 2013/14. The amber colour was used to show performance within 10% of previous years and the red colour indicated that performance had worsened compared to previous years.

The reason that Response was showing amber was due to a small decrease in performance for the following two measures:

- **Road Traffic Collisions:** The target was for RBFERS to attend road traffic collisions within 11 minutes. To the end of January 2013 RBFERS had attended 91.8% of these incidents within 11 minutes but that had slipped slightly to 90.7% to the end of January 2014. Those incidents where targets were not met would mainly be on stretches of motorway which often proved difficult to access within the agreed timescales.
- **Confining fire to the room of origin:** When called to dwelling fires the intention was to reduce fire damage by containing direct flame damage to the room that the fire started within. To the end of January 2014 there had been a small decrease in performance to 86.3% compared to 88.3% in January 2013.

Staff skills for delivering a high quality service was showing as red due to the increase in the number of reported accidents, an increase in staff sickness and the number of performance development interviews completed. RBFERS health and safety policy and culture encouraged the reporting of incidents and it was felt that this was one of the contributory factors for the increase in the number of minor accidents which had been reported. The decrease in the number of near misses should be noted as ideally the number of near misses reported should exceed the number of accidents. Two reasons for the decrease in the number of near misses was related to a reduction in the number of near misses previously reported for

breathing apparatus failures and water losses. Following a spate of near miss reports for these areas, working groups had been established to address the issues identified.

Chart 3 in Appendix 2 of the report showed that there had been a number of major accidents in the slips, trips and falls category. This was where several individuals had suffered fractures. However, in all instances there appeared to be no reason for the cause of a fall and therefore it was concluded that there was no fault in the workplace that caused or contributed towards the accident.

In respect of the percentage of dwelling fires where no smoke alarm was fitted the target for 2013/14 was 15% and as at the end of December 2013 the figure was 16.3% (51 dwelling fires). The data from this indicator contributed to the overall intelligence which would assist RBFRS to identify risk areas within the community where community safety issues could be targeted.

Nick Oxborough highlighted some trend analysis which looked at the number of dwellings suffering a fire without a smoke alarm which had decreased from a high of 287 dwellings in 2007 to a low of 60 dwellings in 2012. Chart 3 compared RBFRS performance against the performance of other fire and rescue services within the group 2 family in relation to the percentage of dwelling fires attended with no smoke alarm. Berkshire was well below the 2012/13 average.

It was noted that there was no benchmark nationally or regionally to compare how the Fire Authority was performing overall. However, figures appeared to be relatively low and crews had started to report more accidents/near misses which had pushed figures up in this area. Councillor Colin Dudley suggested that the Fire Authority was actually a victim of their own success in encouraging crews to report accidents.

Councillor Alan Ward was disappointed that so much time was spent reporting minor injuries such as cuts and bruises when around a third of the workforce was unfit and that issue had not been included in the statistics. The Fire Authority provided gyms but no checks were made that fire-fighters actually used them. Councillor Ward felt that this was a serious issue which should be dealt with. The ACFO felt that the point raised was valid and the concerns of Councillor Ward had been noted but this issue formed part of a separate report on health and wellbeing although it was recognised that there was some overlap.

The A/ACFO referred to the recent severe flooding over the last few weeks and the fact that there had only been one incident reported which showed that Berkshire had a safe workforce.

Page 58 of the report set out an estimated figure for the number of dwellings without smoke alarms in Berkshire at around 33,000. Although this figure might not be accurate if it was equated to the number of rateable domestic dwellings in Berkshire (approx. 345,000) then this meant that around 10% of dwellings could be without smoke alarms. It was recognised that the Fire Authority was not the only organisation who had access to the homes of the vulnerable and other agencies could undertake fire checks. It was queried whether after a dwelling fire the Service left a smoke alarm. The A/ACFO confirmed that a smoke alarm would be left with the householder and a fire risk assessment undertaken.

Resolved:

Approved 12.06.14

That the report be noted.

218. DATE OF NEXT MEETING

Thursday 12 June 2014 at 6.30pm in the Strategic Command Centre at BHQ.

The meeting concluded at 8.45pm