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



**Held on Thursday 13 December 2012**

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

**Committee Members:** \*Councillor Diana Coad (*from 6.45pm*)  
\*Councillor Andrew Cumpsty  
\*Councillor Haqeeq Dar  
\*Councillor John Lenton  
\*Councillor Iain McCracken, Chairman  
Councillor Mohammed Rasib  
Councillor Rebecca Rye  
\*Councillor Alan Ward  
*\*present*

**In Attendance:** Olaf Baars (Deputy Chief Fire Officer, DCFO) ( part of meeting)  
Conor Byrne (Senior Accountant, SA)  
Ben Durrant (Haines Watts, BD) (part of meeting)  
Yasmeen Mahmood (Haines Watts, YM) (part of meeting)  
Nick Oxborough (Group Manager, Performance Review, GMPR)  
Carolyn Rowe (Committee Manager)  
Paul Southern (Assistant Chief Fire Officer, ACFO)  
Andrew Vallance (Director Resources, DR)  
Graham West (Ernst & Young, GW)

**Action**

**168. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Cllr Mohammed Rasib and Cllr Rebecca Rye.

**169. DECLARATIONS OF INTEREST**

There were no Declarations of Interest received from Councillors relating to items to be considered at the meeting, in accordance with the provisions of the Fire Authority's Local Code of Conduct.

There were no Declarations of Interest received from Officers.

**170. MINUTES OF THE MEETING HELD ON 12 SEPTEMBER 2012**

**Resolved:**

That the Minutes of the meeting held on 12 September 2012 be approved for signing by the Chairman.

The Chairman noted the actions from the last meeting had been discharged

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

**Resolved:**

That no matters had been properly referred to the Committee for a decision.

**172. INTERNAL AUDIT PROGRESS REPORT**

Yasmeen Mahmood (YM) (Haines Watts) and Ben Durrant (BD) (Haines Watts) were present for this item. YM introduced the report and reported the latest progress against the schedule of audits at appendix A. She advised that BD had undertaken the Fuel Management audit, and was present to answer any questions.

DR advised that the completed Fraud and Corruption audit would be informing his fraud review which would be brought to a future meeting.

Regarding the Fuel Management audit, Members asked why the high priority action did not have an earlier completion date than April 1<sup>st</sup> 2013.

BD advised that this was the deadline by which everything would be in place and that assurances had been given by officers that it would be implemented beforehand.

The DCFO advised that the high risk action identified had primarily been an issue of compliance which had been addressed in stations. He advised that if returns were not received there was now a check in place to pursue this. The medium risk action on fuel cards had also been addressed, and it had been added as a monthly procedure to be sent in with the fuel return.

The DCFO advised that with regard to the other medium action, a revised policy incorporating procedures to address the issues would be issued in January 2013, and would be subject to 28 days consultation, so it should be in place by the end of February 2013.

Cllr Ward asked further about the procedure for fuel cards and station fuel pumps, and what knowledge there was of the procedure at the three sample stations.

BD confirmed that the procedures had been known, but that there had been inconsistencies, and that weekly dip records had been quite rare and that the odd monthly record had also been missing.

The Chairman asked whether there was a sweep up at the month end, and this was confirmed.

The DCFO stated that the existing policy had been ignored. Both the weekly and monthly records should have been returned. This had been reinforced, and the monthly reports had been added. The policy had been robust, and a procedure has now been put in place to monitor that it happens.

In answer to a question from Cllr Ward, the DCFO stated that the officer who received all the returns had not reported nil returns.

*(Cllr Diana Coad joined the meeting at this point)*

Cllr Ward stated that there was huge potential for fraud, and asked what action was being taken in the Brigade as a whole.

The DCFO listed the managers to whom he had written regarding this matter,

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including all station commanders, group managers East and West and the Fleet manager. He advised that they had been sent the policy and had been asked to identify each of the fuel cards and include this in their returns.

In answer to questions from the Chairman, the DCFO confirmed that the person responsible for receiving the returns had been spoken with. The ACFO advised that he had been responsible for the four years up to April 2012.

Cllr Cumpsty queried whether there was something more problematic with undertaking the weekly returns which explained why they weren't done.

The DCFO advised that there was a standard form for the monthly returns.

The ACFO stated that there were some legacy issues, as computerised systems had been introduced. He advised that the weekly dips were literally dipping a 15 foot rod into the tank. This was inaccurate and it had been identified that the readings did not triangulate. As such, with the introduction of the electronic system, perhaps people had thought they could be left out.

The Chairman in recognising this point was also concerned to understand the discrepancies, both how long they had been known about and how big they were.

BD advised that the audit sample had been for 3 months from April 2012, and so had been limited. He also advised that the audit had not looked at the size of the discrepancies, but at the monthly returns.

The Chairman stated that there were two parts – one of the readings not balancing, but then also of the financial sums this converted to.

The DCFO advised that the audit had identified that there were missing returns, and there had been no suggestion that there was any evidence of missing fuel.

The Chairman stated that this was an important differentiation – that this was a paperwork issue and not one of fuel.

Cllr Ward asked if so, why the paperwork was needed.

The DCFO advised that there was a fuel issue log, plus electronic readings which could be done at any time, plus the readings that were undertaken when the tanks were topped up. As well as the electronic readings, there were the readings (dips) with a brass rod. Because of the variance between electronic and dip readings, it was a change in the variance that was looked at, and a standardised tolerance level was being developed.

Cllr Ward asked, and BD confirmed that the audit had not included attempting a reconciliation. The DCFO confirmed that the readings and reductions through usage should be consistent, and that an inconsistency would signify a problem. The monthly invoices also provided a means to triangulate.

Cllr Lenton asked and the DCFO confirmed that fuel usage was now monitored by consistency.

Cllr Ward expressed his grave concerns, and he moved **that the Management Committee and then the Fire Authority should receive a full report**. He stated that the report should explain what had happened and show that the actions taken - including the missives sent - could provide reassurance that the issues had been addressed throughout the organisation, and that there were no loopholes.

The Chairman seconded this adding that the report should also provide assurance regarding the transport monitoring officer's role and responsibilities. He also

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requested that a report be brought back to the next Audit and Governance Committee meeting.

DCFO

The Chairman asked about the Pension Fund Audit, and was advised that a draft would be ready shortly, and that it would be brought to the Committee in the New Year.

**Resolved:**

- a) That the report be noted, and
- b) **That a full report on Fuel Management be taken to the Management Committee and then to the Fire Authority.**

DCFO

At the conclusion of this item, the Internal Auditors and DCFO Olaf Baars left the meeting.

**173. EXTERNAL AUDITORS: ERNST & YOUNG**

The Chairman welcomed Graham West (GW), Manager, Government and Public Sector, from the newly appointed External Auditors, Ernst & Young. In providing an introduction, GW confirmed that the transfer to Ernst & Young took place on 1 November 2012, and advised that the managing partner, David Wilkinson would be seeking meetings shortly with the Chairman, Chief Executive and Director of Resources in each Authority.

GW advised that the fees had been set, as had the scope of the work, and he sought to reassure the Committee that there would not be significant differences; however, there would be a greater emphasis on management responsibility given the reduced fee. He advised that he had already met with RBFRS accountants.

GW stated that he didn't expect both Auditors would regularly attend the Audit and Governance Committee and that depending on the agenda it may be that no one attends.

The Chairman sought confirmation that for the fee that had been specified, the service would be that same as previously.

GW advised that if there was a delay due to an RBFRS officer, then resources would be affected, and also in the area of advice, (e.g. whistle blowing), this would no longer be absorbed, and would be chargeable, but it would come through the Committee.

The Chairman stated that the Committee's role was to ensure that there was no scope creep.

GW stated that if DR and SA delivered as previously there shouldn't be a problem.

DR advised that the contract would be re-let in 5 years.

The ACFO stated every effort would be made to put officers on last call but asked whether there would be any recognition of the needs of emergency services.

GW suggested that this might be put to the Managing Partner, at the meeting with the Chairman, Chief Fire Officer and DR.

DR

The Chairman thanked Graham West who confirmed he would stay for the rest of the meeting.

#### **174. PROGRESS AGAINST THE 2012/13 CORPORATE PLAN**

The ACFO tabled a presentation which provided a RAG (Red, Amber, Green) system of tables and showed progress against the Corporate Plan for the six months to September 2012. He asked for feedback on the approach and whether the Committee found it useful.

Following Member questions, the ACFO provided some further information behind some of the tables, and confirmed that the information was for the month and not cumulative.

It was requested that the words “education and” be added before “enforcement activity” in the description under Primary Fire – Building not dwellings, and that the presentation be included as part of the agenda papers in future. It was also agreed that the figures should be rounded to the nearest whole number, and that a column for actual figures be added as well as percentages from next year.

ACFO

It was agreed that a full report be received at the end with the year end information.

ACFO

#### **Resolved:**

That the presentation be received.

#### **175. PROGRESS REPORT ON ACHIEVING THE CHARTER FOR MEMBER DEVELOPMENT**

The Group Manager for Performance Management (GMPM) presented the report, and stated that he believed that the Charter needed to be achieved by March 2013, although some slippage may be allowed. He advised that he had approached other authorities that had gained or were working towards Charter status including Bracknell, and that he was now drafting the materials. He stated that because the Members of RBFA undertook training and development with their Unitary Authorities, liaison and access to this information was important.

The GMPM asked the Committee to provide three areas of the action plan at Appendix 1 that should be considered priority areas, and he suggested the following:

Fire Authority commitment to Member development:

1. Fire Authority required to regularly discuss Member development. This can be achieved through the establishment of a quarterly agenda item included in the Management Committee agenda. This item will include reference to any development task group work that might take place.
2. An overarching strategy document on Member development supported with an appropriate policy document.

Member role descriptions:

3. Develop role descriptions for members and specific job descriptions for particular Member roles in the fire Authority.

The Chairman asked that Member Development also be reported to Audit and Governance Committee as well as going to Management Committee.

Cllr Ward commented that effective communication with staff as assessed under IIP was important.

Members confirmed the three priorities identified and it was

**Resolved**

That the report be noted.

**176. QUARTERLY PERFORMANCE REPORT**

The Group Manager, Performance Management, (GMPM) introduced the report and referred members to the scorecard at Appendix 1. He advised members of the change from red to amber, reflecting the Olympics, and also factors such as the budget and the TVCS which were identified as risks. Factors for the red indicator included sickness, and GMPM referred to the detailed report at appendix 2. He advised that because this had been a declining performance area for more than 12 months, the direct year on year comparison was amber. Referring to appendix 2, he advised that an increase in long term sickness was part of the reason.

Cllr Cumpsty asked whether the mental health issues were work or personal, and for work issues, whether a breakdown was provided for learning and to address any work related issues. GMPM advised that he could probably get a breakdown, and he also stated that the Employee Assistance Scheme was very well established.

Cllr Coad asked, in recognising the cost of sickness, about any positive measures undertaken. The ACFO confirmed that each station had a gym, and that generally RBFRS was seen as supportive. He also advised that an assessment can be done to authorise private medical treatment where a case is made. The GMPM advised that the policy included national best practice, and he drew attention to the 32% who had taken no sickness in the first 6 months.

Referring to the second detailed report at appendix 3 the GMPM advised that using MOSAIC software, there was now an intelligence based approach to home safety risk checks. Cllr Coad queried the category 4 for elderly people and whether the 0800 number assumed IT literacy. The ACFO agreed to look at the categories and also the support available behind the 0800 number.

ACFO

**Resolved:**

That the report be noted

**177. DATE OF NEXT MEETING**

Members agreed that the date be changed from Monday 11 March to **Thursday 14 March 2013.**

**178. 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.

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**179. NEW INTERNAL AUDIT CONTRACT**

The DR outlined the report and sought agreement to the procedure for the procurement of Internal Auditors.

**Resolved:**

That the recommendations in the report be agreed.

The meeting finished at 8.45 pm