

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



Held on Monday 29 June 2015 at 6.30pm

Brigade Headquarters, Newsham Court, Pincents Kiln, Calcot,  
Reading, Berkshire RG31 7SD

**Members:**  
(\* present)

Councillor Frank Abe\*  
Councillor Joginder Bal\*  
Councillor Anthony Chadley  
Councillor Carol Jackson-Doerge\*  
Councillor John Lenton \*  
Councillor Iain McCracken, Chairman \*  
Councillor Ishrat Shah\*  
Councillor Jane Stanford-Beale

**In Attendance:**

Gene Ash (Head of Learning and Development)  
Tony Burgess (Assistant Business Change and Assurance  
Manager – Chief Fire Officers' Association)  
SM Eddie Cardoso (FBU Representative)  
Trevor Ferguson (DCFO)  
Moirra Fraser (Clerk)  
Dan Harris (Baker Tilly)  
Paul Maynard (Acting Area Manager – Response)  
Nikki Richards (Interim Head of Strategic Planning and  
Programme Management)  
Fayth Rowe (Committee Officer, CO)  
Andrew Vallance (Director of Resources, DR)

**Action**

## 4. APOLOGIES FOR ABSENCE

Apologies for inability to attend the meeting had been received from Councillors Anthony Chadley and Jane Stanford-Beale.

## 5. 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.

## 6. MINUTES OF THE MEETING HELD ON 30 March 2015

### Matters Arising:

**Page 3, Item 268 Proposed Audit Report 2015/16** – The DCFO confirmed that the statistics in respect of Personal Development Interviews and Return to Work Interviews had improved and this was reflected in the quarterly report. He also reassured the Chairman that risk analysis was now being used to drive the audit

plan.

**Page 9, Item 275 Thames Valley Fire Control Service Update** – The DCFO noted that the Control Room was now operational. He acknowledged that there had been some teething problems but the authority was working with relevant parties to resolve these issues. The DCFO explained that he was happy with the progress to date

**Page 10, Item 276 Fuel Audit Action Plan Update** – Paul Maynard had notified the Chairman about the reasons additional resources would be required to enter all fuel purchases onto Firewatch.

**Page 11, Item 277 Emergency Services Mobile Communications Programme** – Paul Maynard explained that he had recently met with Thames Valley Police and South Central Ambulance Service and had discussed the potential for sharing properties.

**Resolved:**

That the Minutes of the meeting held on 30 March 2015 be approved as a true and correct record and signed by the Chairman.

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

None referred.

**8. EMERGENCY SERVICES MOBILE COMMUNICATIONS PROGRAMME – PRESENTATION**

Tony Burgess (Assistant Business Change and Assurance Manager at the Chief Fire Officers Association) provided a presentation on the Emergency Services Mobile Communication Programme. The purpose of the project was to deliver integrated critical voice and broadband services across the three emergency services. This scheme would replace the existing Airwave programme. Members were reminded that the presentation included information which could be deemed to be commercially sensitive and therefore it needed to be treated accordingly.

Members queried how often they would be updated on this project. Paul Maynard explained that he received regular updates and would be happy to keep Members informed.

The Chairman thanked Mr Burgess for the informative presentation.

**RESOLVED that:**

The presentation be noted.

**9. INTERNAL AUDIT ANNUAL REPORT FOR 2014/15**

Dan Harris from Baker Tilly summarised the outcome of the internal audit activity during the last financial year (2014/15). Mr Harris drew Members' attention to paragraph 3.4 of the report which outlined the auditable areas and the assurance level that they were given. He re-iterated that it was the role of the internal auditors to provide reasonable assurance.

Mr Harris explained that the auditors had considered and rated the adequacy and

effectiveness of the authority's arrangements as follows: core financial systems (Green – substantial assurance), fuel management (Red – no assurance), Risk Management (Amber/Red – some assurance), Governance (Green – substantial assurance) and Network Security and IT audit follow up (Amber/Green – reasonable assurance).

### *Governance*

No significant issues were identified and therefore an overall positive opinion was issued.

### *Risk Management*

The review of risk highlighted 7 medium priority recommendations in relation to the completeness, accuracy and format of the risk register.

### *Control*

The opinion was based on four specific audits:

1. Fire Fighter Pension Administration – which generated one low priority recommendation.
2. Key Financial Controls – generated one medium and three low priority recommendations
3. Network Security and IT Audit Follow Up – which generated three medium and two low priority recommendations
4. Fuel Management – which generated two high, three medium and six low priority recommendations. The high priority recommendations related to the issuing and acknowledgement of fuel cards and the lack of receipts and recording of fuel used.

These audits resulted in an overall Amber opinion in relation to control.

Mr Harris noted that all recommendations set out in the Action Plan had been accepted. The auditors had issued an unqualified opinion.

The Chairman queried why issues were still being experienced in relation to fuel management. Officers explained that this document was a backward look. New systems had come into effect last May which should address the concerns raised.

Councillor Carol Jackson-Doerge sought clarity on the issues identified in respect of Network Security. Officers explained that the issues identified were all procedural and related to back-up, patching and firewall management. The issues had already been picked up by the Team and they were already in the process of addressing the concerns.

Councillor Frank Abe noted that the report (on page 1) stated that some of the authority's servers were running on Windows 2003 and he queried whether this was true. Officers confirmed that software was not upgraded when it was deemed to be functioning adequately. The DCFO explained that there had been a number of bids for investment in IT included in the 2015/16 and 2016/17 capital programme. Historically there had been an underinvestment in this area.

Officers noted that Senior Managers had decided that, following a Business Impact Assessment, they would no longer pursue the option of having a disaster recovery Plan based on a separate site. A Business Continuity project had been initiated to test the organisation's resilience arrangements. In response to a question from Councillor John Lenton the DCFO confirmed that those areas deemed to be critical

were in a secure and separate location.

**RESOLVED that:**

The report be noted.

**10. FINAL ACCOUNTS 2014/15 - COMMITTEE CHAIRMAN'S LETTER TO EXTERNAL AUDITORS**

Councillor Iain McCracken informed the Committee of the request from Ernst and Young (external auditors) in regards to certain information from "those charged with governance" in order to comply with international standards on auditing.

Councillor McCracken sought approval from the committee to agree the content of the letter in response attached as Appendix A to the report. It was noted that there was no requirement for the Committee to sign off the report but that it was brought to the Committee as a courtesy.

**RESOLVED that:**

Members approved the letter and it be sent to Ernst and Young.

**11. EXTERNAL AUDIT UPDATE AND FEES**

Andrew Vallance informed the Committee of the External Audit progress and fees for 2015/16. The DR explained that the work of the external auditors was to ensure that the Authority's finances were in good order and that it would also confirm that internal controls were sound.

Ernst & Young's progress report was outlined in Appendix A. It gave a breakdown of work to be carried out and outlined that the reporting would be completed by November 2015.

Appendix B of the report outlined the audit fees. The indicative scale fee was £34,000, which was 25% lower than in 2014/15. The DR explained that it was not likely to increase during the remainder of the contract without a change in the scope of audit responsibilities.

**RESOLVED that:**

- the External Audit update and fees for 2015/16 be noted.

**12. AUDIT POLICY**

Trevor Ferguson provided the Audit & Governance Committee with the Royal Berkshire Fire and Rescue Service (RBFRS) Internal Audit Policy for agreement.

The DCFO explained that the policy was designed to provide a framework and provide details for the conduct of RBFRS internal audit; it was not to cover the standards for the conduct of external audit or contracted internal audits. The audit policy was designed to assist the Authority with managing risk and would help to make improvements to reduce the risk to the organisation.

**RESOLVED that:**

- RBFRS Internal Audit Policy as outlined in Appendix A of the report be

agreed.

### **13. SCHEME OF DELEGATION AND HANDBOOK**

Trevor Ferguson introduced the report which sought to revisit the recommendation made by the Audit and Governance Committee at the December 2014 meeting which recommended a new Constitution which would replace the existing Members' Handbook. At the April 2015 meeting Members agreed to set up a Task and Finish Group to look at Committee Structures, Membership and Standing Orders. In light of this, the report sought to re-instate the Handbook and asked Members to review three sections of it namely: The Constitution, the Scheme of Delegation and the Governance Standing Orders.

The amendments sought to ensure that the Handbook was compliant and met the needs of the organisation. Members were asked to consider the documentation and to notify the DCFO of any changes that needed to be made to it. The Handbook would need to be signed off by the Fire Authority at the September 2015 meeting based on a recommendation from the Audit and Governance Committee.

It was noted that on page 39 ASD23 there was a typographical error (two semi colons).

Councillor John Lenton requested that reference be made to the Pension Board and its position in the governance structure of the organisation. It was agreed that the Board should report to the Audit and Governance Committee and this needed to be reflected in the Handbook.

#### **RESOLVED that:**

- The original recommendation regarding a new constitution made in December 2014 by the Audit and Governance Committee be overturned as there had been a material change in circumstances;
- Members notify the DCFO of any additional changes that need to be made;
- Subject to the inclusion of the changes identified at the meeting and any changes subsequently submitted the Audit and Governance Committee recommend to the Fire Authority that the updated section of the Members' Handbook be approved.

### **14. ANNUAL REPORT 2014/15**

Trevor Ferguson introduced the Annual Report for 2014/15. He asked Members to note the report and agree it for publication. The DCFO noted that although the content of the report would not change it would be sent to colleagues in Hampshire who would improve the layout prior to publication.

#### **RESOLVED that:**

- a) the report be noted
- b) the draft Annual Report 2014/15 be agreed for online publication.

### **15. THE RECOMMENDATIONS LOG**

Nikki Richards presented the Recommendations Log which outlined the process that RBFRS officers had carried out to manage extant recommendations. NR

explained that the report came out of a piece of work commissioned by Trevor Ferguson which requested a "Recommendations Log" be created to pull together extant recommendations from 16 reports generated going back to 2010.

NR informed the Committee that over 60% of the recommendations were closed and/or completed, out of a total of 374 recommendations; of which just under half were over three years old. NR noted that there were six action types: done, noted and closed; in progress, new project, work packages (Service Plan), Pending New Organisational Development Action Plan. There were 134 active recommendations which would be performance managed between Directors and Heads of Service through a monitoring progress in service and project plans.

The recommendations log has now been formally closed but would be retained for audit purposes. As a result of the recommendations log that Performance Review Team were set to create a process to manage future recommendations from reports and action within the Fire Authority, the process was being finalised.

NR informed the Committee that the Recommendations Log was available to view at Members request, but it was not appropriate to attach it as an appendix due to its size. The Chairman had however gone through all the recommendations.

At the request of the Chairman it was agreed that a follow up report would be brought to the Committee in six months time.

NR

Councillor Carol Jackson-Doerge commented that she would be interested in seeing the recommendations arising from the flooding debrief. It was therefore agreed that the document would be circulated to all Members electronically.

NR

**RESOLVED that:**

the report be noted.

**16. TRANSITION FUND UPDATE**

Andrew Valance informed the Committee of the bids that had been approved from the £2m Transition Fund in order to redesign the service to achieve the new strategic direction and balance of the budget within the medium term. The DR explained that this report was brought to Members on a quarterly basis.

The DR outlined the six categories of expenditure as set out in paragraph 3.2 of the report and explained that each bid for transition funding had been considered by the Corporate Management Team (CMT), and bid submissions, as well as CMT's approval decisions were outlined in Appendix A.

The DR noted that bids had been received for £561k but that some bids had been rejected (only £292k approved) by CMT as they were not suitable for financing from the transitions fund, as they did not meet the required criteria.

**RESOLVED that:**

the report be noted.

**17. STRATEGIC RISK REGISTER**

Nikki Richards provided the Audit and Governance Committee with the Strategic Risk Register and asked for them to review and note it.

The Strategic Risk Register was a subset of the Corporate Risk Register and looked at potential risk which could impact on the delivery of the Fire Authority's Strategic Commitments. The Corporate Risk Register was currently being developed and would be a combination of the Strategic Risks and Top Level Risks with a treated score of greater than 17. The Top Level Risks were gathered from potential risks to the successful delivery of internal Service Plans and potential risks affecting the successful delivery of projects. Officers proposed that in future the Committee would receive a copy of the Corporate Risk Register as part of the quarterly performance report.

The Chairman requested that Officers email all Members to explain each heading and the process by which scores were arrived at. The information should also include an explanation of the colour coding used.

The Chairman queried whether it was appropriate for Members to be considering operational risks. Officers explained that the Strategic Risk Register only included risks with a treated score above 17 and they were therefore felt to be of significant enough importance to raise with Members.

The Chairman stated that there was a sense of vulnerability around risks 6 (The Emergency Services Mobile Communications Project) and 7 (Thames Valley Fire Control Service) neither of which were within the control of the Authority.

Councillor Frank Abe commented that the organisation's appetite for risk was low. Officers accepted that the organisation was still learning how to assess risks as it was a very subjective area. It was possible that Officers were erring on the side of caution and that it was possible that over time the scores associated with risks might diminish. This was an evolving picture and a journey which Officers and Members would need to go on together.

Councillor Joginder Bal queried how risks associated with terrorism would be managed. Officer's explained that Community Risk was managed through the IRMP.

**RESOLVED that:**

the report be noted.

**18. RECORDING OF TRAINING ON FIREWATCH**

Gene Ashe outlined the findings from the audit on the process and procedure that personnel took when recording training on the Firewatch system. The Head of Learning and Development explained that the audit took place between 1<sup>st</sup> August 2014 – 31<sup>st</sup> September 2014 with the final agreed report being submitted in December 2014.

The audit considered five key areas which covered 17 sub areas relating to recording of training in relations to whole time, RDS and non uniformed staff of the 17 areas:

- 2 were low risk requiring action within 6 to 12 months
- 5 were medium risk requiring action within 3 to 6 months
- No high risks areas were identified

The scope of the audit covered, the recording of training across L&D courses, the recording of training delivered on behalf of L&D, watch based training/event

records, RDS event records and, departmental training budget.

The audit was planned to:

- To test currency of policy and procedures and how they are led and managed
- Knowledge of systems in place to assist in the identification of training
- Knowledge and use of training recording systems
- Ability to add new training courses to the system
- Arrangements in place for departments to acquire and record localised training

The audit found that procedures were in place which underpinned the recording of training on Firewatch. This was supported at all levels, with data recorded centrally and quality assured as part of the internal performance management framework.

The following areas for development were identified as requiring action and were to be completed within 3 to 6 months of the final audit report:

- (medium) Second assessment of entries on Firewatch by suitably qualified personnel, previously this could have been undertaken by peers.
- (medium) that new courses specifically for non uniformed staff were not being entered on Firewatch. This was due to a lack of awareness of commissioning managers and had now been addressed through the Firewatch 7.5 upgrade.
- (medium) That non uniformed managers were not aware of the Training Requirements Indicator and as a consequence were not recording risk critical training for their staff.
- (low) that the facility for recording personnel as “not yet competent” was not understood, however this was to be understood as the Firewatch system using this when deadline with development fire fighters, which the service had limited number of for the last 10 years.
- (medium) That not all departmental budget holders were familiar with the purpose of and the recording process when departmental training budgets were used.

During the period that the audit was undertaken a new Firewatch 7.5 system was purchased, installed, tested and commissioned within the Service. This had addressed the areas highlighted within the audit which covered process and signoff.

In response to a query from Councillor Frank Abe Officers explained that courses were prepared internally. The standards that were required were set out in the Fire Service Training Manual and were signed off through an assessment centre and the Institute of Learning Management.

Councillor Joginder Bal queried whether or not physical training was mandatory. Officers confirmed that this was the case and that where standards were not met Officers would need to be re-trained.

**RESOLVED that:**

the results of the recording of Training on Firewatch and the associated action plan found within Appendix 1 be noted..

**19. QUARTERLY PERFORMANCE REPORT (2014/15):  
QUARTER 4 (JANUARY – MARCH 2015)**

Trevor Ferguson provided the Committee with an overview of RBFRS fourth quarter performance for the 2014-15 financial year. The report had been reviewed by the Strategic Performance Board to ensure that actions were deliverable and would be signed off at Corporate Management Team.

Appendix A outlined the performance for the fourth quarter; it was split into 3 sections which reflected the performance against targets set in the 2014-15 action plan, the progress of the 15 priority projects and an update on the progress of internal audits.

The DR explained that RBFRS used 34 measures at a corporate level to manage the performance of the services against the aims and objectives details in the Corporate Plan and Action plan for 2014/15.

The DR noted that the completion of Personal Development Interviews (PDIs) for eligible staff had historically been a problem. Whilst the target of 100% had not been achieved 87.5% of staff had undertaken a PDI which was a marked improvement on the 44% in 2013/14.

The Chairman queried whether any of the performance measures could be considered to be unreasonable or unachievable. The DR explained that work was ongoing to ensure that they were reasonable and that there was value in measuring the targets. It was therefore possible that future iterations of the document would be streamlined to ensure that the Authority was measuring the right things.

Councillor John Lenton noted that the quarter 3 figure for the percentage of staff recruited from ethnic minorities seemed to be out of kilter when compared to the figures for the other three quarters. Officers explained that the numbers were so low that the figures could easily be skewed.

Councillor Frank Abe stated that Councillors had a role to play in assisting with recruiting staff especially from ethnic minority communities. He therefore asked Officers to explore setting up cadet units especially in areas where recruitment difficulties were being experienced. Officers noted that the new Director of People and Organisational Development had already held discussions with Slough about attracting BME applicants and that there were already some cadet schemes in existence.

**RESOLVED that:**

- the performance and the subsequent corrective actions against the 2014/15 targets be noted
- the progress made on the 15 priority projects be noted
- progress against 2014/15 internal audits be noted.

**20. DATE OF NEXT MEETING**

Thursday 17 September 2015 at 6.30pm, Room 301, Brigade Headquarters,

Newsham Court, Pincents Kiln, Calcot, Reading, Berkshire RG31 7DS

**21. EXCLUSION OF PRESS AND PUBLIC**

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 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.

**22. PART II MINUTES OF THE MEETING HELD ON 30 MARCH 2015**

That the PART II section of the Minutes of the meeting held on 30 March 2015 be approved as a true and correct record and signed by the Chairman.

*The meeting concluded at 8.29 pm*