



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

Held on, Tuesday 17 September 2019, at 6.30pm

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

Members: * Councillor Christine Bateson
(* present) * Councillor Dennis Benneyworth
* Councillor Tricia Brown
* Councillor Graham Howe
* Councillor Tony Linden
* Councillor Tina McKenzie-Boyle
* Councillor Satpal Parmar
* Councillor Jane Stanford-Beale
Councillor Simon Werner

In Attendance: Paul Binyon (Area Manager, Response and Resilience, AM R&R)
Conor Byrne (Head of Finance and Procurement), HP&P
Becca Chapman (Data and Performance Analysis Manager)
Tony Deacon (Area Manager, Protection and Prevention, AM P&P)
Trevor Ferguson (Chief Fire Officer, CFO)
Dan Harris (Internal Auditor, RSM)
Becci Jefferies (Head of HR and Learning and Development, HHR&L&D)
Allison Kennett (External Auditor, Ernst Young)
Andrew McLenahan (Head of Facilities, Fleet and Equipment, HFF&E)
Linda Pye (Clerk)
Nikki Richards (Director of Support Services, DSS)
Fayth Rowe (Democratic Services Lead, DSL)
Kevin Suter (External Auditor, Ernst Young)
Tony Vincent (Head of Business and Information Systems, HBIS)

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4. APOLOGIES FOR ABSENCE

An apology for inability to attend the meeting had been received from Councillor Simon Werner.

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 11 MARCH AND 26 JUNE 2019

RESOLVED that the Minutes of the meetings held on 11 March and 26 June 2019 be approved as a true and correct record and signed by the Chairman.

7. INTERNAL AUDIT UPDATE

Conor Byrne, (HF&P) presented the 2018/19 Internal Audit Annual Report as well as the findings from audits that had taken place since the last meeting.

Dan Harris, Internal Auditor RSM, noted that the Annual Report for 2018/19 was attached at Appendix A to the report. Paragraph 1.1 of the report stated that the Head of Internal Audit opinion was that the organisation had an adequate and effective framework for risk management, governance and internal control. This was the highest level of assurance that RSM provided in its annual audit reports.

Page 33 of the agenda set out the full range of opinions available to provide context regarding the annual audit opinion. There were four opinions of which the Authority had received the highest which was positive news. Page 34 of the agenda set out a summary of the internal audit work which had been completed in 2018/19.

Councillor Tricia Brown raised concerns in relation to the last paragraph in section 3.3 which stated that 'at the time of writing we have not received any responses to the surveys issued to the Authority as part of our feedback process'. Dan Harris confirmed that when final reports were issued an optional questionnaire was also included to provide feedback to RSM. He advised that the non-completion of questionnaires was a problem nationally with only 9% being completed and therefore this was not uncommon. Conor Byrne also stated that at the start of the contract the Fire Authority had met with the Internal Auditors to set out the expectations on both sides and he felt that this had resulted in a better quality of audit reports.

Councillor Tina McKenzie-Boyle queried why the opinion used the word 'adequate' if that was the highest level that could be awarded. Dan Harris responded that this was an industry standard set by the Institute of Auditors and it was therefore commonly used by auditors. She also referred to page 34 of the agenda and noted that Facilities Management had an assurance level of 'amber'. The HFF&E said that there had been a number of minor points which had been picked up in relation to the management of the contract but those issues had now been raised and addressed.

RSM's Progress Report was attached at Appendix B. It was noted that five audits had been completed since the last Committee meeting as set out as follows:

- Payroll Audit – This was a follow-up audit and confirmed that all actions from the previous payroll audit had been completed.
- Pension Audit – The opinion in the report stated that the Committee could take substantial assurance that the controls upon which the organisation relied upon to manage the identified areas were suitably designed, consistently applied and operating effectively.
- Key Financial Controls Audit – Again the opinion in the report stated that the Committee could take substantial assurance that the controls upon which the organisation relied upon to manage the identified areas were suitably designed, consistently applied and operating effectively.
- Tax Audit – this was an advisory audit and therefore no audit opinion had been provided.

- Business Continuity and Emergency Planning Audit - The opinion in the report stated that the Committee could take substantial assurance that the controls upon which the organisation relied upon to manage the identified areas were suitably designed, consistently applied and operating effectively.

Councillor Christine Bateson was pleased to see that this linked in with Commitment 5 – ensuring that Royal Berkshire Fire and Rescue Service provided good value for money.

RESOLVED THAT:

The 2018/19 Annual Report as well as the findings in the Audit Progress Report be noted.

8. EXTERNAL AUDIT UPDATE

Conor Byrne, (HF&P) presented a verbal update to the Committee in relation to their audit work on the 2018/19 Statement of Accounts and the delays in signing off the accounts.

Kevin Suter, External Auditor from Ernst Young (EY), stated that normally the accounts would be signed off by the end of July but they had been unable to deliver that this year due to a number of issues. Kevin Suter apologised for that and said that he was not happy with that position. Problems had arisen in resourcing and recruiting staff at the right level and had impacted on the ability to progress the audit all the way through. There had been a further complication in the summer in respect of a pension legal judgment (McCloud) which had come through at a late point. EY were currently trying to work through how that would affect the Fire Fighters Pension Fund.

The latest impediment to signing off the financial statements related to the audit by Deloitte of the Berkshire Pension Fund which was still ongoing. A share of the assets and liabilities of this fund appeared on the balance sheet and therefore EY were unable to sign off the accounts until Deloitte had concluded their audit. It was noted that there were a couple of material issues in relation to the audit of the Berkshire Pension Fund that still needed to be resolved. It was hoped that a resolution would be found over the next few weeks so that the Berkshire Pension Fund accounts could be signed off on 22 October 2019. Once this had happened then EY would then be in a position to sign off the accounts.

Kevin Suter stated that the first two issues were in the control of EY and he confirmed that a team had now been reassembled and he was working with actuaries on the Fire Fighters Pension Fund. The audit of the Local Government fund, however, was not in their control. He confirmed that as soon as the information was available he would pass it on to Conor Byrne.

Councillor Tony Linden was aware that RBFRS was not the only Fire Authority in this position and he asked if the Government had made any comments. Kevin Suter confirmed that the Government had not commented but there had been a number of comments in the trade press and associated bodies.

Councillor Tina McKenzie-Boyle noted that RBFRS was not alone in this position and whilst the verbal update from the external auditor was noted she made a recommendation that the Chair and Vice-Chair of Audit and Governance Committee and the Chairman of the Authority should meet with Conor Byrne to put together a strongly worded statement from the Authority to the external

auditors in relation to the situation. She wanted to receive assurance that this situation would not arise again as it was not possible to publish the financial statements until the Authority had the benefit of the external audit report. The statutory accounts should have been signed off in July and the current target date for sign off was 4 November (the next meeting of the Audit and Governance Committee). This was agreed.

RESOLVED THAT:

- The verbal update from the External Auditor be noted;
- The Chairman and Vice-Chairman of Audit and Governance Committee and the Chairman of the Authority to meet with Conor Byrne to put together a strongly worded statement from the authority to the external auditors.

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9. GRIEVANCE, BULLYING AND HARASSMENT POLICY (which includes the Complaints' Procedure); ANTI-FRAUD, BRIBERY AND CORRUPTION POLICY AND DISCIPLINARY POLICY

Becci Jefferies, (HHR&L&D) presented a report which required the Committee to approve and monitor the effectiveness and outcomes relating to a number of the Authority's policies which included:

- Anti-Fraud, Bribery and Corruption (CO25)
- Grievance, Bullying and Harassment (CO25)
- Disciplinary (CO25)

A review of the documents had been undertaken and revised policies were presented for consideration and approval by the Committee.

Councillor Jane Stanford-Beale noted that the policies in respect of Grievance, Bullying and Harassment and discipline were contractual but that the Anti-Fraud, Bribery and Corruption one was not and she queried why that was the case. Becci Jefferies responded that the policies for Grievance, Bullying and Harassment and discipline were contractual as they formed part of the terms and conditions of employment but the Anti-Fraud, Bribery and Corruption focused on internal mechanisms for investigations.

RESOLVED THAT:

The revised policies be approved subject to any further amendments the Committee wished to make.

10. ANNUAL REPORT 2018/19

Nikki Richards (DSS) presented the Annual Report to the Committee which summarised performance in 2018/19.

At the start of 2018/19 the Fire Authority agreed its Annual Plan for delivery of the Strategic Commitments as set out in the Corporate Plan 2015-2019. Within the Annual Plan were a number of Corporate Measures against which performance was monitored by Officers and Members through the Audit and Governance Committee.

The Annual Report provided a summary of performance in 2018/19, highlighting

a number of challenges and achievements in delivering services for the people of Berkshire.

Councillor Tricia Brown referred to page 10 of the Q4 report where it was stated that the time taken for TVFCS to mobilise a fire appliance had improved during Q4 but the annual targets had not been achieved. Only 71.5% of mobilisations were achieved within 90 seconds compared to a target of 80%. The target of achieving 95% of mobilisations within 120 seconds was also missed (83.2%). Call challenging and identifying an incident location all contribute to extended call handling times. She noted that one of the challenges was identifying an incident location and she asked if consideration had been given to using 'What3words'. Paul Binyon confirmed that the system had been upgraded to enable it to pinpoint mobile phones and it appeared to be working well. He was aware of the 'What3words' app but he felt that the Fire Authority had a system which worked just as well.

RESOLVED THAT:

- The Annual Report be noted for publication externally; and
- The Q4 Strategic Performance Report be noted.

11. QUARTERLY PERFORMANCE REPORT 2019/20 QUARTER ONE (APRIL – JUNE 2019)

Nikki Richards (DSS) presented an overview of the Royal Berkshire Fire and Rescue Service (RBFRS) first quarter (April to June 2019) performance for the 2019/20 financial year.

Becca Chapman stated that the quarterly performance report supported the Performance Management Framework which provided structure and governance that would enable the Fire Authority to measure, monitor and manage outputs and outcomes in a timely manner, allowing the organisation to respond and make informed decisions to ensure that statutory obligations and the Fire Authority's Strategic Commitments were successfully delivered.

The quarterly performance report had been presented to the Strategic Performance Board and was signed off by the Senior Leadership Team prior to oversight and scrutiny at Audit and Governance Committee. The report provided an overview of performance for the first quarter of the 2019/20 financial year and reported on performance in four key areas – Service Provision; Corporate Health; Priority Programmes and Corporate Risk.

Councillor Tina McKenzie-Boyle went through the Quarter One report in detail and the following highlights/challenges were highlighted:

- It was noted that the Fire Service had responded to emergency incidents in under 10 minutes on 76.5% of occasions during Q1, against a target of 75%.
- The 100% safeguarding performance target had been maintained with 59 safeguarding referrals made to local authorities within 24 hours during Q1.
- Of concern was a fatality in an accidental dwelling fire during Q1. The case was still awaiting the Coroner's verdict.
- The number of deliberate primary fires had increased in Q1 with an initial spike in April (22 incidents) which was 12 above the April 2018/19 figure. It

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was noted that the overall trend of deliberate primary fires had remained consistently low over the past five years. RBFRS was consistently in the top three performing services in the family group.

- % of home safety referrals, where there had been a threat or incidence of arson, completed within 48 hours – the ‘Threat of Arson’ Policy had been reviewed by a New Ways of Working Project Team and had resulted in a new Thames Valley Partnership procedure being adopted between Fire and Police during Q1.
- Councillor Jane Stanford-Beale referred to the RIDDOR accidents and noted that there had only been one reportable incident in Q1. This was less than expected. It was noted that the target of six was an annual target and Nikki Richards stated that having only one incident in Q1 was a positive outcome.
- Councillor Tina McKenzie-Boyle noted that there had been three female focused awareness days which had taken place in April, May and June to support the wholetime firefighter recruitment campaign. 22 females had attended across the three events.
- It was noted that the new Risk Based Inspection Programme methodology would go through the IRMP Working Group.
- A decision on the purchase of the Theale site had been scheduled to go to Management Committee in early December.
- The Aerial Ladder Platform replacement project had been delayed a month and it was confirmed that delivery was expected in May 2020.
- Capacity, Capability and Resilience risk - Councillor Tina McKenzie-Boyle felt that this was a difficult risk to monitor and was all about the transfer of data and knowledge.
- Volatility of funding risk - Councillor Tina McKenzie-Boyle stated that the Chief Fire Officer had worked hard on bridging the funding shortfalls and therefore it was worthy of particular note. The Fire Authority was in the bottom quartile in terms of funding but provided a top level service.
- No deal EU exit – it was noted that this risk was still high despite mitigation.
- Facilities Contractors risk - This risk was being shown as ‘red’. The Asset Management contract with Kier would be terminated at the end of November 2019 and Procurement/Facilities were currently identifying the required contracts needed and possible routes to the market.
- Councillor Tina McKenzie-Boyle asked if the tables on page 104 of the agenda in relation to days lost due to sickness could be in the same order so that it was easier to compare the information.

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Councillor Tina McKenzie-Boyle thanked Officer for the production of this document which was useful and which also provided some transparency. She felt that the Fire Service deserved to be measured as more than ‘adequate’.

RESOLVED THAT:

- The performance against Service Provision and Corporate Health measures for the targets agreed by the Fire Authority for 2019/20 be noted;

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- The progress made on the two priority programmes be noted;
- The position of corporate risk be noted.

12. DATE OF NEXT MEETING

The next meeting was scheduled for Monday, 4 November 2019, at 6.30pm, Lynda Kenyon Suite, RBFRS Headquarters, Newsham Court, Pincents Kiln, Calcot, Reading, Berkshire, RG31 7SD.

The meeting concluded at 7.19 pm