

MEETING OF THE ROYAL BERKSHIRE FIRE AUTHORITY'S AUDIT AND PERFORMANCE REVIEW COMMITTEE



Held on Thursday 22 September 2011

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

Those present: Councillor Ricky Duveen (Member, Fire Authority)
Councillor John Lenton (Member, Fire Authority)
Councillor Iain McCracken, Chairman (Member, Fire Authority)

In Attendance: Olaf Baars (Deputy Chief Fire Officer)
Conor Byrne (Senior Accountant)
Peter Driver (Committee Officer)
Eddie Cardoso (Station Manager, Performance Review)
Mike Griffiths (Performance Review)
Yasmeen Mehmood (Haines Watts) (*part meeting*)
Caroline Redzikowska (Clerk and Monitoring Officer)
Paul Sharman (District Auditor) (*part meeting*)
Andrew Vallance (Authority Treasurer)
Marcus Ward (Principal Auditor) (*part meeting*)
Graham West (Audit Commission) (*part meeting*)

98. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Mrs Diana Coad (Member, Fire Authority), Councillor Mohammed Rasib (Member, Fire Authority) and Councillor Alan Ward (Member, Fire Authority).

99. 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.

100. MINUTES OF THE MEETING HELD ON 6 JUNE 2011

Resolved:

- a) That the Minutes of the meeting held on 6 June 2011 be approved for signing by the Chairman.

101. MINUTES OF THE MEETING HELD ON 29 JUNE 2011

Resolved:

- a) That the Minutes of the meeting held on 29 June 2011 be approved for signing by the Chairman.

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

The Chairman, having been unable to attend the Management Committee, where he would have raised a number of issues requested that the Clerk and Monitoring Officer circulate a paper, to provide the Committee with additional information on the Fire Control Resilience Works: Waiver of Standing Orders report which had been considered by the Management Committee on 19 September 2011.

Action

The Deputy Chief Fire Officer advised the Committee that in view of the cancellation of the national FiReControl project it was necessary for RBFRS to take action to improve resilience and performance in its Control Room systems. The works identified to complete the resilience upgrade included installation of a Mobile Data Gateway Server, with associated configuration and maintenance; the introduction of new two-way pagers, with a one-year trial at one station; and additional temporary technical staffing to provide the necessary capacity for the systems implementation. The Authority Treasurer and Clerk and Monitoring Officer had confirmed that it was appropriate to waive Contract Standing Orders in order to enter a contract with Astrium, the mobile data system provider.

The Management Committee had raised a number of queries, which were now addressed by the additional information within the body of the report. The Deputy Chief Fire Officer responded to the Committee's questions on the resilience works and the following salient points were noted:

- any delay in placing the contracts would result in several months delay in the resilience project
- Existing mobile data terminals were obsolete. The 65 new MDTs should be fully funded by Communities for Local Government (CLG) resilience and efficiency grant, with Royal Berkshire Fire and Rescue Service (RBFRS) responsible for ongoing revenue costs. If the grant was not forthcoming for any reason the costs could be met from within existing budgets.
- The total costs of implementing the Astrium Gateway Server and Astrium Real Time Server would be £24,433 in the current year, with ongoing annual revenue implications of £12,100.
- If the trial of 20 two-way pagers was successful, 150 units would be introduced across the Service at an annual cost of £30,000.
- Two additional technical grade staff would be appointed for up to twelve months at a total cost of up to £75,000.
- The Airwaves system for voice services had been rolled-out in 2009/10. The replacement of data systems would enable an integrated voice and data capability.

Resolved:

- a) That the report be Noted.

Olaf Baars retired from the meeting.

103. AUDIT AND PERFORMANCE REVIEW COMMITTEE WORK PROGRAMME

The Clerk and Monitoring Officer requested the Committee to consider and determine the Committee's Work Programme for 2011/12. The Committee noted a number of matters which had been discussed at the previous meeting and agreed that, in addition to the usual routine business of the Committee, the following matters should be scheduled for the 2011/12 work-programme:

- Member and Officer Protocol
- Flood Waters Rescue
- Procurement processes and procedures
- New Procurement Training for the Committee
- Scrutiny Training and consideration of the Committee's scrutiny function
- Resilience Works progress
- Opinion Research Services and how findings are used
- The Development Fund
- Fraud and Corruption Policy
- Pensions (in due course)

Resolved:

- a) That the items listed above are scheduled for the Committee's work programme for 2011/12, and that further items are added to the programme as necessary through the year.

104. INTERNAL AUDIT PROGRESS REPORT

Yasmeen Mehmood, the Haines Watts representative presented a report on progress with the internal audit plan for 2011/12. Two audits had been completed with high levels of assurance and no high priority findings. These were:

- Pensions
- Absence Management

The reports had recently been finalised and would be presented to the next meeting of the Committee.

Resolved:

- a) That the Committee Note the report.

Yasmeen Mahmood retired from the meeting.

105. STATEMENT OF ACCOUNTS 2010/11 AND EXTERNAL AUDIT ANNUAL GOVERNANCE REPORT

The Committee reviewed the 2010/11 Statement of Accounts and received the Audit Commission's Governance Report in respect of the 2010/11 Audit.

The Authority Treasurer advised that the Accounts and Audit (England) Regulations 2011 had amended the timetable for the approval and audit of accounts. The accounts had been completed and signed by the Treasurer in June and sent to the District Auditor. This timetable would enable the audited accounts to be presented to the Fire Authority on 28 September 2011.

Very few changes had been made to the accounts during the audit process. The main adjustments to the presentation of the draft statements were:

- i) an adjustment to the way the accounts displayed the past service gain arising from the Government's change of policy on calculating future pension liabilities by reference to the Consumer Price Index, rather than the Retail Price Index;
- ii) recognition of New Dimension Assets within the Balance Sheet. It was noted that CLG wished to transfer these national resilience assets to the local control of the Fire Authority and that negotiations were ongoing. However, the accounting treatment under IFRS required the assets to be accounted for by the Authority notwithstanding the formal transfer of title.

The Committee received clarification of several matters within the accounts and advised the Treasurer on the presentation of the accounts to the forthcoming Fire Authority meeting. The Treasurer agreed to ensure consistent use of brackets rather than minus signs, where appropriate, in the final document for publication on the website.

The District Auditor presented the Annual Governance Report and confirmed that subject to the Fire Authority approving the audited accounts on 28 September, he planned to issue an audit report including an unqualified opinion on the financial statements. The auditor had identified three key areas of focus for the audit, as outlined in the report to the January meeting of the Committee. These three areas were;

- i) IFRS restatement
- ii) Analysis of Service Expenditure
- iii) Capacity

In each case the auditor had found the RBFRS arrangements to be satisfactory and had identified no issues of concern.

The auditors found that the Finance Team had managed the changed basis of accounting satisfactorily to support the presentation of final statements in the new format. The District Auditor acknowledged the standard format was complicated and that there would be scope for the Finance Team to review this and to make the final statements more digestible for the following year.

The Committee discussed the adjustment that had been required to present New Dimension Assets within the Balance Sheet. These assets had been purchased by CLG and offered out to local authorities on the basis of maintenance agreements. The Committee requested a report on the progress of these negotiations in due course and noted that the treatment of the assets for accounting purposes was without prejudice to the outcome of those negotiations. A depreciation charge would begin to be applied to the assets but this would not be a material amount for the auditors judgement and have no impact on the general fund.

With regard to the Authority's financial resilience, the audit had found adequate arrangements were in place to secure economy, efficiency and effectiveness.

With the permission of the Chairman, the District Auditor, Paul Sharman updated the Committee on plans for the abolition of the Audit Commission. Currently, 70% of audit work was conducted by the Commission's in-house Audit Practice. The Commission planned to transfer all of that work to external providers in the first instance. In future local authorities would make their own arrangements for audit with external providers. The Audit Commission had advertised in the EU Journal to procure audit services in ten discrete regional blocks. The Royal Berkshire Fire Authority (RBFA) would be within the South Eastern block. There had been keen interest in the procurement from a large number of potential service providers. The Audit Commission would select one provider for each block to provide audit services for 2012/13 and the following 3-5 years. The current Audit Practice would continue for the remainder of the current financial year and then staff would transfer to the successful new service-providers under TUPE regulations. Finally Paul Sharman advised the Committee that he had been successful in securing a new role within the Health Service of Wales and would be leaving the Audit Commission shortly. The Committee wished to record its thanks to Mr Sharman for his professional contribution to the work of the Committee over the years.

Resolved:

- a) That the Committee Recommend that the Fire Authority approves the Statement of Accounts 2010/11
- b) That the Committee Note the 2010/11 Annual Governance Report.
- c) That the Committee Note the update on the future of the Audit Commission

Paul Sharman, Marcus Ward and Graham West retired from the meeting.

106. CAPITAL PROGRAMME UPDATE

The Committee received a report on progress against the Capital Programme 2011/12, as presented to the Strategic Asset Management Committee in July 2011. The Committee was informed that a more up-to-date position would be presented to the Fire Authority meeting on 28 September 2011.

Resolved:

- a) That the Committee Note the report.

107. QUARTERLY PERFORMANCE REPORT

The Committee was provided with an overview of RBFRS quarterly performance. RBFRS continued to demonstrate positive performance across the set of performance indicators.

Prevention was highlighted as two of the performance indicators contributing to the overall Prevention performance were showing deterioration in performance compared to the previous year: being fire casualties and home fire risk assessments. The change in fire casualty performance was due to the new system for recording casualties. The Committee noted that the projected annual total of 31 casualties was very low for a County with a population of around 800,000.

The Committee noted that the number of false alarms attended due to Automated Fire Alarms showed a 20% improvement on the previous year's figures. This was due to a policy of tracking and monitoring the sources of alarms and implementing a challenge after two or three false alarms, where the Station Commander would visit the premises and provide advice.

Resolved:

- a) That the Committee Note the report.

108. AUDIT AND PERFORMANCE REVIEW COMMITTEE'S TERMS OF REFERENCE

The Committee reviewed the Terms of Reference and to report back to the Management Committee with any suggested amendments for consideration and ratification, for subsequent presentation to the Fire Authority for approval.

Resolved:

- a) That no changes be made to the Committee's terms of reference at this time.

109. DATE OF NEXT MEETING

- Thursday 15 December 2011 at 6.30pm in the Strategic Command Centre, Headquarters, Royal Berkshire Fire and Rescue Service.

**MC
23.01.12**