

AWDURDOD TÂN AC ACHUB CANOLBARTH A GORLLEWIN CYMRU



MID AND WEST WALES FIRE AND RESCUE AUTHORITY

NOTE: THESE MINUTES ARE SUBJECT TO CONFIRMATION BY THE PERFORMANCE, AUDIT AND SCRUTINY COMMITTEE AT ITS NEXT MEETING

COFNODION CYFARFOD Y PWYLLGOR ADOLYGU AC ARCHWILIO PERFFORMIAD MINUTES OF THE PERFORMANCE AUDIT AND SCRUTINY COMMITTEE

DYDD LLUN, 24 JULY 2017
MONDAY, 24 GORFFENNAF 2017

YSTAFELL CAER, PENCADLYS Y GWASANAETH TÂN, CAERFYRDDIN
CAER SUITE, FIRE SERVICE HEADQUARTERS, CARMARTHEN

10.00 – 12.35

80% PRESENOLDEB/ATTENDANCE

Presennolyn y Cyfarfod/Present at Meeting:

CHAIR	Councillor T Hennegan
IS-GADEIRYDD/DEPUTY CHAIR:	Councillor D E Williams
AELODAU/MEMBERS:	Cyng/Cllrs: M Crowley, K Curry, J Curtice, L Frayling, P James, K Laurie-Parry, R Lewis, A Llewelyn, K Madge, T Van-Rees
YMDDIHEURIADAU/APOLOGIES:	G Tanner, J Warman
YN BRESENNOL /IN ATTENDANCE:	D Daycock, M Crennell, R Quin, M Harries, R Thomas, I Cray, S Jenkins, C Williams, C Jackson, K Davies, H Pugh (Carmarthenshire County Council), M Jones (Wales Audit Office)

1 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors G Tanner and J Warman.

2 DECLARATION BY MEMBERS OF ANY PERSONAL OR PREJUDICIAL INTERESTS

All Members present declared that they had a personal interest in any business relating to, or affecting their own Constituent Authority.

3 CHAIR'S ANNOUNCEMENTS AND PERSONAL MATTERS

A warm welcome was extended to the Authority's internal auditor, Helen Pugh of Carmarthenshire County Council, who was in attendance to present items 6 and 8 of the agenda. The Chair also welcomed Mark Jones of the Wales Audit Office (WAO) to the meeting who was in attendance to provide a verbal update on matters relating to the Statement of Accounts.

The Chair informed Members that on conclusion of the meeting, Committee would receive an update on the steps taken by the Authority in response to the Grenfell Tower incident.

4 TO CONFIRM AND SIGN AS A TRUE RECORD THE MINUTES OF THE PERFORMANCE AUDIT AND SCRUTINY COMMITTEE HELD ON 24 APRIL 2017

The minutes of the Performance, Audit and Scrutiny Committee meeting held on 24 April 2017 were confirmed as a true record of proceedings.

MATTERS ARISING

Page 1, Item 3: Councillor P James thanked all Members for their best wishes and support during his period of ill-health.

5 TO CONFIRM AND SIGN AS A TRUE RECORD THE MINUTES OF THE SPECIAL PERFORMANCE AUDIT AND SCRUTINY COMMITTEE HELD ON 7 JUNE 2017

The minutes of the Performance, Audit and Scrutiny Committee meeting held on 7 June 2017 were confirmed as a true record of proceedings. There were no matters arising.

6 TO RECEIVE AND NOTE AN INTERNAL AUDIT REPORT ON THE DEBTORS, CREDITORS AND PAYROLL REVIEW 2016/17

Ms H Pugh of Carmarthenshire County Council provided Committee with an outline of findings arising from the reviews of the Debtors, Creditors and Payroll financial systems undertaken in line with the Internal Audit Programme.

Attention was drawn to Appendix 1 of the report, relating to the debtors review, whereby it was concluded that procedures relating to Debtors were found to be acceptable, however areas for improvement had been identified. Members were asked to consider the 5 recommendations outlined within the Action Plan which would strengthen existing controls.

Reference was made to Recommendation 4 on page 6 of Appendix 1, and the Deputy Chief Fire Officer and Director of Operational Support and Improvement duly declared an interest in respect of their roles as Directors of the 'Rescue 365' Community Interest Company (the company). In response to a query, it was agreed that an update by way of a presentation would be provided at a future meeting to Members regarding the structure and work of the 'Rescue 365' company. The Interim Head of Finance / Section 151 Officer assured Members that the Service had taken steps to monitor the debt repayment plan from the company and the matter would be revisited by the Internal Auditors during 2017/18. Mr M Jones reported that the Wales Audit Office were satisfied that there was no requirement to consolidate the company's debt within the Authority's Statement of Accounts.

A comment was made in regard to the WAO preparing a statement of accounts for Rescue 365 for onward audit by an appointed auditor. It was however pointed out that this was unnecessary as there was no requirement for this to be done under Companies House Regulations.

Ms H Pugh reported that Appendix 2 of the report, which related to creditors review, determined that the Service's operational systems were found to be good and there were no fundamental areas of concern identified by the review. It was reported that some issues had been identified for improvement in order to demonstrate a good control over the processing of creditor payments to ensure that the requirements of Financial Procedure Rules were fully complied with, and these were presented to Members within the Action Plan.

In terms of Appendix 3, which covered the Payroll review, Internal Audit determined that controls were in place and staff were well aware of their responsibilities, with adequate segregation in duties between the appointment and payment of salaries to staff. Issues had however been identified in respect of the new payroll system 'CoreHR' which remained at Phase 1 of the 3 Phased project, with no integration of the HR modules Undertaken..In response to a query from Mr M Jones, it was clarified that funding had only been released for Phase 1 of the project and the Authority was currently exploring its options in respect of implementation of Phase 2.

The Chair was delighted to note that over 80% of invoices had been paid within the 30 days threshold and paid tribute to the sterling efforts of staff within the finance department.

Members were assured that all recommendations within the 3 reviews undertaken by the Internal Auditors had been agreed with the senior management team and

the required actions were being addressed. Members were also informed that a further 2 reviews relating to Accounting and VAT would be completed within the coming weeks and would be considered by the Committee at its next meeting, along with the Annual Report.

RESOLUTION

It was RESOLVED that the report be noted.

7 TO RECEIVE AND APPROVE A REPORT ON THE CODE OF CORPORATE GOVERNANCE ASSURANCE STATEMENT

The Interim Head of Finance / Section 151 Officer presented the Code of Corporate Governance Assurance Statement to Members. It was reported that the annual review of Corporate Governance was considered to be good practice and was a means of enabling the Authority to monitor the achievement of its strategic objectives, in line with the systems, processes, culture and values of the organisation. Members were asked to note that the main changes to the report centred upon the issues in respect of finance/HMRC and progress made in this regard.

It was requested that the Committee recommend to the Fire Authority approval of the Statement of Assurance set out at Appendices 1 and 2 of the report, or signature by the Chair of the Authority and the Chief Fire Officer, leading to its inclusion in the Statement of Accounts.

In response to a query raised by a Member, Mr M Jones confirmed that the 2015/16 Statement of Accounts had not been concluded to date. It was reported that following constructive discussions and an exchange of correspondence between the Assistant Auditor General for Wales, Chair of the Fire Authority and the Chief Fire Officer, it was expected that the 2015/16 Statement of Accounts would be certified by the end of October, and would then be recommended for approval by the Fire Authority at its meeting on 11 December 2017.

In respect of the 2016/17 Statement of Accounts, Mr M Jones reported that the transactional testing would take place during November and December 2017, with the audit of accounts being undertaken in the new year (2018) prior to reporting back to the Fire Authority at its meeting on 5 February 2018. Mr M Jones informed the Committee that the timetable for the 2017/18 Statement of Accounts was expected to be realigned with other Local Government Bodies.

Reference was also made to the 2018/19 Statement of Accounts whereby it was reported that the timescales for Local Government Bodies would be brought forward. It was noted that the new auditing regulations would require the Authority to submit its accounts by 31 May annually, which was in comparison a month in advance of current timescales, and that accordingly the Wales Audit Office would be required to audit the accounts by 31 July annually, 2 months prior to current requirements.

The Interim Head of Finance / Section 151 Officer reported that the 2016/17 Statement of Accounts were available on the Service's website, in line with its statutory requirement to publish by the end of June, however a note had been appended to the document to clarify that they could not be signed by the Section 151 Officer until the Wales Audit Office had completed their audit of the 2015/16 accounts. In response to queries by a Member, Mr M Jones confirmed that sufficient staffing arrangements were in place within the Wales Audit Office, however continuity of staff appointed to an audit was of paramount importance to avoid duplication of work. It was further clarified by Mr Jones, that it had been the Wales Audit Office's preference for the Statement of Accounts to be closed within the 2016 calendar year, however the Fire Authority at that time had indicated that they would prefer all matters relating to the VAT issue to be resolved in the first instance.

In response to a request from a Member, the Interim Head of Finance / Section 151 Officer confirmed that the Committee would receive a full report on the audit of 2015/16 accounts at its next meeting, together with an update 2016/17 audit of the Statement of Accounts.

Following comments made by Mr M Jones, the Clerk / Monitoring Officer clarified that the constitution had been amended to state that approval of the Statement of Accounts, could, in appropriate circumstances, be delegated to the Performance, Audit and Scrutiny Committee. Members were assured that this facility would only be utilised in extenuating circumstances to provide the Authority a degree of flexibility in dealing with future statutory publication deadlines, and that in normal circumstances the approval would be by the Fire Authority.

RESOLUTION

It was RESOLVED that the Committee recommend to the Fire Authority the approval of the Statement of Assurance for signature by the Chair of the Authority and the Chief Fire Officer, for inclusion in the Statement of Accounts.

8 TO RECEIVE AND NOTE A REPORT ON THE INTERNAL AUDIT PLAN 2017-2020

Ms H Pugh from Carmarthenshire County Council presented Committee with the Internal Audit Plan for 2017-2020. It was reported that the number of audit days had been increased from 35 days to 93 days per annum providing more resources to ensure a robust and fit for purpose audit provision, incorporating a rolling programme over a 3-year period. Members were provided with an overview of the audit approach, timetable and reporting arrangements.

A discussion ensued on the costings, which amounted to £24k per annum and represented an increase of £16k per annum. It was noted that the additional expenditure would be funded following a review of the Service Level Agreement with Carmarthenshire County Council which had reduced some areas of expenditure.

A number of Members were, in general, supportive of the increased number of audit days which it was anticipated would provide the Authority with assurances in respect of its financial management processes and other systems.

In response to a query, the Corporate Head of Resources reported that the number of audit days required would be reviewed on conclusion of the 3-year programme in the light of the Authority's future requirements.

Councillors K Laurie-Parry and R Lewis joined the meeting at this point.

RESOLUTION

It was RESOLVED that the report be noted.

9 TO RECEIVE AND NOTE THE PERFORMANCE AND IMPROVEMENT PROGRESS REPORT – QUARTER 1 2017/18

The Deputy Chief Fire Officer (DCFO) presented the Performance and Improvement Progress Report – Quarter 1 2017/18.

Members were provided with an overview of progress made on Performance Indicators for the reporting period 1st April 2017 – 30 June 2017 in respect of the number of fire incidents attended, hoax calls received, road traffic collisions, flooding, medical response and fire deaths and injuries. The DCFO addressed a number of Member queries, as follows:

It was confirmed that the Service had robust processes in place for dealing with hoax calls and provided full assistance to the police during the course of their investigations in this regard.

Members were provided with an overview of what the DCFO considered to be the excellent proactive education and engagement initiatives in terms of road safety. The Committee was particularly pleased to note the Welsh Government Minister's intention to hold a Wales Road Safety Summit in 2017 to focus on the number of people killed and seriously injured on the roads of Wales and the Service would be leading on the behavioural change aspects of education and preventative measures. Reference was also made to the Service's fleet list whereby Members were delighted to note the Service's recycling scheme which donated motorbikes to third sector organisations, including St John's Ambulance and Blood Bikes Wales.

Attention was drawn to Appendix 1 of the report where it was noted that the 3% projected increase of all incidents could be attributed to the growing number of medical response calls attended. It was further reported that the projected decrease of 66% for flooding incidents compared with 2016/17 was reflective of the dry weather during winter and spring.

Members were reminded that Welsh Government had imposed upon the Authority with a statutory duty to respond to flooding and other water related incidents, and funding had been provided to refresh the Service's equipment assets in this regard. Reference was also made to the Emergency Financial Assistance Scheme (EFAS formerly known as the Bellwin scheme) which provided financial compensation to Fire Authorities for the exceptional costs incurred in incidents such as flooding. It was noted however that the eligibility criteria required Authorities to have spent more than 0.2% of their calculated annual revenue budgets on the emergency works.

In response to comments made by the Director of Operational Support and Improvement in terms of possible funding for preventative educational advice for water incidents, Councillor P James emphasised that responsibility for flooding prevention remained with the National Resources Wales.

Following comments made by Councillor T Van-Rees in light of recent flash flooding in Cornwall, the Committee was provided with an overview of the Service's strategically placed assets and robust procedures to deal with such incidents.

It was confirmed to Members that the Service positively contributed to the Welsh Ambulance Service Trust's targets and response times given that the Service was geographically placed to deliver medical response services on a cost-recovery basis. An overview of the Service's Category 1 and Category 2 medial response provision was also provided to the Committee and reference was made to the ongoing National pay negotiations of operational employees in terms of the enhanced role of a firefighter in recent years.

In response to a query, the Deputy Chief Fire Officer agreed to provide Members with a summary document listing the assets allocated to each Fire Station.

Members' attention was drawn to Part 2 of Appendix 1 of the report, whereby the Deputy Chief Fire Officer provided Committee with a synopsis of progress made against each of the Authority's 12 improvement objectives, together with an explanation of how each objective enabled the Service to meet its strategic priorities and contributed to meeting the requirements of the Wellbeing of Future Generations (Wales) Act 2015. Members were pleased to note that significant progress had been made within each improvement objective, all of which had been allocated a green status.

Councillor A Llewellyn departed the meeting at this point.

Committee Members were provided with a synopsis of the progress made against the Service's corporate projects for Safe, Well and Independent Living (SWAIL), Northern Workshops, Integrated Software Platform, On-Call, Breathing Apparatus and the Compact Appliance, as set out in Part 3 of Appendix 1 of the report.

A discussion ensued on data sharing protocols whereby the Committee was pleased to note that progress had been made in receiving valuable data from GP surgeries to assist the Service in identifying vulnerable citizens. It was acknowledged by Members that the establishment of Public Service Boards would

contribute to improving trust between key agencies for the sharing of data in a sensitive and proactive way.

RESOLUTION

It was RESOLVED that the Performance, Audit and Scrutiny Committee note the report and progress made to date.

10 TO RECEIVE AND NOTE THE BUSINESS RISK REGISTER UPDATE REPORT TO JUNE 2017

The Director of Operational Support and Improvement presented the Business Risk Update Report to June 2017 to the Committee.

Members were referred to the provisions of the Business Risk Register Overview set out at Appendix A, the Risk Assessment Matrix for Risk Register at appendix B, and given an overview of the Business Risk Register Decision Log set out at Appendix C and the eight identified risks set out therein.

A summary of the latest considerations by the Business Risk Management Group (BRMG) for each of the risks contained within the Business Risk Register Decision Log was given to Members. It was noted that 5 risks relating to Regulatory Body Compliance, Industrial Relations, Change/Risk Management, Business Continuity/Interruption and Procurement remained on the same amber status; 2 risks relating to Attendance Management and Road Risk had increased from green to amber status and one risk relating to security had increased from amber to red status.

Mr M Jones, Wales Audit Office, departed the meeting at this point.

RESOLUTION

It was RESOLVED that the Performance, Audit and Scrutiny Committee note the report and acknowledge the ongoing progress to both identify and manage matters of business risk affecting the Service.

11 To resolve, that pursuant to section 100A (4) of the Local Government Act 1972, that the press and public be excluded from the meeting for the reason, that if they were present, it is likely that there would be disclosure to them of exempt information within the description of Schedule 12A to the Local Government Act 1972, namely:

Paragraph 14: Information relating to the financial or business affairs of any particular person (including the Authority holding that information).

RESOLUTION

It was RESOLVED that the press and public be excluded from the meeting, and that it was in the public interest to do so.

12 TO RECEIVE AND NOTE A REPORT ON THE JOINT PUBLIC SERVICE CENTRE PROJECT (JPSCP)

The Corporate Head of Response presented a report to Members on the Joint Public Service Centre Project (JPSCP).

RESOLUTION

It was RESOLVED that the Performance, Audit and Scrutiny Committee note the progress of the project.

13 TO CONSIDER ANY OTHER ITEM OF BUSINESS THAT BY REASON OF SPECIAL CIRCUMSTANCES, THE CHAIR DECIDES SHOULD BE CONSIDERED AS A MATTER OF URGENCY PURSUANT TO SECTION 100(B)(4) OF THE LOCAL GOVERNMENT ACT 1972

There were no items of any other urgent business. The meeting closed at 12.35.