

**AWDURDOD TÂN AC ACHUB CANOLBARTH A GORLLEWIN
CYMRU**



MID AND WEST WALES FIRE AND RESCUE AUTHORITY

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

**DYDD LLUN, 30 GORFFENAF 2007
MONDAY, 30 JULY 2007**

**PENCADLYS Y GWASANAETH TÂN
HEOL LLWYN PISGWYDD, CAERFYRDDIN
FIRE SERVICE HEADQUARTERS,
LIME GROVE AVENUE, CARMARTHEN**

11.00AM – 12.30PM

PRESENOLDEB/ATTENDANCE

Presennol yn y Cyfarfod/Present at Meeting:

CADEIRYDD/CHAIRMAN: P James

IS-GADEIRYDD/VICE CHAIRMAN: C Waller

AELODAU/MEMBERS: Cyng/Cllrs: J J J Davies, D R James,
Mrs F M Jones, C Morgan,
J D A Thompson,

YMDDIHEURIADAU/APOLOGIES D C Prothero, Mrs P Spender

YN BRESENNOL /IN ATTENDANCE: R Smith, L Aitken, A Howells, S
Flather, J Maunder

1. PERSONAL MATTERS

The Chair welcomed Robert Powell, Bob Poulton and Hugh Thomas from the Wales Audit Office to the meeting. A welcome was also extended to Jacqueline Maunder, the new Corporate Services Manager.

2. DECLARATION BY MEMBERS OF ANY PERSONAL INTEREST

None were declared

3. TO RECEIVE AND CONSIDER THE MINUTES OF THE MEETING HELD ON 8th MAY 2007

The minutes of the meeting held on 8th May 2007 were received and approved as a true record.

4. TO RECEIVE A PRESENTATION BY THE WALES AUDIT OFFICE ON THE JOINT RISK ASSESSMENT

Members received a presentation by Rob Powell, Relationship Manager at the Wales Audit Office on the Joint Risk Assessment under the Wales Programme for Improvement (WPI). Mr Powell spoke of the key principles and key components of WPI Fire and of the intention to create a framework that would specifically:

- Address the needs of Fire and Rescue Services in Wales
- Facilitate comparison with England
- Reflect the content of the Assembly's National Framework for Wales

Mr Powell expressed his thanks to the Chief Fire Officer and Officers for their co-operation and involvement in forwarding the WPI, and it was noted that a review would take place in 2008.

Giving consideration to the key operational risks, Members were particularly aware of the communication difficulties associated with the delivery of operational policies to retained staff in order to ensure all received appropriate training.

The Deputy Chief Fire Officer reported that the partnership working with the Wales Audit Office was progressing well and had allowed the Authority to be involved with the WPI from its earliest stages

RESOLUTION

It was RESOLVED that

The presentation be received and noted

5. TO CONSIDER A REPORT ON THE DEVELOPMENT OF THE JOINT RISK ASSESSMENT UNDER THE WPI PROCESS

Committee were aware that in 2006, the National Assembly for Wales had commissioned the Wales Audit Office (WAO) to implement a revised audit review process for the Fire & Rescue Services in Wales known as the Wales Programme for Improvement (WPI-FRA). The final guidance had now been published and the Authority were following this framework for audit for the first time.

The Operational Assurance of Service delivery had been completed earlier in the year, leaving only the non-operational assessment and the WAO/FRA joint risk assessment (JRA) to complete.

The JRA had now been agreed and Members received a presentation on this by WAO before consideration by the full Authority.

Also attached to the report was a paper providing summary information on the Improvement Planning process and the detailed areas identified within the JRA.

RESOLUTION

It was RESOLVED that

- 1) Members note the attached paper and WAO Joint Risk assessment ahead of consideration by the full Fire Authority.*
- 2) Members note the areas which need to be addressed within the JRA and that appropriate Departmental heads commence work on these areas.*
- 3) Members note that the full WPI improvement plan would be published as a component of the final RRP on 31st October 2007.*

6 TO CONSIDER THE COMMITTEE TERMS OF REFERENCE

The Clerk reported that following detailed consideration by the Modernisation Working Group, the Authority at its meeting held on the 21st May 2007 had approved the new terms of reference of the Performance Review and Audit Committee which were attached for information.

Members were aware of the extended role of the Committee when compared to that of its predecessor, the Performance & Policy Review Committee, whose original terms of reference were framed primarily with a focus on both Best Value and Performance Management. With the development of the Wales Programme for Improvement and the increasing recognition of the role of an Audit Committee (or equivalent) as a critical component in the overall corporate governance process, the time had been considered opportune to review such terms of reference and to reflect the changing environment within which the Authority operates.

In approving the revised terms of reference a query had been raised by a

Member as to whether there should be a greater emphasis placed on issues of overview and scrutiny within such terms of reference. Members were aware that Overview and Scrutiny Committees were well established in unitary authorities to discharge functions conferred by Section 21 of the Local Government Act 2000 and that executive arrangements established by local authorities must include provision for the appointment of scrutiny committees.

On consideration of Committee Terms of Reference, it was noted that, overview and scrutiny played a significant role and accordingly, given the fact that the Authority does not operate under executive arrangements, it was considered that these roles covered the major areas of scrutiny required by the Authority when coupled with the audit, governance and performance management aspects of the Committee's role.

However Members were aware of the Joint Risk Assessment work being carried out by the Wales Audit Office reported earlier in the meeting and as part of ongoing discussions with the Wales Audit Office as to areas that could be covered as part of the "good practice work", it had been suggested that member engagement and scrutiny, linking in with other two Fire & Rescue Authorities in Wales, would be suitable future topic areas. Member engagement could be covered this year and scrutiny the following year. The timing of such a review would be opportune and would allow Committee time to develop its role under the new terms of reference.

The Clerk suggested that Committee establish a forward work programme for the forthcoming year which identified specific areas to be scrutinised at each meeting. This was currently being developed by Officers and would be reported on at the next meeting after consultation with the Chair and Vice Chair. Councillor C Morgan suggested that in view of the Committee's increased workload that meetings start at an earlier time in order to allow Members to give lengthier consideration to agenda items if required. The Clerk responded that a questionnaire would shortly be circulated to all Members asking for their views on the current timings of meetings.

RESOLUTION

It was RESOLVED that Committee:

- 1) receive the report and makes no amendment to the terms of reference at the present time***
- 2) agree that the Wales Audit Office looks at Member engagement and scrutiny as part of their future good practice work programme***
- 3) agree that a forward work programme of topics be established in respect of items considered suitable for scrutiny consideration***

7 TO CONSIDER THE WALES AUDIT OFFICE REGULATORY PLAN 2006/2007

The Director of Finance and Procurement reported that in order to discharge its

responsibilities for Audit and Inspection the Wales Audit Office (WAO) had produced a Regulatory Plan for the Authority. The plan laid out a programme of work to address significant operational and financial risks, and had been agreed by the Authority.

With reference to the Financial Accounts Audit, the second phase of the review of the implications was now being undertaken and the results would be reported to the Authority in due course.

RESOLUTION

It was RESOLVED that the report be received for information

8 TO RECEIVE A REPORT BY THE WALES AUDIT OFFICE – THE ACCOUNTS – INTERIM AUDIT REPORT 2007/2008

In order to discharge its responsibilities for Audit and Inspection the Wales Audit Office (WAO) carries out the Audit of the Accounts in two stages with the interim audit relating to consideration of the accounting systems and procedures adopted and making recommendations where necessary, to improve those procedures. The report concludes with an action plan which had been agreed by Officers in the Authority.

Mr Bob Poulton commented that the internal financial systems were reviewed annually and assured Committee that these were operating effectively and as he would expect.

Although it was noted there were a number of minor issues requiring further work, and that there had been issues relating to staff sickness, these had now been resolved and the Finance Department was operating effectively with no errors or areas of concern.

RESOLUTION

It was RESOLVED that the report be received for information

9 TO RECEIVE A REPORT ON THE PROPOSED CHANGE OF EXTERNAL AUDITORS FOR 2007/2008

The Welsh Audit Office (WAO) had proposed that for the 2007/08 accounts and onwards, KPMG LLP would be appointed as the Authority's External Auditor. Currently this work was carried out by WAO staff and a letter had been received from the WAO on 8 May formally consulting the Authority on this proposal. A response had been sent to the WAO on 11 June indicating that the Authority would prefer the audit to be carried out by WAO staff.

Copies of the correspondence between the Authority and the WAO, showing the arguments for and against the change were attached for Members information.

RESOLUTION

It was RESOLVED that the report be received for information and that

further representations be made by the Clerk on behalf of the Authority as to the timing of such change.

10 TO RECEIVE A REPORT ON THE STATEMENT OF INTERNAL CONTROL

The Director of Finance reported that in future, under Committee's new terms of reference, the Statement of Internal Control (SIC) would be considered by this Committee. Whilst the statement for 2006/07 had already been approved by the Authority, it was now presented in order that Members could appreciate its importance and relationship to other aspects of the Committee's work.

RESOLUTION

It was RESOLVED that the report be received and the new responsibilities of the Committee noted

11 TO CONSIDER THE INTERNAL AUDIT PLAN FOR 2007/08

Each year the Treasurer agrees an Internal Audit Plan with the Internal Audit provider to the Authority, Carmarthenshire County Council. In future this plan would need to be agreed and subsequently monitored by this Committee. A copy of last year's Internal Audit report was attached for Members' information.

RESOLUTION

It was RESOLVED that in future the Performance Review and Audit Committee approve the Internal Audit Plan

12 TO RECEIVE AND CONSIDER THE PERFORMANCE MANAGEMENT REPORT FOR THE REPORTING PERIOD APRIL 2007 TO JUNE 2007

Members gave consideration to the report on Best Value Performance Indicators which formed part of the Service's Performance Management reporting methodology:

Members' attention was drawn to the following areas:-

- Accidental dwelling fires (BV 142 ii & iii; 143i & ii and 208). These indicators reported accidental dwelling fire performance which continued to improve and had exceeded the challenging targets set. Members were pleased to note that this evidenced the success of Community Safety activities within these areas.
- The performance of false alarms caused by automatic fire detection apparatus (BV 149) had improved from the previous year and the indicator was currently on target. This evidenced the success of Command policies for targeting problem premises.

It was noted that deliberate secondary fires were currently significantly off target

with almost 1100 deliberate secondary fires having been attended in April alone.

The Deputy Chief Fire Officer reported that performance trends over the past few months were very pleasing and the Chair made particular reference to the successful number of challenges made by Control Staff to hoax calls and where no attendance was therefore required.

RESOLUTION

It was RESOLVED that the report be accepted

13 TO RECEIVE A REPORT ON THE STRATEGIC BUSINESS RISK UPDATE

Members gave consideration to documents in relation to the proposal to develop a Corporate Risk Management Framework for the Authority, namely

- A report on the development of a Corporate Risk Management framework for the Authority;
- Draft Corporate Risk Management policy;
- Draft Risk Management Working Group terms of reference

In order to support this proposal it was requested that a member of the Performance Review & Audit Committee be appointed to sit on the Corporate Risk Management Working Group.

RESOLUTION

It was RESOLVED that

- 1) The establishment of a Corporate Risk Management Working Group be approved***
- 2) The Chair of the Performance Review and Audit Committee be appointed to sit on the Corporate Risk Management Working Group***