

**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, REVIEW AND AUDIT COMMITTEE AT ITS NEXT MEETING ON  
26<sup>TH</sup> JULY 2010

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

**DYDD LLUN, 26 EBRILL 2010  
MONDAY, 26 APRIL 2010**

**PENCADLYS Y GWASANAETH TÂN  
HEOL LLWYN PISGWYDD, CAERFYRDDIN**

**FIRE SERVICE HEADQUARTERS,  
LIME GROVE AVENUE, CARMARTHEN**

**10.00AM – 12.30PM**

**70% PRESENOLDEB/ATTENDANCE**

Presennol yn y Cyfarfod/Present at Meeting:

IS-GADEIRYDD/VICE CHAIRMAN: J Dudley

IS-GADEIRYDD/VICE CHAIRMAN:

AELODAU/MEMBERS: Cyng/Cllrs: JJJ Davies, B Hynes, J  
Holmes, E Kirchner ,C Philpott, T Tudor

YMDDIHEURIADAU/APOLOGIES: P James, R Lewis, P Llewellyn

YN BRESENNOL /IN ATTENDANCE: E Aitken, A Howells, R Smith, P Coleman,  
D Masson, B Bassett, K M Jones, N  
Williams, H Thomas, M Thomas, G Lloyd,  
J Weston, P Cunningham

**1. DECLARATION BY MEMBERS OF ANY PERSONAL INTEREST**

The Clerk made reference to the Draft Guidance on the Code of Conduct from the Public Services Ombudsman whereby Members are required to declare membership of their own Constituent Authorities at the start of each meeting. Accordingly, all Members present declared that they were a member of their own Constituent Authority.

**2 CHAIR'S ANNOUNCEMENTS / PERSONAL MATTERS**

None were declared.

**3 TO RECEIVE AND CONSIDER THE MINUTES OF THE MEETING HELD ON 30<sup>th</sup> NOVEMBER 2009**

The minutes of the meeting held on 30<sup>th</sup> November 2009 were received and approved as a true record.

Matters Arising from the Minutes of the PRAC Meeting held on 30<sup>th</sup> November 2009

Councillor C Philpott made reference to Item 4, paragraph 5 of the minutes relating to Performance Management Skill Gaps. Concerns had been raised at the previous meeting that budget restrictions could leave the Service vulnerable and open to risk in terms of training delivery and Committee sought assurance that these issues had now been addressed. The Chief Fire Officer confirmed that as a result of the Authority's budget approval for 2010/11 additional resources had been allocated for Risk Critical Training.

Attention was drawn to item 6, paragraph 10 of the minutes whereby the time commitment and complexity of legal case preparation was highlighted to Members. Committee had suggested investigating the possibility of employing a Legal Officer that could be shared between all three Fire and Rescue Services and the Deputy Chief Fire Officer confirmed that this possibility was being explored by the Corporate Head of Community Risk Reduction.

In relation to this matter, the Clerk also referred to ongoing work relating to the provision of legal services that had been considered by the Resources committee at its meeting on 11<sup>th</sup> January 2010. Members were informed that a "Shared Legal Services" project was ongoing consisting of Unitary Authorities within South West Wales. The project team were exploring opportunities for the establishment of a virtual network of lawyers based in the constituent authorities which could provide legal services not only to the participating authorities but also other public bodies, including the Fire and Rescue Authority. Committee noted the advantages of such an arrangement and acknowledged that this alternative means of the provision of legal services should be considered by the Authority.

**4 TO RECEIVE A REPORT ON THE WELSH PERFORMANCE INDICATOR APRIL – DECEMBER 2009**

Committee gave consideration to Quarter 3 performance information for 2009/10 in relation to the Wales Performance Indicators which formed part of the Service's Performance Management reporting methodology.

It was reported that of the 14 corporate health indicators reported upon, 6 indicators

were currently off target. However, 4 of these showed an improvement on the previous year.

Councillor J Holmes drew attention to the percentage of operational staff who categorised themselves as having a disability. The Chief Fire Officer clarified that the term disability could cover a wide range of medical conditions that would not affect their ability to undertake operational duties.

A discussion ensued on recruitment whereby Members were informed that the Service had adopted the National Firefighter Selection Tests. This followed a structured and occupationally assessed set of assessments covering the Personal Qualities and Attributes associated with the role of a firefighter

Area Manager D Masson drew attention to the Service Delivery Indicators whereby 13 of the 33 indicators are currently off target. Members noted that it was extremely unfortunate to report 7 confirmed fire deaths in the reporting year to the end of December. It was noted that a comprehensive breakdown of all confirmed fire deaths for the reporting period would be provided at the next meeting.

Members noted that the policy of addressing unwanted fire signals was being standardised and shaped by CFOA guidance. The Service's Automatic Fire Alarm Reduction Strategy would be introduced in the near future, which should lead to a reduction in the number of Service responses in the next reporting year.

Reference was made to RRC/C/005 relating to smoke alarm ownership and actuation at incidents attended. Committee noted that this was being closely monitored for trend analysis to ascertain whether the variance from previous year's performance was a reporting issue linked to the new IRS system or actual non-operation of smoke alarms.

Following a question from Councillor C Philpott the Chief Fire Officer reported that the Effective Response Indicator relating to the 5 minute standard was flawed as it did not take into account a number of variables, including response at normal road speed to unwanted fire alarm signals and time spent off station on community safety work. It was noted that the standard needed to be compared against Service policy for response and the relatively small number of incidents included within the measure as this gave a skewed affect on the data. Members raised concerns that the anomalous indicator detracted from all the good work carried out by the Service.

Members were pleased to note that the Service's concerns in relation to the validity of the indicator had been acknowledged by the Welsh Assembly Government and a review of this Service Standard was ongoing, with each Fire and Rescue Service represented on the review panel. The Chief Fire Officer assured Members that the matter would be further discussed with the Minister, the outcomes of which would be reported to Committee at its next meeting.

## **RESOLUTION**

***It was RESOLVED that***

***The report be noted.***

## **5 TO RECEIVE A REPORT ON THE BUSINESS PERFORMANCE MANAGEMENT**

## **REPORT APRIL – DECEMBER 2009**

Area Manager Masson introduced the Business Performance Management Report April – December 2009, which reported on the third quarter performance for 2009/10. The report highlighted objectives in individual business plans that were currently off target.

Committee were provided with a brief overview of departmental and command performance and drew attention to the following areas:

Pembrokeshire County Command Effective and Empowered People: It was noted that the risk critical skills gap was primarily due to Standard Operating Procedures not being read.

Personal Performance and Development Reviews (PPDRs) were off target in a number of Commands. Committee raised concerns that this issue had been highlighted over a number of years and was an issue which should have seen greater improvement. Area Manager D Masson reported that staff changes may have contributed to some of this shortfall, however Commands were reporting general progress in this area.

Committee expressed the view that the Business Performance Management Reporting template needed to be further standardised with enhanced information provided in the report to identify specifically what progress was being made.

The Clerk duly informed Committee that the inconsistent information provided within different commands had been highlighted in the report emanating from the initial scrutiny exercises undertaken and the performance reporting template had been developed accordingly.

Officers acknowledged Members' concerns regarding the language used within the report and assured members that Committee would receive an enhanced Business Performance Report in the next performance cycle.

Members noted that work was currently underway to enhance the process of gathering and reporting skill gaps. It was anticipated that this revised approach would enable information to be gathered directly from the Service's Terian database, thereby improving the efficiency of the management system. Members identified that a review of Risk Critical Skill Gaps be recommended to the People and Organisational Development Committee.

### **RESOLUTION**

***It was RESOLVED that***

- 1. The report be received and noted.***
- 2. A review of Risk Critical Skill Gaps be recommended to the People and Organisational Development Committee.***
- 3. An enhanced Business Performance Report be developed for the next performance cycle.***

Area Manager Derek Masson introduced the Performance Reporting Cycle report which proposed to fully align the performance reporting cycle and streamline the various stages of information gathering, performance challenge and decision making to assure quality performance reporting.

Members were provided with a comprehensive breakdown of each key function and how each reporting element fell within each actual business quarter.

Committee were asked to be mindful that the reports would be presented up to three months after the reporting cycle, although the information contained therein would include accurate, quantified information, along with remedial action to address any shortfalls. The Clerk highlighted concerns in relation to the timescales being insufficient in respect of member engagement and ownership of the process but emphasised that the sentiments surrounding the proposed performance cycle were fully endorsed.

The updated performance cycle would ensure that key business managers had the opportunity to review and report upon Service performance and community outcomes and enable the Policy Board to maximise strategic ownership of performance with opportunity to provide the leadership and direction required. This, in turn, would provide the Performance, Review and Audit Committee with an enhanced quality report whilst reducing the total number meetings within a business year.

## **RESOLUTION**

***It was RESOLVED that***

***Members of the Performance, Review and Audit Committee approve the proposed performance reporting cycle.***

## **7 TO RECEIVE THE FIRE AUTHORITY SCRUTINY FRAMEWORK**

Area Manager Derek Masson informed Committee that given the enhanced external scrutiny requirements through the Operational Assessment and the Local Government Measure, opportunities now exist to review the scrutiny role carried out by the Fire Authority.

Members were provided with a proposed five year scrutiny framework which ran in parallel with the Fire Authority's 5-year strategy and other key Authority strategies as follows:

1. Reviewing the effectiveness of the Authority's Risk Reduction Plan.
2. Reviewing the progress and effectiveness of key Authority Strategies.
3. Conducting a thematic/functional review of the Service.
4. Carrying out on-site scrutiny of each service delivery area.

The five year framework would also provide opportunities for the Authority to scrutinise functions and themes within the Service based upon current issues/risks. Committee acknowledged that the enhanced approach to service delivery scrutiny would enable Members to witness first hand the real challenges faced by staff whilst having the opportunity to witness real community benefits.

Committee noted that ICT would be the first functional review in January 2011 and this

would include a review of progress on implementing the recommendations of the Wales Audit Office report into Information Security.

It was recommended that the numbers of the Member Scrutiny team be increased through the inclusion of 3 Members from both the People and Organisational Development Committee and the Resources Committee in order to enhance Member engagement and gain a wider pool of resources to undertake the function.

It was noted that Scrutiny training had been arranged for Members on conclusion of the Fire Authority meeting scheduled for 28<sup>th</sup> June 2010. Members were asked to update their diaries accordingly.

Councillor J Holmes expressed the view that the training provision for retained staff needed to be upgraded given that the success of the Service's risk reduction strategies had resulted in staff not having as much practical experience.

Area Manager Derek Masson reported that work was being progressed to provide additional training capacity and support to Retained staff as the safety of personnel was of paramount importance to the Service. Committee were further informed that a Service Review Programme was ongoing which would also consider this aspect.

The Chief Fire Officer emphasised that the Service would continue with its proactive prevention strategies to reduce the number of incidents within Mid and West Wales, however given the nature of a firefighter's role, all operational staff are trained to deal with emergency situations in the safest way possible.

Councillor T Tudor queried whether Members were permitted to visit fire stations on an ad hoc basis without the presence of managers to allow staff to openly raise any concerns or issues with Members. The Chief Fire Officer clarified that all Members should be accompanied by managers in order to oversee the proceedings and deal with any queries. To alleviate Member concerns it was noted that a number of avenues were already in place to obtain staff views such as cultural audit surveys to ascertain staff morale and Engagement Champions. Following a request from Councillor T Tudor Officers agreed to investigate the possibility of breaking down future survey results by Commands in order to identify issues within different areas. Members were further informed that future survey results would, as is normal practice, be reported to the People and Organisational Development Committee.

Committee noted that it would still be beneficial for Members to visit their local stations via County Commanders and using existing protocols, as a means of communicating with members of staff. This would be outside the proposed Scrutiny Framework.

## **RESOLUTION**

### ***It was RESOLVED***

- 1. That the Performance, Review and Audit Committee recommend that the Fire Authority approve the revised Scrutiny five year framework and commence implementation in July 2010.***
- 2. That the numbers of the Member Scrutiny team be increased through the inclusion of 3 Members from both the People and Organisational***

***Development Committee and the Resources Committee, and the Constitution amended accordingly.***

- 3. That Scrutiny Training be provided to Members on conclusion of the Fire Authority meeting scheduled for 28<sup>th</sup> June 2010.***
- 4. That Officers investigate the possibility of breaking down the results of future staff surveys by Command level.***
- 5. That members continue to be able to visit local fire stations on an ad hoc basis via existing protocols.***

## **8 TO RECEIVE A REPORT ON THE BUSINESS CONTINUITY MANAGEMENT AND SWANSEA COUNTY COMMAND SCRUTINY EXERCISES**

Group Manager Karen Jones reported that the scrutiny exercise of the Service's Business Continuity Management was undertaken on the 16<sup>th</sup> November 2009.

Members concluded that it was clear that resources were focused in specific areas of need and were satisfied that all scrutiny focus areas had been addressed. The following recommendations were made:

- Complete the outstanding Strategic Plans;
- Continue to review current plans and provide 'Best Practice' solutions;
- Ensure site sharing agreements are in place for all secondary sites;
- Exercise strategies and local service delivery plans;
- Maintain links with local resilience forums;
- Attend multi-agency exercises.

The Director of Resources drew Members attention to the internal Audit of Business Continuity Management that had also been undertaken as part of the Annual Governance Statement Review for 2009/10. The review concluded that the arrangements in place provided assurance that the organisation could manage its critical and essential services to maintain a satisfactory level of service delivery during major disruptions and emergencies.

The scrutiny exercise of Swansea County Command was undertaken on the 18<sup>th</sup> January 2010. The exercise focussed upon Community Risk Reduction, building Effective Partnerships, Operational Effectiveness, Home Fire Safety Checks and Allocation of Resources to Priority.

The following recommendations were made:

- Investigate setting up a Young Fire Fighter Unit at Swansea West Fire Station.
- Progress funding applications with Community Safety Partnerships
- Support the implementation of a Service policy on Unwanted Fire Signals
- Undertake a review of the Home Fire Safety Check process
- Streamline Fire Safety inspecting processes

The Clerk informed Members that an Actions Database had been implemented as a means of tracking the actions emanating from the scrutiny exercises and updates would be incorporated into future reports. Additionally, the recommendations should be

considered as part of the Command/Department planning process.

### **RESOLUTION**

***It was RESOLVED***

***that the report be received for information.***

### **9 TO RECEIVE A REPORT ON THE CUSTOMER FEEDBACK ANALYSIS 1<sup>ST</sup> OCTOBER 2009 – 31<sup>ST</sup> MARCH 2010**

Consideration was given to the 6 monthly update on complaints and compliments received during the period 1<sup>st</sup> October 2009 to 31<sup>st</sup> March 2010.

A total of 16 complaints were received one of which was upheld and 3 ongoing. Members were informed that 42 compliments had been received which covered a wide range of activities undertaken by the Service.

The previous 6 month reporting period April – September 2009 reported 14 complaints and 49 compliments. Members noted that the standard of complaint acknowledgement and investigation performance remained generally good.

### **RESOLUTION**

***It was RESOLVED that***

***The report be noted.***

### **10 TO RECEIVE THE INTERNAL AUDIT REPORT ON THE MID AND WEST WALES FIRE AND RESCUE SERVICE CORPORATE GOVERNANCE**

The Chair welcomed Hugh Thomas from Carmarthenshire County Council to the meeting who presented the Annual Governance Statement Review 2009/10. Members noted that the objective of the audit was to review the effectiveness of a sample of processes and procedures supporting the Authority's Code of Corporate Governance. The areas reviewed – governance, payroll, creditors and debtors - had been agreed initially with the Director of Resources and were then ratified by PRAC.

This year, testing was undertaken on the following Principles:-

1. Maintenance and regular testing of service business continuity plans based on a risk assessment of threats to the Authority;
2. Operation of a partnership risk management process to evaluate all significant partnerships prior to inception;
3. Publish and operate a risk management policy & strategy;
4. Regularly report to "PRAC" on the current status of strategic and business risks;
5. Financial Procedure Rules.

Members were aware that the processes and procedures within the principles reviewed were critical in ensuring a robust Governance environment. Mr Thomas was pleased to note that the Authority had already established or were in the process of finalising procedures to ensure these principles were in place and operating effectively, thus ensuring the interests of MAWWFRS were safeguarded.

The 2008/09 Internal Audit Report on the Code of Corporate Governance identified areas for improvement. The recommendations in that report relating to the Principles above were reviewed and had been or are in the process of being implemented. Limited testing was undertaken of Partnership working as the policy had only just been approved, as a consequence this would now be included in the 2010/11 Internal Audit programme.

Members were pleased to note the positive outcome of the report and extended their gratitude to the Internal Auditors.

## **RESOLUTION**

*It was RESOLVED that*

*The report be received and noted.*

### **11 TO RECEIVE THE INTERNAL AUDIT REPORT ON THE MID AND WEST WALES PAYROLL REVIEW**

Mr Hugh Thomas introduced the internal review of the systems and controls of the Payroll function which formed part of the Audit Plan for 2009/10 previously agreed by Committee.

The objectives of the review was to ensure that salaries and related expenditure were incurred only in respect of staff employed in authorized posts and that payments were accurately processed and recorded in the accounting system. The audit also sought to ensure that previous recommendations detailed in last year's Audit Action Plan had been implemented.

It was reported that the systems and procedures linked to Payroll were considered to be of high risk to the Service, given the number and value of transactions processed annually.

Members were pleased to note that the majority of the recommendations emanating from the 2008-09 Internal Audit Report had been actioned, however the issue regarding Service Standing reference data including permanent allowances needed to be addressed.

Members discussed the recommendations detailed within the Action Plan, the adoption of which would further strengthen existing controls. The review concluded that the systems in operation were found to be robust and there were no fundamental areas of concern identified by the review.

## **RESOLUTION**

*It was RESOLVED that*

*The report be received and noted.*

### **12 TO RECEIVE THE INTERNAL AUDIT REPORT ON THE MID AND WEST WALES CREDITORS REVIEW**

Mr Hugh Thomas introduced the internal review of the systems and controls of the Creditors function which formed part of the Audit Plan for 2009/10 previously agreed by Committee.

The objectives of the review were to ensure that payments were made to the correct creditors, paid only when due, paid accurately and were properly controlled so as to limit the potential for abuse and were completely and accurately recorded in the accounting records.

It was reported that the total number of invoices processed throughout the Creditor system for 2008/09 was considered to be a fundamental accounting system and potentially high risk due to volume and value.

Members were aware that Carmarthenshire County Council provided the Creditor function "Agresso" under a Service Level Agreement. The system controls linked to this system were audited annually in accordance with Carmarthenshire County Council's Audit Plan and any issues were referred for review to the Director of Resources.

It was acknowledged that both organisations had been working closely together in readiness of the implementation of Agresso 5.5. However since the implementation various issues had arisen with workflows patterns, VAT, relationships links, carriage costs, and inconsistencies with acceptable tolerance levels; all of which had contributed to unnecessary delays when processing payments.

Overall, the review concluded that the operational systems were found to be robust and there were no fundamental areas of concern identified by the review.

A discussion ensued on the small number of recommendations detailed within the Action Plan, the adoption of which would strengthen existing controls.

Following a question from Councillor C Philpott Committee were informed that a fairly robust system was in place to prevent duplicate payments to be made. It was noted that manual intervention could lead to disciplinary action.

## **RESOLUTION**

***It was RESOLVED that***

- 1. The report be received and noted.***

### **13 TO RECEIVE THE INTERNAL AUDIT REPORT ON THE MID AND WEST WALES DEBTORS REVIEW**

Mr Hugh Thomas presented the internal review of the systems and controls of the Debtors function which formed part of the Audit Plan for 2009/10 previously agreed by Committee.

The review sought to provide assurance that the Authority had established policies and procedures in order that all credit income was collected in full and accurately recorded in the financial management systems.

The internal audit noted that the systems linked to the debtors function were considered

to be of medium risk to the Service, given the current systems in place and the value of transactions completed annually.

It was reported that as a result of the implementation of Agresso 5.5 unforeseen problems had arisen, which prevented some functions working effectively within the debtors process. Mr Thomas emphasised that both Authorities were actively working together to resolve these issues, however, due to the disruption it was noted that it may be appropriate for there to be reduction in service fee under the Service Level Agreement. Members were informed that the new Agresso 5.5 procurement system was being piloted for Carmarthenshire County Council and therefore Members could be assured that the Service's financial system was in the forefront of good practice.

The Director of Resources reported that Debt Recovery was an All Wales issue that was being investigated. .

Overall it was reported that procedures were found to be satisfactory with documented processes in place to cover its main function, however it was noted that these could be expanded to include debt collection, underpinned by the formalisation of a recovery policy.

Recommendations, together with an action plan and target dates were detailed for members' attention. Committee agreed that implementation of these recommendations would strengthen existing controls. The internal auditors congratulated staff members within the Finance department on receiving such positive audit reports and concluded that members had been provided with the assurance sought.

The Director of Resources extended her gratitude to the internal auditors and all members of staff within the finance department for all their hard work.

## **RESOLUTION**

*It was RESOLVED that*

*The report be noted.*

### **14 TO RECEIVE A PRESENTATION ON THE LOCAL GOVERNMENT MEASURE AND VERBAL FEEDBACK ON THE WALES AUDIT OFFICE CORPORATE ASSESSMENT**

Members were provided with an overview of the Local Government Measure which comprised of two parts – service improvement and community planning.

Mr John Weston, Wales Audit Office, reported that the measure would place a requirement on the Auditor General for Wales (AGW) to audit whether an authority had discharged its duties, undertake an improvement assessment, issue an audit and assessment report and publish an Annual Improvement Plan. It was further noted that Special Inspections would be carried out as a result of the assessments if deemed appropriate.

The principles of the Local Government Measure were discussed and it was reported that this would provide Members with an opportunity to review and ensure key links with community planning partners, effective collaboration with partners and a citizen focused approach to setting improvement objectives. Furthermore it would enable Members to

review the allocation of funding to support the achievement of improvement objectives, ensure scrutiny and monitoring arrangements were in place to implement improvement objectives or take corrective action and revise the Authority's approach. Members also noted that the Authority would be required to publish a report on its achievement for members of the public.

Members noted the draft timetable for implementation of the Measure and looked forward to receiving the interim corporate assessment report in May 2010.

## **RESOLUTION**

*It was RESOLVED that*

*The report be received and noted.*

### **15 TO RECEIVE THE WALES AUDIT OFFICE REPORT ON THE REGULATORY PLAN FOR PERFORMANCE AUDIT NOVEMBER 2009 – MARCH 2011**

Committee gave consideration to the Regulatory Programme for Performance Audit November 2009 to March 2011. The report provided an overview of the work to be carried out by the Wales Audit Office within the Authority in respect of delivering the Measure and undertaking the required Audits. It was noted that from April 2011 onwards, performance audit work would be aligned to the financial year.

The annual Improvement Assessment would comprise a Corporate Assessment, reviewing the arrangements to secure continuous improvement, and a Performance Assessment which would be a retrospective review of performance, tracing improvement over time.

Committee noted that the proposed fee for performance and audit work during November 2009 and March 2011 would be £40,991 (plus VAT).

## **RESOLUTION**

*It was RESOLVED that*

*That the report be noted.*

### **16 TO RECEIVE THE KPMG'S FINANCIAL AUDIT STRATEGY 2009-10**

Mr Gilbert Lloyd introduced the Financial Audit Strategy which had been prepared to meet the requirements of the auditing standards and proper audit practices. The report outlined the work undertaken by the Appointed Auditor at Mid and West Wales Fire Authority under the Public Audit Act 2004.

Members drew attention to the Auditor's identified risks and proposed actions in relation to the accuracy and reliability of the financial statements. Risks were identified in terms of Control Environment, Financial Systems, Preparation of the Accounts and Financial Statements.

The Director of Resources made reference to the Combination Order, which was amended in December 2009 to enable Fire Authorities to hold reserves and to provide a degree of flexibility in terms of forward planning. Members were pleased to note that

the Wales Audit Office would be reviewing the accounting in relation to reserves and the supplementary contribution requests made to ensure this was appropriate.

It was noted that the 2009/10 financial audit fee represented a 1.7% increase on the equivalent element of Appointed Auditor's responsibilities as part of the 2008/09 fee.

Attention was drawn to appendix 2 of the report, detailing the key elements of the audit engagement at the Authority whereby it was confirmed that there were no known threats to the Independence of the Appointed Auditor or other audit staff.

Councillor C Philpott congratulated the Wales Audit Office for producing a comprehensive and clear report which provided transparency for the public.

## **RESOLUTION**

*It was RESOLVED that*

*The report be noted.*

### **17 TO RECEIVE THE WALES AUDIT OFFICE REPORT ON THE INFORMATION SECURITY REVIEW**

Mr Nigel Williams, Head of ICT, introduced the Information Security Review report, noting that organisations were becoming increasingly aware of the value of the information held and the need to deliver a high level of security to IT systems and paper records. A number of recent high profile losses of data had increased public interest and highlighted the responsibility placed upon organisation.

In Wales, information security best practice continued to be promoted by the LGA and Welsh Assembly within its preferred mechanism for sharing personal information between public bodies, namely the Wales Accord on the Sharing of Personal Information (WASPI). The three Fire and Rescue Services in Wales are encouraged to adopt WASPI under the guidance given in the current Wales Fire Service Framework.

Members were informed that in recognition of the importance of adopting information security best practice and complying with any related legislation, a review of prevailing information safeguards within the Service had been sanctioned.

Mr P Cunningham, Wales Audit Office, was welcomed to the meeting to present the findings of the review. He reported that the public was entitled to expect that the organisation would protect privacy and use and handle information professionally. Information security controls were therefore necessary to protect the availability, integrity and confidentiality of the organisation's information and to safeguard itself from the risks of legal damage and damage to operations and reputation.

Reference was made to the International Standards Organisation (ISO) 27000 series relating to Information Security Management Systems (ISMS). It was noted that this standard established a clear set of controls, within a management framework, that organisations could use as an objective benchmark against which to evaluate organisational readiness.

Mr P Cunningham concluded that the Authority already had a range of controls in place to protect its IT and information assets. Whilst compliance with good practice in many

control areas had been identified, there were weaknesses which could pose a security risk. The Wales Audit Office had identified a number of areas where controls could be improved to align to the ISO 27000 security management standard: these included updating the information security policy for the standard; strengthening the IT security governance and monitoring arrangements; formalising asset classification; and improving information security related staff training.

The Head of ICT reported that a member of staff would be seconded for a 12 month period to address the recommendations outlined within the review. Members were further informed that a review of the ICT function would be undertaken in the summer, with a Member scrutiny exercise scheduled for January 2011.

Councillor C Philpott commended the Auditors for producing a comprehensive report and extended her gratitude to all members of staff who had contributed to the review.

#### **RESOLUTION**

*It was RESOLVED that*

*The report be received and noted.*

#### **18 TO RECEIVE KPMG'S SMARTER WAYS OF WORKING AUDIT ON STAFF AND MEMBERS' EXPENSES AND BENEFITS**

Mr G Lloyd reported that the staff and members' expenses review had been undertaken at the request of senior management under the 'Smarter Ways of Working' initiative which was delivered within the terms of reference for good practice work under the Wales Audit Office regulatory plan. The objective of the review was to determine whether there were adequate arrangements in place within the Authority to effectively process and control its payments of expenses and benefits.

The review noted that the overall control environment in the area of expenses and benefits was strong. It was highlighted that the procedures at Mid and West Wales Fire was in line with other fire and Rescue Authorities and compared favourably with other public and private sector bodies.

Five areas of further improvement and strengthening of processes were detailed for Members' attention together with a timetable for required actions and timescales for completion.

The Chair reported that it was pleasing to receive such a positive report given the national publicity surrounding expenses.

#### **RESOLUTION**

*It was RESOLVED*

*That the report be noted.*

#### **19 TO RECEIVE A REPORT ON THE CODE OF CORPORATE GOVERNANCE AND TO APPROVE THE ASSURANCE STATEMENT**

In April 2008 the Authority approved and adopted a Code of Corporate Governance, which was a public statement of its commitment to upholding the principles of openness

and inclusivity, integrity and accountability.

The Director of Resources drew attention to the Statement of Assurance which was a culmination of all the work undertaken by the organisation during the financial year 2009/10.

The Authority had adopted the Code of Governance as a matter of good practice in readiness for what will be a statutory requirement in the 2010/11 Accounts. Accordingly the Annual governance Statement would be included in the Statement of Accounts for 2009/10.

A review of the management and reporting arrangements allowed for both the Clerk to the Fire Authority and Director of Resources to give assurance that its approach to Corporate Governance was both adequate and effective in practice. The governance arrangements for the financial year 2009/10 had not highlighted any areas of major concern, therefore members were assured that existing arrangements were fit for purpose and adequate to meet the Authority's corporate aims. It was further reported that the issues highlighted in the Action Plan were being dealt with by appropriate officers and progress would be monitored via the Policy Board and the Performance, Review and Audit Committee.

## **RESOLUTION**

*It was RESOLVED that*

*Committee approve the Statement of Assurance for signature by the Chairman of the Authority and the Chief Fire Officer, for inclusion in the Statement of Accounts.*