

**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, 7 EBRILL 2008**

**MONDAY, 7 APRIL 2008**

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

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

**11.00AM – 12.25PM**

**PRESENOLDEB/ATTENDANCE**

Presennol yn y Cyfarfod/Present at Meeting:

IS-GADEIRYDD/VICE CHAIRMAN: C Waller

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

YMDDIHEURIADAU/APOLOGIES P James,

YN BRESENNOL /IN ATTENDANCE: R Smith, L Aitken, A Howells, P Bailey,  
P Bates, R Rees, H Thomas,  
J Maunder

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

None were declared

**2. TO RECEIVE AND CONSIDER THE MINUTES OF THE MEETING HELD ON 18<sup>th</sup> FEBRUARY 2008**

The minutes of the meeting held on 18<sup>th</sup> February 2008 were received and approved as a true record.

**3. TO RECEIVE THE INTERNAL AUDIT REPORTS ON THE PROCUREMENT REVIEW 2007/08**

Mr Huw Thomas from Carmarthenshire County Council's Internal Audit Department presented the Internal Audit Report on the review of Procurement 2007/08. He reported that the Authority should continue to ensure that the policies and procedures linked to procurement were robust, particularly with the increased budget pressures and the need to ensure value for money.

The Wales Audit Office report "Review of procedures for the procurement of goods and services – 2006" had identified a number of areas for improvement and although the Authority had taken these recommendations on board, there were still some areas that had yet to be fully addressed. In particular, the Authority Procurement Policy was still in draft format. It was noted, however, that this reflected the ongoing review nationally of procurement and the collaborative and proactive work to which staff within the Authority were currently contributing in particular, the Welsh National Fire and Rescue Strategy.

The Authority had established a Strategic Procurement Group with clear Terms of Reference, which reported to the Policy Board and would ensure that there was a corporate approach to procurement, which was one of the recommendations made by Wales Audit Office.

Areas which required improvement included the need to ensure all staff complied with the procurement conditions within Contract Standing Orders and a review was required of the current tender limits and the associated conditions within Contract Standing Orders. It had been accepted that Managers were responsible for procurement within their own areas of responsibility and that the Authority had established Corporate Procedure Rules relating to Contract Standing Orders. Compliance testing of these Rules had been undertaken in three procurement areas within the Authority of IT, Property and Transport and also centrally within the Corporate Services and Procurement Sections.

The results of the testing confirmed that the departments tested did not always comply with standing orders and documentation was not always available to support the actions undertaken. This could potentially put the Authority under risk of challenge from an unsuccessful tenderer or being unable to evidence that value for money had been obtained.

Full details of the contracts reviewed had been discussed with the Director of Finance and Procurement and it was noted that the contract within the Transport Department had caused particular concern and related to the purchase of appliances (TVAC).

The Contract Standing Orders detailed an exemption process, but this was not always complied with and there was no evidence of monitoring to ensure compliance.

It was noted that since the Audit review had been initiated that there had been three versions of the contract register made available for Audit. Mr Thomas emphasised that it was important that the Contracts register was updated periodically rather than as a consequence of an Audit review. He suggested that it would be appropriate to reaffirm the procedures with Managers to ensure the completeness and accuracy of the contracts register. This would facilitate the budget process, ensure business continuity and allow the development of a corporate procurement plan.

It was noted that the approved list of contractors maintained by the Property Services Department had not been reviewed. This issue had been raised by Wales Audit Office in their report. The Property Manager confirmed that this procurement area was likely to be reviewed and re-tendered in the near future.

The Director of Finance and Procurement had responsibility for procurement policy within the Authority, and the Procurement Manager responsibility for corporate procurement/disposal and contract management. The Audit testing indicated that it would be prudent to reaffirm roles and responsibilities with the various Departments to ensure that managers complied with the Financial Procedure Rules and Contract Standing Orders established by the Authority.

Members expressed grave concern at the number of areas identified where the Authority was not compliant with Standing Orders or was following the correct procedures and called for training in these procedures for all relevant Managers.

The Director of Finance indicated that she welcomed the report as it highlighted the areas that required improvement although believed the problems highlighted should be balanced by the two positive Internal Audit reports which had been presented to the last meeting which together gave a rounder picture of the whole procurement process. Mrs Aitken continued that the Authority did have properly qualified Procurement staff and were leading the way by developing the National Procurement Strategy for Wales with the CFOA Wales Procurement Group and Value Wales.

Improvements had been made over the past two years and a Strategic Procurement Group had been established which would make for a more cohesive approach to Procurement. Membership of this group would include both the Chair and Vice Chair of the Resources Committee. The Director of Finance and Procurement stated that the priority for this group would be the training of managers in compliance issues and that the group would also be a focus for managers in a number of other Procurement areas.

A report had been approved at the last Resources Committee which had highlighted that because the Authority's Procurement Strategy must sit within the recently developed Draft Welsh Fire Service Procurement Strategy (currently out for consultation), there had been a delay in finalising revised 'Contract Standing Orders' for the Authority, which was part of that work. The existing tender limits within the Authority's 'Contract Standing Orders' had been found to be extremely restrictive in practical terms and were now out of line with current thinking. Pending the revision of these Orders, Members had been asked to approve the increases to tendering limits. This would be submitted to the Fire Authority meeting on 21<sup>st</sup> April for final approval. The raising of these limits would help managers with compliance.

In response to a query from Members, the Clerk clarified the Tender opening process and confirmed that he, or an officer delegated by him, oversaw the opening of all tenders which were recorded in the Authority's Tender Register. This had not been highlighted as an issue within the Audit report.

The Clerk further commented that robust mechanisms were required to ensure that Managers were fully complying with Standing Orders and that they received adequate training.

## **RESOLUTION**

***It was RESOLVED that***

- i) All managers receive adequate training to ensure compliance with the Authority's Standing Orders in regard to procurement and which should be arranged at the earliest opportunity.***
- ii) The membership of the Strategic Review Procurement Group to include a Member of the PRAC***
- iii) The Group to report back to both Resources and PRAC***

## **4. TO RECEIVE CORRESPONDENCE FROM THE EXTERNAL AUDITORS**

The Chair reported that although the Authority's External Auditors from KPMG had requested that correspondence relating to the introduction of International Financial Reporting Standards (IFRS) into the Public Sector be placed on the Agenda for this meeting, they had subsequently been unable to be present.

As this was the third occasion that the external Auditors had been unable to be present at an Authority meeting, Members requested that the Clerk note their concerns to the Auditors in writing.

## **RESOLUTION**

***It was RESOLVED that***

- i) The agenda item on the introduction of IFRS into the Public Sector be discussed at a future meeting***

- ii) ***The Clerk write to the External Auditors expressing concerns that they do not attend the Authority meetings on a regular basis.***

**5. TO CONSIDER THE BVI PERFORMANCE MANAGEMENT REPORT 1<sup>ST</sup> APRIL 2007 – 31<sup>ST</sup> MARCH 2008**

Consideration was given to the provisional reports on Best Value Performance Indicators which formed part of the Service's Performance Management reporting methodology. It was noted that the data contained within the report was provisional due to the early timescales of the PRAC meeting but would be finalised for the first meeting of the Group in the new financial year.

Members were pleased to note that the report showed many areas of good improvement and attention was drawn to the following areas:-

- **Accidental dwelling fires**

- (BVPI 143 i – Fatalities) – The Indicator was off target due to the high dwelling fire activity recorded which had resulted in 6 fatalities.

- (BVPI 142 iii – Accidental fires in dwellings and 143ii - injuries arising from accidental fires ) – The Indicators were off target but showed an improvement in performance compared to the previous year.

The Service was continuing to focus in this area of activity and intended to increase the number of HFSC's in 2008/09 in an effort to meet the stretching targets set.

- **False alarms caused by automatic fire detection apparatus**

- (BVPI 149 I, ii). Performance against these challenging targets had improved on the previous year although the outcome was just off target. This highlighted the success of Commands in targeting problem premises

- **Deliberate secondary fires**

- (BVPI 206 iii) Following an exceptionally busy period in the number of incidents had reduced dramatically and this indicator was now just off target and showed an improvement on last years performance.

**RESOLUTION**

***It was RESOLVED that***

***The BVI Performance Management report be received and noted.***

**6. TO RECEIVE THE BUSINESS PERFORMANCE MANAGEMENT REPORT APRIL 2007 – MARCH 2008**

The provisional Performance Management Report highlighting the objectives in individual business plans that were currently off target were presented to

Members.

The information within the report was provisional due to the early timescale of the PRAC meeting but a full report would be finalised for the first meeting of the Committee in 2008/09.

Guidance was provided on reporting procedures and the future alignment of business plan objectives with the performance information provided in CorVu.

## **RESOLUTION**

*It was RESOLVED that*

*The report be received and noted*

### **7. TO RECEIVE A REPORT ON FIRE AND RESCUE SERVICE OPERATIONAL STATISTICS FOR WALES 2006-07**

The Welsh Assembly Government statistical release SDR 24/2008 covered statistics relating to operational issues affecting Fire and Rescue Services in Wales for the financial year 2006-07 and previous years. The issues highlighted in the release were

- Fire and Rescue Service personnel
- Equality and diversity
- Health and safety
- Operational activities

## **RESOLUTION**

*It was RESOLVED that*

*The report be received and noted*

### **8. TO RECEIVE THE RISK ASSESSMENT TEMPLATE 07/08 PROGRESS UPDATE**

At the end of the Wales Programme for Improvement for Fire and Rescue Authorities process, the Wales Audit Office had provided the Service with a Risk Assessment Template which was a summary of the main risks the Service faced. Key stakeholders had been presented with this template on 31<sup>st</sup> October 2007 and tasked with making improvements. A table which summarised progress against the template was attached for Members' attention. It was noted that this document had been revised at members request to a more user friendly and readable format.

## **RESOLUTION**

***It was RESOLVED that***

***The report be received and noted***

**9. TO RECEIVE THE FORWARD WORK PLAN – SCRUTINY TOPIC AREA**

The Committee had previously approved for 2007/08 topics for consideration as part of their scrutiny remit. Having concluded a review of departmental business plans, the next topic area for consideration would be Information and Communication Technology (ICT).

The Clerk reported that in discussion with the ICT Manager it had become apparent that this was a large topic area and it would be beneficial to run an initial training session for all members of PRAC on the department generally looking at structures, budgets, policies, administrative and operational systems in order that members would have an overall understanding of the topic area. Subsequently Committee members would then split into two task & finish groups looking at specific areas such as administrative systems like telephony and operational systems like mobilising systems.

Having consulted with the Chair of Committee it was felt that the task and finish groups would be unable to complete their work on this topic area prior to the last Authority meeting on the 21<sup>st</sup> April, because of both the availability of members in that period and the fact that at least three meetings of the task and finish groups would need to be convened. Whilst it would have been possible to run the initial training session in the current cycle, it was recognised that this would have to be re-run post the election given that there will undoubtedly be new members serving on the committee post the annual general meeting. For these reasons it is suggested that the Committee defers the scrutiny of ICT until after the May elections.

The Clerk also reported that in order to avoid duplication one of the efficiency groups established by Resources Committee had requested that the task and finish group should also specifically look at efficiencies that could be achieved under this head

**RESOLUTION**

***It was RESOLVED that***

***Committee approve the methodology outlined in the report for the scrutiny of ICT together with the additional requirement of identifying deliverable efficiency gains.***

**10. TO RECEIVE THE COMPLAINTS ANALYSIS: SEPTEMBER 2007 – MARCH 2008**

A report was received on the 6 monthly update on complaints and compliments received from the period 1<sup>st</sup> October 2007 to 31<sup>st</sup> March 2008.

A total of 15 complaints had been received of which 2 were anonymous and were therefore not officially monitored and 45 compliments.

Members were informed that the customer feedback monitoring software had been successfully upgraded and had improved efficiency in dealing with the feedback received.

## **RESOLUTION**

*It was RESOLVED that*

*The report be received and noted and Members congratulate the Service on the number of compliments received.*

## **11. TO RECEIVE THE BUSINESS RISK MANAGEMENT GROUP UPDATE**

It was noted that the Service was progressing with the establishment of a Business Risk Register which would identify aspects and impacts of Strategic, Operational and Financial Risks to the organisation.

It was noted that the Chair of the PRAC Committee sat on the Business Risk Management Group and that regular reports on progress would be submitted to Members.

## **RESOLUTION**

*It was RESOLVED that*

*The report be received and noted*