

SOUTH WALES FIRE & RESCUE AUTHORITY

MINUTES OF THE FINANCE, AUDIT & PERFORMANCE MANAGEMENT MEETING HELD ON MONDAY 18 JULY 2011 AT SOUTH WALES FIRE & RESCUE SERVICE HEADQUARTERS

01. PRESENT:

Councillor

Left

R J W Greenland (Chairman)
C Mann (Vice Chairman)
C James
W Routley
B Thomas

Monmouthshire
Caerphilly
Bridgend
Newport
Blaenau Gwent

APOLOGIES:

S J Jones
L W Kelloway
G Price

Rhondda Cynon Taff
Cardiff
Merthyr Tydfil

ABSENT:

B Jones
E T Williams

Torfaen
Vale of Glamorgan

OFFICERS PRESENT:- CFO A Marles, DCFO H Jakeway, ACO P Haynes – Director of Peoples Services, Mr Steve Greenslade – Treasurer, AM A Thomas – Head of Operational Risk Management, Mr G Thomas – Head of Finance, Ms H Wheatley – RSM Tenon Auditor, Ms J Joyce – Wales Audit Officer, Ms V De Zouche - KPMG Accountant

02. DECLARATIONS OF INTEREST

Each Member declared a personal non-prejudicial interest in each agenda item which affected their Authority.

03. CHAIRMAN'S ANNOUNCEMENTS

There were no Chairman's Announcements.

04. MINUTES OF PREVIOUS MEETING

The following minutes were received and accepted as a true record of proceedings:-

- Asset Management Working Group meeting held on 8 April 2011
- FAPM meeting held on 16 May 2011

05. STATEMENT OF ACCOUNTS AND REVENUE OUTTURN 2010/2011

The Treasurer presented a report to Members on the statutory Statement of Accounts of the Authority, outlining the revenue outturn position for the year, and recommendations for reserve deployment.

The Treasurer and Chairman wished to thank the Head of Finance and his team for the work carried out in producing the accounts.

RESOLVED THAT

Members agreed:-

05.1 The Statement of Accounts, including replenishment of the Change Management Reserve, is approved for submission to the external auditors.

05.2 The remaining revenue surplus be shown as transferring to the General Reserve at the financial year end and deployed as follows within the current year of account:-

- Extinguish the pay reserve and create a strategic contingency reserve at an opening value of £1 million to mitigate financial risk during the current period of turbulence and austerity.
- Create a day crewing protection reserve of £1.75 million to be applied to meet the revenue implications of time limited

commitments, with Officers being authorised to negotiate on 'buying' these allowances out if financial savings can be demonstrated.

05.3 The Treasurer be authorised to make such adjustments to the Statement of Accounts as he considers necessary in consultation with the external auditors.

05.4 The audited accounts and the statutory report of the external auditor are considered by the Fire & Rescue Authority at its September meeting.

05.5 The Members of the Finance Working Group are asked to scrutinise the end of year surplus to establish whether improvements might be made to monitoring processes, and whether there are any structural budget issues for consideration within the Medium Term Financial Plan or the forthcoming budget cycle.

06. CAPITAL OUTTURN 2010/11

The Head of Finance provided Members with details of the Capital Budgets for 2010/11, compared to the actual expenditure for the year, together with explanations for variations against budget heads.

RESOLVED THAT

Members noted the content of the report.

07. COMPLIANCE, EVIDENCE, DELIVERY & REVIEW OF THE AUTHORITY'S TREASURY MANAGEMENT FUNCTION

The Treasurer provided Members with the results of a review of the Treasury Management function commissioned from the Authority's Treasury Advisors.

RESOLVED THAT

Members agreed to:-

- 07.1 Accept the review report attached to the report and noted the high levels of assurance.
- 07.2 To receive a Treasury Management training presentation at the start of a future Finance, Audit & Performance Management Committee meeting, to which all Fire & Rescue Authority Members would be invited.
- 07.3 To receive an update on implementation of the report recommendations as part of the scheduled interim Treasury Management report for 2011/12.

08. WALES AUDIT OFFICE REGULATORY PROGRAMME FOR PERFORMANCE AUDIT 2011/12 & FINANCIAL AUDIT OUTLINE

The Wales Audit representative presented the Regulatory Programme attached to the report on the performance audit work that the Auditor General would undertake on South Wales Fire & Rescue Authority during 2011/12.

The representative of the external auditor presented the Wales Audit Office Financial Audit Outline.

In response to a question from Members, Officers confirmed that management responses on the ICT Strategy audit would be provided within one month.

RESOLVED THAT

- 08.1 Members noted the Regulatory Programme and the incorporation of relevant Wales Audit Office reports into the Forward Work Programme for the Committee.
- 08.2 Members noted the Wales Audit Office Financial Audit Outline report.

09. IMPROVEMENT ASSESSMENT INCLUDING THE CORPORATE ASSESSMENT UPDATE

The Deputy Chief Fire Officer and Wales Audit Officer presented the findings of the Wales Audit Office corporate assessment and provided an update of the improvement assessment of the Authority.

RESOLVED THAT

- 09.1 Members noted the positive corporate assessment update and the progress that has been made under the 2010 proposals for improvement together with the actions to be undertaken by the Service to improve its performances further.
- 09.2 Members noted the Wales Audit Officer would provide suggestions on engagement with the public.
- 09.3 Following a suggestion by Members, the Chief Fire Officer agreed to consider publicising the cost to the taxpayer of attending fires and other incidents.

10. CORPORATE RISK REGISTER – ANNUAL REPORT

The Deputy Chief Fire Officer reported on the risks within the Corporate Risk Register and the management of these risks.

RESOLVED THAT

- 10.1 Members agreed the validity to the significant and material risks contained within the Corporate Risk Register.
- 10.2 Members requested a matrix is included in Appendix B to the report.
- 10.3 Members agreed to raise the risk level of risk no 59 to 25.
- 10.4 Members requested the Chief Fire Officer keeps Members updated on negotiations with Representative Bodies.

11. NATIONAL RESILIENCE ASSURANCE PROCESS – WELSH URBAN SEARCH AND RESCUE CAPABILITY

The Area Manager, Operational Risk Management, informed Members that in October 2010 the Welsh Urban Search and Rescue (USAR) capability underwent an assurance process by the National Resilience Assurance Team (NRAT). The conclusion of the NRAT assurance is that the Wales Urban Search and Rescue capability can respond to national level incidents in line with published expectations and maintain the response for the duration of any national level incident.

The Chairman congratulated the team on the high level of capability and training within their area.

RESOLVED THAT

Members noted the positive comments identified within the report.

12. FUEL

Following an internal audit on fuel, and at the request of Members at their meeting on 15 December 2010, the Deputy Chief Fire Officer presented an up to date report on fuel.

RESOLVED THAT

12.1 Members noted the actions taken by Officers following the fuel audit.

12.2 Members noted the strategic holding of bunkered fuel and the need for such facilities for business continuity of the Service.

12.3 Members received assurances that robust management was now in place and directed Officers to maintain that position whilst considering more cost effective longer term solutions than currently presented.

12.4 Members noted the follow up date of the fuel audit on week commencing 5 December 2011.

13. UPDATE ON PROCUREMENT AND FUNDING STRATEGY FOR THE CORPORATE GAZETTEER AND FIRE SAFETY MANAGEMENT INFORMATION SYSTEM

The Treasurer informed Members of a change in direction of the procurement source from a commercial off the shelf solution to an open source option for the corporate gazetteer and Fire Safety Management Information System. This has the potential to save in the region of £245,000 from the 2011/12 Capital Budget. However, this would require £93,000 from the 2011/12 Revenue Budget.

RESOLVED THAT

- 13.1 Members approve the procurement of a Corporate Gazetteer and Fire Safety Management Information System in collaboration with West Midlands Fire Safety.
- 13.2 Members approve a revenue budget of £63,000 to be funded from 2011/12 revenue under-spends if available and otherwise by application of the change management reserve and notes the revenue implications for future years.
- 13.3 Members agreed that £245,000 of capital budget be removed from the 2011/12 programme.
- 13.4 Members approved work to investigate the potential for further collaboration with West Midlands Fire & Rescue Service in the development of open source software.

14. FORWARD WORK PROGRAMME

The Chief Fire Officer presented the Forward Work Programme.

RESOLVED THAT

Members accepted the Forward Work Programme for Finance, Audit & Performance Management.

15. TO CONSIDER ANY ITEMS OF BUSINESS THAT THE CHAIRMAN DEEMS URGENT (PART 1)

There were no items of urgent business.