

Due to the current heightened security level in all our premises, Members are reminded to wear their identity badges whilst attending meetings. Any visitors must produce photographic identification at Reception.

SOUTH WALES FIRE & RESCUE AUTHORITY

COMMITTEE: Finance, Audit & Performance Management Committee

DATE: Monday, 29 June 2015 at 10:30 hours

VENUE: South Wales Fire & Rescue Service Headquarters,
Room 8, Forest View Business Park, Llantrisant
CF72 8LX

AGENDA

1. Apologies for Absence
2. Declarations of Interest

Members of the Fire & Rescue Authority are reminded of their personal responsibility to both verbally and in writing declare any personal and/or prejudicial interests in respect of matters contained in this agenda in accordance with the provisions of the Local Government Act 2000, the Fire & Rescue Authority's Standing Orders and the Members Code of Conduct.

3. Chairman's Announcements
4. To Receive the Minutes of: 3
 - FAPM Meeting held on 11 May 2015
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Presentation

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At the close of the meeting Members will meet with the Wales Audit Office and Internal Auditors to discuss Service progress

Signature of Proper Officer:



MEMBERSHIP

Councillors:

E	Galsworthy	Merthyr Tydfil
P	Hannon	Newport
M	Powell	Monmouthshire
C	Hawker	Caerphilly
SJ	Jones	Rhondda Cynon Taff
A	Jones	Torfaen
J	Morgan	Blaenau Gwent
M	Javed	Cardiff
P	Drake	Vale of Glamorgan
C	Smith	Bridgend

SOUTH WALES FIRE & RESCUE AUTHORITY

**MINUTES OF THE FINANCE, AUDIT & PERFORMANCE
MANAGEMENT MEETING
HELD ON MONDAY 11 MAY 2015 AT
SOUTH WALES FIRE & RESCUE SERVICE HEADQUARTERS**

57. PRESENT:

Councillor	Left	
J Morgan (Deputy Chair)		Blaenau Gwent
S Bradwick	1200 hrs	Rhondda Cynon Taff
D T Davies	1200 hrs	Caerphilly
P Drake		Vale of Glamorgan
C Elsbury	1130 hrs	Caerphilly
E Galsworthy		Merthyr Tydfil
K Hyde	1200 hrs	Cardiff
M Javed		Cardiff
A Jones		Torfaen
S J Jones		Rhondda Cynon Taff
B Morgan	1200 hrs	Rhondda Cynon Taff
S Pickering	1200 hrs	Rhondda Cynon Taff
M Powell		Monmouthshire
P Seabourne	1200 hrs	Torfaen
C Smith		Bridgend

APOLOGIES:

P Hannon (Chair)	Newport
E Hacker	Vale of Glamorgan
C James	Bridgend
J Jones	Caerphilly
R McKerlich	Cardiff
M Rahman	Newport
V E Smith	Monmouthshire

ABSENT:

D Ali	Cardiff
G Phillips	Cardiff

OFFICERS PRESENT:- CFO H Jakeway, DCO S Chapman (Monitoring Officer), ACO P Haynes – Director of Peoples Services, ACFO A Thomas – Director of Operations, Mr C Barton – Treasurer, Mr

G Thomas – Head of Finance & Procurement, Mr C Powell – Monitoring Officer, Mr Mark Malson – Head of HR, A/AM Ian Greenman – Head of Training & Development, A/AM Alison Kibblewhite – ‘SOF’ Project, Mr Ron Price – Wales Audit Office, Ms Katherine Spooner – KPMG Accountant, Ms Lisa Mullan – Senior Accountant

58. TO CONSIDER AN ITEM OF URGENT BUSINESS – REASON FOR URGENCY: TO REDUCE THE FINANCIAL IMPACT ON THE FIRE AND RESCUE AUTHORITY AND AVOID FINANCIAL PENALTIES BEING IMPOSED ON THE AUTHORITY BY HMRC

As Monitoring Officer, the Deputy Chief Officer informed Members that all Fire Authority Members had been invited to attend the Finance, Audit & Performance Management Committee meeting in order to consider an urgent report on ‘Protected Pension Age – Fire Authority Liability’, as it was considered that it was an important decision that all Members should be involved in so that they may express their views and vote on a recommendation.

However, the Committee were advised that if this approach were to be endorsed and adopted by Members at the meeting, then it would be necessary for the Finance, Audit & Performance Management Committee Members to address procedural issues to permit this.

As a consequence, the Deputy Chair consented to the Finance, Audit & Performance Management Committee considering the urgent report and moved a resolution under Procedural Standing Order 8.4 to vary the order of business on the agenda to allow consideration of items out of order, which was duly seconded.

RESOLVED THAT:

58.1 Members of the Finance, Audit & Performance Management Committee unanimously agreed to vary the order of business for the meeting.

58.2 A motion was then moved and seconded under Procedural Standing Order 11.1(L) to suspend Procedural Standing Orders, namely Procedural Standing Order 6.1 in relation to voting, to enable all Fire Authority Members present to vote on the urgent item regardless of whether or not they were a member of the Finance, Audit & Performance Management Committee.

58.3 Members of the Finance, Audit & Performance Management Committee unanimously agreed to suspend Procedural Standing

Order 6.1 and permit every Fire Authority Member present at the meeting to vote on the urgent paper.

59. DECLARATIONS OF INTEREST

As Rhondda Cynon Taff Borough Council were the appointed Scheme Administrators of the Service's Pension Scheme and could potentially be implicated in the issue under consideration, Councillors Bradwick, B Morgan, Pickering and S Jones declared a personal and prejudicial interest in the urgent agenda item and confirmed they would leave the meeting before the report was considered.

All other Members declared a personal non-prejudicial interest in each agenda item which affected their Authority.

Councillors Bradwick, B Morgan, Pickering and S Jones withdrew from the meeting.

60. PROTECTED PENSIONS AGE: FIRE AUTHORITY LIABILITY

The ACO People Services informed Members that the report summarised the legal and financial liability of the Authority in relation to HMRC tax rules in respect of protected pension ages for three individuals previously employed as Wholetime staff within the Service. He explained the background to the changes in the tax legislation, the reasons why the three individuals were now subject to the tax charge and the options available to the Authority.

The Monitoring Officer stressed that although this was a very difficult decision for Members due to the distressing personal position the individuals concerned were in as a result of the change in tax rules, Members must adhere to the key issues when reaching their decision. She stressed that Members of the Fire Authority were custodians of public funds, and as such, those funds could only be applied for purposes for which there is a lawful authority. She continued that the ACO People Services had outlined extensive advice from Queen's Counsel and financial specialists, which all said that it was the Scheme Administrator (Rhondda, Cynon Taff Borough Council Pension Section) and the Scheme Member who had responsibility to ensure that they understood the implications of any action that was taken. The Fire Authority's liability only extended to a small charge as a consequence of the action taken by the Scheme Members, with the individual Scheme member being primarily responsible for the tax charges.

Members were also reminded that although HMRC did not mind who paid the tax charges so long as they were paid, as custodians of public

funds they must be concerned with responsibility for payment. Members were advised that they should consider all relevant facts, including the original circular; the FBU circular advising of the changes; the legal advice received by the Service; HMRC advice; and consider the liability to pay and the legal powers available to the Authority to apply public funds.

Members were advised that the Service was not aware of any specific legal provision which permitted the Authority applying public funds for the discharge of an individual's personal tax bill in the current situation and in the light of the advice received, although the Service was aware that one or two other Authorities had picked up these costs. Whilst it was difficult to know what legal grounds these payments were made on as confidentiality agreements had been signed in some cases, Members were made aware of the case of one Police Authority which had made a settlement in order to prevent any future legal action being taken against that force in relation to this matter as it had been deemed to be very costly, complex and lengthy. Members were advised that this was a consideration for them, but that this should be weighed against the legal advice received and the appropriateness for utilising public funds in this way at this stage of the process.

The Monitoring Officer continued that she had also considered in detail the content and findings of the recent independent investigation into alleged unlawful payments at Carmarthen Council, where pay arrangements were put in place for the Chief Executive with a view to mitigating personal tax liability. Whilst it was appreciated that this situation was slightly different as it related to an existing tax liability, it was the Monitoring Officer's view that the principles were transferable. Members were advised that the Wales Audit Office were present at the meeting and had confirmed that they could address this point if Members required clarification.

Summing up, the Monitoring Officer advised that bearing in mind all the advice and information, and weighing up all of the legal considerations, there was one recommendation that she could recommend at the current time from a Monitoring Officer perspective, and that was for Members to resolve to pay the scheme sanction charge and to allow the three individuals to pay their own tax charge. She appreciated that this was an extremely emotive recommendation, but considered that to do otherwise on the basis of the information available at this time could expose the Authority to an independent investigation of the expenditure and whatever consequences may flow from that. It was stressed that this recommendation did not preclude the possibility of legal action being pursued by the Scheme Members if they considered this

appropriate at a later date and that this would have to be considered at that time on the basis of information available then.

The Treasurer informed Members that in deciding this matter, Authority Members had to consider whether it would be unlawful or unreasonable to meet the personal tax liabilities of the affected employees.

He continued that as indicated in the report, there were circumstances in which employers could meet such liabilities and there were specific taxation rules around how such 'settlement agreements' were dealt with from a taxation perspective. However, the mere fact that such provisions exist within tax legislation did not constitute a legal power for the Authority to meet such costs as a Public Authority.

He considered the question in his mind came down to an assessment of whether any settlement of the personal liabilities would be in the interests of the Service users and taxpayers of the South Wales Fire Authority area who ultimately fund the Fire Authority.

At face value, the settlement of a personal tax liability had no obvious or direct benefit to the Service users or taxpayers of the South Wales Fire Authority area.

From a purely financial perspective, it could be argued that there was a risk of legal action by the employees and that the associated costs of defending such action would be significant enough to warrant settlement as a cheaper overall course of action.

Such an argument presumed that legal action would be successful and the South Wales Fire Authority would end up paying all of the settlement and associated legal costs.

There was also a further consideration in terms of legal action which could not be ignored. Given recent high profile and related events in the Welsh Public Sector, a decision to settle a personal tax liability would more than likely be challenged by a taxpayer or the Auditor General. Defending such a challenge would in itself attract significant legal costs.

Given that legal costs defending the decision were difficult to quantify and critically, they appeared to be a risk regardless of which decision Members arrived at, it would seem that such legal costs should not be a relevant consideration for Members at this time.

On the basis of the lack of any financial rationale which could be conceived to be in the interest of the Service users or taxpayers of

South Wales, it was the Treasurer's view that there was a significant risk of this expenditure on meeting personal tax liabilities being deemed unlawful and he therefore recommended that Members confirm that the Authority should only meet the charges which it was liable to pay under the relevant legislation.

As the Head of Paid Services, the Chief Fire Officer stated that although he realised this was an extremely difficult decision for Members, he confirmed that the Fire Brigades Union in 2010 had published a circular on its website to make its members aware of issues around protected pension age. He confirmed that the surcharges had been triggered solely because individuals were employed on two separate contracts, Wholetime and RDS, and had retired from Wholetime at the age of 50, but did not retire from their secondary contract. He also highlighted that Officers could not give advice to employees on their retirement. The Chief Fire Officer took the opportunity to thank Members for considering the urgent report at such short notice, and also thanked Officers for all their time and efforts in seeking advice and trying to resolve matters which affected the individuals who were public servants caught up by the changes and regulations.

The Wales Audit Officer also stated that he appreciated this was a difficult time for the individuals, but unfortunately he could not provide or add any advice. However, he confirmed that the Auditor General would question any payments made to settle individual tax charges in relation to protected pension age. He stressed that the situation was set out clearly and that only Fire Authority Members could make a decision.

Following a very lengthy question and answer session on lawful and unlawful payments, and tax liabilities on retirement, the ACO People Services informed Members that neither the Service nor the Pensions Administrator had been aware of the change in HMRC tax rules around protected pension age prior to HMRC making initial contact. Members were also advised that the costs for the Service to obtain specialist advice amounted to £18,000. The ACFO Service Delivery assured Members that a safeguard was now in place for employees to consider their situation when retiring, and continuing with a secondary contract.

In the light of the discussion, a motion was moved by Councillor Seabourne that the Authority pay the Scheme Sanction Charge, and that the three individuals be required to pay their own tax charge. The motion was duly seconded.

RESOLVED THAT

- 60.1 Following a vote of 8 for, 1 against, and 2 abstentions, Members agreed to pay the scheme sanction charge and that the three individuals pay their own tax charge.
- 60.2 Members confirmed that the reasons for their decision were threefold, namely:
- 60.2.1 The Authority could not spend public funds on meeting individual tax bills.
 - 60.2.2 The professional advice received confirmed that the Authority was not liable for the individuals' tax charge, only the scheme sanction charge.
 - 60.2.3 It would be unlawful for the Authority to make a payment to meet the individuals' personal tax bill in the current circumstances.

Councillors Bradwick, B Morgan, Pickering and S Jones returned to the Finance, Audit & Performance Management meeting at 1130 hours.

61. PRESENTATION OF 'SHAPING OUR FUTURE' TO FAPM AND HR & EQUALITIES MEMBERS

The Deputy Chair welcomed Members of the HR & Equalities Committee meeting for the joint presentation of 'Shaping Our Future'.

A motion was then moved and seconded under Procedural Standing Order 11.1(L) to suspend Procedural Standing Orders, namely Procedural Standing Order 6.1 in relation to voting, to enable both HR & Equalities Committee Members and Finance, Audit & Performance Management Committee Members present to vote on the item under consideration due to the overarching impact the subject had on the work of both Committees.

The DCO informed Members that the two Committees had been invited to attend the meeting in order to consider the 'Shaping Our Future' electronic presentation, with the aim of reviewing and evaluating the Service's staffing structure by the year 2020, and for Members to consider two proposals.

A/AM Kibblewhite and the Head of HR delivered the electronic presentation to Members and a question and answer session followed.

RESOLVED THAT

- 61.1 Members approved the acquisition and implementation of a new electronic Job Evaluation System for the Service to replace the existing paper based model, and agreed to the option of a single software fee of £19,700 for the software (one off payment) and £3,000 per annum to host the system being incurred for the chosen model.
- 61.2 Members also agreed to the establishment of an Officer Steering Group to oversee the implementation of the project.
- 61.3 Members noted that a more detailed presentation would be presented to a further joint Committee meeting at a later date on how the question hierarchy was structured for Members information.

Members of the HR & Equalities Committee withdrew from the meeting, and Members of the Finance, Audit & Performance Management remained to proceed with their meeting.

62. CHAIR'S ANNOUNCEMENTS

The Deputy Chair informed Members that following surgery Councillor Hannon was recovering at home. On behalf of Members she agreed to send best wishes and hoped that Councillor Hannon had a speedy recovery.

63. MINUTES OF PREVIOUS MEETING

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

- Finance, Asset & Performance Management Working Group meeting held on 19 January 2015
- Finance, Asset & Performance Management meeting held on 9 March 2015

64. REVENUE MONITORING REPORT 2014/2015

The Head of Finance & Procurement informed Members that the Revenue Monitoring report provided details of the annual revenue budget, expenditure and income to March, and a projected outturn position for the financial year ending 31 March 2015.

RESOLVED THAT

Members agreed to note the Budget Monitoring report.

65. CAPITAL MONITORING REPORT 2014/2015

The Head of Finance & Procurement informed Members that the Capital Monitoring report provided details of the total capital budget for the year, expenditure to date, and a forecast outturn position.

RESOLVED THAT

65.1 Members agreed to note the progress of the Capital Schemes, and the associated funding streams.

65.2 Members approved the alterations identified in Appendix 1 attached to the report.

66. RESERVES STRATEGY

The Treasurer presented a report which provided Members with information on the Authority's Reserves, together with background on the appropriate management of reserves in a local Authority context.

The report also provided background to recent reports and commentary regarding the reserves held by Authorities, and also the salient advice, guidance, reporting requirements, regulatory and accounting frameworks which were relevant to the subject.

The report sought to fulfil the Wales Audit Officer's recommendation for improvement contained within its Financial Planning Assessment for 2014/2015. The recommendation was for a 'written policy on the use of reserves'.

RESOLVED THAT

66.1 Members agreed to note the content of the report in respect of the reserves held by Authorities.

66.2 Following consideration, Members approved the content of the strategy at Appendix 1 to the report as a working basis for managing the Fire & Rescue Authority's reserve funds, subject to approval by the Fire Authority.

67. REPORT ON PROGRESS OF AUDIT, SCHEME AND CIRCULAR ACTION UPDATES AS AT 11 MAY 2015

The Deputy Chief Officer presented a report to Members which showed the latest progress recorded against actions arising from Internal Audits, Wales Audit Office Thematic Reviews, Operational Assurance Peer Reviews, Corporate Schemes, and Government Circulars at Appendix 1 attached to the report.

Graphical summaries showing all actions ongoing, overdue and completed since 2 July 2012 were also provided for each type of action.

RESOLVED THAT

- 67.1 Members agreed to note the contents of the progress report and graphical summaries.
- 67.2 Following a request by Members, Officers agreed that the actions highlighted in red would be closely monitored and brought back to Members at a later date.

68. FORWARD WORK PROGRAMME

The Deputy Chief Officer presented the Forward Work Programme, and informed Members that all items were complete, and a new Forward Work Programme would be re-shaped in the new Municipal Year.

RESOLVED THAT

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

The Deputy Chair thanked Members and Officers for all their hard work throughout the year on behalf of the Finance, Audit & Performance Management Committee.

Members took the opportunity to thank the Deputy Chair for successfully chairing a difficult meeting

SOUTH WALES FIRE & RESCUE AUTHORITY AGENDA ITEM NO 5
FINANCE AUDIT & PERFORMANCE
MANAGEMENT COMMITTEE
REPORT OF THE TREASURER

29 JUNE 2015

REVENUE OUTTURN 2014 - 2015

SUMMARY

Subject to the external audit process, this report outlines the revenue outturn position for the financial year end 2014/15.

RECOMMENDATION

The outturn position and deployment of the net revenue surplus and usable reserves are received and noted.

1. BACKGROUND

- 1.1 Revenue monitoring reports have been presented to this committee during the course of the year. The objective of this report is to present Members with a summary of the revenue outturn for the year (appendix 1) and reserves statement (appendix 3) whilst noting that the accounts are subject to external audit and to this end a final position will not be definite until the audit process is complete.
- 1.2 This report provides an overview of the main areas of variance with a view to undertaking a more detailed analysis over the coming weeks. Any structural budgeting issues arising from that analysis will be captured and reported to Members accordingly in future budget setting reports.
- 1.3 The reserves statement at Appendix 3 has been provided as part of the reserves strategy document approved by the Committee at its meeting on May 11th. It was agreed that in order to allow for appropriate scrutiny and challenge of the reserves held by the Authority, this information would be provided as part of outturn and budget reports throughout the year.

2. ISSUE

- 2.1 During the year monitoring reports have identified an increasing surplus with the most recent reported figures forecasting a surplus of £2.402 million. The actual surplus at the end of the financial year is now reported at £2.718 million. The majority of this surplus has been transferred to the Change Management Reserve of the Authority.
- 2.2 A number of areas have contributed to the increase and the most significant are outlined below;

- **Premises Costs** – A saving of £117k was identified at the year end predominantly due to two large building repair and maintenance projects (Ebbw Vale and Duffryn Stations) not being completed as anticipated by 31st March 15. These will be completed in the new financial year, at which point the full costs will be recognised.

Additionally, there were under spends in the communication and cleaning budgets. An initiative to ‘pump prime’ the savings made from a change in mobile phone contracts for the purchase of new hand sets was not completed during the year providing for a net saving. The cleaning contract changed during the year which resulted in reduced costs and these savings are now fully realised. These under spends have been offset by an over spend on energy, where several late invoices were received at the year end which were not included the last forecast.

- **Transport Costs** - £83k savings were identified across several areas. Actual fuel costs were less than previously forecast largely due to the ongoing reduction in fuel costs. Savings were also identified in Fleet repair and servicing, with less being spent on reactive equipment such as tyres, tools and vehicle parts.
- **Training Costs** - The Middle Manager Assessment Development Centre event was postponed until the new financial year resulting in a £26k under spend. Work is ongoing on the most appropriate format and timing of future ADCs. The remaining £28k is attributable to the main training delivery budget which supports organisational learning and development and under spends were accumulated throughout.
- **Supplies and Services Costs** – further net savings of £119k were achieved. The most substantial component was the return of uniforms and PPE similarly identified in last financial year. These returns provide a significant offset to the costs of new issues from stores during the year. Additional costs were incurred on equipment and ICT budgets which offsets the overall savings in this area.
- **Contracted Services Costs** – further costs of £51k have now been accounted for arising from the period of industrial action within the 14/15 financial year.
- **Capital Financing Costs** – savings of £39k have arisen following the finalisation of the necessary capital programme financing for the year. This is largely due to the reported delays in the programme throughout the year. This matter has been previously reported to the Committee as part of the capital programme review and an agreed 6 monthly review will examine the likely spend in 15/16 and beyond.

- **Income** – Income projections previously included the disposal of vehicles which have now been transferred to capital receipts.

3. FINANCIAL IMPLICATIONS

3.1 As identified in the report

4. EQUALITY RISK ASSESSMENT

4.1 There are no equality implications resulting directly from this report. Each element of the revenue budget will have undergone equality and diversity risk assessments by the responsible budget holder as part of the budget planning process.



5. RECOMMENDATION

5.1 The outturn position and deployment of the net revenue surplus and usable reserves are received and noted.

Contact Officer:	Background Papers:
Name: Mr Geraint Thomas	Budget Monitoring Reports
Title: Head of Finance and Procurement	Statement of Accounts 2014/15

SOUTH WALES FIRE & RESCUE SERVICE
BUDGET MONITORING 2014/15
APPENDIX 1

	Original Budget 2014/15 £	Revised Budget 2014/15 £	Forecast FAPM 11.05.15 £	Out turn 31.03.2015 £	Reporting Variances £	Over/Under Spend £	Over/ Under Spend %
Employee Costs							
Salaries, NI & superann.	53,146,374	53,146,374	51,352,426	51,338,267	14,159	1,808,107	2.6%
	53,146,374	53,146,374	51,352,426	51,338,267	14,159	1,808,107	
Pensions	783,280	783,280	801,040	810,222	-9,182	-26,942	0.0%
Travel and Subsistence	575,250	575,250	455,845	430,329	25,516	144,921	0.2%
Total Employee Costs	54,504,904	54,504,904	52,609,311	52,578,818	30,493	1,926,086	2.8%
Premises Related Expenses	4,515,599	4,513,599	4,450,732	4,333,939	116,793	179,660	0.3%
Training Expenses	1,234,391	1,231,707	1,261,452	1,207,213	54,238	24,494	0.0%
Supplies & Services	3,268,910	3,273,594	3,240,725	3,121,369	119,356	152,225	0.2%
Transport Related Expenses	1,724,347	1,724,347	1,476,280	1,393,758	82,522	330,589	0.5%
Third Party Payments (contracted services)	626,229	626,229	865,425	916,636	-51,211	-290,407	-0.4%
Capital costs / leasing	4,379,087	4,379,087	4,177,926	4,138,713	39,213	240,375	0.3%
Strategic Initiatives	588,440	588,440	833,255	856,561	-23,307	-268,121	-0.4%
Income	-885,922	-885,922	-1,360,761	-1,309,109	-51,652	423,187	0.6%
CONTRIBUTION BUDGET 2014/2015	69,955,985	69,955,985	67,554,345	67,237,898	316,447	2,718,087	3.9%

Key
 Overspend
 Underpend

**BUDGET MONITORING 2014/15
STRATEGIC INITIATIVES**
APPENDIX 2

	INDUSTRIAL ACTION	IA AVON	NATO	FIRE CONTROL	EMPLOYABILITY PROGRAMME	SHAPING THE FUTURE	NIC	TOTAL
	OUT TURN	OUT TURN	OUT TURN	OUT TURN	OUT TURN	OUT TURN	OUT TURN	OUT TURN
Employee Costs	-8,116	63,633	95,705	159,147	157,729	137,161	62,629	667,888
Premises Related Expenses	142	0	0	0	97,615	0	0	97,757
Training Expenses	171,618	0	2,245	0	3,619	0	0	177,482
Supplies & Services	109,148	0	12,531	0	28,479	6,742	151	157,052
Transport Related Expenses	0	0	12	0	0	0	0	12
Contracted Services	54,172	0	81,935	51,577	582	0	0	188,266
Income	0	-63,633	-137,662	-54,937	-125,927	0	-49,738	-431,896
CONTRIBUTION BUDGET 2014/2015	326,964	0	54,767	155,787	162,098	143,904	13,042	856,561

Appendix 3

Reserve Statement

Reserve	Purpose and control	Balance at year start £'000	Transfers in and (out) £'000	Balance at year end £'000	The assessed value of any irrecoverable commitments £'000	Assessment of adequacy	Variations arising between budgeted and actual levels of reserves
General	To cover general financial risks including council funding, grants, inflation and interest.	3,169	2,718 (72) (2,815)	3,000	0	1% pay- £450k 1% inflation- £240k 1.5% funding- £1,035k 50% Grant income- £1,250m	Revenue under spend of £2.718m. £72k additional funding requirement to complete Aberbargoed station. Transfer of £2.814m to change management reserve.
Strategic Contingency	Previously held to cover strategic projects but now subsumed within change management reserve	1,000	(1,000)	0	0	N/A	Balance transferred to change management reserve as part of restructure of reserve funds

Reserve	Purpose and control	Balance at year start £'000	Transfers in and (out) £'000	Balance at year end £'000	The assessed value of any irrecoverable commitments £'000	Assessment of adequacy	Variations arising between budgeted and actual levels of reserves
Day Crewing	To meet costs of allowances arising from transfer of stations to day crewing. Costs controlled and reported via HR/payroll systems	407	0	407	407	Based on assessment of allowances payable for the remaining term of protection	Transfers were not required during the year.
Aberbargoed Station	To contribute to the capital cost of the scheme. Costs controlled and reported through capital monitoring reports	51	(51)	0	0	N/A	No expected variations in the use of the reserve.
PFI Equalisation	To meet the future costs of the Training Centre PFI project	3,390	145	3,535	3,535	Based on estimates of PFI grant, interest and costs projected to the contractual end date	The net transfer represents the 'build up' of funds to enable costs to be met in future years.

Reserve	Purpose and control	Balance at year start £'000	Transfers in and (out) £'000	Balance at year end £'000	The assessed value of any irrecoverable commitments £'000	Assessment of adequacy	Variations arising between budgeted and actual levels of reserves
Managed Under Spends	To meet costs associated with rolling programmes of expenditure incomplete at year end. Controlled via routine budget monitoring procedures	166	(83)	83	83	Based on known costs to be incurred	£83k expenditure during the year and a year end balance to accommodate known costs falling due future years.
Fuel Management	To meet the costs of the new fuel management system. Controlled within project management	124	(110)	14	0	Based on estimated costs of the procured system	Actual costs were lower than anticipated and the balance is available for re-deployment.
Change Management	To cover costs of change arising from 'Shaping our Future' programme, investment in change projects to improve service and / or reduce spend	3,710	3,815	7,524	0	Current Shaping our Future programme will identify strategic investment priorities aimed at service improvement and efficiency	Transfer of surplus revenue balances of £2.815m and £1m from strategic contingency reserve.

Reserve	Purpose and control	Balance at year start £'000	Transfers in and (out) £'000	Balance at year end £'000	The assessed value of any irrecoverable commitments £'000	Assessment of adequacy	Variations arising between budgeted and actual levels of reserves
Capital Receipts	To meet costs of the capital programme. Reserve applied as receipts are generated	86	227	313	0	This reserve will be used to fund future capital investment	£52k for fleet and £175k for the Bargoed site disposal.
Total Usable Reserves		12,103	2,774	14,877			

SOUTH WALES FIRE & RESCUE AUTHORITY
FINANCE, AUDIT & PERFORMANCE
MANAGEMENT COMMITTEE
REPORT OF THE DEPUTY CHIEF OFFICER

AGENDA ITEM NO 6
 29 JUNE 2015

CAPITAL OUTTURN REPORT 2014/15

SUMMARY

The following report provides the capital outturn position for the year ended 31st March 2015, the financing arrangements and the budget slippage required to complete capital schemes in 2015/16.

RECOMMENDATION

That this report is noted and Members approve the budget slippage as detailed in appendix 1.

1. BACKGROUND

- 1.1 The capital budget for 2014/15 was set by the Fire & Rescue Authority on 10th February 2014. Monitoring reports have been presented to this committee throughout the financial year to provide updated forecast information, with the latest report presented to the 11th May 2015 committee meeting.
- 1.2 Appendix 1 provides a detailed analysis of each scheme and how this contributes to the overall position.

2. ISSUE

- 2.1 Appendix 1 details the level of capital expenditure approved by Members for the year. This is compared to the actual cost of investment and the resulting variance indicates an over/under spend on the original budget.
- 2.2 The table below illustrates the budgeted and actual capital expenditure and the funding mechanisms supporting this:-

Capital Expenditure	Budget £'000	Actual £'000
Approved capital spend net of reserves	5,336	1,751
Approved capital spend supported by reserves (inc slippage):		
Aberbargoed Station	135	135
Station Mobilising Equipment	32	32
Fuel Management System	124	110
13/14 Budget slippage net of reserves	5,343	2,799
TOTAL budget 2014/15	10,835	4,827

Capital Financing		
Borrowing	10,479	4,350
Reserve funding	156	277
Revenue contribution	200	200
Total funding 2014/15	10,970	4,827

2.3 The variance in budget to outturn is £6,143 and can be analysed as follows:-

- £1,994 million in savings
- £4,149 million in budget slippage

If approved, budget slippage will be carried into 2015/16 to complete capital projects.

2.4 Building works

2.4.1 Aberbargoed Station Build

Members have been updated throughout the year on the circumstances surrounding the increased costs for this project.

2.4.2 Wholetime Station Refurbishments

Preparation for the Penarth Station refurbishment continued. A report will be presented to Fire Authority on July 13th where approval to appoint a contractor will be sought. Subsequently, a 40 week construction programme is anticipated to commence during October 2015 and budget slippage of £19k is required to accommodate construction fees.

Work on the Aberdare project commenced in October 2014. The project is currently in stage 2 of a 51 week build programme and completion is anticipated in November 2015. Slippage of £1,534 million is required to allow future completion.

During the year a number of schemes including New Inn were postponed awaiting outcomes from the fire cover review and will now be prioritised based on information from stock condition surveys.

2.4.3 Retained Duty Station Refurbishments

During the year, Monmouth Station's planned refurbishment was placed on hold.

Additional works at Hirwaun Station increased project costs by £15k. However, overall costs have increased by £254k over the life of the

project. The over spend has been accommodated by re-prioritising other budgets, i.e. planned & preventative maintenance.

As the decision to close Blaina Station was taken during the year, the funds set aside for potential works will be used to support future development of the land and building portfolio.

2.4.4 Planned and Preventative Maintenance

During the year the upgrade of the building management system at fire service headquarters (FSHQ) and the renewal of the appliance bay roof at Barry fire station have been completed. Slippage of £96k is required to allow completion of the roofs at FSHQ and Maesteg.

2.5 Vehicle Replacement Programme (VRP)

All 7 water ladders funded by £1,829 million of slippage were delivered in the financial year with a saving of £4k.

Members were informed of a £193k saving on the 5, 14/15 VRP water ladders delivered during the year and redirected this to support £164k of investment in light vehicle fleet.

Budget slippage of £241k is required to complete the 14/15 VRP of water ladders.

Following the tender process for the overhaul of the aerial ladder appliance the total anticipated vehicle cost is £300k, providing an under spend of £300k on original budget. The overhaul of this vehicle is underway and £300k has been slipped forward for payment on completion.

Delivery of the Chemical Incident Unit, Environmental Protection Units and the Foam Tender all took place during the year. Final costs for each vehicle exceeded the budget slipped due to additional works. The total over spend is £8k

Slippage of £961k is necessary to accommodate the costs of 3 'new concept' Rescue Tenders. Delivery of the 13/14 VRP appliance took place in April and the 2 14/15 VRP vehicles are due to be formally signed off in June. A £40k saving, largely due to the 'build' process and purchasing economies has been achieved on these vehicles.

The 2 hydrant, 2 BA support, and 3 courier vans were delivered in March saving £5k. Slippage of £36k is required to cover the cost of the 2 crew buses which was delivered in May 15.

SWFRS are due to work in collaboration with Mid & West Wales Fire & Rescue Service (MWWFRS) on the build of control units and in order to align respective timelines, slippage of £65k into 15/16 is required.

2.6 ICT

The Station Mobilisation Equipment project was completed during the year.

The Finance system successfully went live on 1st April 2014. The interfacing of internal, disparate systems will be completed in line with the 'Shaping our Future (SOF) programme timeline. To this end £22k of budget slippage is required.

During the year, progress was made on the implementation activities for phase 1 of the HR project. Unfortunately, the anticipated go-live date of 1st April 2015 was not achieved and as such slippage of £77k is required to progress the project in 2015/16.

In conjunction with MWWFRS, RDS alerters were purchased and the project completed during the year.

The design and review stage of the ICT Replacement Programme project highlighted that a change to virtual desktops had unanticipated and quite 'major' licensing implications. The tender specification is currently being developed in conjunction with specialist advisors and slippage of £298k is required for the completion of this project.

The Fuel Management system was purchased and installed during the year and final costs resulted in a saving of £14k on original budget.

3. FINANCIAL IMPLICATIONS

Internal cash surpluses have been used to finance capital investment during the year and as such, no external borrowing has been undertaken. This is in accordance with the treasury management strategy approved by Members 16th March 2015. The financial implications of this strategy are reduced investment returns which are more than balanced by the reduction in capital financing costs, both in the revenue budget.

In addition, revenue contributions and reserves equate to £200k and £277k respectively.

Per the above information, £4,149 million of budget slippage is required.

The Committee previously received a report reviewing the capital programme and in particular discussed the challenges in terms of resources and capacity to deliver it. It was noted in that review report, that there was a risk that any significant slippage from 14/15 could impact the 15/16 programme. Accordingly, the 6 monthly review of the capital programme will again consider the appropriate size of the programme for the remainder of the current year and beyond.

4. EQUALITY RISK ASSESSMENT

- 4.1 There are no equality implications resulting directly from this report. Each element of the capital programme will have undergone Equality and Diversity risk assessments by the responsible project lead, prior to the commencement of the scheme.

5. RECOMMENDATION

- 5.1 That this report is noted and Members approve the budget slippage as detailed in appendix 1.

Contact Officer:	Background Papers:
Geraint Thomas Head of Finance & Procurement	- Revenue & Capital Budget Determination Report - Capital Monitoring working papers 2014/15 - Budget Holder Reports

Capital Programme 2014/15

APPENDIX 1

	2013/14 Slippage £'000	2014/15 Budget £'000	Actual as at 31.03.15 £'000	Committed as at 31.03.15 £'000	Outturn Position 31.03.2015 £'000	Budget under/(ov er) spend £'000	Slippage c/f 2015/16 £'000
PROPERTY							
<i>Station Refurbishments - Wholetime;</i>							
<i>Reserve</i> Aberbargoed	0	135	135	0	135	0	0
Cwmbran	23	100	0	0	0	123	0
Penarth	-11	100	70	0	70	0	19
New Inn	1,357	0	0	0	0	1,357	0
Aberdare	165	1,939	570	0	570	0	1,534
Ebbw Vale	0	0	0	0	0	0	0
<i>Station Refurbishments - RDS;</i>							
Monmouth	28	70	12	0	12	86	0
Hirwaun	135	0	150	0	150	-15	0
Blaina Station	500	0	0	0	0	0	500
Planned & Preventative Maintenance	17	250	108	0	108	64	96
SUB TOTAL	2,214	2,594	1,045	0	1,045	1,615	2,148
VEHICLES							
Water ladders	1,829	1,443	2,836	0	2,836	196	241
Aerial Appliances	300	300	0	0	0	300	300
Chemical Incident Unit	132	0	134	0	134	-2	0
Rescue Tenders	279	722	0	0	0	40	961
Environmental Protection Unit (inc £48k WG Grant)	145	0	148	0	148	-3	0
Vans (light vehicles)	72	0	200	0	200	-164	36
Control Unit	0	65	0	0	0	0	65
Foam Tender	197	0	200	0	200	-3	0
SUB TOTAL	2,954	2,530	3,518	0	3,518	363	1,603
ICT							
<i>Reserve</i> Station Mobilising Equipment	32		32	0	32	0	0
Finance/Procurement	54	0	32	0	32	0	22
HR/Payroll	121	0	44	0	44	0	77
Alerters	0	47	44	0	44	3	0
ICT Replacement Program	0	300	2	0	2	0	298
<i>Reserve</i> Fuel Management System	0	124	110	0	110	14	0
SUB TOTAL	207	471	263	0	263	17	398
TOTAL	5,375	5,595	4,827	1	4,827	1,994	4,149

Funding	
Borrowing	4,350
Revenue Contribution	200
Revenue Reserves	277
	4,827

SOUTH WALES FIRE & RESCUE AUTHORITY
FINANCE, AUDIT & PERFORMANCE
MANAGEMENT COMMITTEE
REPORT OF THE DEPUTY CHIEF OFFICER

AGENDA ITEM NO 7
29 JUNE 2015

STATEMENT OF ACCOUNTS 2014/15

SUMMARY

The Statement of Accounts report provides detail of the statutory requirements of the Authority when producing the annual Statement of Accounts. **Please note that due to statutory reporting deadlines the Statement is not attached to this report but will be provided to Members under separate cover before the meeting.**

RECOMMENDATION

It is recommended that :

- (i) The unaudited Statement of Accounts are received and noted.
- (ii) The Treasurer is authorised to make such amendments to the Statement of Accounts as he considers necessary in consultation with the External Auditors.
- (iii) The audited accounts and statutory report of the external auditor is presented to the Finance, Audit & Performance Management Committee on 14 September 2015 with a view for formal adoption by full Authority on 21 September 2015.
- (iv) The Wales Audit Office Financial Audit Outline appended to this report is received and noted.

1. BACKGROUND

- 1.1 This report presents to Members the draft annual Statement of Accounts for the financial year ending the 31 March 2015, attached as an appendix to this report. The Statement of Accounts is subject to external audit by K.P.M.G. on behalf of the Wales Audit Office.

2. ISSUE

- 2.1 The Statement of Accounts has been prepared in accordance with current legislative requirements. In addition, it complies with the necessary accounting standards and regulations.
- 2.2 The regulations specify that the Statement of Accounts should be prepared in accordance with proper practices and should include:-

- an explanatory foreword
 - a statement of accounting policies adopted, drawing attention to any policy changes which have a significant effect on results
 - the financial statements
 - notes to the accounts
 - statement of responsibility for the accounts
 - Annual Governance Statement
- 2.3 The financial statements relevant to South Wales Fire & Rescue Authority that are included in the Statement of Accounts are as follows:
- Movement in Reserves Statement (MiRS)
 - Comprehensive Income and Expenditure Statement (CIES)
 - Balance sheet (BS)
 - Cash Flow Statement
 - Fire Fighters Pension Fund account
- 2.4 All local Authorities are required to prepare their annual Statement of Accounts as soon after the financial year end as practicable and signed by the Responsible Financial Officer by the 30 June. These are to be published by 30 September together with any certificate, opinion or report given by the external auditor, or, if published before the conclusion of the audit, with an explanation of that fact.
- 2.5 For the 2014/15 financial year, the accounts were signed by the Responsible Financial Officer before the deadline. Whilst there is no legal requirement for these to be presented to Members prior to adoption in September, best practice suggests that an opportunity for scrutiny should be provided. This report accords with that guidance.
- 2.6 The production of the 2014/15 Accounts has again represented a major project for the Authority's accountancy team. In preparing the accounts, Officers have been mindful of any changes introduced since 2013/14 and, in collaboration with the two other Welsh Fire & Rescue Services, made further developments.
- 2.7 In the period to 30 September, the accounts will be subject to public advertisement and audit. The Wales Audit Office financial audit outline document is attached for the information of Members.
- 2.8 Following any adjustments agreed with the external auditors, the amended final accounts will need to be approved by the end of September. It is proposed that the final version is presented to this Committee on the 14 September and considered at the full Authority meeting scheduled for the 21 of September 2015.

3. FINANCIAL IMPLICATIONS

3.1 There are no direct financial implications resulting from this report.

4. EQUALITY RISK ASSESSMENT

4.1 There are no equality implications resulting from this report.

5. RECOMMENDATION

5.1 It is recommended that

- i) The unaudited Statement of Accounts are received and noted.
- ii) The Treasurer is authorised to make such amendments to the Statement of Accounts as he considers necessary in consultation with the External Auditors.
- iii) The audited accounts and statutory report of the external auditor be presented to the Finance Audit & Performance Management Committee on 14 September 2015 with a view for formal adoption by the full Authority on 21 September 2015.
- iv) The Wales Audit Office Financial Audit Outline appended to this report is received and noted.

Contact Officer:	Background Papers:
Mr Chris Barton Treasurer	<ul style="list-style-type: none"> • Statutory Instruments • Final accounts working papers

AGENDA ITEM NO 8

Medium Term Financial Strategy Update

Presentation
by
Chris Barton, Treasurer

SCRUTINY OF INCIDENTS WHERE NO SMOKE ALARM WAS FITTED OR ACTUATED

SUMMARY

The report provides an update on the current developments relating to incidents Where No Smoke Alarm was Fitted or Actuated.

RECOMMENDATIONS

It is recommended that Members:

- Note the content of the report in respect to the current and future reporting of Incidents where No Smoke Alarm was Fitted or Actuated.

1. BACKGROUND

- 1.1 There has been an annual requirement under the Welsh Government (WG) Core Performance Indicators (PIs) to measure and report the number of incidents where 'no smoke alarm was fitted' and incidents where 'a smoke alarm was fitted but did not actuate'. The indicator results are also reported quarterly to the Fire Authority Members and Service Delivery Management Teams and are also compared and benchmarked against our Family Group 4 colleagues.
- 1.2 The indicator results and subsequent analysis of the data has always been heavily debated and discussed with many different views and opinions being expressed. Due to the number of variables in the measurement the indicator results have always been difficult to interpret and additional work was required in this area to simplify the collection and reporting process.
- 1.3 The first PI 'No smoke alarm was fitted' is always measured as a percentage of the total dwelling fires. The results always stimulate discussion with the main debate centred on the argument that when the number of dwelling fires across South Wales reduces you can expect the annual PI results to rise. The logic behind this thinking is that the fires are now more focussed in the properties belonging to the hard to reach or those that have been refused access by the dwelling owners when the Service have attempted to deliver Home Fire Safety Checks (HFSCs).
- 1.4 The second PI 'a smoke alarm was fitted but did not actuate' is also recorded as a percentage and there is much debate stemming from the

reasons for non-operation. Often the reasons for non actuation is reported as detector or battery defective but is just as likely to be that the smoke detector is too far away from the fire or the fire is in an area not covered by the detector.

2. ISSUE

- 2.1 Welsh Government (WG) has recently introduced a new set of Statutory PIs for Fire & Rescue Authorities (FRA's) in Wales. The new Strategic indicators reportable for 2015/16 have been significantly reduced and the Core Indicators which contained the smoke alarm related PIs have been removed completely. However, WG advised that the Statutory PIs should be supported by a set of defined All-Wales non-statutory "Sector" PIs that will not be formally reported annually but will be referenced in annual Improvement Plans.
- 2.2 The Sector PIs will be developed by the 3 Welsh FRA's through a partnership approach, whereby consistency in definitions, recording methods and calculations are agreed.
- 2.3 Initial discussions have taken place with all Services advised to review their local PIs to ensure they are fit-for-purpose and adding value by informing the services prevention, protection and response activities. The results of the local indicator review will be used to shape the 'Sector' PI discussions to ensure they support the local PIs whilst at the same time underpinning the Strategic PIs.
- 2.4 Further in-depth analysis and discussions need to take place locally and across Wales on the value of the two indicators as they are currently reported and recorded. Discussions need to take place with all stakeholders on how best we can define Local and Sector PIs that address the importance of alarm ownership, the physical location and serviceability of alarms and the number and severity of dwelling fires.
- 2.5 The new PIs when developed and agreed will be improved measures that can be analysed and interpreted more simply and will rule out opportunity for contrasting interpretation. They will be designed to add-value and will be included in the quarterly statistical reporting process replacing the current smoke detector PIs dropped by WG.
- 2.6 The new Sector PIs will be shared at the appropriate time with Members.

3. FINANCIAL IMPLICATIONS

- 3.1 There are no financial implications.

4. EQUALITY RISK ASSESSMENT (E.R.A.)

4.1. This report has no ERA impact.

5. RECOMMENDATIONS

5.1 It is recommended that Members:

- Note the content of the report in respect to the current and future reporting of Incidents where No Smoke Alarm was Fitted or Actuated.

Contact Officer:	Background Papers:
Dai Morris Statistics and Risk Manager	

AGENDA ITEM NO 10

Scrutiny of Strategic Objectives 1, 4 and 5

Presentation

SOUTH WALES FIRE & RESCUE AUTHORITY AGENDA ITEM NO 11
FINANCE, AUDIT & PERFORMANCE MANAGEMENT 29 JUNE 2015

REPORT OF THE HEAD OF ICT

ICT INFRASTRUCTURE PROJECT

SUMMARY

An indicative Capital Bid to refresh the Service ICT infrastructure has been approved by the Authority. This bid was based on estimated costs in 2013. In the face of software licence changes, increased charges and an expansion of the Project scope, approval to allocate additional resources is required.

RECOMMENDATION

Approve the enhanced scope of the ICT Infrastructure Project to meet the current needs of the Service.

Approve the allocation of additional funds to this Project as detailed within the report.

1. BACKGROUND

- 1.1 To support the Services agenda for continuous improvement and to enable business change, periodically it is necessary to undertake a technology refresh. This allows the Service to take advantage of new software developments, improved hardware technology and increased sustainability.
- 1.2 The proposed refresh consists of updating the current operating system, associated software, office productivity suite and the provision of replacement back end server applications.
- 1.3 Our current software is becoming obsolete and it is essential that we refresh to support all aspects of the Service.
- 1.4 To support the installed software the hardware will also be replaced or upgraded (based on criteria). This will provide the end user with a more modern reliable method of accessing their information / applications from a wider variety of sources including access from home, work, mobile etc.

- 1.5 As part of the Project ICT will utilise innovative solutions to provide better management and maintenance of hardware and software.

2. ISSUE

- 2.1 The current bid for funding was placed on the strength of estimated costs back in 2013.
- 2.2 In the face of software licence changes, increased charges and an expansion of the Project scope in order to meet current Service requirements, approval to allocate additional resources is required.
- 2.3 A robust project plan for the upgrade of our ICT infrastructure based upon current accurate costs has been developed (Appendix A, ICT Infrastructure Project).
- 2.4 This report has been presented and approved by the ICT Strategic Steering Group.
- 2.5 Approval is now sought to support the ICT Infrastructure Project and allow procurement of necessary goods and services.
- 2.6 It is anticipated that the ICT Infrastructure Project will be completed by March 2016 and will provide the following outcomes for the Service:
 - All work locations have modern, fit for purpose equipment and operating systems.
 - Ability for all staff to access systems safely from any remote location on any device.
 - Improved central server control to reduce security issues and allow effective, efficient maintenance.

3. FINANCIAL IMPLICATIONS

- 3.1 A Capital Bid of £400,000 has already been approved to cover replacement software licenses and virtualisation requirements. However, due to increasing licensing costs and additional hardware requirements, as discussed above, a further £213,000 is required and the Capital programme will need to be altered accordingly.

4. EQUALITY RISK ASSESSMENT

- 4.1 The Project this document refers to has undertaken an Equality Risk Assessment. Please refer to Project documentation.

5. RECOMMENDATION

- 5.1 Approve the enhanced scope of the ICT Infrastructure Project to meet the current needs of the Service.
- 5.2 Approve the allocation of additional funds to this Project as detailed within the report.

Contact Officer:	Background Papers:
Name: Chris Williams Title: Head of ICT	ICT Infrastructure Project Workstreams V2

ICT Infrastructure Project - Appendix A

Overview

Scope

This is a technology refresh undertaken every number of years to take advantage of new software developments and hardware technology. This will involve updating the current operating system, associated software and office productivity suite for the end user and newer back end server applications that work in conjunction with the office suite.

To support the installed software the hardware will also be replaced or upgraded (based on criteria). This will provide the end user with a more modern method of accessing their information / applications from a wider variety of sources including access from home, work, mobile etc. As part of the project ICT will utilise innovative solutions to provide better management and maintenance of hardware and software.

Locations

Fire Service Headquarters

Cardiff Gate Training & Development Centre

Fire Stations (except where they have been identified as closing during 2015)

Fire Control (administration network only – this may change as part of the Joint Control Room Project)

Replacement Programme

This Infrastructure Upgrade will be reviewed four years post implementation and the next upgrade will be planned for five years after implementation. A capital bid of an equal amount spent on this upgrade will be made for this.

Workstreams

A brief overview of the project workstreams are listed below with more detailed information on research, devices, testing and configuration provided in the project documentation folder.

1 – End User Devices

a. Laptop / Tablets / Hybrids

Where these devices are required they will be upgraded if they are able to support Windows 7 / 8).

Replaced if they are below the hardware requirements to support Windows 7.

Replaced if they are considered to have less than 3 years useful life expectancy as determined by ICT.

b. Desktops

All station based desktops will be replaced by Thin Client devices due to the age of existing desktops.

At other locations they will be replaced if they are considered to have less than 3 years useful life expectancy as determined by ICT. These devices will then be reused by installing the same software as used by the Thin Client Devices to connect to the Virtual Desktop Solution. They have a small software footprint that makes little use of processor, memory or hard drive. They do not have a Windows operating system or Microsoft software installed. They may have USB ports available but would be subject to an applied security policy (see Security workstream).

c. Thin Client Devices

Install new thin client devices as determined above to connect to the Virtual Desktop Solution. These are dedicated devices that do not have a Windows operating system or Microsoft software installed. They will have USB ports available but would be subject to an applied security policy.

d. Workstations / Desktops

Where it has been determined that certain applications that make use of high specification graphics cards, sound cards or high performance disks then they would not be virtualised at this time and continue to operate as a standard desktop e.g. Computer Aided Design. Newer operating system and office software will be installed. These desktops have already been budgeted for elsewhere in line with their upgrade / replacement cycle.

e. Monitors

The current monitors at locations will not be replaced unless they are defective. On fire stations they are mostly 17" TFT with at least one 19" TFT at Cardiff Gate they are 17" TFT with a few 19" TFT and at FSHQ they are 19" TFT.

2 – Microsoft Software & Licences

Software licencing models are constantly changing thus affecting use and cost. Microsoft licences are required to be purchased in the most cost effective manner to support the project.

Currently Microsoft software can be purchased in the following manner:

- Select Plus – you pay a one off cost for a perpetual software licence of the version purchased
- Select Plus Software Assurance - you pay a one off cost for a perpetual software licence of any version released during the three year period.
- Enterprise – you pay yearly over three years for a perpetual software licence of any version released during the three year period.
- Enterprise Subscription - you pay yearly over three years upgrading to any version released during the three year period but at the end of the agreement you do not own the software.

The following lists the primary software that has to be procured or will have major changes for the end user or ICT support staff:

- MS Windows Desktop Operating System - Windows 7 / Windows 8
- MS Office 2013 – A device based software licence to allow upgrading from Office 2003
- MS Exchange 2013 CAL – Client Access Licence required to access latest version of Exchange email System
- MS SharePoint 2013 CAL – Client Access Licence required to access latest version of SharePoint Intranet System
- MS SQL Server 2014 (Processor based) – licences required to store and process data from SharePoint Intranet System
- MS Internet Explorer 11 (free) – upgrading from Internet Explorer 8
- MS Remote Desktop CAL – Client Access Licence required to access the virtual desktop solution
- MS Server 2012R2 CAL - Client Access Licence required to access any system running on a Windows 2012R2 server or network
- MS Server 2012R2 Datacentre - this is a software licence to allow installation of a server operating system on a physical server that will then allow installation of unlimited virtual machines (servers) to run on that physical server. The alternative is to purchase a single licence for each virtual machine installed.
- MS System Center 2012R2 – software licence to allow centralised monitoring and configuration of virtual machines and physical hosts
- MS Exchange 2013 Server – a software licence to upgrade from Exchange 2007 email system
- MS SharePoint 2013 Server – a software licence to upgrade from SharePoint 2007 Intranet system

The cost of the recommended option to procure these licences is **£318,000**.

Please refer to Appendix 1 for detailed breakdown of options.

3 – Application Servers

It is intended to upgrade the application servers to support and enhance the new end user operating system and office application suite.

SharePoint 2013

This will replace the existing version of the services intranet SharePoint 2007.

Installation Assistance and knowledge transfer will be required.

Design

It is proposed that a group be setup to discuss the design and use of the new intranet.

NOTE: The Service Internet (website) is not in scope of this project.

Exchange 2013

This will replace the existing version of the services email system Exchange 2007.

Installation Assistance and knowledge transfer will be required.

Exchange 2013 Integration Services are currently being reviewed as they have implications on licences. They are:

- Cisco Voicemail System
- RightFax Fax System

4 – Remote Access System

We currently provide remote access to a limited number of staff and to suppliers via several methods. As part of the project it is intended to provide remote access to all staff and suppliers that request it in a consistent and cost effective manner.

a. Citrix Gateway

The Citrix gateway purchased as part of the Access 4 All Project will be used to provide the access mechanism of a non- redundant system. Staff can then use their own computer equipment e.g. tablet, phone, computer to access SWFRS via a URL e.g. connect.southwales-fire.gov.uk. Staff can then be provided with anything from a single icon to access the intranet to a full virtual desktop.

We may consider making this a redundant solution at a future point.

b. Security

Access to the SWFRS network will be via a two factor authentication method – something you know (username and password) and something you have (a generated token). We are considering a cost effective, intuitive and simple SMS type system that will allow staff to request a token via a mobile app on your phone or an SMS text. This will be a safe and secure method to access our systems.

c. Existing Systems

All other remote access methods such as Cisco VPN, Councillor SSL etc. will be moved to this new system over a period of time and in conjunction with renewal of tokens.

5 – Training

ICT Staff

A matrix approach is being taken of which staff require training and to what level to support the project both during rollout and in life. This training will then be provided by a range of methods including skills exchange, external providers and on-line.

End Users

- Support material will be provided online, self-guided (How Do I ..) for the most commonly used features
- Discussions are taking place to employ an ICT Trainer to assist going forward.
- On-site basic training when the equipment is being installed and the provision of a simple user guide that will be left at stations

6 – Servers and Storage

There is a server and storage contract available to procure these items.

a. Servers

Additional servers will be added to an existing blade chassis. A new cluster will be created to support the Virtual Desktop Solution.

b. Storage

Additional storage will be added to the existing storage area network with sufficient speed and capacity to provide performance for the solution. This will be a hybrid storage device consisting of SSD (solid state drives) and HDD (fast hard disk drives).

Stations – All existing files stored on local desktop file servers will be relocated to FSHQ. The added benefit that these will be included as part of the ICT Backup Strategy.

Cardiff Gate – Files stored on the local file servers not used by specialist applications where a desktop / workstation will be retained will be moved to FSHQ.

Fire Control – Files stored on the local file server will be moved to FSHQ. This may change due to the Joint Control Room Project.

7 – Business Continuity Management

a. Backup / Restore

A review of the current backup and restore service (software and hardware) will be undertaken following completion of this project. This will be able to provide a more accurate picture of any future requirements.

b. Disaster Recovery Plan

The plan will be amended to reflect the changes to the infrastructure.

8 – Network

All South Wales Fire & Rescue Service locations are connected to the PSBA network.

During 2015 the network will be moved from Logicalis to BT as the new supplier of the PSBA.

a. Fire Service HQ Datacenter

There are two redundant links that have diverse connections into the PSBA network, one via Pontyclun (1Gb) and the other via Tonyrefail (100Mb).

The existing switches used in the Datacenter can more than accommodate the proposed increase in access to servers and storage as part of the project. The dual redundant switches can support 1Gb, 10Gb and 40Gb connections.

b. Cardiff Gate

There are two 10Mb redundant links that have diverse routes into the PSBA network.

c. Fire Control (and Pontyclun Fire Station)

There are two 100Mb diverse links that connect into the PSBA network, one via Pontyclun and the other via Cowbridge.

d. Fire Stations (excludes Pontyclun Fire Station)

All fire stations have a single 10Mb link into the PSBA network.

9 – Security

a. USB Devices

The aim is to allow the lockdown of all USB ports not used by a keyboard or mouse. ICT will work with the security risk group to discuss how it intends to manage this lockdown on a practical day to day level by staff requiring access to CD/DVD, USB memory sticks and other connected peripherals.

b. Remote Access (refer to Remote Access System)

c. ICT Server Access

ICT Staff provide support and maintenance for servers and with the use of newer operating systems it will allow the connection security to be increased to Network Level Authentication (NLA).

d. Anti-Virus and Encryption

All virtual desktop solution servers will use McAfee MOVE anti virus software that assists with offloading the scanning to designated servers and only scanning changed files to reduce the overhead currently found when using existing older desktops.

All hardware devices that are being replaced or updated with a new version of Windows will require drive encryption to be re-applied.

10 – Profile Management

Profile management ensures that the user's personal settings are applied to the user's virtual desktop and applications, regardless of the location and end point device.

Profile management is enabled through a profile optimization service that provides an easy, reliable way for managing these settings in Windows environments to ensure a consistent experience by maintaining a single profile that follows the user. It auto-consolidates and optimises user profiles to minimise management and storage requirements and requires minimal administration, support and infrastructure, while providing users with improved logon and logout.

Examples of these settings are connections to printers, network drives, shortcuts on the desktop etc. which currently you have to recreate each time you logon to a different computer.

11 – Disposal

All old / retired equipment will be disposed of under the waste electrical and electronic equipment (WEEE) regulations. The hard drives of all computers will be removed and shredded with a member of ICT present to watch the process. A small amount of the retired equipment will be retained as spare parts.

12 – Procurement

In conjunction with procurement staff we will make use of existing contracts and frameworks where they exist. Where this is not possible we will procure software, hardware and services as advised by procurement staff.

The following have already been agreed:

- End User Devices – Sell 2Wales ITEAS III Framework
- Microsoft Licences - CCS Framework Number: RM1054
- Profile Management – Sell 2 Wales (subject to tender process)
- Servers and Storage – Existing Contract in Place
- Remote Access Citrix Licences – Sell 2 Wales (subject to tender process)
- Remote Access 2 Factor Authentication – Sell 2 Wales (subject to tender process)

13 – Funding

Capital funding was approved as below:

£300K – 14/15

£100k – 15/16

The original capital bid was made during the 2013 / 2014 financial year and many things have changed in ICT. Licence changes and increased charges as well as a slight scope change means there is insufficient funds to complete project.

Costs

Please refer to Appendix 2 for a breakdown.

Implementation Plan - Overview

Testing / Proof of Concept – until end of April 2015

Remote Access Testing / Proof of Concept – May 2015

Report to SMT – May 2015

Procurement– May to July 2015 (existing contract / mini completion / tender)

System Configuration – from May 2015 (this can continue whilst awaiting licencing and new hardware)

Exchange Server – May to August 2015

SharePoint Server – from May 2015 (separate project plan to be created)

End User limited trial – August / September 2015 (1 x WDS, 1 x RDS, small group at FSHQ)

Fire Stations upgrade – September to December 2015

OHU / Cardiff Gate / FSHQ upgrade – January to March 2016

Fire Control (admin network upgrade) – to be agreed in conjunction with the Joint Control Project Plan

INFORMATION COMMUNICATION AND TECHNOLOGY DEPARTMENT

Appendix 2

DESCRIPTION	CAPITAL	REVENUE
End User Devices - Replacement of Laptops (out of spec) + docking station	26650	
NOTE: The above excludes fire safety device replacement as this is still under discussion (£15,000 in project fund)		
End User Devices - Thin Client hardware / software	92642	
Microsoft Licences (recommended option)	318000	
Application Servers (engineering assistance)	10000	
Remote Access System (year 1 only as there is a budget for current system)		3000
Remote Access System (2 Factor Authentication)		4500
Training for ICT Staff	0	
Servers and Storage	82000	
Profile Management (we could do a capital purchase for 3 years cover)		21600
Total Costs (minimum requirement)	529292	29100
Additional Scope		
End User Devices - Replacement of Laptops + docking station (older than 3 years)	29250	
End User Devices - Replacement of all 17" TFT Monitors	12000	
End User Devices - Thin Client hardware (to replace remaining desktops at FSHQ / Cardiff Gate)	49665	
Additional Costs	90,915	
Total Costs including additional scope (since no thin client software required this removes £7,392 from costs)	£612,815	£29,100

Appendix 3

ICT Landscape at the end of the Project

All locations will be equipped with new thin client devices, 19" TFT screens and access to the latest version of Microsoft Office using a virtual desktop with a modern Windows Operating System. Each member of staff would also have the ability to access their virtual desktop or applications from anywhere at anytime via a multitude of devices and have a similar experience.

Agile staff will be equipped with new, fit for purpose, mobile devices with the latest software.

The South Wales Fire & Rescue Service Intranet will also be updated to a more feature rich version for improved interaction with existing systems and applications. This will also allow more collaborative working due to the systems installed.

As new or updated software is installed this will become instantly available to all staff next time they log on; reducing site visits and ensuring that all staff have equal access.

SOUTH WALES FIRE & RESCUE AUTHORITY
FINANCE, AUDIT & PERFORMANCE
MANAGEMENT COMMITTEE
REPORT OF THE DEPUTY CHIEF OFFICER

AGENDA ITEM NO 12

29 JUNE 2015

WALES AUDIT OFFICE 2015/16 PROGRAMME OF AUDIT WORK

SUMMARY

This report outlines the audit work that will be undertaken by the Wales Audit Office during the 2015/16 financial year together with the associated fees.

RECOMMENDATION

That Members note the areas of audit work to be undertaken by the Wales Audit Office during 2015/16 and the associated fees.

1. ISSUE

- 1.1 As Members will be aware from various pieces of legislation, the Wales Audit Office is required to undertake a cycle of audit work on the Authority and report on this.

2. PROPOSED AUDIT PLAN 2015/16

- 2.1 In recent years it has been agreed with the Wales Audit Office that a cyclical programme of work will be undertaken, and the proposed audits for 2015/16 are detailed in the draft report from the Wales Audit Office to the Authority, attached at Appendix 1 to this report.
- 2.2 Members will note that the proposed work falls into two distinct categories: financial audits and performance audits.

3. PROPOSED AUDIT FEES 2015/16

- 3.1 The Service is pleased to note that the overall fee for 2015/16 is fractionally less than last year, at £53,136.

4. RECOMMENDATION

- 4.1 That Members note the areas of audit work to be undertaken by the Wales Audit Office during 2015/16 and the associated fees.

Contact Officer:	Background Papers:
Sally Chapman Deputy Chief Officer	None



2015 Audit Plan

South Wales Fire and Rescue Authority

Audit year: 2014-15

Issued: May 2015

Document reference: ###A2015

This document is a draft version pending further discussions with the audited and inspected body. Information may not yet have been fully verified and should not be widely distributed.

This document has been prepared for the internal use of South Wales Fire and Rescue Authority as part of work performed/to be performed in accordance with statutory functions.

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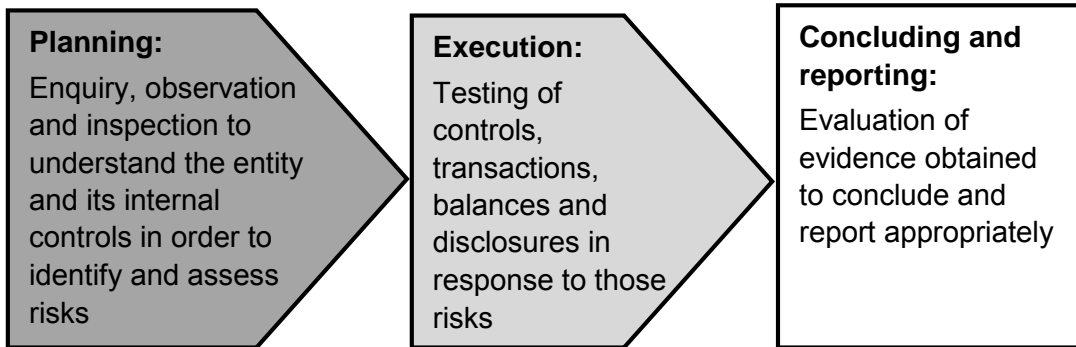
Summary

1. As your external auditor, my objective is to carry out an audit which discharges my statutory duties as Auditor General and fulfils my obligations under the Public Audit (Wales) Act 2004, the Local Government (Wales) Measure 2009 (the Measure), the Local Government Act 1999, and the Code of Audit Practice, namely to:
 - examine and certify whether your financial statements are ‘true and fair’;
 - assess whether you have made proper arrangements for securing economy, efficiency and effectiveness in the use of resources;
 - audit and assess whether you have discharged duties and met requirements of the Measure; and
 - undertake studies to enable me to make recommendations for improving economy, efficiency and effectiveness or for improving financial or other management arrangements.
2. The purpose of this plan is to set out my proposed work, when it will be undertaken, how much it will cost and who will undertake it.
3. There have been no limitations imposed on me in planning the scope of this audit.
4. My responsibilities, along with those of management and those charged with governance, are set out in [Appendix 1](#).

Financial audit

5. It is my responsibility to issue a certificate and report on the financial statements which includes an opinion on their ‘truth and fairness’.
6. I also consider whether or not South Wales Fire and Rescue Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources and report by exception if the Annual Governance Statement does not comply with requirements.
7. [Appendix 1](#) sets out my responsibilities in full.
8. The audit work I undertake to fulfil my responsibilities responds to my assessment of risks. This understanding allows me to develop an audit approach which focuses on addressing specific risks whilst providing assurance for the financial statements as a whole. My audit approach consists of three phases as set out in [Exhibit 1](#).

Exhibit 1: My audit approach



9. The risks of material misstatement which I consider to be significant and which therefore require special audit consideration, are set out in **Exhibit 2** along with the work I intend to undertake to address them.

Exhibit 2: Financial audit risks

Financial audit risk	Proposed audit response
The risk of management override of controls is present in all entities. Due to the unpredictable way in which such override could occur, it is viewed as a significant risk [ISA 240.31-33].	My audit team will: <ul style="list-style-type: none"> test the appropriateness of journal entries and other adjustments made in preparing the financial statements; review accounting estimates for biases; evaluate the rationale for any significant transactions outside the normal course of business.
Given the current economic environment, there is significant pressure on the Authority to reduce costs in the current financial year and future years. If budgeting and forecasting procedures are not robust, this could result in disruption in service delivery and prevent the Authority from achieving its objectives.	My audit team will: <ul style="list-style-type: none"> review the process for setting the revenue and capital budgets and discuss with management how performance against budget is monitored; review the performance against budget in the current financial year and projections for 2015-16.
The Authority is required to prepare a Governance Statement for inclusion in the 2014-15 Financial Statements, setting out the high level arrangements for prevention and detection of fraud and corruption and standards of conduct.	My audit team will review the Annual Governance statement to ensure it complies with best practice and reflects the Authority's governance arrangements.

Financial audit risk	Proposed audit response
<p>The Authority is required to have proper arrangements in place for securing economy, efficiency and effectiveness in its use of resources. If appropriate procedures are not in place, I am required to report this in my audit opinion on the financial statements.</p>	<p>My audit team will discuss the procedures in place to ensure proper arrangements are in place.</p>
<p>South Wales Fire Authority's Internal Auditors for 2013-14 were provided by TIAA. The results of internal audits during the year may indicate risks of material misstatement in the financial statements.</p>	<p>My audit team will review the reports produced by internal audit during the year and follow up any areas which may have an impact on the financial statements.</p>
<p>Risks relating to financial systems</p> <p>The Authority has upgraded their payroll system in the year. Weakness in the control environment relating to either existing or new systems could lead to a significant misstatement in the financial statements.</p>	<p>My audit team will document and test as appropriate the procedures in place (such as account reconciliations) to ensure that significant errors are detected.</p>
<p>Risks related to preparation of the accounts</p> <p>The finance team have continued to work with the two other Fire Authorities in Wales to produce an accounts template which should ensure more consistency of financial reporting of the 3 Welsh Fire Authorities.</p>	<p>My audit team has discussed key accounting changes with the Fire Authority and will review the accounts template accordingly.</p>
<p>As in prior years, the Authority has to complete a consolidation pack to support the consolidation of public sector resource accounts (Whole of Government Accounts).</p>	<p>My audit team will work with the finance team to ensure WGA audit packs are complete and any updates required to the consolidation pack as part of our audit work are promptly made.</p>
<p>Risks related to the financial statements</p> <p>The Authority participates in defined benefit pension schemes for both uniformed and non-uniformed employees. The accounting for these schemes is complex increasing the risk of error or omission in the financial statements.</p>	<p>My audit team will review the accounting and disclosure of the pension schemes to ensure they are in line with the relevant IFRS requirements and review actuarial assumptions to ensure they are in line with KPMG actuary assumption ranges.</p> <p>Final accounts testing based on work undertaken during the year and review of the draft financial statements.</p>

10. I do not seek to obtain absolute assurance on the truth and fairness of the financial statements and related notes, but adopt a concept of materiality. My aim is to identify material misstatements, that is, those that might result in a reader of the accounts being misled. The levels at which I judge such misstatements to be material will be reported to the Audit Committee prior to completion of the audit.
11. For reporting purposes, I will treat any misstatements below a 'trivial' level (the lower of five per cent of materiality or £100,000) as not requiring consideration by those charged with governance and therefore I will not report them.
12. My fees are based on the following assumptions:
 - information provided to support the financial statements is timely, to the quality expected and has been subject to quality assurance review;
 - appropriate accommodation and facilities are provided to enable my audit team to deliver the audit in an efficient manner;
 - all appropriate officials will be available during the audit;
 - you have all the necessary controls and checks in place to enable the Responsible Financial Officer to provide all the assurances that I require in the Letter of Representation addressed to me; and
 - Internal Audit's planned programme of work is complete and management has responded to issues that may have affected the financial statements.
13. In addition to my responsibilities in respect of the audit of South Wales Fire Authority's statutory financial statements set out above, I am also required to certify a return to the Welsh Government which provides information about South Wales Fire Authority to support preparation of Whole of Government Accounts.

Performance audit

14. I am required by the Measure to carry out an improvement assessment for each improvement authority every year, to determine whether the authority is likely to comply with requirements to make arrangements to secure continuous improvement. I must also carry out audits of whether the authority has discharged its duties under the Measure. My improvement assessment work, combined with my work on financial matters, also discharges my responsibility to satisfy myself that the audited body has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.
15. In addition to my programme of audit and assessment work under the Measure, I undertake a programme of local government studies as required under sections 41 and 42 of the Public Audit (Wales) Act 2004. This work is not included within the local performance audit fee, but is included within the Wales Audit Office estimates for funding from the Welsh Consolidated Fund.
16. I set out in this section the 12-month programme of performance audit work to be undertaken at South Wales Fire and Rescue Authority. The content of the programme has been determined by a consideration of the risks and challenges facing the Authority, the extent of accumulated audit and inspection knowledge, including that of

other external review bodies, as well as other available sources of information including the Authority's own mechanisms for review and evaluation.

17. The components of my performance audit work are shown in [Exhibit 4](#) and have been designed in order to help deliver the high-level objectives set out in our 2013-2016 corporate strategy (www.wao.gov.uk/publication/wales-audit-office-corporate-strategy-2013-2016).

Exhibit 4: Components of my performance audit work



18. The performance work I propose to undertake is summarised in [Exhibit 5](#).

Exhibit 5: Contents of my 2015-16 performance audit work programme

	Specific projects
Improvement audit and assessment	<p>‘Improvement plan’ audit Audit of discharge of duty to publish an improvement plan.</p> <p>‘Assessment of performance’ audit Audit of discharge of duty to publish an assessment of performance.</p> <p>Financial management review Further work on financial management arrangements following up our 2014-15 review, and looking forward to 2016-17 budget setting and savings proposals. There will also be a focus on reserves position, policy and use of reserves.</p> <p>Locally determined review(s) To be confirmed</p>
Follow-up work	<p>I will maintain a focus on assessing the progress that has been made in implementing recommendations from my previous work. As part of this work, I will seek assurance that the Authority has appropriate corporate processes for responding to my reports, tracking implementation of my recommendations and reporting this to the appropriate committee.</p> <p>I intend to undertake specific follow-up work on:</p> <ul style="list-style-type: none"> • Data Quality Review and “Delivering with Less” study completed in 2014-15
Local government studies	<p>I shall be undertaking three studies at all Councils in Wales and am consulting Fire and Rescue Authorities about which one of these studies will be applied at the Fire and Rescue Authorities. The three studies are:</p> <ul style="list-style-type: none"> • The strategic approach of local authorities to income generation and charging for services • Local Authority funding of third-sector services • The effectiveness of local community safety partnerships
Good practice	<p>In line with the my commitment to identify and share good practice, I will continue to host shared learning seminars, identify relevant case studies and focus my work on identifying and promoting effective practice.</p>

Fee, audit team and timetable

Fee

19. Your estimated fee for 2015 is set out in [Exhibit 6](#).

Exhibit 6: Audit fee

Audit area	Proposed fee (£) ¹	Actual fee last year (£)
Financial audit work ¹	38,000	38,000
Performance audit work:	15,136	15,292
Total fee	53,136	53,292

20. Planning will be ongoing, and changes to my programme of audit work and therefore my fee, may be required if any key new risks emerge. I shall make no changes without first discussing them with South Wales Fire and Rescue Authority.
21. Further information on my fee scales and fee setting can be found on the Wales Audit Office website at: www.wao.gov.uk/about-us/fee-scales-and-fee-setting.

Audit team

22. The main members of my team, together with their contact details, are summarised in [Exhibit 7](#).

Exhibit 7: My team

Name	Role	Contact number	E-mail address
Jane Holownia	Engagement Director	029 2032 0500	Jane.holownia@wao.gov.uk
Virginia Stevens	Financial Audit Engagement Lead	029 20468000	Virginia.stevens@kpmg.co.uk
Steve Barry	Performance Audit Manager	07786 190210	Steve.barry@wao.gov.uk
Katherine Spooner	Financial Audit Manager	0117 905 4228	Katherine.spooner@kpmg.co.uk

23. I can confirm that my team members are all independent of South Wales Fire and Rescue Authority and your officers. In addition, I am not aware of any potential conflicts of interest that I need to bring to your attention.

¹ The fees shown in this document are exclusive of VAT, which is no longer charged to you.

Timetable

24. I will provide reports, or other outputs as agreed, to South Wales Fire and Rescue Authority covering the areas of work identified in this document. My key milestones are set out in [Exhibit 8](#).

Exhibit 8: Timetable

Planned output	Work undertaken	Report finalised
2015 Audit Plan	November 2014 – March 2015	May 2015
Financial accounts work: <ul style="list-style-type: none"> • Audit of Financial Statements Report • Opinion on Financial Statements • Financial Accounts Memorandum 	February – September 2015	September 2015 September 2015 October 2015
Performance work: Improvement plan audit Assessment of performance audit Financial management review Local study	(Estimated) June 2015 November 2015 Oct – Dec 2015 Oct – Dec 2015	(Estimated) July 2015 November 2015 February 2016 February 2016
Annual Improvement Report	June to December 2015	March 2016
2016 Audit Plan	October – December 2015	January 2016

Respective responsibilities

Financial audit

As amended by the Public Audit (Wales) Act 2013, the Public Audit (Wales) Act 2004 sets out my powers and duties to undertake your financial audit. It is my responsibility to issue a certificate and report on the financial statements which includes an opinion on:

- Their ‘truth and fairness’, providing assurance that they:
 - are free from material misstatement, whether caused by fraud or error;
 - comply with the statutory and other applicable requirements; and
 - comply with all relevant requirements for accounting presentation and disclosure.
- The consistency of information in the Annual Report with the financial statements.

I must also state by exception if the Annual Governance Statement does not comply with requirements, if proper accounting records have not been kept, if disclosures required for remuneration and other transactions have not been made or if I have not received all the information and explanations I require.

The Public Audit (Wales) Act 2004 requires me to assess whether South Wales Fire and Rescue Authority has made proper arrangements for securing economy, efficiency and effectiveness in the use of resources. To achieve this, I consider:

- the results of the audit work undertaken on the financial statements;
- South Wales Fire and Rescue Authority’s system of internal control, as reported in the Annual Governance Statement and my report thereon;
- the results of other work carried out including work carried out under the Local Government (Wales) Measure 2009 (the Measure), certification of claims and returns, and data-matching exercises;
- the results of the work of other external review bodies where relevant to my responsibilities; and
- any other work that addresses matters not covered by the above, and which I consider necessary to discharge my responsibilities.

The Public Audit (Wales) Act 2004 sets out the rights of the public and electors to inspect South Wales Fire and Rescue Authority’s financial statements and related documents, to ask me, as the Appointed Auditor questions about the accounts and, where appropriate, to challenge items in the accounts. I must also consider whether in the public interest, I should make a report on any matter which comes to my notice in the course of the audit.

My audit work does not relieve management and those charged with governance of their responsibilities which include:

- the preparation of the financial statements and Annual Report in accordance with applicable accounting standards and guidance;
- the keeping of proper accounting records;
- ensuring the regularity of financial transactions; and
- securing value for money in the use of resources.

Management agrees to provide me with:

- access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- additional information that I may request from management for the purpose of the audit; and
- unrestricted access to persons within South Wales Fire and Rescue Authority from whom I determine it necessary to obtain audit evidence.

Management will need to provide me with written representations to confirm:

- that it has fulfilled its responsibilities for the preparation of the financial statements;
- that all transactions have been recorded and are reflected in the financial statements;
- the completeness of the information provided to me for the purposes of the audit; and
- to support other audit evidence relevant to the financial statements or specific assertions in the financial statements if I deem it necessary or if required by ISAs.

Performance audit

The Measure places a general duty on improvement authorities to ‘make arrangements to secure continuous improvement in the exercise of [their] functions’. It also places specific requirements on authorities to set improvement objectives, and to publish annual improvement plans and assessments of performance. Improvement authorities are defined as county and county borough councils, national park authorities, and fire and rescue authorities.

The Measure also requires me to carry out an improvement assessment for each improvement authority every year, to determine whether the authority is likely to comply with its general duty and requirements of the Measure. I must also carry out an audit of whether the authority has discharged its improvement planning and reporting duties.

To discharge the requirements of the Measure, I undertake periodic corporate assessments at each improvement authority. Since 2013-14, I have undertaken this programme of corporate assessments on a cyclical basis. Currently I have agreed with the Welsh Government that I may use the grant that I receive from the Welsh Government to fund the corporate assessment. This means that, in addition to fee-funded improvement assessment and audit work, each authority will receive an in-depth corporate assessment once during a four-year period. In the intervening years, I will maintain a ‘light-touch’ overview of developments and of the progress made by the authority.

In the event of emerging issues of concern or matters of priority, I do reserve the flexibility to undertake a more frequent corporate assessment.

I may also, in some circumstances, carry out special inspections (under section 21), in respect of which I will provide a report to the relevant authorities and Ministers, and which I may publish (under section 22). I will summarise audit and assessment reports in my published Annual Improvement Report (under section 24). This will also summarise any reports of special inspections.

In addition to my programme of audit and assessment work under the Measure, I undertake a programme of local government studies as required under sections 41 and 42 of the Public Audit (Wales) Act 2004. This work is not included within the local performance audit fee, but is included within the Wales Audit Office estimates for funding from the Welsh Consolidated Fund

National value-for-money studies

South Wales Fire and Rescue Authority may also be interested in the national value-for-money examinations which I undertake, some of which will be of particular relevance to, and may involve evidence gathering across, local government. These studies are funded by the National Assembly and are presented to the National Assembly's Public Accounts Committee to support its scrutiny of public expenditure.

The table below covers all of the value-for-money studies work currently programmed, although some of this work is still at an early stage of development. The programme includes all-Wales summaries of audit work undertaken locally in the NHS and reactive examinations into specific issues of public concern that have been raised with me. I will shortly be considering and consulting on potential topic areas for future value-for-money studies to start, and potentially in some cases to be reported, in 2015-16.

Further updates on my programme of value-for-money studies will be provided to you within the regular progress reports prepared by my team.

Topic	Anticipated publication timeframe
GP prescribing	April to June 2015
Welsh Government investment in next generation broadband infrastructure	April to June 2015
Regional education consortia	April to June 2015
Welsh Government acquisition of Cardiff Airport	April to June 2015
Rail services	April to June 2015
Orthopaedic services	April to June 2015
NHS clinical coding	Summer 2015
NHS waiting lists and private practice	Summer 2015
Picture of public services	Autumn 2015
Development of Natural Resources Wales	Autumn 2015
Regeneration Investment Fund for Wales ²	To be confirmed
Wales Life Sciences Investment Fund ³	To be confirmed
Flood and erosion risk management (likely to focus on coastal flooding)	To be confirmed

² While in clearance, the timescale for publication is uncertain for reasons specific to the project.

³ While in clearance, the timescale for publication is uncertain for reasons specific to the project.

Topic	Anticipated publication timeframe
Early intervention and public behaviour change ⁴	To be confirmed
Welsh Government interventions in local government ⁵	To be confirmed
Welsh Government responses to audit recommendations	To be confirmed
Public procurement and the National Procurement Service	To be confirmed

⁴ In the short-term, development of a new picture of public services report will take priority over this work. However, the picture of public services report is likely to reflect on these themes in some way. Wales Audit Office staff will also be exploring opportunities to take forward work in this area as part of our good practice exchange programme.

⁵ Plans for this work are being revisited in light of the Welsh Government commissioned review of the Anglesey intervention and to take into account any wider implications arising from the local government reform programme.

WALES AUDIT OFFICE UPDATE REPORTS

SUMMARY

This report advises Members of the issue of the Certificate of Compliance for the audit of the Authority's 2015-16 Improvement Plan and the outcome of the "Delivering with Less – Workforce Reconfiguration Study"

RECOMMENDATION

That Members note the issue of the Certificate of Compliance for the audit of the Authority's 2015-16 Improvement Plan.

That members note the positive conclusions reached by the Auditor general in the "Delivering with Less – Workforce Reconfiguration Study"

1. CERTIFICATE OF COMPLIANCE OF THE 2015/16 IMPROVEMENT PLAN

- 1.1 As Members will be aware, the Auditor general is required to audit the Authority's Improvement Plan each year under the Local Government (Wales) measure 2009 to advise on the discharge of the Authority's obligations to secure continuous improvement in the exercise of its functions and achievement of its improvement objectives.
- 1.2 A copy of the Certificate issued by the Auditor general is attached at Appendix 1 to this report and concludes that the Authority has effectively discharged its relevant statutory duty in this regard.

2. DELIVERING WITH LESS – WORKFORCE RECONFIGURATION STUDY

- 2.1 This report, a copy of which is attached at Appendix 2 to this report, details the work undertaken and the conclusions reached by the Wales Audit Office in relation to a study into how the Service is reconfiguring its workforce to meet the efficiency challenges within the public sector at the current time.
- 2.2 As Members will observe, the report took the Fire Cover Review Phase 2 as its study base and reviewed how the project was taken from inception to implementation. As members will appreciate, the Fire Cover Review project as a whole was a difficult and challenging project for the

organisation, raising very sensitive issues, from both a public, stakeholder and staff perspective, and it is pleasing to note that the conclusions within the report are very positive.

- 2.3 Two learning points / issues for improvement have been identified by the Auditor general within the report, one of which had been picked up during the debrief process held by the Service on the project as a whole. The first point will be reviewed, although it may be difficult to give an accurate costing due to the fact that officers involved in the process will not have accurately recorded the time they spent on the project, and more specifically each phase. However, members are reminded that it is good practice for the Authority to review on a regular basis the disposition of its resources to deliver a service to ensure it is using public funds in the most effective and appropriate manner and is under a statutory obligation to consult with staff, stakeholders and the public on any proposed changes. Therefore, to some degree, the amount of staff time required to do this properly will be dictated by the issues involved and the degree of engagement during the process.

3. RECOMMENDATION

- 3.1 That Members note the issue of the Certificate of Compliance for the audit of the Authority's 2015-16 Improvement Plan.
- 3.2 That members note the positive conclusions reached by the Auditor general in the "Delivering with Less – Workforce Reconfiguration Study"

Contact Officer:	Background Papers:
Sally Chapman Deputy Chief Officer	None

Certificate of Compliance

Audit of South Wales Fire and Rescue Authority's assessment of 2013-14 performance

Certificate

I certify that I have audited South Wales Fire and Rescue Authority's (the Authority) assessment of its performance in 2013-14 in accordance with section 17 of the Local Government (Wales) Measure 2009 (the Measure) and my Code of Audit Practice.

As a result of my audit, I believe that the Authority has discharged its duties under sections 15(2), (3), (8) and (9) of the Measure and has acted in accordance with Welsh Government guidance sufficiently to discharge its duties.

Respective responsibilities of the Authority and the Auditor General

Under the Measure, the Authority is required to annually publish an assessment which describes its performance:

- in discharging its duty to make arrangements to secure continuous improvement in the exercise of its functions;
- in meeting the improvement objectives it has set itself;
- by reference to performance indicators specified by Welsh Ministers, and self-imposed performance indicators; and
- in meeting any performance standards specified by Welsh Ministers, and self-imposed performance standards.

The Measure requires the Authority to publish its assessment before 31 October in the financial year following that to which the information relates, or by any other such date as Welsh Ministers may specify by order.

The Measure requires that the Authority has regard to guidance issued by Welsh Ministers in publishing its assessment.

As the Authority's auditor, I am required under sections 17 and 19 of the Measure to carry out an audit to determine whether the Authority has discharged its duty to publish an assessment of performance, to certify that I have done so, and to report whether I believe that the Authority has discharged its duties in accordance with statutory requirements set out in section 15 and statutory guidance.

Scope of the audit

For the purposes of my audit work I will accept that, provided an authority meets its statutory requirements, it will also have complied with Welsh Government statutory guidance sufficiently to discharge its duties.

For this audit I am not required to form a view on the completeness or accuracy of information. Other assessment work that I will undertake under section 18 of the Measure may examine these issues. My audit of the Authority's assessment of performance, therefore, comprised a review of the Authority's publication to ascertain whether it included elements prescribed in legislation. I also assessed whether the arrangements for publishing the assessment complied with the requirements of the legislation, and that the Authority had regard to statutory guidance in preparing and publishing it.

The work I have carried out in order to report and make recommendations in accordance with sections 17 and 19 of the Measure cannot solely be relied upon to identify all weaknesses or opportunities for improvement.



HUW VAUGHAN THOMAS

AUDITOR GENERAL FOR WALES

CC: Leighton Andrews, Minister for Public Services

Steve Barry, Manager

Tystysgrif Cydymffurfio

Archwiliad o asesiad o berfformiad 2013-14 Awdurdod Tân ac Achub De Cymru

Tystysgrif

Rwyf yn ardystio fy mod i wedi archwilio asesiad Awdurdod Tân ac Achub De Cymru (yr Awdurdod) o'i berfformiad yn 2013-14 yn unol ag adran 17 Mesur Llywodraeth Leol (Cymru) 2009 (y Mesur) a'm Cod Ymarfer Archwilio.

O ganlyniad i'm harchwiliad, rwyf o'r farn bod yr Awdurdod wedi cyflawni ei ddyletswyddau dan adrannau 15(2), (3), (8) a (9) y Mesur a'i fod wedi ymddwyn yn unol â chanllawiau Llywodraeth Cymru yn ddigonol i gyflawni ei ddyletswyddau.

Priod gyfrifoldebau'r Awdurdod a'r Archwilydd Cyffredinol

Dan y Mesur, mae'n ofynnol i'r Awdurdod gyhoeddi asesiad yn flynyddol sy'n disgrifio ei berfformiad o ran y canlynol:

- cyflawni ei ddyletswydd i wneud trefniadau i sicrhau gwelliant parhaus wrth gyflawni ei swyddogaethau;
- cyflawni'r amcanion gwella y mae wedi'u pennu iddo'i hun;
- trwy gyfeirio at ddangosyddion perfformiad a nodwyd gan Weinidogion Cymru a dangosyddion perfformiad a bennwyd gan yr Awdurdod ei hun; a
- chyflawni unrhyw safonau perfformiad a nodwyd gan Weinidogion Cymru a safonau perfformiad a bennwyd gan yr Awdurdod ei hun.

Mae'r Mesur yn ei gwneud yn ofynnol i'r Awdurdod gyhoeddi ei asesiad cyn 31 Hydref yn ystod y flwyddyn ariannol yn dilyn y flwyddyn ariannol y mae'r wybodaeth yn ymwneud â hi, neu erbyn unrhyw ddyddiad arall a allai gael ei bennu trwy orchymyn gan Weinidogion Cymru.

Mae'r Mesur yn ei gwneud yn ofynnol i'r Awdurdod ystyried canllawiau a gyhoeddir gan Weinidogion Cymru, wrth gyhoeddi ei asesiad.

Fel archwilydd yr Awdurdod, mae'n ofynnol dan adrannau 17 ac 19 y Mesur i mi gynnal archwiliad er mwyn penderfynu a yw'r Awdurdod wedi cyflawni ei ddyletswydd i gyhoeddi asesiad o berfformiad, ardystio fy mod i wedi gwneud hynny ac adrodd ynghylch a wyf o'r farn bod yr Awdurdod wedi cyflawni ei ddyletswyddau'n unol â'r gofynion statudol a eglurir yn adran 15 ac mewn canllawiau statudol.

Cwmpas yr archwiliad

At ddibenion fy ngwaith archwilio byddaf yn derbyn, os yw awdurdod yn bodloni ei ofynion statudol, y bydd hefyd wedi cydymffurfio â chanllawiau statudol Llywodraeth Cymru yn ddigonol i gyflawni ei ddyletswyddau.

Ar gyfer yr archwiliad hwn, nid yw'n ofynnol i mi ffurfio barn ynghylch pa mor gyflawn neu gywir yw'r wybodaeth. Mae'n bosibl y bydd gwaith asesu arall y byddaf yn ymgymryd ag ef dan adran 18 y Mesur yn ystyried y materion hynny. Felly, roedd fy archwiliad o asesiad o berfformiad yr Awdurdod yn cynnwys adolygu cyhoeddiad yr Awdurdod er mwyn gweld a oedd yn cynnwys yr elfennau a bennir mewn deddfwriaeth. Euthum ati hefyd i asesu a oedd y trefniadau ar gyfer cyhoeddi'r asesiad yn cydymffurfio â gofynion y deddfwriaeth, ac a oedd yr Awdurdod wedi ystyried canllawiau statudol wrth baratoi a chyhoeddi ei asesiad.

Nid yw'r gwaith yr wyf i wedi'i gyflawni er mwyn adrodd a gwneud argymhellion yn unol ag adrannau 17 ac 19 y Mesur yn waith y gellir dibynnu'n gyfan gwbl arno i nodi pob gwendid neu bob cyfle i wella.



HUW VAUGHAN THOMAS

ARCHWILYDD CYFFREDINOL CYMRU

CC: Leighton Andrews, Y Gweinidog Gwasanaethau Cyhoeddus

Steve Barry, Rheolwr

Delivering with less – workforce re-configuration

South Wales Fire and Rescue Authority

Audit year: 2014-15

Issued: April 2015

Document reference: 252A2015

Purpose of this document

This document is a draft supplied in confidence solely for the purpose of verifying the accuracy and completeness of the information contained in it and to obtain views on the conclusions reached.

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This document was produced by Steve Barry and Ron Price.

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Summary

1. The Auditor General for Wales has previously set out his programme of all-Wales national studies for 2014-15. The programme includes a study on 'delivering with less' to examine how authorities were managing the delivery of a service in the context of reduced resources. The Fire and Rescue Authorities (FRAs) in Wales have recognised the challenges facing local government and have been seeking to achieve savings as well as ensuring compliance with statutory duties and Welsh Government expectations.
2. Following discussion with senior officers at each of the FRAs it was determined that a review which focussed on the largest area of expenditure, employee costs, would be most beneficial. In South Wales FRA (the Authority) we looked at the way in which the Fire Cover Review for the Blaenau Gwent, Monmouthshire, Newport and Torfaen Authority areas was carried out. We asked: 'Have arrangements for implementing changes made to workforce configuration effectively managed risks and improved the way in which resources are utilised?'
3. We concluded that: Efficiency savings have been achieved by re-configuration of the workforce and effective programme management has enabled the Authority to demonstrate management of associated risks. We came to this conclusion because:
 - the Authority has made efficiency savings through workforce changes successfully over the past three years;
 - project planning and management was well documented and a sound evidence base supported decision making; and
 - post project evaluation has identified aspects that went well and lessons for the future.

Proposals for improvement

P1 The Authority should review the overall cost and savings in making the changes supported by the work of the fire cover review.

P2 The Authority should ensure that they plan for the impact on senior staff resources when implementing change.

Efficiency savings have been achieved by re-configuration of the workforce and effective programme management has enabled the Authority to demonstrate management of associated risks

The Authority has made efficiency savings through workforce changes over the past three years

7. As reported in our financial planning assessment of December 2104 the Authority has been successful in setting, agreeing and maintaining accurate outturns in its financial budgetary management for the last few years. It has been able to do this in times of budgetary pressure through changes to crewing arrangements, reviews of tactical managers, operational crewing reviews of all second appliances and reviews of middle managers. This has not been at the expense of meeting its statutory responsibilities. The Authority has maintained an effective service to the communities in South Wales throughout this period with an increased emphasis on prevention work.
8. As is the case with other Fire Authorities in Wales the largest proportion of expenditure relates to employee pay. The service has a mix of whole-time duty, and retained (part-time on-call) staff to deliver its operational response services. Staff costs shown in the Authority's statements of accounts for 2011-12, 2012-13 and 2013-14 have reduced by £1,894,000¹ in real terms since 2011-12. The most significant reductions have been in the cost of uniformed whole-time and uniformed retained staff. In overall terms the staff establishment reduced from 1,746 employees in 2011-12 to 1,681 in 2013-14.
9. Senior staff identified that it had been many years since aspects of fire cover had been analysed and challenged across the whole of the South Wales area. There was anecdotal evidence that in some places there was apparent over provision of fire cover, with consequent resource implications, yet this had not been tested in a rigorous risk-based way.
10. It was agreed that the fire cover review process would be carried out in a phased way to enable any identified changes in fire cover to be implemented in a controlled way, especially where changes in one area had implications for adjoining areas of South Wales. Therefore on 23 September 2013 the Authority authorised Officers to commence public and partner consultation on the proposals for Phase 2 of the Fire Cover Review (FCR) for the Blaenau Gwent, Monmouthshire, Newport and Torfaen Local Authority areas.

¹ As measured by the Treasury Gross Domestic Product deflators published April 2015.

Project planning and management were well documented and a sound evidence base supported decision making

11. For this review we sought evidence that the change process had been managed using formal, documented project management principles. [Appendix 1](#) sets out what we were looking for. The advantage of adopting such an approach is that it enables the Authority to demonstrate that risks have been managed effectively, that lessons to be learned can be captured and built into future planning and that the results of implementation can be evaluated against original intentions.
12. A well-defined project management approach to this significant process was established by the service. Acceptable levels of increased risk were established at the outset to form the parameter of the review and shape the way in which options for changes in fire cover were considered.
13. Consultation arrangements with communities, individuals, Councils and local politicians were put in place, the FRA seconded from an external organisation to support this aspect of the process and provide the relevant skills it did not have itself. As each phase of the FCR was undertaken the Authority learned lessons on how to adjust the consultation process to get the maximum impact. For example, moving display stands to different locations within a high street, having more uniformed officers on the street asking for input from the public, and engaging in public meetings.
14. The consultation process was carried out in a structured way and was adapted as issues were raised by the public, and as the skills of staff involved developed. The quality and extent of consultation were beneficial in enabling the Authority to understand the critical issues relevant to the communities potentially affected by the FCR changes.
15. A sound evidence base was used to support decision making. The quality of the data and supporting information was tested through the extensive external challenge which the FCR proposals received. The framework used for collation of relevant evidence to support decision making was the National Fire Service Emergency Cover (FSEC) toolkit. The toolkit is a tool that enables fire and rescue services to assess the risks from fire and other incidents and to allocate responses appropriate to that risk and predict the effectiveness of risk reduction strategies employed.
16. Consideration of equality issues was incorporated in the FCR assessments and review process. These were included in summary form in reporting to the Authority during the process of endorsing proposed changes. Equality impact assessments were carried out and the results included in the risk assessment evaluation.
17. The Authority also made extensive use of a wide range of other information to support the FCR process, ranging from site specific information to available information about the local population and local demand for the service. These are listed in [Appendix 2](#) for ease of reference.
18. The FCR led to a proposal to close Blaina Fire Station (a retained duty station) being made to the FRA on 23 September 2013. The accompanying report was detailed and comprehensive. Because the proposed closure of a local station is of significant interest the FRA undertook a further period of additional consultation. Throughout this

period the strength of the evidence base was tested and proved able to provide assurance to local authority partners, communities and staff that implementing the proposals would not increase the risk of death or injury from fire in the Blaina area. On 22 September 2014 the closure of Blaina Fire Station was approved by the Authority with closure scheduled for March 2015.

19. Effective communication and interaction with workforce representatives have taken place during the implementation of the changes. In order to take proposals forward in a positive way the Authority had regular meetings, and interaction with Union representatives. This has enabled the Authority to work with employees to ensure that a number of options could be presented to those affected by the closure and changes.
20. Staff have been offered four options. These include new fast track arrangements to join the ranks of full-time fire fighters within the service, redeployment to other stations (subject to location and turn out time), relocation (where location is a challenge, with financial support available) or, as a last resort, redundancy. Around 16 staff are potentially affected by the changes and the process of establishing preferred options is currently underway.

Post-project evaluation has identified aspects that went well and lessons for the future

21. As part of the programme-management process a post implementation review was undertaken, together with this report a number of lessons for the future can be identified:
 - The extent of engagement necessary with stakeholders resulting from the proposals to close a local station was greater than originally anticipated. Proper engagement is essential in such projects but it needs to be recognised that this places additional demands on staff time with a potential impact on other areas of responsibility.
 - The Authority had not calculated the overall cost of the implementation of the FCR project and proposals. Whilst many costs of such a review would be regarded as part of the discharge of professional obligations, additional hours and resources to drive the proposals forward proved necessary and it would be beneficial to future FCR work if such implications were captured.
 - Additional costs were incurred for a variety of unanticipated aspects such as additional arrangements necessary for managing public meetings; extra work on dealing with the additional scrutiny of proposals and supplementary local consultation when station closure was identified as the preferred option.
 - Station closure was a high profile issue and generated a high level of external scrutiny. Good communications with staff to ensure consistency and clarity of message are essential. Managing the external perception of what the Authority was seeking to achieve is a lesson that the Authority has learned in subsequent negotiations in relation to changes under the later stages of the Fire Cover Review.

- 22.** The Authority is also planning to provide feedback to Authority members and communities affected by the changes once the Blaina Fire Station has closed.

Audit 'checklist'

Checklist

Project Implementation Document

Pre-implementation plan with key milestones and events

Equality impact assessment

Consultation with staff affected by the changes

Record of the estimate of the possible efficiency or cost savings that the changes could deliver

Risk assessment and evaluation of the impact of the changes

Record of ongoing evaluation to readily identify trends in incidents, sickness absence, financial costs or other data specific to the changes

Post implementation evaluation documents and reports including reporting of results achieved to the Authority

Local criteria that informed decision making

A wide range of information was used to support decision making:

FSEC tool-kit

Public consultation

Staff consultation

Stakeholder consultation

Historic number of fire, road-traffic and other emergency calls in the area

The location of other appliances in an area

Road networks and travel times

Average response times

Housing and other developments

Flood plains

Proposed developments

Supporting call profiles where stations have attended outside of their station area

Turn-in times

Demographics – both current and projected through census data

Welsh Index of Multiple Deprivation

MOSAIC risk information

National and local proposals

Local and professional knowledge

Site specific information

Service demands both within South Wales and nationally (eg, flooding)

Cross-border impacts

**FORWARD WORK PROGRAMME FOR
FINANCE, AUDIT & PERFORMANCE MANAGEMENT COMMITTEE 2015/16**

Expected Date of Report	Report Name	Purpose of Piece of Work	Lead Director/ Contact Officer	Progress
As required	Internal Audit Progress Report & Audit Action Updates	To provide an updated position of work performed against the internal audit plan and to highlight any significant issues arising from the internal audit work performed	DCO Contact Officer: Geraint Thomas	
As required	Performance Report	To scrutinise specific issues of performance identified and referred by Fire Authority	DCO Contact Officer: Steve Rossiter	
As required	Statistics Report	To scrutinise specific statistics or trends as identified and referred by Fire Authority	Andy Thomas Contact Officer: Steve Rossiter	
As required	WAO Reports	To advise Members of the conclusions of WAO Reports and to consider the implications for the Service	DCO Contact Officer: Sally Chapman	
29 June 2015	Revenue Outturn	To advise on total revenue expenditure for the year against the set revenue budget following the year end and to explain variations	Treasurer/DCO Contact Officer: Geraint Thomas	

Expected Date of Report	Report Name	Purpose of Piece of Work	Lead Director/ Contact Officer	Progress
29 June 2015	Capital Outturn	To advise on total capital expenditure for the year against the set capital budget following the year end and to explain variations	Treasurer/DCO Contact Officer: Geraint Thomas	
29 June 2015	Statement of Accounts	To advise Members of the content of the Statement	Treasurer Contact Officer: Chris Barton/ Geraint Thomas	
29 June 2015	Medium Term Financial Strategy Update	To Update Members on the MTFs to inform and influence the 2016/17 budget setting process	Treasurer Contact Officer: Chris Barton	
29 June 2015	Scrutiny of Incidents Where No Smoke Alarm was Fitted or Actuated	To provide a scrutiny of incidents where no smoke alarm was fitted or actuated and a comparison with family group 4 data	ACO SD Contact Officers: Andy Thomas	
29 June 2015	Scrutiny of Strategic Objectives 1, 4 and 5	To scrutinise the issues in relation to each of the strategic objectives and to review what the Service has planned to do to address each issue in the current financial year	All Directors	
14 Sept 2015	Revenue Monitor	To provide an update on revenue	Treasurer/DCO	

Expected Date of Report	Report Name	Purpose of Piece of Work	Lead Director/ Contact Officer	Progress
		expenditure against the revenue budget for the year	Contact Officer: Geraint Thomas	
14 Sept 2015	Capital Monitor	To provide an update on capital expenditure against the capital budget for the year	Treasurer/DCO Contact Officer: Geraint Thomas	
14 Sept 2015	Treasury Management Outturn Report	To advise on performance against the treasury management policy and strategy following financial year end	Treasurer Contact Officer: Chris Barton/ Geraint Thomas	
14 Sept 2015	Revenue Budget Setting Report	To assist in determining the appropriate revenue budget required to meet the Service's requirements for the financial year	Treasurer/DCO Contact Officer: Chris Barton/ Geraint Thomas	
14 Sept 2015	Capital Budget Setting Report	To assist in delivering the appropriate capital budget required to meet the Service's requirements for the financial year	Treasurer/DCO Contact Officer: Chris Barton/ Geraint Thomas	

Expected Date of Report	Report Name	Purpose of Piece of Work	Lead Director/ Contact Officer	Progress
14 Sept 2015	Scrutiny of Strategic Objectives 2 and 3	To scrutinise the issues in relation to each of the strategic objectives and to review what the Service has planned to do to address each issue in the current financial year	All Directors	
23 Nov 2015	Treasury Management Interim Report	To update Members on treasury management activity during the year to date	Treasurer Contact Officer: Chris Barton/ Geraint Thomas	
23 Nov 2015	Revenue Monitor	To provide an update on revenue expenditure against the revenue budget for the year	Treasurer/DCO Contact Officer: Geraint Thomas	
23 Nov 2015	Capital Monitor	To provide an update on capital expenditure against the capital budget for the year	Treasurer/DCO Contact Officer: Geraint Thomas	
23 Nov 2015	Corporate Risk Register	To seek Members' views upon the Corporate Risk Register	DCO Contact Officer: Steve Rossiter	

Expected Date of Report	Report Name	Purpose of Piece of Work	Lead Director/ Contact Officer	Progress
23 Nov 2015	Revenue Budget Setting Report	To assist in determining the appropriate revenue budget required to meet the Service's requirements for the financial year	Treasurer/DCO Contact Officer: Chris Barton/ Geraint Thomas	
23 Nov 2015	Capital Budget Setting Report	To assist in delivering the appropriate capital budget required to meet the Service's requirements for the financial year	Treasurer/DCO Contact Officer: Chris Barton/ Geraint Thomas	
23 Nov 2015	Audit & Plan Scheme Updates	To seek Members' views upon the progress of Audit & Plan Scheme Actions	DCO Contact Officer: Steve Rossiter	
7 March 2016	Treasury Management Strategy	To seek Member approval of the treasury management policy and strategy for the following financial year	Treasurer Contact Officer: Chris Barton/ Geraint Thomas	
7 March 2016	Revenue Monitor	To provide an update on revenue expenditure against the revenue budget for the year	Treasurer/DCO Contact Officer: Geraint Thomas	
7 March 2016	Capital Monitor	To provide an update on capital	Treasurer/DCO	

Expected Date of Report	Report Name	Purpose of Piece of Work	Lead Director/ Contact Officer	Progress
		expenditure against the capital budget for the year	Contact Officer: Geraint Thomas	
7 March 2016	Internal Audit Programme	To outline the planned internal audit coverage for the financial year and to seek comment and approval	DCO Contact Officer: Sally Chapman/ Geraint Thomas	
7 March 2016	Internal Audit Annual Report	To provide an opinion on the adequacy and effectiveness of risk management, control and governance processes based on the internal audit work undertaken during the financial year. This will support the statement of internal control.	DCO Contact Officer: Sally Chapman/ Geraint Thomas	
7 March 2016	Draft annual report of the work of the FAPM Committee and the discharge of the terms of reference of the Finance, Asset & Performance Management Working Group	To consider the draft report on the annual work of the Committee before its submission to the Fire Authority and to ensure the Authority has efficient use of resources and robust procedures in place to ensure and manage this	Chair of FAPM, Chair of Working Group & DCO Contact Officer: Sally Chapman	
7 March 2016	Audit & Plan Scheme Updates	To seek Members' views upon the progress of Audit & Plan Scheme	DCO	

Expected Date of Report	Report Name	Purpose of Piece of Work	Lead Director/ Contact Officer	Progress
		Actions	Contact Officer: Steve Rossiter	
7 March 2016	Scrutiny of Strategic Objectives 1, 4 and 5	To scrutinise progress in relation to achieving the actions planned to address each issue	All Directors	
9 May 2016	Corporate Risk Register	To seek Members' views upon the Corporate Risk Register	DCO Contact Officer: Steve Rossiter	
9 May 2016	Scrutiny of Strategic Objectives 2 and 3	To scrutinise progress in relation to achieving the actions planned to address each issue	All Directors	

Sally Chapman - DCO
 Andy Thomas – ACFO Service Delivery
 Chris Barton - Treasurer

Geraint Thomas - Head of Finance & Procurement
 Mark Malson - Head of Human Resources
 Steve Rossiter - Head of Service Performance & Communications

1. Apologies for Absence
2. Declarations of Interest

Members of the Fire & Rescue Authority are reminded of their personal responsibility to both verbally and in writing declare any personal and/or prejudicial interests in respect of matters contained in this agenda in accordance with the provisions of the Local Government Act 2000, the Fire & Rescue Authority's Standing Orders and the Members Code of Conduct.

3. Chairman's Announcements
4. To Receive the Minutes of: 3
 - FAPM Meeting held on 11 May 2015
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At the close of the meeting Members will meet with the Wales Audit Office and Internal Auditors to discuss Service progress