

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, 10 September 2018 at 10:00 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:
 - Finance, Asset & Performance Management Working Group held on 15 January 2018 5
 - FAPM Committee Meeting held on 23 April 2018 9
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16.	To consider any items of business that the Chairman deems urgent (Part 1 or 2)	129

**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:

G	Thomas	Blaenau Gwent
K	Critchley	Newport
D	White	Bridgend
A	Hussey	Caerphilly
S	Ebrahim	Cardiff
L	Brown	Monmouthshire
A	Roberts	Rhondda Cynon Taff
S	Evans	Torfaen
R	Crowley	Vale of Glamorgan
L	Davies	Merthyr Tydfil

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SOUTH WALES FIRE & RESCUE AUTHORITY

MINUTES OF THE FINANCE, AUDIT & PERFORMANCE MANAGEMENT WORKING GROUP MEETING HELD ON MONDAY 15 JANUARY 2018 AT SOUTH WALES FIRE & RESCUE SERVICE HEADQUARTERS

46. PRESENT:

Councillor	Left
K Critchley (Chair)	Newport
S Evans	Torfaen
D Naughton	Cardiff
A Roberts	Rhondda Cynon Taff
A Slade	Torfaen
V Smith	Monmouthshire

APOLOGIES:

S Bradwick	Rhondda Cynon Taff
L Brown	Monmouthshire
J Harries	Rhondda Cynon Taff

ABSENT:

OFFICERS PRESENT:- CFO H Jakeway, Mr C Powell – Deputy Monitoring Officer, Mr C Barton – Treasurer, Mr G Thomas - Head of Finance & Procurement, Mr I Williams – Head of Fleet & Engineering, Mr C Williams – Head of ICT, AM S Rossiter – Acting Head of Operational Risk Management, Ms S Watkins – Head of Service Performance & Communications, GM D Bents, GM V Jenkins, GM D Jones

47. DECLARATIONS OF INTEREST

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

48. CHAIR'S ANNOUNCEMENTS

Following a request by the Chair to change the running order of the agenda, Members unanimously agreed for item 6 to be presented before agenda item 5.

49. MINUTES OF PREVIOUS MEETING

The minutes of the previous Finance, Audit & Performance Working Group meeting held on 9 October, 2017, were received and accepted as a true record of proceedings.

50. REPORT ON PROGRESS OF CARDIFF, CAERPHILLY, CWM TAF AND THE VALE OF GLAMORGAN PUBLIC SERVICE BOARDS WELL-BEING PLANS

The Chief Fire Officer informed Members that South Wales Fire & Rescue Service was a Statutory Partner on the nine Public Service Boards, and delivered an electronic presentation on the latest progress of four of the Public Service Boards Well-being Plans, and the potential impact on the Service.

The Unitary Authority Group Managers, who occasionally deputise for the Chief Fire Officer on Public Service Boards, each provided a brief overview of some of the schemes currently running within their individual Unitary Authority areas:- Cardiff & Caerphilly, Blaenau Gwent, Torfaen, and Vale of Glamorgan.

RESOLVED THAT

50.1 Members agreed to note the contents of the report.

50.2 Following a question and answer session, Members agreed to support the recommendations of each plan.

The Chief Fire Officer and Group Managers withdrew from the meeting at 11:15 hrs.

51. OPERATIONAL AND PERSONAL EQUIPMENT STRATEGY, BUDGET & PLANNING ASSUMPTIONS 2018-2025

The Acting Head of Operational Risk Management presented a report to update Members on the Operational and Personal Equipment Strategy 2018-2025.

RESOLVED THAT

Following a question and answer session, Members agreed to note the content of the report.

The Acting Head of Operational Risk Management left the meeting at 11:40 hrs.

52. REVIEW OF FLEET & VEHICLES STRATEGY, BUDGET & PLANNING ASSUMPTIONS & PROGRESS AGAINST THE PLAN TO INCLUDE CAPITAL

The Head of Fleet & Engineering presented a report to Members which supported the presentation of the 2017-2021 Fleet Asset Management Plan

RESOLVED THAT

Following lengthy discussion on procurement issues when purchasing Service vehicles and parts, Members agreed to note the content of the report in support of the 2017-2021 Fleet Asset Management Plan.

53. REVIEW OF ICT STRATEGY, BUDGET & PLANNING ASSUMPTIONS & PROJECT OVERVIEW & PROGRESS AGAINST THE PLAN TO INCLUDE CAPITAL REPORT

The Head of ICT presented a report to Members which provided a review of the ICT Strategy, budget and planning assumptions, and an overview of the key projects with a capital report.

RESOLVED THAT

Following a question and answer session on issues such as the progress of the Emergency Services Network, Members agreed to note the contents of the report.

54. DRAFT ANNUAL REPORT ON DISCHARGE OF TERMS OF REFERENCE OF THE FINANCE, ASSET & PERFORMANCE MANAGEMENT WORKING GROUP

The Deputy Monitoring Officer informed Members of a proposed draft annual report on the work of the Finance, Asset & Performance Management Working Group to be presented to the Fire & Rescue Authority at its meeting on 26 March 2018.

RESOLVED THAT

Following consideration of the draft report, Members confirmed that they did not wish to make any additions, deletions or alterations to the document prior to submission to the Fire & Rescue Authority in March 2018.

55. FORWARD WORK PROGRAMME

The Deputy Monitoring Officer presented the Forward Work Programme for 2017/2018.

RESOLVED THAT

Members accepted the Forward Work Programme for 2017/2018.

56. TO CONSIDER ANY ITEMS OF BUSINESS THAT THE CHAIRMAN DEEMS URGENT (PART 1 OR 2)

There were no items of urgent business for Members to consider.

On behalf of Members, the Chair took the opportunity to thank Officers for their hard work in presenting thorough and in-depth reports.

SOUTH WALES FIRE & RESCUE SERVICE

MINUTES OF THE FINANCE, AUDIT & PERFORMANCE MANAGEMENT COMMITTEE MEETING HELD ON MONDAY, 23 APRIL 2018 AT SOUTH WALES FIRE & RESCUE SERVICE HEADQUARTERS

43. PRESENT

Councillor	Left	
K Critchley (Chair)		Newport
A Roberts		Rhondda Cynon Taf
G Thomas		Blaenau Gwent
L Brown		Monmouthshire
K Gibbs		Merthyr Tydfil
A Hussey		Caerphilly
S Evans		Torfaen
R Crowley		Vale of Glamorgan

APOLOGIES

None

ABSENT

D White	Bridgend
H Joyce	Cardiff

OFFICERS PRESENT: DCO S Chapman – Monitoring Officer; Mr C Barton – Treasurer; Mr G Thomas – Head of Finance & Procurement; Ms V Davies – TIAA; Ms A Butler – Wales Audit Office; Ms A Smith – Wales Audit Office.

44. DECLARATIONS OF INTEREST

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

45. CHAIR'S ANNOUNCEMENTS

There were no Chair's announcements.

46. MINUTES OF PREVIOUS MEETING

The minutes of the Finance, Audit & Performance Management Committee meeting held on 29 January 2018 were received and accepted as a true record subject to the deletion of the incorrect recording of Councillor L Brown's apologies.

47. REVENUE MONITORING REPORT 2017/18

The Head of Finance & Procurement presented the Revenue Monitoring Report 2017/18 which provided details of the updated revenue budget position and associated information for the year ending 31 March 2018.

RESOLVED THAT

Following a question and answer session, and clarification of the measures in place for the promotion of recruitment to the On Call Duty System, Members noted and approved the report content.

48. CAPITAL MONITORING REPORT 2017/18

The Head of Finance & Procurement presented the Capital Monitoring Report 2017/18 which provided detail of the capital budget position for the year ending 31 March 2018 and the budget impacts on the financial year 2018/19.

With regard to the ICT elements of the Capital Monitoring Report, Cllr Roberts felt that the minutes of the ICT Strategic Steering Group meetings would be relevant to Members of this Committee and requested copies be submitted to future meetings, where appropriate.

RESOLVED THAT

Members noted the budget and progress of capital schemes, approved the alterations identified in Appendix 1 and noted the associated funding streams.

49. 2018 AUDIT PLAN – SOUTH WALES FIRE & RESCUE AUTHORITY

Wales Audit Officer, Ms Alison Butler, presented the Wales Audit Office Audit Plan which sets out the proposed scope and timetable of the audit for 2018. Members' comments were noted and Ms Butler agreed to report back the preference for the use of non-gender specific terminology in relation to the implementation of strategies to improve support in situations of domestic violence against women.

RESOLVED THAT

Members noted the content of the report.

50. INTERNAL AUDIT ANNUAL PLAN 2018/19

Ms V Davies, TIAA (internal auditor) presented the proposed Internal Audit Annual Plan 2018/19 for Members' approval.

RESOLVED THAT

Members approved the Internal Audit Plan for 2018/19 subject to the inclusion of any emerging themes deemed necessary.

51. INTERNAL AUDITORS' ANNUAL REPORT YEAR ENDING 31 MARCH 2018

Ms V Davies presented the Annual Report which provided a summary of the internal audit work that has been undertaken this year.

RESOLVED THAT

Members noted the work and overall opinion of the Internal Auditors for the financial year 2017/18.

52. INTERNAL AUDIT REPORT

Ms Davies updated Members upon the progress being made against the Internal Audit Plan 2017/18.

RESOLVED THAT

Members noted the internal recommendations and work completed to date on the Internal Audit Plan.

53. REPORT ON PROGRESS OF AUDIT, SCHEME AND CIRCULAR ACTION UPDATES AS AT 23 MARCH 2018

The Deputy Chief Officer presented the latest progress recorded against actions arising from Internal Audits, Wales Audit Office Thematic Reviews, Operational Assurance Peer Reviews, Corporate Schemes and Government Circulars, together with graphical summaries of all actions ongoing, overdue and completed since 2 July 2012.

RESOLVED THAT

Members noted the contents of the progress report and graphical summaries.

54. STRATEGIC PLAN 2017/18 REPORT CARD

The Deputy Chief Officer presented the Quarter 4 progress update on the Strategic Objectives contained within the Strategic Plan 2017/18.

RESOLVED THAT

Members noted the updated Strategic Plan 2018/19 Report Card.

55. CORPORATE RISK REGISTER 2017/18 – QUARTER 3 REVIEW

The Deputy Chief Officer presented the Quarter 3 Review of the Corporate Risk Register 2017/18 and requested Members to consider the operational risks contained therein plus the management of these risks.

In addition, Members received a presentation demonstrating the interactive Business Management Information System (BMIS) which is still in development but which is intended to provide management with a more holistic view and enable Members to access live information during meetings. A full demonstration will be received at the Finance, Asset & Performance Management Working Group on 21 May 2018.

RESOLVED THAT

55.1 Members noted the operational risks contained within the Corporate Risk Register 2017/18 and agreed their validity.

55.2 Members noted the initial BMIS demonstration.

56. FORWARD WORK PROGRAMME

The Deputy Chief Officer presented the completed Forward Work Programme for 2017/18.

RESOLVED THAT

Members noted the Forward Work Programme.

REVENUE OUTTURN 2017/18

SUMMARY

Subject to the external audit process, this report outlines the revenue outturn position for the financial year end 2017/18 and resultant impact on reserves.

RECOMMENDATION

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

1. BACKGROUND

- 1.1 The objective of this report is to present Members with a summary of the revenue outturn for the year (Appendix 1) 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 Appendix 1 details the annual budget, total transactions for the financial year and variance analysis. Appendix 2 charts the budget variances reported at each FAPM committee meeting and cumulatively up to 31 March 2018.
- 1.3 The reserve statement at Appendix 3 has been provided to update Members to provide year end movements and position for scrutiny and financial planning purposes.

2. ISSUES

- 2.1 Monitoring reports provided during the year have identified an over spend with the most recent reported figures i.e. 23 April FAPM Committee, forecasting this to be £367k. The actual revenue overspend has decreased by £29k to £338k. Pending approval, this has been funded from both the carry forward budget and change management reserves.
- 2.2 In summary, the decrease in overspend since previous reporting comprises a £92k increase in employee costs offset by a decrease in non-employee budgets of £121k.
- 2.3 A number of areas have contributed to the decrease and the most significant are outlined below:

2.3.1 EMPLOYEE COSTS - £92k decrease in overall underspend

Since previous reporting there is an increase of £43k due to an increase in the number of starters and associated salary costs for UKRO (United Kingdom Rescue Organisation) staff. These costs have been offset by an increase in salary related income for Joint Control since implementation in October. All control costs incurred by both SWFRS and MWWFRS are calculated from October and are then split to ensure a 50:50 contribution by each FRS.

Despite the increased costs in recent reporting, there has been an under spend for the year against due to continued establishment vacancies predominantly in on call personnel.

Please see latest establishment figures shown below:

Establishment figures (FTE) as at 31 March 2018

	Strength*	Budgeted Estab
WDS	805.00	794.00
RDS (100%)	451.00	533.00
Control	38.44	47.50
Support Staff	264.14	255.54
YFF	60.96	67.00
Auxiliary Reserve	77.00	80.00

*Actual strength includes those on career breaks but not funded staff and secondments to external agencies

Total Leavers & Joiners April 2017 to March 2018 (Headcount)

	Starters	Leavers*
Control	0	2
Support Staff	33	28
RDS	99	50
WDS	34	35
Auxiliary Reserve	1	5
YFF	0	3
Total	167	123

*New starters only details new starters to the Service and not does not relate to additional contracts

It is worth noting that salary costs for the Shaping Our Future (SOF) project and temporary posts within ICT are included in the revenue costs for 2017/18. These costs equate to £470k and it

has been agreed that these will be funded first from available revenue under spends and then the change management reserve.

Additional iii health retirements have caused pension costs to increase by £27k. There has also been an increase of £22k within Travel and Subsistence costs and this is largely due to an increase in accommodation costs for training.

2.3.2 PREMISES COSTS - £15k increased in overspend

An over spend on energy costs of £71k relates to payments of disputed invoices that were dated prior to April 2017. This matter has now been resolved and energy savings should materialise following the installation of LED lighting at SWFRS premises, as part of the capital investment programme.

Increased expenditure within the Telephone and Communication budget of £51k relates to £86k payable to South Wales Police in respect of Joint Control. This was offset by savings against Wide Area Network (WAN) charges as intended work was not completed before end of the financial year.

There were further savings of £114k from within the repairs and maintenance budget of which £70k relates to overestimated project costs. The remainder relates to smaller elements of works that were not completed before the end of March. These costs are to be incurred in 2018/19 and factored into forecasts accordingly.

2.3.3 TRAINING COSTS - £61k increased in underspend

A saving of £33k within the training budget is the result of training course delivery not completed / scheduled before the end of the financial year as anticipated. In addition, a £25k carry forward of budget (slippage) has been approved to fund expenditure in 2018/19.

2.3.4 SUPPLIES AND SERVICES - £94k increase in overspend

£340k of the over spend relates to the purchase of uniforms and is to be met from usable reserves earmarked for this purpose at the end of 2016/17. £104k additional costs have been incurred within licences and subscriptions and relate to tri service charges for Joint Control in addition to £67k of licensing and retention fees for the command and control system which was previously part of the capital budget, i.e. transaction were miscoded.

To offset these additional costs there is a saving of £58k within support and maintenance agreements following a review of subscriptions that are no longer required and a further £68k from equipment repair and maintenance costs. This saving is due to repair and replacement of known hydrant defects not being undertaken by our external partner by 31st March despite submissions of known defects being made.

Other equipment was also underspent by £27k, of which £24k related to additional forecast costs in Home Fire Safety equipment that was subsequently funded by WG.

Operational equipment was underspent by £62k of which £20k related to bespoke Impact Driver kits which could not be delivered until the beginning of April and costs will therefore impact the budget in the new financial year. The remaining underspend relates to various budget headings and departments and will be closely monitored in future.

£48k relates to an adjustment for the provision of bad debts for 2017/18 and a further £20k, in relation to vehicle insurance for a National Resilience asset being met from external funding.

These savings along with additional, smaller, underspends within furniture, advertising and subscriptions are offsetting the additional costs incurred.

2.3.5 TRANSPORT COSTS - £93k increase in underspend

The majority of the increased underspend is due to a £54k reduction in spend against vehicle parts forecast, in addition to a further saving of £22k that has been incurred within fuel costs. These savings and expenditure trends are to be taken into consideration when determining future budget projections.

2.3.6 CONTRACTED SERVICES - £115k increase in underspend

Actual legal consultancy fees reduced by £37k compared to those previously forecast however the total spend is in keeping with the initial budget allocation. In addition, £25k had been set aside for consultancy costs relating to the Auxiliary Reserve, although due to a change in service provision, these costs have now been incurred within the salaries. A further £11k underspend has occurred within Recruitment and Assessment budget for ADC training that was not fulfilled by year end

2.3.7 INCOME - £35k less

The £120k forecast that related to Joint Control salary costs was previously included with income. Although total salary income increased to £207k this has been included within employee costs so as to reflect salary costs incurred by the service. This movement supports the decrease since previous reporting although this is offset by additional income, i.e. £36k in relation to an investments and £32k re-imburement from MWWFRS for subscription costs incurred within Supplies and Services for Core HR.

3. FINANCIAL IMPLICATIONS

- 3.1 The unaudited net revenue budget deficit of £338k will be funded from useable reserves.

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 the deployment of usable reserves to support the deficit are received and noted.

Contact Officer:	Background Papers:
Geraint Thomas Head of Finance & Procurement	- Revenue and Capital Determination Report - Revenue Budget Working Papers - Budget Holder Reports - Capital Monitoring Report

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SOUTH WALES FIRE & RESCUE SERVICE
BUDGET MONITORING 2017/18

APPENDIX 2

	Original Budget 2017/18 £	Revised Budget (vired budget) 2017/18 £	FAPM Forecast 11.09.17 £	FAPM Forecast 04.12.17 £	FAPM Forecast 29.01.18 £	FAPM Forecast 23.04.18 £	FAPM Outturn **,**.18 £	Variance at FAPM 11.09.17 to Revised Budget	Variance at FAPM 04.12.17 to FAPM 11.09.17	Variance at FAPM 29.01.18 to FAPM 04.12.17	Variance at FAPM 23.04.18 to FAPM 29.01.18	Variance at FAPM **,**.18 to FAPM 23.04.18	Cumulative Variances against Revised Budget	Summary on variances previously reported
Employee Costs														
Salaries, NI & superann.	53,384,169	53,236,247	52,378,886	52,585,011	52,853,343	52,687,768	52,730,685	857,361	-206,125	-268,332	165,575	-42,917	505,562	* Vacancy underspends Reduction in number of Ill Health Charges than budgeted WG grant funding received in respect of Community Safety posts Increase in mileage claims ** Growth in establishment figures Increase in LGPS members Increase to accommodation and transport claims against 16/17 expenditure trend *** Further increase in establishment figures Increase in LGPS members 3 additional ill health retirements **** Increase in WG funding received (High Rise Living) Cumulative impact of vacancies 2 additional ill health retirements
Pensions (ill health)	941,991	941,991	891,293	889,788	933,444	960,986	988,268	50,698	1,505	-43,656	-27,542	-27,282	-46,277	
Travel and Subsistence	406,200	406,200	425,071	436,681	446,245	433,294	455,058	-18,871	-11,610	-9,564	12,951	-21,764	-48,858	
Total Employee Costs	54,732,359	54,584,437	53,695,250	53,911,480	54,233,032	54,082,048	54,174,010	889,188	-216,230	-321,552	150,985	-91,963	410,427	
Premises Related Expenses	4,445,100	4,445,400	4,961,468	4,903,370	5,196,115	5,651,568	5,666,398	-516,068	58,098	-292,745	-455,453	-14,830	-1,220,998	* Increase in NNDR following revaluation Charges incurred for delayed works from 2016/17 Redecoration work (inc Cardiff, Bridgend and Pontyclun) Increase to appliance bay door repairs and work to external areas ** Energy efficiency savings NNDR credit received in relation to Lanelay Hall Reduction in re-active works than budgeted for grounds maintenance Savings offset by increased boiler works and repairs to drill towers *** Increase in repair and maintenance costs including redecoration works, external areas including drill towers, plumbing works and boiler repairs following annual maintenance Installation of Paxton Net2 swipe card system Costs offset by savings within cleaning, gas and telephone & communication costs in respect of WAN charges. **** Increase in repairs and maintenance including internal / external fabric, boiler costs, electrical works, fire and security systems, appliance bay doors and minor repairs. Increase in utility costs includes invoices in dispute from previous years. Firelink savings as backdated RPI budgeted no longer payable in addition further savings within WAN costs.
Training Expenses	1,516,954	1,516,954	1,501,113	1,500,363	1,497,559	1,410,985	1,350,002	15,841	750	2,804	86,574	60,983	166,952	* Reallocation of budget to Consultancy **** Budget re-allocation within Training department
Supplies & Services	3,445,152	3,446,152	3,957,947	4,112,872	4,049,124	4,033,306	4,127,723	-511,795	-154,926	63,748	15,818	-94,417	-681,571	* Increase to Operational Equipment Inc. Cardiac Arrest Project and Packex Other Equipment to increase potentially by £209k for overspend against WG funding for HFS £72k previously submitted as part of capital bid Increase to annual insurance premiums ** New recruits have led to increase in uniform costs Other Equip to increase by further £41k in relation to HFS stock overspend £36k relate to non enhancing expenditure as part of Capital budget Further increases in translation costs, subscriptions and printer cartridges *** Saving due to Support and Maintenance requirements and review by broker of insurance policy held ****Additional funding now available for HFS previously reported as overspend which has been offset by increase in uniform costs which has been driven by the number of new recruits
Transport Related Expenses	1,403,802	1,403,802	1,365,781	1,335,196	1,264,208	1,213,691	1,120,663	38,021	30,585	70,988	50,517	93,028	283,139	* Reduction in forecast lease car costs Savings within fleet budget in re-active areas **Forecast reduction in re-active areas of fleet budget and additional DERV savings *** Reduction in spend in re-active areas including vehicle parts and fuel **** Further reduction in spend in re-active areas Savings within pool car costs due to short term extensions as opposed to annual costs
Third Party Payments (contracted services)	844,656	991,278	914,427	938,243	967,191	942,859	827,451	76,851	-23,816	-28,949	24,333	115,407	163,827	* Surplus identified at budget setting **Increase in consultancy costs offset by income received Forecast for external audit fees to increase by £9k although this won't be confirmed until March 2018 *** Re-allocation of budget savings within other areas **** Project costs anticipated will now take place during 2018/19
Capital costs / leasing	4,643,389	4,643,389	4,579,984	4,444,670	4,449,818	5,127,713	5,131,919	63,405	135,313	-5,148	-677,895	-4,206	-488,530	* Reduction in MRP due to capital programme being lower than anticipated ** Further reduction in MRP External borrowing costs set aside at beginning of year no longer required ****Increase in CERA contribution from additional income received Reduction in MRP as a result of delays in the capital programme Additional buyout fees for the purchase of five vehicles previously on lease
Contingency	250,000	250,000	0	0	0	0	0	250,000	0	0	0	0	250,000	* Contingency approved by members during budget setting
Income	-1,075,226	-1,075,226	-1,121,696	-1,145,246	-1,136,446	-1,889,126	-1,853,867	46,470	23,550	-8,800	752,680	-35,259	778,641	* Additional income offsetting additional expenditure within non employee areas ** Income offset by increased expenditure within non employee areas such as training and consultancy ****Additional co-location income which impacts on CERA (as above) Joint control income forecast Reduction in standpipe rebate where forecast was based on historic info
CONTRIBUTION BUDGET 2017/2018	70,206,186	70,206,186	69,854,273	70,000,949	70,520,602	70,573,043	70,544,299	351,913	-146,676	-519,653	-52,441	28,744	-338,113	

***** Comments for the latest FAPM will be included in detail in the report attached

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APPENDIX 3

Reserve	Purpose and Control	Balance at year start	Transfers in and (out)	Balance at year end	Variations arising between budgeted and actual levels of reserves
General	To cover general financial risks including council funding, grants, inflation and interest.	-3,000,000	0	-3,000,000	
Managed under spends	To meet costs associated with rolling programmes of expenditure incomplete at year end. Controlled via routine budget monitoring procedures.	-418,113	-34,308	-100,689	2017/18 carry forward budget requests.
			347,624		Spending against 2016/17 carry forward requests within revenue.
			4,108		Transfer to Change Management Reserve.
Change Management	Costs of change arising from 'Shaping our 'Future' programme, investment in change projects to improve service and / or reduce spend.	-6,875,100	7,568	-6,674,331	Energy efficiency schemes (ie LED lighting)
			172,512		Joint Control Command and Control System
			24,797		Overspend on revenue budget (ie SOF costs)
			-4,108		Transfer from Managed Under Spends.
CFBT Reserve	This reserve has been set up to fund capital investment activities in this facility which is to be housed at Cardiff Gate.	-4,500,000	150,839	-4,349,161	2017/18 valuation fees, in addition to project manager and consultancy costs.
PFI Equalisation	To meet future costs of the Training Centre PFI project	-3,798,231	-52,620	-3,850,851	Annual PFI adjustments.
Capital Receipts	To meet costs of the capital programme. Reserve applied as receipts are generated	-751,353	-35,282	-786,635	Capital receipts received for sale of assets.
TOTAL		-19,342,797	581,131	-18,761,666	

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

AGENDA ITEM NO 6
10 SEPTEMBER 2018

CAPITAL OUTTURN REPORT 2017/18

SUMMARY

The following report provides the capital outturn position for the year ended 31st March 2018, the financing arrangements and the budget slippage required to complete capital schemes in 2018/19.

RECOMMENDATION

That Members note the progress of the capital schemes, approve alterations identified in Appendix 1 and note the associated funding streams.

1. BACKGROUND

- 1.1. Monitoring reports have been presented to this committee throughout the financial year to provide updated forecast information, with the latest report presented to the 23rd April 2018 committee meeting.
- 1.2 In summary, the total available budget equated to £8.3 million, the outturn and slippage for the year is £4.1 and £4.9 respectively. In summary, since previous reporting the projected spend has increased by £25k while slippage has reduced by £12k.
- 1.3 Appendix 1 provides a detailed breakdown of the schemes contributing to the aforementioned position together with the necessary financing arrangements. This following provides a narrative update in support of figures detailed in Appendix 1.

2. ISSUES

- 2.1. Appendix 1 details the level of capital expenditure approved by Members for the year. This is compared to the actual cost of capital investment and any resulting variance providing for an over/under spend position.
- 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	4,664	2,776
2016/17 Budget slippage net of reserves	3,621	1,285
Joint Control		173
Total budget 2017/18	8,285	4,234
Capital Financing		
Borrowing	5,085	2,843
Revenue contribution	200	890
Revenue Reserves	2500	332
Grant Funded	0	169
Capital Receipts	500	0
Total funding 2017/18	8,285	4,234

2.3. The variance in budget to outturn is £4,224 and is analysed as follows:-

- £653k overspend
- £4,876k in budget slippage

If approved, budget slippage will be carried into 2018/19 to complete capital projects.

Property

2.4 Station Refurbishments

2.4.1 Monmouth

£1k was the total 17/18 spend to competing priorities within the property dept. and their capacity to progress schemes, i.e. Monmouth, New Inn, Barry, BA Complex work and CFBT. Consequently, the remaining £597k has been added to slippage to accommodate continuation of the scheme in the new financial year.

2.4.2 New Inn

A similar outlook is applicable to New Inn with the 17/18 actual being £3k. The slippage into 18/19 is therefore £497k.

2.4.3 Barry

The outturn position for Barry is £1,054k. This is more than previous forecasts due to additional work expected in 18/19 being brought forward into 17/18. £690k has been covered by contributions from WAST.

The contribution from WAST is £6k less than previously forecast due to the outcome of the reconciliation undertaken by the Quality

Surveyor since the last forecast. This difference is likely to be due to variations in the project as well as the additional work being brought forward from 18/19.

2.5 New Builds

2.5.1 Compartment Fire Behaviour Training Facility (CFBT)

The final outturn was £151k and the slippage has therefore increased to £2.8m.

2.6 Planned and Preventative

2.6.1 The outturn of £72k represent the total drill yard spend. The fuel pump will not be completed in 17/18 and so the expected costs have been added to slippage for 18/19. The breakdown is as follows;

Fuel pump £100k – to be completed in 18/19

Drill yard £80k – spend is complete at £72k

2.7 Energy Efficiency Schemes

2.7.1 The Property Team informed that the Station LED project has been delayed until 18/19 however £8k of spend towards this was completed in 17/18. The HQ Air Conditioning tender has been returned at £345k which has increased the forecast for 18/19 from £300k to £345k. The remaining estimated spend of £1,091k to be incurred in 2018/19, as follows;

	No sites	17/18	18/19	Completion
Station LED	40	£8k	£614k	Oct 18
WDS BMS	12		£132k	18/19
HQ Air Conditioning	1		£345k	Oct 18
		£0k	£1091k	

2.8 Vehicle Replacement Programme (VRP)

2.8.1 Vans (Light Vehicles)

The slippage of £61k into 18/19 is due to the delivery of 2 vans being slipped into April. These have now arrived and will be recorded in the 18/19 budget monitoring.

2.8.2 Rescue Boats (x5)

5 rescue boats ordered by North Wales have been delivered and are completely grant funded.

2.9 ICT

2.9.1 Business Information Management System (BIMS)

£36k is the final outturn position for the Capital Costs towards the BIMS. £5k has been added to slippage for additional training days to be taken in 18/19.

2.9.2 HQ Backup Equipment

Spending in this area has been moved into 18/19 and is to be used on the Disaster Recovery project.

2.9.3 Service Desk System

The forecast for this year spend has changed from £50k to £15k. After further analysis and conversations it was identified that £48k of the total £63k spend for 5 year annual payments for Licenses and Password Management. Therefore £48k has been moved to Revenue and prepayments for the following 4 years.

2.9.4 HQ Switch Replacement

This project has been delayed due to the company supplying going into liquidation. All PO's being cancelled and a new tender to be completed.

Budget to be slipped into 18/19 of £200k.

2.9.5 Website Project

The website project completion of phase one has been moved into April and therefore has moved into 18/19. Outturn is therefore forecast at 0 for 17/18. This was to be covered by reserves.

2.10 Equipment

2.10.1 National Resilience Chemical Identification System

The system has been purchased for £64k and added to the forecast. This is to be fully grant funded.

3. FINANCIAL IMPLICATIONS

- 3.1 Appendix 1 illustrates capital scheme details and is supported by paragraphs 2.1 to 2.7 above. The available budget of £8.4million is overspent when compared to the forecast and slipped forward budget. This position is offset by WASTs' £690k co-location contribution and is illustrated in appendix 1 as an over spend against budget under station refurbishments and this is subsequently offset by an equal amount of funding identified in the funding analysis. In summary, the over spend against

Barry, which is causing a net overall over spend on the capital budget, is funded by WAST.

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 risk assessments by the responsible project lead, prior to the commencement of the scheme.

5. RECOMMENDATION

- 5.1 That Members note the progress of the capital schemes, approve alterations identified in Appendix 1 and note the associated funding streams.

Contact Officer:	Background Papers:
Geraint Thomas Head of Finance & Procurement	Revenue & Capital Budget Determination Report Capital Monitoring working papers 2017/18 Budget Holder Reports

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SOUTH WALES FIRE & RESCUE AUTHORITY
FINANCE AUDIT & PERFORMANCE
MANAGEMENT COMMITTEE
REPORT OF THE TREASURER

AGENDA ITEM NO 7
10 SEPTEMBER 2018

STATEMENT OF ACCOUNTS 2017/18

SUMMARY

The Appointed Auditor is required to give his opinion on the financial statements for the year ended 31 March 2018. This report considers the statutory ISA260 report (draft), the final statement of accounts (the letter of representation required by the auditor will be reported to Fire Authority).

RECOMMENDATIONS

That Members receive the draft ISA260 report (attached at Appendix 1) of the Appointed Auditor.

That Members note the audited Statement of Accounts (Sent electronically).

That Members note the letter of representation prior to Fire and Rescue Authority reporting.

1. BACKGROUND

- 1.1 The Treasurer to the South Wales Fire & Rescue Authority is responsible for the preparation of the statutory financial statements and information contained within the annual Statement of Account according to accepted accounting practices.
- 1.2 The Auditor General is also required to give an opinion on whether the financial statements of the Authority and the Fire Fighters Pension Fund Account give a true and fair view of the financial position as at 31 March 2018, and its income and expenditure for the year then ended.

2. ISSUE

- 2.1 The Treasurer approved the draft Statement of Accounts for 2017/18 on 30 June 2018, and these have been subject of the external audit process during July and August.
- 2.2 The audit has now been substantially completed by the Wales Audit Office (WAO) as the appointed auditors and their statutory ISA260 report is attached at Appendix 1. The auditors' report draws attention to corrected and uncorrected misstatements in addition to areas of

uncertainty. These items are insignificant errors, omissions and areas where there is lack of clarity in our records, e.g. collaboration agreement.

- 2.3 The final audited statement of accounts will be published on the Authority's website following Fire and Rescue Authority approval and Chair, Treasurer and Auditor endorsement.
- 2.4 The overall opinion of the external auditor is regarded as favourable and references the improvements that have been made. This is again in no small measure down to the significant amount of work undertaken by the accountancy staff of the Fire & Rescue Service, together with support from external audit staff.
- 2.5 It is normal practice for the External Auditor to require a letter of representation from the Authority. A draft of this letter is contained within the ISA 260 report.

3. FINANCIAL IMPLICATIONS

- 3.1 Whilst there have been changes made to the draft financial statements, these do not affect the overall financial position of the Fire & Rescue Authority and as a result there are no financial implications arising directly from this report.

4. RECOMMENDATIONS

- 4.1 That Members receive the draft ISA260 report (attached at Appendix 1) of the Appointed Auditor.
- 4.2 That Members note the audited Statement of Accounts.
- 4.3 That Members note the letter of representation prior to Fire and Rescue Authority reporting.

Contact Officer:	Background Papers:
Geraint Thomas Head of Finance & Procurement	Statement of Accounts 2017-18 – Electronic Copy WAO ISA260 Report Proposed Report of the Auditor General to the South Wales Fire & Authority Letter of Representation



WALES AUDIT OFFICE
SWYDDFA ARCHWILIO CYMRU

Archwilydd Cyffredinol Cymru
Auditor General for Wales

Audit of Financial Statements Report – South Wales Fire and Rescue Authority

Audit year: 2017-18

Date issued: August 2018

Document reference: 760A2018-19

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.

Handling prior to publication

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disclosure or re-use of this document should be sent to the Wales Audit Office at infoofficer@audit.wales.

We welcome correspondence and telephone calls in Welsh and English. Corresponding in Welsh will not lead to delay. Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg. Ni fydd gohebu yn Gymraeg yn arwain at oedi.

Mae'r ddogfen hon hefyd ar gael yn Gymraeg. This document is also available in Welsh.

Contents

While the audit is substantially complete there are currently outstanding queries on pension overpayments that need to be resolved before we can confirm the Auditor General's proposed audit opinions on the financial statements. There are some issues to report to you prior to their approval.

Summary report

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Summary report

Introduction

- 1 The Auditor General is responsible for providing an opinion on whether the financial statements give a true and fair view of the financial position of the South Wales Fire and Rescue Authority (the Authority) at 31 March 2018 and its income and expenditure for the year then ended.
- 2 We do not try to obtain absolute assurance that the financial statements are correctly stated, but adopt the concept of materiality. In planning and conducting the audit, we seek to identify material misstatements in your financial statements, namely, those that might result in a reader of the accounts being misled.
- 3 The quantitative levels at which we judge such misstatements to be material is £1.969 million for the Authority's main financial statements and £0.441 million for the Fire Fighters' Pension Fund Account. Whether an item is judged to be material can also be affected by certain qualitative issues such as legal and regulatory requirements and political sensitivity.
- 4 International Standard on Auditing (ISA) 260 requires us to report certain matters arising from the audit of the financial statements to those charged with governance of a body in sufficient time to enable appropriate action.
- 5 This report sets out for consideration the matters arising from the audit of the Authority's 2017-18 financial statements, which require reporting under ISA 260.

Status of the audit

- 6 We received the draft financial statements for the year ended 31 March 2018 on 29 June 2018 which was in line with the statutory deadline of 30 June 2018. We have now substantially completed the audit work. There is one outstanding issue relating to pension overpayments (see paragraphs 20 to 25). The Authority is currently quantifying the impact of such overpayments and expects to provide this information to us by the end of August 2018.
- 7 We are reporting to you the more significant issues arising from the audit, which we believe you must consider prior to approval of the financial statements. The audit team has already discussed these issues with the Treasurer.

Proposed audit report

- 8 While the audit is substantially complete the outstanding queries on pension overpayments need to be resolved before we can confirm the Auditor General's proposed audit opinions on the financial statements. Once this is complete, we expect you to provide us with a Letter of Representation (LoR) based on that set out in [Appendix 1](#).

Significant issues arising from the audit

Uncorrected misstatements

- 9 Paragraph 10 sets out one misstatement that we identified in the financial statements, which we have discussed with management. The uncorrected misstatement is not material and does not affect our audit opinion on the financial statements. If you decide not to correct this misstatement we ask that you set out your reasons in the LoR.

The misclassification of capital contributions and capital grants

- 10 The Authority has classified capital contributions of £690,000 and capital grants of £169,000 as income within the 'Cost of Services' in the Comprehensive Income and Expenditure Statement. This does not comply with the Code of Practice, which states that such income should be classified as 'Taxation and non-specific grant income'.

Non-material uncertainties

- 11 We set out below two areas of non-material uncertainty:
- The Authority has not fully assessed the accounting treatment of a contribution of £654,000 from the Welsh Ambulance Service NHS Trust, received in respect of Barry Fire Station. The Authority has treated the contribution as income in 2017-18 (see paragraph 10 above). Whilst this is consistent with the draft 'Heads of Terms' agreement, which refers to a capital contribution, this agreement also states that the contribution is in lieu of rental income for a 25 year period. The draft operating lease agreement confirms a rental charge of £1 per annum with no reference to a capital contribution. Given that both agreements are draft, and appear inconsistent, it is difficult for us to determine the appropriate accounting treatment and we therefore have audit uncertainty.
 - In 2017-18 the Authority has contributed £800,000 towards the cost of the Joint Public Service Centre. The Authority has treated its contribution as rental expenditure paid in advance, which it is amortising over 8 years. Therefore, as at 31 March 2018 the Authority has classified £700,000 as a prepayment. The signed contract does not specify the purpose of the £800,000 payment. As part of our audit South Wales Police confirmed that, in their view, the payment is in respect of occupancy. Whilst we consider the Authority's accounting treatment to be reasonable, it is difficult to confirm given that the contract is unclear.

Corrected misstatements

- 12 There are misstatements that have been corrected by management, but which we consider should be drawn to your attention due to their relevance to your responsibilities over the financial reporting process. They are set out with brief explanations in [Appendix 3](#).

Other significant issues arising from the audit

- 13 In the course of the audit, we consider a number of matters both qualitative and quantitative relating to the accounts and report any significant issues arising to you. There were some issues arising in these areas this year:

We have some concerns about the qualitative aspects of your accounting practices and financial reporting

- 14 Last year we reported concerns about the quality of the financial statements presented for audit. We also reported concerns about the audit trail and supporting documentation. Since last year's audit the Authority has made good progress in many of the areas reported. There have been significant improvements in the quality of the first draft financial statements presented for audit. There have also been improvements in the supporting working papers and an improved audit trail generally. However, there is still scope for improvement in some areas, and the more significant matters arising are as set out at paragraphs 15 to 20.

The Authority did not consider whether any assets had been disposed as part of a major refurbishment

- 15 The Authority has been refurbishing Barry Fire Station, with capital expenditure of £823,000 having been added to the asset valuation during 2017-18. At the time of our audit fieldwork, the Authority had not considered whether any parts of the existing asset had been replaced. If they had been replaced, it would have most likely resulted in a reduction in the asset valuation. The Authority has recently confirmed that no assets, or asset parts, were replaced during 2017-18. Next year, the Authority should undertake and document an assessment prior to its preparation of the 2018-19 financial statements. The Authority should also obtain a revised valuation for the Fire Station once the works are complete.

The record of the depreciated historical cost of assets is not accurate, making it difficult to confirm the accuracy of the revaluation reserve transactions and balances

- 16 As recommended last year, the Authority has prepared a record of the depreciated historical cost of assets, but this does not include asset additions in 2016-17 and 2017-18, or impairments. We completed additional testing and analysis to gain assurance that the revaluation reserve balance was not materially misstated at the year end.

As reported in previous years, pension fund adjustments disclosed in the financial statements are overly complex and analyses within the disclosures do not strictly comply with the Code of Practice guidance notes

- 17 The pension fund entries processed in the cost of services and the movement on the pension fund liability and reserve are in line with the Code of Practice. However, the supporting working papers and analyses within the disclosures are overly complex. As set out in the Code of Practice guidance notes, the transactions should be grouped together as 'top up grant' rather than disclose various other pension fund transactions.

The audit progressed very well during planned on-site testing, but in the latter stages there were some delays which need to be addressed for next year given the significantly earlier statutory timetable

- 18 As you are aware the Authority faces revised deadlines for the preparation and publication of the financial statements for 2018-19 onwards. The accounts must be prepared by 31 May (one month earlier) and published by 31 July (two months earlier).
- 19 The audit progressed well during our three week on-site testing, but in the latter stages of the audit there were delays in clearing some important audit queries, and some additional queries were raised during the final review stage. In order to meet the challenges of the change in next year's timetable, it is essential that all audit queries are raised, prioritised and dealt with quickly. We will work with the Authority to develop a detailed 'audit deliverables document' and timetable to enable next year's challenging deadlines to be met. This will also need to cover key areas such as the timing of the relevant committees to consider and approve the 2018-19 financial statements.

There is one significant matter, relating to the Fire Fighters Pension Fund, that we are discussing with management

- 20 The Firefighters Pension (Wales) Scheme (Amendment) Order 2014 came into force on 31 December 2014 and made retrospective amendments from 1 July 2013, to the Firefighters Pension Scheme Order 1992.

- 21 Essentially, the amendment introduced powers for the Authority to treat temporary promotions as additional pension benefits effective from 1 July 2013. However, it came to light at the Scheme Advisory Board (Wales) meeting held on 27 November 2017 that the Authority had not exercised these powers, in that Authority Members had not considered whether to adopt the change permitted by the 2014 Order. In their response to our audit enquiries letter, the Authority drew our attention to the fact that it had continued, from 1 July 2013, to apply the previous regulations (which allowed for the best of the last 3 years in final salary calculations) and hence pension entitlements, for relevant cases, were incorrectly calculated and paid contrary to the pension regulations. We understand that the other Welsh Fire Authorities have taken similar actions.
- 22 In March 2018, the Authority took the decision to treat temporary promotions as additional pension benefits for some groups of staff from 1 April 2018 (in accordance with the amendment order). It also took the decision to apply the previous regulations for those who retire within 3 years of the implementation date (1 April 2018), and not to apply the changes retrospectively. However, there are financial implications to not applying the changes retrospectively as some pensions have been or will be, based on inflated pensionable pay. There are four groups of fire fighters that are affected.
- 23 Neither the report presented to the Authority on 26 March 2018 nor the minutes of the meeting set out the financial impact on the four different affected groups of fire fighters, and it is therefore unclear whether members understood the financial and legal impacts when making their decision.
- 24 Furthermore, as the net cost of the Fire Fighters Pension Fund falls to Welsh Government, and not the Authority, it is unclear whether Welsh Government were sighted of the financial implication on its budget of the decision by the Authority.
- 25 We have not yet established whether the impact of the overpayments is material to the accounts (see paragraphs 6 and 8). We also have concerns over the lawfulness of the decision taken by the Authority and further audit work is therefore required, and we have sought legal advice on this matter. As a result we will not issue the audit certificate to close the audit until this work is concluded.

There are no other matters that we need to report to you

- 26 There are no other matters to report to you. In particular:
- There are no other matters significant to the oversight of the financial reporting process that we need to report to you;
 - we did not identify any other material weaknesses in your internal controls that we have not reported to you already; and
 - there are no other matters specifically required by auditing standards to be communicated to those charged with governance.

Recommendations arising from our 2016-17 and 2017-18 financial audit work

- 27 We will soon be reporting separately on the Authority's actions against last year's recommendations, which have been reasonable, and our audit observations and recommendations from this year's audit. This year's recommendations will include management's responses and intended actions.

Independence and objectivity

- 28 As part of the finalisation process, we are required to provide you with representations concerning our independence.
- 29 We can confirm that we have complied with ethical standards and in our professional judgment, we are independent and our objectivity is not compromised. There are no relationships between the Wales Audit Office and the Authority that we consider to bear on our objectivity and independence.

Appendix 1

Final Letter of Representation

Auditor General for Wales
Wales Audit Office
24 Cathedral Road
Cardiff
CF11 9LJ

24 September 2018

Representations regarding the 2017-18 financial statements

This letter is provided in connection with your audit of the financial statements of South Wales Fire and Rescue Authority (including the remuneration disclosures) and the Fire Fighter's Pension Fund for the year ended 31st March 2018 for the purpose of expressing an opinion on their truth and fairness and their proper preparation.

I confirm that to the best of my knowledge and belief, having made enquiries as I consider sufficient, I can make the following representations to you.

Management representations

Responsibilities

I have fulfilled my responsibilities for:

- The preparation of the financial statements in accordance with legislative requirements and the code of practice on local authority accounting; in particular the financial statements give a true and fair view in accordance therewith.
- The design, implementation, maintenance and review of internal control to prevent and detect fraud and error.

Information provided

We have provided you with:

Full access to:

- all information of which we are aware that is relevant to the preparation of the financial statements such as books of account and supporting documentation, minutes of meetings and other matters;

- additional information that you have requested from us for the purpose of the audit; and
- unrestricted access to staff from whom you determined it necessary to obtain audit evidence.

The results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

Our knowledge of fraud or suspected fraud that we are aware of and that affects South Wales Fire and Rescue Authority and involves:

- management;
- employees who have significant roles in internal control; or
- others where the fraud could have a material effect on the financial statements.

Our knowledge of any allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, regulators or others.

Our knowledge of all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.

The identity of all related parties and all the related party relationships and transactions of which we are aware.

Financial statement representations

All transactions, assets and liabilities have been recorded in the accounting records and are reflected in the financial statements.

Significant assumptions used in making accounting estimates, including those measured at fair value, are reasonable.

Related party relationships and transactions have been appropriately accounted for and disclosed.

All events occurring subsequent to the reporting date which require adjustment or disclosure have been adjusted for or disclosed.

All known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to the auditor and accounted for and disclosed in accordance with the applicable financial reporting framework.

The financial statements are free of material misstatements, including omissions. The effects of uncorrected misstatements identified during the audit are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. A summary of these is set out below:

- **The misclassification of capital contributions and capital grants** - The Authority has classified capital contributions of £690,000 and capital grants of £169,000 as income within the 'Cost of Services' in the Comprehensive Income and Expenditure Statement, rather than as 'Taxation and non-specific grant income'. We have considered the low value of this mis-statement and the work involved in correcting this entry outweighed the impact on stakeholders.
- **Lump sum and pension overpayments made by the Fire Fighters' Pension Fund** – *(TBC – awaiting confirmation of value of overpayments made, refer to impact on FFPF and FRA accounts)*

Representations by South Wales Fire and Rescue Authority

We acknowledge that the representations made by management, above, have been discussed with us.

We acknowledge our responsibility for the preparation of true and fair financial statements in accordance with the applicable financial reporting framework. The financial statements were approved by South Wales Fire and Rescue Authority on 17th September 2018.

We confirm that we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that it has been communicated to you. We confirm that, as far as we are aware, there is no relevant audit information of which you are unaware.

Signed by:

Chris Barton

Treasurer,

South Wales Fire & Rescue Authority

Date: 24 September 2018

Signed by:

Councillor Tudor Davies

Chairman,

South Wales Fire & Rescue Authority

Date: 24 September 2018

Appendix 2

Proposed audit report of the Auditor General to the South Wales Fire and Rescue Authority

(Outstanding – further work on pension overpayment to be completed)

DRAFT

Appendix 3

Summary of corrections made to the draft financial statements which should be drawn to the attention of the South Wales Fire and Rescue Authority

During our audit we identified the following misstatements that have been corrected by management, but which we consider should be drawn to your attention due to their relevance to your responsibilities over the financial reporting process.

Value of correction	Nature of correction	Reason for correction
£600,000	Reclassification of prepayment to show as partly short term and partly long term element.	To correctly disclose debtor as partly short term and partly long term.
£168,000	Reclassification of part of intangible asset opening balance to asset under construction, and removal of related incorrect entry in earmarked reserves.	To correctly classify the opening balance of fixed assets by category, and to correctly disclose the balance on earmarked reserves.
£49,000 (£1,171,000 comparative)	Other income figures in Narrative Report not accurate.	To correctly disclose other income for 2017-18 and 2016-17.
£3,000	Benefit in kind for Assistant Chief Officer not initially disclosed.	To correctly disclose a senior officer's remuneration.
£1,417,000	Capital commitments not disclosed accurately.	To correctly disclose capital commitments.
£7,000	Median remuneration calculated incorrectly.	To correctly disclose median remuneration.
£2,030,000 (£2,030,000)	Pension reserve movements not correctly analysed in the Movement in Reserves Statement note.	To correct the analysis in the note.
Various amendments, presentation corrections and additional narrative	There have been some minor amendments, presentational corrections and additional narrative to the financial statements and notes.	To ensure accurate disclosure and presentation, and to inform the reader

DRAFT

Wales Audit Office
24 Cathedral Road
Cardiff CF11 9LJ

Tel: 029 2032 0500
Fax: 029 2032 0600
Textphone.: 029 2032 0660

E-mail: info@audit.wales
Website: www.audit.wales

Swyddfa Archwilio Cymru
24 Heol y Gadeirlan
Caerdydd CF11 9LJ

Ffôn: 029 2032 0500
Ffacs: 029 2032 0600
Ffôn testun: 029 2032 0660

E-bost: post@archwilio.cymru
Gwefan: www.archwilio.cymru

RESERVES STRATEGY UPDATE

SUMMARY

The report includes an update of the Authority's Reserve Strategy.

RECOMMENDATION

That the Committee reaffirms its previous strategy with regard to Reserves.

1. BACKGROUND

- 1.1 The Authority has an approved Reserve Strategy as part of its Medium Term Financial Strategy (MTFS) providing the backdrop to its medium-term financial plan, annual budget making decisions and the planning of its resources and spending. This report provides an update on the current strategy.

2. ISSUES

- 2.1 The challenge within all public sector financial plans continues to be the ongoing uncertainty around austerity and the extent to which public services can be funded.
- 2.2 The Strategy set out by the Fire Authority was aimed at ensuring that:
- all known and quantifiable liabilities were funded within its reserves and provisions;
 - there was sufficient general reserve to avoid any in year call on constituent council budgets from unforeseen financial risks;
 - the Authority maintained a flexible investment reserve to facilitate change within the organisation without the need to resort to substantial and inconsistent calls on annual budget contributions.
- 2.3 The Authority has previously stated that it will not use reserves to effectively operate a budget deficit as this is not a sustainable plan of action. This policy has been successful with the Service maintaining downward pressure on budgets and delivering underspends in most financial years. These underspends have allowed the Authority to create its invest to save reserve.

- 2.4 In 2017/18, the Authority exceeded its approved revenue budget mainly as a result of investment in its property portfolio and the accelerated recruitment of wholetime firefighters to stabilise the previous shortfall created by higher levels of retirement. These matters should not recur unless positive decisions are again required to address specific issues.

3 CURRENT RESERVES

- 3.1 Subject to the completion of the Audit of Accounts, the following table summarises the Reserves position of the Authority.

Reserve	Balance at 31/03/18 £000	Purpose
General Reserves	3,000	General financial resilience
Change Management Reserve	6,674	To fund projects aimed at efficiency, service improvement and change
PFI Equalisation Reserve	3,851	To balance out timing difference in grants and costs of the PFI Training Centre project at Cardiff Gate
Managed Under Spend Reserve	101	To meet costs of ongoing projects falling into the next financial year
CFBT Facility	4,349	To finance the building of the new facility at Cardiff Gate
Total Revenue Reserves	17,975	

- 3.2 The main change since the last update provided on the Strategy was the decision taken by Fire Authority to fund the new Compartment Fire Behaviour Training (CFBT) facility at Cardiff Gate to consolidate the previous training operations undertaken at Pontyclun and Cardiff Wales Airport.

4. FINANCIAL IMPLICATIONS

- 4.1 Details of the financial projections are included within the Strategy.

5. EQUALITY RISK ASSESSMENT

- 5.1 There are no equality implications resulting directly from this report. Each significant project within the Authority's financial planning framework undergoes equality and diversity risk assessment by the responsible budget holder as part of the budget planning process.

6. RECOMMENDATION

- 6.1 That the Committee reaffirms its previous strategy with regard to Reserves.

Contact Officer:	Background Papers:
Geraint Thomas Head of Finance and Procurement	

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

AGENDA ITEM NO 9
10 SEPTEMBER 2018

REVENUE MONITORING REPORT 2018/19

SUMMARY

The Revenue Monitoring Report provides details of the annual revenue budget and associated information for the year ending 31st March, 2019.

RECOMMENDATION

That the Finance, Audit and Performance Management Committee note and agree the report content and approve the virement.

1. BACKGROUND

- 1.1 The revenue budget for 2018/19 was approved by the Fire and Rescue Authority on 18th December 2017. This report presents the major changes affecting the revenue budget since budget setting.
- 1.2 Appendix 1 details the original budget, a revised budget to reflect authorised virements, transactions to date, the forecast outturn position and variance analysis.

2. ISSUES

- 2.1 The current forecast for the year is an overspend of £989k relating to the non employee element of the budget which is being offset by a decrease of £598k against employee related budgets. There is a resultant £391k overall overspend. This figure should be viewed with a commensurate level of prudence as the majority of the years' expenditure and income has yet to be incurred.
- 2.2 Since the original budget was set, there has been a number of changes with the most significant these outlined below:

2.2.1 EMPLOYEE COSTS - £598k Underspend

This consists of an underspend against salaries of £685k which is being offset by an increase in ill health pension costs of £78k.

Since initial budget setting, vacancy underspends of £345k are the main factor in the salary underspend. This along with additional income to fund salary costs, including £42k for Community Safety posts and a further £222k in relation to Joint Control salaries, are the main factors in the decrease. All revenue, and capital costs, incurred in relation to Joint Control by both SWFRS and MWWFRS are to be split between both authorities. Therefore full costs incurred by each authority will not be confirmed until the end of the financial year which may result in a fluctuation of the income currently forecast.

These are offset by an increase in pension costs of £75k due to variations since initial budget setting. Local Government Pension Scheme (LGPS) contributions have increased by £75k due to an increase in the number of starters, promotions and the recent pay award. Firefighter pension costs have decreased by £150k due to the number of retirements since budget setting. The majority of retirements are from the 1992 scheme which contribute a higher percentage rate than both the 2006 and 2015 schemes therefore resulting in less contributions being made through the revenue budget. Assumptions in pension costs will be made during the next forecast for future retirements, dependant on age and length of service and forecasts will naturally fluctuate each month due to overtime claims.

This overall decrease in salary costs is reduced by additional ill health pension costs of £78k. This is due to an increase in ill health charges as there has been a further two ill health retirements since budget setting along with an increase in injury allowance costs due to a number of one off ill health retirement gratuity payments. It is worth noting that any additional ill health retirements that occur during the course of the year will also change this position.

Members are requested to approve a virement of £80,959 from the Auxiliary Reserve budget contained in salaries to the Contracted Services budget to cover the Auxiliary Management costs paid via invoice. This relates to the contract payment with Securitas for the annual retainer of incident commanders.

Establishment figures (FTE) as at 31 July 2018

	Strength*	Budgeted Estab
WDS	792.5	794
RDS (100%)	453.12	533
Control	40.43	47.50
Support Staff	264.27	255.54
YFF	60.89	67.00

Auxiliary Reserve 76.00 80.00

*Actual strength numbers may include those on career breaks but not funded staff and secondments to external agencies.

Total Leavers & Joiners April 2018 to July 2018 (Headcount)

	Starters	Leavers
Control	0	0
Support Staff	16	13
RDS	56	25
WDS	0	15
YFF Staff	1	0
Auxiliary Reserve	0	1
Total	73	54

*Only details new starter or leavers to the service and does not relate to additional contracts

2.2.2 PREMISES COSTS - £287k Overspend

The largest increase is in the national non-domestic rates return (NNDR) following revaluation in 2017, which sees an increase of £169k. External fabric costs have increased by £100k to cover wall repairs at Pontycymmer and Monmouth, fencing repairs at Porthcawl along with ongoing door work required in association with the NET2 swipe card system installation. These costs have been partially offset by a £50k saving identified within the budget set aside for air conditioning units due to a warranty in place for recent works undertaken.

Planned works have been put on hold, within internal fabric costs, due to the number of capital works being undertaken therefore this will be reflected in the 2019/20 budget setting process. However, an additional £50k is forecast to cover re-active works including ceiling works required in headquarters following the recent air conditioning installation and remaining charges relating to bilingual signage installation across the service. Boiler repairs required at both Tredegar and Abercarn are forecast to require an additional £30k within this area of the repair and maintenance budget.

2.2.3 TRAINING - £38k Overspend

An additional £17k is forecast within the Operations budget for training required on the latest software update for the Rostering

and Advanced Planning systems (RAPs). This was originally forecast to be incurred within 2017/18 however did not take place until after April 2018. A further £25k of training costs relate to an additional £10k to allow two individuals to attend the Executive Leadership Programme (ELP) and a further £15k to Mind Cymru for the rollout of the Mind Blue Light Programme which wasn't included in initial budget setting.

2.2.4 SUPPLIES AND SERVICES - £397k Overspend

Other equipment is forecast to increase by £235 of which £224k is for the potential overspend against the Home Fire Safety stock budget. A grant agreement of £223k from Welsh Government has been received and currently a potential overspend of £224k is forecast. This figure is to be reviewed in year as any potential underspend from the other Wales fire authorities, or additional funding confirmed, will offset this and reduce the anticipated overspend.

Operational equipment is forecast to increase by £111k which is due to £72k costs anticipated for the upgrade of the Hydra training simulator at Cardiff Gate. This additional cost has been forecast and will be met from carry forward reserves set aside from both 2016/17 and 2017/18, with the remaining £28k of these costs being covered by additional training income received in 2018/19. A further £19k is forecast for the purchase of bespoke impact driver kits which were budgeted for in 2017/18 but could not be delivered until the new financial year and a further £18k is the result of the purchase of ladders which were not included in the initial Fleet budget.

A further £55k is forecast within the IT budget. £32k of this relates to support and maintenance costs of which £24k is associated with the annual costs for the service desk and the Business Information Management (BIM) system, both of which were initially included as part of the capital budget submission, with the remaining being offset by additional income received to cover charges incurred. An additional £23k relates to costs incurred for 2017/18 licence costs. This budget saw an underspend for 2017/18 and this charge has consequently impacted on the new financial year.

2.2.5 CONTRACTED SERVICES - £13k Overspend

Consultancy costs have increased in this area by £11k and is the main factor in the £13k overspend. This is in relation to costs incurred by the Middle Manager Assessment Development Centre (MMADC), within the Human Resources budget. These costs are

offset by additional income received to reclaim the costs that are in association with both MWWFRS and NWFRS.

2.2.6 CAPITAL COSTS / LEASING - £373k Overspend

This is a result of an increase of £192k in relation to operating lease charges of which £100k relates to the second year of eight for the Joint Control lease. This annual cost will be factored into the budget setting process for the remaining period of the lease. An additional £92k relates to buy out fees incurred for purchase of five fire appliances that were previously on lease with Siemens Financial Services Ltd.

The capital programme spend is higher than anticipated at budget setting as a result of a revised schedule of works to be undertaken, including any slippage from 2017/18. This has had an impact of an additional £142k in the forecast for the Minimum Revenue Provision (MRP) charge.

A further £59k is the result of an increase in the CERA contribution (Capital Expenditure from Revenue Account) to support capital investment in co-location projects with WAST. This increase is completely offset by income provided by WAST. Consequently this increases the CERA contribution from the initial budget of £200k to £259k, however it is worth noting that the net impact on the revenue budget is £200k, as per initial budget setting.

These additional costs have been offset by a reduction in loan interest of £26k due to two loans ending in 2018/19 and a recalculation of interest payable in year.

2.2.7 INCOME - £113k Additional

The increase in income is offset by additional expenditure incurred in areas as detailed earlier in the report. The result of which is a £59k increase in the CERA contribution, £28k in relation to the upgrade of the Hydra facility at Cardiff Gate, £11k to offset consultancy costs incurred and a further £20k to offset both support and maintenance and subscription costs.

3. FINANCIAL IMPLICATIONS

3.1 An overall projected overspend on the revenue budget equating to £391k.

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 That the Finance, Audit and Performance Management Committee note and agree the report content and approve the virement.

Contact Officer:	Background Papers:
Geraint Thomas Head of Finance and Procurement	- Revenue and Capital Determination Report - Revenue Budget Working Papers - Budget Holder Reports - Capital Monitoring Report

SOUTH WALES FIRE & RESCUE SERVICE							
BUDGET MONITORING 2018/19					APPENDIX 1		
		Original Budget 2018/19 £	Budget (vired budget) 2018/19 £	Actual at 07.08.18 £	Forecast 31.03.19 £	Over/Under Spend Against Revised Budget	Over/ Under Spend %
Employee Costs							
	Salaries, NI & superann.	54,166,233	54,085,274	17,727,390	53,399,435	685,839	1.0%
		54,166,233	54,085,274	17,727,390	53,399,435	685,839	
	Pensions (ill health)	793,608	793,608	232,882	871,745	-78,137	-0.1%
	Travel and Subsistence	453,200	452,700	122,591	461,934	-9,234	0.0%
	Total Employee Costs	55,413,041	55,331,582	18,082,862	54,733,114	598,468	0.8%
	Premises Related Expenses	4,668,990	4,671,026	1,316,875	4,957,683	-286,657	-0.4%
	Training Expenses	1,525,925	1,525,925	142,981	1,563,694	-37,769	-0.1%
	Supplies & Services	3,679,201	3,677,165	2,151,644	4,074,400	-397,235	-0.6%
	Transport Related Expenses	1,252,942	1,252,942	397,448	1,248,983	3,959	0.0%
	Third Party Payments (Contracted Services)	744,139	880,198	216,189	893,130	-12,932	0.0%
	Capital costs / leasing	4,498,825	4,443,725	299,183	4,816,313	-372,588	-0.5%
	Contingency	355,705	355,705	0	355,705	0	0.0%
	Income	-976,096	-975,596	-453,856	-1,088,997	113,401	0.2%
	CONTRIBUTION BUDGET 2017/2018	71,162,672	71,162,672	22,153,325	71,554,025	-391,353	-0.5%
Key							
	 Overspend						
	 Underspend						

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CAPITAL MONITORING REPORT 2018/19

SUMMARY

The capital monitoring report provides detail of the capital budget, transactions to date and the forecast position as at 6th August 2018.

RECOMMENDATION

That Members note the budget, progress of capital schemes, approve alterations identified in Appendix 1 and note the associated funding streams.

1. BACKGROUND

- 1.1 This report provides an explanation of changes since budget setting in December 2017. Appendix 1 illustrates 2017/18 budget slippage, the 2018/19 budget, expenditure incurred to date, a forecast 31 March position and budget slippage into 2019/20.
- 1.2 In summary, the total available budget equates to £8.1 million, the forecast outturn and slippage for the year is £7.9 and £1.2 respectively.
- 1.3 Appendix 1 provides a detailed breakdown of the schemes contributing to the aforementioned position together with the necessary financing arrangements. This following provides a narrative update in support of figures detailed in Appendix 1.

2. ISSUES

2.1 Property

2.1.1 Station Refurbishments

2.1.1.1 Monmouth

This is a shared location project between SWFRS, Gwent Police and Welsh Ambulance Service Trust (WAST). It is now expected that the building work will commence in 2019/20 and the only costs to be incurred in 2018/19 are fees which are predicted to be £150k.

2.1.1.2 New Inn

£497k spend slipped from 2017/18 into 2018/19 although build is unlikely to commence until 2019/20. Forecast spend for 2018/19 is £250k for fees. Detailed consultation regarding design work is ongoing.

2.1.1.3 Barry

The majority of Barry costs were spent in 2017/18 with the outturn being greater than forecast due to project variations and work being brought forward into 2017/18. It is predicted that the full budget of £489k will be spent in 2018/19. This is to be partly funded by contributions from WAST which so far equal £59k.

2.1.1.4 Tonypandy

This is a key strategic site which is to be completed in 2018/19. Therefore the forecast shows the full £300k budget is to be spent within the year as the project is due to commence shortly.

2.1.1.5 Former Control

This budget is for remodelling works to relocate Occupational Health. It is predicted that the full £150k budget will be spent during 2018/19.

2.2 New Builds

2.2.1 Compartment Fire Behaviour Training Facility (CFBT)

With build commencing in September 2018/19 the majority of 17/18 budget (£2.8m) was slipped into 2018/19. It is anticipated that the full budget will be spent in 2018/19. It is possible that some work scheduled to be part of the 2019/20 budget made me brought forward into 2018/19.

2.2.2 Cardiff Gate Secure Storage Unit

Construction is due to commence in August and a forecast of £55k is predicted for the build costs. It is also predicted that there will be another £5k of cost in regards to fees.

2.3 Planned and Preventative

2.3.1 The 2018/19 budget of £150k relates to roof repairs at Cardiff Central following an impairment in 2015/16. £100k slippage was brought forward relating to the Fuel Pump has now been installed.

2.4 Energy Efficiency Schemes

2.4.1 There are 3 energy efficiency schemes to be completed in 18/19.

	No sites	18/19 budget
Station LED	40	£622k
WDS BMS	12	£132k
HQ Air Conditioning	1	<u>£300k</u>
		£1054k

The tender for HQ Air Conditioning has been returned at £345 which has resulted in an overspend of £45k. All of these projects are on schedule to be completed within 2018/19.

2.5 Vehicle Replacement Programme (VRP)

2.5.1 Vans (Light Vehicles)

£61k slippage from 2017/18 relates to 2 vans that were delivery in early April. It is predicted that the full 2018/19 budget of £170k will be spent on 9 vans. 8 vans have already been ordered which are represented by the commitments figure of £116k.

2.5.2 Rescue Boat

The 45k funding is currently forecast to be slipped into 19/20 as further evaluation is done on the grant funded rescue equipment purchased in 17/18.

2.5.3 Operational 4WD

It is forecast that 2 light utility 4x4's will be purchased in 2018/19 costing £120k. However this is currently in review as recent conditions have forced SWFRS to consider whether wildfire appliances need to be purchased instead. This is still expected to cost £120k.

2.5.4 Truck (Slide deck/crane)

It is forecast that 1 truck will be purchased in 2018/19 for £150k. although this may slip into 2019/20.

2.5.5 Water ladders

2 water ladders are to be purchased in 2018/19 for a total cost of £464k as per the 2018/19 capital budget. A new tender is due to go out shortly with the view of ordering the appliances in October/November.

2.6 ICT

2.6.1 Business Information Management System (BIMS)

Slippage of £5k from 2017/18 relates to 5 training days which were still yet to be used at the end of 17/18. No further spend is expected.

2.6.2 HQ Switch Replacement

This project was delayed due to the company supplying going into liquidation. All PO's being cancelled and a new tender was completed.

Budget slipped from 2017/18 and spend has now commenced. Forecast to spend the full £200k budget.

2.6.3 Website Project

There has been £24k spend on the website project so far in 2018/19 as the whole project was moved into 2018/19 as phase one did not commence until April 2018. The £17k of commitments will complete the project at £40k. An additional £1k has been added to the forecast. This is the cost of re-working the website to ensure that we have two websites side-by-side, one with a Welsh domain address and one English.

2.6.4 HQ Disaster Recovery

£44k slippage from HQ backup equipment has been moved here as per the Capital Budget. Spend so far is £36k and it is expected that the full £144k budget will be spend by the end of 2018/19.

2.7 Equipment

2.7.1 Breathing Apparatus

Spending on Breathing Apparatus began in 2017/18 and these have continued into 2018/19. The parts have now been bought and no more spend is expected in 2018/19. This is part of a bigger project to commence in 2019/20 but some purchases have been made in advance in preparation.

3 FINANCIAL IMPLICATIONS

- 3.1 Appendix 1 illustrates capital scheme details and is supported by paragraphs 2.1 to 2.7 above. The available budget of £8.1million is overspent when compared to the forecast and slipped forward budget. This position is offset by WASTs' £59k co-location contribution and is illustrated in appendix 1 as an over spend against budget under station refurb and this is subsequently offset by an equal amount of funding identified in the funding analysis. In summary, the over spend against

Barry, which is causing a net overall over spend on the capital budget, is funded by WAST.

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 risk assessments by the responsible project lead, prior to the commencement of the scheme.

5. RECOMMENDATION

- 5.1 That Members note the progress of the capital schemes, approve alterations identified in Appendix 1 and note the associated funding streams.

Contact Officer:	Background Papers:
Geraint Thomas Head of Finance & Procurement	Revenue & Capital Budget Determination Report Capital Monitoring working papers 2017/18 Budget Holder Reports

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CAPITAL PROGRAMME 2018/19						APPENDIX 1	
	SLIPPAGE B/F 2017/18 £000	2018/19 BUDGET £000	ACTUAL AS AT 16.03.18 £000	COMMITTE D AS AT 16.03.18 £000	OUTTURN POSITION 31.03.19 £000	BUDGET UNDER/(O VER) SPEND £000	SLIPPAGE C/F 2019/20 £000
PROPERTY							
LAND ACQUISITIONS							
PONTYPRIDD	425	0	0	0	0	0	425
STATION REFURBISHMENTS							
MONMOUTH	597	0	0	0	150	0	447
NEW INN	497	0	2	4	250	0	247
BARRY (co-location cont's offset over spend)	0	430	269	303	489	-59	0
TONYPANDY	0	300	0	0	300	0	0
FORMER CONTROL (Pontyclun)	0	150	0	0	150	0	0
NEW BUILDS							
CFBT FACILITY CARDIFF GATE (reserve funding)	2,848	0	81	131	2,848	0	0
CYGATE SECURE STORAGE UNIT	0	55	0	0	60	-5	0
PLANNED & PREVENTATIVE MAINT	100	150	0	2	250	0	0
ENERGY EFFICIENCY SCHEMES (reserve funding)	0	1,054	535	353	1,099	-45	0
	4,467	2,139	888	793	5,596	-109	1,119
VEHICLES							
OPERATIONAL 4WD	0	120	0	0	120	0	0
TRUCK (SLIDE DECK / CRANE)	0	150	0	0	150	0	0
VANS (LIGHT VEHICLES)	61	170	61	116	231	0	0
WATER LADDERS	0	464	0	0	464	0	0
MTFA Vehicles (grant funded)	0	0	0	54	80	-80	0
USAR VEHICLES (grant funded)	0	0	0	48	275	-275	0
RESCUE BOAT	45	0	0	0	0	0	45
	106	304	61	218	1,320	-355	45
EQUIPMENT							
BREATHING APPARATUS	0	0	22	0	22	-22	0
SERVICE DESK	35	0	0	31	31	4	0
HQ SWITCH REPLACEMENT	200	0	133	0	200	0	0
HQ DISASTER RECOVERY	44	100	36	0	144	0	0
WEBSITE PROJECT (reserve funding)	0	0	24	16	40	-40	0
BIMS	5	0	0	0	5	0	0
UNIFIED COMMUNICATION REPLACEMENT	0	100	9	0	100	0	0
MTFA EQUIPMENT (grant funded)	0	0	0	0	60	-60	0
CBRN / DIM EQUIP (grant funded)	0	0	0	0	85	-85	0
LCD DETECTION / MONITORING (grant funded)	0	0	0	0	220	-220	0
USAR RIG UPGRADE (grant funded)	0	0	0	0	80	-80	0
	249	200	203	16	987	-503	0
TOTAL	4,822	3,243	1,152	1,027	7,903	-967	1,164
FUNDING ANALYSIS							
					BORROWING	2,857	
					CO-LOCATION CONTRIBUTIONS	59	
					REVENUE CONTRIBUTION	200	
					REVENUE RESERVES	3,987	
					CAPITAL GRANT	800	
						7,903	

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SOUTH WALES FIRE & RESCUE AUTHORITY
FINANCE AUDIT & PERFORMANCE
MANAGEMENT COMMITTEE
REPORT OF THE TREASURER

AGENDA ITEM NO 11
10 SEPTEMBER 2018

2017/18 ANNUAL TREASURY MANAGEMENT REVIEW

SUMMARY

To consider the results of treasury management activities for the year ending 31 March 2018, in accordance with the Authority's approved Treasury Management Strategy.

RECOMMENDATION

This committee recommend that the Fire & Rescue Authority note the annual treasury management review for 2017/18 and approve the actual 2017/18 prudential and treasury indicators set therein.

1. BACKGROUND

1.1 There exists a statutory and regulatory obligation for the Authority to comply with the reporting requirements detailed in Appendix 1. An 'Annual Treasury Management Review Report' is required to be presented to full Authority as soon after the close of the financial year as is practicable or by the 30 September at the latest. The purpose of this is to compare the actual 2017/18 position to the treasury management strategy set in advance of the year to confirm or otherwise, compliance and assess performance.

2. ISSUE

2.1 Effective treasury management can be measured by its budget impact i.e financing costs and investment income, organisational solvency and cash flow.

2.2 The Authority receives annual bank deposits in the region of £80 million throughout the year. In general, monthly bank payments fall between £5 – 8 million and are dependant on various factors. The timing of these cash flows can be uncertain and as such, it is imperative that the flow of cash in and out of Authority bank accounts is managed to support budget strategies and minimise risk.

2.3 The Authority contracts with 3 banking providers, i.e. Barclays, Lloyds and Natwest. The main banking contract was awarded to Barclays in November 2014. Lloyds and Natwest provide a contingency service to manage funds surplus to the counter party limits set by Members within the strategy.

3. FINANCIAL IMPLICATIONS

3.1 Borrowing Outturn

The Authority maintains a competitive, average debt book rate of approx 4%. The current borrowing strategy is to utilise the Authority's cash reserves in the first instance and to undertake external borrowing only to ensure sustainable efficiencies in the revenue budget. During the year long term borrowing reduced by £3.3million as a result of debt repayments and no new loans being taken during the year. There was no debt restructuring undertaken in 2017/18.

3.2 Investment Outturn

Despite the above borrowing strategy, external investments have increased during the year due to delays in capital investment (details contained in capital monitoring report). Cash balances have been maintained in higher earning accounts and investment returns of £72,514 exceeded the budgeted income levels set at £54,565.

The rates of return on call accounts at the end of March were 0.25% with Barclays and 0.70% with Lloyds. Rates are reviewed periodically and subject to change in accordance with contract terms and conditions. The Bank of England base rate increased on the 2nd November from 0.25% to 0.50%.

4. EQUALITY RISK ASSESSMENT

4.1 There are no equality implications resulting directly from this report.

5. RECOMMENDATION

5.1 This committee recommends that the Fire & Rescue Authority note the annual treasury management review for 2017/18 and approve the actual 2017/18 prudential and treasury indicators set therein.

Contact Officer:	Background papers:
Chris Barton Treasurer	<ul style="list-style-type: none"> - CIPFA Code Treasury Management - CIPFA Prudential Code - Treasury Management Strategy - Treasury Management Practices (TMP's)

APPENDIX 1

<i>Prudential Indicators</i>	<i>2016/17 Actual £'000</i>	<i>2017/18 Original £'000</i>	<i>2017/18 Actual £'000</i>
<i>Capital Expenditure</i>	2,473	7,972	4,234
<i>Ratio of Financing costs to net revenue stream</i>	6.57%	6.91%	6.79%
<i>Gross Borrowing requirement – General fund Brought forward 1st April</i>			
<i>Carried forward 31st March</i>	39,133	37,224	37,234
<i>In year borrowing requirement</i>	37,224	33,808	33,927
<i>Repayment of principal during the year</i>	(1,902)	(3,416)	(3,307)
<i>Capital Financing Requirement (CFR)</i>	44,338	47,327	44,146
<i>Annual Change in CFR</i>	(1,472)	1,511	(192)

Treasury Management Indicators	2016/17 Actual £'000	2017/18 Original £'000	2017/18 Actual £'000
Authorised Limit for external debt			
<i>Borrowing</i>	53,000	50,000	50,000
<i>Other Long term Liabilities</i>	20,000	12,000	12,000
<i>Total</i>	73,000	62,000	62,000
Operational Boundary for external debt			
<i>Borrowing</i>	50,000	45,000	45,000
<i>Other Long Term Liabilities</i>			
<i>Total</i>	10,000	10,000	10,000
	60,000	55,000	55,000
Actual External Debt	42,606	41,088	39,041
Upper Limit For Fixed Rate Exposure			
<i>Net Principal re fixed rate borrowing/investment</i>	100%	100%	100%
Upper Limit for total principal sums invested for over 364 days	10,000	10,000	10,000

<i>Maturity structure of fixed rate borrowing during 2017/18</i>	<i>Upper Limit</i>	<i>Lower Limit</i>	<i>Actual as at 31.03.18</i>
<i>Under 12 months</i>	<i>25%</i>	<i>0%</i>	<i>8.6%</i>
<i>12 months and within 24 months</i>	<i>30%</i>	<i>0%</i>	<i>13.3%</i>
<i>24 months and within 5 years</i>	<i>50%</i>	<i>0%</i>	<i>14.0%</i>
<i>5 years and within 10 years</i>	<i>70%</i>	<i>0%</i>	<i>21.5%</i>
<i>10 years and within 25 years</i>	<i>95%</i>	<i>0%</i>	<i>21.6%</i>
<i>25 years and 50 years</i>	<i>95%</i>	<i>0%</i>	<i>21.0%</i>

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AGENDA ITEM NO 12

Medium Term Financial Strategy Update; Revenue & Capital Budget Setting
Report

-

To be presented on the day

Author: Treasurer

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INTERNAL AUDIT REPORT

SUMMARY

This report updates Members upon progress being made against the Internal Audit Plan 2018/2019.

RECOMMENDATION

Members are asked to note internal audit recommendations and work completed to date on the Internal Audit Annual Plan.

1. BACKGROUND

- 1.1 As Members will be aware, TIAA Limited are appointed as the Authority's Internal Auditors to undertake work covered in the Internal Audit Plan 2018/2019 which was approved by this Committee on 23 April 2018.
- 1.2 As previously agreed, all audit reports with an assurance level of limited or no assurance will be provided in full. Recommendations only will be provided for reports with an assurance level of substantial or reasonable.

2. ISSUE

- 2.1 The areas of internal audit reviews within the Annual Plan were completed with 2 final reports being issued:-
 - **Training Records**
 - **Anti-Fraud Data Analytics**

The Summary Internal Audit Progress Report written by TIAA Limited is attached as Appendix 3.

2.2 Training Records

- 2.2.1 The review considered the adequacy and completeness of the recording and reporting of training records for all risk critical operational training for the Service.
- 2.2.2 The audit area was given a reasonable level of assurance with six recommendations:- three important, two routine, and one area of operational effectiveness identified.

2.3 Anti-Fraud Data Analytics

2.3.1 The purpose of this review was to complete a series of Computer Assisted Analytical Tests (CAATs) on data extracted from the purchasing and procurement financial system, e-financials, for the period April 2017 to July 2018.

2.3.2 The audit area was given a substantial level of assurance with only one routine recommendation identified.

3 EQUALITY RISK ASSESSMENT

3.1 The issues raised within this report have no adverse impact on the protected characteristics, and would have been considered during the audit process.

4 RECOMMENDATION

4.1 Members are asked to note the internal audit recommendations, and work completed to date on the Internal Audit Annual Plan.

Contact Officer:	Background Papers:
Geraint Thomas Head of Finance & Procurement	Appendix 1 – Training Records Appendix 2 – Anti-Fraud Data Analytics Appendix 3 – Summary Internal Audit Progress Road



South Wales Fire and Rescue Service

Assurance Review of Training Records

August 2018

FINAL

Executive Summary

OVERALL ASSURANCE ASSESSMENT



OVERALL CONCLUSION

South Wales Fire and Rescue has effective arrangements in place to ensure that all operational staff are trained to undertake their role although a small number of issues were identified relating to the recording and management systems in use.

- The continued use of grace periods to arrange training for individuals who are out of compliance needs to be reviewed.
- Accurate out of compliance reports cannot be easily obtained without the requirement for a significant amount of manual input to interpret and cleanse reports.
- The data held within the PSE database will need to be reviewed and cleansed prior to the data being imported into the Core HR system.

SCOPE

In order to provide assurance for South Wales Fire and Rescue Service, TIAA have been requested to review the adequacy and completeness of the recording and reporting of training records for all risk critical operational training for the Service. It is the intention for a 3 monthly report to be submitted to the Senior Management Team for consideration in relation to monitoring the compliance of all Operational personnel within the Service.

ACTION POINTS

Urgent	Important	Routine	Operational
0	3	2	1

Management Action Plan - Priority 1, 2 and 3 Recommendations

Rec .	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	Compliance	The use of grace periods needs to be reviewed and if they are to be continued, they need to be incorporated into competency procedures to ensure that there are no "grey" areas when determining the competency of operational staff.	The continued use of grace periods when arranging re-qualification training be reviewed and, if they are to be continued, be formalised through referencing within competency procedures.	2	<i>This is not required in the future and will be withdrawn with immediate notice.</i>	Sept `18	AM Ian Greenman
4	Compliance	The use of multiple codes within the PSE database and the apparent inability to report on multiple codes within the same report provides difficulty in easily identify only those individuals that are actually out of compliance.	The out of compliance reporting processes in use need to be reviewed to ensure that the reported out of compliance data is accurate and can be easily obtained on demand.	2	<i>Discussions need to be had with Systems Assistant who inputs all data to ensure this can be rectified in moving forward.</i>	Sept `18	AM Ian Greenman

Rec .	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
5	Operational	The data held within the PSE database will need to be reviewed and cleansed before the information is imported into Core HR during the implementation of the Core HR training module.	The information held within the PSE database be reviewed and cleansed prior to importing into the Core HR training module.	2	<i>This will be discussed when the Core Rollout for the Training Department is decided.</i>	<i>Dec `18</i>	<i>AM Ian Greenman</i>
2	Compliance	Discussions with Training and Development staff during this review identified that although non-attendance is detailed on the course OMPI, there is no process within Training and Development to record, quantify and report non-attendance.	The levels of non-attendance at training courses be recorded and quantified by Training and Development.	3	<i>To be discussed at Senior Training Management Team level.</i>	<i>Dec `18</i>	<i>AM Ian Greenman</i>
3	Compliance	It is recommended that the annual peer and line manager assessments are not included within the formula that identifies competency to instruct as these assessments may be completed anytime within the training year.	Peer and line manager assessments be removed from the competency calculation included within the Instructor Competencies workbook master sheet.	3	<i>To be implemented immediately.</i>	<i>Sept `18</i>	<i>AM Ian Greenman</i>

Operational Effectiveness Matters

Ref	Risk Area	Item	Management Comments
1	Compliance	Consideration be given to how individuals who are not required to complete requalification training can be removed from out of compliance reports.	<i>Clarity required whether individuals are operational or corporate staff.</i>

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South Wales Fire and Rescue Service

Compliance Review of Data Analytics – Deep Dive Duplicate Payments Compliance

August 2018

FINAL

Executive Summary

OVERALL ASSURANCE ASSESSMENT



OVERALL CONCLUSION

Testing on the procurement and purchasing ledger data did not identify fraudulent behaviour.

- Testing identified that the Fire Service has been charged for VAT by companies that were set up as VAT exempt.
- No issues of duplicate payments were identified during the review.

SCOPE

Rationale

Key risk area, included in the plan.

Scope

The aim of this review was to complete a series of Computer Assisted Analytical Tests (CAATs) on data extracted from the purchasing and procurement financial system, e-financials, for the period April 2017 to July 2018.

ACTION POINTS

Urgent	Important	Routine	Operational
0	0	1	0

Management Action Plan - Priority 1, 2 and 3 Recommendations

Rec .	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	Compliance	The Fire Service has been charged VAT on 17 supplier accounts which at the time of the audit were missing VAT registration details.	Arrangements be put in place to ensure that supplier VAT details are added to the supplier accounts within e-financials.	3	<p><i>VAT details were added to the supplier details on Supplier Entry Form during the audit.</i></p> <p><i>Despite the details being missing from the supplier entry record this didn't have a bearing on the processing of invoices or the payment to the supplier. The invoices were processed via eFinancials taking VAT into account.</i></p> <p><i>The monthly VAT reclaim to HMRC is pulled from the general ledger and not the supplier entry.</i></p>	31/07/2018	<i>Procurement Coordinator</i>

Operational Effectiveness Matters

Ref	Risk Area	Item	Management Comments
There were no Operational Effectiveness Matters identified.			



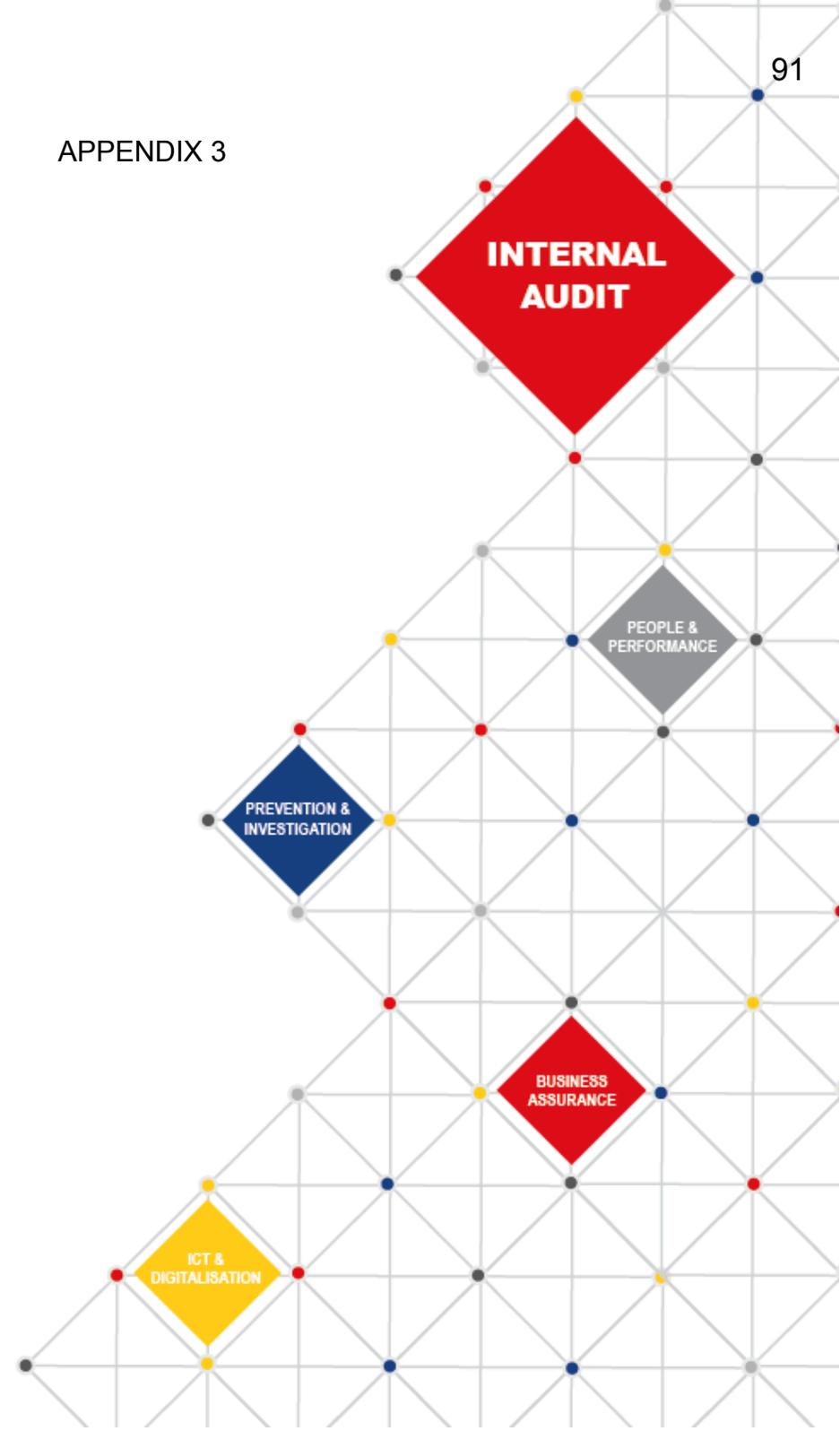
South Wales Fire and Rescue Service

Summary Internal Controls Assurance (SICA) Report

August 2018

FINAL

APPENDIX 3



INTRODUCTION

1. This summary report provides the Audit Committee with an update on the progress of our work at South Wales Fire and Rescue Service as at 15th August 2018 SICA report.

PROGRESS AGAINST THE 2018/19 ANNUAL PLAN

2. Our progress against the Annual Plan for 2018-19 is set out in Appendix A. The results of these reviews are summarised at Appendix B.

INTERNAL CONTROL FRAMEWORK

3. The key strategic governance, risk management and control matters identified from the four reviews completed since the previous SICA are summarised below. There are no issues arising from these findings which would require the annual Head of Audit Opinion to be qualified.

Key Strategic Governance, Risk Management and Control Matters

Review	High level
Training Records	<p>South Wales Fire and Rescue has effective arrangements in place to ensure that all operational staff are trained to undertake their role although a small number of issues were identified relating to the recording and management systems in use.</p> <ul style="list-style-type: none"> • The continued use of grace periods to arrange training for individuals who are out of compliance needs to be reviewed. • Accurate out of compliance reports cannot be easily obtained without the requirement for a significant amount of manual input to interpret and cleanse reports. • The data held within the PSE database will need to be reviewed and cleansed prior to the data being imported into the Core HR system.
HR Management – Rosters	<p>There are effective arrangements for managing the Whole Time, On Call and Control Room rotas within the Service through clear definition of roles and responsibilities, effective use of the computerised duty rostering systems for Whole Time and On Call and documented processes and procedures.</p> <ul style="list-style-type: none"> • The Flexible Rostering System Procedures and Guidelines document needs to be updated to reflect the changes made since its first publication. • Above and below optimum crewing levels, 'ridership', needs to be analysed and reported to management on a periodic basis.

	<ul style="list-style-type: none"> • Reporting of Crew Manager and Watch Manager over and under availability needs to be developed and reported to management. • Reports on under and over crewing within the Control Room need to be produced and be routinely reported to management.
Data Analytics – Deep Dive Duplicate Payments Compliance	<p>Testing on the procurement and purchasing ledger data did not identify fraudulent behaviour.</p> <ul style="list-style-type: none"> • Testing identified that the Fire Service has been charged for VAT by companies that were set up as VAT exempt. • No issues of duplicate payments were identified during the review.

EMERGING GOVERNANCE, RISK AND INTERNAL CONTROL RELATED ISSUES

4. We have identified no emerging risks which could impact on the overall effectiveness of the governance, risk and internal control framework of the organisation to date.

AUDITS COMPLETED SINCE THE LAST REPORT TO COMMITTEE

5. The table below sets out details of audits finalised since the previous meeting of the Finance, Audit & Performance Management Committee.

Review	Evaluation	Key Dates			Number of Recommendations			
		Draft issued	Responses Received	Final issued	1	2	3	OE
Training Records	Reasonable	10/07/2018	06/08/2018	07/08/2018	-	3	2	1
HR Management – Rosters	Reasonable	31/07/2018	06/08/2018	07/08/2018	-	4	1	2
Data Analytics – Deep Dive Duplicate Payments Compliance	Substantial	01/08/2018	06/08/2018	07/08/2018	-	-	1	-

CHANGES TO THE INTERNAL AUDIT STRATEGY AND ANNUAL PLAN 2018/19

6. Management have requested that the review of Governance – Performance Management is not completed as this is not required by the Wales Audit Office at present. This was replaced with a review of Training Records for which a final report has been issued. The scope of the Training Records review was as follows: 'In order to provide assurance for South Wales Fire and Rescue Service, TIAA have been requested to review the adequacy and completeness of the recording and reporting of training records for all risk critical operational training for the Service'.

FRAUDS/IRREGULARITIES

7. We have not been advised of any frauds or irregularities in the period since the last summary report was issued.

LIAISON

8. **Liaison with external audit:** We have ongoing liaison with Wales Audit Office.

PROGRESS ACTIONING PRIORITY 1 RECOMMENDATIONS

9. We have made no Priority 1 recommendations (i.e. fundamental control issue on which action should be taken immediately) since the previous SICA or Progress Report.

OTHER MATTERS

We have issued the following briefing notes and fraud digests since the last audit committee:

- Fraud Digest 2018 – Internal Fraud Threats

RESPONSIBILITY/DISCLAIMER

10. This report has been prepared solely for management's use and must not be recited or referred to in whole or in part to third parties without our prior written consent. The matters raised in this report not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose. TIAA neither owes nor accepts any duty of care to any other party who may receive this report and specifically disclaims any liability for loss, damage or expense of whatsoever nature, which is caused by their reliance on our report. to be

Progress against the Annual Plan for 2018/19

System	Planned Quarter	Days	Current Status	Comments
Governance – Performance Management	1	10	Not required.	Replaced by a review of <i>Training Records</i> , as detailed in paragraph 6 of this summary report.
Fleet Management – Usage	1	6	Fieldwork commenced 14 th August 2018	
HR Management – Rosters	1	6	Final report issued 7 th August 2018	
Training Records	2	10	Final report issued 7 th August 2018	Replaces the <i>Performance Management</i> review, as detailed in paragraph 6 of this summary report.
Anti-Fraud Data Analytics – Deep dive review of payments	2	6	Final report issued 7 th August 2018	
Station Visits	2	4	Report is at the quality assurance stage	
Estate Management – Delivery	2	6	Fieldwork commenced 6 th August 2018	
Governance – Partnerships	2	6	Report is at the quality assurance stage	
Risk Management – Mitigating Controls/Board Assurance	2	6	Fieldwork commenced 9 th July 2018	
GDPR Compliance Audit	2	5	Fieldwork commenced 1 st August 2018	
Key Financial Controls	4	6	Audit planned for 7 th January 2019	

System	Planned Quarter	Days	Current Status	Comments
Follow-up	4	3	Audit Planned for 4 th February 2019	
2018/19 Annual Plan and Strategy	1	2	Draft agreed - Final Internal Plan to be issued	
2018/19 Annual Report	4	1		
Management & Planning	1-4	7	Ongoing	

KEY:

	=	To be commenced
	=	Site work commenced
	=	Draft report issued
	=	Final report issued

Recommendations – Priority 1 Only

No Urgent (Priority 1) recommendations have been made.

Briefings on Developments in Governance, Risk and Control

TIAA produce regular briefing notes to summarise new developments in Governance, Risk, Control and Counter Fraud which may have an impact on our clients. These are shared with clients and made available through our Online Client Portal. A summary list of those CBNs issued since the last meeting which may be of relevance to South Wales Fire and Rescue Service is given below. Copies of any CBNs are available on request from your local TIAA team.

Date Issued	CBN Ref	Subject	Status	TIAA Comments
17/07/2018	CBN-18024	All - Combatting Job Scams - SAFERjobs	For Information	Audit Committees and Boards/Governing Bodies are advised to note this initiative and the services it offers organisations to help protect both employers and agency staff.
04/07/2018	CBN-18022	All - Impacts of Mining Cryptocurrency	For Information	Audit Committees are advised to seek assurance from their IT provider (whether in-house or external) that any crypto-mining attempts on their websites are recognised, managed and monitored, with appropriate security measures being taken and maintained. Organisations should also consider periodic cyber reviews covering operational measures in place to mitigate the risk and impact of crypto mining attacks.
04/07/2018	CBN-18021	All - Updated NSCS Guidance on End User Device Security	For Information	Audit Committees and Boards/Governing Bodies are advised to: <ul style="list-style-type: none"> • be aware of this update for technologies in use; and • Ensure their IT support teams have consulted the latest NCSC guidance when implementing or reviewing security for end user devices.
26/06/2018	CBN-18020	All - Data Protection Act 2018	For Possible Action	Audit Committees and Boards/Governing Bodies are advised to ensure that associated data protection and security activities and documentation is updated to comply with the new legislation.

Date Issued	CBN Ref	Subject	Status	TIAA Comments
25/06/2018	CBN-18018	All - New WannaCry Cyber Scam	For Action	All clients are advised to ensure their IT departments are aware of this issue, and have taken steps to ensure all staff are alert to cyber security risks. The risks associated with malware and phishing should be included on appropriate risk registers, and regularly reviewed to ensure that mitigation measures are kept refreshed.
20/04/2018	CBN-18010	All - The Criminal Finances Act 2017	For Possible Action	Audit Committees and Boards/Governing Bodies are advised to consider this new legislation, and identify any systems and controls required to mitigate the risks relating to it. Measures to ensure the organisation can demonstrate 'reasonable prevention procedures' should be considered as part of overall governance and compliance.
27/03/2018	CBN-18009	All - Mitigating Malware	For Possible Action	<p>Audit Committees are advised to seek assurance from their IT services that appropriate arrangements are in place to prevent the introduction of malware and to mitigate the effects should a malware attack occur.</p> <p>Organisations should also consider periodic audit review over these processes and procedures, to give independent assurance that appropriate arrangements are in place to prevent or mitigate a malware attack.</p>
27/03/2018	CBN-18008	All - Mitigating Risks of Phishing	For Possible Action	<p>Audit Committees are advised to seek assurance from their IT provider (whether in-house or external) that all phishing attempts are recognised, managed and monitored, with appropriate security measures being taken and maintained.</p> <p>Organisations should also consider periodic cyber review covering operational measures in place to mitigate the risk and impact of phishing attacks. In testing the human aspects of phishing, organisations are encouraged to test the effectiveness of their controls and user training by the use of mock phishing exercises.</p>

Date Issued	CBN Ref	Subject	Status	TIAA Comments
16/03/2018	CBN-18007	All - Responding to Acid and Corrosive Substance Attacks	For Possible Action	Audit Committees and Boards/Governing Bodies are advised to seek assurance that the organisation has undertaken an assessment of the risk of Acid Attacks for staff – particularly those in front line services and those located in areas where such attacks have been reported.
01/03/2018	CBN-18006	All - United Kingdom Anti-Corruption Strategy 2017-2022	For Information	Audit Committees and Boards/Governing Bodies are advised to note the Government's new Anti- Corruption Strategy 2017-2022
01/02/2018	CBN-18005	All - 24/7 Live Reporting of Cyber Attacks	For Possible Action	Audit Committees and Boards/Governing Bodies are advised to take note of this information, and confirm that IT teams are aware of the support available from Action Fraud's helpline and have appropriately updated their cyber response plan.
29/01/2018	CBN-18004	All - Managing Risk on Cloud Enabled Products	For Possible Action	<p>Audit Committees are advised to seek assurance from their IT supplier (whether in-house or external) that all cloud-enabled IT systems and network devices are recognised, managed and monitored, with appropriate security measures being taken and maintained.</p> <p>Organisations should also consider periodic audit review over these processes and procedures, to give independent assurance that cloud controls are reliable and working properly.</p>
29/01/2018	CBN-18003	All – Potential Compensation for Bank Transfer Frauds	For Information	Audit Committees and Boards/Governing Bodies are advised to take note of this information.
29/01/2018	CBN-18002	All –Increase in EU Procurement Thresholds	For Information	Audit Committees and Boards/Governing Bodies are advised to note the changes in EU Procurement Thresholds.
10/01/2018	CBN-18001	All - Cabinet Office looks for Managed Service for National Fraud Initiative	For Information	Audit Committees and Boards/Governing Bodies are advised that the NFI will be continuing its work for the foreseeable future in helping to prevent and detect fraud, overpayment and error.

Copies of Finalised Audit Reports – Limited Opinions Only

No 'Limited Assurance' audit reports have been issued to date.

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

AGENDA ITEM NO 14
10 SEPTEMBER 2018

**REPORT ON HEALTH CHECK OF PERFORMANCE AND PROGRESS
AGAINST THE STATUTORY PERFORMANCE INDICATORS FOR
QUARTER 1 (1 APRIL TO 30 JUNE) 2018/19**

SUMMARY

This paper will give assurance to the Members of the Fire & Rescue Authority and Senior Management within South Wales Fire & Rescue Service on progress towards achievement of the Strategic Objectives and performance of the Strategic Performance Indicators for the first quarter of 2018/19 (1 April to 30 June).

RECOMMENDATIONS

That Members review the performance details and statistical data for the first quarter of 2018/19 contained within this report.

1. BACKGROUND

- 1.1 The Welsh Government requires South Wales Fire & Rescue Service to develop Strategic Plans to identify the direction for the Service and address particular areas for improvement. The Service does this by developing a five year Strategic Plan, implementing actions and measuring indicators to enable the Service to achieve these organisational goals.
- 1.2 In 2016/17, all departments linked actions within their annual department plans to the appropriate Strategic Objectives. This enables us to measure how well we are performing against these objectives by how many of the linked actions are on target and review how the associated indicators are performing.
- 1.3 Quarterly updates are recorded by action owners onto the Service Planning Framework through the Business Management Information System (BMIS) and staff within the Engagement, Transformation and Performance Team monitor the information and extract reports accordingly.
- 1.4 To further support the performance management framework, new National Strategic Indicators were introduced for reporting year 2015/16. Together these provide data and information to inform and support decision-making processes within the Service to target activity and drive improvement. The Statistics and Risk Team monitors the information and extract reports accordingly.

- 1.5 This report will provide our Senior Management Team and Fire & Rescue Authority a Quarter 1 health check on performance against the Strategic Objectives and Strategic Indicators for 2018/19.

2. ISSUE

- 2.1 For Members' information, the Service has revised the Strategic Plan to include five Strategic Themes going forward, taking into account the Well-Being of Future Generations (Wales) Act 2015, as listed below:

ST01 - We will Reduce Risk

ST02 - We will Engage and Communicate

ST03 - We will Nurture Sustainable Resources

ST04 - We will Embrace Technology

ST05 - We will Strengthen Partnerships

- 2.2 Each of these Strategic Themes have a number of Priority Actions that the Service Planning Framework will be monitoring progress against in 2018/19.
- 2.3 In 2018/19, the Service had five Strategic Themes. Appendix 1 to this report shows our position in securing the achievement of the Improvement Objectives.
- 2.4 In relation to Strategic Theme 1 to "Reduce Risk", there is one Priority Action linked to delivering against this objective: PA01 – Working with others to protect our communities from harm or the risk of harm. In relation to PA01, there are 41 actions that are green, 37 amber, one red and one with no update available. Therefore the majority actions for ST01 were on target at Quarter 1.
- 2.5 In relation to Strategic Theme 2 to "Engage & Communicate", there is one Priority Action linked to delivering against this objective: PA02 – Developing more efficient and effective ways of engaging and communicating with our communities about our services. There are 26 green actions, three amber and one red. Therefore the majority were on target at Quarter 1.
- 2.6 In relation to Strategic Theme 3 "Nurture Sustainable Resources", there are two Priority Actions linked to delivering this objective: PA03 – Ensuring we attract, develop and retain a workforce that reflects our communities and is capable of delivering effective services today and in the future; and PA04 – Reduce our Service's impact on the environment to ensure future sustainability. With regards to PA03, there are 49 linked actions which are green, 33 amber, one red action and two with no update available.

Therefore the majority were on target at Quarter 1. With regards to PA04, there are nine green actions and therefore all were on target at Quarter 1.

- 2.7 In relation to Strategic Theme 4 “Embrace Technology”, there is one Priority Action linked to delivering this objective: PA05 - Ensuring we use technology to enable efficient and improved service delivery. There are 48 linked actions that are green, 12 amber, two red and one with no update available. Therefore the majority were on target at Quarter 1.
- 2.8 In relation to Strategic Theme 5 “Strengthen Partnerships”, there is one Priority Action linked to delivering this objective: PA06 - Working with our Public Service Boards to support local communities. There are seven linked actions that are green and therefore all were on target at Quarter 1.
- 2.9 Attached at Appendix 2 is a summary of the Performance Monitoring Report which reviews the first quarter of 2018/19 performance against agreed targets for the seven National Strategic Performance Indicators. It also includes a summary comment for each indicator.
- 2.10 Appendix 2 identifies that three of the indicators are not expected to achieve the target set at the start of the year, three indicators have improved in comparison to last year and are expected to achieve the target, and one indicator is expected to achieve the target set.
- 2.11 The three indicators that are not likely to achieve their target are in relation to the percentage of dwelling fires confined to the room of origin, fire deaths and injuries from fires and accidental fire deaths and injuries from fires.
- 2.12 There have been 160 dwelling fires this year of which 130 have been confined to the room of origin (81.25%). This is below the target set of 85% at the start of the year. Caerphilly had had the lowest figures with nine of the 14 (64.29%) dwelling fires confined to the room of origin. All five (100%) of the incidents in Merthyr Tydfil were confined to the room of origin.
- 2.13 Total fire deaths and injuries have fallen from 22 last year in Quarter 1 to 18 (-18.18%) this year. Fatalities have remained the same with one fatality in Quarter 1 of each year. Serious injuries have fallen from 5 to one (-80.00%) and slight injuries have remained the same at 16. The 18 fatalities and injuries so far this year is forecast to be 69 at the end of the financial year which will be 3 (+4.55%) above the target of 66 set at the start of the year.
- 2.14 Total accidental fire deaths and injuries have fallen from 19 in Quarter 1 last year to 17 (-10.53%) this year. Accidental fatalities have remained the same with one fatality in Quarter 1 of each year. Accidental serious injuries

have decreased from five last year in Quarter 1 to zero (-500.00%) this year. Accidental slight injuries have increased from 13 to 16 (+23.08%) compared to last year. The 17 accidental injuries for Quarter 1 is forecast to be 66 at the end of the financial year which will be seven (+11.86%) above the target of 59 set at the start of the year.

- 2.15 Appendix 3 is a Unitary Authority Performance report for the period April 2018 to June 2018. It provides further in-depth analysis of incidents by unitary authority area and it includes further detail of the performance of the National Strategic Indicators compared to the previous year.

3. EQUALITY RISK ASSESSMENT

- 3.1 This report, the accompanying appendices and the targets themselves have no Equality Risk Assessment impact. The Service Performance and Communication Department and the respective Directorates are working with the performance data to establish any trends and implications that would include equality implications. These will be addressed at that time.
- 3.2 It is the responsibility of the action owners to ensure that Equality Risk Assessments are carried out for their actions in the planning framework.

4. RECOMMENDATIONS

- 4.1 That Members review the performance details and statistical data for the first quarter of 2018/19 contained within this report.

Contact Officer:	Background Papers:
Paul Conway Engagement, Transformation & Performance Officer	<ul style="list-style-type: none"> • Appendix 1 - Position in securing the achievement of the Strategic Objectives • Appendix 2 - Performance Monitoring Report 2018/19 (Quarter 1) • Appendix 3 – Quarter 1 2018/19 Unitary Authority Performance Reporting

Appendix 1 Position in securing the achievement of the Improvement Objectives 2018/19

BMIS | Priority Actions 2018/19 Q1 - Health Check
 Business Management Information System



PA1: WORK WITH OTHERS TO PROTECT OUR COMMUNITIES				
▲	●	★	Unknowns	Total
1	37	41	1	80

PA2: DEVELOP MORE EFFICIENT AND EFFECTIVE WAYS OF ENGAGING WITH OUR COMMUNITIES				
▲	●	★	Unknowns	Total
1	3	26	0	30

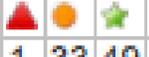
PA3: ATTRACT, DEVELOP & RETAIN A WORKFORCE THAT REFLECTS OUR COMMUNITIES AND DELIVERS EFFECTIVE SERV				
▲	●	★	Unknowns	Total
1	33	49	2	85

PA4: REDUCE OUR IMPACT ON THE ENVIRONMENT				
▲	●	★	Unknowns	Total
0	0	9	0	9

PA5: USE TECHNOLOGY TO ENABLE EFFICIENT & IMPROVED SERVICE DELIVERY				
▲	●	★	Unknowns	Total
2	12	48	1	63

PA6: WORK WITH PSBs TO SUPPORT LOCAL COMMUNITIES				
▲	●	★	Unknowns	Total
0	0	7	0	7

Appendix 1 Commentary against the achievement of the Improvement Objectives 2018/19

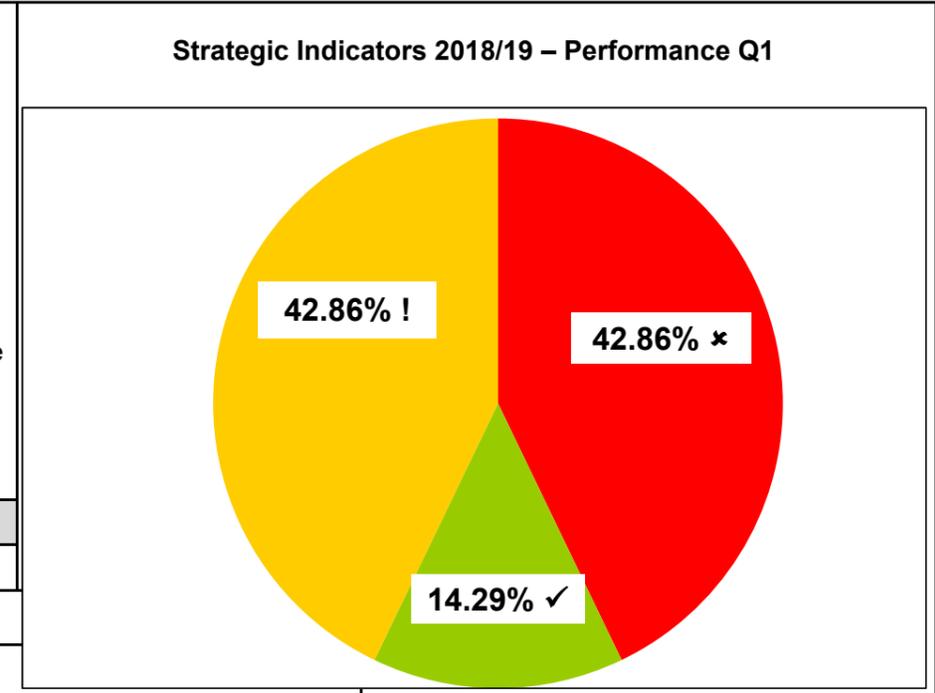
PA1: WORKING WITH OTHERS TO REDUCE RISK	COMMENTS				
 <table border="1" data-bbox="350 394 608 506"> <thead> <tr> <th>Unknowns</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>7</td> <td>86</td> </tr> </tbody> </table>	Unknowns	Total	7	86	<p>Plans are progressing for the UKRO event with the main objective of the Safety Engagement Village being to engage and educate groups about the various initiatives that we run. Engagement is ongoing with the various partners and sponsors involved in the UKRO event to support reducing risk within our communities. Our high rise living team are working and engaging with building owners to ensure that all buildings in our area meet the relevant safety standards following the Dame Judith Hackett review after the tragic Grenfell disaster. Safe and Well visits are being delivered throughout two unitary authorities with plans to roll them out across the whole Service in the near future.</p>
Unknowns	Total				
7	86				
PA2: ENGAGING AND COMMUNICATING	COMMENTS				
 <table border="1" data-bbox="350 653 608 764"> <thead> <tr> <th>Unknowns</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>0</td> <td>30</td> </tr> </tbody> </table>	Unknowns	Total	0	30	<p>The Communications and Engagement Group (CEG) is now meeting regularly to plan our consultation and engagement sessions effectively to maximize the opportunities we have to engage with our communities. New Head of Media and Comms appointed and communications and engagement officer, who are working on our strategy for communication and engagement. Work continues apace on our project to increase our engagement with communities where we struggle with on call recruitment, and new innovative methods of engagement are being trialed. Planning for our UKRO event in September has started, with considerable work being undertaken to ensure our communication and engagement methods for the event are successful. This is coupled with the preceding Cardiff Beach campaign.</p>
Unknowns	Total				
0	30				
PA3: ATTRACT DEVELOP AND RETAIN A WORKFORCE	COMMENTS				
 <table border="1" data-bbox="350 953 608 1064"> <thead> <tr> <th>Unknowns</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>2</td> <td>85</td> </tr> </tbody> </table>	Unknowns	Total	2	85	<p>Considerable work continues in relation to the attraction, employment and retention of our on call staff, particularly in geographic areas where we are finding it difficult to recruit and retain individuals. Work is also being undertaken to try and attract a more diverse field of employees in this area. Various management programmes are now underway for particular levels of the organization, with the introduction of the pioneer programme. In addition, discussion has taken place at SMT about structuring the learning and development for all groups of supervisory and middle leaders. The outcomes of our IIP report has been communicated to all staff and a staff network has been created to progress the development areas identified within the report</p>
Unknowns	Total				
2	85				
PA4: REDUCE IMPACT ON THE ENVIRONMENT	COMMENTS				
 <table border="1" data-bbox="350 1253 608 1365"> <thead> <tr> <th>Unknowns</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>0</td> <td>9</td> </tr> </tbody> </table>	Unknowns	Total	0	9	<p>Operational policies and procedures continue to take account of environmental considerations in their preparation. In addition, our procurement practices also require a consideration of not only environmental, but also sustainability considerations. Our vehicle acquisitions continue to ensure compliance with the European Regulations on emissions and a trial of electric cars has been commenced. In addition, as and when fuel stores require improvement, wherever possible they are upgraded to above ground bunded stores. Property improvements take into account the future sustainability of the building and take a proportionate view on sustainability issues that arise. All lighting at HQ is now LED and a plan is in place to roll out LED lighting to stations. Energy management systems are also installed when appropriate upgrades are made to station heating. The HQ heating / cooling system is also in the process of being upgraded due to considerable issues with the old system.</p>
Unknowns	Total				
0	9				
PA5: USE TECHNOLOGY	COMMENTS				
 <table border="1" data-bbox="350 1598 608 1709"> <thead> <tr> <th>Unknowns</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>63</td> </tr> </tbody> </table>	Unknowns	Total	1	63	<p>ICT strategy is being delivered and on track. The key areas of infrastructure, people data, geospatial data, financial data and performance data are all in progress and being developed in a live environment. The Service has a new website and the intranet has been redesigned. The mobile telecommunications project has been completed with new smartphones being rolled out across the Service. The Fire Control project is proceeding as planned and has benefitted from significant testing under the recent busy spell. The Service continues to be engaged in the replacement of airwave and await a national review of this project.</p>
Unknowns	Total				
1	63				
PA6: WORK WITH PSBs TO SUPPORT LOCAL COMMUNITIES	COMMENTS				
 <table border="1" data-bbox="350 1913 608 2024"> <thead> <tr> <th>Unknowns</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>0</td> <td>7</td> </tr> </tbody> </table>	Unknowns	Total	0	7	<p>We continue to maintain our seat on the Public Service Boards and continue to advance the outcomes we would like to achieve from our involvement in these groups. Each of the PSB plans has been scrutinized by FAPM committee and formally approved by the Fire Authority. We continue to work with all our partners wherever possible (PSB members or not) for the benefit of the public good.</p>
Unknowns	Total				
0	7				

This is the Performance Monitoring Report for quarter 1 of 2018/19. The report highlights the organisation's performance against the Strategic Indicators set by Welsh Government for the period April 2018 to June 2018.

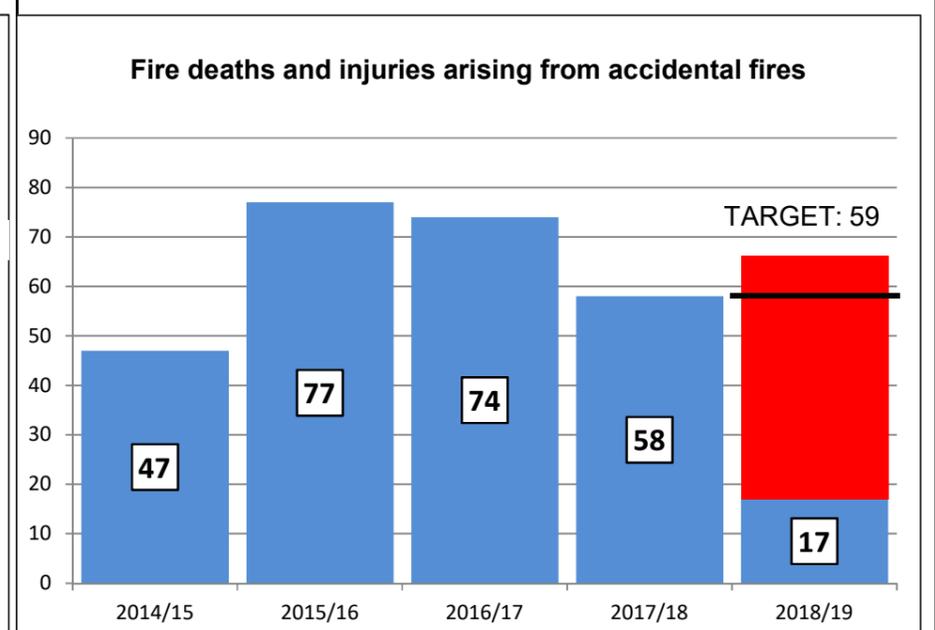
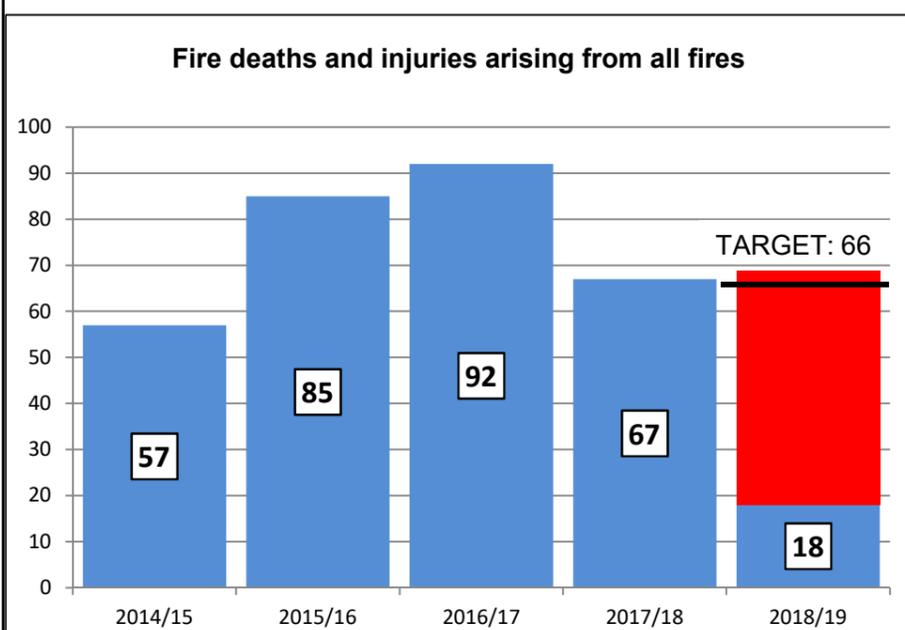
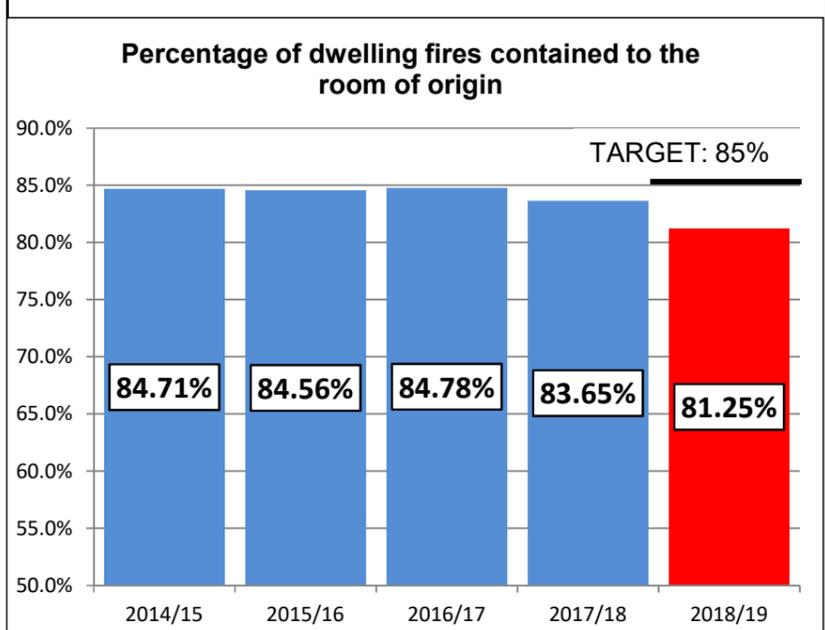
The performance against the indicators within this report cover five years of data, to enable us to demonstrate how the organisation is performing for the communities it serves by showing long term trends in performance.

Following consideration by the Senior Management Team and the Fire and Rescue Authority, the report is made available to the public via the internet.

The Service Performance & Communications department co-ordinates and compiles this report on behalf of the Corporate Services Directorate. All information is extracted from updated Directorate quarterly Service Plans and the data sets are maintained and validated by the Statistics and Risk team.



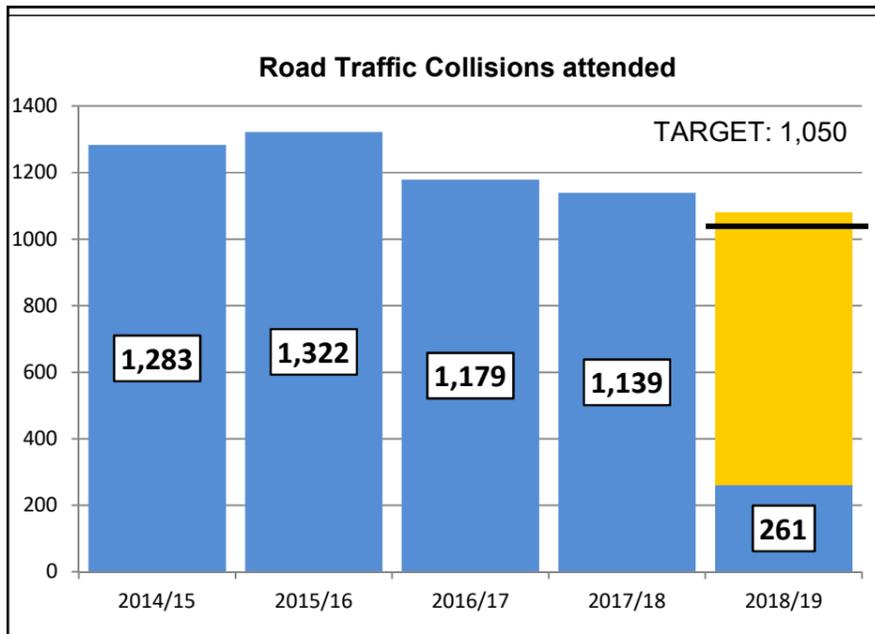
Performance	Indicator Type	Description	Performance	Indicator Type	Description
✘	Fire Measures	The percentage of dwelling fires which were contained in the room in which they originated.	✘	✘	Indicator(s) are not expected to achieve the target. (3)
✘	Deaths and Injuries	Total number of deaths and injuries arising from all fires per 100,000 population	!	!	Indicator(s) are improving in comparison to last year but are at risk of not achieving the target (3)
✘	Deaths and Injuries	Total number of deaths and injuries arising from accidental fires per 100,000 population	!	!	Indicator(s) are improving in comparison to last year but are at risk of not achieving the target (3)
!	Fire Measures	Total Road Traffic Collisions attended per 10,000 population	!	!	Indicator(s) are improving in comparison to last year but are at risk of not achieving the target (3)
!	Fire Measures	Total other SSC incidents attended per 10,000 population	!	!	Indicator(s) are improving in comparison to last year but are at risk of not achieving the target (3)
!	Fire Measures	Total false alarms attended per 10,000 population	!	!	Indicator(s) are improving in comparison to last year but are at risk of not achieving the target (3)
✓	Fire Measures	All fires attended per 10,000 population	✓	✓	Indicator(s) are expected to achieve the target. (1)



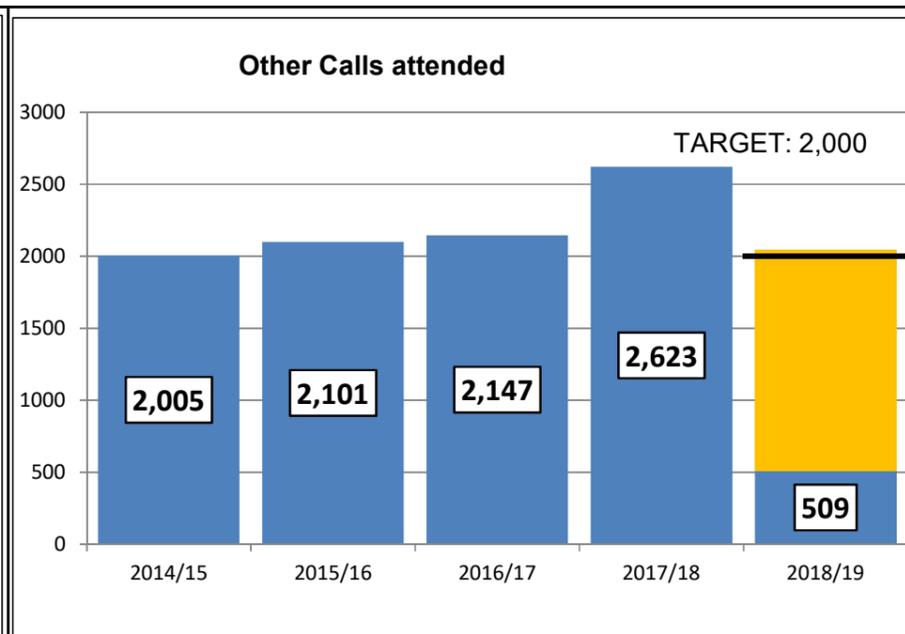
There have been 160 dwelling fires this year of which 130 have been confined to the room of origin (81.25%). This is below the target set of 85% at the start of the year. Caerphilly have had the lowest figures with 9 of the 14 (64.29%) dwelling fires confined to the room of origin. All 5 (100%) of the incidents in Merthyr Tydfil were confined to the room of origin.

Total fire deaths and injuries have fallen from 22 last year in quarter 1 to 18 (-18.18%) this year. Fatalities have remained the same with 1 fatality in quarter 1 of each year. Serious injuries have fallen from 5 to 1 (-80.00%) and slight injuries have remained the same at 16. The 18 fatalities and injuries so far this year is forecast to be 69 at the end of the financial year which will be 3 (+4.55%) above the target of 66 set at the start of the year.

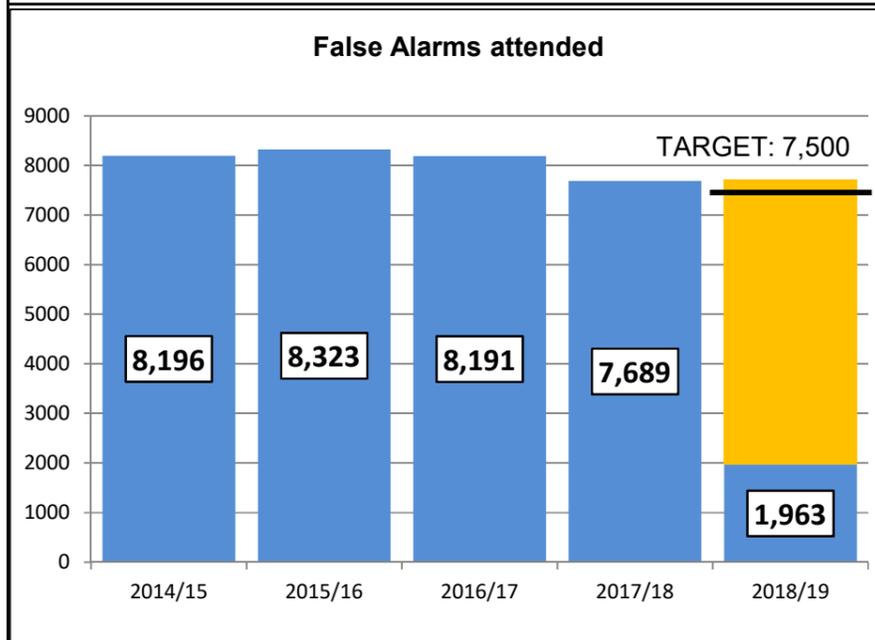
Total accidental fire deaths and injuries have fallen from 19 in quarter 1 last year to 17 (-10.53%) this year. Accidental fatalities have remained the same with 1 fatality in quarter 1 of each year. Accidental serious injuries have decreased from 5 last year in quarter 1 to 0 (-500.00%) this year. Accidental slight injuries have increased from 13 to 16 (+23.08%) compared to last year. The 17 accidental injuries for quarter 1 is forecast to be 66 at the end of the year financial which will be 7 (+11.86%) above the target of 59 set at the start of the year.



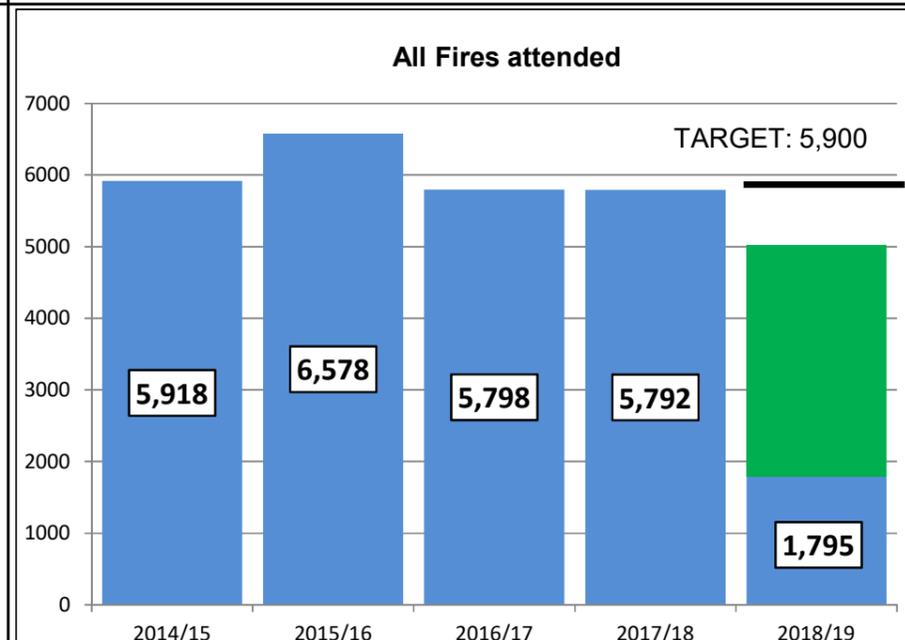
RTCs attended have decreased by 8 (-2.97%) compared to quarter 1 last year. April (73) had the lowest numbers for 5 years. Extrication and release of persons accounted for 41 (15.71%) of 261 total RTCs attended in quarter 1, compared to 46 of 269 (17.10%) last year in quarter 1. Making the scene and vehicle safe accounted for 153 (58.62%) of the 261 incidents attended in quarter 1. The 261 incidents for quarter 1 is forecast to be 1,079 at the end of the year which will be 29 (+2.76%) above the target set of 1,050 at the start of the year.



Other Special Service Calls attended have decreased by 210 (-29.21%) compared to quarter 1 last year. Incidents in April (157) were the lowest for 5 years. Medical Incidents have decreased from 139 last year in quarter 1 to 15 (-89.21%) this year. Cardiff (141) had the most incidents during quarter 1. The 509 incidents for quarter 1 is forecast to be 2,047 at the end of the year which will be 47(+2.30%) above the target of 2,000 set at the start of the year.



False Alarms attended have decreased by 160 (-7.54%) compared to quarter 1 last year. Numbers in April (579) were the lowest for 5 years. False Alarms due to apparatus have fallen from 1,188 to 1,086 (-8.59%), Good intent false alarms have fallen from 858 to 814 (-5.13%) and Malicious False Alarms have fallen from 77 to 63 (-18.18%) compared to quarter 1 last year. The 1,963 incidents for quarter 1 is forecast to be 7,713 at the end of the year which will be 213 (+2.76%) above the target of 7,500 set at the start of the year.



Total fires attended have decreased by 435 (-19.51%) compared to quarter 1 last year. Fires were 649 (-60.81%) lower in April, 41 (-5.75%) lower in May and 255 higher (+54.37%) in June this year compared to last year. Refuse fires in June increased from 220 last year to 241 (+9.55%) this year with grass fires increasing from 57 in June 2017 to 257 (+350.88%) in June 2018. Grass fires were 443 (-60.35%) lower in April and May compared to last year. The 1,795 incidents for quarter 1 is forecast to be 5,027 at the end of the year which will be 873 (-17.37%) below the target of 5,900 set at the start of the year.

***** Please note that all figures in this report were extracted on 11th August 2018 and are therefore provisional and subject to change, following further data collection and quality assurance**

Gwasanaeth Tân ac Achub
De Cymru



South Wales
Fire and Rescue Service

Performance Monitoring Report 2018/2019

April 2018 to June 2018

Q1

112 Introduction

This is the Performance Monitoring Report for the year 2018/19 and it highlights performance for the period April 2018 to June 2018. The report includes:

- Analysis of incident activity levels by Unitary Authority Area (UAA).
 - Details the number and type of incidents that SWFRS have attended in each UAA.

The performance indicators that are included in the appendices of this report show five years of data to enable us to demonstrate how the organisation is performing for the communities it serves by showing long term trends in performance.

Following consideration by the Senior Management Team and the Fire and Rescue Authority, the report is made available to the public via the internet.

The Service Performance & Communications department co-ordinates and compiles this report on behalf of the Service Delivery Directorate. All information is extracted from updated Directorate quarterly Service Plans and the data sets are maintained and validated by the Statistics and Risk team.

We are continually seeking to improve this report and would welcome comments on additional information or other changes that you would like to see included in the future. Please feel free to contact Neil Herniman on 01443 232775 or Jon Carter 01443 232347 with these comments.

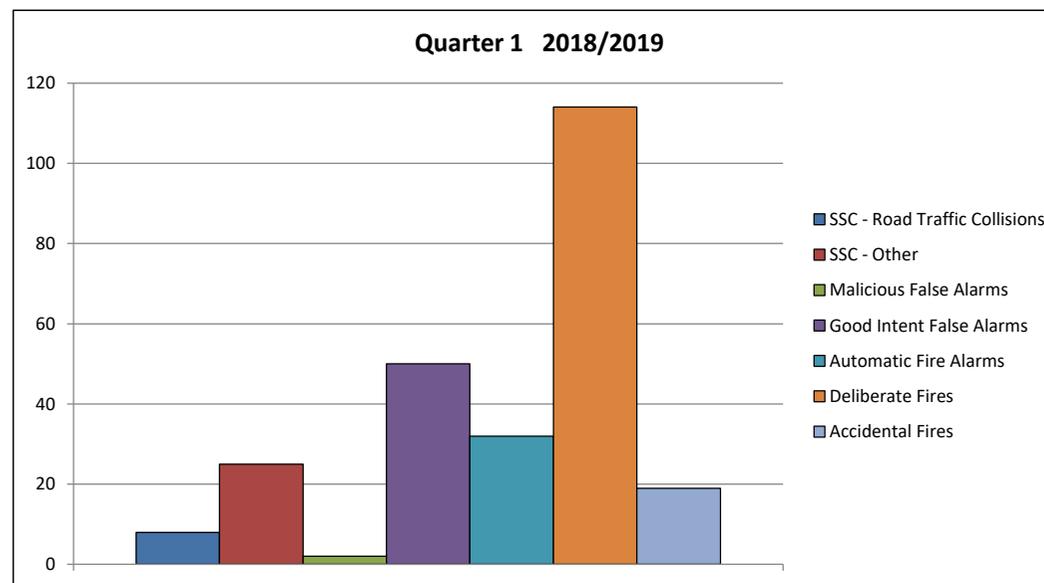
Incident Categories	2017/ 2018	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Year Total	Q1	Q2	Q3	Q4	Q1 17/18 vs 18/19
Total Incidents	1008	57	95	98										250	250				- 83
Special Service Calls (SSC)	202	6	12	15										33	33				- 17
SSC - Road Traffic Collisions	55	1	3	4										8	8				- 5
SSC - Other	147	5	9	11										25	25				- 12
False Alarms	358	27	30	27										84	84				- 15
Malicious False Alarms	19	0	1	1										2	2				0
Good Intent False Alarms	153	12	20	18										50	50				- 5
Automatic Fire Alarms	186	15	9	8										32	32				- 10
Fires	448	24	53	56										133	133				- 51
Deliberate Fires	393	19	46	49										114	114				- 50
Accidental Fires	55	5	7	7										19	19				- 1
All Fatalities + Injuries	2	0	0	0										0	0				- 2
Accidental Fatalities + Injuries	1	0	0	0										0	0				- 1

Notes

The total number of incidents attended in Blaenau Gwent during quarter 1 was 83 lower (-24.92%) than quarter 1 last year.

The number of Other Special Service calls attended in Blaenau Gwent has decreased from 37 in quarter 1 last year to 25 (-32.43%) this year. Effecting entry has reduced from 10 last year to 3 (-70.00%) this year and medical incident first responder has also reduced from 7 to 0 (-100.00%)

The number of deliberate fires attended during quarter 1 was 50 (-30.49%) lower than we attended during quarter 1 last year. Deliberate fires accounted for 114 of 250 total incidents attended during quarter 1 (45.60%)



Key -

- Shows a reduction when compared to a previous period
- Shows an increase when compared to a previous period
- Shows no change when compared to a previous period



Incident Categories	2017/ 2018	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Year Total	Q1	Q2	Q3	Q4	Q1 17/18 vs 18/19
Total Incidents	1469	130	141	141										412	412				- 58
Special Service Calls (SSC)	313	28	25	24										77	77				- 7
SSC - Road Traffic Collisions	110	9	12	11										32	32				+ 9
SSC - Other	203	19	13	13										45	45				- 16
False Alarms	684	42	53	56										151	151				- 46
Malicious False Alarms	16	2	1	0										3	3				- 1
Good Intent False Alarms	268	20	39	39										98	98				+ 6
Automatic Fire Alarms	400	20	13	17										50	50				- 51
Fires	472	60	63	61										184	184				- 5
Deliberate Fires	325	48	48	44										140	140				- 15
Accidental Fires	148	12	14	17										43	43				+ 9
All Fatalities + Injuries	4	0	0	0										0	0				- 2
Accidental Fatalities + Injuries	4	0	0	0										0	0				- 2

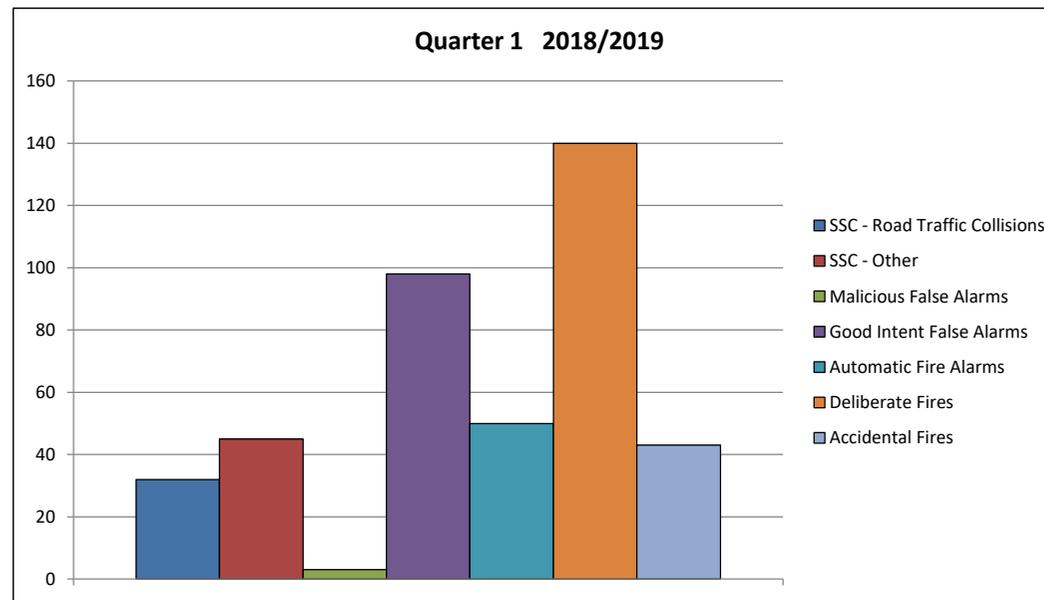
Notes

The total number of incidents attended in Bridgend during quarter 1 was 58 (-12.34%) lower than the number attended during quarter 1 last year.

The number of false alarms attended during quarter 1 has decreased by 46 (-23.35%) compared to quarter 1 last year. The number of automatic fire alarms attended has decreased by 51 (-50.50%) compared to quarter 1 last year.

The number of deliberate fires has decreased by 15 (-9.68%) compared to quarter 1 last year. Grass fires decreased from 78 to 57 (-26.92%). Refuse fires however increased from 56 to 57 (+1.79%) and these 2 types of incident account for the majority deliberate fires in quarter 1.

The number of accidental fires has increased by 9 (+26.74%) compared to quarter 1 last year.



Cyngor Bwrdeistref Sirol



Key -

- Shows a reduction when compared to a previous period
- Shows an increase when compared to a previous period
- Shows no change when compared to a previous period

Incident Categories	2017/ 2018	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Year Total	Q1	Q2	Q3	Q4	Q1 17/18 vs 18/19
Total Incidents	1823	122	199	211										532	532				- 124
Special Service Calls (SSC)	352	20	30	33										83	83				- 13
SSC - Road Traffic Collisions	126	4	12	13										29	29				- 1
SSC - Other	226	16	18	20										54	54				- 12
False Alarms	653	49	54	72										175	175				- 31
Malicious False Alarms	32	2	2	2										6	6				- 9
Good Intent False Alarms	325	24	33	46										103	103				- 14
Automatic Fire Alarms	296	23	19	24										66	66				- 8
Fires	818	53	115	106										274	274				- 80
Deliberate Fires	648	43	92	84										219	219				- 86
Accidental Fires	170	10	23	22										55	55				+ 6
All Fatalities + Injuries	11	0	1	0										1	1				- 2
Accidental Fatalities + Injuries	10	0	1	0										1	1				- 2

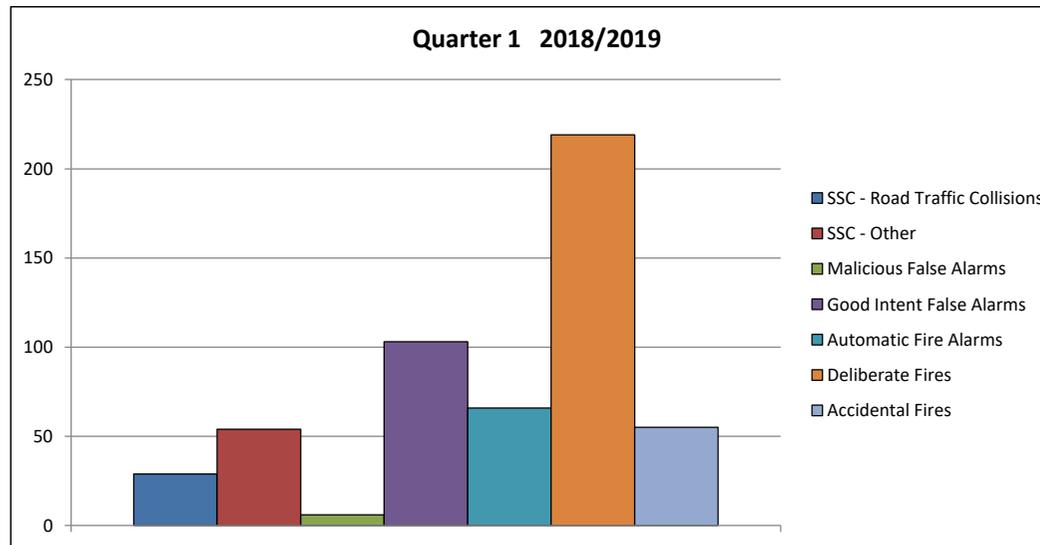
Notes

The total number of incidents attended in quarter 1 was 124 lower than the number attended during quarter 1 last year (-18.90%).

The number of fatalities and injuries in quarter 1 has decreased from 3 last year to 1 (-66.66%) this year.

The number of false alarms attended during quarter 1 has decreased by 31 (-15.05%) compared to quarter 1 last year. The number of automatic fire alarms attended has decreased by 8 (-10.81%).

The number of fires attended during quarter 1 has decreased by 80 (-22.60%) compared to quarter 1 last year. Deliberate fires accounted for 219 of the 532 incidents attended in Caerphilly (41.17%).



Key -

Shows a reduction when compared to a previous period

Shows an increase when compared to a previous period

Shows no change when compared to a previous period



Incident Categories	2017/2018	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Year Total	Q1	Q2	Q3	Q4	Q1 17/18 vs 18/19
Total Incidents	4121	263	353	424										1040	1040				- 125
Special Service Calls (SSC)	886	47	55	88										190	190				- 39
SSC - Road Traffic Collisions	215	12	14	23										49	49				+ 3
SSC - Other	671	35	41	65										141	141				- 42
False Alarms	2125	158	181	210										549	549				+ 11
Malicious False Alarms	75	4	5	11										20	20				- 1
Good Intent False Alarms	671	53	73	65										191	191				+ 13
Automatic Fire Alarms	1379	101	103	134										338	338				- 1
Fires	1110	58	117	126										301	301				- 97
Deliberate Fires	740	44	67	72										183	183				- 99
Accidental Fires	370	14	50	54										118	118				+ 2
All Fatalities + Injuries	19	1	3	1										5	5				- 3
Accidental Fatalities + Injuries	16	1	3	1										5	5				- 1

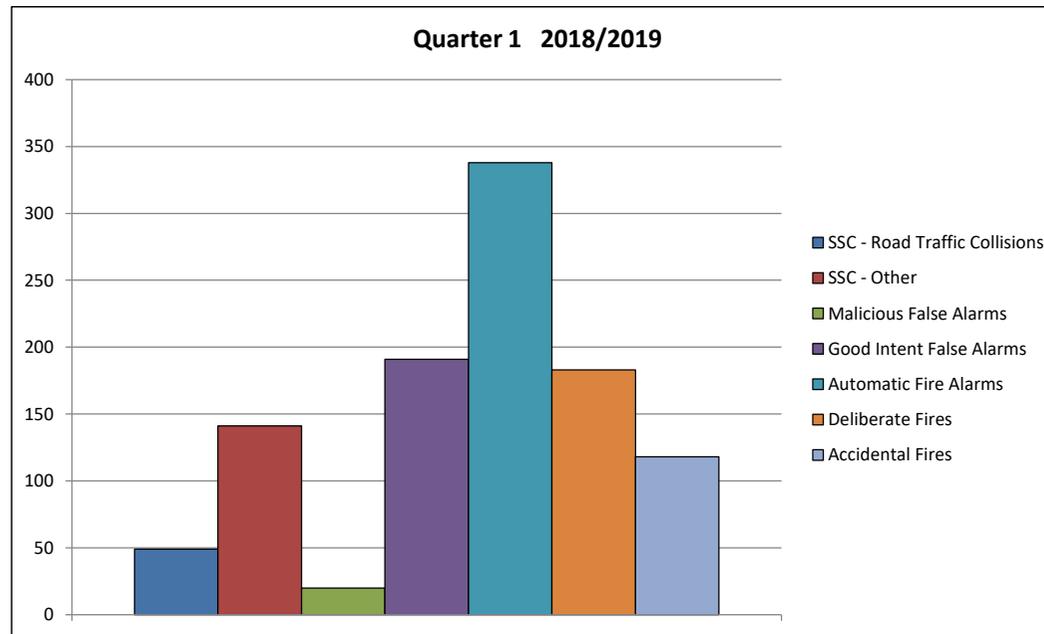
Notes

The total number of incidents attended in Cardiff during quarter 1 was 125 lower (-10.73%) than quarter 1 last year.

The number of Other Special Service calls attended during quarter 1 was 42 lower (-22.95%) than quarter 1 last year. Medical Incidents attended decreased from 26 to 7 (-73.08%) and effecting entry decreased from 31 to 24 (-22.58%) compared to quarter 1 last year.

The number of Automatic Fire Alarm calls attended during quarter 1 has decreased by 1 (-0.29%) compared to quarter 1 last year. The 338 incidents attended accounted for 32.50% of all incidents attended in quarter 1.

The number of fires attended during quarter 1 has decreased by 97 (-24.37%) compared to last year. Deliberate fires decreased by 99 (-35.11%). Deliberate refuse fires accounted for 108 of the 183 (59.02%) deliberate fire incidents in quarter 1.



Key -

Shows a reduction when compared to a previous period

Shows an increase when compared to a previous period

Shows no change when compared to a previous period

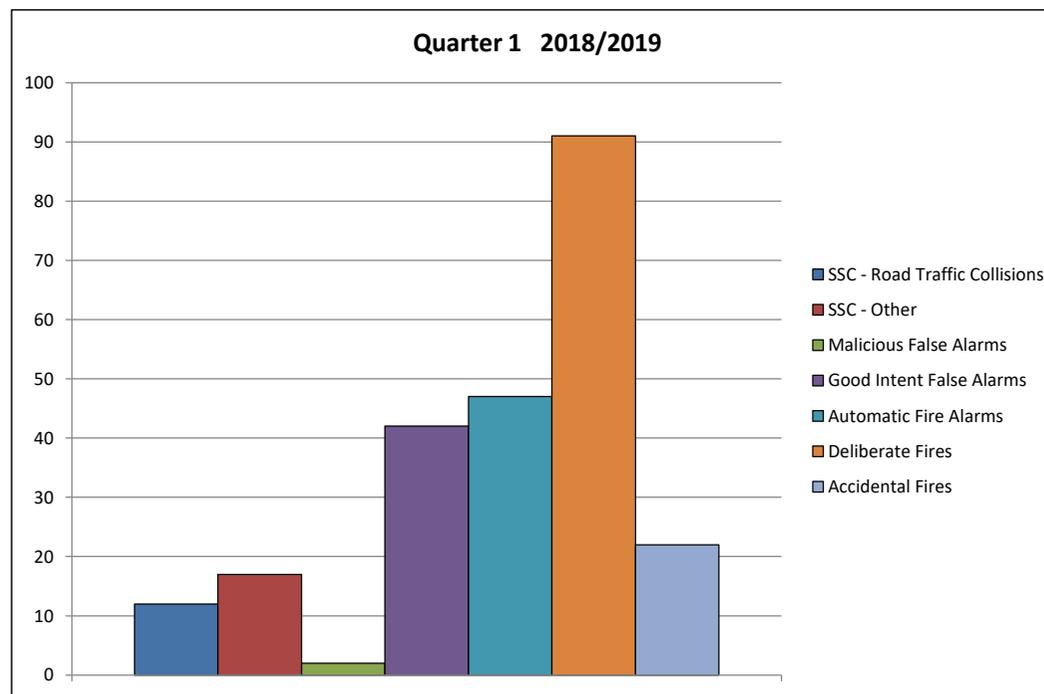
Incident Categories	2017/2018	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Year Total	Q1	Q2	Q3	Q4	Q1 17/18 vs 18/19	
Total Incidents	756	59	83	91										233	233					- 33
Special Service Calls (SSC)	178	6	14	9										29	29					- 25
SSC - Road Traffic Collisions	49	2	8	2										12	12					0
SSC - Other	129	4	6	7										17	17					- 25
False Alarms	293	29	31	31										91	91					+ 2
Malicious False Alarms	7	1	1	0										2	2					- 2
Good Intent False Alarms	125	12	15	15										42	42					- 1
Automatic Fire Alarms	161	16	15	16										47	47					+ 5
Fires	285	24	38	51										113	113					- 10
Deliberate Fires	211	20	32	39										91	91					- 14
Accidental Fires	74	4	6	12										22	22					+ 4
All Fatalities + Injuries	4	0	1	0										1	1					+ 1
Accidental Fatalities + Injuries	4	0	1	0										1	1					+ 1

Notes

The total number of incidents attended in Merthyr Tydfil during quarter 1 was 33 lower (-12.41%) than during quarter 1 last year.

The number of Other Special Service calls attended during quarter 1 was 25 (-59.52%) lower than the number attended during quarter 1 last year. Effecting entry decreased from 7 to 1 (-85.71%), animal assistance, 6 to 1 (-83.33%) and medical incidents, 5 to 1 (-80.00%) compared to quarter 1 last year.

Deliberate fires accounted for 91 of the 233 (39.06%) total incidents attended in quarter 1. Deliberate fires have though reduced from 105 to 91 (-13.33%) compared to quarter 1 last year. Deliberate gross fires (53.85%) accounted for the majority of the total deliberate fires in quarter 1 and accounted for 21.03% of all incidents attended in quarter 1.



Key -

Shows a reduction when compared to a previous period

Shows an increase when compared to a previous period

Shows no change when compared to a previous period



Incident Categories	2017/2018	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Year Total	Q1	Q2	Q3	Q4	Q1 17/18 vs 18/19
Total Incidents	909	74	90	81										245	245				+ 4
Special Service Calls (SSC)	256	19	18	12										49	49				- 14
SSC - Road Traffic Collisions	106	8	9	3										20	20				- 5
SSC - Other	150	11	9	9										29	29				- 9
False Alarms	470	41	48	45										134	134				- 5
Malicious False Alarms	8	0	1	2										3	3				0
Good Intent False Alarms	126	12	9	11										32	32				- 1
Automatic Fire Alarms	336	29	38	32										99	99				- 4
Fires	183	14	24	24										62	62				+ 23
Deliberate Fires	57	4	11	10										25	25				+ 16
Accidental Fires	126	10	13	14										37	37				+ 7
All Fatalities + Injuries	0	0	0	0										0	0				0
Accidental Fatalities + Injuries	0	0	0	0										0	0				0

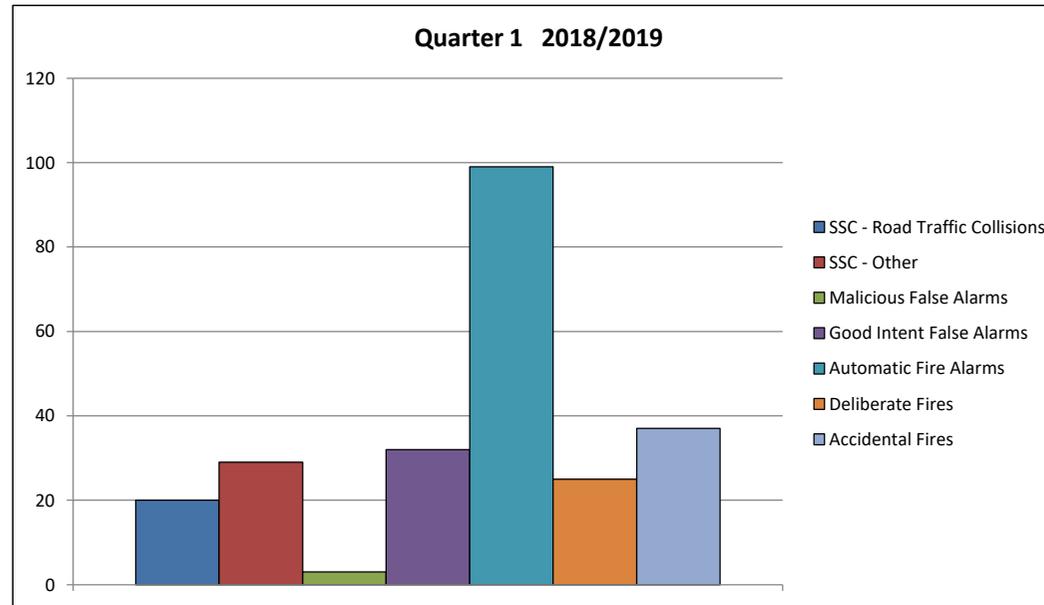
Notes

The total number of incidents attended in Monmouthshire during quarter 1 was 4 higher (+1.66%) than during quarter 1 last year.

The number of false alarms attended during quarter 1 was 5 lower (-3.60%) than quarter 1 last year. The number of automatic fire alarms attended was 4 lower (-3.88%) than the number attended in quarter 1 last year.

The number of fires attended in quarter 1 was 23 higher (+58.97%) than quarter 1 last year. Deliberate fires increased by 16 (+177.78%) with grass fires rising from 3 to 12 (+300.00%) and refuse fires rising from 4 to 8 (+100.00%).

99 of the 245 incidents attended in Monmouthshire during quarter 1 were false alarms due to automatic fire alarms (40.41%).



Key -

- Shows a reduction when compared to a previous period
- Shows an increase when compared to a previous period
- Shows no change when compared to a previous period

Incident Categories	2017/2018	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Year Total	Q1	Q2	Q3	Q4	Q1 17/18 vs 18/19
Total Incidents	2327	150	176	196										522	522				- 115
Special Service Calls (SSC)	412	25	23	31										79	79				- 25
SSC - Road Traffic Collisions	131	9	8	11										28	28				- 2
SSC - Other	281	16	15	20										51	51				- 23
False Alarms	1050	61	81	92										234	234				- 40
Malicious False Alarms	40	4	4	3										11	11				0
Good Intent False Alarms	308	19	32	33										84	84				- 8
Automatic Fire Alarms	702	38	45	56										139	139				- 32
Fires	865	64	72	73										209	209				- 50
Deliberate Fires	709	46	56	54										156	156				- 57
Accidental Fires	156	18	16	19										53	53				+ 7
All Fatalities + Injuries	3	4	0	0										4	4				+ 4
Accidental Fatalities + Injuries	2	3	0	0										3	3				+ 3

Notes

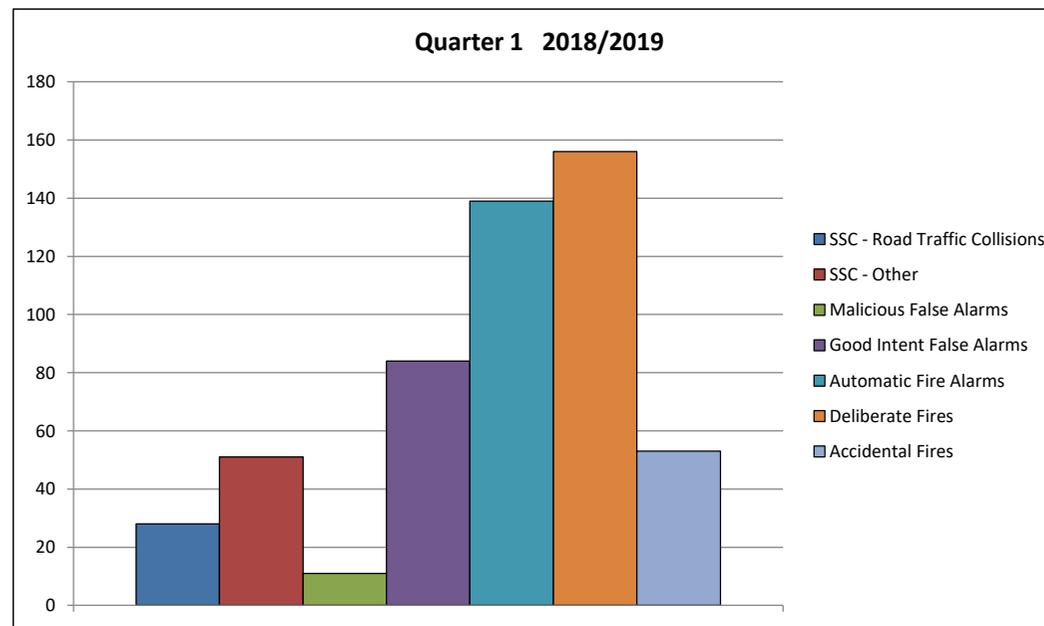
The total number of incidents attended in Newport during quarter 1 was 115 lower (-18.05%) than quarter 1 last year.

The number of Other Special Service calls attended during quarter 1 was 23 (-31.08%) lower than the number attended during quarter 1 last year. Medical incidents have decreased from 18 incidents in quarter 1 last year to 0 incidents this year.

The number of automatic fire alarms attended during quarter 1 has decreased by 32 (-18.71%) compared to quarter 1 last year.

The number of deliberate fires attended this year in quarter 1 has decreased by 57 (-26.76%) compared to quarter 1 last year, with refuse fires falling from 130 last year to 93 (-28.46%) this year.

There has been 4 fire related injuries that required a casualty being transported to hospital during quarter 1. There were no injuries or fatalities during the same period last year.



Key -

Shows a reduction when compared to a previous period

Shows an increase when compared to a previous period

Shows no change when compared to a previous period



Incident Categories	2017/2018	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Year Total	Q1	Q2	Q3	Q4	Q1 17/18 vs 18/19
Total Incidents	2507	194	262	237										693	693				- 224
Special Service Calls (SSC)	566	41	42	29										112	112				- 40
SSC - Road Traffic Collisions	184	19	18	11										48	48				- 4
SSC - Other	382	22	24	18										64	64				- 36
False Alarms	936	85	96	64										245	245				- 40
Malicious False Alarms	24	2	4	2										8	8				- 2
Good Intent False Alarms	427	35	44	28										107	107				- 43
Automatic Fire Alarms	485	48	48	34										130	130				+ 5
Fires	1005	68	124	144										336	336				- 144
Deliberate Fires	744	48	100	115										263	263				- 129
Accidental Fires	261	20	24	28										72	72				- 16
All Fatalities + Injuries	17	0	0	0										0	0				- 8
Accidental Fatalities + Injuries	17	0	0	0										0	0				- 8

Notes

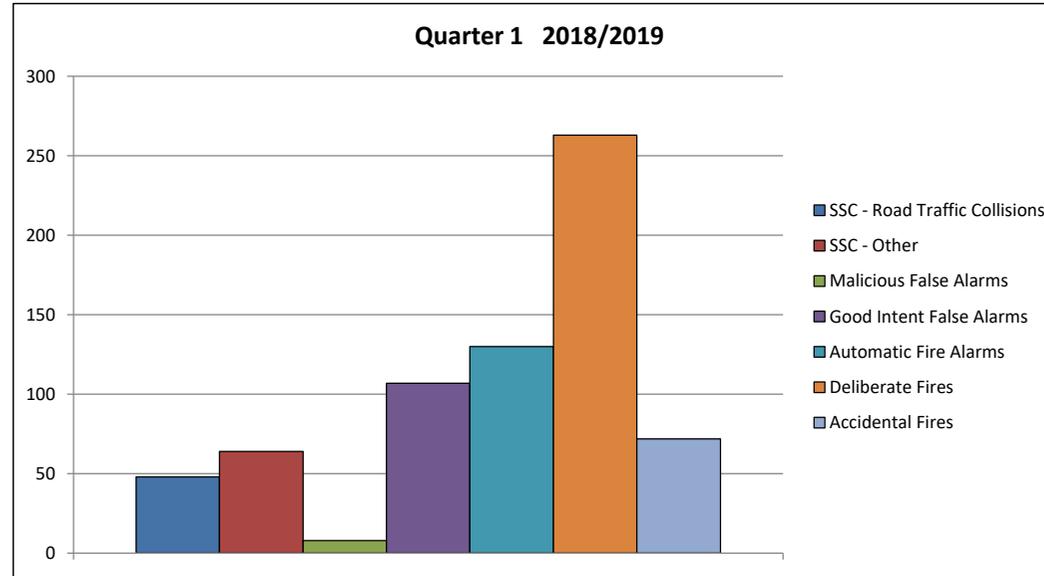
The total number of incidents attended during quarter 1 was 224 lower (-24.43%) than quarter 1 last year.

The number of Other Special Service calls attended during quarter 1 was 36 (-36.00%) lower than the number attended during quarter 1 last year. Medical incidents attended decreased from 20 to 1 (-95.00%).

The number of automatic fire alarms attended during quarter 1 has increased by 5 (+4.00%) compared to quarter 1 last year.

The number of deliberate fires attended during quarter 1 has decreased by 129 (-32.91%) compared to quarter 1 last year.

Deliberate fires have accounted for 263 of the 693 incidents (37.95%) attended in Rhondda Cynon Taf during quarter 1.



Key -

Shows a reduction when compared to a previous period

Shows an increase when compared to a previous period

Shows no change when compared to a previous period

Incident Categories	2017/2018	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Year Total	Q1	Q2	Q3	Q4	Q1 17/18 vs 18/19
Total Incidents	1126	86	107	112										305	305				- 44
Special Service Calls (SSC)	228	18	18	18										54	54				- 19
SSC - Road Traffic Collisions	55	4	5	4										13	13				- 2
SSC - Other	173	14	13	14										41	41				- 17
False Alarms	590	52	62	53										167	167				+ 10
Malicious False Alarms	22	2	0	1										3	3				- 3
Good Intent False Alarms	169	23	25	14										62	62				+ 15
Automatic Fire Alarms	399	27	37	38										102	102				- 2
Fires	308	16	27	41										84	84				- 35
Deliberate Fires	201	10	20	26										56	56				- 17
Accidental Fires	107	6	7	15										28	28				- 18
All Fatalities + Injuries	2	0	0	7										7	7				+ 7
Accidental Fatalities + Injuries	1	0	0	6										6	6				+ 6

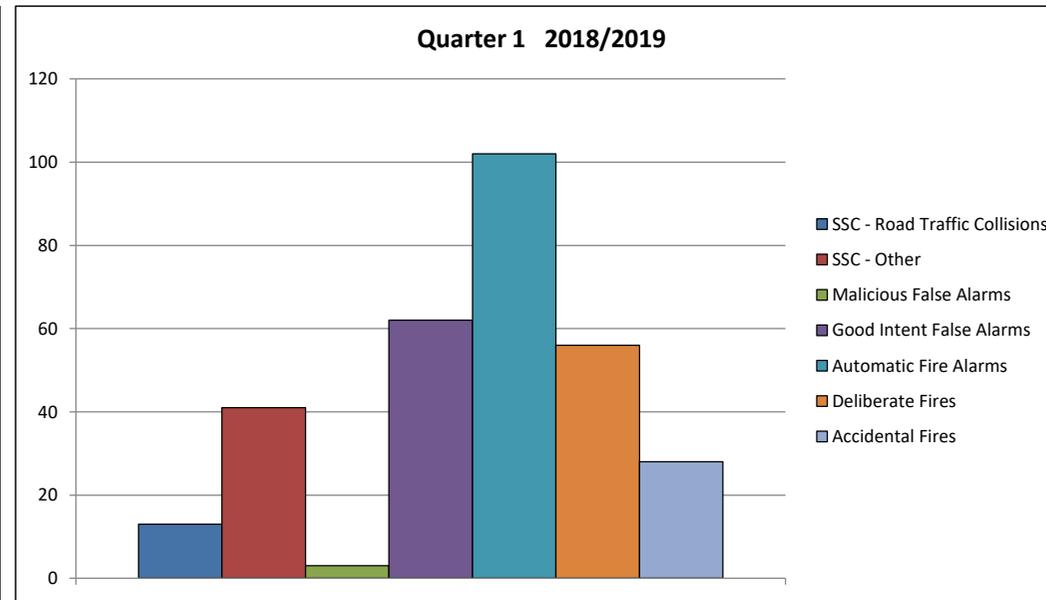
Notes

The total number of incidents attended during quarter 1 was 44 (-12.61%) lower than the number attended during quarter 1 last year.

The number of false alarms attended as a result of automatic fire alarms has increased by 10 (+6.37%) compared to quarter 1 last year. Automatic fire alarms (102) accounted for 33.44% of all incidents attended in quarter 1.

The number of deliberate fires attended during quarter 1 has decreased by 17 (-23.29%) compared to quarter 1 last year. Deliberate refuse fires have decreased from 29 last year to 22 (-24.14%) this year and grass fires have reduced from 31 to 20 (-35.48%).

There have been 7 slight accidental fire injuries in quarter 1 all in the same incident. (This may be subject to change as the incident is still under Fire Investigation)



Key -

Shows a reduction when compared to a previous period

Shows an increase when compared to a previous period

Shows no change when compared to a previous period



Incident Categories	2017/2018	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Year Total	Q1	Q2	Q3	Q4	Q1 17/18 vs 18/19
Total Incidents	1190	73	118	102										293	293				- 14
Special Service Calls (SSC)	366	20	27	15										62	62				- 21
SSC - Road Traffic Collisions	107	5	12	5										22	22				- 1
SSC - Other	259	15	15	10										40	40				- 20
False Alarms	527	35	52	45										132	132				- 7
Malicious False Alarms	5	0	2	3										5	5				+ 4
Good Intent False Alarms	175	15	14	15										44	44				- 7
Automatic Fire Alarms	347	20	36	27										83	83				- 4
Fires	297	18	39	42										99	99				+ 14
Deliberate Fires	174	10	28	25										63	63				+ 2
Accidental Fires	123	8	11	17										36	36				+ 12
All Fatalities + Injuries	5	0	0	0										0	0				0
Accidental Fatalities + Injuries	3	0	0	0										0	0				0

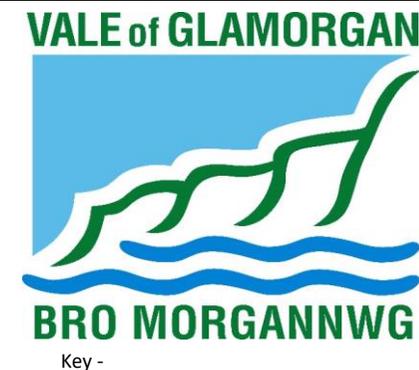
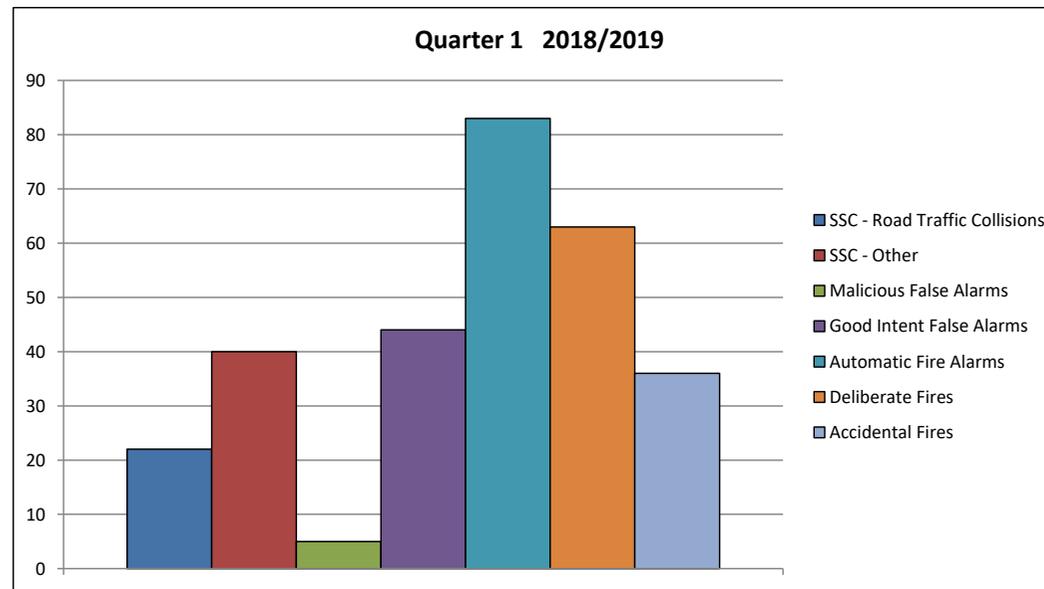
Notes

The total number of incidents attended in The Vale of Glamorgan during quarter 1 was 14 lower (-4.56%) than quarter 1 last year. False alarms (83) accounted for 28.33% of all incidents attended in quarter 1.

The number of automatic fire alarms attended during quarter 1 was 4 lower (-4.60%) than the number attended during quarter 1 last year.

The number of deliberate fires attended during quarter 1 was 2 higher (+3.28%) than the number attended during quarter 1 last year.

The number of other special service incidents has decreased by 20 (-33.33%) compared to quarter 1 last year. Medical incidents have fallen from 14 incidents last year to 1 (-92.86%) incident this year in quarter 1.



Key -

Shows a reduction when compared to a previous period

Shows an increase when compared to a previous period

Shows no change when compared to a previous period

**FORWARD WORK PROGRAMME FOR
FINANCE, AUDIT & PERFORMANCE MANAGEMENT COMMITTEE 2018/19**

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: Sally Chapman	
As required	Statistics Report	To scrutinise specific statistics or trends as identified and referred by Fire Authority	ACFO SD Contact Officer: Sarah Watkins	
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	
10 Sept 2018	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	On agenda
10 Sept 2018	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	On agenda

Expected Date of Report	Report Name	Purpose of Piece of Work	Lead Director/ Contact Officer	Progress
10 Sept 2018	Statement of Accounts	To advise Members of the content of the Statement	Treasurer Contact Officer: Chris Barton/ Geraint Thomas	On agenda
10 Sept 2018	Health Check of Priority Actions and Q1 progress against the Statutory PI's	To scrutinise the issues in relation to each of the Priority Actions and to review what the Service has planned to do to address each issue in the current financial year, and review Q1 progress against each of the statutory PI's	DCO Contact Officer: Sarah Watkins	On agenda
10 Sept 2018	Update on Call Volumes & Grassfire Incidents over the Summer Period	To advise Members of increased operational activity over the summer period	ACFO SD/DCO Contact Officer: Andy Thomas & Wayne Thomas	On agenda
10 Sept 2018	Revenue Monitor	To provide an update on revenue expenditure against the revenue budget for the year	Treasurer/DCO Contact Officer: Geraint Thomas	On agenda
10 Sept 2018	Capital Monitor	To provide an update on capital expenditure against the capital budget for the year	Treasurer/DCO Contact Officer: Geraint Thomas	On agenda
10 Sept 2018	Treasury Management Outturn Report	To advise on performance against the treasury management policy and strategy following financial year end	Treasurer Contact Officer:	On agenda

Expected Date of Report	Report Name	Purpose of Piece of Work	Lead Director/ Contact Officer	Progress
			Chris Barton/ Geraint Thomas	
10 Sept 2018	Medium Term Financial Strategy Update; Reserves Strategy & Revenue & Capital Budget Setting Report	To Update Members on the MTFs to inform and influence the 2019/20 budget setting process to meet the Service's requirements for the following financial year	Treasurer/DCO Contact Officer: Chris Barton/ Geraint Thomas	On agenda
12 Nov 2018	Revenue Monitor	To provide an update on revenue expenditure against the revenue budget for the year	Treasurer/DCO Contact Officer: Geraint Thomas	
12 Nov 2018	Capital Monitor	To provide an update on capital expenditure against the capital budget for the year	Treasurer/DCO Contact Officer: Geraint Thomas	
12 Nov 2018	Revenue & Capital Budget Setting Report	To assist in determining the appropriate revenue & capital budget required to meet the Service's requirements for the financial year	Treasurer/DCO Contact Officer: Chris Barton/ Geraint Thomas	
12 Nov 2018	Electrical Fires	To advise Members on the WG electrical fires report and SWFRS response to this	DCO/ACFO SD Contact Officer: Wayne Thomas	

Expected Date of Report	Report Name	Purpose of Piece of Work	Lead Director/ Contact Officer	Progress
3 Dec 2018	Treasury Management Interim Report	To update Members on treasury management activity during the year to date	Treasurer Contact Officer: Chris Barton/ Geraint Thomas	
3 Dec 2018	Corporate (Operational) Risk Register	To seek Members' views upon the Corporate (Operational) Risk Register	DCO Contact Officer: Sarah Watkins	
3 Dec 2018	Revenue & Capital Budget Setting Report	To assist in determining the appropriate revenue & capital budget required to meet the Service's requirements for the financial year	Treasurer/DCO Contact Officer: Chris Barton/ Geraint Thomas	
3 Dec 2018	Audit & Plan Scheme Updates	To seek Members' views upon the progress of Audit & Plan Scheme Actions	DCO Contact Officer: Sarah Watkins	
3 Dec 2018	Statement of Account Recommendations Update	To Update Members on progress against previous recommendations made by WAO in Statement of Accounts Reports	Treasurer Contact Officer: Geraint Thomas	
28 Jan 2019	Revenue & Capital Budget Setting (if required)	To assist in determining the appropriate revenue & 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
28 Jan 2019	Health Check of Priority Actions and Q3 progress against the Statutory PI's	To scrutinise the issues in relation to each of the Priority Actions and to review what the Service has planned to do to address each issue in the current financial year, and review Q3 progress against each of the statutory PI's	DCO Contact Officer: Sarah Watkins	
28 Jan 2019	Draft Annual Report of the Work of the FAPM Committee and the Discharge of the Terms of Reference of the Finance, Asset & Performance Management Scrutiny 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 Scrutiny Group & DCO Contact Officer: Sally Chapman	
28 April 2019	Revenue Monitor	To provide an update on revenue expenditure against the revenue budget for the year	Treasurer/DCO Contact Officer: Geraint Thomas	
28 April 2019	Capital Monitor	To provide an update on capital expenditure against the capital budget for the year	Treasurer/DCO Contact Officer: Geraint Thomas	
28 April 2019	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	
28 April 2019	Internal Audit Annual Report	To provide an opinion on the	DCO	

Expected Date of Report	Report Name	Purpose of Piece of Work	Lead Director/ Contact Officer	Progress
		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.	Contact Officer: Sally Chapman/ Geraint Thomas	
28 April 2019	Audit & Plan Scheme Updates	To seek Members' views upon the progress of Audit & Plan Scheme Actions	DCO Contact Officer: Sarah Watkins	
28 April 2019	Scrutiny of Strategic Objectives	To scrutinise progress in relation to achieving the actions planned to address each issue	All Directors	
28 April 2019	Corporate (Operational) Risk Register	To seek Members' views upon the Corporate (Operational) Risk Register	DCO Contact Officer: Sarah Watkins	
28 April 2019	Register of Gifts and Hospitality	To advise Members of gifts and hospitality accepted and declined by Members and Officers during the year	DCO Contact Officer: Sally Chapman	

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

Geraint Thomas - Head of Finance & Procurement
 Andrew Jones - Acting Head of Human Resources
 Sarah Watkins - Acting Head of Business Support

AGENDA ITEM NO 16

**To consider any items of business that the Chairman deems urgent
(Part 1 or 2)**

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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:
 - Finance, Asset & Performance Management Working Group held on 15 January 2018 5
 - FAPM Committee Meeting held on 23 April 2018 9
5. Revenue Outturn 2017/18 13
6. Capital Outturn Report 2017/18 25
7. Statement of Accounts 2017/18 33
8. Reserves Strategy Update 51
9. Revenue Monitoring Report 2018/19 55
10. Capital Monitoring Report 2018/19 63
11. 2017/18 Annual Treasury Management Review 71
12. Medium Term Financial Strategy Update;
Revenue & Capital Budget Setting Report –
Presentation on the day 77
13. Internal Audit Report 79
14. Report on Health Check of performance and 103

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progress against the Statutory Performance
Indicators for Quarter 1 (1 April to 30 June)
2018/19

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|-----|---|-----|
| 15. | Forward Work Programme | 123 |
| 16. | To consider any items of business that the
Chairman deems urgent (Part 1 or 2) | 129 |

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