

Report of the Scrutiny and Performance Committee meeting held on 10th January 2008

Present: Councillors B Boddington, R. Butcher (substituting for Councillor L W McGuire), M Collins (Chairman), G Harper, R Moss Eccardt, M Smith, H Williams

Apologies: Councillor L W McGuire

This report contains items considered by the Committee which are submitted to the Fire Authority for information.

1. ANNUAL AUDIT LETTER 2006/07 AND AUDIT PLAN 2007/08

The Committee has considered the following documents produced by PricewaterhouseCoopers (PWC), the Council's appointed external auditor:

- The 2006/07 Audit Letter
- The 2007/08 Audit Plan

The 2006/07 Audit Letter

The Committee has noted the 2006/07 Audit letter which provides a summary of the results of 2006/07 audit work undertaken by PWC carried out in accordance with the Audit Plan agreed by the Committee in September 2006. Members have noted that the Audit and Inspection Letter will be produced jointly with the Audit Commission's Relationship Manager when the results of the Audit Commission's Direction of Travel Statement is finalised.

Key issues arising from the Auditor's work are:

- The Auditors were pleased to note that they had only identified two new matters from their review of the Authority's internal financial controls, although they had re-raised a number of recommendations made in previous years. This included two recommendations which were classified as high priority. These related to improving the access controls to the general ledger and ensuring that work was completed on the implementation of a comprehensive business continuity plan/disaster recovery plan. Appropriate actions to address PWC's recommendations

were agreed with officers and Members were advised that it was important to ensure that progress on the agreed recommendations was being made.

- As in the previous year, PWC has issued an unqualified audit opinion on the Statement of Accounts 2006/07
- The Authority was advised that it should ensure that it prepares carefully for the changes to the Statement of Recommended Practice (SORP) in 2007/08, prior to the end of the financial year, and continued to liaise with PWC on matters arising
- The Authority should ensure that it has arrangements in place to prepare its accounts and Whole of Government Accounts schedules in accordance with International Financial Reporting Standards, conforming to timetables communicated by central government
- The Auditors has issued an unqualified opinion on the Authority's Best Value Performance Plan 2006/07 and 2007/08

The Committee was advised that in respect of the two outstanding recommendations arising from the review of internal financial controls:

- improved access controls to the general ledger have now been fully implemented as part of a software upgrade
- comprehensive business continuity plan/disaster recovery plans have been developed and are due to be tested in the next 2 months.
- PWC will be following up the implementation of the recommendations as part of their audit work.

2007/08 Audit Plan

The Committee has approved the 2007/08 Audit Plan which outlines the audit approach of the external auditors, PWC, including the audit of the 2007/08 final accounts to be undertaken in the Summer 2008. The audit will follow a similar pattern to the 2006/07 audit and will be conducted in accordance with the Audit Commission's Code of Audit Practice.

The Audit Plan is based on a risk assessment which considers the Authority's operations and assesses the extent to which PWC believes there are potential business and audit risks. The Audit Plan identifies the results of the risk assessment of both significant financial and operational risks facing the Authority and the Auditor's planned response under the following headings:

- Senior Management Change
- Change in Internal Audit Providers
- Efficiency Planning
- Revaluation Reserve

The Audit Plan sets out the Auditor's approach to the audit which will cover the audit of the Accounts (together with the Statement of Internal Control) and the Use of Resources assessment on whether the Authority has put in place proper

arrangements to secure economy, efficiency and effectiveness in the use of resources. The Auditor's Use of Resources Assessment was issued in December 2007.

Members were advised that no significant change in the level of fees for the audit was expected.

Members noted that the risks associated with the availability of the Service's IT network to PWC to enable them to undertake the audit is acceptable and that no sensitive or confidential information is transmitted to PWC as part of the audit.

2. IMPLEMENTATION OF 2006/07 INTERNAL AUDIT FINDINGS - UPDATE REPORT

The Committee has received a report on the implementation of the 2006/07 internal audit recommendations, reporting the outcome of a follow up review undertaken by Tribal Business Assurance, the Authority's Internal Auditors, in August 2007, and subsequent progress.

The Committee was advised that as at August 2007, 48 out of the 68 recommendations had been fully implemented with progress being made against a further 11.

To the end of December 2007, of the 9 recommendations where no progress had been made, all had now been implemented with the exception of the recommendations relating to insurance. These would be actioned throughout February 2008 as part of the insurance renewals process and the transfer of the insurance contract to the new Fire Service Mutual from April 2008. Of the 11 recommendations in the process of being implemented at the end of August 2007, only recommendation 9.3 relating the development of a set of values for the Fire and Rescue Service would be delayed to a later implementation date of end of March 2008.

Members have noted

- Recommendations relating to both property and procurement which had been delayed by sickness of staff in these two sections were now being progressed and or were to be re-scheduled for implementation. Revised timescales for the completion of recommendations 17.1 and 17.2 on procurement would be reported to the next meeting.
- The size of the Service meant that there was a lack of resilience in some of the smaller sections of the Service, such as property and procurement, which were therefore vulnerable to staff sickness or turnover. Action was being taken in conjunction with other fire services to improve resilience. The Cambridgeshire Service was frequently the instigator of attempts at collaborative working. Members noted that the development of

infrastructure for the 2012 Olympics would have the effect of sucking resources from the East of England and making it harder to recruit to some posts.

- The review of Authority contracts would not result in a change of the Authority's contract with Carter Jonas whilst the Parkside development was underway in view of the need to ensure continuity of advice during this period.

3. FIRE AUTHORITY PERFORMANCE UPDATE 2007/08 – FIRE AUTHORITY PLAN

The Committee received an update report on the Fire Authority's performance relating to its strategic priorities and performance indicators for 2007/08. The update was based on performance to the end of November 2007.

The Fire Authority Plan was focused on the key operational issues that the Authority must respond to after taking account of the Authority's Strategic Risk Register. The relevant areas for improvement identified as part of the CPA corporate assessment and recent Direction of Travel assessment were also incorporated into the Plan.

Work programmes to support the delivery and monitoring of the priorities identified within the Fire Authority Plan had been developed. Where possible, performance targets had been set at a corporate level against individual priorities to measure the effect of specific activities. These targets had been cascaded down to a district level in 2007/08, and were supported by local performance indicators that contributed to the objective of embedding performance management through the service.

The Committee discussed a number of areas within the Performance update report including -

- Although performance against BV 143(i) on the number of Fire deaths was correctly recorded as one to the end of November 2007, there had since been a second death and that the target of one death had been exceeded. The number of injuries (BV143(ii)) at 37 was double the number reported last year and significantly above target. Members noted that the new Incident Recording System would provide better analysis for the reasons behind the increases, although it was noted that indicators based on such small numbers tended to be volatile.
- The number of deliberate primary fires excluding vehicles (BV206(i)) was 252 (target 224) and the number of deliberate primary fires (BV206(ii)) was 347 (target 336), both improved on 2006 /07 and above the target.

- The actual figure for deliberate secondary fires had reduced in comparison with 2006 and were below target. The number of deliberate secondary fires excluding vehicles (BV206(iii)) was 785 (target 840) and the number of deliberate secondary fire vehicles (BV206(iv)) was 37 (target 40).
- The number of Road Traffic Collisions had increased from 499 in November 2006 to 511 in November 2007. Members were advised that no targets were set as this was not an area where the Fire Service had any control over what happened although the Fire Service worked in partnership with others to seek to reduce RTCs. The Chief Fire Officer agreed to contact the Highways Agency to see if there was a correlation between the number of RTCs and the growth in traffic in the County.

CHAIRMAN

BIBLIOGRAPHY

Source Documents	Location	Contact
Agenda, reports and minutes of the Scrutiny & Performance Committee – 10/01/08	Hinchingbrooke Cottage Brampton Road Huntingdon	Michael Brown 01480 444572 michael.brown@cambsfire.gov.uk