

MINUTES OF A MEETING OF THE AUDIT AND SCRUTINY COMMITTEE

HELD ON 20th JUNE 2012

Present:

Councillor John Bell (Chairman), Councillors Dylan Butt, Basil Curley, Alan Matthews and Ken Harper (Independent Member)

Also in Attendance: Jim Owen (Deputy County Fire Officer), Paul McKeivitt (Treasurer, Wigan MBC), Gwynne Williams (Deputy Clerk and Authority Solicitor), Andrea Heffernan (Head of Finance and Technical Services), Bradley Frost (Corporate Risk Manager), Garry Jones (Operational Assurance Manager, Emergency Response), Peter Walsh (Information Security Manager, Corporate Planning and Performance), Peter Hogg (Audit Manager, Wigan MBC) and Donna Parker (Democratic Services Manager)

Guests: Mick Waite (District Auditor) and Andrew North (Audit Manager) from the Audit Commission

46. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors James Dawson and George Wilson.

47. MINUTES OF PREVIOUS MEETING

The Minutes of the Meeting held on 18th April 2012 were approved and signed as a correct record.

48. DECLARATIONS OF INTEREST

There were no Declarations of Interest received.

49. URGENT BUSINESS

There were no items of urgent business submitted.

50. GREATER MANCHESTER FIRE AND RESCUE AUTHORITY CORPORATE RISK REGISTER UPDATE

Consideration was given to a report of the County Fire Officer and Chief Executive which provided an update on Greater Manchester Fire and Rescue Authority's Corporate Risk Register.

A copy of the current Corporate Risk Register was attached at Appendix 2 of the report, for Members' reference. It was reported that all current corporate risks had been reviewed with each risk owner and any amendments had been

formally approved by the Corporate Leadership Team prior to updating the risk register.

It was reported that a comprehensive suite of mitigation activities was aligned to each risk within the safeguard system. A summary of risks exceeding tolerance now included an assessment of how quickly it was anticipated that the risk would be reduced to an acceptable level (threat) or exploited to achieve maximum benefits (opportunity). This was detailed in Appendix 1c of the report.

Members were advised that potential new risks under consideration, included:-

- Potential opportunities in respect of the generation of additional income;
- Potential opportunities to secure additional capital funding through the 2013-2015 CLG Bidding Process;
- The threat of potential fuel shortages in the event of Industrial Action by tanker drivers.

Members raised questions on the items listed in the Corporate Risk Register which were answered accordingly.

Recommended: That the contents of the report and comments raised, be noted.

51. GMFRS NORTH WEST CONTROL TRANSITION PROJECT

Consideration was given to a report of the County Fire Officer and Chief Executive which advised that good progress was being made both at North West Fire Control (NWFC) and internally by the GMFRS Project Team. The main focus of recent activity had surrounded the production of a robust Invitation to Tender (ITT), document for the main Command and Control Systems for NWFC that was released on 1st June 2012 to shortlisted suppliers. Internally, the Transition Team had been expanded to include staff from both Operations and Control. A robust risk register was now operating and project interdependencies were being communicated and managed across the Directorates.

Recommended: That the content of the report be noted.

52. CORPORATE PLAN 2012-2015 CONSULTATION REVIEW

Consideration was given to a report of the County Fire Officer and Chief Executive which detailed the findings from the internal and external review of the consultation process for the Corporate Plan 2012-2015 and opportunities to improve future consultations.

The report introduced the findings from a SWOT analysis which took place with a large range of staff within the organisation following the consultation of

the Corporate Plan 2012-2015. This process was used to gain an internal perspective of the potential areas where future consultations could be improved. The independent external review was undertaken by the Audit Commission.

It was reported that the findings through the internal review were being taken into account in the preparation of the Consultation and Engagement Strategy 2012-15 that would be presented to the Policy, Resources and Resources Committee on 26th July 2012. The Corporate Planning and Intelligence Directorate would operate a Corporate Plan Working Group for the 2013-2016 Plan to ensure that organisational wide input was included at an earlier stage within the process.

Recommended: That:

1. The content of the report and the findings of the Internal Review, be noted.
2. The Audit Commission external assurance report, as detailed at Appendix 1 of the report, be noted.

53. EXTERNAL ASSURANCE (EFQM/PEER CHALLENGE)

Consideration was given to a report of the County Fire Officer and Chief Executive which provided a summary of the current gaps and opportunities to improve external assurance arrangements following the wrap up of the Comprehensive Area Assessment (CAA).

It was reported that following the wrap up of the CAA and a gap in the Authority's external assurance arrangements a pilot of the EFQM continuous improvement approach was undertaken during 2011. The findings were used to benchmark the Service against other organisations across the North West and to inform corporate planning activity for 2012-2013. The next assessment was scheduled for Quarter 3 of 2012/13 and would be used to benchmark the Service against internationally recognised organisations.

In addition, it was reported that the Local Government Association (LGA) and Chief Fire Officers Association (CFOA) had developed a Peer Challenge offer to incorporate the Operational Assessment toolkit. This would provide the opportunity for the Service to select a number of key service areas for review.

The Chairman welcomed the report and took the opportunity to thank all Officers for the hard work and commitment given to this project.

Recommended: That:

1. The content of the report and opportunities to improve external assurance following the wrap up of the Comprehensive Area Assessment (CAA), be noted.

2. The use of EFQM and Peer Challenge to address the gaps in external assurance and support the organisation's continuous improvement, be endorsed.

54. PROGRESS UPDATE FROM AUDIT COMMISSION 2012

The Audit Commission District Auditor was in attendance and provided an update on the future work of the Audit Commission. He reported that Grant Thornton had been awarded 4 contract areas including the North West as part of the procurement exercise to outsource the work currently undertaken by the Audit Commission's Audit Practice. The Contract would be let from 2012/13 on a five-year basis. Staff from the Audit Commission would TUPE to Grant Thornton from 1st November 2012 and regular meetings have been taking place with Grant Thornton to ensure that a smooth transition takes place.

He reported that the Audit Commission had completed work on financial systems and would commence work on the final accounts in early July.

In response to Item 8 – External Assurance (EFQM/Peer Challenge) the District Auditor welcomed the fact that the Service was developing new procedures for obtaining internal and external assurance on their levels of performance.

Recommended: That the update and comments raised, be noted.

55. CORPORATE GOVERNANCE ARRANGEMENTS - ANNUAL ASSESSMENT

Consideration was given to a report of the Treasurer which submitted the annual review assessing the Authority's compliance against its Local Code of Corporate Governance, which aligned with the best practice as set out in the 'CIPFA Finance Advisory Network – Rough Guide'. The review supported and informed the Authority's statutory disclosure statements. Areas where action was required or being taken were set out in paragraph 4 of the report. The six core principles taken from 'The Good Governance Standard for Public Services (2004)' as adopted for local government purposes were the following:-

- Focusing on the purpose of the Authority and on outcomes for the community and creating and implementing a vision for the local area;
- Members and officers working together to achieve a common purpose with clearly defined functions and roles;
- Promoting values for the Authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour;
- Taking informed and transparent decisions which are subject to effective scrutiny and managing risk;
- Developing the capacity and capability of members and officers to be effective;

- Engaging with local people and other stakeholders to ensure robust public accountability.

Members were informed that GMFRA's position against the local code of corporate governance remained strong and had further developed in key areas. There were some areas where further detailed work was required or was being carried out to ensure full compliance with the code. The analysis at Appendix B of the report detailed the current position of actions that were scheduled at the conclusion of the previous year's review and demonstrated that work continued to address the majority of actions.

Recommended: That the content of the report be noted.

56. INTERNAL AUDIT ANNUAL REPORT 2011/12

Consideration was given to a report of the Treasurer which provided Members with an overview of the work and performance of the Internal Audit Section throughout 2011/2012. The report along with the further independent reviews carried out by the External Auditors provided an assurance of the effectiveness of the Internal Audit Service. Details of Internal Audit work performed in the first half of 2011/2012 had been reported to this Committee on 1st December 2011 (Minute 20 refers).

Members were advised that Internal Audit work was planned to provide an ongoing and independent review of the major areas of risk faced by the Authority. This ensured that the controls required to properly manage those risks could be examined and tested where appropriate, to ensure that they were adequate and operating effectively. The results of the major areas of review were as follows:-

- Corporate Governance / Internal Controls Assessment;
- Operational Assurance;
- Annual Governance Statement;
- Material Systems Quality Assurance Assessment;
- Specialist Audit Work / Other Audit work.

The report concluded that the Authority maintained a high quality and effective Internal Audit Service and that it operated an effective overall internal control environment.

Resolved: That the report and the formal assurances provided in relation to the adequacy and effectiveness of the Internal Audit Service and the Authority's Governance Arrangements and Internal Control Environment, be approved.

57. OPERATIONAL ASSURANCE AUDIT PLAN 2011/12 OUTCOME REPORT

Consideration was given to a report of the County Fire Officer and Chief Executive which provided an update on the outcomes achieved against the Operational Assurance Plan 2011/12.

The key function of the Operational Assurance Department was to lead and monitor on a range of internal audits as defined within the 2011/12 Operational Assurance Audit Plan. These audits fell within the following five distinct headings:-

- Operational Incident Audits;
- Training and Exercise Audits;
- Evening Work Routine Audits;
- Standards Audits
- Service Thematic Audit and Reviews

The report provided detail on the actions and outcomes relating to each of the above headings.

Recommended: That the Operational Assurance Audit Plan 2011/12 Outcome Report, be noted.

58. ANNUAL GOVERNANCE STATEMENT

Consideration was given to a report of the Treasurer which sought approval of the Annual Governance Statement. Once approved the Statement would be signed by the Chairman and the County Fire Officer & Chief Executive and would be included in the Authority's Statement of Accounts for 2011/12. A copy of the draft Annual Governance statement was attached at Appendix 1 of the report, for Members' reference.

Members were informed that although the production and approval of the Annual Governance Statement was now a statutory requirement, it was a continual enhancement of disclosure arrangements successfully introduced by the Authority in 2003.

Recommended: That the Annual Governance Statement for the year ended 31st March 2012, be approved.

59. STATEMENT OF ACCOUNTS 2011/12

The Treasurer submitted a report presenting the Authority's Statement of Accounts for 2011/12. The report explained the figures and key issues in the accounts.

Members were advised that the Accounts and Audit Regulations only require Members to approve the accounts once the Audit had been completed and in any case prior to the 30th September 2012. The regulations required that the

Statement of Accounts be certified by the Chief Financial Officer by the 30th June 2012. Therefore the accounts would be certified on the close of this meeting

Recommended: That the Statement of Accounts for 2011/12, be noted.

CHAIRMAN

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