



MINUTES OF THE POLICY COMMITTEE held on Wednesday 15 June 2011 at Fire Service Headquarters, Winsford at 10 a.m.

PRESENT: Councillors D Topping (Chair), B Crowe, J Joyce, G Merry, R Polhill, T Sherlock, C Thorley and J Weatherill.

PART 1 – MATTERS CONSIDERED IN PUBLIC

1 PROCEDURAL MATTERS

A MEMBERSHIP OF COMMITTEE

Members are asked to note the appointment of a Chair and membership of the Committee for 2011/2012, as agreed by the Fire Authority at its annual general meeting on 8 June 2011 and listed below:

Councillors: D Topping – Chair
B Crowe
R Fletcher
J Joyce
G Merry
R Polhill
L Redhead
T Sherlock
C Thorley
J Weatherill

B APOLOGIES FOR ABSENCE

Apologies were received from Councillors Fletcher and Redhead.

C DECLARATION OF MEMBERS INTERESTS

There were no declarations of Members interests.

D MINUTES OF THE POLICY COMMITTEE MEETING HELD ON 26 JANUARY 2011

RESOLVED: That

the Minutes of the meeting of the Policy Committee held on 26 January 2011 be confirmed as a correct record.

E NOTES OF THE RISK MANAGEMENT BOARD

RESOLVED: That

the notes of the meeting of the Risk Management Board held on 11 March 2011 be received, for information.

2 ANNUAL INTERNAL AUDIT REPORT AGAINST 2010-11 AUDIT PLAN

The Director of Finance and Corporate Planning introduced the Internal Audit representatives from RSM Tenon who were in attendance at the meeting; Lisa Randall who was the Head of Internal Audit and Parmy Kaur, the lead Internal Auditor for the Fire Authority.

The Head of Internal Audit presented Members with the Internal Audit Annual Report 2010-11. She explained that the report provided a summary of work undertaken over the last 12 months and the Internal Auditors opinion to assist the Authority in preparing its Annual Governance Statement.

The Head of Internal Audit outlined the Internal Audit Assurance Statement for 2010/11 which provided a positive opinion on the adequacy and effectiveness of Cheshire Fire Authority's arrangements for governance, risk management and control. She commented that both governance and risk management arrangements continued to be robust. The opinion on internal control, whilst not providing any limited assurance opinions, had been impacted by a number of advisory recommendations made to enhance the control framework as a result of the review of Stocks and Stores and the ICT healthcheck.

It was noted, however, that where recommendations had been made, management had responded positively and the recommendations did not impact adversely on the Auditor's overall annual opinion of the Authority's system of internal control, which remained positive.

Members discussed the content of the report and raised a number of queries on the recommendations made during the audit process. The Chief Fire Officer commented that Management recognised that although the report was positive there were issues to address. He explained that work had been undertaken over the last few months to address issues across the Service in the area of Asset Management. Members had also approved a report on the ICT Infrastructure Reform project at the Fire Authority meeting on 8 June which was aimed at addressing ICT issues.

The Chief Fire Officer informed Members that any significant risks to the Authority were captured and monitored by Risk Management Board (RMB). Policy Committee Members now received an annual report from RMB and also notes from the quarterly RMB meetings to keep them informed of significant risks.

It was proposed that future audit reports and recommendations would be submitted to Leadership Board to ensure that the Authority's response to

recommendations was robust. It was suggested that this proposal could be taken forward through the Chief's appraisal.

RESOLVED: That

the content of the Internal Audit Annual Report 2010/11 be noted.

3 DRAFT STRATEGY FOR INTERNAL AUDIT 2011-12 TO 2012-13

The Head of Internal Audit introduced this report and explained that the Strategy set out the approach that the internal auditors had taken to develop the Authority's internal audit plan for 2011/12. This provided the Authority with a Strategy for the next two years and a more detailed plan for 2011/12.

Members were asked to consider whether the Strategy covered the organisation's key risks and also that the detailed audit plan for 2011/12 reflected the areas which should be covered as a priority. Members were also asked to note that the areas identified for 2011/12 in the plan could change to reflect factors that could emerge over the coming year.

The Head of Internal Audit also presented the Internal Audit Charter for Cheshire Fire Authority to Members for approval. The Charter established the purpose, authority and responsibilities for the Authority's Internal Audit service.

RESOLVED: That

[1] the draft Strategy for Internal Audit 2011-12 to 2012-13 be approved; and

[2] the Internal Audit Charter be approved.

4 ASSET MANAGEMENT STRATEGY 2011/15

The Assistant Chief Fire Officer (ACFO) presented this report to Members which sought Members approval for an Asset Management Strategy for the Authority for 2011 to 2015. The Strategy was underpinned by individual Asset Management Plans for Land and Property, Transport and Operational Equipment.

The ACFO provided an overview of the Asset Management Strategy and explained that it set out the Authority's overall approach to asset management going forward. It would also assist the Authority in targeting resources effectively and investing appropriately to ensure that these assets contributed towards the continuous improvement of Service delivery and supported the need to realise savings over the duration of the Authority's four year strategy.

Copies of the detailed asset management plans for each asset group were available at the meeting for Members to review. The ACFO explained that these plans were the Service's first attempt to capture corporate knowledge and would evolve as the Service captured better quality information and developed its thinking to help shape and design future services. He added that

there would also be an asset management plan developed for ICT once the investment into the current ICT infrastructure was implemented.

Members welcomed the development of an Asset Management Strategy and it was noted that the Strategy would be reviewed annually by Policy Committee. Performance and Overview Committee would also receive regular reports on the asset management process.

A Member raised a query regarding making arrangements to access the asset management plans (and other key documents) in an electronic library. This had been requested on previous occasions but had not been implemented. The Chief Fire Officer noted the request and would take this issue forward.

RESOLVED: That

- [1] the Asset Management Strategy 2011-15 be approved; and**
- [2] the development of the detailed Asset Management Plans for Land and Buildings, Transport and Operational Equipment be noted.**

5 RISK MANAGEMENT BOARD ANNUAL REPORT

The Chief Fire Officer presented this report to Members. He explained that the responsibility for Risk Management at Member level had been delegated to the Policy Committee. In response to recommendations made following an internal audit of the Service's risk management processes in 2010 the Policy Committee now received notes from the quarterly Risk Management Board (RMB) meetings. In addition it was also agreed that RMB presented an annual report to Policy Committee. This was the first Annual Report which provided details of the key activities and decisions of the RMB during 2011/12.

The CFO highlighted the key areas of the report and drew Members attention to Appendix 4 which provided details of the risks on the Corporate Risk Register that were also reviewed quarterly by RMB.

RESOLVED: That

the content of this report be noted.

6 TREASURY MANAGEMENT STRATEGY AND PRACTICES 2011-12

The Director of Finance and Corporate Planning introduced this report which sought Members approval for the Cheshire Fire Authority's Treasury Management Strategy and Practices for the year 2011-12. He explained that the Treasury Management Strategy comprised of two main elements; Treasury Management – Borrowing and Minimum Revenue Provision Strategy and the Treasury Management - Annual Investment Strategy. The Authority's approach to Treasury risk management and Treasury management practices was also detailed in the report

A Member queried the Authority's approach to investments to ensure that the institutions that the Authority invested with had sound credit ratings. The Director of Finance and Corporate Planning explained that the Authority worked in partnership with its Treasury Advisers (Warrington Borough Council) to ensure this.

RESOLVED: That

- [1] the Authority's Treasury Management Strategy for the year 2011-12 including a total limit of £10m for non-specified investments be approved; and**
- [2] the Authority's approach to Treasury risk management and its Treasury management practices be approved.**

7 DRAFT RESPONSE TO CONSULTATION PAPER – FUTURE OF LOCAL PUBLIC AUDIT

The Director of Finance and Corporate Planning introduced this report which presented Members with a draft response to the Communities and Local Government (CLG) consultation paper 'Future of Local Public Audit' for Members consideration.

The full consultation paper was lengthy and therefore responses to all fifty questions raised had not been suggested; instead those questions that were considered to be key questions had been identified and responses proposed.

Members discussed the consultation document and the proposed responses. Concerns were expressed over the proposals regarding the role of Audit Committees and the appointment of independent members. Members agreed that this would be particularly onerous for smaller public bodies and, in particular doubts were expressed on to how much value these arrangements would add.

RESOLVED: That

- [1] the draft responses contained in the report be approved; and**
- [2] the Director of Finance and Corporate Planning be authorised to submit the response on the Authority's behalf.**

PART 2 – BUSINESS TO BE DISCUSSED IN PRIVATE

NONE