



# **HEREFORD & WORCESTER Fire and Rescue Authority**

## **Audit Committee**

# **AGENDA**

**Friday 09 October 2009**

10.00 am,

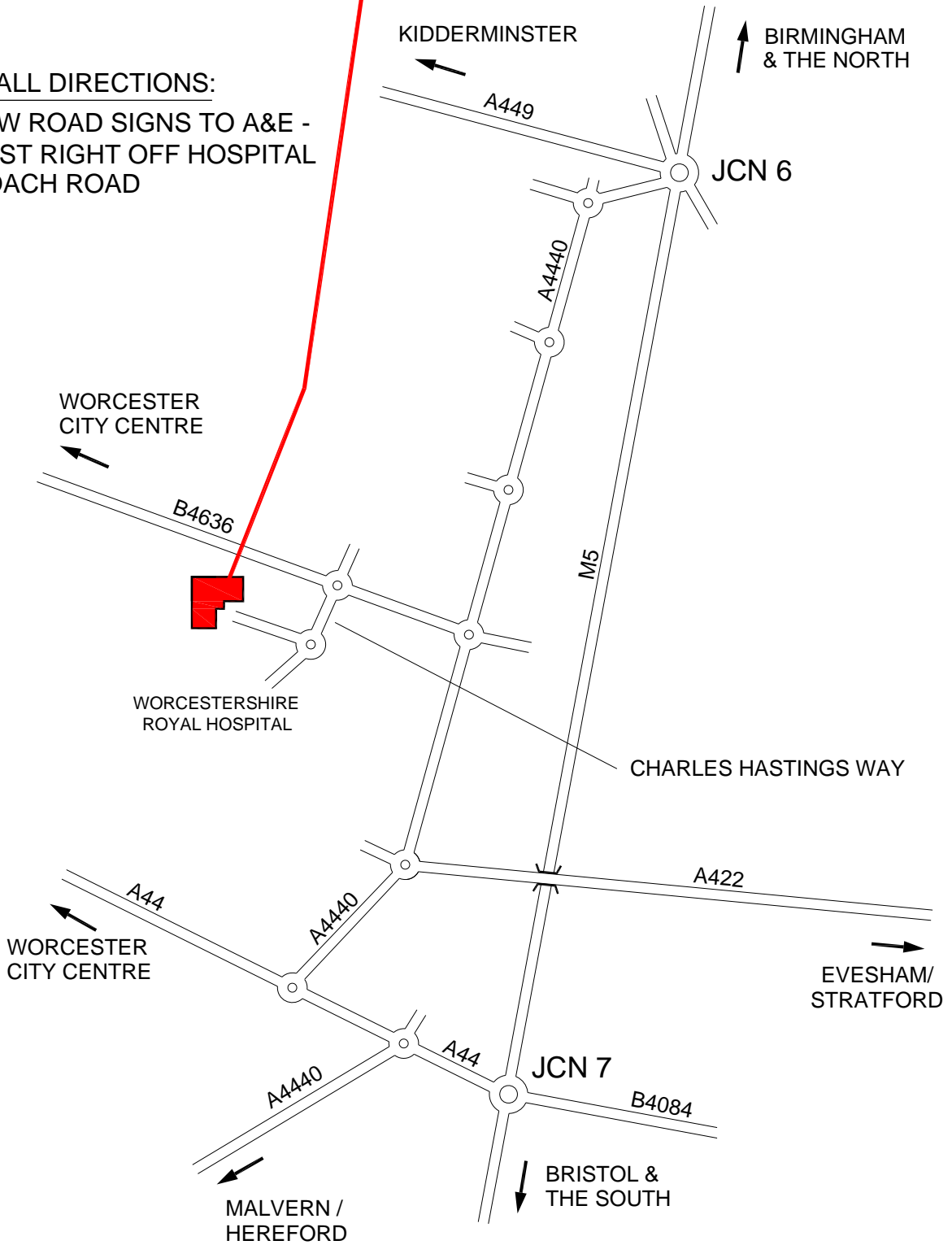
Conference Suites 2 & 3,  
Headquarters,  
2 Kings Court,  
Charles Hastings Way,  
Worcester  
WR5 1JR



Awarded for excellence

HEREFORD & WORCESTER FIRE AND RESCUE SERVICE  
HEADQUARTERS  
2 KINGS COURT  
CHARLES HASTINGS WAY  
WORCESTER. WR5 1JR  
TEL: 0845 12 24454

FROM ALL DIRECTIONS:  
FOLLOW ROAD SIGNS TO A&E -  
HQ FIRST RIGHT OFF HOSPITAL  
APPROACH ROAD



This map is based upon Ordnance Survey material with the permission of Ordnance Survey on behalf of the Controller of Her Majesty's Stationery Office © Crown copyright. Unauthorised reproduction infringes Crown copyright and may lead to prosecution or civil proceedings. Hereford & Worcester Fire and Rescue Service 100029587 2005

## **ACTION ON DISCOVERING A FIRE**

- 1 Break the glass at the nearest **FIRE ALARM POINT**.  
(This will alert Control and other Personnel)
- 2 Tackle the fire with the appliances available – **IF SAFE TO DO SO**.
- 3 Proceed to the Assembly Point for a Roll Call –  
**CAR PARK OF THE OFFICE BUILDING ADJACENT TO THE CYCLE SHED TO THE LEFT OF THE ENTRANCE BARRIER TO 2 KINGS COURT.**
- 4 Never re-enter the building – **GET OUT STAY OUT**.

## **ACTION ON HEARING THE ALARM**

- 1 Proceed immediately to the Assembly Point  
**CAR PARK OF THE OPTIMUM BUILDING ADJACENT TO THE CYCLE SHED TO THE LEFT OF THE ENTRANCE BARRIER TO 2 KINGS COURT.**
- 2 Close all doors en route. The senior person present will ensure all personnel have left the room.
- 3 Never re-enter the building – **GET OUT STAY OUT**.

## **GUIDANCE NOTES FOR VISITORS**

### **Security**

Upon arrival, visitors are requested to proceed to the barrier and speak to the reception staff via the intercom. There are parking spaces allocated for visitors around the front of the building, clearly marked. Upon entering the building, you will then be welcomed and given any further instructions. In particular it is important that you sign in upon arrival and sign out upon departure. Please speak to a member of the reception staff on arrival who will direct you to the appropriate meeting room.

### **Wheelchair access**

The meeting room is accessible for visitors in wheelchairs.

### **Alternative formats**

For information regarding requests for papers in alternative formats, please contact Corporate Support on 01905 368366 /331 or by email at [committeeservices@hwfire.org.uk](mailto:committeeservices@hwfire.org.uk)

**Smoking** is not permitted.

**First Aid** -please ask at reception to contact a trained First Aider.

**Toilets** – please ask at reception.

## **ACCESS TO INFORMATION – YOUR RIGHTS**

The Local Government (Access to Information) Act 1985 widened the rights of press and public to attend Local Authority meetings and to see certain documents. Your main rights are set out below:

- Automatic right to attend all Authority and Committee meetings unless the business if transacted would disclose “confidential information” or “exempt information”.
- Automatic right to inspect agenda and public reports at least five days before the date of the meeting.
- Automatic right to inspect minutes of the Authority and Committees (or summaries of business undertaken in private) for up to six years following the meeting.
- Automatic right to inspect background papers used in the preparation of public reports.
- Access, on request, to the background papers on which reports are based for a period of up to four years from the date of the meeting.
- Access to a public register stating the names and addresses and electoral divisions of members of the Authority with details of membership of Committees.
- A reasonable number of copies of agenda and reports relating to items to be considered in public must be made available to the public attending the meetings of the Authority and Committees.

If you have any queries regarding this agenda or any of the decisions taken or wish to exercise any of these rights of access to information please contact Corporate Support on 01905 368366 / 331 or by email at [committeeservices@hwfire.org.uk](mailto:committeeservices@hwfire.org.uk).

## **WELCOME AND GUIDE TO TODAY’S MEETING**

These notes are written to assist you to follow the meeting. Decisions at the meeting will be taken by the **Councillors** who are democratically elected representatives and they will be advised by **Officers** who are paid professionals. The Fire and Rescue Authority comprises 25 Councillors and appoints committees to undertake various functions on behalf of the Authority. There are 19 Worcestershire County Councillors on the Authority and 6 Herefordshire Council Councillors.

### **Agenda Papers**

Attached is the Agenda which is a summary of the issues to be discussed and the related reports by Officers.

### **Chairman**

The Chairman, who is responsible for the proper conduct of the meeting, sits at the head of the table.

### **Officers**

Accompanying the Chairman is the Chief Fire Officer and other Officers of the Fire and Rescue Authority who will advise on legal and procedural matters and record the proceedings. These include the Clerk and the Treasurer to the Authority.

### **The Business**

The Chairman will conduct the business of the meeting. The items listed on the agenda will be discussed.

### **Decisions**

At the end of the discussion on each item the Chairman will put any amendments or motions to the meeting and then ask the Councillors to vote. The Officers do not have a vote.

## **Agenda**

### **Councillors**

Mr D Prodger MBE, (Chair), Mrs L Duffy, (Vice-Chair), Mrs G Hopkins,  
Mr C T Smith, Mr J Thomas.

	<b>Pages</b>
<b>1. Apologies for Absence</b> To receive any apologies for absence.	
<b>2. Named Substitutes</b> To receive details of any Member of the Authority nominated to attend the meeting in place of a Member of the Committee.	
<b>3. Declaration of Interests (if any)</b>  The Members' Code of Conduct requires Councillors to declare any interests against an Agenda item, the nature of an interest and whether the interest is personal or prejudicial. If a Councillor has a personal interest, they must declare it but can stay, take part and vote in the meeting. If a Councillor has a prejudicial interest then they must declare what that interest is and leave the meeting room for the duration of the item.  This item allows the Chairman to invite any Councillor to declare an interest in any of the items on this Agenda.	
<b>4. Confirmation of Minutes</b> To confirm the minutes of the meeting held on 26 June 2009 (copy attached).	<b>1 - 3</b>
<b>5. Internal Audit Update.</b>  To provide an update on Internal Audit Activities since the Audit Committee meeting on 26 June 2009 and to review Internal Audit plans for 2009/2010.	<b>4 - 5</b>
<b>6. Quarterly Risk Management Update.</b>  To update Members of the Audit Committee on the progress of Corporate Risk Management.	<b>6 - 8</b>

---

<b>7. National Fraud Initiative 2008/09</b>	
To inform Members of the results of the National Fraud Initiatives (NFI), the actions taken by Officers and subsequent outcomes.	<b>9 – 14</b>
<b>8. Report on the operation of the Service Business Continuity Plan during the Snow Event of February 2009.</b>	
The purpose of this report is to update Members of the Business Continuity activity during the snow event of February 2009.	<b>15 – 16</b>
<b>9. Audit Committee Terms of Reference</b>	
To note the proposed revision to the Committee’s Terms of Reference as set out in the Audit Commission’s Annual Governance Report and recommend the revision to the Authority.	<b>17 – 18</b>
<b>Glossary</b>	<b>19 - 23</b>

# Hereford & Worcester Fire and Rescue Authority Audit Committee

3.45 pm Friday 26 June 2009

Headquarters, 2 Kings Court,  
Charles Hastings Way, Worcester WR5 1JR



**Present:** Mrs M Drinkwater, Mrs L Duffy (Vice-Chair), Mrs G Hopkins, Mrs F Oborski and Mr P Watts.

## 1. Apologies for Absence

Mr D Prodger MBE (Chairman)

In the absence of Mr Prodger MBE, the Committee agreed that the Vice-Chair, Mrs L Duffy chaired the Meeting.

## 2. Named Substitutes

Mrs M Drinkwater substituted for Mr D Prodger MBE and Mrs F Oborski substituted for Mr C Smith.

## 3. Declaration of Interests

None.

## 4. Confirmation of Minutes

**Resolved that: the Minutes of the meeting held on 13 March 2009 be confirmed as a correct record and signed by the Chairman.**

## 5. Annual Governance Statement

The Treasurer told the Meeting that the Audit Committee's Terms of Reference included approval of the Annual Governance Statement, which he then presented for consideration and approval by the Committee. He outlined the purpose of the Statement and told Members that it was a legal requirement for the Authority to publish the Statement by 30 June.

At the proposal of the Treasurer, the Committee added the following paragraph to the Statement as presented:

*Paragraph 1.4:*

*In considering its Governance Arrangements the FRA compares and evidences activity against best practice as contained within the CIPFA/SOLACE publication "Corporate Governance in Local Government – A Keystone for Community Governance". This was last reviewed by the FRA on 26<sup>th</sup> June 2009*

**RESOLVED that the Annual Governance Statement, as amended above be approved.**

## **6. Statement of Accounts 2008/09**

The Treasurer tabled the Statement of Accounts 2008/09 for consideration and approval by the Committee. He told the Members that the signed Statement of the Accounts must be approved by resolution of the Committee by 30 June, and published by 30 September.

The Treasurer highlighted the main points of the Accounts to the Committee, which included the reduced valuation of the Authority's assets, reflecting the current economic climate, and the Authority's prudent investment strategy.

**RESOLVED that the Statement of Accounts 2008/09 be approved.**

## **7. Annual Governance Report 2008/09**

Mr Grant Patterson, District Auditor, tabled a draft of the External Auditors' Annual Governance Report to the Authority for consideration by the Committee. Mr Patterson informed the Committee that he had given an unqualified opinion on the Value for Money and Use of Resources Audits and could not issue an opinion on the Accounts until after the 23 July following the public inspection period.

The Auditors noted the improvements made since last year, and Mr. Patterson thanked the officers of the Authority and his own team for the audit of the accounts.

An initial draft of the accounts required revisions to the valuations of the Authority's assets and a reduction of £3.5m in the Balance Sheet; it was recommended that appropriate arrangements are made for asset valuations in the future.

The External Auditors noted that the Report was tabled on the day of the Meeting as both the Director of Finance's team and the External audit team had been working to produce the financial statements with agreed adjustments and this report for this meeting. Ideally they aim to have reports with Members a week in advance of Meetings however due to the agreed adjustments this had not been possible on this occasion.

The Committee considered the matters raised in the report and took note of the adjustments that were required to the draft financial statements. It was agreed that the Treasurer liaise with the District Auditor regarding recommendation 4 as set out in the Action Plan, which referred to the resources to be made available to the External Auditors by the Authority.

**Resolved that:**

- i) the External Audit Annual Governance Report 2008/09 be noted;**
- ii) the letter of representation to the External Auditor, attached at Appendix 3 to the report, be approved and signed; and**
- iii) the Action Plan attached at Appendix 5 to the Report be approved and implemented**

**8. Quarterly Risk Management Update**

The Committee considered the progress of Corporate Risk Management with regards to Risk Registers, Emergency Planning and Business Continuity in response to the Swine Flu pandemic.

The Committee also noted the sad loss of Cllr Jeremy Webb who had been the Authority's Risk Champion and who had made a valuable contribution to Corporate Risk.

**Resolved that:**

- i) the Report be noted; and**
- ii) Mr P Watts be appointed Risk Champion.**

**9. External Audit Update**

The District Auditor informed the Committee of the outline External Audit Plan for 2009/10 and the proposed fee for the proposed audit work for 2009/10. The Committee noted that the Comprehensive Area Assessment was a new approach, and that the external Audit fee was indicative at this stage. It was a small increase on last year's fee, and included a risk profile at 7.7% above the scale fee.

**Resolved that the report be noted.**

**10. Internal Audit Plans 2008/09 and 2009/10**

The Committee reviewed the Internal Audit Activities for 2008/09 and 2009/10. Mr. Gordon Smith, Chief Internal Auditor, informed the Committee that there had been significant progress in 2008/09, but some of the work programme had been deferred to 2009/10 and a revised Plan would be brought back to the next meeting.

The Committee noted that Internal Audit would continue to liaise with External Audit on audit work.

**Resolved that the Report be noted.**

The Treasurer thanked the Chairman and Members of the Committee for their attendance and participation in the Meeting.

The meeting ended at 5.10 pm

Chairman.....

## 5. Internal Audit Update

### Purpose of report

1. To provide an update on Internal Audit Activities since the Audit Committee meeting on 26 June 2009 and to review Internal Audit plans for 2009/2010.
- 

### Recommendation

#### *The Treasurer recommends that:*

- i) ***The report be noted and that the amendments to the 2009/2010 plan are approved.***

### Background

2. The Authority is responsible for maintaining or procuring an adequate and effective internal audit of the activities of the Authority. This duty has been delegated to the Treasurer. Internal audit is provided by the Internal Audit section of Worcestershire County Council.

### 2009/2010 Plan

3. At the meeting held on 13 March 2009 the Committee received and agreed the Internal Audit Plan for 2009/2010. When this was prepared it was envisaged that it would be possible to return to a more rounded programme of audit coverage (including a number of non financial audits). However, following the completion of the 2008/09 core systems audits and debriefing meetings with the Audit Commission, it has been agreed that priority should continue to be given in 2009/2010 to the review of financial systems and corporate governance arrangements to support the external audit process.
4. Detailed discussions have been held with the External Auditor and a revised plan will be brought to the next meeting of this Committee, but it is proposed to defer until 2010/2011 the following establishment audits:
  - Vehicle Workshops / Stores
  - Property Maintenance Services

5. In addition, the need for two further audits has been identified:
  - The first piece of work relates to controls over the Authority's Purchase Cards. The audit has been completed and a draft report has been issued. 9 audit days of the annual Internal Audit allocation have been used to date.
  - The second piece of work relates to the requirement for Internal Audit to certify the Capital Grant (Diversity) by 31 March 2010. A detailed scope will be agreed prior to the audit, but the resource requirement is currently estimated at approximately 2 audit days.
6. It is envisaged that the above amendments should be accommodated within the 111 audit days allocation agreed at the Audit Committee meeting on 13 March 2009. A more detailed plan will be brought to the next meeting of this Committee.

### **Clearance of Audit Reports**

7. Responses have now been received in respect of all 2008/09 core system audits and final reports have been issued.
8. A response to the 2008/09 draft report on Logical Access – Technologyone Finance System is awaited.

### **Supporting Information**

None

### **Contact Officer**

Gordon Smith, Chief Internal Auditor, Worcestershire County Council

(01905 766570)

Email: [gsmith2@worcestershire.gov.uk](mailto:gsmith2@worcestershire.gov.uk)

## **6. Quarterly Risk Management Update**

### **Purpose of report**

1. To update Members of the Audit Committee on the progress of Corporate Risk Management.
- 

### **Recommendation**

***The Chief Fire Officer recommends that the report be noted***

### **Background**

2. The Fire and Rescue Authority's (FRA) Governance and compliance arrangements with relevant legislation require a systematic strategy, framework and processes to manage risk. The overall objective of this strategy is to ensure that the FRA adopts best practices in the identification, evaluation and cost effective control of risks. This will ensure that they are eliminated or reduced to an acceptable level and that systems are in place to track and report upon existing and emerging risks.
3. The ability of the Service to continue to deliver key services depends upon a system which identifies risks and a process which manages these risks to prevent them adversely affecting service delivery. The Risk Management systems and processes currently employed are firmly embedded as a tool to improve the performance of the Service.

### **Review of Strategic Risk**

4. The framework and processes assist Managers to analyse and mitigate risks when planning activity. This information is captured in Risk Registers that report key risks, owner responsibility, key controls and residual scores that are closely monitored. These Registers also support the identification and management of the risk through our business objectives and project and partnership arrangements. In all cases, the Registers are managed as live documents and as such, are reviewed regularly with the ability to escalate key risks should the need arise.
5. Overall responsibility for ensuring that strategic risks are effectively managed, lies with the Members of the FRA as advised by Principal Managers and Officers who are responsible for managing the operational aspects of the process and for ensuring appropriate resources are made available to support the introduction and embedding of the process.
6. The review of the live Strategic Risk Register by Principal Management and Group Leaders will take place on 20 and 26 October 2009 and will be presented to Members at the December 2009 FRA Meeting.

7. All Service Departmental Risk Registers continue to be monitored as live documents, and the Quarterly Risk management review has identified the following items:

i) Regional Fire Control:

An area that has been identified for escalation in this quarter is the impact of the changes involved with the move to Regional Fire Control. An update of which was reported to Members at the FRA meeting in September. Whilst the project continues, the cut-over date for this Service moving in March 2012 represents a significant risk for the Authority. Options to eliminate, remove or mitigate the highlighted risks are under consideration.

ii) The current Downturn in the Economy:

This will hit different places in different ways and the Service has tailored its response accordingly to fit not only with national guidance but to local circumstances. With the close monitoring and live treatment of risk there will be opportunity for the Service to benefit from the recovery as it comes. However, the Service remains vigilant and has assurances in place to manage possible increases in arson, fraud and insurance claims.

iii) Environmental and Climate Change Risks:

Both have been added to the Strategic Risk Register and complement the Service's Asset Management Plan presented to Members on 14 September 2009 in reducing the Service's carbon footprint and looking for energy cost savings.

iv) Resilience Arrangements:  
Compliance with Civil Contingencies Act 2004 (CCA):

The Service maintains compliance with the CCA and continues to improve resilience arrangements within our internal activities and through collaboration with the Local Resilience Forum and partner agencies. The document 'Expectations and Indicators of Good Practice' produced by the Cabinet Office has given the Service the opportunity to identify any areas for improvement and good practice to assist in our planning arrangements and the Local Resilience Forum. It is anticipated a further report to this Committee is planned for January 2010.

v) Emergency Planning:

The current arrangements for an integrated response to a major emergency have been revised and published by the Local Resilience Forum. A copy of the publication 'Joint Emergency Response Arrangements' (JERA) has been circulated to Members. The arrangements agreed within the document ensure all agencies involved are fully prepared to work together effectively when the need arises. The document provides the framework for an integrated response to a major incident/emergency and outlines roles and responsibilities for Responders in the West Mercia area. These revised arrangements build on who, what and how a multi-agency response and recovery is achieved.

vi) The Swine Flu Pandemic:

Currently the Service has activated the Business Continuity plan to manage the Swine Flu pandemic. Whilst the current numbers of staff sickness with flu-like symptoms do not cause concern, the situation is being monitored closely.

### **Conclusion**

8. Such risks in the Authority do not reside at any one level. While those that could cause the most significant damage are generally to be found at the strategic level, the risks found within the Authorities' operational activities cannot be ignored, as it is these that will identify issues that could subsequently influence the strategic risks. Risk Management is therefore a two way process involving all levels of staff and it is this understanding that is embedded within the working practices and culture of the Authority. What emerges from our risk management strategy, framework and processes is resilience that is managed through planning.

### **Key Developments**

- Corporate risk training for Members arranged for 16 March 2010.
- Specialist Risk Training for Risk Champion identified.
- Exercise Boy Scout planned for October 2009 to test our resilience to the current pandemic.
- Severe Weather Planning with the LRF.
- Work continuing in partnership with LRF on Government response to the Pitt Review.

### **Supporting Information**

None

### **Background Papers**

CCA Expectations and Indicators of Good Practice – Cabinet Office April 2009

Joint Emergency Response Arrangements – published by The Local Resilience Forum.

### **Contact Officer**

DCFO Lucy Phillips (01905 368204)  
Email: LPhillips@hwfire.org.uk

## 7. National Fraud Initiative 2008/09

### Purpose of report

1. To inform Members of the results of the National Fraud Initiatives (NFI), the actions taken by Officers and subsequent outcomes.
- 

### Recommendation

***The Treasurer recommends that Members note that the Authority has taken action under the National Fraud Initiative promptly and comprehensively and that no fraud has been detected.***

### Background

2. The NFI is a biennial exercise carried out for local government and other public bodies by the Audit Commission and as such forms part of the statutory audit in accordance with the Audit Commission Act 1998.
3. Authorities are required to provide certain mandatory datasets; for the Fire and Rescue Service the mandatory datasets comprise creditors', payroll and pensions payroll. Payroll and pensions payroll data is subject to a series of data matches against data provided by other bodies including payroll, pensions, Housing Benefit, Home Office (removed and failed asylum seekers), UK visas and Department for Work and Pensions deceased persons. Creditors' payments are matched only within Authorities.
4. The only 'missing' data is of payroll records for central government departments which are currently exempt from this compulsory exercise.
5. The data provided is processed by a specialist contractor on behalf of the Audit Commission. Data matches are notified to Authorities for examination to identify possible error and/or fraud.
6. The existence of a match in a NFI report does not mean that there is a fraud; only that there is a need to investigate further to eliminate the possibility of fraud or error.
7. A complete list of matches is shown at Appendix 1 and Members will note a significant reduction in matches since the 2006/07 exercise.
8. Data was received on 9 February, and Officers reviewed the data and were able to report to the Committee on 13<sup>th</sup> March that reviews of all matches had found no cause for concern in the majority of cases. A very small number required further work, mainly obtaining information from extended bodies, which has now been completed.

9. Since 13<sup>th</sup> March the matching process has been re-run to take account of corrected data from other bodies and this has identified 1 further match than was reported to this Committee in March.
10. As this report is in the public arena, full details of the matches are not disclosed as they contain details of employees and no suggestion of fraud has been identified. However, full details are available to Members if required.

### **Analysis of Reports**

11. Each NFI report is produced with a particular purpose which will be stated and comprises a number of matches and a number of items. There will be more items than matches and each match may have more than two items.
12. In each case an explanation of the Fire and Rescue Authority matches will be given to demonstrate why there is no fraud.

### **Report 52 – Pensions Payments to Benefits Agency Records**

13. The purpose of the match is to ensure that pensions are not continuing to be paid to persons for which a Death Certificate has been lodged with the Benefits Agency.
14. The report identified three matches, where death had occurred close to the pensions payroll date. All were notified to Worcestershire County Council Pensions Unit as part of normal processes and overpayment was recovered as part of routine processes.

### **Report 54 – Pensions Payroll to Payroll within bodies**

15. The purpose of this match is to identify if anyone on the payroll is also in receipt of a public sector pension. This is primarily because most public sector pension schemes, including the Local Government Pension Scheme, are abated.
16. The Firefighters scheme in its present form is not abated and is also unusual in that it is payable after 30 years' service. This results in matches that are not actually errors.
17. Of the 10 matches; all are ex-Firefighters now legitimately re-employed as support staff.

### **Report 55 – Pensions Payroll to Payroll between bodies**

18. One match under this heading where a retired H&W whole-time fire-fighter is employed by another Fire Service. *See paragraph 16 above.*

## **Report 65 – Payroll to Payroll within bodies**

19. Matches any person having more than one job. This allows identification of staff who may be committing employment fraud by failing to work their contracted hours because they are employed elsewhere or on long term sickness from one job.
20. This has identified a large number of matches due to the fact that contractually Day Crew staff have the 2 elements of their pay paid on different payrolls with different pay numbers.
21. In addition there are significant numbers of Whole time fire-fighters (and a few support staff) who are also employed as RDS fire-fighters, again with different pay numbers,

## **Report 66 – Payroll to Payroll – between bodies**

22. The purpose of this report is to identify if there are inappropriate dual employments – e.g. risking safety by long working hours or claiming sick pay from one job whilst working on another.
23. The Report produced 40 matches of which 38 are cleared; The 2 un-cleared items await follow up and are:
  - 1 member of staff who had permission for a 2<sup>nd</sup> job, which expired, and is now being followed up.
  - 1 match based on NI number where the H&W employee is correct but the match appears to be in error. This awaits a response from the other body to complete.

## **Creditor Matches – General**

24. The main purpose of these data matches which are solely within bodies is to identify potential duplications and errors which could result from or lead to fraud.
25. Members will be pleased to note the significant reduction in creditor matches (down by 80%), arising from the investment in the new Finance System, which was anticipated in the report on the 2006/07 NFI exercise
26. The Joint arrangements for banking with Worcestershire County Council paradoxically mean that use of BACS for the Fire and Rescue Authority is currently not cost effective. Thus, whilst we would endeavour to hold the current bank details for suppliers, the fact that they are not used for payment purposes does not produce any risk from error (see Report 703).
27. Where relevant, and for simplicity, a tabular approach has been adopted to provide information on Creditor matches.

## **Report 700 – Duplicate Creditors by references**

28. All 4 matches relate to creditors where a supplier has changed address during the year and some invoices were shown at the earlier address.

## Report 701 – Duplicate Creditors by Creditor Names

Incorrect Matches	(Para 29)	1
Ordering/Billing Addresses differ	(Para 30)	3
Separate legal entities (different VAT numbers)	(Para 31)	1
Takeover of one supplier by another	(Para 32)	1
Unidentified Duplicates - now corrected		4
		10

29. The process has incorrectly matched the Chartered Institute of Personnel Management and the Chartered Institute of Finance and Accountancy.
30. Some suppliers require billing to be to a different address to ordering
31. Two related organisations, but with different VAT numbers need to be set up separately for HMRC purposes.
32. One of our existing suppliers was taken over by another existing supplier, leading to duplication of records in the cross-over period. Now corrected.

## Report 702 – Duplicate Creditors by Address Details

Different Suppliers with same Factoring Agent	2
Subsidiary Companies	1
Different Companies at same addresses	3
	6

## Report 703 – Duplicate Creditors by Bank Account Number

33. In respect of this report please see paragraph 26 above, but all 3 matches relate to subsidiary companies or companies within the same group.

## Report 708 – Duplicate records by invoice amount and creditor reference

34. Analysis identified that many of the matches were genuine supplies of the same type of goods/services at different periods.

<b><u>Genuine Duplication</u></b>		Matches	Invoices
Duplicate Invoices paid in error - Already identified and recovered		3	6
Credit Note entered as invoice in error - Already identified and recovered		1	2
Invoice entered on wrong supplier - Identified before cheque despatched		3	6
	3%	7	14
<b><u>Non-Duplication</u></b>			
Cancelled cheques reissued		2	4
Repeat orders, stage payments etc.		196	392
	97%	198	396
		<b>205</b>	<b>410</b>

35. Note that all genuine matches shown had already been identified and actioned prior to the NFI report.

## Report 709 – VAT overpaid

36. This report simply highlights where VAT on an invoice does not equal 17.5%.

Insurance excess – VAT on whole claim	6
Vehicle Lease Invoice – only ½ VAT recoverable	2
Vat Only Invoice	6
	14

37. The VAT only invoices relate to a variety of legitimate minor adjustments.

### Conclusion

38. The NFI outputs have been examined promptly and fully and no fraud has been identified and the insignificant numbers of minor errors not already identified by internal processes have been quickly cleared.

### Supporting Information

Appendix 1: National Fraud Initiative – 2008/09: Raw match data.

### Background papers

FRA Audit Committee – 29<sup>th</sup> Jun 2007: Report on National Fraud Initiative 2006/07

FRA Audit Committee – 13<sup>th</sup> Mar 2009: Report on National Fraud Initiative 2008/09

### Contact Officer

Martin Reohorn, Director of Finance

Telephone: 0845 12 24454

Email: mreohorn@hwfire.org.uk

## Item 7 - Appendix 1

### National Fraud Initiative - 2008/09 Raw Match Data

	2006/07 Raw Matches	2008/09 Raw Matches March	2008/09 Raw Matches Sept
<b><u>Employee Related</u></b>			
52 Pensions Payroll to Benefits Agency Records	3	3	3
54 Pensions Payroll to Payroll (within bodies)	5	10	10
55 Pensions Payroll to Payroll (between bodies)		1	1
65 Payroll to Payroll (within bodies)	**	90	90
66 Payroll to Payroll (between bodies)	14	39	40
75 Housing Benefit Payments	1		
83 NI Number Errors	3		
	<b>26</b>	<b>143</b>	<b>144</b>
<b><u>Creditor Related</u></b>			
700 Duplicate Creditor - by reference		4	4
701 Duplicate Creditor - by Creditor Names	66	10	10
702 Duplicate Creditor - by Address details	6	6	6
703 Duplicate Creditor - by Bank Account Number	12	3	3
704 Invalid VAT Number	42		
706 Creditors with Blank Addresses	7		
707 Duplicate Payments - by reference and amount	3		
708 Duplicate Payments - by amount	953	205	205
709 Overpaid VAT	10	14	14
710 Payment Date precedes invoice date	115		
711 Invoice Value <£1	38		
	<b>1,252</b>	<b>242</b>	<b>242</b>
	<b>1,278</b>	<b>385</b>	<b>386</b>

\*\* Given the nature of these matches (mostly WT & Support staff who are also RDS) it is surprising that there were no matches last time

## **8. Report on the operation of the Service Business Continuity Plan during the Snow Event of February 2009.**

### **Purpose of report**

The purpose of this report is to update Members of the Business Continuity activity during the snow event of February 2009.

---

### **Recommendation**

*The Chief Fire Officer recommends that the Report be noted.*

### **Background**

1. At 1500 on 04 February 2009 the Meteorological Office forecast heavy snowfall, which would disrupt the two Counties. It was anticipated severe snowfall within the Midlands area would be in excess of 10cm and 20 – 30cm on high ground. Due to a prolonged period of extreme weather conditions the Local Authorities highlighted concerns around the availability of salt and grit.

### **Local Situation**

2. Based on information available, both Herefordshire and Worcestershire called Silver Group meetings to discuss the shortages of salt and grit. Due to the shortage of grit, the Local Authorities made the decision to cease gritting. This coupled with the Service's risk assessment of the situation and an indication that icy roads would follow, enabled the Duty Principal Officer to successfully activate the Service's Business Continuity Plan (BCP).

### **Snow Event**

3. Following the agreed Business Continuity (BC) arrangements, a Corporate Risk Management Group (CRMG) was established consisting of key members of staff with responsibility for BC in order to ensure services could be delivered during the period of disruption.
4. The BCP arrangements progressed efficiently through the four declared status levels: normal (green), standby (amber), activate (red) and stand-down (amber), utilising briefing notes distributed to all staff from both the operational and business perspective, reinforced by activities through Silver Command in Herefordshire and Worcestershire.
5. To ensure greater resilience, the scale of business interruptions was logged in order to record progress and as the Service moved through the event, key lessons were identified. The information was used to measure the impact of the event on the Service and utilised in planning improvements to the Service's resilience arrangements.

6. Further developments addressed through the debriefing process and the learning log enabled the Service to make qualified changes and enhancements to improve resilience for future events.

The following improvements have been made:

- Raise the profile of Business Continuity and improve business planning
  - Staff information telephone line identified and implemented. This alert line means that staff can access information before leaving home and take appropriate action if necessary.
  - Improved engagement through consultation with departmental heads.
  - A user survey will be used in the future to measure how well we respond to a disruption and how quickly we are able to recover.
  - Daily staff briefings greatly enhanced communication across the Service.
  - Homeworking and portal access (ICT server) for key staff agreed and incorporated into BC arrangements. These arrangements would enable staff to work from home and have access to their electronic files.
  - Effective allocation of 4x4 vehicles for officer deployment and strategic fire cover
  - Directing staff to designated locations closer to home was considered.
7. The Service moved to stand-down phase, until normal working for all staff was in place and improved weather conditions returned. Normal (Green status) was declared on 11 February 2009).

### **Conclusion/Summary**

8. The experience of the Snow event was the ideal opportunity for the Service to test the agreed business continuity planning arrangements within a real event and identify where improvements could be made and highlight any areas for future development. The benefits of this have proved invaluable as the organisation has moved into the current pandemic situation of Swine flu.

### **Contact Officer**

DCFO Lucy Phillips (01905 368 209)

Email: [lphillips@hwfire.org.uk](mailto:lphillips@hwfire.org.uk)

## 9. Audit Committee Terms of Reference

### Purpose of report

1. To note the proposed revision to the Committee's Terms of Reference as set out in the Audit Commission's Annual Governance Report and recommend the revision to the Authority.

---

### Recommendation

***The Treasurer and Clerk recommend that the Authority revises the Audit Committee Terms of Reference to include the monitoring of the Authority's arrangements against fraud.***

### Background

2. In line with best practice and good governance, as set out by CIPFA (Chartered Institute of Public Finance and Accountancy), the Audit Committee performs an important role by monitoring the Authority's risk management and internal control arrangements. In addition, the Committee performs an important role in overseeing the work of the internal and external auditors to ensure that recommendations made by auditors are acted upon.

### Audit Commission – Annual Governance Report 2008/09

3. On 26 June 2009, the Committee considered the External Auditor's draft Annual Governance Report and approved the Action Plan. As part of the work for the Annual Governance Report, the Audit Commission reviewed the terms of reference for the Audit Committee and highlighted that reference to monitoring the Authority's arrangements against fraud was not included.
4. The Action Plan, as approved by the Audit Committee, included at Recommendation 7 that *"The terms of reference for the Audit Committee include reference to monitoring the Authority's arrangements against fraud"*. It is therefore recommended that the Authority approves the necessary addition to the Audit Committee terms of Reference as recommended by the Audit Commission.

### Supporting Information

The Terms of Reference of the Audit Committee

### Background Papers

The External Auditor's draft Annual Governance Report

### Contact Officer

Mike Weaver, Treasurer  
(01905 763763)  
Email: [mweaver@worcestershire.gov.uk](mailto:mweaver@worcestershire.gov.uk)

## **TERMS OF REFERENCE OF COMMITTEES OF THE FIRE AND RESCUE AUTHORITY**

### **AUDIT COMMITTEE**

To agree the external audit plans

To receive reports from the External Auditors

To monitor and report on the performance of internal audit.

To approve the Annual Governance Statement

To approve the Statutory Accounts.

To monitor effective development and operation of risk management for action by the Fire and Rescue Authority Management Team.

To monitor issues on a quarterly basis arising from risk management and seek assurance that action is being taken where necessary

(As approved by the Authority on 14 December 2006)

# Hereford & Worcester Fire and Rescue Authority

## GLOSSARY OF TERMS

<b>ACAS</b>	Advisory Conciliation and Arbitration Service
<b>ACFO</b>	Assistant Chief Fire Officer
<b>AFA</b>	Automatic Fire Alarm
<b>AFD</b>	Automatic Fire Detection
<b>ALP</b>	Aerial Ladder Platform
<b>AM</b>	Area Manager
<b>AMP</b>	Asset Management Plan
<b>ARCC</b>	Aeronautical Rescue Co-ordination Centre
<b>BA</b>	Breathing Apparatus
<b>BACS</b>	Bankers' Automated Clearance System
<b>BCM</b>	Business Continuity Management
<b>BCP</b>	Business Continuity Plan
<b>BME</b>	Black and Minority Ethnic
<b>BVPI</b>	Best Value Performance Indicator
<b>BVPP</b>	Best Value Performance Plan
<b>CAA</b>	Combined Area Assessment
<b>CAFS</b>	Compressed Air Foam Systems
<b>CARP</b>	Combined Aerial Rescue Pump
<b>CBRN</b>	Chemical Biological Radiological Nuclear
<b>CCA</b>	Civil Contingencies Act
<b>CDRP</b>	Crime and Disorder Reduction Partnership
<b>CERMIG</b>	County Emergency Response to Major Incidents Group
<b>CFA</b>	Combined Fire Authority
<b>CFO</b>	Chief Fire Officer
<b>CFOA</b>	Chief Fire Officers Association
<b>CFRMIS</b>	Community Fire Risk Management System
<b>CFS</b>	Community Fire Safety
<b>CIMAH</b>	Control of Industrial Major Accident Hazards
<b>CIPFA</b>	The Chartered Institute of Public Finance and Accountancy
<b>CLG</b>	Department for Communities and Local Government
<b>CM</b>	Crew Manager
<b>COSHH</b>	Control of Substances Hazardous to Health
<b>CPA</b>	Comprehensive Performance Assessment
<b>CPS</b>	Chemical Protection Suits
<b>CRE</b>	Commission for Racial Equality
<b>CRR</b>	Community Risk Register
<b>CS</b>	Community Safety
<b>CSU</b>	Command Support Unit
<b>DC</b>	District Commander
<b>DCFO</b>	Deputy Chief Fire Officer
<b>DDA</b>	Disability Discrimination Act
<b>DIM</b>	Detection, Identification and Monitoring

## Hereford & Worcester Fire and Rescue Authority

<b>DOF</b>	Director of Finance
<b>DoH</b>	Department of Health
<b>DoT</b>	Direction of Travel
<b>DPA</b>	Data Protection Act
<b>EA</b>	Environment Agency
<b>EAS</b>	Electronic Availability System
<b>ECS</b>	Enhanced Command Support
<b>EIR</b>	Environmental Information Regulations
<b>EPU</b>	Environmental Protection Unit
<b>ESLG</b>	Equality Standard for Local Government
<b>FAWAG</b>	Fairness at Work Advisory Group
<b>FBU</b>	Fire Brigades Union
<b>FDR</b>	Fire Damage Report
<b>FDS</b>	Flexible Duty System
<b>FireLink</b>	The National Project for the introduction of a National Fire Service Radio System
<b>FOIA</b>	Freedom of Information Act
<b>FRA</b>	Fire and Rescue Authority
<b>FRD</b>	Fire Resilience Directorate
<b>FRS</b>	Fire and Rescue Service
<b>FRSNCC</b>	Fire and Rescue Service National Co-ordination Centre
<b>FSC</b>	Fire Service College
<b>FSCA</b>	Fire Service Consultation Association
<b>FSEC</b>	Fire Services Emergency Cover
<b>FSNBF</b>	Fire Service National Benevolent Fund
<b>FSPA</b>	Fire Service Procurement Association
<b>GM</b>	Group Manager
<b>HAZMAT</b>	Hazardous Materials
<b>HERMIT</b>	Herefordshire Emergency Response to Major Incidents Team
<b>HFSC</b>	Home Fire Safety Check
<b>HMFSI</b>	Her Majesty's Fire Service Inspectorate
<b>HMI</b>	Her Majesty's Inspector or Inspectorate
<b>HPA</b>	Health Protection Agency
<b>HR</b>	Human Resources
<b>HRIS</b>	Human Resources Information System
<b>HSE</b>	Health & Safety Executive
<b>HWFRS</b>	Hereford & Worcester Fire and Rescue Service
<b>ICP</b>	Integrated Clothing Project
<b>ICS</b>	Incident Command System
<b>ICT</b>	Information and Communications Technology
<b>IEG</b>	Implementing Electronic Government
<b>IIP</b>	Investors in People
<b>IOSH</b>	Institute of Occupation Safety and Health

Last Updated 17 September 2009

## Hereford & Worcester Fire and Rescue Authority

<b>IPDR</b>	Individual Performance and Development Review
<b>IPDS</b>	Integrated Personal Development System
<b>IRMP</b>	Integrated Risk Management Plan
<b>IRS</b>	Incident Recording System
<b>IRU</b>	Incident Response Unit
<b>ISU</b>	Incident Support Unit
<b>JERA</b>	Joint Emergency Response Arrangements
<b>JFS</b>	Juvenile Fire-setters Scheme
<b>KPI</b>	Key Performance Indicator
<b>KLOE</b>	Key Lines of Enquiry
<b>LAA</b>	Local Area Agreements
<b>LASER</b>	Learning about Safety by Experiencing Risk
<b>LEA</b>	Local Education Authority
<b>LFF</b>	Leading Fire Fighter
<b>LGA</b>	Local Government Association
<b>LGV</b>	Light Goods Vehicle
<b>LIBID</b>	London Interbank Bid Rate
<b>LPG</b>	Liquid Petroleum Gas
<b>LPSA</b>	Local Public Service Agreement
<b>LRF</b>	Local Resilience Forum
<b>LRI</b>	Learning Resource International
<b>LSGCM</b>	Long Service and Good Conduct Medal
<b>LSP</b>	Local Strategic Partnership
<b>LTCM</b>	Long Term Capability Management
<b>LTF</b>	Local Training Facilities
<b>MARP</b>	Midlands Area Radio Project
<b>MIS</b>	Management Information Systems
<b>MISAR</b>	Mercia Inshore Search and Rescue
<b>MMFE</b>	Management of Major Flood Emergencies
<b>MoU</b>	Memorandum of Understanding
<b>MTFP</b>	Medium Term Financial Plan
<b>NCFSC</b>	National Community Fire Safety Campaign
<b>NEBOSH</b>	National Examination Board in Occupational Safety and Health
<b>NEET</b>	Not in Education, Employment or Training
<b>NFST</b>	National Flood Support Team
<b>NJC</b>	National Joint Council for Local Authorities' Fire Brigades
<b>NOS</b>	National Occupational Standard
<b>NVQ</b>	National Vocational Qualification
<b>OASD</b>	Operational Assessment of Service Delivery
<b>ODPM</b>	Office of the Deputy Prime Minister
<b>OJEU</b>	Official Journal of the European Union
<b>ORS</b>	Opinion Research Services

Last Updated 17 September 2009

## **Hereford & Worcester Fire and Rescue Authority**

<b>PDR</b>	Personal Development Review
<b>PFI</b>	Private Finance Initiative
<b>PI</b>	Performance Indicator
<b>PMM</b>	Principal Management Members
<b>PMSO</b>	Project Management Support Office
<b>PO</b>	Principal Officer
<b>PPE</b>	Personal Protective Equipment
<b>PPP</b>	Policy, Planning and Performance
<b>PSA</b>	Public Service Agreement
<b>PSHE</b>	Personal, Social, Health Education
<b>PSRP</b>	Public Services Radio Project
<b>PWLB</b>	Public Works Loans Board
<b>QSA</b>	Quality Systems Audit
<b>R2R</b>	Rank to Role
<b>RBIP</b>	Risk Based Inspection Programme
<b>RCC</b>	Regional Control Centre
<b>RCCC</b>	Regional Civil Contingencies Committee
<b>RDS</b>	Retained Duty System
<b>RHSCG</b>	Regional Health and Safety Collaboration Group
<b>RIDDOR</b>	Reporting of Injuries, Diseases and Dangerous Occurrences Regulation
<b>RMB</b>	Regional Management Board
<b>RoSPA</b>	Royal Society for the Prevention of Accidents
<b>RPE</b>	Respiratory Protective Equipment
<b>RRF</b>	Regional Resilience Forum
<b>RRO</b>	Regulatory Reform Order
<b>RRT</b>	Regional Resilience Team
<b>RSIG</b>	Road Safety Implementation Group
<b>RTA</b>	Road Traffic Accident
<b>RTC</b>	Road Traffic Collision
<b>SAP</b>	Systems Application and Products
<b>SARA</b>	Severn Area Rescue Association
<b>SBE</b>	Standards Board for England
<b>SCC</b>	Strategic Command Centre
<b>SCE</b>	Supported Capital Expenditure
<b>SCG</b>	Strategic Command Group
<b>SDA</b>	Service Delivery Agreement
<b>SFSO</b>	Senior Fire Safety Officer
<b>SHA</b>	Strategic Holding Area
<b>SHEBA</b>	Safety in the Home and Electric Under Blanket Assessment
<b>SLA</b>	Service Level Agreement
<b>SM</b>	Station Manager
<b>SOLACE</b>	Society of Local Authority Chief Executives
<b>SoRP</b>	Statement of Recommended Practice
<b>SPI</b>	Service Policy Instruction
<b>SRT</b>	Swift Water Rescue Team
<b>SSI</b>	Special Service Incidents
<b>T&amp;DC</b>	Training and Development Centre

Last Updated 17 September 2009

## **Hereford & Worcester Fire and Rescue Authority**

<b>UoR</b>	Use of Resources
<b>USAR</b>	Urban Search and Rescue
<b>UWFS</b>	Unwanted Fire Signal
<b>VMDS</b>	Vehicle Mounted Data System
<b>WAN</b>	Wide Area Network
<b>WM</b>	Watch Manager
<b>WMRMB</b>	West Midlands Regional Management Board
<b>YFA</b>	Young Firefighters' Association