

MINUTES OF CORPORATE SERVICES POLICY AND CHALLENGE GROUP MEETING HELD ON 14 MARCH 2017

Present: Councillors F Chapman (Vice-Chair), M Headley (Chair), D McVicar, M Riaz and Y Waheed

CFO Fuller, ACO Z Evans, AC C Ball, Mr G Chambers, GC D Cook and Mr A Dosanji.

16-17/CS/38 Apologies

Apologies for absence were received from Councillor P Duckett and Mr John Atkinson.

16-17/CS/39 Declarations of Disclosable Pecuniary and Other Interests

There were no declarations of interests.

16-17/CS/40 Communications (including Minutes of recent ICT Shared Service Governing Body)

The Chair reminded Members that this was Jackie Green's last meeting supporting the Corporate Services Policy and Challenge Group before her retirement. Members thanked her for the help and support she had provided to them over the years.

The Group received the Minutes of the meeting of the ICT Shared Services Governance Board held on 11 July 2016 for information.

ACO Evans introduced the newly appointed Head of ICT, Mr Amrik Dosanjh, to the Policy and Challenge Group.

16-17/CS/41 Minutes

RESOLVED:

That the Minutes of the meeting held on 6 December 2016 be confirmed and signed as a true record.

16-17/CS/42 Corporate Services Performance 2016/17 Quarter 3 and programmes to date

ACO Evans submitted the performance report for Quarter 3 of 2016/17 and gave an update on the programmes within the Group's remit.

The Business Systems Improvement programme was RAG rated as green, although the integration of the payroll for the Retained Duty System had been delayed following a delay to the implementation of the iTrent system to February 2017. All Members should now have access to the employee self-service site to access pay slips and update personal details.

Arising from a comment by the Chair about access to the system for former employees of the Service, ACO Evans advised that providing 'read only' access to former employees to access documents such as P60s for a defined time period following the cessation of their employment had been submitted for consideration.

Members noted that a full update on the development of the new iTrent system was provided within the report.

The Telephony System Replacement Project was currently rated as amber as the procurement process had taken longer than anticipated.

ACO Evans reported on the performance indicators for Quarter 3 2016/17. There were three indicators for which exception reports had been prepared, with the remainder of the indicators reaching or exceeding target levels.

IM1 (the number of mission critical services resolved within 1 hour) was reporting as Amber as a result of the incident reported during Quarter 2 involving a ransomware Cryptoware virus. As a result of the small numbers involved, the indicator would not reach its target for the current performance year.

ACO Evans reported that this would be considered during the following agenda item setting the indicators and targets for 2017/18.

FNP5 (percentage of uncontested invoices paid within 30 days) had just missed the target of 97% with performance to date at 96%. The Head of Finance and Treasurer advised that budget managers were reminded to pass these invoices for payment but the deadline was sometimes missed due to work pressures, holiday or sick leave.

FNP6 (percentage of outstanding debt over 90 days old) was reported as Red as £1,258.86, or 2.11% of the overall debt, was over 90 days old. The Head of Finance and Treasurer reported that, as the number of jobs incurring a charge from the Service, such as incidents involving lock replacement and flooding of basements, it was likely that the number of small debts that would remain unpaid for over 90 days would also increase and this would need to be considered during target setting.

RESOLVED:

That the progress made on Corporate Services Programmes and Performance be acknowledged.

16-17/CS/43 Proposed Corporate Services Indicators and Targets for 2017/18

ACO Evans introduced the suite of proposed Corporate Service indicators and targets for 2017/18.

She advised that the targets for the ICT indicators, with the exception of IM1, discussed under the previous agenda item, remained unchanged from 2016/17 to enable a strong baseline of performance to be developed before consideration of updated targets for 2018/19.

The targets for the property indicators would be set at the Group's next meeting when year-end data for utility usage for 2016/17 would be available. This would enable the Group to consider actual usage figures for 2015/16 and 2016/17 when setting the indicators for the 2017/18 performance year.

The Chair reminded Members that the Group would be receiving an update on the review into utility usage and stations where usage was higher than expected at its next meeting.

The Group considered the proposed indicators and targets individually and noted the following proposed changes:

- To decrease the target for FNP5 (percentage of uncontested invoices paid within 30 days) from 97% to 96%.
- To amend the target for FNP6 (percentage of outstanding debt over 90 days old) from less than 1.6% to less than 2.5%, acknowledging the increase in the number of incidents that the Service was charging for.
- To decrease the target for FNP8 (return on investment) from 0.90% to 0.70% as it was forecast that the Bank of England base rate would remain at 0.25% until 2019.
- To decrease the target for IM1 (the number of mission critical services resolved within 1 hour) from 98% to 80%.

There had been no changes proposed to any of the workshop indicators.

In response to questions, the Group was assured that the Service did not pursue debts when that action would cost the Service more than the amount of the debt outstanding. The Service had a duty to recover public money, but this must be balanced against the degree of effort that was involved in recovering small debts.

The Head of Finance and Treasurer and the Chief Fire Officer had delegated authority to write off debts up to certain defined amounts. There had not been a small debt written off in the recent past so no historical information was available. In the event that a debt was written off, this would be reported to Members.

RESOLVED:

That the proposed suite of Corporate Services performance indicators and targets for 2017/18 be endorsed.

16-17/CS/44 New Internal Audit Report Completed to date

ACO Evans introduced the report on the internal audits completed since the last meeting of the Group. The audits of fleet management, stock and inventory and the risk protection pool had received reasonable assurance audit opinions, whilst the key financial controls had been awarded a substantial assurance audit opinion.

Fleet Management

AC C Ball reported that six actions had arisen from the audit of fleet management. There had been five low and one high priority action. The low priority actions related to the updating of policies and had already been completed.

Actions to address the high priority recommendation to strengthen the procedure for checking and maintaining the log books for pool cars were being implemented. Previously there had been no evidence that checks, including of tyre pressure and fluid levels, were taking place on every use of the pool cars.

Stock and Inventory

The Head of Finance and Treasurer advised that the medium priority action to create an overarching stock policy had been completed.

GC D Cook advised that, in relation to the other medium priority recommendation, new 'technical stores' had been created so that larger items of stock could be stored in an identified location.

He added that the low priority action had been addressed and the MIS system would be used to generate a monthly report identifying stock with low balances so these are reordered in timely fashion.

Risk Protection Pool

The Head of Finance and Treasurer reported that Essex Fire and Rescue Service was responsible for the one medium priority action in the audit report and this had been completed.

Key Financial Controls

The Head of Finance and Treasurer was pleased that the audit on key financial controls provided substantial assurance. All the actions identified in the audit report had been completed.

RESOLVED:

That internal audit reports be received and the associated management comments/actions which will be added to the Audit and Governance Action Plan Monitoring report be endorsed.

16-17/CS/45 Audit and Governance Action Plan Monitoring Report

ACO Evans introduced the report on progress made to date against current action plans arising from internal and external audit reports and from the Fire Authority's 2015/16 Annual Governance Statement.

The action arising from the internal audit of fuel cards had been completed and was awaiting follow up audit.

In relation to the Annual Governance Statement, actions arising from the Review of Effectiveness would be reported to the meeting of the full Fire and Rescue Authority on 9 April 2017.

RESOLVED:

That the progress made to date against the action plans be acknowledged.

16-17/CS/46 Treasury Management Strategy and Practices

The Head of Finance and Treasurer presented the Authority's Treasury Management Strategy Statement and Treasury Management Policies for onward recommendation to the Fire and Rescue Authority. These documents were reviewed annually and no material updates had been made to either the Treasury Management Strategy Statement or the Treasury Management Practices.

It was noted that Members had last received training from the Authority's treasury management advisers in July 2015. It was agreed that it would be beneficial to Members to receive this training again.

The Head of Finance and Treasurer reported that the Authority currently had debts of just under £10 million and short term investments of approximately £10 million with an investment income of £70,000 budgeted for 2017/18.

Members were advised that the Authority did not invest with financial organisations with ratings below AA-. This approach to risk was also being applied to the risk protection pool of which the Authority was a member.

RESOLVED:

1. That the Fire and Rescue Authority be recommended to adopt the updated:
 - i. Treasury Management Strategy Statement
 - ii. Minimum Revenue Provision Policy and Annual Investment Strategy
 - iii. Treasury Management Practices
2. That Members receive treasury management training on one of the scheduled Member Development Days.

16-17/CS/47 Corporate Risk Register

GC D Cook submitted the update on the review of the Service's Corporate Risk Register in relation to Corporate Services. There had been no changes to the individual risk ratings of the nine risks reported to the Group. There had been two updates to individual risks as follows:

CRR39 (If we have inadequate data management due to poor implementation, inappropriate specification of requirements or poor quality control measures then we are at risk of using the wrong information throughout the organisation and thus potentially affecting the delivery of our services): the Service's new HR and payroll system, iTrent, was now live and this was its principal source of people-related information. The development of workbench in collaboration with Devon and Somerset Fire and Rescue Service was progressing as referred to earlier in the meeting.

CRR45 (Exchanges of information such as email, web browsing, removable media, social media, exposes the Service to malicious code and content (malware). There is a risk that malware could seriously damage the confidentiality, integrity and availability of our Service's information and ICT resulting in disruption to the delivery of our Services, unauthorised export of sensitive information, material financial loss and legal or regulatory sanctions): all senior managers had received a briefing on cyber security. Regular penetration testing was undertaken, with the outcomes informing action plans.

The increasing threat from malware was discussed. It was acknowledged that human behaviour was often the weakest link. It was important that any breach was identified quickly and that awareness raising and training was provided throughout the organisation.

RESOLVED:

That the development of the Service's Corporate Risk Register in relation to Corporate Services be noted and approved.

16-17/CS/48 Review of Work Programme

The Group received its updated work programme for 2016/17. The Chair highlighted items in the work programme that had been included at the request of Members, including the review of utility usage that would be submitted to the Group's next meeting.

RESOLVED:

That the work programme be agreed.

The meeting ended at 10.49 am