



NOTTINGHAMSHIRE
Fire & Rescue Service
Creating Safer Communities

Nottinghamshire and City of Nottingham
Fire and Rescue Authority

FINANCE & RESOURCES COMMITTEE OUTCOMES

Report of the Chair of the
Finance & Resources Committee

Agenda No:

Date: 26 June 2009

Purpose of Report:

To report to Members on the business and actions of the Finance and Resources Committee meeting of 27 March 2009.

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1. BACKGROUND

As part of the revised Governance arrangements the Authority has delegated key responsibilities for Finance and Resources to the Finance and Resources Committee. As part of those delegated responsibilities, the Chair of the Finance and Resources Committee and the Management lead report to the Authority on its business and actions as agreed at Fire and Rescue Authority meeting on 1 June 2007.

2. REPORT

- 2.1 The minutes of the Finance and Resources Committee held on Friday 27 March 2009 are attached to this report at Appendix A. The following summarises the main points of the papers discussed at the meeting.
- 2.2 The Committee were firstly in receipt of report presenting the External Auditor's annual audit and inspection management letter. The report outlined that many positive comments were made within the Auditor's report and that overall the Service was assessed as improving adequately. The Committee resolved to note the contents of the report.
- 2.3 Three monitoring reports were also subject to the Committee's consideration at this meeting. They were in relation to:
 - 2.3.1 Capital Budget Monitoring Report to 31 January 2009 – which reported to Members on capital programme progress in the year 2008/09 to the end of January 2009. The report analysed significant variances against the original programme. It was resolved that the report be noted.
 - 2.3.2 Revenue Monitoring Report to 31 January 2009 – this report provided detail on the financial performance of the Service in the year 2008/09 to the end of January 2009, and also analysed variances against the original budget. The recommendation was endorsed, and the report noted.
 - 2.3.3 Prudential Code Monitoring Report to 31 January 2009 – Members were updated on the performance relating to the prudential indicators for capital accounting and treasury management. These prudential indicators for 2008/09 were agreed by the Fire and Rescue Authority at its meeting on 22 February 2008. The contents of this report were also noted.
- 2.4 Following on from these reports, the Committee were also in receipt of a report which outlined progress of the forecasted efficiency savings as outlined in the 2009/09 Forward Look Annual Efficiency Statement. This report was noted.
- 2.5 An update on the Authority's performance against its previously agreed risk appetite was also presented. The report additionally updated on the current

risk environment within which Nottinghamshire Fire and Rescue Service operates. It was resolved that the concept of risk management as an integral part of the business planning process to further promote the embedding of risks within the organisation, and the commissioning of a research report into the issues arising from the current financial climate, particularly in relation to risk transference, be supported. It was further resolved that the Principal Accountant and Risk Manager review and revise the Authority's anti-fraud, corruption and whistleblowing policies and that this work should be completed by 31 December 2009. The Committee also requested that a training session on risk management be delivered at the next Members' seminar.

- 2.6 Consideration was also given to a report which sought the approval from Members for the Treasury Management Strategy 2009/10 and the lending list as set out in the report. The report also updated Members on the revised treasury management practices. It was resolved that the Treasury Management Strategy for 2009/10 and the lending list be approved, that the revised treasury management practices as set out in the report be noted, and that the banking contract with Barclays Bank be extended for a further two years.
- 2.7 Two further reports for notation were also presented to the Committee and were endorsed, these were in relation to:
 - 2.7.1 Use of Resources : Auditor Judgments 2008 – presentation of the External Auditors' use of resources auditor judgements report.
 - 2.7.2 Internal Control – an update on the system of internal control operating within the Service and its effectiveness.
- 2.8 Value for money was the focus of an additional report to the Committee and outlined the proposed programme for achieving and demonstrating value for money in 2009/10 and reported on progress against the Value for Money Programme 2008/09. Whilst it was resolved that the report be noted, the Chief Fire Officer was asked to consider adopting mechanisms to enable staff to inform management of areas of potential savings, and that these mechanisms be reported to the Authority at a future meeting.
- 2.9 In a further report approval was sought for the attendance of the Chair of the Finance and Resources Committee at the Chartered Institute of Public Finance and Accountancy (CIPFA) Conference 2009. This was endorsed.
- 2.10 Finally, the Chair of the meeting was of the opinion that a final report – Internal Audit Strategy 2008-10 – although not included on the agenda, should be considered as a matter of urgency in accordance with Section 100(b)(4)(b) of the Local Government Act 1972, in view of the special circumstances that the consideration and decision of the Authority was required before its next meeting, the date of which was yet to be confirmed. The report, which informed the Committee of the Internal Audit Strategy for the three year period 2008 – 2010 and the work planned to be undertaken by Internal Audit during 2009/20 was approved.

3. FINANCIAL IMPLICATIONS

All of the reports considered by Finance and Resources Committee on 09 January 2009 were finance related. However, there were no significant financial implications arising from those reports.

4. HUMAN RESOURCES AND LEARNING AND DEVELOPMENT IMPLICATIONS

All human resources and learning and development implications were considered as part of the original reports submitted to the Finance and Resources Committee.

5. EQUALITY IMPACT ASSESSMENT

An initial equality impact assessment has identified no specific aspects relating to a disproportionate effect in respect of the key equality strands.

6. CRIME AND DISORDER IMPLICATIONS

There are no crime and disorder implications arising from this report.

7. LEGAL IMPLICATIONS

There are no legal implications arising directly from this report.

8. RISK MANAGEMENT IMPLICATIONS

There are no additional risk management issues arising from this report other than those specifically reported to the Committee as part of the reports under consideration.

9. RECOMMENDATIONS

That Members note the contents of this report and the business undertaken by the Finance and Resources Committee.

10. BACKGROUND PAPERS FOR INSPECTION (OTHER THAN PUBLISHED DOCUMENTS)

None.

Councillor Penny Griggs
CHAIR OF FINANCE AND RESOURCES COMMITTEE



**NOTTINGHAMSHIRE AND CITY OF NOTTINGHAM
FIRE AND RESCUE AUTHORITY**

FINANCE AND RESOURCES COMMITTEE

MINUTES

of the meeting held on **27 MARCH 2009** at Fire and Rescue Service Headquarters, Bestwood Lodge, Arnold, Nottingham, from 10.00 am to 11.25 am.

Membership

- Councillor P Griggs (Chair)
- Councillor B Cooper
- ^ Councillor P Lally
- ^ Councillor T Pettengell
- Councillor M Wood

Members absent are marked ^

27 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Lally and Petengell (both on County Council Business).

28 DECLARATIONS OF INTERESTS

No declarations of interests were made.

29 MINUTES

RESOLVED that the minutes of the last meeting held on 9 January 2009, copies of which had been circulated, be confirmed and signed by the Chair.

30 ANNUAL AUDIT AND INSPECTION LETTER

Consideration was given to a report of the Chief Fire Officer, copies of which had been circulated, presenting the External Auditors' annual audit and inspection management letter. The Service was assessed as improving adequately.

RESOLVED that the contents of the report be noted.

31 CAPITAL BUDGET MONITORING REPORT TO 31 JANUARY 2009

Consideration was given to a report of the Chief Fire Officer, copies of which had been circulated, on capital programme progress during the current financial year to 31 January 2009. Members were given the opportunity of discussing the significant outturn variances and variations to the original programme with the Head of Finance and Resources.

RESOLVED that the report be noted.

32 REVENUE MONITORING REPORT TO 31 JANUARY 2009

Consideration was given to a report of the Chief Fire Officer, copies of which had been circulated, on the financial performance of the Service in the year 2008/09 to 31 January 2009, with an analysis of the significant variances against the original budget.

RESOLVED

- (1) that the report be noted;**
- (2) that the creation of earmarked reserves as set out in paragraph 2.1.4. of the report, be approved.**

33 PRUDENTIAL CODE MONITORING REPORT TO 31 JANUARY 2009

Consideration was given to a report of the Treasurer, copies of which had been circulated, on performance up to 31 January 2009 relating to the prudential indicators for capital accounting and treasury management which had been agreed by the Fire and Rescue Authority at its meeting on 22 February 2008.

RESOLVED that the report be noted.

34 EFFICIENCY SAVINGS

Consideration was given to a report of the Chief Fire officer, copies of which had been circulated, reporting the progress of the forecasted efficiency savings as outlined in the 2008/09 Forward Look Annual Efficiency Statement.

RESOLVED that the report be noted.

35 RISK MANAGEMENT UPDATE

Consideration was given to a report of the Chief Fire Officer, copies of which had been circulated, providing members with an update of the Authority's performance against its previously agreed risk appetite and of the current risk environment within which the Service operated.

RESOLVED

- (1) that the following be supported:**

- (a) **the concept of risk management as an integral part of the business planning process to further promote the embedding of risks within the organisation;**
 - (b) **the commissioning of a research report into the issues arising from the current financial climate, particularly in relation to risk transference;**
- (2) **that the Principal Accountant and Risk Manager review and revise the Authority's Anti-fraud, Corruption and Whistleblowing policies, to be completed by 31 December 2009;**
 - (3) **that a training session on risk management be delivered at the next members seminar.**

36 TREASURY MANAGEMENT STRATEGY 2009/10

Consideration was given to a report of the Treasurer, copies of which had been circulated, seeking approval from members for the Treasury Management Strategy 2009/10 and the lending list as set out in the report. The report also updated members on the revised Treasury Management Practices.

RESOLVED

- (1) **that the following be approved:**
 - (a) **Treasury Management Strategy for 2009/10 as set out in the report;**
 - (b) **the lending list as set out in Appendix A;**
- (2) **that the revised Treasury Management Practices as set out in Appendix B, be noted;**
- (3) **that the banking contract with Barclays Bank be extended for a further two years into 2011.**

37 USE OF RESOURCES - AUDITOR JUDGEMENTS 2008

Consideration was given to a report of the Chief Fire Officer, copies of which had been circulated, which presented the External Auditors' Use of Resources Auditor Judgements report.

RESOLVED that the report be noted.

38 VALUE FOR MONEY

Consideration was given to a report of the Chief Fire Officer, copies of which had been circulated, outlining the proposed programme for achieving and demonstrating value for money in 2009/10, and reporting progress against the Value for Money Programme 2008/09.

RESOLVED

- (1) that the contents of the report be noted;
- (2) that the Chief Fire Officer consider adopting mechanisms to enable staff to inform management of areas of potential savings, and that these mechanisms be reported to the Authority at a future meeting.

39 CHARTERED INSTITUTE OF PUBLIC FINANCE AND ACCOUNTANCY (CIPFA) CONFERENCE 2009

Consideration was given to a report of the Chief Fire officer, copies of which had been circulated, seeking approval to the attendance of the Chair of the Finance and Resources Committee at the CIPFA Conference 2009 to be held in Manchester on 23-25 June 2009.

RESOLVED that the attendance of the Chair of the Finance and Resources Committee at the CIPFA Conference be approved, and the contents of the report be noted.

40 INTERNAL CONTROL

Consideration was given to a report of the Chief Fire Officer, on the system of internal control operating within the Service and its effectiveness.

RESOLVED that the contents of the report be noted.

41 INTERNAL AUDIT STRATEGY 2008-10

The Chair of the meeting was of the opinion that this item, although not included on the agenda, should be considered as a matter of urgency in accordance with Section 100(b)(4)(b) of the Local Government Act 1972, in view of the special circumstances that the consideration and decision of the Authority was required before its next meeting, the date of which was yet to be confirmed.

Consideration was given to a report of the Treasurer, copies of which had been circulated, informing the Committee of the Internal Audit Strategy for the three year period 2008 to 2010 and of the work planned to be undertaken by Internal Audit during 2009/10.

RESOLVED that the Internal Audit Strategy for 2008 to 2010, and the Audit Plan for 2009/2010 be approved.