



**DORSET & WILTSHIRE
FIRE AND RESCUE
AUTHORITY**

**DRAFT Minutes of the
Finance, Governance and Audit Committee
held at 10:00 hours on Friday 7 July 2017 at the
Dorset & Wiltshire Fire and Rescue Service Headquarters, Salisbury**

These are draft minutes prepared by officers to be approved by the Finance, Governance and Audit Committee at their next meeting.

Members present: Cllr Bob Jones (Chairman); Cllr Les Burden; Cllr Ernie Clark; Cllr Malcolm Davies; Cllr Peter Hutton; Cllr Colin Jamieson; Cllr Colin Lovell; Cllr Byron Quayle; Cllr Pippa Ridout; Cllr Robert Yuill; Cllr Nick Martin.

Officer attendance: CFO Ben Ansell; ACFO John Aldridge; Deputy Clerk & Monitoring Officer, Ms Grace Evans; Head of Strategic Planning and Knowledge Management, Mr Robert Ford; Head of Human Resources, Mrs Jane Staffiere; Head of Information Management and Communications, Mrs Vikki Shearing; Head of Finance, Mr Ian Cotter; Director of Finance & Treasurer, Mr Phil Chow; Director of Corporate Services, Mr Derek James, Senior Health and Safety Advisor, John Lincoln.

Guests: KPMG Audit Manager, Mr David Parson; Gateway Assure Ltd, Mr David Long.

17/13 Welcome

17/13.1 The Chairman welcomed all Members and especially those attending their first Finance, Governance and Audit meeting. He advised Members that the election of a vice-chairman having been omitted from the Agenda and would therefore take place at the next meeting.

17/13.2 **ACTION: Democratic Services to add the election of a vice-chairman to the Agenda for 29 September 2017.**

17/14 Apologies

17/14.1 Apologies were received from Cllr Richard Biggs.

- 17/15 Code of Conduct, Declarations of Interest and Notifications of Any Other Business**
- 17/15.1 The Chairman asked the meeting for any disclosures of pecuniary interests under the Localism Act. There were no disclosures.
- 17/16 Minutes of the Finance, Governance and Audit meeting on 22 March 2017.**
- 17/16.1 The Chairman invited Members to review and approve the minutes from the last meeting.
- 17/16.2 **RESOLVED: that the minutes be confirmed and signed by the Chairman as a correct record, subject to the following amendment:**
- minute 17/5.1 to read "... the Internal Audit Strategy 2016-17 to 2018-19 was presented."*
- 17/16.3 **ACTION: Democratic Services to amend the minute accordingly**
- 17/17 External audit – interim audit report (2016/17)**
- 17/17.1 The Chairman welcomed Mr David Parson, KPMG Audit Manager. Mr Parson summarised the interim audit report and took Members through the key headlines. He expected to see some movement in the value of property assets resulting from re-assessing their values through a common methodology across the new Service. Mr Parson highlighted financial control risks in the Authority's current arrangements for journals authorisation and finance system access rights. Mr Chow then summarised his views on why he didn't consider these to be significant risks and the Authority's mitigations for them.
- 17/17.2 **RESOLVED: That the interim external audit report be noted.**
- 17/18 Internal audit annual report (2016/17)**
- 17/18.1 The Chairman welcomed Mr David Long, of Gateway Assure Ltd to the table. Mr Long took Members through the report (Appendix A) providing an annual summary of the audit programme.
- (Cllr Nick Martin arrived.)
- 17/18.2 **RESOLVED: that the internal audit report 2016/17 be approved.**
- 17/18.3 **ACTION: Mr Long was asked to move the key for definitions to the front of the document for all future reports**

17/19 Internal audit quarterly report (2017/18)

- 17/19.1 Mr Long took Members through the internal audit annual report and its appendix, which was received without a covering summary paper.
- 17/19.2 Mr Long was pleased to advise that the communications report had been completed. He added there were no concerns for Members with some areas for management consideration.
- 17/19.3 Members were concerned about the corporate management of media messages. Mr Long assured them that this was well handled and good procedure and practices were in place. Local messages were given with a corporate framework. The Head of Information Management and Communication, Mrs Vikki Shearing provide a summary of the corporate controls and training in place. As a general point for future audit reports, Members would like to suggest a simple overview of good practice and positive outcomes and well as the key issues to provide a more balanced commentary.
- 17/19.4 Mr Long added that their findings showed that the Service has a systematic management framework in place and there are no significant issues that the Service is not already dealing with.
- 17/19.5 **RESOLVED: That the quarterly internal audit report be approved.**
- 17/19.6 **ACTION: Officers to ensure a report summary sheet is attached to all future reports to this committee.**
- 17/19.7 **ACTION: Mr Long to change the word 'policy' to 'procedure' in all future reports.**
- 17/19.8 **ACTION: The Director of Corporate services to discuss with Gateway Assure Ltd the format of future audit reports to provide a better-balanced position statement to complement the issues raised for management attention.**

17/20 Progress against audit recommendations

- 17/20.1 The Head of Strategic Planning and Knowledge Management, Mr Bob Ford, outlined the performance outcomes shown in Appendix A of this report. The report highlighted the changes that had taken place and the positive direction of travel for all recommendations.
- 17/20.2 All main business continuity plans are in place and the Strategic Leadership Team (SLT) receive a regular report with only low level plans remaining. A testing regime is currently being undertaken at station level. Items completed since last Finance, Governance & Audit Committee meeting are listed in the report. Members sought confirmation that the Service was pro-active about

cyber-crime response and mitigation. Monthly checks are carried out to mitigate the risks of the cyber-crime attack. Mr Ford further assured Members that an audit of information, communication and technology (ICT) would be carried out in quarter 2.

- 17/20.3 ACFO John Aldridge explained the asset management systems operating within the department. The ACFO confirmed that a new Head of Assets would be starting later in July. The department had experienced significant staff turnover since combination. Mr. Aldridge outlined that following two attempts to recruit a mechanical and engineering surveyor and a building surveyor, he confirmed that he was in the process of restructuring the department to help compete in the employment market for these technical posts. In the meantime, this function would be covered through the engagement of external technical contractors. He added that all procedures and audit processes are currently being aligned across the department to support single systems of working. The ACFO outlined how the asset management plan was being put together with good progress being made.
- 17/20.4 The Chairman advised that he would ask for a report on the Assets department to be presented to the Authority meeting on 8 September 2017 to include recruitment against the asset management plan.
- 17/20.5 Following the completion of the corporate governance audit, the Member development procedure was agreed by the Authority at its March meeting. The Chairman was unanimously supported in his view that he would like annual Member appraisal and development procedure to be further debated by the Authority. This would give a further opportunity for Members to revisit the agreed position in light of the forth-coming inspection regime that is likely to explore evidence around Member development.
- 17/20.6 The Treasurer outlined the budget monitoring process which is aligned to reports to this Committee. The process is due to start this month with the first report due at the next meeting. Positive action is being taken regarding raising purchase orders for every purchase. All purchase orders are agreed within budget holder's limitations. All purchases using purchase/credit cards are reconciled regularly and accounted for accordingly. Consolidating sickness and leavers figures regularly is ongoing, and a cultural alignment programme is now in place and being progressed. Digital communication is progressing well and on track following the approval of the Community Safety Plan approved in principle at the recent Authority meeting.
- 17/20.7 Members proposed, seconded and agreed the proposed recommendation for the Authority to review the Member development process, as outlined by Ms Grace Evans.
- 17/20.8 **RESOLVED: having reviewed the report Members noted the progress made towards completing the agreed improvement activities.**

- 17/20.9 **RESOLVED: This committee recommends that the Authority review its earlier decision to introduce an annual system of Member development and this Committee also recommends the system should be compulsory.**
- 17/20.10 **ACTION: The Chairman to formally request that the asset plan be placed on the Authority Agenda for consideration of recruitment against the asset management plan.**
- 17/20.11 **ACTION: The Chairman to formally request that the Authority reconsider its agreed position on the voluntary Member development process.**
- 17/21 Treasury management annual report 2016/17**
- 17/21.1 The Treasurer, Mr Phil Chow provided a summary of the report and assured Members that Treasury Management has come under increasing scrutiny since the Icelandic banking collapse several years ago, and much more by way of governance arrangements is now in place as a result. Good governance requires the Authority, in compliance with the Treasury Management Code, to report its treasury management performance on a regular basis. A half year report was presented to this Committee in December and the Annual Report provided an assessment of performance of the full treasury management activity over the year 2016-17.
- 17/21.2 Members discussed and were content with the report.
- 17/21.3 **RESOLVED: That the report be noted.**
- 17/22 Provisional financial outturn performance 2016/17**
- 17/22.1 The Head of Financial Services, Mr Ian Cotter, provided background information on the performance report which provided an analysis of the provisional outturn financial performance for the 2016/17 financial year.
- 17/22.2 Members discussed the report and the recommendations contained within it, Mr Cotter advised that additional grant income received in March 2017 had been put into the Authorities reserves. There was a requirement under financial regulation to seek approval for writing off obsolete stock, adding that this had been donated to a third world firefighting organisation. The position of capital programmes and projects was also outlined to the Committee.
- 17/22.3 **RESOLVED: That the current financial position be noted..**
- 17/22.4 **RESOLVED: That the carry forward of £2.647m for capital projects not completed in 2016-17 be approved.**
- 17/22.5 **RESOLVED: That the write off of obsolete stock as set out in the paper and required under Financial Regulations be approved.**

17/23 Value for money and ‘basket of goods’ comparative

- 17/23.1 ACFO John Aldridge summarised the report published by the Government that outlined the basket of goods for the procurement of common items within the fire service. Its aim is to increase transparency and encourage greater collaboration, and thereby achieve potential savings through buying collectively.
- 17/23.2 Members considered the Service is in a very good position on ‘basket of goods’ framework with the vast majority of spend lower than the national average.
- 17/23.3 **RESOLVED: That the report be noted.**

17/24 Asset Department Software Systems Plan

- 17/24.1 ACFO John Aldridge took Members through the report, outlining the staff changes that have occurred since establishing the new Service; the variety of software currently in place and the progress on software alignment. The Service was working on the integrated property asset management plan to ensure that estates and facilities were working to common goals and aligned to the integrated risk management process. There was a plan in place to consolidate the two separate management information systems in 2017/18. Two other systems have or were being aligned.
- 17/24.2 ACFO Aldridge confirmed that with over 50,000 items of equipment, this system will be started in 2018 once a clear technical specification had been developed and more refined costs were determined for inclusion in the capital programme.
- 17/24.3 **RESOLVED: That the report be noted.**

17/25 Performance report for 4th Quarter (January- March 2017)

- 17/25.1 The Head of Strategic Planning and Knowledge Management, Mr Robert Ford took Members through the 4th Quarter performance report.
- 17/25.2 Mr Ford introduced a number of heads of department to provide reports on the progresses under their performance areas, including improved health and fitness; procurement of an occupational health service consultancy; absence management, including the successful implementation across the service of the HR database; and the Trauma Risk Intervention Management (TRiM) programme, which was working well, supported by specialist staff. A range of health and safety matters were discussed including the procedure for hazardous materials and the target to reach BS18001 standard by the end of 2018.
- 17/25.3 A number of Freedom of Information (FOI) requests and complaints were received and dealt with in a timely way as were a number of general request

for information. Members were content that the Service was properly co-ordinating and managing threats to cyber-security.

17/25.4 **REOLVED: That the Quarterly Performance Report (4th Quarter – January – March 2017), set out in Appendix A be approved.**

17/26 Strategic risk register

17/26.1 Mr Ford summarised the report and advised that good progress was being made against the risk register with no significant new issues.

17/26.2 The CFO and lead directors took Members through the risk mitigation measures and the progress being made. Members were assured that controls were in place. Members asked if the Democratic Services could progress the workplace buddy nominations and forward the appropriate paperwork to Members.

17/26.3 **RESOLVED: That the progress being made with the risk controls on the strategic risk register be noted.**

17/26.4 **ACTION: Democratic services officer to finalise the nominations for the workplace buddy system and to inform Members of the associated expectations and paperwork arising from these visits.**

17/27 Results from staff engagement survey

17/27.1 The Director of Corporate Services, Mr Derek James, introduced the background to the staff survey adding that it was well promoted and carried out by an independent company. The aim of the survey was to find out how staff were feeling and gain feedback. In spite of the high level of promotion, the response of 43% was lower than hoped for. Mr James went through the strengths and weaknesses arising from the survey along with the actions being taken by the Service.

17/27.2 Heads of department were currently engaging with their teams by holding discussions to refine local actions. Regular corporate communications would follow to help increase the visibility of actions being taken.

17/27.3 **RESOLVED: That the findings for the staff engagement survey be noted and the monitoring by Members of the identified improvements against Risk 001 Failure to Secure a one team approach to the new Service be agreed.**

(Cllr Ridout left the meeting)

17/28 Amendments to the Community Safety Plan

17/28.1 Having consulted the Chairman of the Authority about the wording for Priority 4 *Making every penny count* in the Community Safety Plan, the Chairman of this

Committee asked Members to signify their contentment with this late item to the Agenda requested by the Authority at its recent meeting.

17/28.2 **RESOLVED: That the amended wording to the Community Safety Plan 2017 – 21 be approved.**

17/29 Date of Next Meeting

17/29.1 The chairman confirmed the date of the next Finance, Governance and Audit Committee would be held on 29 September 2017 at DWFRS HQ, Salisbury.

Signed: _____