



**DORSET & WILTSHIRE
FIRE AND RESCUE
AUTHORITY**

**DRAFT Minutes of the
Finance & Governance Committee
held at 11:00 hours on Thursday 7 March 2019 at the
Dorset & Wiltshire Fire and Rescue Service Headquarters, Salisbury**

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

Members present: Cllr Bob Jones (Chairman), Cllr Byron Quayle (Vice Chairman), Cllr Richard Biggs, Cllr Malcolm Davies, Cllr Peter Hutton, Cllr Brian Mattock, Cllr Ann Stribley, Cllr Pip Ridout

Officer attendance: Chief Fire Officer (CFO), Ben Ansell; Director of Finance and Treasurer, Mr Phil Chow; Deputy Clerk & Monitoring Officer, Ms Grace Evans; Deputy Chief Fire Officer (DCFO), Derek James; Director of Service Support, Temporary Assistant Chief Fire Officer (T/ACFO) Byron Standen; Director of Community Safety, Assistant Chief Fire Officer (ACFO), Jim Mahoney; Director of Service Improvement, Assistant Chief Fire Officer (ACFO), Mick Stead; Director of People Services, Ms Jenny Long; Head of Financial Services, Mr Ian Cotter; Head of Strategic Planning & Corporate Assurance, Mrs Jill McCrae; Head of Information and Communications, Mrs Vikki Shearing

Guests: Deloitte LLP Associate Director, Ms Michelle Hopton; Gateway Assure Engagement Director, Mr Robin Pritchard; South West Audit Partnership (SWAP) Internal Audit Services Assistant Director, Moya Moore

19/01 Welcome

19/01.1 The Chairman opened the meeting and welcomed attendees.

19/02 Apologies

19/02.1 There were no apologies.

19/03 Code of Conduct, Declarations of Interest and Notifications of Any Other Business

19/03.1 The Chairman asked the meeting for any disclosures of pecuniary interests under the Localism Act. There were no disclosures.

19/04 Minutes of the Finance & Governance meeting on 7 December 2018

19/04.1 The Chairman asked Members to review and approve the minutes from the last meeting.

19/04.2 CFO Ansell commented on the action under item 18/24.46 (Apprenticeships) and apologised for no paper being present. Through the Chairman, CFO Ben Ansell invited the Director of People, Ms Jenny Long to comment.

19/04.3 Ms Long advised Members that currently there was a great deal of work being undertaken on apprenticeships at national and regional level. She added that as a result of which the Service would be in a better place to present a paper on apprenticeships to Members at their meeting in July. Ms Long confirmed that this would provide the opportunity for some of the work being undertaken to come to fruition.

19/04.4 **RESOLVED: That the minutes be confirmed without amendment and signed by the Chairman as a correct record.**

19/05 External Audit 2018-19 Progress Report

19/05.1 Deloitte Associate Director, Ms Michelle Hopton joined the meeting and outlined the report to Members, which provided them with progress. This followed the interim audit work carried out by Deloitte LLP in respect of the Dorset & Wiltshire Fire and Rescue Authority's (the Authority) 2018-19 financial statements.

19/05.2 Ms Hopton confirmed to Members that there had been no change in significant risks. She added that updated key control thresholds for materiality have changed and this was covered within the report.

19/05.3 Ms Hopton advised Members that exit from the European Union (EU) may impact, and be reflected in, property valuations. She confirmed that this would be reviewed.

19/05.4 Members signified their contentment with this report.

19/05.5 **RESOLVED: Members noted the external audit 2018-19 progress report.**

19/06 Internal Audit Quarterly Report

- 19/06.1 Gateway Assure Engagement Director, Mr Robin Pritchard, advised Members that during Quarters (Q) 3 and 4, four audits had been undertaken, he then provided Members with an overview of each audit.
- 19/06.2 Performance Monitoring:
Mr Pritchard assured Members that the audit had reviewed performance monitoring by benchmarking which included looking at Lancashire Fire and Rescue Service and advised that the Authority's plan was sufficiently robust. He added that some other organisations used a more pictorial and visual approach when reporting.
- 19/06.3 Mr Pritchard acknowledged the innovative approach to local performance and scrutiny providing comment that a dashboard approach would improve the timeliness of reporting. The Chairman advised Members that a move to live data through a dashboard was in progress, with a Members' working group already in place.
- 19/06.4 Integrated Risk Management Planning (IRMP):
Mr Pritchard confirmed to Members that there was a requirement to publish the IRMP in line with national fire and rescue framework, and that the Authority's plan was robust and well developed.
- 19/06.5 Procurement and Value for Money (VFM):
Mr Pritchard outlined his findings within the procurement and VFM audit. He added that officers who sign off on purchase orders were undertaking extra training to support better VFM purchasing potential.
- 19/06.6 The Director of Service Support, T/ACFO Byron Standen, confirmed that proper procurement frameworks and good practices were in place, but acknowledged that there were some areas under review, with additional training and action being undertaken to address the issues.
- 19/06.7 T/ACFO Standen added that an electronic 'request for quotation' system would be introduced shortly to support managers which would allow for better performance monitoring. He indicated that a peer review of procurement would be carried out later in 2019 and a further internal audit would be undertaken by SWAP in Q4 of 2019/20.
- 19/06.8 Members discussed the highlighted risk within procurement processes and reiterated their support of the procurement procedures. Members acknowledged that VFM was important especially when considering the financial constraints upon the Authority.

- 19/06.9 In ending Mr Pritchard confirmed to Members that the procurement processes did not constitute a fundamental risk as there were no other risks identified.
- 19/06.10 The Chairman thanked Gateway Assure and Mr Pritchard for their support and input for the past three years.
- 19/06.11 **RESOLVED: Members approved the management responses.**

19/07 Internal Audit Progress Report

- 19/07.1 The Head of Strategic Planning and Corporate Assurance, Mrs Jill McCrae, advised Members that this report provided them with an update on the progress of work against the recommendations made by Internal Audit, Gateway Assure. Mrs McCrae confirmed that good progress was reported as identified and detailed within Appendix A - Audit Improvement Plan.
- 19/07.2 Mrs McCrae advised Members that energy management improvements were all confirmed as being on track and highlighted the delay in terms of the On-Call action, inviting T/ACFO Standen to provide further details.
- 19/07.3 T/ACFO Standen gave an overview of an agreement in principle with the respective representative bodies which would now be taken forward for negotiation.
- 19/07.4 **RESOLVED: Members approved the progress made.**

19/08 Internal Audit Strategy 2019-20 and Charter

- 19/08.1 Mrs McCrae introduced the SWAP Assistant Director, Ms Moya Moore, advising that the change in our internal auditor was a result of going through the procurement process.
- 19/08.2 Mrs McCrae confirmed to Members, that following the appointment of the new internal auditor, the internal audit strategy (Appendix A of the report) detailed the proposed audit coverage that the internal audit team would deliver each financial year from 2019-20 to 2022-23.
- 19/08.3 Ms Moore advised Members that the delivery of an internal audit programme of work that provided sufficient and appropriate coverage, would enable SWAP to provide a well-informed and comprehensive year-end annual internal audit opinion.
- 19/08.4 Ms Moore advised Members that the purpose of the Internal Audit Charter (Appendix B of the report) was to set out the nature, role, responsibility, status and authority of internal auditing within the Service and to outline the scope of internal audit work.

- 19/08.5 The Chairman asked if Members had any questions or guidance for the new audit team. Members confirmed their satisfaction with the Strategy and the Charter.
- 19/08.6 **RESOLVED: Members approved the Internal Audit Strategy and Charter.**
- 19/09 Financial Monitoring Report Quarter 3**
- 19/09.1 The Head of Financial Services, Mr Ian Cotter, confirmed to Members that the report provided an analysis of the current financial position for the 2018-19 financial year, reflecting actual spend to 31 December 2018.
- 19/09.2 Mr Cotter advised Members that overall the revenue and capital budget positions remain positive, with the forecast revenue underspend increasing from £200k to £256k, as a result of additional savings on employee costs.
- 19/09.3 Mr Cotter advised Members that total useable reserves were forecast to reduce by £4.958m within the year, showing the anticipated position by 31 March 2019 of £17.34m. He added that the main reductions covering use of Transformation Reserves and use of Capital Replacement Reserves could be seen in detail in Appendix B.
- 19/09.4 Mr Cotter further advised Members that the revised capital programme totalling £8.306m was approved by the Authority in December 2018. Mr Cotter added that Section 4 of the report, and Appendix C, highlighted some further changes to take account of current progress with the various capital projects. The outturn estimate was now £7.323m.
- 19/09.5 **RESOLVED: Members noted the current financial position as at 31 December 2018.**
- 19/09.6 **RESOLVED: Members approved the use of capital financing savings to make additional revenue contributions to finance the capital programme.**
- 19/10 Integrated Risk Management Plan strategic principles (revised)**
- 19/10.1 The Director of Service Support T/ACFO Byron Standen, reminded Members that at the meeting of the Policy and Resources Committee on the 19 May 2016, former Members approved the IRMP which included agreeing the principles that underpinned and shaped the work undertaken by the Communities Programme.
- 19/10.2 T/ACFO Standen further reminded Members that a paper was subsequently presented to the Authority on the 13 December 2018, by the Director of Service Improvement, ACFO Mick Stead.

- 19/10.3 T/ACFO Standen advised Members that the paper proposed revisions to strategic principles four and nine. He added that at the previous Authority meeting it was also suggested by the Chief Fire Officer that it would be beneficial to consider minor changes to the wording of principles one and eight. CFO Ansell advised that following a debate by Members, it was agreed that for good governance, a revised paper would be submitted to the Finance & Governance Committee that included all the proposed changes.
- 19/10.4 T/ACFO Standen advised Members of the proposed changes within the IRMP principles with Members considering each point in turn. It was highlighted that the IRMP principle review maintained focus on meeting corporate responsibilities to deliver a balanced financial budget.
- 19/10.5 CFO Ansell provided Members with a briefing about the Fire and Rescue Services Act (2004) to illustrate core functions and statutory duties. Non-statutory calls were minimal and include such things as flooding and will only be undertaken where affordable within the Medium Term Finance Plan.
- 19/10.6 Members discussed recharging where entries to dwellings were made in support of individuals collapsed behind closed doors. CFO Ansell advised Members that the Service would not charge in these instances as it was felt appropriate to support vulnerable people in this way. He added that recharging would be made, where appropriate, for the delivery of services that did not affect the wellbeing of vulnerable individuals.
- 19/10.7 The Chairman confirmed to Members he was fully in support of this proposed change.
- 19/10.8 **RESOLVED: Members agreed the changes to the IRMP principles for recommendation at the full Authority meeting on 6 June 2019.**
- 19/11 Performance Report Quarter 3**
- 19/11.1 Mrs McCrae confirmed to Members that this paper sets out the performance achieved in Quarter 3, covering the period 1 October 2018 to 31 December 2018.
- 19/11.2 Mrs McCrae reminded Members that the Service's performance was reviewed around the strategic priorities set out in the Community Safety Plan, adding that this Committee oversees the performance against Priorities 4 and 5 - *Making Every Penny Count* and *Supporting and Developing our People*, with the Local Performance and Scrutiny Committees scrutinising service delivery performance at a local level.
- 19/11.3 Mrs McCrae confirmed to Members that there were no new significant issues to raise with Members at this time and good progress was being made.

- 19/11.4 Members commented on Member development having been poorly attended. The Chairman asked the Democratic Services Officer, Mrs Taylor, to look for other courses to recommend to Members.
- 19/11.5 Mrs McCrae advised Members that Officers were available to provide detail and to respond to Members queries. Members were content with Officers' reports and responses to questions.
- 19/11.6 CFO Ansell advised that the recent round of 'Chief Officer question times', where staff have the opportunity to phone in and ask questions of the CFO and other strategic leaders, had been very well received.
- 19/11.7 **RESOLVED: Members approved the Performance Report Quarter 3 (Appendix A of the report)**
- 19/11.8 **ACTION: Democratic Services to look for Member Development opportunities and invite Members to attend.**

19/12 Strategic Risk Register

- 19/12.1 Mrs McCrae introduced this paper which provided Members with the latest position of the strategic risk register and associated controls. Mrs McCrae added that the strategic risk control mitigations were activities within the Service Delivery Plan, with progress reported to Members within the quarterly performance reports.
- 19/12.2 Mrs McCrae advised Members that commentary against the risks was provided on an exception basis, where an issue requires escalating and reporting.
- 19/12.3 Mrs McCrae confirmed to Members that this report provided Members with assurance of the positive progress made against all strategic risks. She noted that that sufficient progress had been made against risk 232 '*Failure to transform our workforce to meet the future needs of the Service*', which indicated the potential for its removal from the strategic risk register in the coming months.
- 19/12.4 Mrs McCrae confirmed that the report highlighted the national and local increase in cyber threats and security and recommended the addition of risk 301 '*Failure to protect the Service against cyber threats and attacks*' to the strategic risk register. This was thought appropriate to ensure transparency until a clear assessment was made by officers against newly issued national standards.
- 19/12.5 Mrs McCrae advised Members that the wording within the recommendation was incorrect and should read "Members are asked to approve the addition of risk 301, Cyber security breach, to the Strategic Risk Register".

- 19/12.6 **RESOLVED: Members agreed the strategic risks and mitigations set out in Appendix A of the report.**
- 19/12.7 **RESOLVED: Members approved the addition of risk 301, Cyber security breach, to the Strategic Risk Register.**

19/13 Committee Work Programme 2019-20

- 19/13.1 Mrs McCrae introduced the report to Members advising that it outlined the work programme for the Committee for 2019-20.
- 19/13.2 Mrs McCrae confirmed to Members that seminars have been booked and these sessions would be SWAP Internal Audit in July and Cyber Resilience in September.
- 19/13.3 **RESOLVED: Members approved the outline work programme for 2019-20.**

19/14 Date of Next Meeting

- 19/14.1 The Chairman confirmed the date of the next Finance & Governance meeting as Wednesday 24 July 2019 at Dorset & Wiltshire Fire and Rescue Service Headquarters, Five Rivers Health and Wellbeing Centre, Hulse Rd, Salisbury SP1 3NR, from 11am.

The meeting closed at: 12:25 hrs

Signed: _____