



**Minutes of the Finance & Audit Committee held at 10:00am on Friday 6 December 2019 at the Dorset & Wiltshire Fire and Rescue Service Headquarters, Salisbury**

Members present: Cllr Bob Jones (Chairman), Cllr Abdul Amin, Cllr Richard Biggs, Cllr Paul Hilliard, Cllr Peter Hutton, Cllr Pip Ridout, Cllr Ann Stribley.

Officer attendance: Head of Financial Services and Treasurer, Ian Cotter; Clerk & Monitoring Officer, Jonathan Mair; Deputy Chief Fire Officer (DCFO), Derek James; Director of Service Support, Assistant Chief Fire Officer (ACFO), Byron Standen; Director of People Services, Jenny Long; Head of Strategic Planning & Corporate Assurance, Jill McCrae; Head of Information and Communications, Vikki Shearing; Management Accountant, Charlie Windebank; Corporate Governance Manager, Nicki Whitehouse; Democratic Services Officer, Marianne Taylor.

Guests: Michelle Hopton (Deloitte LLP); Moya Moore SWAP (South West Audit Partnership) Internal Audit Services.

**19/39 Welcome**

19/39.1 The Chairman opened the meeting and welcomed attendees. He updated Members by advising that since the last meeting, he had met with the External Auditors and attended a seminar run by SWAP Internal Audit Services.

**19/40 Apologies**

19/40.1 Apologies were received from Cllr Brian Mattock; Deputy Monitoring Officer Grace Evans; Chief Fire Officer, Ben Ansell and Director of Community Safety, Assistant Chief Fire Officer, Jim Mahoney.

**19/41 Code of Conduct, Declarations of Interest and Notifications of Any Other Business**

19/41.1 The Chairman asked the meeting for any disclosures of pecuniary interests under the Localism Act. There were no disclosures.

- 19/42 Minutes of the Finance & Governance meeting on 19 September 2019**
- 19/42.1 The Chairman asked Members to review and approve the minutes from the last meeting.
- 19/42.2 **RESOLVED: that the minutes be confirmed without amendment and signed by the Chairman as a correct record.**
- 19/43 External Audit Update 2019-20**
- 19/43.1 Michelle Hopton (Deloitte LLP) presented the paper and referred Members to the Audit Plan in appendix B. She outlined the following areas where the testing would be focussed; property valuations, management override of controls, completeness and cut off of expenditure and pension liabilities. She explained that 'pension liabilities' was a new risk, added this year, as judgements were still to be made resulting from the McCloud case. She reported that pension specialists would be engaged to look at any related liabilities.
- 19/43.2 Members noted the content of the Annual Audit Letter in appendix A and that this formally concluded the audit process for the 2018-19 financial year.
- 19/43.3 **RESOLVED: Members noted and received the Annual Audit Letter (appendix A) for 2018-19.**
- 19/43.4 **RESOLVED: Members noted and received the External Audit Plan (appendix B) for 2019-20.**
- 19/44 Internal Audit Quarterly Report**
- 19/44.1 Moya Moore, SWAP Internal Audit Services, advised Members that two audits had been carried out in quarter 3, on business continuity & multi-agency response and recruitment & workforce planning. Both had received substantial assurance ratings. She reported that there had been no recommendations from the business continuity & multi-agency response audit. There were three minor recommendations about policies and procedures, that are currently under review, from the recruitment and workforce planning audit.
- 19/44.2 In answer to a question from a Member about the business continuity audit, Moya Moore advised that the review had focussed on the availability and governance of the plans, rather than the detail within them. She added that she had a meeting planned with the Head of Strategic Planning & Corporate Assurance, Jill McCrae, in January 2020, to discuss the Audit Plan going forward. She confirmed that cyber security will be likely to be included.

19/44.3 Jill McCrae provided reassurance to the Committee on the Service's cyber security arrangements and internal procedures including well tested plans. She added that cyber security remains a constantly changing national threat to the Service.

19/44.4 **RESOLVED: Members considered the findings of the audits and approved the management responses.**

#### **19/45 Internal Audit Progress Report**

19/45.1 Jill McCrae presented the report, highlighting the positive progress and informing the Committee that there were no recommendations to extend any target dates. She reported that the payroll reconciliation was now complete and added that the two actions relating to the ICT Roadmap were on track to be delivered by 31 December 2019.

19/45.2 **RESOLVED: Members reviewed and approved the progress made.**

#### **19/46 Financial Monitoring Report Quarter 2**

19/46.1 The Head of Financial Services and Treasurer, Ian Cotter, presented the report which provided the current financial position for 2019-20. He advised Members that there was a projected underspend of £397k in the current year. He referred to section 2 of the report, explaining the ill health retirement costs on page 3 which were linked to an ageing workforce, an issue that had been highlighted in the Strategic Assessment of Risk. He confirmed that there was a reserve for this purpose, but there was a need to save some of this for future years.

19/46.2 Ian Cotter referred Members to section 4 of the report and reported that the revised Capital Programme was currently £4.7m. He reminded Members that the cost of the 19 appliances currently on order, but not scheduled for delivery until 2020-21, would be accounted for in the 2020-21 financial year, resulting in a one-off saving to the Capital Programme for 2019-20. He also referred to a number of other areas of the Capital Programme where the costs were being re-profiled across financial years.

19/46.3 Ian Cotter reported that the Service undertook new borrowing of £4.4m in August 2019 to reduce the level of under-borrowing and take advantage of favourable interest rates. He is assuming a further £5m of borrowing may be required before the end of the financial year. Members were asked to approve an additional revenue contribution to capital funding of £750k this year, to help reduce future borrowing costs and ease pressure on the Medium-Term Finance Plan.

19/46.4 In answer to a Member's question, Ian Cotter confirmed the uncertainty in terms of grant funding relating to higher pension contribution rates after 2021-22.

19/46.5 **RESOLVED: Members noted the current financial position as at 30 September 2019.**

19/46.6 **RESOLVED: Members approved the use of underspend to finance £100k of additional ill-health retirement costs.**

19/46.7 **RESOLVED: Members approved the use of underspend to make additional capital financing contributions of £750k.**

## **19/47 Performance Report Quarter 2**

19/47.1 Jill McCrae introduced the report and Officers provided the Committee with a summary of progress as detailed in appendix A. DCFO Derek James reported that sound governance arrangements continue to be in place with no significant areas of concern and that the work to implement the Local Government Association (LGA) Governance Review recommendations would be reported to the Authority on 18 December. DCFO Derek James added that the Strategic Assessment of Risk would be discussed with Members at their Finance Seminar on 18 December.

19/47.2 DCFO Derek James advised Members that the Service had broadly aligned its performance and planning procedures to Her Majesty's Inspectorate of Constabularies and Fire and Rescue Services' methodologies, diagnostics, and judgement criteria to achieve more efficiency. He also advised Members that the Service is robustly managing its information compliance requirements.

19/47.3 In response to a Member's question, DCFO Derek James advised that the outcomes from the final tranche of inspections is likely to be published in the next month. He added that the next round of inspections is anticipated to take place in 2020.

19/47.4 DCFO Derek James confirmed to Members that he is encouraged by the high level of Adverse Occurrence Reports logged and also confirmed to Members that learning from adverse occurrences is cascaded to front line personnel and outlined the methods used for this, including the Health and Safety Committee. He confirmed that work-related absence was lower than that recorded for same quarter for 2018-19.

- 19/47.5 Ian Cotter reported that the financial planning principles which had been adopted by the Authority remain sound and will be used to support budget planning for 2020-21, details of which will be discussed at the Members' Finance Seminar in December. He confirmed that more work is being undertaken in relation to efficiencies and value for money.
- 19/47.6 The Director of Service Support, ACFO Byron Standen, outlined the procurement peer review undertaken by Devon & Somerset Fire and Rescue Service, which resulted in some good suggestions for improvement. He reported that the ICT Road Map is currently under review ensuring it supports the strategic direction of the Service. In response to a Member's question, he confirmed that the Head of ICT is working closely with end-users and Estates to ensure that their needs are met, and that longer-term requirements and opportunities are identified.
- 19/47.7 The Director of People Services, Jenny Long reported that heads of department were receiving improved establishment and budget information; giving them more control in support of staffing plans and business cases.
- 19/47.8 Jenny Long was pleased to report to Members that the Service had received the Defence Employer Recognition Scheme Silver Award and that the Service now advertises vacancies on the Career Transition Partnership website to support military personnel in advising them of the Service's vacancies.
- 19/47.9 Members discussed 'Have A Go' days and asked about the correlation between attendees and applicants. They also asked whether the new on-call pay model was described at these events. Jenny Long agreed to confirm this to Members.  
*Post meeting note: Everyone attending is told about the on-call pay model and has an opportunity to speak to existing staff about the on-call duty system in general. The data relating to 'Have a Go' days will be provided at the meeting on 5 March 2020.*
- 19/47.10 Jenny Long outlined the causes for absenteeism which often relate to muscular/skeletal disorders and confirmed to Members that staff can self-refer to physio. Members asked about the availability and location of physio.  
*Post meeting note: Jenny Long provided the following information: physio is available at two locations: Hamworthy (south) and Bromham (north) and staff can access up to six sessions.*
- 19/47.11 When discussing sickness data and in response to a number of questions and suggestions from Members, Jenny Long, agreed to include the numbers of people who were on long-term sick to provide extra context to the data.

19/47.12 Jenny Long confirmed to Members that the staff survey 'Eyes and Ears' was currently available for staff to complete and provide feedback to help the Service improve. She added that smarter working from home or local fire stations has been well used, with many corporate staff choosing to dial in to meetings from these locations. DCFO Derek James outlined the work being undertaken to harmonise the three staff groups and the One Team approach, including managers' sessions in January to look at how we can work better together.

19/47.13 **RESOLVED: Members scrutinised and approved the Performance Report Quarter 2, detailed in appendix A.**

19/47.14 **ACTION: The Director of People Services, Jenny Long to include the numbers of people who were on long-term sick to provide context to the sickness data.**

## **19/48 Strategic Risk Register**

19/48.1 Jill McCrae introduced the paper and appendix A to the report. She confirmed that there were no new emerging risks. She reported that the financial risk would remain on the register whilst there was financial uncertainty, and that the risk relating to the on-call system was still a risk to the Service. She reported good progress on the on-call pay model which was a mitigation control to the latter risk.

19/48.2 Responding to a question from a Member, Jill McCrae advised that the number of resilience department risks mostly relate to those on the Local Community Risk Registers held by the Dorset Local Resilience Forum and the Wiltshire & Swindon Local Resilience Forum (see appendix A page 3).

19/48.3 **RESOLVED: Members reviewed the strategic risks and mitigations set out in appendix A**

## **19/49 Date of Next Meeting**

19/49.1 The Chairman confirmed the date of the next Finance & Audit meeting as 5 March 2020 at Dorset & Wiltshire Fire and Rescue Service Headquarters, Five Rivers Health and Wellbeing Centre, Hulse Road, Salisbury SP1 3NR, from 11am.

The meeting closed at: 11:20am

Signed: \_\_\_\_\_