



**Draft Minutes of the Finance & Audit Committee held at 10:00 hours on
3 March 2021. This was an online meeting held in Microsoft Teams.**

These are draft minutes prepared by Officers to be approved by the Finance & Audit Committee at its next meeting.

Members present:

Cllr Bob Jones (Chairman)
Cllr Richard Biggs
Cllr Peter Hutton
Cllr Kevin Small

Cllr Paul Hilliard
Cllr Pip Ridout
Cllr Ann Stribley

Officer attendance:

Chief Fire Officer, Ben Ansell
Head of Financial Services & Treasurer, Ian Cotter
Deputy Clerk & Monitoring Officer, Grace Evans
Deputy Chief Fire Officer (DCFO), Derek James
Director of Community Safety, Assistant Chief Fire Officer (ACFO), Jim Mahoney
Director of Service Support, Assistant Chief Fire Officer (ACFO), Byron Standen
Director of People Services, Jenny Long
Area Manager (AM), Service Support, Andy Cole
Head of Service Improvement, Jill McCrae
Head of Corporate Support, Vikki Shearing
Democratic Services Support, Steph Howard

Guests:

Michelle Hopton - Deloitte LLP
Dan Newens - South West Audit Partnership (SWAP) Internal Audit Services

21/01 Welcome

21/01.1 The Chairman opened the meeting and welcomed attendees.

21/02 Apologies

21/02.1 Apologies were received from Cllr Brian Mattock (Vice Chairman). Due to technical difficulties Cllr Pip Ridout was unable to attend the start of the meeting.

- 21/03 Code of Conduct, Declarations of Interest and notifications of any other business**
- 21/03.1 The Chairman asked the Members for any disclosures of pecuniary interests under the Localism Act. There were no disclosures.
- 21/04 Review and approve Minutes of the Finance & Audit Committee meeting on 4 December 2020**
- 21/04.1 The Chairman asked Members to review and approve the minutes from the last meeting.
- 21/04.2 Chief Fire Officer (CFO) Ben Ansell drew the Members' attention to paragraph 20/32.4, which related to Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) Coronavirus inspection. He commented that the results were received on the 22 January and had been discussed at the Authority meeting on the 11 February.
- 21/04.3 **RESOLVED: that the minutes be confirmed without amendment and signed by the Chairman as a correct record.**
- 21/05 External Audit Plan and Annual Audit Letter**
- 21/05.1 Michelle Hopton (Deloitte LLP) reported that the 2021 planning was well underway. She presented the papers and referred Members to several key points.
- 21/05.2 Michelle Hopton reported that the materiality calculation had been generated on a consistent basis from previous years and that there had been no change in the approach this calculation.
- 21/05.3 Michelle Hopton brought Members' attention to the significant audit risks on page 12 of appendix B, which were consistent with what had been covered in previous years. This focussed on completeness of accruals and creditors, management override of controls and pension liabilities. She confirmed that Deloitte had reduced the risk level for property valuations, which had been covered as a significant risk level for the previous two years. She commented that it was recognised there was no risk to the approach, no change in valuers and there had been no previous issues.
- 21/05.4 Michelle Hopton reported that there had been a change to the audit requirements and highlighted the 'value for money' section on page 16. She confirmed that the National Audit Office had changed the guidance on how auditors were required to audit value for money, whereby the requirements and remit had been expanded on and Deloitte were required to provide a written report assessing the governance arrangements. She also brought Members' attention to a change to the ISA540 standard,

auditing accounting estimates and related disclosures, which meant there would be more focus on Authority's processes and controls over estimates, for example, those related to property valuations and pensions liabilities.

21/05.5 A discussion took place between Members and Officers regarding the value for money piece of work and the best use of public money. Cllr Jones confirmed that this was additional work and will be part of the audit trail.

21/05.6 **RESOLVED: Members received and noted the Annual Audit Letter for 2019-20.**

21/05.7 **RESOLVED: Members received and commented on the External Audit plan for 2020-21, in particular the significant audit risks highlighted and changing audit requirements.**

21/06 Internal Audit Plan 2020-2021 and Audit Charter

21/06.1 Head of Service Improvement, Jill McCrae introduced the report and referred Members to the Internal Audit Strategy and Plan in appendix A. She explained that Officers had worked with the internal auditors to review the proposed Internal Audit Plan to ensure that it remains appropriate and reflective of the threats and risks to the Authority. It had been aligned to Service priorities and eight 'themes of a healthy organisation'.

21/06.2 Jill McCrae took Members through the proposed planned audits as detailed on pages 7 and 8 of appendix A. She reported that two audits per quarter would be carried out.

21/06.3 Principle Auditor, South West Audit Partnership (SWAP), Dan Newens explained that the Audit Charter in appendix B had been reviewed to ensure it remained up to date and accurate in accordance with the Code of Ethics and Standards for the Professional Practice of Internal Auditing as set by the Institute of Internal Auditors and further guided by interpretation provided by the Public Sector Internal Audit Standards (PSIAS) and the CIPFA Local Government Application Note. He had no further points to highlight to Members.

21/06.4 **RESOLVED: Members approved the Internal Audit Plan 2021-2022.**

21/06.5 **RESOLVED: Members approved the Internal Audit Charter.**

21/07 Internal Audit Quarterly report - quarter 4

- 21/07.1 Dan Newens presented the report and referred Members to page 3 of appendix A. He explained that three audits had been carried out during quarters 3 and 4 in accordance with the audit plan. Dan Newens confirmed that the ICT asset management review, detailed on pages 5 to 8, received an adequate opinion and that reviews on the Project Management Framework (pages 10 & 11) and People Development (pages 12 & 13) both received substantial opinions. He explained that areas of good practice had been reported alongside details of the risks, objectives findings, recommendations and management responses.
- 21/07.2 Dan Newens reported on the full list of audits on pages 14 and 15 and commented that the results from the opinion column were positive.
- 21/07.3 Several questions were raised by Members. Jill McCrae gave assurance that as part of the evaluation arrangements, where projects had been completed, progress and the benefits which had been realised would be reported through the performance reporting process and that this information would be received within the performance report at Authority meetings.
- 21/07.4 **RESOLVED: Members considered the findings of the audits and approved the management responses.**

21/08 Internal Audit Progress report

- 21/08.1 Jill McCrae explained that this report covered any audit recommendations which were provided by SWAP.
- 21/08.2 Jill McCrae took Members through appendix A of the report and confirmed the items completed and provided assurance of the progress of the outstanding actions. She added that the Members' Code of Conduct was approved at the 11 February Authority meeting and that there had been a delay in the two Health & Wellbeing recommendations, where the target dates had been pushed back to 30 September and 31 December 2021. Jill McCrae confirmed that there were no other actions outstanding.
- 21/08.3 **RESOLVED: Members reviewed the progress made.**

21/09 Financial Monitoring report

- 21/09.1 This item was moved within the agenda and was to be considered after item number 21/12.

21/10 Performance report quarter 3

- 21/10.1 Jill McCrae introduced the report and Officers took Members through each Key Line of Enquiry (KLOE) within appendix A. Jill McCrae reported that good business continuity arrangements continued to be in place, and this was confirmed as part of the HMICFRS report received in January. She explained that a 'horizon scan' was carried out every 12 months to progress these arrangements, considering risks, threats and challenges and delivering a programme of work. Jill McCrae confirmed that the next 'horizon scan' was due in March/April 2022.
- 21/10.2 ACFO Byron Standen referred Members to page 3 of the appendix which covered procurement and explained that this work continued to progress well however, there had been some delays with suppliers and contractors due to furloughing. ACFO Standen explained that this was being actively managed, in particular, Officers had been working with Scandia in Avonmouth and Swindon to speed up the process in obtaining 19 new fire engines. Six would be in service by the end of March and the remainder in place by the end of 2021-22.
- 21/10.3 ACFO Standen reported that there had been a small delay on the capital programme in Estates (page 4) and, following completion of a longer-term estate analysis, the integrated premises assets management plan was extended from five to seven years. This would flatten the capital expenditure programme, whilst maintaining regulatory compliance. The planned maintenance programme had been impacted with some capital work expected to be completed in April or early May.
- 21/10.4 ACFO Standen highlighted that following an ISO 55001 Asset Management gap analysis, an action plan to address identified areas for improvement was produced, this report was scheduled to be reviewed on 17 March.
- 21/10.5 ACFO Standen referred Members to page 5 of the appendix and explained that the Environmental Sustainability Framework was progressing. The Service had managed to secure sufficient funds to start work on LED lighting, which would reduce carbon output and utility costs longer term. He explained that there had been a significant reduction in travel costs which had been reflected in revised fuel budgets. ACFO Standen confirmed that the Service wished to maintain this way of working which would maintain both revenue reduction and carbon outputs.
- 21/10.6 ACFO Standen explained that the ICT department's overall delivery plan remained on track and had implemented several key areas such as upgrades to the Virtual Private Networks and firewalls, as well as improved Wi-Fi across the estate to enable the Service to maintain delivery of key services. The asset management software had also been introduced which would further improve cyber security.

- 21/10.7 ACFO Standen highlighted that the Service had been named within the Local Government Association Fire Services Management Committee report which would be presented on the 5 March in terms of how the Service was using the Emergency Services Network to improve resilience and minimise the time to mobilise fire engines.
- 21/10.8 Jill McCrae reported on the Community Risk Management Plan which had been taken to the Authority meeting in February. She explained how the Service delivered this plan through the Strategic Assessment of Risk (SAR), Medium Term Financial Plan and then into the Community Safety Plan. She confirmed that there were robust arrangements in place which aligned to the requirements of the national framework and fire standards.
- 21/10.9 Head of Financial Services & Treasurer, Ian Cotter, confirmed that the balanced budget had been agreed at the Authority meeting in February. He reported that the Service was continuing with the Resourcing and Savings programme work, with Members being updated in planned seminars throughout the coming year. Officers will continue to lobby for the £5 precept flexibility and look at how the Service could influence the strategy with the National Fire Chiefs Council, leading into the spending review.
- 21/10.10 DCFO Derek James reported that the British Standards Institute auditors undertook a routine ISO 45001 audit which produced only four minor non-conformities and one opportunity for improvement. An action plan was being progressed to address these minor issues.
- 21/10.11 DCFO James reported the Service had a corporate target to reduce the number of working days lost to physical work-related injuries and ill health by 5% each year. He reported this would not be achieved due to a low number of people on long-term sickness and/or recovery and the delays in NHS treatment due to the pandemic.
- 21/10.12 DCFO James confirmed that adverse occurrence events had risen, with no major trends and, if the Covid incidents were removed, the Service was reporting a similar trend to previous years. He reported that there were three reportable Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013 (RIDDOR) incidents, which was the same number as last year.
- 21/10.13 Jill McCrae reported on the effective governance and decision-making arrangements which were overseen and scrutinised by Authority Members via numerous committees, performance reports and Member seminars. Jill McCrae confirmed that consultation on the draft Community Safety Plan was now underway and available on the Services' website.
- 21/10.14 Jill McCrae reported that, through an independent peer review by the Local Government Association (LGA), the Authority's governance arrangements received positive assurance. She confirmed that all recommendations had been signed off at the Authority meeting in February.

- 21/10.15 Head of Corporate Support, Vikki Shearing, provided Members with assurance of the arrangements in place to effectively manage data in compliance with legal requirements. She reported that 83% of subject access requests were responded to within the required timescales, 87% of Freedom of Information requests were dealt with within 20 working days and 100% of complaints were responded to within 14 working days.
- 21/10.16 Vikki Shearing reported good progress being made against the cyber action plan to achieve Cyber Essentials and comply with National Cyber Security standards. She confirmed that 11 security incidents had been reported, providing assurance that there were no data compromises, and that the Service would continue to monitor security incidents on a weekly basis, whilst National threat levels were high. She also reported that 88% of staff had completed the Information Security/Data Protection e-learning package.
- 21/10.17 Vikki Shearing reported that the Digital Transformation programme was progressing well, enabling the Service to maximise the use of Office365 technology, which supports remote working and had allowed further efficiencies whilst effectively managing organisational data.
- 21/10.18 Members and Officers took part in a discussion regarding face to face and remote Authority meetings. Officers assured Members that a hybrid solution which ensured compliance with legal requirements under the Local Government Act would be progressed.
- 21/10.19 Director of People Services, Jenny Long reported on workforce wellbeing (page 13), she confirmed that there had been no significant impact on sickness absence due to the Coronavirus and gave assurance that this would continue to be monitored. She referred Members to the sickness data in the table on page 15. Jenny Long reported that the corporate target for average sickness levels was 2.50 shifts lost per person (wholetime/corporate/fire control), but the actual absence figure was 2.51. However, the year-to-date shifts lost for these three staff groups was positive with 5.74 shifts lost against the target of 6.80 shifts lost. She reported that 94% of staff passed their fitness test and 21 members of staff were placed on fitness improvement plans.
- 21/10.20 Jenny Long reported good progress was being made to embed the competence recording system which showed a positive picture in terms of increased engagement and achievement of targets set for maintenance of skills competencies. She confirmed that the Annual Training Action Plan and on-call quarterly training programme was continually being adapted. Training was supplemented by additional e-learning and virtual course delivery, with a new online 'learning hub' launched in November 2020 to enhance the learning package.

- 21/10.21 Vikki Shearing confirmed the internal communications and engagement plan was on track. She established that the focus had been on supporting, listening to and giving all staff the opportunity to engage and referred to the list on page 18 which gave an indication of some of the positive work being achieved. She confirmed the continuing engagement with representative bodies through regular liaison meetings.
- 21/10.22 Jenny Long reported on the wholetime recruitment campaign which was launched in quarter 3, where 1,291 registrations were received. She confirmed that recruitment was now at the interview and presentation stage. She reported that the quarterly workforce profile report monitors trends in new starters and leavers and had not highlighted any areas of concern in terms of age, gender, or any other protected characteristics. Pleasingly, 25% (3 out of 12) of on-call starters in this quarter were female which showed a positive trend from the last quarter.
- 21/10.23 Members took part in a discussion involving the trends of under-represented groups and the data which could be drawn on throughout each stage of the process. Jenny Long assured Members that this data was available and scrutinised and could be reported to Members if required.
- 21/10.24 Jenny Long reported on leadership and capability (KLOE 11). She confirmed that the delivery of a range of incident command training, assessment and refreshers had continued during quarter 3. The leadership programme and leaders forums moved to an online delivery, coaching courses continued online, and development pathways recently aligned to the new 1:1 review and promotions processes. Jenny Long reported that there were 27 members of staff undertaking apprenticeships covering a wide range of areas within the organisation.
- 21/10.25 **RESOLVED: Members reviewed and approved the quarter 3 performance report, as detailed in appendix A.**

21/11 Strategic Risk Register

- 21/11.1 Jill McCrae took Members through appendix A of the report, detailing the strategic risks of the Authority and provided an overview of the numbers of department risks for the Service, highlighting that there were no strategic risks emerging.
- 21/11.2 Jill McCrae highlighted risk 412 ('Failure to sufficiently resource potential changes to the fire safety and building safety regimes') and confirmed that due to the increased demand in Protection, 412 was a growing risk.

21/11.3 Jill McCrae went on to report that risk 413 ('winter preparedness') still remained high but was evolving and changing. She confirmed that this would focus on risks in the summer months when the pandemic lockdown restrictions would be easing and whilst exiting the EU. She provided assurance to Members of the work undertaken to mitigate this risk, including the Service's involvement with both Local Resilience Forums.

21/11.4 **RESOLVED: Members reviewed the strategic risks and mitigations set out in appendix A.**

21/12 Committee work programme 2021-22

21/12.1 Jill McCrae presented the report, explaining that appendix A provided Members with a programme of agenda for the year ahead for the committee

21/12.2 **RESOLVED: Members considered and approved the outline work programme for 2021-22.**

21/09 Financial Monitoring report

21/09.1 Due to a misunderstanding this agenda item was not considered at this meeting.

21.09.2 *Informative post meeting note:*
It was intended that the Finance & Audit Committee would reconvene on 16 June 2021 to consider the quarter 3 Financial Monitoring report. The reconvened meeting was to have been held immediately before the Authority's annual meeting. It has since been established that it would not be possible for the Finance & Audit Committee to meet on this date and, as the quarter 3 financial monitoring information would have been superseded by 16 June, with the agreement of the Finance & Audit Committee Chairman, no additional meeting of this committee would be arranged.

21/13 Date of next meeting

21/13.1 The Chairman confirmed the date of the next Finance & Audit Committee meeting as 28 July 2021.

21/14 To consider passing the following resolution:

In accordance with Section 100A (2) of the Local Government Act 1972, to exclude the press and public for the business specified below because it was likely that if members of the public were present there would be disclosure to them of exempt information as defined in Paragraph 3 of Part 2 of Schedule 12A to the Act and the public interest in withholding the information outweighs the public interest in disclosing the information to the public.

21/14.1 **RESOLVED: To close the meeting to the press and public.**

21/09a PART 2
Addendum to the Financial Monitoring report Q3

21/09a.1 Members noted the addendum and management action being taken.

21/15 PART 2
Insurance arrangements progress update

21/15.1 Members reviewed and discussed the report and recommendations were agreed.

The meeting closed to the public at 11.32.

Signed: _____