



**DORSET & WILTSHIRE
FIRE AND RESCUE
AUTHORITY**

Item 22/05

**DRAFT Minutes of the Finance & Audit Committee held at 10:00 hours on
Wednesday 8 December 2021 at the Dorset & Wiltshire Fire and Rescue Service
Headquarters, Salisbury**

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

Members present:

Cllr Byron Quayle (Chair)	Cllr Pip Ridout (Vice Chair)
Cllr Pete Barrow	Cllr Richard Biggs
Cllr Malcolm Davies	Cllr Paul Hilliard
Cllr Kelvin Nash	

Officer attendance:

Deputy Clerk & Monitoring Officer, Grace Evans
Head of Financial Services & Treasurer, Ian Cotter
Director of Community Safety, Assistant Chief Fire Officer (ACFO), Andy Cole
Director of People Services, Jenny Long
Head of Corporate Support, Vikki Shearing
Head of Service Support, Jill McCrae
Senior Executive & Democratic Services Manager, Gemma Kelly
Democratic Services Officer, Dave Shaw

Guests:

Michelle Hopton - Deloitte LLP
Laura Wicks - South West Audit Partnership (SWAP) Internal Audit Services

21/42 Welcome

- 21/42.1 The Chair opened the meeting and welcomed attendees. The Chair informed the meeting that following political changes, Bournemouth, Christchurch & Poole (BCP) Cllr Ann Stribley was no longer a Member of the Authority and the Finance & Audit Committee. He thanked her for her significant contribution to the work of the Authority over many years.

21/43 Apologies

- 21/43.1 No apologies were received from Members. Apologies were received from Chief Fire Officer Ben Ansell and Deputy Chief Fire Officer Derek James. In

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their absence, Director of People Services, Jenny Long undertook the role as operational adviser to the Chair.

21/44 Code of Conduct, Declarations of Interest and Notifications of Any Other Business

21/44.1 The Chair asked the meeting for any disclosures of pecuniary interests under the Localism Act. There were no disclosures.

21/45 Public Questions

21/45.1 No questions were received from members of the public.

21/46 Review and approve Minutes of the Finance & Audit Committee meeting on 15 September 2021

21/46.1 The Chair asked Members to review and approve the minutes from the last meeting.

21/46.2 In reference to Minute 21/35 – Statement of Accounts 2020-21, Ian Cotter, Head of Financial Services & Treasurer, informed the meeting of the need for a post meeting material change to the Statement of Accounts due to a late technical amendment highlighted by Deloitte LLP, the Authority's external auditors. The material change had been brought to the attention of the Chair and Vice Chair prior to the Statement of Accounts being signed.

21/46.3 In reference to Minute 21/38.2, Jenny Long, Director of People Services, updated the meeting that the provision of driver support to South Western Ambulance Service NHS Trust (SWAST) had been extended to the end of December, with a further extension being possible. In addition, in respect of Minute 21/39.6, the White Paper on fire reform had not been received, and a Members' seminar would be arranged in due course.

21/46.4 **RESOLVED: Members approved the minutes and were signed by the Chair as a correct record.**

21/47 Auditors' Annual Report 2020-21

21/47.1 Michelle Hopton, Deloitte LLP, introduced the report which replaced the Annual Audit Letter. It was confirmed that no significant weaknesses had been found in the audit work for 2020/21.

21/47.2 **RESOLVED: Members received and noted the Auditors' Annual Report 2020-21.**

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21/48 National Scheme for External Auditor Appointments

- 21/48.1 Ian Cotter presented the report. He stated that it had been indicated that the four constituent councils of the Authority might also choose the option of opting into the national auditor appointment scheme. There was also little appetite from other fire authorities to jointly procure an auditor following the procedures of the Act.
- 21/48.2 Members spoke of their support for opting into the national auditor appointment scheme. In reply to points raised in the debate, Ian Cotter highlighted that in all options it was anticipated that the cost of audit would increase due to of additional work resulting from changes in legislation.
- 21/48.3 The Chair observed that if the Authority appointed its own auditor there was a cost in taking this option and it was a possibility that the Authority could find that the auditor appointed would be the same as taking the route of the national auditor appointment scheme.
- 21/48.4 The Committee voted unanimously to support the option of opting into the national auditor appointment scheme.
- 21/48.5 **RESOLVED: That it be recommended to the meeting of the Fire and Rescue Authority at its meeting on 9 February 2022 to opt into the national auditor appointment scheme administered by a body designated by the Secretary of State as the ‘appointing person’. The body currently designated for this role was Public Sector Audit Appointments Limited (PSAA).**

21/49 Internal Audit Quarterly Report Quarter 3

- 21/49.1 Laura Wicks from South West Audit Partnership (SWAP) presented the report.
- 21/49.2 Laura Wicks answered Cllr Paul Hilliard’s queries regarding the monitoring of Strategic Leadership Team training and question on whether this could be enhanced by a specific Key Performance Indicator (KPI). Laura Wicks stated that there were no risks to performance from this not being monitored and therefore no recommendation to include a KPI.
- 21/49.3 In reply to a question from Cllr Richard Biggs, Jenny Long explained that areas of good practice, as highlighted in the audit, were shared with other fire authorities. This included Hampshire & Isle of Wight Fire & Rescue Service, which was also a partner organisation.
- 21/49.4 In answer to a question from Cllr Hilliard, Laura Wicks stated that the audit of fixed assets and inventories – stock, stores and equipment, would be a combination of in-person and remote contacts depending on the scope of the audit.

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- 21/49.5 **RESOLVED: Members considered the findings of the audits and approved the management responses.**
- 21/50 Internal Audit Progress Report**
- 21/50.1 Jill McCrae, Head of Service Support, introduced the report. The Committee was updated that all outstanding internal audit recommendations had been completed within timeframed targets. Therefore, the next Finance & Audit Committee agenda would include the work programme for 2022/23 rather than a further progress report.
- 21/50.2 In reply to a question from Cllr Biggs in relation to non-tangible assets, Jill McCrae advised that, where appropriate, the auditing of non-tangible assets formed part of the scope of audits undertaken by both internal and external audit, for example software licences and contracts.
- 21/50.3 **RESOLVED: Members reviewed and noted the progress of work against the outstanding internal audit recommendations.**

21/51 Financial Monitoring Report - Quarter 2 2021-22

- 21/51.1 Ian Cotter presented the report. Reference was made to paragraph 2.1.3 of the report, where the Home Office had now withdrawn its advice on the Immediate Detriment Framework and legal advice was therefore being sought via the Local Government Association (LGA). The updated situation would be reported to the Fire and Rescue Authority meeting on 15 December 2021. Further, in respect of paragraph 2.2.1, additional refunds following business rate valuations had now been received and this would be ongoing.
- 21/51.2 In reply to Cllr Biggs' question regarding the Service purchasing electric vehicles and providing charging points at stations, the officers referred to the Environmental Sustainability Strategy. It was noted that the Service would not be purchasing 'white fleet' vehicles within next year's budget whilst options were considered. Cllr Pete Barrow and the Chair observed that hydrogen powered vehicles were also a possible option.
- 21/51.3 Regarding Cllr Hilliard's question on the reduction in business rates valuations, Ian Cotter explained that in some cases property valuations had decreased by 20% which had led to substantial refunds from the collection authorities.
- 21/51.4 **RESOLVED: Members noted the current financial position as at 30 September 2021.**

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21/52 Performance Report - Quarter 2

- 21/52.1 Jill McCrae introduced the report and in conjunction with Vikki Shearing, Head of Corporate Support, reported on KLOE 6 – How well do we use resources to manage risks? In answer to Cllr Barrow’s question, it was observed that the officers would report to Members if a strategic risk began to manifest itself. Jill McCrae and ACFO Andy Cole also stated that they would discuss with Cllr Barrow (Dorset Local Performance and Scrutiny Committee Chair) outside of the meeting as to whether carbon reduction should have a reportable target and also the findings of the PESTELO analysis in the Dorset area.
- 21/52.2 In reply to a question from Cllr Hilliard regarding the Service’s supply chain and the risks of preventing stock from going out of date and of securing supplies, Jill McCrae explained that the Service had a list of suppliers and those that were critical had business continuity analysis at the time of procurement so that supply chain issues were resolved through forward planning. Cllr Barrow also asked if the audit of assets would include assurance that stocks were maintained at sufficient levels. Jill McCrae confirmed that this could be included within the scope of the audit.
- 21/52.3 In reply to a further question from Cllr Hilliard regarding the 18 new appliances that had been delivered to the Service, ACFO Cole stated that they were Type 1 vehicles with improvements over the previous version and had been well received by operational crews.
- 21/52.4 The Chair enquired if there was a policy in place to bring emerging risks to the attention of Members. Jill McCrae informed the meeting that any emerging risks would be highlighted through this quarterly report. She went on to highlight that risk management arrangements were included within the internal audit strategy and subject to audit on a regular basis, with the next being undertaken in 2022/23.
- 21/52.5 The Chair asked about cyber security and whether unauthorised access to the Service’s ICT infrastructure was possible through third party suppliers, including at fire stations. Vikki Shearing explained that suppliers were checked at the procurement stage to ensure that they had the required security standard arrangements in place and that stations were an integral part of the ICT infrastructure.
- 21/52.6 Ian Cotter reported on KLOE 7 – How well are we securing an affordable way of managing the risk of fire and other risks now and in the future? Ian Cotter commented that a Member seminar to cover finance was now proposed for January 2022.
- 21/52.7 Jill McCrae reported on KLOE 12 – How effective is the Occupational Health and Safety management system in the Service? In reply to Cllr Hilliard’s question, Jenny Long confirmed that financial provision had been made for possible ill health retirements for those on long term sick where appropriate.

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- 21/52.8 Vikki Shearing reported on KLOE 13 – Are effective governance and decision-making arrangements in place?
- 21/52.9 In answer to Cllr Biggs' question, Vikki Shearing explained that the procurement of the contract with West Yorkshire Pension Fund ensured that they complied with the standards required on security of data to prevent against a data breach and resultant reputational damage.
- 21/52.10 Jenny Long reported on KLOE 8 – How well do we understand the wellbeing needs of our workforce and act to improve workforce wellbeing, and KLOE 9 – How well trained and skilled are staff?
- 21/52.11 Jenny Long answered Cllr Hilliard's question regarding corporate staff career progression and succession planning. The opportunities that were available were referred to including leadership courses and apprenticeships together with possible routes for progression. It was noted that departmental heads also looked at skills gaps.
- 21/52.12 Vikki Shearing and Jenny Long reported on KLOE 10 – How well do we ensure fairness and diversity?
- 21/52.13 In reply to questions from Cllrs Hilliard and Biggs, ACFO Cole stated that morale at the stations remained generally positive in advance of HMICFRS inspections and Vikki Shearing added that Service had commenced on-call dial ins to respond to low level concerns. Jenny Long observed that the Fire Brigades Union (FBU) might raise concerns if negative trends began to develop. Vikki Shearing also replied to Cllr Biggs' questions about the methodology of the proposed staff survey.
- 21/52.14 Jenny Long reported on KLOE 11 – How well do we develop leadership and capability?
- 21/52.15 **RESOLVED: Members reviewed and approved the Quarter 2 Performance, as detailed in Appendix A of the Report.**

21/53 Strategic Risk Register

- 21/53.1 Jill McCrae introduced the report. Risk 301 relating to cyber threats and attacks was highlighted and it was noted that this risk had reduced slightly. It was also mentioned that Risk 413 relating to the coronavirus pandemic had been retained as a risk due to the winter pressures on partner organisations and the identification of the new Omicron variant.
- 21/53.2 In answer to Cllr Biggs' question, Ian Cotter explained that the effects of inflation were not specifically identified as a risk but was part of the risk assessment in setting the budget.

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21/53.3 Cllr Barrow commented on the high cost of housing and the resultant impact on affordability for on-call firefighters that could impact on service delivery. In response, Jill McCrae and ACFO Cole referred to the new pay model for on-call which allowed income evidence to mortgage providers and also the use of PESTELO modelling and analysis in forward planning for the Service.

21/53.4 **RESOLVED: Members reviewed and noted the strategic risks and mitigations, as detailed in Appendix A of the Report.**

21/54 Date of Next Meeting

21/54.1 The Chair confirmed the date of the next Finance & Audit Committee meeting as 9 March 2022.

Meeting ended at 11:45 hours.

Signed: _____

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