



**DORSET & WILTSHIRE  
FIRE AND RESCUE  
AUTHORITY**

Item 8
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MEETING	Shadow Authority
DATE OF MEETING	23 <sup>rd</sup> October 2015
SUBJECT OF THE REPORT	External Audit - Review of Combination arrangements
STATUS OF REPORT	For open publication
PURPOSE OF REPORT	For discussion
EXECUTIVE SUMMARY	External auditors are required to provide an opinion on both fire authorities' arrangements to achieve value for money. A review of the arrangements in place to achieve successful Combination on 1 April 2016 has been undertaken to inform this opinion. The review found strong governance arrangements in place with no significant issues to raise.
RISK ASSESSMENT	The review did not identify anything that would prevent the auditor from issuing an unqualified VFM conclusion.
COMMUNITY IMPACT ASSESSMENT	None for the purposes of this report.
BUDGET IMPLICATIONS	Audit fees are determined by Public Sector Audit Appointments Ltd (PSAA), the successor body to the Audit Commission. Fees for this work (£17k) are in addition to the scale audit fee for each Fire Authority, and as well as being agreed by the authorities they are also subject to approval by PSAA.
RECOMMENDATIONS	Members are asked to note the contents of the report.
BACKGROUND PAPERS	None
APPENDICES	Dorset and Wiltshire Fire Authorities Combination Programme Report
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## 1. Introduction

- 1.1 External auditors, KPMG, have a responsibility under the Code of Audit Practice to issue a conclusion on both fire authorities' arrangements to achieve value for money. The combination may impact on this conclusion. Both authorities therefore agreed that the external auditors undertake additional audit work in 2014/15 to provide independent assurance that the transition to the new Authority is properly managed and to inform their value for money opinions.
- 1.2 This report details findings from an initial review to consider the overarching approach and progress achieved at that point. The review involved initial understanding and assessment of project plans and assessments to support the auditor's VFM opinion, including the adequacy of plans to create the new organisation; and the adequacy of arrangements to maintain the performance of services in the transitional period.
- 1.3 The audit assessed the risk associated with the implementation arrangements for the merger, particularly in relation to:
- strategy and leadership;
  - planning for combination;
  - finance and governance;
  - ICT and information management; and
  - people.
- 1.4 This review is the first of a three phase review process. A second review prior to actual combination is planned in December 2015 to consider preparedness for the new Authority. A third stage review following combination is also being planned for late summer 2016 to learn from the lessons from the transition.

## 2. Conclusions

- 2.1 The review found that Wiltshire and Dorset fire services and authorities have put strong governance arrangements in place to establish the new Dorset and Wiltshire Fire and Rescue Authority on 1 April 2016.
- 2.2 The business case for combination has been based on comprehensive analysis, a dedicated programme team is managing the transition programme effectively, and appropriate involvement of Members has been facilitated through robust decision-making structures. Staff have been involved in developing plans and experts have been used appropriately where necessary. The programme is largely on track, helped by the pragmatic approach taken to transition, such as prioritisation of ICT procedural development changes.

Although the auditors found that plans are in a good position to commence on 1 April 2016, the leadership team recognises it needs to ensure that lessons from the recent joining of the control centre are applied to the wider combination programme; particularly in relation to the effect change can have on staff. Learning points are informally being taken account of with a review on lessons learnt due in October 2015. A recommendation in relation to this was made in the report.

### 3. Value for Money Opinion

- 3.1 Following the review we summarised our findings relevant to the value for money opinion within our ISA 260 reports to the respective Audit Committee of each existing Fire Authority. The review did not identify anything that would prevent the auditor from issuing an unqualified VFM conclusion.

### 4. Recommendations

- 4.1 Members are asked to note the contents of the report.

