



Minutes of the
Finance and Audit Committee
held at 11:00 hours on 21 September 2016 at the
Dorset & Wiltshire Fire and Rescue Service Headquarters, Salisbury

Members present: Cllr Bob Jones (chairman), Cllr Colin Jamieson (vice chairman), Cllr Abdul Amin, Cllr Les Burden, Cllr Mike Byatt, Cllr Ronald Coatsworth, Cllr Ernie Clark, Cllr Trevor Jones, Cllr Christopher Newbury.

Officer attendance: Mr Phil Chow, Director of Finance & Treasurer to the Fire Authority; Mr Derek James, Director Corporate Services; Mr John Aldridge, Assistant Chief Fire Officer; Mr Ben Ansell, Assistant Chief Fire Officer; Mrs Kay Williams, Temporary Director of HR; Ms Lisa Pharaoh, Deputy Clerk and Deputy Monitoring Officer; Mr Ian Cotter, Head of Finance; Mrs Jill McCrae, Head of Democratic Services and Corporate Assurance; Mrs Vikki Shearing, Head of Information Management and Communications; Mrs Carol Swan, Human Resources Services Manager; Mrs Jane Staffiere, Head of Human Resources; Mr John Lincoln, Senior Health & Safety Advisor.

1 Welcome

1.1 The Chairman opened the meeting and welcomed attendees.

2 Apologies

2.2 Apologies were received from Cllr John Haines and Cllr Graham Payne.

3 Code of Conduct, Declarations of Interest and Notifications of Any Other Business

3.1 The Chairman asked the meeting for any disclosures of pecuniary interests under the Localism Act.

3.2 There were no disclosures.

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4 Minutes of Finance and Audit Committee meeting on 6 July 2016 and any matters arising.

- 4.1 The Chairman asked Members to review the minutes and asked for their confirmation of accuracy.
- 4.2 Cllr Christopher Newbury noted that his name appeared in both the apologies and attendance sections and asked for his name to be removed from the apologies section.
- 4.3 **Action: Head of Democratic Services to update minute to confirm Cllr Newbury's attendance.**

5 Internal Audit Progress Report (July-Sept)

- 5.1 The Chairman introduced Mr Robin Pritchard from Gateway Assure Ltd, the appointed internal auditors for Dorset & Wiltshire Fire and Rescue Authority, to the meeting
- 5.2 Mr Pritchard took the Members through the Quarter 2 audit report and identified improvement areas highlighting that there were no significant issues or risks.
- 5.3 The Chairman asked, as a point of accuracy, for the report to be corrected by way of amendment at point 1.1. He confirmed that the Fire Authority approved the audit plan and not the Finance and Audit Committee.
- 5.4 Members highlighted the terminology used within the paper and made a request for a plain English approach to be adopted moving forward and for the use of the words 'the board' to be replaced by 'the Fire Authority'.
- 5.5 Members queried the 3 year time frame detailed in point 2.4 and recommended that a 2 year time frame would be more suitable and should be considered.
- 5.6 ACFO Aldridge gave Members details on the reasons for a 3 year timeframe, highlighting resource issues as a significant factor.
- 5.7 Members discussed the issues and unanimously agreed that a 2 year timeframe was required.
- 5.8 The Chairman proposed that the baseline assessment noted in point 2.11 of report should be reviewed by the Governance Working Group and sent to the Chairman, Cllr Spencer Flower. Members confirmed their agreement of this.
- 5.9 Members confirmed the requirement for the Service to establish a minimum capitalisation value for assets which do not require a formalised safety inspection.

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- 5.10 Mr Pritchard confirmed that this would be reviewed as part of the audit programme.
- 5.11. Members endorsed their agreement for the roll out of a single complaints system as a priority.
- 5.12 The Chairman took Members to the recommendation of the paper.
- 5.13 Members confirmed that they had noted the contents of the paper and the completion of the quarter 2 audit along with the assurances and outcomes identified in the improvement activities.
- 5.14 **Resolved: It was recommended by the chairman and unanimously agreed that the following amendments should be made to the Report.**
- Action: Mr Robin Pritchard to update report and remove the reference to Finance and Audit under point 1.1.**
- 5.15 **Action: Mr Robin Pritchard to ensure that future reports are written in plain English and the term 'Fire Authority' to replace 'Board'.**
- 5.16 **Action: Mr Robin Pritchard to amend the report to reflect that the implementation of a new global control system for Assets is to be within a 2 year timeframe.**
- 5.17 **Action: Head of Democratic Services & Corporate Assurance to provide Cllr Spencer Flower with the governance action plan arising from the internal audit report.**
- 5.18 **Resolved: Members noted the completion of the quarter 2 audits along with the assurances and improvement activities noted within the report with the amendments made as resolved.**
- 6 Internal Audit Progress Report (April-June)**
- 6.1 The Head of Democratic Services & Corporate Assurance, Mrs Jill McCrae, took Members through the report and confirmed that a quarterly report will be presented to the Finance & Audit Committee on the delivery against the improvement activities highlighted within the audits.
- 6.2 Members reviewed the Audit Improvement Plan in Appendix A.
- 6.3 The Chairman took Members to the recommendation of the paper and all Members confirmed that the report and progress of the improvement activities had been noted.
- 6.9 **Resolved: Members noted the contents of the report and the progress of**

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the improvement activities.

7 ISA 260 Report

- 7.1 The Chairman welcomed Mr Darren Gilbert, KPMG, to the meeting.
- 7.2 Mr Gilbert took Members through the paper and confirmed that auditors were satisfied and able to give both Fire Authorities an unqualified opinion.
- 7.3 Mr Gilbert went on to review the recommendations made against each Fire Authority with Members.
- 7.4 Members queried that Dorset's final outturn showed an increase in general income of £800k compared to the original budget and asked for an explanation of this.
- 7.5 The Head of Finance, Mr Ian Cotter advised Members that £336k of this increase is for funding contributions for the Dorset Civil Contingencies Unit and £247k is for additional grant funding relating to the business rates retention scheme, he went on to highlight that Dorset received an additional £84k in grant funding, mainly for prevention activity, and a £40k repayment relating to the Icelandic Bank investment. A further £93k was received covering items such as secondment fees, special service charges, sales of surplus vehicles and equipment and investment income.
- 7.6 Mr Cotter went on to advise that Members should be aware that the outturn comparisons on page 23 of the two KPMG reports do not provide consistent comparisons. The Dorset report compares outturn to original budget and the Wiltshire report compares outturn to revised budget. Mr Cotter explained that had a consistent approach been used of comparing outturn to revised budget, the Dorset report would have shown an increase in income of £108k, more comparable to the £74k shown for Wiltshire.
- 7.7 The Chairman took Members to the recommendations of the paper.
- 7.8 Members confirmed that both Fire Authorities ISA reports had been reviewed and recommendations noted.
- 7.9 **Resolved: Members noted the contents of both Fire Authorities ISA reports and recommendations.**

8 Statement of Accounts & Annual Governance Statement

- 8.1 The Treasurer, Mr Phil Chow, advised Members of the requirement to produce an annual statement of accounts and annual governance statement for public stewardship and accountability. Mr Chow advised that Dorset Fire Authority

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include their annual governance statement as part of the main statement of accounts and Wiltshire and Swindon Fire Authority publish as a separate document. Members were assured that this method complied with guidance.

- 8.2 The Chairman asked Members if they believed that the 'management representation letters' should be signed by the retrospective previous Chairs of committees or by him as Chairman of the Finance and Audit Committee as he was not previously the Chairman for Swindon & Wiltshire Fire Authority.
- 8.3 Members agreed that under the schemes of delegation and terms of reference for the Finance and Audit committee that the current Chair is the appropriate person to sign off these documents. Highlighting that this is not the first time that the Chairman has changed prior to the documents requiring signature. The Deputy Clerk and Deputy Monitoring Officer concurred and advised that the documentation should be signed by the Chairman as Chair of the Finance and Audit Committee on the date at which the signature was required to be applied.
- 8.4 The Chairman took Members to the recommendations of the paper and Members confirmed that they approved and endorsed both sets of accounts and accompanying annual governance statement. Members also endorsed the signing of both sets of accounts by the Treasurer and Chief Fire Officer and endorsed the Treasurer and Chairman to sign the 'management representation' letters, as required by external audit.
- 8.5 **Resolved: Members considered and approved both sets of the accounts and the accompanying Annual Governance Statements.**
- 8.6 **Resolved: Members approved the signing of both sets of accounts by the Treasurer and Chief Fire Officer.**
- 8.7 **Resolved: Members approved the signing of the 'management representation' letter required by external auditor by the Treasurer and the Chairman of the Finance and Audit committee.**

9 Annual Health and Safety Report

- 9.1 The Chairman introduced Mr John Lincoln the Senior Health and Safety Advisor to the meeting.
- 9.2 Mr Lincoln took Members through the paper and the former Authorities' annual reports covering 31 March 2015 to 31 March 2016. Additionally, he went on to advise that, although the current formats of the reports differ, new management systems and processes are currently being harmonised through 2016/17 to enable a single report to be more efficiently produced in the future.
- 9.3 The Chairman took Members to the recommendation of the report, which required Members to note the contents of the report.
- 9.4 **Resolved: Members noted the annual health and safety reports for Dorset**

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Fire Authority and Wiltshire and Swindon Fire Authority.

10 Statement of Assurance

- 10.1 The Head of Democratic Services and Corporate Assurance, Mrs Jill McCrae took Members through the paper, explaining the requirement for Fire and Rescue Authorities to provide an annual statement of assurance and advising that this year's statement covers the period April 2016 – September 2016.
- 10.2 Mrs McCrae confirmed that work is underway to achieve a full and comprehensive statement of assurance for 2016/17 and noted that this would be reported to the Finance and Audit committee in September 2017.
- 10.3 The Chairman took Members to the recommendation of the paper, which asked Members to review the statement of assurance and recommend its approval at the Fire Authority meeting on the 15 December 2016. Members all confirmed their approval of the recommendation.
- 10.4 **Resolved: Members recommended to the Fire Authority the approval of the statement of assurance.**

11 1st Quarter Financial Report

- 11.1 The Head of Finance, Mr Ian Cotter, took Members through the paper providing an analysis of the financial position for the 1st quarter of 2016/17 financial year, providing an in-depth review of the report.
- 11.2 The Chairman referred Members to the recommendation of the report and all Members noted the financial position where appropriate.
- 11.3 **Resolved: Members noted the current financial position.**

12 1st Quarter Performance Report

- 12.1 The Director of Corporate Services, Mr Derek James, advised that each of the Strategic Priorities contained in the Community safety Plan are supported by 4 Key Lines of Enquiries (KLOEs) and a baseline assessment has been completed against each. Members were informed that the evidence collected for each KLOE has been assessed against three levels – Developing, Established and Advanced.
- 12.2 Key Officers provided Members with a verbal update on each KLOE as detailed within the paper appendices.
- 12.3 Members asked for the reports to be printed in larger print.
- 12.4 Members queried the fitness equipment on stations and asked for the appendices commentary under KLOE: "How are we providing effective health

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and wellbeing support to our staff”, to be updated to note that fitness equipment is available at most and not all stations.

- 12.5 Members asked officers for actual figures for the information management KLOEs to be included within the reporting commentary for subsequent reports.
- 12.6 Members asked how satisfied complainants were with the responses. The Head of Information Management and Communications confirmed that options for appeal and escalation are confirmed within responses, however, due to previous experience and the lack of response a decision had been made at this stage not to send out customer satisfaction forms.
- 12.7 The Chairman referred Members to the recommendation in the report.
- 12.8 Members considered and approved both the baseline assessments against the KLOE set out in Appendix A and the quarterly performance report in Appendix B.
- 12.9 **Resolved: Members considered and approved the baseline assessment against the 4 KLOEs detailed in Appendix A. with the amended commentary against KLOE: How are we providing effective health and wellbeing support to our staff, to be updated to note that fitness equipment is available at most stations.**
- 12.10 **Resolved: Members considered and approved the quarterly performance report for the First Quarter in Appendix B with the amended commentary noted in minute 12.4**

13 Strategic Risk Register

- 13.1 The Head of Democratic Services & Corporate Assurance, Mrs Jill McCrae, confirmed to Members of the requirement for the committee to review the Strategic Risk Register on a quarterly basis and that strategic risks are classed as risks scoring 15 and above using the agreed risk appetite matrix.
- 13.2 Mrs McCrae directed Members to Appendix A, Strategic Risk Register, and noted with Members the table on page 1, providing Members with the overall position of risks throughout the Service at department level, following a request from Members at their meeting in July, and confirmed that this table will be reported at each meeting.
- 13.3 Mrs McCrae also confirmed that a heat map is now applied against each strategic risk throughout the report, as requested by Members.
- 13.4 Each risk was discussed with Members by the respective Risk Owner.

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- 13.5 Members asked for clarification of who will receive the weekly Service Control Centre reports. Assistant Chief Fire Officer, John Aldridge, confirmed that the report will be produced for all Fire Authority Members.
- 13.6 Members requested for further assurance to be provided at their next meeting on the timelines of activities against risk 0001, "Failure to secure a one team approach", along with justification of actions based on learning from other merged Fire and Rescue Services.
- 13.7 Members requested further information regarding risk 0003, "Failure to retain and attract key corporate staff with appropriate skills and experience", at their next meeting with regards to level of vacancies and challenges within recruitment.
- 13.8 Cllr Abdul Amin requested a copy of the risk appetite matrix to be emailed to him.
- 13.9 The Chairman took Members to the recommendation of the report and Members endorsed and approved the strategic risk register and proposed mitigations.
- 13.10 **Action: Director of People to provide further assurance on the timeline of activities against risk 0001 during the next meetings risk update.**
- 13.11 **Action: Director of People to provide Members with details of current levels of vacancies and challenges within recruitment along with the improvements being made to the process within the risk update at the next meeting.**
- 13.12 **Action: Head of Democratic Services & Corporate Assurance to provide Cllr Amin with the risk appetite matrix.**
- 13.13 **Resolved: Members reviewed and agreed the strategic risks as amended and proposed mitigation as amended.**
- 14 Urgent Agenda Item – Financial Principles**
- 14.1 The Chairman advised Members that he had brought this report, which had previously been brought before and been the subject of discussion and decision by a recent meeting of the Policy and Resources Committee to the Finance and Audit Committee as an urgent issue for Members to note. The Chairman also proposed a recommendation that this report should go to the full Fire Authority for review.
- 14.2 Members discussed the report and unanimously decided that Cllr Spencer

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Flower, the lead for the Governance Working Group, should be asked to put the report before the Governance Working Group for consideration. The Chair asked the Deputy Monitoring Officer & Clerk, Lisa Pharaoh, to make the Monitoring Officer and Clerk aware of this.

- 14.3 **Action: Deputy Monitoring Officer & Deputy Clerk to inform the Monitoring Officer and Clerk of the unanimous decision that the Financial Principles report would be put forward for consideration by the Governance Working Group in due course.**

15 **Date of Next Meeting**

- 15.1 The Chairman confirmed the date of the next Finance and Audit Committee meeting as 17 November 2016 at the DWFRS Headquarters, Five Rivers Health and Wellbeing Centre, Hulse Road, Salisbury, SN1 3RU at 11am.

The meeting closed at 13:20hrs

Signed: _____