



**DRAFT Minutes of the
Finance, Governance and Audit Committee
held at 11:00 hours on Thursday 8 March 2018 at the
Dorset & Wiltshire Fire and Rescue Service Headquarters, Salisbury**

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

Members present: Cllr Bob Jones (Chairman); Cllr Colin Jamieson (Vice Chairman); Cllr Richard Biggs; Cllr Les Burden; Cllr Ernie Clark; Cllr Peter Hutton; Cllr Nick Martin; Cllr Byron Quayle; Cllr Pip Ridout; Cllr Robert Yuill

Officer attendance: Finance Director and Treasurer, Mr Phil Chow; Deputy Clerk and Monitoring Officer, Ms Grace Evans; CFO Ben Ansell; DCFO Mr Derek James; ACFO Mick Stead; Head of Strategic Planning and Knowledge Management, Mr Robert Ford; Head of Democratic Services and Corporate Assurance, Mrs Jill McCrae; Head of Information Management and Communications, Mrs Vikki Shearing; Head of Human Resources, Mrs Jane Staffiere; Head of Assets, Ian Thomas; Senior Health & Safety Advisor, Mr John Lincoln;

Observing: Cllr Matthew Dean

18/1 Welcome

18/1.1 The Chairman opened the meeting and welcomed attendees and thanked Members for attending the familiarisation event.

18/2 Apologies

18/2.1 Apologies were received from Cllr Colin Lovell; Cllr Malcolm Davies, and Head of Finance, Mr Ian Cotter.

18/3 Code of Conduct, Declarations of Interest and Notifications of Any Other Business

18/3.1 The Chairman asked the meeting for any disclosures of pecuniary interests under the Localism Act. There were no disclosures.

18/4 Minutes of the Dorset & Wiltshire Fire and Rescue Authority meeting on 15 December 2017

18/4.1 The Chairman asked Members to review and approve the minutes from the last meeting.

18/4.2 KPMG Director, Darren Gilbert advised Members that item 17/51.2 of the Minutes be amended: Mr Gilbert advised Members of the ...” necessity to provide and publish the report by 31 May each year...”, not March as stated.

18/4.3 **RESOLVED: Members approved the minutes, with the amendment outlined in 18/4.1 above, and signed by the Chairman as a correct record.**

18/5 External Audit Progress – Interim Audit Report 2017-18

18/5.1 KPMG Director, Darren Gilbert, provided Members with a summary of the key findings from the external audit interim audit work in respect of the Dorset & Wiltshire Fire and Rescue Authority 2017-18 financial statements.

18/5.2 Mr Gilbert went on to outline the structure of the report, and items by exception, which included segregation of roles within the small finance team, which was recognised by the Director of Finance, Mr Phil Chow, and would be reviewed, subject to planned recruitment within Finance.

18/5.3 Members discussed the paper and their concern regarding the recent collapse of the facilities group Carillion and how this might affect the Service. Members were content with the reassurances given by both Mr Gilbert and Mr Chow.

18/5.4 **RESOLVED: Members noted and commented on the audit findings.**

18/6 Internal Audit programme 2018-19

18/6.1 Head of Democratic Services & Corporate Assurance, Mrs Jill McCrae, presented the papers and reminded Members of the approval of the Internal Audit Strategy for 2016/17-2018/19 at the inaugural meeting of the Authority on the 1 April 2016.

18/6.2 Mrs McCrae noted that the terms of reference for the Finance, Governance and Audit Committee included the approval of the internal audit programme and confirmed that reports on the progress of audit improvements are presented to the Finance, Governance & Audit Committee at each of their quarterly meetings.

- 18/6.3 Mrs McCrae went on to advise that this paper provided the draft internal audit programme for 2018/19 (Appendix B), which had been aligned to Gateway Assure's Internal Audit Strategy 2018/19-2020/21 [Draft] (Appendix A), the Authority's strategic risks and five priorities.
- 18/6.4 Mrs McCrae confirmed that Budget provisions had been identified and included in establishing the 2018/19 budget for work to be undertaken.
- 18/6.5 Members discussed Appendix B of the report and recommended the Audit for energy management be swapped with the on-call recruitment audit, which was agreed.
- 18/6.6 **RESOLVED: Members approved the Internal Audit Programme 2018/19 (Appendix B), with recommended changes.**
- 18/6.7 **ACTION: The Head of Democratic Services & Corporate Assurance to update the audit plan to reflect swapping the audits on energy management with On-call recruitment.**
- 18/7 Internal Audit quarterly report**
- 18/7.1 Mr Robin Pritchard, Engagement Director, Gateway Assure, advised Members that during the last quarter two internal audits had been carried out with no fundamental risks arising and confirmed the assurance level awarded as substantial for strategic workforce planning and adequate for key financial controls.
- 18/7.2 Members discussed the management responses proposed to address the issues raised within the report which were detailed in Appendix A1.
- 18/7.3 Members went on to discuss the nature and procedure involved in the procurement of high value capital purchases and were reassured by the Chief Fire Officer and the Director of Finance that the Service used frameworks where possible and seek to collaborate with other partners on such items. (The recent procurement of Mobile Data Terminal was used as an example).
- 18/7.4 **RESOLVED: Members approved the management responses.**
- 18/8 Internal Audit Recommendations - progress report**
- 18/8.1 The Head of Democratic Services and Business Continuity, Mrs Jill McCrae, presented the report and assured Members that although a number of recommendations had been identified, none were judged to represent a significant risk to the Authority.
- 18/8.2 **RESOLVED: Members approved the progress made towards completing the agreed improvement activities.**

18/9 3rd Quarter Financial Performance 2017-2018

- 18/9.1 The Director of Finance and Treasurer, Mr Phil Chow introduced the report which provided an analysis of the financial position for the 3rd quarter of the 2017-18 financial year, reflecting spending to 31 December 2017. Mr Chow added that overall the revenue and capital budget positions remained positive this year and would have no detrimental impact on the medium-term finance plan.
- 18/9.2 Mr Chow took Members through the report pointing out some additional budget adjustments which were reflected in the revenue budget summary (Appendix A). Adding that, in the main, these cover one off project costs associated with the Network Fire Service Partnership (NFSP), Emergency Services Mobile Communications Project (ESMCP) and prevention education activity.
- 18/9.3 Members discussed the impact of collaboration with other organisations. The Director of Service Support, ACFO John Aldridge advised Members that cost savings and other benefits had been demonstrated through procurement alliances other organisations.
- 18/9.4 **RESOLVED: Members noted and commented upon the current financial position.**
- 18/9.5 **ACTION: The Director of Service Support to arrange a demonstration on the capability of MDT.**

18/10 Performance for 3rd Quarter – 1 October 2017 to 31 December 2017

- 18/10.1 Head of Strategic Planning and Knowledge Management, Mr Robert Ford presented this paper which sets out the performance achieved for 3rd Quarter of 2017-18 covering the period 1 October 2017 to 31 December 2017 and relates to Priority 4 Making every penny count and Priority 5 supporting and developing our people.
- KLOE 12**
- 18/10.2 The Deputy Chief Fire Officer, Derek James, advised that work continued to further strengthen the overall strategic approach to strategic planning and to more closely align our work to the outcomes of our partners. He added that work was nearing completion on a strategic assessment for 2018-19 and a mapping exercise had been undertaken.
- KLOE 13**
- 18/10.3 DCFO James advised that Officers were refreshing the Service Delivery Plan including refining the Key Lines of Enquiry and the baseline assessment evidence.

- 18/10.4 Members discussed the member engagement processes and commented that they would like to see the workplace visits continue under the new governance arrangements. The CFO Ansell confirmed that preparations were in place to continue with the Member buddy programme.
- 18/10.5 DCFO James provided Members with an update on the freedom of information act and Data Protection Act requests and the Service response times. He also provided confirmation that the Authority's information compliance requirements had been met.
- 18/10.6 DCFO James confirmed the focus for the information and communication team had been to deliver the action plan for compliance against the new General Data Protection Regulations (GDPR) in readiness for when it comes into effect in May 2018. Members discussed complaints and GDPR and requested a trend analysis at future meetings to aid their scrutiny.
- KLOE 14**
- 18/10.7 DCFO James advised Members that there had been a decrease in the total number of working days lost to work related injury or ill health.
- 18/10.8 DCFO James advised that across the Service, there had been a small increase in the number of injury/harm incidents between the second quarter and third quarter and provided assurance that there were no specific concerns following an investigation of these incidents.
- 18/10.9 DCFO James advised that the Health and Safety department had delivered 22 accident reporting and investigation courses to Wholetime operational staff (Fire Fighter/Crew Manager/Watch Manager) across the service. Adding that nine more would be delivered in March at the Service's Training Centres.
- KLOE 15**
- 18/10.10 The Director of Finance and Treasurer, Mr Phil Chow reminded Members that the Authority had a Medium Term Financial Plan in place, covering the financial years to 2020/21, which demonstrated how the Authority can balance its revenue budget, using reserves and balances as necessary; and confirmed that the principals associated with this Plan were agreed by the Policy and Resources Committee in October 2017.
- 18/10.11 Mr Chow added that the Service was, at that time, in the process of finalising the budget proposals for 2018-19, taking on board the details of the Local Government Finance Settlement.
- 18/10.12 Members discussed financial controls and Mr Chow explained the risks and the advice of the Auditors for any mitigations adding that the current status is good. CFO Ansell provided an overview of the strategic risks, which looked at the gap between spend and ongoing funding provision.

KLOE 16

18/10.13 ACFO John Aldridge advised Members that later in the Agenda there would be a separate agenda item about Assets, where full information would be provided (18/13).

18/10.14 ACFO Aldridge advised Members that the two existing equipment management databases would be merged into one modern information system during 2019-20, which would allow the Service to strengthen the effective and efficient management of equipment assets. He also confirmed that the migration of the fleet management systems, to one combined information system is on target for delivery by 31 March 2018.

18/10.15 ACFO Aldridge advised Members that 14 of the 24 systems in the programme have been combined into single databases/systems and are in use throughout the Service; with the remaining ten systems having clearly defined project, stakeholder and communication plans in place with continued monthly monitoring from the Strategic Leadership Team, resulting in the programme being on track to deliver single databases/systems within the agreed timescales.

KLOE 17

18/10.16 The Director of People Services, Ms Jenny Long, highlighted that wholetime recruitment had commenced with interviews taking place over a two-week period. Ms Long confirmed that the Service had sought and received approval from representative bodies in support of the talent management process and further advised that the Service often collaborated with partners on the recruitment of apprentices.

18/10.17 Members discussed On-call firefighter recruitment and management, the Chairman advised that Chairmen of Local Performance and Scrutiny Committees were seeking further local information about their recruitment and retention. He explained that this would be looked at by Internal Audit in Q1.

Cllr Les Burden left the meeting

KLOE 18

18/10.18 Ms Long advised Members that the Service continued to make good progress with e-learning which provided essential knowledge prior to attending workshops or training courses, thus allowing more time at face to face events to focus on skills and behaviours.

KLOE 19

18/10.19 Ms Long advised Members that the Service had a Memorandum of Understanding in place with the Royal National Lifeboat Institute (RNLI) which enabled both organisations to develop and share common approaches to leadership with outcomes and objectives aligned to our values and behaviours.

18/10.20 Ms Long confirmed that the Occupational Health provision has successfully moved to a new provider and that a review of the service would take place.

Cllr Les Burden returned to the meeting.

18/10.21 Head of Human Resources, Mrs Jane Staffiere, advised Members that good progress had been made on fitness assessments and confirmed that fitness equipment had been delivered and installed in all stations. Mrs Staffiere add that the Service had commenced the second cycle of the yearly fitness testing following the end of the amnesty period and that overall, there was a positive picture of staff fitness across the service.

18/10.22 Members discussed proactive provision of occupational health, fitness standards and asked Officers about flu prevention within the Service. Ms Long confirmed that she would look into future options around winter flu protection to improve the future take up of the vaccination.

KLOE 20

18/10.23 DCFO James advised Members that a comprehensive employee engagement plan was in place and monitored on a quarterly basis by SLT and that internal auditors had provided a substantial level of assurance over these arrangements. He confirmed that the Leadership Forum continues to meet monthly and the group had spent time reviewing the Eyes & Ears staff survey outputs, to ensure that the outcomes and resulting actions had been effectively communicated to teams, to continue improving employee engagement.

18/10.24 **RESOLVED: Members approved the performance for 3rd Quarter.**

18/10.25 **ACTION: Democratic Service Officer to advise Members at the earliest opportunity of their 'buddy' stations following the June Fire & Rescue Authority meeting.**

18/10.26 **ACTION: Head of Information Management and Communications to provide information at a general level about complaints within future reports.**

18/11 Strategic Risk Register

18/11.1 Head of Democratic Services and Corporate Assurance, Mrs Jill McCrae, advised Members that the report before them provided the position of the strategic risk register and associated controls. Mrs McCrae added that positive progress was being made against the strategic risk register with no significant new issues to report.

- 18/11.2 Mrs McCrae advised Members that sufficient progress had been made against the controls managing risk 001, 'Failure to secure a one team approach to the new Service', which had resulted a reduction of the risk level, however, Mrs McCrae noted that the risk would continue to be monitored at strategic level until all controls are well embedded.
- 18/11.3 Members discussed the risks relating to on-call retention and the Chairman congratulated Officers on the level of work undertaken so far. CFO Ansell followed this by updating Members on a recent European Union (EU) level judgement relating to Working Time Directive, which would be added to this part of this risk register in the future.
- 18/11.4 **RESOLVED: Members agreed the strategic risks and mitigations**
- 18/12 Committee work programme 2018-19**
- 18/12.1 The Head of Democratic Services and Corporate Assurance, Mrs Jill McCrae provided Members with this paper which set out the proposed work programme for the Committee for 2018-19
- 18/12.2 **RESOLVED: Members approved the outline work programme for 2018-2019.**
- 18/13 Assets Department Resourcing Update**
- 18/13.1 ACFO John Aldridge provided an update on the Assets Department, which had undergone large-scale alignments of processes and procedures over the past two years.
- 18/13.2 ACFO Aldridge confirmed that significant progress had been made in fully aligning four of the five software systems, which will be in place by the end of the financial year 2018-19.
- 18/13.3 ACFO Aldridge advised that as a result of recent recruitment campaigns there is now stability in the department and the capacity of the teams had been restored. ACFO Aldridge added that this had resulted in the service being in a strong position for planned systems to be delivered on time.
- 18/13.4 **RESOLVED: Members noted the contents of this report.**

18/14 **Date of Next Meeting**

18/14.1 The Chairman confirmed the date of the next Finance, Governance and Audit meeting as Tuesday 31 July 2018 at Dorset & Wiltshire Fire and Rescue Service Headquarters, Five Rivers Health and Wellbeing Centre, Hulse Rd, Salisbury SP1 3NR, from 10am.

18/14.2 The Chairman thanked Members and Officers for their hard work and support.

Meeting closed at 12:46

Signature: _____