



**DRAFT Minutes of the Finance & Audit Committee held at 11:00 hours on 5 March 2020 at the Dorset & Wiltshire Fire and Rescue Service Headquarters, Salisbury**

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 Barrow (Observer)

Cllr Brian Mattock (Vice Chairman)  
Cllr Paul Hilliard  
Cllr Pip Ridout

Officer attendance:

Chief Fire Officer (CFO), Ben Ansell  
Head of Financial Services and 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 People Services, Jenny Long  
Director of Service Support, ACFO, Byron Standen  
Head of Strategic Planning & Corporate Assurance, Jill McCrae  
Head of Information, Knowledge & Communications, Vikki Shearing  
Area Manager (AM), Andy Cole, Response Support, Response Development,  
Resourcing & Review  
Senior Health & Safety Advisor, John Lincoln  
Management Accountant, Charlie Windebank  
Corporate Governance Manager, Nicki Whitehouse  
Democratic Services Support, Steph Howard

Guests:

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

**20/01            Welcome**

20/01.1            The Chairman opened the meeting and welcomed attendees.

**20/02            Apologies**

20/02.1            Apologies were received from Cllrs Abdul Amin and Ann Stribley.

**20/03            Code of Conduct Declarations of Interest and Notifications of Any Other Business**

20/03.1            The Chairman asked the meeting for any disclosures of pecuniary interests under the Localism Act. There were no disclosures.

**20/04            Minutes of the Finance & Audit meeting on 6 December 2019**

20/04.1            The Chairman asked Members to review and approve the minutes from the last meeting.

20/04.2            **RESOLVED: That the minutes be confirmed without amendment and signed by the Chairman as a correct record.**

**20/05            External Audit Update - verbal overview**

20/05.1            Michelle Hopton (Deloitte LLP) gave a verbal update to the Committee. She reported that the external audit for the 2019-20 financial statements had commenced, testing was on track and that pensions and valuations work will be carried out before the year-end. She reported that there was nothing to bring to Members' attention at this stage.

**20/06            Internal Audit Plan 2020-2021 and Audit Charter**

20/06.1            Head of Strategic Planning & Corporate Assurance, 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 has been aligned to Service priorities and eight 'themes of a healthy organisation'. She added that external audit and the Chairman of the Finance & Audit Committee had been consulted for their views and input. Jill McCrae took Members through the planned audits as detailed on pages 7 to 9 of appendix A. In response to a Member's question about the risks related to the Coronavirus, Jill McCrae confirmed that a key supplier plan is in place as part of the business continuity arrangements.

20/06.2            Laura Wickes (SWAP) Internal Audit Services, explained that the Audit Charter in appendix B had been reviewed to ensure that it remained up to date and accurate.

20/06.3            **RESOLVED: Members approved the Internal Audit Plan 2020-2021.**

20/06.4      **RESOLVED: Members approved the Internal Audit Charter.**

**20/07      Internal Audit Quarterly Report**

20/07.1      Laura Wickes presented the report and explained that during quarter 4, audits had been carried out covering financial management systems, the use of procurement, fuel cards and risk critical information. Two of these had received adequate opinions and one a partial opinion. She explained that areas of good practice had been reported alongside details of the risks, objectives findings, recommendations and management responses.

Cllr Ridout arrived at 11.16

20/07.2      The Chairman explained that he had discussed the audit recommendations relating to the review of procurement cards with officers at his briefing and that the findings were associated with procedure and audit trail, rather as a result of specific errors being found.

20/07.3      ACFO Byron Standen reported that the recommendation on page 9, relating to the vehicle procedure was now complete. He added that a reconciliation process was now in place and that, although alternative arrangements had been considered, it had been agreed that the paper-based system should stay in place.

20/07.4      In response to a question from a Member, Laura Wickes briefly explained how internal audit's risk scoring worked, the internal review they carried out on their own work and how the priority of the recommendations were assessed to ensure they best reflected the audit findings.

20/07.5      **RESOLVED: Members considered the findings of the audits.**

20/07.6      **RESOLVED: Members approved the management responses.**

**20/08      Internal Audit Progress Report**

20/08.1      Jill McCrae introduced the progress report and reported that positive progress continues to be made against the audit improvements identified. She added that there was a short delay to one recommendation, two were complete, with the remainder on target to be signed off by the end of March.

20/08.2      Area Manager, Andy Cole provided the Committee with an update on the On-Call Pay Model and confirmed that it was on track to be implemented on 1 June this year. He explained that changes are needed to be made to the availability and payroll modules of the system, with testing scheduled for April and May. He explained that new availability forms and guidance are with station management teams and went on to outline the

engagement taking place with staff including phone-in sessions, meetings, visits to on-call teams, support to group and station managers and information on the Service's intranet.

20/08.3 In answer to a Member's question about improvements as a result of the new model, CFO Ben Ansell explained that the On-Call Pay Model was part of a wider long-term strategy to improve the long-term sustainability of the on-call duty system, in which the Service was investing. ACFO Jim Mahoney reminded the Committee that the performance of availability is scrutinised at the Local Performance & Scrutiny Committees on a quarterly basis.

20/08.4 **RESOLVED: Members reviewed and approved the progress made.**

### **20/09 Financial Monitoring Report Quarter 3**

20/09.1 Head of Financial Services and Treasurer Ian Cotter introduced the report and explained that the revenue budget remains in a positive position. He reported that there had been some recent success with procurement savings which had been built into the Medium-Term Finance Plan (MTFP). He explained that the budget had been adjusted to reflect the forecast underspend position, the net impact of using the Transformation Grant to fund elements of the Capital Programme, as agreed with the Home Office and the revenue contribution to capital funding approved at the December meeting. Ian Cotter reported that there may be scope to increase this revenue contribution, further reducing the long-term borrowing requirement depending on the final outturn position for the year.

20/09.2 Ian Cotter referred to section 4 of the report, Capital Programme, and reminded the Committee that the Programme had been revised in December to £4.7m. He drew Members' attention to appendix C, showing the projected spend at year end as £4m.

20/09.3 Ian Cotter then referred to Property and Estates in section 4.3 explaining that there is a cyclical maintenance programme in place, but that some works were taking longer to start on site than projected. He added that it is expected that work would be complete by the end of July, and that work is in progress to better forward plan for next years' procurement. In response to Members' questions, ACFO Standen confirmed that slippage in works had no impact on premises. Ian Cotter confirmed that retention sums were included in all of the property and estates capital contracts to ensure that full payment is not made until the Service is satisfied with works.

20/09.4 **RESOLVED: Members noted and commented upon the current financial position as at 31 December 2019.**

## **20/10 Performance Report Quarter 3**

- 20/10.1 Jill McCrae introduced the report and officers took Members through each Key Line of Enquiry (KLOE) in appendix A. DCFO Derek James reported that the Service is in a good place with governance and strategic planning with a robust audit plan in place and actions from the recent LGA Review of Governance complete or progressing. He explained that the Strategic Assessment of Risk is currently out to consultation with partners. He reported that business continuity, including testing regimes is being aligned to best practice and information management is compliant with statutory requirements. He reported that information security is in a good place, with a Board and action plan in place with an aim to achieve the Cyber Essentials Standard over the next month to be able to recommend a reduction of the strategic risk to the Committee in July.
- 20/10.2 DCFO Derek James then covered KLOE 14, which relates to the health and safety of staff. He explained that there were no causes for concern to report, with a significant reduction in the number of days absent due to work related physical causes compared to the same period last year. There were two reportable incidents under the RIDDOR regulations with no significant issues. He reported that the Service is on target to achieve the ISO International Standard. In answer to a Member's question about the incidents of failures of equipment, the Senior Health and Safety Advisor, John Lincoln assured Members that he met with all heads of department quarterly to examine incidents of failures of equipment, which were all investigated thoroughly. He explained that the numbers of occurrences were very small in comparison to the volumes of incidents and equipment used.
- 20/10.3 Ian Cotter referred Members to page 5 of the appendix and explained that officers were planning for the forthcoming Spending Review and that Members would be able to discuss this in the forthcoming seminar in June. He explained that external audit would be back on site in June to complete the audit of the 2019-20 financial statements and that there may still be issues around pensions which is out of the Authority's control as was the case last year.
- 20/10.4 ACFO Byron Standen reported that the Procurement Department had been improving market engagement and category management and redesigned the team around specialisms to drive efficiencies. He reported that additional procurement training had and continues to be provided to staff. He confirmed to the Committee that the Service looks closely at what partners, including local authorities and other fire and rescue services do in terms of procurement and collaborates where possible.
- 20/10.5 ACFO Byron Standen explained that, in recognition of the forecasted increase in capital budgets within the MTFP, work is underway to identify opportunities to reduce capital expenditure, thereby reducing borrowing and

associated revenue costs. He reported that the Service-wide asset management system procurement process is on track, with the contract intended to commence in April 2020.

- 20/10.6 ACFO Byron Standen explained that the Environmental Sustainability Framework is progressing, with an improving understanding of our expenditure across the Service. Members discussed the possibility of having a Member Green Champion to work with and support officers in this area. The Chairman agreed that he would discuss this with the Chair of the Authority as it was something that might be raised in a full Authority meeting.
- 20/10.7 Director of People Services, Jenny Long, reported that at the end of quarter 3, officers completed the newly revised departmental staffing plan. She explained that through our profile, we are aware of our aging workforce but that measures are in place to address issues. Jenny Long referred to the national on-call firefighters' week, which the Service is promoting. The Service has invested in e-recruitment to enable a more user-friendly approach and has been promoting workplace benefits such as physio and gym facilities to make sure our employment offer is competitive. Jenny Long reported that the time taken to recruit on-call staff is continuing to improve and that timescales and any delays are monitored and tracked.
- 20/10.8 Members discussed the on-call recruitment campaigns and pointed out that these do not explicitly state that on-call staff get paid. CFO Ben Ansell explained the national resources and local station initiative teams. He added that information is available to prospective applicants, including fact sheets showing projected salaries and the number calls on station. The Head of Information, Knowledge & Communications, Vikki Shearing, explained the information packs available and that the campaign is about providing information and signposting people to the Service's website.
- 20/10.9 Jenny Long explained that the promotion process is progressing well, and that training is scheduled for the new 1:1 process, which was codesigned with the Leadership Consultancy Group. She added that the Incident Command Suite is now fully operational and delivers acquisition courses for levels 1-3, as well as competence assessments. Arrangements will be in place from quarter 4 for two mobile assessment vans to be used in training delivery, providing a satellite facility for incident command trainers to assess competence at stations.
- 20/10.10 Jenny Long reported an improving picture for fitness assessments, with more fitness trainers on stations to assist. She drew Members' attention to the table on page 14 of appendix A, showing the sickness performance which had been updated with the number of staff recording long-term sickness, as requested by the Committee at its last meeting. She explained that all sickness continues to be monitored and managed closely. Jenny Long confirmed to Members that long-term sickness was that recorded for a period over 28 days. The Chairman asked for future reports to further break down long-term sickness into those with periods between 28 and 60 days and 60 days and over.

- 20/10.11 In answer to a Member's question about hand washing controls on stations, Jill McCrae confirmed that business continuity plans were in place to monitor impacts of the Coronavirus.
- 20/10.12 DCFO Derek James reported that the Manager Engagement days held in January had been successful with good feedback from staff attending these.
- ACFO Standen left the meeting at 12.15
- 20/10.13 **RESOLVED: Members scrutinised and approved the Performance Report for Quarter 3.**
- 20/11 Resourcing potential changes in building safety and fire safety regimes**
- 20/11.1 ACFO Jim Mahoney introduced the report, which he explained provided context for a new risk which will be recommended to be added to the Strategic Risk Register. He referred to the previous report that the Authority had received in December, regarding the Grenfell Tower Public Inquiry Phase 1 and the Inquiry's recommendations. ACFO Jim Mahoney referred to the two key Bills which would have an impact on the Service's fire protection work, on the Regulatory Reform Order, which is the primary legislation under which we manage the risk-based inspection programme. It was envisaged that the impact would change in nature in terms of size and complexity of the regime, with financial implications for which there was no guarantee of additional sustainable funding. ACFO Jim Mahoney explained that a full report on the impacts, which would depend upon the new legislation, would be presented to the Authority in June. He went on to explain that the new competency framework for fire safety staff had a two-year lead time which presented challenges in terms of staffing and succession planning. He confirmed that the Service's operational fire safety staff are already trained to this standard.
- 20/11.2 Members discussed the challenge of recruiting and retaining trained fire safety staff in the face of competition from the public and private sector.
- 20/11.3 **RESOLVED: Members noted the content of the report and that a full report would be presented to the Authority in June.**
- 20/12 Strategic Risk Register**
- 20/12.1 Jill McCrae introduced the report and drew Members' attention to the Register in appendix A. She reminded the Committee that risk mitigation actions are included in the Service Delivery Plan. She reported that the cyber risk was reducing, that the Service was looking to apply to achieve the Cyber Essentials Standard and to propose to reduce the risk to a departmental risk to the Committee in July. Jill McCrae explained that risk

number 6, 'failure to secure financial sustainability that ensures and maintains effective service provision' had been amended to show an upward direction of travel to reflect continuing uncertainty around future funding for the Service given the lack of a multi-year financial settlement from Government. She then referred to the proposed new risk number 134, 'failure to sufficiently resource potential changes to the fire safety and building safety regimes' on page 2 that had been discussed in the previous item on the agenda.

- 20/12.2 In answer to a Member's question, Jill McCrae confirmed risks relating to the Coronavirus were within the departmental risk register, with an increasing likelihood. She explained that the Service was working with the Local Resilience Forums and internally through business continuity arrangements and that full degradation and disposition of appliance arrangements were in place, should the situation become significant.
- 20/12.3 **RESOLVED: Members reviewed the strategic risks and mitigations set out in appendix A.**
- 20/12.4 **RESOLVED: Members approved the addition of risk 134, 'Failure to sufficiently resource potential changes to the fire safety and building safety regimes', to the Strategic Risk Register.**
- 20/13 Staff Survey Results 2019 - verbal update**
- 20/13.1 Head of Information, Knowledge & Communications, Vikki Shearing gave a presentation to the Committee on the high-level results from the staff survey. She reported that although the response rate was slightly lower, the level of engagement, at 74%, was higher this year compared to last. She explained the areas for improvement, those to celebrate, the next steps and how managers were able to look at the results relating to their teams and make improvements. Members discussed the findings and were assured that staff who were absent due to sickness or other reasons had been able to complete the survey.
- 20/14 Committee work programme 2020-21**
- 20/14.1 Jill McCrae presented the report, explaining that the appendix provided the Committee with a list of the regular reports that it receives throughout the committee cycle.
- 20/14.2 **RESOLVED: Members considered and approved the outline work programme for 2020-21.**



**20/15            Date of Next Meeting**

20/15.1            The Chairman confirmed the date of the next Finance & Audit meeting as 28 July 2020 at Dorset & Wiltshire Fire and Rescue Service Headquarters, Five Rivers Health and Wellbeing Centre, Hulse Rd, Salisbury SP1 3NR, from 10am.

*Post meeting note: this meeting was cancelled.*

The meeting closed at: 13.04

Signed: \_\_\_\_\_