



**DRAFT Minutes of the Finance & Audit Committee held at 10:00 hours on
Wednesday 7 December 2022 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:

Chief Fire Officer (CFO), Ben Ansell
Deputy Chief Fire Officer (DCFO), Derek James
Deputy Clerk & Monitoring Officer, Grace Evans
Head of Financial Services & Treasurer, Ian Cotter
Director of People Services, Assistant Chief Officer (ACO), Jenny Long
Head of Corporate Support, Vikki Shearing
Democratic Services Officer, David Shaw
Executive and Democratic Services Administrator, Steph Howard

Guests:

Michelle Hopton - Deloitte LLP
Dan Newens - South West Audit Partnership (SWAP) Internal Audit Services

22/28 Welcome

22/28.1 The Chair opened the meeting and welcomed attendees.

22/29 Apologies

22/29.1 Apologies were received from Cllr Kevin Small and Director of Community Safety, Assistant Chief Fire Officer (ACFO), Andy Cole, and Director of Service Support, Assistant Chief Officer (ACO), Jill McCrae.

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22/30 Code of Conduct and Declaration of Interests

22/30.1 The Chair asked the meeting for any disclosures of pecuniary interests under the Localism Act. There were no disclosures.

22/31 Public Questions

22/31.1 No questions were received from members of the public.

22/32 Review and approve Minutes of the Finance & Audit Committee meeting on 27 July 2022

22/32.1 The Chair asked Members to review and approve the minutes from the last meeting.

22/32.2 In reference to Minute 22/26.2 – Strategic Risk Register – Chief Fire Officer (CFO) Ben Ansell provided an update on the corporate staff and operational staff pay awards. The corporate staff pay award of £1,925 on each pay point from 1 April 2022 had been accepted by UNISON and the GMB union, the Unite union had rejected the offer. Acceptance by UNISON and the GMB was sufficient for the pay award to be approved. For operational staff, the National Joint Council for Local Authority Fire and Rescue Services made an initial pay offer of 2% to apply from 1 July 2022. This offer was rejected by the Fire Brigades Union (FBU) and a second offer of 5% was made at the beginning of October. The FBU consulted its members on the improved offer, but it was also rejected. The FBU were now organising a ballot for strike action and had written to all fire and rescue authorities lodging a trade dispute over pay. The ballot for industrial action was expected to conclude by the end of January 2023 and the risks to frontline services were considered in the Strategic Risk Register report post.

22/32.3 **RESOLVED: Members approved the minutes and were signed by the Chair as a correct record.**

22/33 External Audit Report (ISA 260) 2021-22

22/33.1 Michelle Hopton, Deloitte LLP, introduced the report which showed a positive position and an expected unqualified opinion. The report indicated that the return from the Wiltshire Pension Fund auditor was still outstanding, but this had now been received. Capital expenditure had been identified as a risk and the control findings and management responses were set out in the report, with no significant issues raised. It was confirmed that the Value for Money opinion work was on-going and would be reported in the Auditor's Annual Report to the next meeting of the Committee. No significant weaknesses had been identified to date.

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- 22/33.2 Ian Cotter, Head of Financial Services & Treasurer, added that the external audit had been very comprehensive with over 140 separate requests for evidence.
- 22/33.3 In reply to a question for Cllr Richard Biggs, regarding the Value for Money assessment and how the Committee could maximise its outcomes, Michelle Hopton advised that this was a matter for internal audit in considering the governance of the Authority. CFO Ansell added that internal audit and His Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) inspection of the efficiency pillar 'making the fire service affordable now and in the future' could give assurance in this matter going forward.
- 22/33.4 **RESOLVED: Members received and noted the External Audit Report 2021-22.**
- 22/34 Statement of Accounts 2021-22**
- 22/34.1 Ian Cotter presented the report. He advised Members that the final audited Statement of Accounts were substantially the same as the draft accounts presented in July.
- 22/34.2 In reply to a question from Cllr Biggs, Ian Cotter explained that cloud-based software, for example Office 365, which was constantly updated, was not included as an intangible asset within the Statement of Accounts.
- 22/34.3 **RESOLVED: That the Statement of Accounts 2021-22, including the Annual Governance Statement, be approved.**
- 22/35 Appointment of new external auditors**
- 22/35.1 Ian Cotter introduced the report.
- 22/35.2 In reply to Members' questions, Ian Cotter commented that it was anticipated that there would be dialogue between the present external auditors, Deloitte LLP, and the incoming external auditors, Bishop Fleming, during the 2023/24 transition year so that finance officers' time was not overly impacted upon.
- 22/35.3 It was noted that the additional fees for extended Value for Money work would now be included within the total fee and that Government funding to assist in payment of the fees had been requested and the outcome was awaited.
- 22/35.4 CFO Ansell observed that from his role as National Fire Chiefs Council lead for finance, the 150% on average increase in external audit fees level compared to 2022-23 reflected supply and demand in the audit sector.

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22/35.5 **RESOLVED: That the outcome of the Public Sector Audit Appointments procurement process and the appointment of Bishop Fleming to undertake external audits for Dorset & Wiltshire Fire and Rescue Authority for the period 2023-24 to 2027-28 be noted.**

22/36 Internal Audit Quarterly Report Quarters 2 & 3

22/36.1 Dan Newens from South West Audit Partnership (SWAP) presented the report.

22/36.2 The Officers answered Cllr Paul Hilliard's queries regarding the report's priority 3 recommendation that there was no structured training and awareness sessions in place around risk management. The recommendation had been accepted as a management action and to address it an e-learning package that provided awareness of risk management was being developed. This would be added to the induction checklist, to ensure that new starters with risk management responsibilities were provided with training and awareness.

22/36.3 **RESOLVED: Members considered the findings of the audits and approved the management responses.**

22/37 Internal Audit Progress Report – Quarters 1 & 2

22/37.1 DCFO Derek James introduced the report. It was commented that the Service had not received a Government grant towards its Environmental Sustainability Strategy (ESS), and this was being given further consideration by the Officers.

22/37.2 In reply to a question from Cllr Biggs, DCFO James advised that vehicles were included when considering the Service's ESS.

22/37.3 **RESOLVED: Members reviewed and noted the progress made and approved the revised dates on pages 2 and 3 within Appendix A.**

22/38 Financial Monitoring Report - Quarter 2 2022-23

22/38.1 Ian Cotter presented the report.

22/38.2 In reply to Cllr Hilliard's question regarding property revaluations, Ian Cotter explained that business rates were revalued every four years, with the next valuation due in April 2023. It was anticipated that there would be a significant increase in business rate costs, which might exceed £500K over the next three years, unless the Authority was successful in having the rateable values reduced.

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- 22/38.3 Regarding Cllr Hilliard's question on Government grants, Ian Cotter commented that bidding for and obtaining Government grants was challenging. The Authority had been unsuccessful in its bid for an environmental grant for its Environmental Sustainability Strategy (ESS). CFO Ansell added that the Government checked whether grants allocated for a specific purpose were correctly spent and that the spend was prudent and wise.
- 22/38.4 Cllr Pete Barrow enquired if the financial position raised any risks for the training centre project. Ian Cotter stated that at this stage there was financial confidence based on the current situation, with the planning application process, procurement and environmental work having contingencies if required.
- 22/38.5 **RESOLVED: Members noted the current financial position as at 30 September 2022.**

22/39 Performance Report – Quarter 2

- 22/39.1 DCFO James introduced the report and reported on KLOE 6 – How well do we use resources to manage risks? In answer to Cllr Biggs' question as to how ISO55001 accreditation for the Asset Management System would bring about improvements, DCFO James explained that as the Service had a considerable number of assets and operated in a risk environment, it would give assurance that the system was robust, and the provider could also act as a critical friend giving third party challenge. CFO Ansell added that as with ISO accreditation for Health and Safety it also gave assurance to HMICFRS.
- 22/39.2 In reply to a question from Cllr Hilliard regarding business continuity, CFO Ansell provided detail on the use of national fire assets across the fire sector and preparedness resulting from the loss of staff. DCFO James referred to the National Risk Register and the role of Local Resilience Forums in considering national risks and arrangements with neighbouring authorities as well as the value of testing and exercising.
- 22/39.3 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 would take place on 14 December. Some Members expressed their concerns on the budget position and noted that further detail would be provided at the Member seminar.
- 22/39.4 DCFO James and Vikki Shearing, Head of Corporate Support, reported on KLOE 13 – Are effective governance and decision-making arrangements in place? It was reported that the results of the HMICFRS inspection were due in January 2023 and that the Service was reapplying to be re-accredited to the national Cyber Essentials security standard.

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- 22/39.5 In answer to Cllr Biggs' question on the independence of considering complaints and whether they were independently assessed, Vikki Shearing explained the process for considering complaints. The Chair suggested that if significant and Service wide changes were made as a result of a complaint then the actions could be included in the performance report, itemising the changes that had been made. CFO Ansell explained that if the changes were strategically significant to result in a change of policy, this would be brought to the full Authority.
- 22/39.6 ACO 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?
- 22/39.7 ACO Long answered Cllr Pip Ridout's question regarding staff concerns over organisational change and the impact on staff of rises in the cost of living. It was stated that processes were in place to provide support to staff and such matters were not reflected in reasons for sickness at present.
- 22/39.8 Vikki Shearing and ACO Long reported on KLOE 10 – How well do we ensure fairness and diversity?
- 22/39.9 In reply to a question from Cllr Biggs, regarding the recent Independent Culture Review of London Fire Brigade and whether there were concerns within the Service, ACO Long stated that whilst the Service was in a good place, a gap analysis was being undertaken and this would include discussion with focus groups and sharing views for future improvements. DCFO James added that the Service was driving for a better workplace and CFO Ansell stated that following consideration of the report's recommendations and the gap analysis, an update would be provided to Members.
- 22/39.10 **RESOLVED: Members reviewed and approved the Quarter 2 2022-23 Performance, as detailed in Appendix A of the Report.**
- 22/40 Strategic Risk Register**
- 22/40.1 DCFO James introduced the report.
- 22/40.2 In answer to Cllr Biggs' question, DCFO James and Vikki Shearing explained how the Service protected itself from cyber threats and attacks to its suppliers, which might afford the opportunity to compromise the Services' databases.
- 22/40.3 **RESOLVED: Members reviewed and noted the strategic risks and mitigations, as detailed in Appendix A of the Report.**

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22/41 Date of next meeting

22/41.1 The Chair confirmed the date of the next Finance & Audit Committee meeting as 8 March 2023.

Meeting ended at 12:00 hours.

Signed: _____

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