Item 26/41

DORSET & WILTSHIRE
FIRE AND RESCUE
AUTHORITY

Minutes of the Finance & Audit Committee held at 10:00 hours on Wednesday 22 July 2026 at the Dorset & Wiltshire Fire and Rescue Service Headquarters, Salisbury

Members present:

Cllr Matt Bragg
Cllr Paul Hilliard (Vice Chair)
Cllr Gordon Slade
Cllr Clare Weight
Cllr Mike Parkes
Cllr Paul Oatway
Cllr Kevin Small (Chair)

Officer attendance:
Chief Fire Officer (CFO), Andy Cole
Assistant Chief Fire Officer (ACFO), Darren Langdown
Assistant Chief Officer (ACO), Director of Financial Services & Treasurer, Ryan Maslen
Assistant Chief Officer (ACO), Director of Corporate Support & Clerk to the Authority, Vikki Shearing
Assistant Chief Officer (ACO), Director of People Services, Jenny Long
Monitoring Officer, Lisa Kirkman
Democratic Services Manager, David Shaw
Democratic Services Manager, Alex Cooper

Guests:
Charlie Martin - Bishop Fleming
Dan Newens - South West Audit Partnership (SWAP) Internal Audit Services

26/15 Welcome

26/15.1 The Chair opened the meeting and welcomed attendees, including new Committee Members Cllr Gordon Slade and Cllr Mike Parkes.

26/16 Apologies

26/16.1 Apologies were received from Cllr Duncan Sowry-House.

26/17 Code of Conduct and Declaration of Interests

26/17.1 The Chair asked the meeting for any disclosures of pecuniary interests under the Localism Act. There were no disclosures.

26/18 Public Questions

Initials ________

26/18.1 There were no public questions.

26/19 Review and approve Minutes of the Finance & Audit Committee meeting on 24 February 2026

26/19.1 The Chair asked Members to review and approve the minutes from the last meeting.

26/19.2 Cllr Clare Weight made reference to minute 26/08.3 and queried whether the Station Reviews process would be added to the Audit Plan. Chief Fire Officer (CFO) Andy Cole confirmed that the Station Reviews process would be added to the Audit Plan, with timings to be agreed with the Chair.

26/19.3 RESOLVED: Members approved the minutes and they were signed by the Chair as a correct record.

26/20 External Audit Plan 2025-26

26/20.1 Charlie Martin, Audit Partner from Bishop Fleming, presented the report. Members were advised that the Audit Plan was issued at the start of each audit cycle, setting out the nature and scope of upcoming work, and the areas of audit risk for which enhanced work would take place. There was to be a focus on valuations work and pensions actuarial adjustments that were required. The value for money (VFM) work scope was set out, and it was explained that this followed up on His Majesty's Inspectorate's (HMI) report from October 2024, and the work done by the Service to address the points raised in that report. The Audit Plan timetable continued to work well for both the external auditors and the Service, and a debrief on last year's Audit Plan had been completed. It was noted that 2024-25 was the last year in which the Service would receive a qualified overall audit opinion due to the ramifications of the 2022-23 Wiltshire Pension Fund Audit.

26/20.2 Cllr Kevin Small reminded Members that Deloitte's audit opinion for the Wiltshire Pension Fund in 2022-23 failed to be delivered and this had impacted a number of public sector bodies, including the Service. Cllr Small noted that there had been no lack of assurance found in the Service's audit for that year, or in subsequent years. The qualified audit opinions that had stemmed from the incomplete audit of the Wiltshire Pension Fund had been outside of the Service's control.

26/20.3 In response to questions put by Cllr Weight, Charlie Martin advised that intangible assets were not physical but did deliver financial benefits for the Service. In terms of valuations, Charlie Martin advised that The Chartered Institute of Public Finance and Accountancy (CIPFA) had requested that local authorities use pre-agreed indices to determine valuations, rather than individual assessments from a surveyor. Assistant Chief Fire Officer (ACO), Director of Financial Services & Treasurer, Ryan Maslen responded to Cllr Weight that a rolling five-year programme of property valuations was utilised by the Service as it was impractical to attain external valuations in full each year.

Initials ________

The five-year rolling programme of valuations was agreed with the external auditors each year.

26/20.4 Cllr Weight sought clarification around the acronyms ISA and IAS. It was explained that ISA were the International Standards on Auditing, and the IAS were the International Accounting Standard. Cllr Weight asked that sector-specific acronyms be explained in any documentation provided by the external auditors.

26/20.5 RESOLVED: That the report be noted.

26/21 Draft Statement of Accounts 2025-26, Annual Governance Statement and Financial Outturn 2025-26

26/21.1 ACO Maslen presented the report. ACO Maslen outlined the context behind the draft statement of accounts and Annual Governance Statement (AGS) 2025-26 and set out the recommendations of the report.

26/21.2 ACO Maslen made reference to Appendix A, and specifically the Narrative Report, Primary Statements, Comprehensive Income and Expenditure Statement, Movement in Reserves Statement, Balance Sheet, Cash Flow Statement, and Annual Governance Statement.

26/21.3 In respect of Appendix B, the Revenue Outturn Figures, ACO Maslen reported a total revenue outturn underspend of £0.011m, against a budget of £76.427m. There had been an overspend of £0.746m on employee costs, which had been driven by a higher than budgeted pay award, a 9.35% increase in on-call operational activity compared to 2024-25, and the major incident declared in August 2025. The impact of the pay award had been absorbed by temporary in-year non-employee savings. The Service had received support from central government via the Bellwin scheme for the major incident declared in August 2025. A total of £0.472m had been received via the scheme towards a total additional cost of £0.625m for the major incident.

26/21.4 ACO Maslen reported on Appendix C, Reserves, and advised Members that the general fund balance was £3.212m. This was in line with the risk-based approach set out in the Reserves Strategy. Earmarked reserves had decreased by £0.160m during the 2025-26 year. It was noted that reserves had been utilised to fund ill health and insurance costs, milestone payments on the command & control system replacement, and carry forward requests from 2024-25. Grant reserves had reduced by £0.219m.

26/21.5 Regarding Appendices D to F, which covered Capital Monitoring and Treasury Management, it was reported that there had been capital expenditure of £6.474m in 2025-26. There were carry forward requests of £2.033m into 2026-27. There was to be a re-profiling of spend of £3.568m for two projects into 2027-28. At the end of March 2026, the total level of borrowing had been £16.148m, and total investment had been £1.598m. The Service had achieved compliance with the treasury and prudential indicators set for the year.

Initials ________

26/21.6 Cllr Weight advised Members that the AGS was in a draft format at the time of the meeting, and that the document would be presented to the meeting of the Finance and Audit Committee on 02 December 2026 for Members' sign-off.

26/21.7 Cllr Mike Parkes queried the way in which charging other services for cross-border support worked, whether costs were incurred on all cross-border activities, and whether other services charged at-cost, or at a premium. ACO Maslen responded that the Service had in place a number of mutual aid agreements with neighbouring services under Sections 13 and 16 of the Fire and Rescue Services Act 2004, meaning that support was given and reciprocated across borders on a day-to-day basis. ACO Maslen informed Members that whilst the Service did not charge for its support to other services, the levels and nature of support provided were monitored closely in case of any changes to the typical cross-border support arrangements. In terms of the major incident of August 2025, it was reported that discussions had taken place with the other services that supported the Service, and some had agreed to provide mutual aid whilst others were keen to charge for their support. These costs were fed into the Service's Bellwin scheme claim.

26/21.8 In response to questions put by Cllr Weight regarding the actual versus budgeted borrowing and where the Service's liquidity came from, ACO Maslen advised that the Service's total borrowing at the end of March 2026 was £16.148m, and that this was external borrowing held via central government to support capital expenditure. Lease and Public Finance Initiative (PFI) agreements were also required to be reported as debt in legislation, which explained the £30.312m actual gross external debt figure in Appendix E. The Service had always aimed to set an authorised debt limit that was reflective of need, rather than one that built in significant hypothetical headroom. The Service had not exceeded the operational boundary for external debt. In terms of liquidity, ACO Maslen explained that liquidity was the day-to-day management of available funding and that the management of these funds was externally audited by way of the cash flow statement.

26/21.9 Cllr Small queried whether the Service's total debt included cash flow debt. ACO Maslen responded that the Service had not borrowed for any purpose during the last three years.

26/21.10 ACO Maslen responded to questions put by Cllr Matt Bragg regarding the way in which the unbudgeted expenditure required in response to the major incident of August 2025 was reported, and the performance of the Service's investments. ACO Maslen reported that the expenditure incurred due to other services supporting the Service during the major incident in August 2025 could not be considered a direct employer cost so was reported as an agency cost. In terms of investments, ACO Maslen advised that the Service's cash flow planning for the new financial year required that money not be tied up in long-term gilts, and that the Service would consider at most two-to-three-month fixed term investments.

Initials ________

26/21.11 Cllr Weight asked a question about the earmarked reserve for fire hydrants, and the reason that this had not been in place previously. ACO Maslen explained that hydrant maintenance and repairs incurred significant expenditure and that the Service was experiencing issues with water companies issuing bills for these works in a timely manner. This had the potential to cause problems in that, if all of the bills were to be called in at once, there would be a large spike in expenditure from the annual revenue budget. As such, the decision had been made to set aside £165k, which was linked to the level of outstanding invoices for works as at 31 March 2026.

26/21.12 Cllr Weight enquired as to whether the Service had any powers to ensure that water companies did not postpone upgrade or repair works due to the highways authority introducing a lane rental scheme. ACO Maslen undertook to explore outside of the meeting the implication of highways authority lane rental schemes on the Service in greater detail.

26/21.13 Cllr Small asked whether the level of on-call activity in 2025-26 was indicative of the level of on-call activity that could be expected in the future, and whether an associated saving could be expected as a result. ACO Maslen informed Members that 2024-25 saw a downturn in on-call activity that could be considered an outlier to the 2023-24 and 2025-26 years.

26/21.14 Cllr Weight queried the status of the transformation grant that had been awarded to the Service, and when it would be fully spent. ACO Maslen confirmed that this grant would be fully utilised within the 2026-27 financial year.

26/21.15 RESOLVED:

1. **That the Draft Statements of Accounts 2025-26, including the Annual Governance Statement, be noted.**
2. **That the 2025-26 budget outturn positions: £0.011m positive variance for revenue, and capital expenditure which totalled £6.474m be approved.**
3. **That the carry forward of £2.033m for capital projects not completed in 2025-26 be approved.**
4. **That the amendment to re-profile the planned spend for two projects, and to reduce the capital programme for 2026-27 by £3.568m be approved.**
5. **That the final reserves and treasury management position for 2025-26 be noted.**

26/22 Internal Audit Annual Report and Opinion 2025-26

26/22.1 Dan Newens, Director, from South West Audit Partnership (SWAP) presented the report. Members were advised that the internal audit annual report for 2025-26 had included an opinion of substantial assurance. No significant risks had been identified in the nine audits undertaken during the year, and no priority one risks had been identified. All actions raised as a result of external

Initials ________

audit work had been accepted, and all audits had been delivered within the year. Five of the 16 actions raised remained to be completed.

26/22.2 RESOLVED: That the findings of the Internal Audit Annual Report and Opinion 2025-26 be noted.

26/23 Internal Audit Quarterly Report – Quarter 1

26/23.1 Dan Newens presented the report. Two reviews had been undertaken in Quarter 1 (Q1) of 2026-27. One had been a malpractice management review, focusing on complaints, and the other had focused on business continuity. The review of malpractice management had found that complaints were being acknowledged within required timescales, and that key staff and policies were in place to oversee malpractice management. Three actions had been raised as a result of the review: to add clarity around the process for raising a complaint, to issue customer satisfaction surveys following a complaint process, and to implement more detailed annual reporting around complaints. In terms of business continuity, areas of good practice had been noted. Actions had been raised around potential single points of failure in business continuity planning, and record keeping around business continuity was to be enhanced. The audits to be undertaken in Quarter 2 were of accounts payable and accounts receivable. Substantial assurance had been awarded in the case of both Q1 audits.

26/23.2 Cllr Paul Hilliard sought clarification as to the way that areas for internal audit were agreed between SWAP and the Service. Dan Newens explained that the process for planning internal audit work was to take a three-year period and to consider jointly with the Service the areas for focused audit work from the 24 available slots. These areas would generally be those that had not been subject to internal audit for some time, or key risk areas that needed to be prioritised. SWAP utilised the healthy organisation themes, HMI pillars, and identified strategic risks as the basis for its assessments. The Service had the opportunity to input its own ideas as to the areas to be included in the audit plan. SWAP was able to draw on knowledge gained through work with numerous local authorities when conducting audits and formulating an audit plan. The audit plan was assessed for suitability at the start of each year so as to ensure that the upcoming audit work remained relevant. Additional audit work was added to the audit plan where the need arose.

26/23.3 Cllr Hilliard asked for further information regarding the practicalities of business continuity testing. CFO Cole responded that the Quarter 4 performance report for 2025-26 had covered the business continuity testing work undertaken by the Service. The Service had needed to implement full business continuity measures on 15 occasions, and business continuity-lite measures on 13 occasions. It was noted that the reasons for doing so may have related to cyber and IT issues, or resource degradation, amongst other challenges. CFO Cole advised Members that a lessons learned exercise was undertaken after any occasion upon which business continuity measures were put in place and

Initials ________

that an incident response team (IRT) reviewed the appropriateness of any occasion upon which such measures were enacted.

26/23.4 Cllr Weight sought clarification as to why the planned data recovery and security audit, which had been agreed for inclusion in the 2026-27 audit plan by the Finance and Audit Committee, had been refocussed to a cyber security audit. Assistant Chief Officer (ACO), Director of Corporate Support & Clerk to the Authority, Vikki Shearing, advised Members that this refocus of scope had been made to align with the cyber assessment framework to which the Service was subject and aligns with the work of the Service's Digital, Data, and Technology (DDaT) strategy.

26/23.5 Cllr Weight stated that an email to Members regarding the refocussing of this audit may have been appropriate. ACO Shearing advised that the Finance and Audit Committee Chair, Cllr Small, had been advised of the change, so as to ensure that they were comfortable with the decision. ACO Shearing advised that Members could be informed of any such changes, were they to occur in the future. Dan Newens informed Members that it was standard practice for the scope of audit work to change as appropriate.

26/23.6 Cllr Weight queried the format in which Members would be able to review the complaints annual assurance statement. ACO Shearing advised Members that the statement would form part of the annual report for 2026-27.

26/23.7 Cllr Small raised a concern about the way in which a feedback option after a complaints process was implemented, on the basis that the outcome of that process, were it not to be the one that was sought by the complainer, may cloud the feedback provided on the process itself. Cllr Small suggested that these feedback forms should be clear to distinguish process from outcome. Dan Newens advised Cllr Small that the information gained from feedback surveys regarding complaints would not be considered in isolation, but as part of a larger picture, for this exact reason. CFO Cole advised that the Service had previously operated a complaints feedback survey but had found that this was generally only completed by individuals dissatisfied with the outcome of a complaint, rather than the process by which it had been handled.

26/23.8 CFO Cole responded to questions put by Cllr Weight regarding the number of business continuity plans that the Service held, and the management capacity within the business continuity team. CFO Cole reported that there were many synergies between the 50 separate station plans but that account had to be made of the differences between stations and this had informed the use of 50 separate plans, rather than one single rationalised plan to that point. In terms of management capacity within the business continuity team, it was noted that contingency planning across the wider Resilience team is undertaken to ensure business continuity support, and that training had been provided to other personnel that would allow them to support this function and alleviate any single point of failure.

26/23.9 RESOLVED: That the findings of the audits be noted and the management responses be approved.

Initials ________

26/24 Internal Audit Progress Report – Quarter 1

26/24.1 ACO Shearing presented the report. Members were advised that there was an error on page nine of the report in that the action to reprofile contracts of employment was ongoing, rather than on track. This action would be complete by the end of 2026.

26/24.2 RESOLVED: That the progress made in Audit Improvement Plan activities be noted.

26/25 Performance Report - Quarter 4

26/25.1 The report set out the key lines of enquiry (KLOEs) that were reported to the Committee. CFO Cole advised Members that all KLOEs had been reported on as part of the Service Annual Performance Review 2025-26 item that had been considered at the Fire and Rescue Authority meeting of 30 June 2026. CFO Cole welcomed any questions for officers regarding the report.

26/25.2 Cllr Paul Oatway asked officers whether there was any known reason as to why respiratory illness was the highest causation factor in long-term sickness cases amongst members of the Fire Control team. Assistant Chief Officer (ACO), Director of People Services, Jenny Long, responded that the close proximity to one another in which the Fire Control team worked may explain this. No trend analysis had been undertaken but the causation would be considered. Cllr Oatway asked whether air conditioning was available within Fire Control. ACFO Langdown confirmed that this was the case.

26/25.3 RESOLVED: Members reviewed and approved the Quarter 4 2025-26 Performance, as detailed in Appendix A of the report.

26/26 Strategic Risk Register

26/26.1 ACO Shearing presented the report. There had been no changes to the risk register since the last time that it was brought before the Committee. Risks that scored above 15 were included on the strategic register, reviewed monthly by SLT, and performance monitoring against those risks was managed monthly. ACO Shearing reminded Members that HMI was due to visit the Service in early September 2026.

26/26.2 Cllr Small queried how the strategic risk register informed the Finance and Audit Committee risk register. ACO Shearing advised that corporate risks were monitored via the Service's performance management processes. Where a risk exceeds the 15-point threshold, it was moved to the strategic risk register. The Finance and Audit Committee would remain sighted on the movement status of corporate and strategic risks. ACO Shearing assured Members that there were significant processes supporting the Service's risk management activities.

Initials ________

26/26.3 Cllr Bragg asked whether any risk mitigation actions were not on track or not delivering the desired effect. ACO Shearing reported that there were no notable issues with current mitigation plans.

26/26.4 Cllr Hilliard requested an update as to when the first of the Service modernisation programme update reports would brought to the Finance and Audit Committee. Members were advised that the first Service modernisation programme update would be brought before the Committee in December 2026, the September 2026 meeting having been identified as too soon for a meaningful update to have been presented.

26/26.5 RESOLVED: Members reviewed and noted the strategic risks and mitigations, as set out in Appendix A of the report.

26/27 Date of Next Meeting

26/27.1 The Chair confirmed the date of the next Finance & Audit Committee meeting as Wednesday 09 September 2026.

Meeting ended at 11:39 hours.

Signed: _______________