



**DRAFT Minutes of the Finance & Audit Committee held at 10:00 hours on
Thursday 7 March 2024 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 Kevin Small (Chair)
Cllr Richard Biggs

Cllr Pete Barrow
Cllr Paul Hilliard

Officer attendance:

Chief Fire Officer (CFO), Ben Ansell
Deputy Clerk & Monitoring Officer, Grace Evans
Designate Head of Financial Services & Treasurer, Ryan Maslen
Deputy Chief Fire Officer (DCFO), Derek James
Assistant Chief Officer (ACO) - Director of People Services, Jenny Long
Assistant Chief Officer (ACO) - Director of Service Support, Jill McCrae
Head of Corporate Support, Vikki Shearing
Corporate Communications & Engagement Manager, Emily Cheeseman
Democratic Services Officer, David Shaw

Guests:

Nathan Coughlin – Bishop Fleming
Michelle Hopton - Deloitte LLP
Dan Newens - South West Audit Partnership (SWAP) Internal Audit Services

24/01 Welcome

24/01.1 The Chair opened the meeting and welcomed attendees.

24/02 Apologies

24/02.1 Apologies were received from Cllr Rebecca Knox, Cllr Kelvin Nash, Cllr Byron Quayle and Cllr Pip Ridout.

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24/03 Code of Conduct and Declaration of Interests

24/03.1 The Chair asked the meeting for any disclosures of pecuniary interests under the Localism Act. There were no disclosures.

24/04 Public Questions

24/04.1 No questions were received from members of the public.

24/05 Review and approve Minutes of the Finance & Audit Committee meeting on 6 December 2023

24/05.1 The Chair asked Members to review and approve the minutes from the last meeting.

24/05.2 In respect of Minute 23/48 - External Audit Report (ISA 260) 2022-232, Chief Fire Officer (CFO) Ben Ansell explained that it had been resolved that the Chair write to Wiltshire Pension Fund on behalf of the Authority to expedite the provision of membership data to progress the signing (of the financial statements for 2021-22). This letter had not been required as the information required from the Pension Fund had been forthcoming.

24/05.3 RESOLVED: Members approved the minutes and were signed by the Chair as a correct record.

24/06 External Audit Plan 2023-24

24/06.1 Nathan Coughlin, Bishop Fleming, introduced the report.

24/06.2 Nathan Coughlin explained that Bishop Fleming was the Authority's external auditor, appointed by Public Sector Audit Appointments Ltd (PSAA), and mandated through statute to complete an audit of the Authority. The experience of Bishop Fleming's audit team and the work undertaken to date in conjunction with the Authority in planning, testing and risk assessment of the audits for the external audit plan were outlined.

24/06.3 Cllr Pete Barrow enquired about the personnel available at Bishop Fleming to undertake the audits without encountering delay. Nathan Coughlin explained that the company had a background in public sector and educational audits and gave details of the audit team's capacity and availability and added that the exiting team had been supplemented through additional recruitment. The timetable of fire and rescue authority audits aligned with their existing work cycle.

24/06.4 In reply to a question from Cllr Richard Biggs, Nathan Coughlin stated that data on value for money and productivity was demonstrated by a self-assessment by management which was compared against value for money for other fire and rescue authorities and other local authority portfolios for consistency.

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24/06.5 In reply to a question from Cllr Paul Hilliard, Nathan Coughlin confirmed that Bishop Fleming was in contact with the outgoing external auditors, Deloitte LLP, for their background information and how audit judgements were made to provide continuity. Bishop Fleming were also external auditors for four other fire and rescue authorities.

24/06.6 RESOLVED: Members received and noted the External Audit Plan 2023-24 audit findings.

24/07 External Audit progress report 2022-23

24/07.1 Michelle Hopton, Deloitte LLP, introduced the report.

24/07.2 Michelle Hopton reported that in respect of the 2021-2022 accounts a positive draft letter had been received from the Local Government Pension Scheme, which would be given consideration and the final letter would be requested. The 2022-2023 accounts were making good progress, with work on them anticipated to be completed by the end of April 2024. For the 2022-2023 accounts the pensions information had been received and no weaknesses had been identified in the audits, including that of Internal Audit's outcomes on financial sustainability.

24/07.3 In reply to Members' questions, Michelle Hopton explained that the information on testing the pension membership data for the 2021-2022 accounts was a triannual valuation and had led to delays in information been received from the pension fund's auditors. No conditions were expected post balance sheet.

24/07.4 Members questioned whether the reduction in the reserves position as a result of the training centre project might present future concerns. Michelle Hopton commented that the Authority had a healthy reserve position and a good budget setting process to mitigate the risks and that the situation would be monitored. If required, the setting of a benchmark for reserves would reduce concerns.

24/07.5 RESOLVED: Members received and noted the External Audit Progress 2022-23, in particular the significant audit risk highlighted.

24/08 Internal Audit Quarterly Report - Quarter 4

24/08.1 Dan Newens, SWAP Internal Audit Services, presented the report. He drew attention to the recommendations for the audit of procurement cards and fuel cards referencing that two had been completed and the remaining one was being addressed.

24/08.2 Dan Newens answered Cllr Biggs' question about the approval process for spend verification and the 25 out of 294 procurement cards and fuel card transaction logs that had not been authorised. Dan Newens stated that it was a management action to check and chase the required authorisation of

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transactions and if there was a cause for concern to ensure that the underlying policy had been implemented and that a reclaim had been made. Designate Head of Financial Services & Treasurer, Ryan Maslen added that Internal Audit's recommendation had been adopted and card holders had been reminded of the policy and the situation would be monitored. CFO Ansell agreed that this was an important area and clarity on what was appropriate expenditure would further reduce inconsistencies.

24/08.3 RESOLVED: Members considered the findings of the audits and approved the management responses.

24/09 Internal Audit progress report

24/09.1 Assistant Chief Officer (ACO) - Director of Service Support, Jill McCrae presented the report.

24/09.2 ACO McCrae reported that Audit Improvement Plan Activities were on track. There were no Member questions arising.

24/09.3 RESOLVED: That the progress made be reviewed and noted.

24/10 Internal Audit Strategy 2024 – 2028 and Audit Charter

24/10.1 ACO McCrae presented the report and Dan Newens, SWAP Internal Audit Services introduced the Audit Charter.

24/10.2 Cllr Biggs asked if the Charter should include a vision for Member training, to facilitate Members to gain the most benefit from the audit reports. Dan Newens stated that SWAP did provide seminar training for Members and this could be arranged if required. It was noted that this could be included as an item for consideration in the report on Member Development, which was submitted to the Authority meeting.

24/10.3 The Committee debated the potential benefits of having independent appointments to serve on the Committee. CFO Ansell observed that if this was required it would need to be agreed by the Authority, be an additional cost and its effectiveness would need to be assessed.

24/10.4 In reply to a question from Cllr Hilliard, Dan Newens confirmed that the audit plan could be reviewed if a new issue emerged that required urgent consideration

24/10.5 RESOLVED: That the Internal Audit Strategy 2024-2028, the Internal Audit Annual Plan 2024-25 and the Internal Audit Charter be approved.

24/11 Financial Monitoring Report - Quarter 3 2023-24

24/11.1 Ryan Maslen, presented the report.

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- 24/11.2 With regard to paragraph 2.4 of the report detailing income, Ryan Maslen reported that an additional £130K would be received in respect of Business Rate relief for previous years.
- 24/11.3 In reply to a question from the Chair, the officers confirmed that there was sufficient funding for the training centre project at Weymouth which took into account the delays in obtaining planning permission and the revised time frame.
- 24/11.4 The Committee raised questions regarding the general balances representing 5% of the net revenue budget and asked if this was sufficient to meet potential wage increases and also whether reserves could be replenished, if reduced, in view of the worsening financial situation. Ryan Maslen responded that these considerations were part of the budget setting process. The level of general balances would be subject to a risk assessment in terms of the Government funding settlement and access to future funding.
- 24/11.5 Ryan Maslen replied to Cllr Biggs' question on unused grants that were not earmarked, as set out in Appendix B of the report. It was clarified that these were central government grants that were restricted in their use, for example for the replacement of the mobilising system.

24/11.6 RESOLVED: Members noted the current financial position as at 31 December 2023.

24/12 Productivity and Efficiency Statement

- 24/12.1 Ryan Maslen presented the report. It was explained that to prepare and publish a Productivity and Efficiency statement was a requirement of all fire and rescue authorities, which would also be submitted to the Home Office.
- 24/12.2 In reply to Members' questions, the officers explained that the statement added another level of public scrutiny to the inspection programme and would provide evidence in the next comprehensive spending review. Cllr Biggs commented that it was useful to evidence productivity and the cashable savings arising since combination.
- 24/12.3 The Committee discussed the definition of productivity when applied to firefighters. CFO Ansell observed that productivity could be defined by outputs, including training as an effective use of time. Deputy Chief Fire Officer (DCFO) Derek James added that meaningful and nationally agreed definitions were required, an issue consistently raised with the Home Office, National Fire Chiefs Council and the Inspectorate. Some national work was progressing on this issue.
- 24/12.4 RESOLVED: Members received and noted the Productivity and Efficiency Statement.**

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24/13 Culture Action Plan – Strategic highlight report

24/13.1 DCFO James presented the report.

24/13.2 In reply to Members' questions the officers provided detail on the White Ribbon Charity which is the UK's leading charity to end violence against women and girls. Contact was being made with the Charity for a representative to serve as an independent person on the Culture Development Committee to help oversee arrangements and progress.

24/13.3 Cllr Biggs asked how the plan would be kept on programme and how it would be efficient and effective in its use of staff time. DCFO James outlined that the programme would be continuous and would use data, intelligence and experience to provide assurance. It was noted that the Chair and Vice Chair of the Authority, Chair of the Finance & Audit Committee and Cllr Lisa Northover as Equality, Diversity and Inclusion (EDI) lead provided further Member oversight to the progress of the Culture Action Plan.

24/13.4 Assistant Chief Officer (ACO) - Director of People Services, Jenny Long provided additional detail on the progress against the short-term priorities and the evaluation that had been undertaken. It was noted that there had been no reports to the independent and anonymous reporting line since its inception in October 2023 and that there had been four contacts to the internal guardians. The high levels of staff engagement over the action plan were also detailed.

24/13.5 At the invitation of the Chair, Cllr Paul Sample spoke at the meeting. Cllr Sample stated that in his experience an increase in the number of complaints following the introduction of an action plan could indicate that staff had confidence in the complaints system, that leadership was listening and that complaints were being properly dealt with.

24/13.6 In reply to a question from the Chair, ACO Long provided detail on the procedure for Disclosure and Barring Service (DBS) checks of new and existing employees. It was noted individuals are required to inform the employer if their personal circumstances had changed.

24/13.7 RESOLVED: Members received and noted the Culture Action Plan – Strategic highlight report

24/14 Performance Report - Quarter 3

24/14.1 The report set out the key lines of enquiry (KLOEs) that were reported to the Committee. Each of the KLOEs was reported to Members with appropriate officers providing an overview.

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- 24/14.2 DCFO James reported on KLOE 12 sub diagnostic – *How effective is the Occupational Health and Safety management system in the Service*. It was noted that the number of reportable incidents to the Health and Safety Executive (HSE) under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013 (RIDDOR) had increased over the same quarter last year from one to five, and not two to five as set out in the report.
- 24/14.3 Cllr Hilliard enquired about vehicle accidents and DCFO James confirmed that the introduction of closed-circuit television on vehicles had been helpful in investigating the causes of the accidents. The number of accidents were low in proportion of the number of vehicle movements in the Service.
- 24/14.4 ACO McCrae and Head of Corporate Support, Vikki Shearing reported on KLOE 13 Sub-diagnostic - *Are effective governance and decision-making arrangements in place?* In reply to a question from Cllr Barrow, the officers reported that consultation responses to the Community Safety Plan had been good, with in excess of 900 social media responses and 100 on-line responses received to date.
- 24/14.5 Vikki Shearing reported on KLOE 13 Sub-diagnostic - *How effective and efficient are we at managing data?* In reply to a question from Cllr Biggs, it was explained that complainants had a right to appeal to the Service and also to the Local Government Ombudsman.
- 24/14.6 ACO Long reported on KLOE 8 Sub-diagnostic – *How well do we understand the wellbeing needs of our workforce and act to improve workforce wellbeing*. In reply to a question from the Chair the approach to providing influenza vaccinations was explained.
- 24/14.7 ACO Long reported on KLOE 9 – *How well trained and skilled are staff?* In reply to a question from Cllr Barrow, the officers outlined the challenges encountered with emergency response driver training, including the anticipated national requirement to include nighttime driving. CFO Ansell commented that the issues raised had ramifications for all fire and rescue services, and these were being considered at a national level.
- 24/14.8 RESOLVED: Members reviewed and approved the Quarter 3 2023-24 Performance, as detailed in Appendix A of the report.**

24/15 Strategic Risk Register

- 24/15.1 ACO McCrae introduced the report.
- 24/15.2 In reply to a question from Cllr Biggs as to whether embedding cultural change should be included as a strategic risk, ACO Long explained that failure to transform our workforce was a risk covered at departmental level and it was therefore addressed.
- 24/15.3 CFO Ansell highlighted that in respect of risk of risk 0006 regarding financial stability there was uncertainty around grey book and green book pay awards,

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with it being hoped that the grey book award would be agreed in time for the July 2024 settlement date.

24/15.4 RESOLVED: Members reviewed and noted the strategic risks and mitigations, as set out in Appendix A of the report.

24/16 Committee work programme 2024-25

24/16.1 Vikki Shearing introduced the report.

24/16.2 There were no Member questions arising.

24/16.3 RESOLVED: That the outline work programme for 2024-25 be approved.

24/17 Date of Next Meeting

24/17.1 The Chair confirmed the date of the next Finance & Audit Committee meeting as 24 July 2024.

24/17.2 This being the last meeting of the Committee in the 2023-24 administrative year, Members expressed their thanks and best wishes to Cllr Barrow as this would be the last meeting that he would be attending prior to stepping down in representing the Authority.

Meeting ended at 12:50 hours.

Signed: _____

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