

Due to the current heightened security level in all our premises, Members are reminded to wear their identity badges whilst attending meetings. Any visitors must produce photographic identification at Reception.

## **SOUTH WALES FIRE & RESCUE AUTHORITY**

**COMMITTEE:** Finance, Audit & Performance Management Committee

**DATE:** Monday, 23 November 2020 at 1030 hours

**VENUE:** To be held on Star leaf, access code: 4383231205

**Please ensure you join the meeting 15 minutes prior to meeting time**

**Any issues please contact  
01443 232000 and ask for Member Services**

## **A G E N D A**

1. Apologies for Absence
2. Declarations of Interest

Members of the Fire & Rescue Authority are reminded of their personal responsibility to both verbally and in writing declare any personal and/or prejudicial interests in respect of matters contained in this agenda in accordance with the provisions of the Local Government Act 2000, the Fire & Rescue Authority's Standing Orders and the Members Code of Conduct.

3. Chairperson's Announcements
4. To Receive the Minutes of:
  - Finance Audit & Performance Management Meeting held on 21 September 2020 3
  - Finance, Asset & Performance Management Scrutiny Group held on 13 January 2020 9
5. Revenue Monitoring Report 2020/21 15

6.	Capital Monitoring Report 2020/21	31
7.	Revenue Budget 21/22 Update	39
8.	Treasury Management Mid-Term Review Report 2020/21	45
9.	Internal Audit Report	51
10.	Audit Actions Report Health Check 2020/2021 Quarter 2	97
11.	Forward Work Programme 2020-21	117
12.	To consider any items of business that the Chairperson deems urgent (Part 1 or 2)	123

Signature of Proper Officer:



## MEMBERSHIP

### Councillors:

M	Colbran	Merthyr Tydfil
M	Spencer	Newport
P	Drake	Vale of Glamorgan
S	Ebrahim	Cardiff
S	Evans	Torfaen
J	Harries	Rhondda Cynon Taff
W	Hodgins	Blaenau Gwent
A	Hussey	Caerphilly
V	Smith	Monmouthshire
D	White	Bridgend

## SOUTH WALES FIRE & RESCUE AUTHORITY

### MINUTES OF THE FINANCE, AUDIT & PERFORMANCE MANAGEMENT COMMITTEE MEETING HELD ON MONDAY, 21 SEPTEMBER 2020 VIA STARLEAF

#### 24. PRESENT

##### **Councillor**

S Evans (Chair)	Torfaen
S Bradwick	Rhondda Cynon Taf
DT Davies	Caerphilly
P Drake	Vale of Glamorgan
M Colbran	Merthyr Tydfil
A Hussey	Caerphilly
V Smith	Monmouthshire
M Spencer	Newport
D White	Bridgend

##### **APOLOGIES**

J Harries	Rhondda Cynon Taf
S Ebrahim	Cardiff
W Hodgins	Blaenau Gwent

**OFFICERS PRESENT:** DCO S Chapman – Monitoring Officer; Mr C Barton – Treasurer; Mr G Thomas – Head of Finance & Procurement; AM A Kibblewhite – Head of Operations; Mr S Franks – Audit Wales; Ms A Butler – Audit Wales; Mr S Gourlay – TIAA.

#### 25. DECLARATIONS OF INTEREST

Each Member declared a personal non-prejudicial interest in each agenda item which affected their Authority.

#### 26. CHAIR'S ANNOUNCEMENTS

There were no announcements from the Chair.

## **27. MINUTES OF PREVIOUS MEETING – 27 JULY 2020**

The minutes of the Finance, Audit & Performance Management Committee meeting held on 27 July 2020 were received and accepted a true record, subject to correction of Councillor Colbran's initial to 'M' in the final paragraph of page 8.

In addition, the Treasurer wished to bring to Members' attention that the sign-off of the Statement of Accounts has been deferred to the meeting of the Fire & Rescue Authority taking place next week, 28 September 2020.

## **28. HEALTH CHECK OF PRIORITY ACTIONS AND QUARTER 1 PROGRESS AGAINST THE STATUTORY PERFORMANCE INDICATORS**

The Deputy Chief Officer presented the report which gives assurances to Members of the Authority and senior management within the Service on the progress towards achievement of the strategic themes for the period 1 April-30 June 2020.

It was noted that for the majority of the period in question, the population was in lockdown as a result of COVID-19 protective measures.

Under Strategic Theme ST01 – Keeping you Safe, Councillor DT Davies noted under Section 1.4 the statement that South Wales and Gwent Police have shown little interest in the receipt of information from the Joint Control Room relating to deliberate fire setters. The Deputy Chief Officer undertook to gain further information on the matter and forward to Councillor Davies.

In response to a further query, it was clarified that Care and Healthcare (CHC) as referred to in 4.3 of the report should read Continuing NHS Healthcare.

The Head of Operations provided Members with details of performance within the Strategic Performance Indicators for the period 1 April-30 June 2020, and provided clarity on certain aspects of the data in a question and answer session. She also undertook to forward to all Members a link to the Service's on-line home safety check booking form for onward sharing with home authorities.

The Chair thanked Officers for an informative report.

## **29. REVENUE MONITORING REPORT 2020/21**

The Head of Finance & Procurement presented Members with the revenue monitoring report for 2020/21 and provided details of the annual revenue budget and associated information for the year ending 31 March 2021. In addition, he advised Members that the Service continues to submit claims for the additional COVID-19 expenditure to Welsh Government on a monthly basis.

Cllr DT Davies instructed Officers to request Welsh Government to reconsider its stance on the COVID-19 related ICT expenditure.

### **RESOLVED THAT**

Members noted and agreed the report content.

## **30. CAPITAL MONITORING REPORT 2019/20**

The Head of Finance & Procurement provided Members with a detailed update on the capital monitoring report, including detail of the budget, transactions to date and the forecasted year end position. He noted the typographical error in the first sentence of 2.1.1 of the report which should read “£1.6 and £2 million respectively”.

### **RESOLVED THAT**

Members noted the budget and the progress of the capital schemes, and approved the alterations identified in Appendix 1 and the associated funding streams.

## **31. 2019/20 ANNUAL TREASURY MANAGEMENT REVIEW**

The Treasurer provided Members with the opportunity to consider the results of treasury management activities for the year ending 31 March 2020, undertaken in accordance with the Authority’s approved Treasury Management Strategy.

### **RESOLVED THAT**

Following clarification of the wording of paragraph 2.3 of the Treasurer’s report, Members agreed to recommend to the Fire & Rescue Authority that they note the annual treasury management review for 2019/20 and approve the actual prudential and treasury indicators set therein.

### **32. MEDIUM TERM FINANCIAL STRATEGY, RESERVE STRATEGY AND BUDGET UPDATE**

The Treasurer provided Members with an update of the Medium Term Financial Strategy and Reserve Strategy of the Authority together with an update on the Revenue Budget for 2021/22.

The Treasurer reminded Members that distribution of the Authority's budget across the 10 local authorities in South Wales is determined by population numbers. He reported that there is a significant rebasing of population figures through the Local Government Settlement which could affect the contributions budget quite significantly in the next financial year.

#### **RESOLVED THAT**

Following a question and answer session, Members agreed the report content as the basis of its financial planning framework, for consideration by the Fire & Rescue Authority.

### **33. AUDIT WALES REVIEW OF INVOLVEMENT**

The Audit Wales Officer provided a detailed report on the review of the Authority's approach and management of stakeholder involvement when proposing service and policy changes, and in the design of future activities. This included a detailed look at how the Authority involved Stakeholders in the development of the new Strategic Equality Plan and in the planning of public engagement events.

The review concluded that the Authority has a generally good approach to involvement with partners and communities but needs to improve its impact by evaluating current approaches to strengthen future activity.

#### **RESOLVED THAT**

Members noted the content of the report.

**34. AUDIT OF THE SOUTH WALES FIRE & RESCUE AUTHORITY  
2020/21 IMPROVEMENT PLAN**

The Audit Wales Officer updated Members on the issue of the Certificate of Compliance for the audit of the Authority's 2020/21 Improvement Plan.

**RESOLVED THAT**

Members noted the issue of the Certificate of Compliance for the audit of the Authority's 2020/21 Improvement Plan, which is incorporated into its Strategic Plan 2020-2030.

**35. FORWARD WORK PROGRAMME 2021/21**

The Deputy Chief Officer presented the Forward Work Programme.

**RESOLVED THAT**

Members accepted the Forward Work Programme for 2020/21.

**36. TO CONSIDER ANY ITEMS OF BUSINESS THAT THE CHAIRMAN  
DEEMS URGENT (PART 1 OR 2)**

There were no items of business that the Chairman deemed urgent (Part 1 or 2)

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**SOUTH WALES FIRE & RESCUE AUTHORITY**  
**MINUTES OF THE FINANCE, ASSET & PERFORMANCE**  
**MANAGEMENT SCRUTINY GROUP MEETING**  
**HELD ON MONDAY, 13 JANUARY 2020 AT**  
**SOUTH WALES FIRE & RESCUE SERVICE HEADQUARTERS**

**1. PRESENT**

**Councillor**

S Evans, Chair  
 S Bradwick  
 L Brown  
 P Drake  
 A Hussey  
 H Jarvie  
 D Naughton  
 A Roberts  
 R Shaw  
 V Smith  
 H Thomas  
 J Williams

**Authority**

Torfaen  
 Rhondda Cynon Taf  
 Monmouthshire  
 Vale of Glamorgan  
 Caerphilly  
 Vale of Glamorgan  
 Cardiff  
 Rhondda Cynon Taf  
 Bridgend  
 Monmouthshire  
 Newport  
 Cardiff

**APOLOGIES:**

J Harries  
 A Jones

Rhondda Cynon Taf  
 Torfaen

**OFFICERS PRESENT:** DCO S Chapman – Monitoring Officer; Mr C Barton – Treasurer; AM A Kibblewhite – Head of Operations; AM G Davies – Head of Operational Risk Management; Mr C Williams – Head of ICT; Mr A Jones – ICT Communications Team Manager; GM H Morse – Operational Appliance & Equipment Team Leader

**2. DECLARATIONS OF INTEREST**

All Members declared a personal non-prejudicial interest in each agenda item which affected their Authority.

**3. CHAIR'S ANNOUNCEMENTS**

There were no announcements from the Chair.

#### **4. MINUTES OF PREVIOUS MEETING – 7 OCTOBER 2019**

The minutes of the Finance, Asset & Performance Management Scrutiny Group meeting held on 7 October 2019 were received and accepted as a true record of proceedings.

It was noted that Cllr Jarvie was noted as absent at the last meeting which he explained was due to the fact he was unaware of his nomination to the Scrutiny Group at that time.

#### **5. OPERATIONAL AND PERSONAL EQUIPMENT STRATEGY, BUDGET AND PLANNING ASSUMPTIONS 2020-2025**

The Head of Operational Risk Management and Operational Appliance & Equipment Team Leader presented the Operational and Personal Equipment Strategy 2020-2025, and provided an update of the Asset Replacement Programme which detailed the provision of the new all-Wales state of the art structural firefighting kit and all-Wales breathing apparatus replacement procurement.

Members scrutinised the report and officers provided clarification on specific areas contained within the report.

#### **RESOLVED THAT**

Members noted the content of the report.

#### **6. DEPARTMENTAL RISK REGISTER REPORT – HEALTH CHECK 2019/20 QUARTER 2**

The Deputy Chief Officer presented the Departmental Risk Register which detailed the progress made on the management of risks identified within the register as at Quarter 2 (July-September 2019). An update to page 6 of the Register was tabled at the meeting.

Members debated the content of the report and the Deputy Chief Officer provided clarification on some aspects of the risks identified.

#### **RESOLVED THAT**

Members noted the risks and content of the report.

## **7. DRAFT ANNUAL GOVERNANCE STATEMENT 2019/20**

The Deputy Chief Officer presented the draft Annual Governance Statement for Members' consideration and approval for inclusion within the 2019/20 Statement of Accounts.

A question and answer session took place and the Deputy Chief Officer confirmed that the areas of the draft report highlighted in yellow would be updated on receipt of the Internal Audit report and publication of the Wales Audit Office's Annual Audit Letter.

### **RESOLVED THAT**

Subject to the amendments identified, Members approved the draft Annual Governance Statement 2019/20.

## **8. DRAFT ANNUAL REPORT OF THE WORK TO DISCHARGE THE TERMS OF REFERENCE OF THE FINANCE, ASSET & PERFORMANCE MANAGEMENT SCRUTINY GROUP**

The Deputy Chief Officer provided Members with a draft report summarising the work undertaken by the Finance, Audit & Performance Management Scrutiny Group for the municipal year 2019/20.

### **RESOLVED THAT**

Members approved the draft report for onward reporting to the Finance, Audit & Performance Management Committee.

## **9. FUTURE TRENDS**

The Head of Operations and Head of Service Performance & Communications presented a report which provided an assessment of the future of Wales, and specifically the administrative area of South Wales Fire & Rescue Service, as a means to identify some of the challenges and opportunities likely to face the Service.

The Future Trends will be monitored and updated as necessary, the frequency of which will be partially dependent on third party research as well as the monitoring of the Service's incident type trends.

The report was received with much interest and considerable debate on its content took place.

The Chair and Members requested that congratulations be extended to the report author on an excellent and informative report.

**RESOLVED THAT**

Members agreed to note and retain Future Trends information to assist in future planning and resource decision making.

**10. REVIEW OF THE PROJECT TO UPDATE MOBILE DATA TERMINALS**

The ICT Communications Team Manager provided Members with an update of the Mobile Data Terminal Upgrade Project.

**RESOLVED THAT**

Members noted the content of the report.

**11. COMMUNITY SAFETY AND PARTNERSHIPS REPORT**

The Head of Operations presented a report which provided an overview of the Community Safety Department's review of promotional items to ensure the Authority is receiving value for money and effectiveness for the purpose of engagement, safety messaging and behaviour change.

**RESOLVED THAT**

Members noted the content of the report.

It was noted that regular briefings for the Member Champion for Operational & Personal Issue Equipment had not been occurring and will therefore be scheduled.

**12. FORWARD WORK PROGRAMME**

The Deputy Chief Officer presented the final Forward Work Programme for 2019/2020.

**RESOLVED THAT**

Members accepted the Forward Work Programme for 2019/20.

**13. TO CONSIDER ANY ITEMS OF BUSINESS THAT THE CHAIRMAN DEEMS URGENT (PART 1 OR 2)**

The Treasurer updated Members on progress of the budget consultation process on a 4.50% increase in budget contributions. The consultation with the ten unitary authorities was in accordance with the option agreed by the Fire Authority on 16 December 2019, which reflected a small reduction in pension grant from Welsh Government.

The Treasurer confirmed that whilst he had received requests for further information, to date no consultation feedback has been received. Any response submitted in the meantime will be reported directly to the Fire Authority on 10 February 2020 for final consideration.

The Treasurer undertook to forward a copy of the consultation letter to each Member.

**RESOLVED THAT**

Members noted the update.

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## **REVENUE MONITORING REPORT 2020/21**

### **SUMMARY**

The Revenue Monitoring Report provides details of the annual revenue budget and associated information for the year ending 31 March 2021.

### **RECOMMENDATION**

That the Finance, Audit and Performance Management Committee note and agree the report content.

## **1. BACKGROUND**

- 1.1 This report provides an update of the major changes affecting the revenue budget since the Finance, Audit and Performance Management (FAPM) Committee on 21 September, 2020
- 1.2 Appendix 1 details the original budget, a revised budget to reflect authorised virements, transactions to date i.e. Actuals, the forecast position and variance analysis, i.e. the over or under spend on the revised budget.
- 1.3 Appendix 2 charts the budget variances reported at each FAPM Committee reconciling to the most recent position.
- 1.4 Appendix 3 presents the impact of the above forecasts and variances on the useable reserves.
- 1.5 Appendix 4 presents a summary of Covid-19 related expenditure across the service.
- 1.6 Appendices 5 and 6 detail grant funded initiatives in addition to any impact over spending has on the revenue and capital budgets.

## **2. ISSUES**

- 2.1 Updated revenue projections indicate an overspend of £424k which is a decrease of £355k on previous reporting. In summary, a decrease of £145k in employee costs and a £210k decrease within non employee budgets have contributed to this position.
- 2.2 The most significant changes since previous reporting are outlined below:

### 2.2.1 EMPLOYEE COSTS - £145k decrease in overspend

Due to staff vacancies, an £88k reduction is anticipated in forecasted salary costs with the latest establishment figures shown below:

#### Establishment figures (FTE) as at September 2020

	Strength	Budgeted
WDS	796.50	792.00
RDS (100%)	375.30	426.40
Control	40.50	36.50
Support Staff	259.29	271.00
Fire Cadets	66.38	85.00
Auxiliary Reserve	80.00	84.00

#### Leavers & Joiners April 2020 to September 2020

	Starters	Leavers
Control	0	1
Support Staff	1	5
RDS	42	21
WDS	16	27
Fire Cadets	0	1
Auxiliary Reserve	0	2
Volunteers	3	2
<b>Total</b>	<b>62</b>	<b>59</b>

\*Includes new starters or leavers to the service, not additional contracts

Pension costs are anticipated to decrease by £65k and consists of £57k within Firefighter Pension Fund (FFPF) costs. This is mainly attributable to the number of retirements and leavers from the scheme since previously reported.

Further ill health pension costs of £44k are projected to reflect two additional ill health retirements. It is worth noting that any additional ill health retirements that occur during the course of the year will impact on the position further.

Travel and subsistence costs have seen a further reduction of £34k since previous reporting due to the impact of Covid-19. This is the largely the result of a reduction in both mileage and accommodation claims that have been made.

### 2.2.2 PREMISES COSTS - £64k decrease in underspend

Cleaning contract charges are set to increase by £48k and additional cleaning supplies are forecast to increase by £16k. Both of these areas are due to the impact of Covid-19 across the service and the result of the increase in services and supplies required to ensure the workplace remains Covid secure.

### 2.2.3 **SUPPLIES AND SERVICES - £12k increase in overspend**

There are under and over spends contributing to the above and the following outlines the major variances.

Other equipment is no longer forecast to overspend by £217k for Home Fire Safety equipment as previously reported due to Covid-19 restrictions. This is outlined in greater detail in the grant monitoring report (Appendix 5).

IT costs are forecast to increase by £211k, of which £50k relates to additional planned purchases to support working practices due to Covid-19. The remainder relates to changes in support and maintenance charges which is due to both additional support required in services due to Covid-19 and increases in charges for annual agreements.

A further £25k has been incurred in relation to the purchase of additional Personal Protective Equipment (PPE) required across the service to ensure staff remain protected from the pandemic.

### 2.2.4 **TRANSPORT - £79k increase in underspend**

A net impact of £36k was previously included in this area to represent the overall change in the vehicle lease scheme agreement from September 2020. This was actually due to a reduction in employee lease contributions that should have been reflected within income. There has also been a further decrease within fuel costs of £25k due to a reduction in usage when compared to the same period last year.

### 2.2.5 **CONTRACTED SERVICES - £49k increase in overspend**

£46k relates to job evaluation project costs which have been agreed to be funded from Change Management reserves. All interviews have now been carried out and job overview documents are anticipated to be distributed to post holders of green book positions by mid-October.

### 2.2.6 **CAPITAL COSTS - £163k increase in underspend**

The biggest impact is in Minimum Revenue Provision (MRP) charges which have decreased by £92k due to planned capital projects now slipping into 2021/22 as detailed in the Capital Monitoring report. Also a reduction of £71k is projected in new borrowing costs, i.e. interest. This is based on the assessment of current and future cash flow and capital spending in addition to having regard for the treasury strategy.

### 2.2.7 INCOME - £102k additional income

The latest claim to Welsh Government in relation to increased spend incurred by the service due to Covid-19 is for £147k. This relates to the period 1<sup>st</sup> July to 30<sup>th</sup> September, 2020, and is the main factor for the additional income. This, and any additional expenditure along with any further funding received, will be reported throughout the year.

As detailed above, actual gross expenditure and income costs have been updated for the vehicle lease scheme and are reflected in this latest projection.

## 3. FINANCIAL IMPLICATIONS

- 3.1 An overall projected overspend on the revenue budget equating to £424k.

## 4. EQUALITY RISK ASSESSMENT

- 4.1 There are no equality implications resulting directly from this report. Each element of the revenue budget will have undergone equality and diversity risk assessments by the responsible budget holder as part of the budget planning process.

## 5. RECOMMENDATION

- 5.1 That the Finance, Audit and Performance Management Committee note and agree the report content.

<b>Contact Officer:</b>	<b>Background Papers:</b>
Geraint Thomas Head of Finance and Procurement	- Revenue Determination Report - Revenue Budget Working Papers - Budget Holder Reports - Capital Monitoring Report

<b>SOUTH WALES FIRE &amp; RESCUE SERVICE</b>								
<b>BUDGET MONITORING 2020/21</b>							<b>APPENDIX 1</b>	
		<b>Original Budget 2020/21 £</b>	<b>Revised Budget (vired budget) 2020/21</b>	<b>Actual at 01.10.20 £</b>	<b>Forecast at 31.03.21 £</b>	<b>Over/Under Spend Against Revised</b>	<b>Over/ Under Spend %</b>	
<b>Employee Costs</b>								
	Salaries, NI & superann.	59,523,373	59,523,373	29,689,051	60,191,565	-668,192	-0.9%	
	Pensions (ill health)	909,134	909,134	334,808	1,034,832	-125,698	-0.2%	
	Travel and Subsistence	462,000	462,000	111,491	382,038	79,962	0.1%	
	<b>Total Employee Costs</b>	<b>60,894,507</b>	<b>60,894,507</b>	<b>30,135,350</b>	<b>61,608,435</b>	<b>-713,928</b>	<b>-1.0%</b>	
	<b>Premises Related Expenses</b>	5,563,897	5,563,897	2,027,792	5,350,264	213,633	0.3%	
	<b>Training Expenses</b>	1,482,236	1,482,236	55,597	1,501,473	-19,236	0.0%	
	<b>Supplies &amp; Services</b>	4,109,480	4,106,480	2,584,735	4,701,806	-595,326	-0.8%	
	<b>Transport Related Expenses</b>	1,405,846	1,405,846	568,402	1,347,118	58,728	0.1%	
	<b>Third Party Payments (Contracted Services)</b>	851,816	854,816	148,436	905,633	-50,817	-0.1%	
	<b>Capital costs / leasing</b>	4,834,101	4,834,101	311,539	4,451,201	382,900	0.5%	
	<b>Contingency</b>	0	0	0	0	0	0.0%	
	<b>Total Expenditure</b>	<b>79,141,883</b>	<b>79,141,883</b>	<b>35,831,851</b>	<b>79,865,929</b>	<b>-724,046</b>	<b>-1.0%</b>	
<b>Income</b>								
	Employee Related	-3,003,034	-3,003,034	-15,192	-2,996,850	-6,184	0.0%	
	Lease Car Contributions	-167,500	-167,500	-86,063	-135,744	-31,756	0.0%	
	Co-Location Re-imburement	0	0	0	0	0	0.0%	
	Covid-19 Funding (WG)	0	0	0	-367,336	367,336	0.5%	
	Other Income	-1,091,552	-1,091,552	-238,572	-1,062,418	-29,134	0.0%	
	<b>Total Income</b>	<b>-4,262,086</b>	<b>-4,262,086</b>	<b>-339,827</b>	<b>-4,562,349</b>	<b>300,262</b>	<b>0.4%</b>	
	<b>CONTRIBUTION BUDGET 2020/2021</b>	<b>74,879,797</b>	<b>74,879,797</b>	<b>35,492,025</b>	<b>75,303,581</b>	<b>-423,784</b>	<b>-0.6%</b>	
<b>Key</b>								
	 Overspend							
	 Underspend							

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SOUTH WALES FIRE & RESCUE SERVICE											
BUDGET MONITORING 2020/21								APPENDIX 2			
	Original Budget 2020/21 £	Revised Budget (vired budget) 2020/21 £	FAPM Forecast 21.09.20 £	FAPM Forecast 23.11.20 £	Variance at FAPM 21.09.20 to Revised Budget	Variance at FAPM 23.11.20 to FAPM 21.09.20	Cumulative Variances against Revised Budget	Summary on variances previously reported*			
<b>Employee Costs</b>											
Salaries, NI & superann.	59,523,373	59,523,373	60,337,082	60,191,565	-813,709	145,517	-668,192	* Unfunded project related costs and supernumery posts			
	59,523,373	59,523,373	60,337,082	60,191,565	-813,709	145,517	-668,192	Increase in pension costs due to number of new members increasing since budget setting			
Pensions (ill health)	909,134	909,134	1,000,275	1,034,832	-91,141	-34,557	-125,698	Additional ill health retirements			
Travel and Subsistence	462,000	462,000	416,483	382,038	45,517	34,445	79,962	Reduction in Travel and Subs due to impact of Covid-19			
<b>Total Employee Costs</b>	<b>60,894,507</b>	<b>60,894,507</b>	<b>61,753,840</b>	<b>61,608,435</b>	<b>-859,333</b>	<b>145,405</b>	<b>-713,928</b>				
<b>Premises Related Expenses</b>	<b>5,563,897</b>	<b>5,563,897</b>	<b>5,286,365</b>	<b>5,350,264</b>	<b>277,532</b>	<b>-63,899</b>	<b>213,633</b>	* NNDR less than budgeted along with reduction on WAN charges anticipated			
Training Expenses	1,482,236	1,482,236	1,492,888	1,501,473	-10,651	-8,585	-19,236	* Increase in PFI due to RPI			
Supplies & Services	4,109,480	4,106,480	4,688,959	4,701,806	-582,479	-12,847	-595,326	* Overspend on HFS funding of £271k Covid-19 related expenditure: £190k on IT equipment and a further £144k on PPE Additional £71k on Support and Maintenance due to Command and Control revenue charges Above partially offset by £34k managed service for helmet care now being undertaken in-house			
Transport Related Expenses	1,405,846	1,405,846	1,426,524	1,347,118	-20,678	79,406	58,728	* Change in vehicle lease scheme agreements as per FA 13.07.20			
Third Party Payments (contracted services)	851,816	854,816	856,818	905,633	-2,002	-48,815	-50,817				
Capital costs / leasing	4,834,101	4,834,101	4,613,885	4,451,201	220,216	162,684	382,900	* Reduction in MRP due to projects slipping into 21/22			
Contingency	0	0	0	0	0	0	0				
Income	-4,262,086	-4,262,086	-4,460,336	-4,562,349	198,249	102,013	300,262	* £220k WG funding re: Covid-19 spend			
<b>CONTRIBUTION BUDGET 2020/2021</b>	<b>74,879,797</b>	<b>74,879,797</b>	<b>75,658,943</b>	<b>75,303,581</b>	<b>-779,146</b>	<b>355,362</b>	<b>-423,784</b>				
<b>Key</b>											
 Overspend											
 Underspend											
* Comments for the latest FAPM will be included in detail in the report attached											

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					APPENDIX 3
Reserve	Purpose and Control	Balance at year start	Transfers in and (out)	Balance at year end	Variations arising between budgeted and actual levels of reserves
<b>General</b>	To cover general financial risks including council funding, grants, inflation and interest.	-3,000,000	0	-3,000,000	
<b>Managed under spends</b>	To meet costs associated with rolling programmes of expenditure incomplete at year end. Controlled via routine budget monitoring procedures.	-49,157	5,512	-43,646	Spending against carry forward requests within revenue
<b>Change Management</b>	Costs of change arising from 'Shaping our 'Future' programme, investment in change projects to improve service and / or reduce spend.	-4,868,982	323,784	-4,545,199	Forecast revenue overspend and transfer of annual joint control lease costs
<b>CFBT Reserve</b>	This reserve has been set up to fund capital investment activities in this facility which is to be housed at Cardiff Gate.	-128,036	0	-128,036	
<b>PFI Equalisation</b>	To meet future costs of the Training Centre PFI project	-3,798,607	117,157	-3,681,450	Current figures which may change slightly with indexation
<b>Capital Receipts</b>	To meet costs of the capital programme. Reserve applied as receipts are generated	-74,363	-44,411	-118,774	£37k received so far in 20/21. Full year estimate based on annual average over last 3 years.
<b>Joint Control Lease Reserve</b>	To meet the lease costs over an eight year period (from 2017/18)	-500,000	100,000	-400,000	Annual Joint Control lease costs
<b>TOTAL</b>		<b>-12,419,146</b>	<b>502,042</b>	<b>-11,917,104</b>	

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## Appendix 5 - GRANT MONITORING REPORT 2020/21

### 1. BACKGROUND

- 1.1 This report presents an update of the major changes affecting the grant budget since the last FAPM report in September 2020.

### 2. ISSUES

- 2.1 Since the last reporting period there have been a number of changes to individual projects as summarised below:

#### 2.1.1 FIRE CRIME - £4.2k increase in forecasted overspend

Since the previous report in September there has been an increase in overtime payments during Q2 equating to £1.6k and Q2 honorarium payments and forecasts for the year have increased by £2.6k due to a heightened level of on-call personnel who cover cylinder retrieval.

Forecasts remain unchanged for costs related to Operation Bang and Operation Dawns Glaw during Q3 & Q4.

#### 2.1.2 HFS STOCK - £216.6k decrease in forecasted overspend

At the time of the last report, Community Safety were anticipating an increase in activity within the Home Safety department. Due to Covid-19 restrictions 'business as usual' was not achievable during Q1 but the intention was that once these restrictions were eased work could continue and gain momentum.

From the Q2 spends and the continual changes and imposing of further Covid-19 restrictions across South Wales it has become apparent that there will no longer be an overspend in budget, but it is anticipated that the full grant will be spent by year end.

#### 2.1.3 ANTI-SOCIAL BEHAVIOUR - £3.4k increase in forecasted overspend

An initial grant was awarded by the Police and Crime Commissioner for Gwent for the Anti-Social Behaviour post within Community Safety, for the period April to July 2020. A further grant has since been awarded to continue funding the post until March 2021.

The amount of the grant has not been uplifted in line with salary scales and has remained at a fixed value for several years. The post holder has reached the top of the salary scale and therefore has resulted in an increase in forecasted overspend of £3.4k.

#### 2.1.4 **NR – £8.7k increase in forecasted overspend**

Covid-19 restrictions have impacted on the running and attendance of courses within the NR team and therefore an underspend of £13.2k has been forecasted for training related costs.

LTCM fixed charges provided by Babcock for last year were incorrect and meant an overspend in budget occurred. An oversight in this area has resulted in the increase not being included in this year's bid, and therefore it is projected that there will be a £21.9k overspend in these charges.

#### 2.1.5 **USAR - £16.3k increase in forecasted underspend**

Due to the new Search and Rescue Dog Handler post being vacant until August 2020, there is an increase in forecasted underspends of £16.3k in relation to salary costs.

### 3. FINANCIAL IMPLICATIONS

Overall there is a projected overspend of grant funding equating to £2k.

£9k of this is anticipated to be charged to revenue and the remaining £7k is a projected underspend between National Resilience and USAR funding.

### 4. RECOMMENDATIONS

That the Finance, Audit and Performance Management Committee note and agree the report content.

<b>Contact Officer:</b>	<b>Background Papers:</b>
Geraint Thomas Head of Finance and Procurement	Revenue and capital monitoring reports Grant register Welsh Government grant award letters

## Appendix 6

### SOUTH WALES FIRE & RESCUE SERVICE REVENUE GRANT REPORTING 2020/21

		FIRE CRIME	HFS STOCK	YOUTH	MOMENTUM	ANTI- SOCIAL BEHAVIOUR	NATIONAL RESILIENCE	MTA	USAR
<b>Revenue</b>									
<b>Budget</b>		107,748	223,400	111,355	70,000	28,000	863,509	143,288	368,310
<b>Employee Costs</b>	Forecast	101,856	0	92,893	60,000	32,516	308,738	89,288	334,529
<b>Training Expenses</b>	Forecast	0	0	3,000	0	0	68,948	0	0
<b>Supplies &amp; Services</b>	Forecast	0	223,400	8,703	10,000	0	1,986	54,000	16,340
<b>Transport Related Expenses</b>	Forecast	10,088	0	7,500	0	0	492,520	0	1,100
<b>Income</b>	Forecast	-107,748	-223,400	-111,355	-70,000	-28,000	-863,509	-143,288	-368,310
<b>(Under)/Overspend</b>	Forecast	4,196	0	741	0	4,516	8,683	0	-16,341

### SOUTH WALES FIRE & RESCUE SERVICE CAPITAL GRANT REPORTING 2020/21

	Capital	NATIONAL RESILIENCE
<b>Budget</b>		927,500
<b>Equipment</b>		
<i>LCD Detection Units</i>	Forecast	320,000
<b>Property</b>		
<i>USAR upgrade/relocation</i>	Forecast	607,500
<b>Income</b>	Forecast	-927,500
<b>(Under)/Overspend</b>	Forecast	0

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## **CAPITAL MONITORING REPORT 2020/21**

### **SUMMARY**

The capital monitoring report provides detail of the capital budget, transactions to date and the forecast year end position.

### **RECOMMENDATION**

That Members note the budget and progress of capital schemes, approve alterations identified in appendix 1 and associated movements in funding.

## **1. BACKGROUND**

- 1.1 This report provides explanation of the significant variances identified in Appendix 1 since previous reporting. Appendix 1 presents a detailed analysis of the annual budget (2019/20 slippage + 2020/21) as £7.9 million, the forecast outturn and slippage as £5.8 million and £2.4 million respectively. A funding analysis indicates how we this will be financed.

## **2. BUDGET HEADINGS**

### **2.1 Property**

2.1.1 Forecast expenditure and budget slippage are £2.2 million and £1.0 million respectively with a net over spend of £85k. The over spend is driven by one major project, i.e. Urban Search & Rescue (USAR) at Whitchurch. Whilst this is an unbudgeted item, it is expected to be fully funded by WG.

2.1.2 As previously reported, a number of schemes have slipped into 2021/22, as a result of COVID-19. The cost of construction may increase as the need to carefully manage contractors and their activities on-site and in accordance with COVID-19 risk assessments, take effect on building timelines. All major projects have a cost consultant and any increases will be justified, certified and reported to Members accordingly.

2.1.3 Scheduled building refurbishments at Penarth and Maindee Stations have been postponed due to the reprioritising of other projects, e.g. New Inn and USAR at Whitchurch station. Penarth has been re-scheduled for 2023/24 and the Operations Dept are

looking at alternative ways to accommodate the new 'rail road vehicle' rather than pursue a purpose built structure at Maindee. New bids will be submitted when the Service is ready to proceed with these projects.

#### 2.1.4 USAR / Whitchurch

Plans have been developing since previous reporting to utilise £608k of Welsh Government (WG) funding for a new build structure to accommodate USAR assets. Work is in the design phase and construction is unlikely to commence until 2021/22, if at all. Officers are to seek agreement from WG to either slip or secure fresh funding to/in 2021/22 otherwise the Authority will have to find the funding to continue the project independently.

#### 2.1.5 Tonypandy

Building works will commence October 2020 and £179k of the budget has been slipped into 2021/22 as construction will not be completed this financial year due to COVID-19 impacts.

#### 2.1.6 Planned & Preventative

Costs to fund the installation of electric vehicle charging points have been firmed up as £75k. The investment will help the Authority ensure the appropriate infrastructure is in place to accommodate the changing requirement of a modern provision of sustainable fleet. The forecasted outturn of £75k is net of government funding as the supplier has drawn down the funding directly.

#### 2.1.7 Pontypridd

Variations to the project has increased the forecasted outturn by £109k. This is largely down to project variations and a £50k increase due to extension of time claims due to COVID 19. Variations include additional asbestos remediation and the formation of a ramp to the community room.

#### 2.1.8 Monmouth

This project remains under review with our 3 partners. It is now indicated that our contribution will be £350k and so slippage has reduced from £597k to £350k.

## 2.2 **Vehicle Replacement Programme (VRP)**

2.2.1 The forecast and slippage are £510k and £1.4 million respectively, with a small, net under spend of £59k. Since previous reporting, the purchase of a number of vehicles has

been delayed and the budget slipped into 2021/22 which in part, is a result of extended delivery times.

#### 2.2.2 Truck

The tender is currently being written which makes delivery during this financial year unlikely and the £150k budget has been slipped into 2021/22.

#### 2.2.3 Rescue Tenders

Procurement tenders have been returned however vehicles won't be delivered until next financial year as these vehicles generally attract a 26 week 'build timeline'. The budget has been slipped into 2021/22 to cover costs in the new year.

#### 2.2.4 Recovery Unit

The forecast spend has been reduced to £40k as a Unimog (multi-purpose, all-wheel drive) from Bridgend station will be converted instead of purchasing a new vehicle for £115k. A budget under spend of £75k is the result of this decision.

#### 2.2.5 Rescue Boat

Decision making is on hold and will not be progressed during this financial year resulting in a budget under spend of £45k. A revisit of the VRP should indicate when this item is required and at that point a budget allocated.

### 2.3 Operational Equipment

2.3.1 There are no significant changes in this area since previous reporting.

2.3.2 An update on the Breathing Apparatus project was omitted in previous reporting. This project was substantively completed in 2019/20 although a small under spend of £18k was slipped into this year to accommodate residual needs. USAR have recently advised they are ready to receive new sets and this is estimated to cost approx. £15k.

## 3 FINANCIAL IMPLICATIONS

3.1 Appendix 1 illustrates current capital spending plans for the year and how this differs from the original budget.

A £1.2m decrease and a £737k increase result in a net, £443k reduction in projected spend since previous reporting. Contributing to this is a £608k over spend which will be grant funded and £861k of under spends

largely driven by postponed property schemes (as described above). The latter point has reduced slippage by £717k although this is offset by a £1m increase, mainly generated by delays in the VRP. Slippage, as a result, has increased by £327k since previous reporting.

A reduction in spending plans this current year will change the amount we borrow and the financing costs that are funded through the revenue budget.

The below tables summarises this information by scheme using the 3 key budget elements, i.e. end of year projection, under / over spend position and budget slippage.

Scheme	Projection £000	Scheme	Underspend £000	Scheme	Slippage £000
Monmouth	10	Penarth	-80	Monmouth	-10
Tonypandy	179	Cowbridge	-30	Tonypandy	-179
Maindee	10	Maindee	-300	Truck	-150
Truck	150	Monmouth	-247	Rescue Tender	-705
Rescue Tenders	705	P&P	-75	<b>Increase</b>	<b>-1,044</b>
Recovery Unit	75	Recovery Unit	-75	Monmouth	237
Rescue Boat	45	Rescue Boat	-45	Penarth	80
Gloves	6	Gloves	-6	Cowbridge	30
<b>Decrease</b>	<b>1,180</b>	BA's	-3	Maindee	290
Pontypridd	-109		<b>-861</b>	P&P	80
Whitchurch	-608		<b>Overspend</b>	<b>Decrease</b>	<b>717</b>
P&P	-5	Whitchurch	608	<b>Net Increase</b>	<b>-327</b>
BA's	-15	Pontypridd	109		
<b>Increase</b>	<b>-737</b>		<b>717</b>		
<b>Net Decrease</b>	<b>443</b>	<b>Net Decrease in US</b>	<b>-144</b>		

The following table illustrates the change between current information and that reported on 21 September to provide an over view.

Programme Area	Projection 21.09.20	Projection 23.11.20	Diff	Under/Over 21.09.20	Under/Over 23.11.20	Diff	Slippage 21.09.20	Slippage 23.11.20	Diff
Property	1,641	2,164	-523	-100	-85	-15	1,534	996	538
Fleet	1,484	510	974	-15	104	-119	464	1,319	-855
Equip/ICT	3,216	3,224	-8	-401	-391	-10	60	60	0
<b>Total</b>	<b>6,341</b>	<b>5,789</b>	<b>552</b>	<b>-516</b>	<b>-510</b>	<b>-6</b>	<b>2,058</b>	<b>2,622</b>	<b>-564</b>

#### 4. EQUALITY RISK ASSESSMENT

- 4.1 There are no equality implications resulting directly from this report. Each element of the capital programme will have undergone Equality risk assessments by the responsible project lead, prior to the commencement of the scheme.

## 5. RECOMMENDATION

- 5.1 That Members note the budget and progress of capital schemes, approve alterations identified in appendix 1 and associated movements in funding.

<b>Contact Officer:</b>	<b>Background Papers:</b>
Geraint Thomas Head of Finance & Procurement	Revenue & Capital Budget Capital Monitoring working papers 2019/20 Budget Holder Reports

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CAPITAL PROGRAMME 2020/21							APPENDIX 1	
	Project Total £000	SLIPPAGE B/F 2019/20 £000	2020/21 BUDGET £000	ACTUAL AS AT 08.10.2020 £000	COMMITTED AS AT 08.10.20 £000	OUTTURN POSITION 31.03.21 £000	BUDGET UNDER/ OVER SPEND £000	SLIPPAGE C/F 2021/22 £000
<b>PROPERTY</b>								
<i>STATION REFURBISHMENTS</i>								
PONTYPRIDD	1,000	672	0	219	354	881	-209	0
MONMOUTH (co-location scheme)	600	597	0	0	0	0	247	350
PENARTH	1,600	0	100	0	0	0	80	20
COWBRIDGE (co-location scheme)	530	0	30	0	0	0	30	0
NEW INN	2,000	497	0	0	0	50	0	447
TONYPANDY	800	247	482	0	26	550	0	179
MAINDEE	300	0	300	0	0	0	300	0
WHITCHURCH / USAR grant funded	608	0	0	0	0	608	-608	0
PLANNED & PREVENTATIVE MAINT	150	0	150	0	0	75	75	0
	<b>7,588</b>	<b>2,013</b>	<b>1,062</b>	<b>219</b>	<b>380</b>	<b>2,164</b>	<b>-85</b>	<b>996</b>
<b>VEHICLES</b>								
OPERATIONAL 4WD	243	243	0	185	58	243	0	0
TRUCK (SLIDE DECK / CRANE)	150	150	0	0	0	0	0	150
WATER LADDERS	464	0	464	0	0	0	0	464
RESCUE TENDERS	705	235	470	0	0	0	0	705
RECOVERY UNIT (unimog)	115	115	0	0	0	40	75	0
VAN/OPS ESTATE CAR	155	155	0	33	63	156	-1	0
RESCUE BOAT	45	45	0	0	0	0	45	0
MINIBUS	56	0	56	0	48	48	8	0
PRIME MOVER grant funded	0	0	0	23	0	23	-23	0
	<b>1,933</b>	<b>943</b>	<b>990</b>	<b>302</b>	<b>169</b>	<b>510</b>	<b>104</b>	<b>1,319</b>
<b>EQUIPMENT &amp; ICT</b>								
HELMETS	242	242	0	0	0	272	-30	0
RADIOS AND BATTERIES	435	5	0	5	0	5	0	0
STRUCTURAL KIT	1,850	0	1,850	25	1,793	1,850	0	0
THERMAL IMAGING CAMERA	252	0	252	0	0	252	0	0
GLOVES	36	0	36	0	0	39	-3	0
BREATHING APPARATUS	900	18	0	0	0	15	3	0
WIRELESS LAN CONTROLLERS	80	0	80	6	10	80	0	0
GPS REPEATERS ON ALL STATIONS	45	0	45	0	0	45	0	0
PATIENT MANAGEMENT SYSTEM	60	0	60	0	0	0	0	60
TRANMAN UPGRADE	52	0	52	26	0	52	0	0
INFRASTRUCTURE MANAGEMENT	50	43	0	1	8	43	0	0
MICROSOFT 365	40	40	0	0	0	40	0	0
MULTIMEDIA	120	120	0	136	12	155	-35	0
SERVER & STORAGE REPLACEMENT	100	0	50	57	0	57	-7	0
LCD DETECTION UNIT grant funded	320	0	0	0	0	320	-320	0
	<b>4,582</b>	<b>468</b>	<b>2,425</b>	<b>255</b>	<b>1,823</b>	<b>3,224</b>	<b>-392</b>	<b>60</b>
<b>TOTAL</b>	<b>14,103</b>	<b>3,424</b>	<b>4,477</b>	<b>776</b>	<b>2,371</b>	<b>5,898</b>	<b>-372</b>	<b>2,375</b>
<b>FUNDING ANALYSIS</b>								
						BORROWING	4,747	
						CO-LOCATION CONTRIBUTIONS	0	
						REVENUE CONTRIBUTION	200	
						REVENUE RESERVES	0	
						CAPITAL GRANT	951	
						CAPITAL RECEIPTS	0	
							<b>5,898</b>	

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## **REVENUE BUDGET 21/22 UPDATE**

### **SUMMARY**

The report includes an update of progress on the 21/22 Draft Revenue Budget.

### **RECOMMENDATION**

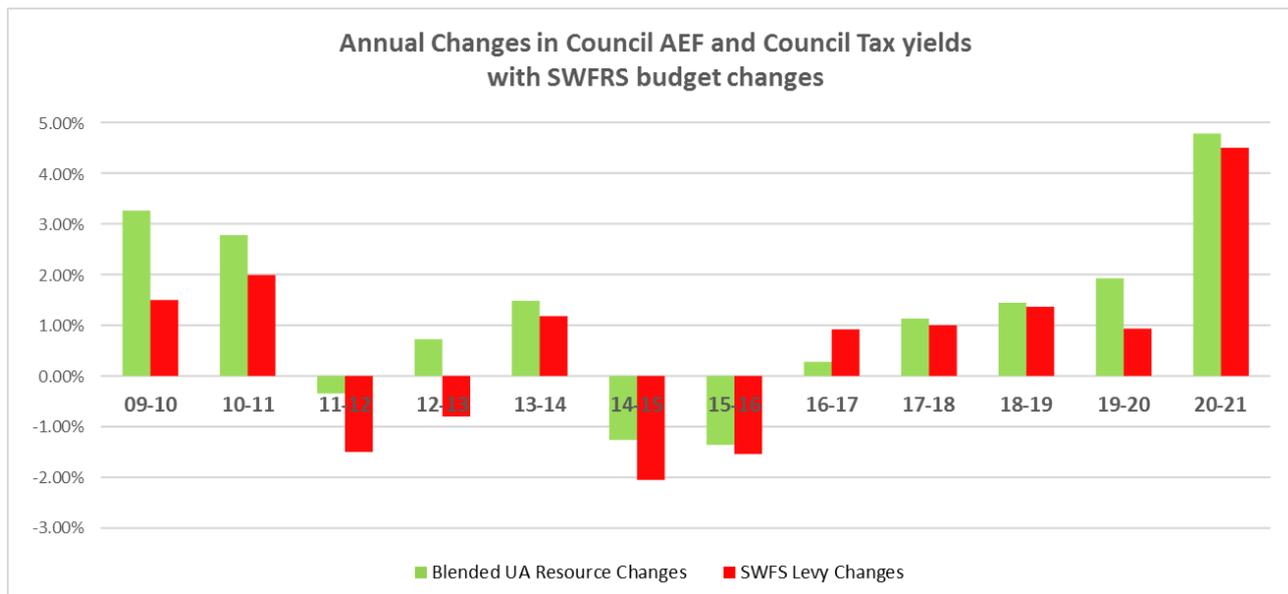
That the Committee agrees the report content as a recommendation to Fire Authority to form the basis of the budget consultation exercise.

## **1. BACKGROUND**

- 1.1 FAPM and the Fire Authority considered reports on its Medium Term Financial Plan (MTFS), Reserves and Budget Strategy in September. This report provides an update on the remaining work on the budget and recommends a basis for budget consultation for 21/22.

## **2. ISSUES**

- 2.1 Public sector finances together with the economy in general could be said to be in turmoil following the Covid19 pandemic outbreak earlier this year. Unprecedented borrowing levels and public expenditure both at a national and Welsh level have left a great deal of uncertainty over any projections for next financial year and beyond. This is compounded by the ongoing uncertainty from Brexit and the lack of any clear medium term plans from Governments.
- 2.2 Last year saw the first year of significant growth in local funding in Wales with a 4.3% settlement for local councils. Against this backdrop the Fire Authority was faced with a 4.25% increase in its budget requirement driven mainly by increasing employee costs but also reflecting the continued need to invest in maintaining services. This increase was the first of this magnitude since the economic downturn which commenced over a decade ago.
- 2.3 During that decade, the Fire Authority has managed to constrain the growth of its budget whilst also improving its service performance and reducing risk in our communities. The chart below compares the increases in the Fire Authority budget with the underlying local government settlement and council tax resources over the same period.



2.4 The September report to FAPM and Fire Authority together with information provided to the FAPM Scrutiny Group in October outlined a need to increase budgets next year by as much as 4.3%. This was based on early work on potential cost pressures and inflation. Further work was required to identify detailed costs and savings in a number of areas of the budget and this report highlights where that work has now been undertaken.

### 3 LOCAL GOVERNMENT SETTLEMENT 2021/22

3.1 The Fire Authority has always tried to be cognisant of the resources available to its funding partners in setting budgets. There was no indicative level given for the 2021/22 local government settlement however last financial year was the first to break the trend of austerity which had prevailed for many years. Council Tax also contributes to the resource equation with around one quarter of local council net spending now funded from this source.

3.2 In previous years, the Fire Authority has been informed of the consistent pattern of increases in local taxation which assists in funding council services which include fire and rescue services. Council tax yield has typically increased by an average of around between 4% and 5%.

3.3 This year has the prospect of another significant shift in population data underpinning the local government settlement. These same population numbers are the basis for the distribution of contributions to the Fire Authority budget and we can again expect significant variations around the average settlement / budget share.

## **4 SPECIFIC BUDGET PLANNING CONSIDERATIONS**

- 4.1 The Fire Authority approved a revised staffing structure in September 2018 and this forms the basis of the revenue budget. Detailed assessment of the pay budget has now been completed including any discernible impacts arising from Covid19. The Fire Authority's pay budget was already overcommitted in the current year due to a pay award for Green Book staff in excess of that budgeted. The Fire Authority has absorbed this overspend during the current year to avoid any subsequent call on council budgets.
- 4.2 The whole matter of employer pension costs remains a risk given the ongoing legal arguments following the McCloud / Sargent cases into discrimination within recent pension scheme changes. It is unlikely that any clarity will be provided on the medium to long term financial impact of these cases within this budget setting cycle.
- 4.3 In the September report, the pay budget (including pensions) was forecast to increase by 3% and following the detailed assessment above, this assessment remains the same.
- 4.4 Premises costs have been subject to a number of changes over the past six months with some recent decisions impacting the budget for next year. Two in particular are worthy of mention the first being business rates. The Fire Authority was anticipating significantly higher rates bills in the current year but these have not transpired and the delayed revaluation recently announced by Welsh Government will consolidate this position. The second issue is that revised ways of working together with significant investment in energy efficiency measures is allowing the Fire Authority to reduce costs. In the September report, the premises budget was forecast to increase by 2.2% next year, it is now forecast to decrease by 1.6%.
- 4.5 Transport costs have been maintained at lower level than anticipated partly due to alternative ways of working but also due to improved management and maintenance regimes. The estimated budget increase of 2% highlighted in the September report can now be removed.
- 4.6 Supplies and Services and contracted costs have been the subject of a line by line review. Whilst some costs like Insurance and operational equipment are expected to increase, reductions have been made elsewhere to offset these. This has been supplemented by the ability to phase in an increase in the ICT budget to meet revised software licencing models previously highlighted in the September report.

- 4.7 Capital Financing costs in the September budget report were estimated to increase by over 5% next year reflecting the agreed Capital Programme and Treasury Management projections at the commencement of the current financial year. The lower level of activity on the capital programme reflected in the latest revenue budget monitoring allows us to further reassess next year's base budget. Current indications are that we can maintain the budget at existing levels for next year.
- 4.8 Overall from these changes, the revised draft budget has reduced from the 4.3% increase projected in September down to a 3.54% increase reflecting a reduction of around £600k.
- 4.9 Revised population data is not yet available from the Welsh Government. It is anticipated that there could be a range of increase in council contributions of between 2% and 6%, if a 3.54% increase were requested.
- 4.10 Several risks remain in the budget planning for next year.
- a) the ongoing cost of Covid19 which is being met currently by Welsh Government. The budget assumes this arrangement continues
  - b) the continued approval of existing levels of grant from Welsh Government
  - c) the ongoing costs of pensions arising from current legal proceedings
- 4.11 As usual, work will continue until budget setting to identify any further opportunities to mitigate upward pressure on the budget.

## **5. BUDGET TIMETABLE**

- 5.1 The Fire Authority has in recent years sought to set its revenue budget requirement at the December meeting of the Fire & Rescue Authority with a consultation period prior to that meeting. This was seen as advantageous to the constituent councils in terms of their budget planning cycles.
- 5.2 With the current uncertain financial environment, it has not been possible to achieve this for a number of years. This is again the situation with Welsh Government due to set its draft budget in December and its final budget in February.
- 5.3 In order to work towards this approval, the following meetings will consider relevant information.

Date	Meeting	Consideration
23 Nov 2020	This FAPM Committee	Update and Draft Revenue Budget
14 Dec 2020	Fire & Rescue Authority	Draft Revenue Budget
14 Dec 2020 – 17 Jan 2021	Consultation Period	
18 Jan 2021	FAPM Scrutiny	Draft Revenue Budget and Consultation Feedback
8 Feb 2021	Fire & Rescue Authority	Revenue Budget Approval

## 6. FINANCIAL IMPLICATIONS

- 6.1 Details of the financial projections are included within the MTFs and Budget reports.

## 7. EQUALITY RISK ASSESSMENT

- 7.1 There are no equality implications resulting directly from this report. Each significant change in the Authority's budgets will undergo equality and diversity risk assessment by the responsible budget holder as part of the budget planning process.

## 8. RECOMMENDATION

- 8.1 That the Committee agrees the report content as a recommendation to Fire Authority to form the basis of the budget consultation exercise.

<b>Contact Officer:</b>	<b>Background Papers:</b>
Geraint Thomas Head of Finance and Procurement	

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## **TREASURY MANAGEMENT MID-TERM REVIEW REPORT 2020/21**

### **SUMMARY**

The Treasury Management Mid-Term Review Report provides an update on the Authority's treasury activities for the period 1 April-30 September 2020.

### **RECOMMENDATION**

That the Fire Authority notes the report and treasury activity for the period.

## **1. BACKGROUND**

- 1.1 The Fire & Rescue Authority approved the Treasury Management Strategy Statement (TMSS) for 2020/21 on 13 July 2020. The TMSS sets out the reporting framework for monitoring performance and compliance of treasury management activities.
- 1.2 This report contains indicators and information for the 6 months leading up to 30 September 2020. Treasury procedures and reporting are intended to limit the Authority's exposure to unforeseen and unbudgeted financial consequences and to ensure that treasury management activity has been conducted in accordance with legislation and the agreed strategy.

## **2. INTRODUCTION**

- 2.1 This report has been written in accordance with the requirements of the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management (revised 2017). The primary requirements of the Code are as follows:
  - (i) Creation and maintenance of a Treasury Management Policy Statement (TMSS) which sets out the policies and objectives of the Authority's treasury management activities.
  - (ii) Creation and maintenance of Treasury Management Practices which set out the manner in which the Authority will seek to achieve those policies and objectives.

- (iii) Receipt by the full Authority of:
- (a) an annual TMSS to include the Annual Investment Strategy (AIS) and Minimum Revenue Provision (MRP) Policy for the year ahead;
  - (b) a Mid-year Review Report (this report), and
  - (c) an Annual Report (stewardship report) covering activities during the previous year.
- (iv) Delegation by the Authority of responsibilities for implementing and monitoring treasury management policies and practices and for the execution and administration of treasury management decisions.
- (v) Delegation by the Authority of the role of scrutiny of treasury management strategy and policies to a specific named body. For this Authority the delegated body is the Finance, Audit & Performance Management Committee.

2.2 This mid-year report has been prepared in compliance with CIPFA's Code of Practice on Treasury Management, and covers the following:

- A review of the Treasury Management Strategy Statement and Annual Investment Strategy;
- The Authority's capital expenditure and prudential indicators;
- A review of the Authority's investment portfolio for 2020/21;
- A review of the Authority's borrowing strategy for 2020/21;
- A review of compliance with Treasury and Prudential Limits for 2020/21.

### **3. TREASURY MANAGEMENT STRATEGY STATEMENT UPDATE**

3.1 The TMSS for 2020/21 was approved by this Authority on 13 July 2020. There are no major policy changes to report and a comparison of the TMSS and the Authority's current position is contained in the table overleaf.

<b>Prudential/Treasury Indicators 2020/21</b>	<b>TMSS £000</b>	<b>Revised £000</b>
<b>Capital expenditure</b>	7,705	5,789
Financing:		
Capital grants	(23)	(951)
Reserves	(111)	0
Revenue	(250)	(200)
Net financing requirement	7,321	4,638
Less MRP	(3,268)	(3,247)
Increase / decrease in CFR	4,053	1,391
CFR at 31 March	45,481	42,855
<b>External debt</b>		
Debt 1 April	26,477	26,477
Increase / decrease	584	584
Other long term liabilities	4,462	4,462
Increase / decrease	(229)	(229)
Gross debt at 31 March	31,523	31,523
Under / (over) borrowed position	13,958	11,332
<b>Operational Boundary;</b>		
Debt	37,000	37,000
Other long term liabilities	8,000	8,000
Total	45,000	45,000
<b>Authorised limit</b>		
Debt	40,000	40,000
Other long term liabilities	10,000	10,000
Total	50,000	50,000
<b>Affordability:</b>		
Ratio of Financing costs to Revenue	6.62%	6.30%
Operational limit	9%	9%
Authorised limit	10%	10%
<b>Bank / current rates</b>		
Lloyds		0%
Barclays		0%

#### 4. PRUDENTIAL/TREASURY INDICATORS

4.1 This part of the report is structured to update Members with the following:

- The Authority's capital expenditure plans;
- How these plans are being financed;
- The impact of the changes in the capital expenditure plans on the prudential indicators and the underlying need to borrow; and
- Compliance with the limits in place for borrowing activity.

- 4.2 The above table compares the most recent capital expenditure projection with the original estimate. More detailed information on the reasons for the £1.9 million reduction in capital spending are contained within the capital monitoring reports and this has resulted in a lower CFR at £42,855m. A key indicator is how the CFR compares to the borrowing position. Borrowing should remain below the CFR limit, at least in the long term, and this position is described as either under or over borrowed. The above table indicates the Authority is under borrowed by £11,332m and if required, has potential to take additional borrowing up to this value.
- 4.3 In addition to CFR, borrowing limits are in place for both external loans and other financial instruments, ie lease and PFI arrangements which constitute borrowing, to ensure borrowing is prudent and can be controlled and monitored. It is a statutory duty for the Authority to determine and keep under review the affordable borrowing limits. During the half year ended 30 September 2020, the Authority has operated within the treasury and prudential indicators set out in the Authority's Treasury Management Strategy Statement for 2020 and as indicated in the above table. The Treasurer reports that no difficulties are envisaged for the current or future years in complying with these indicators. All treasury management operations have also been conducted in full compliance with the Authority's Treasury Management Practices.
- 4.4 The necessity to borrow this financial year remains. New borrowing in the region of £3 million will be progressed in the New Year when cash balances are lower. There are a number of things affecting cash balances to be considered, the revenue and capital budget positions; rate/volume of firefighter retirements and grants. The Authority has not undertaken interest bearing borrowing since 2014 and has utilised government supported, interest free loans to fund invest to save initiatives in addition to cash reserves to avoid the cost of carry. Between 2019/20 and 2020/21 the Authority will have repaid nearly £7 million in loans and new borrowing will help refinance this position at a time when interest rates are low, eg currently new borrowing can be secured for 10 years at rates in the region of 2.33%.
- 4.5 It is now impossible to earn the level of interest commonly seen in previous decades as all investment rates are barely above zero now that bank rate is at 0.10%, while some entities are offering negative rates of return in some shorter time periods. Given this risk environment and the fact that increases in bank rate are unlikely to occur before the end of the current forecast horizon of 31 March 2023, investment returns are expected to remain low. The Authority currently has not invested this financial year although maintains bank deposits in its operating accounts which are both zero as both track bank rate with a -0.10% adjustment. As a result, the

Authority will not meet the £50k budget set for investment income this year and the foreseeable future.

- 4.6 The Bank of England has said that it is unlikely to introduce a negative bank rate, at least in the next 6-12 months, although some deposit accounts are already offering negative rates for shorter periods. This would impact the revenue budget as banking costs will effectively increase.

## **5. FINANCIAL IMPLICATIONS**

- 5.1 The financial implications of treasury activities have been factored into the Authority's budgeting and reporting processes.

## **6. LEGAL IMPLICATIONS**

- 6.1 The Authority is required to comply with the requirements of the Local Government Act 2003 and to have regard to both the Welsh Government guidance and the CIPFA Code when determining its treasury management policy, strategies and reporting regime.

## **7. EQUALITY RISK ASSESSMENT**

- 7.1 There are no equality implications resulting directly from this report.

## **8. RECOMMENDATION**

- 8.1 That the Fire Authority notes the report and treasury activity for the period.

<b>Contact Officer:</b>	<b>Background Papers:</b>
Geraint Thomas Head of Finance & Procurement	TMSS 2020/21 TM Outturn Report 2019/20 Revenue/Capital Monitoring Reports Link Service information

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## **INTERNAL AUDIT REPORT**

### **SUMMARY**

This report updates Members upon progress being made against the Internal Audit Plan 2020/2021.

### **RECOMMENDATION**

Members are asked to note internal audit recommendations and work completed to date on the Internal Audit Annual Plan.

## **1. BACKGROUND**

- 1.1 As Members will be aware, TIAA Limited are appointed as the Authority's Internal Auditors to undertake work covered in the Internal Audit Plan 2020/2021 which was approved by this Committee on 15 June 2020.
- 1.2 As previously agreed, all audit reports with an assurance level of limited or no assurance will be provided in full. Recommendations only will be provided for reports with an assurance level of substantial or reasonable.

## **2. ISSUE**

- 2.1 The areas of internal audit reviews within the Annual Plan were completed with 4 final reports being issued:-
  - **ICT Data Assurance**
  - **Procurement**
  - **Human Resources – Training**
  - **Station Visits**

The Summary Internal Audit Progress Report written by TIAA Limited is attached as Appendix 5.

### **2.2 ICT Data Assurance**

- 2.2.1 The review considered the arrangements for the approval process for permitting electronic data to be passed to third parties, the data security arrangements and the transit arrangements designed to minimise unauthorised access to the data whilst it is in transit and the monitoring arrangements.

2.2.2 This audit area was given a reasonable level of assurance. There were three recommendations made, one important and two routine, with two areas of operational effectiveness also identified.

## 2.3 Procurement

2.3.1 The review considered the arrangements for considering sustainability and environmental factors in the identification of need, sourcing, approving and receipt of goods and services, including tendering arrangements and how the requirements of the Well-being of Future Generations Act is considered in the overall procurement arrangements.

2.3.2 This audit received a substantial level of assurance with three routine recommendations made.

## 2.4 Human Resources – Training

2.4.1 The review considered the arrangements for: determining the training requirements; the monitoring arrangements; management information produced; and, reporting to committee. The review will focus on operational staff within Technical Services and include verification of training records and comparison of records held within Human Resources and other training records databases.

2.4.2 The audit received a reasonable level of assurance with two important recommendations made.

## 2.5 Station Visits

2.5.1 The review considered the arrangements for complying with the organisation's financial procedures at the Barry and Maesteg whole-time stations and the Llantwit Major retained duty system station. The sample included stations that are co-located with other emergency services.

2.5.2 This audit was given a reasonable level of assurance with two important and seven routine recommendations made and four areas of operation effectiveness also identified.

## 3 EQUALITY RISK ASSESSMENT

3.1 The issues raised within this report have no adverse impact on the protected characteristics, and would have been considered during the audit process.

## 4 RECOMMENDATION

- 4.1 Members are asked to note the internal audit recommendations, and work completed to date on the Internal Audit Annual Plan.

<b>Contact Officer:</b>	<b>Background Papers:</b>
Geraint Thomas Head of Finance & Procurement	Appendix 1 – ICT Data Assurance Appendix 2 – Procurement Appendix 3 – Human Resources Appendix 4 – Station Visits Appendix 5 – Summary Internal Audit Progress Road Appendix 6 – Squaring the Circle

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## South Wales Fire and Rescue Service

Assurance Review of ICT Data Assurance

2020/21

September 2020

## Executive Summary

### OVERALL ASSESSMENT



### ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

If provision is not put in place to address the new EU data regulations then we will be in breach of the regulations. (Risk 110)

### SCOPE

The review considered the arrangements for the approval process for permitting electronic data to be passed to third parties, the data security arrangements and the transit arrangements designed to minimise unauthorised access to the data whilst it is in transit and the monitoring arrangements. The scope of the review did not include consideration of the IT network and application security arrangements or the need to transfer the specific data to specific third parties.

### KEY STRATEGIC FINDINGS



Reasonable arrangements for permitting electronic data to be passed securely to third parties are in place. The following findings were noted:



A review of relevant procedures indicated that those relating to Information Security Management, Internet and Email Usage and Removable Media/ Mobile Data Devices were overdue review.



Data Protection Impact Assessments and Privacy Impact Assessments to be completed when appropriate on an on-going basis.

### GOOD PRACTICE IDENTIFIED



Covid 19 is the headline feature of both the Fire Service Website and Intranet. There is comprehensive guidance on working from home and the impact of Covid-19.



The department has two trainers specialising in Data Protection who offer one to one, group and flexible training as necessary.

### ACTION POINTS

Urgent	Important	Routine	Operational
0	1	2	2

## Assurance - Key Findings and Management Action Plan (MAP)

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	Directed	All relevant Policies and Procedures were reviewed with three of the procedures, ISMS 001 Information Security Management, ISMS 002 Internet and email usage Procedures and ISMS 011 Removable Media/Mobile Data Devices found to be overdue review. The stated review date was 2016, in advance of the changes arising from EU GDPR and the Data Protection Act 2018 and the procedures will need to be updated accordingly.	The ISMS 001 Information Security Management, ISMS 002 Internet and email usage Procedures and ISMS 011 Removable Media/Mobile Data Devices be reviewed and updated as necessary.	2	<p><i>A full overhaul of these documents is an allocated project in both ICT and Information Governance as in the findings below.</i></p> <p><i>However, if sufficient resources cannot be allocated in this Quarter by both departments to complete the work then the recently reviewed copies supplied will be issued.</i></p>	31 Dec 2020	ICT Transformation Manager with Information Governance and Compliance Officer

PRIORITY GRADINGS

**1** **URGENT** Fundamental control issue on which action should be taken immediately.

**2** **IMPORTANT** Control issue on which action should be taken at the earliest opportunity.

**3** **ROUTINE** Control issue on which action should be taken.

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
2	Directed	<p>Data Protection Impact Assessments (DPIA) which identify and minimise the risks associated with the processing of personal data have been completed or are in progress for the following areas:</p> <ul style="list-style-type: none"> <li>• Drone Usage</li> <li>• Live Streaming</li> <li>• Fire Fighter Cadet Management System</li> <li>• Fire Fighter Apprenticeship Scheme</li> <li>• Volunteer Photography</li> </ul>	Data Protection Impact Assessments be completed when appropriate on an on-going basis.	3	<p><i>We are now confident that as DPIA's are mandatory for any proposed project that they will continue to be completed.</i></p> <p><i>Several of the named items have now been signed off and others are still in progress as the project has not yet progressed further.</i></p> <p><i>We have already received a number of additional ones which are in progress evidencing on-going activity.</i></p> <p>?</p>	Done	Information Governance and Compliance Officer

## PRIORITY GRADINGS

1

**URGENT**

Fundamental control issue on which action should be taken immediately.

2

**IMPORTANT**

Control issue on which action should be taken at the earliest opportunity.

3

**ROUTINE**

Control issue on which action should be taken.

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
3	Directed	Contracts with suppliers include data protection declarations. A sample of five contracts was reviewed and these were confirmed as in place. However, in one case the contract had not been counter-signed by the 3rd party prior to scanning.	Ensure all contracts held electronically are scanned with both party's signatures.	3	<i>We will in future ensure that all contracts are scanned only when they have been signed by both parties.</i>	31/12/2020	Senior Procurement Officer

PRIORITY GRADINGS

**1** **URGENT** Fundamental control issue on which action should be taken immediately.

**2** **IMPORTANT** Control issue on which action should be taken at the earliest opportunity.

**3** **ROUTINE** Control issue on which action should be taken.

## Operational - Effectiveness Matter (OEM) Action Plan

Ref	Risk Area	Finding	Suggested Action	Management Comments
1	Directed	ICT provide guidance and briefings to staff relating to phishing risks. No proactive phishing exercises are undertaken to promote awareness and identify staff / officers who require further guidance.	ICT to develop method of regular Phishing exercises as used by similar organisations either collaboratively or independently.	<i>We are awaiting the results of an all Wales bid to undertake this through the shared Cymru WARP approach. Should this not be allocated we will look to build in some provision for the 21/22 financial year.</i>
2	Directed	One of the Service's trainers is currently visiting each station and covering the three watches at each station to provide further GDPR training. The training is diarised. However, attendance should be recorded to ensure training records are kept up to date,	Attendance records be maintained of those officers attending the GDPR training provided at each station.	<i>Attendees at all events that are run by the Information Governance department are recorded. The proposed online learning package currently being rolled out will also do this.  ICT trainers will be asked to record names of attendees at workshops where there are any Information Management or Security topics covered.</i>

ADVISORY NOTE

Operational Effectiveness Matters need to be considered as part of management review of procedures.



## South Wales Fire and Rescue Service

Assurance Review of Procurement

2020/21

September 2020

## Executive Summary

### OVERALL ASSESSMENT



### ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

Failure to implement sustainable procurement practices may result in South Wales Fire and Rescue Service not contributing fully to the aims Well-being of Future Generations Act to work more effectively with communities, other public sector bodies and prevent problems such as poverty, health inequalities and climate change.

### KEY STRATEGIC FINDINGS



The Sustainable Procurement Policy 2020 meets the obligations of the Well Being of Future Generations Act 2015 and needs to be finalised and approved by the Senior Management Team.



The Carbon Reduction Plan 2020-2023 was approved by the Fire Authority 13<sup>th</sup> July 2020.



The Authority has made clear commitments to comply with the goals of the Well-being of Future Generations Act 2015 within its Strategic Plan 2019-24 under the Strategic Theme 3 PA05 "Reducing our Service's impact on the environment to ensure future sustainability".



In line with strategic objective PA05, the Authority has procured two Euro 6 emissions compliant fire engines, a number of hybrid vehicles and has installed LED lighting across all of its sites.

### GOOD PRACTICE IDENTIFIED



The Procurement Team have instigated a standardised procurement numbering protocol to ensure each procurement has a unique reference number, which highlights the type of procurement, linked to the procurement thresholds.



The Well-being Sustainable Procurement Form documents how the procurement achieves the Well-being Future Generations Act 2015 goals and the community based actions included in the procurement process.

SCOPE	ACTION POINTS			
<p>The review considered the arrangements for considering sustainability and environmental factors in the identification of need, sourcing, approving and receipt of goods and services, including tendering arrangements and how the requirements of the Well-being of Future Generations Act is considered in the overall procurement arrangements.</p>	Urgent	Important	Routine	Operational
	0	0	3	0

## Assurance - Key Findings and Management Action Plan (MAP)

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	Directed	The Sustainable Procurement Policy 2020 meets the obligations of the Well Being of Future Generations Act 2015. The document is in draft format and requires review by the Head of Finance and approval by the Fire Authority.	The Sustainable Procurement Policy 2020 be reviewed and approved by the Senior Management Team.	3	<i>The draft Sustainable Procurement Policy will be reviewed and amended as appropriate</i>	31/03/21	Senior Procurement Officer
2	Directed	The Authority's Action Plan for meeting the Commitments in the Welsh Government's Code of Practice – Ethical Employment in Supply Chains has not been reviewed by HR to assign responsibilities and implementation target dates.	The Authority's Action Plan for meeting the Commitments in the Welsh Government's Code of Practice – Ethical Employment in Supply Chains be reviewed by HR to assign responsibilities and implementation target dates.	3	<i>Discussion to be held between Senior Procurement Officer and HR Manager to review and agree action plan.</i>	31/03/21	Senior Procurement Officer and HR Manager

### PRIORITY GRADINGS

1

**URGENT**

Fundamental control issue on which action should be taken immediately.

2

**IMPORTANT**

Control issue on which action should be taken at the earliest opportunity.

3

**ROUTINE**

Control issue on which action should be taken.

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
3	Delivery	The Authority needs to publish a Modern Slavery and Human Trafficking Statement on its website.	The latest version of the Modern Slavery and Human Trafficking Statement be uploaded to the Authority's website.	3	<i>The Modern Slavery Statement forms part of the Code of Practice for Ethical Employment. Procurement will work with HR to draft and seek approval of the statement.</i>	31/03/21	Senior Procurement Officer and HR Manager

PRIORITY GRADINGS

**1** **URGENT** Fundamental control issue on which action should be taken immediately.

**2** **IMPORTANT** Control issue on which action should be taken at the earliest opportunity.

**3** **ROUTINE** Control issue on which action should be taken.

## Operational - Effectiveness Matter (OEM) Action Plan

---

Ref	Risk Area	Finding	Suggested Action	Management Comments
There were no operational effectiveness matters identified.				

ADVISORY NOTE

Operational Effectiveness Matters need to be considered as part of management review of procedures.



## South Wales Fire and Rescue Service

Assurance Review of Human Resources Management – Training

**2020/21**

September 2020

## Executive Summary

### OVERALL ASSESSMENT



### ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

Risk 019b Reported in the Risk Register is "if we suffer the loss of life/ life changing injuries for a member of staff or the member of the public through the commission of our duties" This is reported as a medium risk and has a current risk score of 12.

### KEY STRATEGIC FINDINGS



**South Wales Fire and Rescue do not maintain a report of staff members who are in need of mandatory training.**



**The Training Department communicate well from the planning stage through to the operational stage of training to achieve high numbers of attendees to all events.**

### GOOD PRACTICE IDENTIFIED



**The Head of Training Delivery holds weekly meetings with Station Managers in order to achieve maximum attendance for all events in the coming week.**

### SCOPE

The review considered the arrangements for: determining the training requirements; the monitoring arrangements; management information produced; and, reporting to committee. The review will focus on operational staff within Technical Services and include verification of training records and comparison of records held within Human Resources and other training records databases. The scope of the review does not include verification that all staff have been correctly appraised or that all training needs have been correctly assessed, or the arrangements for provision of in-house training.

### ACTION POINTS

Urgent	Important	Routine	Operational
0	2	0	0

## Assurance - Key Findings and Management Action Plan (MAP)

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	Directed	During the audit a report could not be run to show staff members who are out of compliance with their training needs. It was noted during the review the service are aware of this issue and are in the process of developing a new Course Management System which will provide this function.	A temporary work around be put in place to monitor staff members who are not in compliance with their training needs until the new Course Management System is developed.	2	<i>The 'work around' is in place and is supported further by a closer link between Ops Central Training team and training department.</i>	ASAP	SM N. Rees-Taylor
2	Directed	Monthly Training Department Managers meetings and bi monthly meetings with the Operational Department and Training Department leads are taking place however compliance with the service's training requirements is not being discussed.	A position statement of compliance with the service's training requirements be presented at Training Department Meetings.	2	<i>The training department 3 year strategy will encompass this. Additionally, this will now be an agenda item on both these meetings.  Support to aid this will be identified via BMIS team.</i>	31/10/20  30/04/21	GM S. Moody, or replacement

PRIORITY GRADINGS

**1 URGENT** Fundamental control issue on which action should be taken immediately.

**2 IMPORTANT** Control issue on which action should be taken at the earliest opportunity.

**3 ROUTINE** Control issue on which action should be taken.

## Operational - Effectiveness Matter (OEM) Action Plan

Ref	Risk Area	Item	Management Comments
No Operational Effectiveness Matters were identified.			

ADVISORY NOTE

Operational Effectiveness Matters need to be considered as part of management review of procedures.



APPENDIX 4

Internal Audit

FINAL

## South Wales Fire and Rescue Service

Compliance Review of Station Visits

**2020/21**

October 2020

## Executive Summary

### OVERALL ASSESSMENT



### ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

The review included compliance testing in relation to each Station's Covid Risk Assessment.

### SCOPE

The review considered the arrangements for complying with the organisation's financial procedures at the Barry and Maesteg whole-time stations and the Llantwit Major retained duty system station. The sample included stations that are co-located with other emergency services.

### KEY STRATEGIC FINDINGS



South Wales Fire & Rescue Service's Policies and Procedures can be accessed on-line by all staff through the Intranet.



Health and Safety information was identified within each station and it was confirmed that all notices were prominently displayed, clear and consistent for visitors.



Testing indicated that fuel receipts were not always being uploaded onto the finance system on a timely basis.



The Redkite report of tasks due at each station visited highlighted a number of outstanding tasks. It was noted that a backlog had arisen relating to Breathing Apparatus (undertaken by a contractor) and workshop tasks because of Covid-19.

### GOOD PRACTICE IDENTIFIED



Home visits had resumed in July 2020 as lockdown arrangements began to ease following the COVID-19 outbreak. There were no overdue home safety checks at the time of the audit.



The fuel cards for all stations were confirmed as being safely stored in the key safe at the time of the visit.

### ACTION POINTS

Urgent	Important	Routine	Operational
0	2	7	4

## Assurance - Key Findings and Management Action Plan (MAP)

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	Directed	A check of the fuel card documentation within the Llantwit Major station identified five receipts for the purchasing of fuel. Testing confirmed that the fuel purchasing book was completed appropriately to record the purchases however, three of the receipts had not yet been uploaded onto the Finance System as per the procedures. These receipts related to the fuel purchases of £49.27, £57.50 and £56.88 on the 31st July, 19th May and 9th of April 202 respectively.	Fuel receipts be uploaded onto the Finance system in a timely manner.	2	<p><i>This was delayed due to COVID 19 but has now been completed.</i></p> <p><i>Station Commander has put system in place to ensure this does not happen in future.</i></p> <p><i>Junior officers on station are to manage receipts not the Administration assistants.</i></p>	28/09/20	Pritchard WM/ OAST

PRIORITY GRADINGS

**1** **URGENT** Fundamental control issue on which action should be taken immediately.

**2** **IMPORTANT** Control issue on which action should be taken at the earliest opportunity.

**3** **ROUTINE** Control issue on which action should be taken.

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
2	Directed	<p>A Redkite report of tasks due was obtained for each station visited and the following issues were identified:</p> <p>Barry Station - Ten outstanding items were listed on the report. These were the responsibility of the Workshops department and the Breathing Apparatus maintenance contractor.</p> <p>Maesteg Station - Nine outstanding items that were the responsibility of the Workshops department and the Breathing Apparatus maintenance contractor were listed on the report. Two of the nine items referred to pieces of kit that could not be located and it was noted that an investigation was underway to locate the equipment.</p> <p>Llantwit Major Station - Nine outstanding items were listed on the report that were the responsibility of the Workshops department and the Breathing Apparatus maintenance contractor.</p>	Arrangements be made with the Workshops department and the BA servicing contractor to complete any due tasks in a timely manner.	2	<i>Stations have contacted the departments to get the items tested and removed from the Redkite system.</i>	31/11/20	<i>Pritchard WM/OAST</i>

## PRIORITY GRADINGS

1

**URGENT**

Fundamental control issue on which action should be taken immediately.

2

**IMPORTANT**

Control issue on which action should be taken at the earliest opportunity.

3

**ROUTINE**

Control issue on which action should be taken.

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
3	Directed	Testing of Gym equipment identified two items in Barry station where the asset tag had peeled off (exercise bike and the Wattbike) and a Wattbike with no asset tag in the Maesteg station's gym. Screenshots of the Asset Management system were provided following the audit to confirm that these items were included on the register.	Ensure that new items of equipment are issued with an asset tag and any peeling asset tags are replaced in a timely manner.	3	<i>Discussed this issue with the Station Commander and Property Services. New company now appointed to asset tag Service items. The new contractor will provide information in regards to the location of asset tags on each items of equipment. Any items not tagged will be completed.</i>	31/10/20	Colin Pritchard WM/ OAST
4	Directed	Testing of the Services IT assets highlighted that the Virtual Desktop Interface Computer Base Unit identified in Barry Station was assigned to South Wales Fire and Rescue Headquarters.	The Service's Asset Management system be updated to reflect the current location of the VDI Computer Base Unit used in Barry Station.	3	<i>Liaised with station to ensure this is updated.</i>	31/10/20	Pritchard WM/ OAST

PRIORITY GRADINGS

**1** **URGENT** Fundamental control issue on which action should be taken immediately.

**2** **IMPORTANT** Control issue on which action should be taken at the earliest opportunity.

**3** **ROUTINE** Control issue on which action should be taken.

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
5	Directed	<p>Testing included a check of portable electrical items to ensure that Portable Appliance (PAT) testing is taking place on a two year cycle. Labels were attached to all items examined and it was noted that the most recent PAT testing had been carried out at each station in January 2020.</p> <p>It was identified that three electrical items within Barry fire station's Gym displayed PAT testing dates over the two year cycle including the speaker for the stereo system and both treadmills. Further, it was noted that the stereo system did not have a PAT testing label as evidence of testing.</p> <p>One item within the Llantwit Major fire station exceeded the two year PAT testing cycle. This was relating to the refrigerator within the kitchen which was previously tested in 2013.</p>	Ensure that all portable electrical items are tested by the electrical contractor and are subsequently labelled.	3	<i>Met with Property Service. They will arrange for any outstanding items to be PAT tested.</i>	31/10/20	<i>Pritchard WM/OAST</i>

## PRIORITY GRADINGS

1

**URGENT**

Fundamental control issue on which action should be taken immediately.

2

**IMPORTANT**

Control issue on which action should be taken at the earliest opportunity.

3

**ROUTINE**

Control issue on which action should be taken.

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
6	Directed	<p>Each station is required to hold at least one first aid box with up to date contents, the appropriateness and contents of the first aid boxes were tested during the audit. Testing identified that:</p> <p>Barry Station's first aid box included one pair of latex gloves where the contents card requires three.</p> <p>The Llantwit Major first aid box within the waiting area consisted of four triangular bandages whilst the contents card stated that there must be six included.</p>	<p>Ensure that the contents of the Service's first aid boxes are routinely monitored and replaced.</p>	3	<p><i>Liaised with Trauma Group.</i></p> <p><i>Contents of first aid kits to be checked to ensure full inventory of trauma/ first aid boxes.</i></p> <p><i>Station Commanders to monitor the testing of Trauma/ First aid kits on Station and via Redkite.</i></p> <p><i>Awaiting confirmation from Trauma Group that this action has been completed.</i></p>	31/10/20	<p><i>Colin Pritchard</i> <i>OAST / WM</i></p>

PRIORITY GRADINGS

**1** **URGENT** Fundamental control issue on which action should be taken immediately.

**2** **IMPORTANT** Control issue on which action should be taken at the earliest opportunity.

**3** **ROUTINE** Control issue on which action should be taken.

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
7	Directed	<p>During the audit the trauma packs within the Service's vehicles were tested to ensure compliance with the contents cards attached. Testing identified that:</p> <p>Maesteg's Trauma Bag on vehicle one was missing a Large Bandage and a Crepe Bandage from the first aid pack, an Olaes bandage from the Haemorrhage pack and the adult resuscitation kit from the Adult BVM was out of date in May 2020.</p> <p>Vehicle two's trauma pack was also missing a Large Bandage and a Crepe Bandage.</p> <p>The Trauma Pack in Llantwit Major consisted of an Igel 5 airway device which was out of date in April 2020.</p>	The Trauma packs on the Service's vehicles be routinely monitored for any missing or out of date items and these items replaced as necessary.	3	<p><i>Contents of first aid kits to be checked to ensure full inventory of trauma/ first aid boxes.</i></p> <p><i>Station Commanders to monitor the testing of Trauma/ First aid kits on Station and via Redkite.</i></p>	31/10/20	C Pritchard WM/ OAST

## PRIORITY GRADINGS

1

**URGENT**

Fundamental control issue on which action should be taken immediately.

2

**IMPORTANT**

Control issue on which action should be taken at the earliest opportunity.

3

**ROUTINE**

Control issue on which action should be taken.

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
8	Directed	A test of all fire extinguishers within the stations was carried out it was noted that one fire CO2 fire extinguisher within the Barry fire station referred to a service in January 2019. All other extinguishers across the three stations referred to servicing dates of January 2020.	The CO2 fire extinguisher within Barry Station's garage to be serviced as appropriate	3	Barry station to arrange servicing of Extinguisher Awaiting confirmation this has been completed.	31/10/20	Wm C Pritchard OAST
9	Directed	A test of the first aid kit on Maesteg's fire service van identified that each item within the first aid kit was out of date. It was stated by both the Station Manager and Watch Manager that as the van is only used to carry staff and/or extra equipment to and from site there is no requirement for a first aid box to be held within the van.	A decision be made on whether a First Aid kit is required be held within the Service's van for transporting staff and equipment and if so, this should be checked regularly to ensure all items are in date and the contents are complete.	3	Liaised with the Trauma Group for a decision regarding the need to carry Trauma/ First aid kits on Service vans. Awaiting confirmation from the next Trauma Group meeting. Until this decision has been made, Maesteg has indented for a new First Aid kit for the van.	07/11/20	Wm Pritchard OAST SM Maesteg

PRIORITY GRADINGS

**1 URGENT** Fundamental control issue on which action should be taken immediately.

**2 IMPORTANT** Control issue on which action should be taken at the earliest opportunity.

**3 ROUTINE** Control issue on which action should be taken.

## Operational - Effectiveness Matter (OEM) Action Plan

Ref	Risk Area	Finding	Suggested Action	Management Comments
1	Directed	No records of Legionella, Electrical or Gas testing were kept in the visited stations, it was noted that these are held centrally by the Property Services department.	Copies of Legionella, Gas and Electrical certificates be held at each station as well as a central record being maintained in accordance with best practice.	<i>After liaising with Property Services who state that all records are held centrally. The record for these checks are routinely audited. Property Services will review whether they need to hold copies on station. Property Services to confirm once this decision has been made.</i>
2	Directed	It was noted during a walk around of Llantwit Major's fire station that there was no lock between the police department's corridor and the fire service's corridor. It was noted that this was to promote an inclusive atmosphere within the station although could potentially lead to unauthorised access or a breach in security.	Consideration be given to the installation of a key card lock on the door as a security measure to prohibit any unauthorised access.	<i>Property service informed and decision will be made if this is required or not. Awaiting confirmation regarding the decision.</i>
3	Directed	Checks were carried out on all of the first aid boxes within the three stations. It was noted that not all first aid boxes consisted of a contents card.	Consideration be given to the inclusion of contents cards within each of the station's first aid boxes to ensure all necessary equipment is available.	<i>Content cards to be designed and sent out by the Trauma Group</i>

ADVISORY NOTE

Operational Effectiveness Matters need to be considered as part of management review of procedures.

Ref	Risk Area	Finding	Suggested Action	Management Comments
4	Directed	<p>It was noted that one of the kitchen's within Barry Station was recently installed and is not in use as of yet. There was no first aid box situated within this kitchen and as best practice it was recommended that one be situated within the kitchen.</p> <p>Maesteg Station's two First Aid boxes were kept within the first aid room on the ground floor, as the kitchen of the station is on the first floor it is recommended to relocate one of these first aid boxes to the kitchen.</p>	<p>Consideration be given to the provision of a first aid box within each of the Fire Service's Stations kitchens.</p>	<p><i>From a Service perspective the first priority is to ensure that First aid kits are accessible in areas which are accessed by members of the public. The Service will review the requirements for additional First Aid kits near to kitchen areas. This work stream has been forwarded to the Trauma Group.</i></p> <p><i>Awaiting confirmation from the next Trauma Group meeting.</i></p>

ADVISORY NOTE

Operational Effectiveness Matters need to be considered as part of management review of procedures.

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## South Wales Fire and Rescue Service

### Summary Internal Controls Assurance (SICA) Report

2020/21

October 2020

## Summary Internal Controls Assurance

### Introduction

1. This summary controls assurance report provides the Finance and Performance Management Committee (FAPM) with an update on the emerging Governance, Risk and Internal Control related issues and the progress of our work at South Wales Fire and Rescue Service as at 13<sup>th</sup> October 2020. The period covered by this summary controls assurance report was significantly impacted by the COVID 19 pandemic.

### Emerging Governance, Risk and Internal Control Related Issues

2. COVID 19 is the most significant recent event to impact both strategically and operationally upon modern day Governance, Risk and Internal Control arrangements. There will be a number of phases in relation to the move through the pandemic and each phase has different implications for the Governance, Risk and Internal Control arrangements. Based upon the information garnered from our work at number of clients some of the potential strategic impacts for 2020/21 are summarised below. A key consideration is that there is unlikely to be a precise timeline when the organisation moves from one phase to the next and also there will be a consequential timelag as the organisation adapts and adopts new ways of operating. The box in the table below signifies the approximate stages which occurred during the period covered by this SICA, noting that we are now returning to lockdown.

*Impact on COVID 19 on strategic focus during business interruption*



- There are a range of operational matters arising from the COVID 19 pandemic which impact upon the Governance, Risk and Internal Control arrangements and examples of such have been summarised in Appendix A. During the COVID 19 period it would be prudent for South Wales Fire and Rescue Service to compare the policies, procedures and internal control processes in effect during the pandemic against the policies, procedures and internal control processes in effect prior to the onset of the pandemic. The matters identified should be risk assessed so as to gain awareness about where the undetected vulnerabilities that may exist so that an informed decision can be made around acceptance of such risks.

**Internal Control Framework**

**Audits completed since the last SICA report to the Audit Committee**

- The table below sets out details of audits finalised since the previous meeting of the Audit Committee.

*Audits completed since previous SICA report*

Review	Evaluation	Key Dates			Number of Recommendations			
		Draft issued	Responses Received	Final issued	1	2	3	OEM
ICT Data Assurance	Reasonable	13 <sup>th</sup> August 2020	7 <sup>th</sup> September 2020	8 <sup>th</sup> September 2020		1	2	2
Procurement	Substantial	20 <sup>th</sup> August 2020	9 <sup>th</sup> September 2020	11 <sup>th</sup> September 2020			3	
Human Resources Management – Training	Reasonable	9 <sup>th</sup> September 2020	9 <sup>th</sup> September 2020	11 <sup>th</sup> September 2020		2		
Station Visits	Reasonable	27 <sup>th</sup> August 2020	7 <sup>th</sup> October 2020	8 <sup>th</sup> October 2020		2	7	4

- There are no issues arising from these findings which would require the annual Head of Audit Opinion to be qualified.

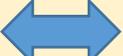
**Progress in actioning priority 1 & 2 recommendations**

- We have made no Priority 1 recommendations (i.e. fundamental control issue on which action should be taken immediately) since the previous SICA.

### Root Cause Indicators

7. The Root Cause Indicators (RCI) have been developed by TIAA to provide a strategic rolling direction of travel governance, risk and control assessment for South Wales Fire and Rescue Service. Each recommendation made is analysed to establish the underlying cause of the issue giving rise to the recommendation (RCI). The analysis needs to be considered over a sustained period, rather than on an individual quarter basis. Percentages, rather than actual number of reviews/recommendations made permits more effective identification of the direction of travel. A downward arrow signifies a positive reduction in risk in relation to the specific RCI. The numbers in brackets represent the number of recommendations for information.

*RCI – Direction of Travel Assessment*

Root Cause Indicator	Qtr 1 (2020/21)	Qtr 2 (2020/21)	Qtr 3 (2020/21)	Qtr 4 (2020/21)	Medium term Direction of Travel	Audit Observation
<b>Directed</b>						
Governance Framework	-	18% (3)				
Risk Mitigation	-	-				
Control Compliance	-	76% (13)				
<b>Delivery</b>						
Performance Monitoring	100% (1)	-				
Financial Constraint	-	-				
Resilience	-	6% (1)				

**Progress against the 2020/21 Annual Plan**

- 8. **COVID 19:** The progress against the planned work for the quarter has not been disrupted by the COVID pandemic. In mid-March, when the potential scale and impact of COVID 19 was becoming evident it was agreed with South Wales Fire and Rescue Service that the delivery of the internal audit service would be carried out remotely thereby minimising the need to physically access South Wales Fire and Rescue Service’s offices/premises and to hold face to face meetings. The annual Station Visits have taken place in this period subject to a risk assessment for each station visited and appropriate safety measures being taken.
- 9. Our progress against the Annual Plan for 2020/21 is set out in Appendix C.

**Changes to the Annual Plan 2020/21**

- 10. There are no of areas where areas where internal audit work is recommended to enable an unqualified Head of Audit Opinion to be provided for 2020/21.

**Frauds/Irregularities**

- 11. We have not been advised of any frauds or irregularities in the period since the last SICA report was issued.

**Other Matters**

- 12. We have issued a number of briefing notes and fraud digests, shown in Appendix D, since the previous SICA report. These are summarised below:

Briefing Note	
CBN 20029	Data protection Guidance for Collecting Customer Information
CBN 20025	Risks Associated with Cloud Computing
CBN 20023	Need for a Social media and Electronic Communications Policy
CBN 20021	Risk of Redacted Information being Unredacted
CBN 20019	ICO Online Self-Assessment Toolkit for FOIs
CBN 20012	NIAO Whistleblowing Guidance
Fraud Alert	
Compromised Facebook Accounts and PayPal Scam	
Business Directory Scam	
Newsletters	
Squaring the Circle	

### Responsibility/Disclaimer

13. This report has been prepared solely for management's use and must not be recited or referred to in whole or in part to third parties without our prior written consent. The matters raised in this report not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose. TIAA neither owes nor accepts any duty of care to any other party who may receive this report and specifically disclaims any liability for loss, damage or expense of whatsoever nature, which is caused by their reliance on our report.

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## Covid 19 – Governance, Risk and Control considerations during ‘lockdown’ phase

Area	Possible assurance from internal audit
<p><b>Governance:</b> The speed of the need to respond to COVID 19 has significantly impacted on the strategic governance infrastructure:</p> <ul style="list-style-type: none"> <li>• Urgent decisions taken for urgent operational reasons which would normally have gone through Board review and approval</li> <li>• Extension and rollover of procurement contracts</li> <li>• Disruption to management information received by the Board</li> <li>• Operational necessity for management dispensation to scheme of delegation and financial regulations</li> <li>• Move to remote working for reactive operational expediency reasons, rather than as part of a pre-planned strategy</li> </ul>	<p><b>Covid-19 Financial Governance:</b> A review of financial governance and decision making following the business interruption caused by Covid-19, including assessing the accountability for additional spend on Covid-19 related activity.</p>
<p><b>Risk Management:</b> The markers which differentiate COVID 19 pandemic from most business resilience/recovery plans are:</p> <ul style="list-style-type: none"> <li>• Speed of major disruption to business as usual did not permit normal level of preparation</li> <li>• International as well UK-wide, not local</li> <li>• Level of government intervention</li> <li>• Duration and severity</li> <li>• Move to medium term remote working arrangements by staff and suppliers</li> <li>• Consequential impact upon all the previous strategic risks</li> </ul>	<p><b>Business as Usual Resumption Arrangements:</b> Targeted post-event risk mitigation assessment to identify any unintentional gaps in the risk management framework</p>

Area	Possible assurance from internal audit
<p><b>Internal Control:</b> COVID 19 has provided the perfect storm both in a positive as well as negative manner. The positive aspects are the expeditious embracing of digital business delivery. It is recognised that a number of government and/or regulatory guidance requirements were issued at short notice and many of these were without the normal consultation and similar. On a negative basis the following need to be recognised:</p> <ul style="list-style-type: none"> <li>• Suppliers and contractors being unable to deliver contracted services</li> <li>• Increased digitalisation introduced at very short notice increases information governance risks</li> <li>• Temporary compromise of effective segregation of duties due to staff absences and/or remote working etc</li> <li>• Fraudsters seeking to take advantage of COVID disruption</li> <li>• Deferment and/or reprioritisation of services</li> <li>• Sudden and significant change in demand patterns for services</li> </ul>	<p><b>COVID-19 Business Interruption Controls Framework:</b> To review the control environment in relation to policy and process design or temporary re-design, taking into account the heightened risk of fraud and changes to ways of working.</p> <p><b>Accountability for Additional COVID-19 Funding:</b> Revisiting the control framework for when emergency payments shift into longer term services – especially where large sums are invested.</p>

## Executive Summaries and Management Action Plans

The following Executive Summaries and Management Action Plans are included in this Appendix. Full copies of the reports are available to the Finance and Performance Management Committee on request. Where a review has a 'Limited' or 'No' Assurance assessment the full report has been presented to the Finance and Performance Management Committee and therefore is not included in this Appendix.

Review	Evaluation
Not Applicable	

## Progress against Annual Plan

System	Planned Quarter	Current Status	Comments
Sustainability: Paper Usage	2	Site work commenced	Brought forward from 2019/20
Strategic Control	1	Final Report issued 14/07/2020	Presented to FAPM – 27/07/2020
Communications	1	Final Report issued: 15/07/2020	Presented to FAPM – 27/07/2020
ICT Data Assurance	1	Final Report issued: 08/09/2020	To be presented to FAPM – 23/11/2020
Procurement	2	Final Report issued: 11/09/2020	To be presented to FAPM – 23/11/2020
Station Visits	2	Final Report issued: 08/10/2020	To be presented to FAPM – 23/11/2020
Human Resources Management – Training	2	Final Report issued: 11/09/2020	To be presented to FAPM – 23/11/2020
Key Financial Controls	3	To be commenced: 10/11/2020	
Mitigating Controls	3	To be commenced: 02/12/2020	
Estate Management - Delivery	4	To be commenced: 04/01/2021	
Follow-up	4	To be commenced: 04/01/2021	
Contingency	TBC		
Annual Planning	1		
Annual Report	4		
Client Portal	1-4		
Management, Planning, FAPM Committee Reporting and Support	1-4		

### KEY:

 To be commenced

 Site work commenced

 Draft report issued

 Final report issued

## Briefings on developments in Governance, Risk and Control

TIAA produces regular briefing notes to summarise new developments in Governance, Risk, Control and Counter Fraud which may have an impact on our clients. These are shared with clients and made available through our Online Client Portal. A summary list of those CBNs and Fraud Alerts issued in the last three months which may be of relevance to South Wales Fire and Rescue Service is given below. Copies of any CBNs are available on request from your local TIAA team.

### Summary of recent Client Briefing Notes (CBNs)

CBN Ref	Subject	Status	TIAA Comments
CBN 20029	ALL – Data protection Guidance for Collecting Customer Information		<b>Urgent Action Required</b> Organisations should ensure they have appropriate policies and procedures in place to meet their obligations for contact tracing and the protection of customer and visitor details.
CBN 20025	All - Risks Associated with Cloud Computing		<b>Action Required</b> Audit Committees and Boards/Governing Bodies are advised to seek assurance from their Data Protection Officer and IT on the status of where data is stored and what risk mitigation measures have been employed. Where no due diligence has been performed prior to cloud service use, retrospective assurance should be sought.
CBN 20023	All – Need for a Social media and Electronic Communications Policy		<b>Action Required Not Urgent</b> Audit Committees and Boards are advised to review their policies, including those relating to GDPR, communications, marketing, disciplinary, code of conduct, and to ensure that they are in line with the recommendations contained within the articles. Consideration should also be given to having a separate Social Media and Electronic Communication Policy.
CBN 20021	ALL – Risk of Redacted Information being Unredacted		<b>Urgent Action Required</b> Organisations should ensure they have provided clear instructions to staff on how to safely and securely redact information, such that the redaction cannot subsequently be removed. Consideration should be given to obtaining an accredited third-party redaction tool for Microsoft Word and Excel.

CBN Ref	Subject	Status	TIAA Comments
CBN 20019	Public Sector - ICO Online Self-Assessment Toolkit for FOIs		<b>Action Required Not Urgent</b> Audit Committees and Boards/Governing Bodies are advised to consider utilising the toolkit and to update their GDPR compliance plan according to the results of the self-assessment
CBN 20012	Public Sector - NIAO Whistleblowing Guidance		<b>Action Required</b> Organisations should review the contents of these guides, in particular the self-assessment checklist, and incorporate the guidance within their Whistleblowing policies and procedures.

### Summary of recent Fraud Alerts

Ref	Subject	Status	TIAA Comments
0000	Compromised Facebook Accounts and PayPal Scam		<b>Action Required</b> This alert provides information and advice to staff about fraud and economic crime, and the risks associated with it. If you have been a victim of a scam or cybercrime, you should report it to Action Fraud at <a href="http://www.actionfraud.police.uk">www.actionfraud.police.uk</a> or 0300 123 2040.
0000	Business Directory Scam		<b>Action Required</b> This alert provides information and advice about fraud and economic crime that may occur during the pandemic, and the risks associated with it. Scams should be reported to Action Fraud: <a href="http://www.actionfraud.police.uk">www.actionfraud.police.uk</a> or 0300 123 2040.

### Summary of recent Newsletters

Ref	Subject	Status	TIAA Comments
0000	Squaring the Circle	N/A	For information only.

# SQUARING THE CIRCLE

## Working with you on our service delivery during the ‘new business norm’

**COVID-19 and its aftermath are going to be with us for many months and the new business normal that is developing is very different to how we used to operate. For internal audit, it has accelerated the changes to service delivery that we had been keen to introduce pre-COVID and were therefore already in the advanced development stage.**

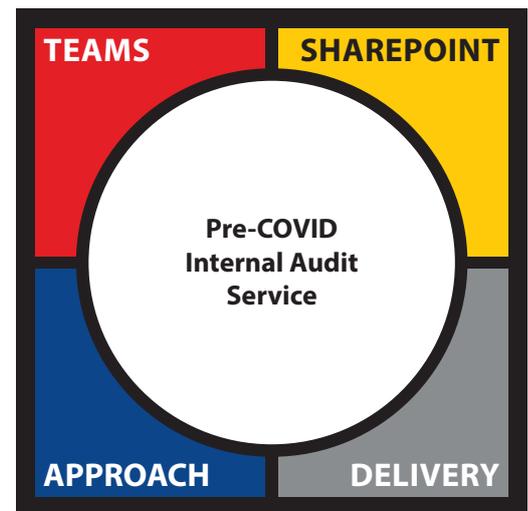
It is now six months since the initial business disruption arose through the emergence of the COVID-19 pandemic. It is clear that business disruption will continue for at least the next six months and this briefing is to summarise how, with your assistance, we have made a seamless transition to remote working and how this will be developed further so that together we can effectively mitigate the impact of this ongoing business interruption on providing assurance on your organisation’s governance risk and control framework.

Firstly, we would like to thank you and your colleagues for all their assistance and support over the last six months. We fully appreciate that internal audit may not have been the top priority during the lockdown phase, but notwithstanding this over the last three months we have been able to make increasing in-roads into getting back on track with the delivery of the planned audit reviews.

### ‘Squaring the Circle’

Squaring the Circle is how we are summing up the changes we have made so far. These changes have been necessary to enable us to continue delivering real assurance and value using the right staff at the right time. There are very few systems and processes which we were reviewing pre-COVID which were not already fully digital and as a consequence the data and responses can be provided and discussed electronically.

Our national quality and effectiveness panel has been reviewing the work carried out under the new norm (i.e. remote delivery) and has confirmed that we continue to deliver an effective and reliable service in line with our professional standards.



#### TEAMS

#### Use of Microsoft Teams

This is a developing position whereby the power and flexibility of Teams is being harnessed by us and our clients such that effective internal auditing can be maintained. This has to be achieved with care to protect data. There are a number of arrangements which we are jointly exploring with individual clients to enable more effective sharing of data, for example, through the use of dedicated secure channels. Once we have identified the most effective and secure process we will be advising all our clients of this arrangement and suggesting that where this is practical, it is introduced as the default means for conducting internal audits remotely.

**SHAREPOINT**

**Use of SharePoint**

We are currently exploring options to utilise SharePoint for sharing draft reports and similar with your organisation. We will only implement such a process once we are satisfied that data security can be maintained in line with the Cyber Essentials/ Data Security & Protection Toolkit (DSPT).

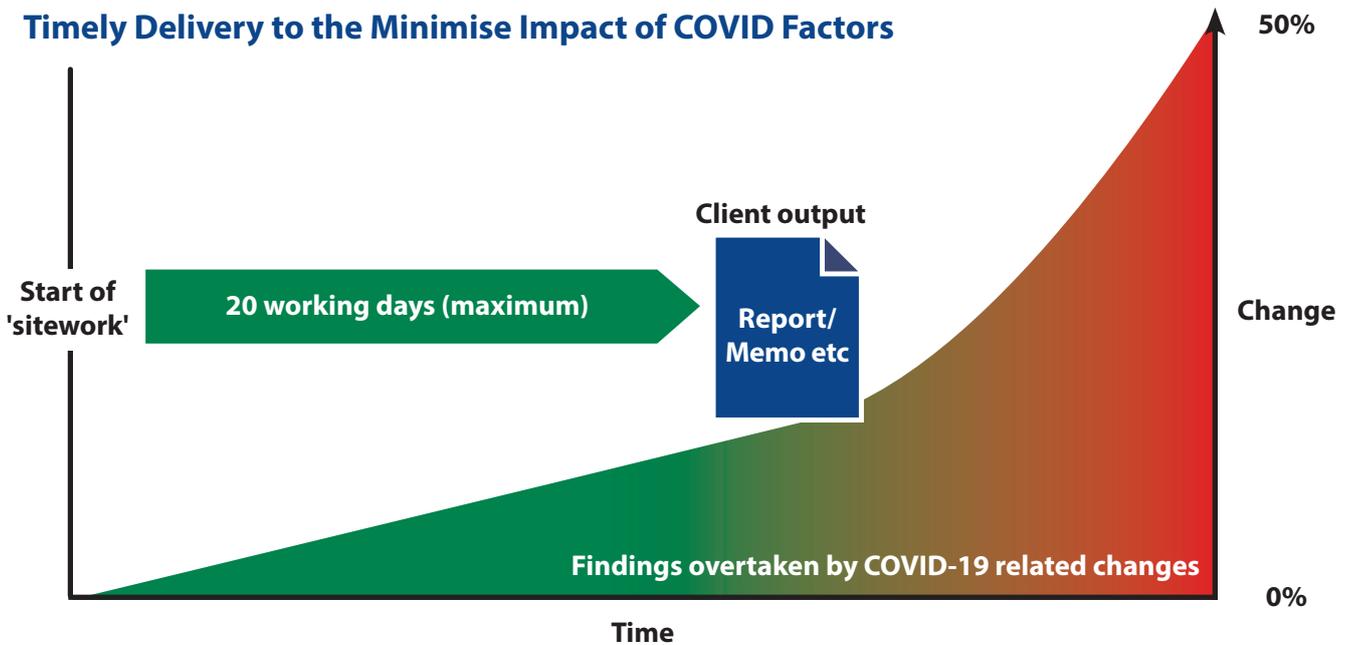
**DELIVERY**

**Delivery of Reports**

COVID-19 means that processes and delivery models are undergoing continual change as the impact of the pandemic on business becomes clearer. We therefore consider it vital that we issue our audit reports in a very tight timespan so that the messages are not out of date by the time the report is issued.

This is a judgement call and the balance between awaiting information to complete an assignment and the timely issue of the individual assignment report. Where this becomes an issue we will be discussing with you in advance the proposed action to bring an audit assignment to a timely conclusion.

**Timely Delivery to the Minimise Impact of COVID Factors**



**APPROACH**

**Approach**

In some cases, it has become clear that with your staff’s co-operation carrying out a number of audit reviews concurrently is the most efficient and effective way to mutually harness the advantages of Squaring the Circle. Again, we want to thank you and your colleagues for assisting in the adoption of this change in approach.

In conclusion, the flexibility of you, your colleagues and your audit committee has enabled us to make a seamless transition whereby we are able to continue delivering an effective and efficient service even if, as is likely, the impact of the COVID pandemic is still with us well into 2021.



# AUDIT ACTIONS REPORT

Health Check

2020/2021 Quarter 2



Gwasanaeth Tân ac Achub  
De Cymru

South Wales  
Fire and Rescue Service

Produced in

**BMIS**  
Business Management  
Information System

# Contents

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Introduction	Page 3
Internal Audit Strategy 2020/2021	Page 4
Internal Audit Summary	Page 5
Internal Audit Actions Update	Page 6
Commentary on ALL Overdue Audit Actions	Pages 7-10
Internal Audit Actions In Progress Commentary	Pages 11-15
Other Audit Actions Summary and Commentary	Page 16

# Introduction

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This report details the progress made on Audit Actions arising from:

1. Internal Audits
2. Corporate Schemes and Government Circulars
3. Operational Assurance Peer Reviews
4. Wales Audit Office Thematic Reviews (External Audits)

As loaded on BMIS as at Quarter 2 (April – September) 2020/2021

Once audits/reviews are completed then actions arising from them are assigned to an Officer and loaded onto the Business Management Information System (BMIS) for monitoring.

Each quarter officers provide an update with a Red, Amber, Green (RAG) status and commentary.

The report below details the actions that have been agreed and loaded onto BMIS. Actions identified from the 2020/2021 audit strategies will be included once agreed with each audit owner.

## Internal Audit Strategy 2020/2021

The table below summarises the level of assurance of internal audits as at September 2020

Audit Name		Progress	Report Summary
Assurance Review of Pensions		Final Report Received	Substantial Assurance
Assurance Review of Estate Management - Strategy		Final Report Received	Substantial Assurance
Assurance Review of ICT Strategy		Final Report Received	Reasonable Assurance
Assurance Review of Fleet and Equipment Strategy		Final Report Received	Substantial Assurance
Regularity Review - Station Visits	Petty Cash	Final Reports Received	Substantial Assurance
	Other Income		Substantial Assurance
	Purchasing		Substantial Assurance
	Fuel and Fuel Cards		Substantial Assurance
	Overtime, Roster, Sickness and Training		Substantial Assurance
Assurance Audit - Governance - Strategic Planning		Final Report Received	Reasonable Assurance
Compliance Audit - Risk Management - Mitigating Controls		Final Report Received	Reasonable Assurance
Compliance Audit - Key Financial Controls		Final Report Received	Substantial Assurance
Assurance Audit - Payment cards		Final Report Received	Substantial Assurance
Assurance Review of Communications		Final Report Received	Substantial Assurance
Assurance Review of Strategic Control		Final Report Received	Substantial Assurance
Assurance Review of ICT Data Assurance		Final Report Received	Reasonable Assurance
Assurance Review of Procurement		Final Report Received	Substantial Assurance
Assurance Review of Human Resources Management - Training		Final Report Received	Reasonable Assurance

# Internal Audit Summary

The table below shows the progress of each internal audit by displaying the RAG status of the worst performing action.



All Actions are expected to be completed on time



1 or more action(s) are not expected to be completed on time



1 or more action(s) has an issue that needs attention

## Audit Name

## Progress

✓ Task Summary	▲
11.10/11 IT Disaster Recovery Planning - Follow Up	★
Appraisal Review of Risk Management - Anti-Fraud Arrangements	●
Appraisal Review of the Governance - Partnerships Arrangements	★
Assurance Review of Communications	●
Assurance Review of Governance - Strategic Planning 2019/20	●
Assurance Review of HR Management - Rosters Dec 18	★
Assurance Review of HR Mngt - Training 2020/21	●
Assurance Review of ICT Data Assurance	★
Assurance Review of ICT Strategy	▲
Assurance Review of Payment Cards 2019/20	●
Assurance Review of Procurement 2020/21	★
Assurance review of the Governance - Internal Communication Arrangements	★
Assurance Review of Training Records August 2018	●
Compliance Review of Key Financial Controls	●
Compliance Review of Key Financial Controls 2019-20	★
Compliance Review of Risk Management - Mitigating Controls 2019/20	★
ICT Review of General Data Protection Regulations (GDPR) Compliance )	▲
Internal Audit Follow Up Review	★
Operational Review of the Authority Assurance Framework	★
Regularity Review - Station Visits	★

# Internal Audit Action Progress

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The below “scorecards” show the number of TIAA actions Ongoing or Overdue. It shows actions by their RAG status as well as those that the action owner (Unknowns) did not provide an update for. Please note that the next section shows ALL overdue audit actions, not just those identified during TIAA audits.

## Audit Actions within date

Internal Audit				
▲	●	★	Unknowns	Total
1	5	9	0	15

## Audit Actions Overdue

Internal Audit				
▲	●	★	Unknowns	Total
2	4	2	0	8

## Commentary on ALL Overdue Audit Actions – as at 30/09/2020

Audit/Scheme/Circular Name	Action Description in Full	Owner	Department	Performance	Due Date	Comments
Appraisal Review of the Governance - Partnerships Arrangements 2	Quality Assurance procedures be reinstated for the existing Home Fire Safety Checks service as soon as resource allows and fully implemented following implementation of the new training package.	Jason Evans	Risk Reduction	GREEN	31/03/2020	Current partner delivery of HSC referrals is suspended due to COVID - Organisation currently moving forward with a Modified HSC process. This is now being delivered by both CS Practitioners and Operational crews dependent upon risk - further review of partner delivery and thus validity of this objective to be carried out post local lockdown restrictions.
Assurance Review of Governance Strategic Planning 2019/20 4	Develop a table setting out the rationale behind each target, the implications of over and underachieving the target, and how it will be measured and calculated.	Jon Carter	Planning, Performance & Risk	AMBER	30/06/2020	Due to the additional demands on the department during our response to COVID progress was not made as expected during Q2. The target setting exercise for 2021/2022 takes place during Q3 where a more detailed rationale behind the target and it's impact will be incorporated
Assurance Review of HR Management Rosters 3	Reporting of Crew Manager and Watch Manager over and under availability be developed and reported to management alongside the existing performance data.	Zoe Davis	Operations	RED	31/03/2020	This remains ongoing with limited progress and will continue for the foreseeable future. We are looking to review our availability system with RAPS as with effect from next year Kronos will no longer support the RAPS system.

Assurance Review of ICT Strategy - Red Kite system	The Red Kite Assets system be incorporated into the central data hub to provide an overarching asset management system in accordance with the ICT Strategy.	Heather Mitchell	ICT	RED	31/03/2020	Due to Covid-19 this has been delayed as the meeting arranged to look at the possibility of moving Redkite data onto the HoTH Asset Management system was cancelled.  We have recently met and agreed to contact the company to look at the feasibility of running a small trial. I am in contact with the company to agree this bit have not dates as of yet.
Assurance Review of Training Records Aug 18.2	Recommendation  The levels of non-attendance at training courses be recorded and quantified by Training and Development	Garry Davies	Training & Development	AMBER	31/03/2020	work is ongoing to link BMIS to non-attendance and failure to fill events at Cardiff Gate
Assurance Review of Training Records Aug 18.4	Recommendation  The out of compliance reporting processes in use need to be reviewed to ensure that the reported out of compliance data is accurate and can be easily obtained on demand.	Garry Davies	Training & Development	AMBER	31/03/2020	new CMS will allow for robust record keeping, when live. work is ongoing and team has now been formed
Compliance Review of Key Financial Controls March 2019	The Financial Procedure Rules be reviewed and any changes be approved by the Fire & Rescue Authority	Geraint Thomas	Finance & Procurement	AMBER	31/08/2020	The detailed review will take place in November 2020 following delays as a result of COVID and resulting working restrictions

Follow Up Review - A Forensic Readiness Procedure	Anti fraud Cyber Crime 2013/14 - A Forensic Readiness Procedure be documented detailing the processes to be followed in the event of a suspected or actual network security incident. Original Due Date 7/31/2018	Tim Gilberts	ICT	GREEN	31/03/2020	This work has been delayed due to other priorities however, we have continued to pursue training and exercising opportunities for staff in this area in readiness for its completion.
Ops Assurance - Community Risk Management 7	The address based risk register, as referred to under the 'progress' section would benefit all stations when creating their Community Risk Management Plans. Consider providing this information across the board, as opposed to on request. This will enable stations to utilise information gathered to better target those who are at increased risk from fire.	Wayne Thomas	Corporate Services	AMBER	31/03/2020	<p>The 50 BMIS licences that will enable staff at our remote sites to access the system are in-Service, 6 of which have been rolled out and are being trialled by those remote sites.</p> <p>Work to input the address based risk register to BMIS has not been progressed in recent months due to changes in the way we are delivering home safety checks during the COVID-19 pandemic.</p>
Ops Assurance - Legislative Fire Safety	Review the allocation of Legislative Fire Safety resources following the introduction of the new MIS in line with the revised picture of risk.	Jason Evans	Risk Reduction	GREEN	21/02/2020	RIDGE system has been implemented from 4/8/20. The system contains 30000 properties and is being enhanced with up to date information as property inspections are completed. This will provide an up to date appreciation of risk and allow for allocation of resources appropriately to address this risk.

Thematic Review 2017 1	Learning following incidents, accidents and near misses from the fire community be communicated to operational personnel as soon as practicably possible	Martin Hole	ORM	GREEN	31/03/2020	Ongoing sharing continues through a range of medium. Workplace App being utilised for UK message sharing. All Wales group not met for a while however the three Services across Wales communicate regularly via phone and email.
WAO - Annual Improvement Report 2017-18	Agreeing common measures with other Welsh Fire and Rescue Authorities to assess key indicators around land and buildings to enable comparison of performance and the identification of developing trends.	Nick Corrigan	Finance & Procurement	AMBER	01/09/2020	No progress made, However as part of a separate work stream it is now being looked at as part of the NFCC Estates group, albeit progress has been halted by Covid. Therefore it's taken on a wider perspective rather than just being limited to Welsh FRS's
Audit - Strategic Equality Plan - good practice	Promote in-house equality and diversity good practice.	Carey Wood	Human Resources	GREEN	30/03/2020	Contributing to infrastructure improvements including: Equality Risk Assessments, WDS campaign, E&D monitoring. Continuing to deliver successful induction sessions, and inputting into L & D process. Providing robust compliance advice to senior leaders. adding value to in-house pieces of work being actioned by colleagues, including in relation to C-19, being an active member of the Welsh Government's Socio-Economic working group, as well as a contributory factor in NFCC Improvement project.

## Internal Audit Actions – Commentary (In Progress) as at 30/09/2020

Audit/Scheme/Circular Name	Action Description in Full	Owner	Department	Performance	Due Date	Comments
11.10/11 IT Disaster Recovery Planning - Follow Up 1.2	Management should ensure that the priority of recovery for key IT systems and data following a disaster event is determined, approved by senior management and included within the IT DR element of the organisation's ICT BCP.	Tim Gilberts	ICT	GREEN	31/03/2021	Due to absence in the section it has not been possible to progress the agreement with departments on RTO needed to complete this final step. This will resume hopefully in late November.
Appraisal Review of Risk Management - Anti-Fraud Arrangements 3	The formal designation of a Money Laundering Reporting Officer for the Service be included in the next review of the Financial Procedures.	Geraint Thomas	Finance & Procurement	AMBER	30/11/2020	The review has been further delayed due to restrictions on working practices following COVID. A planned detailed review is now rescheduled to take place in November 2020.

Assurance Review of Communications 1	To help support the Strategy aims noted, it is recommended that the objectives and estimated social media interaction at the outset of the campaign are incorporated into the campaign evaluations to provide a comparison of how the campaign performed against the original targets set.	Wayne Thomas	Corporate Services	AMBER	01/11/2020	Some initial conversations have been held between myself and the Lead Digital Communications Officer in order to start researching the amount of social media interactions we have received during some of our previous campaigns, which will allow some meaningful targets to be incorporated in to the plans of future campaigns as suggested. I will however await for the evaluation of one of our ongoing campaigns to be complete before completing the research.
Assurance Review of HR Management - Training 1	A temporary work around be put in place to monitor staff members who are not in compliance with their training needs until the new Course Management System is developed.	Nathan Rees-Taylor	Training & Development	AMBER	1/05/2021	Current compliance monitoring is being maintained on the old system as previous. A new team has been formed to complete the build of a new course management system which will be used to monitor and book compliance courses for the service into the future. Currently on target for completion 01/05/2021.

Assurance Review of HR Management - Training 2	A position statement of compliance with the service's training requirements be presented at Training Department Meetings.	Shaun Moody	Training & Development	GREEN	31/10/2020	This topic is to be presented and discussed at the next Training Department meeting.
Assurance Review of ICT Data Assurance 1	The ISMS 001 Information Security Management, ISMS 002 Internet and email usage Procedures and ISMS 011 Removable Media/Mobile Data Devices be reviewed and updated as necessary.	Rachel Trusler	Corporate Services	GREEN	31/12/2020	We hope to have achieved at least an issue of the three pertinent policies reviewed by end of 2020. A major overhaul of the ISMS suite in conjunction with ICT will be required in Spring 2021.
Assurance Review of ICT Data Assurance 3	Ensure all contracts held electronically are scanned with both party's signatures.	Lee Bunkham	Finance & Procurement	GREEN	31/12/2020	All commercial contracts entered into are being signed by both the authorised officer of the FRS and counter signed by the other contracting party. The fully signed copy is being retained electronically.
Assurance Review of ICT Strategy - Information and security policies	The Information Security Management (ISMS 001), Internet and Email Usage procedure (ISMS 002) and Removable Media and Mobile Data Devices policies be reviewed to ensure they remain relevant and up to date.	Tim Gilberts	ICT	GREEN	31/12/2021	We have agreed with Information Management that the revised version of the old format ISMS will be issued and the full revision of structure and layout as a project will be aligned with the Office Productivity rollout which will be a major change and have a training need anyway.

Assurance Review of Payment Cards 2019/20 1	It was noted during the review that there is a difference between the subsistence level of £25.00 quoted in the Purchasing Card Policy and the values recorded in the Service's Payroll Policy which records the different rates for breakfast, lunch, tea and evening meals. The subsistence levels applied to Purchase Cardholders through the Purchasing Card Policy and the levels recorded in the Payroll Policy be reviewed and aligned for consistency.	Lisa Mullan	Finance	AMBER	31/03/2021	This action linked to and almost duplicated by F&P20.13 above. A review of credit card usage, users and how this fits with existing policy within SWFR is imminent and following stakeholder engagement, it is hoped this will be completed by 31 March 2021.
Assurance Review of Procurement 1	The Sustainable Procurement Policy 2020 be reviewed and approved by the Senior Management Team.	Lee Bunkham	Finance & Procurement	GREEN	31/03/2021	Sustainable Procurement Policy has been drafted and is awaiting review. Will be completed by the due date.
Assurance Review of Procurement 2	The Authority's Action Plan for meeting the Commitments in the Welsh Governments Code of Practice Ethical Employment in Supply Chains be reviewed by HR to assign responsibilities and implementation target dates.	Lee Bunkham	Finance & Procurement	GREEN	31/03/2021	Procurement Officer to arrange a meeting with HR Manager to discuss responsibilities. Will be completed by the due date.
Assurance Review of Procurement 3	The latest version of the Modern Slavery and Human Trafficking Statement be uploaded to the Authority's website.	Lee Bunkham	Finance & Procurement	GREEN	31/03/2021	The Service do not currently have a Modern Slavery Statement. This needs to be discussed with Head of HR.

Compliance Review of Key Financial Controls 2019/2020 1	The Finance Procedure Rules have not been reviewed and updated since July 2013. The Financial Procedure Rules be reviewed and updated as previously agreed.	Lisa Mullan	Finance	AMBER	31/03/2021	An away day was planned although as a result of staff rotas / COVID-19 this will not take place. Thought is required to plan how best to include the whole team feeding into what is a high level document that will require explanation for junior members of the team. Both the HOS and the Treasurer were planning to lead on this.
ICT Review of General Data Protection Regulations (GDPR) Compliance 2	All key data protection and information governance related policies and procedures be reviewed and implemented at the earliest opportunity.	Rachel Trusler	Corporate Services	RED	31/12/2020	Not yet completed. Due to a number of other urgent workstreams and increased requests plus other factors - have not yet progressed this.
Regularity Review - Station Visits - Routine fire alarm tests	Routine fire alarm tests and firefighting equipment inspections be carried out on a weekly basis and emergency lighting tests on a monthly basis be undertaken at all stations in accordance with the procedures set out in the Raising Awareness Reducing Risk Log book.	Colin Pritchard	Operations	GREEN	01/01/2021	Process set up Now being reviewed and checked for compliance

## Other Audits Summary as at 30/09/2020

### Corporate Scheme Actions – Commentary (Overdue)

Audit/Scheme/Circular Name	Action Description in full	Owner	Department	Performance	Due Date	Comments
Audit - Strategic Equality Plan - good practice	Promote in-house equality and diversity good practice.	Carey Wood	Human Resources	GREEN	30/03/2020	Contributing to infrastructure improvements including: Equality Risk Assessments, WDS campaign, E&D monitoring. Continuing to deliver successful induction sessions, and inputting into L & D process. Providing robust compliance advice to senior leaders. adding value to in-house pieces of work being actioned by colleagues, incl in relation to C-19, being an active member of the Welsh Government's Socio-Economic working group, as well as a contributory factor in NFCC Improvement project.

## Operational Assurance Actions – Commentary (In Progress)

Audit/Scheme/Circular Name	Action Description in Full	Owner	Department	Performance	Due Date	Comments
Ops Assurance - Community Risk Management 5	<p>There was evidence that some staff members are not aware of the purpose of collecting data at incidents and following safe and well or home safety checks. Improved communication regarding this matter may assist in improving their understanding and subsequently improve their buy in.</p> <p>Delayed due to Covid 19 Seminars programmed for Oct 2020</p>	Colin Pritchard	Operations	AMBER	30/06/2021	In progress Seminars planned for October

## External Audit Actions – Commentary (Overdue)

Audit/Scheme/Circular Name	Action Description in Full	Owner	Department	Performance	Due Date	Comments
Thematic Review 2017 1	Learning following incidents, accidents and near misses from the fire community be communicated to operational personnel as soon as practicably possible	Martin Hole	ORM	GREEN	31/03/2020	Ongoing sharing continues through a range of medium. Workplace App being utilised for UK message sharing. All Wales group not met for a while however the three Services across Wales communicate regularly via phone and email.
WAO - Annual Improvement Report 2017-18	Agreeing common measures with other Welsh Fire and Rescue Authorities to assess key indicators around land and buildings to enable comparison of performance and the identification of developing trends.	Nick Corrigan	Finance & Procurement	AMBER	01/09/2020	No progress made, However as part of a separate work stream it is now being looked at as part of the NFCC Estates group, albeit progress has been halted by Covid. Therefore it's taken on a wider perspective rather than just being limited to Welsh FRS's

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**FORWARD WORK PROGRAMME FOR  
FINANCE, AUDIT & PERFORMANCE MANAGEMENT COMMITTEE 2020/21**

<b>Expected Date of Report</b>	<b>Report Name</b>	<b>Purpose of Piece of Work</b>	<b>Lead Director/ Contact Officer</b>	<b>Progress</b>
As required	Internal Audit Progress Report & Audit Action Updates	To provide an updated position of work performed against the internal audit plan and to highlight any significant issues arising from the internal audit work performed	DCO  Contact Officer: Geraint Thomas	On agenda
As required	Performance Report	To scrutinise specific issues of performance identified and referred by Fire Authority	DCO  Contact Officer: Sally Chapman	
As required	Statistics Report	To scrutinise specific statistics or trends as identified and referred by Fire Authority	ACFO SD  Contact Officer: Sarah Watkins	
As required	WAO Reports	To advise Members of the conclusions of WAO Reports and to consider the implications for the Service	DCO  Contact Officer: Sally Chapman	
15 June 2020	Revenue Outturn	To advise on total revenue expenditure for the year against the set revenue budget following the year end and to explain variations	Treasurer/DCO  Contact Officer: Geraint Thomas	Completed
15 June 2020	Capital Outturn	To advise on total capital expenditure for the year against the set capital budget following the year end and to explain variations	Treasurer/DCO  Contact Officer: Geraint Thomas	Completed

Expected Date of Report	Report Name	Purpose of Piece of Work	Lead Director/ Contact Officer	Progress
15 June 2020	Draft Statement of Accounts	To advise Members of the content of the Draft Statement	Treasurer  Contact Officer: Chris Barton/ Geraint Thomas	Completed
27 July 2020 21 Sept 2020	Statement of Accounts (Revenue and Capital) for 2019/20 budget	To seek Members' approval for publication of the Statement of Accounts.	Treasurer  Contact Officer: Geraint Thomas	Deferred to full Fire Authority on 28 September 2020
27 July 2020	Capital Monitor	To provide an update on capital expenditure against the capital budget for the year	Treasurer/DCO  Contact Officer: Geraint Thomas	Completed
27 July 2020	Update on COVID-19 Expenditure	To provide an update on the revenue spend and budget commitments to date.	Treasurer  Contact Officer: Geraint Thomas	Completed
21 Sept 2020	Health Check of Priority Actions and Q1 progress against the Statutory PI's	To scrutinise the issues in relation to each of the Priority Actions and to review what the Service has planned to do to address each issue in the current financial year, and review Q1 progress against each of the statutory PI's	DCO  Contact Officer: Sarah Watkins	Completed
21 Sept 2020	Revenue Monitor	To provide an update on revenue	Treasurer/DCO	Completed

Expected Date of Report	Report Name	Purpose of Piece of Work	Lead Director/ Contact Officer	Progress
		expenditure against the revenue budget for the year	Contact Officer: Geraint Thomas	
21 Sept 2020	Capital Monitor	To provide an update on capital expenditure against the capital budget for the year	Treasurer/DCO  Contact Officer: Geraint Thomas	Completed
21 Sept 2020	Treasury Management Outturn Report	To advise on performance against the treasury management policy and strategy following financial year end	Treasurer  Contact Officer: Chris Barton/ Geraint Thomas	Completed
21 Sept 2020	Medium Term Financial Strategy Update, Reserves Strategy and Revenue & Capital Budget Setting Report	To update Members on the MTFS to inform and influence the 2021/22 budget setting process to meet the Service's requirements for the following financial year	Treasurer/DCO  Contact Officer: Chris Barton/ Geraint Thomas	Completed
21 Sept 2020	Audit Wales Involvement Review	To present to Members the conclusion of the Audit Review	DCO  Contact Officer: Sally Chapman	Completed
23 Nov 2020	Revenue Monitor	To provide an update on revenue expenditure against the revenue budget for the year	Treasurer/DCO  Contact Officer: Geraint Thomas	On agenda
23 Nov 2020	Capital Monitor	To provide an update on capital expenditure against the capital budget for the year	Treasurer/DCO  Contact Officer:	On agenda

<b>Expected Date of Report</b>	<b>Report Name</b>	<b>Purpose of Piece of Work</b>	<b>Lead Director/ Contact Officer</b>	<b>Progress</b>
			Geraint Thomas	
23 Nov 2020	Revenue & Capital Budget Setting Update Report	To assist in determining the appropriate revenue & capital budget required to meet the Service's requirements for the financial year	Treasurer/DCO  Contact Officer: Chris Barton/ Geraint Thomas	On agenda
23 Nov 2020	Audit & Plan Scheme Updates	To seek Members' views upon the progress of Audit & Plan Scheme Actions	DCO  Contact Officer: Sarah Watkins	On agenda
23 Nov 2020	Treasury Management Interim Report	To update Members on treasury management activity during the year to date	Treasurer  Contact Officer: Chris Barton/ Geraint Thomas	On agenda
15 March 2021	Treasury Management Strategy Report	To secure Members' approval to the adoption of the Treasury Management Strategy 2021/22	Treasurer  Contact Officer: Chris Barton/ Geraint Thomas	
15 March 2021	Health Check of Priority Actions and Q3 progress against the Statutory PI's	To scrutinise the issues in relation to each of the Priority Actions and to review what the Service has planned to do to address each issue in the current financial year, and review Q3 progress against each of the statutory PI's	DCO  Contact Officer: Sarah Watkins	

<b>Expected Date of Report</b>	<b>Report Name</b>	<b>Purpose of Piece of Work</b>	<b>Lead Director/ Contact Officer</b>	<b>Progress</b>
15 March 2021	Draft Annual Report of the Work of the FAPM Committee and the Discharge of the Terms of Reference of the Finance, Asset & Performance Management Scrutiny Group	To consider the draft report on the annual work of the Committee before its submission to the Fire Authority and to ensure the Authority has efficient use of resources and robust procedures in place to ensure and manage this	Chair of FAPM, Chair of Scrutiny Group & DCO  Contact Officer: Sally Chapman	
15 March 2021	Revenue Monitor	To provide an update on revenue expenditure against the revenue budget for the year	Treasurer/DCO  Contact Officer: Geraint Thomas	
15 March 2021	Capital Monitor	To provide an update on capital expenditure against the capital budget for the year	Treasurer/DCO  Contact Officer: Geraint Thomas	
15 March 2021	Internal Audit Programme	To outline the planned internal audit coverage for the financial year and to seek comment and approval	DCO  Contact Officer: Sally Chapman/ Geraint Thomas	
15 March 2021	Internal Audit Annual Report	To provide an opinion on the adequacy and effectiveness of risk management, control and governance processes based on the internal audit work undertaken during the financial year. This will support the statement of internal control.	DCO  Contact Officer: Sally Chapman/ Geraint Thomas	
15 March 2021	Corporate (Strategic) Risk Register	To seek Members' views upon the Corporate (Operational) Risk Register	DCO	

Expected Date of Report	Report Name	Purpose of Piece of Work	Lead Director/ Contact Officer	Progress
			Contact Officer: Sarah Watkins	
15 March 2021	Register of Gifts and Hospitality	To advise Members of gifts and hospitality accepted and declined by Members and Officers during the year	DCO  Contact Officer: Sally Chapman	

Sally Chapman - DCO  
Dewi Rose - ACFO Service Delivery  
Chris Barton - Treasurer

Geraint Thomas - Head of Finance & Procurement  
Andrew Jones - Head of Human Resources  
Sarah Watkins - Head of Corporate Support

## AGENDA ITEM NO 12

**To consider any items of business that the Chairperson deems urgent  
(Part 1 or 2)**

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1. Apologies for Absence
2. Declarations of Interest

Members of the Fire & Rescue Authority are reminded of their personal responsibility to both verbally and in writing declare any personal and/or prejudicial interests in respect of matters contained in this agenda in accordance with the provisions of the Local Government Act 2000, the Fire & Rescue Authority's Standing Orders and the Members Code of Conduct.

3. Chairperson's Announcements
4. To Receive the Minutes of:
  - Finance Audit & Performance Management Meeting held on 21 September 2020 3
  - Finance, Asset & Performance Management Scrutiny Group held on 13 January 2020 9
5. Revenue Monitoring Report 2020/21 15
6. Capital Monitoring Report 2020/21 31
7. Revenue Budget 21/22 Update 39
8. Treasury Management Mid-Term Review Report 2020/21 45
9. Internal Audit Report 51
10. Audit Actions Report Health Check 2020/2021 Quarter 2 97
11. Forward Work Programme 2020-21 117
12. To consider any items of business that the Chairperson deems urgent (Part 1 or 2) 123