**SOUTH WALES FIRE & RESCUE SERVICE**

**MINUTES OF THE FINANCE, AUDIT & PERFORMANCE**

**MANAGEMENT COMMITTEE MEETING**

**HELD ON MONDAY, 15 JUNE 2020 AT 10:30HRS**

**VIA STARLEAF**

**01. PRESENT**

**Councillor Arrived Left**

S Evans (Chair) Torfaen

P Drake Vale of Glamorgan

M Colbran Merthyr Tydfil

D White Bridgend

V Smith Monmouthshire

A Hussey Caerphilly

M Spencer Newport

J Harries Rhondda Cynon Taf

W Hodgins Blaenau Gwent

T Davies Caerphilly

S Bradwick Rhondda Cynon Taf

**APOLOGIES**

S Ebrahim Cardiff

**OFFICERS PRESENT:** Mrs S Chapman – Deputy Chief & Monitoring Officer**,** Mr C Barton – Treasurer**,** Mr G Thomas – Head of Finance & Procurement, Mr N Selwyn – Audit Wales, Ms A Butler – Audit Wales, Mr S Gourlay – TIAA

**02. DECLARATIONS OF INTEREST**

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

Councillor W Hodgins advised that he is the owner of a transport company that sub contracts to a Service contractor, delivering goods to Cardiff Gate Training Centre, and queried whether this would need to be declared.

The Deputy Chief Officer confirmed that this will need to be entered onto the Register of Interests and the sub-contractor database held within Finance, but advised that this will have no effect on this meeting. The Head of Finance & Procurement to progress with Councillor W Hodgins

**RESOLVED:** The Head of Finance & Procurement to provide relevant forms to Councillor W Hodgins for inclusion within the Register of Interests and the sub-contractor database.

**03. CHAIR’S ANNOUNCEMENTS**

There were no announcements from the Chair.

**04. MINUTES OF PREVIOUS MEETING**

The following minutes were received and accepted as a true record of proceedings;

* Finance, Audit & Performance Management meeting held on 2 March 2010.

**05. REVENUE OUTTURN 2019/20**

The Head of Finance & Procurement provided details of the Revenue Outturn for 2019/20, and summarised the main points within the report, these being an increase in employee costs, additional energy costs, and reduced activity in some departments such as Training, and Workshops.

Regards energy costs, he confirmed costs are based on estimates, so may be subject to back credits which would then show a slight underspend.

He confirmed that a big impact on revenue outturn is costs for Home Safety equipment. The grant received from Welsh Government is below what is required, but thanks to a decision made by the Fire Authority we are able to continue to distribute Home Safety equipment. He also added that the other two Welsh fire and rescue services reported an underspend in this area, so Welsh Government supports our overspend from their underspends.

Councillors V Smith commended staff on the amount of work and information provided within the reports, the Chair seconded that.

Relating to a query from Councillor V Smith regards the energy saving from our boiler management system at stations and whether there has been a saving, the Head of Finance & Procurement advised that savings had not yet been calculated, but added that LED lighting had been installed at HQ at a cost of £18,000 which is saving approximately £50,000 a year.

He drew Members attention to Appendix 3, which details Authority Reserves which shows that reserves are being earmarked and invested. He also asked members to be aware of £47,000 that has been drawn from the management reserve.

**RESOLVED THAT**

Members noted the outturn position and net revenue deficit and use of usable reserves.

**06. CAPITAL OUTTURN 2019/20**

The Head of Finance & Procurement provided details of the Capital Outturn for 2019/20.

He reported a total available budget equating to £9.7m, with the outturn and slippage for the year as £6.6 million and £3.4m respectively. In summary, since previous reporting the projected spend has decreased by £0.6m while slippage has increased by £0.5m.

He reported some delays due to COVID-19, e.g., the refurbishment of Pontypridd Fire Station, delivery of vehicles and equipment, and the BA project where a decision was made that this would now be run in-house resulting in a £64,000 saving.

He confirmed that figures are being monitored regularly and will be reported within the Capital Monitoring Report.

**RESOLVED THAT**

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

**07. STATEMENT OF ACCOUNTS 2019/20**

The Treasurer presented the Statement of Accounts for 2019/20, adding that they are subject to the audit process.

He advised there had been some challenges due to COVID-19 in the preparation of the accounts, but staff have worked tirelessly through this difficult period to complete on time.

A number of risks have been identified by auditors mainly relating to timing which have now been addressed. There were no significant measures imposed to achieve deadlines, and the process was followed as usual.

Ms A Butler, Audit Wales advised that due to COVID-19 auditing is currently being undertaken remotely. It was envisaged that sign off would be achieved by end of July, but as members of the public are unable to scrutinise the accounts (as is the statutory requirement), sign off will need to be deferred to September, or such time as restrictions are eased. Sally Chapman confirmed that Welsh Government do review legislative requirements that are proving challenging due to Covid and may take a view in due course if personal inspection becomes impossible to safely achieve.

Mr N Selwyn, Audit Wales presented the letter from the Auditor General, which gives the detail of the Audit Wales work programme and how it will be achieved during COVID-19. The letter advised that, although the Annual Plan for 2020-21 has been published, it is recognised that much of the performance audit work programme described within it will now need to be re-shaped or deferred. One exception to this is the Auditor General’s national report under the Well-Being of Future Generations (Wales) Act 2015, which he is required by statute to lay by 5 May 2020.

The letter also describes real-time audit work in respect of COVID-19 that is planned, where his intention is to deploy the capability and capacity of Audit Wales for the good of the wider public sector, specifically providing real time capture and sharing of learning and experience across audited bodies to allow bodies to learn from each other going forward.

**RESOLVED:**

Members noted the contents of the Statement of Accounts 2019/20.

**08. INTERNAL AUDIT REPORT**

The Internal Auditor updated Members upon progress being made against the Internal Audit Plan 2019/2020.

**RESOLVED THAT**

Members noted the internal recommendations and work completed to date on the Internal Audit Annual Plan.

**09. INTERNAL AUDITORS ANNUAL REPORT YEAR ENDING 31 MARCH 2020**

The Internal Auditor presented the Annual Report for year ending 31 March 2020 and confirmed that, based on the evidence provided he is able to draw a reasonable conclusion as to the adequacy and effectiveness of the South Wales Fire and Rescue Service’s risk management, control and governance processes.

**RESOLVED THAT**

Members noted the work and overall opinion of the Internal Auditor for the financial year 2019/2020.

**10. INTERNAL AUDIT ANNUAL PLAN 2020/2021**

The Internal Auditor presented the proposed Internal Audit Annual Plan 2020/2021 for Members’ approval. He advised that the Plan had been drafted prior to COVID-19, and it is the intention to reconsider after restrictions have been lifted.

**RESOLVED THAT**

Members approved the Internal Audit Annual Plan for 2020/2021.

**11. FORWARD WORK PROGRAMME 2019/20**

The Deputy Chief Officer presented the Forward Work Programme for 2019/20.

**RESOLVED THAT**

Members accepted the Forward Work Programme for 2019/20.

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

**12.01 Social Distancing Measures at Fire Stations**

Councillor W Hodgins queried social distancing measures at fire stations and the wellbeing of staff, particularly those at community stations and joint emergency services stations.

The Deputy Chief Officer advised that Welsh Government regulations and guidance state the 2 metre rule be enforced wherever reasonably practicable in the workplace, although it is acknowledged that this is not always possible, particularly within fire and rescue services. Members were assured that this is being managed appropriately but sensitively by the Station Commanders.

**12.02 Expenditure during COVID-19**

Councillor D White queried whether Members could receive a briefing detailing where funds are being spent during COVID-19.

The Deputy Chief Officer advised that all Covid related expenditure is being tracked by the Service and that figures have been provided to Welsh Government on their request and is currently estimated at £250,000. She added that it is uncertain at present if Welsh Government will cover these expenses.

The Head of Finance & Procurement advised that expenditure during the Recovery phases is also being captured and will be reported to Members and Welsh Government.

**RESOLVED:**

Details of expenditure during COVID-19 be included in future revenue monitoring reports.

**12.03 Emergency Services Network (ESN)**

Councillor V Smith queried the impact new 5G masts was having on the implementation of the new ESN network and if this is causing any delays. The Deputy Chief Officer advised that the overall project has been delayed, but not as a consequence of the 5G masts. The contract and agreed timelines for completion were awarded prior to current press coverage on 5G.

It was agreed that this issue be expanded further within the Capital Monitoring Reports going forward.

**RESOLVED**

The Head of Finance & Procurement to include within the Capital Monitoring Reports going forward.