

SOUTH WALES FIRE & RESCUE AUTHORITY

MINUTES OF THE FINANCE, AUDIT & PERFORMANCE MANAGEMENT COMMITTEE MEETING HELD ON MONDAY, 26 JULY 2021 VIA STARLEAF

68. PRESENT

| Councillor | Arrived | Left |
|-------------------|----------------|--------------------|
| S Evans (Chair) | | Torfaen |
| M Colbran | | Merthyr Tydfil |
| DT Davies | | Caerphilly |
| P Drake | | Vale of Glamorgan |
| S Ebrahim | | Cardiff |
| A Hussey | | Caerphilly |
| V Smith | | Monmouthshire |
| M Spencer | | Newport |
| S Morgans | | Rhondda Cynon Taff |

APOLOGIES

| | |
|-----------|---------------|
| W Hodgins | Blaenau Gwent |
|-----------|---------------|

OFFICERS PRESENT:

Mr G Thomas - Temporary Director of Corporate Services; Mr C Barton – Treasurer; Mrs L Mullan – Temporary Head of Finance & Procurement; Mrs S Watkins – Head of Corporate Support; Mr S Gourlay – TIAA; Ms G Gillett – Audit Wales

69. DECLARATIONS OF INTEREST

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

70. CHAIR'S ANNOUNCEMENTS

There were no Chair's announcements.

71. MINUTES OF PREVIOUS MEETINGS

The minutes of the Finance, Audit & Performance Management Committee meeting held on 15 March 2021 were read and accepted as a true record of proceedings.

72. REVENUE OUTTURN 2020/21

The T/ Head of Finance & Procurement presented the revenue outturn position for the financial year end 2020/21 and the resultant impact on reserves. She advised that underspend has increased by £800,000, confirming that this is mainly within non-employee budgets and equates to £2million with the £1.2million over-spend (due to grant cost inclusion) in employee budget offsetting this.

Councillor Smith queried the £55k decrease in underspend in relation to transport costs. The T/ Head of Finance & Procurement confirmed that the Authority receives grant funding for lease cars, these additional costs and income have been included within the report.

Councillor Smith queried the 50% funding received from Welsh Government in relation to IT costs. The T/ Head of Finance & Procurement advised that Welsh Government class IT equipment as having a secondary life post Covid and will therefore only fund 50% of costs.

Councillor Smith queried the number of rescue dogs the Service has and their location. The T/ Head of Finance & Procurement advised that she will check and report back to Councillor Smith.

Councillor Smith queried whether the Service employs a full time Fire Brigades' Union representative. The T/ Head of Finance & Procurement advised that the Service has a 1.5 FTE post, these costs are fully reimbursed by the Fire Brigades' Union.

The Chair queried the timeframe for claiming of funds from Welsh Government. The T/Director of Corporate Services confirmed that Covid related funding is reclaimed from Welsh Government in arrears on a quarterly basis.

RESOLVED THAT

72.1 Members noted the outturn position and agreed the transfer of net revenue surplus into usable reserves.

72.2 The T/ Head of Finance & Procurement to check the number of rescue dogs the Service has and their location and report back to Councillor Smith.

73. CAPITAL OUTTURN REPORT 2020/21

The T/Head of Finance & Procurement provided Members with a detailed explanation of the capital outturn position for the year ending 31 March 2021,

the financing arrangements and the budget slippage required to complete capital schemes in 2021/22.

Councillor Smith queried the switch to a new contractor for works at Pontypridd.

The T/Head of Finance & Procurement advised that two packages were tendered for based on internal work and external work to allow for flexibility. The T/Director of Corporate Services added that there has been some concerns in relation to delays caused by the pandemic. Approval was given for additional funding for external works, which went out to tender and a new contractor was appointed.

The Chair queried whether works currently ongoing at New Inn will be completed by end of this year. The T/Director of Corporate Services confirmed that this is unlikely, adding that even if purchase of a site was completed, timescales indicate that it would take a further two to three years to clear the site and build new. Minor investment is required for upkeep of the current building to ensure it is safe and fit for purpose.

RESOLVED THAT

Members agreed to the budget slippage as detailed in Appendix 1 of the report.

REPORTS FOR INFORMATION

74. 2021 AUDIT WALES AUDIT PLAN

Ms G Gillett, Financial Audit Manager for Audit Wales gave a detailed account of the work due to be undertaken by Audit Wales during 2021 to discharge their statutory responsibilities as the Authority's external auditor and to fulfil their obligations under the Code of Audit Practice. She drew Members attention to Exhibit 1: financial statement audit risks, Exhibit 2: Performance Audit Programme 2021-22 and Exhibit 3: Audit fee, confirming that there is no change in the baseline fee from last year.

RESOLVED THAT

Members noted the content of the report.

75. STATEMENT OF ACCOUNTS 2021/21

The Treasurer presented Members with the audited Statement of Accounts and accompanying reports required to demonstrate financial stewardship for the financial year ending 31 March 2021, confirming that the Statement of Accounts

was completed and certified by the deadline of 31st May. The audit process will complete imminently and certification is scheduled to take place by 31st July.

He also advised that the Appointed Auditor is required to give their opinion on the financial statements for the year ended 31 March 2021, and drew Members attend to the statutory ISA260 report, the audited Statement of Accounts and the Letter of Representation.

Councillor Smith wished to congratulate those involved with producing the reports adding that there are lots of useful points of learning. She queried the reference to volunteers. The Head of Corporate Support confirmed that these volunteers are drivers from Fleet and Engineering Department who are supporting the mass vaccination centres by transporting members of the community to the vaccination centres when no other transport is available.

RESOLVED THAT

Members noted the audited Statement of Accounts 2020/21 and received the ISA 260 report and letter of representation.

76. AUDIT ACCOUNTS REPORT (ISA260 REPORT)

Ms G Gillett, Financial Audit Manager for Audit Wales summarised the main findings of the Audit of Accounts (ISA260) report for 2020/21. She was pleased to confirm there are no significant issues and any minor issues have been corrected.

The Treasurer commended the Finance Team who have worked diligently, he also thanked Audit Wales for how they have adapted to working during the pandemic

The Chair added his thanks to the Finance team and Audit Wales.

The T/Director of Corporate Services confirmed that Letter of Representation and the Statement of Accounts will be duly signed by the Treasurer and the Chair and forwarded to Audit Wales for their signature and production of certificate.

RESOLVED THAT

Members noted the content of the report.

77. INTERNAL AUDIT REPORT

Mr S Gourlay, TIAA, updated Members on progress being made against the Internal Audit Plan for 2020/21.

He advised that there are were three recommendations, the first being that business interest policy is out of date. He advised this is being experienced with other clients due to the impact of the pandemic and confirmed that a date has been set for updating the policy. The second recommendation is in relation to adding reference to the General Data Protection Regulations (GDPR) within the policy, with the third recommendation being in relation to the need for staff to be more explicit in communicating any changes. He advised that it is good practice to make all aware of the policy, including managers and staff.

Discussion ensued in relation to how Members would like internal audit work to be undertaken going forward, with the changing environment of virtual and home working and office based working. Mr Gorlay confirmed that work has progressed remotely although there have been some instances of having to be on site to physically inspect documents.

He noted that fraud, mainly around cyber security, continues to be a rising threat, and preventative measures need to be put in place, including increasing awareness to staff.

RESOLVED THAT

Members noted the Internal Audit recommendations and work completed to date on the Internal Audit Annual Plan 2020/21.

78. FORWARD WORK PROGRAMME 2021/22

The T/Director of Corporate Services presented the Forward Work Programme 2021/22. He confirmed that once discussion has taken place at the Scrutiny Committee, the proposed new terms of reference for that Committee will be added to the Forward Work Programme

RESOLVED THAT

Members noted the Forward Work Programme for 2021/22.

79. 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)