

AUDIT AND PERFORMANCE REVIEW COMMITTEE

(Devon and Somerset Fire and Rescue Authority)

24 September 2014

Present:-

Councillors Radford (Chair), Edmunds, Healey and Way.

Apologies:-

Councillors Ball, Horsfall and Singh.

In attendance:-

Peter Barber – representing the Authority's external auditors, Grant Thornton.

***APRC/7. Minutes**

RESOLVED that the Minutes of the meeting held on 9 July 2014 be signed as a correct record.

***APRC/8. Audit Findings for the Devon & Somerset Fire & Rescue Authority for the Year Ended 31 March 2014**

The Committee considered a document prepared by Grant Thornton, the Authority's external auditor, that set out its findings and opinion on the Authority's financial statements for the year ended 31 March 2014. The Committee also considered the Authority's draft Statement of Accounts for 2013-14 which had, as a result of the external audit process, been amended to reflect misstatements, misclassifications and disclosures identified by Grant Thornton. The changes made were set out within the audit findings as submitted by Grant Thornton. The Committee was also asked to approve a draft Letter of Representation to accompany the Audit Findings and Statement of Accounts for 2013-14.

In presenting his findings to the Committee, Peter Barber, representing Grant Thornton, reported upon the work that had been undertaken in respect of the audit findings. He highlighted the adjustments that had been made to the accounts since these had been considered by the Committee at its meeting on 9 July 2014 (Minute *APRC/6 refers). He drew attention to a couple of issues that needed to be addressed, however, including:

- The Fixed Asset Register (FAR) did not reconcile to the financial statements and although the financial statements were materially accurate, work was required to ensure the FAR was fit for purpose in the future;
- The Authority did not value all of its items within a class of property, plant and equipment simultaneously.

The audit findings also identified significant risks for the Authority which included improper revenue recognition and the management of override controls and it set out the actions that had been taken or needed to be taken to address this.

In respect of the issue of improper revenue recognition, the auditors had recommended that the Authority should give due consideration to the provision of group accounts as part of its future years' financial statements in view of the continuing expansion of its trading company, Red One.

Based on the work that had been undertaken, Mr Barber reported that he anticipated issuing an unqualified opinion on both the financial statements and Value for Money conclusion and indicated that this would be issued to the Authority in the near future.

The Chairman, on behalf of the Committee, thanked the Treasurer and his team for the work they had undertaken in respect of the preparation of the statement of accounts. He also thanked the auditors for the clear and comprehensive report that had been submitted.

RESOLVED

- (a) That the Audit Findings 2013-14 including the recommendations contained therein be approved;
- (b) That the revised Statement of Accounts 2013-14 containing the financial statements on which the Audit Findings are based be approved, and;
- (c) That the Letter of Representation also enclosed with the agenda for this meeting be approved and the Treasurer be authorised to sign it on behalf of the Authority.

***APRC/9. 2013-14 Annual Statement of Assurance**

The Committee considered a report of the Audit and Review Manager (APRC/14/6) that set out the Authority's Annual Statement of Assurance for 2013-14 which had been prepared to satisfy the requirements of the Accounts and Audit (England) Regulations 2011 and the current version of the Fire and Rescue Authority National Framework. The document set out issues of financial, governance and operational assurance and included an action plan to address any issues identified.

RESOLVED that that the final Annual Governance Statement - required to accompany the 2013/14 final accounts – be approved and published on the Authority's website.

***APRC/10. Audit and Review 2013-14 2nd Quarter Progress Report**

The Committee received for information a report of the Audit and Review Manager (APRC/14/7) that set out details of the work that had been undertaken by the Service's Audit and Review Team in conjunction with the Devon Audit Partnership to provide assurance in respect of the audits completed to date. The report detailed the key and/or high risk findings on the following:

- The 2013-14 firefighter safety assurance mapping exercise;
- Operational assurance review;
- Emergency call incident support data quality review;
- Payroll review;

- ICT (strategic fire control project) review.

***APRC/11. Devon & Somerset Fire & Rescue Service Performance Report: April to June 2014**

The Committee received for information a report of the Director of Operations (APRC/14/8) that detailed the Service's performance for the period April to June 2014 against the measures set out within the Corporate Plan for 2013/14 to 2014/15.

The Director of Operations reported that the Service would be changing the way in which data was presented to the Committee in future so that the information available could be used to lead and drive performance rather than being a "lagging" report on what had already happened. He added that the change was to ensure that the Service could work towards its improvement and prevention agenda instead of waiting until something had occurred such as a fire death. He indicated that a comprehensive report on the proposed changes would be submitted to the Committee in the near future.

In terms of the performance to date this year, the Committee noted that:

- Measures 1 (deaths which occurred where people lived) – there had been one fire death to June 2014 as compared with five in the same period in 2013-14 which was a welcome decrease;
- Measure 2 (injuries which occurred where people lived) – there had been a significant reduction in fire injuries to 11 from 26 in the same period in 2013-14;
- Measure 3 (incidents which occurred where people lived) – there were 237 dwelling fires in the first quarter of 2014-15 as compared with 272 in 2013-14 which continued the overall downward trend that had occurred almost year on year since 2007 with the exception of 2013-14;
- Measure 4 (deaths which occurred where people worked and visited) – there were no fire deaths in Quarter 1 of 2014-15;
- Measure 5 (injuries which occurred where people worked or visited) – there was a decrease of 33.3% in the number of injuries recorded in the first quarter of 2014-15 which it was thought was attributable to the drop in the number of accidental vehicle fires;
- Measure 6 (incidents which occurred where people worked and visited) – the number of incidents, including both deliberate and accidental fires, had increased from 353 in the first quarter of 2013-14 to 367 in the same period in 2014-15 which it was thought may be attributable in part to the above average temperatures throughout the period and lower rainfall in June 2014;
- Measures 7 and 8 (emergency response standards) – this was showing an improvement in quarter 1 of 2014-15 with a performance of 69.2% for first attendance in 10 minutes although there had been a slight decrease on first attendance within 15 minutes to road traffic collisions to 74.43% from 76.91%:

- Measure 9 (sickness) – there had been an increase in sickness absence of 31% in the first quarter of 2014-15 as compared with the same period in 2013-14 and an in depth analysis was being undertaken to try to ascertain why this had occurred.

During a discussion on the performance figures, reference was made to the position in respect of the number of “on call” (retained) stations that were available for response at any time and the Committee indicated that it would wish to see this information included in future reports. The Director of Operations advised that the Service did hold this information and this would be considered in line with the proposed changes in reporting style as discussed earlier in the meeting. He indicated that this may also include information on co-responder and non-fire related incidents additionally as this was all part of the changing environment for the fire and rescue service.

*** DENOTES DELEGATED MATTER WITH POWER TO ACT**

The meeting started at 10:00hours and finished at 11.40hours.