

AUDIT AND PERFORMANCE REVIEW COMMITTEE

(Devon and Somerset Fire and Rescue Authority)

12 May 2015

Present:-

Councillors Radford (Chair), Edmunds, Healey, Horsfall, Randall Johnson and Singh

Apologies:-

Received from Councillor Way

***APRC/22. Minutes**

RESOLVED that the Minutes of the meeting held on 6 February 2015 be signed as a correct record.

***APRC/23. Grant Thornton Update**

The Authority's External Auditor, Grant Thornton, had prepared a number of reports for the information of the Committee covering the following matters:

- (a) Update for the year ended 31 March 2015 covering the auditors progress in delivering its responsibilities as the Authority's external auditor, including a summary of emerging national issues and developments and a number of related questions;
- (b) The External Audit Plan for 2015-16;
- (c) A letter setting out the planned Audit Fee for 2015-16, and;
- (d) (i) ISA240 Letter – Chair's response;
(ii) ISA240 Letter – Treasurer's response.

David Bray and Peter Barber, representing Grant Thornton, were present at the meeting to present their reports. In addition to the reports circulated, David Bray referred to the appointment of a new national lead on employment tax issues who would be introduced to the Service early in May 2015. Grant Thornton had also undertaken a local government governance review and a copy of the associated report was made available at the meeting for information.

Reference was made in particular to legislation that had been passed to bring forward the deadlines for the preparation and audit of Local Government financial statements from 2017/18 onwards. It was noted that the timetable for the preparation of the financial statements and the subsequent audit would be reduced by one month and two months respectively as follows:

- Deadline for preparation of financial statements – 31 May (currently 30 June)
- Deadline for audit completion – 31 July (currently 30 September).

In response to a question, David Bray stated that the Authority was capable of preparing its accounts to the new deadline but needed an action plan to be in place to indicate how it was going to achieve this. Grant Thornton would be issuing a national report after the audit of the 2014/15 accounts had been completed in September 2015 setting out how the required changes might be achieved.

The Treasurer indicated that the Authority had time to prepare for the forthcoming changes and acknowledged that an action plan would be needed to address this. Peter Barber added that all local authorities were in the same position and a transitional approach over the next 3 years was proposed.

It was noted that the external audit fee for 2015/16 had been reduced to £33,820 representing a 25% decrease on 2014/15. This was as a result of a combination of the Audit Commission putting out further work to external agencies together with there being a balance left in its accounts on its demise which had been redistributed.

***APRC/24. Group Accounts for Devon and Somerset Fire and Rescue Authority and Red One**

The Committee received for information a report of the Treasurer (APRC/15/04) that set out the Treasurer's view on the position on materiality in respect of the preparation of group accounts and specifically with regard to Red One Ltd.

The Treasurer advised that, in his opinion, the activities of Red One Ltd were not material to the Authority's Statement of Accounts and therefore it was noted that the accounts for 2014/15 would not be consolidated.

***APRC/25. 2014-15 Internal Audit Year End Report**

The Committee received for information a report of the Audit and Review Manager (APRC/15/05) that set out the outturn position on the combined work of the Authority's Audit and Review team and the Devon Audit Partnership (DAP) for 2014/15. The report also set out the progress that had been made against the 2014/15 Internal Audit Plan and provided assurance statements for the work completed.

The Audit and Review Manager introduced Jane Quick, the new auditor for DAP. He stated that the key audit findings set out within the report had been grouped into three areas, namely:

- Financial controls;
- Change management, and;
- Areas for improvement.

The Committee commented that there appeared to be a lot of audits showing "improvements required". The Audit and Review Manager replied that the role of the Audit Team was to help the organisation to improve continuously and that the audits provided a way of conducting this in an organised and transparent way. An Assurance Tracker had been instigated in addition for the purpose of managing all recommendations made together with agreed actions coming out of key assurance activities. The Assurance Tracker was available to all employees through the Service Information Point (SIP). As at April 2015, the Assurance Tracker held 985 recommendations of which:

- 270 had been closed;
- 413 had been completed, and;
- 302 remained open.

The question was raised as to when the 302 recommendations that were open would be cleared. The Audit and Review Manager replied that the Service had a risk based approach to dealing with these. Those recommendations which were deemed to be the highest risk were given priority. He added that, based on the work that had been undertaken in 2014-15 and from work in previous years, Devon and Somerset Fire & Rescue Service demonstrated a good level of internal control overall.

***APRC/26. 2015-16 Internal Audit Approach and 2015-16 Internal Audit Plan**

The Committee considered a report of the Audit and Review Manager (APRC/15/06) upon the proposed approach to internal audit activities in 2015/16.

The Audit and review manager reported that the audit activity would be split into three main areas of work, namely:

- Strategic audits – 50% Of the work;
- Service health checks – 25%, and;
- Compliance audits – 25%.

The Audit Plan was also being aligned more closely to corporate performance and risk management to further develop the Service's risk register and to help embed the control framework.

RESOLVED

- (a) That the proposed approach to internal audit activities to apply for the 2015-16 financial year as set out in report APRC/15/6 be endorsed;
- (b) That the 2015-16 Internal Audit Plan as appended to report RC/15/6 be approved.

***APRC/27. Devon and Somerset Fire and Rescue Service Performance Report: April 2014 to March 2015**

The Committee received for information a report of the Director of Operations (APRC/15/07) that detailed the Service's performance for the period April 2014 to March 2015 against the measures set out within the Corporate Plan for 2013/14 to 2014/15.

In terms of performance, the following key points were noted:

- Measure 1 (fire deaths where people live): there had been a significant increase in fire fatalities in the last quarter of 2014/15 from 2 to 8 but an annual decrease of 33.3% as compared to 2013/14. There had previously been an increasing trend for three years so this reduction was welcomed.
- Measure 2 (fire injuries where people live): there had been 52 dwelling fire injuries occurring in 2014/15 (of which 48 were accidental) as compared with 88 in 2013/14 (of which 73 were accidental) which was a significant decrease at 40.9%.
- Measure 3 (incidents where people live): there had been a decrease in the number of fires to 972 in 2014/15 as compared with 1058 in 2013/14. This was the lowest number of fires recorded since combination in 2007/08. When split into accidental and deliberate fires, each figure was also the lowest since combination with 912 accidental and 60 deliberate fires.
- Measure 4 (fire deaths where people work): there were 2 deaths which had occurred at places where people work and visit in 2014/15, which was no change to the position reported in 2013/14. One death was the result of a deliberate fire and the other was accidental.
- Measure 5 (fire injuries where people work): the statistics showed a decrease in 2014/15 from 38 to 34 injuries in 2013/14. This drop in the number of injuries was due to accidental fire injuries as the number of deliberate fire injuries had stayed the same.

- Measure 6 (incidents where people work): there had been a decrease in the number of incidents reported to 1352 in 2014/15 as compared with 1394 in 2013/14, with both deliberate and accidental fires decreasing. Deliberate fires dropped more noticeably from 357 to 323 despite an increase in the “non-domestic” category.
- Measures 7 & 8 (emergency response standards): Performance had dropped slightly to 68.45% for 1st attendance within 10 minutes at dwelling fires and 75.13% for 1st attendance within 15 minutes for a road traffic collision. This was an area of performance that was continually monitored.

In terms of sickness, it was reported that the level of absence had increased significantly from 7.79 days or shifts per person in 2013/14 to 9.76 in 2014/15 representing a 42.3% rise. Absence levels had been demonstrating an improving position following combination in 2007/08 up until 2013/14, but this had not been maintained into 2014/15, possibly as a result of a year of considerable changes within the Service with the crewing of 5 whole-time stations changing and other reductions in crewing levels. The Service was taking steps to address this downturn in performance which would be reported in more depth to the Human Resources Management and Development Committee.

***APRC/28. New Performance Report - Revised Presentation and Targets**

The Service was committed to a process of continuous improvement. Within this, the measurement of performance played a critical role in tracking progress against priorities, identifying those opportunities for improvement and comparing performance against both internal and external standards.

The Service was constantly seeking to evolve and improve the way it measured and reported on performance and therefore proposed to change the layout of the quarterly performance report as presented to this Committee. The objective was to align performance better to the Service’s key priorities and to ensure that the report reflected the broader range of incidents and activities now covered. However, it was not proposed that the performance measures would be changed at this stage. This would mean that, for some measures, the Service could continue to make comparisons with the previous year, but in the future a different approach on the targets or control tolerances (upper and lower limits) could be adopted.

The Director of Operations reported that Officers would circulate some ideas to the Committee for comments prior to a sample report being submitted to the next meeting.

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

The meeting started at 10.00hours and finished at 12.05hours