



DEVON & SOMERSET FIRE & RESCUE AUTHORITY

M. Pearson
CLERK TO THE AUTHORITY

To: The Chair and Members of the Devon &
Somerset Fire & Rescue Authority

(see below)

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DEVON & SOMERSET FIRE & RESCUE AUTHORITY

Monday, 30th April, 2018

A meeting of the Devon & Somerset Fire & Rescue Authority will be held on the above date, **commencing at 10.00 am in Conference Rooms, Service Headquarters, Exeter** to consider the following matters.

M. Pearson
Clerk to the Authority

SUPPLEMENTARY AGENDA No. 1

PLEASE REFER TO THE NOTES AT THE END OF THE AGENDA LISTING SHEETS

7. d **Audit & Performance Review Committee** (Pages 1 - 4)

The Chair of the Committee, Councillor Wheeler, to **MOVE** the Minutes of the meeting held on 26 April 2018 marked as "to follow" on the previously circulated agenda for this Authority meeting.

RECOMMENDATION that the Minutes be adopted in accordance with Standing Orders.

MEMBERS ARE REQUESTED TO SIGN THE ATTENDANCE REGISTER

Membership:-

Councillors Randall Johnson (Chair), Best, Biederman, Bown, Clayton, Chugg, Coles, Colthorpe, Eastman, Ellery, Greenslade, Hannaford, Healey MBE (Vice-Chair), Hendy, Hosking, Leaves, Napper, Peart, Prowse, Redman, Riley, Saywell, Thomas, Trail BEM, Vijeh and Wheeler

NOTES

1.	<u>Access to Information</u> Any person wishing to inspect any minutes, reports or lists of background papers relating to any item on this agenda should contact the person listed in the "Please ask for" section at the top of this agenda.
2.	<u>Reporting of Meetings</u> Any person attending a meeting may report (film, photograph or make an audio recording) on any part of the meeting which is open to the public – unless there is good reason not to do so, as directed by the Chairman - and use any communication method, including the internet and social media (Facebook, Twitter etc.), to publish, post or otherwise share the report. The Authority accepts no liability for the content or accuracy of any such report, which should not be construed as representing the official, Authority record of the meeting. Similarly, any views expressed in such reports should not be interpreted as representing the views of the Authority. Flash photography is not permitted and any filming must be done as unobtrusively as possible from a single fixed position without the use of any additional lighting; focusing only on those actively participating in the meeting and having regard also to the wishes of any member of the public present who may not wish to be filmed. As a matter of courtesy, anyone wishing to film proceedings is asked to advise the Chairman or the Democratic Services Officer in attendance so that all those present may be made aware that is happening.
3.	<u>Declarations of Interests (Authority Members only)</u>
	(a). <u>Disclosable Pecuniary Interests</u> If you have any disclosable pecuniary interests (as defined by Regulations) in any item(s) to be considered at this meeting then, unless you have previously obtained a dispensation from the Authority's Monitoring Officer, you must: <ul style="list-style-type: none">(i). disclose any such interest at the time of commencement of consideration of the item in which you have the interest or, if later, as soon as it becomes apparent to you that you have such an interest;(ii). leave the meeting room during consideration of the item in which you have such an interest, taking no part in any discussion or decision thereon; and(iii). not seek to influence improperly any decision on the matter in which you have such an interest. If the interest is sensitive (as agreed with the Monitoring Officer), you need not disclose the nature of the interest but merely that you have a disclosable pecuniary interest of a sensitive nature. You must still follow (ii) and (iii) above.
	(b). <u>Other (Personal) Interests</u> Where you have a personal (i.e. other than a disclosable pecuniary) interest in any matter to be considered at this meeting then you must declare that interest no later than the commencement of the consideration of the matter in which you have that interest, or (if later) the time at which the interest becomes apparent to you. If the interest is sensitive (as agreed with the Monitoring Officer), you need not disclose the precise nature of the interest but merely declare that you have a personal interest of a sensitive nature. If the interest is such that it might reasonably be perceived as causing a conflict with discharging your duties as an Authority Member then, unless you have previously obtained a dispensation from the Authority's Monitoring Officer, you must not seek to improperly influence any decision on the matter and as such may wish to leave the meeting while it is being considered. In any event, you must comply with any reasonable restrictions the Authority may place on your involvement with the matter in which you have the personal interest.
4.	<u>Part 2 Reports</u> Members are reminded that any Part 2 reports as circulated with the agenda for this meeting contain exempt information and should therefore be treated accordingly. They should not be disclosed or passed on to any other person(s). Members are also reminded of the need to dispose of such reports carefully and are therefore invited to return them to the Committee Secretary at the conclusion of the meeting for disposal.
5.	<u>Substitute Members (Committee Meetings only)</u> Members are reminded that, in accordance with Standing Order 35, the Clerk (or his representative) must be advised of any substitution prior to the start of the meeting. Members are also reminded that substitutions are not permitted for full Authority meetings.

AUDIT & PERFORMANCE REVIEW COMMITTEE

(Devon & Somerset Fire & Rescue Authority)

26 April 2018

Present:-

Councillors Wheeler (Chair), Clayton (Vice-Chair), Healey MBE, Napper, Saywell, Trail BEM and Vijeh.

In attendance (in accordance with Standing Order 36(1):-

Councillors Coles and Randall Johnson.

* **APRC/26**

Minutes

RESOLVED that the Minutes of the meeting held on 17 January 2018 be signed as a correct record.

* **APRC/27**

Grant Thornton Update

The Committee received for information a report submitted by the Authority's external auditor, Grant Thornton, setting out the progress made to date in delivery of its audit responsibilities to the Devon & Somerset Fire & Rescue Authority (the Authority). The report made reference in particular to the progress made with:

- The financial statements audit;
- Value for Money conclusion;
- Other areas such as the meetings held with finance officers and a local government accounts workshop held in Plymouth on 6 February 2018

The report also covered the results of the interim audit work undertaken and a sector update covering recent Grant Thornton publications, insights from local government sector specialists, reports of interest and accounting and regulatory updates.

Peter Barber, representing Grant Thornton, confirmed that, in terms of the interim audit work undertaken, there had been no issues identified.

* **APRC/28**

International Financial Reporting Standards (IFRS) ISA240 Compliance Letters

The Committee received for information the letters from the Authority's Treasurer and the Chair of this Committee in response to the correspondence received from Grant Thornton relating to International Financial Reporting Standards (IFRS) ISA240 and seeking confirmation of compliance.

* **APRC/29**

External Audit Plan 2017-18

The Committee received for information an external audit plan for the year ending 31 March 2018 from the Authority's auditors, Grant Thornton. The Plan provided the scope and timings for the external audit process as required by the International Standard on Auditing (UK & Ireland) 260. It also identified issues of materiality and areas of significant risks for the Service, together with Value for Money arrangements.

The Committee noted that, for the audit, Grant Thornton would be focussing on the Service's significant risks as identified within the report which were:

- The revenue cycle including fraudulent transactions;
- Management override of controls;
- The valuation of property, plant and equipment; and,
- The valuation of pension fund net liability.

There were other risks that had been identified additionally, including employee remuneration and the Firefighters' Pension Scheme which would also be addressed.

NB. Councillor Saywell declared a personal, non-pecuniary interest in this item as a Non-Executive Director of Red One Ltd.

* **APRC/30** **External Audit Fee Letter 2018-19**

The Committee received for information from the External Auditor, Grant Thornton, details of the proposed Audit Fee in 2018/19. The Public Sector Audit Appointment (PSAA), the body responsible for overseeing the audit contracts for local government organisations, had prescribed a scale fee based on the point that the auditor would be provided with completed and materially accurate financial statements within agreed timescales.

For Devon & Somerset Fire & Rescue Authority in 2018/19, it was noted that the proposed audit fee set by the PSAA was £26k, a reduction of 23% on the previous fee, and that this was fixed for the next five years. Councillor Wheeler sought an assurance that this would not result in a reduction in the quality of service received from Grant Thornton which was duly given.

* **APRC/31** **Audit & Review 2017-18 Progress Report**

The Committee received for information a report of the Director of Service Improvement (APRC/18/7) that set out the progress made to date against the approved 2017-18 Internal Audit Plan and which also provided an update on any additional work undertaken. The report also provided assurance statements for the audits that had been completed to date.

Reference was made in particular to the Audit & Review Assurance Tracking System which recorded all of the audit recommendations and agreed actions coming out of key assurance activities. It was noted that since July 2017, there had been a 56% decrease in open high or high/medium recommendations from 78 to 41. Based on the work completed to date in 2017-18 and the knowledge from previous years, it was considered that the Devon & Somerset Fire & Rescue Service continued to demonstrate an appropriate level of internal control.

* **APRC/32** **2018-19 Internal Audit Plan**

The Committee considered a report of the Director of Service Improvement (APRC/18/8) that set out the proposed 2018 -19 Internal Audit Plan, which involved a total of 1119 audit days split between strategic reviews, compliance reviews and audit health checks. It was noted that, of the 1119 days, the Devon Audit Partnership would be providing an element of independent scrutiny with 67 days auditing and an IT health check would also be undertaken in 2018/19 of 110 days. The audit of key financial systems had been increased from 32 to 35 days in view of the appointment recently of a new payroll and pensions provider.

RESOLVED that the 2018-19 Internal Audit Plan as set out within report APRC/18/8 be approved.

* **APRC/33** **Authority Policy for the Regulation of Investigatory Powers Act 2000 (RIPA) - outcome of recent inspection**

The Committee considered a report of the Director of Corporate Services (APRC/18/9) that set out proposed changes to the Authority's policy on the Regulation of Investigatory Powers Act (RIPA) (2000) as a result of a recent inspection by the Office of the Surveillance Commissioner.

RESOLVED

- (a) That the revised Authority Policy for the Regulation of Investigatory Powers Act (RIPA) as set out within Appendix B of report APRC/18/9 be approved;
- (b) That a report reviewing the current RIPA policy be submitted to this committee in twelve months time; and
- (c) That, subject to (a) and (b) above, the report be noted.

* **APRC/34** **Devon & Somerset Fire & Rescue Service Performance 2017-18 - Report to Quarter 3 (April to December 2017)**

The Committee received for information a report of the Director of Service Improvement (APRC/18/10) that set out the Service's performance for the period of April to December 2017 with a focus on quarter 3 of 2017-18. The report highlighted the new format for the performance information which set out a measure status of 'good performance', 'monitor performance' or 'negative exception'. This was established through an assessment of the different types of analysis, for example, performance versus the previous year, performance versus the previous quarter and trends and performance against normal variation to give a more rounded picture and which directed focus more effectively on emerging issues. Where a measure was reported as an exception, a separate report would be provided.

Five of the eight measures were showing positive performance whilst three measures were showing negative performance. This was a declining picture compared to the previous report to the Committee on 17 January 2018. In terms of the positive performance, the following was noted:

- fire related deaths remained very low for 2017/18 with three deaths recorded in the year to date and no deaths in quarter 3;
- Emergency response standards had shown an improvement compared to the same period in 2016/17 for both the reporting quarter and year to date performance with long term trends being positive due to the instigation of the Operational Resource Centre;
- Fires where people work, visit and in vehicles had also shown an improvement compared to the previous year for both the reporting quarter and year to date, although deliberate fires had shown an upward three year trend.

In terms of the measures showing negative performance:

- Fire related injuries had increased compared to the previous year (2016-17) for both the reporting quarter and year to date. There was a relatively low number of injuries which meant that a small change in the numbers could show dramatic percentage variations;
- Fires where people lived had increased compared to the previous year for both the reporting quarter and year to date. The increase was not dramatic but combined with a negative rolling three year trend, this had been assessed to be an exception.

* **APRC/35** **Exclusion of the Press and Public**

RESOLVED that, in accordance with Section 100A(4) of the Local Government Act 1972, the press and public were excluded from the meeting for the following item of business on the grounds that it involved the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A (as amended) to the Act, namely information relating to the financial and business affairs of any particular person – including the authority holding that information).

* **APRC/36** **Audit & Review IT Security Progress Report**

(An item taken in accordance with Section 100A(4) of the Local Government Act 1972 during which the press and public were excluded from the meeting).

The Committee received for information a report of the Head of Assurance & Planning (APRC/18/11) that set out the progress made to date against the approved 2017-18 internal audit plan and which reported specifically on the ICT Technical audits that had been undertaken and the assurance statements thereon.

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

The meeting started at 10.00 am and finished at 12.00 pm