

AUDIT & PERFORMANCE REVIEW COMMITTEE
(Devon and Somerset Fire and Rescue Authority)

28 June 2016

Present:-

Councillors Radford, Dyke (sub Coles), Healey, Knight (sub Edmunds) and Randall Johnson.

Apologies:-

Councillors Riley and Way.

APRC/1 Election of Chair*

RESOLVED that Councillor Radford be elected Chair until the first meeting of the Committee after the Annual General Meeting of the Authority in May 2017.

APRC/2 Minutes of previous meeting*

RESOLVED that the Minutes of the meeting held on 11 April 2016 be signed as a correct record.

APRC/3 Election of Vice Chair*

RESOLVED that Councillor Edmunds be elected Vice Chair until the first meeting of the Committee after the Annual General Meeting of the Authority in May 2017.

APRC/4 Grant Thornton Update*

The Committee received for information a report submitted by the Authority's external auditors, Grant Thornton, setting out the progress made in delivery of its audit responsibilities to the Devon & Somerset Fire & Rescue Authority (up to June 2016). The report also set out details of the audit fee for 2016/17, together with a number of recent Grant Thornton publications including:

- Partnership working in mental health;
- Better Together: Building a successful joint venture company.

APRC/5 Draft Statement of Accounts 2015/16*

The Committee considered a report of the Treasurer (APRC/16/11) to which was appended, in the format required by the International Financial Reporting Standards (IFRS), the Authority's Statement of Accounts for 2015-16.

The Treasurer drew particular attention as part of a presentation at the meeting to the following four key statements within the accounts, namely:

- the Comprehensive Income and Expenditure Statement (CIES);
- the Movement in Reserves Statement (MIRS);
- the Balance Sheet; and

- the Cash Flow Statement

each of which was expanded on in the report. He also referred to an explanation of the position on pensions which had been included as an Appendix to the report for reference.

The Accounts and Audit Regulations 2011 had previously required the draft Statement of Accounts to be prepared and certified by the Chief Finance Officer as a true and fair record by 30 June each year; and formally be approved by the Authority, following audit, by 30 September each year. The Treasurer drew attention to the point that the Accounts and Audit Regulations 2015 now require the draft Statement of Accounts for 2015-16 to be published alongside the draft Annual Assurance Statement by 30 June 2016. Furthermore and looking ahead the new Regulations require the draft Statement of Accounts for 2017-18 to be published by 31 May 2018 and the audited accounts by 31 July 2018. He indicated that he was confident that this earlier deadline for preparation of the accounts would be achieved.

The 2015-16 accounts were presented to the Committee at this stage as a matter of good practice and would be submitted for formal approval, following audit, at the meeting scheduled for 12 September 2016.

The Committee referred in particular to note 22.5 on page 64 of the accounts which set out details of the senior officers' remuneration over £50k. It was suggested that this did not tie up with the information presented on page 63 in respect of the number of officers in each salary bracket. The Treasurer commented that this was due to the point that there had been officers who had left the Service mid-year and that this accounted for the difference. He suggested that a further note could be added to the accounts to reflect this point.

Reference was also made to note 24 of the accounts in respect of grant income and in particular, the grant received for Hinckley Point. It was noted that this had increased from £92k in 2014/15 to £160k in 2015/16. The Treasurer advised that this project was operated on a cost recovery basis only but was currently on hold, however, and it was unlikely that any further funding would be received in 2016/17.

The Chairman expressed thanks on behalf of the Committee for the significant amount of work undertaken by the Finance Team in the preparation of the drafts accounts.

RESOLVED that the Committee notes the draft 2015 -2016 Statement of Accounts.

APRC/6

Draft Statement of Assurance 2015/16*

The Committee considered a report of the Area Manager (Organisational Assurance) (APRC/16/12) to which was appended the draft 2015-16 Annual Statement of Assurance. The document had been prepared to satisfy the requirements of the Accounts and Audit (England) Regulations 2015 and the current iteration of the Fire and Rescue National Framework for England. It set out the measures taken by this Authority to ensure appropriate business practice, high standards of conduct and sound governance and was both backward and forwards looking, identifying issues from the 2015-16 financial year that needed to be addressed.

The document also reflected guidance issued by the Chartered Institute of Public Finance Accountancy (CIPFA) and the Society for Local Authority Chief Executives (SOLACE) on effective corporate governance.

Reference was made to the Corporate Governance Group which met to review the corporate governance arrangements on behalf of the Authority. He commented that, in line with the request made at the previous meeting, a meeting had been held with the Chair of the Committee to provide the assurance required in respect of the production of the draft Annual Statement of Assurance.

The point was made that the draft Statement of Assurance did not include mention of who was responsible for signing off the document and it was suggested that this should be incorporated. Additionally, the Area Manager (Organisational Development) indicated that the document referred to Coroner "Rule 43" Notices on page 15 which had been changed recently and therefore this should be amended accordingly.

The Area Manager (Organisational Assurance) drew attention to the Action Plan which was appended to the Statement of Assurance and advised the Committee that the target implementation dates would be finalised and incorporated within the document prior to the final version being submitted for approval by the Committee in September 2016.

RESOLVED

- (a) that, subject to incorporation of the amendments discussed at the meeting and set out above, the Authority's draft Annual Statement of Assurance 2015-16, prepared to satisfy the requirements of the Accounts and Audit (England) Regulations and the Fire & Rescue Service National Framework and as appended to report (APRC/16/12), be approved in principle;
- (b) that the Statement be submitted as part of the audit process for the 2015-16 Statement of Accounts and a further report submitted to the September 2016 meeting seeking approval to the final Statement, subject to incorporation of any issues identified during the audit process.

APRC/7

Strategic Self-Assessment*

The Committee received for information a report of the Area Manager (Organisational Assurance) (APRC/16/13) that set out the progress made with the instigation of the strategic self-assessment process.

It was noted that a new strategy had been developed now which would enable a wider, more systematic approach to delivery of internal audit via internal or external resources.

Reference was made to the point that the value for money cost for internal audit was high as compared to other organisations. The Area Manager (Organisational Assurance) advised that the Service did carry out a lot of internal audit and he accepted that there could be criticism for this. He stated that the Service did, however, receive a high level of self-assessment and much wider scrutiny as a result of this approach.

The Committee acknowledged that self-assessment could add significant value to the audit process and commended the approach taken.

Devon & Somerset Fire & Rescue Service Performance Report: Quarter 4 2015/16*

The Committee received for information a report of the Chief Fire Officer (APRC/16/14) that set out the Service's performance for the period April 2015 to March 2016 (with a focus on quarter 4 of 2015/16) as measured against the indicators in the current Strategic Plan "Our Plan: 2015 to 2020).

The key measures set out within the report were given a green, amber or red rating according to whether performance was normal, needed monitoring or required investigation. A more rounded analysis of data was carried out to assess performance which included looking at the latest 3 months of the reporting period, the latest 12 months of the reporting period, trend analysis and performance against calculated thresholds.

The performance against all of the measures 1 to 8 had either remained stable or improved which showed that the actions instigated by the Service had resulted in a positive impact on performance.

Councillor Knight drew attention to the point that the performance in relation to sickness absence was considered in depth at the Human resources management & Development and he questioned the need for this to be duplicated in this report. The Area Manager (Organisational Assurance) advised that this should not be removed from this paper, however, a line would be added in future to draw attention to the point that this matter was considered in depth by the Human Resources Management & Development Committee.

Reference was also made to the statistics in respect of the number of times that the Service had been mobilised to road traffic collisions but had not been required to take action and the Area Manager (Organisational Assurance) agreed to provide this to Councillor Dyke outside of the meeting.

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