

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

27 July 2018

Present:-

Councillors Healey MBE (Chair), Clayton, Saywell, Wheeler, Bowyer and Coles

Apologies:-

Councillor Mathews

In attendance:-

Councillor Randall Johnson

\* **APRC/1**      **Minutes**

**RESOLVED** that the Minutes of the meeting held on 26 April 2018 be signed as a correct record.

\* **APRC/2**      **Devon & Somerset Fire & Rescue Authority's Financial Statements 2017-18:**

The Committee considered the Authority's Financial Statements (as circulated) for the year ended 31 March 2018, including:

- a. The Audit Findings for the Authority;
- b. The Statement of Accounts 2017-18; and
- c. The 2017-18 draft Letter of Representation.

The Authority's external auditor, Grant Thornton, presented the external audit findings and the external auditor's opinion on the Authority's financial statements for the year ended 31 March 2018.

The Committee noted that the draft financial statements presented for audit were free from material error and no significant adjustments were needed to either the year end outturn position or the Balance Sheet. Grant Thornton confirmed that the financial statements were presented for audit in accordance with the earlier timetable of the end of July 2018 supported by good quality working papers with excellent assistance from the Service's Finance team. The Treasurer expressed her thanks to the Finance team for the work that had been undertaken on the preparation of the financial statements.

The auditors were also satisfied in respect of value for money that, in all significant aspects, the Authority had proper arrangements in place to secure economy, efficiency and effectiveness in its use of resources.

An action plan to address the recommendations made as a result of the audit was set out at Appendix A of the Audit Findings. No issues had been identified with the Annual Governance Statement (Annual Statement of Assurance), submitted along with the financial statements (see also Minute \*APRC/3 below).

The external audit work had also concluded that, in all significant aspects, the Authority had in place proper arrangements to secure value for money through economic, efficient and effective use of its resources. It was anticipated that the Authority would be issued with an unqualified audit opinion on its financial statements for 2017-18.

## **RESOLVED**

- (a). that the final Statement of Accounts for the 2017-18 financial year, as included with the agenda for this meeting, be approved and published on the Authority website;
- (b). that the Audit & Performance Review Committee Chair and Treasurer be authorised, on behalf of the Authority, to sign the Letter of Representation to the external auditor (Grant Thornton) on the Authority's 2017-18 financial statements;
- (c). that, subject to (a) to (b) above, the external audit findings and external auditor's opinion on the Authority's financial statements for the year ended 31 March 2018 be noted.

### \* **APRC/3**

#### **2017-18 Annual Statement of Assurance**

The Committee considered a report of the Director of Service Improvement (APRC/18/13) to which was appended the final 2017-18 Annual Statement of Assurance for the Authority. The document had been prepared in accordance with relevant legislative and best practice requirements (including the Accounts and Audit Regulations, the Fire and Rescue National Framework and the CIPFA/SOLACE good governance framework).

The Committee noted that the Annual Statement of Assurance had been submitted for external verification with the Authority's financial statements for 2017-18. The external auditor (Grant Thornton) had not identified any issues with the Annual Statement of Assurance.

## **RESOLVED**

- (a). that the final Authority Annual Statement of Assurance for 2017-18 be approved and published on the Authority website;
- (b). that the Audit & Performance Review Committee Chair and Chief Fire Officer be authorised to sign the 2017-18 Annual Statement of Assurance on behalf of the Authority;
- (c). that, subject to (a) and (b) above, the report be noted.

***(see also Minute \*APRC/2 above).***

### \* **APRC/4**

#### **Audit & Review 2018-19 Progress Report**

The Committee received for information a report of the Director of Service Improvement (APRC/18/14) that set out the progress made to date against the approved 2018 -19 Internal Audit Plan with assurance statements on the quarter one audits that had been undertaken.

Reference was made to the risk based audit of community safety education activity that had been undertaken which had received an assurance statement of "improvements required". The Area Manager (Organisational Assurance) reported that the Service was aware of the improvements needed on community safety education due to a previous peer review. This audit had been commissioned in response to address the inconsistencies found in terms of the Service's approach to the content and style of its education activity.

Councillor Wheeler requested an update at a future meeting on the audits undertaken on IT security and, in particular:

- the position in respect of the IT health check on progress with the Networked Fire safety Partnership (NFSP) and specifically the performance of capita, and;
- the progress being made with the Emergency Services Network.

The report also provided an overview of the assurance tracking process and the current high priority recommendations that remained “open” on the assurance tracker.

\* **APRC/5**

**Devon & Somerset Fire & Rescue Service Performance Report: April 2017 to March 2018**

The Committee received for information a report of the Director of Service Improvement (APRC/18/15) that set out the Service’s performance for the period of April 2017 to March 2018 with a focus on quarter 4 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 with one requiring monitoring. In terms of the measures showing negative performance, the following was noted:

- There had been one fire related death where people lived this quarter (January to March 2018) taking the total number to five, the same as in 2016-17. The three and five year trends were all down but a fire death meant that this corporate measure was automatically moved into negative exception;
- Fire related injuries where people work 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, however, which meant that a small change in the numbers could show dramatic percentage variations. A deeper analysis had showed that, whilst there had been an increase in the number of injuries recorded, the numbers were within normal levels for the data ;
- 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. The Service continued to look at potential causes of the increase.

For the measures on fires where people work and visit and in vehicles and also for emergency response standards, both were showing an improvement compared to the previous year for both the reporting quarter and the year to date. There had also been no fire related deaths where people worked and visited and in vehicles this quarter with the end of year figures remaining at one death, two less than the previous year.

Fire related injuries where people lived had seen a reduction compared to the previous quarter, however, the annual figure had increased from 61 to 76 (24%). Both medium and long term trends were positive, however, with performance remaining within normal levels

**APRC/6**      **Local Pensions Board Annual Report 2017-18**

The Committee considered a report of the Director of Corporate Services (APRC/18/16) that included the first Local Pension Board Annual Report for 2017-18 that had been submitted as good practice to the Committee to consider.

It was noted that, given the role of this Committee in assurance matters, it was considered to be both appropriate and proportionate that it should receive the Annual Report in future. It was recommended, therefore, that the Terms of Reference for this Committee should be amended to make it explicit that it would receive this report annually.

**RESOLVED**

- (a) That the Authority be recommended to amend the Terms of reference for this committee to provide explicitly for it to receive an Annual Report from the Local Pensions Board;
- (b) That the first Local Pensions Board Annual Report 2017-18, as appended to the report, be noted.

\* **APRC/7**      **Going Concern Review**

The Committee received for information a report of the Director of Finance (Treasurer) (APRC/18/17) that provided a formal response from management over the ability of the Authority to continue as a going concern.

The Director of Finance (Treasurer) reported that this was the first report that had been prepared and contained a review of the financial position as at 31 March 2018 alongside an assessment of the ability of the Authority to continue operating for the foreseeable future. The report confirmed that this Authority was operating within a robust control environment which was evidenced through appropriate assurance, financial and operational monitoring reports both to management and the Authority.

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