

## **AUDIT & PERFORMANCE REVIEW COMMITTEE**

(Devon & Somerset Fire & Rescue Authority)

18 January 2019

### Present:-

Councillors Healey MBE (Chair), Bowyer, Clayton, Mathews, Napper (Vice-Chair), Saywell and Wheeler

### In attendance:-

Councillors Coles and Randall Johnson (in accordance with Standing Order 38)  
Barrie Morris and Aditi Chandramouli - Grant Thornton

#### \* **APRC/14**      **Minutes**

**RESOLVED** that the Minutes of the meeting held on 9 November 2019 be signed as a correct record.

#### \* **APRC/15**      **External Audit Progress Report and Sector 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 January 2019). The report covered the following matters, amongst others:

- The completion of the 2017/18 audit together with planning undertaken for the 2018/19 audit of financial statements; and
- A fire sector update including HMICFRS Inspections (with a summary of the first tranche results), the NFCC response to the new fire inspectorate reports, a report on creating and operating a successful fire trading company and an overview of the final report on the Independent Review of Building Regulations and Fire Safety.

NB. Councillor Saywell declared a personal interest in this matter by virtue of being an Authority appointed Non-Executive Director on the Board of Red One Limited. Councillor Saywell neither spoke nor voted on this item.

#### \* **APRC/16**      **External Audit Plan**

The Committee received for information an external audit plan for the year ending 31 March 2019 from the Authority's auditors, Grant Thornton. The Plan provided the scope and timings for the statutory audit of Devon & Somerset Fire & Rescue Authority's financial statements. It also identified areas of significant risks for the Service, issues of materiality and details of Value for Money arrangements.

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

- The revenue cycle including fraudulent transactions (rebutted);
- Management override of controls;

- The valuation of property, plant and equipment; and,
- The valuation of pension fund net liability.

Attention was drawn to the Value for Money arrangements and two significant risks that had been identified which were Medium Term Financial Planning and Red One.

It was noted that the audit fees for 2018/19 were £26k as opposed to £33.8k in the previous year which was a welcome reduction.

*NB. Councillor Saywell declared a personal interest in this matter by virtue of being an Authority appointed Non-Executive Director on the Board of Red One Limited. Councillor Saywell neither spoke nor voted on this item.*

\* **APRC/17** **Group Accounts for Devon & Somerset Fire & Rescue Authority & Red One Ltd.**

The Committee considered a report of the Director of Finance (Treasurer) (APRC/19/1) that set out the position in respect of the provision of group accounts for the Authority's trading company, Red One Limited.

Under the Chartered Institute for Public Financial Accountants Code of Practice, the Authority was able to take a view on materiality when presenting group accounts. Following discussion with the external auditor, Grant Thornton, it was the Treasurer's view that the activities of Red One Limited were not material to the Authority's Statement of Accounts and therefore, it was recommended that the accounts were not consolidated.

**RESOLVED** that the accounts of Red One Limited be not consolidated into group accounts for the 2018/19 financial year.

*NB. Councillor Saywell declared a personal interest in this matter by virtue of being an Authority appointed Non-Executive Director on the Board of Red One Limited. Councillor Saywell neither spoke nor voted on this item.*

\* **APRC/18** **Audit & Review 2018-19 Progress Report**

The Committee received for information a report of the Director of Service Improvement (APRC/19/2) that set out the progress made to Quarter 3 of 2018-19 on internal audits as compared with the approved Internal Audit Plan, together with updates on additional review work undertaken.

The Director of Service Improvement drew attention to the point that the report had been improved to give clarity in respect of the progress being made with each audit instead of just stating "ongoing".

Councillor Randall Johnson sought an update in respect of the position on the Emergency Services Network (ESN). The Director of Service Improvement advised the Committee that there was no transition to ESN until 2020. All Services could transition now when they were ready and willing. Given that there was a regional approach, however, the logistics meant that Services would transition together on a regional basis. It was noted that there was still a lot of work being undertaken in respect of connectivity and signal in remote rural areas and the Service was awaiting the outcome of further testing.

\* **APRC/19**      **Corporate Performance Reporting**

The Committee received for information a report of the Director of Service Improvement (APRC/19/3) that outlined how the Service was working towards embedding a positive performance culture through the new Performance management Framework.

The Committee also received a presentation at the meeting in respect of the how the new Performance Framework might help to achieve the priorities set out within the Fire and Rescue Plan and the Integrated Risk Management plan. There were four key elements covered during the presentation, namely:

- Organisational culture;
- The proposed Performance Management Framework;
- Performance reporting and the roles of personnel at different levels within the organisation.

The presentation provided the Committee with an overview of how the Service was progressing and clarified its role in terms of scrutinising the performance of the organisation. It was noted that Officers felt there had already been a positive change in direction within the Service in terms of performance with greater engagement and staff asking appropriate questions. The Director of Service Improvement welcomed challenge from the Committee and the opportunity to provide additional information to assist in this role.

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

The meeting started at 10.00 am and finished at 11.20 am