



DEVON & SOMERSET FIRE & RESCUE AUTHORITY

M. Pearson
CLERK TO THE AUTHORITY

To: The Chair and Members of the Audit &
Performance Review Committee

(see below)

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

Wednesday 13 November 2019

A meeting of the Audit & Performance Review Committee will be held on the above date, **commencing at 10.00 am in Committee Room B, Somerset House, Service Headquarters, Exeter** to consider the following matters.

M. Pearson
Clerk to the Authority

A G E N D A

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

1 Apologies

2 Minutes (Pages 1 - 4)

of the previous meeting held on 19 July 2019 attached.

3 Items Requiring Urgent Attention

Items which, in the opinion of the Chair, should be considered at the meeting as matters of urgency.

PART 1 - OPEN COMMITTEE

4 External Audit

a Audit Progress - Request for a Late Audit (Pages 5 - 10)

Report of the Director of Finance & Resourcing (Treasurer) (APRC/19/16).

b External Audit Progress Report and Sector Update (Pages 11 - 26)

The Authority's External Auditor, Grant Thornton, has submitted **FOR INFORMATION** a report (enclosed with this agenda) setting out the progress made in delivering its audit responsibilities to the Devon & Somerset Fire & Rescue Authority up to the beginning of November 2019 together with a Sector Update..

c Annual Audit Letter (Pages 27 - 40)

The Authority's External Auditor, Grant Thornton, has submitted the Annual Audit Letter for the year ended 31 March 2019 to the Committee **FOR INFORMATION**.

5 **Audit & Review 2019/20 Progress Report (Pages 41 - 50)**

Report of the Director of Governance & Digital Services (APRC/19/17) attached.

6 **Corporate Risk Register (Pages 51 - 54)**

Report of the Director of Governance & Digital Services (APRC/19/18) attached.

7 **Devon & Somerset Fire & Rescue Service Performance Report: April to September 2019/20 (Pages 55 - 76)**

Report of the Director of Service Improvement (APRC/19/19) attached.

MEMBERS ARE REQUESTED TO SIGN THE ATTENDANCE REGISTER

Membership:-

Councillors Healey MBE (Chair), Clayton, Napper, Prowse (Vice-Chair), Saywell, Way and Wheeler

NOTES	
1.	<p><u>Access to Information</u></p> <p>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.</p>
2.	<p><u>Reporting of Meetings</u></p> <p>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 Chair - 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.</p> <p>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 Chair or the Democratic Services Officer in attendance so that all those present may be made aware that is happening.</p>
3.	<p><u>Declarations of Interests at meetings (Authority Members only)</u></p> <p>If you are present at a meeting and you are aware that you have either a disclosable pecuniary interest, personal interest or non-registerable interest in any matter being considered or to be considered at the meeting then, unless you have a current and relevant dispensation in relation to the matter, you must:</p> <ul style="list-style-type: none"> (i) disclose at that meeting, by no later than commencement of consideration of the item in which you have the interest or, if later, the time at which the interest becomes apparent to you, the existence of and – for anything other than a “sensitive” interest – the nature of that interest; and then (ii) withdraw from the room or chamber during consideration of the item in which you have the relevant interest. <p>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 an interest of a sensitive nature. You must still follow (i) and (ii) above.</p> <p>Where a dispensation has been granted to you either by the Authority or its Monitoring Officer in relation to any relevant interest, then you must act in accordance with any terms and conditions associated with that dispensation.</p> <p>Where you declare at a meeting a disclosable pecuniary or personal interest that you have not previously included in your Register of Interests then you must, within 28 days of the date of the meeting at which the declaration was made, ensure that your Register is updated to include details of the interest so declared.</p>
4.	<p><u>Part 2 Reports</u></p> <p>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.</p>
5.	<p><u>Substitute Members (Committee Meetings only)</u></p> <p>Members are reminded that, in accordance with Standing Order 37, 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.</p>

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AUDIT & PERFORMANCE REVIEW COMMITTEE

(Devon & Somerset Fire & Rescue Authority)

19 July 2019

Present:

Councillors Healey MBE (Chair), Napper, Saywell and Wheeler.

Also Present:

Councillor Randall Johnson.

Apologies:-

Councillors Clayton, Prowse and Way.

* **APRC/1 Minutes**

RESOLVED that the Minutes of the meeting held on 10 May 2019 be signed as a correct record.

* **APRC/2 Devon & Somerset Fire & Rescue Authority's Financial Statements 2018-19**

a Audit Findings for the Devon & Somerset Fire & Rescue Authority 2018-19

The Committee considered a document prepared by the Authority's external auditor (Grant Thornton) setting out the audit findings and opinion on the Authority's financial statements for the year ended 31 March 2019.

No areas of concern were identified in relation to the risks identified in the audit plan and the overall approach adopted by the Authority was considered appropriate. The external auditor was satisfied that the Authority was a going concern and had good arrangements in place to secure value for money, albeit that it faced significant challenges. The Authority had also addressed recommendations in the previous (2017-18) audit findings in relation to cross-charging and governance arrangements for Red One Ltd. and the external auditor was of the view that, as a result, any associated risks were being properly mitigated.

The 2018-19 audit findings contained two recommendations (one relating to the transfer of payroll services to another provider; the other relating to the funding gap indicated in the Authority's Medium Term Financial Plan [MTFP]), the former of which had already been addressed by the Authority and the latter of which would be addressed both by the Safer Together programme and by adjusting the MTFP to account for the impact of the recent McCloud/Sargeant judgement (relating to pension scheme transitional arrangements), once known.

In presenting the audit findings, Mr. Morris (Grant Thornton) also highlighted an increase in audit fees of £1,500 as a result of additional work required following the McCloud/Sargeant judgement.

In conclusion, Mr. Morris acknowledged the assistance provided by the Treasurer and finance department staff in undertaking the audit and stated that the anticipation was that an unqualified audit opinion would be issued.

The Committee asked to have placed on record its thanks to the Treasurer and finance department staff.

(SEE ALSO ITEMS *APRC/2(b), *APRC/2(c), *APRC/3 AND *APRC/4 BELOW)

b Statement of Accounts 2018-19

The Committee considered a report of the Director of Finance and Resourcing (Treasurer) (APRC/19/10) to which was appended the audited version of the Authority's Statement of Accounts for the 2018-19 financial year. A supplementary paper (APRC/19/16) was also circulated listing amendments to the Statement of Accounts since receipt of a revised "IAS19" report from the Authority's actuaries addressing the impact of the McCloud/Sargeant judgement on pension liabilities.

The overall impact of this was to include a Past Service Cost of £23.042m, giving a revised balance sheet pension liability of £785.502m.

RESOLVED that, subject to incorporation of the changes as detailed in supplementary paper APRC/19/16, the audited Statement of Accounts for 2018-19 be approved for publication.

(SEE ALSO MINUTE *APRC/2(a) ABOVE AND MINUTES *APRC/2(c) AND *APRC/4 BELOW)

c 2018-19 Letter of Representation

RESOLVED that the Audit & Performance Review Committee Chair and the Treasurer be authorised to sign, on behalf of the Authority, the Letter of Representation to the external auditor (Grant Thornton) on the Authority's 2018-19 financial statements.

(SEE ALSO MINUTES *APRC/2(a) AND *APRC/2(b) ABOVE)

*** APRC/3**

2018-19 Annual Statement of Assurance

The Committee considered a report of the Director of Service Improvement (APRC/19/11) to which was appended the final 2018-19 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 2018-19. The external auditor (Grant Thornton) had not identified any issues with the Annual Statement of Assurance.

The Chief Fire Officer reported that, following production of the 2018-19 Annual Statement of Assurance, the Service had undergone its first inspection by Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS). Although the Service had, in recent years, invested more in both fitness staff and equipment, it was recognised that further improvements could still be made. The Service had recently developed a new fitness assessment policy involving a three yearly medical and an annual occupational fitness test (a drill ground test), with an element of individual choice in which to opt for to evidence occupational fitness. An action plan for implementation of the new policy was in development. Progress against this would be reported to future meetings but it was suggested that this should also be captured in Section 9 of the Annual Assurance Statement (Significant Governance, Operational or Financial Control Issues) and progress also monitored through the audit tracker.

RESOLVED that, subject to Section 9 being amended to include reference to firefighter fitness, the Annual Statement of Assurance for 2018-19 be approved and published on the Authority's website.

* **APRC/4 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 to the external auditor (Grant Thornton) on the ability of the Authority to continue as a going concern.

The report contained a review of the financial position as at 31 March 2019 alongside an assessment of the ability of the Authority to continue operating for the foreseeable future. The report confirmed that the 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.

In presenting the report, the Director of Finance and Resourcing (Treasurer) drew attention to an amendment to the balance sheet and pension scheme deficit figures quoted at paragraph 5.1, which now stood at £658.4m and £785.5m respectively as a result of the implications of the McCloud/Sargeant judgement.

(SEE ALSO MINUTES *APRC/2(a) AND *APRC/2(b) ABOVE).

* **APRC/5 Audit & Review 2019-20 Progress Report**

The Committee received, for information, a report of the Director of Service Improvement (APRC/19/13) setting out progress to date against the approved 2019-20 internal audit plan together with information on additional review work undertaken. Based on the work completed to date and knowledge from previous years, the Devon & Somerset Fire & Rescue Service continued to demonstrate a good level of internal control.

* **APRC/6 Comparative Analysis: National Incident Statistics, Year-ending December 2018**

The Committee received, for information, a report of the Director of Service Improvement (APRC/19/14) comparing the most recent operational activity national statistics (as published by the Home Office on 8 May 2019) on incidents during the 2018 calendar year with Devon & Somerset Fire & Rescue Service ("the Service") activity for the same period.

The Service had seen a 5% reduction in incidents attended when compared to 2017. Nationally, incidents attended had increased by 2%. The Service had seen a 3% increase in primary fires when compared to 2017, with the national position being a 2% decrease. The 3% increase for the Service was as a result of a 20% increase in primary vehicle fires.

On average, for the Service, 70% of primary vehicle fires started accidentally compared to 53% nationally. Accidental primary vehicle fires for the Service during July, August and September totalled 155 (22% higher than the annual average of 127). Department for Transport data indicated that drivers covered an average of 4% more miles during the summer months compared to the national average. The increase in accidental vehicle fires during the summer months was considered to be linked to the influx of tourists to the region, with the proportional increase in miles travelled being significantly higher in the South West than the national average.

* **APRC/7**

Local Pension Board Annual Report 2018-19

The Committee considered a report of the Director of Corporate Services (APRC/19/15) to which was appended the Local Pension Board annual report for 2018-19. The report provided information on, amongst other things, work undertaken by the Board in 2018-19; details of any areas investigated and the outcome of this; management of conflicts of interest; and identified risks and other areas of potential concern.

RESOLVED that the Local Pensions Board annual report for 2018-19, as appended to report APRC/19/15, be endorsed.

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

The Meeting started at 10.00 am and finished at 11.05 am

REPORT REFERENCE NO.	APRC/19/16
MEETING	AUDIT & PERFORMANCE REVIEW COMMITTEE
DATE OF MEETING	13 NOVEMBER 2019
SUBJECT OF REPORT	AUDIT PROGRESS - REQUEST FOR A LATE AUDIT
LEAD OFFICER	Director of Finance & Resourcing (Treasurer)
RECOMMENDATIONS	<p>(a) The Committee is asked to express its view to the external auditors on the potential for a “late” audit;</p> <p>(b) That the Director of Finance & Resourcing be delegated authority to publish a revised audit notice by 31 July 2020 in the event that the Committee is minded to agree to a “late” audit</p>
EXECUTIVE SUMMARY	<p>The Accounts and Audit Regulations 2015 brought forward the timetable for closure of the accounts, production of the financial statements and subsequent external audit from 2017/18 onwards.</p> <p>This Authority has successfully published draft accounts by the revised deadline of 31st May with the external audit having been completed by the 31st July of each year. However, across Local Government, external auditors are struggling to meet the demands of the new schedule and there were many organisations which failed to meet the 31st July deadline in 2019.</p> <p>This Authority’s external auditor, Grant Thornton, has proposed that some of their lower risk clients have a “late” audit during September 2020, on the basis that fewer issues are likely to arise which can’t be resolved by the end of September.</p> <p>The Service does not have a preference over the timing of the audit but would like to seek the view of the Committee. However, it is important that this Authority is not open to criticism for having inappropriate financial controls, systems and processes in place to produce a good set of accounts.</p>
RESOURCE IMPLICATIONS	<ul style="list-style-type: none"> • A potential September meeting of the Audit and Performance Review Committee; • Finance team workload/conflict with budget setting; • Finance team annual leave planning; • Potential conflict with the dates of Her Majesty’s Inspector of Constabulary and Fire & Rescue Services (HMICFRS) second inspection.
EQUALITY RISKS AND BENEFITS ANALYSIS (ERBA)	N/A
APPENDICES	Audit Progress Report and Sector Update

LIST OF BACKGROUND PAPERS	
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1. **INTRODUCTION**

- 1.1 The Accounts & Audit Regulations 2015 (the Regulations) sets the legislative requirement for publication of the Authority's Statement of Accounts each year.
- 1.2 The Regulations brought forward the timetable for closure of the accounts, production of the financial statements and subsequent external audit from 2017/18 onwards. This Authority has successfully published draft accounts by the revised deadline of 31st May with the external audit having been completed by the 31st July of each year, as stipulated in the Regulations.
- 1.3 Across Local Government, however, external auditors are struggling to meet the demands of the new schedule and there were many organisations which failed to meet the 31st July deadline in 2019. This Authority's external auditor, Grant Thornton, has proposed (as set out within their accompanying Audit Progress Report on the agenda for this meeting) that some of their lower risk clients have a "late" audit during September 2020 on the basis that fewer issues are likely to arise which cannot be resolved by the end of September. Grant Thornton is seeking the view of the Committee in taking this course of action for this Authority.
- 1.4 The points for consideration on this matter are therefore as set out within this report for the Committee's consideration.

2. **LEGISLATIVE BACKGROUND**

- 2.1 The relevant provision within the Regulations relating to the Fire & Rescue Authority is set out in paragraph 10 as follows:
 - (1) A Category 1 authority must, after approving the statement of accounts in accordance with regulation 9(2) but not later than 31st July of the financial year immediately following the end of the financial year to which the statement relates, publish (which must include publication on the authority's website)—
 - (a) the statement of accounts together with any certificate or opinion, entered by the local auditor in accordance with section 20(2) of the Act;
 - (b) the annual governance statement approved in accordance with regulation 6(2); and
 - (c) the narrative statement prepared in accordance with regulation 8.
 - (2) Where an audit of accounts has not been concluded before the date specified in paragraph (1) an authority must—
 - (a) publish (which must include publication on the authority's website) as soon as reasonably practicable on or after that date a notice stating that it has not been able to publish the statement of accounts and its reasons for this; and
 - (b) comply with paragraph (1) as if for "but not later than 31st July of the financial year immediately following the end of the financial year to which the statement relates" there were substituted "as soon as reasonably practicable after the receipt of any report from the auditor which contains the auditor's final findings from the audit which is issued before the conclusion of the audit".
 - (3) Where documents are published under paragraph (1) an authority must—
 - (a) keep copies of those documents for purchase by any person on payment of a reasonable sum; and

(b) ensure that those documents remain available for public access for a period of not less than five years beginning with the date on which those documents were first published in accordance with that paragraph.

- 2.2 This indicates that the Authority does have the vires under paragraph 10(2) to accede to the auditors wishes to have a “late” audit during September 2020 but there are a number of factors that should be considered if the Committee is minded to do so.

3. **CONSIDERATIONS FOR A “LATE” AUDIT**

- 3.1 It is important that this Authority is not exposed to criticism for having inappropriate financial controls, systems and processes in place to produce a good set of accounts in compliance with the Regulations. If the Committee was minded to accede to the request for a “late” audit, the following points should be considered:

- A potential September meeting of the Audit and Performance Review Committee;
- There may be additional costs associated with expanded publication of the notice specifying the reasons for the accounts not being audited by 31 July. Regulation 10(2)(a) indicates that something additional to publication on the Authority’s website is required;
- The impact on the Finance team workload/conflict with the budget setting process for 2021/22;
- Finance team annual leave planning;
- A potential conflict of dates with Her Majesty’s Inspector of Constabulary and Fire & Rescue Services (HMICFRS) second inspection;
- It is unclear at this stage whether this is a one off request or a recurring issue.

- 3.2 Grant Thornton has indicated in its Audit Progress Report that “Increased scrutiny, the higher regulatory burden and limited specialist audit resources being available means that we are seeking to deliver a number of our post statement audits later in the summer. We have held initial discussions with officers about the scope for delivering the audit in September 2020. There are also like to be cost considerations in relation to the additional work arising from the increased expectation on auditors and we will provide an update in our detailed audit plan. We would welcome the view of the committee on the proposed timing of the audit”.

4. **CONCLUSION**

- 4.1 This Authority has always had a positive working relationship with its auditors, both past and present. Grant Thornton seems to be indicating in its Audit Progress Report that the cost of the audit may be increasing but this will not be known until the Audit Plan is forthcoming next year.
- 4.2 If the Committee was minded to accede to the request, the Regulations stipulate that the notice to be published must make clear the reason for the “late” publication of the accounts. In this instance, the reasons should specify that this was at the request of the external auditors and has no reflection on the Service’s ability to have appropriate financial controls, systems and processes in place to produce a good set of accounts and complies with the Regulations.

- 4.3 The Committee is asked to express its view to the external auditors on the potential for a “late” audit.
- 4.4 In the event that the Committee is minded to accede to the request for a “late” audit, the Director of Finance & Resourcing be delegated authority to publish a revised notice by 31 July 2020.

AMY WEBB

Director of Finance & Resourcing (Treasurer)

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Audit Progress Report and Sector Update

Devon and Somerset Fire and Rescue Authority
Year ending 31 March 2020

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November 2019



Agenda Item 4b

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Introduction



Barrie Morris

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This paper provides the Audit and Performance Review Committee with a report on progress in delivering our responsibilities as your external auditors.

The paper also includes:

- a summary of emerging national issues and developments that may be relevant to you as a local authority; and
- includes a number of challenge questions in respect of these emerging issues which the Committee may wish to consider (these are a tool to use, if helpful, rather than formal questions requiring responses for audit purposes)

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Members of the Audit and Performance Review Committee can find further useful material on our website, where we have a section dedicated to our work in the public sector. Here you can download copies of our publications

www.grantthornton.co.uk

If you would like further information on any items in this briefing, or would like to register with Grant Thornton to receive regular email updates on issues that are of interest to you, please contact either your Engagement Lead or Engagement Manager.

PSAA Contract Monitoring

Devon and Somerset Fire and Rescue Authority opted into the Public Sector Audit Appointments (PSAA) Appointing Person scheme which starts with the 2018/19 audit. PSAA appointed Grant Thornton as auditors. PSAA is responsible under the Local Audit (Appointing Person) Regulations 2015 for monitoring compliance with the contract and is committed to ensuring good quality audit services are provided by its suppliers. Details of PSAA's audit quality monitoring arrangements are available from its website, www.psaa.co.uk.

Our contract with PSAA contains a method statement which sets out the firm's commitment to deliver quality audit services, our audit approach and what clients can expect from us. We have set out commitment to deliver a high quality audit service in the document at Appendix A. We hope this is helpful. It will also be a benchmark for you to provide feedback on our performance to PSAA via its survey in Autumn 2019.

Progress at November 2019

Financial Statements Audit

We issued our opinion on your 2018/19 Statement of Accounts on 30 July 2019.

We will begin our planning for the 2019/20 audit in December and will issue a detailed audit plan, setting out our proposed approach to the audit of the Authority's 2019/20 financial statements.

We will begin our interim audit in January 2020. Our interim fieldwork includes:

- Updated review of the Authority's control environment
- Updated understanding of financial systems
- Review of Internal Audit reports on core financial systems
- Early work on emerging accounting issues
- Early substantive testing

Increased scrutiny, the higher regulatory burden and limited specialist audit resources being available means that we are seeking to deliver a number of our post statement audits later in the summer. We have held initial discussions with officers about the scope for delivering the audit in September 2020. There are also like to be cost considerations in relation to the additional work arising from the increased expectation on auditors and we will provide an update in our detailed audit plan. We would welcome the view of the committee on the proposed timing of the audit.

We will report our work in the Audit Findings Report together with our audit opinion.

Value for Money

The scope of our work is set out in the guidance issued by the National Audit Office. The Code requires auditors to satisfy themselves that; "the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources".

The guidance confirmed the overall criterion as: "in all significant respects, the audited body had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people".

The three sub criteria for assessment to be able to give a conclusion overall are:

- Informed decision making
- Sustainable resource deployment
- Working with partners and other third parties

Details of our initial risk assessment to determine our approach will be included in our Audit Plan.

We will report our work in the Audit Findings Report and give our Value For Money Conclusion at the conclusion of the audit.

Other areas

Meetings

We met with Finance Officers in July and October as part of our quarterly liaison meetings and continue to be in discussions with finance staff regarding emerging developments and to ensure the audit process is smooth and effective.

Events

We provide a range of workshops, along with network events for members and publications to support the Authority. Your officers attended our Financial Reporting Workshop in February, which helped to ensure that members of your Finance Team were up to date with the latest financial reporting requirements for local authority accounts.

Further details of the publications that may be of interest to the Authority are set out in our Sector Update section of this report.

Audit Deliverables

2018/19 Deliverables	Planned Date	Status
Audit Findings Report The Audit Findings Report was reported to the July Audit and Performance Review Committee.	July 2019	Complete
Auditors Report This is the opinion on your financial statement, annual governance statement and value for money conclusion.	July 2019	Complete
Annual Audit Letter This letter communicates the key issues arising from our work.	August 2019	Complete, and included on this agenda
2019/20 Deliverables	Planned Date	Status
Fee Letter Confirming audit fee for 2019/20	April 2019	Complete
Accounts Audit Plan We are required to issue a detailed accounts audit plan to the Audit and Performance Review Committee setting out our proposed approach in order to give an opinion on the Authority's 2019-20 financial statements.	January 2020	Not yet due
Interim Audit Findings We will report to you the findings from our interim audit and our initial value for money risk assessment within our Progress Report.	March 2020	Not yet due
Audit Findings Report The Audit Findings Report will be reported to the July Audit and Performance Review Committee.	TBC	Not yet due
Auditors Report This is the opinion on your financial statements, annual governance statement and value for money conclusion.	TBC	Not yet due
Annual Audit Letter This letter communicates the key issues arising from our work.	TBC	Not yet due

Sector Update

Authorities are tackling a continuing drive to achieve greater efficiency in the delivery of public services, whilst facing the challenges to address rising demand, ongoing budget pressures and social inequality.

Public Sector

Our sector update provides you with an up to date summary of emerging national issues and developments to support you. We cover areas which may have an impact on your organisation, the wider NHS and the public sector as a whole. Links are provided to the detailed report/briefing to allow you to delve further and find out more.

Our public sector team at Grant Thornton also undertake research on service and technical issues. We will bring you the latest research publications in this update. We also include areas of potential interest to start conversations within the organisation and with Audit and Performance Review Committee members, as well as any accounting and regulatory updates.

- **Grant Thornton Publications**
- **Insights from local government sector specialists**
- **Reports of interest**
- **Accounting and regulatory updates**

More information can be found on our dedicated public sector and local government sections on the Grant Thornton website by clicking on the logos below:

Public Sector

Local
government

HMICFRS News

HMICFRS Inspection – summary of Second Tranche

HMICFRS have inspected 16 services in the first tranche of inspections. Each inspection assesses how effective and efficient the service is, how it protects the public against fires and other emergencies and how it responds to the same. They also assess how well each service looks after the people who work there. Devon and Somerset Fire and Rescue Authority are in the third tranche of inspections, and are scheduled for inspection in Spring 2019.

The report found that most fire and rescue services showed strengths in the way they prepared for and responded to fires and other emergencies. It also said services rightly focused on prevention activities, with the best adopting innovative practices to protect those most at risk from fire.

However it warned that more than a decade of localism had led to marked differences between services: for example, in how they have determined their response standards and record them; how they identify and mitigate risk; and how they define and audit high-risk premises

In carrying out inspections of fire and rescue services in England, HMICFRS have regard to the following main questions:

1. How effective is the fire and rescue service at keeping people safe and secure from fire and other risks?
2. How efficient is the fire and rescue service at keeping people safe and secure from fire and other risks?
3. How well does the fire and rescue service look after its people?

The categories of graded judgement used are: outstanding, good, requires improvement and inadequate

HMICFRS Inspection - Findings

Effectiveness

Overall, the HMICFRS judged nine services to be good and seven as requiring improvement. In arriving at the overall judgment, they examined a range of operational practices, including: fire prevention; protection through regulation; emergency response; and responding to national risks.

Specifically, the HMICFRS had concerns in relation to 'protection through regulation' in Tranche 1, and they remain concerned following their findings in Tranche 2, as most services inspected didn't have enough qualified inspectors to meet the requirements set in their risk based inspection programmes.

Efficiency

HMICFRS graded nine of the fire and rescue services they inspected as good for efficiency and seven as requiring improvement. In arriving at these judgments, they considered how well the service uses resources to manage risks; and how well the service is using resources to ensure the service it provides is affordable now and in the future

HMICFRS found that nearly all the services inspected in Tranche 2 had managed to make savings, however there was a wide variation in the scale of the savings services have been required to make. . Furthermore, they found that some fire services were using reserves without a longer-term sustainable funding plan in place, and that overall services can make better use of technology.

People

Eight services were graded as good at looking after the people who work for them; seven services were graded as requiring improvement, and one service was graded as inadequate. They considered how well services train, manage, treat and support the people who work for them

Similarly to Tranche 1, this is an area of great concern for the HMICFRS, as the inspections in Tranche 2 continued to reveal a lack of diversity within fire services, as well as a large number of unreported instances of bullying.

HMICFRS News

HMICFRS Inspection – Recommendations from Second Tranche

As a result of the second tranche of inspections, HMICFRS have raised two recommendations. They state that until they inspect all the fire services, they will not have a full national picture, however some themes have emerged following the inspection of two thirds (30 of 45) of fire and rescue services in England. These are: the need for greater consistency in approach and the need for the sector to be supported in its quest to reform through enhanced capacity and capability. These are matters on which there is little, if any, dissent across the sector.

Recommendation 1

The report states that here are four priority areas where there will be immediate benefits to the public if a consistent approach is adopted by all fire and rescue services across England, namely:

1. identifying and determining risk as part of the IRMP process;
2. identifying and measuring emergency response standards and approaches;
3. defining what are high-risk premises for the purposes of fire protection; and
4. setting an expectation for how frequently high-risk premises, and parts of those premises, should be audited for compliance with fire safety legislation.

The recommendation concludes that as soon as is practicable, the Home Office, National Fire Chiefs Council and Local Government Association, in consultation with the Fire Standards Board and Association of Police and Crime Commissioners, should establish a programme of work that will result in consistency in the four priority areas above.

Recommendation 2

The Tranche 2 report states that the past few years have seen significant reform and transformation across the fire and rescue sector in England. There have been many factors behind this, such as the Government's fire reform programme, austerity, the new inspectorate and the consequences of and response to the tragic events at Grenfell Tower. Further sector-wide change is likely to be needed after the conclusion of the Grenfell Tower Inquiry (the first report is due this autumn). While the National Fire Chiefs Council has some full-time resources, it mainly relies on fire and rescue services to provide staff, often on a part-time basis, to carry out national programmes on behalf of the sector. A similar model is being used by the newly formed Fire Standards Board.

The fire and rescue service nationally has very limited resources and access to the skills and expertise it needs to bring about change. Without access to this support, the Government's fire reform programme might be in jeopardy.

The recommendation concludes that as part of the next Spending Review, the Home Office, in consultation with the Fire and Rescue Sector should address the deficit in the fire sector's national capacity and capability to support change.

The full report can be accessed by clicking on the cover



CIPFA – CFO confidence survey

In July, the Chartered Institute of Public Finance and Accountancy (CIPFA) reported the results of their annual confidence survey.

The survey found that the majority of local government finance officers have lost confidence in their future financial positions over the last year.

Seventy per cent of respondents said they were either slightly less or much less confident in their financial position this year compared to 2018-19.

The survey also found that 68% said they were either slightly less or much less confident in their ability to deliver services in 2020-21. Sixty-two per cent expressed equal confidence in their financial position for 2019-20 as they had last year.

CIPFA found that the area of greatest pressure for top tier authorities was children's social care, with the number of authorities rating it as the biggest pressure rising by six percentage points.

For districts the greatest pressures were housing, cultural services and environmental services.

Rob Whiteman, CIPFA chief executive, said: "Local government is facing greater demand pressures than ever before, with particularly pressures in adults' and children's social care and housing. Local authorities also lack certainty about their future financial positions, so it's unsurprising to see confidence on the decline.

"We have repeatedly pointed out that local government is in need of a sustainable funding solution, but meeting this demand requires more than pennies and pounds. The sector as a whole must come together to address the challenges of effective service delivery."

CIPFA's survey received a total of 119 responses from authorities in the UK - 56 top tier authorities, 47 English districts, 12 Scottish authorities, and 4 Welsh authorities.



On the same theme, a Local Government Association (LGA) survey, also reported in July, found that almost two-thirds of authorities believe cash for services like adult social care, child protection and preventing homelessness will dry up by 2024-25.

The survey got responses from 141 of the 339 LGA member authorities in England and Wales.

It also found that 17% of authorities were not confident of realising all of the savings they had identified this year (2019-20).

The LGA said that authorities needed a guarantee they will have enough money to meet growing demand pressures in particular in adult social care, children's services, special educational needs, homelessness support and public health.



Financial confidence



Challenge question:

How confident over its' financial position is your Authority? Has this changed from previous years?

MHCLG – Independent probe into local government audit

In July, the then Communities secretary, James Brokenshire, announced the government is to examine local authority financial reporting and auditing.

At the CIPFA conference he told delegates the independent review will be headed up by Sir Tony Redmond, a former CIPFA president.

The government was “working towards improving its approach to local government oversight and support”, Brokenshire promised.

“A robust local audit system is absolutely pivotal to work on oversight, not just because it enforces confidence in financial reporting but because it reinforces service delivery and, ultimately, our faith in local democracy,” he said.

“There are potentially far-reaching consequences when audits aren’t carried out properly and fail to detect significant problems.”

The review will look at the quality of local authority audits and whether they are highlighting when an organisation is in financial trouble early enough.

It will also look at whether the public has lost faith in auditors and whether the current audit arrangements for local government authorities are still “fit for purpose”.

On the appointment of Redmond, CIPFA chief executive Rob Whiteman said: “Tony Redmond is uniquely placed to lead this vital review, which will be critical for determining future regulatory requirements.

“Local audit is crucial in providing assurance and accountability to the public, while helping to prevent financial and governance failure.”

He added: “This work will allow us to identify what is needed to make local audit as robust as possible, and how the audit function can meet the assurance needs, both now and in the future, of the sector as a whole.”

In the question and answer session following his speech, Brokenshire said he was not looking to bring back the Audit Commission, which appointed auditors to local bodies and was abolished in 2015. MHCLG note that auditing of local authorities was then taken over by the private, voluntary and not-for-profit sectors.

He explained he was “open minded”, but believed the Audit Commission was “of its time”.

Local authorities in England are responsible for 22% of total UK public sector expenditure so their accounts “must be of the highest level of transparency and quality”, the Ministry of Housing, Local Government and Communities said. The review will also look at how local authorities publish their annual accounts and if the financial reporting system is robust enough.

Redmond, who has also been a local authority treasurer and chief executive, is expected to report to the communities secretary with his initial recommendations in December 2019, with a final report published in March 2020. Redmond has also worked as a local government boundary commissioner and held the post of local government ombudsman.



National Audit Office – Code of Audit Practice

The Code of Audit Practice sets out what local auditors of relevant local public bodies are required to do to fulfil their statutory responsibilities under the Local Audit and Accountability Act 2014. 'Relevant authorities' are set out in Schedule 2 of the Act and include local councils, fire authorities, police and NHS bodies.

Local auditors must comply with the Code of Audit Practice.

Page 21 Consultation – New Code of Audit Practice from 2020

Schedule 6 of the Act requires that the Code be reviewed, and revisions considered at least every five years. The current Code came into force on 1 April 2015, and the maximum five-year lifespan of the Code means it now needs to be reviewed and a new Code laid in Parliament in time for it to come in to force no later than 1 April 2020.

In order to determine what changes might be appropriate, the NAO is consulting on potential changes to the Code in two stages:

Stage 1 involves engagement with key stakeholders and public consultation on the issues that are considered to be relevant to the development of the Code.

This stage of the consultation is now closed. The NAO received a total of 41 responses to the consultation which included positive feedback on the two-stage approach to developing the Code that has been adopted. The NAO state that they have considered carefully the views of respondents in respect of the points drawn out from the [Issues paper](#) and this will inform the development of the draft Code. A summary of the responses received to the questions set out in the [Issues paper](#) can be found below.

[Local audit in England Code of Audit Practice – Consultation Response \(pdf – 256KB\)](#)


Stage 2 of the consultation involves consulting on the draft text of the new Code. To support stage 2, the NAO has published a consultation document, which highlights the key changes to each chapter of the draft Code. The most significant changes are in relation to the Value for Money arrangements. Rather than require auditors to focus on delivering an overall, binary, conclusion about whether or not proper arrangements were in place during the previous financial year, the draft Code requires auditors to issue a commentary on each of the criteria. This will allow auditors to tailor their commentaries to local circumstances. The Code proposes three specific criteria:

- Financial sustainability: how the body plans and manages its resources to ensure it can continue to deliver its services;
- Governance: how the body ensures that it makes informed decisions and properly manages its risks; and
- Improving economy, efficiency and effectiveness: how the body uses information about its costs and performance to improve the way it manages and delivers its services.

The consultation document and a copy of the draft Code can be found on the NAO website. The consultation is open until 22 November 2019. The new Code will apply from audits of local bodies' 2020-21 financial statements onwards.

Link to NAO webpage for the Code consultation:

<https://www.nao.org.uk/code-audit-practice/code-of-audit-practice-consultation/>


Consultation response by the National Audit Office
Local audit in England Code of Audit Practice
Issues paper: Consultation response

Local Government Association – Profit with a purpose – delivering social value through commercial activity

The Local Government Association (LGA) report 'Profit with a purpose' focuses on some of the practicalities of how authorities can deliver social value through their commercial activity.

Through 'key questions' to ask, the guidance supports authorities to face the challenge of how to undertake commercial activity and achieve greater value for the public purse in ways that better meet society's needs and outcomes for people and communities.

In addition, the publication features a number of short case studies highlighting some of the innovative commercial practice already achieving results for communities.

The LGA comments that the best approaches ensure the generation of social value is the primary factor driving commercial activity; from the initial decision to develop a commercial vision to how the approach is developed, and implemented, authorities which are pulling ahead ensure social value is placed centre stage.

The guidance starts with an overview of what the LGA understands by 'profit with a purpose', the guidance explores different types of social value and the role of authorities in driving social value alongside their commercial ambition.

The guidance then looks at how consideration and delivery of social value should be practically considered when deciding on whether to embark on commercial activity, the need for social value to be prioritised alongside financial return and the key questions authorities should consider when embarking on a commercial initiative.

Following on from this, there are specific chapters on; embedding social value in governance of alternative service delivery vehicles, the role of procurement in contracting services that deliver social value and finally how to contract and performance manage social value through your service providers.

Each chapter outlines the factors that need to be considered and the 'key questions' authorities should be asking themselves.

In addition, a number of short case studies are provided to highlight some of the innovative commercial practice already achieving results for communities.

The report can be downloaded from the LGA website:

<https://www.local.gov.uk/profit-purpose-delivering-social-value-through-commercial-activity>



Profit with a purpose

Delivering social value through commercial activity

Profit with a purpose

Challenge question:

If your Authority is looking at commercial activity, have you considered the LGA report?



MHCLG – Brexit preparations

Authorities should be fully prepared to leave the European Union by the end of October, the Communities and Local Government Secretary announced on 3 August as he ramped up preparations.

Mr Jenrick thanked authorities for all the work they have already done, but said they must step up vital preparations and committed £20 million for authorities across England to prepare for delivering Brexit on 31 October, whatever the circumstances.

He has asked each Authority to designate a Brexit lead to work with central government and oversee teams in every community who will work with stakeholders in their area to plan intensively for Brexit.

The new funding comes in recognition of the central role authorities will play to make sure their residents are ready for Brexit, and is expected to support a range of activity including communications, training and the recruitment of staff.

The Secretary of State said:

“From Whitehall to town halls – everyone needs to be ready to fulfil our democratic mandate to leave the European Union by the end of October.

Local government has a vital role in helping to make Brexit a success and it is absolutely right that together we intensify preparations in every community.

And to do this successfully I have asked every Authority to appoint a Brexit lead to work with government. We’ll be providing £20 million for authorities to support the major step up in preparations.

I want all of us – central and local government – to be fully prepared for leaving the EU on 31 October whatever the circumstances. I know that we can achieve this, by continuing to work side by side with renewed national focus and intensity.”

Brexit preparations

Challenge question:

Who is your Brexit lead and how is your authority supporting Brexit preparations?



Public Accounts Committee – Local Government Governance and Accountability

The Public Accounts Committee has found that the Government has not done enough to ensure that, at a time when local authority budgets are under extreme pressure, governance systems are improved.

The Ministry of Housing, Communities & Local Government (the Department) is responsible for: ensuring that this framework contains the right checks and balances, and changing the system if necessary. The Secretary of State also has powers to intervene in cases of perceived governance failure. The framework includes: officers with statutory powers and responsibilities; internal checks and balances such as audit committees and internal audit; and external checks and balances such as external audit and sector-led improvement overseen by the Local Government Association. These arrangements represent a significant reduction in the level of central oversight in recent years following the government's decision to abolish the Audit Commission and the Standards Board for England as part of a broader reform of local audit, inspection and reporting.

The Public Accounts Committee report summary notes "Local authorities have a good overall track record with governance arrangements generally robust across the sector, and there is evidence that local authority governance compares favourably to that of the health sector. However, this is not universal and in some authorities governance is under strain, as funding reduces and responsibilities and exposure to commercial pressures change. We are worried to hear about audit committees that do not provide sufficient assurance, ineffective internal audit, weak arrangements for the management of risk in local authorities' commercial investments, and inadequate oversight and scrutiny. This is not acceptable in the more risky, complex and fast-moving environment in which local authorities now operate.

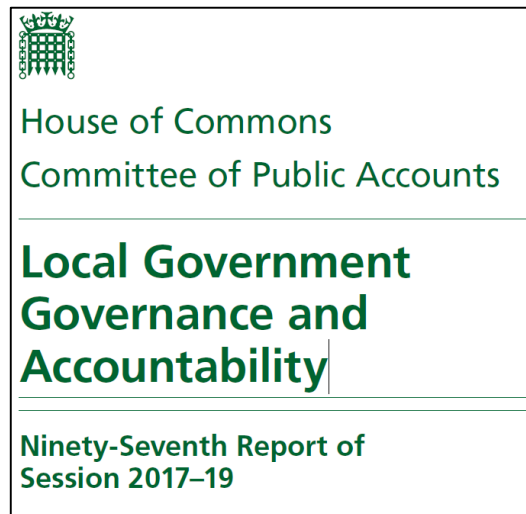
The Department has been reactive and ill-informed in its approach to oversight of the local governance system. However, the Department has now recognised that the network of bodies with responsibility for the local governance framework is fragmented and lacking the leadership needed to drive change. Encouragingly, the Department has now committed to enhancing its oversight role and producing a proactive work programme to deliver this change. We urge the Department to ensure that this activity leads to concrete actions and outcomes on a timely basis. When a local authority fails this has a significant impact on local people and the Department has a responsibility to work with local government to ensure that problems are caught early and that it can pinpoint at-risk authorities. Since the abolition of the Audit Commission and other changes culminating in the Local Audit and Accountability Act 2014 there is no central assessment of value for the money, which means the Department's work is fundamental."

The report makes five conclusions, with associated recommendations:

- 1) The Department is not yet providing effective leadership of the local governance system.
- 2) The Department does not know why some local authorities are raising concerns that external audit is not meeting their needs.
- 3) The Department lacks reliable information on key governance risks, or relies on weak sources of information, meaning it has no way of pinpointing the at-risk authorities.
- 4) The Department's monitoring is not focused on long-term risks to council finances and therefore to services.
- 5) There is a complete lack of transparency over both the Department's informal interventions in local authorities with financial or governance problems and the results of its formal interventions.

The Government response is available on the website below:

<https://www.parliament.uk/documents/commons-committees/public-accounts/Gov-response-to-Public-Accounts-on-the-93-98-reports.pdf>





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The Annual Audit Letter for Devon and Somerset Fire and Rescue Authority

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19 August 2019



Agenda Item 4c

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Executive Summary

Purpose

Our Annual Audit Letter (Letter) summarises the key findings arising from the work that we have carried out at Devon and Somerset Fire and Rescue Authority (the Authority) for the year ended 31 March 2019.

This Letter is intended to provide a commentary on the results of our work to the Authority and external stakeholders, and to highlight issues that we wish to draw to the attention of the public. In preparing this Letter, we have followed the National Audit Office (NAO)'s Code of Audit Practice and Auditor Guidance Note (AGN) 07 – 'Auditor Reporting'. We reported the detailed findings from our audit work to the Authority's Audit and Performance Review Committee as those charged with governance in our Audit Findings Report on 19 August 2019.

Our work

Materiality	We determined materiality for the audit of the Authority's financial statements to be £1.73m, which is 2% of the Authority's gross revenue expenditure.
Financial Statements opinion	We gave an unqualified opinion on the Authority's financial statements on 30 July 2019.
Whole of Government Accounts (WGA)	We completed work on the Authority's consolidation return following guidance issued by the NAO.
Use of statutory powers	We did not identify any matters which required us to exercise our additional statutory powers.
Value for Money arrangements	We were satisfied that the Authority put in place proper arrangements to ensure economy, efficiency and effectiveness in its use of resources. We reflected this in our audit report to the Authority on 30 July 2019.
Certificate	We certified that we have completed the audit of the financial statements of Devon and Somerset Fire and Rescue Authority in accordance with the requirements of the Code of Audit Practice on 30 July 2019.

Respective responsibilities

We have carried out our audit in accordance with the NAO's Code of Audit Practice, which reflects the requirements of the Local Audit and Accountability Act 2014 (the Act). Our key responsibilities are to:

- give an opinion on the Authority's financial statements (section two)
- assess the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources (the value for money conclusion) (section three).

In our audit of the Authority's financial statements, we comply with International Standards on Auditing (UK) (ISAs) and other guidance issued by the NAO.

Executive Summary

Working with the Authority

During the year we have delivered a number of successful outcomes with you:

- An efficient audit – we delivered an efficient audit with you in July, delivering the audit before the 31 July deadline
- VFM – we provided you with assurance and feedback on your arrangements for delivering efficiency, effectiveness and economy
- Sharing our insight – we provided regular audit and performance review committee updates covering best practice and shared our thought leadership reports
- Providing training – we provided your teams with training on financial statements and annual reporting

We would like to record our appreciation for the assistance and co-operation provided to us during our audit by the Authority's staff.

Grant Thornton UK LLP
August 2019

Audit of the Financial Statements

Our audit approach

Materiality

In our audit of the Authority's financial statements, we use the concept of materiality to determine the nature, timing and extent of our work, and in evaluating the results of our work. We define materiality as the size of the misstatement in the financial statements that would lead a reasonably knowledgeable person to change or influence their economic decisions.

We determined materiality for the audit of the Authority's financial statements to be £1.73m, which is 2% of the Authority's gross revenue expenditure. We used this benchmark as, in our view, users of the Authority's financial statements are most interested in where the Authority has spent its revenue in the year.

We also set a lower level of specific materiality for senior officer remuneration of £20k

We set a lower threshold of £87k above which we reported errors to the Audit and Performance Review Committee in our Audit Findings Report.

The scope of our audit

Our audit involves obtaining sufficient evidence about the amounts and disclosures in the financial statements to give reasonable assurance that they are free from material misstatement, whether caused by fraud or error. This includes assessing whether:

- the accounting policies are appropriate, have been consistently applied and adequately disclosed;
- the significant accounting estimates made by management are reasonable; and
- the overall presentation of the financial statements gives a true and fair view.

We also read the remainder of the financial statements, the Narrative Report and Annual Statement of Assurance published alongside the financial statements to check it is consistent with our understanding of the Authority and with the financial statements included in the Annual Report on which we gave our opinion.

We carry out our audit in accordance with ISAs (UK) and the NAO Code of Audit Practice. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit approach was based on a thorough understanding of the Authority's business and is risk based.

We identified key risks and set out overleaf the work we performed in response to these risks and the results of this work.

Audit of the Financial Statements

Significant Audit Risks

These are the significant risks which had the greatest impact on our overall strategy and where we focused more of our work.

Risks identified in our audit plan	How we responded to the risk	Findings and conclusions
<p>Management override of controls</p> <p>Under ISA (UK) 240 there is a non-rebuttable presumed risk that the risk of management over-ride of controls is present in all entities.</p> <p>We therefore identified management override of control, in particular journals, management estimates and transactions outside the course of business as a significant risk, which was one of the most significant assessed risks of material misstatement.</p>	<p>As part of our audit work we have:</p> <ul style="list-style-type: none"> gained an understanding of the accounting estimates, judgements applied and decisions made by management and considered their reasonableness; obtained a full listing of journal entries and identified and subsequently tested any unusual journal entries for appropriateness; and evaluated the rationale for any changes in accounting policies and any significant unusual transactions or estimates. 	<p>Our audit work has not identified any issues in respect of management override of controls</p>
<p>Valuation of Property, Plant and Equipment</p> <p>The Authority revalues its land and buildings on an annual basis to ensure that the carrying value is not materially different from the current value at the financial statements date. This valuation represents a significant estimate by management in the financial statements due to the size of the numbers involved and the sensitivity of this estimate to changes in key assumptions.</p> <p>We therefore identified valuation of land and buildings, particularly revaluations and impairments, as a significant risk, which was one of the most significant assessed risks of material misstatement</p>	<p>As part of our audit work we have:</p> <ul style="list-style-type: none"> evaluated management's processes and assumptions for the calculation of the estimate, the instructions issued to the valuation experts and the scope of their work; evaluated the competence, capabilities and objectivity of the valuation expert; written to the valuer to confirm the basis on which the valuations were carried out; challenged the information and assumptions used by the valuer to assess completeness and consistency with our understanding; and tested, on a sample basis, revaluations made during the year to ensure they have been input correctly into the Authority's asset register. 	<p>Our audit work has not identified any issues in respect of valuation of land and buildings.</p>

Audit of the Financial Statements

Significant Audit Risks - continued

These are the risks which had the greatest impact on our overall strategy and where we focused more of our work.

Risks identified in our audit plan	How we responded to the risk	Findings and conclusions
<p>Valuation of the pension fund net liability</p> <p>The Authority's pension fund net liability, as reflected in its balance sheet as the net defined benefit liability, represents a significant estimate in the financial statements.</p> <p>We therefore identified valuation of the Authority's pension fund net liability as a significant risk, which was one of the most significant assessed risks of material misstatement</p>	<p>As part of our audit work we:</p> <ul style="list-style-type: none">• updated our understanding of the processes and controls put in place by management to ensure that the Authority's pension fund net liability is not materially misstated and evaluated the design of the associated controls;• evaluated the instructions issued by management to their management expert (an actuary) for this estimate and the scope of the actuary's work;• maintained ongoing communication around the impact of the McCloud /Sergeant court judgement on the pension liabilities reported by the Authority to ensure that these are materially stated and in line with proper accounting practices;• assessed the competence, capabilities and objectivity of the actuary who carried out the Authority's pension fund valuation;• assessed the accuracy and completeness of the information provided by the Authority to the actuary to estimate the liability;• tested the consistency of the pension fund asset and liability and disclosures in the notes to the core financial statements with the actuarial report from the actuary; and• undertaken procedures to confirm the reasonableness of the actuarial assumptions made by reviewing the report of the consulting actuary (as auditor's expert) and performing any additional procedures suggested within the report.	<p>Our audit work has not identified any issues in respect of valuation of the pension fund net liability.</p> <p>In particular, following the late clarification of the McCloud and Sergeant court judgements in respect of age discrimination, the Authority correctly accounted for the additional pension liabilities arising.</p>

Audit of the Financial Statements

Audit opinion

We gave an unqualified opinion on the Authority's financial statements on 30 July 2019.

Preparation of the financial statements

The Authority presented us with draft financial statements in accordance with the national deadline, and provided a good set of working papers to support them. The finance team responded promptly and efficiently to our queries during the course of the audit.

Issues arising from the audit of the financial statements

We reported the key issues from our audit to the Authority's Audit and Performance Review Committee on 19 July 2019.

In addition to the key audit risks reported above, we identified a control issue around the transfer of payroll services during the year, arising from lack of formal documentation of the checks undertaken as part of the payroll transfer.

The Authority has since obtained the final file used to check the payroll transfer.

Annual Governance Statement and Narrative Report

We are required to review the Authority's Annual Statement of Assurance and Narrative Report. It published them on its website alongside the Statement of Accounts in line with the national deadlines.

Both documents were prepared in line with the CIPFA Code and relevant supporting guidance. We confirmed that both documents were consistent with the financial statements prepared by the Authority and with our knowledge of the Authority.

Whole of Government Accounts (WGA)

We carried out work on the Authority's Data Collection Tool in line with instructions provided by the NAO . We issued an assurance statement which confirmed the Authority was below the audit threshold/did not identify any issues for the group auditor to consider on 30 July 2019.

Certificate of closure of the audit

We certified that we have completed the audit of the financial statements of Devon and Somerset Fire and Rescue Authority in accordance with the requirements of the Code of Audit Practice on 30 July 2019.

Value for Money conclusion

Background

We carried out our review in accordance with the NAO Code of Audit Practice, following the guidance issued by the NAO in November 2017 which specified the criterion for auditors to evaluate:

In all significant respects, the audited body takes properly informed decisions and deploys resources to achieve planned and sustainable outcomes for taxpayers and local people.

Key findings

Our first step in carrying out our work was to perform a risk assessment and identify the risks where we concentrated our work.

The risks we identified and the work we performed are set out overleaf.

As part of our Audit Findings report agreed with the Authority in July 2019, we agreed a recommendation to address our findings:

- The Authority should continue to develop realistic savings plans to bridge the budget gap, with appropriate ongoing monitoring and review to ensure that planned savings are delivered in line with expectations, taking mitigating actions as necessary.

Overall Value for Money conclusion

We are satisfied that in all significant respects the Authority put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2019.

Value for Money conclusion

Value for Money Risks

Risks identified in our audit plan	How we responded to the risk	Findings and conclusions
<p>Medium Term Financial Planning</p> <p>We reported in our audit plan that the Authority continues to face financial pressures with the 4 year settlement for 2016/17 to 2019/20 resulting in a 25% grant cut. The Authority has set a balanced budget for the 2019/20 financial year, with a Council Tax increase of 2.99% being agreed. The balanced budget position was achieved by reducing the revenue contribution to capital expenditure by £183k. The budget report also highlights that savings of between £8.4m and £14.5m will need to be made by 2023/24 depending on the level of future Council Tax increases.</p>	<ul style="list-style-type: none"> • We reviewed the Authority's Medium Term Financial Plan, including the assumptions and savings included within the modelling. We also considered the work being done by the Authority to identify the additional savings that it needs to make over this period. The Authority's outturn for 2018/19 was £1.89m below budget, which was transferred to earmarked reserves. At 31 March 2019 the Authority has reserves of £38.87m, with £33.56m being in earmarked reserves and £5.3m in the general reserve. • The Authority set a balanced budget for the 2019/20 financial year, with a Council Tax increase of 2.99% being agreed. Budgeted savings within this were £2.38m, consisting of £117k from authority pensions, £685k from budget management savings, which includes reduction of non-operational budget heads (£487k of this is recurring savings), £1.09m from service delivery re-structure, as a result of reviewing the number and role types of Station Managers across the service, £480k from holding vacancies whilst the Safer Together plan is established and reducing the revenue contribution to capital expenditure by £183k. • The current MTFP runs to 2023/24 with the savings requirement over that period being between £8.4m and £14.5m depending on the level of future council tax increases. The MTFP is based on detailed modelling assumptions in the Financial Planning Model. These include inflation, pay and pension increases as well as anticipated reductions in grant funding, including the four year funding settlement accepted by the Authority. These assumptions have been reviewed and appear to be reasonable based on the evidence and information currently available. The MTFP is updated regularly as information on grant settlements become available, outcomes from the savings strategy are identified and any new cost pressures identified. 	<p>Auditor view</p> <p>The Authority's MTFP has a gap of up to £14.5m over the 2019/20- 2023/24 period. This represents a considerable challenge for the Authority given the savings it has already had to make in recent years. The Authority recognises that it must develop realistic savings plans to bridge the budget gap and there is evidence that such plans are being developed and implemented through the Sager Together Programme.</p> <p>On that basis, we have concluded that the risk was sufficiently mitigated and the Authority has proper arrangements in place for planning finances effectively to support the sustainable delivery of strategic priorities and using appropriate cost and performance information to support informed decision making.</p>

Value for Money conclusion (continued)

Value for Money Risks

Risks identified in our audit plan	How we responded to the risk	Findings and conclusions
<p>Red One</p> <p>We reported in our audit plan that in 2016/17 the Authority sought external advice in response to concerns over cross-charging between Authority and Red One Ltd, and governance arrangements generally. Reports were received as a result that made a number of recommendations, although one report noted that many were similar to recommendations that had been made previously but not yet actioned. A further review of the governance arrangements at Red One has been carried out.</p>	<ul style="list-style-type: none"> • We reviewed the progress made by the Authority in response to the recommendations from the reports received in 2016/17, and the more recent review, to ensure that appropriate action has been taken to address the issues identified. • The last reported update to members in June 2019 demonstrates that the recommendations made in relation to Red One's governance and financial arrangements have now been taken forward, and changes implemented. The report shows that recommendations were being tracked in an action plan, and that most of the recommendations were implemented in 2017 and 2018. There is one action in relation to compliance law training which is currently in progress, and all other recommendations are marked as complete. The Authority has now approved a revised governance framework for Red One and revised arrangements for the Non Executive Board of the company, including the introduction of independent Non Executive Directors. • During the year, Devon and Somerset Fire and Rescue Authority commissioned an independent assessment of the validity of the Red One Business Plan for 2019-20. The recommendations from this report were assessed by officers, and used to aid the decision making process. The use of an external body to gain advice over the business plan produced by Red One, shows that Devon and Somerset Fire and Rescue Authority are taking appropriate measures to assess and obtain independent assurance over the financial information provided by Red One. The Authority's continued assessment of Red One's performance shows an appropriate level of scrutiny over the financial and governance arrangements. 	<p>Auditor view</p> <p>The Authority is making progress in implementing the recommendations in relation to Red One, with revised governance arrangements in place. The progress against the action plan and tracker shows that all except one of the recommendations have been implemented. Furthermore, an independent assessment of Red One has been undertaken in year, which shows an appropriate level of challenge and scrutiny over the financial and governance arrangements at the company.</p> <p>On that basis we are satisfied that the risk is being properly mitigated.</p>

A. Reports issued and fees

We confirm below our final reports issued and fees charged for the audit and confirm there were no fees for the provision of non audit services.

Reports issued

Report	Date issued
Audit Plan	18 January 2019
Audit Findings Report	19 July 2019
Annual Audit Letter	19 August 2019

Fees

	Planned fees £	Actual fees £	2017/18 fees £
Statutory audit	26,041	26,041	33,820
Additional fees – see table alongside		1,500	
Total fees	26,041	27,541	33,820

Audit fee variation

As outlined in our audit plan, the 2018-19 scale fee published by PSAA of £26,041 assumed that the scope of the audit does not significantly change. There was one area where the scope of the audit has changed, which led to additional work being required. This is set out in the following table and was discussed at the Authority's Audit and Performance Review Committee on 19 July 2019.

Area	Reason	Fee proposed
Assessing the impact of the McCloud ruling	The Government's transitional arrangements for pensions were ruled discriminatory by the Court of Appeal last December. The Supreme Court refused the Government's application for permission to appeal this ruling. As part of our audit we have reviewed the revised actuarial assessment of the impact on the financial statements along with any audit reporting requirements.	£1,500
Total		£1,500

Fee variations are subject to PSAA approval.



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Agenda Item 5

REPORT REFERENCE NO.	APRC/19/17
MEETING	AUDIT & PERFORMANCE REVIEW COMMITTEE
DATE OF MEETING	13 NOVEMBER 2019
SUBJECT OF REPORT	AUDIT & REVIEW 2019-20 PROGRESS REPORT
LEAD OFFICER	DIRECTOR OF GOVERNANCE & DIGITAL SERVICES
RECOMMENDATIONS	<i>That the report be noted.</i>
EXECUTIVE SUMMARY	<p>Attached for consideration and discussion is the 2019–20 Q2 Audit & Review report. This report sets out progress to date against the approved 2019-20 Internal Audit Plan, and updates on additional review work undertaken.</p> <p>The report provides assurance statements for the audits completed to date and records the progress against the approved Internal Audit Plan.</p> <p>Internal Audit activities across the Service are managed through a shared service agreement that sees Audit & Review and the Devon Audit Partnership (DAP) work together to deliver the Internal Audit Plan. Additionally this includes an overview of key assurance activities completed by other teams who contribute to the audit plan, such as Information Assurance, Operational Assurance, and Safety Assurance.</p> <p>The report provides an overview of the assurance tracking process and the current high priority recommendations that remain as ‘open’ on the assurance tracker.</p>
RESOURCE IMPLICATIONS	Nil.
EQUALITY RISKS AND BENEFITS ASSESSMENT (ERBA)	Not applicable.
APPENDICES	<ol style="list-style-type: none"> 1. Internal Audit Planning Process 2. Security Events 3. Operational Assurance Learning Points Identified By Category
LIST OF BACKGROUND PAPERS	<p>Audit & Review 2019-20 Plan</p> <p>Audit & Review Service Policy</p>

1. INTRODUCTION

- 1.1 The 2019-20 Internal Audit Plan was approved by this Committee at its meeting held on the 10th May 2019. The Plan sets out the combined scope of internal audit work to be completed by Audit & Review and the Devon Audit Partnership, and other assurance providing functions. The Audit planning process is shown in **Appendix 1**.
- 1.2 Audit & Review and the Devon Audit Partnership are accountable for the delivery of the Plan and the policy includes the requirement to report progress to this Committee at least three times per year.
- 1.3 The key objective of this report is to provide the Committee with a progress report against the Plan.
- 1.4 The report includes the assurance statements for all audits completed during 2019-20.
- 1.5 The report also includes an overview of the assurance tracking process and the current high priority recommendations that remain as 'open' on the assurance tracker.

2. ASSURANCE STATEMENTS

- 2.1 One of the key roles of Internal Audit is to provide independent assurance as to how effectively risks are managed across the organisation.
- 2.2 The following assurance statements have been developed to evaluate and report audit conclusions:

★★★★ High Standard

The system and controls in place adequately mitigate exposure to the risks identified. The system is being adhered to and substantial reliance can be placed upon the procedures in place. Only minor recommendations aimed at further enhancing already sound procedures.

★★★ Good Standard

The systems and controls generally mitigate the risk identified but a few weaknesses have been identified and / or mitigating controls may not be fully applied. There are no significant matters arising from the audit and the recommendations made serve to strengthen what are mainly reliable procedures.

★★ Improvements Required

In our opinion there are a number of instances where controls and procedures do not adequately mitigate the risks identified. Existing procedures need to be improved in order to ensure that they are fully reliable. Recommendations have been made to ensure that organisational objectives are not put at risk.

★ Fundamental Weakness Identified

The risks identified are not being controlled and there is an increased likelihood that risks could occur. The matters arising from the audit are sufficiently significant to place doubt on the reliability of the procedures reviewed, to an

extent that the objectives and/or resources of the Authority may be at risk, and the ability to deliver the service may be adversely affected. Implementation of the recommendations made is a priority.

3. **PROGRESS AGAINST THE 2019-20 PLAN**

- 3.1 The 2019-20 Internal Audit Plan has been assigned to the Audit & Review Manager, the Information Assurance Manager, the IT Security Officer, the Operational Assurance Manager, the Organisational Safety Manager, and the Risk & Insurance Manager.
- 3.2 To increase clarity on progress, audit phases have been added to Risk Based Audits.

Assurance Area	Progress	Assurance statement / Update
Operational Assurance	This is an area requiring continuous ongoing review to ensure compliance and organisational improvement	<p>For the period 1 July 2019 – 30 September 2019; a total of 449 incidents were monitored.</p> <p>75 of these incidents identified learning, resulting in 136 learning points being submitted, broken down as such; Safety Critical = 3 (1 vehicle related incident and 2 equipment-related incidents; all Safety Critical events are currently being actioned). Area of Concern = 105 Notable Practice = 28</p> <p>Learning points have been referred to the relevant teams to action. Trend analysis carried out by the OpA Department and incorporated into quarterly bulletin for organisational learning.</p> <p>113 Programmed Officer Visits were completed, 50 of which by Flexi Officers on targeted themes. These visits are to enhance learning identified through trend analysis, national learning and learning from other FRS.</p> <p>An overview of the number of learning points identified can be viewed in Appendix 3.</p>
Data Protection / GDPR	This is an area requiring continuous ongoing review to ensure compliance and organisational improvement	A GDPR internal audit in 2018-19 identified a good standard of GDPR governance and improvements required for organisational compliance. Recommendations have been received and an action plan has been agreed.
ISO 27001 (Information Security)	In Progress	Good progress has been made in Q2 with gathering evidence for alignment against ISO27001. The annual IT Health Check, for assurance of technical controls, has been

Assurance Area	Progress	Assurance statement / Update
Standard) Alignment		completed and the results are due for review in Q3.
National Fraud Initiative	In Progress	This is a mandatory initiative for public sector organisations, and is owned by the Cabinet Office. By the end of Q2 2019-20, 298 (58%) of the 515 records returned, have been reviewed and no fraudulent activity has been identified within these.
Fleet Review	Final Report	★★ Improvements Required. Although this is the same overall rating as the report conducted in 2018-19, the auditor has specified that there is a positive direction of travel. Actions are all in progress but will take time to embed before benefits can be seen.
H&S Culture Audit	Planning phase	This audit is in the planning phase to understand the role that Health & Safety plays in the organisational culture, at all levels, in all areas. Plans are currently under review as this requires a wider organisational approach, to ensure findings are as meaningful as possible.
Digital Transformation project process audit	In Progress	This audit is to review the process for development of our in-house ICT systems, but looking predominantly at how the project teams work with ICT development teams, and the end users of the systems. The fieldwork on this has been completed and we are awaiting receipt of the draft report.
Safeguarding Review	In Progress	This is a review of the work that the Safeguarding team complete, to understand how well their work is understood across the Service, and how appropriately they are positioned within the Service. A draft report has been produced and is under review.
Service Delivery / Operational Training Audit	In Progress	This is a review of how well our operational training actually prepares employees for the reality of the incident ground. This includes factors such as whether firefighters can/should challenge instructions they are given at incidents, the tempo they are required to work at and how they address each other and senior officers at incidents. The fieldwork on this has been completed and we are awaiting receipt of the draft report.

Action Planning

3.3

All issues have been discussed with the Lead Officers and Audit & Review is pleased to report that suitable action plans have been agreed to improve the management of any risks identified.

- 3.4 All agreed actions are captured and monitored through the assurance tracking process (see paragraph below) and, where relevant, will be reflected in either department plans (if tactical) or the Change & Improvement Plan (if strategic).

4. **WHAT HAPPENS WITH AUDIT & REVIEW RECOMMENDATIONS**

- 4.1 The Audit & Review Assurance Tracking system records all recommendations and agreed actions coming out of key assurance activities. The system tracks recommendations at the following assurance levels:

- External reviews (including External Audit);
- Annual Statement of Assurance;
- Internal Audit (Audit & Review and Devon Audit Partnership);
- European Foundation for Quality Management (EFQM);
- Peer Review;
- ICT Health Checks; and
- Security Events.

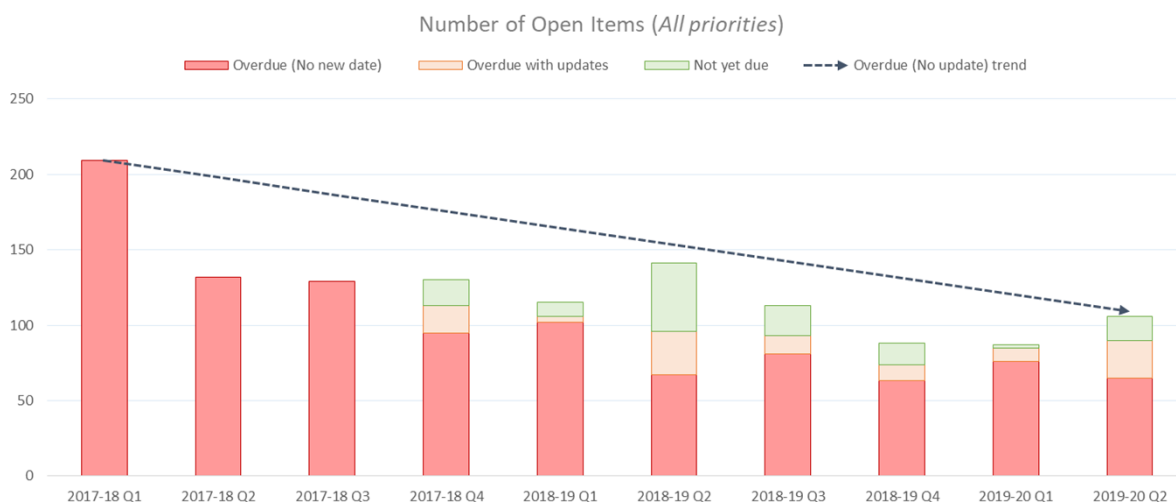
- 4.2 The Assurance Tracker is available to all employees through the Service Information Point (SIP) and will be made available to the public in the future to fall in line with the Fire & Rescue National Framework document.

- 4.3 A quarterly update procedure has been embedded that sees the export and distribution of outstanding recommendations to service managers to provide an update. This has been aligned to the Corporate Planning process to ensure outstanding recommendations are reviewed alongside departmental plans.

- 4.4 Updates are being focussed on the higher priority items, however the trend in all priority of overdue items, continues to decrease, despite an increase in the overall volume of actions. As at October 2019, refer to illustrated Graph 1 and Graph 2 below.

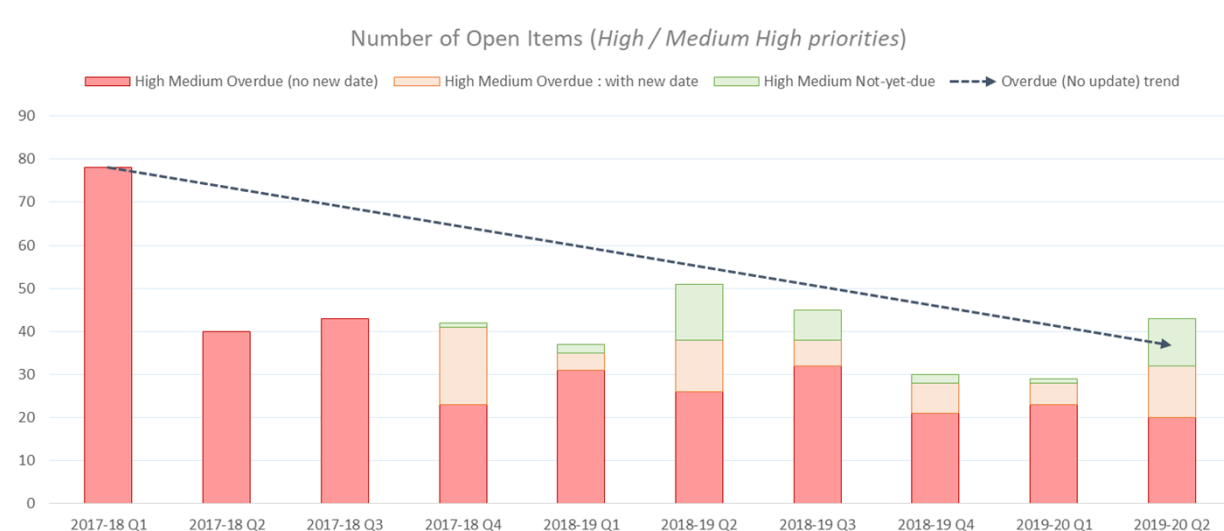
- 4.5 The overdue actions are largely linked to longer term project work that remains on-going and these are monitored through the assurance tracking process.

- 4.6 Additionally, open actions have been superseded by changes to the Service structure, digital transformation and other actions. Further work is ongoing to ensure that actions that have been superseded are documented and recorded as closed.



Graph 1: Open recommendations (all priorities)

Grap



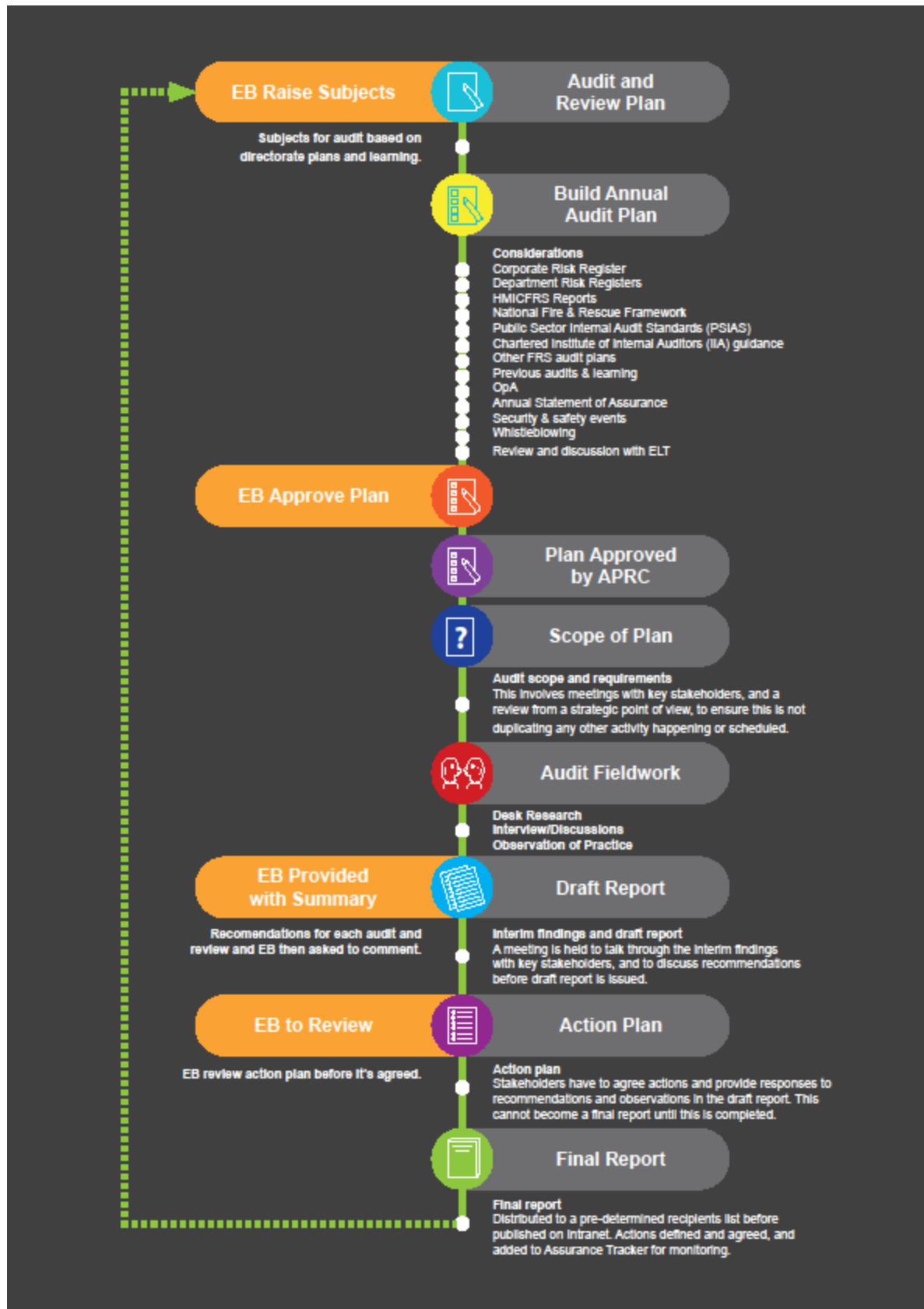
h 2: Open recommendations (High/Med High priority)

5. **CONCLUSION & RECOMMENDATIONS**

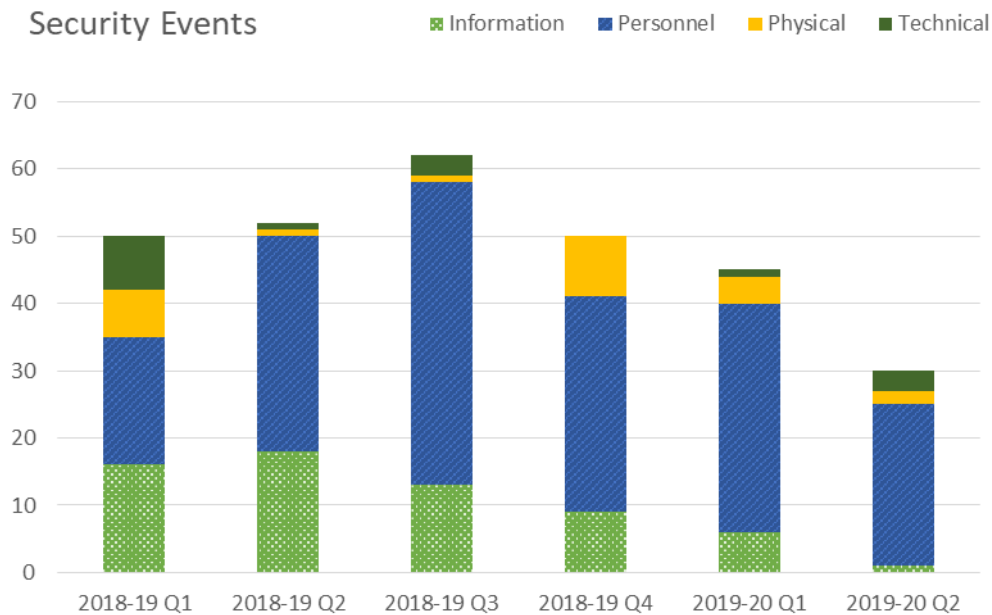
- 5.1 Based on the work completed to date in this year and knowledge from previous years, the systems in operation within the Service continue to demonstrate a good level of internal control.
- 5.2 Both Audit & Review and the Devon Audit Partnership would wish to use this report to thank all staff who have worked with them in delivering the audit programme and the willingness to positively engage in the audit process.
- 5.3 The progress made against the agreed Audit Plan will be reported back to this Committee at regular intervals.

MIKE PEARSON
Director of Governance & Digital Services

INTERNAL AUDIT PLANNING PROCESS



SECURITY EVENTS

*Security Events (by type) by Quarter*

Our security event categories are aligned to HMG Security policy framework.

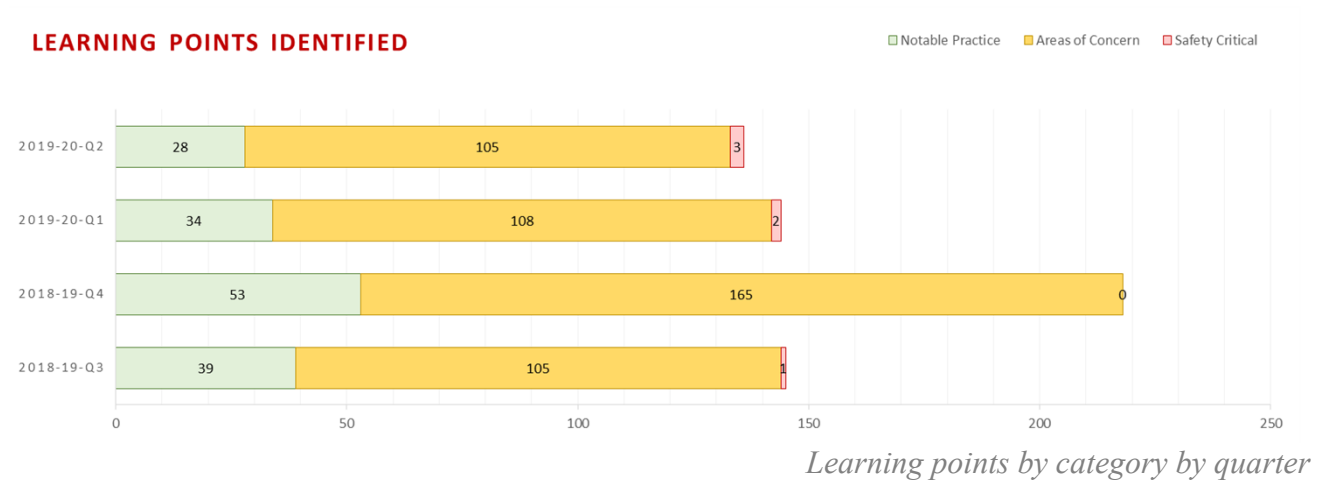
Information Security events include data breaches, emails sent to incorrect recipients, or information left on printers.

Personnel Security events include people not displaying appropriate ID cards on DSFRS sites, or losing alerters, or mobile telephones.

Physical Security events involve doors or windows being left open, or physical break-ins at premises.

Technical Security events are problems relating to our technical systems for managing information.

OPERATIONAL ASSURANCE LEARNING POINTS IDENTIFIED BY CATEGORY



2019-20 – Q2 : The Operational Assurance team are currently reviewing their systems and processes for identification and classification of learning points, which will have an impact on the future trend reporting.

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REPORT REFERENCE NO.	APRC/19/18
MEETING	AUDIT & PERFORMANCE REVIEW COMMITTEE
DATE OF MEETING	13 NOVEMBER 2019
SUBJECT OF REPORT	CORPORATE RISK REGISTER
LEAD OFFICER	DIRECTOR OF GOVERNANCE & DIGITAL SERVICES
RECOMMENDATIONS	<i>That the report be noted.</i>
EXECUTIVE SUMMARY	<p>Managing risks, both operational and strategic, is an important part of ensuring that the resources of Devon and Somerset Fire and Rescue Service are used to best advantage. Risk is inherent in most things that the Service does and much of its activity is already assessed and managed through the application of the operational risk management procedures and good common sense.</p> <p>The Corporate Risk Register details risks and mitigation to ensure risk is managed appropriately and proportionately.</p>
RESOURCE IMPLICATIONS	Nil.
EQUALITY RISKS AND BENEFITS ASSESSMENT (ERBA)	Not applicable.
APPENDICES	Appendix 1 – Strategic risk horizon scanning report
LIST OF BACKGROUND PAPERS	<p>APRC November 2018 – Corporate Risk Register</p> <p>APRC May 2019 – Corporate Risk Register</p>

1. INTRODUCTION

1.1 The aims of Risk Management for the Devon & Somerset Fire & Rescue Service (“the Service”) are to:

- Protect the assets of the Service;
- Ensure service continuity; and
- Facilitate innovation and opportunity.

1.2 Risk management does not mean risk avoidance. It is about encouraging officers and managers to identify, understand and control risk and to learn how to accept the right level of risk.

2. CORPORATE RISK REGISTER

2.1 The corporate risk register captures and describes the Authority’s most significant risks, with a focus on cross-cutting risks and major projects. It is formally reviewed and refreshed on a regular cycle. In order to embed the Service’s approach to managing strategic and operational risks, risk management is integrated within the planning process so that it is part of direction setting, activity and resource planning and activity monitoring.

2.2 The process includes the identification, assessment and recording of risks and mitigating activities which is incorporated into annual directorate statements and service plans. The final stage of the process, once risks have been reviewed by risk owners and directors, is for the Audit & Performance Review Committee to consider and comment.

2.3 The Service risk profile has changed over the last six months. The corporate risk register entries now total nine, with one new risk added July 2019, CR054 Fire Fighter Fitness.

- Following the final HMICFRS inspection week, the Executive Board reviewed the immediate feedback from HMICFRS and agreed next steps. In total, ten Risk Critical Urgent Pathway assessments (RCUP) were reviewed and the Executive Board agreed to add CR054 Fire Fighter Fitness to the Corporate Risk Register. The remaining nine RCUP’s are to be transferred to the Safer Together Programme or into the Service’s Corporate Planning framework, via annual directorate statements or service plans, with monthly monitoring by the Governance & Digital Services directorate.
- Risk CR052 Industrial action has reduced impact as a result of the 2019 pay offer being accepted by representative bodies.
- Risk CR049 had increased in severity because of uncertainty surrounding the potential of leaving the EU with no deal on 31 October 2019. A risk workshop held 24 September 2019 captured risks and impacts to the Service’s ability to continue to provide our service. The Brexit risk register has been reviewed regularly at contingency response meetings. A strategic Brexit business continuity exercise was held October to further test adequacy of the Service planning assumptions. However, given the EU decision to agree to HM Government’s request for a Brexit extension to 31 January 2020, the risk of a no deal exit from the EU has now reduced in severity.

- 2.4 Risk horizon scanning is a technique which is used to explore potential future developments, better anticipate risks and emerging trends that might affect the Service. It helps by taking a longer term strategic approach and makes present plans more resilient to future uncertainty. At appendix 1 the Institute of Internal Audit horizon scanning report overview gives insight into multiple organisations five year strategic risk perceptions. The Service Executive Board commissioned two deep dive risk workshops, Brexit and Digital Transformation, both of which were completed and outputs currently being analysed with a view to update the Corporate Risk Register accordingly.
- 2.5 As is normal, there have been minor changes to control measures across the risk portfolio. Risk owners are assigned to each issue with active mitigation in place. All risk register owners have reviewed, updated their risk mitigations and agreed new review dates for annual directorate and service plan level registers. Overall, the Executive Board was satisfied with the adequacy of risk mitigation progress.

3. AMENDED RISKS

- 3.1 Following organisational restructures, risk ownership transferred from: Sarah Allen to Lucy Cole & Caroline Taylor; Nick Manning to Joe Hassell; and Joe Hassell to Sarah Allen.

4. RISKS TO BE DELEGATED TO LOCAL RISK REGISTER

- 4.1 None.

5. LEGAL IMPLICATIONS

- 5.1 None.

6. NEXT STEPS

- 6.1 The next formal review of the corporate risk register will take place April 2020. The register may well therefore need to be refreshed.

MIKE PEARSON
Director of Governance & Digital Services

The Institute of Internal Audit Risk in Focus Report – Horizon Scanning

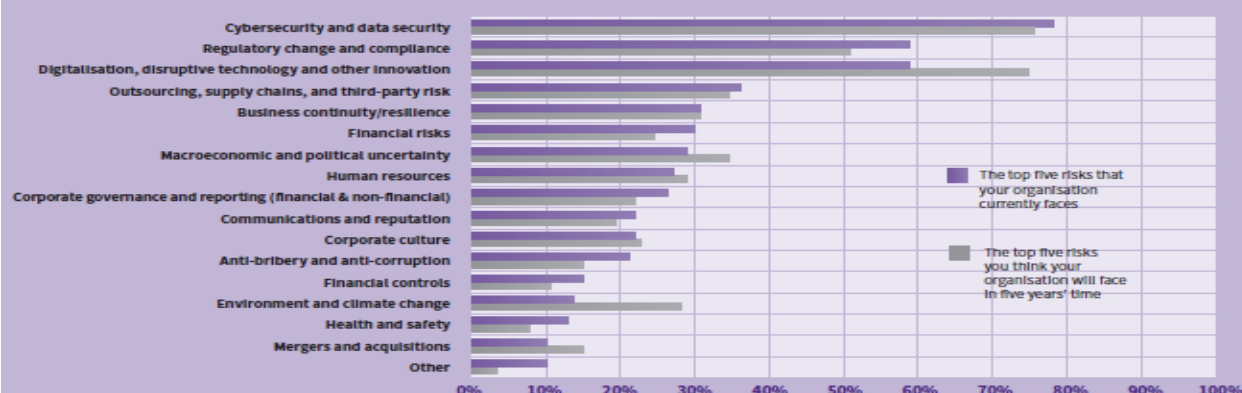
For four years Chief Audit Executives across Europe have shed light on their key business risks. The report is an annual barometer of what strategic leaders perceive as their organisations key risk priorities and what is preoccupying their strategic thinking as forthcoming audit plans are being prepared. The table below is a rundown of this and previous years hot risk topics and gives a sense of how strategic risks develop over time. For more information click either link below to access full report or YouTube clip precis.

<https://www.iaa.org.uk/media/1690710/risk-in-focus-2019-report.pdf>

YouTube: [top 10 risks - 2020](#)

2018	2019	2020
1. GDPR and the data protection challenge	1. Cybersecurity: IT governance & third parties	1. Cybersecurity & data privacy: rising expectations of internal audit
2. Cybersecurity: a path to maturity	2. Data protection & strategies in a post-GDPR world	2. The increasing regulatory burden
3. Regulatory complexity and uncertainty	3. Digitalisation, automation & AI: technology adoption risks	3. Digitalisation & business model disruption
4. Pace of innovation	4. Sustainability: the environment & social ethics	4. Looking beyond third parties
5. Political uncertainty: Brexit and other unknowns	5. Anti-bribery & anti-corruption compliance	5. Business resilience, brand value & reputation
6. Vendor risk and third party assurance	6. Communication risk: protecting brand & reputation	6. Financial risks: from low returns to rising debt
7. The culture conundrum	7. Workplace culture: discrimination & staff inequality	7. Geopolitical instability & the macroeconomy
8. Workforces: planning for the future	8. A new era of trade: protectionism & sanctions	8. Human capital: the organisation of the future
9. Evolving the internal audit function	9. Risk governance & controls: adapting to change	9. Governance, ethics & culture: the exemplary organisation
	10. Auditing the right risks: taking a genuinely risk-based approach	10. Climate change: risk vs opportunity

The top five risks that your organisation currently faces vs the top five risks you think your organisation will face in five years' time:



REPORT REFERENCE NO.	APRC/19/19
MEETING	AUDIT & PERFORMANCE REVIEW COMMITTEE
DATE OF MEETING	13 NOVEMBER 2019
SUBJECT OF REPORT	DEVON & SOMERSET FIRE & RESCUE SERVICE PERFORMANCE REPORT: APRIL TO SEPTEMBER 2019/20
LEAD OFFICER	DIRECTOR OF SERVICE IMPROVEMENT
RECOMMENDATIONS	<i>That the report be noted.</i>
EXECUTIVE SUMMARY	<p>Attached for consideration and discussion is the Devon & Somerset Fire & Rescue Authority Performance Report for the reporting period April to September 2019.</p> <p>The report features the measure details together with information on the measure status – in this report a measure status can be classed as ‘positive performance’, ‘monitor performance’ or ‘negative exception’.</p> <p>The measure statuses are established through assessing performance vs previous year and medium to long-term trends. This method gives a rounded picture of performance and directs focus effectively on emerging issues.</p> <p>Where a measure is reported as an exception, an exception report will be included, providing additional information and analysis relating to the measure and identifying whether further action should be considered at this point.</p> <p>Commentary is included to provide additional contextual information related to the measures within the report and highlights the activities that are being carried out to improve performance.</p>
RESOURCE IMPLICATIONS	None
EQUALITY RISKS AND BENEFITS ANALYSIS (ERBA)	None
APPENDICES	A. Devon & Somerset Fire & Rescue Authority Performance Report – April to September 2019/20
LIST OF BACKGROUND PAPERS	Devon and Somerset Fire and Rescue Authority Corporate Plan 2013/14 – 2014/15

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DEVON &
SOMERSET
FIRE & RESCUE SERVICE

April to September 2019/20 Performance Report

Audit and Performance Review Committee

Strategic Analysis Team

Devon & Somerset
Fire & Rescue Service

23/10/2019

Contents

Page	Description
3	Contents
4	Introduction
5	Executive Summary
6	Measure Status
7 to 10	Measures 1-3: Performance against measures relating to fires in the home, exception reports and commentary on associated activities.
11 to 16	Measures 4-6 Details: Performance against measures relating to fires where people work, visit and in vehicles, exception reports and commentary on associated activities.
17 to 18	Measures 7-8 Details: Performance against measures relating to emergency response standards (ERS) to fires in the home and road traffic collisions (RTCs), exception reports and commentary on associated activities.
19	Sickness Absence Performance: April 2019 to August 2019

Introduction

Devon & Somerset Fire & Rescue Service (DSFRS) is the largest non-metropolitan fire and rescue service in England. DSFRS provide prevention, protection and response services across the counties of Devon and Somerset (including Torbay and Plymouth).

There are 85 fire stations in the service area, the second largest number in England, and over 1,900 dedicated staff who work to protect the 1.7 million people who live in the area. This alongside the estimated 400,000 people who visit the counties throughout the year.

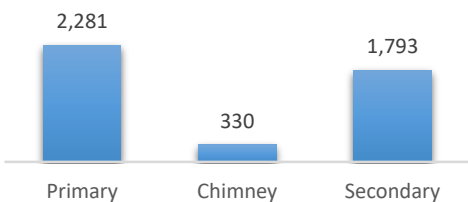
The fire and rescue service does not just rescue people from burning buildings and put out fires. In the 12 month period from October 2018 to September 2019 there were over 15,600 incidents attended in the Devon and Somerset service area, a breakdown of the incidents¹ can be seen below:

FIRES: 4,404

Primary Fires - generally larger more complex incidents, those with casualties or fatalities or those occurring in dwellings.

Chimney Fires - fires restricted to the confines of the chimney.

Secondary Fires - minor fires, no casualties.

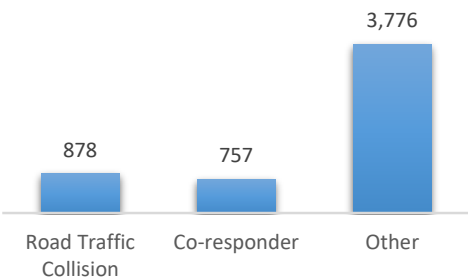


SPECIAL SERVICE: 5,411

Road Traffic Collisions (RTCs) attended by DSFRS - not fires.

Medical emergencies include Co-responder incidents for which DSFRS provide first response on behalf of the South West Ambulance Service Trust (SWAST).

Other incidents include flooding, rescue from height, animal rescue

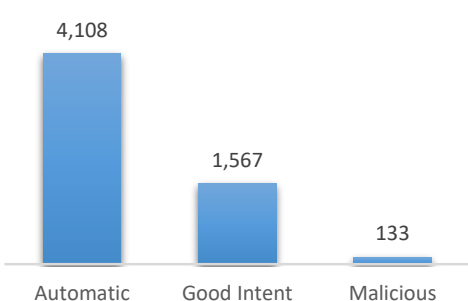


FALSE ALARMS: 5,808

Automatic Fire Alarm (AFAs) - calls initiated by fire alarm or fire-fighting equipment operating.

False Alarm Good Intent - calls made in the belief that the Service would attend an emergency incident.

Malicious False Alarm – calls made with the intention of getting the Service to respond to a non-existent incident.



As well as providing a response to emergencies DSFRS is committed to providing community safety advice, education and intervention to keep its community and its visitors safe and prevent incidents from happening. This can be by ensuring that the responsible person in a business premises is adhering to fire safety legislation, or through community safety activities such as home safety visits, RTC education and youth intervention programmes.

¹ At the point of extraction 60 incidents were incomplete on the Incident Recording System and are therefore not included in the incident breakdown as full details are not available.

Executive Summary

The April to September 2019/20 Performance Report sees four of the eight corporate measures showing positive performance, two showing negative performance and two requiring monitoring.

Positive performance

There have been 440 **fires where people live** during quarter 1 (Q1) and quarter 2 (Q2) 2019/20, a reduction of just under one per cent compared to previous year (443). During the 12 month period to the end of September 2019 there were 923 fires, a reduction of just under eight per cent compared to previous year (1,000 fires). Rolling three and five-year trends are positive, with the exception of deliberate fires which are showing an upward trend over 5 years, although numbers remain low.

There have been 13 **fire-related injuries where people work, visit and in vehicles** during Q1 and Q2 2019, a reduction of just under 19 per cent compared to previous year (16 injuries). This is despite a slight increase injuries caused from accidental fires (one incident). During the 12 month period covering the year-ending September 2019 there were 21 injuries, a decrease of 30 per cent compared to previous year (30).

During Q1 and Q2 2019/20 the Service met its **emergency response standards for fires where people live** for 75 per cent of incidents, an increase of two percentage points compared to previous year. For incidents within the 10 minute station response zones attainment of the standard rose to 87 per cent, an increase of just under four percentage points compared to previous year. During the 12 month period to the end of September 2019 the Service met the standard on 74 per cent of occasions, an increase of three percentage points compared to previous year. For incidents within the 10 minute response zone the standard was achieved on 85 per cent of occasions.

During Q1 and Q2 2019/20 the Service met its **emergency response standards for road traffic collisions** for 79 per cent of incidents, an increase of three percentage points compared to previous year. For incidents within the 15 minute station response zones attainment of the standard rose to 86 per cent, consistent with previous year. During the 12 month period to the end of September 2019 the Service met the standard on 78 per cent of occasions, an increase of three percentage points compared to previous year. For incidents within the 15 minute response zone the standard was achieved on 86 per cent of occasions.

Monitoring Performance

There have been 34 **fire-related injuries where people live** during Q1 and Q2 2019, a reduction of just over eight per cent compared to previous year (37 injuries). However, for the 12 month period covering the year-ending September 2019 there were 82 injuries, an increase of just under 11 per cent compared to previous year (74 injuries).

There have been 768 **fires where people work, visit and in vehicles** during Q1 and Q2 2019, a reduction of just over two per cent compared to previous year (784 fires). However, the 12 month period to the end of September 2019 saw 1,358 fires, an increase of just over three per cent compared to previous year (1,326 fires); the increase is attributed to a rise in primary vehicle fires.

Negative Performance

Fire-related deaths where people live is in negative exception due to one possible fire-related death during Q1 and Q2 2019/20. The Service is awaiting confirmation on the cause of death from the Coroner.

Fire-related deaths where people work, visit and in vehicles is in exception due to one possible fire-related death during Q1 and Q2 2019/20. The Service is awaiting confirmation on the cause of death from the Coroner.

Measure Status

The performance status of reportable measures is established through analysis of performance vs previous year and medium / long term trends. Where a measure is reported as an exception an exception report will be included in the document. This report will provide additional information and analysis relating to the measure and will identify whether further action should be considered at this point.













Statuses: ✓ = Good Performance ! = Monitor Performance ✗ = Negative Exception

KPI No.	Description	Status	Page
1	Fire-related deaths where people live	✗	7
2	Fire-related injuries where people live	!	7
3	Fires where people live	✓	7
4	Fire-related deaths where people work, visit and in vehicles	✗	11
5	Fire-related injuries where people work, visit and in vehicles	✓	11
6	Fires where people work, visit and in vehicles	!	11
7	Emergency Response Standard - first appliance in attendance at fires where people live within 10 minutes of emergency call answer	✓	17
8	Emergency Response Standard - first appliance in attendance at Road Traffic Collisions within 15 minutes of emergency call answer	✓	17

Performance Measures 1-3

Measure 1: Fire-related deaths where people live

Status 













	Q1 & Q2 19/20	Q1 & Q2 18/19	Var.		Year-end 30/09/19	Year-end 30/09/18	Var.		Rolling 3 Year Trend	Rolling 5 Year Trend
Total	1	3	-66.7%		2	5	-60.0%			
Accidental	1	3	-66.7%		1	5	-80.0%			
Deliberate	0	0	0.0%		1	0	NA			

This is a critical to quality measure and is given a status of "negative exception" should any fire-related death be recorded during the reporting quarters.

It is notable that there has been a reduction compared to previous year both for Q1 and Q2 2019 and the year-ending September 2019 (12 month period).

Measure 2: Fire-related injuries where people live

Status 

	Q1 & Q2 19/20	Q1 & Q2 18/19	Var.		Year-end 30/09/19	Year-end 30/09/18	Var.		Rolling 3 Year Trend	Rolling 5 Year Trend
Total	34	37	-8.1%		82	74	10.8%			
Accidental	25	31	-19.4%		70	65	7.7%			
Deliberate	9	6	50.0%		12	9	33.3%			













This measure has received a status of "monitor performance".

There has been a reduction in injuries requiring hospitalisation of just over eight per cent (three fewer injuries) during Q1 and Q2 2019 compared to previous year. However, for the 12 month period covering the year-ending September 2019 there has been an increase of just over 10 per cent (eight additional injuries) compared to previous year.

The three and five-year data is showing upward trends for all elements of the measure.

Measure 3: Fires where people live

Status 

	Q1 & Q2 19/20	Q1 & Q2 18/19	Var.		Year-end 30/09/19	Year-end 30/09/18	Var.		Rolling 3 Year Trend	Rolling 5 Year Trend
Total	440	443	-0.7%		923	1000	-7.7%			
Accidental	384	404	-5.0%		834	924	-9.7%			
Deliberate	56	39	43.6%		89	76	17.1%			

This measure has received a status of "good performance".

There has been a reduction in dwelling fires of just under one per cent during Q1 and Q2 2019, compared to previous year. This is despite a 44 per cent increase in deliberate dwelling fires (17 incidents).

During the 12 month period covering the year-ending September 2019 there has been an decrease in dwelling fires of just under eight per cent (77 incidents) compared to previous year.

Trends for total dwelling fires and accidental dwelling fires are all positive, however the five-year trend for deliberate dwelling fires is showing a slight increase.

Exception report: fire-related deaths where people live

Measure 1: Fire-related deaths where people live

Status ✖

	Q1 & Q2 19/20	Q1 & Q2 18/19	Var.		Year-end 30/09/19	Year-end 30/09/18	Var.		Rolling 3 Year Trend	Rolling 5 Year Trend
Total	1	3	-66.7%	✓	2	5	-60.0%	✓	↓	↓
Accidental	1	3	-66.7%	✓	1	5	-80.0%	✓	↓	↓
Deliberate	0	0	0.0%	✓	1	0	NA	✗	↑	↓

Why is this an exception?

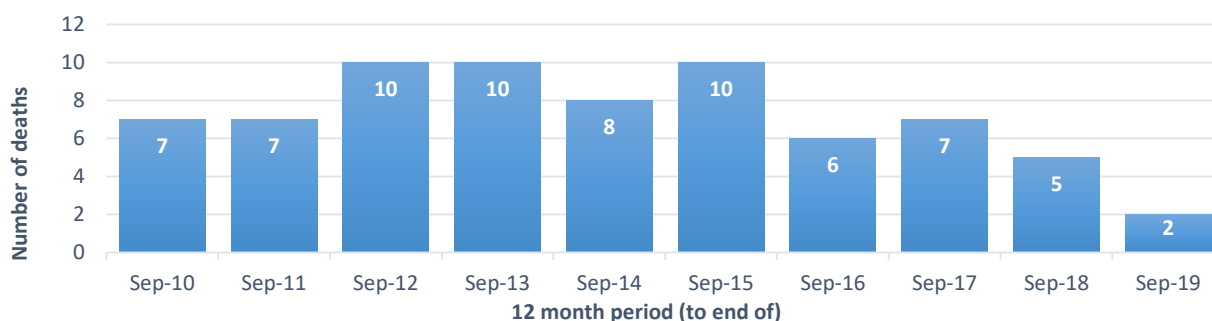
This is a critical to quality measure and is given a status of "negative exception" should any fire-related death be recorded during the reporting quarters.

It is notable that there has been a reduction compared to previous year both for Q1 and Q2 2019 and the year-ending September 2019 (12 month period).

Analysis

There has been one potential fire-related death where people live during the first six months of the 2019/20 financial year. During the 12 month period to the end of September 2019 there were a total of two fire-related deaths, the lowest number in the last ten years.

Chart 1: Number of fire-related¹ deaths where people live



The two deaths reported during the year-ending September 2019 resulted from separate incidents:

1) 6th June 2019, Teignmouth, Devon (awaiting confirmation of cause of death)

On the 6th June 2019 at 14:15, DSFRS were called to gain entry to a house where there were concerns about the safety of the occupant who had not been seen for two days. On arrival, the crews discovered an 81-year-old male, deceased in the kitchen. The hob was on and there was a small fire in a pan involving food. The victim was deceased prior the arrival of the fire service. The outcome of the Coroner's inquest is yet to be received, if it is deemed not be fire-related, this death will not be included within this measure.

2) 18th November 2018, Taunton, Somerset (awaiting confirmation of cause of death)

On the 18th November 2018 at 15:57, DSFRS attended a fire in a house in Taunton following a call from Avon & Somerset Police. The first appliance arrived just over five minutes after the call was received, the second appliance was in attendance in just over six minutes. The fire was found to have been started deliberately by the occupant with multiple seats of fire identified. The crews discovered a 57-year-old male who had sustained intentional non-fire related injuries prior to the escalation of the fire. It is thought that the victim was already deceased before the arrival of the fire service. While the outcome of the Coroner's inquest is yet to be received it is anticipated that the cause of death will not be fire-related, if so this death will not be included within this measure.

Action required

No further action is required at this time.

Measures 1-3 Commentary

Community Safety Prevention Activities

In the 12 months from 1st October 2018 to 30th September 2019 the Service conducted over 9,500 targeted Home Safety Visits (HSV) to households identified as needing our expert guidance and support.

The Service works closely with colleagues in other agencies and third sector organisations to build partnerships that enable it to ensure that resources provide maximum benefit to the community.

Engagement with local communities is conducted in a variety of ways including educating children and young people through schools talks and structured programmes such as Fire Cadets, Phoenix and FireSetters. In addition to the Home Safety Visit activities, from 1st April 2018 to 31st March 2019, the Service undertook over 3,000 preventative activities to improve public safety.

Activity update: Partnerships

Effective partnerships are key to generating high quality referrals for HSV. The Service's Partners refer vulnerable clients that are assessed as being at heightened risk from fire. During the reporting period, the Service formed 57 new partnerships.

The Service works with its Partners to provide them with the knowledge and understanding to enable them to identify at risk households. The top referring partners, where at least 50 per cent of the referrals lead to a HSV, are: Devon Carers - 86 referrals (Greater Devon), South Somerset Careline - 82 referrals (Somerset), LEAP - 92 referrals (Devon), and Livewell South West - 109 referrals (Plymouth and West Devon).

Activity update: Home Safety

The Home Safety app is now embedded and has led to an increase in the number of HSV being provided to clients.

Through joint funding with Historic England and NFU Mutual the Service is targeting thatched roof properties and working with the Communications Team to use social media for an ongoing campaign.

The Service's screening process has been amended and thatch property owners now qualify automatically for a home safety visit. This key decision was made as the Service's Integrated Risk Management Plan has identified the financial burden that fires in these houses place on the organisation as well as the socio-economic cost to communities during and after an incident.

Warm packs comprising thermal clothing have been purchased and are on every Home Safety Technician van. Aimed at vulnerable people suffering from fuel poverty, in addition to signposting them to energy support agencies

Where issues are identified at operational incidents personnel generate Home Safety Visit and safeguarding referrals through the SORT incident recording app.

Activity update: Safeguarding

The safeguarding team received 250 referrals from 1st April 2019 to 30th September 2019.

Training has been provided for all new technicians to ensure the appropriate level of safeguarding awareness and to make sure referrals are received that enable the correct level of support to be provided for adults and children at risk. The team continue to liaise closely with the technicians, with around half (125) of referrals received generated by Home Safety Technicians.

Information on fire risks are shared with partner agencies or referred into Adult Social Care or Mental Health Teams.

Measures 1-3 Commentary

A number of multi-agency meetings have been initiated by the safeguarding team to ensure adults at risk are safeguarded and risks reduced through a multi-agency approach.

Activity update: FireSetters

Between the 1st April 2019 and the 30th September 2019, 45 referrals were received through the Firesetter programme. These came from a range of partner agencies including the Police, Youth Offending Teams and Social Services.

A number of Key Stage 3 (Heat of the Moment) sessions have been delivered to groups where fire-setting behaviours have been identified. Generally these are referrals from the police and they have provided positive feedback on the success of these sessions.

Activity update: Cadets

Fire Cadets is a programme open to young people between the ages of 13 to 17. The programme runs over a full school year; the Cadets are also expected and encouraged to take part in social actions within their communities. Every week during the school term Cadets attend one of the four Fire Cadet Stations for two hours to take part in firefighter activities.

These Stations are:

Wincanton
Frome
Plymouth
Tiverton

The Service have completed delivery of 21 two-hour cadet drill nights (42 hours per unit) for each of the four cadet units, attended by a total 38 cadets. Of these, 36 have worked hard to complete their BTEC qualification, which is currently being assessed by the Cadet Vocational Qualification Office prior to submission to Pearson for marking. During September the Service ran a Children and Young Persons Advocate recruitment campaign and are currently processing applicants through our stringent pre-security checks as part of our Safer Recruitment. Pending instructor recruitment the Service is planning to have an additional Fire Cadet Unit at Bovey Tracey this Autumn. Operational crews support national and local safety campaigns; this engagement also provides an opportunity to recruit new staff and to promote inclusion and diversity within the workforce.

Performance Measures 4-6

Measure 4: Fire-related deaths where people work, visit and in vehicles

Status ✗

	Q1 & Q2 19/20	Q1 & Q2 18/19	Var.		Year-end 30/09/19	Year-end 30/09/18	Var.		Rolling 3 Year Trend	Rolling 5 Year Trend
Total	1	4	-75.0%	✓	4	4	0.0%	⚠	↑	↑
Accidental	1	4	-75.0%	✓	3	4	-25.0%	✓	↔	↑
Deliberate	0	0	0.0%	✓	1	0	NA	✗	↔	↓

This is a critical to quality measure and is given a status of "negative exception" should any fire-related death be recorded during the reporting quarters.

It is notable that there has been a reduction compared to previous year during Q1 and Q2 2019 and the year-ending September 2019 (12 month period) sees the same number of deaths as previous year.

Measure 5: Fire-related injuries where people work, visit and in vehicles

Status ✓

	Q1 & Q2 19/20	Q1 & Q2 18/19	Var.		Year-end 30/09/19	Year-end 30/09/18	Var.		Rolling 3 Year Trend	Rolling 5 Year Trend
Total	13	16	-18.8%	✓	21	30	-30.0%	✓	↑	↓
Accidental	11	10	10.0%	✗	17	18	-5.6%	✓	↑	↓
Deliberate	2	6	-66.7%	✓	4	12	-66.7%	✓	↓	↑

This measure has received a status of "good performance".

There has been a reduction in injuries of just under 19 per cent during Q1 and Q2 2019, compared to previous year. This is despite a slight increase injuries caused from accidental fires (one incident).

During the 12 month period covering the year-ending September 2019 there has been a decrease in fires where people work, visit and in vehicles of 30 per cent compared to previous year.

Measure 6: Fires where people work, visit and in vehicles

Status !

	Q1 & Q2 19/20	Q1 & Q2 18/19	Var.		Year-end 30/09/19	Year-end 30/09/18	Var.		Rolling 3 Year Trend	Rolling 5 Year Trend
Total	768	784	-2.0%	✓	1358	1326	2.4%	⚠	↑	↑
Accidental	578	585	-1.2%	✓	993	970	2.4%	⚠	↑	↓
Deliberate	190	199	-4.5%	✓	365	356	2.5%	⚠	↔	↑

This measure has received a status of "monitor performance".

There has been a reduction in fires where people work, visit and in vehicles of two per cent during Q1 and Q2 2019, compared to previous year. However, during the 12 month period covering the year-ending September 2019 there has been an increase of just over two per cent compared to previous year.

Trends are showing a mixed picture across the components of the measure, however the total number of fires where people work, visit and in vehicles is presenting an increase both for the three and five-year periods.

Exception report: fire-related deaths where people work, visit and in vehicles

Measure 1: Fire-related deaths where people work, visit and in vehicles

Status ✖

	Q1 & Q2 19/20	Q1 & Q2 18/19	Var.		Year-end 30/09/19	Year-end 30/09/18	Var.		Rolling 3 Year Trend	Rolling 5 Year Trend
Total	1	4	-75.0%	✓	4	4	0.0%	!	↑	↑
Accidental	1	4	-75.0%	✓	3	4	-25.0%	✓	↔	↑
Deliberate	0	0	0.0%	✓	1	0	NA	✗	↔	↓

Why is this an exception?

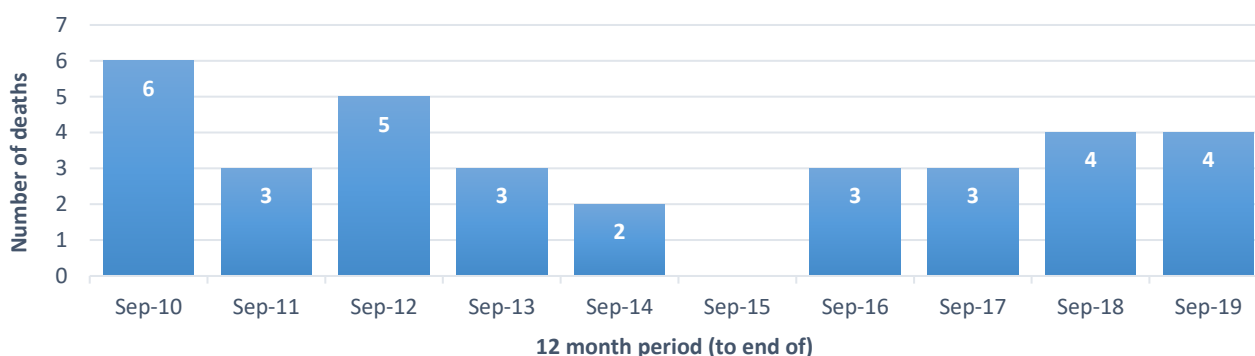
This is a critical to quality measure and is given a status of "negative exception" should any fire-related death be recorded during the reporting quarters.

Fortunately the numbers of fire-related deaths is very low, this means that trends and percentage change must be used with caution.

Analysis

There has been one fire-related death where people live during the first six months of the 2019/20 financial year. During the 12 month period to the end of September 2019 there were a total of four fire-related deaths.

Chart 2: Number of fire-related¹ deaths where people work visit and in vehicles



The four deaths reported during the year-ending September 2019 resulted from separate incidents:

Incident details: 10th July 2019, Holsworthy, Devon

On the 10th July 2019 at 12:52, DSFRS were called to a small fire in the open. The first appliance arrived at the fire in just under nine minutes from the time the initial call was received. On arrival at the fire the Officer in Charge requested additional appliances due to the size and nature of the incident. The fire had spread from an out of control bonfire to a hayfield. An 81-year-old male was discovered with severe burns, despite efforts to resuscitate the man was pronounced dead at the scene.

Incident details - 21st March 2019, Bideford, Devon

On the 21st March 2019 at 07:26, DSFRS were called to a barn fire. The victim was a 74-year-old male who was pronounced dead at the scene by paramedics. The fire is estimated to have been discovered between 5-30 minutes after it started, with the call being placed to the fire service within 5 minutes of discovery at 07:26. Due to the extent of the fire, further information is unavailable at this time.

Exception report: fire-related deaths where people work visit and in vehicles

Incident details: 18th February 2019, Taunton, Somerset

On the 18th February 2019 at 14:09, DSFRS were called to a fire in a private garage (not attached to a dwelling). The victim was a 71-year-old male who died as a result of a combination of burns and being overcome by gas/smoke. The fire was started intentionally through deliberate ignition of own property, with the purpose of suicide. Due to the extent of the fire, the source of ignition could not be determined.

Incident details - 1st October 2018, Exeter, Devon

On the 1st October 2018 at 05:01, DSFRS were called to a fire in a private garage (not attached to a dwelling). The victim was a 31-year-old male, thought to be sleeping in the garage, who died as a result of a combination of burns and being overcome by gas/smoke. The fire started accidentally as a result of combustible articles being placed too close to a heat source. The fire is estimated to have been discovered between 30-120 minutes after it started.

Action required

No further action is required at this time.

Community Safety Protection Activities

DSFRS has a statutory obligation to ensure that non-domestic premises and public events are compliant with fire safety regulations. From 1st October 2018 to 30th September 2019 the Service conducted just under 4,000 fire safety checks and nearly 900 fire safety audits. In addition to this the Service has completed 2,200 building regulation consultations, just under 600 licencing consultations, 400 compliance visits and 4,000 other protection related activities.

Activity Update: Recruitment

The 1st May 2019 saw a change to the way that Community Safety Protection is managed and delivered through the introduction of a Capability Team (responsible for strategy and policy) and a Delivery Team (responsible for delivering protection activity across the Service). This new way of working means that the Service will have a consistent, risk-based approach to protection activity.

Funding has been provided to the Protection Delivery Team to recruit more Fire Safety Officers on a combination of substantive and fixed term contracts. This has enabled the recruitment of an additional nine Fire Safety Officers, equating to 6.5 full time posts, starting from September 2019 onwards. Three Green Book Staff (non-uniformed) from support departments have also been recruited on a fixed term basis, qualifying them to undertake Fire Safety Checks.

Activity Update: Systems

The upgrade of the Community Fire Risk Management Information System is being supported by the team, the changes to the system will facilitate the continued roll out of the 'National Short Audit' process. This will provide a more balanced approach, reducing the burden on compliant businesses and increasing the efficiency of fire safety officers.

As key stakeholders and future product owners, the Protection team continue to support the design and build of the Management of Risk Information (MORI) Protection App that is being developed as part of the Safer Together Programme. In addition to mobile working, this will deliver real-time risk critical information to operational response crews when fire safety deficiencies have been identified during inspections.

The Service continues to Chair the Southwest National Fire Chiefs Council (NFCC) Protection Group sharing learning with partner Fire and Rescue Services (FRS) at a local and national level. The Service is represented at a national level on a number of working groups associated with the 'Hackett Report' outcomes including Fire Engineering Apprentices and Technical Standards, High Risk Accommodation Group.

An Event Safety Advisory Groups (ESAG) and Safety Advisory Group (SAG) Calendar including an automatic data sharing process with Risk, Emergency Planning and National Inter-agency Liaison Officers (NILO) has been introduced. This will ensure risk critical information about large venues and events is shared in a timely and accurate manner.

The Protection Delivery Team have been working on the introduction of a fire safety helpdesk for internal and external stakeholders that will be available between 9am and 5pm. This will replace the existing approach of having a fire safety contact point in each of the six Groups. The new service will be rolled out during November 2019 on a recorded line with a secure task allocation process for improved customer experience and compliance with General Data Protection Regulation (GDPR) requirements. This will also release additional capacity within admin support teams to assist with other priorities.

Activity Update: Groups

Following a successful trial within the Yeovil Response Group, fire safety compliance workshops targeted at premises providing and managing sleeping accommodation at boarding schools will be rolled out across the Service.

Within Barnstaple Response Group, Fire Safety Officers continue to carry out joint inspections at Licenced 'Houses in Multiple Occupation' targeting properties within areas of significant deprivation.

Within the Exeter Response Group, the team have been continuing to work with the District Councils' Housing and Licencing Department with a focus on to supporting landlord compliance. Related housing inspections have led to DSFRS evidence supporting a successful prosecution for serious fire safety failings.

Activity Update: Enforcement

The Service has successfully concluded three prosecutions by issuance of a 'simple caution' and through guilty pleas to offences charged against the 'responsible person' under the Fire Safety Order 2005. There are currently six active investigations underway that are at various stages of the legal process.

The team continue to engage with the call for evidence initiative / Building a Safer Future (Post Grenfell) and have contributed to reviews of:

- Regulatory Reform (Fire Safety) Order 2005,
- NFCC Competency framework,
- Review of LACORS fire safety guidance,
- Building Regulations,
- Do you have paying guests,
- Sprinkler Review of High Rise Homes,
- Freedom of Information requests for information.

Activity Update: Partnerships

Developing and maintaining successful partnerships with businesses and partner agencies is essential to support improved understanding of regulatory requirements and ensure that the places where people work and visit are compliant and aware of fire safety.

Liaison with hospitals, universities, housing providers, the Care Quality Commission and Environmental Health is a key delivery activity. The Service also works closely with council's Building Control Departments, communicating regularly regarding building developments to ensure compliance with fire safety regulations.

In order to ensure a consistent approach Protection Delivery Staff have been working with Local Authority Housing Teams to introduce a common 'Memorandum of Understanding' on the enforcement of fire safety in blocks of flats and Houses in Multiple Occupation. The Service works with these partners to deliver joint inspections of premises.

Ongoing support is provided to eight Primary Authority Partners, reviewing their fire safety policies and procedures to ensure compliance.

The Service continues to support the Best Bar None scheme which was recognised in the Service's "Celebrating Our Success" annual awards as winners of the "Making a difference" category.

Measures 4-6 Commentary

The Service has attended Safety Advisory Groups (SAG) at Plymouth Argyle Football Club, Plymouth Albion RFC, Torquay United Football Club and Newton Abbot Racecourse. The SAG meetings enable the Service to support local authorities to discharge responsibilities under the Safety at Sports Grounds Act, providing technical support and guidance.








Activity update: Inspection Programmes

Fire Risk Event Data is the Service's primary tool in addition to 'Post Fire' and 'Local Intelligence' for the targeting of Fire Safety Checks and Audits. It is a database of premises that have been identified as most likely to have a fire within the next 12 months and is now centrally managed and allocated to operational crews and fire safety officers. This has released capacity and led to an increase in the output of Fire Safety Checks and Fire Safety Audits, bringing delivery in line with expected performance, further improvements are anticipated for Q3 and Q4 2019/20.

The Service contributes to the NFCC High Rise Coordination Group, responding to ongoing requests for informative updates such as interim measures survey updating NFCC on buildings of interest.

Performance Measures 7 & 8

Measure 7: Emergency Response Standard - first appliance in attendance at fires where people live within 10 minutes of emergency call answer Status

	Q1 & Q2 19/20	Q1 & Q2 18/19	Var.		Year-end 30/09/19	Year-end 30/09/18	Var.		Rolling 3 Year Trend	Rolling 5 Year Trend
Total	74.8%	72.8%	2.0%		73.6%	70.8%	2.8%			
Inside 10 min zone ¹	87.0%	83.3%	3.8%		85.4%	84.3%	1.1%			N/A

¹Response zone: 10 mins - estimated call handling (90 secs) - estimated turnout (wholetime: 90 secs, on-call: 270 secs)








This measure has received a status of "good performance".

Q1 and Q2 2019/20 have seen an increase in the total proportion of incidents meeting the response standard of just under two per cent compared to previous year. Within the 10 minute station response zones there has been a greater increase of just under four per cent.

Figures for the year-ending September 2019 are also positive, with an increase of just under three per cent for total dwelling fire incidents attended and just over one percent for those within the 10 minute station response zones.

During the year-ending September 2019 over 85 per cent of dwelling fires occurred within the 10 minute station response zones.

Measure 8: Emergency Response Standard - first appliance in attendance at Road Traffic Collisions within 15 minutes of emergency call answer Status

	Q1 & Q2 19/20	Q1 & Q2 18/19	Var.		Year-end 30/09/19	Year-end 30/09/18	Var.		Rolling 3 Year Trend	Rolling 5 Year Trend
Total	79.1%	75.9%	3.2%		78.0%	75.0%	3.0%			
Inside 15 min zone ²	85.6%	85.5%	0.1%		85.7%	84.6%	1.1%			N/A

²Response zone: 15 mins - estimated call handling (90 secs) - estimated turnout (wholetime: 90 secs, on-call: 270 secs)

This measure has received a status of "good performance".

Q1 and Q2 2019/20 have seen an increase in the total proportion of incidents meeting the response standard of just over three per cent compared to previous year. Within the 15 minute station response zones performance has remained consistent with previous year.

Figures for the year-ending September 2019 are also positive, with an increase of three per cent for total RTCs attended and just over one percent for those within the 15 minute station response zones.

During the year-ending September 2019 just under 83 per cent of RTCs occurred within the 15 minute station response zones.

Activity Update: Groups

Groups are managing crewing shortages to provide the best possible response to the community. However, challenges such as long-term sickness and vacancies put a severe strain on Group's resources. The Groups continue to work hard to recruit, retain and manage On-Call crews.

The challenges of recruitment, retention and availability are compounded by the highly affluent nature of some of the local populations and the prohibitively expensive housing associated with this. There are plans to take advantage of the desirability of the area and advertise nationally for both firefighters and Station Commanders.

Flexible crewing is proving successful in improving availability and in some areas Groups are exploring utilising this approach at further locations. Flexible crewing and a standardised crewing model based on applying for availability is being considered by Representative Bodies. If accepted this will have a positive effect on maintaining availability across the Groups.

Working with the On-Call Development Manager, several stations have tested the updated Gartan screen, showing several hours rather than the 'live' version, allowing more effective management of availability.

Some On-Call stations are given additional time on drill nights to effectively forecast and plan availability for the week, reducing Operational Resource Centre (ORC) involvement. Additionally, Wholtime crews are proactive in providing cover to On-Call stations when they have a crew in excess of five. This is seen as a real positive, improving availability prior to ORC involvement.

Firefighter development hubs have been set up at various locations to ensure new firefighters are able to progress locally and help with appliance availability sooner. Groups are delivering pre Incident Command System (ICS) evenings, with 12 potential Incident Commanders currently undertaking additional training and development. This training will increase the number of personnel that have these essential skills, improving appliance availability.

"Have a go" days are planned to take place across the Service area. These sessions enable members of the public to handle the equipment under controlled conditions and have the opportunity to talk to personnel about working for the Service.

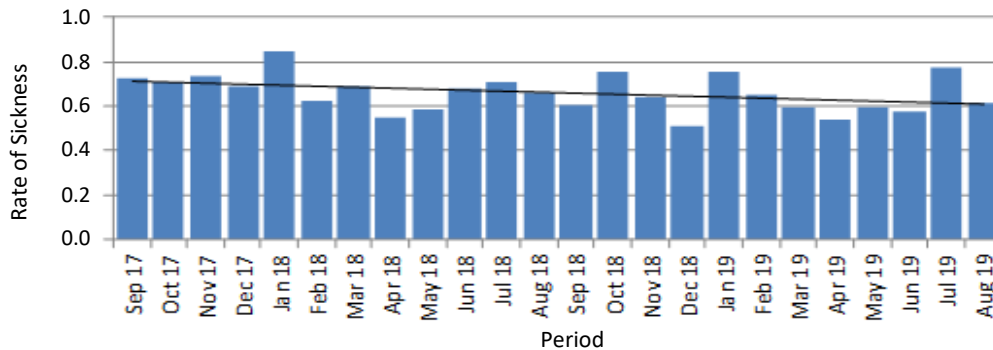
The Groups are engaged in recruitment across the group to ensure sufficient crewing is maintained; supporting availability, public and staff safety. This is being targeted to ensure that the best possible candidates are recruited to provide cover at the times when it is most needed and a workforce that is reflective of the community, by engaging more with females and those from minority groups.

Performance Overview - Sickness (April 2019 to August 2019)

Priority: Staff Safety - Sickness Rates

Measure Breakdown	Actual Apr-19 to Aug-19	Previous Apr-18 to Aug-18	% Variance
Sickness Rates (All Staff)	3.09	3.17	-2.5%

Average sick days taken per person, per month



Sickness Rates by Post Type Apr-19 to Aug-19	Wholetime Station Based Staff			Wholetime Non-Station Staff		
	Actual	Previous	% Var.	Actual	Previous	% Var.
Overall Sickness Rate	3.83	3.76	1.8%	2.74	1.71	60.4%
Days / Shifts Lost	1420.5	1373.0	3.5%	509.0	328.0	55.2%
Sickness Rate - Long Term*	2.62	2.51	4.4%	1.83	1.06	72.3%
Days / Shifts Lost - Long Term	971.5	915.0	6.2%	340.0	204.0	66.7%
Sickness Rate - Short Term Cert**	0.48	0.53	-9.2%	0.61	0.29	110.5%
Days / Shifts Lost - ST Cert.	179.0	194.0	-7.7%	114.0	56.0	103.6%
Sickness Rate - Short Term***	0.73	0.72	0.6%	0.30	0.35	-16.4%
Days / Shifts Lost - ST	270.0	264.0	2.3%	55.0	68.0	-19.1%

Sickness Rates by Post Type Apr-19 to Aug-19	Control			Support Staff		
	Actual	Previous	% Var.	Actual	Previous	% Var.
Overall Sickness Rate	3.39	3.94	-14.1%	2.30	3.32	-30.8%
Days / Shifts Lost	115.0	134.7	-14.6%	629.3	835.5	-24.7%
Sickness Rate - Long Term	2.12	1.78	19.4%	1.41	2.17	-35.2%
Days / Shifts Lost - Long Term	72.0	60.7	18.7%	385.8	546.7	-29.4%
Sickness Rate - Short Term Cert.	0.65	1.35	-51.9%	0.23	0.52	-55.8%
Days / Shifts Lost - ST Cert.	22.0	46.0	-52.2%	63.5	130.5	-51.4%
Sickness Rate - Short Term	0.62	0.82	-24.5%	0.66	0.63	4.4%
Days / Shifts Lost - ST	21.0	28.0	-25.0%	180.1	156.4	13.7%

* Long Term Sickness: >28 Calendar Days

** Short-Term Certified Sickness: 8 to 28 Calendar Days

*** Short Term Sickness: <8 Calendar Days

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