



DEVON & SOMERSET FIRE & RESCUE AUTHORITY

**M. Pearson
CLERK TO THE AUTHORITY**

**To: The Chair and Members of the Audit &
Governance Committee**

(see below)

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AUDIT & GOVERNANCE COMMITTEE
(Devon & Somerset Fire & Rescue Authority)

Friday, 30th July, 2021

A meeting of the Audit & Governance Committee will be held on the above date, **commencing at 10.00 am in the Committee Rooms, Somerset House, Devon & Somerset Fire & Rescue 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 - 6)

To sign as a correct record the Minutes of the meeting of the [former] Audit & Performance Review Committee held on 5 March 2021 (as attached).

Note: this Committee was decommissioned by the Authority at its annual meeting on 29 June 2021 and was replaced by the Audit & Governance Committee.

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 Financial Statements 2020-21 (Pages 7 - 10)

Report of the Treasurer (AGC/21/1) attached.

5 Audit Findings for the Devon & Somerset Fire & Rescue Authority (Pages 11 - 40)

The Audit Findings for the Devon & Somerset Fire & Rescue Authority is a document prepared by Grant Thornton, the Authority's External Auditor. The document sets out the external Audit Findings and would normally be accompanied by the Authority's Financial Statements for the year ended 31 March 2020. Whilst Grant Thornton has submitted its Audit Findings (as attached for information), the Value for Money work has not been completed due to delays associated with the Covid-19 pandemic and therefore, it has not issued the Auditor's Annual Report. Grant Thornton expects to publish its report no later than 30 September 2021 (a paper elsewhere on the agenda for this meeting refers). Appendix D of the Audit Findings document constitutes the required audit letter explaining the reason for the delay for the purposes of compliance with the 2020 Code of Audit Protection.

6 Internal Audit 2020-21 Year-end Report (Pages 41 - 50)

Report of the Director of Governance & Digital Services (AGC/21/2) attached.

7 Internal Audit 2021-22 Quarter 1 Progress Report (Pages 51 - 60)

Report of the Director of Governance & Digital Services (AGC/21/3) attached.

8 Local Pension Board Annual Report 2020-21 (Pages 61 - 68)

Report of the Director of Governance & Digital Services (AGC/21/4) attached.

9 Authority Policy on the Regulation of Investigatory Powers Act 2000 (RIPA) Review (Pages 69 - 72)

Report of the Director of Governance & Digital Services (AGC/21/5) attached.

MEMBERS ARE REQUESTED TO SIGN THE ATTENDANCE REGISTER

Membership:-

Councillors Healey MBE (Chair), Brazil, Dr. Buchan, Napper, Parker-Khan, Prowse (Vice-Chair), Roome, Thomas and Vijeh

NOTES

1. **Access to Information**

Any person wishing to inspect any minutes, reports or lists of background papers relating to any item on this agenda should contact the person listed in the “Please ask for” section at the top of this agenda.

2. **Reporting of Meetings**

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.

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.

3. **Declarations of Interests at meetings (Authority Members only)**

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:

- (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.

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.

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.

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.

	NOTES (Continued)
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 Orders, 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>
6.	<p><u>Other Attendance at Committees)</u></p> <p>Any Authority Member wishing to attend, in accordance with Standing Orders, a meeting of a Committee of which they are not a Member should contact the Democratic Services Officer (see “please ask for” on the front page of this agenda) in advance of the meeting.</p>

AUDIT & PERFORMANCE REVIEW COMMITTEE

(Devon & Somerset Fire & Rescue Authority)

5 March 2021

Present:

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

In attendance:

Andrew Davies – Grant Thornton (the Authority's External Auditors)

* **APRC/38**

Minutes

RESOLVED that the Minutes of the meeting held on 19 November 2020 be approved as a correct record.

* **APRC/39**

External Audit Progress Report and Sector Update

The Committee received, for information, an external audit progress report and sector update from Grant Thornton (the Authority's external auditor) covering, amongst other areas:

- A summary of emerging national and sector issues and developments relevant to the fire & rescue service;
- An update on progress made up to February 2021;
- Details of a change in engagement lead from Aditi Chandramouli to Andrew Davies;
- The 2020-21 audit deliverables;
- Details of The Redmond review, the Independent Review into the Oversight of Local Audit and the Transparency of Local Authority Financial Reporting which was published on 8 September. One of the key recommendations of this review was to move back to a September deadline for Local Authorities for publishing audited local authority accounts be revisited with a view to extending it to 30 September from 31 July each year.
- The changes to the Value for Money (VFM) assessment process as a result of the introduction of a new Code of Practice by the National Audit Office (NAO), introducing a new "Auditor's Annual report"; and

It was noted that there were three main changes arising from the NAO's new approach, namely:

- A new set of key criteria, covering governance, financial sustainability and improvements in economy, efficiency and effectiveness;

- More extensive reporting, with a requirement on the auditor to produce a commentary on arrangements across all of the key criteria, rather than the current 'reporting by exception' approach; and
- The replacement of the binary (qualified /unqualified) approach to VfM conclusions, with far more sophisticated judgements on performance, as well as key recommendations on any significant weaknesses in arrangements identified during the audit.

The new approach to VFM would refocus work to provide more timely reporting and clearer recommendations in order to assist local authorities to improve.

NB. Minute APCR/40 below also refers.

* **APRC/40**

External Audit Plan 2020-21

The Committee received for information an external audit plan for the year ending 31 March 2021 from the Authority's auditors, Grant Thornton. The Plan provided the scope and timings for the statutory audit of Devon & Somerset Fire & Rescue Authority's financial statements. It also identified, amongst others, areas of significant risks for the Service, issues of materiality and details of Value for Money arrangements.

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

- Revenue recognition (rebutted);
- Management override of controls;
- The valuation of land and buildings; and
- The valuation of pension fund net liability.

Attention was also drawn to the Value for Money arrangements and in particular, financial sustainability. ISA540 was also highlighted as the key question was how the Authority understood, challenged and managed estimates going into the Statements of Assurance. It was noted that Grant Thornton had produced a document that set out how estimates were calculated for guidance.

Reference was made to the materiality level which had been set at £1.850m (2% of gross expenditure) which reflected the auditor's good experience of working with this Authority and the robust accounts that it prepared. A lower materiality figure of £20k had also been set in respect of senior officers' pay.

The report also set out the level of proposed audit fees for the 2020-21 audit of financial statements which had been set at £31291.

*NB. Minute *APRC/39 above also refers.*

* **APRC/41** **Group Accounts for Devon & Somerset Fire & Rescue Authority and Red One Ltd.**

The Committee considered a report of the Director of Finance & Resourcing (Treasurer) (APRC/21/1) that set out the position in respect of the provision of group accounts for the Authority's trading company, Red One Limited in 2020-21.

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

It was noted that this position may change in the 2021-22 accounts due to the expected increase in turnover for Red One Limited in future.

RESOLVED that the accounts of Red One Limited be not consolidated into group accounts for the 2020/21 financial year.

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

* **APRC/42** **Audit & Review 2020-21 Progress Report**

The Committee received for information a report of the Director of Governance & Digital Services (APRC/21/2) that set out the progress made to date by the Service against the approved 2020-21 Internal Audit Plan and which also provided an update on any additional reviews undertaken.

The following points were also highlighted:

- 4 audits were in progress as set out in the report;
- A draft report on psychological safety was now completed;
- One report was available on Operational Training in the Academy although there was nothing to indicate inclusion in the Authority's Annual Statement of Assurance; and
- the efforts of the Risk & Insurance team in supporting the work under the audits was highlighted.

* **APRC/43** **2021-22 Draft Internal Audit Plan**

The Committee considered a report of the Director of Governance & Digital Services (APRC/21/3) identifying the proposed Internal Audit Plan for 2021-21. The Plan was divided into audits to be undertaken on an annual cycle by both internal resources (115 days) and the Devon Audit Partnership (117 days) on a risk based approach. The report set out a high level summary of what was proposed and it was confirmed that this was within the budget set by the Fire & Rescue Authority at its meeting in February 2021. The Plan was subject to flexibility if emerging risks arose.

Reference was made to the position on fitness testing which had been a cause for concern identified by Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) and was subject to review currently. HMICFRS would be looking carefully at whether the changes made by the Service had impacted. Additionally, it was noted that there was work being undertaken on application of learning, such as on the Grenfell recommendations with a lot of work on planning and continuous improvement.

RESOLVED that the 2021-21 Internal Audit Plan as appended to report APRC/21/3 be approved.

* **APRC/44** **2020-21 Draft Annual Statement of Assurance**

The Committee considered a report of the Director of Governance & Digital Services (APRC/21/4) to which was appended the draft Annual Statement of Assurance for 2020-21.

The Statement had been prepared to comply with the requirements of the Accounts and Audit (England) Regulations 2015 and the latest version of the Fire and Rescue National Framework and examining organisational systems of internal financial control, corporate governance along with operational assurance.

RESOLVED that the draft Annual Statement of Assurance 2020-21 as appended to report APRC/21/4 be approved in principle and submitted to the External Auditor alongside the draft Statement of Accounts for the same financial year.

* **APRC/45** **Corporate Risk Register**

The Committee received for information a report of the Director of Governance & Digital Services (APRC/21/5) that set out the organisational risks, both strategic and operational, together with the associated mitigations and the actions taken to ensure that this was managed appropriately and proportionately.

The Head of Organisational Assurance advised the Committee that the Service had not only been dealing with the Covid-19 pandemic but also a No Deal Brexit. A lot of work had been carried out by the Team on risk in 2020-21, including horizon scanning and looking at department registers. The Team would be looking at how well things were embedding shortly.

The Committee acknowledged the excellent work undertaken by the Assurance Team and particular thanks were expressed to Sue Nugent and Ainslie Bird for their hard work during the pandemic. The Director of Governance & Digital Services echoed these comments as this had been an extraordinary year and the Assurance Team had played a pivotal role during the pandemic which, as small team, had been under a lot of pressure.

* **APRC/46** **Her Majesty's Inspectorate of Constabulary & Fire & Rescue Services**
Inspection Progress Update

The Committee received for information a report of the Director of Service Improvement (APRC/21/6) that set out the Service's current progress against the identified recommendations made by Her Majesty's Inspector of Constabulary and Fire & Rescue Services (HMICFRS) in its Inspection Report of 2019.

The report identified in the Appendix attached, via a Red, Amber, Green (RAG) rating the progress made to date with the 24 actions identified HMICFRS. There were only 5 recommendations in which there were outstanding actions and the report set out the progress made against them to date.

It was noted that HMICFRS had also undertaken a Covid-19 inspection recently and the Service had received a good response, maintaining its statutory duties throughout. Attention was drawn to the point that the Service had been instrumental in assisting the National Fire Chiefs' Council (NFCC) on its guidance in respect of On Call pay protection.

There were two areas of focus for the Service arising out of this inspection, namely:

- light touch – to ensure that innovative ways of working were built into Service planning going forward. A Portfolio Office had been established which would cover all of the recommendations made funnelling this through into one point of contact; and
- to ensuring greater productivity from Wholetime Firefighters – the Service would be looking carefully at this to find the best way forward.

It was also noted that HMICFRS was back in Service at present to review the progress made on the cause for concern on Firefighter fitness. HMICFRS would be reporting back to the Service on this in due course.

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

The Meeting started at 9.30 am and finished at 10.30 am

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Agenda Item 4

REPORT REFERENCE NO.	AGC/21/1
MEETING	AUDIT & GOVERNANCE COMMITTEE
DATE OF MEETING	30 JULY 2021
SUBJECT OF REPORT	FINANCIAL STATEMENTS 2020-21
LEAD OFFICER	Treasurer
RECOMMENDATIONS	<p>(a). that an additional meeting be arranged for 30 September 2021 at 10:00 hours to approve the 2020-21 final Statement of Accounts and the Annual Statement of Assurance for publication on the Authority’s website by 30 September 2021, in accordance with Regulation 9(2) of the Accounts and Audit Regulations 2015 (as amended);</p> <p>(b). that, subject to (a) above, the report be noted.</p>
EXECUTIVE SUMMARY	<p>The Accounts and Audit Regulations 2015 (“the Regulations”) provide the basis for the preparation, audit and publication of both the draft and final Financial Statements. The Financial Statements comprise:</p> <ul style="list-style-type: none"> • the Statement of Accounts (including any certificate or opinion provided by the external auditor); • the Annual Statement of Assurance; and • the Narrative Statement (Audit Findings). <p>In early 2021, revised Regulations were instigated – The Accounts and Audit (Amendment) Regulations 2021 - that extended the statutory audit deadlines for the financial statements for both 2020-21 and 2021-22. The publication date for audited bodies has moved from 30 July 2021 to 30 September 2021.</p> <p>Despite the complications arising from the Covid-19 pandemic, this Authority published its draft financial statements on its website in accordance with Regulation 9(1) and advised the auditors of this on 28 June 2021.</p> <p>This report now advises on the current position in relation to the final Statement of Accounts and associated documents.</p>
RESOURCE IMPLICATIONS	As indicated in the report.
EQUALITY IMPACT ASSESSMENT	An initial assessment has not identified any equality issues emanating from this report.
APPENDICES	None.

**BACKGROUND
PAPERS**

External Audit Scope document – 30 July 2021

[The Accounts and Audit Regulations 2015 \(as amended\)](#)

1. INTRODUCTION AND BACKGROUND

1.1. The Accounts and Audit Regulations 2015 as amended (“The Regulations”), which apply to the Authority, introduced a new timetable for preparation, audit and publication of both the draft and final Financial Statements. The Financial Statements comprise the Statement of Accounts, including the Narrative Statement, and the Annual Statement of Assurance. Whilst the Regulations came in to force in 2015, the revisions to the timescales for publication applied in the 2021 amendment relating to financial years commencing in 2020 and 2021, means this deadline has been extended to 30 September. Prior to publication, the Financial Statements must be approved by this Committee (as per Regulation 9(2)).

1.2. The key aspect of the (revised) Regulations is highlighted in the extract below:

“**10.**—(1) A Category 1 authority **must**, after approving the statement of accounts in accordance with regulation 9(2) but not later than **30 September** 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 **30 September** 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”.

1.3. The Regulations require the final financial statements to be signed off either by the full Authority or by a committee so delegated. For this Authority, this function has been delegated to the Audit & Governance Committee.

2. 2020-21 FINANCIAL STATEMENTS

- 2.1. Despite the complications that arose as a result of the Covid-19 pandemic, the Authority's 2020-21 draft financial statements were published on the website in accordance with Regulation 9(1) and the external auditor notified of this on 28 June 2021.
- 2.2. The worldwide Covid-19 pandemic has, however, impacted on the ability of the external auditors to meet the revised deadlines for the auditing of the financial statements of local authorities. Whilst the majority of the financial audit for Devon & Somerset Fire & Rescue Authority is now complete, the external auditor has indicated that it has not yet finished its Value for Money (VFM) opinion required before a certificate on the Financial Statements can be issued. Consequently, it will not be possible for this meeting to approve the final Financial Statements for publication. The Audit Findings document (included elsewhere on the agenda for this meeting) sets out at Appendix D the required audit letter explaining the reason for the delay for the purposes of compliance with the 2020 Code of Audit Protection.
- 2.3. The requirement to approve and publish the final 2020-21 financial statements before 30 September 2021 still applies, however. Consequently, an additional meeting of the Committee will be needed on 30 September 2021 to comply with the Regulations and it is recommended that the Committee agrees this date.
- 2.4. To comply with Regulation 10(2), if the external auditor is unable to provide the opinion on the VFM conclusion before 30 September 2021 to enable the Committee to approve the financial statements, the Authority must publish on its website a notice stating why the statement of accounts has not been published and the reason for this.
- 2.5. The Committee is asked to approve this additional meeting and, subject to this, to note the report.

SHAYNE SCOTT
Treasurer

The Audit Findings for Devon and Somerset Fire and Rescue Authority

Year ended 31 March 2021

July 2021
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Agenda Item 5

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Your key Grant Thornton team members are:

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Section

1. Headlines
2. Financial statements
3. Value for money arrangements
4. Independence and ethics

Appendices

- A. Action plan
- B. Audit adjustments
- C. Fees
- D. Audit letter in respect of delayed VFM work

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The contents of this report relate only to the matters which have come to our attention, which we believe need to be reported to you as part of our audit planning process. It is not a comprehensive record of all the relevant matters, which may be subject to change, and in particular we cannot be held responsible to you for reporting all of the risks which may affect the Authority or all weaknesses in your internal controls. This report has been prepared solely for your benefit and should not be quoted in whole or in part without our prior written consent. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

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1. Headlines

This table summarises the key findings and other matters arising from the statutory audit of Devon and Somerset Fire and Rescue Authority and the preparation of the Authority's financial statements for the year ended 31 March 2021 for those charged with governance.

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Financial Statements

Under International Standards of Audit (UK) (ISAs) and the National Audit Office (NAO) Code of Audit Practice ('the Code'), we are required to report whether, in our opinion:

- the Authority's financial statements give a true and fair view of the financial position of the Authority and income and expenditure for the year; and
- have been properly prepared in accordance with the CIPFA/LASAAC code of practice on local authority accounting and prepared in accordance with the Local Audit and Accountability Act 2014.

We are also required to report whether other information published together with the audited financial statements (including the Annual Governance Statement (AGS) and Narrative Report), is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Our audit work was completed remotely during June and July 2021. Our findings are summarised on pages 5 to 18. We have identified two adjustments, totalling £0.24m, that increases the surplus reported within the financial statements. This has resulted in an adjustment to the Authority's Comprehensive Income and Expenditure Statement. Audit adjustments are detailed in Appendix B. We have also raised recommendations for management as a result of our audit work in Appendix A.

Our work is substantially complete and at the time of writing this report there are no matters of which we are aware that would require modification of our audit opinion or material changes to the financial statements, subject to the following outstanding matters:

- Completion of our work on:
 - journals testing;
 - PPE valuations;
 - pension's liability;
 - payables and receivables;
 - PFI liability;
 - fees and charges, grant income and income completeness;
 - expenditure completeness;
 - employee benefits and remuneration disclosures;
 - financial instruments;
 - capital disclosures; and
 - overall disclosure checklist
- Final review by the Manager and Engagement Lead on outstanding work;
- Receipt of management representation letter; and
- Review of the final set of financial statements.

We have concluded that the other information to be published with the financial statements is consistent with our knowledge of your organisation and the financial statements we have audited.

Our anticipated audit report opinion will be unmodified.

1. Headlines

Value for Money (VFM) arrangements

Under the National Audit Office (NAO) Code of Audit Practice ('the Code'), we are required to consider whether the Authority has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. Auditors are now required to report in more detail on the Authority's overall arrangements, as well as key recommendations on any significant weaknesses in arrangements identified during the audit.

Auditors are required to report their commentary on the Authority's arrangements under the following specified criteria:

- Improving economy, efficiency and effectiveness;
- Financial sustainability; and
- Governance

We have not yet completed all of our VFM work and so are not in a position to issue our Auditor's Annual Report. An audit letter explaining the reasons for the delay is attached in Appendix D to this report. We expect to issue our Auditor's Annual Report by September 2021. This is in line with the National Audit Office's revised deadline, which requires the Auditor's Annual Report to be issued no more than three months after the date of the opinion on the financial statements.

As part of our work, we considered whether there were any risks of significant weakness in the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources. We identified a risk in respect of financial sustainability. We have performed further procedures in respect of this risk and have completed this element of our VFM work.

Our findings are set out in the value for money arrangements section of this report.

Statutory duties

The Local Audit and Accountability Act 2014 ('the Act') also requires us to:

- report to you if we have applied any of the additional powers and duties ascribed to us under the Act; and
- to certify the closure of the audit.

We have not exercised any of our additional statutory powers or duties.

We have completed the majority of work under the Code and we expect to certify the completion of the audit upon the completion of our work on the Authority's VFM arrangements, which will be reported in our Auditor's Annual Report.

Significant Matters

We did not encounter any significant difficulties or identify any significant matters arising during our audit.

2. Financial Statements

Overview of the scope of our audit

This Audit Findings Report presents the observations arising from the audit that are significant to the responsibility of those charged with governance to oversee the financial reporting process, as required by International Standard on Auditing (UK) 260 and the Code of Audit Practice ("the Code"). Its contents have been discussed with management.

As auditor we are responsible for performing the audit, in accordance with International Standards on Auditing (UK) and the Code, which is directed towards forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities for the preparation of the financial statements.

Audit approach

Our audit approach was based on a thorough understanding of the Authority's business and is risk based, and in particular included:

- An evaluation of the Authority's internal controls environment, including its IT systems and controls; and
- Substantive testing on significant transactions and material account balances, including the procedures outlined in this report in relation to the key audit risks.

Other than changing our materiality level, as reported on the next page, we have not had to alter our audit plan, as communicated to you on 18 February 2021.

Conclusion

We have substantially completed our audit of your financial statements and, subject to the satisfactory resolution of the outstanding queries identified on page 3 and the receipt of the letter of assurance from the Pension Fund Auditor, we anticipate issuing an unqualified audit opinion once the financial statements have been approved.

Acknowledgements

We would like to take this opportunity to record our appreciation for the assistance provided by the finance team and other staff during these unprecedented times.

2. Financial Statements



Our approach to materiality

The concept of materiality is fundamental to the preparation of the financial statements and the audit process and applies not only to the monetary misstatements but also to the disclosure requirements and adherence to acceptable accounting practice and applicable law.

We have revised materiality, performance materiality and our level of triviality due to the actual gross expenditure being lower than the level that we expected and used at the planning stage.

We detail in the table our determination of materiality for Devon and Somerset Fire and Rescue Authority.

	Planning	Final
Materiality for the financial statements	1,850,000	1,750,000
Performance materiality	1,390,000	1,300,000
Trivial matters	92,500	85,000
Materiality for Senior Officers Remuneration	20,000	20,000



2. Financial Statements - Significant risks

Significant risks are defined by ISAs (UK) as risks that, in the judgement of the auditor, require special audit consideration. In identifying risks, audit teams consider the nature of the risk, the potential magnitude of misstatement, and its likelihood. Significant risks are those risks that have a higher risk of material misstatement.

This section provides commentary on the significant audit risks communicated in the Audit Plan.

Risks identified in our Audit Plan	Commentary
<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 work we:</p> <ul style="list-style-type: none"> evaluated the design effectiveness of management controls over journals; analysed the journals listing and determine the criteria for selecting high risk unusual journals; gained an understanding of the accounting estimates and critical judgements applied made by management and consider their reasonableness with regard to corroborative evidence; and evaluated the rationale for any changes in accounting policies, estimates or significant unusual transactions. <p>At the time of writing this report we are in the process of:</p> <ul style="list-style-type: none"> testing high value and unusual journals processed during the year and at the accounts production stage for appropriateness and corroboration. <p>Our work to date has not identified any issues in respect of management override of controls. We have however identified a number of weaknesses in controls that the Authority should take action on:</p> <ul style="list-style-type: none"> There is no formal approval process for posting journals, therefore the finance team members who have access to post journals are effectively approving their own journal transactions. To mitigate the risk that this creates, the Head of Finance and Senior Accountant undertake a review of a sample of journal entries posted, twice a year. However, as this control is undertaken retrospectively and on a sample basis, it is not a preventative control and may not identify any inappropriate transactions not selected in their sample. As such, there remains a residual risk that inappropriate journals may be processed. Our risk based audit work on journals has not identified any instances where inappropriate journals have been processed. There is no authorisation limit on posting journals, therefore journal users are not restricted by the value of transactions that they post. We therefore recommend that a process which incorporates specific authorisation limits for those individuals that process journals should be implemented. We also noted a number of journals that appear to have been posted by the Head of Finance. We consider that this is unusual and therefore tested all of these journals and identified that these journals were not, in fact, posted by the Head of Finance but they were recorded as such due to a 'system bug'. We recommend that the Integra finance system be updated to remove this bug.

2. Financial Statements - Significant risks

Risks identified in our Audit Plan

Commentary

Improper revenue recognition

Under ISA (UK) 240 there is a rebuttable presumed risk that revenue may be misstated due to the improper recognition of revenue.

This presumption can be rebutted if the auditor concludes that there is no risk of material misstatement due to fraud relating to revenue recognition.

Having considered the risk factors set out in ISA240 and the nature of the revenue streams at the Authority, we have determined that the risk of fraud arising from revenue recognition can be rebutted, because:

- there is little incentive to manipulate revenue recognition
- opportunities to manipulate revenue recognition are very limited
- the culture and ethical frameworks of local authorities, including Devon and Somerset Fire and Rescue Authority mean that all forms of fraud are seen as unacceptable.

In our Audit Plan we set out that having considered the risk factors set out in ISA240 and the nature of the revenue streams at the Authority, we have determined that the risk of fraud arising from revenue recognition can be rebutted, because:

- there is little incentive to manipulate revenue recognition
- opportunities to manipulate revenue recognition are very limited
- the culture and ethical frameworks of local authorities, including Devon and Somerset Fire and Rescue Authority mean that all forms of fraud are seen as unacceptable.

We re-considered this assessment on receipt of the draft financial statement and have not identified any reasons to change this assessment.

2. Financial Statements - Significant risks

Risks identified in our Audit Plan

Valuation of land and buildings

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 (£103m) and the sensitivity of this estimate to changes in key assumptions.

Management have engaged the services of a valuer to estimate the current value as at 31 March 2021.

The valuation of land and buildings is a key accounting estimate which is sensitive to changes in assumptions and market conditions. In 2019/20 the Authority's valuation expert identified there were material uncertainties in relation to the valuation of land and buildings at the balance sheet date. Due to the impact of Covid 19. These uncertainties are likely to impact valuations as at 31 March 2021.

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.

Commentary

As part of our work we:

- 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; and
- wrote to the valuer to confirm the basis on which the valuations were carried out.

At the time of writing this report we are in the process of:

- challenging the information and assumptions used by the valuer to assess completeness and consistency with our understanding, the Authority's valuer's report, and the assumptions that underpin the valuation;
- testing, on a sample basis, revaluations made during the year to ensure they have been input correctly into the Authority's asset register; and
- evaluating the assumptions made by management for any assets not revalued during the year and how management has satisfied themselves that these are not materially different to current value.

Our work to date has not identified any significant issues in respect of the valuation of land and buildings.

From review of the financial statements we have noted that the Authority have included a material uncertainty in note 4 of the financial statements in relation to property valuations due to Covid-19. This is in line with the information provided to the Authority by their valuer.

We have reviewed this and, based on the information provided by the valuer, this appears reasonable. In line with the previous year we will include an emphasis of matter in our opinion to reflect this uncertainty. The emphasis of matter paragraph refers to this disclosure in the accounts and draws attention to it for the readers of the financial statements and reflects the increased uncertainty created by Covid-19.

2. Financial Statements - Significant risks

Risks identified in our Audit Plan

Commentary

Valuation of pension fund net liability

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

The pension fund net liability is considered a significant estimate due to the size of the numbers involved and the sensitivity of the estimate to changes in key assumptions. In 2019/20 the Authority disclosed a net pension fund liability of £729.884m. This comprised £35.970m in relation to the Local Government Pension Scheme (LGPS) and £693.914m in relation to the Fire Fighters Pension Scheme.

In 2019/20 the Authority's disclosed a material uncertainty in relation to the property investment funds held within the Pension Fund Assets; due to the potential impact of Covid 19. These uncertainties are likely to impact valuations as at 31 March 2021.

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.

As part of our work we:

- 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 evaluate 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;
- 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;
- undertook 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; and
- for LGPS obtained assurances from the auditor of Devon Pension Fund as to the controls surrounding the validity and accuracy of membership data; contributions data and benefits data sent to the actuary by the pension fund and the fund assets valuation in the pension fund financial statements.

At the time of writing this report our work in this area remains in progress. Our work to date has not identified any issues in respect of the valuation of the pension fund liability. We are also awaiting the letter of assurance from the Pension Fund auditor.

2. Financial Statements – key judgements and estimates

This section provides commentary on key estimates and judgements inline with the enhanced requirements for auditors.

Significant judgement or estimate	Summary of management's approach	Audit Comments	Assessment
Land and Building valuations – £130m	<p>Other land and buildings comprises £97.953m of specialised assets, namely fire stations, which are required to be valued at depreciated replacement cost (DRC) at year end, reflecting the cost of a modern equivalent asset necessary to deliver the same service provision. The remainder of other land and buildings (£0.613m) are not specialised in nature and are required to be valued at existing use in value (EUV) at year end. Other non Land and Building assets totalling £31.6m are valued at historic cost in line with the Code. The Authority has engaged Norfolk Property Services to complete the valuation of properties as at 31 March 2021. All assets were revalued in 2020/21.</p> <p>The total year end valuation of land and buildings was £98.566m, a net decrease of £4m from 2019/20 (£102.664m).</p>	<p>We have, or are in the process of performing the following:</p> <ul style="list-style-type: none"> assessed the competence of management's expert; tested the completeness and accuracy of the underlying information used to determine the estimate; considered the impact of any changes to valuation method; reviewed the consistency of estimate against the Gerald Eve report; reviewed the reasonableness of the decrease in estimate; and reviewed the adequacy of disclosures of the estimate in the financial statements. <p>At the time of writing this report we have not identified any material concerns from our review.</p>	Light Purple

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Assessment

- [Purple] We disagree with the estimation process or judgements that underpin the estimate and consider the estimate to be potentially materially misstated
- [Blue] We consider the estimate is unlikely to be materially misstated however management's estimation process contains assumptions we consider optimistic
- [Grey] We consider the estimate is unlikely to be materially misstated however management's estimation process contains assumptions we consider cautious
- [Light Purple] We consider management's process is appropriate and key assumptions are neither optimistic or cautious

2. Financial Statements - key judgements and estimates

Significant judgement or estimate

Summary of management's approach

Audit Comments

Assessment

Net pension liability – £883.190m

The Authority's total net pension liability at 31 March 2021 is £883mm (PY £728m), which includes both the Devon Pension Fund Local Government funded defined benefit scheme and the Firefighters unfunded defined benefit pension scheme obligations. The Authority uses Barnett Waddingham to provide actuarial valuations of the Authority's assets and liabilities derived from these schemes. A full actuarial valuation is required every three years.

The latest full actuarial valuation was completed in 2019. Given the significant value of the net pension fund liability, small changes in assumptions can result in significant valuation movements. There has been a £149m net actuarial loss during 2020/21.

We have, or are in the process of, carrying out the following work in relation to this estimate:

- assessed management's expert to ensure suitably qualified and independent,
- assessed the actuary's roll forward approach taken,
- used PwC as an auditors expert to assess the actuary and the assumptions made by actuary. The table below summarises where the assumptions used by the Authority falls in the acceptable ranges set by PwC:

Local Government Pension Scheme

Assumption	Actuary Value	PwC range	Assessment
Discount rate	2%	1.95% - 2.05%	✓
Pension increase rate	2.85%	2.8% - 2.85%	✓
Salary growth	3.85%	1% above CPI (CPI being 2.85%)	✓
Life expectancy – Males currently aged 45 / 65	Male Current: 22.6 Male Future: 24	Male current: 20.5 - 23.1 Male Future: 21.9 - 24.4	✓
Life expectancy – Females currently aged 45 / 65	Female Current: 23.9 Female Future: 25.4	Female current: 23.3 - 25 Female Future: 24.8 - 26.4	✓

Light Purple

2. Financial Statements - key judgements and estimates

Significant judgement or estimate

Summary of management's approach

Audit Comments

Assessment

Fire Fighters Pension Scheme

Assumption	Actuary Value	PwC range	Assessment
Discount rate	2%	1.95% - 2.05%	✓
Pension increase rate	2.85%	2.8% - 2.85%	✓
Salary growth	3.85%	1.5% - 2.2% above CPI (CPI is 2.85%)	X
Life expectancy – Males currently aged 45 / 65	Male Current: 20.5 Male Future: 21.7	Male current: 20.5 - 21.1 Male Future: 21.7 - 22.3	✓
Life expectancy – Females currently aged 45 / 65	Female Current: 22.7 Female Future: 24.2	Female current: 22.7 - 23.3 Female Future: 24.2 - 24.8	✓

Not yet assessed.

- we have gained assurance over the completeness and accuracy of the underlying information used to determine the estimate,
- we have gained assurance over the reasonableness of the Council's share of LGPS pension assets, and
- we have reviewed the adequacy of disclosure of the estimate in the financial statements.

At the time of writing this report our work against this risk remains in progress. The table above shows that the actuarial growth on the firefighters pension scheme is outside of the PwC range. We have raised a query with the actuary on this and await their response.

Assessment

- [Purple] We disagree with the estimation process or judgements that underpin the estimate and consider the estimate to be potentially materially misstated
- [Blue] We consider the estimate is unlikely to be materially misstated however management's estimation process contains assumptions we consider optimistic
- [Grey] We consider the estimate is unlikely to be materially misstated however management's estimation process contains assumptions we consider cautious
- [Light Purple] We consider management's process is appropriate and key assumptions are neither optimistic or cautious

2. Financial Statements - other communication requirements

We set out below details of other matters which we, as auditors, are required by auditing standards and the Code to communicate to those charged with governance.

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Issue	Commentary
Matters in relation to fraud	We have previously discussed the risk of fraud with the Audit and Governance and Committee. We have not been made aware of any other incidents in the period and no other issues have been identified during the course of our audit procedures.
Matters in relation to related parties	We are not aware of any related parties or related party transactions which have not been disclosed.
Matters in relation to laws and regulations	You have not made us aware of any significant incidences of non-compliance with relevant laws and regulations and we have not identified any incidences from our audit work.
Written representations	A letter of representation has been requested from the Authority, which is included in the Committee papers.
Confirmation requests from third parties	We requested from management permission to send balance confirmation requests in relation to the Authority's bank and investment balances. This permission was granted and the requests were sent, these requests were returned with positive confirmation, and no issues were noted.
Accounting practices	We have evaluated the appropriateness of the Authority's accounting policies, accounting estimates and financial statement disclosures. Our review found no material omissions in the financial statements.
Audit evidence and explanations/ significant difficulties	All information and explanations requested from management was provided.

2. Financial Statements - other communication requirements



Our responsibility

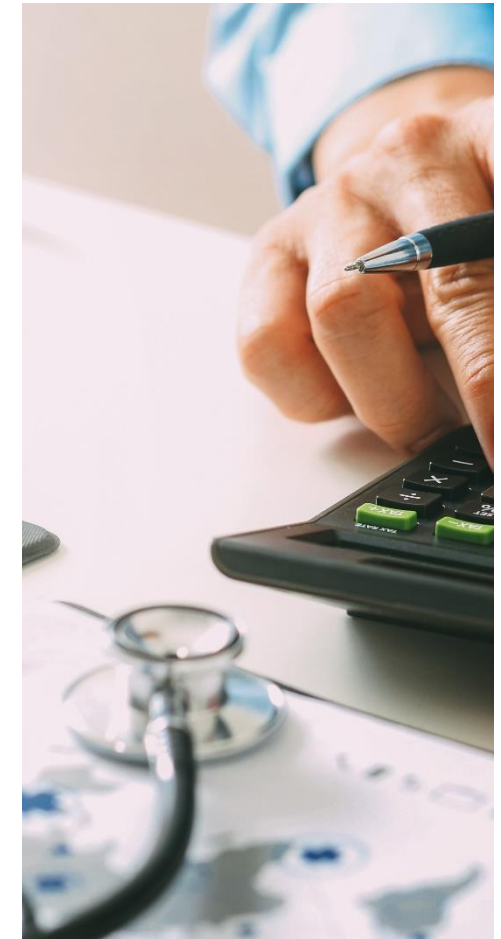
As auditors, we are required to “obtain sufficient appropriate audit evidence about the appropriateness of management's use of the going concern assumption in the preparation and presentation of the financial statements and to conclude whether there is a material uncertainty about the entity's ability to continue as a going concern” (ISA (UK) 570).

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Issue	Commentary
<p>Going concern</p>	<p>In performing our work on going concern, we have had reference to Statement of Recommended Practice – Practice Note 10: Audit of financial statements of public sector bodies in the United Kingdom (Revised 2020). The Financial Reporting Council recognises that, for particular sectors, it may be necessary to clarify how auditing standards are applied to an entity in a manner that is relevant and provides useful information to the users of financial statements in that sector. Practice Note 10 provides that clarification for audits of public sector bodies.</p> <p>Practice Note 10 sets out the following key principles for the consideration of going concern for public sector entities:</p> <ul style="list-style-type: none"> the use of the going concern basis of accounting is not a matter of significant focus of the auditor's time and resources because the applicable financial reporting frameworks envisage that the going concern basis for accounting will apply where the entity's services will continue to be delivered by the public sector. In such cases, a material uncertainty related to going concern is unlikely to exist, and so a straightforward and standardised approach for the consideration of going concern will often be appropriate for public sector entities for many public sector entities, the financial sustainability of the reporting entity and the services it provides is more likely to be of significant public interest than the application of the going concern basis of accounting. Our consideration of the Authority's financial sustainability is addressed by our value for money work, which is covered elsewhere in this report. <p>Practice Note 10 states that if the financial reporting framework provides for the adoption of the going concern basis of accounting on the basis of the anticipated continuation of the provision of a service in the future, the auditor applies the continued provision of service approach set out in Practice Note 10. The financial reporting framework adopted by the Authority meets this criteria, and so we have applied the continued provision of service approach. In doing so, we have considered and evaluated:</p> <ul style="list-style-type: none"> the nature of the Authority and the environment in which it operates the Authority's financial reporting framework the Authority's system of internal control for identifying events or conditions relevant to going concern management's going concern assessment. <p>On the basis of this work, we have obtained sufficient appropriate audit evidence to enable us to conclude that:</p> <ul style="list-style-type: none"> a material uncertainty related to going concern has not been identified management's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

2. Financial Statements - other responsibilities under the Code

Issue	Commentary
Other information	<p>We are required to give an opinion on whether the other information published together with the audited financial statements (including the Annual Governance Statement and Narrative Report) is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.</p> <p>No inconsistencies have been identified. We plan to issue an unmodified opinion in this respect.</p>
Matters on which we report by exception	<p>We are required to report on a number of matters by exception in a number of areas:</p> <ul style="list-style-type: none"> • if the Annual Governance Statement does not comply with disclosure requirements set out in CIPFA/SOLACE guidance or is misleading or inconsistent with the information of which we are aware from our audit, • if we have applied any of our statutory powers or duties. • where we are not satisfied in respect of arrangements to secure value for money and have reported a significant weakness. <p>We have nothing to report on these matters.</p>
Specified procedures for Whole of Government Accounts	<p>We are required to carry out specified procedures (on behalf of the NAO) on the Whole of Government Accounts (WGA) consolidation pack under WGA group audit instructions.</p> <p>However, as the Authority does not exceed the threshold, we are not required to complete this work. We are still required to issue an assurance statement to the NAO.</p>
Certification of the closure of the audit	<p>We intend to delay the certification of the closure of the 2020/21 audit of Devon and Somerset Fire and Rescue Authority in the audit report, due to our work on VFM and WGA being incomplete.</p>



3. Value for Money arrangements

Revised approach to Value for Money work for 2020/21

On 1 April 2020, the National Audit Office introduced a new Code of Audit Practice which comes into effect from audit year 2020/21. The Code introduced a revised approach to the audit of Value for Money. (VFM)

There are three main changes arising from the NAO's new approach:

• A new set of key criteria, covering financial sustainability, governance and improvements in economy, efficiency and effectiveness

• More extensive reporting, with a requirement on the auditor to produce a commentary on arrangements across all of the key criteria.

• Auditors undertaking sufficient analysis on the Authority's VFM arrangements to arrive at far more sophisticated judgements on performance, as well as key recommendations on any significant weaknesses in arrangements identified during the audit.

The Code require auditors to consider whether the body has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. When reporting on these arrangements, the Code requires auditors to structure their commentary on arrangements under the three specified reporting criteria.



Improving economy, efficiency and effectiveness

Arrangements for improving the way the body delivers its services. This includes arrangements for understanding costs and delivering efficiencies and improving outcomes for service users.



Financial Sustainability

Arrangements for ensuring the body can continue to deliver services. This includes planning resources to ensure adequate finances and maintain sustainable levels of spending over the medium term (3-5 years)



Governance

Arrangements for ensuring that the body makes appropriate decisions in the right way. This includes arrangements for budget setting and management, risk management, and ensuring the body makes decisions based on appropriate information

Potential types of recommendations

A range of different recommendations could be made following the completion of work on the body's arrangements to secure economy, efficiency and effectiveness in its use of resources, which are as follows:



Statutory recommendation

Written recommendations to the body under Section 24 (Schedule 7) of the Local Audit and Accountability Act 2014. A recommendation under schedule 7 requires the body to discuss and respond publicly to the report.



Key recommendation

The Code of Audit Practice requires that where auditors identify significant weaknesses in arrangements to secure value for money they should make recommendations setting out the actions that should be taken by the body. We have defined these recommendations as 'key recommendations'.



Improvement recommendation

These recommendations, if implemented should improve the arrangements in place at the body, but are not made as a result of identifying significant weaknesses in the body's arrangements

3. VFM - our procedures and conclusions

We have not yet completed all of our VFM work and so are not in a position to issue our Auditor's Annual Report. An audit letter explaining the reasons for the delay is attached in the Appendix E to this report. We expect to issue our Auditor's Annual Report by September 2021. This is in line with the National Audit Office's revised deadline, which requires the Auditor's Annual Report to be issued no more than three months after the date of the opinion on the financial statements.

As part of our work, we considered whether there were any risks of significant weakness in the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources. We identified the risk set out in the table below. We have performed further procedures in respect of this risk and have completed this element of our VFM work. Our conclusions are detailed below.

Risk of significant weakness	Procedures undertaken	Conclusion and outcome
<p>Financial Sustainability</p> <p>The Authority is forecasting an underspend of £1.2m for 2020/21 and a general fund balance of £5.317m; which remains unchanged from 31 March 2020. Earmarked reserves are forecast to reduce from £33.496 to £29.694m. Whilst the Authority has a healthy level of reserves and a strong history of delivering financial targets and savings (with £13.9m delivered to date), the financial challenge and uncertainty continue to increase. In setting the 2021/22 budget and Medium Financial Strategy for the next 5 years, the Authority has identified the need to make a further £7.2m in savings. Whilst the Authority appear to have adequate arrangements in place there is an increasing challenge in securing financial sustainability. Through the Integrated Risk Management Plan and the Safer Together programme the Authority are looking to align resources to risks in order to drive efficiencies.</p> <p>We will further review savings and financial plans and progress on the Safer Together Programme.</p>	<p>In response to this risk, and as part of our Financial Sustainability work, we have reviewed progress of the Safer Together programme and closing the £7.2m budget gap to 2024/25.</p> <p>Further to this we have:</p> <ul style="list-style-type: none"> discussed financial sustainability with senior management within the Authority; reviewed the key assumptions that underpin the 2021/22 medium term financial plan; reviewed in year financial reporting and the outturn position; and reviewed the general arrangements underpinning financial management. 	<p>Our work to date has not identified a significant weakness in arrangements, or any implications for our opinion on the financial statements. From our work to date, we have identified two improvement recommendations.</p> <p>Our work has identified that the Authority has robust budget setting, monitoring and reporting arrangements in place, whereby budget holders are challenged on their budgetary requirement each year. This is facilitated through a number of challenge meetings. This ensures that base budgets are not just rolled forward, and that any unrequired budgets, based on prior year outturns and future demands are stripped out. In future years, the Authority aim to enhance this further by using activity-based costing to better understand what drives costs and also implement zero based budgeting.</p> <p>Our work has identified that despite the uncertainty regarding funding, the Authority has robust arrangements in place for delivering financial sustainability. This is based on a strong and proven track record that has led to savings totalling £13.9m being delivered for the 5 years to 2020/21.</p>

3. VFM - our procedures and conclusions (continued)

Conclusion and outcome (continued)

The Authority has delivered an underspend of £2.33m in year, which is in excess of that forecast throughout the year. This has been largely achieved due to the receipt of additional COVID-19 funding and reduced costs in relation to travel.

The Authority's draft financial statements report that the usable reserves have increased from £38.8m to £46.4m. Within the usable reserves there is a specific budget smoothing reserve of £1.8m. The closing balance on reserves will increase in the post audit statements by £0.24m as set out on page 3 of this report.

As part of the financial planning process the Authority undertook scenario planning when looking at key assumptions and therefore presented a range of options to members. These range from a worst case scenario, where council tax increases are frozen, to where council tax is raised in line with National guidance and the assumptions around expenditure do not materialise. The Authority have based the medium financial plan around a mid-point of the two which avoids the plan being either overly cautious or optimistic.

The key assumptions that drive costs over the medium term are:

- Pay increases;
- Inflation;
- Pension increases;
- Reduction to one off grant income; and
- Capital investment.

We have reviewed the assumptions used by the Authority and, based on the evidence available, these appear to be reasonable. For 2021/22 no pay increase was included based on national guidance. A 1.5% increase has been subsequently announced and adds a further £0.850m cost pressure to the budget gap set out in the Medium Term Financial Plan (MTFP) approved in February 2021.

The MTFP approved in February 2021 sets out a budget gap to 2024/25 of £7.2m. This could rise to £17.3m under the worst case scenario planning and £3.8m under the best case. The latest reporting to the Authority confirms that the current gap has increased to £8.4m from £7.2m, due in the main to the additional cost pressure set out above.

As the Authority has already delivered significant cumulative savings, the opportunities for delivering further meaningful savings becomes increasingly challenging. Under each scenario that challenge is therefore significant. At present progress has not started in identifying savings to close this £7.2m budget gap (although assumptions are prudent). We would therefore recommend that realistic and deliverable schemes are identified and implemented at the earliest opportunity to address this gap, as there is often a considerable lead time in achieving cashable savings.

3. VFM - our procedures and conclusions (continued)

Conclusion and outcome (continued)

The Safer Together programme aims to align spend to strategic risks. Progress to date includes closing two fire stations, and reducing capacity in others. These service reductions are aligned to service risk.

Based on the actions taken to date, it is clear that the Authority has developed adequate arrangements to take and implement decisions to deliver financial sustainability and are making progress around service transformation aligned to risk. This, aligned with the bottom up budgeting arrangements that are in place, will deliver savings. However at present the Authority do not separately identify and report progress against these individual savings programmes.

From our review we noted that the link between the MTFP (budget gap), budgeting process and the Safer Together programme could be made more explicit. For example, by identifying profiled savings schemes that reconcile to the identified budget gaps. This will:

- allow progress against each scheme to be more clearly monitored and reported;
- increase ownership of budget holders; and
- ensure that where service lines underspend the reason is understood and attributable to the schemes identified.

Like all public sector bodies the Authority faces a financial challenge over the medium term. However, we have not identified any risks of significant weaknesses in arrangements as part of our work on financial sustainability. The Authority have delivered an in year surplus and have significant useable reserves. The Authority have clearly identified the budget gap over the medium term and are due start progress to develop schemes to address this.

As part of our Auditor's Annual Report we will be making the following improvement recommendations:

- the Authority should progress work at pace to identify schemes to address the future budget gap to prevent the unnecessary use of reserves; and
- the Authority clearly show the link between the MTFP budget gap and the schemes identified to close that gap through the Safer Together programme to increase the transparency of reporting and ensure accountability and ownership of schemes.

4. Independence and ethics

We confirm that there are no significant facts or matters that impact on our independence as auditors that we are required or wish to draw to your attention. We have complied with the Financial Reporting Council's Ethical Standard and confirm that we, as a firm, and each covered person, are independent and are able to express an objective opinion on the financial statements

We confirm that we have implemented policies and procedures to meet the requirements of the Financial Reporting Authority's Ethical Standard and we as a firm, and each covered person, confirm that we are independent and are able to express an objective opinion on the financial statements.

Further, we have complied with the requirements of the National Audit Office's Auditor Guidance Note 01 issued in May 2020 which sets out supplementary guidance on ethical requirements for auditors of local public bodies.

Details of fees charged are detailed in Appendix C.

Audit and non-audit services

For the purposes of our audit we have made enquiries of all Grant Thornton UK LLP teams providing services to the Authority. No non-audit services were identified which were charged from the beginning of the financial year to the date of signing the audit opinion and we are not aware of any that are planned.

Transparency

Grant Thornton publishes an annual Transparency Report, which sets out details of the action we have taken over the past year to improve audit quality as well as the results of internal and external quality inspections. For more details see [Transparency report 2020 \(grantthornton.co.uk\)](https://www.grantthornton.co.uk/transparency-report-2020)

Appendices

A. Action plan – Audit of Financial Statements

We have identified 3 recommendations for the Authority as a result of issues identified during the course of our audit. We have agreed our recommendations with management and we will report on progress on these recommendations during the course of the 2021/22 audit. The matters reported here are limited to those deficiencies that we have identified during the course of our audit and that we have concluded are of sufficient importance to merit being reported to you in accordance with auditing standards.

Assessment	Issue and risk	Recommendations
Medium	Our work on journals identified that there is no formal approval process for posting journals, therefore the finance team members who have access to post journals are effectively approving their own entry. The Head of Finance and Senior Accountant complete a review of a sample of journal entries posted twice a year, however this is done retrospectively and is not a preventative control.	<p>We recommend that the Authority introduce preventative controls for the approval of journals.</p> <p>Management response</p> <p>We have previously attempted to address this issue by installing an authorisation process with limits attached i.e. the Senior Accountant could authorise up to £20K, and the Head of Finance could authorise up to £100K. Anything greater would have been approved by the Treasurer. This was unsuccessful as journals were being allocated for authorisation incorrectly. We will contact Capita to see where they are with rectification of this issue.</p>
Medium	Our work on journals work noted that there is no authorisation limit on posting journals, therefore journal users are not restricted by the value they post.	<p>We recommend implementing a structure/policy on authorisation limits.</p> <p>Management response</p> <p>See above.</p>
Medium	Our work on journals noted that there were a number of journals that appear to have been posted by the Head of Finance. On following this up it was ascertained that this was not the case and was due to a systems bug.	<p>We recommend that Integra be updated to remove this bug.</p> <p>Management response</p> <p>We have requested the latest software release which fixes the issue. This will be installed by 13th August 2021.</p>

Key to recommendations

- High – Significant effect on financial statements or control deficiency that presents a significant risk
- Medium – Limited Effect on financial statements or a control deficiency that presents some risk
- Low – Best practice or a minor control deficiency that presents limited risk

B. Audit Adjustments

We are required to report all non trivial misstatements to those charged with governance, whether or not the accounts have been adjusted by management.

Impact of adjusted misstatements

All adjusted misstatements are set out in detail below along with the impact on the key statements and the reported net expenditure for the year ending 31 March 2021.

Detail	Comprehensive Income and Expenditure Statement £'000	Statement of Financial Position £' 000	Impact on total net expenditure £'000
The Audit Fee in the financial statements was discussed in note 23 as £48k. The fee for the 2020/21 audit was £41K. The Authority have adjusted this noted and adjusted the CIES.	(7)	7	(7)
Since the draft financial statements were submitted for audit the Authority have increased receivables by £232k. This is in relation to late amendments to NNDR returns from District Councils.	(232)	232	(232)
Overall impact	(239)	239	(239)

B. Audit Adjustments (adjusted)

We are required to report all non trivial misstatements to those charged with governance, whether or not the accounts have been adjusted by management.

Misclassification and disclosure changes

The table below provides details of misclassification and disclosure changes identified during the audit which have been made in the final set of financial statements.

Disclosure omission	Adjusted?
The Authority received a capital receipt of £0.379m which was disclosed under operating activities. The amount received should be disclosed under investing activities.	✓
On receipt of the draft financial statements it was noted that there was a small difference between the total usable reserves per the balance sheets and the movement in reserves statement.	✓
The critical judgement note did not include narrative assessing the group boundary and in particular the judgement to not consolidate RED 1.	✓
The movement in reserves statement included in the draft financial statements included reference to a prior period adjustment in error. This has been removed.	✓
Two events after the balance sheet date were disclosed. On review it was concluded that these were not such events and have been removed.	✓
Our work on investments identified that there were £1.5m of investments classified as short terms which on review were found to be long term. These have been classified as long term.	✓
On receipt of the draft financial statements it was noted that the EFA did not agree to the CIES. This has now been corrected.	✓
In pensions note 30 it was noted that the bought forward balances were the 2018/19 figures rather than the 2019/20. This has now been corrected.	✓
During the course of the audit a number of small disclosure amendments were made to the financial statements. These have not been reported separately due to their insignificant nature.	✓

B. Audit Adjustments (unadjusted)



Impact of unadjusted misstatements in the current and prior year

There are no unadjusted misstatements in the current or prior year.

C. Fees

We confirm below our final fees charged for the audit. There were no fees for the provision of non audit services.

Audit fees	Proposed fee	Final fee
Authority Audit	£41,291	£41,291
Total audit fees (excluding VAT)	£41,291	£41,291

The fees reconcile to the amended financial statements

D. Audit letter in respect of delayed VFM work

Dear Audit and Governance Committee

Under the 2020 Code of Audit Practice, for relevant authorities other than local NHS bodies we are required to issue our Auditor's Annual Report no later than 30 September or, where this is not possible, issue an audit letter setting out the reasons for delay.

As a result of the ongoing pandemic, and the impact it has had on both preparers and auditors of accounts to complete their work as quickly as would normally be expected, the National Audit Office has updated its guidance to auditors to allow us to postpone completion of our work on arrangements to secure value for money and focus our resources firstly on the delivery of our opinions on the financial statements. This is intended to help ensure as many as possible could be issued in line with national timetables and legislation.

As a result, we have therefore not yet issued our Auditor's Annual Report, including our commentary on arrangements to secure value for money. We now expect to publish our report no later than 30 September 2021.

For the purposes of compliance with the 2020 Code, this letter constitutes the required audit letter explaining the reasons for delay.

Yours faithfully

Barrie Morris
Director

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Agenda Item 6

REPORT REFERENCE NO.	AGC/21/2
MEETING	AUDIT & GOVERNANCE COMMITTEE
DATE OF MEETING	30 JULY 2021
SUBJECT OF REPORT	INTERNAL AUDIT 2020-21 YEAR END REPORT
LEAD OFFICER	DIRECTOR OF GOVERNANCE & DIGITAL SERVICES
RECOMMENDATIONS	<i>That the report and the opinion on the Internal Control Environment be noted.</i>
EXECUTIVE SUMMARY	<p>Internal Audit activities across Devon & Somerset Fire & Rescue Service are managed through a shared service agreement whereby Internal Audit and the Devon Audit Partnership (DAP) work together to deliver the Internal Audit Plan.</p> <p>This is the closing Internal Audit Annual Report to the Committee for the financial year 2020–21. This report sets out progress that was made against the approved 2020-21 Internal Audit Plan, and updates on additional review work undertaken.</p> <p>The report also 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	Not applicable.
APPENDICES	Appendix 1 : Annual Internal Audit Plan for 2020-21
BACKGROUND PAPERS	Internal Audit 2020-21 Plan

1. **INTRODUCTION**

- 1.1 At its meeting of 4 March 2020, the former Audit & Performance Review Committee approved the Annual Audit Plan for 2020-21, shown in **Appendix 1**. The Plan sets out the number of days available for the combined scope of internal audit work to be completed by Internal Audit and the Devon Audit Partnership. This work is a significant source of assurance for the effectiveness of the Authority's internal control environment.
- 1.2 Internal Audit and the Devon Audit Partnership are accountable for the delivery of the Plan and the Internal Audit Charter includes the requirement to report progress to this Committee at least three times per year.
- 1.3 The key objective of this report is therefore to provide the Committee with a progress report against the Plan and to provide the assurance statements for all audits that were completed during 2020-21. The Plan was revised during the year as part of the consideration of the impacts of Covid-19, recognising that business continuity arrangements meant that the Plan was unable to progress in the usual manner.
- 1.4 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 were used in 2020-21 to evaluate and report audit conclusions:

ASSURANCE	DEFINITION
Substantial Assurance	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.
Reasonable Assurance	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.

ASSURANCE	DEFINITION
Limited Assurance	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
No Assurance	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.

2.3 The following recommendation priorities have been developed to evaluate and report where weakness or opportunity is identified.

PRIORITY	DEFINITION
High	A significant finding. A key control is absent or is being compromised; if not acted upon this could result in high exposure to risk. Failure to address could result in internal or external responsibilities and obligations not being met.
Medium	Control arrangements not operating as required resulting in a moderate exposure to risk. This could result in minor disruption of service, undetected errors or inefficiencies in service provision. Important recommendations made to improve internal control arrangements and manage identified risks.
Low	Low risk issues, minor system compliance concerns or process inefficiencies where benefit would be gained from improving arrangements. Management should review, make changes if considered necessary or formally agree to accept the risks. These issues may be dealt with outside of the formal report during the course of the audit.
Opportunity	A recommendation to drive operational improvement which may enable efficiency savings to be realised, capacity to be created, support opportunity for commercialisation / income generation or improve customer experience. These recommendations do not feed into the assurance control environment.

3. PROGRESS AGAINST THE 2020-21 PLAN

3.1 Prior to Covid-19, the original 2020-21 Internal Audit Plan included 228 internal audit days assigned to deliver the plan. This consisted of 143 days provided by the Service's Internal Audit and Review Manager and 85 days by Devon Audit Partnership.

- 3.2 As part of the Business Continuity arrangements in response to Covid-19, the Internal Audit & Review Manager was reassigned to the Business Continuity Assurance Cell. This reduced their number of days available to carry out internal audit from 143 to 19 days. Devon Audit Partnership provided 67 of their 85 planned days of internal audit activity during the Covid-19 restrictions. This resulted in a revised total of 86 internal audit days for 2020/21, a reduction of 62% in planned internal audit activity.
- 3.3 Although this is a reduction in the number of assurance areas reported to the Committee in the previous year's annual report, it does reflect the impact and disruption of Covid-19. Instead of delivering the internal audit plan, a key requirement of the Internal Audit Service in 2020-21 was to be agile in supporting the Business Continuity arrangements, providing assurance, as required, to senior management throughout a turbulent year. This included rebasing planned time to focus on key issues and risks agreed with senior management and continuing to support the Service's Covid-19 work and Business Continuity arrangements.
- 3.4 The table below provides an update on individual areas of work completed in 2020-21. There has been overrun on one audit, primarily linked to the challenges already described, the move to remote working and the secondment of the Audit & Review Manager to Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS). Although the move to remote working has invariably impacted performance due to a range of issues, including access to systems / data and access to team members and management during Covid-19 restrictions, it should be noted that productivity has increased as the year progressed as the Service and Devon Audit Partnership adapted to remote working.

Assurance Area	Status	Summary of Findings / Update	Audit Opinion
Outstanding from 2019-20 Internal Audit Plan:			
Cultural – Attitudes to Performance	Complete	Devon Audit Partnership identified a number of areas where qualitative feedback identified possible areas for improvement, or management consideration, including in relation to addressing barriers to doing the job well, visibility and communication of organisational performance measures and how these link to Departmental / team performance and cultural issues in respect of team morale, and the provision of line management feedback on individual development, including strength and weakness. Audit recommendations have been made for these areas accordingly.	Reasonable Assurance

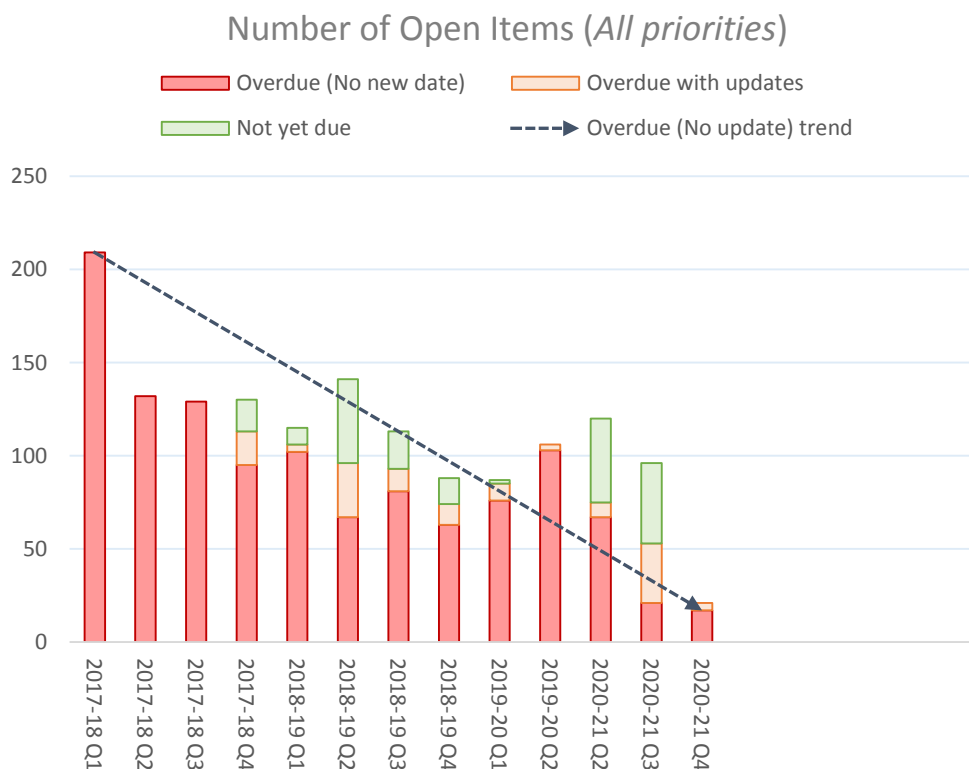
Assurance Area	Status	Summary of Findings / Update	Audit Opinion
2020-21 Internal Audit Plan:			
Key Financial Systems	Complete	<p>There have been few changes within the Finance and Payroll services, with established software systems and staff in place. Key Financial Systems continue to operate effectively overall with measures in place which mitigate risk to varying degrees in most areas tested.</p> <p>The pandemic had a fairly significant impact on debtor recovery this year, with large increases in long-standing debt. This will need to be monitored appropriately over the coming months, and remedial action put in place, should the need arise.</p>	Reasonable Assurance
Purchase Card Audit	Complete	<p>There is a comprehensive framework around the use of Purchase Cards, with elements of management and monitoring undertaken by the Authority's Procurement Department. In response to the Covid-19 pandemic, working practices in relation to purchase cards have changed, in particular budget holder authorisation and record retention. A number of elements of non-compliance with guidance, policy and procedure were identified related to changes in practice.</p> <p>Opportunities to strengthen the purchase card control framework were identified. DAP identified key findings that could contribute to a significant level of risk to the Authority. Of key concern are the retention of records within a remote working setting and accuracy and completeness of VAT recording, both of which could have significant HM</p>	Limited Assurance

Assurance Area	Status	Summary of Findings / Update	Audit Opinion
		Revenue and Customs (HMRC) consequences. The current lack of budget holder authorisation may result in a residual risk of inappropriate / incorrect card use and the policy and procedural framework does not reflect current / required practice.	
Culture – Psychological Safety and the Impact of Covid-19	Complete	<p>The response rate of the staff survey that DAP carried out was fairly low overall, so caution should be applied in identifying any potential trends or patterns. There were, however, a number of potential issues identified which may be indicative of trends due to them being raised by multiple individuals. Examples of these included:</p> <ul style="list-style-type: none"> • Support staff input not valued; • On call staff feeling undervalued; • The existence of 'cliques' within certain service areas; • Resistance to change; • Issues arising from training delivery; • Perception that contributions do not lead to positive results; and • A perception that to challenge the status quo may have negative repercussions. 	Limited Assurance

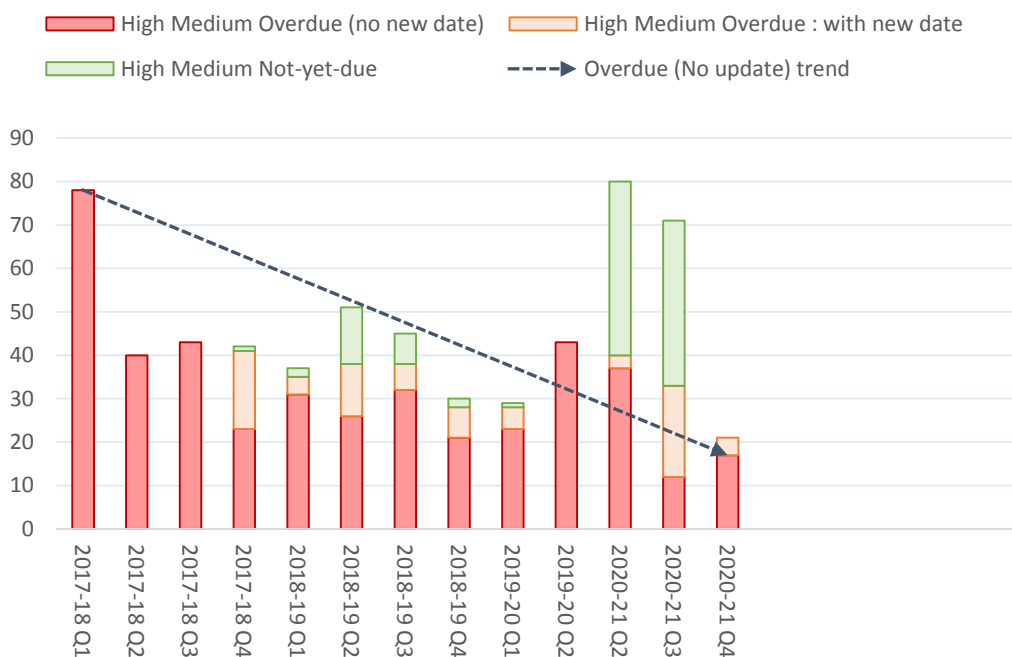
Assurance Area	Status	Summary of Findings / Update	Audit Opinion
Operational Training Academy	Complete	<p>The information for this audit was gathered as the Academy was scheduling commencement of practical training after suspending training due to Covid-19.</p> <p>The key findings were that the Academy had generally sound systems of governance, risk management and control in place. The identified opportunities for improvement formed the basis for actions agreed with the Academy management team. Many of these were already addressed by previously scheduled changes to the Academy, however, those actions which were not already addressed, such as more regular review of the Academy's risk register, have been captured on the Assurance Tracker for regular updates.</p>	Reasonable Assurance
Health & Safety (PPE)	In progress	<p>The start date for the fieldwork of this internal audit was postponed and has now been added to the 2021-22 plan. The internal audit scope and objectives have been completed, with fieldwork to commence in Quarter 3 of 2021-22.</p> <p>The objective of this audit is to establish compliance with Personal Protective Equipment (PPE) training, legislation and requirements. The aim initially will be to review internal systems and processes, involving initial requirements, procurement and fitting, concluding in how compliant the service is in regards to training and refresher training of PPE use.</p>	TBC

4. **AUDIT & REVIEW RECOMMENDATIONS**

- 4.1 All of the identified weaknesses in the control environment have been discussed with the Lead Officers and Internal Audit are pleased to report that suitable action plans have been agreed to improve the management of any risks identified.
- 4.2 The Audit & Review Assurance Tracking system records all recommendations and agreed actions arising from internal audit work and the Annual Statement of Assurance. 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.
- 4.3 The follow-up of recommendations is prioritised on ensuring that high and medium level recommendations have been implemented. This is because the high and medium level recommendations made will have either identified significant risks, or identified improvements that could help the Service to achieve its objectives.
- 4.4 The overdue actions, in the graphs below, are largely linked to longer term project work that remain ongoing and are monitored through the assurance tracking process.
- 4.5 A number of open actions during 2020-21 have been superseded by changes to the Service structure, digital transformation and other actions. The focus during Quarters 3 and 4 has been on updating the Assurance Tracker to ensure that actions that have been superseded are documented and recorded as closed. This has had a positive impact on the number of open actions, as can be seen in the charts below.



Number of Open Items (*High / Medium High priorities*)



4.6 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.

5. **CONCLUSION & RECOMMENDATIONS**

5.1 Of the audits completed in 2020-21 where an assurance rating has been given, three audits have been given an opinion of 'Reasonable Assurance' and two audits have been given an opinion of 'Limited Assurance'. There have been no internal audit reports issued this year where it was considered that the systems of internal control resulted in an audit opinion of 'No Assurance'. Based on the work completed to date in this year and knowledge from previous years, the systems in operation within the Service demonstrate a reasonable level of internal control.

5.2 Both Internal Audit and the Devon Audit Partnership 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

APPENDIX 1 TO REPORT AGC/21/2

2020/21 Internal Audit Plan

Audit & Review days	143
Devon Audit Partnership (DAP) days - Risk Based Audit	50
Devon Audit Partnership (DAP) days - Key Financial Systems	35
HMICFRS	200
Information Assurance	158
IT Security days	110
Operational Assurance	315
Organisational Safety & Assurance	499
Total Assurance Days	1367

Types of reviews included :

Strategic Reviews

Annual Statement of Assurance	5
HMICFRS	200
Total	205

Compliance Reviews

Key Financial Systems (DAP)	35
Data Protection Compliance monitoring	158
Total	193

Audit Health Checks

IT Health Check - Corporate	15
IT Health Check - NFSP	25
RMADS	15
Code of Connection (Airwave/ESN)	10
ISO 27001 Alignment	45
Total	110

Internal Audit

Annual Internal Audits	65
Risk Based Audit (inc. Contingency)	163
Total	228

Other Continuous Improvement & Assurance activity	631
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Agenda Item 7

REPORT REFERENCE NO.	AGC/21/3
MEETING	AUDIT & GOVERNANCE COMMITTEE
DATE OF MEETING	30 JULY 2021
SUBJECT OF REPORT	INTERNAL AUDIT 2021-22 QUARTER 1 PROGRESS REPORT
LEAD OFFICER	DIRECTOR OF GOVERNANCE AND DIGITAL SERVICES
RECOMMENDATIONS	<i>That the report be noted.</i>
EXECUTIVE SUMMARY	<p>This report updates the Committee on progress in delivering the 2021-22 Annual Internal Audit Plan and updates on review work undertaken this financial year.</p> <p>The report shows that at three months into the year, overall delivery of the plan is on target but, as we are only three months into the year, there are no new audit opinions finalised to allow Internal Audit to comment on the current state of the Internal Control Framework.</p> <p>The work of the Internal Audit Service is to provide independent assurance to the Service's senior officers and Members that governance, risk management and controls are sufficient in ensuring delivery of the Service's objectives.</p>
RESOURCE IMPLICATIONS	Nil.
EQUALITY RISKS AND BENEFITS ASSESSMENT	Not applicable.
APPENDICES	Appendix 1 - Assurance Opinion Levels
BACKGROUND PAPERS	Internal Audit 2021-22 Plan

1. **INTRODUCTION**

- 1.1. The 2021-22 internal audit plan was approved by the Audit & Performance Review Committee (APRC) on 5 March 2021.
- 1.2. Internal Audit and the Devon Audit Partnership are accountable for the delivery of the Plan and the Internal Audit Charter includes the requirement to report progress to this Committee at least three times per year.
- 1.3. The aim of this report is to update Members on progress in delivery against the internal audit plan, recognising that this is in the context of the Service remaining in the Business Continuity Recovery phase. Remote working and Covid-19 restrictions at Service premises and stations have continued during this time.
- 1.4. The report also includes an overview of the assurance tracking process and the current high priority recommendations that remain as 'open' on the assurance/audit tracker.

2. **PROGRESS AGAINST INTERNAL AUDIT PLAN**

- 2.1. In the 2021-22 Internal Audit Plan a total of 232 days were approved for Internal Audit activity.
- 2.2. As we are only three months into the year, there are no new audit opinions finalised to allow Internal Audit to comment on the current state of the Internal Control Framework but, based on previous years, there are no areas of the Internal Control Framework, or internal audit reports issued, where we can provide no assurance.
- 2.3. One internal audit remains outstanding from 2020-21 that was delayed due to Covid-19 restrictions and working arrangements. The Personal Protective Equipment audit will now be completed in addition to the 2021-22 audit plan.
- 2.4. The table below provides an update on individual areas of work being completed using resource from the agreed Internal Audit Plan. Work to date is progressing on target as planned, and audit reviews are substantially being completed within their allocated days.

Assurance Area	Status	Update	Audit Opinion
Devon and Somerset Fire & Rescue Audit Resource:			
Light Support Fleet Audit	In Progress: Draft Report	Awaiting management response to finalise the report. Rationale for audit: The light support fleet is not managed centrally and is an area of high expenditure. The Service needs to ensure that processes are effective and efficient in order to demonstrate value for money in the use of this fleet and ensure that the impact of changes to ways of working in response to Covid-19 is considered going forwards.	Opinion not yet available

Assurance Area	Status	Update	Audit Opinion
Station Compliance	In Progress: Fieldwork	<p>The fieldwork for this audit and draft report are on track for completion by the end of July.</p> <p>Rationale for audit: If the Service does not have adequate controls in place then there is a risk that some stations may not be complying with statutory requirements, for example with regard to legionella management.</p>	Opinion not yet available
Training: Fitness Testing	In Progress: Planning	<p>Fitness Training Audit is in progress, however a short piece of assurance work has also been requested by the Executive Board to disclose what new processes and procedures have been implemented after previous areas of concern were identified. This will support a more efficient and concise audit process.</p> <p>Rationale for audit: Her Majesty's Inspectorate of Constabularies and Fire and Rescue Services (HMICFRS) reported a Cause for Concern that the Service 'cannot assure itself that operational members of staff meet the minimum fitness requirements to perform their role.' It is also important to provide assurance that equality impacts have been considered and reflected within Service policy and that process changes have been embedded.</p>	Opinion not yet available

Assurance Area	Status	Update	Audit Opinion
Health & Safety: Personal Protective Equipment (PPE)	In Progress: Planning	<p>Primarily due to Covid-19 Business Continuity measures, the start date for the fieldwork of this internal audit was postponed and has now been added to the 2021-22 Plan. The scope and objectives have been completed, with fieldwork to commence in Quarter 3.</p> <p>The objective of this audit is to establish compliance with PPE training, legislation and requirements. The aim initially will be to review internal systems and processes, involving initial requirements, procurement and fitting, concluding in how compliant the service is in regards to training and refresher training of PPE use.</p>	Opinion not yet available
Community Safety: Fire Prevention	Due to start in Q3	Rationale for audit: The Authority has a statutory responsibility under the Fire and Rescue Services Act 2004 to give fire safety advice and needs assurance that it is prioritising its prevention work to prevent fires and other emergencies from occurring.	Opinion not yet available
Working with Children and Young People	Due to start in Q3	Rationale for audit: Errors in this area could damage the reputation of the Service and could potentially breach the Service's legal obligations with regard to safeguarding. By reviewing the security checks that are currently undertaken, assurance can be provided that the Service is ensuring the safety of its people and the community that it serves.	Opinion not yet available

Assurance Area	Status	Update	Audit Opinion
Fleet Management	Due to start in Q4	Rationale for audit: Availability of vehicles/appliances that are fit for purpose forms part of risk CR056 on the corporate risk register. Further to previous audit work in this area and implementation of the fleet strategy, assurance needs to be provided that improvements are being embedded.	Opinion not yet available

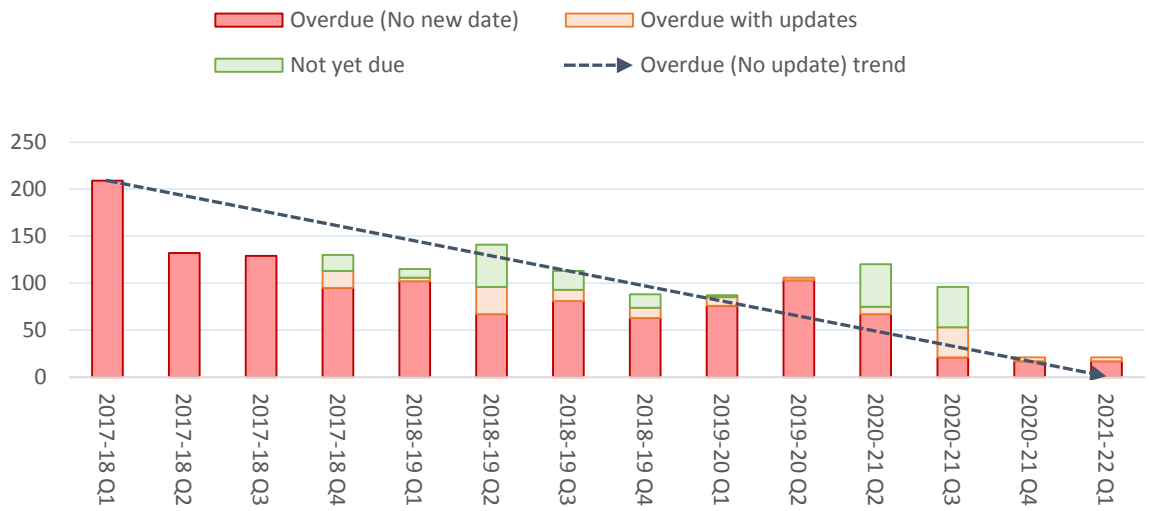
Assurance Area	Status	Update	Audit Opinion
Devon Audit Partnership Resource:			
Key Financial Systems (Inc. Payroll)	Starts 6 th December 2021	This is a fixed part of the audit plan which is presented to the External Auditor on an annual basis.	Opinion not yet available
Risk Management	Due to start in Q3	HMICFRS expressed concerns over some aspects of the risk management process. This audit will provide assurance on how well the Service's revised risk management framework has embedded.	Opinion not yet available
Use of Data	Due to start in Q4	Wherever possible the Service's work should be data driven to determine how activity is prioritised to ensure that services are provided effectively and efficiently. This data should be readily available, accurate and up to date.	Opinion not yet available
Information Security - Availability of systems	Starts 20 th September 2021	Information security is the foundation for high-scoring items on the Corporate Risk Register (CR037 & CR044). This is an area of increasing risk to all organisations, and with rapid increases in remote working and reliance on ICT, good security practices are essential.	Opinion not yet available

Assurance Area	Status	Update	Audit Opinion
Application of learning (including HMICFRS and Grenfell)	Due to start in Q3	There are risks associated to both not applying learning, and not being able to evidence that learning has been applied. Failure to apply learning can risk the safety of employees and the public, as well as risk non-compliance with updated regulations.	Opinion not yet available

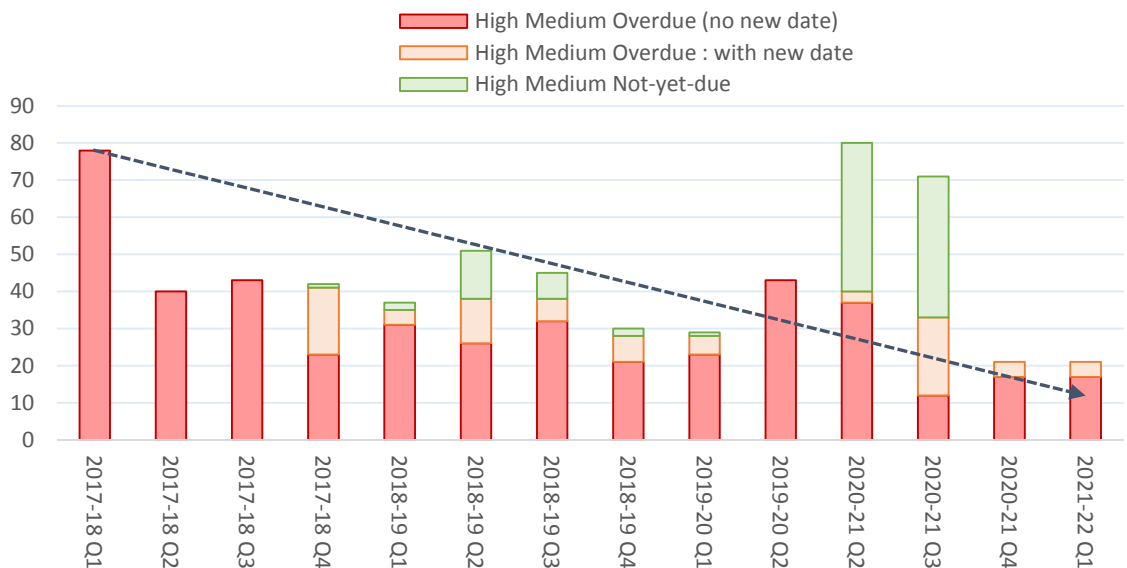
3. ACTION TRACKING OF AUDIT & REVIEW RECOMMENDATIONS

- 3.1. The Assurance/Audit Tracker records all recommendations and agreed actions generated by internal audit. Where relevant, these will also be reflected in either department plans (if incremental improvement) or the Change & Improvement Plan (if strategic).
- 3.2. The Audit Tracker is available to all employees through the Intranet Service Information Point (SIP).
- 3.3. Updates are focussed on the higher priority items (such as those which are associated to high risks, or have deadlines provided by external bodies), however, as can be seen from the graphs below, the trend for the total number of overdue items of all priorities, continues to decrease.
- 3.4. Any overdue actions recorded are largely linked to longer term project work and introduction of new processes that remain ongoing. These are monitored through the assurance tracking process and no areas are identified as non-responsive.
- 3.5. Additionally, some open actions have been superseded by changes to the Service structure, digital transformation and other upgrade/changes. Work is ongoing to ensure that actions that have been superseded are documented and recorded as closed.
- 3.6. The tables overleaf show the number of open items on the Assurance/Audit Tracker.

Number of Open Items (All priorities)



Number of Open Items (High / Medium High priorities)



4. NATIONAL FRAUD INITIATIVE

4.1. The National Fraud Initiative (NFI) is an exercise that matches electronic data with and between public and private sector bodies to prevent and detect fraud. The 2020-21 data matches were made available to Internal Audit, via the secure NFI software, during February 2021. Internal Audit will review and investigate the data matches during 2021-22 prioritising the higher risk matches. There are currently 443 data matches to review, investigate and record the outcomes on the NFI system. The NFI data matching exercise is carried out every two years, with a requirement that all data matches identified for Devon and Somerset Fire & Rescue Service have been checked within the NFI timeframe. Internal Audit will continue to provide progress reports to the Committee throughout the year on this work.

5. CONCLUSION & RECOMMENDATIONS

- 5.1. As we are only three months into the year, there are no new audit opinions finalised to allow Internal Audit to comment on the current state of the Internal Control Framework but, based on previous years, there have been no areas of the Internal Control Framework, or internal audit reports issued, where we can provide no assurance. For reference, the assurance opinion levels used are detailed at Appendix 1.
- 5.2. Both Audit & Review and the Devon Audit Partnership 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

Assurance Opinion Levels

One of the key roles of Internal Audit is to provide independent assurance as to how effectively risks are managed across the organisation.

The following assurance opinion levels are used by both DSFRS Internal Audit and Devon Audit Partnership and have been developed to evaluate and report audit conclusions:

ASSURANCE	DEFINITION
Substantial Assurance	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.
Reasonable Assurance	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
Limited Assurance	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
No Assurance	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.

The following recommendation priorities have been developed to evaluate and report where weakness or opportunity is identified.

PRIORITY	DEFINITION
High	A significant finding. A key control is absent or is being compromised; if not acted upon this could result in high exposure to risk. Failure to address could result in internal or external responsibilities and obligations not being met.
Medium	Control arrangements not operating as required resulting in a moderate exposure to risk. This could result in minor disruption of service, undetected errors or inefficiencies in service provision. Important recommendations made to improve internal control arrangements and manage identified risks.

PRIORITY	DEFINITION
<p style="text-align: center;">Low</p>	<p>Low risk issues, minor system compliance concerns or process inefficiencies where benefit would be gained from improving arrangements. Management should review, make changes if considered necessary or formally agree to accept the risks. These issues may be dealt with outside of the formal report during the course of the audit.</p>
<p style="text-align: center;">Opportunity</p>	<p>A recommendation to drive operational improvement which may enable efficiency savings to be realised, capacity to be created, support opportunity for commercialisation / income generation or improve customer experience. These recommendations do not feed into the assurance control environment.</p>

Agenda Item 8

REPORT REFERENCE NO.	AGC/21/4
MEETING	AUDIT & GOVERNANCE COMMITTEE
DATE OF MEETING	30 JULY 2021
SUBJECT OF REPORT	LOCAL PENSIONS BOARD ANNUAL REPORT 2020-21
LEAD OFFICER	Director of Governance & Digital Services
RECOMMENDATIONS	<i>That the Local Pensions Board Annual Report 2020-21, as appended to this report, be endorsed.</i>
EXECUTIVE SUMMARY	<p>The Local Pensions Board was established by the Devon & Somerset Fire & Rescue Authority in 2015 in compliance with the requirements of the Firefighters' Pension Scheme (Amendment)(Governance) Regulations. The role of the Board is to assist the Authority (as Scheme Manager) in ensuring the effective and efficient governance and administration of firefighters' pensions schemes. The Board is not, however, a decision making body. Day-to-day management and administration of the firefighters' pensions schemes functions are delegated to the Human Resources Manager (or equivalent post-holder).</p> <p>Nationally, a Scheme Advisory Board (SAB) exists to advise the Secretary of State on potential changes to the firefighters' pensions schemes and advise scheme administrators and local pensions boards on the effective and efficient administration of the schemes. The SAB advocates that, as a matter of good practice and assurance, Local Pensions Boards should produce an Annual Report on their activities for consideration by their respective scheme managers. The Authority has delegated responsibility for this to this Committee.</p> <p>The Local Pension Board annual report for 2020-21 is now attached for consideration.</p>
RESOURCE IMPLICATIONS	Nil.
EQUALITY RISKS AND BENEFITS ANALYSIS	The contents of this report are considered compatible with existing equalities and human rights legislation.
APPENDICES	A. Local Pensions Board Annual Report 2019-20

BACKGROUND PAPERS	Report DSFRA/15/5 (Establishment of Local Pensions Board for Firefighters' Pensions Scheme) to the Authority Budget Meeting on 20 February 2015 (and the Minutes of that meeting).
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MIKE PEARSON
Director of Governance & Digital Services

Devon and Somerset Fire and Rescue Authority

Local Pension Board Annual Report 2020-21

1. Introduction

- 1.1. The purpose of this Annual Report is to provide information about the status of the Devon and Somerset Fire and Rescue Authority Local Pension Board for Scheme Members (employees and pensioners) and for the Scheme Manager (the Authority) together with a summary of issues considered in the relevant period (1 April 2020 – 31 March 2021).
- 1.2. In accordance with Section 5 and s.30 (1) of the Public Service Pensions Act 2013 and Regulation 4A of the Firefighters' Pension Scheme (Amendment) (Governance) Regulations 2015, the Devon and Somerset Fire and Rescue Authority Local Pension Board was established in February 2015 to provide advice on the effective and efficient administration and management of the various firefighter pension schemes.
- 1.3. The Report includes commentary on the following:
- A summary of the work undertaken by the Local Pension Board during 2020-21
 - Detail of areas investigated and how these areas were dealt with
 - Any conflicts of interest and how these were managed
 - Any identified risks and other areas of potential concern
 - Any expenses and costs incurred by the Board
 - Gifts and hospitality received by members of the Board
 - Training for Board members

2. Membership and meetings of the Local Pension Board

- 2.1. During 2020-21, the Local Pension Board comprised of eight members as follows:

Scheme Manager Representatives:

- Mike Pearson - Chair (Director of Governance and Digital Services)
- Amy Webb (Director of Finance)
- Councillor George Wheeler
- Satnam Singh Rai (Independent Co-opted Member)

Scheme Member Representatives:

- Andy Hallam

- Peter Redbourn
 - James Leslie
 - Ben Redwood
- 2.2. In addition to the above, the following officers supported the Board and regularly attend Board meetings:
- Steve Pope (HR Manager and Delegated Scheme Manager) until January 2021
 - Caroline Gourlay (HR Reward & Benefits Manager and Delegated Scheme Manager)
 - Steve Yates (Democratic Services Manager)
 - Lisa Etchell (Executive Support Assistant)
- 2.3. In accordance with the Terms of Reference, the Board met on four occasions during 2020-21, meetings having taken place on:
- 24 Jun 2020;
 - 16 Sep 2020;
 - 09 Dec 2020; and
 - 17 Mar 2021

3. Work undertaken by the Local Pension Board

- 3.1. During 2020-21 the following matters were undertaken/considered:
- Review of actions log
 - Management of Risk Register and development LPB of Risk Management Procedure
 - Management of Work Programme
 - Development of Training records and annual Training Plan
 - Reviewed and updated the Self-Assessment using the Pension Regulator Tool
 - Individual training using the Pension Regulator e-learning modules
 - KPI Performance Measures (data collection and reporting)
 - Completed the Pension Regulator annual governance and administration survey
 - Completed the Scheme Advisory Board Survey
 - Received regular updates from the Scheme Manager, Scheme Administrator and the Scheme Advisory Board
 - Reviewed arrangements for reporting potential breaches of the law

- Virtual attendance at the Local Government Association (LGA) Fire Pensions Annual Conference
- Monitoring arrangements for dealing with 'Immediate Detriment' cases arising from the age discrimination ruling in the McCloud/Sargeant judgement
- LPB Annual report 2019-20

4. **Identified risks and Board actions**

4.1. Risks and issues are categorised as follows:

	Action Status
	Not yet started
	In progress
	Complete

Date	Risk/Issue	Agreed Action	Status
15/02/19	Development of key performance indicators	KPI dashboard to be developed	
30/10/19	LPB Risk Register	Develop specific LPB risk assessment process Action completed 24/06/20	
18/03/20	Cyber Attack	Review Pensions Administrator's business continuity plan	
24/06/20	Appeal Court Rulings (McCloud/Sargeant & O'Brien/Matthews)	Determine powers to process Immediate Detriment cases and assess resource levels to implement remedy	
24/06/20	LPB Training Needs Analysis and Individual Training Plans	Process for TNA and training records to be developed. Action completed 13/04/21	
07/01/21	Injury Pension – Potential incorrect deduction of Retirement Allowance	Determine whether historic deductions were incorrect and if so remedy individual cases	

5. **Statutory Breaches**

5.1. No statutory breaches were reported to the Regulator during the period.

6. **Devon and Somerset Fire and Rescue Service Website**

- 6.1. [Further information regarding the Local Pension Board can be found here on the Service website.](#)

7. **Scheme Membership**

- 7.1. The scheme membership numbers are now included in the monthly reports from the Scheme Administrator. Membership numbers as at 31 March 2021, were:

Scheme	Active Members	Deferred			Preserved Refund	Leavers Options
		Members	Pensioners	Beneficiaries		Pending
Devon and Somerset Fire (1992 Scheme)	52	59	919	157	1	0
Devon and Somerset Fire (2006 Scheme)	25	417	218	15	9	1
Devon and Somerset Fire (2006/RDS Scheme)	38	79	97	3	0	0
Devon and Somerset Fire (2015 Scheme)	1399	483	21	14	4	14
Devon and Somerset Fire (2015/RDS Scheme)	45	5	2	0	0	3
Grand Total	1559	1043	1257	189	14	18

- 7.2. The Delegated Scheme Manager has been asked to report at each Board meeting details of: membership numbers; opt out numbers; new starters; and retirements. This is expected to be in place during 2021.

8. **Conflicts of Interest**

- 8.1. Members of the Local Pension Board are required to declare any personal, prejudicial, or conflicts of interest. Board members are asked at each meeting to declare any conflicts that may have arisen.
- 8.2. There have been no declarations made by any Board members, advisor or attendee at any meeting of the Board during the relevant period.

9. **Expenses and Costs**

- 9.1. Members of the Board, together with the members of the Human Resource Department (as day-to-day scheme manager) attended the Local Government Association Fire Pensions Annual Conference in September 2020. There was no costs associated with this conference as attendance was virtual via Zoom.
- 9.2. Total Local Pension Board expenditure for 2020-21 was, therefore, limited to the "co-optees" allowance of £500 per annum paid to the Independent Employer Representative in accordance with Regulation 9 of the Local Authorities (Members Allowances) (England) Regulations 2003 and the Authority's Approved Scheme of Members Allowances made under those Regulations.

10. **Gifts and Hospitality**

- 10.1. No declarations of gifts or hospitality were made by members of the Board during the relevant period.

11. Knowledge and Understanding

- 11.1. Board members have completed e-learning modules on the Pension Regulator's website. Details of each Board member's training is published on the Service website.
- 11.2. Monthly updates from the scheme administrator, the West Yorkshire Pension Fund, and the LGA's monthly Firefighters Pensions Schemes Bulletin are shared with Board members.
- 11.3. Completion of the Regulator's self-assessment toolkit during 2019/20 identified a need to develop a process for completion of individual training needs analysis for Board members and the creation of individual training plans/records. This work was completed during 2020/21 and individual training plans are in place. The individual training needs analysis records were used to identify common topics of interest, which is now included on each meeting of the Board. Additional training sessions on subjects similarly derived from the training needs analysis records are also provided.

12. Legislative and advisory updates

- 12.1. In accordance with statutory requirements, members of the Board have been provided with regular legislative updates together with updates from the Pension Regulator and the Scheme Advisory Board. The following have been provided during 2020-21:
 - TPR guidance on public service internal controls checklist;
 - Guidance on treatment of 'Immediate Detriment' cases arising from the age discrimination ruling in the McCloud/Sargeant judgement;
 - Firefighters Pensions Schemes Bulletins No. 31 to 43 inclusive, setting out updates and news on a range of issues relating to Firefighters Pensions Schemes

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Agenda Item 9

REPORT REFERENCE NO.	AGC/21/5
MEETING	AUDIT & GOVERNANCE COMMITTEE
DATE OF MEETING	30 JULY 2021
SUBJECT OF REPORT	AUTHORITY POLICY FOR REGULATION OF INVESTIGATORY POWERS ACT 2000 (RIPA) – REVIEW
LEAD OFFICER	Director of Governance & Digital Services
RECOMMENDATIONS	<i>That the report be noted.</i>
EXECUTIVE SUMMARY	<p>The Regulation of Investigatory Powers Act 2000 (RIPA) governs the use by public authorities (such as the Devon & Somerset Fire & Rescue Authority) of covert investigatory techniques which might otherwise infringe legal rights to privacy and respect for family life. While this Authority has never used, nor envisages ever using, the types of covert techniques governed by RIPA, it is nonetheless required to have appropriate policies and procedures in place should the use of such techniques ever be required.</p> <p>The Authority is also required, under the various codes of practice in place, to review its policies and procedures for RIPA at least annually and to report on (in anonymised form) any use of RIPA over the last twelve months</p> <p>The Committee last received a report on these issues at its meeting on 4 March 2020. This paper now sets out the findings of the most recent review.</p>
RESOURCE IMPLICATIONS	There is a requirement to ensure that relevant officers receive appropriate training and that sufficient awareness-raising is undertaken to promote understanding of the processes to be followed to obtain RIPA authorisation. Any costs associated with the above will be met from within existing resources.
EQUALITY RISKS AND BENEFITS ANALYSIS	The contents of this report are considered compatible with existing equalities and human rights legislation.
APPENDICES	Nil (NOTE: a copy of the Authority RIPA policy can be a made available on request)

BACKGROUND PAPERS	<ul style="list-style-type: none">A. Regulation of Investigatory Powers Act 2000.B. Investigatory Powers Act 2016.C. Report APRC/20/7 (Authority Policy for Regulation of Investigatory Powers Act 2000 [RIPA] – Review) to the [then] Audit & Performance Review Committee meeting held on 4 March 2020 (and the Minutes of that meeting).D. Report APRC/20/13 (Acquisition of Communications Data under the Investigatory Powers Act [IPA] 2016) to the [then] Audit & Performance Review Committee meeting held on 7 September 2020 (and the Minutes of that meeting).
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1. BACKGROUND

- 1.1. The Regulation of Investigatory Powers Act 2000 (RIPA) sets out a regulatory framework for the use by specified public authorities (including combined fire and rescue authorities such as the Devon & Somerset Fire & Rescue Authority) of covert investigatory techniques which might otherwise infringe legal rights to privacy and respect for family life. RIPA limits authorities to using three, defined covert techniques. Use of any one of these techniques is subject to prior authorisation by an authorising officer or other designated person.
- 1.2. This Authority has no history of using the covert investigatory techniques covered by RIPA and there is no expectation that there will ever be a need to use. Instead, it is considered that all information required by the Authority to discharge its statutory functions can be gathered by non-covert means.
- 1.3. Nonetheless, the Authority is still required to have in place a policy setting out the minimum requirements to be complied with in the unlikely event that it is necessary to use RIPA provisions. The policy is intended to provide protection for the Authority, individual officers using RIPA provisions and those subject to or otherwise affected by the process. The terms of the protection are based on necessity, proportionality and the authorisation given in relation to a particular investigation.
- 1.4. Oversight of the Authority's RIPA policy is delegated to this Committee. In doing so, the Committee is required (by virtue of the various Codes of Practice relating to use of RIPA and associated legislation) to keep the policies and procedures under review and to receive an anonymised report on the use of RIPA during the last twelve months. This report now sets out that information.

2. RIPA AUTHORISATIONS SINCE LAST REVIEW

- 2.1. Since the last report to the [then] Audit & Performance Review Committee on 4 March 2020, there has been no use of RIPA by the Authority.

3. REVIEW OF AUTHORITY POLICY

- 3.1. At its meeting on 7 September 2020, the [then] Audit & Performance Review Committee was advised of the requirement to remove references on the acquisition of communications data from the Authority's RIPA policy as the Investigatory Powers (Communications Data) (Relevant Public Authorities and Designated Senior Officers) (No. 2) Regulations 2020 had removed fire and rescue authorities as relevant authorities for the purposes of the Investigatory Powers Act 2016 ("the 2016 Act").

- 3.2. The Authority's RIPA policy was subsequently amended accordingly. It should also be noted, however, that the Communications Act 2003 requires certain telecommunications operators to provide communications data to the emergency services following a "999" emergency call. The 2016 Act and its associated Codes of Practice are not intended to regulate the handling of such emergency calls and a period of one hour after termination of an emergency call (referred to as "the golden hour") falls outside the provisions of the 2016 Act in relation to the disclosure of communications data to emergency services.
- 3.3. Other than the change referred to in the above paragraphs, it has not been necessary to amend the Authority's Policy in any respect. The Committee is also reminded that, following the review in 2019 and in response to representations made by the National Fire Chiefs Council (NFCC), the Investigatory Powers Commissioner's Office suspended RIPA inspections of fire and rescue authorities pending a decision by the Office for Security and Counter Terrorism (OSCT) on amending the RIPA schedule to remove fire and rescue authorities from the list of public bodies able to use RIPA powers. The RIPA inspection regime remains suspended but as yet there has been no confirmation from the OSCT on the removal of fire and rescue authorities from the RIPA schedule.

4. CONCLUSION

- 4.1. While the Authority has never had recourse to use the type of covert surveillance techniques regulated by RIPA and does not envisage any situation where this would be necessary, it nonetheless takes seriously its commitment to ensuring that, should this ever be necessary, the activities are undertaken in legally compliant manner.
- 4.2. This commitment of the Authority has been recognised in reports from the former Office of the Surveillance Commissioners following previous inspections. Additionally, any recommendations from the previous reports have been actioned and the RIPA policy updated as required to reflect legislative changes.
- 4.3. The outcome of the most recent review has not highlighted any changes required to the policy. The Authority's current RIPA policy and procedures are robust and will ensure that the Authority is fully compliant with RIPA requirements should it ever prove necessary to employ covert surveillance techniques.
- 4.4. The policy will be subject to another review in twelve months' time (as required) and any changes required in the meantime (as might arise from a change in the RIPA regime) will be reported to the Committee as required.

MIKE PEARSON
Director of Governance & Digital Services