



# DEVON & SOMERSET FIRE & RESCUE AUTHORITY

**M. Pearson  
CLERK TO THE AUTHORITY**

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

**(see below)**

**SERVICE HEADQUARTERS  
THE KNOWLE  
CLYST ST GEORGE  
EXETER  
DEVON  
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Our ref : DSFRA/MP/SY  
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Date : 29 April 2022  
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## **AUDIT & GOVERNANCE COMMITTEE**

**Tuesday, 10 May, 2022**

A meeting of the Audit & Governance Committee will be held on the above date, **commencing at 2.00 pm in Committee Room A, Somerset House, Devon & Somerset Fire & Rescue Service Headquarters** to consider the following matters.

M. Pearson  
Clerk to the Authority

## **AGENDA**

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

**1 Apologies**

**2 Minutes (Pages 1 - 6)**

of the previous meeting held on 7 March 2022 attached.

**3 Items Requiring Urgent Attention**

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

## **PART 1 - OPEN COMMITTEE**

### **4 External Audit Plan for Year Ending 31 March 2022 (Pages 7 - 30)**

The Authority's External Auditor, Grant Thornton, has submitted, for information (and as attached), an overview of the planned scope and timing of the statutory audit of Devon & Somerset Fire & Rescue Authority ('the Authority') for the year ended 31 March 2022.

### **5 Draft 2021-22 Annual Statement of Assurance (Pages 31 - 62)**

Report of the Director of Governance & Digital Services (AGC/22/4) attached.

### **6 Internal Audit 2021-22 Year-end Report (Pages 63 - 78)**

Report of the Director of Governance & Digital Services (AGC/22/5) attached.

### **7 Authority Policy for Regulation of Investigatory Powers Act (RIPA) 2000 - Review (Pages 79 - 82)**

Report of the Director of Governance & Digital Services (AGC/22/6) attached.

### **8 Draft Forward Plan (Pages 83 - 88)**

Report of the Director of Governance & Digital Services (AGC/22/7) attached.

### **9 Exclusion of the Press and Public**

**RECOMMENDATION** that, in accordance with Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined the following Paragraphs of Part 1 of Schedule 12A (as amended) to the Act:

- Paragraph 3 (information relating to the financial and business affairs of any particular person – including the authority holding that information); and
- Paragraph 4 (information relating to consultation or negotiations or contemplated consultation or negotiations in connection with a labour relations matter arising between the Authority or a Minister of the Crown and employees of or office holders under the Authority).

## **PART 2 - ITEMS WHICH MAY BE CONSIDERED IN THE ABSENCE OF THE PRESS AND PUBLIC**

### **10 Internal Audit Service Provision (Pages 89 - 120)**

Report of the Director of Governance & Digital Services (AGC/22/8) attached.

### **MEMBERS ARE REQUESTED TO SIGN THE ATTENDANCE REGISTER**

#### Membership:

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

## 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.

	<b>NOTES (Continued)</b>
4.	<b><u>Part 2 Reports</u></b> 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.
5.	<b><u>Substitute Members (Committee Meetings only)</u></b> 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.
6.	<b><u>Other Attendance at Committees )</u></b> 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.

## **AUDIT & GOVERNANCE COMMITTEE**

(Devon & Somerset Fire & Rescue Authority)

7 March 2022

### Present:

Councillors Healey MBE (Chair), Brazil, Napper, Prowse (Vice-Chair), Roome, Shayer and Randall-Johnson.

### Apologies:

Councillors Dr. Buchan.

\* **AGC/21/14** **Minutes**

**RESOLVED** that the Minutes of the meeting held on 28 October 2021 be signed as a correct record.

\* **AGC/21/15** **Devon & Somerset Fire & Rescue Authority External Audit:**

**a** **External Auditor's Annual Report 2020-21**

*Councillor Mark Shayer declared a personal, non-pecuniary interest in this item by virtue of his being an Authority appointed Non-Executive Director of Red One Ltd.*

The Committee received for information the Annual Report on Devon & Somerset Fire & Rescue Authority's Value for Money (VFM) arrangements as submitted by the external auditor, Grant Thornton.

Under the National Audit Office Code of Practice, the external auditor was required now to consider whether the Authority had put into place proper arrangements to secure economy, efficiency and effectiveness in its use of resources in 2020-21 rather than giving a qualified/unqualified VFM conclusion.

The criteria under which the Authority's VFM arrangements were judged was:

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

The external auditor had to consider whether there were any risks of significant weakness in the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources. There were no significant weaknesses identified in the Authority's arrangements in all three of the above areas but improvement recommendations were made as set out within the report circulated.

The external auditor reported that its work on financial sustainability had demonstrated that the Authority had a strong performance and that arrangements were in place for the delivery of savings. The key assumptions in the Medium Term Financial Plan had been reviewed, part of which was the Change & Improvement Programme which was delivering savings, with a good level of reserves in place. Reference was made to the position on the Authority's trading company, Red One Ltd. as the risk profile had changed as the company had evolved and appropriate governance needed to be in place for this, hence a recommendation that this should be included on the Authority's Corporate Risk Register.

The Director of Governance & Digital Services responded that the move to an Annual Report was positive as this provided an extra strand of assurance on how Red One Ltd. was run. The Authority determined what arrangements were put into place for oversight of the company which was delegated to its Resources Committee to monitor currently. He acknowledged that the company had grown substantially, however, and that the responsibility for oversight may need to be reviewed. This would be explored in conjunction with the annual review of the Authority's constitutional arrangements in June 2022.

Reference was made to the issue of rising costs and whether this had been covered in the Medium Term Financial Plan. The Risk Manager responded that this had been recognised and that a risk was included (CRR074) in respect of supply chain disruptions.

**b Value for Money (VFM) Extension Letter**

The Committee received for information the extension letter submitted in accordance with the 2020 Code of Audit Practice, explaining the reasons for the delay in submission of the external auditor's Annual Report which was usually required by 30 September.

The National Audit Office had updated its guidance to permit a postponement of the completion of this work in view of the delays associated with the Covid-19 pandemic and the impact on the auditing of accounts. The Annual Report has been published now and this letter has been published alongside this for the purposes of compliance with the Code.

*NB. Minute AGC/21/16(a) above also refers.*

**c Informing the Risk Assessment for Devon & Somerset Fire & Rescue Authority**

The Committee considered the document "Informing the Audit Risk Assessment for Devon & Somerset Fire & Rescue Authority 2021/22" submitted by the external auditor, Grant Thornton. The risk assessment was required under the International Standards on Auditing as a mechanism for a two-way communication between the auditor and the Audit & Governance Committee to facilitate a constructive working relationship.

It was noted that the auditor was required to obtain an understanding of management processes and had looked at the Authority's oversight of the following areas:

- General enquiries of management;

- Fraud;
- Law and regulations;
- Related parties;
- Going Concern; and
- Accounting estimates.

This was pertinent as the Authority would be preparing Group Accounts for the first time in 2021-22.

Thanks were expressed to the external auditors at this point for the work that had been undertaken during difficult times in 2020 and 2021.

**RESOLVED** that the Audit Risk Assessment for Devon & Somerset Fire & Rescue Authority be approved.

*NB. Minutes AGC/21/16(a) and AGC/21/16(b) above also refer.*

\* **AGC/21/17**    **2022-23 Internal Audit Plan**

The Committee considered a report of the Director of Governance & Digital Services (AGC/22/1) setting out the proposed Internal Audit Plan for 2022-23.

The Committee noted that eleven audits were proposed for 2022-23 with a focus on the Authority's environmental agenda and the requirements of Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS).

Attention was drawn to the position on fitness testing and whether the Committee could be assured that all Firefighters were being trained to the correct standard now. It was noted that there was assurance of this now and the Chief Fire Officer added that he was confident that the culture on fitness had improved across the organisation. The Chief Fire Officer was asked to confirm if HMICFRS had sent a letter to confirm it was content now with the fitness training in place within Devon & Somerset Fire & Rescue Service. It was noted that this letter had not been received but the Chief Fire Officer would be writing to HMICFRS again to seek the clarification required.

**RESOLVED** that the 2022-23 Internal Audit Plan be approved.

\* **AGC/21/18**    **Internal Audit Progress Report 2021-22: Quarter 3**

The Committee received for information a report of the Director of Governance & Digital Services (AGC/22/2) on the progress made against the approved Internal Audit Plan for 2021-22 as at Quarter 3 (October to December 2021).

The report provided information on:

- A request from Service Delivery for a change to the audit plan for 2021-22 to accommodate an audit of the Flexi Duty System which was achieved by deferring the application of learning audit to the start of 2022-23;
- An overview of the planned completion timescales for audits in 2021-22;

- Details of the audits completed and the assurance level given, including on the Light Support Fleet (limited assurance), fitness testing (reasonable assurance) and Station Compliance: Legionella Management (reasonable assurance);
- Audits ongoing which included Community Safety: Fire Prevention, Key Financial Systems and Personal Protective Equipment (amongst others);
- Details of audits not yet started including Working with Children and People and Fleet Management.

The report also covered the position on action tracking against existing recommendations. It was noted that there were 75 open items requiring actions of which approximately 20 were overdue. The audit work completed showed that some requirement was required in the systems of governance, risk management and control although the audit work undertaken was providing a reasonable level of assurance overall.

Councillor Randall Johnson (seconded by Councillor Prowse) **MOVED:**

“that the Committee was satisfied with the work undertaken and level of assurance provided and endorsed the audits undertaken under the Internal Audit Plan for 2021-22 to date”.

Upon a vote, this was **CARRIED** unanimously.

**RESOLVED** that the Committee was satisfied with the work undertaken and level of assurance provided and endorsed the audits undertaken under the Internal Audit Plan for 2021-22 to date.

\* **AGC/21/19**     **Corporate Risk Register**

The Committee received for information a report of the Director of Governance & Digital Services (AGC/22/3) that provided an update on the Corporate Risk Register. The Corporate Risk Register captured and described the most significant risks, both internally and externally, facing the Devon & Somerset Fire & Rescue Service (“the Service”), with a focus on cross-cutting risks and major projects.

The risk management process included the identification, assessment and recording of risks together with mitigating activities. The Service’s risk profile had changed since the previous report to the Committee on 28 October 2021. There were 18 risks entered with 2 risks escalated from the local risk register, 5 de-escalated to local and thematic risk and no risks closed. Of the 18 risks, 1 was a high risk and 17 were medium. In terms of the risks escalated, one was in respect of the shortage of Heavy Goods Vehicle drivers which had been incorporated within risk CRR074 in respect of supply chain issues. The second risk escalated (CRR079) was on the inability to provide assurance that Home Fire Safety data created, held and reported was correct which was a high risk.



In terms of horizon scanning, a meeting had been held with the Extended Leadership Team to discuss the key issues. The key risk identified for the future was on cyber attacks. The Risk Manager also confirmed that, following the points raised by the external auditor, Red One Ltd. had been added as a risk on the Corporate Risk Register.

The Committee expressed its thanks to the Risk Manager for the work undertaken on this and on addressing issues it had raised previously. The Committee was pleased to see that the Executive Board was considering the Corporate Risks on a regular basis.

*NB. Minutes AGC/21/16 (a) and (c) above also refer.*

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

The Meeting started at 10.00 am and finished at 11.45 am

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# Devon and Somerset Fire and Rescue Authority Audit Plan

Year ending 31 March 2022

21 April 2022  
Page 7



Agenda Item 4

# Contents



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Section	Page
Key matters	3
Introduction and headlines	4
Significant improvements from quality inspections	5
Group audit scope and risk assessment	6
Significant risks identified	7
Accounting estimates and related disclosures	11
Other matters	13
Materiality	14
IT Audit Strategy	15
Value for Money Arrangements	16
Audit logistics and team	17
Audit fees	18
Independence and non-audit services	19
Digital Audit	20
Appendix 1: Progress against prior year recommendations	22

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 Council 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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# Key matters

## Factors

### Authority developments

Local Government funding continues to be stretched with increasing cost pressures and demand from residents.

We have continued to hold regular meetings with the senior finance team at the Authority. During these meetings we discuss a range of key issues regarding the Authority's general developments, current and projected financial performance, governance issues and regulatory oversight. The budget for 2021/22 was set with a revenue budget of £74.2m and a planned in-year capital expenditure programme of £12.6m. At quarter 3 the Authority is forecasting an overall overspend on revenue of £0.107m. Pay awards have meant that there have been overspends in some areas as they were not anticipated in the original budget. At quarter 3 the capital programme was forecasting an overspend on the overall capital programme of £5.4m, mainly due to proposed refurbishment to Camels Head Fire Station. The quarter 2 performance report shows that against strategic priorities 1 and 2 the Authority is performing well with most KPI's in or around the target set. One area of improvement noted was the number of home safety visits completed. Work is on going in this area and recent reports to the Community Safety Committee set out that a re-structure within the Prevention Department is scheduled for completion by April 2022 and this will create capacity for staff to be able to focus more on risk within the communities of Devon and Somerset.

The Authority's subsidiary company continues to grow. The Authority have assessed the company's in year performance to be material to the Authority as a whole, and are therefore producing group accounts for the first time.

### Recovery from Covid 19 pandemic

There are ongoing economic uncertainties brought about by the Covid 19 pandemic, as the public sector continues to operate within the constraints of a one year funding settlement. Precept flexibility remains the key source of growth in funding to the sector, which has been utilised by Fire Authorities nationally. The government has provided a range of financial support packages throughout the pandemic. This has included additional funding to support the deficit on the collection fund, the cost of services or offset other income losses.

The Covid 19 pandemic has been well managed by the Authority and they have adapted working and governance arrangements to maintain their robust processes and our assessment is that the Authority has developed a good understanding of its financial and wider governance risks during the pandemic and, despite future financial uncertainty about medium term government funding, is well placed to address post Covid 19 challenges.

## Our response

- As a firm, we are absolutely committed to audit quality and financial reporting in the local government sector. Our proposed work and fee, as set further in our Audit Plan, has been agreed with the Director of Finance, People and Estates.
- We will consider your arrangements for managing and reporting your financial resources as part of our work in completing our Value for Money work. This will include a review of both operational and financial performance.
- We will continue to provide you with sector updates via our Audit and Governance Committee updates.
- The Authority's valuer reported a material uncertainty in regards to the valuation of land and buildings in 2020/21 due to the Covid 19 pandemic and it's possible some uncertainty will continue in 2021/22. We identified a significant risk in regards to the valuation of land and buildings – refer to page 8.
- We have included a significant risk in relation to the production of group accounts. This is to ensure that in the first year of production sufficient work is undertaken to fully understand the processes in place to produce accurate group accounts that are code compliant.

# Introduction and headlines

## Purpose

This document provides an overview of the planned scope and timing of the statutory audit of Devon and Somerset Fire and Rescue Authority ('the Authority') for those charged with governance.

## Respective responsibilities

The National Audit Office ('the NAO') has issued a document entitled Code of Audit Practice ('the Code'). This summarises where the responsibilities of auditors begin and end and what is expected from the audited body. Our respective responsibilities are also set out in the agreed Terms of Appointment and Statement of Responsibilities issued by Public Sector Audit Appointments (PSAA), the body responsible for appointing us as auditor. We draw your attention to both of these documents.

## Scope of our audit

The scope of our audit is set in accordance with the Code and International Standards on Auditing (ISAs) (UK). We are responsible for forming and expressing an opinion on the Authority and group's financial statements that have been prepared by management with the oversight of those charged with governance (the Audit and Governance committee); and we consider whether there are sufficient arrangements in place at the Authority and group for securing economy, efficiency and effectiveness in your use of resources. Value for money relates to ensuring that resources are used efficiently to maximise the outcomes that can be achieved.

The audit of the financial statements does not relieve management or the Audit and Governance Committee of your responsibilities. It is the responsibility of the Authority to ensure that proper arrangements are in place for the conduct of its business, and that public money is safeguarded and properly accounted for. We have considered how the Authority is fulfilling these responsibilities.

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

## Group Audit

The Authority have opted to prepare group financial statements for the first time in 2021/22. This is based on the Authority's assessment that Red One Ltd's trading activity is now material to the Authority. As this is the first time the Authority have produced group accounts, we have assessed the consolidation process and disclosure requirements as a significant risk.

## Significant risks

Those risks requiring special audit consideration and procedures to address the likelihood of a material financial statement error have been identified as:

- Management override of controls;
- Revenue transactions which include fraudulent transactions – specifically Red One Limited trading income (remaining sources of income are rebutted)
- Expenditure recognition (rebutted for the group);
- Valuation of Land & Buildings;
- Valuation of Pension Fund Net Liability; and
- Group consolidation and disclosure.

We will communicate significant findings on these areas as well as any other significant matters arising from the audit to you in our Audit Findings (ISA 260) Report.

## Materiality

We have determined planning materiality to be £1.8m for the group and £1.75m (PY £1.75m) for the Authority, which equates to 2% of your prior year gross expenditure for the year. Group materiality is based 2% of forecast group income. We are obliged to report uncorrected omissions or misstatements other than those which are 'clearly trivial' to those charged with governance. Clearly trivial has been set at £85k (PY £85k).

## Value for Money arrangements

Our initial risk assessment regarding your arrangements to secure value for money has not identified any risks of significant weakness. We will continue our review of your arrangements, including reviewing your Annual Governance Statement, before we issue our auditor's annual report. More detail on this initial assessment can be found on page 19.

## Audit logistics

Our planning/interim visit took place in March and April 2022 and our final visit will take place in July and August 2022. Our key deliverables are this Audit Plan, our Audit Findings Report and Auditor's Annual Report.

Our fee for the audit will be £47,280, subject to confirmation with PSAA Ltd, (PY: 41,280) for the, Authority subject to the Authority delivering a good set of financial statements and working papers.

We have complied with the Financial Reporting Council's Ethical Standard (revised 2019) 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.

# Significant improvements from the Financial Reporting Council's (FRC) quality inspection

On 29 October 2021, the FRC published its annual report setting out the findings of its review of the work of local auditors. The report summarises the results of the FRC's inspections of twenty audit files for the last financial year. A link to the report is here: [FRC AQR Major Local Audits October 2021](#)

Grant Thornton are one of seven firms which currently delivers local audit work. Of our 330 local government and NHS audits, 87 are currently defined as 'major audits' which fall within the scope of the AQR. This year, the FRC looked at nine of our audits.

## Our file review results

The FRC reviewed nine of our audits last year. It graded six files (67%) as 'Good' and requiring no more than limited improvements. No files were graded as requiring significant improvement, representing an impressive year-on-year improvement. The FRC described the improvement in our audit quality as an 'encouraging response by the firm to the quality findings reported in the prior year.' Our Value for Money work continues to be delivered to a high standard, with all of the files reviewed requiring no more than limited improvement. We welcome the FRC findings and conclusions which demonstrate the impressive improvement we have made in audit quality over the past year.

The FRC also identified a number of good practices including effective challenge of management's valuer, use of an auditor's expert to assist with the audit of a highly specialised property valuation, and the extent and timing of involvement by the audit partner on the VFM conclusion.

## Our continued commitment to Audit quality and continuous improvement

Our work over the past year has been undertaken during the backdrop of COVID, when the public sector has faced the huge challenge of providing essential services and helping safeguard the public during the pandemic. As auditors we have had to reflect on the significant challenges faced by our colleagues working at the front line in delivering vital public services whilst staying focused on the principles of good governance and financial management, things which are more important than ever. We are very proud of the way we have worked effectively with audited bodies, demonstrating empathy in our work whilst still upholding the highest audit quality.

Our results over the past three years are shown in the table below:

Grade	Number 2018/19	Number 2019/20	Number 2020/21
Good with limited improvements (Grade 1 or 2)	1	1	6
Improvements required (Grade 3)	2	5	3
Significant improvements required (Grade 4)	1	0	0
Total	4	6	9

Over the coming year we will make further investments in audit quality including strengthening our quality and technical support functions, and increasing the level of training, support and guidance for our audit teams. We will address the specific improvement recommendations raised by the FRC, including:

- enhanced training for local auditors on key assumptions within property valuations, and how to demonstrate an increased level of challenge
- formalising our arrangements for the consideration of complex technical issues by Partner Panels.

As part of our enhanced Value for Money programme, we will focus on identifying the scope for better use of public money, as well as highlighting weaknesses in governance or financial stewardship where we see them.

## Conclusion

Local audit plays a critical role in the way public sector audits an society interact, and it depends on the trust and confidence of all those who rely on it. As a firm we're proud to be doing our part to promote good governance, effective stewardship and appropriate use of public funds.

# Group audit scope and risk assessment

In accordance with ISA (UK) 600, as group auditor we are required to obtain sufficient appropriate audit evidence regarding the financial information of the components and the consolidation process to express an opinion on whether the group financial statements are prepared, in all material respects, in accordance with the applicable financial reporting framework.

We have scoped the group audit and completed our risk assessment based on Red One Ltd's interim financial information and forecast outturn position. We will revisit both areas on receipt of the draft group financial statements when we are clear what the actual position is, and the level of consolidation adjustments that have been applied.

Component	Individually Significant?	Level of response required under ISA (UK) 600	Risks identified	Planned audit approach
The Authority	Yes		<ul style="list-style-type: none"> <li>The significant risks for the audit are set out on pages 9-12 of this audit plan.</li> </ul>	Full scope audit performed by Grant Thornton UK LLP
Red One Ltd	No		<ul style="list-style-type: none"> <li>We have identified the occurrence and accuracy of Red One Ltd's trading income as a significant risk.</li> <li>Whilst we have not identified a significant risk in relation to Red One Ltd's expenditure, this is forecast to be a material balance that will require audit consideration.</li> <li>We have included a significant risk in terms of the first time preparation of group accounts.</li> </ul>	<p>We have noted that Redo One Ltd have appointed an external auditor – Albert Goodman LLP.</p> <p>Specific scope procedures on Income (significant risk) and expenditure (material) to be performed by Albert Goodman LLP.</p> <p>The nature, time and extent of our involvement in the work of Albert Goodnam LLP will begin with a discussion on risks, guidance on designing procedures, participation in meetings, followed by the review of relevant aspects of the auditor's audit documentation and meeting with appropriate members of management.</p>

Page 12

## Audit scope

- Audit of the financial information of the component using component materiality
- Audit of one more classes of transactions, account balances or disclosures relating to significant risks of material misstatement of the group financial statements
- Review of component's financial information
- Specified audit procedures relating to risks of material misstatement of the group financial statements
- Analytical procedures at group level



# Significant risks identified

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.

Risk	Risk relates to	Reason for risk identification	Key aspects of our proposed response to the risk
Group Revenue	Subsidiary	<p>Under ISA 240 (UK) there is a rebuttable presumed risk that revenue may be misstated due to the improper recognition of revenue. The presumption can be rebutted if the auditor concludes that there is no risk of material misstatement due to fraud relating to revenue and expenditure recognition.</p> <p>For Devon and Somerset Fire and Rescue Authority, we have concluded that the greatest risk of material misstatement relates to Group Revenue.</p> <p>We have therefore identified the occurrence and accuracy of Red One Ltd trading income as a significant risk of material misstatement, and a key audit matter.</p> <p>We have rebutted this presumed risk for the revenue streams of the Authority because:</p> <ul style="list-style-type: none"> <li>• Other income streams are primarily derived from grants or formula based income from Central Government and tax payers; and</li> <li>• Opportunities to manipulate revenue recognition are very limited.</li> </ul>	<p>For Group Revenue revenue we will:</p> <ul style="list-style-type: none"> <li>• Evaluate the group's accounting policies for the recognition of income for appropriateness;</li> <li>• Gain an understanding of the group's system for accounting for income and evaluate the design of the associated controls; and</li> <li>• Agree, on a sample basis, the amounts recognised as income in the financial statements to supporting documents. Where possible this will be through placing reliance upon the work of the subsidiary auditor.</li> </ul> <p>We will continue to review and test, on a sample basis, material revenue and expenditure transactions within the Authority's accounts, ensuring that it remains appropriate to rebut the presumed risk of revenue and expenditure recognition.</p>

# Significant risks identified (continued)

Risk	Risk relates to	Reason for risk identification	Key aspects of our proposed response to the risk
Management over-ride of controls	Authority and Subsidiary	<p>Under ISA 240 (UK) there is a non-rebuttable presumed risk that the risk of management override of controls is present in all entities. The Authority faces external scrutiny of its spending and this could potentially place management under undue pressure in terms of how they report performance.</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>We will:</p> <ul style="list-style-type: none"> <li>• evaluate the design effectiveness of management controls over journals.</li> <li>• analyse the journals listing and determine the criteria for selecting high risk unusual journals.</li> <li>• test unusual journals recorded during the year and after the draft accounts stage for appropriateness and corroboration.</li> <li>• gain an understanding of the accounting estimates and critical judgements applied made by management and consider their reasonableness with regard to corroborative evidence.</li> <li>• evaluate the rationale for any changes in accounting policies, estimates or significant unusual transactions.</li> </ul>
Valuation of land and buildings	Authority	<p>The Authority revalues its land and buildings on an annual basis to ensure that the carrying value is not materially different from the current value at the financial statements date. This valuation represents a significant estimate by management in the financial statements due to the size of the numbers involved (£99m) and the sensitivity of this estimate to changes in key assumptions.</p> <p>Management have engaged the services of a valuer to estimate the current value as at 31 March 2022.</p> <p>The valuation of land and buildings is a key accounting estimate which is sensitive to changes in assumptions and market conditions.</p> <p>We therefore identified valuation of land and buildings as a significant risk, in particular any large or unusual assets or where there have been movements in valuations outside our expectations, as well as testing a sample of those within our expectations. This is one of the most significant assessed risks of material misstatement, and a key audit matter.</p>	<p>We will:</p> <ul style="list-style-type: none"> <li>• evaluate management's processes and assumptions for the calculation of the estimate, the instructions issued to valuation experts and the scope of their work.</li> <li>• evaluate the competence, capabilities and objectivity of the valuation expert.</li> <li>• write to the valuer to confirm the basis on which the valuation was carried out to ensure that the requirements of the Code are met.</li> <li>• discuss with the valuer the basis on which the valuations were carried out.</li> <li>• challenge the information and assumptions used by the valuer to assess completeness and consistency with our understanding.</li> <li>• Test, on a sample basis, revaluations made during the year to ensure they have been input correctly into the Authority's asset register.</li> <li>• Evaluate 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.</li> </ul>

# Significant risks identified (continued)

Risk	Risk relates to	Reason for risk identification	Key aspects of our proposed response to the risk
Valuation of the pension fund net liability	Authority	<p>The Local Government Pension Scheme (LGPS) pension net liability as reflected in the balance sheet, and asset and liability information disclosed in the notes to the accounts, represent a significant estimate in the financial statements.</p> <p>The Firefighters Pension scheme's pension fund liability as reflected in the balance sheet and notes to the accounts also represents a significant estimate in the financial statements.</p> <p>These estimates by their nature are subject to significant estimation uncertainty being sensitive to small adjustments in the key assumptions used.</p> <p>The actuarial assumptions used are the responsibility of the entity but should be set on the advice given by the actuary. A small change in the key assumptions (discount rate, inflation rate, salary increase and life expectancy) can have a significant impact on the estimated IAS 19 liability. In particular the discount and inflation rates, where our consulting actuary has indicated that a 0.1% change in these two assumptions would have approximately 2.2% effect on the liability. We have therefore concluded that there is a significant risk of material misstatement in the IAS 19 estimate due to the assumptions used in their calculation. With regard to these assumptions we have therefore identified valuation of the Authority's pension fund net liability as a significant risk.</p>	<p>We will:</p> <ul style="list-style-type: none"> <li>• update 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;</li> <li>• evaluate the instructions issued by management to their management expert (an actuary) for this estimate and the scope of the actuary's work;</li> <li>• assess the competence, capabilities and objectivity of the actuary who carried out the Authority's pension fund valuation;</li> <li>• assess the accuracy and completeness of the information provided by the Authority to the actuary to estimate the liability;</li> <li>• test 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;</li> <li>• undertake procedures to confirm the reasonableness of the actuarial assumptions made by reviewing the report of the consulting actuary (as the auditor's expert) and performing any additional procedures suggested within the report;</li> <li>• agree the advance payment made to the pension fund during the year to the expected accounting treatment and relevant financial disclosures; and</li> <li>• obtain 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 Devon Pension Fund financial statements.</li> <li>• test the data provided to the actuary of the Fire Fighter Pension Fund.</li> </ul>

# Significant risks identified (continued)

Risk	Risk relates to	Reason for risk identification	Key aspects of our proposed response to the risk
Preparation of Group financial statements and related disclosures	Group	<p>The 2021/22 is the first year that the Authority will prepare group accounts.</p> <p>Group accounts, when prepared, are pervasive to the whole of the financial statements. There are also a number of disclosure requirements that are required by the code and the consolidation process can be often complex.</p> <p>We have therefore concluded that there is a risk of material misstatement.</p>	<p>As part of our procedures we will:</p> <ul style="list-style-type: none"> <li>review the process of consolidations and understand what work has been undertaken to align reporting requirements and time scales,</li> <li>ensure group disclosures are in line with code requirements,</li> <li>liaise with the subsidiary company's auditor to gain assurance over significant balances, and</li> <li>rest any adjustments made on consolidation.</li> </ul>

We will communicate significant findings on these areas as well as any other significant matters arising from the audit to you in our Audit Findings Report.

# Accounting estimates and related disclosures

The Financial Reporting Council issued an updated ISA (UK) 540 (revised): *Auditing Accounting Estimates and Related Disclosures* which includes significant enhancements in respect of the audit risk assessment process for accounting estimates.

## Introduction

Under ISA (UK) 540 (Revised December 2018) auditors are required to understand and assess an entity's internal controls over accounting estimates, including:

- The nature and extent of oversight and governance over management's financial reporting process relevant to accounting estimates;
- How management identifies the need for and applies specialised skills or knowledge related to accounting estimates;
- How the entity's risk management process identifies and addresses risks relating to accounting estimates;
- The entity's information system as it relates to accounting estimates;
- The entity's control activities in relation to accounting estimates; and
- How management reviews the outcomes of previous accounting estimates.

As part of this process auditors also need to obtain an understanding of the role of those charged with governance, which is particularly important where the estimates have high estimation uncertainty, or require significant judgement.

Specifically do Audit and Governance Committee members:

- Understand the characteristics of the methods and models used to make the accounting estimates and the risks related to them;
- Oversee management's process for making accounting estimates, including the use of models, and the monitoring activities undertaken by management; and
- Evaluate how management made the accounting estimates?

## Additional information that will be required

To ensure our compliance with this revised auditing standard, we will be requesting further information from management and those charged with governance during our audit for the year ended 31 March 2022.

Based on our knowledge of the Authority we have identified the following material accounting estimates for which this is likely to apply:

- Valuations of land and buildings;
- Depreciation;
- Year end provisions and accruals;
- Valuation of defined benefit net pension fund liabilities; and
- Fair value estimates of investments and borrowings,

## The Authority's Information systems

In respect of the Authority's information systems we are required to consider how management identifies the methods, assumptions and source data used for each material accounting estimate and the need for any changes to these. This includes how management selects, or designs, the methods, assumptions and data to be used and applies the methods used in the valuations.

When the models used include increased complexity or subjectivity, as is the case for many valuation models, auditors need to understand and assess the controls in place over the models and the data included therein. Where adequate controls are not in place we may need to report this as a significant control deficiency and this could affect the amount of detailed substantive testing required during the audit.

If management has changed the method for making an accounting estimate we will need to fully understand management's rationale for this change. Any unexpected changes are likely to raise the audit risk profile of this accounting estimate and may result in the need for additional audit procedures.

We are aware that the Authority uses management experts in deriving some of its more complex estimates, e.g. asset valuations and pensions liabilities. However, it is important to note that the use of management experts does not diminish the responsibilities of management and those charged with governance to ensure that:

- All accounting estimates and related disclosures included in the financial statements have been prepared in accordance with the requirements of the financial reporting framework, and are materially accurate;
- There are adequate controls in place at the Authority (and where applicable its service provider or management expert) over the models, assumptions and source data used in the preparation of accounting estimates.



### Estimation uncertainty

Page 18

Under ISA (UK) 540 we are required to consider the following:

- How management understands the degree of estimation uncertainty related to each accounting estimate; and
- How management address this estimation uncertainty when selecting their point estimate.

For example, how management identified and considered alternative, methods, assumptions or source data that would be equally valid under the financial reporting framework, and why these alternatives were rejected in favour of the point estimate used.

The revised standard includes increased emphasis on the importance of the financial statement disclosures. Under ISA (UK) 540 (Revised December 2018), auditors are required to assess whether both the accounting estimates themselves and the related disclosures are reasonable.

Where there is a material uncertainty, that is where there is a significant risk of a material change to the estimated carrying value of an asset or liability within the next year, there needs to be additional disclosures. Note that not all material estimates will have a material uncertainty and it is also possible that an estimate that is not material could have a risk of material uncertainty.

Where there is material estimation uncertainty, we would expect the financial statement disclosures to detail:

- What the assumptions and uncertainties are;
- How sensitive the assets and liabilities are to those assumptions, and why;
- The expected resolution of the uncertainty and the range of reasonably possible outcomes for the next financial year; and
- An explanation of any changes made to past assumptions if the uncertainty is unresolved.

### Planning enquiries

As part of our planning risk assessment procedures we have made enquiries of management through our Informing the Audit Risk Assessment document as a separate exercise. This document was presented to the Audit and Governance Committee meeting in March 2022 to confirm that the Authority, as Those Charged with Governance, considers the responses to be consistent with their understanding.

### Further information

Further details on the requirements of ISA (UK) 540 (Revised December 2018) can be found in the auditing standard on the Financial Reporting Council's website:

[https://www.frc.org.uk/getattachment/0fa69c03-49ec-49ae-a8c9-cc7a2b65382a/ISA-\(UK\)-540\\_Revised-December-2018\\_final.pdf](https://www.frc.org.uk/getattachment/0fa69c03-49ec-49ae-a8c9-cc7a2b65382a/ISA-(UK)-540_Revised-December-2018_final.pdf)

# Other matters

## Other work

In addition to our responsibilities under the Code of Practice, we have a number of other audit responsibilities, as follows:

- We read your Narrative Report and Annual Governance Statement and any other information published alongside your financial statements to check that they are consistent with the financial statements on which we give an opinion and our knowledge of the Authority.

We carry out work to satisfy ourselves that disclosures made in your Annual Governance Statement are in line with requirements set by CIPFA.

We carry out work on your consolidation schedules for the Whole of Government Accounts process in accordance with NAO group audit instructions.

We consider our other duties under legislation and the Code, as and when required, including:

- giving electors the opportunity to raise questions about your 2021/22 financial statements, consider and decide upon any objections received in relation to the 2021/22 financial statements;
- issuing a report in the public interest or written recommendations to the Authority under section 24 of the Local Audit and Accountability Act 2014 (the Act).
- application to the court for a declaration that an item of account is contrary to law under section 28 or a judicial review under section 31 of the Act
- issuing an advisory notice under section 29 of the Act
- We certify completion of our audit.

## Other material balances and transactions

Under International Standards on Auditing, "irrespective of the assessed risks of material misstatement, the auditor shall design and perform substantive procedures for each material class of transactions, account balance and disclosure". All other material balances and transaction streams will therefore be audited. However, the procedures will not be as extensive as the procedures adopted for the risks identified in this report.

# Materiality

## The concept of materiality

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 disclosure requirements and adherence to acceptable accounting practice and applicable law. Misstatements, including omissions, are considered to be material if they, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

## Materiality for planning purposes

We have determined financial statement materiality based on a proportion of the gross expenditure of the group and Authority for the financial year. In the prior year we used the same benchmark. Materiality at the planning stage of our audit is £1.8m for the group and £1.75m (PY £1.75m) for the Authority, which equates to 2% of your forecast gross expenditure for the year. We recognise the public interest in senior officer remuneration disclosures. For our work in this area we will be auditing to the detailed disclosure requirements and where we identify differences that change the amount, or bandings, we will request that these are amended. In addition we have set a separate we have set a specific materiality of £20k (PY £20k) for individual senior officers.

We reconsider planning materiality if, during the course of our audit engagement, we become aware of facts and circumstances that would have caused us to make a different determination of planning materiality.

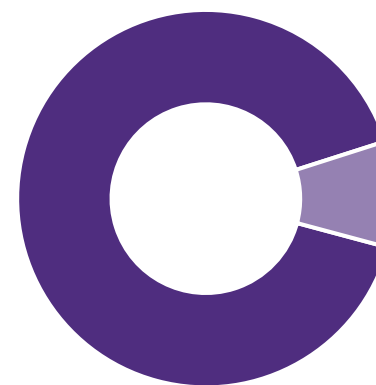
## Matters we will report to the Audit and Governance Committee

Whilst our audit procedures are designed to identify misstatements which are material to our opinion on the financial statements as a whole, we nevertheless report to the Audit Committee any unadjusted misstatements of lesser amounts to the extent that these are identified by our audit work. Under ISA 260 (UK) 'Communication with those charged with governance', we are obliged to report uncorrected omissions or misstatements other than those which are 'clearly trivial' to those charged with governance. ISA 260 (UK) defines 'clearly trivial' as matters that are clearly inconsequential, whether taken individually or in aggregate and whether judged by any quantitative or qualitative criteria. In the context of the group and Authority, we propose that an individual difference could normally be considered to be clearly trivial if it is less than £0.085m (PY £0.085m).

If management have corrected material misstatements identified during the course of the audit, we will consider whether those corrections should be communicated to the Audit and Governance Committee to assist it in fulfilling its governance responsibilities.

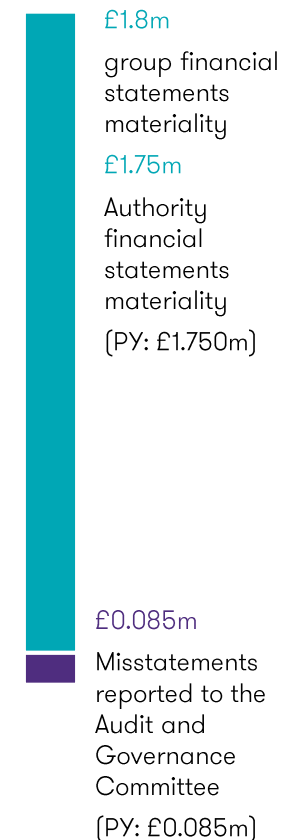
## Prior year gross operating costs

£87.774m Authority  
(PY: £87.774m)



■ Prior year gross operating costs

## Materiality





# IT audit strategy

In accordance with ISA (UK) 315, we are required to obtain an understanding of the information systems relevant to financial reporting to identify and assess the risks of material misstatement. As part of this we obtain an understanding of the controls operating over relevant Information Technology (IT) systems i.e., IT general controls (ITGCs). Our audit will include completing an assessment of the design of ITGCs related to security management; technology acquisition, development and maintenance; and technology infrastructure. Based on the level of assurance required for each IT system the assessment may focus on evaluating key risk areas ('streamlined assessment') or be more in depth ('detailed assessment').

The following IT systems have been judged to be in scope for our audit and based on the planned financial statement audit approach we will perform the indicated level of assessment:

IT system	Audit area	Planned level IT audit assessment
Capita Integra (Core Finance Management System)	Financial reporting	• Streamlined ITGC design assessment
Midland Trent (Payroll)	Payroll	• Streamlined ITGC design assessment

# Value for Money arrangements

The National Audit Office (NAO) issued updated guidance for auditors in April 2020. The Code requires 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 three specified reporting criteria. These are as set out below:



## 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

We have not identified any risks of significant weaknesses from our initial planning work. We will continue our review of your arrangements, including reviewing your Annual Governance Statement, before we issue our auditor's annual report.

In the previous year(s) we have included financial sustainability as a risk of significant weakness. For 2021/22, we do not consider this a significant risk. This is due to the findings of our work in prior years, the financial monitoring arrangements in place, the Authority's history of delivery, and the open and transparent reporting arrangements. This is not to suggest that the Authority do not face a financial challenge over the medium term, and whilst we have not identified this as a significant risk it will remain an area of focus.

Our planning has also identified a number of areas for follow up. These are:

- review of the fire inspection review due in May 2022,
- follow up on progress against our prior year recommendations that were made in the 2020/21 Auditors Annual Report, and
- follow up progress on lack of formal governance structure and operational management of Light Support Fleet, that was set out in Internal Audits report.

# Audit logistics and team



Page 23



## Barrie Morris, Key Audit Partner

Barrie leads our relationship with you and takes overall responsibility for the delivery of a high quality audit, meeting the highest professional standards and adding value to the Authority



## Andrew Davies, Engagement Manager

Andrew plans, manages and leads the delivery of the audit, is your key point of contact for your finance team and is your first point of contact for discussing any issues arising

## Vanilla Shi, Engagement In-charge

Vanilla's role is to assist in planning, managing and delivering the audit fieldwork, ensuring the audit is delivered effectively and efficiently, and is also involved in supervising and co-ordinating the audit team.

## Audited body responsibilities

Where audited bodies do not deliver to the timetable agreed, we need to ensure that this does not impact on audit quality or absorb a disproportionate amount of time, thereby disadvantaging other audits. Where the elapsed time to complete an audit exceeds that agreed due to a client not meeting its obligations we will not be able to maintain a team on site. Similarly, where additional resources are needed to complete the audit due to a client not meeting their obligations we are not able to guarantee the delivery of the audit to the agreed timescales. In addition, delayed audits will incur additional audit fees.

## Our requirements

To minimise the risk of a delayed audit, you need to ensure that you:

- produce draft financial statements of good quality by the agreed timetable you have agreed with us, including all notes, the Narrative Report and the Annual Governance Statement
- ensure that good quality working papers are available at the start of the audit, in accordance with the working paper requirements schedule that we have shared with you
- ensure that the agreed data reports are available to us at the start of the audit and are reconciled to the values in the accounts, in order to facilitate our selection of items for testing
- ensure that all appropriate staff are available on site throughout (or as otherwise agreed) the planned period of the audit
- respond promptly and adequately to audit queries.

# Audit fees

PSAA awarded a contract of audit for Devon and Somerset Fire and Rescue Authority with the fee initially agreed in the contract at £26,041. Since that time, there have been a number of developments, particularly in relation to the revised Code and ISA's which are relevant for the 2021/22 audit. The prior year audit fee, and therefore this years base fee was £41,280.

Across all sectors and firms, the FRC has set out its expectation of improved financial reporting from organisations and the need for auditors to demonstrate increased scepticism and challenge and to undertake additional and more robust testing, as detailed on pages 11 and 12 in relation to the updated ISA (UK) 540 (revised): Auditing Accounting Estimates and Related Disclosures.

As a firm, we are absolutely committed to meeting the expectations of the FRC with regard to audit quality and public sector financial reporting. Our proposed work and fee for 2021/22, is set out below and has been agreed with the Director of Finance, People and Estates.

In 2021/22 the Authority are producing Group Accounts for the first time, which will require additional audit procedures. We have agreed and additional fee of £3,000 for this work.

In addition, we are recognising that audits are less efficient when completed remotely. We are therefore proposing an additional fee where audited bodies preference is to maintain remote working. We have agreed and additional fee of £3,000 for this.

The final proposed fee for 2021/22 is £47,280.

	Actual Fee 2020/21	Proposed fee 2021/22
Authority Audit (including Group Accounts for 2021-22)	£41,280	£47,280
Total audit fees (excluding VAT)	£41,280	£47,280

## Assumptions

In setting the above fees, we have assumed that the Authority will:

- prepare a good quality set of financial statements, supported by comprehensive and well presented working papers which are ready at the start of the audit
- provide appropriate analysis, support and evidence to support all critical judgements and significant judgements made during the course of preparing the financial statements
- provide early notice of proposed complex or unusual transactions which could have a material impact on the financial statements.

## Relevant professional standards

In preparing our fee estimate, we have had regard to all relevant professional standards, including paragraphs 4.1 and 4.2 of the FRC's [Ethical Standard \(revised 2019\)](#) which stipulate that the Engagement Lead (Key Audit Partner) must set a fee sufficient to enable the resourcing of the audit with partners and staff with appropriate time and skill to deliver an audit to the required professional and Ethical standards.

# Independence and non-audit services

## Auditor independence

Ethical Standards and ISA (UK) 260 require us to give you timely disclosure of all significant facts and matters that may bear upon the integrity, objectivity and independence of the firm or covered persons, relating to our independence. We encourage you to contact us to discuss these or any other independence issues with us. We will also discuss with you if we make additional significant judgements surrounding independence matters.

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 Authority's Ethical Standard (Revised 2019) 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.

We confirm that we have implemented policies and procedures to meet the requirements of the Ethical Standard. For the purposes of our audit we have made enquiries of all Grant Thornton UK LLP teams providing services to the Authority.

## Other services

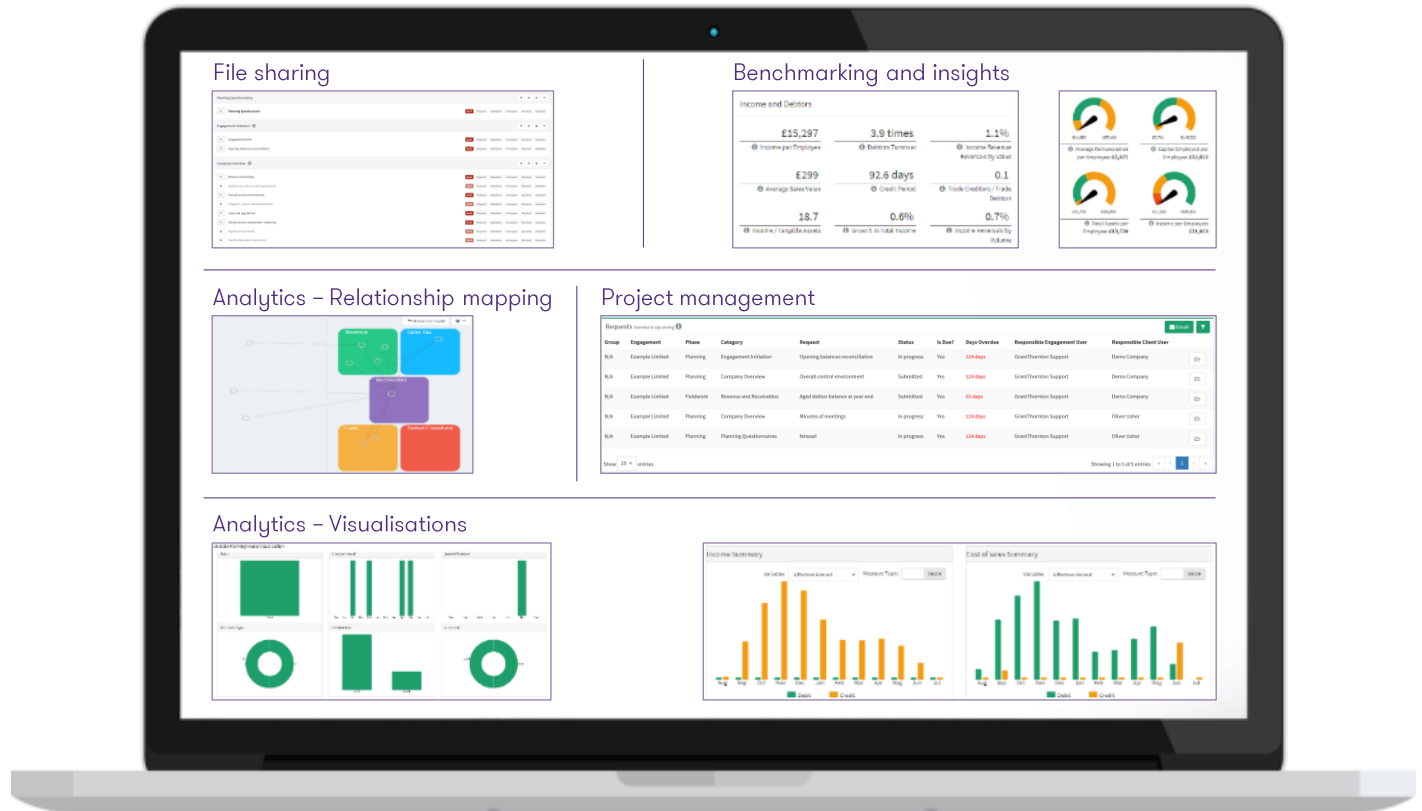
Other services provided by Grant Thornton were identified.

Any changes and full details of all fees charged for audit related and non-audit related services by Grant Thornton UK LLP and by Grant Thornton International Limited network member Firms will be included in our Audit Findings report at the conclusion of the audit.

# Our digital audit experience

A key component of our overall audit experience is our comprehensive data analytics tool, which is supported by Inflo Software technology. This tool has a number of key functions within our audit process:

Function	Benefits for you
Data extraction	Providing us with your financial information is made easier
File sharing	An easy-to-use, ISO 27001 certified, purpose-built file sharing tool
Project management	Effective management and oversight of requests and responsibilities
Data analytics	Enhanced assurance from access to complete data populations



Grant Thornton's Analytics solution is supported by Inflo Software technology

# Our digital audit experience

A key component of our overall audit experience is our comprehensive data analytics tool, which is supported by Inflo Software technology. This tool has a number of key functions within our audit process:



## Data extraction

- Real-time access to data
- Easy step-by-step guides to support you upload your data



## File sharing

- Task-based ISO 27001 certified file sharing space, ensuring requests for each task are easy to follow
- Ability to communicate in the tool, ensuring all team members have visibility on discussions about your audit, reducing duplication of work



## Project management

- Facilitates oversight of requests
- Access to a live request list at all times



## Data analytics

- Relationship mapping, allowing understanding of whole cycles to be obtained quickly
- Visualisation of transactions, allowing easy identification of trends and anomalies

Page 27

## How will analytics add value to your audit?

Analytics will add value to your audit in a number of ways. We see the key benefits of extensive use of data analytics within the audit process to be the following:

### Improved fraud procedures using powerful anomaly detection

Being able to analyse every accounting transaction across your business enhances our fraud procedures. We can immediately identify high risk transactions, focusing our work on these to provide greater assurance to you, and other stakeholders.

Examples of anomaly detection include analysis of user activity, which may highlight inappropriate access permissions, and reviewing seldom used accounts, which could identify efficiencies through reducing unnecessary codes and therefore unnecessary internal maintenance.

Another product of this is identification of issues that are not specific to individual postings, such as training requirements being identified for members of staff with high error rates, or who are relying on use of suspense accounts.

### More time for you to perform the day job

Providing all this additional value does not require additional input from you or your team. In fact, less of your time is required to prepare information for the audit and to provide supporting information to us.

Complete extracts from your general ledger will be obtained from the data provided to us and requests will therefore be reduced.

We provide transparent project management, allowing us to seamlessly collaborate with each other to complete the audit on time and around other commitments.

We will both have access to a dashboard which provides a real-time overview of audit progress, down to individual information items we need from each other. Tasks can easily be allocated across your team to ensure roles and responsibilities are well defined.

Using filters, you and your team will quickly be able to identify actions required, meaning any delays can be flagged earlier in the process. Accessible through any browser, the audit status is always available on any device providing you with the information to work flexibly around your other commitments.

# Appendix 1: Progress against prior year audit recommendations

We identified the following issues in our 2020/21 audit of the Authority's financial statements, which resulted in 4 recommendations being reported in our 2020/21 Audit Findings Report. Progress against each of these recommendations is set out in the table below.

Assessment	Issue and risk previously communicated	Update on actions taken to address the issue
Not yet assessed	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. We recommended that the Authority introduce preventative controls for the approval of journals.	We will review progress against this recommendation as part of our year end journals testing.
Not yet assessed	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. We recommended implementing a structure/policy on authorisation limits.	We will review progress against this recommendation as part of our year end journals testing.
Not yet assessed	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. We recommended that Integra be updated to remove this bug.	We will review progress against this recommendation as part of our year end journals testing.
Not yet assessed	The code requires that where areas of estimation uncertainty are disclosed the note should set out the impact of changes to the key assumptions on the values within the financial statements.  We recommended that the Authority enhance the note 4 disclosure, to meet the requirements of the code.	We will review progress against this recommendation on receipt of the draft financial statements.





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# Agenda Item 5

<b>REPORT REFERENCE NO.</b>	<b>AGC/22/4</b>
<b>MEETING</b>	<b>AUDIT &amp; GOVERNANCE COMMITTEE</b>
<b>DATE OF MEETING</b>	<b>10 MAY 2022</b>
<b>SUBJECT OF REPORT</b>	<b>DRAFT 2021-22 ANNUAL STATEMENT OF ASSURANCE</b>
<b>LEAD OFFICER</b>	<b>Director of Governance &amp; Digital Services</b>
<b>RECOMMENDATIONS</b>	<i>That the draft Annual Statement of Assurance 2021-22 as appended to this report be approved in principle and submitted to the External Auditor alongside the draft Statement of Accounts for the same financial year.</i>
<b>EXECUTIVE SUMMARY</b>	<p>To comply with both Accounts and Audit Regulations 2015 (as amended) and the Fire &amp; Rescue Service National Framework for England, the Authority is required to produce and publish an Annual Statement of Assurance on financial, governance and operational matters. This Statement should demonstrate how the Authority has had regard to both its Integrated Risk Management Plan and the expectations in the Fire &amp; Rescue Service National Framework.</p> <p>The Annual Statement of Assurance is primarily backward looking but also features an action plan to address, in the forthcoming financial year, any significant governance issues identified as part of the review process.</p> <p>The draft Statement of Assurance for 2021-22 will be submitted, along with the draft 2021-22 Statement of Accounts, to the Authority's external auditors for review.</p> <p>Sections 12 and 13 on page 15 are subject to completion of the internal audit and external audit work.</p>
<b>RESOURCE IMPLICATIONS</b>	Nil.
<b>EQUALITY RISKS AND BENEFITS ANALYSIS</b>	The contents of this report are considered compatible with existing equalities and human rights legislation.
<b>APPENDICES</b>	A. 2021-22 Annual Statement of Assurance DRAFT
<b>BACKGROUND PAPERS</b>	<a href="#">The Accounts &amp; Audit Regulations 2015 (as amended)</a> <a href="#">The Fire &amp; Rescue Service National Framework for England</a>

**MIKE PEARSON**  
**Director of Governance & Digital Services**

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# Annual Statement of Assurance 2021-22



Devon and Somerset  
Fire & Rescue Authority

11/04/2022

## Contents

Contents .....	2
1 Introduction.....	3
2 Operational .....	4
Statutory Responsibility .....	4
Planning, Performance and Continuous Improvement .....	4
Operational Assurance .....	5
Training and Development – Training Academy.....	6
Commitment to Health & Safety.....	7
Environmental Management.....	8
Fleet, Equipment and Water Supplies .....	8
Collaborative and Partnership Working.....	9
Co-Responding.....	10
Civil Contingencies.....	10
National Inter-Agency Liaison Officers, Marauding Terrorist Attacks, Hazardous Materials and Chemical, Biological, Radiological and Nuclear Capability .....	10
National Resilience.....	11
Over the Border Mutual Aid Arrangements .....	11
Business Continuity and Resilience.....	12
3 Governance .....	13
Code of Corporate Governance .....	13
Review of Effectiveness.....	13
How we measure and monitor our performance .....	19
COVID-19 Pandemic.....	20
Her Majesty’s Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) .....	20
Statement of Accounts.....	21
External Audit Arrangements.....	21
Internal Audit Arrangements.....	21
Public Contracts Regulations 2015 (“the Regulations”).....	22
Data Transparency .....	22
Financial Planning .....	22
5 Future Improvements.....	23
6 Conclusion.....	23
APPENDIX A TO REPORT– ACTION PLAN .....	24

# 1 Introduction

1.1 The Devon and Somerset Fire and Rescue Authority (“the Authority”) recognises that good governance supports the setting of clear objectives, effective management of risk to delivery of their objectives, delivery of defined performance standards, accountability in the use of public money, continued public engagement and helps to deliver the Authority’s vision and defined outcomes for the community that the Authority serves.

1.2 The Authority is responsible for:

- Ensuring that there is a sound system of governance in place.
- Ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for.
- Meeting its duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
- Preparing an annual governance statement in support of its Statement of Accounts in line with the Accounts and Audit (England) Regulations 2015. This is an expression of the measures taken to ensure appropriate business practice, high standards of conduct and sound governance.
- Publishing an annual Statement of Assurance as required by The Fire and Rescue National Framework for England (May 2018). The statement should outline the way in which the Authority and its Fire and Rescue Service has had regard to the Framework, the Integrated Risk Management Plan and to any strategic plan (e.g. the Fire and Rescue Plan) prepared by the Authority for that period. Each Authority must also provide assurance to their community and to government on financial, governance and operational matters.

1.3 The Authority has agreed that the most appropriate way to meet both the National Framework and the Accounts and Audit (England) Regulations 2015 requirements is through the creation of one assurance report entitled ‘Annual Statement of Assurance’. The Annual Statement of Assurance details the approach for how the Authority has developed and applied its governance framework in accordance with statutory responsibilities.

## 2 Operational

### Statutory Responsibility

- 2.1 The Authority functions within a clearly defined statutory and policy framework. The key documents setting this out are:
- Fire and Rescue Services Act 2004
  - Civil Contingencies Act 2004
  - Regulatory Reform (Fire Safety) Order 2005
  - Fire and Rescue Services (Emergencies) (England) Order 2007
  - Localism Act 2011
  - Accounts and Audit Regulations 2015
  - Fire and Rescue National Framework for England 2018
- 2.2 In addition, other key statutes include:
- Local Government Act 1972
  - Local Government Finance Act 1988
  - Local Government and Housing Act 1989
  - Local Government Finance Act 1992
  - Local Government Act 2003
- 2.3 Within this statutory framework, the Authority has three main responsibilities: to determine a strategic policy agenda for its area; set a budget to fund delivery of the policy agenda; and to undertake scrutiny to ensure that intended outcomes are being achieved efficiently, effectively and in accordance with statutory requirements. The Authority creates the organisational capacity to 'operationalise' these responsibilities through the Devon and Somerset Fire and Rescue Service (the Service), which is led by the Chief Fire Officer.

### Planning, Performance and Continuous Improvement

- 2.4 For 2021/2022, the Authority's strategic plans were detailed in two key corporate documents: the [Integrated Risk Management Plan](#) and the [Fire & Rescue Plan](#) (with supporting strategies including the [Safer Together Programme](#)).
- 2.5 During 2021-22 work was undertaken to develop and consult on the [Community Risk Management Plan 2022-27](#) which will replace the Integrated Risk Management Plan from April 2022. The Community Risk Management Plan requires the Authority to determine and analyse the risks present within the communities that it serves and is the Service's statement to the public about how its Prevention, Protection and Response activities will address these risks.



- 2.6 The [Fire & Rescue Plan 2018-22](#) details the Service's strategic intent for improvement, and contains the Vision, Purpose and Values by which its staff are encouraged to operate. The plan focuses on six priorities: service delivery, people, value for money and use of resources, governance, collaboration, and digital transformation. As the period that this plan covers now approaches its end, a review is taking place of progress against it. This, along with the introduction of the new Community Risk Management Plan, will determine the shape of the next portfolio of change for Service Improvement.
- 2.7 In 2019, the [Safer Together Programme](#) was borne out of the strategic change and improvement projects identified as necessary for the delivery of the Integrated Risk Management Plan and Fire & Rescue plans. The programme sets out the prioritised and sequenced work required to achieve the optimal balance between efficiency and effectiveness of the Service provided to its communities. The programme is governed by a programme board, chaired by an Executive Board member, with the constituent projects each having their own project boards and jointly governed by the Portfolio Steering Group and Portfolio Board as the governance of Service Improvement moves to a portfolio approach.
- 2.8 The Service's investment in a new web-based planning and performance management system (InPhase) has provided the opportunity to undertake a complete review of corporate planning. In addition, investment in a risk management software 'SharpCloud', has seen significant improvements in the way in which risk is assessed and mitigated. Alongside the development of the Community Risk Management Plan, these have improved coordination between objectives and outcomes. Development of the new systems continues but requires greater investment to realise their full potential. Once mature, it is anticipated that InPhase will be the focal point for strategic decision making and fostering a culture of performance-led, evidence-based thinking.
- 2.9 The Service continuously strives to improve. This is done in several ways, through horizon scanning for emerging risks and opportunities, to reviewing processes and policies to ensure that the Service is delivering in an efficient and effective manner and delivering value for money to its communities.

## **Operational Assurance**

- 2.10 In accordance with the Authority's commitment to public and staff safety, the Operational Assurance team ensures that all learning submitted nationally is positively utilised to review current Service ways of working, implement Service improvements where necessary and to raise awareness across the Service. National and regional learning is fed in and out of the Service via several different pathways which include:
- National Operational Learning.
  - Joint Organisational Learning.
  - Coroner's Regulation 28 - Prevention of Future Death reports.
  - Health and Safety Executive recommendations.
  - Local Resilience Forum debriefing focus group.
  - South West Regional Operational Assurance Group.

- 2.11 The Operational Assurance team is a key stakeholder in a number of these groups which enables the Service to play a vital role in ensuring that all learning received drives positive organisational change in a timely manner. The team also strives to promote a culture where all internal learning and best practice, identified from a variety of activities linked to operational response, is shared, and communicated in a way that supports self-development and organisational improvement, including regular updates on internal social media, a dedicated intranet repository for employees to use, and via posters and printed media for stations.
- 2.12 A process has been developed to enable the effective management of identified learning and outcomes which is achieved through:
- Operational monitoring and feedback.
  - Debriefing incidents and training exercises.
  - National and regional learning.
  - Audit and engagement with all key stakeholders within the Service.
- 2.13 The Operational Assurance team has adapted its working practices throughout the COVID-19 pandemic to ensure a minimal impact on the Service's ability to capture and manage organisational learning and best practice.

### **Training and Development – Training Academy**

- 2.14 The Service, through its Training Academy, has enabled the delivery of quality assured training to its staff to improve safety and overall effectiveness, which is underwritten by the ISO 9001 (2015) Quality Management Framework.
- 2.15 2021-22 has been another challenging year dealing with the effects of the COVID-19 pandemic. Training is an essential activity, helping to keep staff and the public safe from harm. Following the initial lockdown in March 2020, the Training Academy introduced innovative ways of training and continued to deliver training throughout the lockdown period. The Training Academy then commenced a planned and phased resumption of face-to-face training, focusing initially on high-risk activities such as Breathing Apparatus, Incident Command and Driving.
- 2.16 The Service has put strict safety measures in place, supported by risk assessments, to make sure that all training venues are COVID-19 secure. This enabled other elements of training to be gradually re-introduced. As the country has moved in and out of lockdown, the Training Academy has strived to continue to provide as much training as possible, maintaining the overall focus on staff safety and welfare.
- 2.17 The Service continues to invest in new vehicles to assist in the delivery of training, such as two additional mobile Incident Command Training Vehicles which have received excellent feedback. The e-learning system continues to grow enabling students access to theoretical elements of training from a range of access points, for example tablets and laptops. This enables a greater focus on practical based training on drill night sessions.

- 2.18 The Training Academy introduced virtual face to face training delivered by Academy instructors when station drill nights were suspended due to the COVID-19 pandemic. This maintained competence with direct contact to Academy instructors and staff able to access from home.
- 2.19 The Training Academy also introduced 'Flexi Friday' where they host weekly Continuing Professional Development training for Station Managers and above in a range of subjects. This was well received and continues now that business has returned to normal.

### **Commitment to Health & Safety**

- 2.20 The Authority recognises and accepts its responsibility for the health, safety and welfare of its employees and others who may be affected by its activities. To achieve this, the Service looks to meet all relevant requirements of the Health & Safety at Work Act 1974 (together with all other statutory provisions associated with it) and support staff in meeting their obligations under the Act and subordinate legislation.
- 2.21 Health, Safety and Wellbeing is a key theme within the People Strategy. The Strategy sets out key areas for focused work designed to achieve the aim of this element of the strategy. Progress towards achieving the aims is monitored via the People Strategy monitoring group. Preparation for the development of the 2022-2026 People Strategy has commenced.
- 2.22 Detailed health, safety and welfare arrangements are set out in Service policies developed to take account of relevant legislation and guidance, including the Health and Safety Executive's HS(G)65 methodology. The policies provide staff with relevant and comprehensive information on the risks they face, and the preventative, and protective measures required to control them. They also identify the roles and responsibilities of duty holders who have a responsibility to ensure that measures are implemented. Additional safe systems of work, risk assessments and guidance for staff have been developed and maintained to support staff during the Service response to the COVID-19 pandemic.
- 2.23 Systems for monitoring the effectiveness of the Service's Health and Safety Management procedures are in place; this includes proactive and reactive monitoring. The process includes air sampling on station of diesel engine exhaust emissions, legionella testing on Service facilities, provision of accident and near miss incident data to the Strategic Safety Committee for review, annual completion of premises Health, Safety and Welfare Assessment Report Forms, annual review of fire risk assessments for Service premises, COVID-19 Secure audits and a means to fully audit the Service's Health and Safety management systems.
- 2.24 Procedures are in place to report all safety events, allocate an investigator and where required make recommendations for corrective action to be completed. Functional and process issues were encountered with the software solution for reporting safety events, which impacted on the recording and management of safety event investigations as well as the ability to monitor accidents through trend analysis. A replacement Safety Event Management System to enable this process to work more effectively was implemented in February 2022.

2.25 Effective management of, and learning from, safety events also relies upon the right cultural conditions to support this. Cultural work continued to progress during 2021-22 through the 'Safe To' initiative, aimed at developing and supporting a positive culture of psychological safety. The work in this area will continue to develop and expand throughout 2022-23.

- 2.26 The Service's commitment to health and safety has been further enhanced through:
- Establishment of health and safety as an agenda item on the Executive Board meeting schedule which includes routine reporting following each Strategic Safety Committee meeting.
  - Creation of a strategic thematic health and safety risk register which is monitored monthly and reported to the Strategic Safety Committee.
  - Investment in additional resource for the Health and Safety team.

### **Environmental Management**

2.27 On 23rd October 2020 the Authority supported the declaration of a Climate Emergency and agreed the [Environmental Strategy](#). Measures on the Service's environmental performance including the calculation of carbon footprint (scope 1 and 2) have been developed and will be reported in the statement of accounts.

2.28 A range of departmental activities have taken place to progress specific initiatives in the environmental action plan. An Initial Environmental Review was commissioned to support the Service's understanding of environmental legislation and compliance in relation to Service activities and the action plan will now be aligned to ISO14001. The Service will maintain and update its Environmental legislation and aspects register to capture the Service's interactions with the environment and its impact (inputs and outputs) as part of control measures for ISO14001.

### **Fleet, Equipment and Water Supplies**

2.29 A Fleet and Equipment Strategy and Workstream are in place to deliver the two main investment projects which are currently in progress: the Fleet Capital Programme and the Asset Management Project.

2.30 The Service adheres to relevant legislation and the National Fire Chiefs Council Best Practice Manual for the maintenance of Fire Service Vehicles.

2.31 In 2020 the service upgraded its fleet management system as part of the asset management project and have planned the equipment management system upgrade for 2022.

2.32 Under the Fire and Rescue Services Act the Service has a duty to secure Water. Adopting the National Guidance Document for provision of Water for fire-fighting purposes (2017), the Service operates a risk-based approach for the 70,000+ hydrant management and maintenance requirements.

## **Collaborative and Partnership Working**

- 2.33 The Service continues to strengthen its partnership working with other fire and rescue services, blue light services, local authorities, community groups and other organisations by working to common objectives at the local, regional and national level. The improvement of prevention and protection work is a major priority, and the Service also contributes to wider community objectives identified in Local Area Agreements where appropriate.
- 2.34 During the first half of 2021 the Service lent significant mutual aid support to Cornwall Fire and Rescue Service in the planning for, and delivery of, specialist response capabilities for the G7 Summit in Carbis Bay.
- 2.35 Collaborative working continues to grow through local partnerships and the South West Emergency Services Collaboration (SWESC). The SWESC Forum meets every six months and has set three regional priorities that will drive improvement at local (organisational) level. The DSFRA Chair leads this meeting, supported by DSFRS Chief Fire Officer who manages the arrangements. The Service continues to, share good practice and to scope areas of joint improvement. The recent pilot for Community Responders (the dual role of a firefighter and special constable) is an example of innovative working where shared learning and comparison of benefits with other shared roles is undertaken.
- 2.36 In 2020 at the beginning of the COVID-19 pandemic a national Tripartite agreement was established between the Fire Brigades Union, The National Fire Chiefs Council and the Local Government Association. This was a strategic framework where a number of activities were agreed at a national level for local implementation. This included providing staff to support ambulance personnel, as well as to provide support through Nightingale hospital transfers, and to complete face-fit testing of personal protective equipment for other services and for care home staff. The Service also provided driver familiarisation training packages and driving assessments for ambulances to Service employees, and to those from other fire and rescue services.
- 2.37 Although the Tripartite agreement came to an end in 2021, the Service through an arrangement known as Operation Braidwood, continued to support South Western Ambulance Service by providing Firefighters to drive ambulances and support medical intervention; this is expected to continue until Easter 2022. DSFRS and South Western Ambulance Service are helping to create a collaborative legacy with the aim to save lives by working together.
- 2.38 The Service has successfully completed the trial of Community Responders which has resulted in making the shared roles permanent.
- 2.39 The Police and Fire Community Support Officer roles which were originally a trial, have been maintained in North Devon. The Service is seeking to expand this arrangement across a wider area.

2.40 Throughout the COVID-19 pandemic, the Service has provided support to the Local Resilience Forums, which included establishing a Strategic Community Support cell, and a volunteer co-ordination cell for Devon, Cornwall, and Isles of Scilly Local Resilience Forum. The CFO represents fire and rescue services in the region at a regional strategic oversight group where various senior officers in the health, local authority, military and emergency services at local/regional level work together to improve the collective system, using the benefits of closer working during Covid to drive benefit post the Covid pandemic peak.

### **Co-Responding**

2.41 The Authority has a formal partnership agreement in place with South Western Ambulance Service to provide a co-responder medical response (an initial medical provision to stabilise casualties in life-threatening emergencies prior to the arrival of the ambulance service). Work has commenced to review training, procedures, and equipment, with the goal of improving clinical governance as well as improving efficiency and effectiveness.

### **Civil Contingencies**

2.42 The Emergency Planning Team is the primary means through which the Service meets the Authority's obligations as laid out in the Civil Contingencies Act 2004 and elements of the Fire Services Act 2004.

2.43 Effective arrangements are in place to collaborate with partners through Local Resilience Forums and other national, regional and local networks dealing with resilience and emergency and contingency planning arrangements. This includes collaboration with the South West Malicious Risk Working Group, Counter-Terrorism Police South West, and other local and national constabularies (Devon & Cornwall Police, Avon and Somerset Police, British Transport Police and the Civil Nuclear Constabulary).

2.44 The Emergency Planning Team also works in close collaboration with the Service's National Interagency Liaison Officers Team in respect of risk, response and contingency arrangements for key events or sites of sensitivity (local and critical national infrastructure, hazardous materials etc).

### **National Inter-Agency Liaison Officers, Marauding Terrorist Attacks, Hazardous Materials and Chemical, Biological, Radiological and Nuclear Capability**

2.45 In line with the Joint Emergency Services Interoperability Principles, the National Inter-Agency Liaison Officer (NILO) cadre supports collaborative working with key partner organisations. NILOs provide specialist advice about the Service's operational capability and capacity to partners and supports both the planning for intelligence led operations and the response to dynamic incidents.

- 2.46 Whilst the national planning assumption is for a 'lite' Marauding Terrorist Attack team to be in place in Devon and Somerset, the Service leadership supported by the Fire Authority have increased capability above this minimum provision and has trained additional responders in both Plymouth as well as in Exeter to help improve attendance times and casualty outcomes.
- 2.47 This Marauding Terrorist Attack capability has been established to support specialist emergency service response alongside Police and Ambulance responders in response to a marauding terrorist attack incident within the Authority area or, under National Mutual Aid, to any other location within the UK as requested. The overall aim is to save life, and the two main strands of fire and rescue support during this type of incident are for casualty care and fire hazards management.
- 2.48 The Marauding Terrorist Attack capability is made up of two key groups, NILO qualified officers who would adopt the command role and Specialist Response Team Operatives. Both groups undergo specialist training for responding to the Marauding Terrorist Attack threat.
- 2.49 With strategic funding support from the Service, the Hazardous Materials capability has invested in a set of Raman (laser) and Infrared spectroscopy chemical identification equipment for the Service. This equipment will bridge the gap between the existing hazard classification field testing capability of hazmat advisers in the Service and the National Resilience Detection Identification and Monitoring capability that is hosted in the South West Region by Avon Fire and Rescue Service. This will enable swifter resolution of incidents involving unknown chemical substances and reduced disruption to the community.

### **National Resilience**

- 2.50 The National Resilience Capabilities are comprised of several specialist capabilities which are funded by the English Government via lead Government department the Home Office and hosted within English Fire and Rescue Services.
- 2.51 The National Resilience Capabilities hosted by the Service are Urban Search & Rescue, High Volume Pumping, Chemical, Biological, Radiological and Nuclear (explosion) Mass Decontamination and Command & Control (Enhanced Logistics Support).
- 2.52 The Capabilities are managed and assured on behalf of the Home Office by the National Resilience Assurance Team, supported under a Lead Authority arrangement by Merseyside Fire & Rescue Service.

### **Over the Border Mutual Aid Arrangements**

- 2.53 Sections 13 and 16 of the Fire and Rescue Services Act 2004 allow mutual assistance arrangements to be agreed with neighbouring Services to improve resilience and capacity in border areas. The Authority has in place contractual agreements with neighbouring fire and rescue authorities for response to incidents requiring their support.

- 2.54 In addition to sections 13 and 16, there is a partnership agreement between the Authority and Dorset and Wiltshire and Hampshire and Isle of Wight Fire and Rescue Services to provide a common, networked mobilising system with the principle of ensuring that the response mobilised to an incident is always the nearest and most appropriate resource(s) based upon travel time and attributes (i.e. having the necessary skills or equipment) to deal with the incident. This Networked Fire Services Partnership (the Partnership) also has the benefit of providing business continuity so that in the event of one control room experiencing a high volume of calls or being unable to function, either of the other two control rooms can conduct all of their emergency business, including call handling, mobilising resources, and supporting incidents.
- 2.55 An Information Governance Partnership Group meets regularly to review the governance procedures that are required under legislation and monitor current and emerging risks to the information that the Partnership system holds. A risk remediation plan is in place to ensure that security risks are managed effectively and there is an annual IT health check for assurance. This supports the Authority's compliance with the Airwave Code of Connection, and the upcoming Emergency Services Network which is due to replace the Airwave service.
- 2.56 Subsequently the Partnership has committed to scoping further collaboration opportunities that will support all three Services in achieving increased effectiveness and efficiency as well as sharing and developing good practice with regards to staff issues.
- 2.57 The Partnership has a formal structure for the programme, continuing to explore areas such as Fire Investigation and future control arrangements.

### **Business Continuity and Resilience**

- 2.58 The Service has a strategic business continuity policy which sets out the corporate business continuity management structure and goals for business continuity assessment, training and exercising. The Service also has a business continuity framework which details how it will respond to specific disruptions.
- 2.59 The Service has 36 tactical business continuity plans in place to ensure that it is prepared for a range of threats and challenges. Business continuity management processes are also undertaken so that the Service can continue the delivery of services following a disruptive incident.
- 2.60 The Business Continuity Manager is responsible for providing specialist advice and guidance on business continuity management issues, including the co-ordination, development, implementation and review of business continuity plans, processes and procedures.
- 2.61 The Service has a statutory responsibility to conduct business continuity as mandated in The Civil Contingencies Act 2004. The Service embraces the principles of 'Plan, Do, Check, and Act' and aligns with aspects of the ISO: 22301 (Societal Security – business continuity management systems and requirements).



2.62 The COVID-19 pandemic business continuity event has provided the Service with the unique opportunity to review and ensure that all department and strategic plans pull in the same direction moving forward.

### **3 Governance**

#### **Code of Corporate Governance**

- 3.1 The Authority has approved and adopted a Code of Corporate Governance, consistent with the principles of the Chartered Institute of Public Finance and Accountancy (CIPFA) / Society of Local Authority Chief Executives framework “Delivering Good Governance in Local Government”. A copy of the Code is on the Authority’s [website](#) or can be obtained from the Clerk to the Authority. This Annual Statement of Assurance explains how the Authority has complied with the Code.
- 3.2 In addition to internal governance systems (including internal and external audit), the Service is inspected approximately every two years by a large number of inspectors who spend a significant amount of time in the Service, interviewing staff and examining data to inform their independent view. A report is produced which assesses the Service against three criteria: efficiency, effectiveness and people. This provides Fire Authority members with an external inspector’s view of performance (see more detail below).

#### **Review of Effectiveness**

- 3.3 The Authority has responsibility for conducting, at least annually, a review of the effectiveness of its governance arrangements including the system of internal control. The review of the effectiveness is informed by the work of senior managers within the Service who have responsibility for the development and maintenance of the governance environment, and by comments made by the external auditors and other review agencies and inspectorates.
- 3.4 The 2021-22 review identified the following key elements to the Authority’s governance arrangements:
- (1) The Authority was constituted under the Devon and Somerset Fire and Rescue Authority (Combination Scheme) Order 2006. The Authority has strategic responsibility for discharging fire and rescue authority functions for the combined area with the day-to-day responsibility resting with the Chief Fire Officer and other Officers within the Executive Board.

- (2) During the 2021-22 financial year, the Authority comprised 26 Members appointed by the constituent authorities (Devon County Council, Somerset County Council, Plymouth City Council and Torbay Council). In addition, an “independent person” is appointed as part of the Authority’s arrangements for dealing with standards issues in accordance with the requirements of the Localism Act 2011. In June 2019 the Authority agreed to the appointment of a second independent person in line with recommendations made by the Committee on Standards in Public Life following its review of local government ethical standards.
- (3) Following a governance review in December 2020, the Authority approved, at its annual meeting on 29 June 2021, a revised governance structure to operate going forwards. The main aspects of this revised structure are:
  - Resources Committee (7 Members)
  - People Committee (7 Members)
  - Audit & Governance Committee (9 Members)
  - Community Safety Committee (7 Members)
  - Appointments and Disciplinary Committee (4 Members)
- (4) The Authority approves its Strategic Policy Objectives annually. The focus of the committees is to scrutinise and monitor Service performance in achieving the Strategic Policy Objectives in the areas for which the committees are responsible. The full terms of reference for all Authority committees can be found [here](#). The committee structure (including terms of reference) is subject to annual review but may also be amended in-year as required.
- (5) The Audit & Governance Committee operates in accordance with the CIPFA best practice guidance on audit committees. It provides an additional level of review and scrutiny of the Authority’s internal and external audit arrangements (including consideration and monitoring of any reports and associated action plans), corporate governance and risk arrangements and financial statements (Annual Statement of Accounts). The Committee also has responsibility for discharging the Authority’s member conduct arrangements as required by the Localism Act 2011 and monitors the operation of the Authority’s strategy for the prevention and detection of fraud and corruption and policy and usage in relation to the Regulation of Investigatory Powers (RIPA) Act 2000.
- (6) The Authority has [a constitutional governance framework](#) which includes the following documents:
  - Members and Officers Accountabilities, Roles and Responsibilities
  - Standing orders
  - Financial Regulations
  - Treasury Management Policy
  - Contract Standing Orders
  - Scheme of Delegations
  - Members Code of Conduct
  - Protocol for Member / Officer Relations
  - Policy on Gifts and Hospitality
  - Scheme of Members Allowances

- Corporate Governance Code
  - Confidential Reporting Policy (Whistleblowing” Code)
  - Strategy on the prevention and Detection of Fraud and Corruption
  - Code of Recommended Practice on Local Authority Publicity
- (7) These documents, except for the Code of Recommended Practice on Local Authority Publicity (which is a national document issued by the Government under Section 4 of the Local Government Act 1986), are subject to review at least annually and are updated as and when necessary to reflect legislative change, organisational change or best practice to ensure they remain up-to-date and fit for purpose.
- (8) The Treasurer is responsible for ensuring that effective financial stewardship is in place across the Service in conducting the business of the Authority. The Authority’s financial management arrangements conform to the governance requirements of the “CIPFA Statement on the Role of the Chief Financial Officer in Local Government”.
- (9) The statutory functions of the Proper Financial Officer (as per Section 112 of the Local Government Finance Act 1988) and Monitoring Officers (as per Section 5 of the Local Government and Housing Act 1989) provide a source of assurance that the Authority’s systems of governance and internal control are effective and being complied with.
- (10) The 2021-22 Internal Audit Plan sets out the resource required for independent assurance activity to be completed by the Service’s Audit and Review Manager and the Authority’s shared service internal audit arrangements with Devon Audit Partnership. The latter conforms to the governance requirements of the CIPFA Statement on the Role of the Head of Internal Audit in public service organisations.
- (11) The Authority participates in the biennial National Fraud Initiative. The 2021-22 data matching exercise has been completed in full, with no fraudulent activity identified and just one irregularity. All matches reviewed and analysed have allowed the Service to update the Integra system to support a reduction in future potential data matches.
- (12) Based on the completed audit work, it is the view of Internal Audit that the systems in operation within the Service demonstrate a reasonable level of assurance. This means that 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.
- (13) The 2021-22 External Audit provision was provided by Grant Thornton. The scope of the External Audit work includes the Accounting Statements, Whole of Government Accounts and a commentary on Value for Money arrangements. No significant issues have arisen to date from the External Audit work completed in 2021-22.

- (14) The effective management of risk is critical for the Service to ensure that it maintains services and continues to progress effectively towards achieving its strategic objectives. The risk management framework provides a structured way to deal with uncertainty which can help everyone in the Service to manage their area effectively.
- (15) The Service risk registers are populated and reviewed periodically. This process in turn informs the corporate risk register. Risks are only escalated to the corporate risk register if they cannot be managed or mitigated at department level. The Service risk management framework includes the risk escalation and de-escalation process that ensures that risks are considered at appropriate levels within the Service.
- (16) The corporate risk register is reviewed by Service management monthly (dependent on the level of risk) to ensure that risks to the Authority's strategic objectives and corporate plans are appropriately identified and managed. Horizon scanning has now been introduced into Service management review of the corporate risk register to support deep dive risk identification and assessment. The corporate risk register is presented to the Audit & Governance committee every six months.
- (17) The introduction of the SharpCould software solution has facilitated greatly enhanced risk visualisation which has led to greater engagement across the Service in the effective management of risk.
- (18) The Authority maintains comprehensive insurance cover to support its management of organisational risk. The Authority is a member of the Fire and Rescue Indemnity Company (FRIC), the mutual protection provider that has 12 fire and rescue authority members and has completed its fifth year of operations culminating in surplus being achieved every year since it was formed. This is a significant result for FRIC and shows what can be achieved when fire authorities collaborate in an innovative and mutually beneficial manner. The surplus generated can be retained to support further improvements, drive better risk management and deliver lower costs for FRIC's members. A performance management system has now been implemented to FRIC members which provides individual and membership claims performance.
- (19) The Service has a Strategic Safety Committee which meets quarterly to monitor the health, safety and welfare of employees as per section 2(7) of the Health and Safety at Work Act 1974. All representative bodies (trades unions) recognised by the Authority, i.e. the Fire Brigades Union, the Fire and Rescue Services Association, the Fire Officers Association and UNISON, are invited to sit on this committee.
- (20) The People Committee receives regular reports on the Health, Safety and Wellbeing of the Service. These reports help the committee to monitor and scrutinise performance in these areas on behalf of the Authority.

- (21) The Health and Safety Manager attends the National Fire Chiefs Council Health & Safety meetings and chairs the regional National Fire Chiefs Council Health & Safety meetings.
- (22) A governance framework has been prepared for change management, which defines roles and responsibilities and outlines the methodology that will be applied as the Service adopts a centralised portfolio office approach to all requests for strategic change.
- (23) The Protective Security Group was relaunched in September 2021. The Group sets the strategic blueprint for the Service's approach to security aligned to the HMG Security Policy Framework and oversees the thematic risk register and escalation to the Executive Board. The transformation of the Information Assurance Team into an Information Governance Team is progressing but has not fully been implemented due to ongoing risk-based priorities relating to the Service's response to the COVID-19 pandemic and demands on the ICT department. Records management is a critical area for the Service which has previously lacked clearly defined ownership. The new Information Governance Team is proactively taking steps to implement an Information Governance Framework that incorporates records management principles across the Service. Performance of critical compliance areas including responding to subject access requests and Freedom of Information requests, remains in place with a high level of compliance achieved.
- (24) Contract Standing Orders are, along with the Authority's other constitutional framework documents, subject to annual review and in-year changes as and when required. Guidance materials on procurement and contract management are available on the Authority's [website](#) and Service intranet for Service staff and contractors. The Service continues to be part of the National Fire Chiefs Council (fire) Commercial Transformation Programme as well as working on opportunities with our Networked Fire Service Partnership (see para 2.54).
- (25) The Procurement Team reviews third party expenditure and manage contracts above £20,000 in value. This is to ensure compliance with legislation and best practice, to ensure that the Authority can demonstrate value for money and deliver savings and efficiencies. The procurement team is actively engaged in wider collaborative national and local procurement initiatives. The Service's Head of Fleet and Procurement is part of the Local Government Association National Advisory Group for Procurement representing fire and rescue services nationally.
- (26) The Procurement team has been responsible for re-tendering the National Fire Chiefs Council's Emergency Response Vehicles framework on behalf of the National Fire Chiefs Council and the fire sector. The team is also responsible for ongoing contract management of the National Fire Chiefs Council's Respiratory Protective Framework.

- (27) Red One Ltd. was established in 2012 to allow the Authority to deliver commercial activities within the legislative framework that applies. This is a stand alone company that manages its own affairs whilst reporting to the single shareholder, the Fire Authority. It is not managed by the Service.
- (28) The Authority has taken legal advice to ensure compliance with legislative requirements and to ensure effective governance arrangements, which were enhanced in January 2018 by the appointment of independent non-executive directors. Governance arrangements were further enhanced in July 2018 by the adoption of revised Articles of Association, which strengthened the composition of the Board to include a mix of: Authority Member non-executive directors; independent non-executive directors; Service officer non-executive directors and company appointed executive directors.
- (29) Corporate commitments to equality, diversity and inclusion are set out in the Fire & Rescue Plan and People Strategy, which address issues relevant to equality, diversity and inclusion in the workplace at each stage of the employee lifecycle, including attraction, recruitment, retention, development and progression. The strategy and plan also state how the Service will meet the needs of different communities and vulnerable people to reduce risk and align with the changes needed to support the Integrated Risk Management Plan and external inspection outcomes. The People Committee monitors progress of actions relating to the People Strategy, and particularly matters of diversity and inclusion, every three months.
- (30) The Service has a process in place to ensure that potential equality impacts are identified and mitigated when preparing or reviewing policies and procedures. The process is called Equality Risks and Benefits Analysis (ERBA) and it helps the Service to deliver better services and working practices as well as ensuring compliance with the Public Sector Equality Duty. In 2019 the Service introduced a broader assessment of impact, the People Impact Assessment into which the ERBA is incorporated. Implementation of the People Impact Assessment includes wider impacts on people including data protection, health & safety and safeguarding. This process has been used extensively during the COVID-19 pandemic to support the Service's decisions in response and recovery. Mandatory equalities training has been reviewed and rolled out. The Service has now started work on increasing psychological safety including addressing identified levels of unwanted behaviour.
- (31) The Employers Network for Equality & Inclusion benchmarked the Service against Talent, Inclusion, Diversity & Equality and awarded the Service a Silver Award in July 2021.
- (32) A plan to build understanding of, and integrate the core code of ethics into relevant processes has been developed. Ethics have been incorporated into a cultural communication and engagement campaign to be launched in March 2022. In addition, learning approaches to build capability in challenging unethical and inappropriate behaviour are being developed alongside work to embed ethics in recruitment and selection, policies and initiatives through People Impact Assessment and Leadership Development.

(33) The Service has not received any Whistleblowing alerts in this financial year.

3.5 The 2021-22 self-assessment by the Authority has concluded that there are good systems, procedures and checks in place to manage the Authority's governance arrangements.

### **How we measure and monitor our performance**

3.6 The Service has a performance framework in place to ensure effective measurement and review of performance in a way that is meaningful and practical. This framework was reviewed in 2021 to align with the new performance management system and to reflect advances in smarter working.

3.7 The Authority and the Executive Board have set out 25 corporate performance objectives, aligned to its four strategic priorities. Each objective is supported by desired outcomes, defining what successful delivery looks like. Activity across the Service is monitored by a wide range of measures and indicators, with individual metrics potentially contributing to one or more objectives.

3.8 The Authority, committees, and the Executive Board are provided with high-level indicators and analytical reporting by exception, to ensure governance and oversight of service provision and performance.

3.9 Operationally, community-facing staff and their managers receive performance information specific to their roles and areas. Performance measures presented to operational staff are set against inputs, therefore influencing and focusing only on activity which supports and delivers the corporate objectives. Information at this level is dynamic and is presented in an easily accessible way, to facilitate timely management and intervention. These supporting measures also apply to non-operational roles, so that functions such as training, fleet and ICT are all reported on to maximise effectiveness and efficiency in achieving good performance.

3.10 Timely reporting of performance against plans and objectives is necessary to ensure a sustained focus on the aims and objectives that the Service sets itself to provide an efficient and effective service. Targets are set against the high-level objectives and are reviewed annually. These are set based on historic benchmarks, identified trends, comparison with other fire and rescue services and future aspirations.

3.11 The Service continues to invest in improving its performance measurement and reporting capabilities, to better exploit data and enrich the analysis and visualisation of information. Ongoing development of self-serve information will put relevant and actionable insight into the hands of Service leaders, enabling managers and staff alike to be better informed to carry out their work effectively. By presenting timely and relevant information to all staff, the Service seeks to promote an evidence-based and performance-led culture of continuous improvement and evaluation.

## **COVID-19 Pandemic**

- 3.12 A temporary strategic, tactical and operational level command structure was implemented within the Service, to improve speed of decision-making, in response to the COVID-19 pandemic. The operational level consisted of cells with clearly defined roles and responsibilities, captured in a business continuity response governance document. A dedicated triage team was established to handle queries and direct actions to the most appropriate cells. Action tracking software was developed and implemented to enable visibility of outstanding and completed actions, and to assist with resource allocation.
- 3.13 The tactical team held regular meetings with all cell leads, at an agreed, variable frequency, as required. Throughout 2021-22 this frequency varied between daily and twice weekly. The strategic team met on a weekly basis, with representation also available at tactical meetings.
- 3.14 A Recovery Planning team was established, who met regularly throughout 2021-22. Their work was aligned with other members of National Fire Chiefs Council business continuity planning groups, and with other members of the Local Resilience Forums. The role of this team was to ensure that appropriate measures were put in place to enable the Authority to return to more standard ways of working without risking the safety of staff or the public.

## **Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS)**

- 3.15 HMICFRS undertook its first assessment of fire and rescue services in 2018-19. The assessment examined services' effectiveness, efficiency and how well they look after their people. HMICFRS raised concerns regarding the fitness testing of staff as at that time the Service had stopped undertaking fitness tests whilst a trial of the national drill ground test was undertaken. HMICFRS wrote to the Service with a cause of concern and the Service implemented an action plan ahead of the required schedule.
- 3.16 The Service now has a physical fitness policy and three dedicated fitness advisors in post to support firefighters to attain and maintain the fitness standards that are required. The Service has also introduced fitness advocates who are existing operational staff that provide an additional fitness role to the Service and are qualified to a minimum of a Level 2 gym instructor.
- 3.17 With the introduction of a data management system the Service can now assure itself that fitness requirements are being met, reviewed, and evaluated. In February 2022 the Service reported a 98% pass rate compared to the previous 2021 data set of 82% for all 'in scope employees'.
- 3.18 In September - October 2021 HMICFRS conducted its second-round full inspection of the Service. The draft report is expected in May 2022.



## **4 Financial Assurance**

### **Statement of Accounts**

- 4.1 It is a statutory requirement under the Accounts and Audit (England) Regulations 2015 for authorities to publish the financial results of their activities for the year. The 'Statement of Accounts', shows the annual costs of providing the Service and is determined by a Code of Practice published by CIPFA, which aims to give a "true and fair" view of the financial position and transactions of the Authority. The Treasurer is responsible for the approval of the Statement of Accounts prior to publication.
- 4.2 To meet the requirements of the regulations, the draft Statement of Accounts is published by the end of May with the final audited Statement of Accounts published once the audit process has been completed. The Redmond Review has recommended that the publication date be end of September.

### **External Audit Arrangements**

- 4.3 On an annual basis, the Statement of Accounts is subject to external audit. Following a national procurement exercise, Grant Thornton was appointed as the external auditors for the South West region.
- 4.4 Grant Thornton is therefore responsible for the completion of the following assurance activities:
  - Audit of the 2021-22 financial statements.
  - Proposed opinion on the Authority's accounts.
  - Commentary on the Authority's Value for Money arrangements.

### **Internal Audit Arrangements**

- 4.5 To support the external audit process, the Authority has a process for internal auditing. The Audit & Review Manager works with senior management teams to develop an Internal Audit Plan to be delivered across the Service. Devon Audit Partnership support delivery of the plan to deliver specialised key financial audits, to provide expertise that is not available internally or to ensure maintenance of auditor independence and objectivity for the area subject to audit.
- 4.6 Performance against the plan is reported to the Executive Board and the Audit & Governance Committee at scheduled meetings throughout the year. The plan was reviewed and prioritised according to corporate risk, to ensure that high-priority audit activity was addressed appropriately.
- 4.7 Agreed management actions are monitored through the Service's assurance tracking process alongside the outcomes of external audits and external reviews.

## **Public Contracts Regulations 2015 (“the Regulations”)**

- 4.8 The Regulations set out a legal framework for contracting public authorities to follow in securing a contract for works, supplies and services where the contract value exceeds set thresholds unless the contract qualifies for a specific exclusion as defined in the Regulations. The Regulations are not static but subject to change, driven by evolving case law. The Regulations reflect and reinforce the value for money focus of the Government’s procurement policy. Where the procurement process is not subject to the Regulations, the principles of transparency, non-discrimination, equal treatment, and proportionality apply.
- 4.9 The Corporate Procurement Manager is responsible for review of all third-party expenditure and ensuring that the Service processes conform to UK Regulations.

## **Data Transparency**

- 4.10 The Authority complies with the Government’s ‘Local Government Transparency Code 2015’ for releasing public data. The following arrangements are in place:
- A Freedom of Information Publication Scheme
  - Publication of the annual statement of accounts
  - Publication of all expenditure over £500
  - Publication of all Government Procurement Card transactions
  - Publication of Procurement Information
  - Publication of land ownership
  - Publication of Trade Union facility time
  - Publication of a Pay Policy Statement including all senior employee salaries and pay multiple comparators
  - Publication of fraud investigations
  - Publication of Members’ allowances and expenses
  - Publication of External Audit reports
  - Publication of all committee reports (other than those where a statutory exemption for publication applies).

## **Financial Planning**

- 4.11 Currently, the amount of Central Government funding is reviewed annually. To ensure that the Authority understands the potential risks regarding funding, a number of scenarios are published within the [Medium Term Financial Plan](#) demonstrating the possible funding position for the next 5 years. This is published alongside the underpinning: [Reserves Strategy](#); [Capital Strategy](#); Commercial Strategy and the [Safer Together](#) Programme.

## 5 Future Improvements

5.1 The following areas for improvement remain our key areas of focus throughout 2022-23:

- Service policy management.
- Information governance to facilitate the easy location of accurate and up to date information when required.
- Aligning resources to risk and prioritising prevention and protection activity.
- Improving diversity across the Service including operational management and senior roles.
- Ensuring that the Service's planning processes integrate performance, projects and risk so that all activity is aligned to the strategic objectives, vision and purpose.
- Improving the integrity of data to support the effective implementation of the performance framework and the systems supporting this.
- The Service's processes and systems for the management of assets require improvement. This will continue with implementation of Phase 2 of the asset management implementation project in 2022-23.
- Further improving our People arrangements.

5.2 The following new areas for improvement have been identified:

- An Information Governance Framework that incorporates records management principles needs to be implemented across the Service.
- The Service will need to respond to the requirements of the Environmental Act 2021 and other environmental legislation and work to achieve its plans to be carbon neutral by 2030 and carbon positive by 2050.
- The Service needs to ensure that it has the appropriate resource, capacity, structure, health and safety management framework and assurance systems to ensure compliance with its statutory health and safety duties and to ensure that all staff, both uniformed and non-uniformed, are able to be healthy and safe at work when undertaking their duties.

## 6 Conclusion

6.1 The Authority is satisfied that the issues identified above are appropriate and that steps are already in place to address the improvement areas identified in this review. The Audit & Governance Committee will receive updates on the implementation and operation of these improvement activities annually, through the updated action plan attached in Appendix A to this report.

6.2 Additionally, the Authority is satisfied that the systems and processes that are in place across the organisation fulfil the requirements of the Fire and Rescue National Framework for England.

**CHIEF FIRE OFFICER**

**CHAIR, AUDIT AND GOVERNANCE  
COMMITTEE**

## APPENDIX A TO REPORT– ACTION PLAN

Identified Issue	Action Needed	Lead Officer	Update	Status
<p><b>Service Policy Management</b> Improvements are required to ensure that the Service has an effective policy framework, effective document lifecycle management and compliance with the latest accessibility standards.</p>	<p>As part of the Microsoft 365 rollout:</p> <ul style="list-style-type: none"> <li>• Deliver new policy template repository with automated document management information reporting on the policy lifecycle.</li> <li>• Enable automatic publication of policies to the website to decrease the Freedom of Information response burden.</li> <li>• Implement an improved mechanism to store documents to enable easier location by employees.</li> </ul>	Head of ICT	The new Policy Management Framework has been agreed, the system is being configured and will be delivered within 2022. The migration of policies into the new system will also be completed in 2022.	Carry forward to 2022-23
<p><b>Information governance</b> The approach to information governance is driven at department level rather than taking an enterprise approach to how information is managed across the Service. This leads to difficulty for employees easily finding accurate and up to date information when required. This also impedes the ability to lead to smarter working practices.</p>	<p>As part of the Microsoft 365 (MS365) project, an enterprise wide approach to information management will be developed which will form the basis of the new Intranet.</p>	Head of ICT	This work is progressing as part of the MS365 project, with a new information architecture designed and being implemented in the migration of file-shares and existing Intranet content to the cloud. An initial deployment of the new Records Management approach will be the new Policy Management System, currently under development by one of the Service's 3d party suppliers. This will provide a full lifecycle management approach to policies, including management information.	Carry forward to 2022-23
<p><b>Aligning resources to risk and prioritising prevention and protection activity.</b> We need to ensure that we allocate our resources for response, prevention and protection in a way that best reflects the risks to our communities, prioritising our prevention and protection work to prevent fires and other emergencies from occurring, but</p>	<ul style="list-style-type: none"> <li>• Ensure that the decisions of the Fire and Rescue Authority with regards to the new Service Delivery Operating Model (SDOM) have been implemented.</li> <li>• Review the Community Safety Plan to ensure that the most vulnerable communities are being prioritised through our prevention work.</li> <li>• Review the Risk Based Inspection Programme to ensure that high risk</li> </ul>	Area Manager Service Delivery - Community Risk	<p>The implementation of the Service Delivery Operating Model required a number of projects to be delivered, namely:</p> <ul style="list-style-type: none"> <li>- Introduction of a new On Call Duty System</li> <li>- Review of the Wholetime Duty System</li> <li>- Closure of two fire stations</li> <li>- Removal of nine fire engines</li> <li>- Change eleven fire engines from 24 hour cover to night cover only</li> <li>- Introduce Roving Appliances</li> </ul> <p>In terms of project management, all of these projects have now been closed and either</p>	Complete

Identified Issue	Action Needed	Lead Officer	Update	Status
being able to respond when emergencies do happen.	<p>buildings are being inspected and are compliant with legislation.</p> <ul style="list-style-type: none"> <li>Review the Service Delivery strategic plan to ensure that resources are deployed to support efficiency and effectiveness of all response, prevention and protection activity.</li> </ul>		<p>completed or moved into business as usual for Service Delivery.</p> <p>Of the projects noted above only the introduction of Roving Appliances has failed to deliver a successful outcome at present. This is due to two main factors. Firstly, the main reason for considering Roving Appliances was to further support On Call Availability; this has been superseded by the successful roll out of the new On Call Duty System – Pay for Availability. Secondly, the ability to crew Roving Appliances was predicated on the latent capacity of the wholtime station based workforce; this has not been at full establishment until Quarter 4 2021/22 and therefore the Service has not had the staff to provide Roving Appliances in its original concept.</p> <p>Having absorbed the idea into business as usual the intention is to change the descriptor of this model to Roving Vehicles and place the emphasis on the delivery of more prevention and protection activity in rural and hard to reach areas using a combination of Wholtime and On Call staff. This will not require fully crewed fire engines and so better utilises all resources available to the Service.</p> <p>The Community Safety Plan has been reviewed to ensure that we continue to target the most vulnerable members of society by using a triaged approach. The review has also confirmed that there are a number of data sources within the organisation that require analytical support to assure the Service that the triage approach is working.</p> <p>The Risk Based Inspection Programme has been reviewed and implemented. This includes an updated definition of High Risk Buildings that reflects both likelihood and severity of a fire</p>	<p>Carry forward to 2022-23</p> <p>Complete</p>

Identified Issue	Action Needed	Lead Officer	Update	Status
			<p>occurring at a particular location. In addition to this the Service completed the High Rise Building Risk Review on time as required by the Home Office in the wake of the Grenfell Tower Inquiry.</p> <p>The Service Delivery Strategic Plan provides direction for all staff to support positive outcomes in regard to public safety. The plan takes a risk based approach to prioritising activity that enables staff to fulfil their roles by identifying key functions that enable the deployment of resources to support efficiency and effectiveness of all response, prevention and protection activity. Upon review the following areas are considered a priority:</p> <ul style="list-style-type: none"> <li>- Workforce Planning</li> <li>- Training, exercising and standards</li> <li>- Capability</li> </ul>	Carry forward to 2022-23
<p><b>Improving diversity across the Service including operational management and senior roles.</b></p> <p>There is a need to further develop contracts and career paths to support inclusivity ensuring that the Service has a workforce that reflects the communities that it serves.</p>	Implement positive action such as direct entry (an NFCC project) supported by the 'Our Time' sponsorship programme.	Head of HR	<p>The External to Wholetime and On Call to Wholetime recruitment processes were developed with this in mind. Continual monitoring of the recruitment process is undertaken to ensure that it does not inadvertently impact on certain groups in a way which means that they are less likely to succeed.</p> <p>The fitness standard set by the Authority does impact negatively on gender and age, but the Service keeps this under continuous review and all process changes are impact assessed (ERBA). Reasonable adjustments can be facilitated for individuals with underlying conditions so that diversity in ability can occur.</p> <p>The Service uses an agency to draft and check recruitment adverts to ensure they don't inadvertently put barriers in the way for people from under-represented groups to apply.</p>	Carry forward to 2022-23

Identified Issue	Action Needed	Lead Officer	Update	Status
			<p>The Service is preparing for a new cohort of women to start the 'Our Time' programme at the end of September 2022.</p> <p>Further initiatives are being developed.</p>	
<p><b>Planning, Performance and Continuous Improvement</b> In order to ensure that all activity is aligned to the strategic objectives, vision and purpose, the Service's planning processes need to integrate with performance, projects and risk.</p>	<p>The planning and performance management framework that is currently under development needs to be finalised and rolled out. This has been reworked to address the identified issue and we are in the process of purchasing a new system through the procurement framework. The new system is cloud based so will require connection rather than installation and will support the integrated approach, linking planning, performance, projects and risk as well as giving a much clearer view of performance against key objectives.</p>	Area Manager Service Improvement	<p>The planning and performance framework is subject to a further review to reflect changes to the number of planning documents created, to reduce the admin burden and ambiguity of the purpose of documents. The performance management system, InPhase, is in development, and is expected to take a further year to fully refine and embed. It is intended that the Head of Service Improvement will chair a new performance management meeting with relevant stakeholders once the product is sufficiently mature, which will direct responsibilities and actions down through managers, and elicit best practice back up from teams.</p>	Carry forward to 2022-23
<p><b>Data integrity</b> Work has commenced to redesign the performance framework and to procure a system to support this. To ensure successful implementation, work is required to improve the integrity of data and to ensure proportionate and robust controls on data to: promote valid data at the point of capture; maintain up to date, accurate records; enable the exploitation of external data sources, particularly in relation to location and premises data; and ensure consistency in reporting information.</p>	<ul style="list-style-type: none"> <li>• Map the data requirements for the Service and where these are held.</li> <li>• Agree data owners.</li> <li>• Develop automated reporting.</li> </ul>	Area Manager Service Improvement	<p>The new corporate performance management system has been procured and is nearing initial rollout to service leaders. It will initially be populated using data manually extracted from source systems and keyed into the performance system. This interim state is likely to remain in some form for several months whilst data requirements for departments are established, and the necessary integrations with source systems are developed. At this juncture, the system will then be able to directly consume a broadening range of data, supporting more effective generation of insight relevant to users' needs. It is anticipated that the demand for insight will grow, which will need to be met by a flexible and proportionate approach to data capture and usage. This flexible and proportionate approach is to be delivered via a number of corporate projects which are focusing online-of-</p>	Carry forward to 2022-23

Identified Issue	Action Needed	Lead Officer	Update	Status
			business capture, whilst ensuring this capture meets the articulated needs of our performance framework. This allows an evolving approach to react to changing business need, with embedded oversight through our Information Governance function to assure that data is appropriately managed through the information lifecycle. The change projects are overseen by the Executive Board via the Portfolio governance structure allowing due priority and resourcing to be allocated to meet the needs of our performance framework.	
<b>Safety Event Management</b> Functional and process issues were encountered with the software solution for reporting safety events, which impacted on the recording and management of safety event investigations as well as the ability to monitor accidents through trend analysis.	Develop and implement an improved solution for the recording and management of safety event investigations	Head of Organisational Assurance	The new Safety Event Management system went live 15 February 2022.	Complete
<b>Integrated Service Asset Register (Fleet and Operational Equipment)</b> An integrated fleet and operational service asset register needs to be developed and embedded to ensure that all assets are effectively recorded and managed to provide consistent data to inform replacement plans and ensure operational assets are fit for purpose.	<ul style="list-style-type: none"> <li>Undertake Operational Equipment review – complete.</li> <li>Develop an equipment register to capture all legislative and manufacturer requirements for the different categories of equipment and their corresponding risk assessments - complete.</li> <li>Implement Phase 2 of the asset management implementation project.</li> </ul>	Head of Fleet & Procurement	Phase 1 (Fleet) systems is complete. Phase 2 (equipment) of the asset management implementation project is due to be complete October 2022.	Carry forward to 2022-23
<b>Strategic Policy determination</b> Lack of a clearly defined strategic policy agenda.	Fire & Rescue Authority to set strategic policy agenda with professional advice and support from Service Officers.	Chief Fire Officer	At its meeting on 29 June 2021, the authority set its strategic policy agenda in the form of 12 strategic policy objectives that underpinned its four strategic priorities. The strategic policy objectives were	Complete



Identified Issue	Action Needed	Lead Officer	Update	Status
<p><b>Further improving our Efficiency, Effectiveness and People arrangements.</b> We need to deliver our statutory duties, add value through improved community outcomes and create a workplace where all employees are able to perform at their best.</p>	<ul style="list-style-type: none"> <li>Effectiveness and Efficiency: Improve the performance management framework to ensure that all activities are aligned to corporate priorities to reduce duplication of effort and to performance manage the Service.</li> <li>People: Further to the external review of Human Resources and Organisational Development, identify key priorities and implement an improvement plan.</li> <li>People: Implement the Safe To intervention throughout the Service so that people feel included and feel safe to speak up, to learn, to contribute and to challenge</li> </ul>	Chief Fire Officer	<p>reconfirmed by the Authority at its meeting on 21 February 2022.</p> <p>We are in the process of implementing a new performance management system (InPhase). We have agreed corporate objectives with the Fire Authority who use the objectives to provide oversight to the officers who in-turn have a number of strategic priorities. We have developed a performance framework which aligns all activities across the organisation up to the strategic priorities and corporate objectives. This enables objectives to be set within each department and team that directly contribute to the identified outcomes for the organisation.</p> <p>A revised management structure has been agreed to Co-Head the Human Resources and Organisational Development (HROD) department. A HR systems project has begun to move towards supporting the new People Services model, which will define business process improvements to align with system requirements. Work continues to fully establish the HR business partner model through a measurable customer charter and to redefine HROD as People Services.</p> <p>The Safe To intervention has been in the 'build' phase of progress where artefacts, processes and policy have been designed to support a Just Culture, along with engagement to build understanding with managers and staff. The next 'Power Up' phase is about to be launched through an immersive communication, engagement and capability building programme. This phase links Safe To with our values and the Core Code of Ethics.</p>	Carry forward to 2022-23

Identified Issue	Action Needed	Lead Officer	Update	Status
<p><b>Information Governance Framework</b> An Information Governance (IG) Framework that incorporate records management principles needs to be implemented across the Service.</p>	<ul style="list-style-type: none"> <li>• Develop new role profiles to ensure that the IG Team is structured to support delivery of the IG Framework.</li> <li>• Undertake selection processes to appoint staff into new roles and develop individual development plans to achieve full competency in new roles.</li> <li>• Develop and implement the IG Framework.</li> </ul>	Head of ICT		New
<p><b>Environmental Strategy</b> The UK has a legislative commitment to be net zero (carbon neutral) by 2050. The Service will need to respond to the requirements of the Environmental Act 2021 and environmental legislation. The Service response will need to mitigate against changing environmental threats.</p>	<p>The three main projects for carbon reductions are:</p> <ul style="list-style-type: none"> <li>• Reducing electricity and gas consumption.</li> <li>• Introduction of vehicle telematics.</li> <li>• Alternatively fuelled vehicles and electric charging points.</li> </ul> <p>The environmental action plan will need to identify the full scope of carbon emissions and work with our suppliers and departments to develop a comprehensive carbon neutral plan.</p>	Head of Fleet and Procurement.		New
<p><b>Health and Safety</b> The Service needs to ensure that it has the appropriate resource, capacity, structure, health and safety management framework and assurance systems to ensure compliance with its statutory Health and Safety duties and to ensure that all staff, both uniformed and non-uniformed, are able to be healthy and safe at work when undertaking their duties.</p>	Strategic health and safety improvement plan to be developed and implemented.	Head of Organisational Assurance		New

# Agenda Item 6

<b>REPORT REFERENCE NO.</b>	<b>AGC/22/5</b>
<b>MEETING</b>	<b>AUDIT &amp; GOVERNANCE COMMITTEE</b>
<b>DATE OF MEETING</b>	<b>10 MAY 2022</b>
<b>SUBJECT OF REPORT</b>	<b>INTERNAL AUDIT 2021-22 YEAR-END REPORT</b>
<b>LEAD OFFICER</b>	<b>Director of Governance &amp; Digital Services</b>
<b>RECOMMENDATIONS</b>	<p><i>That the Committee considers:</i></p> <ul style="list-style-type: none"> <li>• <i>the opinion statement within this report;</i></li> <li>• <i>the completion of audit work against the plan; and</i></li> <li>• <i>audit findings provided.</i></li> </ul> <p><i>In review of the above, the Committee should consider the assurance provided and satisfy itself from this assurance that the internal control framework continues to be maintained at an adequate level to mitigate risk.</i></p>
<b>EXECUTIVE SUMMARY</b>	<p>The Internal Audit Service provides 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> <p>Internal Audit activities across the Service are managed through a shared service agreement that sees Internal Audit and the Devon Audit Partnership work together to deliver the Internal Audit Plan.</p> <p>This is the closing Internal Audit Annual Report for the financial year 2021–22. This report sets out the progress that was made against the approved 2021-22 Internal Audit Plan and updates on additional review work undertaken.</p> <p>Two amendments were made to the audit plan in year to include the following audits:</p> <ul style="list-style-type: none"> <li>• Flexi Duty system. This was accommodated by deferring the Application of Learning audit to the next financial year.</li> <li>• Organisational Safeguarding Assurance report. This was accommodated by deferring the Working with Children &amp; Young People audit to the next financial year.</li> </ul> <p>Based on the completed audit work to date, it is the view of Internal Audit that the systems in operation within the Service demonstrate a reasonable level of assurance.</p>

	<p>This means that 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.</p> <p>Where weaknesses have been identified, management have agreed these findings and the recommendations or accepted the associated risks. All audit reports include an action plan that identifies responsible officers, and target dates, to address control issues identified during review.</p> <p>In giving this opinion, it should be noted that assurance can never be absolute. The most that the internal audit service can provide is reasonable assurance that there are no major weaknesses in the system of internal control.</p>
<b>RESOURCE IMPLICATIONS</b>	Nil.
<b>EQUALITY RISKS AND BENEFITS ANALYSIS</b>	Not applicable
<b>APPENDICES</b>	A. Definitions of Audit Assurance Opinion Levels.
<b>BACKGROUND PAPERS</b>	<a href="#">Report APMC/21/3 (2021-22 Draft Internal Audit Plan)</a> to the [then] Audit & Performance Review Committee meeting on 5 March 2021 (and the Minutes of that meeting).

## **1. INTRODUCTION**

- 1.1. The 2021-22 internal audit plan was approved by the [then] Audit & Performance Review Committee on 5 March 2021. The Plan forms the principal work of the Internal Audit Service and is a significant source of assurance of the effectiveness of the internal control environment. The Plan sets out the combined scope of internal audit work to be completed by the Devon & Somerset Fire & Rescue Service Internal Audit team (“the team”) and the Devon Audit Partnership.
- 1.2. The team and the Devon Audit Partnership (DAP) are accountable for the delivery of the Plan and the Internal Audit Charter includes the requirement to report progress to Audit & Governance Committee at least three times per year.
- 1.3. The aim of this report is to provide an update on delivery of the planned audit work for 2021-22 and an assurance opinion on the systems in operation within the Service. Definitions of audit assurance opinion levels can be found at Appendix A.
- 1.4. The team can confirm that there are no significant facts or matters that impact on its independence as auditors that it is required to, or wishes to, draw to the attention of the Committee. The team confirms that it is independent and able to express an objective opinion on all statements provided.
- 1.5. The opinions contained within this report are based on audit examination of restricted samples of transactions/records and discussions with officers responsible for the processes reviewed.

## **2. DELIVERY OF THE 2021-22 AUDIT PLAN**


- 2.1. Two risk-based amendments were made to the internal audit plan to include the following audits following requests made by Service Delivery:
  - Audit of the Flexi Duty system. This was accommodated by deferring the Application of Learning audit to the next financial year
  - Organisational Safeguarding Assurance report. This was accommodated by deferring the Working with Children & Young People audit to the next financial year.
- 2.2. Delivery of the 2021-22 plan has been impacted in quarter 4 by Covid-19 related sickness for Internal Audit, DAP and Service colleagues and deferral of annual leave to quarter 4. This has resulted in delay to completion for some audits with an estimated completion date for all by the end of May 2022.
- 2.3. The chart overleaf provides an overview of plan completion.


	Complete?	January	February	March	April	May
<b>Internal Resource</b>						
Community Safety: Fire Prevention						
Light Fleet Support	✓					
Station Compliance	✓					
Fleet Management						
Organisational Safeguarding Assurance						
Training: Fitness Testing	✓					
PPE Audit						
NFI	✓					
<b>Devon Audit Partnership</b>						
Key Financial Systems	✓					
Risk Management	✓					
Use of data						
Information Security: Availability of Systems						
Flexi Duty Rota						


In Progress: Draft Report
In Progress: Fieldwork

2.4. Table 1 below provides the assurance summary for all completed audits. In addition to the planned work, consultancy and advice has continued to be provided where required.


**Table 1**

Audit Area and Assurance Summary	Audit Opinion	Direction of Travel
<p><b>Light Support Fleet</b></p> <p><i>Audit Completion Date: July 2021</i></p> <p><i>Presented to Committee: 28<sup>th</sup> October 2021</i></p> <p>Whilst guidance exists and there is noted evidence of improved practice within Fleet and Procurement from the previous audit, there are significant inconsistencies in the approach taken between Officers in Charge and area office administration.</p> <p>Knowledge of procedures and consistency in application differ as perceptions are influenced by the high volume of policies available across four different departments potentially causing confusion rather than clarity.</p> <p>It is Audit's opinion that there is a lack of formal governance and control in place over area administrators to monitor Light Fleet Vehicle usage and Hired Car spend.</p>	<p><b>Limited Assurance</b></p>	 <p>Progress has been made but further work is required</p>

Audit Area and Assurance Summary	Audit Opinion	Direction of Travel
<p>A new 'Telematics' system is to be introduced to support transparency in fleet vehicle usage and a review of current vehicle usage policy required to support reduction in hired car spend.</p> <p>Effective use of the Light Support Fleet is monitored by the Resources Committee.</p>		
<p><b>Fitness Testing Audit – Final Report</b></p> <p><i>Audit Completion Date: October 2021</i></p> <p><i>Presented to Committee: 7<sup>th</sup> March 2022</i></p> <p>The report identified further evidence of continued improved practice within the fitness team and service strategy from the existing assurance work completed earlier this year.</p> <p>It is Audit's opinion that there is a plan in place for additional resource and the introduction of the SQL data management system has solidified transparency for the Fitness Advisors to assure fitness levels throughout the Service.</p> <p>There is a generally sound system of governance, risk management and control now in place, with some minor improvements that are being introduced and reviewed regularly.</p>	<p><b>Reasonable Assurance</b></p>	 <p>Good progress since the completion of the fitness training assurance report and remains a focus.</p>

Audit Area and Assurance Summary	Audit Opinion	Direction of Travel
<p><b>Station Compliance: Legionella Management - Final Report</b></p> <p><i>Audit Completion Date: September 2021</i></p> <p><i>Presented to Committee: 7<sup>th</sup> March 2022</i></p> <p>With increased attention from water authorities on Legionnaire’s disease and the related public health concern, there was a need to establish the controls and management programme that the Service has in place to monitor potential risk areas where Legionella bacterial infection is foreseeable across stations. Proactively managing the risk of Legionella bacteria in water systems is more cost effective than responding to an outbreak after it has occurred whilst also reducing the risk to health.</p> <p>It is the responsibility of Estates to maintain the majority of station compliance with statutory testing, under various legislation, supported by third party companies. These third party companies provide assurance that the Service remains compliant to ACOP L8 and HSG274 by providing site Risk Assessments and reports to control, understand and monitor its water systems and the equipment associated with these systems (such as pumps,heat exchangers, showers and constituent parts).</p> <p>It is Audit’s opinion that a sound system of governance and control is in place with just a couple of minor inefficiencies noted that are now being reviewed regularly.</p>	<p><b>Reasonable Assurance</b></p>	 <p>Reasonable assurance and governance noted throughout the reviewed process.</p>



Audit Area and Assurance Summary	Audit Opinion	Direction of Travel
<p><b>National Fraud Initiative</b></p> <p><i>Completion Date: February 2022</i></p> <p>This is a mandatory initiative for public sector organisations.</p> <p>443 matches made, with 20 errors identified. One error was found to be an incorrect payment to a creditor who has since gone out of business. The Service has therefore incurred a loss of £507.60. This match finding has increased awareness in the Finance team and further checks have now been put into place by the Finance Team to ensure that this situation can be avoided in future.</p> <p>The remaining 19 errors were included in the 'Duplicate creditors by creditor name' report; these matches were data duplications within Integra, the Service's payment system. The outdated information has now been removed from the system.</p>	<p><b>Not Applicable</b></p>	<p>Not Applicable.</p>
<p><b>Risk Management</b></p> <p><i>Audit Completion Date: March 2022</i></p> <p>Risks are managed, monitored and reviewed in accordance with the Service's risk management framework.</p> <p>The audit identified that there is a comprehensive corporate risk register in place. It provides clear descriptions of risks and potential impacts, with appropriate mitigating controls. Risk owners are identified, and risk management and monitoring are in place.</p> <p>'SharpCloud' has enabled the Service to become digitalised and has assisted with the escalation process of risks from departments to corporate level.</p>	<p><b>Substantial Assurance</b></p>	 <p>Substantial assurance and governance noted throughout the reviewed process.</p>

2.5. Table 2 below provides the status of the audits yet to be completed. Table 3 sets out the two audits that have been deferred into the 2022-23 audit plan.

**Table 2**

Audit Area	Rationale	Status	Comment
<b>INTERNAL RESOURCE: INTERNAL AUDIT &amp; REVIEW MANAGER</b>			
<b>Community Safety: Fire Prevention</b>	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.	<b>DRAFT REPORT</b>	Draft Report sent to EB Lead for review on 10 April 2022.
<b>Personal Protective Equipment (PPE) Audit</b>  (Carried over from 2020-21 Plan due to the impact of response to Covid-19)	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 training and refresher training of PPE use, with the understanding of identifying areas requiring improvement. This will act as a base audit to further develop proposed annual audits to cover other aspects of PPE use, such as legislation, contamination, replacement equipment and availability.	<b>DRAFT REPORT</b>	Final draft report meetings booked with SLT leads 13 and 14 April 2022.

Audit Area	Rationale	Status	Comment
<b>INTERNAL RESOURCE: INTERNAL AUDIT &amp; REVIEW MANAGER</b>			
<b>Fleet Management</b>	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.	<b>FIELDWORK</b>	Audit did not start until Community Safety and PPE audits were drafted.
<b>Organisational Safeguarding Assurance Report</b> <i>(Replaced Working with Children &amp; Young People audit)</i>	Safeguarding currently sits within the Prevention department. The work carried out is all related to the work of the Prevention department; this current process / structure offers little support to safeguarding the rest of the organisation. There are many organisational aspects of safeguarding that must be considered – for example, protecting and assuring the organisation in the vetting, recruitment, training, and lone working of its staff. It should be considered whether the responsibility for these and other elements of organisational safeguarding need to sit elsewhere within the Service; and if so, where.	<b>FIELDWORK</b>	Audit scope approved on 21 March 2022.  Fieldwork delayed until April to complete the Community Safety Audit.  Estimated completion – 2/3 weeks.
<b>DEVON AUDIT PARTNERSHIP</b>			
<b>Key Financial Systems (including Payroll)</b>	This is a fixed part of the audit plan which is presented to the External Auditor on an annual basis.	<b>DRAFT REPORT</b>	Awaiting issue of final report by DAP.

<b>Audit Area</b>	<b>Rationale</b>	<b>Status</b>	<b>Comment</b>
<b>Use of Data</b>	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.	<b>DRAFT REPORT</b>	Fieldwork now complete and report is in draft.
<b>Information Security - Availability of systems</b>	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.	<b>DRAFT REPORT</b>	Slow responses from the Service combined with DAP Covid sickness caused delays in audit completion.

<b>Audit Area</b>	<b>Rationale</b>	<b>Status</b>	<b>Comment</b>
<b>Flexi Duty Rota</b> <i>(Replaced Application of Learning audit)</i>	Newly emerged risk to examine the 2021 DSFRS flexi duty rota and management system to identify where improvements in efficiencies and effectiveness can be proposed to feed into the Flexi Duty Officer review.	<b>DRAFT REPORT</b>	Draft report sent to EB and SLT leads on 2 March 2022. Management responses to be provided.

**Table 3 – Audits Deferred to 2022/23**

Audit Area	Rationale For Audit
<b>INTERNAL RESOURCE: INTERNAL AUDIT &amp; REVIEW MANAGER</b>	
<b>Working with Children &amp; Young People</b> <i>(Deferred to accommodate Safeguarding Assurance Report)</i>	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.
<b>DEVON AUDIT PARTNERSHIP</b>	
<b>Application of learning (including HMI and Grenfell)</b> <i>(Deferred to accommodate Flexi Duty Rota Audit)</i>	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.

**3. ADDITIONAL AUDIT AND ASSURANCE WORK COMPLETED**

***Assurance Mapping***

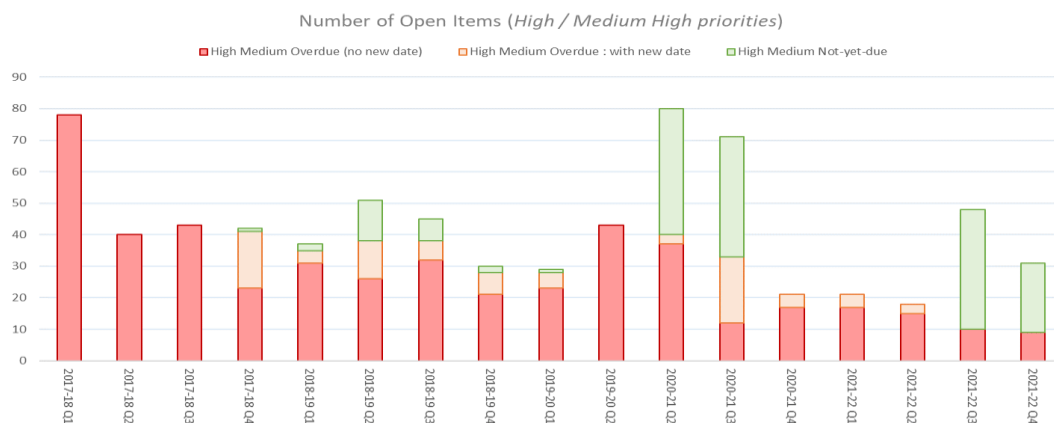
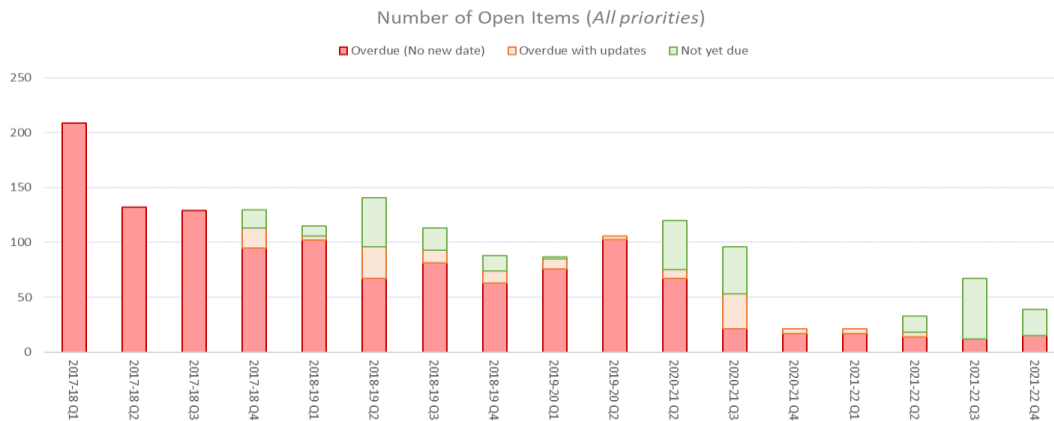
- 3.1. DAP was commissioned to develop an assurance map for the Service. An assurance map is a simple table on one or two pages that guides the Service to understand who provides assurance against the key risks to the organisation and where the gaps are which is critical for robust oversight of the organisation. At the same time as highlighting assurance gaps, the assurance map also shows where there is duplication or too much assurance. This information can help to ensure that assurance activity is co-ordinated and can help to target internal audit resource more effectively to risks or areas that are not well covered. A system for maturing and maintaining the Assurance Map now needs to be implemented.

***Programme Assurance***

- 3.2. Throughout 2021-22 DAP has been conducting a programme assurance/maturity assessment exercise for the Service using P3M3®. This is an overarching capability maturity model containing three sub-models; Portfolio Management Maturity Model, Programme Management Maturity Model and Project Management Maturity Model.
- 3.3. Evidence has been gathered from workshops held at Project, Portfolio and Programme levels. DAP is continuing to examine any documents and files that will help evidence the statements being made and is expecting to draft a report during April/May 2022.

#### 4. **ACTION TRACKING OF AUDIT AND REVIEW RECOMMENDATIONS**

- 4.1. The Audit Tracker records all recommendations and agreed actions arising from internal audit work. The Audit Tracker is available to all employees through the Intranet Service Information Point (SIP).
- 4.2. Updates are focussed on the higher priority items (such as those which are associated to high risks, or have deadlines provided by external bodies). 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.
- 4.3. Additionally, some open actions have been superseded by changes to Service structure, digital transformation and other upgrades/changes. Work is ongoing to ensure that actions that have been superseded are documented and recorded as closed.
- 4.4. The tables below show the number of open items on the Assurance/Audit Tracker.



- 4.5. Since March 2021, 66 new actions have been added to the action tracker and 60 actions have been closed. There are currently 39 actions open including 15 actions that are outstanding (overdue an update); 5 of these are overdue by over 4 months.

## **5. AUDIT ASSURANCE STATEMENT**

- 5.1 One of the key roles of Internal Audit is to provide independent assurance as to how effectively risks are managed across the organisation.
- 5.2 Based on the completed audit work to date, it is the view of Internal Audit that the systems in operation within the Service demonstrate a reasonable level of assurance. This means that 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.
- 5.3 Where weaknesses have been identified, management have agreed these findings and the recommendations or accepted the associated risks. All audit reports include an action plan that identifies responsible officers, and target dates, to address control issues identified during review.
- 5.4 In giving this opinion, it should be noted that assurance can never to absolute. The most that the internal audit service can provide is reasonable assurance that there are no major weaknesses in the system of internal control.

## **6. FEEDBACK**

- 6.1 Senior Leadership Team and stakeholder feedback from two of the completed internal audits provided a completely satisfied response in terms of overall satisfaction with the way the audit was conducted. Comments included:

“The audit has been an essential tool to improve our approach and reduce organisational risk.”

“The approach is very engaging and supportive at every stage.”

- 6.2 One suggestion for improvement that will be considered going forwards is that “it would be great to see the audit recommendation and actions for follow up built into the in-phase performance management system in the future for visibility”.

## **7. CONCLUSION**

- 7.1. Based on the completed audit work, it is the view of Internal Audit that the systems in operation within the Service demonstrate a reasonable level of assurance.

- 7.2. The team would like to express its thanks and appreciation to all those who provided support and assistance during the audits. The team would also like to thank Devon Audit Partnership for its commitment in working with the Service over the course of the past year to date.




**MIKE PEARSON**  
**Director of Governance & Digital Services**



**Definitions of Audit Assurance Opinion Levels**

Assurance	Definition
<b>Substantial Assurance</b>	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.
<b>Reasonable Assurance</b>	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.
<b>Limited Assurance</b>	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.
<b>No Assurance</b>	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.

**Direction of Travel Indicators**

Indicator	Definitions
	No Progress has been made. The action plan is not being progressed at this time, actions remain outstanding.
	Progress has been made but further work is required. The action plan is being progressed though some actions are outside of agreed timescales or have stalled.
	Good Progress has/is being made. Good Progress has continued.

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# Agenda Item 7

<b>REPORT REFERENCE NO.</b>	<b>AGC/22/6</b>
<b>MEETING</b>	<b>AUDIT &amp; GOVERNANCE COMMITTEE</b>
<b>DATE OF MEETING</b>	<b>10 MAY 2022</b>
<b>SUBJECT OF REPORT</b>	<b>AUTHORITY POLICY FOR REGULATION OF INVESTIGATORY POWERS ACT (RIPA) 2000 – REVIEW</b>
<b>LEAD OFFICER</b>	<b>Director of Governance &amp; Digital Services</b>
<b>RECOMMENDATIONS</b>	<i>That the report be noted.</i>
<b>EXECUTIVE SUMMARY</b>	<p>The Regulation of Investigatory Powers Act 2000 (RIPA) governs the use by public authorities (such as the Devon &amp; Somerset Fire &amp; 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 30 July 2021. This paper now sets out the findings of the most recent review.</p>
<b>RESOURCE IMPLICATIONS</b>	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.
<b>EQUALITY RISKS AND BENEFITS ANALYSIS</b>	The contents of this report are considered compatible with existing equalities and human rights legislation.
<b>APPENDICES</b>	Nil ( <b>NOTE:</b> a copy of the Authority RIPA policy can be made available on request)

<b>BACKGROUND PAPERS</b>	A. <a href="#">Regulation of Investigatory Powers Act 2000.</a> B. <a href="#">Investigatory Powers Act 2016.</a>
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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 – the 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 Committee on 30 July 2021, 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 further 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**

# Agenda Item 8

<b>REPORT REFERENCE NO.</b>	<b>AGC/22/7</b>
<b>MEETING</b>	<b>AUDIT &amp; GOVERNANCE COMMITTEE</b>
<b>DATE OF MEETING</b>	<b>10 MAY 2022</b>
<b>SUBJECT OF REPORT</b>	<b>DRAFT FORWARD PLAN</b>
<b>LEAD OFFICER</b>	<b>Director of Governance &amp; Digital Services</b>
<b>RECOMMENDATIONS</b>	<i>That, subject to any additions/amendments as indicated at the meeting, the draft Forward Plan 2022-23 as appended to this report be approved.</i>
<b>EXECUTIVE SUMMARY</b>	The appendix to this report sets out the draft Forward Plan for submission of items to meetings of this Committee during the next (2022-23) municipal year
<b>RESOURCE IMPLICATIONS</b>	Nil.
<b>EQUALITY RISKS AND BENEFITS ANALYSIS</b>	Not applicable.
<b>APPENDICES</b>	A. Draft Forward Plan 2022-23
<b>BACKGROUND PAPERS</b>	<a href="#">The Accounts and Audit Regulations 2015</a> <a href="#">The Accounts and Audit (Amendment) Regulations 2021</a>

## **1. INTRODUCTION**

- 1.1. The current Terms of Reference for this Committee provide that it has responsibility for, amongst other things:
- internal and external audit arrangements for the Authority (including approval of annual financial statements);
  - Standards arrangements (Members' Code of Conduct);
  - Corporate Risk Register;
  - the Authority's arrangements under the Regulation of Investigatory Powers Act (RIPA) 2000 (including annual reporting); and
  - receipt of an annual report from the Authority's Local Pensions Board.
- 1.2. The draft Forward Plan, as set out at Appendix A to this report, sets out proposed reporting arrangements for these items to meetings of the Committee during the 2022-23 Municipal Year.

## **2. FINANCIAL STATEMENTS**

- 2.1. The Accounts and Audit Regulations 2015 (as amended) require, amongst other things:
- for the final (i.e. following the public consultation period) 2021-22 financial statements to be approved by an authority (or Committee thereof) and published by no later than 30 September 2022 (Regulations 9(2) and 10(1)[as amended]);
  - for any certificate or opinion issued by the local auditor on the financial statements to be published by the same date (Regulation 10(1)(a)[as amended]); and
  - for the Annual Governance Statement (for this Authority, this is incorporated into the Annual Statement of Assurance) to be published by the same date (Regulation 10(1)(b)[as amended]).
- 2.2. Regulation 10(2) provides that, in the event that the audit of accounts has not been concluded by 30 September 2022, the Authority must publish as soon as is practicable a notice on its website indicating that it has not been possible to publish the relevant documents by 30 September, the reasons for this and to publish the documents together with the auditors opinion as soon as reasonably practicable after receipt of the opinion.
- 2.3. For the previous (2020-21) financial year, it was not possible to publish the final financial statements and auditors opinion by the designated date as a result of capacity issues faced by the external auditors. Consequently, it was necessary to publish a notice in accordance with Regulation 10(2).



- 2.4. More significantly, however, it was necessary to arrange additional meetings for this Committee in 2021 to address this issue. To seek to avoid this in the forthcoming municipal year, the Forward Plan indicates two possible dates (in September and November 2022) to approve the final financial statements.
- 2.5. Additionally, the Code of Audit Practice 2020 was amended for the last financial year (2020-21) to provide for the external auditor to publish its value for money statement by no later than three months after the issue of its opinion on the financial statements. The external auditor has indicated that, for the 2021-22 financial statement of accounts, it is hoped that the value for money statement (the Auditors' Annual Report) will be available for consideration at the November 2022 Committee meeting.

### **3. CONCLUSION**

- 3.1. The draft Forward Plan appended to this report sets out, for consideration, items aligned to the Terms of Reference for this Committee for submission to meetings in the 2022-23 municipal year. It also seeks to account for any delay that may be experienced for approval of the Authority's financial statements for 2021-22.
- 3.2. Final dates for meetings of this Committee (and other Authority Committees) will be subject to approval by the Authority at its annual meeting scheduled for 10 June 2022. The Committee is invited to consider and - subject to any amendments as may be indicated at the meeting - approve the appended Forward Plan.

**MIKE PEARSON**  
**Director of Governance & Digital Services**

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**APPENDIX A TO REPORT AGC/22/7**

**AUDIT & GOVERNANCE COMMITTEE**

**DRAFT FORWARD PLAN 2022-23**

<b>DATE OF MEETING</b>	<b>ITEMS FOR CONSIDERATION</b>
<b>July 2022</b>	Internal Audit progress report
	Local Pension Board Annual Report
	Members' Code of Conduct/Standards arrangements annual review
	Going Concern Review
<b>30 September 2022 - 10:00hours</b>	*Financial Statements 2021-22, including: <ul style="list-style-type: none"> <li>• Final Statement of Accounts</li> <li>• Audit Findings Report &amp; Letter of Representation</li> </ul>
	Final Annual Statement of Assurance 2021-22
	Corporate Risk Register – 6 monthly update
<b>29 November 2022 - 10:00hours</b>	* Financial Statements 2021-22, including: <ul style="list-style-type: none"> <li>• Final Statement of Accounts</li> <li>• Audit Findings Report &amp; Letter of Representation</li> </ul> <p><i>(NOTE: the financial statements will be re-presented to this meeting in the event that they are unavailable for approval by 30 September 2022)</i></p>
	Auditors' Annual Report
	Internal Audit progress report
<b>March/April 2023</b>	External Audit Annual Report and associated Risk Assessment
	External Audit Plan (including Fee) 2022-23
	Internal Audit progress report
	Internal Audit Plan 2023-24
	Corporate Risk Register - 6 monthly update
	Members' Code of Conduct/Standards arrangements annual review

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