

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

17 April 2023

Present:

Councillors Brazil (Chair), Drean (vice Sellis), Hendy, Kerley, Power, Prowse, Randall-Johnson (vice Thomas) and Roome.

In attendance:

Mr S Perks and Ms A Turkington (Independent, non-voting Co-optees)
Councillor Coles (in accordance with Standing Order 39)

Apologies:

Councillors McGeough, Sellis and Thomas

* **AGC/22/22** Minutes

RESOLVED that the Minutes of the meeting held on 18 January 2023 be signed as a correct record.

* **AGC/22/23** Forward Plan 2023-24

The Committee considered a report of the Director of Finance, People & Estates (AGC/23/5) to which was appended an indicative Forward Plan for submission of items to future meetings of this Committee during the forthcoming 2023-24 municipal year.

RESOLVED that the Forward Plan, as appended to report AGC/23/5, be approved

* **AGC/22/24** Internal Audit Interim Progress Report 2022-23

The Committee received for information a report of the Head of Devon Audit Partnership (AGC/23/6) setting out the progress made against the approved Audit Plan for 2022-23 since the previous meeting held on 18 January 2023. The report also covered the progress made on completion of the 2021-22 Internal Audit Plan.

It was noted that there were 6 audits that had reached draft report stage with 3 other audits still ongoing. 2 further audits had previously been reported as having received limited assurance, namely

- Crewing pool; and
- Application of learning.

The report also showed the progress made against the audit recommendations. Reference was made to the point that the Service may not always have followed up on audit recommendations in a timely manner in the past although this matter had been addressed now. One option under consideration was to incorporate an update on progress made against recommendations as part of an annual report back on audits that had received limited assurance.

Concern was expressed that three audit reports had been awaiting agreement of the management response for a considerable amount of time. The Head of Organisational Assurance advised that this was due largely to two of the reports being impacted by the review of the future of digital services provision for the Service which was still under consideration. The third related to safeguarding and was held to allow the new Safeguarding Manager to review the audit recommendations with a view to providing an assessment of the way forward on management actions. It was envisaged that these outstanding audits would be closed before the next Committee meeting.

Reference was also made to the point that the expected provision of any management responses or actions should be accompanied by a clear timescale for response to ensure that the Committee had a clear mechanism under which to hold Officers to account. It was noted that future reports would include greater clarity on the provision of management response and progress made so that the Committee had a full and accurate view of the work being undertaken.

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

“that the report to be submitted to the July 2023 meeting of this Committee should include the management response/actions to the audits at draft report stage”.

Upon a vote, this was declared **CARRIED** whereupon it was

RESOLVED

- (a). that the report to be submitted to the July 2023 meeting of this Committee should include the management response/actions to the audits at draft report stage; and
- (b). Subject to (a). above, the report be noted.

* **AGC/22/25 2023-24 Internal Audit Plan**

The Committee considered a report of the Head of Devon Audit Partnership (AGC/23/7) setting out a proposed Internal Audit Plan for 2023-34, the aim of which was to provide independent and objective assurance that the Service’s risk management, governance and internal controls were operating effectively.

Mr Perks, Independent co-opted member of the Committee drew attention to a number of points, including:

- The total number of days for each proposed audit should be included so that the Committee could judge whether it was completed on time and to budget;
- Why internal audit was looking at Contaminants and PPE as an audit as this was something management was already looking at;
- That any management requested audits should be identified as such within the Plan.

In response to these points, it was acknowledged that the number of days should be included for each audit and that management requested audits would be recorded as such. The Chief Fire Officer confirmed that the Service had requested the audit of Contaminants and PPE due to legacy issues surrounding these health and safety issues and potential failure to protect staff.

The Head of Devon Audit Partnership also confirmed that the proposed Plan was based around 10 pieces of work at 15 days per audit. He added that there was no capacity in the Plan to include reserve items although the plan there was scope to change or flex in response to risk as may be required during the year.

RESOLVED that the 2023-24 Internal Audit Plan be approved.

* **AGC/22/26 His Majesty's Inspectorate of Constabulary & Fire & Rescue Services (HMICFRS) Areas for Improvement Action Plan Update**

The Committee received for information a report of the Deputy Chief Fire officer (AGC/23/8) setting out the progress that had been made against His Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) Areas for Improvement as set out in the Action Plan appended to the report.

There were four actions directly related to the work of this Committee together with the progress made to date which were set out below, namely:

- HMI-1.-2-202202 – the Service should make sure its integrated risk management plan included clear outcomes that showed the public how it was currently mitigating risk;
- HMI-1-3-202205 – the Service should make sure that it had an effective quality assurance process so staff carry out audits and fire safety checks to an appropriate standard;
- HMI-2-2-202207a – Prevention and Protection – the Service should be aware of and invest in developments in technology and future innovation to help improve and sustain operational efficiency and effectiveness; and
- HMI – 2.2-202207b – Response – the Service should be aware of and invest in developments in technology and future innovation to help improve and sustain operational efficiency and effectiveness.

It was noted that there were 19 individual actions sitting beneath these of which 5 were in progress, 6 had been completed and 8 had not been started. The Committee would be apprised of progress at future meetings.

* **AGC/22/27** **External Auditor's Annual Report 2021-22**

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 2021-22 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 and good progress had been achieved overall since the previous Annual Audit Report but 7 improvement recommendations were made as set out within the report circulated.

In terms of the improvement recommendations made, the following key points were highlighted:

- The work on financial sustainability had demonstrated that the Authority had a strong history of delivering a balanced budget and in 2021-22, this was achieved. There was, however, an overspend in the region of £1.3 million which was due largely to higher than expected pay awards for Firefighters and Professional and Support staff which was bridged through the use of reserves.
- The Medium Term Financial Plan was embedded within the annual budget setting cycle to provide a longer term view of priorities and demand for services. In terms of the production of the Authority's annual Statement of Accounts, reference was made to the need to build more time in for submission of the draft Accounts to the External Auditor.
- The Community Risk Management Plan had links with the Authority's strategic objectives which were clear. It was less clear, however, how each objective was monitored and how staff understood their role in delivering against this process.
- The Authority held a vast amount of data but there was no overarching management strategy in place, hence the recommendation made.

Reference was made to the need for some minor corrections needed to the Annual Audit Report for 2021-22 as circulated. These were:

- That there were 26 Members of the Fire & Rescue Authority, not 29 (page 10);
- There was a need to include a narrative around why there may be outstanding actions against prior recommendations in future;
- The box in Appendix B stated that all recommendations made were on a statutory basis which was confirmed by the external auditor to be incorrect.

The External Auditor advised that these corrections would be made prior to publication of this document on the Authority's website.

The Committee asked what arrangements would be in place for reporting back of actions against each of the improvement recommendations made. The Clerk advised that such action would be reported back through the Audit and Governance Committee in due course. Councillor Brazil **MOVED** (seconded by Councillor Roome):

“that a report setting out the management actions instigated to address each of the 7 improvement recommendations in the Annual Audit Report for 2021-22 be submitted to the next meeting of the Committee”.

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

RESOLVED

- (a). that a report setting out the management actions instigated to address each of the 7 improvement recommendations in the Annual Audit Report for 2021-22 be submitted to the next meeting of the Committee; and
- (b). Subject to (a). above, the report be noted.

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