



DEVON & SOMERSET FIRE & RESCUE AUTHORITY

**E Jackman
CLERK TO THE AUTHORITY**

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

(see below)

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CLYST ST GEORGE
EXETER
DEVON
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Date : 13 July 2023
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AUDIT & GOVERNANCE COMMITTEE
(Devon & Somerset Fire & Rescue Authority)

Friday, 21st July, 2023

A meeting of the Audit & Governance Committee will be held on the above date, **commencing at 10.30 am in Committee Room A, Somerset House, Devon & Somerset Fire & Rescue Service Headquarters, Exeter** to consider the following matters.

E. Jackman
Clerk to the Authority

A G E N D A

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

1 Apologies

2 Minutes (Pages 1 - 6)

of the previous meeting held on 17 April 2023 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 Progress and Sector Update (Pages 7 - 18)

The Authority's External Auditor, Grant Thornton, has submitted **FOR INFORMATION** a report setting out the progress made on delivery of its responsibilities as external auditor. The report includes a summary of emerging issues and developments relevant to the Authority together with a number of challenge questions in respect of the emerging issues for consideration.

5 Annual Internal Audit Report 2022-23 (Pages 19 - 38)

Report of the Head of Devon Audit Partnership (AGC/23/9) attached.

6 Internal Audit Interim Progress Report 2023-24 (Pages 39 - 48)

Report of the Head of Devon Audit Partnership (AGC/23/10) attached.

7 Draft Annual Statement of Assurance 2022-23 (Pages 49 - 80)

Report of the Director of Finance & Corporate Services (Treasurer) (AGC/23/11) attached.

8 Corporate Risk Register (Pages 81 - 94)

Report of the Director of Finance & Corporate Services (Treasurer) (AGC/23/12) attached.

9 Going Concern Review (Pages 95 - 102)

Report of the Director of Finance & Corporate Services (Treasurer) (AGC/23/13) attached.

10 Annual Review of Authority Standards Arrangements (Pages 103 - 108)

Report of the Monitoring Officer & Clerk to the Authority (AGC/23/14) attached.

11 His Majesty's Inspectorate of Constabulary & Fire & Rescue Services (HMICFRS) Action Plan Update (Pages 109 - 112)

Report of the Chief Fire Officer (AGC/23/15) attached.

12 Management Responses to the improvement Recommendations Identified within the External Auditor's Annual Report 2021-22 (Pages 113 - 118)

Report of the Director of Finance & Corporate Services (Treasurer) (AGC/23/16) attached.

MEMBERS ARE REQUESTED TO SIGN THE ATTENDANCE REGISTER

Membership:-

Councillors Coles (Chair), Cook-Woodman, Fellows, Gilmour, Power, Roome, Sellis, Slade (Vice-Chair) and Sully,

Co-opted, Independent Members - Messrs. Perks and Turkington

NOTES

1. **Access to Information**

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

2. **Reporting of Meetings**

Any person attending a meeting may report (film, photograph or make an audio recording) on any part of the meeting which is open to the public – unless there is good reason not to do so, as directed by the Chair - and use any communication method, including the internet and social media (Facebook, Twitter etc.), to publish, post or otherwise share the report. The Authority accepts no liability for the content or accuracy of any such report, which should not be construed as representing the official, Authority record of the meeting. Similarly, any views expressed in such reports should not be interpreted as representing the views of the Authority.

Flash photography is not permitted and any filming must be done as unobtrusively as possible from a single fixed position without the use of any additional lighting; focusing only on those actively participating in the meeting and having regard also to the wishes of any member of the public present who may not wish to be filmed. As a matter of courtesy, anyone wishing to film proceedings is asked to advise the Chair or the Democratic Services Officer in attendance so that all those present may be made aware that is happening.

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

If you are present at a meeting and you are aware that you have either a disclosable pecuniary interest, personal interest or non-registerable interest in any matter being considered or to be considered at the meeting then, unless you have a current and relevant dispensation in relation to the matter, you must:

- (i) disclose at that meeting, by no later than commencement of consideration of the item in which you have the interest or, if later, the time at which the interest becomes apparent to you, the existence of and – for anything other than a “sensitive” interest – the nature of that interest; and then
- (ii) withdraw from the room or chamber during consideration of the item in which you have the relevant interest.

If the interest is sensitive (as agreed with the Monitoring Officer), you need not disclose the nature of the interest but merely that you have an interest of a sensitive nature. You must still follow (i) and (ii) above.

Where a dispensation has been granted to you either by the Authority or its Monitoring Officer in relation to any relevant interest, then you must act in accordance with any terms and conditions associated with that dispensation.

Where you declare at a meeting a disclosable pecuniary or personal interest that you have not previously included in your Register of Interests then you must, within 28 days of the date of the meeting at which the declaration was made, ensure that your Register is updated to include details of the interest so declared.

	NOTES (Continued)
4.	<p><u>Part 2 Reports</u></p> <p>Members are reminded that any Part 2 reports as circulated with the agenda for this meeting contain exempt information and should therefore be treated accordingly. They should not be disclosed or passed on to any other person(s). Members are also reminded of the need to dispose of such reports carefully and are therefore invited to return them to the Committee Secretary at the conclusion of the meeting for disposal.</p>
5.	<p><u>Substitute Members (Committee Meetings only)</u></p> <p>Members are reminded that, in accordance with Standing Orders, the Clerk (or his representative) must be advised of any substitution prior to the start of the meeting. Members are also reminded that substitutions are not permitted for full Authority meetings.</p>
6.	<p><u>Other Attendance at Committees)</u></p> <p>Any Authority Member wishing to attend, in accordance with Standing Orders, a meeting of a Committee of which they are not a Member should contact the Democratic Services Officer (see “please ask for” on the front page of this agenda) in advance of the meeting.</p>

AUDIT & 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 ta;
- 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**

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Devon & Somerset Fire and Rescue Authority Audit Progress and Sector Update Report

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The contents of this report relate only to the matters which have come to our attention, which we believe need to be reported to you as part of our audit planning process. It is not a comprehensive record of all the relevant matters, which may be subject to change, and in particular we cannot be held responsible to you for reporting all of the risks which may affect the Authority or Pension Fund 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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Introduction

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

The paper also includes:

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

Members of the Audit and Governance Committee can find further useful material on our website, where we have a section dedicated to our work in the public sector. Here you can download copies of our publications <https://www.grantthornton.co.uk/en/services/public-sector-services/>

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

Progress at July 2023

Financial Statements Audit

Our planning work is in its early stages. We have not yet completed sufficient work to issue our Audit Plan. This will be drafted over the summer and circulated ahead of the September Audit and Governance Committee, at which it will be formally presented and discussed.

From our early planning together with previous knowledge and experience of working with the Authority, the risks and areas of focus are likely to remain the same as in the 2021/22 financial year. These risks were:

- management override of control,
- revenue recognition for the Authority's subsidiary company,
- valuation of Property, Plant and Equipment, and
- valuation of the Pension liability.

In 2021/22 the preparation of group accounts was reported as a significant risk. This was due to it being the first-year preparing group accounts.

This risk was, to an extent, borne out with a number of adjustments requiring to be made and delays in the provision of some evidence to support the financial statements. However, now the Authority has experience of preparing these financial statements we do not consider this to continue to be an area of significant risk. The group has remained stable year on year, and this further reduces the risk of errors occurring. This will be kept under review as the audit progresses.

As there were a number of errors identified in the 2021/22 financial statements this will impact on our level of performance materiality in 2022/23 and will increase the sample sizes for our substantive testing.

Our planning work to date has not identified any further issues that we are required to bring to your attention.

We will report the results of our work in the Audit Findings Report and aim to give our opinions on the Statements of Accounts by 29 February 2024.

We recognise that this is after the publication deadline and this is due to a number of complex inter-related factors within the public sector external audit market and extends beyond Grant Thornton UK LLP. However, we remain committed to deliver a high quality audit provided by experienced public sector audit specialists.

Value for Money

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

NOA have issued Auditor Guidance Note 3 (AGN 03) in relation to Auditors' Work on Value for Money (VFM) Arrangements for 22-23 audits.

The ongoing delays in local audit continue to significantly impact audited bodies and the financial reporting and auditing process and may therefore affect the timing of when the work on VFM arrangements set out in AGN03 is performed and reported.

The guidance states that the auditor should perform the procedures required as part of their work on VFM arrangements under AGN3 and issue their Auditor's Annual Report when their work is complete.

The Auditor's Annual Report should be issued no more than three months after the date of the opinion on the financial statements for all local government bodies.

We anticipate issuing our 2022/23 Auditor's Annual Report by 29 February 2024.

Progress at July 2023 (cont.)

Other areas

Meetings

We continue to meet with members of your Finance team and Senior Officers as part of our regular liaison meetings and continue discussions with finance staff regarding emerging developments and to ensure the audit process is smooth and effective.

Audit Fees

During 2017, PSAA awarded contracts for audit for a five-year period beginning on 1 April 2018. 2022/23 is the fifth year of that contract. Since that time, there have been a number of developments within the accounting and audit profession.

Across all sectors and firms, the Financial Reporting Council (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.

Our work in the Local Government sector in the period 2018/19 to 2021/22 has highlighted areas where financial reporting, in particular, property, plant and equipment and pensions, needs to improve. There is also an increase in the complexity of Local Government financial transactions and financial reporting. This combined with the FRC requirement that all Local Government audits are at or above the “few improvements needed” (2) rating means that additional audit work is required.

As a firm, we are absolutely committed to meeting the expectations of the FRC with regard to audit quality and local government financial reporting.

The proposed fee for the 2022/23 Authority Audit is set out on pages 7 and 8 of this report.

For completeness the final fees for the 2020/21 and 2021/22 audit are also shown on page 8.

Audit Deliverables

2022/23 Deliverables

Planned Date

Status

Audit Plan

We are required to issue a detailed audit plan to the Audit and Governance Committee setting out our proposed approach in order to give an opinion on the 2022/23 financial statements and to issue a commentary on the Authority's value for money arrangements in the Auditor's Annual Report.

September 2023

We will present the Authority Audit Plan at the September Audit and Governance Committee. This will allow sufficient time for planning work to be completed and will ensure that the risks are communicated to the Committee nearer to the commencement of the audit.

Audit Findings Report

The Audit Findings Report will be reported to the January 2024 Audit and Governance Committee.

January 2024

Not yet due.

Auditors' Report

This includes the opinion on your financial statements.

January 2024

Not yet due.

Auditor's Annual Report

This report communicates the key outputs of the audit, including our commentary on the Council's value for money arrangements.

January 2024

Not yet due.

Audit fees

	Actual Fee 2020/21	Actual Fee 2021/22	Proposed fee 2022/23
Devon and Somerset Fire and Rescue Authority Audit	£41,291	£57,280	£57,380

Assumptions

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

- prepare a good quality set of accounts, 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.

Audit fees

Fee analysis

Audit fees	Estimated fee
Scale fee per PSAA for 2022-23	31,980
Additional Requirements – Payroll Change of Circumstances (Information Provided by the Entity) IPE Testing	500
Value for Money audit – new NAO requirements	8,000
ISA 540	1,800
ISA 315	3,000
Additional journals testing	2,100
Additional audit work on Group Accounts	5,000
Additional audit testing following triennial pensions review	5,000
Estimated fee	57,380

Sector Update

Authorities continue to try to achieve greater efficiency in the delivery of public services, whilst facing the challenges to address rising demand, ongoing budget pressures and social inequality.

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

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

- [Grant Thornton Publications](#)
- [Insights from local government sector specialists](#)
- [Reports of interest](#)
- [Accounting and regulatory updates](#)

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

Public Sector

Local
government

HMICFRS: Government needs to urgently reform the fire service, says Chief Inspector

The Government needs to reform the fire sector as a matter of urgency, or else firefighters will not be able to provide the best possible service to the public, a new report has found.

In his first annual assessment of England's fire and rescue services since being appointed in 2022, Andy Cooke, His Majesty's Chief Inspector of Fire & Rescue Services, found that:

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only two of the inspectorate's previous six recommendations for reform of the fire service have been implemented, which he described as extremely disappointing;

the Home Office, the Local Government Association, the National Fire Chiefs Council and trade unions should work together to consider reforming structures for negotiating pay, terms and conditions, which would reduce the risk of industrial action; and

- many services need to improve their culture, and there are still some unacceptable levels of bullying, harassment and discrimination.

The inspectorate's four remaining recommendations are:

- the Home Office should precisely determine the role of fire and rescue services, to remove any ambiguity;
- the sector should remove unjustifiable variation, including in how they define risk;

- the sector should review how effectively pay and conditions are determined; and
- the Home Office should invest chief fire officers with operational independence, whether through primary legislation or in some other manner.

The inspectorate confirmed earlier this week that it would produce a new report on values and culture in England's fire and rescue services, which will be published later this year.

Get the report

[State of Fire and Rescue: The Annual Assessment of Fire and Rescue Services in England 2022](#)



Promoting improvements
in policing and fire & rescue
services to make everyone safer

NFCC responds to the annual State of Fire report

Following the publication of the annual State of Fire report, the National Fire Chiefs Council responds to its findings.

Responding to the report, NFCC (National Fire Chiefs Council) Chair Mark Hardingham commented: “There is a lot to be proud of in this year’s annual report. To see the dedication of professional staff highlighted is no surprise, with 84 per cent of the public valuing the work carried out by fire and rescue services.

“I am also pleased to see the role of NFCC, and our national work highlighted. Our programmes provide all fire and rescue services with the tools to build on the excellent work taking place, while making improvements in areas we know need to be better.”

NFCC’s work on developing national fire and rescue policy - including in Areas of Leadership and the Core Code of Ethics is highlighted; also, the partnership between NFCC and the National Employers and the Local Government Association on the Fit for the Future initiative which sets out the future role of the fire and rescue service; the continued development and publication of national Fire Standards, and improvements in the regulatory fire safety role of fire services.

Concerns about the culture and inclusion in some fire and rescue services stands out as an area which requires improvement, referencing unacceptable levels of bullying, harassment, and discrimination. HMICFRS will be producing a spotlight report on values and culture later this year, drawing from inspections already undertaken across every fire service in England.

Mr Hardingham added: “We know there is a lot to do in areas such as culture, diversity, and wider reform. As set out in the report, this is more than just having a representative workforce, it is about creating the right inclusive environment to ensure all staff feel valued, safe, and able to realise their full potential at work. Whilst there is much that every fire service can do, and some are, to maximise the potential benefits for staff and the public it needs all those working across the fire sector to continue to work together to address areas where there are clear issues.

Link to the full report

[NFCC responds to the annual State of Fire report \[nationalfirechiefs.org.uk\]](https://nationalfirechiefs.org.uk)



FBU: Pay deal agreed in Fire Service in win for collective bargaining

On 06 March 2023, Firefighters and Control Room staff across the UK have overwhelmingly accepted a new pay deal to end their months-long dispute over pay. 96% of Fire Brigades Union members voted to accept the pay offer on an 84% turnout.

The result makes the Fire and Rescue Service one of the only areas of the public sector to resolve its pay dispute without strike action. Collective bargaining was the key to this. Unlike workers in the NHS or teaching, pay is decided in direct negotiations rather than by a so-called “independent” pay review body.

The pay settlement is for 7% backdated to July 2022, plus an additional 5% from July 2023.

An overwhelming mandate for strike action was the crucial factor in moving Fire Service employers to make the revised offer.

Link to the full report

[Pay deal agreed in Fire Service in win for collective bargaining | Fire Brigades Union \(fbu.org.uk\)](https://www.fbu.org.uk/news/2023/march/pay-deal-agreed-in-fire-service-in-win-for-collective-bargaining)



REPORT REFERENCE NO.	AGC/23/9
MEETING	AUDIT & GOVERNANCE COMMITTEE
DATE OF MEETING	21 JULY 2023
SUBJECT OF REPORT	INTERNAL AUDIT ANNUAL REPORT 2022-23
LEAD OFFICER	HEAD OF DEVON AUDIT PARTNERSHIP
RECOMMENDATIONS	<p>(a). <i>That the Committee considers:</i></p> <ul style="list-style-type: none"> (i). <i>the assurance statement within this report;</i> (ii). <i>the basis of the opinion and the completion of audit work against the plan;</i> (iii). <i>changes to the plan and the scope and ability of audit to complete the audit work;</i> (iv). <i>audit coverage and findings provided;</i> (v). <i>customer satisfaction; and</i> <p>(b). <i>subject to (a)(i) to (v). above, the report be noted.</i></p>
EXECUTIVE SUMMARY	<p>The Audit and Governance Committee under its Terms of Reference is required to consider the Chief Internal Auditor’s annual report, to review and approve the Internal Audit programme and to monitor the progress and performance of Internal Audit.</p> <p>The Accounts and Audit (Amendment) (England) Regulations 2015 (Updated 2021) introduced the requirement that all Authorities need to carry out an annual review of the effectiveness of their internal audit system and need to incorporate the results of that review into their Annual Governance Statement (AGS), published with the annual Statement of Accounts.</p> <p>The Internal Audit plan for 2022/23 was presented and approved by the Audit and Governance Committee in March 2022. In October 2022, the Authority formally joined Devon Audit Partnership for the delivery of its Internal Audit Service and the plan was subsequently reviewed and revised.</p> <p>The report attached at Appendix A sets out the background to audit service provision; any updates to the agreed plan; a review of work undertaken in 2022/23 and provides our opinion on the overall adequacy and effectiveness of the Authority’s Internal Control Environment.</p>

	The Public Sector Internal Audit Standards require the Head of Internal Audit to provide an annual report providing an opinion that can be used by the organisation to inform its governance statement. This report provides that opinion.
RESOURCE IMPLICATIONS	Nil
EQUALITY RISKS AND BENEFITS ASSESSMENT (ERBA)	The contents of this report are considered compatible with existing human rights and equalities legislation.
APPENDICES	A. Devon Audit Partnership Internal Audit Annual Report 2022-23
BACKGROUND PAPERS	Nil

TONY ROSE
Head of Devon Audit Partnership

Internal Audit

Annual Audit Report
2022-23

**Devon and Somerset Fire and
Rescue Authority
Audit and Governance
Committee**

July 2023

Official



Tony Rose
Head of Devon Audit Partnership

Lynda Sharp-Woods
Audit Manager

Auditing for achievement

Introduction

The Audit and Governance Committee, under its Terms of Reference is required to consider the Chief Internal Auditor's annual report, to review and approve the Internal Audit programme, and to monitor the progress and performance of Internal Audit.

The Accounts and Audit (Amendment) (England) Regulations 2015 (Updated 2021) introduced the requirement that all Authorities need to carry out an annual review of the effectiveness of their internal audit system and need to incorporate the results of that review into their Annual Governance Statement (AGS), published with the annual Statement of Accounts.

The Internal Audit plan for 2022/23 was presented and approved by the Audit and Governance Committee in March 2022. In October 2022, the Authority formally joined Devon Audit Partnership for the delivery of its Internal Audit Service and the plan was subsequently reviewed and revised.

The following report and appendices set out the background to audit service provision; any updates to the agreed plan; a review of work undertaken in 2022/23 and provides our opinion on the overall adequacy and effectiveness of the Authority's Internal Control Environment.

The Public Sector Internal Audit Standards require the Head of Internal Audit to provide an annual report providing an opinion that can be used by the organisation to inform its governance statement. This report provides that opinion.

Expectations of the Audit and Governance Committee from this annual report

Audit and Governance Committee members are requested to consider:

- the assurance statement within this report;
- the basis of our opinion and the completion of audit work against the plan;
- changes to the plan and the scope and ability of audit to complete the audit work;
- audit coverage and findings provided;
- customer satisfaction

In review of the above the Audit and Governance Committee are required to consider the assurance provided alongside that of the Senior Leadership Team, Corporate Risk Management and external assurance including that of the External Auditor as part of the Governance Framework (see appendix 4) and satisfy themselves from this assurance for signing the Annual Governance Statement.

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Overall Opinion Statement

In 2020-21 and 2021-22 the Internal Audit Opinion was 'Reasonable'. Whilst considering these, there are areas of concern arising from the work undertaken in 2022/23. Therefore the Head of Internal Audit's opinion on the adequacy and effectiveness of the Authority's internal control framework in 2022-23 is one of **'Limited Assurance'**.

We note that work is already underway to address issues identified and therefore has the potential to positively impact the Opinion in 2023/24.

This opinion statement provides Members with an indication of the direction of travel for their consideration for the Annual Governance Statement (see appendix 4).

The Authority's internal audit plan for 2022-23 included specific assurance, risk, governance, and value-added reviews which, together with prior years audit work, provided a framework and background within which we assessed the Authority's control environment.

The reviews in 2022-23 have informed the Head of Internal Audit's Opinion. If significant weaknesses have been identified, these will need to be considered by the Authority in preparing its Annual Governance Statement as part of the 2022-23 Statement of Accounts. In carrying out reviews, Internal Audit assesses whether key, and other, controls are operating satisfactorily and an opinion on the adequacy of controls is provided to management as part of the audit report. All final audit reports include an action plan which identifies responsible officers, and target dates, to address control issues identified. Implementation of action plans rests with management, and these are monitored by Organisational Assurance.

This statement of opinion is underpinned by:

Internal Control Framework

The control environment comprises the policies, procedures and operational systems and processes in place to establish and monitor the achievement of the Authority's objectives; facilitate policy and decision making; ensure economical, effective, and efficient use of resources, compliance with established policy, procedure, law, and regulation; and safeguard the Authority's assets and interests from losses of all kinds. Core financial and administrative systems were reviewed by Internal Audit.

Where internal audit work has highlighted instances of non or part compliance, none are understood to have had a material impact on the Authority's affairs.

Risk Management

The Audit of Risk Management was undertaken in 2021-22, where we provided an audit opinion of 'Substantial Assurance'.

The risk register is regularly reported to the Executive Board, allowing Members to assess the risk and to have awareness of current risk to inform decision making. The risk register is also provided, at intervals, to the Audit and Governance Committee.

Governance Arrangements

The Authority has an established Protective Security Group which both monitor compliance and provide strategic oversight.

We undertook an examination of the maturity of Project Management. We found that the Change & Improvement Programme had made good progress since its inception in 2018. The new Programme Office has been established, and a Portfolio Board has now been formed.

Performance Management

Organisational Assurance monitor performance against Internal Audit recommendations made.

Risk Management performance is also reported to Executive Board and Audit and Governance Committee.

The Application of Learning Audit found that learning is identified, coordinated, assigned, implemented, tracked, and monitored. A new Operational Assurance system has now been implemented which will help to facilitate improved processes

Substantial Assurance	A sound system of governance, risk management and control exist across the organisation, with internal controls operating effectively and being consistently applied to support the achievement of strategic and operational objectives.	Limited Assurance	Significant gaps, weaknesses or non-compliance were identified across the organisation. Improvement is required to the system of governance, risk management and control to effectively manage risks and ensure that strategic and operational objectives can be achieved
Reasonable Assurance	There are generally sound systems of governance, risk management and control in place across the organisation. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of some of the strategic and operational objectives.	No Assurance	Immediate action is required to address fundamental control gaps, weaknesses or issues of non-compliance identified across the organisation. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of strategic and operational objectives.

Summary Assurance Opinions

Service Delivery	Service Delivery Support	Finance and Corporate Services
<p>Operation of the critical messaging process</p> <p>Pay for Availability</p>	<p>Fleet Management</p>	<p>Key Financial Systems (Inc. Payroll)</p>
<p>Organisational Safeguarding Assurance</p> <p>Crewing pool</p>	<p>Application of learning (including internal investigations and external reports e.g., Grenfell)</p>	<p>Use of Data</p> <p>Information Security – Availability of systems</p> <p>Control of working hours (multiple contracts)</p> <p>Application of HR policy and procedure – Recruitment and Promotion</p>
<p>Informed the 2021/22 End of Year Opinion</p> <p>Community Safety: Fire Prevention</p> <p>Flexi Duty Rota</p> <p>Personal Protective Equipment Audit</p>		<p>Project Management Maturity Assurance</p>

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Key: **Green** = Substantial or Reasonable




Amber = Limited

Red = No Assurance

Blue = Opportunity or Value Added

Appendix 1


Summary of audit reports and findings for 2022 - 23

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.


DEVON AND SOMERSET FIRE AND RESCUE SERVICE

Audit Report			
Risk Area / Audit Entity	Assurance opinion	Executive Summary / Residual Risk / Audit Comment / Management Response	Direction of Travel Assurance

The following prior year audits were completed and reported to Audit and Governance Committee in 2022-23

<p>Community Safety: Fire Prevention</p> <p>Page 25</p>	<p>Status: Final</p> <p>Limited Assurance</p>	<p>The team gained resource in 2019 with the introduction of ten additional home safety technicians. Whilst this has supported the quantity of checks completed, there are continued management gaps highlighted in data quality review, risk-based escalation culture, action logs and process that limit the effectiveness of fire prevention. The lack of accessibility of data and lack of skilled resource within the Prevention Team to analyse the Home Fire Safety data collected has limited the ability of the team to be able to challenge and manage performance or to ensure that vulnerable people are re-visited. The Community Safety Team is self-aware of many of the gaps identified in this audit, with many actions awaiting the introduction of Management of Risk Information (MORI) and reliant on the capacity of ICT to update the data management system that will support extraction of key data to align resource to risk. Implementation of the audit recommendations and the Prevention Team's strategy are highly dependent on the capacity of the Strategic Analysis / data team to support with the introduction and continued use of MORI.</p> <p>Management Update Response (November 2022):</p> <p>Since the report was issued, the Area Manager Service Delivery Risk has placed the home safety element of Prevention into Business Continuity due to problems with how the current home safety app is being used and is performing and the continued delay in the delivery of MORI.</p> <p>The Executive Board commissioned a review of ICT and Prevention ICT solutions. The outcome of this review will help to determine future ICT/Data strategy within Prevention. A business analyst has been seconded into Prevention to resolve data quality, risk escalation and processes. This is being communicated with the team through a series of workshops. The team is currently working with their business analyst to cleanse the current app of records and to ensure accurate process maps are in place ahead of any ICT solution and to ensure that the data is able to migrate to a new system. The Quality Assurance and Evaluation officer is establishing evaluation processes, in line with HMICFRS recommendations. These will have dependencies on ICT and the Strategic Analysis Team which may also be influenced by the review commissioned by Executive Board. Some technical changes have taken place within the doorstep home safety app to prevent duplication of records.</p>	
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DEVON AND SOMERSET FIRE AND RESCUE SERVICE

Audit Report			
Risk Area / Audit Entity	Assurance opinion	Executive Summary / Residual Risk / Audit Comment / Management Response	Direction of Travel Assurance
		Although operational issues with the Home Safety app and data continue, the Prevention team is on track to deliver the target of 18,000 home safety visits this year and there has been an improvement in the targeting of risk, with the number of visits having 2 or more risk factors approaching the 60% KPI which is a significant improvement on previous years.	
Personal Protective Equipment Audit	Status: Final Limited Assurance	<p>Firefighters within the Service are provided with fit for purpose, personal use, operational PPE. However, the Service cannot fully assure itself that adequate training is provided in how to use, store, and maintain this PPE in accordance with the PPE at Work Regulations 1992.</p> <p>Examples were identified of staff wearing incorrect PPE to an incident or using it in a way that increases the risk of injury. This suggests that if training is taking place, refresher sessions and management intervention are required to maintain a higher level of assurance of compliance.</p> <p>Policies and procedures meet legislative requirements. However, there is a lack of assurance that they are read and understood by relevant members of staff. The storage of PPE varies across stations with PPE either stored in the appliance bay or a designated area. A lack of segregation of clean / dirty PPE and storing PPE in the appliance bay does not comply with regulations.</p> <p>Management Update Response (November 2022):</p> <p>Subject matter experts from Health & Safety and Research & Development will ensure access to PPE manufacturers' guidance to ensure that the training package meets the requirements and provides assurance against Health & Safety Executive requirements.</p> <p>The intended training delivery model will be aligned to the same method as the recent helmet training:</p> <ul style="list-style-type: none"> • Mandatory training for all operational staff to complete individually and recorded against their personal training record. • Training will have a requalification period applied - time to be determined. • Will be reportable on the 'Skills Dashboard' under the current PPE tile. • The training will be a requirement of all new operational posts. <p>This will ensure that all current operational staff complete the training, all new starters have this as a requirement when joining, there is a requalification period set and that training completion is reportable. These actions are due for completion in April 2023. The Health & Safety team is completing premises audits, which are due to finish by April 2023. These audits include a review of PPE storage. Some locations do not have the space to fully comply with the regulations. As part of their rolling programme of improvements to stations, Estates will enhance the PPE storage where they are able to. ORMs do check PPE logbooks on their station visits but this is still ad hoc. A station operational readiness framework that sets out responsibilities for a number of matters including PPE is in the process of being implemented after a successful trial in Yeovil. Once implemented this will then be performance managed.</p>	




DEVON AND SOMERSET FIRE AND RESCUE SERVICE

Audit Report			
Risk Area / Audit Entity	Assurance opinion	Executive Summary / Residual Risk / Audit Comment / Management Response	Direction of Travel Assurance
		<p>The output from the audit will help inform the planned internal project to review the FDS and provide some helpful pointers regarding inconsistencies and areas where improvements may be possible.</p> <p>Management Response (November 2022): The Deputy Chief Fire Officer has commissioned a full and complete review of the FDO rota with a view to introducing a new policy, guidance documents and framework as well as rota pattern for the rota. This will be considered as part of the Target Operating Model with implementation expected in the new financial year.</p>	
Project Management Maturity Assurance Page 28	Status: Complete Added Value	<p>The Change & Improvement Programme has made good progress since its inception back in 2018. The review concurs with the vast majority of the self-assessed consensus scores and associated maturity statements.</p> <p>A Portfolio Board has been formed and started to meet. This and the new Programme Office appear to be embracing good Programme Management methodology. At the time of the assessment, there was still the issue of what initiatives, projects or changes to operations came under the Transformation umbrella and its governance and which remained outside.</p> <p>Attention has been paid to the management of benefits with the adoption of a Benefits Management Framework. A Benefits register has been created and is maintained, recording both financial and non-financial benefits, assigning owners responsible for their delivery/realisation. This has generally avoided managers using their own approaches to capturing and monitoring benefits. Officers stated that the benefits were being managed at project rather than programme level as they were more difficult to demonstrate at programme level. In addition, it was felt that validating the achievement of benefits through the provision of evidence was lacking. Whilst programme benefits are delivered, from an organisational point of view, re-distributing any resources/savings to something else that would benefit the organisation is recognised as being more of a challenge. In addition, where projects are interlinked or are dependent on other projects then the realisation of benefits can be hampered and is often caused by the draw on scarce resources or other delays.</p> <p>Management Response (November 2022): The team will undertake a review, and amendment where appropriate, of current guidance that sets out the criteria required for a new initiative to be directed under the portfolio governance as part of the risk critical and urgent pathway (RCUP) process. An overarching communications plan for transformation and Service wide communications on the Portfolio Office will be developed. Programme benefits to be visible at boards and to be part of the agenda. All benefits to ensure that they have baseline measurement data in place at full business case stage.</p>	N/A



DEVON AND SOMERSET FIRE AND RESCUE SERVICE

Audit Report			
Risk Area / Audit Entity	Assurance opinion	Executive Summary / Residual Risk / Audit Comment / Management Response	Direction of Travel Assurance
Use of Data	Status: Draft Limited Assurance	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. Management Response (April 2022): Management responses are in the process of being collated.	
Information Security – Availability of systems	Status: Draft Limited Assurance	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. Management Response (April 2022): Management responses are in the process of being collated.	
2022-23 Audit Plan 2022-23			
Operation of the critical messaging process	Status: Final Reasonable Assurance	Significant improvements to the critical messaging process have been made with greater assurance now available to the Service that staff read and understand risk critical messages and apply the required changes. Seven recommendations were made with a view to improving the process, particularly with regard to the station return process and automation of reporting. Some areas of non-compliance with current documented process were identified alongside scope for improvement in some areas which will help to improve the assurance process that has been established for critical messaging. Management Response (June 2023): Processes will be improved as recommended and individual accountability and performance management around safety critical issues will be built into operational performance management meetings.	
Crewing pool	Status: Final Limited Assurance	The Service's Crewing Pool has become an integrated part of improving operational capabilities. A group of staff intended for back up use are now heavily relied upon and use a large amount of financial resources. There is a lack of assurance that the Crewing Pool process is adequately managed Group Commanders advised that that the Crewing Pool is not a good use of Service resources and that the root cause of the issue is a lack of staffing.	

DEVON AND SOMERSET FIRE AND RESCUE SERVICE

Audit Report			
Risk Area / Audit Entity	Assurance opinion	Executive Summary / Residual Risk / Audit Comment / Management Response	Direction of Travel Assurance
		<p>Management Response: Several risks identified in this audit are to be mitigated by the new Bank Staff Scheme. This was rolled out in October and the use of crewing pool ceased. A review of uptake, performance and costs will be undertaken in December 2022.</p>	
Control of working hours (multiple contracts)	Status: Final Limited Assurance	<p>There are processes and software in place to facilitate a controlled way of working, where hours worked can be monitored, however, these processes are not always utilised or are not used in the intended way.</p> <p>Management Response: The implementation of a new HR system and implementation of the HMICFRS actions related to monitoring of secondary contracts to make sure that working hours are not exceeded will provide improved processes and assurance.</p>	
Pay for Availability	Status: Final Reasonable Assurance	<p>P4A has had a mixed impact for crews in terms of their pay, work-life balance and morale and more work would be beneficial in determining whether the initiative is having a positive impact on diversity and inclusivity within the workplace. At the time of reporting we could not identify a marked improvement in recruitment with some priority stations remaining under resourced. It will be for the service to assess whether the benefits from the initiative sufficiently outweigh the costs of the model. The initiative also does not appear to have had anything other than a modest impact on availability, although further analysis using more recent data is advised.</p> <p>Management Response: The Service is now reviewing the terms of operation of the P4A model to ensure that it is sustainable for the future.</p>	
Application of HR policy and procedure – Recruitment and Promotion	Status: Draft Limited Assurance	<p>The People Services Policy and Guidance framework is under review and has been for some time. Whilst a number of documents have been newly created or updated, there is still work remaining to ensure the overall framework is fully updated and fit for purpose including documents which are directly related to recruitment and promotion.</p> <p>Overall, we have found that the service appears committed to principles such as diversity and inclusion within the workplace, however more work is needed to develop and embed these principles throughout the service and to improve the ability to monitor and report on progress.</p> <p>We understand that significant work is currently underway that in the medium term should help to improve recruitment and promotion, including the introduction of a new Human Resources system, and the</p>	

DEVON AND SOMERSET FIRE AND RESCUE SERVICE

Audit Report			
Risk Area / Audit Entity	Assurance opinion	Executive Summary / Residual Risk / Audit Comment / Management Response	Direction of Travel Assurance
		<p>development of new and updated policies and procedures. To ensure the appropriate values and principles within the framework are embedded, improvements to manager training will also need to be introduced.</p> <p>Management Response: Management responses are in the process of being collated.</p>	
<p>Key Financial Systems (Inc. Payroll)</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 31</p>	<p>Status: Final Reasonable Assurance</p>	<p>There have been no significant changes to processes or systems within the Finance and Payroll services this year. Key Financial Systems continue to operate effectively overall with measures in place to mitigate risk in most areas examined.</p> <p>Many actions from last year's audit have now been addressed. Some areas of control weakness remain, where management consider the associated risk to be within acceptable limits. This includes for instance system administrators who also undertake day to day processes, which reduces separation of duties but is seen as necessary for operational reasons due to team size. Other areas of potential weakness do however present opportunities for improvement or strengthening of controls, for instance in relation to record keeping and timeliness.</p> <p>Management Response: Actions have been agreed where appropriate to address the recommendations made and are in the process of being implemented.</p>	
<p>Application of learning (including internal investigations and external reports e.g., Grenfell)</p>	<p>Status: Final Limited Assurance</p>	<p>For the various sources of learning considered as part of this audit designated resources and processes are in place that help co-ordinate and monitor implementation of associated actions. Some teams indicated that they are unable to provide as much input or time to these activities as they would otherwise like. In part this may be due to the sheer scale of the exercises involved, such as the National Operational Guidance Strategic Gap Analysis which has over 2000 tactical actions across 20 areas. In this instance the assessment period is spread over a two year period.</p> <p>For most types of learning a formal sign off process exists involving reports to management at the most senior levels. The exception is the Operational Assurance Team, who indicate they can close out any tactical learning activities without further escalation. Each team demonstrated a process for tracking and reviewing learning points.</p> <p>Overall, whilst learning is identified, coordinated, assigned, implemented, tracked, and monitored, there are several areas where further improvements can be made to processes to ensure that the application of learning is consistent and more effective.</p>	

DEVON AND SOMERSET FIRE AND RESCUE SERVICE

Audit Report			
Risk Area / Audit Entity	Assurance opinion	Executive Summary / Residual Risk / Audit Comment / Management Response	Direction of Travel Assurance
		<p>Management Response:</p> <p>A new action tracking process has been established in SharpCloud for the action plan designed to address His Majesty's Inspectorate of Constabulary and Fire & Rescue Services' (HMICFRS) report. Additional sign off evidence for the remaining actions in the Grenfell action plan is to be obtained and retained. The National Operational Guidance Strategic Gap Analysis two-year plan will ensure that all strategic actions are assessed, and records kept as to compliance. A quarterly follow up to the responsible department is now in progress as part of the two-year plan. A new Operational Assurance system has now been implemented which will help to facilitate improved processes and address a number of the points raised within the report through automation of workflows and removal of manual processes.</p>	

The following audits were cancelled as part of a revised Audit Plan as reported at the November 2022 Audit and Governance Committee:

- Community Safety - Schools & Engagement
- Station compliance - Environmental / waste management
- Support the Service's response to the HMICFRS 2021 report findings
- Station-based Testing Regime
- Personal Protective Equipment: Contaminants
- Firefighter Fitness Training Review
- Behavioural Risk

Appendix 2 - Professional Standards and Customer Service

Conformance with Public Sector Internal Audit Standards (PSIAS)

PSIAS Conformance - Devon Audit Partnership conforms to the requirements of the PSIAS for its internal audit activity. The purpose, authority and responsibility of the internal audit activity is defined in our internal audit charter, consistent with the *Definition of Internal Auditing*, the *Code of Ethics* and the *Standards*. Our internal audit charter was approved by senior management and the Governance Committee in March 2023. This is supported through DAP self-assessment of conformance with Public Sector Internal Audit Standards & Local Government Application note.

The Institute of Internal Audit (IIA) are the key body involved in setting out the global standards for the profession which form the basis for the Public Sector Internal Audit Standards (PSIAS) and are undergoing review and revision. The proposed new standards which are likely to take effect in 2024 and this document helps clarity and raise awareness of the audit committee's governance roles and responsibilities in respect of this. [IIA Document – Draft Standards](#).

Quality Assessment - the Head of Devon Audit Partnership maintains a quality assessment process which includes review by audit managers of all audit work. The quality assessment process and improvement is supported by a development programme.

External Assessment - The PSIAS states that a quality assurance and improvement programme must be developed; the programme should be informed by both internal and external assessments.

An external assessment must be conducted at least once every five years by a suitably qualified, independent assessor. For DAP this was recently conducted at the end of 2021 by the Head of Southwest London Audit Partnership, and the Chief Internal Auditor of Orbis (a partnership organisation covering Brighton and Hove, East Sussex, and Surrey County Council).

The assessment result was that *“Based on the work carried out, it is our overall opinion that DAP **generally conforms*** with the Standards and the Code of Ethics”*. The report noted that *“As a result of our work, a small number of areas where partial conformance was identified. These were minor observations, none of which were significant enough to affect the overall opinion”*. DAP is actively addressing these improvement areas.

* **Generally Conforms** – This is the top rating and means that the internal audit service has a charter, policies and processes that are judged to be in conformance to the Standards

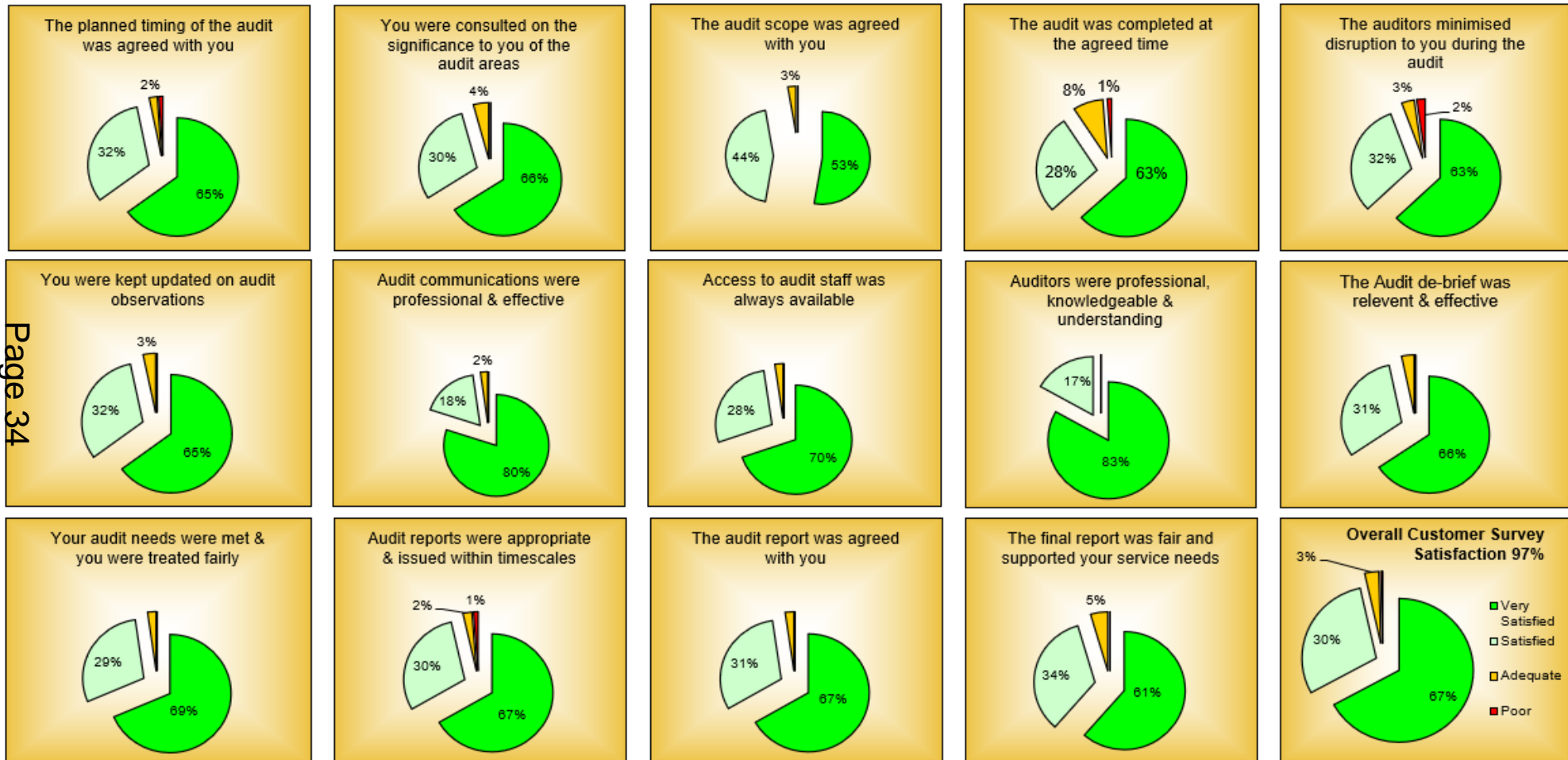
Improvement Programme – DAP maintains a rolling development plan of improvements to the service and customers. All recommendations of the external assessment of PSIAS and quality assurance were included in this development plan and have been completed. This will be further embedded with revision of our internal quality process through peer review. Our development plan is regularly updated, and a status report reported to the DAP Management Board.

Customer Service Excellence

DAP was successful in re-accreditation by G4S Assessment Services of the CSE standard during January 2023. This accreditation is a UK-wide quality mark which recognises organisations the prioritise customer service and are committed to continuous improvement.

During the year we have issued client survey forms for some of our reports, and the results of the surveys returned were very good / positive. The overall result is very pleasing, with near 97% being "satisfied" or better across our services (see Appendix 7). It is very pleasing to report that our clients continue to rate the overall usefulness of the audit and the helpfulness of our auditors highly.

Customer Survey Results April 2022 - March 2023



Appendix 3 – Audit Authority

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Appendix 4 - Annual Governance Framework Assurance

The conclusions of this report provide the internal audit assurance on the internal control framework necessary for the Committee to consider when reviewing the Annual Governance Statement.

The Annual Governance Statement (AGS) provides assurance that

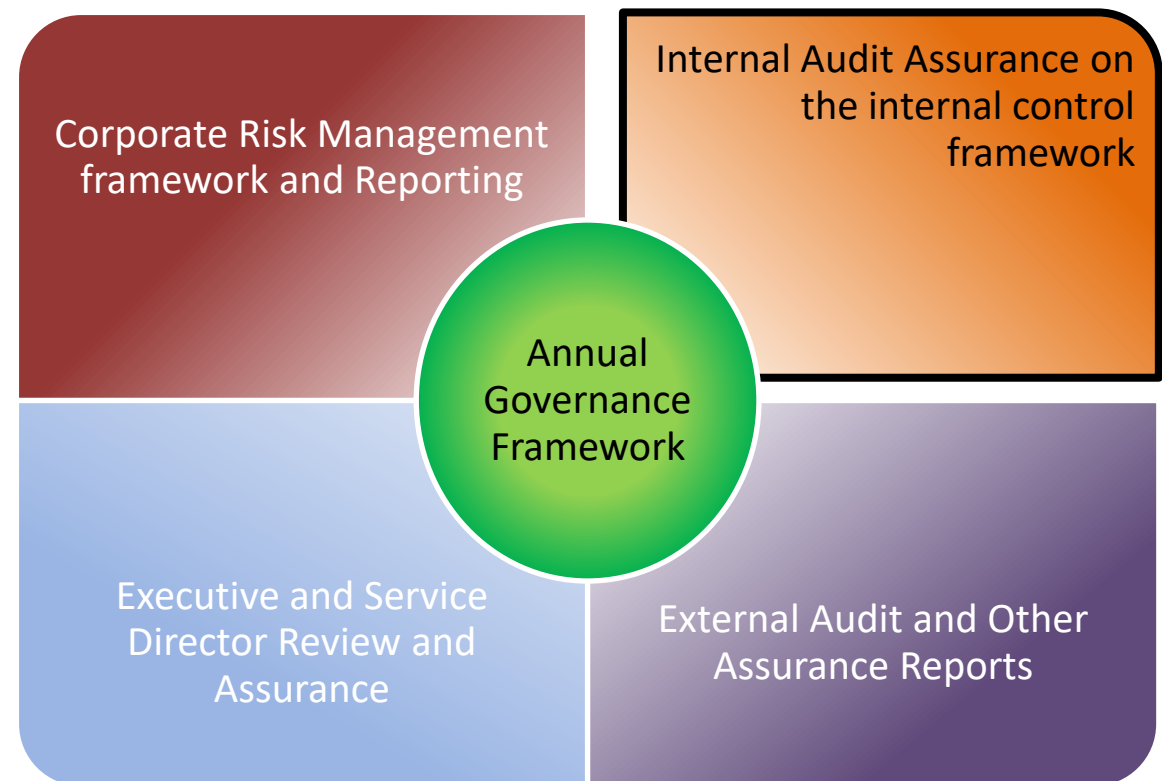
- the Authority's policies have been complied with in practice;
- high quality services are delivered efficiently and effectively;
- ethical standards are met;
- laws and regulations are complied with;
- processes are adhered to;
- performance statements are accurate.

The statement relates to the governance system as it is applied during the year for the accounts that it accompanies. It should:-

- be prepared by senior management and signed by the Chief Fire Officer and Chair of the Audit and Governance Committee;
- highlight significant events or developments in the year;
- acknowledge the responsibility on management to ensure good governance;
- indicate the level of assurance that systems and processes can provide;
- provide a narrative on the process that has been followed to ensure that the governance arrangements remain effective.

This will include comment upon;

- The Authority;
- Audit and Governance Committee;
- Risk Management;
- Internal Audit;
- Other reviews / assurance.



The AGS needs to be presented to, and approved by, the Audit and Governance Committee, and then signed by the Chair.

The Committee should satisfy themselves, from the assurances provided by Organisational Assurance, Executive Board and Internal Audit that the statement meets statutory requirements and that the management team endorse the content.

Appendix 5 - Basis for Opinion

The Chief Internal Auditor is required to provide the Authority with an opinion on the adequacy and effectiveness of its accounting records and its system of internal control in the Authority.

In giving our opinion, it should be noted that this assurance can never be absolute. The most that the internal audit service can do is to provide reasonable assurance, formed from risk-based reviews and sample testing, of the framework of governance, risk management and control.

This report compares the work carried out with the work that was planned through risk assessment; presents a summary of the audit work undertaken; includes an opinion on the adequacy and effectiveness of the Authority's internal control environment; and summarises the performance of the Internal Audit function against its performance measures and other criteria. The report outlines the level of assurance that we are able to provide, based on the internal audit work completed during the year. It gives:

- a statement on the effectiveness of the system of internal control in meeting the Authority's objectives;
- a comparison of internal audit activity during the year with that planned;
- a summary of the results of audit activity.

The extent to which the work has been affected by changes to the audit plan are shown in Appendix 1.

The overall audit assurance will have to be considered in light of this position.

In assessing the level of assurance to be given the following have been taken into account:

all audits completed during 2022-23, including those audits carried forward from 2021-22;

any follow up action taken in respect of audits from previous periods;

any significant recommendations not accepted by management and the consequent risks;

the quality of internal audit's performance;

the proportion of the Authority's audit need that has been covered to date;

the extent to which resource constraints may limit this ability to meet the full audit needs of the Authority;

any limitations that may have been placed on the scope of internal audit.

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Devon Audit Partnership	Confidentiality and Disclosure Clause
<p>The Devon Audit Partnership has been formed under a joint committee arrangement. We aim to be recognised as a high-quality internal audit service in the public sector. We work with our partners by providing a professional internal audit service that will assist them in meeting their challenges, managing their risks and achieving their goals. In carrying out our work we are required to comply with the Public Sector Internal Audit Standards along with other best practice and professional standards.</p> <p>The Partnership is committed to providing high quality, professional customer services to all; if you have any comments or suggestions on our service, processes or standards, the Head of Partnership would be pleased to receive them at Tony.d.Rose@devon.gov.uk</p>	<p>This report is protectively marked in accordance with the National Protective Marking Scheme. It is accepted that issues raised may well need to be discussed with other officers within the Authority, the report itself should only be copied/circulated/disclosed to anyone outside of the organisation in line with the organisation's disclosure policies.</p> <p>This report is prepared for the organisation's use. We can take no responsibility to any third party for any reliance they might place upon it.</p>

Agenda Item 6

REPORT REFERENCE NO.	AGC/23/10
MEETING	AUDIT & GOVERNANCE COMMITTEE
DATE OF MEETING	21 JULY 2023
SUBJECT OF REPORT	INTERNAL AUDIT INTERIM PROGRESS REPORT 2023-24
LEAD OFFICER	HEAD OF DEVON AUDIT PARTNERSHIP
RECOMMENDATIONS	<p><i>That the Committee:</i></p> <p><i>(a). reviews the progress made on work to date;</i></p> <p><i>(b). considers any outcomes from work completed;</i></p> <p><i>(c). considers whether any further assurance should be provided; and</i></p> <p><i>(d). subject to (a). to (c). above, notes the report.</i></p>
EXECUTIVE SUMMARY	<p>Internal auditing is defined by the Public Sector Internal Audit Standards (PSIAS) which set out the requirements of a 'Board' and of 'senior management'. For the purposes of the internal audit activity within Devon and Somerset Fire and Rescue Authority, the role of the 'Board' within the Standards is taken by the Authority's Audit and Governance Committee and 'senior management' is the Authority's Executive Board.</p> <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>This report sets out the progress that has been made against the approved Internal Audit Plan for 2023-24. The Internal Audit plan for 2023-24 was presented to the Audit and Governance Committee in March 2023.</p>
RESOURCE IMPLICATIONS	Nil
EQUALITY RISKS AND BENEFITS ASSESSMENT (ERBA)	The contents of this report are considered compatible with existing human rights and equalities legislation.
APPENDICES	A. Devon Audit Partnership Internal Audit Interim Progress Report 2023-24

BACKGROUND PAPERS	Nil
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TONY ROSE
Head of Devon Audit Partnership

Internal Audit

Interim Progress Report
2023-24

**Devon and Somerset Fire and
Rescue Authority
Audit and Governance
Committee**

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July 2023

Official

Tony Rose
Head of Devon Audit Partnership

Lynd Sharp-Woods
Audit Manager

Introduction

Internal auditing is defined by the Public Sector Internal Audit Standards (PSIAS) which set out the requirements of a 'Board' and of 'senior management'. For the purposes of the internal audit activity within Devon and Somerset Fire and Rescue Authority the role of the 'Board' within the Standards is taken by the Authority's Audit and Governance Committee and 'senior management' is the Authority's Executive Board.

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.

This report sets out the progress that has been made against the approved Internal Audit Plan for 2023-24. The Internal Audit plan for 2023-24 was presented to the Audit and Governance Committee in March 2023.

The Public Sector Internal Audit Standards require the Head of Internal Audit to provide an annual report providing an opinion that can be used by the organisation to inform its governance statement.

This progress report provides a summary of work completed to date (Appendices 1 and 2) that will help to inform the annual assurance opinion which will be specified by one of the following descriptions.

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

Recommendations

That the Committee:

- reviews the progress made on work to date,
- considers any outcomes from work completed; and
- in turn whether they require any further assurances to be provided.

Customer Value

Conformance with Public Sector Internal Audit Standards (PSIAS)

PSIAS Conformance - Devon Audit Partnership conforms to the requirements of the PSIAS for its internal audit activity. The purpose, authority and responsibility of the internal audit activity is defined in our internal audit charter, consistent with the *Definition of Internal Auditing*, the *Code of Ethics* and the *Standards*. Our internal audit charter was approved by senior management and the Governance Committee in March 2023. This is supported through DAP self-assessment of conformance with Public Sector Internal Audit Standards & Local Government Application note.

The Institute of Internal Audit (IIA) are the key body involved in setting out the global standards for the profession which form the basis for the Public Sector Internal Audit Standards (PSIAS) and are undergoing review and revision. The proposed new standards which are likely to take effect in 2024 and this document helps clarity and raise awareness of the audit committee's governance roles and responsibilities in respect of this. [IIA Document – Draft Standards](#).

Quality Assessment - The Head of Devon Audit Partnership maintains a quality assessment process which includes review by audit managers of all audit work. The quality assessment process and improvement is supported by a development programme.

External Assessment - The PSIAS states that a quality assurance and improvement programme must be developed; the programme should be informed by both internal and external assessments.

An external assessment must be conducted at least once every five years by a suitably qualified, independent assessor. For DAP this was recently conducted at the end of 2021 by the Head of Southwest London Audit Partnership, and the Chief Internal Auditor of Orbis (a partnership organisation covering Brighton and Hove, East Sussex, and Surrey County Council).

The assessment result was that *“Based on the work carried out, it is our overall opinion that DAP **generally conforms*** with the Standards and the Code of Ethics”*. The report noted that *“As a result of our work, a small number of areas where partial conformance was identified. These were minor observations, none of which were significant enough to affect the overall opinion”*. DAP is actively addressing these improvement areas.

* **Generally Conforms** – This is the top rating and means that the internal audit service has a charter, policies and processes that are judged to be in conformance to the Standards

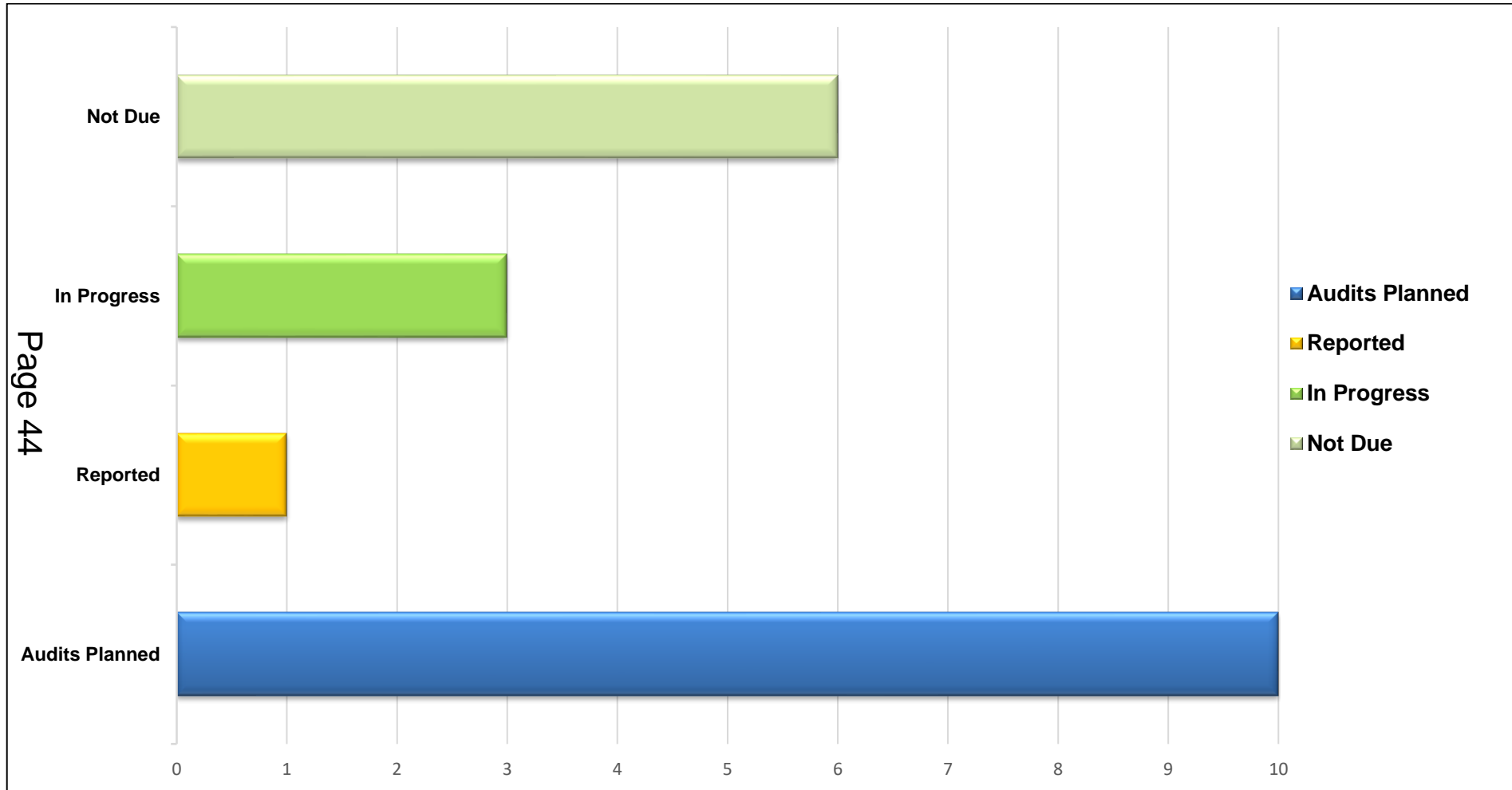
Improvement Programme – DAP maintains a rolling development plan of improvements to the service and customers. All recommendations of the external assessment of PSIAS and quality assurance were included in this development plan and have been completed. This will be further embedded with revision of our internal quality process through peer review. Our development plan is regularly updated, and a status report reported to the DAP Management Board.

Customer Service Excellence

DAP was successful in re-accreditation by G4S Assessment Services of the CSE standard during January 2023. This accreditation is a UK-wide quality mark which recognises organisations the prioritise customer service and are committed to continuous improvement.

We have issued client survey forms for our reports, and the results of the surveys returned were very good / positive. The overall result is very pleasing, with near 97% being "satisfied" or better across our services. It is very pleasing to report that our clients continue to rate the overall usefulness of the audit and the helpfulness of our auditors highly.




Appendix 1 – Progress Chart for Internal Audit Reviews Planned in 2023-24



Time spent - We have used in the region of 10% of the 2023-24 planned days (as at the end of June 2023) on starting, completing, and reporting on the Internal Audit Plan for 2023/24, this also includes finalising 2022-23 work.

Appendix 2 – Summary of Reports and Findings for 2023-24

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.

Risk Area / Audit Entity	Assurance opinion	Executive Summary / Residual Risk / Audit Comment / Management Response	Direction of Travel Assurance
Medium-Term Financial Strategy / Financial Resilience Plans Page 45	Status: Final Reasonable Assurance	<p>The Fire and Rescue Service along with the wider Public Sector face unprecedented financial challenges over the coming years. The Medium-Term Financial Plan (MTFP), along with associated documents such as the Reserves Strategy, Productivity and Efficiency Plan, and draft Target Operating Model, acknowledges these financial struggles. Together provide a framework with which the Service aims to ensure the service is sustainable and efficient, whilst remaining effective in its core requirements to ensure prevention, protection, and response, within the community that it serves.</p> <p>Our review has confirmed that suitable processes are in place for developing and approving the MTFP, and that current plans and associated documents are in place. We confirmed that the Plan is aligned to many, but not all, of the requirements stipulated within the Fire & Rescue National Framework and CIPFA guidance.</p> <p>We understand that the Plan has been, and will be, subject to increased monitoring and reporting to senior management, which indicates awareness amongst senior management of the importance of the Plan and the need to tackle any future funding shortfalls as early as possible.</p> <p>Assumptions made within the Plan appear reasonable, when compared with those of other FRS services.</p> <p>Management Response: Actions have been agreed where appropriate to address the recommendations made and are in the process of being implemented.</p>	N/A

Risk Area / Audit Entity	Assurance opinion	Executive Summary / Residual Risk / Audit Comment / Management Response	Direction of Travel Assurance
New People System - Live advice and quality assurance	Status: In Progress	The provision of advice and quality assurance to this project has recently commenced and will be ongoing until the post implementation review. A commentary regarding our findings will be provided at the November 2023 Audit and Governance Committee meeting if relevant.	N/A
Summary of Service Action on External Bodies Reports - HMICFRS	Status: In Progress	This audit commenced in the week of 26 th June. A further status update will be reported at the November 2023 Audit and Governance Committee meeting.	
Productivity of the workforce and whole-time crews	Status: In Progress	This audit commenced in the week of 3 rd July. A further status update will be reported at the November 2023 Audit and Governance Committee meeting.	
Cyber Governance	Status: Not yet Commenced		
Culture – To also include effectiveness of Grievance, Whistle Blow and Speak Up Procedures	Status: Not yet Commenced		
Fire Contaminants and PPE	Status: Not yet Commenced		
Information Governance Framework	Status: Not yet Commenced		
Key financial systems including Journals	Status: Not yet Commenced		
Health and Safety	Status: Not yet Commenced		

Appendix 3 – Contact and Confidentiality

<p>Tony Rose Head of Audit Partnership T 01392 383000 M 0779420113 E tony.d.rose@devon.gov.uk</p>	<p>Lynda Sharp-Woods Audit Manager – DSFRA T 01392 382322 E lynda.sharp-woods@devon.gov.uk</p>	<p>Joanne McCormick Deputy Head of Audit Partnership T 01392 383000 E joanne.mccormick@devon.gov.uk</p> <p>Ken Johnson Audit Manager – Counter Fraud T 01392 386416 E ken.johnson@devon.gov.uk</p>
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<p>Devon Audit Partnership</p> <p>The Devon Audit Partnership has been formed under a joint committee arrangement. We aim to be recognised as a high quality internal audit service in the public sector. We work with our partners by providing a professional internal audit service that will assist them in meeting their challenges, managing their risks and achieving their goals. In carrying out our work we are required to comply with the Public Sector Internal Audit Standards along with other best practice and professional standards.</p> <p>The Partnership is committed to providing high quality, professional customer services to all; if you have any comments or suggestions on our service, processes or standards, the Head of Partnership would be pleased to receive them at tony.d.rose@devonaudit.gov.uk.</p>	<p>Confidentiality and Disclosure Clause</p> <p>This report is protectively marked in accordance with the National Protective Marking Scheme. It is accepted that issues raised may well need to be discussed with other officers within the Council, the report itself should only be copied/circulated/disclosed to anyone outside of the organisation in line with the organisation's disclosure policies.</p> <p>This report is prepared for the organisation's use. We can take no responsibility to any third party for any reliance they might place upon it.</p>
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Agenda Item 7

REPORT REFERENCE NO.	AGC/23/11
MEETING	AUDIT & GOVERNANCE COMMITTEE
DATE OF MEETING	21 JULY 2023
SUBJECT OF REPORT	DRAFT 2022-23 ANNUAL STATEMENT OF ASSURANCE
LEAD OFFICER	DIRECTOR OF FINANCE & CORPORATE SERVICES (TREASURER)
RECOMMENDATIONS	<i>That the draft Annual Statement of Assurance appended to this report - required to accompany the 2022-23 final accounts – be approved in principle subject to the caveats noted below and submitted to the External Auditor alongside the draft Statement of Accounts for the same financial year.</i>
EXECUTIVE SUMMARY	<p>To comply with both Accounts and Audit Regulations and the Fire & Rescue Service National Framework, the Authority is required to produce and publish an Annual Statement of Assurance on financial, governance and operational matters and show how the Authority has had regard to both its Integrated Risk Management Plan (now Community Risk Management Plan) and the expectations in the Fire & 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 Annual Statement of Assurance for 2022-23 will be submitted, along with the draft 2022-23 Statement of Accounts, to the Authority’s external auditors for review.</p> <p>The Committee is asked to note that:</p> <ul style="list-style-type: none"> • Section 2.2 on page 4 details that the Community Risk Management Plan will be reviewed annually with progress reports published on the Service’s website. The first annual review of the Community Risk Management Plan has been completed but at the point of preparing this report, had not yet been published. This will be confirmed before the final Annual Statement of Assurance is published. • Section 16 on page 17 is subject to completion of the external audit work.
RESOURCE IMPLICATIONS	Nil.

EQUALITY RISKS AND BENEFITS ANALYSIS	The contents of this report are considered compatible with existing equalities and human rights legislation.
APPENDICES	A. 2022-23 Annual Statement of Assurance DRAFT
BACKGROUND PAPERS	The Accounts & Audit Regulations 2015 (as amended) The Fire & Rescue Service National Framework for England



DEVON &
SOMERSET
FIRE & RESCUE SERVICE

Devon & Somerset Fire & Rescue Authority

2022-23 DRAFT
Annual Statement of Assurance

/2022

Devon & Somerset
Fire & Rescue Authority

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1 Introduction

1.1. The Devon and Somerset Fire and Rescue Authority (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 Safety Act 2021
- Fire and Rescue Services (Emergencies) (England) Order 2007
- Localism Act 2011
- Accounts and Audit Regulations 2015
- Fire and Rescue National Framework for England 2018
- Health and Safety at Work etc Act 1974, and associated regulations

1.2 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

1.3 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.

1.4 The Authority is required to:

- Ensure that there is a sound system of governance in place.
- Ensure that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for.
- Meet 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.
- Prepare an annual governance statement in support of its Statement of Accounts in line with the Accounts and Audit (England) Regulations 2015. This sets out the measures taken to ensure appropriate business practice, high standards of conduct and sound governance.

- Publish 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 for that period. Each Authority must also provide assurance to their community and to government on financial, governance and operational matters.
- 1.5 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 Identification and assessment of risk

- 2.1 The Authority has a statutory duty to produce a [Community Risk Management Plan](#) (CRMP). The CRMP covers the period 2022-2027 and sets out the key challenges and risks facing local communities and how the Authority intends to meet and reduce them. It demonstrates how protection, prevention and response activities have and will be used collectively to prevent and/or mitigate fires and other incidents. A full consultation process took place prior to development and publication of the CRMP.
- 2.2 This five-year strategic plan will be reviewed annually with progress reports published on the Service's website.
- 2.3 Since the launch of the Community Risk Management Plan in April 2022, the Service has developed Local Community Plans (LCPs) for each of the Service's fire stations. Each plan is unique to that station and incorporates information on community profiles which provides a comprehensive picture of a station's geographical area, risk, station availability and incident information that is informed by data.
- 2.4 The premise of the LCPs is to help stations to understand their local risk profile and to support planning and performance within the Service's key business areas, which will underpin the mitigation of risk and improve community safety. Further development of the plans is scheduled over the next 12 months, and the use of the interactive graphics and visualisation of data will assist management teams to obtain an insight into the effectiveness of the Service's core business activities, aiding informed decision making. The LCPs will be reviewed annually alongside the CRMP.
- 2.5 Understanding the risk of fire and other emergencies was rated as good by His Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) in the 2022 report.

3 Prevention

- 3.1 The CRMP provides a high-level overview of the Service's prevention activities with the detail provided in the Prevention Plan 2021-2023.
- 3.2 Prevention activities include education in schools, interaction with children and young people through cadet schemes and through the Fire Setters team who work with young people who have a fascination with fire or have set fires.

- 3.3 The Road Safety team have delivered Learn to Live presentations in schools and colleges throughout Devon and Somerset, Biker Down presentations and attended events to promote road safety.
- 3.4 In addition to supporting the National Fire Chiefs Council's national prevention campaigns, the Service delivered campaigns focused on drowning prevention, wildfire awareness and 'Save Safely', working with partners to support our communities to reduce their fire risk during the Winter months of the cost-of-living crisis. Our 'How to use a throwline' YouTube video is now used by Devon and Cornwall Police for their in-house staff training. The Service also shared its first partnership newsletter with messages subsequently appearing in partner newsletters and social media channels which helped to get our safety messages to the most vulnerable audiences.
- 3.5 Home fire safety checks are provided for those identified to be in our higher risk groups providing advice and ensuring that smoke alarms and other equipment are available. The home safety team work with over 500 partners to obtain referrals for home safety visits targeting those with risk factors such as mobility, disability and mental health issues. During 2022-23 19,987 home fire safety checks were completed.
- 3.6 The Service also ensures that safeguarding is in place where appropriate. The Service's Safeguarding Board was established in September 2022 to ensure that the Service proactively meets the needs of its communities and to drive timely and specific action to provide a sustained improvement in all aspects of safeguarding within the organisation. The new Safeguarding Manager joined the Service in December 2022 and is in the process of assessing current practice versus expected standards. This analysis will inform an improvement plan for the team.
- 3.7 The Service was rated as good at preventing fires and other risks in the 2022 HMICFRS report.

4 Protection

- 4.1 The CRMP provides a strategic high-level overview of the Service's approach to protecting people within the built environment through regulation and protection activities. The Service is the Enforcing Authority for the Regulatory Reform (Fire Safety) Order 2005 and a statutory consultee as part of the Building Regulations process.
- 4.2 The Risk Based Inspection Programme supports the identification and targeting of the highest risk buildings most likely to have vulnerable occupants through unfamiliarity and / or their mobility. Operational Crews and Specialist Fire Safety Inspectors carry out over 4,000 inspections each year. A proportional approach is taken utilising fire safety checks at normal risk buildings and fire safety audits at higher risk buildings that have the potential to cause significant harm and / or loss of life in the event of a fire. This proportional but targeted approach is demonstrated through a high level of unsatisfactory / non-compliance outcomes which allows the Service to improve the safety of occupants. The Service uses its full powers as an Enforcing Authority issuing formal notices as appropriate, including prosecuting those that knowingly allow dangerous fire safety standards, including putting profit before safety. On average, the Service brings four cases per year for prosecution with a 100% success rate of holding individuals and companies to account. Formal Notices such as enforcements, alterations and prohibitions are available to view on a public register on the Service's [website](#).

- 4.3 A dedicated Fire Safety Helpdesk supports all members of the local community, provides compliance support for new and small businesses, provides technical advice and gives residents a voice to report fire safety concerns directly to a regulator. Any concerns or intelligence received are formally logged, assessed by a Fire Safety Inspector for appropriate action and when required, anonymity maintained. All fire safety concerns are assessed in conjunction with the Duty Fire Safety Manager and actioned as appropriate based on life risk.
- 4.4 The Protection teams work closely with partners such as the local authority housing team, NHS and the Care Quality Commission to ensure that residents are kept safe in residential flats, hospitals and care homes. They will also work closely with the Prevention Team undertaking joint work as appropriate, the most recent example being during the Building Risk Review, inspecting all High-rise residential blocks with Home Fire Safety Technicians also attending and offering Home Fire Safety Visits.
- 4.5 The Protection Team is trained and developed in line with the National Fire Chiefs Council Competence Framework for Fire Safety Regulators including additional qualifications for specialist roles such as fire engineering. In addition, and in line with the wider sector recommendations, senior inspecting officers and managers are also undertaking third party accreditation with the Institution of Fire Engineers and the Contextualized Auditors Register.
- 4.6 An effective fire and rescue service will identify and assess the full range of foreseeable fire and rescue risks its community faces. It should target its fire prevention and protection activities to those who are at greatest risk from fire and make sure fire safety legislation is being enforced. When the public calls for help, it should respond promptly with the right skills and equipment to deal with the incident effectively. The Service's overall effectiveness was assessed as good in the 2022 HMICFRS report with a rating of good for protecting the public through fire regulation. However, the report identified that the Service needs to be better at undertaking quality assurance and evaluation of Prevention and Protection activities. An action plan is in place to address this, and quality assurance and evaluation officers have been appointed to identify and support future improvements.

5 Response and Resilience

- 5.1 The CRMP provides a high-level overview of the Service's response arrangements.
- 5.2 The Service was rated as good at responding to fires and other emergencies and responding to major and multi-agency incidents in the 2022 HMICFRS report.
- 5.3 Response plans are in place for different incident types to ensure that the most effective response is provided to an emergency call. Fire Control can also apply 'Dynamic Mobilising' to revise the response plan by adding or removing resources depending upon the information that they receive. If the response is changed this is recorded on the incident along with the rationale for that decision.
- 5.4 Processes are in place to ensure that crews have access to the most up to date operational risk information on their mobile data terminals.
- 5.5 Through its Training Academy, the Service has enabled the delivery of quality assured training to its staff to improve safety and overall effectiveness. The quality of operational training is assured via a combination of Operational Assurance feedback from incidents and attended assurance visits from Flexi Duty Officers to on-call and wholetime station training sessions.

- 5.6 Development Firefighters training is assured via the Service's main provider, Bridgwater and Taunton College, and the associated OFSTED assessment. This will be supplemented in April 2023 with a training quality assurance framework, to include a sampling strategy focused around the 'Operational licence' skills which include Breathing Apparatus, Driving, Incident Command System, Maritime, Casualty Care, Safety at Height and Confined Spaces, Water Rescue and Fitness.
- 5.7 Training delivery continues to be aligned to National Operational Guidance via eLearning training packages and practical training sessions. Confirmation of learning is achieved via knowledge checks after each eLearning package and the Station Maintenance of Skills programme ensures that practical training covers the necessary training specifications via associated lesson plans.
- 5.8 The Service continues to explore new ways of delivering training. The successful roll out of locally delivered Incident Command Training is an example of improved efficiency in training delivery with less time spent travelling to location and training hours being utilised in more succinct delivery. This model of delivery reduces the impact on the environment by reducing the number of vehicles travelling to training events and also shortening these journeys.
- 5.9 The Service currently has 522 operational personnel qualified to command incidents at varying levels.
- 5.10 The Academy currently delivers localised Incident Command System (ICS) assessments to maintain skills and competence for Level 1 Commanders in addition to the ICS related content on the e-learning portal available to stations. The Service's Joint Emergency Services Interoperability programme (JESIP) 3rd Edition Awareness online learning package was launched in September 2022 as an annual requirement and by 23 May 2023 had been completed by 96.7% of eligible staff.
- 5.11 Level 2 and 3 Commanders are revalidated every 2 years with 95% of the scenarios used based on an area or risk in Devon or Somerset. All Level 2 and 3 Incident Command Acquisition courses are Skills for Justice Accredited and aligned to National Operational Guidance. Level 2 and 3 Commanders also attend a multi-agency JESIP course every 3 years.
- 5.12 As the Service continues to work to align to National Operational Guidance, the new Level 4 ICS Acquisition course will be implemented in May 2023.
- 5.13 The Service has a physical fitness policy and four dedicated fitness advisors in post to support firefighters to attain and maintain the fitness standards that are required. Firefighters are also supported by three fitness advocates who provide an additional fitness role and are qualified to a minimum of a Level 2 gym instructor. A data management system is used to provide assurance that fitness requirements are being met, reviewed, and evaluated. Compliance data is reported to Strategic Safety Committee.

Over the Border Mutual Aid Arrangements

- 5.14 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.
- 5.15 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. The Service is currently working with the Partnership to review its mobilising system requirements.
- 5.16 An Information Governance Partnership Group meets regularly to review the governance procedures 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. The external system supplier is responsible for remediating any high-risk vulnerabilities. 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.
- 5.17 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. The Partnership is currently expanding the mobilising solution to include Kent Fire and Rescue Service formally including them as a fully functioning fourth partner fire and rescue service. The inclusion of Kent Fire and Rescue Service will expand the resilience of the current mobilising system and backups, as well as offer financial efficiencies.

Civil Contingencies

- 5.18 The Emergency Planning Team is the primary means through which the Service meets the Authority's obligations in the Civil Contingencies Act 2004 and elements of the Fire Services Act 2004.
- 5.19 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).

5.20 The Emergency Planning Team also works in close collaboration with the Service's National Interagency Liaison Officers (NILO) 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 Resilience

5.21 National Resilience comprises of several specialist capabilities, funded and assured by the Government via the Home Office. The Service hosts the following capabilities from a wide range of stations.

- Urban Search and Rescue (USAR).
- High Volume Pumping.
- Enhanced Logistics Support.
- Mass Decontamination.
- Marauding Terrorist Attack Specialist Response (MTA).
- Flood Rescue.

5.22 In line with the Joint Emergency Services Interoperability Principles, the 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.

5.23 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 and Exeter to help improve attendance times and casualty outcomes.

5.24 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.

5.25 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.

5.26 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.

Collaborative and Partnership Working

- 5.27 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.
- 5.28 Collaborative working continues to grow through 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 Authority Chair leads this meeting, supported by the Chief Fire Officer who manages the arrangements.
- 5.29 At a tactical level the Collaboration and On Call Support Team are key stakeholders at both the SWESC partnership and South-West Fire Sector working group. A dedicated police collaboration Sergeant is available to liaise with on joint initiatives with Devon & Cornwall Police.
- 5.30 The Service continues to share good practice and to scope areas of joint improvement. Community Responders (the dual role of a firefighter and special constable) are now permanent shared roles and are an example of innovative working where shared learning and comparison of benefits with other shared roles is undertaken.
- 5.31 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 is continuing to review training, procedures, and equipment, with the goal of improving clinical governance as well as improving efficiency and effectiveness. This work is being done collaboratively with South Western Ambulance Service and other fire and rescue service colleagues across the South-West Fire Sector, for both clinical governance and the co responding memorandum of understanding.
- 5.32 Through an arrangement known as Operation Braidwood, the Service also continued to support South Western Ambulance Service until the end of March 2023 by providing Firefighters to drive ambulances and support medical intervention.

Fleet, Equipment and Water Supplies

- 5.33 A Fleet and Equipment Strategy is in place and being refreshed for 2023-2028. This incorporates adherence to relevant legislation and the National Fire Chiefs Council Best Practice Manual for the maintenance of Fire Service Vehicles.
- 5.34 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 66,000 hydrant management and maintenance requirements.

Service Improvement and Assurance

- 5.35 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.
- 5.36 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.
- 5.37 A process has been developed to enable the effective management of identified learning and outcomes identified through:
- Operational monitoring and feedback.
 - Debriefing incidents and training exercises.
 - National and regional learning.
 - Audit and engagement with all key stakeholders within the Service.

6. People and Culture

- 6.1 The Service's People Strategy was due for review and refresh in 2022. An updated Strategy will need to be developed.
- 6.2 Corporate commitments to equality, diversity and inclusion are set out in the Community Risk Management Plan. 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 and it helps the Service to deliver better services and working practices as well as ensuring compliance with the Public Sector Equality Duty. It sits within a broader assessment, the People Impact Assessment. Besides equality impacts, this assessment also includes impacts on people in relation to wellbeing, data protection, health & safety and safeguarding.
- 6.3 The Employers Network for Equality & Inclusion benchmarked the Service against Talent, Inclusion, Diversity & Equality and awarded the Service a Silver Award in September 2022.

6.4 In September - October 2021 HMICFRS conducted its second-round full inspection of the Service, with the final report published in July 2022. HMICFRS's assessment of the people pillar remained the same as at the previous inspection, Requires Improvement. HMICFRS was satisfied that the Service had made enough progress for the cause of concern related to fitness testing of staff to be discharged. However, a new cause of concern was raised related to culture and behaviour. Whilst the report recognised the commitment of the Executive Board and senior leaders to address this concern, more work needed to be done. An action plan to address this concern was developed and submitted to HMICFRS by 31 August 2022. Progress in delivering this action plan is monitored by the Service's HMI Governance Board, Executive Board and by the Fire Authority with updates published as part of the Fire Authority papers.

6.5 Since September 2022 the following progress has been made:

- An Equality, Diversity and Inclusion Commission has been established, which includes representation from representative bodies, staff support groups and service leaders.
- All inappropriate material has been removed from Service premises.
- An eLearning package on Diversity and Inclusion has been completed by 96% of the workforce and is now a required annual assessment.
- Values, behaviours and ethics have been the subject of facilitated discussion sessions for middle managers and above, and for all staff via training presentations delivered within departments. In addition to this, new optional performance and conflict training for managers has been made available via the eLearning portal.
- Mandatory questions on bullying, harassment and discrimination have been added to Personal, Performance, Development Reviews.
- Work is ongoing to raise awareness of psychological safety with the aim to improve safety and wellbeing in the workforce, ensuring that individuals feel safe to learn, contribute and challenge. The 'It's ok, it's not ok' campaign which outlines appropriate and inappropriate behaviour has been rolled out and work continues to build capability in challenging unethical and inappropriate behaviour.
- A confidential reporting line has been established.
- Questions on culture and ethics are now included in the recruitment and selection processes and all standard Service presentation templates have a slide on values, expected behaviours and ethics.
- The Executive Board approved the business case to implement Freedom to Speak Up Guardians.
- Level 3 investigations are now investigated by an external body.
- Learning from other services around positive culture has been identified and discussed with the senior management team. A specific piece of work has also been undertaken to review the recommendations from the London Fire Brigade Independent Culture Review, the Independent review into the standards of behaviour and internal culture of the Metropolitan Police Service and HMICFRS's Values and culture in fire and rescue services report to identify themes, triangulate to the Service's Cause of Concern action plan and identify new actions for implementation.

Commitment to Health & Safety

6.6 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.

- 6.7 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 HSG65 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.
- 6.8 Procedures are in place to report all safety events, allocate an investigator and where required make recommendations for corrective action to be completed. The Health and Safety team operate a business partnering model with the Service Delivery Response Groups, liaising with Health and Safety Points of Contact. This approach supports proactive management of ongoing safety event investigations and wider safety management systems. In addition, raising awareness of positive safety culture is delivered during Watch Manager, Station Manager and Group Manager development sessions.
- 6.9 Significant improvements to the critical messaging process have been made with greater assurance now available that staff read and understand risk critical messages and apply the required changes.
- 6.10 Systems for monitoring the effectiveness of the Service's Health and Safety Management procedures are in place; this includes the following proactive and reactive monitoring:
- air sampling on station of diesel engine exhaust emissions;
 - legionella testing;
 - provision of accident and near miss incident data to the Strategic Safety Committee;
 - annual completion of premises Health, Safety and Welfare Assessment Report Forms;
 - annual review of fire risk assessments for Service premises; and
 - a means to fully audit the Service's Health and Safety management systems.
- 6.11 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.
- 6.12 The Authority's 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.
- 6.13 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.

- 6.14 An independent review of the Service's safety management system, compliance, safety culture, and health and safety resource and structure has been completed. Generally, the Service's Safety Management System was found to be broadly compliant to ISO45001 (an international standard for health and safety at work) and to Managing for Health and Safety (HSG65); recommendations were made to improve existing systems. The findings of the safety culture survey have been triangulated with the HMICFRS Cause of Concern action plan to identify additional actions required. The Health & Safety team structure is currently being reviewed. These recommendations and actions identified will be progressed through 2023-24.
- 6.15 Close monitoring of risk assessments has been established to ensure that the Service has relevant risk assessments that are suitable and sufficient. Work is underway to align the operational risk assessments with National Operational Guidance. This work will reduce the number of risk assessments by linking them to operational scenarios.
- 6.16 In June 2022, occupational exposure as a firefighter was classified as "carcinogenic to humans" (Lancet, 2022). This classification followed a 2020 report by the University of Central Lancashire (UCLan) which aimed to investigate rates of cancer and other diseases in UK firefighters; understand the long-term health effects of fire contaminants; and find ways to reduce exposure to contaminants in fire and rescue service work. In February 2023, the Service established a Contaminants working group, who are now working to develop and embed appropriate solutions to address the recommendations made by UCLan. Progress will be monitored by Portfolio Board and Strategic Safety Committee.

6 Governance

- 7.1 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.
- 7.2 The Authority's governance arrangements have the following key elements:
- (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 2022-23 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, the Authority has appointed two "independent persons" as part of its arrangements for dealing with standards issues in accordance with the requirements of the Localism Act 2011 and recommendations made by the Committee on Standards in Public Life following its review of local government ethical standards.

- (3) The following governance structure operated during this reporting period:
- 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 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.
- (6) The Audit & Governance Committee operates in accordance with CIPFA's Position Statement: Audit Committees in Local Authorities and Police 2022. At its meeting on 26 September 2022, [the Authority approved the appointment of two independent co-opted members to the Committee](#) in accordance with the revised position statement on audit committees published by CIPFA in July 2022. The two independent co-opted members join the Committee in April 2023.
- (7) The Audit & Governance Committee provides an additional level of review and scrutiny of the Authority's internal and external audit arrangements, corporate governance and risk arrangements and financial statements. 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.
- (8) 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
- (9) 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.
- (10) Compliance with the seven principles of public life (the Nolan principles) form part of and underpin the Member Code of Conduct which the Authority is required to have by virtue of the Localism Act 2011. Service Officers are guided by the Service values and also the National Fire Chief Council’s Code of Ethics
- (11) 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”.
- (12) 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.
- (13) 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](#); and the [Community Risk Management Plan](#). An administrative oversight meant that the draft Reserves Strategy for 2022-23 was not presented to Resources Committee or subsequently published.
- (14) 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.

- (15) To meet the requirements of the regulations, the draft Statement of Accounts is published by the end of September with the final audited Statement of Accounts published once the audit process has been completed.
- (16) The 2022-23 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 for the 2022-23 financial year.
- (17) The Service's overall efficiency rating was Good in the 2022 HMICFRS report. The Service was assessed as being Good at making best use of its resources and requires improvement at making the service affordable now and in the future.
- (18) On 23rd October 2020, the Authority supported the declaration of a Climate Emergency and agreed the Environmental Strategy. The Service has a green goal to be carbon net zero by 2030 and carbon positive by 2050. The Service's carbon footprint (scope 1 and 2 and an expanded scope 3) have been developed and are reported in the statement of accounts.
- (19) The Service's environmental action plan has been aligned to ISO14001 and commitment to the Emergency Services Environmental and Sustainability Charter. A Strategic Environmental Board has been established, an environmental policy and procedures have been published and the Service is maintaining and updating its environmental legislation and aspects register. An e-learning module on Environmental Matters has been launched for all staff.
- (20) The Corporate Procurement Manager is responsible for review of all third-party expenditure and ensuring that the Service processes conform to UK Regulations and that the placement of new contracts or the use of existing contracts, is in line with legal obligations, including but not limited to the Public Contracts Regulations 2015, the Public Services (Social Value) Act 2012, the Modern Slavery Act 2015 and transparency commitments. The Procurement Team reviews third party expenditure and manages contracts above £20,000 in value.
- (21) The Procurement Team is actively engaged in wider collaborative national and local procurement initiatives. On behalf of the National Fire Chiefs Council and the fire sector, the Procurement team have completed the procurement process for the National Fire Chiefs Council's Emergency Response Vehicles framework. The team is also responsible for ongoing contract management of the National Fire Chiefs Council's Respiratory Protective Framework.
- (22) The Authority has a range of policies and procedures in place that govern its commercial activities – specifically, its approach to purchasing decisions and income generating activities within the context of its corporate social responsibilities and risk management. These policies and procedures include Financial Regulations; Contract Standing Orders; a Treasury Management Policy; a Capital Strategy; a Scheme of Delegations to Officers and a Disposal policy.

- (23) Red One Ltd. was established in 2012 to allow the Authority to deliver commercial activities within the legislative framework that applies. This is a standalone company that manages its own affairs whilst reporting to the single shareholder, the Fire Authority. It is not managed by the Service.
- (24) The Authority has taken legal advice to ensure compliance with legislative requirements and to ensure effective governance arrangements for Red One Ltd., 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. In June 2022 the Authority commissioned a revised governance review which will assess the degree of conformity to CIPFA's best practice guide on Local Authority owned companies and make recommendations on weaknesses; this review is in progress.
- (25) The Authority's Audit & Governance Committee consider risks and, where necessary, audit concerns raised in relation to Red One Ltd., whilst the Resources Committee monitors financial performance on a quarterly basis.
- (26) Project and programme arrangements are in place to ensure robust decision making for change activity. These arrangements include use of the HM Treasury Five Case model and monthly programme and portfolio boards with associated highlight reports to commission, initiate and manage projects. The Service is also in the process of determining a high-level target state that it will actively work towards over the next five years. This will allow any changes to be viewed in line with the longer term vision and aspirations of the Service. The Service also recognises that some change activity remains outside of this process and is reviewing lessons learned to improve the alignment of the management within the programme and project governance and that within business as usual activity.
- (27) 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.
- (28) 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.
- (29) 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, with cross reference to the national risk register where relevant. Horizon scanning supports deep dive risk identification and assessment. The corporate risk register is presented to the Audit & Governance committee every six months.

- (30) The introduction of the SharpCloud software solution has facilitated greatly enhanced risk visualisation which has led to greater engagement across the Service in the effective management of risk. The use of SharpCloud has also significantly reduced labour intensive processes allowing more effective use of time in meeting with risk owners quarterly.
- (31) 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 sixth 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, or as is the case in 2022-23, returned to members.
- (32) The Authority has a statutory responsibility to conduct business continuity as mandated in The Civil Contingencies Act 2004. The strategic business continuity policy sets out the corporate business continuity management structure and goals for business continuity assessment, training and exercising. The business continuity framework details how the Service will respond to specific disruptions. 36 tactical business continuity plans ensure that the Service is prepared for a range of threats and challenges. 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). 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.
- (33) The Protective Security Group provides strategic oversight of the Service's approach to security of information, people and physical assets, aligned to the HMG Security Policy Framework.
- (34) The Information Assurance Team restructured into an Information Governance function in May 2022 and now oversees three specialist disciplines: Information Security, Information Compliance and Records Management.
- (35) Processes are in place to respond to Subject Access Requests and Freedom of Information requests. 85% of Subject Access Requests received were processed within the legislative timescale. Excluding the Freedom of Information requests that were withdrawn or declined, 93% were processed within the legislative timescale.
- (36) 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 and minutes (other than those where a statutory exemption for publication applies).

The Service demonstrates compliance with this and other information legislation on the Service's [website](#).

- (37) A robust governance framework has been implemented to manage oversight of delivery of the action plan to address the findings of the HMICFRS inspection report and Cause of Concern. This includes an HMI Governance Board which reports to Executive Board.
- (38) Complaints or concerns about the Service received from a member of the public are managed in accordance with the Complaints policy. Where appropriate, complaints will be resolved informally as a concern. If the complainant is either not happy with the local resolution or if the complaint needs further investigation, it will be processed as a formal complaint. During 2022-23 the Service received 49 complaints and concerns. Of these, 13 were handled under the complaint process, 25 were successfully resolved as concerns and 11 were out of scope (such as civil, HR process or a police matter). Of the 13 complaints, six were dismissed, three have been partially upheld, three were unable to progress and one has been upheld. Numbers, themes and outcomes of complaints are monitored on dashboards which are regularly shared with the senior management team.
- (39) The Service has received two Whistleblowing alerts during 2022-23, neither of which was upheld.
- (40) The Authority participates in the biennial National Fraud Initiative; a review of the 2022 data matches is underway.
- (41) The Authority has a process for internal auditing. The 2022-23 Internal Audit Plan set 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. On 1 October 2022, the Authority became a member of Devon Audit Partnership as a full, voting partner meaning that they are now solely responsible for delivery of the internal audit plan. Devon Audit Partnership conforms to the governance requirements of the CIPFA Statement on the Role of the Head of Internal Audit in public service organisations.

- (42) The internal audit plan is subject to regular review to ensure that it is prioritised according to corporate risk. Delivery of the plan is reported to the Executive Board and to the Audit & Governance Committee at scheduled meetings throughout the year.
- (43) Agreed management actions designed to address the recommendations made by Internal Audit are monitored through the Service's assurance tracking process. The tracking process is in the process of being improved to pull actions from different sources into one point of access. The aim of this is to increase visibility of actions for lead managers and therefore efficiency and engagement in addressing them.
- (44) Based on the completed audit work, the Head of Internal Audit's opinion on the adequacy and effectiveness of the Authority's internal control framework in 2022-23 is one of 'Limited Assurance'. This means that significant gaps, weaknesses or non-compliance were identified across the organisation. Improvement is required to the system of governance, risk management and control to effectively manage risks and ensure that strategic and operational objectives can be achieved. The auditors noted that work is already underway to address issues identified and therefore has the potential to positively impact the Opinion in 2023-24.

8 Future Improvements

8.1 The following areas for improvement remain the Service's key areas of focus throughout 2023-24:

- Further improving the organisational culture; this is the subject of the separate HMICFRS Cause of Concern Action Plan.
- Implementation of an Information Governance Framework that incorporates records management principles.
- Implementation of a more effective approach to information governance.
- Implementation of effective policy management.
- 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.
- Aligning resources to risk and prioritising prevention and protection activity.
- Improving the Service's processes and systems for the management of assets.
- Responding to the requirements of the Environmental Act 2021 and other environmental legislation and working to achieve plans to be carbon neutral by 2030 and carbon positive by 2050.

- Ensuring that the Service 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.
- Ensuring the financial sustainability of the Service.
- Development of a refreshed People Strategy.
- Determine the future direction for digital services in consultation with the Fire Authority.

9 Conclusion

- 9.1 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.
- 9.2 The Authority's assurance arrangements have identified some areas for improvement in its governance, finance, and operational arrangements. The Authority is satisfied that the issues identified are appropriate and that steps are already in place to address them. The Audit & Governance Committee will receive updates on the implementation of the improvement areas set out in this document annually, through the updated action plan attached in Appendix A to this report. Where limited assurance internal audit reports have been received, updates on progress in delivery of these recommendations will be made via an annual report in November 2023 to Audit & Governance Committee. Internal Audit will also be tasked with focused follow up work in these areas where appropriate.

CHIEF FIRE OFFICER

**CHAIR, AUDIT AND GOVERNANCE
COMMITTEE**

APPENDIX A TO REPORT – ACTION PLAN

Identified Issue	Action Needed	Lead Officer	Update	Status
<p>Information Governance Framework An Information Governance (IG) Framework that incorporates records management principles needs to be implemented across the Service.</p>	<ul style="list-style-type: none"> Develop new role profiles to ensure that the IG Team is structured to support delivery of the IG Framework. Undertake selection processes to appoint staff into new roles and develop individual development plans to achieve full competency in new roles. Develop and implement the IG Framework. 	Head of Data, Digital & Technology	<p>The IG Team restructured in May 2022. New roles are in place including Information Security Manager, Records Manager, Information Governance Officer and Information Governance Manager and Data Protection Officer. Informal development plans are in progress.</p> <p>The Information Governance Strategy and Framework remains to be developed.</p>	<p>Complete</p> <p>Carry forward to 2023-4</p>
<p>Information governance 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>	<ul style="list-style-type: none"> 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. 	Head of Data, Digital & Technology	<p>A structural and strategic review of how the Service has implemented MS365 to date is being commissioned. Whilst this review is completed, implementation of retention policies within SharePoint and Teams is on hold. A data classification pilot test is in place to consider the content and value of the information held in emails and documents and this aligns to the Government classification scheme.</p>	Carry forward to 2023-24
<p>Service Policy Management Improvements are required to ensure that the Service has an effective policy framework, effective document lifecycle</p>	<p>As part of the Microsoft 365 rollout:</p> <ul style="list-style-type: none"> Deliver new policy template repository with automated document management 	Head of Data, Digital & Technology	<p>The Policy Management System was accepted into Service in April 2022. Work continues to transition policies onto the new templates.</p>	Carry forward to 2023-24

Identified Issue	Action Needed	Lead Officer	Update	Status
<p>management and compliance with the latest accessibility standards.</p>	<p>information reporting on the policy lifecycle.</p> <ul style="list-style-type: none"> • Enable automatic publication of policies to the website to decrease the Freedom of Information (FOI) response burden. • Implement an improved mechanism to store documents to enable easier location by employees. 		<p>A performance dashboard of policies and procedures is in development.</p> <p>A review of which policies are open under the FOI is outstanding.</p>	
<p>Planning, Performance and Continuous Improvement 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.</p>	<p>Area Manager Corporate Planning, Analysis and Strategic Business Change</p>	<p>Planning and performance framework currently being reviewed to identify an appropriate model to take forwards.</p>	<p>Carry forward to 2023-24</p>
<p>Data integrity Work has commenced to redesign the performance framework and to implement 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,</p>	<ul style="list-style-type: none"> • Map the data requirements for the Service and where these are held. • Agree data owners. • Develop automated reporting. 	<p>Area Manager Corporate Planning, Analysis and Strategic Business Change</p>	<p>Data mapping has started and is ongoing.</p> <p>Data is being reviewed in terms of what is captured and how, and cleansed, as it is migrated from old to new systems.</p> <p>Key Performance Indicators (and the data underpinning them) aligned to the four service priorities are being developed.</p> <p>The internal HMI team, Strategic Analysis Team and Information and Data Exploitation Team have significantly improved the quality of data reported</p>	<p>Carry forward to 2023-24</p>

Identified Issue	Action Needed	Lead Officer	Update	Status
<p>accurate records; enable the exploitation of external data sources, particularly in relation to location and premises data; and ensure consistency in reporting information.</p>			<p>externally and worked to ensure that internal data reporting aligns to the data reported externally.</p>	
<p>Aligning resources to risk and prioritising prevention and protection activity. 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 being able to respond when emergencies do happen.</p>	<ul style="list-style-type: none"> Review the Community Safety Plan to ensure that the most vulnerable communities are being prioritised through our prevention work. Review the Service Delivery strategic plan to ensure that resources are deployed to support efficiency and effectiveness of all response, prevention and protection activity. 	<p>Area Manager Service Delivery - Community Safety / Ops Risk</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. Based upon the recommendations of an external review, a revised approach is being adopted to improve the management of home fire safety visits until the Service is able to implement a new ICT system in 12-18 months' time. In addition, in order to allow the backlog of referrals for home fire safety checks to be addressed, the triage definitions are currently being reviewed and a proposal developed to more effectively manage the volume of referrals being received from external partners. This will allow the Service to identify and focus its resource on the most vulnerable and high risk members of the community.</p>	<p>Carry forward to 2023-24</p>

Identified Issue	Action Needed	Lead Officer	Update	Status
			The Service Delivery Strategic Plan is currently being reviewed.	Carry forward to 2023-24
<p>Integrated Service Asset Register (Fleet and Operational Equipment) 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.</p>	<ul style="list-style-type: none"> Implement Phase 2 of the asset management implementation project. 	Head of Fleet, Equipment and Procurement	Phase 2 (equipment) is in progress and the project is planned to complete in 2023-24.	Carry forward to 2023-24
<p>Further improving our Efficiency, Effectiveness and People arrangements. 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"> 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. People: Further to the external review of Human Resources and Organisational Development, identify key priorities and 	Director of Finance & Corporate Services	<p>The planning and performance framework is currently being reviewed to identify an appropriate model to take forwards.</p> <p>Work continues to fully establish the HR business partner model. Further work is required to address gaps in managers' knowledge and confidence which will feed into leadership development programmes.</p> <p>As part of the Safe To approach we have been embedding the principles of</p>	Carry forward to 2023-24

Identified Issue	Action Needed	Lead Officer	Update	Status
	<p>implement an improvement plan.</p> <ul style="list-style-type: none"> • 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 		<p>psychological safety and the link to personal safety through our Values, Ethics and Behaviours training package. This mandatory training is providing staff with the expectations of behaviour and encouraging discussions on this topic, supporting all staff to question and learn whilst creating a positive culture that is representative of the modern fire and rescue service. The broader programme to improve the Service's culture is captured within the HMICFRS Cause of Concern Action Plan.</p>	
<p>Environmental Strategy 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"> • Reducing electricity and gas consumption. • Introduction of vehicle telematics. • Alternatively fuelled vehicles and electric charging points. <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>	<p>Head of Fleet, Equipment and Procurement.</p>	<p>Work continues to deliver the environmental action plan. Achievements to date include:</p> <ul style="list-style-type: none"> • Introduction of telematics for light/support vehicles. • Annual Reporting of Carbon footprint included in statement of accounts. • eLearning on environmental matters launched for staff. • Environmental policy and procedures published. • Environmental Strategic Board established. 	<p>Carry forward to 2023-24</p>

Identified Issue	Action Needed	Lead Officer	Update	Status
<p>Health and Safety 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>	<p>Strategic health and safety improvement plan to be developed and implemented.</p>	<p>Head of Organisation Assurance</p>	<p>An independent (external) review of the Service's safety management system, compliance, safety culture, and health and safety resource and structure has been completed. The recommendations and action identified through this work will be progressed through 2023-24.</p>	<p>Carry forward to 2023-24</p>
<p>Improving diversity across the Service including operational management and senior roles. 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>	<p>Implement positive action such as direct entry (an NFCC project) supported by the 'Our Time' sponsorship programme.</p>	<p>Head of People Services</p>	<p>Direct Entry is still being developed through NFCC and the Service provides input/expertise in relation to that. Positive Action activities are always being considered and used wherever an opportunity is identified. The Service continues to facilitate a sponsorship programme for women called 'Our Time'. These activities are now considered to be business as usual.</p>	<p>Complete</p>
<p>Ensuring the financial sustainability of the Service. There is a need to ensure that the Service designs and implements a service delivery model and supporting</p>	<p>Implement the Target Operating Model and ensure that the underpinning plans meet the medium-term financial plan.</p>	<p>Chief Fire Officer</p>		<p>New action</p>

Identified Issue	Action Needed	Lead Officer	Update	Status
infrastructure that is affordable and meets the needs of the communities that it serves.				
<p>People Strategy There is a need to develop a refreshed People Strategy that is designed in collaboration with the workforce in line with the requirements of the Fire and Rescue National Framework for England 2018.</p>	People Strategy to be developed.	Head of People Services		New action
<p>Data, Digital & Technology The Service needs to determine the future direction for digital services in consultation with the Fire Authority.</p>	<p>Determine permanent leadership structure for the department.</p> <p>Develop the business case which will explore the possible delivery models for digital services for presentation to the Fire Authority.</p>	Director of Finance & Corporate Services		New action

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Agenda Item 8

REPORT REFERENCE NO.	AGC/23/12
MEETING	AUDIT & GOVERNANCE COMMITTEE
DATE OF MEETING	21 JULY 2023
SUBJECT OF REPORT	CORPORATE RISK REGISTER
LEAD OFFICER	DIRECTOR OF FINANCE AND CORPORATE SERVICES (TREASURER)
RECOMMENDATIONS	<i>That the report be noted.</i>
EXECUTIVE SUMMARY	<p>Managing risks, both operational and strategic, is an important part of ensuring that the resources of Devon and Somerset Fire and Rescue Service are used to best advantage. Risk is inherent in most things that the Service does and much of its activity is already assessed and managed through the application of the operational risk management procedures and good common sense.</p> <p>The Corporate Risk Register sets out risks and mitigation to ensure that risk is managed appropriately and proportionately.</p>
RESOURCE IMPLICATIONS	Nil.
EQUALITY RISKS AND BENEFITS ASSESSMENT (ERBA)	Not applicable.
APPENDICES	<p>A – Risk management framework</p> <p>B - Sharpcloud risk register view V56</p>
LIST OF BACKGROUND PAPERS	<p>AGC 29 November 2022 (Minute AGC/22/12 refers) – Corporate Risk Register</p> <p>AGC 7 March 2022 (Minute AGC/21/19 refers) – Corporate Risk Register</p>

1. **INTRODUCTION**

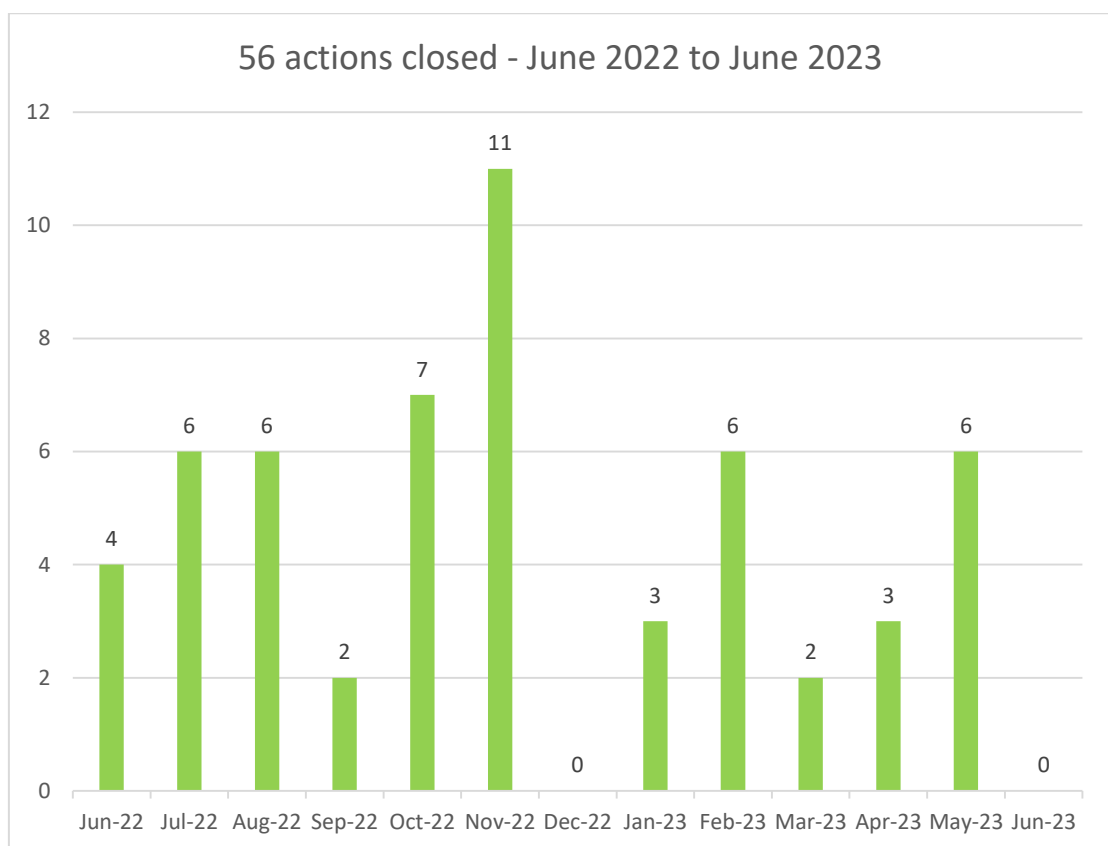
- 1.1 The aims of Risk Management for the Devon & Somerset Fire & Rescue Service (hereinafter referred to as “the Service”) are to:
- Protect the assets of the Service;
 - Ensure service continuity; and
 - Facilitate innovation and opportunity.
- 1.2 Risk management does not mean risk avoidance. It is about encouraging officers and managers to identify, understand and control risk and to learn how to accept the right level of risk.

2. **CORPORATE RISK REGISTER**

- 2.1 The corporate risk register captures and describes the Service’s most significant risks, with a focus on cross-cutting risks and major projects. It is formally reviewed and refreshed on a regular cycle. In order to embed the Service’s approach to managing strategic and operational risks, risk management is integrated within the planning process so that it is part of direction setting, activity and resource planning and activity monitoring.
- 2.2 Risk management is the process by which risks are identified, assessed, recorded, mitigated and reviewed. A risk is the threat that an event or action will adversely affect the ability to achieve our objectives. This Risk Management Framework sets out responsibilities for the management of risk and seeks to ensure that key risks to the achievement of the Service’s objectives are understood, reported and appropriately mitigated. It is important to recognise that an effective risk management framework is as much a way of thinking as it is a process or system as illustrated in Appendix A.
- 2.3 The process includes the identification, assessment and recording of risks and mitigating activities which is incorporated into annual service plans. The final stage of the process, once risks have been reviewed by risk owners and directors, is for the Audit & Governance Committee (the Committee) to note the contents of this report.
- 2.4 The Service risk profile has changed since the last report. The corporate risk register entries total sixteen risks with four risks escalated from local risk registers, two de-escalated to local and thematic risk registers and no risks closed. One of the four risks escalated was added to the corporate risk register. The register is reviewed monthly by the Service’s Executive Board dependent on net risk score with high risks reviewed monthly and medium risks quarterly.

2.5 Risk sources are both internal and external to Service activities, therefore establishing categories for risks provides a mechanism for collecting and organising risks as well as ensuring appropriate scrutiny and management attention for those risks that can have more serious consequences to meeting objectives. Risk categories consolidate risks into a two dimensional view, strategic process and directorate; either may exist in a single directorate or cut across multiple directorates. Service corporate risks are aligned to HM Treasury Orange Book (2020) risk categories. Failure to manage risks in any of these categories may lead to financial, reputational, legal, regulatory, safety, security, environmental, employee, customer and operational consequences. The table in Appendix B provides clarification on the high and medium corporate risks.

2.6 Over the last twelve months 56 actions have been closed. The graph below illustrates actions closed per month.



2.7 As is normal, there have been minor changes to control measures across the risk portfolio. Risk owners are assigned to each risk with active mitigation in place. All risk register owners have reviewed and updated their risk mitigations and agreed new review dates. Overall, the Service’s Executive Board is duly satisfied with the adequacy of the risk mitigation progress.

3. CORPORATE RISKS ADDED AND AMENDED SINCE THE LAST REPORT TO THE COMMITTEE

3.1 Executive Board considered the following risks and made decisions on appropriate risk register inclusion:

- December 2022 CR050b Failure to agree actions to set a balanced budget in future years, further exacerbated by reduced council tax and business rates and inflation. Agreed to combine risk into existing corporate risk CR050, refer to section 3.2.;
- March 2023 CR082 Inability to maintain Academy training facilities. Agreed to add risk to Academy risk register;
- March 2023 CR083 Failure to operate Safeguarding effectively. Agreed to add risk to Community Safety risk register;
- May 2023 CR084 Digital capability at risk due to lack of clarity of future Digital direction. Agreed to add risk to corporate risk register; and

3.2 Executive Board agreed to amend the following risks on the corporate risk register:

- December 2022 CR077 Industrial action, including withdrawal from voluntary arrangements to do non contractual working, December 2022 increased likelihood score from 3 to 4 due to FBU ballot 5 December 2022; and
- March 2023 CR050 Failure to agree actions to set a balanced budget in future years, further exacerbated by reduced council tax and business rates and inflation; impact score increased from 3 to 5 thereby increasing risk level from medium to high due to budget pressures associated with 2024/25 financial year and beyond.

4. RISKS DELEGATED TO LOCAL RISK REGISTER

4.1 The following two risks have been delegated to local risk registers now that they have been mitigated within a tolerable risk level.

- December 2022 CR066 Failure to adequately plan and implement recruitment and promotion processes was delegated to Human Resources risk register;
 - Recruitment and promotion processes established and being managed as business as usual.
 - Four actions completed
 - External recruitment process.
 - Workforce planning reports.
 - Strategic workforce planning profile.
 - Formalised sustainable leadership structure.

- March 2023 CR077 Industrial action, including withdrawal from voluntary arrangements to do non contractual working, was delegated to Service Delivery risk register.
 - The Fire Brigades Union's (FBU) postponed industrial action following the National Joint Council's (NJC) new offer of a 7% increase for 2022/23 (backdated to July 2022), and 5% for 2023/24. The previous offer was 5% for 2022/23. The FBU voted by 96% and accepted the revised pay offer on 6 March 2023.
 - The pay award has been funded out of the Service budget as there was no indication that the government would be providing additional funds to support this.

5. **RISK HORIZON SCAN REPORTS**

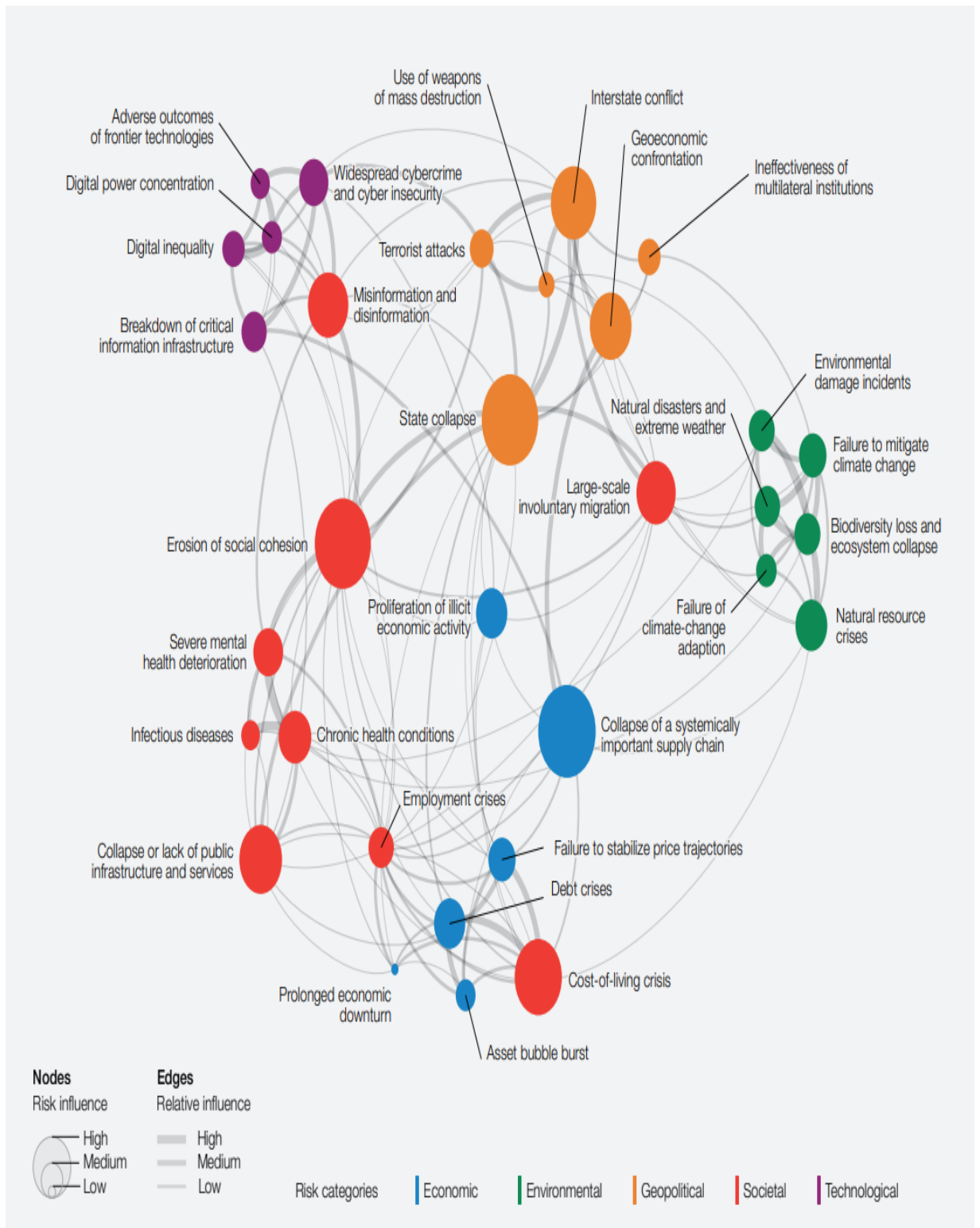
- 5.1 The concept of horizon scanning aims to detect early warning signs of emerging risk to prompt the Service to make decisions to act when needed.
- 5.2 Many different external reports are used to compile a forward look, one being the UK Government Horizon Scan methodology. This recommends that everyone in the public sector has a responsibility to think about the future in the work they do. Decisions made today have long term consequences. However, the future in which these decisions have an impact is uncertain and making decisions is difficult.
- 5.3 The horizon scan report aims to illustrate how strategic issues can change over time and the benefits that horizon scanning considerations can bring. The topics discussed relate to short term, medium term and long term risks.
- 5.4 Quarterly reports offer general horizon scan updates with a deeper dive that explores specific topics such as how citizen data might change and to help decision makers form strategies that are resilient to future uncertainties.
- 5.5 An important element of horizon scanning, which sets it apart from risk assessment, is that it considers information which cannot normally be sourced from within the Service. Emerging risks, by their nature are varied, difficult to identify and quantify. They can have a detrimental impact on the Service's ability to deliver future prevention, protection and rescue activities to communities so it is important to recognise them as early as possible.
- 5.6 Over the last six months. Executive Board and Service Leadership team (ELT) met twice to consider future key risks, milestones and changes. The outputs inform corporate risk register, reports and planning. The latest session was held on 17 May 2023 and focused on topic noted below;
- Use of artificial intelligence within the workplace. Decision made to research the topic and make recommendations on how the Service can make best use of artificial intelligence with an appropriate governance framework.

5.7 Horizon scanning sessions use different sources of information and the illustrations below are from the World Economic Forum Global Risk Report 2023, ranking risks by severity and risk categories over the short and medium terms. The report is underpinned by an annual risk perceptions survey that brings together insights from over 1,200 risk professionals and data from across the globe.¹



5.8 The next illustration is a global risk landscape interconnections map. Assessing the potential impact of relationships between global risks can help the Service anticipate potential connections directing preparedness measures towards minimising the scale and scope of risks before they arise.²

¹ [Global Risks Report 2023 | World Economic Forum | World Economic Forum \(weforum.org\)](https://www.weforum.org/reports/global-risks-report-2023)
² [Global Risks Report 2023 | World Economic Forum | World Economic Forum \(weforum.org\)](https://www.weforum.org/reports/global-risks-report-2023)



5.9 Last year Aon prediction of risks 2022 until 2024 indicates that cyber-attack / data breach is expected to remain on corporate risk registers, followed by economic slowdown and scarcity of materials. Leaders anticipate the rapid pace of change will bring about changing internal and citizen risk profiles and behaviours, changing the way we work, gaining greater insights for data.³

³ [9. Increasing Competition - 2021 Global Risk Management Survey \(aon.com\)](https://www.aon.com/global-risk-management-survey)

Top 10 Risks in the Next 3 Years

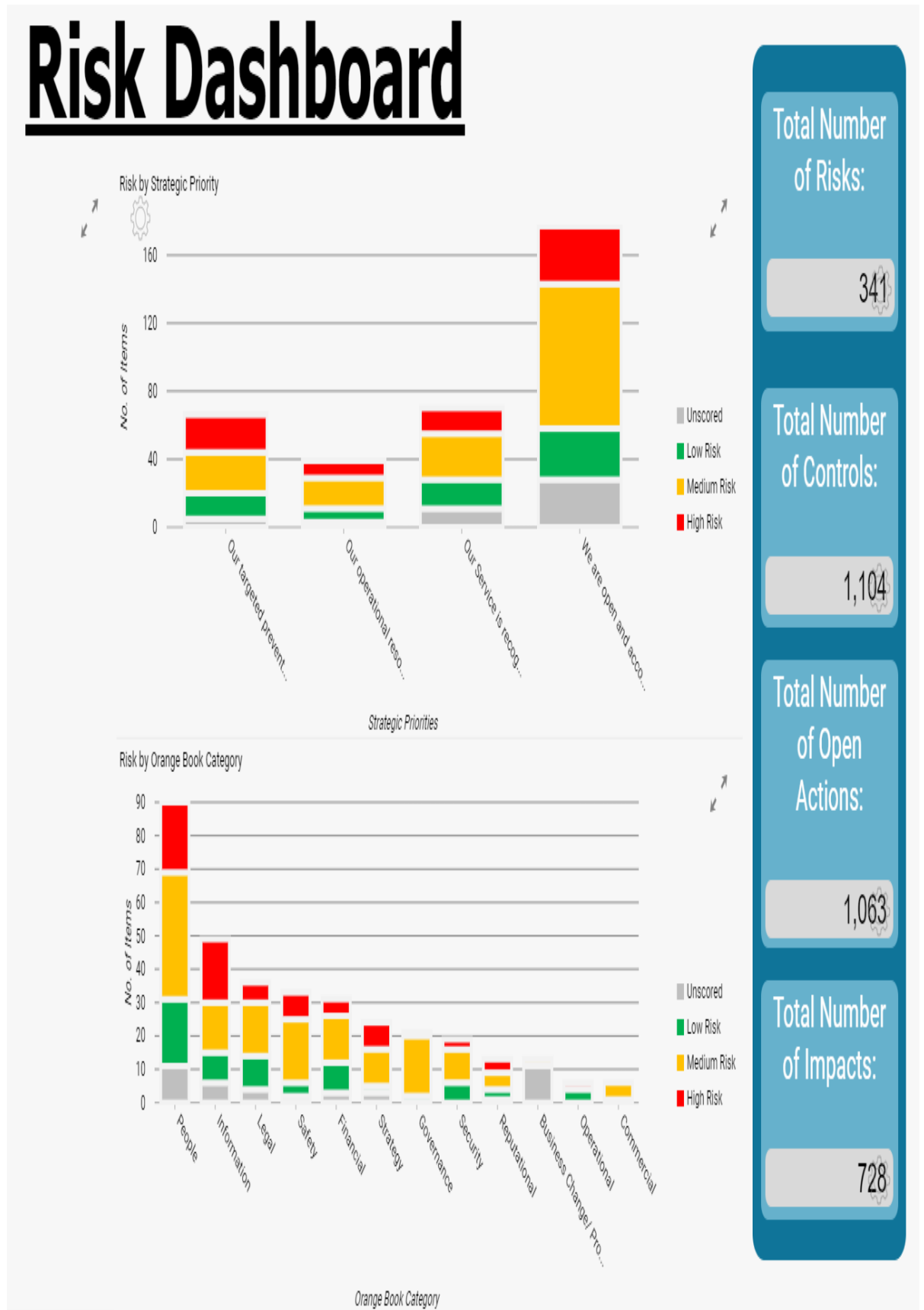


6. **RISK DASHBOARD**

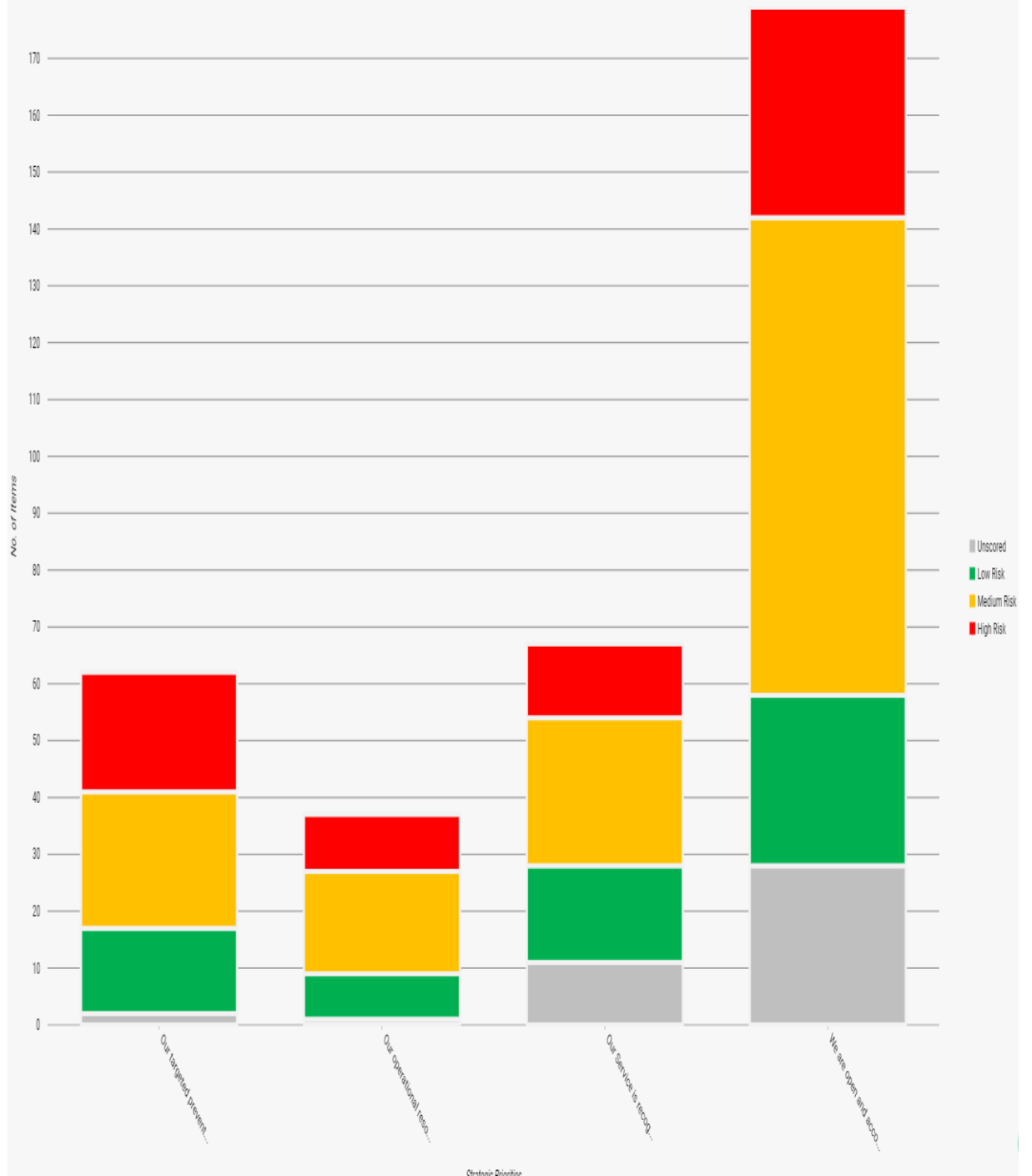
- 6.1 Following the Audit and Governance Committee meeting, 29 November 2022, the Risk and Insurance team were tasked to research and develop a risk dashboard. The objective of this work was to create a product that would facilitate the strategic overview of all current risks recorded, within the Service's suite of risk registers.
- 6.2 The risk dashboard was presented to Service Leadership Team on 29 March 2023. Initial feedback was positive and several areas for improvement were agreed.
- 6.3 As part of this work, all risks identified have been assessed against the relevant Service priority, objectives and HM Treasury Orange Book risk category on which they impact.
- 6.4 This assessment was conducted initially by a member of the risk and insurance team and will form the basis of further scrutiny by the risk owners in subsequent risk review meetings.

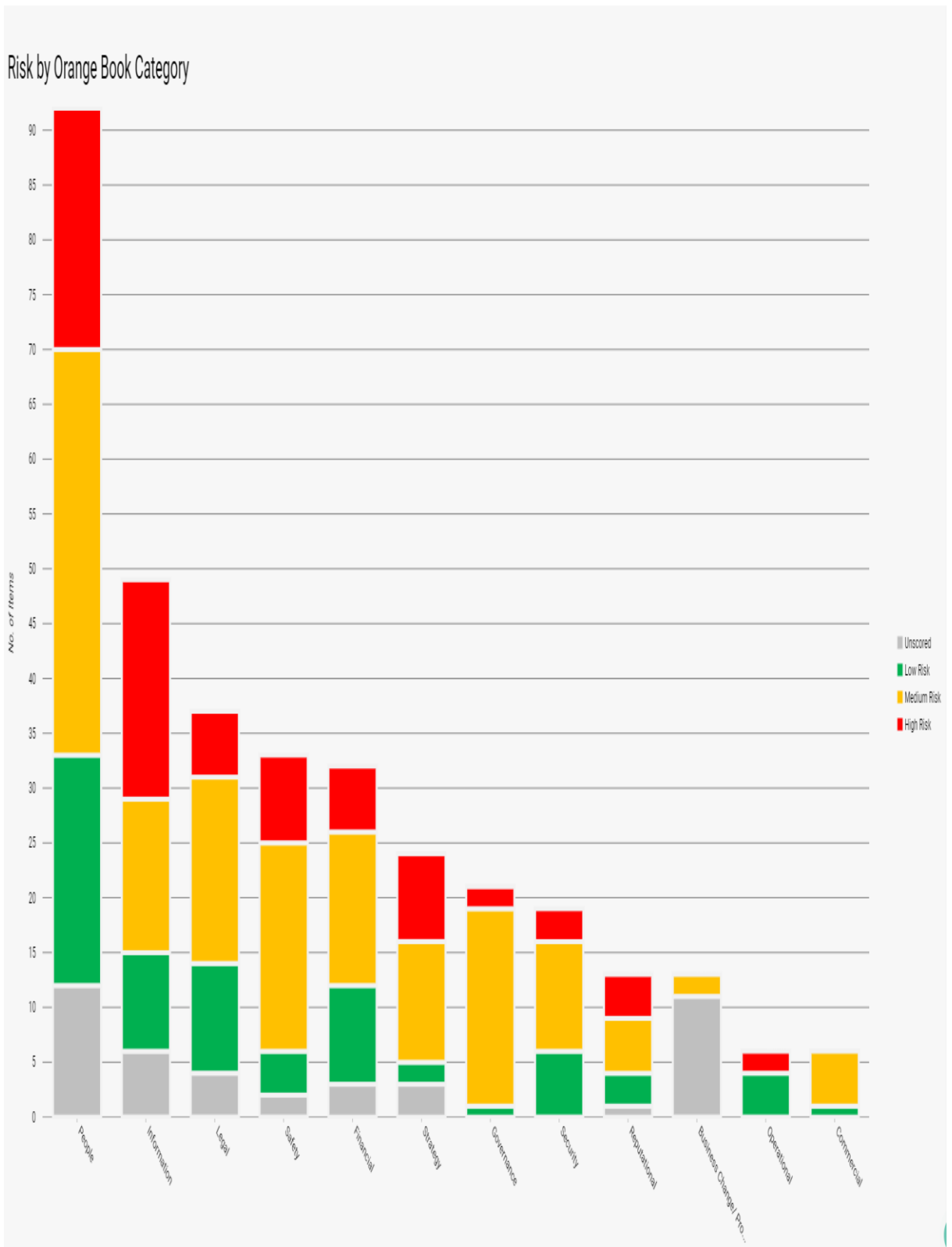
6.5

The following view shows the number of risks allocated to each of the Service's four priorities, objectives and risk categories by risk score.



Risk by Strategic Priority





7. HEALTH AND SAFETY THEMATIC RISK REGISTER

7.1. On the corporate risk register there are five health and safety corporate risks. Executive Board decided on 10 August 2021 to set up a thematic health and safety risk register to focus on health, safety and wellbeing risks with a wider stakeholder group.

- 7.2. The strategic health and safety thematic risk register workshop is chaired by ACFO Taylor, reviewed quarterly by Health and Safety stakeholders, including representative bodies, and quarterly by Strategic Safety Committee which is chaired by a member of the Executive Board. The risks are owned by Service Leadership team leads, and managers are the control and action owners.

8. BUSINESS CONTINUITY

- 8.1 Since the previous report, strategic and tactical debrief sessions have been completed and lessons learnt captured. Business continuity planning continues to ensure the Service complies with the Civil Contingences Act 2004 (CCA) that places a duty upon the Service as a category one responder, to ensure that activities are maintained to deliver core services in adverse conditions.
- 8.2 On the 25 June 2023, the 999 call system experienced a national outage affecting Police and Fire and Rescue Services. BT reverted to a call back system, however, it was unable to determine the call location or number. The 999 system became available later the same day. Initial learning points were identified.

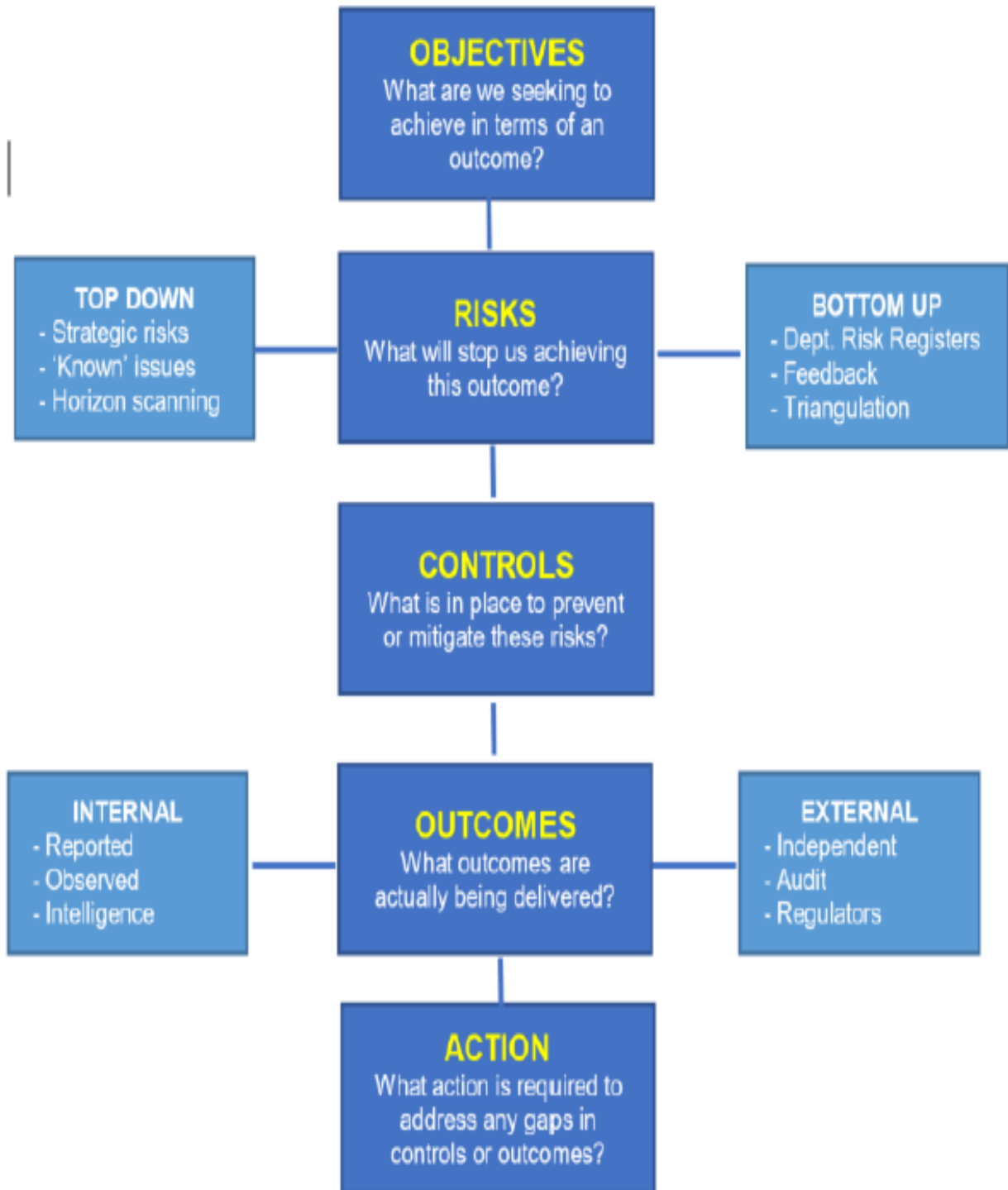
9. NEXT STEPS

- 9.1 The Corporate Risk Register will continue to be subject to monthly review by the Service's Executive Board. The next formal review of the Corporate Risk Register by the Committee is due to take place in six months' time.

SHAYNE SCOTT

Director of Finance and Corporate Services (Treasurer)

RISK MANAGEMENT FRAMEWORK



Corporate Risk Register V56 11 July 2023

V56 Corporate Risk Register – border colour indicates net risk score – 16 corporate risks:

- 7 x high risks. Increase of 2 from previous report November 2022.

CR050 Failure to agree actions to set a balanced budget in 24/25 and beyond, further exacerbated by reduced council tax and business rates and inflation.

CR055 (SSC003) Failure to thoroughly investigate and learn from safety events and take corrective action to prevent foreseeable reoccurrences

CR070 (SSC002) Failure to operate an effective risk assessment framework. ³

CR079 Inability to assure ourselves that the HFS data created, held and reported on is correct ¹

CR080 Failure to create a diverse and inclusive workforce ¹

CR081 Failure to operate appropriate trading company governance arrangements

CR084 Digital capability at risk due to lack of clarity of future Digital direction

- 13 medium risks. Decrease of 4 from previous report November 2023.

CR035 (SSC011) Failure to agree performance measures & inability to fully & immediately report against agreed measures which may reduce the ability to make informed decisions

CR056 Failure to ensure that fleet and equipment is available and is fit for purpose ¹

CR063 Failure to deliver Environmental Strategy and action plan ¹

CR073 (SSC006) Failure to assure that staff read and understand risk critical messages and apply required changes

CR075 (SSC001) Failure to assure that staff are complying with the requirements of the HASAW Act 1974 and Management of H&S Regulations and associated legislation

CR044 Cyber-attack causes sustained business systems outage ³

CR062 Failure to operate an effective Information Governance framework. ¹

CR065 Theft or accidental loss leads to data breach of sensitive operational and/or personal data ²

CR074 Supply chain disruption

Agenda Item 9

REPORT REFERENCE NO.	APRC/23/13
MEETING	AUDIT AND GOVERNANCE COMMITTEE
DATE OF MEETING	21 JULY 2023
SUBJECT OF REPORT	GOING CONCERN REVIEW
LEAD OFFICER	TREASURER
RECOMMENDATIONS	<i>That the report be noted.</i>
EXECUTIVE SUMMARY	<p>The Authority's External Auditors have requested a formal response from management over the ability of the Authority to continue as a going concern.</p> <p>This report contains a review of the financial position as at 31 March 2023 alongside an assessment of the ability of the Authority to continue operating for the foreseeable future.</p>
RESOURCE IMPLICATIONS	As indicated within this report.
EQUALITY RISKS AND BENEFITS ANALYSIS	N/A
APPENDICES	None
BACKGROUND PAPERS	Medium Term Financial Plan 2023-24 to 2026-27

1. INTRODUCTION AND BACKGROUND

- 1.1. Under International Audit Standards auditors are required to “obtain sufficient appropriate audit evidence regarding, and conclude on, the appropriateness of management's use of the going concern basis of accounting in the preparation of the financial statements”, and to conclude, based on the audit evidence obtained, whether a material uncertainty exists about the entity's ability to continue as a going concern.
- 1.2. This report is the fifth such report made to the Audit and Governance Committee and will consider the Authority's ability to continue as a “Going Concern” i.e. to deliver its functions and services for the foreseeable future, particularly focussing on the 12 month period following the Statement of Accounts balance sheet date of 31 March 2023.
- 1.3. The sustained period of Austerity since 2010 and resulting reductions to funding across Local Government now pose a significant threat to public sector organisations. As a consequence, the External Auditors, Grant Thornton LLP, are placing greater emphasis on the Authority's ability to continue as a Going Concern. There have also been several high profile cases of Local Authorities struggling to meet their financial and service delivery obligations which makes the ability to continue as a Going Concern of greater relevance. The COVID-19 Pandemic has had a significant impact on public sector finances and the Authority as a whole. This is covered in more detail below.

2. GOING CONCERN REVIEW

- 2.1. This report will consider the following factors which underpin the Authority's ability to operate as a going concern:
 - (a) The current financial position;
 - (b) The projected financial position;
 - (c) The balance sheet and Cash Flow;
 - (d) Governance Arrangements; and
 - (e) The regulatory and control environment.
- 2.2. Each of these elements will be considered in greater detail in the following sections.

3. THE CURRENT FINANCIAL POSITION

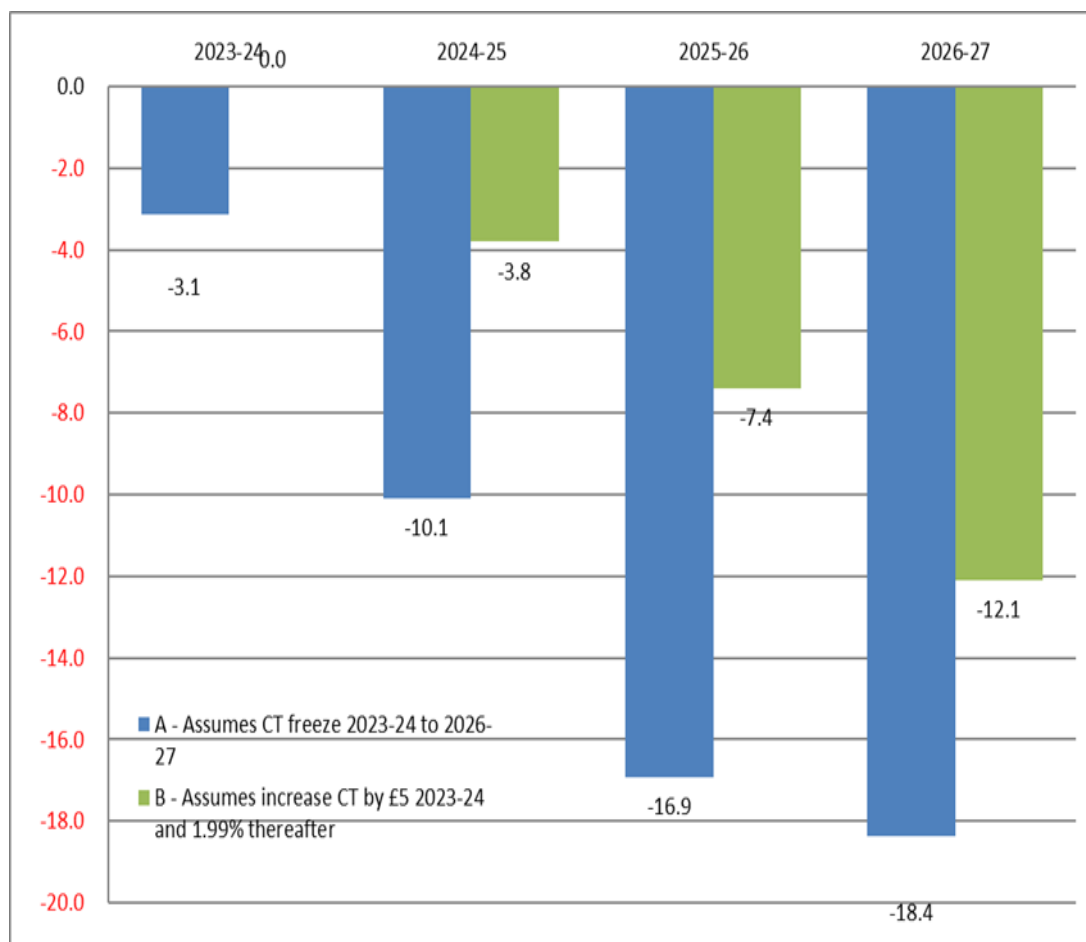
- 3.1. Total revenue spending in 2022-23 was £78.236m compared to an agreed budget of £77.289m, resulting in an overspend of £0.947m, equivalent to 1.23% of total budget. To ensure the revenue position was balanced at year-end, it was necessary to use reserves. A review of the reserves held was also undertaken with balances being moved to support other reserves where necessary. An example being an increase to the general fund balance to ensure the balance matched 5% of the 2023-24 net revenue budget.

- 3.2. The Authority has previously consistently delivered underspends against the revenue budget and has therefore built-up earmarked reserves of £22.777m and general reserves of £4.280m as at 31 March 2023. The strategy for use of those reserves and adequacy of the general fund is outlined in the Authority's Reserves Strategy which was reviewed and approved by the Authority on 11 May 2023.
- 3.3. The Authority has set a balanced budget for 2023-24 of £85.413m with £0.244m planned use of reserves in respect of grants received in advance of need. The revenue budget for 2023-24 was agreed by the Authority on 15 February 2023 using the latest intelligence available to the Service which included an anticipated pay award of 2% across the board. Since that date, the pay award for grey book staff (Firefighters) has been agreed at 5% with the green book staff pay award still being negotiated. Agreement was made at the Authority meeting on the 15 February to delegate the authority to the Treasurer to move up to £2.8m from reserves to fund the pay awards as necessary.
- 3.4. The Authority's main sources of funding are Council Tax and Business Rates income and central government grant funding. Levels of funding are agreed and set as part of the budget setting process which offers a guarantee that the income will be received for 2022-23. Any adjustments to Council Tax and Business Rates income are made via the collection fund budgeting process so will impact on future years.
- 3.5. Because there is surety of funding from billing authorities and central government, the main area of risk to the short-term financial position of the Authority is its ability to control expenditure. There are robust financial monitoring processes in place to review spend against budget, with reports presented monthly to the Executive Board and quarterly to the Resources Committee.

4. THE PROJECTED FINANCIAL POSITION

Revenue budgets

- 4.1. As outlined above, the predicted financial position for 2023-24 at year-end is for spend to be within the revenue budget. Expenditure from reserves is anticipated to be £14.9m within the financial year with projected balances of circa £12.2m at year-end.
- 4.2. In considering its annual budget requirement, the Authority reviews the Medium-Term Financial Plan (MTFP). In February 2023, a potential funding gap of between £12.1m and £18.4m was identified as shown in the chart overleaf. In order to close the funding gap, significant savings will need to be identified, the Authority's change programme, has been tasked with finding efficiencies along with potential changes to progress towards a model which will fit future funding.



- 4.3. The Authority has published its Medium-Term Financial Plan, which articulates the basis of the forecast, funding scenarios and the assumptions made and covers the five-year period to 2026-27.
- 4.4. The Authority was permitted to increase the Precept by up to £5 for 2023-24 which was a one-off concession. Until further information is available to inform financial strategy such as flexibility to increase the Precept by more than the current 1.99%, new targets cannot be established.
- 4.5. One of the current concerns to the Authority is inflation. The 2023-24 revenue budget was built with an assumption of 2% inflation on items such as payroll. Energy and vehicle fuel had presented large increases by February 2023 when the budget was agreed and so have been factored in. The Consumer Price Index (CPI) increase has remained stubborn for over the last 6 months and was still over 8% in June 2023. It is anticipated this will drop once the effects of interest rate rises are being felt.

Capital Budgets

- 4.6. Capital Budgets are set annually by the Authority as part of the budget setting process and are published alongside an indicative programme for the following three financial years. Funding requirements are identified as part of that planning cycle and for 2023-24 consist of a Revenue Contribution of £0.050m, Application of Existing Borrowing of £1.283m and use of Earmarked Reserves of £11.418m.

- 4.7. In considering the Capital Programme over a longer time period, an earmarked reserve of £6.0m is anticipated to be available for 2024-25 and beyond. However, the need to progress assets following a pause in replacement means that the Authority may need to borrow in 2025-26. There is sufficient funding to support capital expenditure in the short term with a need to rationalise assets if the programme is to be accelerated.
- 4.8. The long-term strategy of the Authority is to fully support the Capital programme through Revenue Contributions. This has been paused for 2023-24 and remains under consideration for 2024-25. Funding the capital programme in this way will prove to be a challenge in short to medium term, given the size of the current capital programme coupled with the pressure on the revenue budget.

5. THE BALANCE SHEET AND CASH FLOW

Balance Sheet Review

- 5.1. The draft unaudited Financial Statements of the Authority for year ending 2022-23 have been published on the website. They show a balance sheet deficit of £469.0m including a pension scheme deficit of £604.3m which must be included under accounting rules. Were the pension scheme deficit to be excluded, net assets of £135.2m would be reported, representing a small decrease of £1.5m over 2021-22.
- 5.2. Useable reserves were £27.1m as at 31 March 2023, a decrease of £8.7m since 2022-23. Reserves expenditure was on target with the plan for the year.
- 5.3. In order to determine and reach the conclusion that the Balance Sheet is robust, specific areas of consideration were identified and reviewed, which were:
- Debts owed to the Authority;
 - Net worth of the Authority;
 - Adequacy of provisions held;
 - Reserves set aside – either earmarked or not and whether actually committed; and
 - The adequacy of the General Fund Balance to meet unforeseen expenditure.

Cash Flow

- 5.4. Financial Assets (excluding debtors) of the Authority were £30.0m as at 31 March 2023 (a decrease of £5.2m since 2021-22) and are held as a mixture of short and long term investments. Income from central government and billing authorities is received throughout the year which enables robust forecasting of cash flow.
- 5.5. Cash flow is reviewed by officers on a daily basis so any risks can be identified and mitigated. In 2022-23 there were no instances where the bank accounts were overdrawn. The Service did take out one instance of short-term borrowing during March 2023 for one week to cover a temporary cash shortfall. A review was undertaken into this occurrence. The strategy was amended to ensure a minimal balance is held within the Money-Market funds to cover any large, unexpected payments to suppliers in future.

- 5.6. The Cash Flow forecast for the next 12 months has been reviewed. A continued healthy cash position is anticipated given the profile of income, revenue and reserves expenditure.

6. GOVERNANCE ARRANGEMENTS

- 6.1. Included within the agenda for this meeting (report APRC/23/11) is the draft Annual Statement of Assurance which makes up part of the suite of year end reporting. The Annual Statement of Assurance is reviewed taking account of external and internal audit reviews. Statements of assurance in the performance of internal controls and risk are sought from the management. The effectiveness of the Authority's governance arrangements are reviewed annually together with the evidence to support it and then presented to the Audit and Governance Committee.
- 6.2. Whilst it is not possible to secure absolute assurance, the annual review of the statement and assurance reports received during the year offers evidence arrangements are fit for purpose and effective.

7. THE REGULATORY AND CONTROL ENVIRONMENT

- 7.1. The Authority is required to operate within a highly legislated and controlled environment and particular emphasis of this can be exemplified and demonstrated with the financial controls in place. Examples of controls include the requirement of the Full Authority to approve a balanced annual budget, but within that to consider and have regard via assurance from the Treasurer as to the robustness of the budget, its estimates and the adequacy of reserves held.
- 7.2. The control environment is supported by the role of External Audit in auditing of the financial statements, the review of value for money and financial resilience. Further detail on the control environment of the Authority is available in the Annual Statement of Assurance elsewhere on this agenda (report APRC/23/11 refers).
- 7.3. The Service is also subject to a new inspection regime by Her Majesty's Inspectorate of Constabulary, Fire and Rescue Services, the latest inspection was undertaken during quarter 2 2021. The inspection report made reference to the performance of the Service in three areas: Effectiveness, Efficiency and People. The resulting improvement plan will be incorporated into the Authority's performance management reporting.

8. CONCLUSION

- 8.1. The Authority operates within a robust control environment which can be evidenced by review of its assurance arrangements such as External and Internal Audit processes, neither of which have identified any significant issues in the past year.
- 8.2. In addition to backwards looking assurance, financial and operational monitoring processes are in place to mitigate risks within the financial year and are regularly reported to management and those charged with governance.

- 8.3. Inflation is causing concern at this stage however, in reviewing the financial indicators contained within this report and planning assumptions regarding the Medium Term Financial Plan, Cash Flow and Reserves Strategy there is a high level of confidence that the Authority will be able to continue as a going concern for the foreseeable future.

SHAYNE SCOTT

Director of Finance & Corporate Services (Treasurer)

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REPORT REFERENCE NO.	AGC/23/14
MEETING	AUDIT & GOVERNANCE COMMITTEE
DATE OF MEETING	21 JULY 2023
SUBJECT OF REPORT	ANNUAL REVIEW OF AUTHORITY STANDARDS ARRANGEMENTS
LEAD OFFICER	Monitoring Officer & Clerk to the Authority
RECOMMENDATIONS	<i>That the report be noted.</i>
EXECUTIVE SUMMARY	<p>This paper identifies the Standards arrangements adopted by the Authority to secure compliance with the legislative provisions of the Localism Act 2011 and associated Regulations.</p> <p>It also provides an overview of operation of the regime during the last (2022-23) financial year.</p>
RESOURCE IMPLICATIONS	Nil.
EQUALITY RISKS AND BENEFITS ANALYSIS	Not applicable.
APPENDICES	None.
BACKGROUND PAPERS	<p>The Localism Act 2011 (the Act)</p> <p>The Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012 (the Regulations)</p>

1. GENERAL INTRODUCTION

- 1.1. This report represents the second annual report on the Authority's Standards regime in accordance with the provisions of the Localism Act 2011 and associated regulations and the operation of the regime during the last (2021-22) financial year.

2. LEGISLATIVE BACKGROUND

- 2.1. The Localism Act 2011 introduced a new ethical standards regime for all local authorities. The former regime under the Local Government Act 2000 provided, amongst other things, for a Model Code of Conduct which applied across all authorities together with an independent external body – the Standards Board for England – which administered arrangements for dealing with complaints that Members had failed to follow the Code of Conduct. The Standards Board for England was able, in cases where breaches of the Model Code were established, to impose a range of sanctions up to and including suspensions.
- 2.2. The Localism Act 2011 (“the Act”) saw the old regime completely abolished, with local authorities placed under a duty to promote and maintain high standards of conduct by Members and co-opted members of the authority and so doing to:
- adopt a code dealing with the conduct expected of authority Members and co-opted members when acting in that capacity (Section 27(2) of the Act);
 - ensure that the code so adopted is, when viewed as a whole, consistent with the seven “Nolan” principles of public life (Section 28(1));
 - include provision in the code of registering and disclosing pecuniary and other interests (Section 28(2));
 - have in place arrangements to investigate and make decisions on allegations of breaches of the code of conduct adopted (Section 28(6));
 - appoint one or more “independent persons” whose views:
 - must be taken into account by the authority before it makes a decision on an allegation which has been investigated (Section 28(7)(a)); and
 - may be sought by the authority in other circumstances (to be determined by the authority in question) and by a Member or co-opted member subject to an allegation (Section 28(7)(b));
 - maintain and publish on its website a register detailing for each Member and co-opted member (including the spouse or civil partner of the Member or co-opted Member or anyone with whom the Member or co-opted member is living either as husband or wife or as if they were civil partners) a register of disclosable pecuniary interests and any other interests as determined by the authority (Sections 29 and 30).

- 2.3. Section 31 of the Act requires all Members and co-opted members with a disclosable pecuniary interest to declare this interest at meetings when matters where the interest exists are being discussed and not to participate in the debate or vote on such matters. The Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012 (“the Regulations”), made under Section 30 of the Act, identifies disclosable pecuniary interests that must be both registered and declared at meetings. Section 34 of the Act makes failure to register and/or declare a disclosable pecuniary interest an offence which may only be instituted by the Director of Public Prosecutions and which is punishable, on summary conviction, of a fine not exceeding level 5 on the standard scale (currently £5,000).
- 2.4. The Act removed the ability for Members to be suspended or disqualified for proven breaches of the code of conduct. Consequently, sanctions currently available to local authorities (including this Authority) include public censure, apology, training, removal from committee and/or outside body responsibilities and withdrawal of access to facilities and resources.
- 2.5. Other than the requirements of Section 28, there are no prescriptions in the Act either in relation to the contents of the code of conduct to be adopted by an authority or the nature of arrangements for dealing with allegations of non-compliance with the code.

3. APPLICATION TO THIS AUTHORITY

- 3.1. As required by the Act, this Authority initially adopted a Code of Conduct and procedures for dealing with alleged breaches of the Code in July 2012. These have undergone a number of revisions over the years, informed by practical experience in dealing with complaints and by external reports such as the report on local government ethical standards published in 2019 by the Committee on Standards in Public Life.

Code of Conduct

- 3.2. The Authority’s current Code of Conduct is published both on the website and the Service intranet. Since initial publication, revisions have included:
- (a). in June 2019, to include revisions reflecting two of the best practice recommendations for local authorities made by the Committee on Standards in Public Life following its review of local government ethical standards. It should be noted here that the current Code now aligns fully with the best practice recommendations for local authorities as set out in the Committee on Standards in Public Life report;
 - (b). in June 2021. This was largely a reformatting exercise to align the Code with the Model Code issued by the Local Government Association. In this respect, it should be noted that
 - production of a Model Code by the Local Government Association was a specific recommendation by the Committee on Standards in Public Life; and

- there is no obligation to adopt the LGA Model Code. The Localism Act still provides that it is for individual authorities to determine their own Code of Conduct. The LGA Model Code is, however, considered a de minimis best practice Code. The current Authority Code contains all the features of the LGA Model Code, adapted and expanded as required to fit the Authority's current processes and Standards requirements; and
- (c). in December 2021, to reflect a change in wording for the descriptor on the Leadership principle of the Nolan principles, to emphasise treating others with respect, as recommended by the Committee on Standards in Public Life.

Complaints Procedure

- 3.3. A guide on [how to make a complaint](#), together with [guidance on how complaints are handled](#), are published on the website.
- 3.4. The complaints procedure was subject to significant review in 2019, informed by previous experience in complaints processed, constituent authority practices and procedures and recommendations contained in the Committee on Standards in Public Life report.

4. OPERATION OF THE STANDARDS REGIME FOR THE 2022-23 FINANCIAL YEAR

- 4.1. The Committee on Standards in Public Life published its report on local government ethical standards in 2019. This report contained some 26 recommendations for improvements, the majority of which would require government intervention, together with fifteen best practice recommendations for local authorities. The Authority's Code of Conduct now complies fully with the best practice recommendations and the LGA Model Code (production of which was, itself, a recommendation by the Committee on Standards in Public Life).
- 4.2. Recommendation 15 of the Committee on Standards in Public Life review of local government ethical standards proposed that the Local Government Transparency Code should be amended to require local authorities to publish, annually, details on the number of Code of Conduct complaints received, what the complaints broadly relate to, the outcome of the complaints and any sanctions applied.
- 4.1. In its response to the recommendations, the government indicated that it feels this is better addressed by the sector adopting such annual reporting as a matter of best practice.
- 4.2. Consequently, this report identifies the current regime operated by the Authority and provides an overview of its operation during the 2022-23 financial year.

Code of Conduct Complaints

- 4.3. Historically, the Authority has not received nor had to process a significant number of complaints relating to alleged breaches of the Code of Conduct.
- 4.4. It is pleasing to note that, for the 2022-23 financial year, no complaints were received.

Registration of Interests

- 4.5. The Act requires that Members register those disclosable pecuniary interests as per the Regulations and any other registerable interests as may be specified by the Authority within 28 days of appointment to the Authority. The Act also requires that such Registrations are made publicly available.
- 4.6. At the time of producing this report, Registers of Interest have been published for each Member currently serving on the Authority. Annual reminders are also issued to all serving Members to ensure that their published Register of Interests is up to date. It should be noted, however, that – while there is a requirement to publish the Registers of Interest – the onus is on individual Members to ensure that all registerable interests are duly recorded and to notify the relevant officer of any change in interests so published as soon as the Member becomes aware of the change.
- 4.7. In addition to the published Register of Interests, all Members are required to declare relevant interests in items that may be under discussion at meetings attended. Such interests, when declared, are recorded in the Minutes of the meeting which are published on the website.

5. CONCLUSION

- 6.1. The Authority has in place a robust Code of Conduct and procedures for dealing with alleged breaches. These are fully compliant with the provisions of the Localism Act 2011 and – where practicable/legal – the recommendations stemming from the Committee on Standards in Public Life report on local government ethical standards.
- 6.2. The Code and associated procedures are kept under constant review. Any changes as may be required will be reported to the Authority at the earliest opportunity.
- 6.3. Code requirements also feature as part of the induction programme for all Authority Members.
- 6.4. Historically, the Authority has not dealt with many complaints and it is pleasing to note that no complaints were submitted for the last financial year.
- 6.5. It remains the case, however, that the duty to promote and maintain high standards of conduct rests with the Authority, collectively and at an individual Member level. The arrangements currently in place are considered robust, proportionate and appropriate to enable the Authority to fully discharge this duty.

EMMA JACKMAN
Monitoring Officer & Clerk to the Authority

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REPORT REFERENCE NO.	AGC/23/15
MEETING	AUDIT AND GOVERNANCE COMMITTEE
DATE OF MEETING	21 JULY 2023
SUBJECT OF REPORT	HIS MAJESTY'S INSPECTORATE OF CONSTABULARY & FIRE & RESCUE SERVICES (HMICFRS) AREAS FOR IMPROVEMENT ACTION PLAN UPDATE
LEAD OFFICER	Chief Fire Officer
RECOMMENDATIONS	<i>That the Committee reviews progress in delivery of the action plan.</i>
EXECUTIVE SUMMARY	<p>On Wednesday 27th July 2022, HMICFRS published the Devon & Somerset Fire & Rescue Service (DSFRS) 2022 inspection report. The inspection report identified one Cause of Concern and 14 Areas for Improvement (AFIs). Of these AFIs, four have been linked to the Audit and Governance Committee.</p> <p>The paper appended to this report outlines the progress that has been made against the HMICFRS Areas for Improvement action plan since the last update in April 2023. The key highlights are that:</p> <ul style="list-style-type: none"> • 1 Area for Improvement, HMI-2.2-202207b (Response – Technology and Future Innovation) is currently recorded as 'In Progress – Off Track'. This is because action 07b.03 'Investigate which systems involving response activity are currently paper based and make recommendations for improvements' has not been completed in the required timeframe.
RESOURCE IMPLICATIONS	Considered within the Action Plan where appropriate.
EQUALITY RISKS AND BENEFITS ANALYSIS	Considered within the Action Plan where appropriate.
APPENDICES	A. HMI Audit and Governance Committee Update
BACKGROUND PAPERS	None

HMICFRS ACTION PLAN – AUDIT AND GOVERNANCE COMMITTEE UPDATE**1. INTRODUCTION**

- 1.1. On Wednesday 27th July 2022 HMICFRS published the DSFRS 2022 inspection report. The inspection report identified one Cause of Concern and 14 Areas for Improvement (AFIs).
- 1.2. This report provides an update on the Areas For Improvement action plan that has been produced following the inspection, which concluded in October 2021.

2. AREAS FOR IMPROVEMENT ACTION PLAN COMPLETION STATUS

- 2.1. Table 1 lists the Areas For Improvement linked to the Audit and Governance Committee and their individual implementation status.

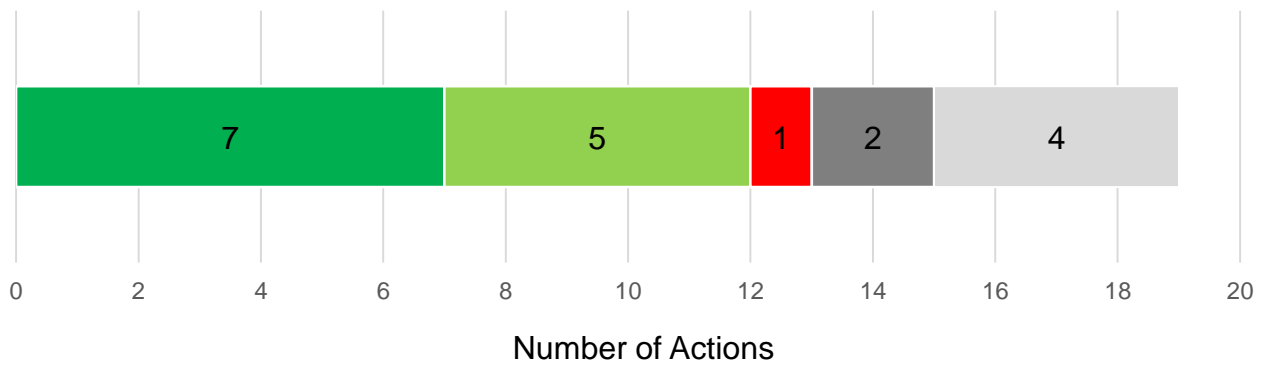
Table 1:

Reference	Description	Target Completion	Status
HMI-1.1-202202	The service should make sure its integrated risk management plan includes clear outcomes that show the public how it is currently mitigating risk.	31/01/2024*	In Progress – On Track
HMI-1.3-202205	The service should make sure it has an effective quality assurance process, so staff carry out audits and fire safety checks to an appropriate standard.	30/09/2023	In Progress – On Track
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.	30/04/2025	In Progress – On Track
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.	31/10/2023	In Progress – Off Track

* target completion date previously incorrectly reported as 31/12/2023 due to an admin error.

- 2.2. Figure 1 overleaf outlines the completion status of all actions designed to address the Areas For Improvement linked to the Audit and Governance Committee, as outlined above

Figure 1: Audit and Governance Committee Action Status - July 2023



- Completed
- In Progress - On Track
- In Progress - Off Track
- Not Started - On Track
- Not Started - On Track (Evidence and Assurance)

2.3. Table 2 below outlines the completion status of all actions designed to address the Areas For Improvement linked to the Audit and Governance Committee.

Table 2: Summary of progress against the 19 individual actions					
Areas For Improvement (Audit and Governance Committee)					
Not started (on track)	Not started (off track)	In progress (on track)	In progress (off track)	Completed	Closed
6 (↓ from 8)	0 (→ at 0)	5 (→ at 5)	1 (↑ from 0)	7 (↑ from 6)	0 (→ at 0)

* Please note that 4 of the actions which have not yet started are the evidence and assurance required once all other actions have been completed.

3. AREAS FOR IMPROVEMENT WHICH ARE ‘OFF-TRACK’

3.1. Table 3 below outlines the improvement areas which are currently marked as ‘In Progress – Off Track’.

Table 3:

Improvement Area	Status
HMI-2.2-202207b – Response – Technology and Future Innovation (Area for Improvement)	In Progress – Off Track
Factors impacting delivery	
Paper based systems have been identified and action is now being taken to review these and make recommendations for improvements. This action will remain as ‘In Progress – Off Track’ as the target completion date has now passed and the action has not been completed within the required timeframe.	

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REPORT REFERENCE NO.	AGC/23/16
MEETING	AUDIT & GOVERNANCE COMMITTEE
DATE OF MEETING	21 JULY 2023
SUBJECT OF REPORT	MANAGEMENT RESPONSE TO IMPROVEMENT RECOMMENDATIONS IDENTIFIED WITHIN THE EXTERNAL AUDITOR'S ANNUAL REPORT 2021-22
LEAD OFFICER	DIRECTOR OF FINANCE & CORPORATE SERVICES (TREASURER)
RECOMMENDATIONS	<i>That the report be noted.</i>
EXECUTIVE SUMMARY	<p>The Authority's external auditor, Grant Thornton, identified a number of improvement recommendations within its Annual Report to the Committee at its meeting on 17 April 2023. The Committee resolved to seek a report on the management response to these recommendations (Minute AGC/22/27 refers) at its next meeting.</p> <p>This report sets out the initial responses and an update will be provided at the meeting.</p>
RESOURCE IMPLICATIONS	None indicated in this paper.
EQUALITY RISKS AND BENEFITS ANALYSIS	N/a.
APPENDICES	A. Management Response to the Improvement Recommendations set out within the External Auditor's Annual Report on Devon & Somerset Fire & Rescue Authority 2021-22.
BACKGROUND PAPERS	<p>Auditor's Annual Report on Devon & Somerset Fire & Rescue Authority 2021-22 – 17 April 2023 (Minute AGC/22/27 refers):</p> <p>Auditors Annual Report template - Local Government - 21-22 (dsfire.gov.uk)</p>

1. INTRODUCTION

- 1.1. The Authority's external auditor, Grant Thornton, identified a number of improvement recommendations within its Annual Report to the Committee at its meeting on 17 April 2023. The Committee resolved to seek a report on the management response to these recommendations (Minute AGC/22/27 refers) at its next meeting.
- 1.2. The improvement recommendations and the action taken thus far are set out at Appendix A to this report and an update will be provided at the meeting where appropriate.

**SHAYNE SCOTT/
Director of Finance & Corporate Services (Treasurer)**

MANAGEMENT RESPONSE TO THE IMPROVEMENT RECOMMENDATIONS SET OUT WITHIN THE EXTERNAL AUDIT ANNUAL REPORT 2021-22

No.	IMPROVEMENT RECOMMENDATION	MANAGEMENT RESPONSE	STATUS
1.	<p>Financial sustainability:</p> <p>Given the likelihood that any budget gaps will increase further given the current economic climate and inflationary pressures, we recommend that further consideration should be given to introducing a formal and more frequent review and sensitivity analysis and scenario planning on key assumptions and estimates within the MTFP. This will provide transparency on the sector wide uncertainties the Authority is subject to and the potential impact of these on its financial sustainability.</p>	<p>The MTFP assumptions are reviewed regularly, but only published annually. The Service will shortly be published a Target Operating Model (TOM) document detailing the initiatives that will be implemented to drive sufficient efficiencies to match the funding gap. The TOM will be reviewed and compared to the MTFP at every opportunity.</p>	In progress
2.	<p>Governance:</p> <p>We recommend that there is a further review controls are introduced to ensure that the draft financial statements are free from error and are internally consistent.</p>	<p>Within the year-end process, the team have added in additional checks to ensure that the notes and primary statements balance where necessary. This should ensure that any anomalies are spotted and addressed before the Accounts are submitted.</p>	In progress

No.	IMPROVEMENT RECOMMENDATION	MANAGEMENT RESPONSE	STATUS
3.	<p>Improving economy, efficiency and effectiveness:</p> <p>We recommend that each objective should be supported by clear action plans that set out specificity, how it will be measured, be achievable and realistic and be timebound. This will ensure that objectives and actions can be cascaded to individual Station Managers.</p>	<p>The corporate planning department is currently developing a strategic planning portal which provides a service dashboard for managers on performance, planning, risk registers, assurance and has a document repository. These areas are supported and linked to existing service systems including PowerBI, Sharpcloud, 365 and Verto.</p> <p>The portal within the performance area link directly to skills dashboards, service delivery dashboard, KPI's, PowerBI reports and Verto. The planning link goes directly to the CRMP actions assigned to managers and local community plans for SD managers at all levels. The risk area has DSFRS risk registers and the National Risk register. The assurance link provides direct access to organisation and operational assurance and the document repository has relevant service documents and information to support Performance, Planning, Risk and Assurance.</p> <p>There will also be direct links to HMICFRS AFI plan, national operational guidance strategic gap analysis and fire standard action plans.</p> <p>Having a single landing page for performance planning risk and assurance enables managers to understand their actions and which are measured through real time performance data.</p>	In progress

No.	IMPROVEMENT RECOMMENDATION	MANAGEMENT RESPONSE	STATUS
4.	<p>Improving economy, efficiency and effectiveness:</p> <p>We recommend that going forward, where strategic priorities are refreshed and updated that this is completed ahead of budget round commencement.</p>	<p>The strategic Priorities have been set by the Fire Authority and will be in place throughout the CRMP. The strategic objectives have been developed to meet the requirements of the CRMP. The strategic objectives will be reviewed with the CRMP annually in April to ensure to ensure they are agreed before the budget round in October.</p>	
5.	<p>Improving economy, efficiency and effectiveness:</p> <p>We recommend that a full suite of KPIs be developed covering all strategic priorities.</p>	<p>A range of KPIs that align to the objectives set within priorities 3 and 4 have been identified and reporting is in development. There are data issues associated with implementing many of these KPIs, however project management support is now being provided to help move things forward.</p> <p>A provisional report containing the reportable KPIs priorities 3 and 4 will be provided to EB for the formal meeting in May. This will give the year-end position for the 2022/23 financial year.</p>	In progress
6.	<p>Improving economy, efficiency and effectiveness:</p> <p>We recommend that a data strategy is developed.</p>	<p>The Digital Strategy 2020-23 laid the high level underpinnings for our forthcoming data strategy, which will align to the recently approved Data Management Fire Standard.</p>	
7.	<p>Improving economy, efficiency and effectiveness:</p> <p>We recommend that the performance data on the Authority website is updated quarterly.</p>	<p>The Strategic Analysts will ensure the Authority website is updated quarterly with Performance Data through the Comms department in conjunction with Community Safety Committee performance reporting.</p>	

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