

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

30 November 2023

Present:

Councillors Coles (Chair), Clayton, Cook-Woodman, Fellows, Roome, Slade (Vice-Chair), Sproston and Sully

In attendance:

Mr S. Perks and Ms A. Turkington – Independent, Co-opted Members  
Councillor Randall Johnson (online via Teams)  
Andrew Davies – Grant Thornton  
Tony Rose – Head of Devon Audit Partnership

Apologies:

Councillor Sellis

\* **AGC/23/17 Minutes**

**RESOLVED** that the Minutes of the meeting held on 28 September 2023 be signed as a correct record.

\* **AGC/23/18 External Audit Update**

Andrew Davies, representing the Authority's external auditor, Grant Thornton, gave an update on the progress made with the audit of the financial statements for the 2022-23 financial year for information.

He advised that the Committee had received the External Audit Plan for 2022-23 at its previous meeting on 28 September 2023 (Minute AGC/23/12 refers). The 2022-23 audit had commenced with work on the Value for Money (VFM) assessment undertaken including on the valuation of property, plant and equipment and on pension fund liabilities. Work on the testing of other balances within the financial statements was also underway and there were no issues to draw to the attention of the Committee at this stage.

It was noted that Group Accounts had been a significant risk in previous years but was not considered so for 2022-23 by the external auditor. This work was almost concluded with no issues to report in terms of the consolidation process.

In terms of VFM, good progress had been made. A draft Annual Report covering the VFM findings would be issued to the Service shortly for agreement. This would be submitted at the next meeting of Committee in January 2024. The recommendations were all around improvement with no significant risks identified.

The Treasurer advised that, following discussion with the auditor on 29 November 2023, there was nothing reported that was of concern to him at this stage. The need to bear down on costs was acknowledged and would be reflected in the proposed budget for 2024-25 to be submitted to the Authority on 16 February 2024. It was recognised that visibility for the Authority and governance was a matter to be discussed further.

\* **AGC/23/19 Internal Audit Interim Progress Report 2023-24**

The Committee received for information a report of the Head of the Devon Audit Partnership (DAP) (AGC/23/21) on the progress made to date in securing independent assurance for the Authority that it had sufficient governance, risk management and controls in place to secure an efficient and effective service.

The report was positive in that good progress was being made and the Authority was heading in the right direction with the Plan on track. The following audits had been completed with the assurance in the final reports as indicated:

- Medium Term Financial Plan – reasonable assurance;
- Summary of Service Actions on External Bodies Reports – HMICFRS – reasonable assurance;
- Cyber Governance – Cyber Assessment Framework (CAF) Self Assessment – Value added;
- Chartered Institute of Public Finance & Accountancy (CIPFA) Counter Fraud Research Project – Value added; and
- Productivity of the workforce and Wholetime Crews – limited assurance.

Work was ongoing on the following audits:

- Investigations; and
- New People Systems – live advice and quality assurance.

Four further audits had work in progress.

The Committee referred to the productivity of the workforce and asked how this was measured. The Head of DAP stated this was not an easy area to measure but Officers had a system in place. The Treasurer responded that productivity was a key area of focus for the Home Office and a percentage increase was expected for the forthcoming year. The Chief Fire Officer had also imparted information received at a recent meeting through the National Fire Chiefs' Council (NFCC) that there may not be a cut in funding but the increase in productivity was expected. A trial had been run on a number of stations in Devon & Somerset for a few months and this had produced some interesting information. The information would feed into the budget preparations for 2024-25.

The question was raised as to whether a target could be set in this area so that performance could be measured in the future. The Treasurer indicated that data was available now but this was based on self-reporting so it gave a limited picture as to how the Service could boost the productivity of the workforce but he was content to find an appropriate target for the future. The Service needed to ensure that emergency response could be maintained so there was a balance to be found. In response to a further question, the Treasurer added that he would be happy to share information on data gathering at a future Members' Forum.

Reference was also made to the Cyber Governance review and what this had achieved. The Head of DAP responded that the approach to this had been changed in light of the point that the Authority had to undertake a self-assessment. He added that this self-assessment would form part of the Annual Governance Review. The Treasurer stated that he was content for the Committee to see the self-assessment although the Clerk suggested that this should not be undertaken in a public meeting. The Treasurer and Clerk undertook to consider the best way to provide this information.

The Treasurer gave an explanation of the assurance "value added" in response to a question. It was noted that the Internal Audit Plan was commissioned by the Authority but senior officers wished to see support to improve its services so had commissioned additional pieces of work hence the "value added" assessment. The DAP had additional skills and experience to give the Service more reassurance on areas of work undertaken.

Ms Turkington asked why, given the emergency response nature of the Service, the Health and Safety audit had been postponed. The Head of Assurance advised that this had been deferred as the coverage required from information governance was restricted. External health and safety consultants had been appointed recently who had generated a lot of actions to be undertaken and this had given comfort that there was a framework in place to take this forward. Contaminants and PPE had also been audited recently.

Mr Perks drew attention to the point that the HMICFRS audits included examples of significant time extensions. He asked if future reports could identify how many times a deadline had been extended. The Treasurer advised that there was a need to be fully transparent on all slippages which would be included in future.

Mr Perks also referred to the Investigations that were underway but not at a stage where they could be reported to the Committee. The Treasurer stated that it was useful for the Committee to be sighted on all areas of work but there was a confidentiality aspect to internal investigations. He suggested that the report could, in future, include information in terms of what type of investigation was underway, i.e., an internal investigation or one involving a breach of the Members' Code of Conduct.

\* **AGC/23/20 Local Pension Board Annual Report 2022-23**

The Committee considered a report of the Director of Finance & Corporate Services (AGC/23/22) to which was appended the Local Pension Board annual report for 2021-22. The report provided information on (amongst other things):

- work undertaken by the Board in 2022-23;
- details of any identified risks and Board actions (based on a RAG rating);
- details of statutory breaches (if any); and
- the management of conflicts of interest.

It was noted that there had been two statutory breaches reported to the Regulator in 2022-23, due largely to timing issues.

**RESOLVED** that the Local Pensions Board Annual Report for 2022-23, as appended to report AGC/23/22 be endorsed.

\* **AGC/23/21 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 Chief Fire Officer (AGC/23/23) on progress against the Action Plan to address the Areas for Improvement falling within the remit of this Committee and as identified by His Majesty's Inspectorate of Constabulary & Fire & Rescue Services following its last inspection of the Service.

The report identified that there was currently one Area for Improvement recorded as "in progress – off track" (HMI-1.3-202205 – Quality Assurance of Audits and Fire safety Checks) due to changes in management within the protection team. An update was due by 30 November 2023 but it was likely this deadline would be extended.

Mr Perks sought a response on how the Committee could be assured that work on the 8 actions completed was being maintained. It was noted that the 8 actions were not fully closed yet so a final review had not been undertaken. The Service would need to look carefully at how it monitored these actions as business as usual but an assurance was given that there were many levels of review in place within the Service to ensure that actions were maintained.

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