

AUDIT & PERFORMANCE REVIEW COMMITTEE

(Devon and Somerset Fire and Rescue Authority)

12 September 2016

Present:-

Councillors Radford (Chair), Coles, Dyke (vice Edmunds), Healey, Randall Johnson and Way

Apologies:-

Councillors Edmunds and Riley

* **APRC/9 Minutes**

RESOLVED that the Minutes of the meeting held on 28 June 2016 be signed as a correct record.

* **APRC/10 Audit Findings for the Devon & Somerset Fire & Rescue Authority for the year ended 31 March 2016**

The Committee considered a document prepared by Grant Thornton (the Authority's external auditor), as presented by Mr. Peter Barber, on the external audit findings and the external auditor's opinion on the Authority's financial statements for the year ended 31 March 2016.

The audit work was substantially complete with only two third-party confirmation of investments outstanding which were anticipated imminently. The draft financial statements presented for audit were free from material error. The draft accounts had been produced to a very good standard and the audit facilitated by good supporting working papers and excellent assistance from the Service finance team. No issues had been identified with the Annual Governance Statement (Annual Statement of Assurance), submitted along with the financial statements (see also Minute *APRC/11 below). The audit work had not identified any significant issues with controls in place to mitigate against significant risks although the Authority was recommended to review its processes for asset devaluation.

The external audit work had also concluded that, in all significant aspects, the Authority had in place proper arrangements to secure value for money through economic, efficient and effective use of its resources. It was anticipated that the Authority would be issued with an unqualified audit opinion on its financial statements for 2015-16.

RESOLVED

- (a). that the final Authority Statement of Accounts for the 2015-16 financial year, as included with the agenda for this meeting, be approved and published on the Authority website;
- (b). that the Audit & Performance Review Committee Chair and Treasurer be authorised, on behalf of the Authority, the Letter of Representation to the external auditor (Grant Thornton) on the Authority's 2015-16 financial statements;
- (c). that the thanks of the Committee to those officers involved in production of the Authority's financial statements for 2015-16 financial year be placed on record;

- (d). that, subject to (a) to (c) above, the external audit findings and external auditor's opinion on the Authority's financial statements for the year ended 31 March 2016 be noted.

* **APRC/11 2015-16 Annual Statement of Assurance**

The Committee considered a report of the Area Manager (Organisational Assurance) (APRC/16/15) to which was appended the final 2015-16 Annual Statement of Assurance for the Authority. The accorded with relevant legislative and best practice requirements (including the Accounts and Audit Regulations, the Fire and Rescue National Framework and the CIPFA/SOLACE good governance framework).

The Committee had approved the document in draft form at its meeting on 28 June 2016 (Minute *APRC/6 refers) after which it had been submitted for external verification with the Authority's financial statements for 2015-16. The external auditor (Grant Thornton) had not identified any issues with the Annual Statement of Assurance.

RESOLVED

- (a). that the final Authority Annual Statement of Assurance for 2015-16 be approved and published on the Authority website;
- (b). that the Audit & Performance Review Committee Chair and Chief Fire Officer be authorised to sign the 2015-16 Annual Statement of Assurance on behalf of the Authority;
- (c). that the thanks of the Committee to those officers involved in production of the Authority's 2015-16 Annual Statement of Assurance be placed on record;
- (d). that, subject to (a) to (b) above, the report be noted.

(SEE ALSO MINUTE *APRC/10 ABOVE).

* **APRC/12 Audit & Review 2016-17 Progress Report**

The Committee considered a report of the Area Manager (Organisational Assurance) (APRC/16/16) on progress to date against the approved 2016-17 internal audit plan. The internal audit plan was delivered in partnership between the Service internal audit team and the Devon Audit Partnership.

The focus of the 2016-17 internal audit plan was the development and implementation of an organisational control self-assessment framework. The framework had been piloted successfully with feedback being used to refine the process prior to organisational implementation.

An assurance tracking system to manage recommendations and actions from a number of sources (e.g. internal and external audit; Annual Statement of Assurance) had been developed, aligned to the corporate planning process to ensure outstanding recommendations were reviewed alongside departmental plans. This refinement in process had resulted in a reduction in the number of outstanding recommendations from 112 in April 2015 to 28 as at August 2016, with the remaining overdue actions being linked to longer-term project work still ongoing. Further reports against the agreed Audit Plan would be made to future meetings.

RESOLVED

- (a). that the appreciation of the Committee to all staff involved in securing the significant reduction on overdue audit recommendations be placed on record;
- (b). that, subject to (a) above, the report be noted.

(SEE ALSO MINUTE APRC/13 BELOW).

* **APRC/13 European Foundation for Quality Management - Update**

The Committee received, for information, a report of the Area Manager (Organisational Assurance) (APRC/16/17) on progress towards securing European Foundation for Quality Management (EFQM) accreditation. The report outlined the benefits of the EFQM excellence model to the organisation and the assessment approach. This would commence in November with the Committed to Excellence (C2E) assessment, with the Recognised for Excellence (R4E) assessment initially scheduled for mid- to late-2017. The precise date for this would, to a degree, be dependent on the outcome of the C2E assessment.

The Area Manager (Organisational Assurance) reported that the process would provide a recognised, accredited external assessment for the organisation in support of the Service's refined approach to internal audit. The costs associated with the external assessment, in the region of £5,000, would be more than met by the savings (circa £40,000) stemming from the reduction in resource previously allocated to the internal audit function.

* **APRC/14 Corporate Risk Register**

The Committee considered a report of the Area Manager (Organisational Assurance) (APRC/16/18) on the status of risks held in the Corporate Risk Register, actions being taken to mitigate these risks and the management strategy in place designed to ensure that risks were managed appropriately and proportionately.

Following a debate on the content of the report and the frequency for submission of future reports, Councillor Coles **MOVED** (with Councillor Randall Johnson seconding):

“that a report on the Corporate Risk Register be submitted at least twice annually (or, if circumstances so dictate, more frequently) and that the current six risks on the register be the apportioned between the next two reports to the Committee, with further detail provided.”

The motion was put to the vote whereupon it was

RESOLVED

- (a). that a report on the Corporate Risk Register be submitted at least twice annually (or, if circumstances so dictate, more frequently) and that the current six risks on the register be the apportioned between the next two reports to the Committee, with further detail provided;
- (b). that, subject to (a) above, the report be noted.

APRC/15 Devon & Somerset Fire & Rescue Service Performance Report

The Committee considered a report of the Chief Fire Officer (APRC/16/19) to which was appended a document setting out performance of the Devon & Somerset Fire & Rescue Service for the first quarter of the current financial year (April to June 2016) against those measures contained within “Our Plan: Creating Safer Communities”, the current iteration of the corporate plan and which in turn was aligned to the three organisational priorities of staff safety, community safety and organisational effectiveness and efficiency.

In summary, the performance figures showed that the prevention and protection activities of the Service had resulted in a significant decrease in the number of fire incidents and that for the first time attendance at medical emergencies exceeded the number of fire incidents attended. The information from performance monitoring would be used to inform future iterations of the corporate plan, which incorporated integrated risk management planning.

In debating the report, the Committee commented in particular on the positive benefits of integrated, multi-agency community safety initiatives (such as the Integrated Care in Exeter – ICE - Project) and the role the Authority might play in promoting more such approaches. In this context, Councillor Healey **MOVED** (with Councillor Randall Johnson seconding):

“that the Authority be asked to consider the scope for widening its community partnership activities and involvement to further promote community safety”.

The motion was put to the vote and declared **CARRIED**, unanimously, whereupon it was

RESOLVED

- (a). that the Authority be asked to consider the scope for widening its community partnership activities and involvement to further promote community safety; and
- (b). that, subject to (a) above, the report be noted.

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