

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

20 January 2025

Present:

Councillors Kerley (Vice Chair – in the Chair), Clayton, Coles (vice Roome), Fellows, Kendall, Kerley, Prowse and Sellis

Co-opted, Independent Members:

Messrs. Perks and Turkington

Apologies:

Councillor Biederman

\* **AGC/24/17**      **Minutes**

**RESOLVED** that the Minutes of the meeting held 29th November 2025 be signed as a correct record.

\* **AGC/24/18**      **Devon & Somerset Fire & Rescue Authority Financial Statements 2023-24:**

a      **Statement of Accounts 2023-24**

The Committee considered a report of the Head of Finance (Treasurer) (AGC/25/1) to which was appended the Authority's Financial Statements (including a narrative statement and Statement of Accounts) for the financial year ended 31 March 2024.

The Committee was apprised that, since publication of this meeting's documentation, Bishop Flemming had requested several amendments to the Authority's Statement of Accounts for 2023-24 prior to their final publication (the deadline of which was 28<sup>th</sup> February 2025). The amendments, along with the Service's responses, were as follows:

- Ensuring that the change to the value of the Property for Devon & Somerset Fire & Rescue Service (DSFRS) flowed through to the Group Accounts – actioned;
- An additional commentary to be included within the Group Accounts note - actioned;
- The Service to reflect, within the Notes for Members' Allowances, that an Independent, Co-opted, Member of the Audit & Governance Committee had repaid their allowances – actioned and this now reading nil;

- That an identified difference on Pages 57 and 58, 'Actuarial gain and losses arising on changes in demographic assumptions', be corrected – this amendment was in progress with the Service committing to action this prior to final publication; and
- The Expenditure & Funding Statement (EFA) was a reconciliation of the amount Bishop Flemming reported to the Service and the requirement to report this against the Code for EFA which didn't reconcile fully – The Service was working with the Auditors to identify a suitable resolution to this discrepancy.

The Committee identified a discrepancy in the reported establishment date for Red One Ltd at Page 59 of the proposed Statement of Accounts 2023-24. The Service confirmed Red One Ltd's incorporation date was 2010 and committed to amend this prior to final publication.

The Treasurer apprised the Committee that the Service had, after consulting the Chartered Institute of Public Finance and Accountancy (CIPFA) Code, not originally considered it necessary to revalue the Service's Non-Current assets of property, plant and equipment as the difference had not been materially different (less than 4%). However, Bishop Flemming had advised that the variance was over materiality thresholds set for audit and therefore a revaluation was necessary. The revaluation had since been conducted and was reflected within the Accounts.

Cllr Coles **MOVED**, (seconded by Cllr Clayton):

"That, subject to the incorporation of the amendments reported at the meeting, the final Statement of Accounts for 2023-24 be approved for publication".

Upon a vote, the motion was **CARRIED** unanimously.

**RESOLVED** that, subject to the incorporation of the amendments reported at the meeting, the final Statement of Accounts for 2023-24 be approved for publication".

b **Audit Findings for Devon & Somerset Fire & Rescue Authority for the Year Ended 31 March 2024**

The Committee received for information a report from the external auditor, Bishop Flemming, on its final audit findings of the Authority's Financial Statements for the year ended 31 March 2024.

Nathan Coughlin, representing Bishop Flemming, reported that it had been a positive first year of Auditing the Authority's accounts and that good relationships had been built between the Auditors and Service staff. He drew the Committee's attention to the following:

- Subject to the points made at Minute AGC/24/20 being actioned, the 2023-24 Audit would be considered complete and the Auditor's final opinion would be confirmed;

- The anticipated clean opinion, with a limited number of findings identified, was a positive outcome for the Authority;
- The revaluation of Land and Buildings, discussed at Minute AGC/24/20, had been processed promptly by the Service and Bishop Flemming was comfortable with the resulting adjustments;
- Whilst the Valuation of pension fund net liability was reporting a £600m deficit, this was not considered an area of concern and Bishop Flemming was comfortable with the position. The Local Government Pension Scheme was showing a net surplus position which was positive news; and
- Issues highlighted at previous Audit, by Grant Thornton, would be superseded with the implementation of the Service's new Finance System.

The Committee sought assurance that the Service was prepared for mandatory implementation of IFRS16 as part of the 2024- 25 financial accounts. The Treasurer advised that the Service was preparing to effect the IFRS16 accounting standard, and this would inform audit discussions with Bishop Flemming over the coming year. Additional resource was in place within the Finance Team which had already completed approximately 80% of the required lease review work. The Treasurer was confident everything would be in place by the 1<sup>st</sup> April 2025.

c **2023-24 Letter of Representation**

The Committee considered the Letter of Representation on the Authority's financial statements for the year ended 31 March 2024.

**RESOLVED** that the Committee Chair and the Head of Finance (Treasurer) be authorised to sign, on behalf of the Authority, the Letter of Representation to the external auditor (Bishop Flemming) on the Authority's financial statements for the year ended 31 March 2024.

\* **AGC/24/19** **Annual Audit Report 2023-24**

The Committee received for information, from the Authority's external auditor Bishop Flemming, the Annual Audit Report for the 2023/24 financial year.

Nathan Coughlin, representing Bishop Flemming, commented that this had been a positive process to work through with the Service. He drew attention to the following points:

- there were no significant weaknesses identified against any of the Authority's Value for Money arrangements;
- Bishop Flemming's audit findings were broadly consistent with those identified by the previous auditor, Grant Thornton, and that actions undertaken by the Service to address Grant Thornton's opinions were evident; and

- Bishop Flemming were recommending that the Executive Board consider putting in place cash flow forecasts on a rolling 12-month basis.

\* **AGC/24/20**      **Annual Statement of Assurance 2023-24**

The Committee considered a report of the Assistant Director, Corporate Services, (AGC/25/2) to which was appended the final 2023-24 Annual Statement of Assurance for the Authority. The document had been prepared in accordance 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 previous draft of this document had been presented to the Committee in July 2024 (Minute AGC/24/4 refers).

Reference Paragraph 7 of the report, it was highlighted that there may be a gap forming in this Committee's full oversight of the approval of key financial policies (e.g. Treasury Management Policy and Whistleblowing). Attention was also drawn to the point that the Articles of Association of the Authority's Trading Company, Red One Ltd., were not submitted for scrutiny to this Committee. The Clerk undertook to submit key policies to the Committee for consideration prior to approval by the Authority as part of its review of its constitutional framework at the Annual General Meeting in June each year.

The Service was requested to include, within future reports, information to clarify why any targets on requisite actions may have been missed.

**RESOLVED** that the Annual Statement of Assurance for 2023-24 as appended to report AGC/25/2 - required to accompany the 2023-24 final accounts - be approved and published on the Authority's website.

\* **AGC/24/21**      **Corporate Risk Register**

The Committee considered a report of the Assistant Director, Corporate Services, (AGC/25/3) to which was appended the Risk Management Framework. The report provided the Committee with oversight of the Corporate Risk Register, and mitigations in place. The Committee's attention was drawn to the five high risks and the action being taken to mitigate accordingly:

- CR044 Cyber Attack: Due to actions taken by the Service, it anticipated that consideration would be given to reducing this risk from Red to Amber in the near future;
- CR055 Safety event reporting: The Open off track (overdue) actions continued to reduce and, as of 17<sup>th</sup> January 2025, had reduced to 58 Safety Event Management System (SEMS) recommendations (down from 75), and 18 High Priority (down from 30);

- CR079 Home Fire Safety (HFS) visits: The back log continued to reduce and, as of 17<sup>th</sup> January 2025, totalled 599 which was within the Service's tolerance threshold. This risk would remain on the register until a revised system was identified to replace current processes.
- CR082 Hot Villa usage: As of the week commencing 13<sup>th</sup> January 2025 the Hot Villa had been back in active service. The Service was currently reviewing its first week of operation with a view to fully re-opening the facility.
- CR086 Workshop facilities: Works to develop Crownhill Fire Station's facilities were due to complete on 21<sup>st</sup> January 2025 prior to similar works starting at the Barnstaple Fire Station facilities.

\* **AGC/24/22**      **Personal Protective Equipment (PPE) Audit and Contaminants Update**

The Committee received a report of the Assistant Director, Corporate Services, (AGC/25/4) which provided an update on the outstanding actions from the PPE 2021-22 Audit along with a progress update on the Contaminants Project.

It was highlighted to the Committee that the original 2021-22 Audit had confirmed that Structural Fire-fighting PPE provision within the Service was structurally sound, met industry standards, achieved value for money and there was a good level of availability for staff. The resulting recommendations, fully supported by the Service, were being addressed as detailed within the report.

Phase 1 of the Contaminants project was complete. The report identified the Phase 2 work packages planned during 2025 against which funding was in place.

The Committee sought assurance that Firefighter Welfare remained a key focus for the Service, referencing a recent Grenfell Report on Contaminants. The Committee were apprised that the Service was committed to continuing to meet standards and implementing future recommendations from industry professionals such as the National Fire Chiefs Council (NFCC). The Service was comfortable with the controls in place locally to manage Contaminants. The Contaminants Board would next be considering how best to invest in PPE that matched revised NFCC requirements.

\* **AGC/24/23**      **Government Consultation on Strengthening the Standards and Conduct Framework for Local Authorities in England**

The Committee received a report of the Clerk to the Authority (& Monitoring Officer) which provided an overview of the Government's current standards and conduct regimes, along with details of the Government's proposals to reform them. The Government was seeking the views of Local Authorities to its proposals with a consultation end date of 26 February 2025.

**RESOLVED** that, in consultation with the Chair of the Audit and Governance Committee, the Clerk to the Authority (& Monitoring Officer) be authorised to submit a response on behalf of the Committee to the Consultation by the deadline of 26 February 2025.

\* AGC/24/24

**Government Consultation on a Strategy for Overhauling the Local Audit System in England**

The Committee received a report of the Head of Finance (Treasurer) which provided an overview of the Government's commitment to fix the Local Audit System and detailed the resulting government consultation on the proposals which included:

- Creation of a Local Audit Office (LOA);
- Simplifying Authority financial reporting requirements; and
- Reforming the audit regime.

The Treasurer drew the Committee's attention to the Government's enquiry on whether the Chair of an Audit Committee should be an Independent Member. The Committee discussed this proposal, observing that the Private Sector did not practice in this way, and generally concurred that the Chair of an Audit Committee should remain as an elected Member.

**RESOLVED** that, in consultation with the Chair of the Audit and Governance Committee, the Treasurer be authorised to submit a response to the Consultation on behalf of the Committee by the deadline of 29<sup>th</sup> January 2025.

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

The Meeting started at 2.00 pm and finished at 3.40 pm