

## AUDIT & PERFORMANCE REVIEW COMMITTEE

(Devon & Somerset Fire & Rescue Authority)

17 January 2018

### Present:-

Councillors Wheeler (Chair), BurrIDGE-Clayton (Vice-Chair), Healey MBE, Saywell, Trail BEM and Vijeh

### Apologies:-

Councillor Napper

#### \* **APRC/16** Minutes

**RESOLVED** that the Minutes of the meeting held on 12 September 2017 be signed as a correct record.

#### **APRC/17** Additional Meeting Date 2018

The Committee considered a report of the Director of Corporate Services (APRC/18/1) that set out a proposal to schedule an additional meeting of the Committee in the light of changes to the Accounts & Audit Regulations 2015 and the new requirement to approve the Authority's financial statements by the end of July 2018.

The Director of Corporate Services advised the Committee that the Authority was responsible for setting the Calendar of Meetings and thus, he indicated that the date suggested should be recommended to the Authority for approval rather than the Committee setting the date.

Councillor Saywell **MOVED** this amendment to the recommendation (seconded by Councillor Healey MBE) and upon a vote, the motion was **CARRIED** unanimously.

**RESOLVED** that the Devon & Somerset Fire & Rescue Authority be recommended to schedule a meeting of the Audit & Performance Review Committee on Friday 27 July 2018 at 10:00hours for the purposes of approving the Authority's Financial Statements for 2017/18.

#### \* **APRC/18** Grant Thornton Update

The Committee received for information a report submitted by the Authority's external auditors, Grant Thornton, setting out the progress made in delivery of its audit responsibilities to the Devon & Somerset Fire & Rescue Authority (up to January 2018). The report covered the following matters, amongst others:

- The progress made to date with the financial statements audit, the value for money conclusion and the Annual Audit Letter (Minute \*APRC/4 below refers);
- A fire sector update including an up to date summary of emerging national issues together with insights from the local authority sector and reports of interests;

- The National Fire Chiefs Council (NFCC) response to the Hackitt Review into the Grenfell Tower fire;
- a number of recent CIPFA publications including “the guide to local government finance” 2017 edition;
- a Department for Communities and Local Government (DCLG) consultation on proposed changes to the prudential framework of capital finance.

\* **APRC/19** **Annual Audit Letter**

The Committee received for information the Authority’s Annual Audit Letter for the year ended 31 March 2017 as submitted by the Authority’s external auditor, Grant Thornton.

Mark Bartlett, representing Grant Thornton, drew attention to the work that had been undertaken with the Authority during the year, including the Statement of Accounts and the Value for Money conclusion, both of which had received an unqualified opinion.

\* **APRC/20** **Group Accounts for Devon & Somerset Fire & Rescue Authority and Red One Ltd.**

The Committee considered a report of the Treasurer (APRC/18/2) that set out the position in respect of the provision of group accounts for the Authority’s trading company, Red One Limited. Under the Chartered Institute for Public Financial Accountants Code of Practice, the Authority was able to take a view on materiality when presenting group accounts. Following discussion with the external auditor, Grant Thornton, it was the Treasurer’s view that the activities of Red One Limited were not material to the Authority’s Statement of Accounts and therefore, it was recommended that the accounts were not consolidated.

**RESOLVED** that the accounts of Red One Limited be not consolidated into group accounts for the 2017/18 financial year.

*NB. Councillors Healey MBE and Saywell declared an interest in this item in view of their position as Non-Executive Directors of Red One Limited.*

\* **APRC/21** **Audit & Review Progress Report 2017/18: Quarter 2**

The Committee received for information a report of the Head of Assurance and Planning (APRC/18/3) that set out the progress made to date against the approved 2017-18 Internal Audit Plan and which also updated the Committee on any additional audit and review work that had been undertaken.

The Head of Assurance and Planning reported that there may be some improvements that could be made to the audit process and the assurance tracker and this was being mapped out already in the context of the forthcoming inspection by Her Majesty’s Inspector of Constabulary and Fire & Rescue Services (HMICFRS). It was noted that the audit strategy was also being aligned to the new performance measures (Minute \*APRC/8 below also refers).

\* **APRC/22** **Corporate Risk Register Update**

The Committee received for information a report of the Head of Assurance and Planning (APRC/18/4) that set out the Service's approach to the management of risks within the organisation and details of any new risks that had been included within the Authority's Corporate Risk Register recently.

It was noted that, whilst there had not been any new risks added to the Corporate Risk Register during quarter 2 of 2017-18, although the Service continued to monitor the position with existing risks identified, including, amongst others, community safety business safety processes, data sharing and a failure to manage staff competencies and their operational capability.

\* **APRC/23** **Devon & Somerset Fire & Rescue Authority Performance Report 2017/18: Quarter 2**

The Committee received for information a report of the Assistant Chief Fire Officer – Service Delivery (APRC/18/5) that set out the Service's performance for the period of October 2016 to September 2017 with a focus on quarter 2 of 2017-18. The report highlighted the new format for the performance information which set out a measure status of 'good performance', 'monitor performance' or 'negative exception'. This was established through an assessment of the different types of analysis, for example, performance versus the previous year, performance versus the previous quarter and trends and performance against normal variation to give a more rounded picture and which directed focus more effectively on emerging issues. Where a measure was reported as an exception, a separate report would be provided.

The main performance issues reported for quarter 2 were:

- Five of the eight measures were showing positive performance;
- Two of the measures were in monitor status (measures 2 and 5); and
- One measure was in negative exception – measure 3, fires where people live – and an exception report was enclosed within the report. This had been highlighted as a negative exception as the year to date increase (503 incidents) and the upward trend in the rolling 3 year data but no immediate action was required at this stage and the performance would be monitored over coming months.

\* **APRC/24** **Exclusion of the Press and Public**

**RESOLVED** that, in accordance with Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following item of business on the grounds that it involved the likely disclosure of exempt information as defined in the following paragraph of Part 1 of Schedule 12A (as amended) to the Act, namely:

- Paragraph 3 (information relating to the financial and business affairs of any particular person – including the authority holding that information).

\* **APRC/25 Audit & Review IT Security Progress Report**

(An item taken in accordance with Section 100A(4) of the Local Government Act 1972 during which the press and public were excluded from the meeting).

The Committee received for information a report of the Head of Assurance & Planning (APRC/18/6) that set out the progress made to date against the approved 2017-18 internal audit plan and which reported specifically on the ICT Technical audits that had been undertaken and the assurance statements thereon.

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

The Meeting started at 10.00 am and finished at 11.25 am