

## **AUDIT & PERFORMANCE REVIEW COMMITTEE**

(Devon and Somerset Fire and Rescue Authority)

11 April 2016

### Present:-

Councillors Edmunds, Healey, Radford (Chair) and Singh.

### Apologies:-

Councillors Horsfall, Randall Johnson and Way.

#### **APRC/24      Minutes of previous meeting held on 14 January 2016\***

**RESOLVED** that the Minutes of the meeting held on 14 January 2016 be signed as a correct record.

#### **APRC/25      Grant Thornton Audit Progress Report\***

The Committee received for information a report submitted by the Authority's external auditor, Grant Thornton, setting out the progress made in delivery of its audit responsibilities to the Devon & Somerset Fire & Rescue Authority (the Authority) up to 24 March 2016. The report also covered emerging issues and developments, including the reform of local government, innovation in public financial management and IFRS 13 "Fair Financial Measurement", amongst other matters.

The report also covered:

- (i) ISA240 Letter – Treasurer's response; and,
- (ii). ISA240 Letter – Chair's response.

#### **APRC/26      External Audit Plan 2016/17\***

The Committee received for information an external audit plan for the year ending 31 March 2016 from the Authority's auditors, Grant Thornton, that gave an overview of the planned scope and timing of the external audit process as required by the International Standard on Auditing (UK & Ireland) 260. The document provided an understanding for the Committee of the external audit work and which also identified issues of materiality and areas of significant and other risks for the Service.

The Committee noted that Grant Thornton would be focussing on the Service's key risks, including the Integrated Risk Management Plan and Asset Strategy, financial, sickness absence and performance in its audit plan for 2016/17.

#### **APRC/27      2015/16 Internal Audit Year End Report\***

The Committee received for information a report of the Audit & Review Manager (APRC/16/3) that set out the 2015-16 internal audit year-end report and which also provided the assurance statements needed for the audits that had been completed.

The Committee noted that, at the end of March 2016 the assurance tracker showed that there were 34 open high or high/medium internal audit recommendations outstanding, of which only 25 were overdue, which was a significant improvement on the position at quarter 3 of 2015 -16. The Committee was assured that the audit process demonstrated that the Authority had good levels of internal control in place.

**APRC/28**      **Proposed Change of Strategy - Internal Audit and Review\***

The Committee considered a report of the Area Manager – Organisational Assurance – (APRC/16/4) that outlined the work that had been undertaken to review the existing audit strategy and methodology. The report also set out the proposed future strategy and methodology which would be based on:-

- the development and introduction of an effective self-assessment audit and review toolkit to be used at all Directorate/Service Leadership Team levels;
- processes for validation of the internal self-assessment – based around the Health and Safety Guidance Note (HSG) 65 which could be operate around the Service’s existing enabling strategies, planning and governance framework and enable cross mapping to other tools such as EFQM;
- the creation and maintenance of a strategic organisational assurance map that will visually provide management, Members and external auditors with a clear picture of the status of the Service.

It was intended that this strategy would be validated by the Authority’s external auditor to provide an assurance that this approach was fit for purpose and met recognised standards.

**RESOLVED** that the Committee endorses the approach taken to review the Audit and Review Strategy on the basis set out within section 3 of report APRC/16/4.

**APRC/29**      **Internal Audit Plan 2016/17\***

The Committee considered a report of the Area Manager – Organisational Assurance – (APRC/16/5) that set out the proposed 2016 -17 Internal Audit Plan, which involved a total of 260 audit days split between strategic reviews, compliance reviews and audit health checks.

**RESOLVED** that the 2016-17 Internal Audit Plan as set out within report APRC/16/5 be approved.

**APRC/30**      **2015/16 Annual Statement of Assurance\***

The Committee considered a report of the Area Manager – Organisational Assurance – (APRC/16/6) that set out the proposed process for the production of the 2015-16 Annual Statement of Assurance which was required in accordance with the provisions in the Account and Audit (England) Regulations 2011. The report outlined the preliminary work that had been undertaken to date in the preparation of the draft Annual Statement of Assurance and the timescales involved and which also sought the participation of the Committee to ensure that Members were satisfied that the process followed for production of this document was robust.

## **RESOLVED**

- (a) That workshops be held for a maximum of three members of the Committee (membership to be confirmed by email to allow those Members not present to express an interest) to inform production of the draft 2015-16 Statement of Assurance prior to submission of the draft for approval in principle by the Committee;
- (b) That subject to (a) above, the report be noted.

### **APRC/31 Corporate Risk Register 2016/17\***

The Committee received for information a report of the Area Manager – Organisational Assurance – (APRC/16/7) that set out the aims of the Service's risk management approach which was to:

- Protect the assets of the Service;
- Ensure service continuity; and,
- Facilitate innovation and opportunity.

It was noted that the Service maintained a Corporate Risk Register which detailed the risks and the action being taken to mitigate against them with an appropriate management strategy in place. The Area Manager – Organisational Assurance – indicated that the Corporate Risk Register would be submitted to the next meeting of the Committee so that Members could see at first hand the issues recorded.

### **APRC/32 Update on Peer Review\***

The Committee received for information a report of the Area Manager – Operational Assurance (APRC/16/8) that set out the progress that had been made with the instigation of the actions arising out of the Peer Review report which was received by the Fire & Rescue Authority in September 2014.

The Fire Peer Challenge was a voluntary process managed by and delivered for the sector, providing a mechanism for the provision of information to facilitate the challenge of operational service delivery. The peer review for Devon & Somerset Fire & Rescue Service was undertaken in the autumn of 2014 and, operationally, this focussed on firefighter safety arrangements including the key areas for assessment of community risk management, response and training and development. In addition, the review covered:

- Leadership and governance;
- Organisational capacity to meet needs;
- Outcomes for local citizens.

The report set out the progress that had been made by the Service in driving forward the suggestions that had been made for improvements in the key areas set out above.

APRC/33

**Group Accounts for Devon & Somerset Fire & Rescue Service & Red One Ltd.\***

The Committee considered a report of the Treasurer (APRC/16/9) 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 2015/16 financial year.

APRC/34

**Devon & Somerset Fire & Rescue Service Performance Report: January to December 2015\***

The Committee received for information a report of the Chief Fire Officer (APRC/16/10) that set out the Service's performance for the period January 2015 to December 2015 (with a focus on quarter 3 of 2015/16) as measured against the indicators in the current Strategic Plan "Our Plan: 2015 to 2020).

The key measures set out within the report were given a green, amber or red rating according to whether performance was normal, needed monitoring or required investigation. A more rounded analysis of data was carried out to assess performance which included looking at the latest 3 months of the reporting period, the latest 12 months of the reporting period, trend analysis and performance against calculated thresholds.

Using this methodology, further investigation had been carried out into the cause of the increase in fire related injuries (measure 2) which had risen in the period January to December 2015. Actions such as improving the availability of first aid training for the first person on scene had been introduced already over the previous 24 months to mitigate against this. In some other fire and rescue services, it had been identified that a follow up call some days after a fire was carried out to assess whether a person taken to hospital was then subsequently discharged without treatment. If no treatment was given, that record would then be removed from the data. This had been identified as good practice and would assist fire & rescue services in the provision of more accurate data.

The Committee noted that there had been 2 fire deaths (measure 1) in quarter 3 of 2015/16 which had raised the total number of fire deaths to 10 in the period January to December 2015. Whilst still low numbers, this equated to a 150% increase on the same period in 2014/15. The question was raised as to whether the location of the fire deaths could be added into the commentary in the report and the Chief Fire Officer replied that this would be included within future reports.

The performance against measures 3 to 8 had remained stable on the whole with green ratings. Reference was also made to the position on sickness absence which continued to show an improvement as compared to 2014/15. Of particular note was the point that the number of staff on long term sickness absence had reduced from 29 in October 2015 to 15 in January 2016.

**APRC/35**

**Review of Performance Measures\***

The Committee received for information a presentation given by the Area Manager – Analysis and Development – that set out the process that was being followed for the review of the internal performance measures which was underway.

The performance measures were being aligned to the Authority's strategic priorities, namely:

- Priority 1 – public safety;
- Priority 2 – staff safety;
- Priority 3 – efficiency and effectiveness.

The Committee noted that it was important for the measures to be aligned to the corporate priorities but additionally, at local level this would also align to both departmental and local community plans within areas. Workshops were being arranged in which Members of the Authority would be invited to participate and engage and further information on the arrangements would be circulated in due course.

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

The meeting started at 10.00 am and finished at 12.05 pm

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