

AUDIT & PERFORMANCE REVIEW COMMITTEE

(Devon & Somerset Fire & Rescue Authority)

13 November 2019

Present:-

Councillors Clayton, Napper, Prowse (Vice-Chair), Saywell and Wheeler

Apologies:-

Councillors Healey MBE (Chair)

NB. Councillor Prowse took the Chair for this meeting in the absence of Councillor Healey MBE.

* **APRC/8** **Minutes**

RESOLVED that the Minutes of the meeting held on 19 July 2019 be signed as a correct record.

* **APRC/9** **External Audit**

* a **Audit Progress - Request for a Late Audit**

The Committee considered a report of the Director of Finance & Resourcing (Treasurer) (APRC/19/16) that set out further information on a request received from the external auditor, Grant Thornton, for a late audit of the Authority's financial statements in 2020.

Barrie Morriss, representing Grant Thornton, was present at the meeting and he gave an overview of the main reasons behind the request made to the Authority for a late audit. These included:

- That the bringing forward of publication of the Statement of Accounts to 31 July was untenable for external auditors given the availability of quality resources to help meet public sector demand;
- Although Grant Thornton had outperformed other external auditors (63% of its audits delivered by 31 July as opposed to a 58% average in the sector) it was still requesting a late audit for the Authority on the basis that it had fewer issues to be resolved (i.e. financial management and internal controls were of a good standard) and this would allow more time for Grant Thornton to focus on other, less compliant clients;
- This was a sector wide issue and agreeing to the request for a late audit would not prejudice the Authority's ability to publish its accounts in compliance with the Account & Audit Regulations 2015 and would not be a reflection on the Authority's performance.

The Director of Finance & Resourcing (Treasurer) advised the Committee of her reservations in respect of the request made for a late audit. These were primarily surrounding the points:

- that the Home Office was collating a list of those authorities that did not meet the requisite audit publication date and that the Public Sector Audit Appointments (PSAA) may choose to publish this in 2020 so there was a potential reputational risk for this Authority; and
- that this may increase pressure on the Finance team as pushing the audit of financial statements to late September would begin to clash with the start of the budget setting process.

It was noted that the Director of Finance & Resourcing would, however, work closely with Grant Thornton to ensure that the requisite statement on publication of a late audit would reflect the reasons behind this clearly should the Committee be minded to agree this. The Director of Governance & Digital Services added that the purpose of the audit was to provide assurance and, if agreeing to a late audit would assist the auditors in the performance of their duties, it could be justified as being in the general public interest.

Councillor Saywell **MOVED** (seconded by Councillor Wheeler):

“that the request made by Grant Thornton for a late audit in 2020 be approved and that the Director of Finance & Resourcing be delegated authority to publish a revised audit notice by 31 July 2020 stating clearly the reasons behind this”.

The motion was **CARRIED** unanimously.

RESOLVED that the request made by Grant Thornton for a late audit in 2020 be approved and that the Director of Finance & Resourcing be delegated authority to publish a revised audit notice by 31 July 2020 stating clearly the reasons behind this.

* b **External Audit Progress Report and Sector Update**

The Committee received, for information, an external audit progress report and sector update from Grant Thornton (the Authority’s external auditor) covering, amongst other areas:

- The completion of the financial statements audit by 31 July 2019 and value for money assessment;
- The 2019-20 audit deliverables;
- a sector report highlighting Grant Thornton publications, insights from local government sector specialists, reports of interest and accounting and regulatory update;
- Her Majesty’s Inspectorate of Constabulary & Fire & Rescue Services (HMICFRS) news;
- Chartered institute of Public Financial Accountants (CIPFA) – Chief Fire Officer confidence survey;
- Minister for Housing, Communities and Local Government – an independent probe into local government audit and Brexit preparations; and
- National Audit Office – Code of Audit Practice.

* c **Annual Audit Letter**

The Committee received for information the Authority's Annual Audit Letter for the year ended 31 March 2019 as submitted by the Authority's external auditor, Grant Thornton.

Barrie Morriss, 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/10** **Audit & Review 2019/20 Progress Report**

The Committee received for information a report of the Director of Governance & Digital Services (APRC/19/17) that set out the progress made to date by the Service against the approved 2019-20 Internal Audit Plan and which also provided an update on any additional reviews undertaken.

The Audit & Review Manager drew attention to the final report on the Fleet Review which was a repeat audit. He indicated that this area was still requiring improvement but that there was a positive direction of travel with a lot of actions implemented but not embedded yet. It was expected that it may be up to 2 years before the benefits would be realised fully. Reference was also made to the work being undertaken by the Operational Assurance team on reviewing systems and processes which would impact on the reporting of any trends identified in the future.

* **APRC/11** **Corporate Risk Register**

The Committee received for information a report of the Director of Governance & Digital Services (APRC/19/18) on the Corporate Risk Register and specifically, any new risks added within the previous six months.

The report identified that the Service risk profile had changed in the last six months. The corporate risk register entries totalled nine with one new risk (added in July 2019) in respect of Firefighter Fitness (CR054). Risk CR052 (industrial action) had reduced as a result of the 2019 Firefighters' pay award being accepted. The risk of a "no deal" Brexit has also been de-escalated because of the decision by the EU to agree an extension to 31 January 2020.

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* **APRC/12** **Devon & Somerset Fire & Rescue Service Performance Report: April to September 2019/20**

The Committee received, for information, a report of the Director of Service Improvement (APRC/19/19) to which was appended the Service performance report covering the Period April to September 2019. The report featured performance measure details with information on the measure status (positive performance; monitor performance; negative exception) established through assessing performance against that in the previous year and medium to long-term trends.

Commentary was included to provide additional contextual information and activities being undertaken to improve performance.

The status on performance for the period April to September 2019 was included in the report which showed that four measures were positive, two were being monitored and two were in negative exception. The two measures in negative exception were:

- Fire related deaths where people live; and
- Fire related deaths where people work, visit and in vehicles.

Further detail on the reasons behind these measures being in negative exception were set out within the report.

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

The Meeting started at 10.00 am and finished at 11.17 am