

AUDIT & GOVERNANCE COMMITTEE

(Devon & Somerset Fire & Rescue Authority)

10 May 2022

Present:

Councillors Healey MBE (Chair), Brazil, Prowse (Vice-Chair) and Shayer.

Also in attendance:

Barrie Morriss (Grant Thornton – External Audit).

Apologies:

Councillors Parker-Khan and Roome.

* **AGC/21/20** **Minutes**

RESOLVED that the Minutes of the meeting held on 7 March 2022 be signed as a correct record.

* **AGC/21/21** **External Audit Plan for Year Ending 31 March 2022**

The Committee received for information a document provided by the external auditor (Grant Thornton) setting out an overview of the planned scope and timing of the statutory audit of the Devon & Somerset Fire & Rescue Authority's financial statements for the year ended 31 March 2022, for which the proposed audit fee was £47,280.

In discussing this item, the following points were noted:

- that the audit would be risk-based, with the significant risks identified in the document;
- that the audit of financial statements for 2021-22 would include Group Accounts for the first time. The external auditor was liaising with Red One Ltd. to clarify expectations;
- that the level of materiality for audit purposes had been assessed at 2% (circa. £1.8m).

* **AGC/21/22** **Draft 2021-22 Annual Statement of Assurance**

The Committee considered a report of the Director of Governance & Digital Services (AGC/22/4) to which was appended the draft Annual Statement of Assurance for 2021-22.

The Statement had been prepared to comply with the requirements of the Accounts and Audit (England) Regulations 2015 (as amended) and the latest edition of the Fire and Rescue National Framework for England. The Statement examined and provided commentary on organisational systems of internal financial control, corporate governance and operational assurance.

In debating the report, the following points were made:

- that the Devon & Somerset Fire & Rescue Service had fared particularly well in the specific inspection undertaken by Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services into the fire service response to the COVID pandemic and that this could be referenced in the Annual Statement of Assurance; and
- that the reference on page 26 of the draft Statement that "The Service uses an agency to draft and check recruitment adverts to ensure they don't inadvertently obstruct applications from people from under-represented groups" could be further clarified.

RESOLVED that, subject to inclusion of the amendments as indicated, the draft Annual Statement of Assurance 2021-22 as appended to report AGC/22/4 be approved in principle and submitted to the External Auditor alongside the draft financial statements for the same financial year.

* **AGC/21/23** **Internal Audit 2021-22 Year-end Report**

The Committee received for information a report of the Director of Governance & Digital Services (AGC/22/5) on the closing internal audit annual report for the 2021-22 financial year. The report detailed progress made against the approved internal audit plan for that year together with additional review work undertaken.

Two risk-based amendments had been made to the internal audit plan to include the following two audits requested by Service Delivery:

- audit of the flexi-duty system; and
- organisational safeguarding assurance report.

Some six audits had been completed and the report also included the outcome of work during 2021-22 in relation to the National Fraud Initiative.

Based on the completed audit work to date, Internal Audit expressed a reasonable level of assurance in the systems in operation within the Devon & Somerset Fire & Rescue Service. Generally, there was a sound system of governance, risk management and controls in place. Where weaknesses had been identified, management had agreed the findings and/or recommendations or accepted the associated risks. All audit reports included an action plan, with a designated responsible officer and timescales for completion, to address issues identified.

Having debated the report, the Committee expressed its satisfaction with the level of assurance as identified.

* **AGC/21/24** **Authority Policy for Regulation of Investigatory Powers Act (RIPA) 2000 - Review**

The Committee received for information a report of the Director of Governance & Digital Services (AGC/22/6) on operation by the Authority of its policy as required by the Regulation of Investigatory Powers Act (RIPA) 2000. The policy maintained by the Authority accorded with both the legislation and all current Codes of Practice. Since the last report in July 2021, there had been no use by the Authority of powers under RIPA.

* **AGC/21/25** **Draft Forward Plan**

The Committee received for information a report of the Director of Governance & Digital Services (AGC/22/7) to which was appended an indicative forward plan for submission of items to future meetings of this Committee during the forthcoming 2022-23 municipal year.

* **AGC/21/26** **Exclusion of the Press and Public**

RESOLVED that, in accordance with Section 100A(4) of the Local Government Act 1972, the press and public (with the exception of representatives from the Devon Audit Partnership and Barrie Morriss [Grant Thornton]) be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in the following paragraphs 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); and
- Paragraph 4 (information relating to consultation or negotiations or contemplated consultation or negotiations in connection with a labour relations matter arising between the Authority or a Minister of the Crown and employees of or office holders under the Authority).

* **AGC/21/27** **Internal Audit Service Provision**

(An item taken in accordance with the provisions of Section 100A(4) of the Local Government Act 1972 during which the press and public (with the exception of representatives of the Devon Audit Partnership and Barrie Morris [Grant Thornton]) were excluded from the meeting).

The Committee considered a report of the Director of Governance & Digital Services (AGC/22/8) on the outcome of an internal review into and options for the provision of the internal audit function for the Devon & Somerset Fire & Rescue Service. Options for provision as outlined in the report included:

- co-sourcing/partial out-sourcing;
- internal sourcing;
- outsourcing;
- membership of a partnership shared-service arrangement with the Devon Audit Partnership as a non-voting partner; and
- membership of a partnership shared-service arrangement with the Devon Audit Partnership as a full partner.

Each of these had been considered with reference to quality and cost of service.

The report outlined relevant legal considerations in relation to the preferred option, as supported by the Service Executive Board, to enter into a partnership shared-service arrangement with the Devon Audit Partnership as a full partner.

RESOLVED that the Committee supports, in principle, membership by the Authority of the Devon Audit Partnership (DAP) shared service arrangement as a full, voting partner, subject to:

- (a). final approval by the Authority following consideration of a full business case at the Authority ordinary meeting scheduled for 10 June 2022; and
- (b). confirmatory legal advice on any terms proposed for the Deed of Variation required for joining the Partnership.

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

The Meeting started at 2.00 pm and finished at 3.12 pm