



**AVON FIRE AUTHORITY
AUDIT, GOVERNANCE & OVERSIGHT COMMITTEE (AGOC) MINUTES**

27 JUNE 2023

MINUTES OF MEETING

PRESENT: Cllrs Goggin, Mohamud, Nutland (Chair), Tucker, Varney and Williams

The meeting started at 10.35hrs.

CHAIR OF THE AUDIT, GOVERNANCE AND OVERSIGHT COMMITTEE FOR THE MUNICIPAL YEAR

At the Avon Fire Authority AGM on 21 June 2023, Cllr Ben Nutland was voted the Vice-Chair of the Fire Authority. He would, therefore, in accordance with the Terms of Reference for the Audit, Governance and Oversight Committee automatically become the Chair of this Committee.

ELECTION OF VICE-CHAIR OF THE AUDIT, GOVERNANCE AND OVERSIGHT COMMITTEE FOR THE MUNICIPAL YEAR

It was proposed by Cllr Nutland and seconded by Cllr Tucker that Cllr Goggin be elected Vice Chair of the Audit, Governance and Oversight Committee for the 2023-2024 Municipal Year. There was a vote and it was:

RESOLVED – that Cllr Goggin be elected Vice Chair of the Audit, Governance and Oversight Committee for the 2023-2024 Municipal year.

The Clerk advised Members that Assistant Chief Fire Officer (ACFO) Steve Imrie was the Lead Director for the Audit, Governance and Oversight Committee (AGOC). Any queries outside of the meeting should be directed to the Clerk or ACFO Imrie.

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Cllrs Riddle, Stansfield and Wilcox.

2. EMERGENCY EVACUATION PROCEDURES

Officers confirmed the emergency evacuation procedure for the venue.

3. DECLARATION OF INTERESTS

None received.

4. PUBLIC ACCESS

None received.

5. CHAIR'S BUSINESS

The Chair confirmed that Members were looking forward to working with Officers over the next year.

1. Members and Officers introduced themselves and the Chair outlined that the meeting was taking place at Police & Fire Headquarters. The meeting would also be recorded and uploaded to the Avon Fire Authority (AFA) YouTube channel.
2. ACFO Imrie advised attendees of the sad news of Iain Hughes, a Crew Manager in the West Midlands Fire Service. Iain had gone missing whilst taking on a charity swim across the English Channel. Our thoughts were with Iain's family and colleagues.
3. The Chair explained the voting system for the meeting, i.e., votes against a motion would be recorded first, followed by abstentions, then votes in favour.

6. MINUTES OF THE AUDIT, GOVERNANCE & ETHICS COMMITTEE HELD ON 22 MARCH 2023

The open and confidential minutes (Items 6 and 15) of the Audit, Governance & Ethics Committee were also moved by Cllr Goggin and seconded by Cllr Tucker.

It was RESOLVED -

That the minutes of 22 March 2023 be approved as a correct record and signed by the Chair.

7. 2022/23 DRAFT ANNUAL GOVERNANCE STATEMENT

The Committee received the report from the Head of Corporate Assurance, Continuous Improvement and Planning. The Annual Governance Statement (AGS) 2022/23 sets out a framework by which the AFA internal systems and processes were directed and controlled. It enabled the AFA to gain assurance that services were being delivered in accordance with the prevailing legislation, regulations, and Government guidance.

A health check of the AFA's annual governance framework was carried out in April and May 2023. Results of the completed annual review of effectiveness and action plan 2022/23 provided details of proposed enhancements to the governance framework to ensure it remained adequate and effective.

It was advised that the AGS provided a clear assessment of how the Governance Framework had operated over the past financial year. Following the Governance review by Vale Consultancy, the AGS had been restructured with a short executive summary upfront and the CIPFA Principals used to structure the main body of the report. There had also been an increased use of links to relevant documents within the report.

Member's attention was drawn to Section 13 on p34. It was confirmed that this section would be updated with the External Auditors opinion once work for the 2022/23 financial year had been completed.

The Head of Corporate Assurance reminded Members that the Internal Auditors carried out an audit review of Financial Controls on our Purchase to Pay Financial Framework and had awarded a reasonable assurance rating.

Once approved, the AGS would be signed by the Chair, the Chief Fire Officer and both Statutory Officers.

A Member enquired whether the AGS should mention that the Audit, Governance and Ethics Committee had now been replaced by AGOC. The Clerk confirmed that this was referenced in paragraph 5.13 on p27.

The Head of Corporate Assurance and her team were thanked for providing a concise report in plain English.

The recommendations were moved by Cllr Williams and seconded by Cllr Mohamud.

It was resolved that the Committee -

- a) Approved the content of the draft AGS for publication, subject to paragraphs 13.1 and 13.2 being updated with the Head of External Audit Opinion and commentary on Value for Money, when published.**
- b) Authorised the Chief Fire Officer/Chief Executive, the Chair of Avon Fire Authority and Statutory Officers to sign the approved statement.**
- c) Approved the publication of the AGS 2022/23 alongside the final Statement of Accounts when the External Audit process was completed.**

8. 2022/23 DRAFT STATEMENT OF ACCOUNTS AND NARRATIVE REPORT

The Statutory Finance Officer presented Members with the draft 2022/2023 Statement of Accounts and Narrative Report, together with a copy of the draft Public Notice requirement.

The national deadline for the AFA final audited Statement of Accounts is the end of September 2023. Provisional audit dates provided by Deloitte suggested that we would be unable to publish audited accounts by this date (paragraph 6.2 provided further detail). A public statement will be published if this deadline is not met. The

audit is currently expected to commence in the last week of October, with planned sign off by the end of December 2023.

The production of the Statement of Accounts is a highly complex and technical process, which takes a significant amount of time for finance to undertake. This process was led by Bristol City Council (BCC), under the Financial Service Level Agreement, working closely with our internal Finance team.

The key points raised were that the accounts were an annual requirement for the year ending March 2023. They should have been published by 30 May for 2023 for a period of inspection but this deadline was missed due to the pension details being delayed. The period of inspection is for a period of 30 working days and are in a draft and unaudited form.

Members were reminded that there were ongoing fee discussions taking place with Deloitte in respect of the accounts for year ending March 2022. The fee scale is agreed by Public Sector Audit Appointments (PSAA) and were expected to be £35,170, however Deloitte are proposing a fee of over £100k. Ongoing discussions were taking place with Deloitte to resolve the issue. However, if no agreement was reached, PSAA would become involved to determine an appropriate fee.

A Member recognised that External Audit work had become more complex which had resulted in fee increases, was there anything that could be done? The Statutory Finance Officer advised that Deloitte were next on the agenda and could provide an update regarding the pressures they were under.

Following a Member's question, it was confirmed that the outstanding information from Avon Pension Fund had now been received. Property valuations also had to be repeated last year which had not been expected.

The recommendations were moved by Cllr Mohamud and seconded by Cllr Tucker.

It was RESOLVED that the Committee:

- a) Reviewed and approved the draft 2022/2023 Statement of Accounts and Narrative Report, to enable Avon Fire Authority (AFA) to meet its Public Notice requirement.**
- b) Noted the delay in the receipt of the Local Government Pension Scheme IAS19 Pension Scheme Accounting Figures as at 31 March 2023 and 31 March 2022 and the need to include this information in the draft Statement of Accounts for both financial years.**
- c) Approved the draft Statement of Accounts for publication immediately on the AFA website.**

9. CORPORATE RISK REGISTER EXCEPTION REPORT

The Committee received a report from the Head of Corporate Assurance, Continuous Improvement and Planning who advised that a function of the Audit,

Governance & Oversight Committee (AGOC) was to keep the Corporate Risk Register (CRR) under review and to seek assurance of appropriate management action. The CRR was a key tool in the effective identification and management of organisational risk.

The full CRR was reported to the AGOC twice-yearly, and by exception at other Committee meetings, following the recent approval of Governance review recommendations.

It was confirmed that table 5.1 on p178, summarised the key changes since the last AGEC meeting in March. There had been no new risks emerged, none removed, and none currently rated as red.

A Member enquired about the national shortage of Personal Protection Equipment (PPE). The Health, Safety, Welfare, Wellbeing & Fitness Manager advised there had been a recent conference concerning PPE and she would provide an update to Members.

The ACFO advised that due to the shortage, the Procurement team were ensuring that we had larger degrees of stock on shelves as it could not be replaced as quickly as previously.

A Member asked why the Health, Safety and Wellbeing rating had increased from 18 and 20 in the space of 3 months. It was advised that risks are regularly reviewed monthly at the Service Leadership Team (SLT), but only reported to this Committee quarterly. As a result of the SLT review, this risk had now been flagged, the impact considered which had resulted in action being required and consequently, this had increased the score.

It was resolved that the Committee –

a) Noted key changes to the CRR captured in this exception report.

10. EXTERNAL AUDIT PLAN 2023/24

This report was presented after item 8.

The Committee received a report from Deloitte, their External Auditor who confirmed that the pension update from March 2022 had been completed and there was an increase in Pension Liability of £3.2m, which was material. Deloitte have had to rely on information provided by pension scheme auditors.

With regards to the March 2023 audit, it was confirmed that Deloitte had reviewed their Local Government portfolio which showed that a number of March 2022 audits were still outstanding; some had not been signed off and some not even started. A revised plan had been produced following re-assignment of resources which should ensure that the audits were finished, with the Fire Authority audit due to be completed by March 2024, ready to hand over to the new Auditors.

The Clerk reminded Members that we had expected the detailed audit plan to be available for this meeting, but that would now be presented at the September meeting. Deloitte gave their assurance about this.

Deloitte advised that it was hoped that the audit would be completed and accounts available by the end of December, or failing that, January. The Clerk advised that an extraordinary meeting could be required to review the auditor's report and audited accounts, as they would not be in time for the next AGOC meeting in September 2023.

The Chair asked the Deloitte representative if she had attended the last meeting, and it was confirmed she did. Looking at the minutes of the last meeting, it was recorded that a Member raised a concern that the accounts were running a year late, and the question was asked how confident were Deloitte that they would be on time in future years. Deloitte confirmed at that meeting that in terms of the 2022/23 audit, resource had been confirmed over the summer to allow completion in a timely manner. The Deloitte representative clarified, that although this was correct at the time, they were not currently on track as resources had been moved from Avon Fire to those in a worse position.

In respect of fees, Deloitte confirmed that they had completed a detailed review of their audit work and were due to respond to the Statutory Finance Officer with some more information to explain the additional fees they wished to charge. Deloitte pointed out that that the amount of work required had increased significantly over the past 5 years, whereas fees had not increased in this time. Deloitte pointed out that the scale with the new Auditor from 2024 had increased by £24k.

The Clerk clarified with Deloitte whether the issue over increased fees should go to PSAA for deliberation. Deloitte responded that they had not had this situation before and hoped the situation could be resolved by reaching an agreement over fees. A member enquired about the PSAA process to make a decision regarding fees, Deloitte were unsure but would try to avoid that.

**It was resolved that the Committee –
a) Noted the report.**

11. INTERNAL AUDIT REPORTS AND ANNUAL REPORT 2022/23 AND PROGRESS REPORT 2023/24

The Committee received a report from RSM UK Risk Assurance Services LLP (RSM) who were the AFA's Internal Auditors (IA). Audit Reports were presented to the Committee for consideration, assurance, and review of management action plans.

The key points emphasised were –

Health and Safety (H & S) – Injury Management Control

- This audit was part of the three-year rolling internal audit strategy as a core assurance review to look at the control framework in place around reporting, investigating and learning from H&S incidents resulting in injury.
- Due to personnel changes in the Health, Safety and Wellbeing team around the time of the audit, it was found that there was missing information and data around H&S training, and incident reports recorded on the Service's Online Health and Safety Reporting System, OSHENS, was not always fully completed.
- The IA concluded with a partial assurance opinion and agreed one high, five medium and two low priority management actions are taken forward by the team.

RSM advised that the HMICFRS report issued in December 2021, had noted the Service's approach to Health and Safety. The RSM report concluded that there was a framework and appropriate reporting in place, but a number of issues had resulted in a partial assurance opinion. Eight actions had been identified with one high priority and had been agreed by the Service. The high priority action concerned some incident reporting, investigations which had not been completed in a timely manner, and some outstanding actions.

Members noted that there were concerns around the scheduling of training, were external trainers used? The Head of Health Safety, Welfare, Wellbeing and Fitness Manager advised that the Service did not use external trainers, the Service provided its own training resource and that the schedule of training would be closely monitored going forward.

Members requested some further information regarding Management Action, HS04, which had been rated high priority, and the proposed plan to reduce the score. The Health, Safety, Welfare, Wellbeing & Fitness Manager advised that last week was the first time that she had had a full allocation of staff.

The task of OSHENS had been allocated to a team member to follow up and close old issues. She would report progress made to the Health, Safety and Welfare Strategic Committee taking place on 12 July 2023.

Annual report 2022/23

The report summarised the work completed by Internal Audit during 2022/23 and set out their opinion for the year on Avon Fire & Rescue Service's framework for risk management, governance, and internal controls.

RSM advised that the Annual Report fed into the AGS as part of the assurance framework. It was a positive second opinion and had identified some management actions. The auditor was conscious that some Members would have not seen the individual audit reports which the report had been based on over the year. RSM had tracked the implementation of actions by the Service and were comfortable with the level of implementation applied.

Progress Report 2023/24

- The report summarised the timetable for delivery of the 2023/24 Internal Audit Plan.
- The Committee were asked to approve the timing changes of the Prevention audit, with the Cyber Security audit being brought forward to July 2023.

RSM advised that this report was brought to every meeting, with delivery for 2022/23 now completed, it focused on the 2023/24 plan including audits and agreed dates. The first reports will be presented to the September meeting. There was a change in timing of the Prevention audit to January and therefore the cyber security audit would be brought forward in its place. The Director of Corporate Services advised that although the Service was usually transparent with audit reports issued, for security reasons, the cyber security report may need to be presented in an exempt session.

A Member enquired about what is meant by 'Prevention'; it was confirmed that this was the Service's statutory responsibility to educate our communities e.g., by Home Fire Safety Visits, engagement with schools and community events.

It was resolved that the Committee –

- a) Considered the internal audit reports, the findings and agreed management actions for the Health & Safety (H&S) – Injury Management audit (Appendix 1)**
- b) Considered the Annual Report 2022/23 (Appendix 2)**
- c) Considered the Progress Report and approved the changes to audit timings (Appendix 3)**

12. UPDATE ON INTERNAL AUDIT RECOMMENDATIONS

The Committee received a report from the Head of Corporate Assurance Continuous Improvement and Planning, which updated Members on progress with the completion of the Internal Audit recommendations and management actions, as approved by the SLT on 31 May 2023.

As agreed previously, recommendations (or their part actions) are reported by exception only. Therefore, the report set out actions which are outstanding only. For outstanding actions, the report set out whether they were on track or beyond their planned completion dates, with the latter having extension dates agreed by SLT.

A Member asked about the fleet audit on p237, and the increased resource required to increase the use of latest software systems. It was confirmed that the Service currently had a manager vacancy and once filled the role holder would be responsible for this action. This had caused a delay in getting this action completed.

It was resolved that the Committee –

a) Noted the progress made against the Internal Audit recommendations and management actions.

13. DATE OF NEXT MEETING

RESOLVED – that the date of the next meeting be held on Wednesday 20 September 2023 at 10.30am.

Chair

The meeting ended at 11.40rs.