



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

20 SEPTEMBER 2023

MINUTES OF MEETING

PRESENT: Cllrs Mohamud (joined the meeting at 10.37hrs), Nutland (Chair), Riddle, Tucker, and Varney.

The meeting started at 10.30hrs.

14. APOLOGIES FOR ABSENCE

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

15. EMERGENCY EVACUATION PROCEDURES

Officers confirmed the emergency evacuation procedure for the venue.

16. DECLARATION OF INTERESTS

None received.

17. PUBLIC ACCESS

None received.

18. CHAIR'S BUSINESS

The Chair welcomed everyone to the meeting and drew attention to the following:

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. The Chair advised that AGOC's Vice Chair, Cllr Paul Goggin who was Bristol City Council's Lord Mayor, had been unwell and in hospital. Members sent Paul their best wishes and hoped that he made a speedy recovery.
3. The Assistant Chief Fire Officer (ACFO) provided an update to Members regarding an action taken from the AGOC meeting on 27 June 2023, regarding

a Personal Protection Equipment (PPE) shortage, which had now been resolved.

4. Members were reminded that they had been sent a link to the Equality and Dignity in the Workplace E-Learning. This was a voluntary training and if completed, Members were asked to please advise the Democratic Services Assistant and provide any feedback on the contents.
5. 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.

19. MINUTES OF THE AUDIT, GOVERNANCE & OVERSIGHT COMMITTEE HELD ON 27 JUNE 2023

The open minutes of the Audit, Governance & Oversight Committee were moved by Cllr Nutland and seconded by Cllr Varney.

It was RESOLVED -

That the minutes of 27 June 2023 be approved as a correct record and signed by the Chair.

20. ADJUSTMENTS TO FINAL STATEMENT OF ACCOUNTS 2021/22 AND EXTERNAL AUDIT PLAN FOR 2022/23

The Statutory Finance Officer presented the report to Members which provided details on the current position concerning both the 2021/22 and 2022/23 Statement of Accounts.

At the last meeting of this Committee, the 2022/23 Draft Statement of Accounts were approved to be published on the Avon Fire Authority (AFA) Website. The Statements were published on 28 June 2023, marking the start of the statutory 30 working days of public inspection, which came to a close on the 8 August 2023.

Several queries were received, which had been addressed and responses provided. A number of these questions related to the Property, Plant and Equipment figures within the accounts. Further investigation into these questions, had highlighted some adjustments relating to earlier periods, that would be reflected within the 2021/22 Statement of Accounts.

The 2021/22 Statement of Accounts had not yet been signed and published due to delays in the LGPS IAS19 valuation numbers. This would allow for the adjustments mentioned in the 2021/22 Statement of Accounts prior to them being finalised. The accounts continued to be unsigned at the date of this meeting as the audit work on the LGPS pension valuation remained incomplete. Once this work was complete and the adjustments previously mentioned were reflected, the statements could be finalised, signed and published.

Members were advised that the Statutory Finance Officer had now completed work on the adjustments and the accounts had now been passed to Deloitte for review.

The Statutory Finance Officer confirmed that it had been a lengthy process to investigate these issues. A backup of the Real Asset Management (RAM) system was completed and was then restored from a number of previous years. Each transaction since the backup was then rekeyed. Depreciation had been processed incorrectly in a prior year, creating a bug in the system which could not be corrected any other way.

The Statutory Finance Officer confirmed that the external audit of the 2022/23 draft Statement of Accounts was due to start on 30 October. However, as the accounts were due to be published by 30 September, the Authority would be required to publish a statutory notice regarding delay.

Member's attention was drawn to Paragraph 4.2 and were advised that as the AFA and Deloitte had not reached an agreement regarding the 2021/22 external audit fees the matter had been referred to the Public Sector Audit Appointments (PSAA) to go through the fee determination process. A decision should be received by late September or early October.

Deloitte drew Member's attention to the Letter of Representation, which referred to Avon Fire and Rescue Authority but should be Avon Fire Authority and would be amended.

It was confirmed that Deloitte were awaiting information from Mercer (Pension Actuary of the Pension Fund). Once received they could then review the changes made in relation to assets and be able to sign off the 2021/22 Statement of Accounts.

Deloitte could then progress onto the 2022/23 Statement of Accounts. Whilst Deloitte understood Members' frustration, it was confirmed that along with other Fire & Rescue Services, there were delays in completing Accounts going back to 2019/20. The National Audit Office was trying to find a solution. Deloitte reassured Members that there was nothing unusual about the delay and the AFA were well ahead of some Fire and Rescue Services (FRS).

Deloitte referred to the Audit plan, which outlined the work they would undertake. Significant audit risks were set out, which meant these were the areas Deloitte would concentrate on, as most likely to identify an error or misstatement in the accounts. Deloitte explained that the 'significant audit risks' identified of capital expenditure and management override of controls are the same in every audit they undertake in the private and public sector.

Members were advised that Capital Expenditure was a complex area and would be focused on going forward. Two areas of audit focus had been identified around property valuations and pension liability valuations, which could vary by a huge amount with assumptions around i.e., mortality rates (including COVID-19) and inflation/interest rates.

Deloitte mentioned 'materiality' which had been calculated at £1.6m. This looked at the overall numbers in the accounts and expenditure levels. Deloitte had set a 'trivial level' of £80.3K which means that any misstatements above that would be reported to AGOC, and below would be discussed with management.

Members were referred to p33 of the pack which covered key areas of Deloitte's audit, namely, financial statements and the value for money statement. The Annual Governance Statement would also be audited.

Deloitte mentioned the fee estimate charged for the previous year including the part in discussion with PSAA. The fees for the current year had been set out, which included some adjustments for new accounting and auditing standards, which would require more work.

Deloitte pointed out their responsibility in relation to fraud, and guidance when completing the audit, which is a standard procedure.

Following questions from Members the following points were made/clarified –

1. The Statutory Finance Officer confirmed that the decision made by the PSAA regarding fee payments was binding and that the AFA would accept this decision and pay the agreed fees.
2. The Statutory Finance Officer confirmed that the 'bugs' found within RAM had now been permanently fixed, the data had been re-run and processed accurately.
3. Valuation of property assets – it was confirmed that the AFA followed the Chartered Institute of Public Finance and Accountancy (CIPFA) guidance, and property was valued every 5 years unless there was a material change. In the Interim years a 'desktop' exercise would be completed. The Head of Corporate Assurance advised that she thought the AFA were required under insurance purposes to carry out rebuild valuations every three years. She would check the position and confirm to the Member.
4. In respect of 5.1 (d), it was confirmed that there may now not be an adjustment required at Nova Way following further investigation. With the corrections now processed in RAM, the cost and revaluation reserve associated with this property are now as expected around £2m, so no adjustment would be required.
5. The Chair asked a question to Deloitte regarding the asset valuation of Avonmouth Fire Station and how this passed through the audit process. The Statutory Finance Officer explained that the AFA had revalued an asset under construction which was incorrect and should have been held at cost. When this was corrected, the revaluation was not reversed and was moved into Land and Buildings incorrectly. Deloitte were unaware of the details but advised that they had not completed the final sign off checks or finalised the audit and that this issue would have been picked up at this point. It was suggested that this was a timing issue rather than a failure to spot the error.

The Clerk and Chair thanked the member of the public for finding and reporting the accounting errors.

It was RESOLVED that the Committee:

- a) Noted the work currently being completed in response to the points raised as part of the public inspection period for the 2022/23 Statement of Accounts, and to note the potential impact on the Statement of Accounts for both 2021/22 and 2022/23.**
- b) Recommended that the final 2021/22 Statement of Accounts, once amended for any required adjustments, be presented to the Fire Authority Chair and Chair of AGOC for approval and signing.**
- c) Approved the 2021/22 Letter of Representation, Appendix 1, to be signed in conjunction with the 2021/22 Statement of Accounts, once the final pension audit work is complete.**
- d) Approved the External Audit Plan, Appendix 2, for the audit of the 2022/23 Draft Statement of Accounts.**
- e) Approved the Draft Statutory Notice, Appendix 3, for publication to communicate the delay in publishing audited accounts in time for the statutory deadline on the 30 September 2023.**

21. INTERNAL AUDIT PROGRESS REPORT

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.

It was noted that since the last AGOC meeting, two draft reports had been issued: IT Cyber Risk Review and Health and Safety – Contaminants/Equipment. These would be finalised and be presented at the next AGOC meeting in December. It was confirmed that Human Resources (Absence Management) and Prevention reports would be presented at the March 2024 meeting.

RSM mentioned Appendix 1, the Emergency Services News Briefing, which Members were invited to read. Member's attention was drawn to the Fire Section on p78 and the evidence-based risk assessments.

As part of the 2023/24 internal audit plan, it had been agreed that instead of an annual follow up audit, internal audit would validate the implementation of actions on an ongoing basis to ensure that reporting to each AGOC meeting is accurate.

RSM confirmed to Members that they collated information from Fire and Rescue Services across the country to provide benchmarking data.

A Member asked if much information was realised from the benchmarking with other Services. RSM advised that the information does generate conversations as the Fire sector can sometimes be behind other sectors, but Avon were often ahead of other Services, which is positive.

It was RESOLVED that the Committee:

a) Noted the Internal Audit Progress Report.

22. CORPORATE RISK REGISTER

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

The CRR was subject to regular review by the Service Leadership Team (SLT) for a detailed challenge and also by the Risk Owner. The Service Leadership Board (SLB) also reviewed any newly emerging risks, and the Statutory Finance Officer reviewed the Corporate Financial Risk to provide additional assurance.

A Member asked whether there was a proposed date to reach the 'planned score' The Head of Corporate Assurance advised that there was no date allocated. However, adding this date was something to consider. It was advised that the risk strategy was to be reviewed within the next few months, and this question would be included.

A Member noted that CR06 (Control and Mobilising) had increased from 18 to 20 and asked how the recruitment of an IT Manager was progressing. The ACFO advised that this was an ongoing issue. The Director of Corporate Services was currently working on the Job Description, advert and terms and conditions to fill that position. Specific to this risk, we currently had contact points in other Services who had those specialist skills who could assist us in the interim.

A Member commented that they were disappointed that the planned score was unchanged for CF15 (Pensions). It was thought that the Government remedy would have reduced the score. The Clerk advised that the new legislation would come into force on 1 October. The Policy and Resources Committee (PRC) was the scheme manager, and a verbal update would be provided to the July meeting. A formal report would be presented at the December PRC meeting to include how the legislation was progressing and how many Immediate Detriment cases had been processed. It was confirmed that SLT had carried out a 'deep dive' of this risk in August 2023.

Officers were congratulated on the reduction in risk of CR12/13. However, a word of caution was given, as Cyber Attacks were still extremely common. It was confirmed that the Cyber Security Audit would be presented at the December AGOC meeting.

A Member asked if the threat thresholds were set by AFA or nationally. The Head of Corporate Assurance advised that it was a Service decision which thresholds to adopt, and this would be reviewed as part of our Strategy Review.

In respect of CR06, a Member asked about the timescale to recruit an IT Manager. The ACFO advised that the timescales were becoming more important, and the longer we operated without this specialism, the more concerning it became. There was an increased importance as there was a deadline of 2025 in relation of the transition across from ISDN over to a new digital system. If progress was not made within the next quarter, the Service could access assistance through collaboration with other Services.

It was RESOLVED that the Committee –

a) Reviewed the CRR in respect of the risks in this report and consider the controls and mitigations in place to manage these risks.

b) Considered whether the Committee needs any further information to be assured of the appropriate management of these corporate risks.

23. ADOPTION OF LGA MODEL COUNCILLOR CODE OF CONDUCT

Members received a report from the Clerk who reminded Members that Avon Fire Authority had commissioned an Independent Governance Review and considered the final report at an extraordinary meeting on 25 April 2023. The Fire Authority accepted all 12 recommendations, which included Recommendation 8 the current Members' Code of Conduct should be updated to fully reflect the Local Government Association (LGA) Model Councillor Code of Conduct and associated Guidance. The Clerk made enquiries with the local Unitary Authorities (UA), who all apart from Bristol had adopted the LGA code.

The LGA encouraged training on the Model Councillor Code of Conduct. As Members had already adopted Recommendation 8, it was anticipated that the Code would be recommended for adoption to the Fire Authority. Therefore, training had been provisionally booked in conjunction with B&NES (to share costs) on three dates: Monday 30 October (in person), Friday 10 November (in person). and Wednesday 15 November (on-line), to accommodate all Members. Members were asked to indicate which session they would be attending; they were not expected to attend all sessions.

The Clerk drew Members attention to paragraph 5.1, which explained that the LGA had issued and updated a new Members' Code of Conduct. The Code was a template for UAs to adopt, with additional sections added if required.

The Avon Fire Authority Code had been amended to include a new Clause 8b – which asked Members to consider any advice given to them by Statutory Officers (the Statutory Finance Officer and the Clerk/Monitoring Officer) and to give reasons for departing from that advice.

Members were asked to note that the present Code included arrangements for dealing with complaints received about Members and as the LGA Code didn't include 'Arrangements' a new separate document had been created. An AGOC sub-committee would be formed to hear any Code of Conduct matters.

It was RESOLVED that the Committee –

a) Reviewed the LGA Model Councillor Code of Conduct, with a minor addition, at Appendix 1 and separate Arrangements for dealing with complaints at Appendix 2 with two Annexes, a complaint form and Procedure for hearing of the AGOC sub-committee.

b) Recommended adoption of the LGA Model Councillor Code of Conduct as amended as the new Members' Code of Conduct and separate arrangements for dealing with complaints by Avon Fire Authority at their meeting on 4 October 2023.

c) Noted the Code of Conduct training already arranged in conjunction with Bath & North East Somerset (B&NES) on three dates: Monday 30 October (in person), Friday 10 November (in person) and Wednesday 15 November (online), to accommodate all Members.

24. PERFORMANCE REPORT – CURRENT FINANCIAL YEAR TO JULY 2023

The Committee received a report of the Corporate Performance Manager (CPM) outlining the performance of the organisation against targets for the period April to July 2023. The key points summarised in the report were:

Prevention:

1. Two of the four fire indicators were on target. Deliberate secondary fires remained off target. The Area Manager Response had recommended that the Service tolerated but monitored the risk.
2. The completion of Home Fire Safety Visits were just off target with 72% of the year-to-date target completed. It was advised that the Area Manager Prevention and Protection recommended that the Service actively engaged with partner agencies to increase the number of referrals. A new central booking process had been introduced.

Protection:

1. Processing Licensing applications and Audits were both just off target but had improved. The Area Manager Prevention and Protection had advised that the Service was continuing to recruit and train staff and was confident that targets would be met by the end of the year.

Improve our Service:

1. Reduction in Carbon Emissions was off target with -19.7% recorded against the target of -40%. The Environmental Manager had advised that the Service would be back on target next quarter due to being able to 'net' off all mains supplied electricity to AF&RS owned sites.

Invest in our Staff:

1. Performance and Development Reviews (PDRs) for our staff were off target with 89% in date. A PDR is in date if no more than 365 days had elapsed since it was last completed. Managers are kept informed as to which staff require a PDR to be completed and it was recognised where consistency of performance needed to be improved. It was advised that completion had improved since the papers were issued. There was an ongoing problem with the legacy system which meant that reviews were maintained on a paper basis, which was more difficult to monitor. There was confidence that the new system would shortly be in place and would allow the Service to get back on track.

The Corporate Performance Manager advised Members that during the first four months of the current financial year, there had been a focus on reviewing under performance. However, currently the majority of metrics were shown as green.

Members attention was drawn to Appendix 2, which contained the same metrics as the wall charts which were published at each station.

Members were advised that the Annual Performance Report was now available on the AF&RS website [Performance reports - Avon Fire & Rescue Service](#).

A Member mentioned that we had decided to tolerate the rise in deliberate fires and asked at which point would this move to high risk? The Corporate Performance Manager advised numbers do fluctuate up and down but remain at the levels we are expecting. It was advised that the Service does benchmark against other FRSs (although there are no national indicators), and we were currently monitoring the situation.

The Service worked with the local PCSOs following fires at the void Treetops building whereby youths were starting fires. Working collaboratively, oil drums were removed and increased security put in place. In Weston-super-Mare, crews worked with the local 'One Team', a multi-agency group that tackles safeguarding and anti-social behaviour in more vulnerable areas of Weston, to reduce the number of incidents.

**It was RESOLVED that the Committee -
Discussed and approved the recommendations and the report.**

25. DATE OF NEXT MEETING

RESOLVED – that the date of the next meeting be held on Thursday 7 December 2023 at 10.30am.

Chair

The meeting ended at 11.40hrs.