



SOUTH YORKSHIRE
FIRE & RESCUE
AUTHORITY

AUDIT AND GOVERNANCE COMMITTEE

ANNUAL REPORT 2022/23

Foreword

I am pleased to present the Audit and Governance Committee's Annual Report which once again provides evidence of the arrangements the Authority has in place to monitor, challenge and hold to account those responsible for managing its governance arrangements and the production and approval of its Annual Governance Statement.

2022/23 continued to be a challenging year for all. The Audit and Governance Committee has performed an even more vital role in being able to gain assurance that the Authority's governance, risk and internal control environment remains fit for purpose and concurrent with the challenges faced.

The Authority hosts six meetings of its Audit and Governance Committee over the course of a municipal year which provides Members with greater capacity to consider in more depth the issues that impact on the management and delivery of the Fire and Rescue Service in South Yorkshire. This has worked well in ensuring the timely presentation of reports and the time available in meetings for their full consideration.

As Chair of the Committee and Lead Member for Risk Management I am satisfied with the degree of briefings that take place in advance of meetings and the continuing access and engagement with officers from both the Service and Authority. The support offered to Members helps ensure that challenge is robust and that the overall objective of maintaining efficient and effective working practices is maintained.

I'd like to thank my colleagues on the Committee for their input, commitment and enthusiasm for the role. Special thanks go to the Independent Members who provide a particularly significant contribution to the work of the Committee.



***Councillor Stuart Sansome
Chair of the Audit and Governance Committee
2022/23***

1. INTRODUCTION

This report covers the Audit and Governance Committee's activities during the financial year 2022/23. It is prepared for the full Authority to demonstrate that the work undertaken has achieved the Committee's main responsibilities. The report outlines the Committee's:

- Role and responsibilities;
- Membership and attendance; and
- Work undertaken.

The Committee has met on six occasions during the year which provided flexibility in meeting statutory deadlines to approve the Authority's Annual Governance Statement, Governance Improvement Plan and receive the unaudited Annual Statement of Accounts.

2. COMMITTEE INFORMATION

2.1 Audit and Governance Committee Role and Responsibilities

The Committee continues to provide an overview role on all aspects of governance and achieves this by:

- providing a forum for monitoring governance arrangements,
- receiving and discussing monitoring reports from internal and external sources, and
- making recommendations to the Authority for action to address any deficiencies.

The Committee performs the core audit committee functions recommended as good practice by the Chartered Institute of Public Finance and Accountancy (CIPFA). Its achievements are considered in Section 3 below.

The core functions are incorporated in the Committee's terms of reference. They are presented under the three main areas of activity, which are to oversee:

- Internal and external audit work;
- The regulatory framework; and
- The accounts.

Ideally, the Committee should be independent of the Authority's executive and scrutiny functions which, due to the limited number of Members, is difficult to achieve. However, in recognition of this, the Chair and Vice Chair of the Authority are precluded from membership of the Committee and the Chair of the Audit and Governance Committee does not sit on the Authority's Performance and Scrutiny Board which is responsible for scrutiny of the Authority's policy and business decisions.

In fulfilling its role, the Committee raises awareness of the need for sound internal control arrangements and provides additional assurance to the Authority and its stakeholders through the results of its work.

2.2 Audit and Governance Committee Membership and Attendance

Membership comprises six Members of the Authority (with a quorum of three Members) and three appointed Independent Members with expertise in areas of the Committee's business.

The schedule of Members and Officers attendances is attached as Appendix A. The good practice guidance suggests that the Treasurer should attend regularly and that other senior officers should contribute as appropriate. The actual attendance recorded demonstrates that this was achieved.

2.3 Learning and Development

The Authority recognises the importance of providing Audit and Governance Committee Members with learning and development opportunities to allow them to effectively carry out their role.

In 2022/23 learning and development opportunities included:

- A Treasury Management Awareness Session (September 2022).
- Virtual Awareness Sessions on the Fire Authority Statement of Accounts (September 2022).
- A general training session for all Members was held in December 2022 on risk management, the role of Internal Audit and the responsibilities of the Audit and Governance Committee.
- A Self-Assessment Exercise was carried out in which Members were able to identify strengths and weaknesses in the Committee as a whole.
- An Annual Governance Statement training session was devised and took place in March 2023.

3. COMMITTEE WORK PROGRAMME FOR 2022/23

The Committee maintains a Work Programme for its main areas of activity which is considered at each meeting. The reports received this year are shown in Appendix B; the outcomes of the Committee's work in relation to these are summarised below. The "boxed" bullet points in *italics* identify the Committee's main responsibilities; the details below each box identify how these have been achieved. Section 5 highlights particular achievements, including the exercise of functions where the Committee is empowered to act on the Authority's behalf.

3.1 Regulatory Framework

- *To review and receive assurance on the effectiveness of the Authority's Constitution in respect of:-*
 - *Contract Standing Orders and procedures;*
 - *Financial Regulations and procedures;*
 - *Codes of Conduct and Behaviour.*
 - *To monitor the effective development and operation of risk management.*
 - *To approve the Authority's anti-fraud and anti-corruption strategy and "whistleblowing" policy, and to monitor the arrangements for those and the complaints process.*
 - *To oversee the production of, and approve, the Authority's Annual Governance Statement.*

- *To consider the Authority's arrangements for corporate governance and agreeing necessary actions to ensure compliance with best practice.*

The Committee has:

- Considered quarterly reports on the merged Authority and Service Corporate Risk Register and considered the movements in individual risks and their categorisation;
- Approved the Authority's Annual Governance Statement 2021/22;
- Received progress update reports on the Governance Improvement Plan 2022/23;
- Received Information Governance Update reports providing information on the Service's compliance with the Data Protection Act 2018, the UK General Data Protection Regulation (UK GDPR), and requests received under the Freedom of Information Act 2000;
- Received reports on the Compliments and Complaints received during the year.

3.2 Internal Audit and External Audit

Audit Activity:-

To consider the following internal Audit reports:-

- *Annual Plan and Strategy and performance measures;*
- *Progress reports (actual against the Plan) including summaries of the result of individual audits, internal control issues arising, and action plans implementation (including external audit action plans);*
- *Annual Report on Internal Audit activity and performance achievements and the opinion on the Authority's internal control arrangements.*
- *To consider the External Auditor's governance report and Annual Audit Letter and other significant reports.*
- *To commission work from Internal and External Audit.*

Internal Audit

The Committee has:

- Received and considered Internal Audit's Annual Report and Audit Opinion for 2021/22, based upon, and limited to the work performed, on the overall adequacy and effectiveness of the organisation's risk management, control and governance processes;
- Received and approved the Internal Audit Strategy 2023/24 – 2025/26 (including the Internal Audit Plan 2023/24); and
- Received and considered regular update reports from RSM on the Internal Audit Team's progress against the Annual Audit Plan, including summaries of the reports issued and management's response.

Deloitte (Appointed External Auditors) (see also Accounts below)

The Committee has:

- Received regular update reports on progress in relation to the External Audit for the year ended 31 March 2021;
- Noted Deloitte's Audit Planning report for the year ending 31 March 2022;
- Received the Report to Those Charged with Governance (ISA 260) and Auditor's Annual Report for the 2020-21 audit.

At the conclusion of each meeting there has also been an opportunity for Members of the Audit and Governance Committee to have a private discussion (in the absence of Authority and Service officers) with External and Internal Audit colleagues.

3.3 Accounts

To approve the annual Statement of Accounts focussing on:-

- *The suitability of, and any changes in, accounting policies;*
- *Major judgmental issues, e.g. provisions.*
- *To receive and agree the response to the external auditor's report to those charged with governance on issues arising from the audit of the accounts, focussing on significant adjustments and material weaknesses in internal control reported by the external auditor*

Treasury Management

- *To scrutinise and make recommendations to the Authority on the Treasury Management Strategy and policies, and to monitor the implementation of policies and practices.*

The Committee has:

- Noted the audited Statement of Accounts 2020/21;
- Noted that the external audit of the Authority's 2021/22 Statement of Accounts is still ongoing;
- Noted the Annual Treasury Management Report 2021/22;
- Received a Treasury Management mid-year Update report 2022/23; and
- Approved the Treasury Management Strategy and Policy Statement for 2023/24.

4. COMMITTEE WORKING ARRANGEMENTS

At its July 2022 meeting, Members considered and agreed the Committee's Annual Report for 2021/22 which was presented to the full Authority and published on the Authority's website.

The Committee put in place a Work Programme covering six meetings held during 2022/23.

5. ACHIEVEMENTS

The Committee has undertaken specific functions delegated by the Authority. Achievement of these are summarised below:

Delegated Functions:

The Committee has approved / agreed:

- The Annual Governance Statement 2021/22.

- The Audited Statement of Accounts 2020/21.

APPENDIX A: MEMBER/OFFICER ATTENDANCE AT AUDIT & GOVERNANCE COMMITTEE MEETINGS

Member/Officer	25 May 2022	25 July 2022	12 Sept 2022	21 Nov 2022	9 Jan 2023	13 Mar 2023
Members						
Councillor R Frost	r/a				r/a	
Councillor J Paszek	r/a					
Councillor S Sansome (Chair)	✓	✓	✓	✓	✓	✓
Councillor B Johnson	r/a	✓	r/a	r/a	r/a	r/a
Councillor T Smith	✓	r/a	✓	r/a	✓	✓
Councillor S Ayris	✓	✓	r/a	✓	✓	✓
Councillor S Alston		✓	✓	✓	✓	✓
Councillor P Turpin		✓	✓	r/a	✓	✓
Dr A Billings	r/a	r/a	rep	r/a	r/a	r/a
C Pilkington (Independent Member)	✓	✓	✓	✓	✓	✓
J Taylor (Independent Member)	✓	✓	✓	r/a	remotely	✓
A Dyson (Independent Member)	r/a	✓	✓	✓	✓	✓
Officers (Authority)						
Treasurer (NC)	rep	rep	rep	rep	rep	rep
Monitoring Officer (JF)	✓	✓	✓	rep	✓	
Monitoring Officer (SG)						✓
Council Governance Officer (DT)			✓	r/a	✓	✓
Council Governance Officer (AS)	✓	✓	✓	✓		
Internal Audit (RSM UK)						
Audit Manager (AM)	m/l	m/l	✓	✓	✓	r/a
Assistant Manager (AMacD)	✓	✓	✓	r/a	✓	✓
External Audit (Deloitte)						
Audit Director (PH)	remotely	r/a	remotely	r/a	✓	remotely
Senior Audit Manager (CJ)	remotely	r/a	n/r	remotely	n/r	n/r
Officers (Service)						
Deputy Chief Fire Officer (TC)	rep	✓	✓	✓	✓	rep
Financial Services Manager (SS)	✓	✓	✓	✓	✓	✓
Data Protection Officer (ED)	n/r	n/r	n/r	✓	n/r	✓

Notes:

- ✓ = attended
- r/a = apologies for absence recorded
- n/r = not required for meeting
- rep = sent representative
- Shaded cells = membership not current at the time of the meeting

APPENDIX B: AUDIT AND GOVERNANCE COMMITTEE ACTIVITY

Function / Issue	25 May 2022	25 July 2022	12 Sept 2022	21 Nov 2022	9 Jan 2023	13 Mar 2023
Risk Management						
Authority and Service Corporate Risk Report	Noted		Noted		Noted	
Governance & Internal Control Framework						
Draft Annual Governance Statement 2021/22		Noted				
Final Annual Governance Statement 2021/22				Noted	Approved	
Governance Improvement Plan 2022/23		Noted		Noted	Approved	Noted
Compliments and Complaints Monitoring Report				Noted		Noted
Information Governance Updates (inc. FOI & GDPR)				Noted		Noted
Treasury Management Strategy & Policy Statement 2023/24					Approved	
Mid-year Treasury Management Report 2022/23				Noted		
Annual Treasury Management Report		Noted				
Internal Audit						
Internal Audit Progress Report	Noted	Noted	Noted	Noted	Noted	Noted
Draft Internal Strategy 2023/24 – 2025/26 (including the Internal Audit Plan 2023/24)					Approved	Approved
Internal Audit Annual Report 2021/22	Noted					
External Audit						
Update Letter on the External Audit for the year ended 31 March 2021		Noted	Noted	Noted		
Draft Report to Those Charged with Governance (ISA 260) 2020-21					Noted	
Final Report to Those Charged with Governance (ISA 260) 2020-21						Noted
Draft Auditors Annual Report 2020-21					Noted	
Final Auditors Annual Report 2020-21						Noted
Accounts						
Audited Statement of Accounts 2020/21					Approved	
Unaudited Draft Statement of Accounts 2021/22		Noted				
Committee Arrangements						
Committee Work Programme	Noted	Noted	Noted	Noted	Noted	Noted
Future Cycle of Meeting Dates		Agreed				
Committee's Annual Report 2021/22		Agreed				
Audit Committee Self-Assessment Exercise						Noted

(The term "Noted" is used to include resolutions to note and to receive reports).