

SOUTH YORKSHIRE FIRE & RESCUE AUTHORITY

Meeting	AUDIT AND GOVERNANCE COMMITTEE
Meeting Date	11 MARCH 2024
Report of	DIRECTOR OF FINANCE AND PROCUREMENT
Report Sponsor(s)	CLERK AND TREASURER
Subject	EXTERNAL AUDIT RECOMMENDATIONS UPDATE

EXECUTIVE SUMMARY

This report provides an overview of the outstanding external audit points and the progress to addressing them.

There were 20 audit points raised during the 2020/21 audit and all but 4 have been closed. There were 11 audit points raised during the 2021/22 audit and all but 3 have been closed. There were 9 value for money points raised during the 2020/21 Value for Money (VFM) audit and 7 remain in progress.

We await the audit reports in 2022/23 and VFM reports for 2021/22 and 2022/23.

RECOMMENDATION(S)

Members are recommended to:-

- a) Note the progress in addressing audit points and those that remain to be addressed.

CONTENTS

Main Report
Appendix A

BACKGROUND

1. External Audit are required to report to the Audit and Governance Committee, under ISA (UK) 260, annually following completion of the annual audit process.
2. The Annual Audit Report includes the results of their work on key audit judgements and their observations on the quality of the Authority's annual report, their internal control observations and other insights they have identified from the audit. This includes any recommendations relating to the annual audit and the Value for Money (VFM) review.
3. Since the annual audit of the 2020/21 Statement of Accounts, the annual audit process has not happened each year as required. The last report was the [2020/21 Annual Audit Report](#) which was presented to the committee on 13 March 2023.
4. Deloitte are currently working to complete both the 2021/22 and the 2022/23 audits. The [draft Annual Audit Report for 2021/22](#) was presented to the Authority on 15 January 2024, with the final report due in February 2024.
5. This report is an update to the Committee of the Service's progress and work to resolve all recommendations.

RECOMMENDATIONS

6. Appendix A attached tables all recommendations, management responses and further action where required. There were 20 recommendations within the 2020/21 Annual Audit Report. Due to the timing of receiving these recommendations not all were resolved for the 2021/22 Statement of Accounts. However, where possible they were for the 2022/23 Statement of Accounts.
7. From the 2020/21 recommendations all with the exception of 4 are now closed. The 4 exceptions are:
 - 4 - Delayed Review of Governing Documents: Deloitte have identified that key governing documents have exceeded the review date. This review is progressing but is not yet completed. Existing governance documents remain in place pending the review.
 - 10 - Useful Economic Lives: It was recommended that where assets were in the register with a zero net book value, the useful life was reviewed. This will be reviewed as part of a wider review of the fixed asset register that will take place later this calendar year.
 - 19 - Land Registry – It was recommended that the Land Registry name for the Handsworth Training Centre be updated as it is showing as St John Fisher Secondary School (the previous building name). The Estate team have been notified and this will be updated accordingly.
 - 20 - Impairment Exercise – It was recommended that management review if there were any impairment indicators in relation to vehicles and equipment. This will be reviewed as part of a wider review of the fixed asset register that will take place later in the calendar year.

8. Appendix A also includes 11 recommendations from the draft ISO 260 following the 2021/22 Annual Audit:
- 8 Recommendations have been completed,
 - 3 Recommendations need to be clarified with external audit so the most appropriate management response can be agreed and actioned.
9. Appendix A also includes 9 recommendations from the 2020/21 VFM review:
- 2 point has been closed
 - 2 points need to be clarified with external audit so the most appropriate management response can be agreed and actioned.
 - 5 points are in progress.
10. Once the 2022/23 annual audit is complete the recommendations log will be updated and discussed with the incoming external auditors (KPMG) as part of the 2023/24 annual audit.

CONTRIBUTION TO OUR ASPIRATIONS

- Be a great place to work-** we will create the right culture, values and behaviours to make this a brilliant place to work that is inclusive for all
- Put people first-** we will spend money carefully, use our resources wisely and collaborate with others to provide the best deal to the communities we serve
- Strive to be the best in everything we do-** we will work with others, make the most of technology and develop leaders to become the very best at what we can be

CONTRIBUTION TO SERVICE IMPROVEMENT

- [HMICFRS Inspection Framework e.g. Diagnostic area and/ or diagnostic questions](#)
- [SYFR Inspection report Areas for Improvement \(AFIs\)](#)
- [Fit for the Future Improvement Objectives](#)
- [Professional Standards for Fire & Rescue Services in England](#)
- [SYFR Service Plan 2023-24 Priorities](#)
- [SYFR Community Risk Management Plan 2021-24](#)

Addressing audit points will improve our control environment
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OPPORTUNITIES FOR COLLABORATION

- Yes
- No

If you have ticked 'Yes' please provide brief details in the box below and include the third party/parties it would involve:

CORPORATE RISK ASSESSMENT AND BUSINESS CONTINUITY IMPLICATIONS

11. Recommendations address control weaknesses identified. Closing this points reduces risk.

EQUALITY IMPACT ASSESSMENT COMPLETED

Yes

If you have ticked 'Yes' please complete the below comment boxes providing details as follows:

Summary of any Adverse Impacts Identified:	Key Mitigating Actions Proposed and Agreed:

No

N/A

If you have ticked 'No' or 'N/A' please complete the comments box below providing details of why an EqlA is not required/is outstanding:

No direct equality impact arising from External Audit of VFM points

HEALTH AND SAFETY RISK ASSESSMENT COMPLETED

Yes

No

N/A

If you have ticked 'No' or 'N/A' please complete the comments box below providing details of why a Health and Safety Risk Assessment is not required/is outstanding:

No H&S impacts arising from External Audit

SCHEME OF DELEGATION

12. Under the South Yorkshire Fire and Rescue Authority [Scheme of Delegation](#) a decision *is required / *has been approved at Service level.

Delegated Power

Yes

No

If yes, please complete the comments box indicating under which delegated power.

Example
 A: Asset Management
 A1: Property Management

IMPLICATIONS

13. Consider whether this report has any of the following implications and if so, address them below:., Diversity, Financial, Asset Management, Environmental and Sustainability, Fleet, Communications, ICT, Health and Safety, Data Protection, Collaboration, Legal and Industrial Relations implications have been considered in compiling this report.

List of background documents

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