



24 August 2017

(1) MEMBERS OF THE AVON FIRE AUTHORITY

Councillors Abraham, Barber, Barrett (C), Barrett (N), Butters, Cranney, Davies (C), Davies (D) (Chair), Davis, Drew, Dudd, Garner, Hale, Jackson, Jama, Lake, Massey, Phipps, Pomfret, Scott, Shah, Shelford, Williams, Wilton and Windows.

(2) APPROPRIATE OFFICERS

(3) PRESS AND PUBLIC

Dear Member

You are invited to attend an Extraordinary Meeting of the **Avon Fire Authority** to be held on **Monday 4 September 2017 at 10.30am**. The meeting will be held in the Main Conference Room, Avon Fire and Rescue Service HQ, Temple Back, Bristol.

The Agenda is set out overleaf.

Yours sincerely

Guy Goodman
Clerk to the Fire Authority

PROVIDING AVON FIRE & RESCUE SERVICE



Clerk to Avon Fire Authority
Avon Fire & Rescue Service Headquarters, Temple Back, Bristol BS1 6EU
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Working in partnership with the Gambia Fire & Rescue Service (GF&RS)

Notes

Attendance Register: Members should sign the Register which will be circulated at the meeting.

Code of Conduct – Declaration of Interests: any Member in attendance who has a personal interest in any matter to be considered at this meeting must disclose the existence and nature of that interest at the commencement of that consideration, or when the interest becomes apparent. A Member having a prejudicial interest must withdraw from the meeting room whilst the matter is considered.

Emergency Evacuation Procedure:

- The fire alarm or notification of any other threat is a continuous siren.
- In such cases Members must leave the building by the nearest exit.
- In the event of explosion or smoke where controlled evacuation is not possible, Members must follow fire exit signs.
- All corridors are lit with emergency lighting.
- The assembly point is situated in the rear yard.

Exempt Items: Members are reminded that any Exempt reports as circulated with the agenda for this meeting contain exempt information and should therefore be treated accordingly. They should not be disclosed or passed on to any other person(s). Members are also reminded of the need to dispose of such reports carefully and are therefore invited to return them to the Clerk at the conclusion of the meeting for disposal.

Inspection of Papers: any person wishing to inspect Minutes, reports, or a list of the background papers relating to any item on this Agenda should contact Kathlin Baty on 0117 926 2061 ext. 231 or by visiting Avon Fire & Rescue Headquarters, Temple Back, Bristol (during normal office hours).

Public Access: under Standing Order 21 and providing 2 clear working days' notice has been given to the Clerk (the.clerk@avonfire.gov.uk) any resident or representative of a business or voluntary organisation operating in Bristol, South Gloucestershire, Bath and North East Somerset or North Somerset Council may address the Fire Authority or one of its Committees (for no more than 5 minutes) to present a petition, make a statement, or as leader of a deputation. This is a time limit of 30 minutes for Public Access

Reports: reports are identified by the relevant agenda item number.

Substitutes (for Committees only): notification of substitutes should have been received from Group Leaders by the Clerk prior to the meeting.

A G E N D A

- 1. Apologies for Absence**
- 2. Emergency Evacuation Procedures**
- 3. Declaration of Interests**
- 4. Public Access**
- 5. Statutory Inspection - Progress Update**
- 6. Consultation on the Appointment of a New External Auditor from 2018/19**
- 7. Constitutional Changes – Motion**
- 8. Exclusion of the Press and Public**

To resolve:

“That the public be excluded from the meeting during the following items of business on the grounds that they contained exempt information pursuant to Schedule 12A, Part I of the Local Government Act 1972 and that in accordance with Schedule 12A, Part II, paragraph 10 of the Local Government Act 1972 the public interest in maintaining the exemption outweighs the public interest in disclosing the information.”

- 9. HQ Disposal**

MEETING:	Fire Authority
MEETING DATE:	4 September 2017
REPORT OF:	The Treasurer
SUBJECT:	Consultation on the Appointment of a New External Auditor from 2018/19

1. SUMMARY

This report contains a proposal from Public Sector Audit Appointments Limited (PSAA) seeking the views of the Fire Authority to appoint Deloitte LLP to audit the accounts of the Fire Authority for 5 years from 2018/19.

2. RECOMMENDATIONS

The Fire Authority is asked to consent to the proposal to appoint Deloitte LLP as the external auditor from 2018/19 for 5 years.

3. BACKGROUND

- 3.1. Section 7 of the Local Audit and Accountability Act 2014 (the Act) requires a relevant authority to appoint a local auditor to audit its accounts for a financial year not later than 31 December in the preceding year. Section 8 governs the procedure for appointment, including that the authority must consult and take account of the advice of its Auditor Panel on the selection and appointment of a local auditor.
- 3.2. Section 12 of the Act makes provision for the failure to appoint a local auditor; the authority must immediately inform the Secretary of State for Communities and Local Government (the Secretary of State), who may direct the authority to appoint the auditor named in the direction or appoint a local auditor on behalf of the authority.
- 3.3. Section 17 of the Act gives the Secretary of State the power to make regulations in relation to an ‘appointing person’ specified by the Secretary of State. This power has been exercised in the Local Audit (Appointing Person)

Regulations 2015 (SI 192) and this gives the Secretary of State the ability to enable a Sector Led Body to become the appointing person.

- 3.4. The Act abolished the Audit Commission, paving the way for local authorities to appoint their own external (local) auditors. Principal authorities must have their local auditors appointed by 31 December 2017, in order for them to begin their engagement on 1 April 2018.
- 3.5. The Fire Authority's current local auditor is Grant Thornton LLP who were appointed under a contract let by the Audit Commission. Following closure of the Audit Commission, the contract is currently managed by PSAA, the transitional body set up by the Local Government Association, with delegated authority from the Secretary of State. Grant Thornton LLP will continue as the Fire Authority's external auditor until the completion of their 2017/18 audit. The audit fee for 2016/17 was £31,482.

'Opt in' Decision

- 3.6. At its meeting on 16 December 2016, the Fire Authority considered 3 options available for appointing external auditors:
 - 1) For authorities to undertake an individual auditor procurement and appointment exercise;
 - 2) undertake a joint audit procurement and appointing exercise with other bodies, or
 - 3) join a 'sector led body' arrangement.
- 3.7. In July 2016, the Secretary of State specified PSAA, as the 'sector led body'. This means that PSAA can make auditor appointments for audits of the accounts from 2018/19 of local authorities that choose to 'opt in' to its arrangements. An invitation from PSAA to 'opt in' was received on 27 October 2016. The Fire Authority decided at the meeting chose to 'opt in' to the PSAA arrangements.

Consultation

- 3.8. On 15 August 2017, the Fire Authority received a consultation document from PSAA on a proposal to appoint Deloitte LLP to audit the accounts of the Fire Authority for 5 years from 2018/19 and asking for a response by Friday 22 September 2017.
- 3.9. The Consultation Document from PSAA is attached at the **Appendix**.

4. CONSIDERATIONS

- 4.1. Contribution to Key Policy Priorities

The external auditor is an integral element of the Fire Authority's governance framework.

4.2. Financial Implications

The Consultation Document indicates that there is likely to be a reduction in the annual audit fee for this new appointment.

4.3. Legal Implications

As set out in the report.

4.4. Equality & Diversity Implications

No Equalities Impact Assessment necessary for this report as it relates to matters concerning internal control, risk and governance only.

4.5. Corporate Risk Assessment

'Opting in' has reduced the risk that the Fire Authority will fail to appoint an external auditor for 2018/19.

4.6. Environmental/Sustainability Implications

None.

4.7. Health & Safety Implications

None.

4.8. Crime & Disorder Implications

None.

5. **BACKGROUND PAPERS**

a) PSAA: Invitation to opt into the national scheme for auditor appointments.

b) Fire Authority Report – 16 December 2016.

6. **APPENDIX**

Consultation Document

7. **REPORT CONTACT**

Martyn Wallberg, Interim Treasurer, extension 266.

This is a formal communication to the chief executive and chief finance officer of Avon Fire Authority to consult on the auditor appointment from 2018/19

I am writing to consult you on the appointment of Deloitte LLP to audit the accounts of Avon Fire Authority for five years from 2018/19. The appointment will start on 1 April 2018.

Background

For audits of the accounts from 2018/19, PSAA is responsible for appointing an auditor to principal local government and police bodies that have chosen to opt into its national auditor appointment arrangements. More information on the [appointing person scheme](#) is available on our website.

About the proposed appointment

PSAA must, under regulation 13 of the Regulations, appoint an external auditor to each opted-in authority and consult the authority about the proposed appointment.

Avon Fire Authority has opted into PSAA's auditor appointment arrangements. We have sent regular email communications to audited bodies about this process, and wrote to you on 19 June 2017 to advise you that we had completed a procurement to let audit contracts from 2018/19. Deloitte LLP was successful in winning a contract in the procurement, and we propose appointing this firm as the auditor of Avon Fire Authority.

Deloitte is a major professional services provider and has over 15,000 partners and professional staff in the UK, working with a majority of the FTSE 100 and many branches of government. Advisory work spans audit, accountancy, tax, corporate finance and consulting in multiple industries. The firm has a core team of partners and managers specialising in public sector audit that provides national coverage, and resources its public sector audits with staff involved in both public sector and corporate audits to give flexibility.

In developing this appointment proposal, we have applied the following principles, balancing competing demands as much as we can, based on the information provided to us by audited bodies and audit firms:

- ensuring auditor independence, as we are required to do by the Regulations;
- meeting our commitments to the firms under the audit contracts;
- accommodating joint/shared working arrangements where these are relevant to the auditor's responsibilities;
- ensuring a balanced mix of authority types for each firm;
- taking account of each firm's principal locations; and
- providing continuity of audit firm if possible, but avoiding long appointments.

Further information on the [auditor appointment process](#) is available on our website.

Responding to this consultation

We are consulting you on the proposed appointment of Deloitte LLP to audit the accounts of Avon Fire Authority for five years from 2018/19. The consultation will close at **5pm on Friday 22 September 2017**.

If you are satisfied with the proposed appointment, please confirm this by email to auditorappointments@psaa.co.uk. No further action is needed from you.

The PSAA Board will consider all proposed auditor appointments at its meeting scheduled for 14 December 2017. We will write by email to all opted-in bodies after this Board meeting to confirm auditor appointments.

Process for objecting to the proposed auditor appointment

If you wish to make representations to PSAA about the proposed auditor appointment, please send them by email to auditorappointments@psaa.co.uk to arrive by **5pm on Friday 22 September 2017**.

Representations can include matters that you believe might be an impediment to the proposed firm's independence, were it to be your appointed auditor. Your email should set out the reasons why you think the proposed appointment should not be made. The following may represent acceptable reasons:

1. there is an independence issue in relation to the firm proposed as the auditor, which had not previously been notified to PSAA;
2. there are formal and joint working arrangements relevant to the auditor's responsibilities, which had not previously been notified to PSAA; or
3. there is another valid reason, for example you can demonstrate a history of inadequate service from the proposed firm.

We will consider carefully all representations and will respond by Monday 16 October 2017 by email.

If your representations are accepted, we will consult you on an alternative auditor appointment between 16-27 October 2017. If your representations are not accepted, we will confirm this to you. You may choose to make further representations to the PSAA Board, providing any additional information to support your case.

We will write to all bodies to confirm the Board's final decision on the appointment of the auditor before 21 December 2017.

Scale fees for 2018/19

We will consult on scale fees for 2018/19 in due course and will publish confirmed scale fees for 2018/19 for opted-in bodies on our website in March 2018. The results of the audit procurement indicate that a reduction in scale fees in the region of approximately 18 per cent should be possible for 2018/19, based on the individual scale fees applicable for 2016/17. Further [information on the audit procurement](#) is available on our website.

Further information

If you have any questions about your proposed auditor appointment or the consultation process, please email us at auditorappointments@psaa.co.uk.

Yours sincerely

Jon Hayes
Chief Officer

[Received as an e mail on 15 August 2017]

Constitutional Changes – Motion

Following the publication of the Statutory Inspection Report and the approval of the Motion moved by the Chair at the Extraordinary Meeting on 27 July 2017 it is proposed to make the following constitutional changes to improve the governance arrangements of the Fire Authority:

1. Insert a new Standing Order with restricts the length of time a Member may serve as Chair or Vice Chair of the Fire Authority or any combination of either role to a maximum period of 6 municipal years either consecutively or in aggregate (with retrospective effect).
2. Replace the Equalities Sub-Committee with an Inclusion and Diversity Committee with 7 Members (political balance rules to apply) with membership and terms of reference to be agreed by the Fire Authority at its meeting on 13 October 2017
3. Invite the Unitary Authorities to restrict the duration of their Members' appointments a maximum of 8 municipal years either consecutively or in aggregate (with retrospective effect).
4. In anticipation of the forthcoming change in the law agree to the Police and Crime Commissioner for Avon & Somerset becoming a voting member of the Fire Authority and pending this change reiterate the invitation to the PCC to sit on the Fire Authority as a non-voting member.
5. Insert a new Standing Order requiring the compulsory requirement for Members and Officers (Area Manager and above) to complete an annual declaration of interest in contracts with the Fire Authority.
6. Establish a Members' Working Group with representation from each political group to review and develop a Members' Training Programme.

To be moved by:

Councillor Donald Davies
Chair of the Fire Authority