



For the year ended 31 March 2024



Date: 20 February 2025

PRIVATE & CONFIDENTIAL

Members of the Audit, Governance and Oversight Committee
Avon Fire Authority
Police & Fire Headquarters
Valley Road
Portishead
Bristol
BS20 8JJ

Dear Sirs and Madams

Avon Fire Authority – Auditor's Annual Report 2023-24

We are pleased to attach our draft Auditor's Annual Report. This report summarises our audit conclusions and highlights the key findings arising from our value for money work.

We have initially discussed the contents of our report with management and have incorporated their comments where relevant.

This report is intended to be solely for the information and use of the Directors and those charged with governance of the Authority and should not be shared with anyone beyond the Authority without our prior approval.

We would like to take this opportunity to thank the Authority's officers for the co-operation and assistance afforded to us during the course of the audit.

Kind regards

Yours faithfully

A handwritten signature in black ink that reads "Bishop Fleming LLP". The signature is written in a cursive, flowing style.

BISHOP FLEMING LLP

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1. Introduction

Our Auditor's Annual Report (AAR) summarises the work that we completed for Avon Fire Authority for the year ended 31 March 2024.

The Authority is responsible for keeping proper accounts and proper records in relation to the accounts and for maintaining an appropriate system of internal control. The Authority is responsible for the preparation of annual accounts for each financial year. Such accounts must present a true and fair view and comply with the requirements of enactments that apply to them.

The Authority is also responsible putting in place appropriate arrangements to secure the economy, efficiency and effectiveness in its use of resources and to maintain an effective system of internal control that supports the achievement of their policies, aims and objectives whilst safeguarding and securing value for money from the public funds at their disposal.

The scope of our work is set in accordance with the National Audit Office's Code of Audit Practice (The Code) and the International Standards on Auditing (ISAs) (UK). Our work is planned to provide a focused and robust audit. We are responsible for and are required to provide an independent opinion as to whether the financial statements:

- give a true and fair view of the financial position of the Authority at the year end and of its expenditure and income for the year then ended;
- have been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24; and
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

We are also required to report to the Authority by exception the following matters, if:

- the Annual Governance Statement does not comply with "Delivering Good Governance in Local Government: Framework 2016 Edition" published by CIPFA/SOLACE; or
- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014; or
- we make a written recommendation to the Authority under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014, in the course of, or at the conclusion of the audit.

In addition we are also responsible for reviewing the Authority's arrangements in place to secure economy, efficiency and effectiveness in its use of resources. The Code of Audit Practice requires us to report on the Authority's arrangements under three specified reporting criteria:

- Financial sustainability – how the Authority plans and manages its resources to ensure it can continue to deliver its services;
- Governance – how the Authority ensures it makes informed decisions and properly manages its risks; and
- Improving economy, efficiency and effectiveness – how the Authority uses information about its costs and performance to improve the way it manages and delivers its services.

We carried out our work in accordance with our External Audit Plan that we issued to the Authority in March 2024.

2. Executive summary

Results from the audit of the financial statements

We completed our audit of the financial statements and issued our unmodified audit opinion on 20 February 2025. See section 3 for more details.

We also completed component auditor procedures, in line with the National Audit Office group auditor instructions. We had no matters to report from this work.




Results on our work on other matters

We completed our review of other matters in line with our issuing of the audit opinion on 20 February 2025. See section 3 for more details.




Results from our work on VFM arrangements

Under the National Audit Office (NAO) Code of Audit Practice ('the Code'), we are required to consider whether the Authority has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2024.

Our conclusions are summarised below. See sections 4-8 for more details.

Financial sustainability		We did not identify any significant weaknesses in the Authority's arrangements for financial sustainability. We have identified one recommendation, where we consider arrangements in place could be improved. See section 8 for details.
Governance		We identified a significant weakness in the Authority's governance arrangements for the year ended 31 March 2024, in relation to the HMICFRS findings. Following a reinspection after the year end, progress has been identified as being made in relation to the action plan and this is further outlined in section 6. We have identified three recommendations, where we consider arrangements in place could be improved. See section 8 for details.
Improving economy, efficiency and effectiveness		We did not identify any significant weaknesses in the Authority's arrangements for improving economy, efficiency and effectiveness. We have made no recommendations.

Key:

	No significant weaknesses in arrangements identified and no recommendations made
	No significant weaknesses in arrangements identified but recommendations made
	Significant weaknesses in arrangements identified and recommendations made

3. Audit of the financial statements

Audit opinion on the financial statements

The scope of our work is set in accordance with the National Audit Office's Code of Audit Practice (The Code) and the International Standards on Auditing (ISAs) (UK). We are required to provide an independent opinion as to whether the financial statements:

- give a true and fair view of the financial position of the Authority at the year end and of its expenditure and income for the year then ended;
- have been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24; and
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

We gave an unqualified opinion on the Authority's financial statements on 20 February 2025.

Key issues arising from the accounts audit

We identified errors relating to the carrying value of land and buildings in the draft statement of accounts. These resulted from incorrect Gross Internal Areas (GIAs) being provided to the valuer by management. The Authority obtained updated valuations of its buildings from the valuer, which resulted in adjustments to various figures within the accounts. The impact of this error on the overall Net Book Value of Property, Plant and Equipment was an increase of £1,297k.

Other matters

We are required to report to the Authority by exception the following matters, if:

- the Annual Governance Statement does not comply with "Delivering Good Governance in Local Government: Framework 2016 Edition" published by CIPFA/SOLACE; or
- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014; or
- we make a written recommendation to the Authority under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014, in the course of, or at the conclusion of the audit.

We concluded that there were no matters to bring to the Authority's attention in respect of these matters.

More detailed findings can be found in our Audit Completion Report, which was reported to the Audit, Governance and Oversight Committee on 14 February 2025.

4. Value for Money

Under the National Audit Office (NAO) Code of Audit Practice ('the Code'), we are required to consider whether the Authority has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2024.

The Code requires us to report our commentary on the Authority's arrangements under three specified reporting criteria:

- Financial sustainability – how the Authority plans and manages its resources to ensure it can continue to deliver its services;
- Governance – how the Authority ensures it makes informed decisions and properly manages its risks; and
- Improving economy, efficiency and effectiveness – how the Authority uses information about its costs and performance to improve the way it manages and delivers its services.

The NAO has issued guidance for auditors to report against each of the three specified reporting criteria. The guidance also includes a number of further areas for review within each criteria for the auditor to assess those arrangements.

Our risk assessment identified one risk of significant weakness:

HMICFRS Inspection Reports	
<p>Risk of Significant Weakness</p> <p>His Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) inspection report identified 2 accelerated causes of concern, 4 areas that were graded 'inadequate', and a further 5 that 'require improvement'.</p>	<p>Work done</p> <p>To address this risk, we have:</p> <ul style="list-style-type: none">• Held discussions with management;• Reviewed progress in relation to the HMICFRS action plan;• Reviewed Internal Audit reports; and• Reviewed minutes of meetings. <p>Conclusion</p> <p>Our work has identified that there is a significant weakness in the Authority's governance arrangements in respect of this matter.</p> <p>Further detail can be found in section 6 of this report.</p>

We asked management to complete an evidenced self-assessment of the Authority's arrangements. We then reviewed the evidence provided and carried out follow up work as appropriate to consider whether there are any significant weakness in the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources.

Our commentary on the Authority's arrangements in each of these three areas is set out in sections 5, 6 and 7 of the report. Our recommendations for improvement are included in section 8.

5. Financial sustainability

We considered how the Authority plans and manages its resources to ensure it can continue to deliver its services, including how it:

- ensures that it identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them;
- plans to bridge its funding gaps and identifies achievable savings;
- plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities;
- ensures that its financial plan is consistent with other plans such as workforce, capital, investment, and other operational planning which may include working with other local public bodies as part of a wider system; and
- identifies and manages risks to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions underlying its plans.

Overview and 2023/24 outturn

The Authority reported a deficit of £320k on the Provision of Services chargeable to the General Fund in its Expenditure and Funding Analysis for 2023-24. This compares to the Medium-Term Financial Plan (MTFP) presented prior to 2023-24, with this showing a balanced budget for the year.

The MTFP presented in March 2024 identified a balanced position for 2024-25 to 2027-28. However, this includes significant savings requirements to be achieved. Therefore there is a risk to achieving these targets, if management cannot identify and deliver the savings schemes. Despite the forecast of a balanced strategy, there is a risk that forecast funding may not be representative of the final funding settlements received each year and result in larger than expected variances.

Financial planning and monitoring

The Authority keeps its financial planning under review throughout the year, presenting quarterly monitoring reports to Fire Authority meetings. These detail the financial performance and evidence progress made against the latest MTFP.

In relation to cash flow forecasting, the Authority's forecasts are prepared by the Accounting Support Team on a financial year basis. From our review we have not identified any evidence of potential cashflow difficulties arising.

The Revenue Budget and Capital Programme for 2024-25 sets out the plans for the year, with links to their strategic objectives in line with the Service Plan 2024-2028. In relation to the Service Plan, we have raised a recommendation under the 'Improving efficiency, economy and effectiveness' section of our report. Please refer to section 7 for further information.

The Authority has a capital plan in place for 2024-25 which was presented alongside the Budget documents at the February 2024 Authority meeting. There is an expectation that borrowings will be used to fund the Capital programme in future years.

There is no formal workforce strategy implemented at the Authority. At present, there is monitoring of data for succession planning and evaluation of the establishment reporting but this does not support the wider financial assumptions included in the MTFP. As a result, we have raised a recommendation for improvement in section 8 of this report.

Achieving efficiency savings

The budget monitoring reports presented to the Policy and Resources Committee consider the need for savings schemes against the MTFP. There is evidence of scrutiny of these monitoring reports in meeting minutes, which ensures that members are aware of the importance of the delivery of the budget.

In relation to specific savings targets, during 2023-24 the Authority did not need to make specific efficiency savings as there was no requirement identified to do so within the budget.

2024/25 financial planning

The Authority presented the 2024-25 Budget to members in March 2024. The plan shows a balanced budget for the year. All financial planning is completed based on provisional budget settlements issued by UK Government departments, which feed into the Authority's overall planning assumptions.

The financial planning assumptions feeding into the 2024-25 budget are in line with our expectations for the sector. These include uncertainty over future funding levels and the potential for the National Joint Council 'Green Book' final pay awards being above the levels included in the MTFP. The consideration of these risks is monitored through the reporting to the Policy and Resources Committee throughout the year.

We are satisfied that the Avon Fire Authority have appropriate arrangements in place regarding its financial planning for 2024/25 and beyond.

Based on the work carried out, we are satisfied that there are no significant weaknesses in the Authority's financial sustainability arrangements. We have made a recommendation for areas of improvement at section 8.

6. Governance

We considered how the Authority ensures that it makes informed decisions and properly manages its risks, including how it:

- monitors and assesses risk and how the body gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud;
- approaches and carries out its annual budget setting process;
- ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information (including non-financial information where appropriate); supports its statutory financial reporting requirements; and ensures corrective action is taken where needed, including in relation to significant partnerships;
- ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency. This includes arrangements for effective challenge from those charged with governance/audit committee; and
- monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of officer or member behaviour (such as gifts and hospitality or declarations/conflicts of interests), and for example where it procures or commissions services.

Risk management

The Corporate Risk Management Strategy clearly identifies how the Authority should approach risk identification and the benefits of risk reporting.

The Corporate Risk Register covers all identified risks for the Authority and ranks them by impact and likelihood. Any changes made to the risk score are recorded within the Register and explained. Risk is reported to the Audit, Governance and Oversight Committee (AGOC) four times a year. The Risk Register is received twice a year and a risk exception report is also reported twice a year to the AGOC. The Service Leadership Team keep all risks under review with each risk being assessed at least annually.

For each risk, the initial score, current score and planned score are listed, and a grading of the trend is also shown. The Authority provide a detailed written explanation for the scores assigned to each risk, along with the controls in place to mitigate the risk and planned actions.

The Authority's Governance Structure is made up of the Avon Fire Authority and two sub-committees, each of which is chaired by a separate member of the Authority. This allows for reliable and direct channels of communication between the sub-committees and the main board to report any risks.

During 2023-24, the Governance Structure of the Fire Authority has changed following an external review of the Governance procedures in place at the Authority. There are now two sub-committees rather than three. Both the Performance, Review and Scrutiny Committee and the People and Culture Committee are no longer in place, being replaced by the Policy and Resources Committee. The Audit, Governance and Ethics Committee has also changed its remit to now be the Audit, Governance and Oversight Committee.

For each Committee paper, the relevant risks are detailed towards the end of the paper so that they are taken into consideration when decisions are made along with the wider context provided in the paper.

His Majesty's Inspectorate of Constabulary and Fire & Rescue Services Reports:

During 2023 HMICFRS undertook the Round 3 2023/25 inspection of Avon Fire & Rescue Service. The Service was assessed on performance in 11 areas, which resulted in HMICFRS escalating the Service to the 'Engage' stage of enhanced monitoring.

From discussions with officers and a review of the reporting from HMICFRS, it is evident that the Service complied with the requirement to submit action plans to address the 'accelerated causes of concern' and 'causes of concern' identified.

Subsequently there have been three revisits to assess the Service's progress in relation to the (accelerated) causes of concern identified in the initial inspection. The timeline of inspection and revisits is set out in the following table.

Visit Date	Key Findings (Extracted from HMICFRS Reporting)
May – July 2023 <i>Round 3 inspection</i>	<ul style="list-style-type: none"> Two 'accelerated causes of concern' – <ul style="list-style-type: none"> Risk information process – no effective system to gather and record relevant and up-to-date risk information Mobilisation system – the system for recording of information and dispatching of resources to emergency incidents was not reliable Two 'causes of concern' – <ul style="list-style-type: none"> Prevention – there is no prevention strategy in place, which should drive day-to-day activities Values and culture – evidence was found of behaviours which were not in line with service values. <p>Avon Fire and Rescue Service inspection – accelerated cause of concern - HMICFRS Effectiveness, efficiency and people 2023/25 – Avon Fire and Rescue Service - His Majesty's Inspectorate of Constabulary and Fire & Rescue Services</p>
December 2023 <i>First revisit</i>	<p>"We were pleased to see that the service has started to make good progress in relation to both accelerated causes of concern. We recognise that the service has invested time and resources to develop its action plan and has established appropriate and clear governance arrangements, which are being further strengthened following the publication of our full report. Despite good progress being made, there is still more work to do. While the action plan is comprehensive, it is too early to determine how effective the plan will be in addressing the accelerated causes of concern."</p> <p>- Avon Fire and Rescue Service: Causes of concern revisit letter - HMICFRS (January 2024)</p>
March 2024 <i>Second revisit</i>	<p>The mobilisation system (Accelerated cause of concern) remained a concern with technical faults still occurring.</p> <p>The Service had improved their communication with fire control staff and seeks feedback to address any concerns.</p> <p>Welfare support training had yet to be provided to all fire control staff. This was documented as completed on the action plan, but evidence showed that this was not the case.</p> <p>- Avon Fire and Rescue Service: Cause of concern revisit letter - HMICFRS (May 2024)</p>
September 2024 <i>Third revisit</i>	<p>HM Inspectorate found significant improvements in relation to the mobilisation system, which resulted in this accelerated cause of concern and associated recommendations being closed. Included in the report (attached below) they stated, 'We found appropriate and clear governance arrangements in place to monitor progress of your action plan.'</p> <p>The risk information process for site-specific risks was being worked on. Training had been provided to most wholetime firefighters and wider staff. However, while HMICFRS stated that the Service should improve the way it records this training as it cannot provide assurance all staff have been trained, the recommendation relating to this training was closed.</p> <p>Prevention is a key focus of the 2024-2028 Service Plan, including prioritising occupants based on a risk scoring system. The service had improved arrangements however there are still gaps in training for staff and there are plans to develop a quality assurance process for firefighters.</p> <p>The culture within the organisation needs to be reviewed to work with all parts of the workforce to build trust and confidence. Staff reported evidence of behaviours which were not in line with the service's values.</p> <p>- Avon Fire and Rescue Service: Causes of concern revisit letter - HMICFRS (October 2024)</p>

On presentation of the 2022-23 Auditor's Annual Report at the 15 March 2024 Audit, Governance and Oversight Committee, the predecessor auditor identified a significant weakness in Governance arrangements at the Authority and raised a recommendation for improvement in relation to reviewing actions implemented and ensuring desired outcomes are achieved. This has been followed up in section 8 of our report.

At the same Committee meeting, we presented our External Audit Plan 2023-24 including a risk of significant weakness in the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources in relation to the HMICFRS reporting and the concerns identified.

Since the March 2024 Committee meeting, we have made enquiries of management and received further public correspondence from HM Inspectorate to support the progress to date against the risk of significant weakness.

As evidenced in the table above, through the reporting of HMICFRS, the Authority has made progress towards reducing their 'accelerated causes of concern' and 'causes of concern', however the reporting is also clear that there are still significant issues and several recommendations which are yet to be addressed. In our opinion, this constitutes a significant weakness in the governance arrangements in place at the Authority, therefore we have raised a recommendation in section 8 of our report.

Further to the recommendation made in relation to the significant weakness raised, we have identified that the Authority held extraordinary meetings to discuss the outcome of the HMICFRS report. The Policy and Resources Committee has responsibility for monitoring of the implementation of improvement recommendations.

Internal control

The Avon Fire Authority's Internal Audit is provided by RSM, who have a representative at each of the Audit, Governance and Oversight Committee meetings to present any findings. The Audit, Governance and Oversight Committee approves the Annual Internal Audit Plan and is provided with a progress report against the plan at each meeting.

Through our review of the Internal Audit reports, along with review the Audit, Governance and Oversight Committee minutes and supporting documents, we have not identified any significant gaps in the assurance the Avon Fire Authority receives over matters in the work programme.

The Authority appointed a new Independent Member to the Audit, Governance and Oversight Committee in line with the CIPFA Position Statement on Audit Committees in Local Authorities and Police 2022, which identified that all audit committees of local authorities should include co-opted independent members.

The Audit, Governance and Oversight Committee has a key role to play in ensuring the overall effectiveness of internal controls. The Committee discharges this function appropriately by adhering to its terms of reference and challenging officers in relation to internal and external audit findings.

Budget setting and budgetary control

Budgets are designed and set by the Finance team with review of the performance against the prior year undertaken alongside budget holders before being approved at a meeting of the Authority. A significant share of the funding for the Authority comes from the Council Tax precept with additional support from Central Government.

The budget setting process for 2024/25 considered two separate options in relation to the increase of the Council Tax precept, both of which are in line with Department for Levelling Up, Housing & Communities' published Local government finance policy statement for the year. Whilst these are not statutory limits placed on the bodies, they are principles for such bodies to follow when preparing their budgets.

Sufficient evidence has been seen through review of minutes to provide assurance that the budget setting and monitoring processes are reported frequently throughout the year. Analysis of budget variations and explanations were included in the reporting, however there was little detail in relation to service activity or workforce information alongside this. We have raised a recommendation to improve the level of non-financial reporting alongside budget monitoring which is received by the Policy and Resources Committee.

Decision making

We are satisfied that appropriate arrangements are in place to ensure that all relevant information is provided to decision makers before major decisions are made, and that there are arrangements for challenge of such decisions before they are made.

There is an appropriate culture set by senior officers, driven by the Authority's Value and Ethics Behaviour Framework. The Authority's management have set a zero-tolerance policy to inappropriate behaviour and have demonstrated a willingness to learn and improve following the HMICFRS review in 2023.

The Authority commissioned a review of their governance arrangements during 2023. As part of our work, we have reviewed the output recommendations from the report and their implementation across the Fire Authority. Of the twelve recommendations made in the report, six were implemented through an extraordinary meeting of the Fire Authority in April 2023.

At the 2024 Annual General Meeting of the Fire Authority, the Clerk presented an update on the progress towards achieving the output recommendations from the governance review. This was then followed up at the November 2024 meeting of the Fire Authority, where the governance review was concluded as all recommendations were completed.

Ensuring appropriate standards

We have been informed that there have been no instances of significant non-compliance within the year. Throughout our review, we have not identified anything that has contradicted this. Gifts and Hospitality are clearly detailed and recorded as shown on the Gifts and Hospitality Register which is published quarterly and any reasons are provided for any gifts received.

The Authority has appropriate policies and procedures in place to ensure appropriate standards are maintained. These include the Freedom of Information Policy which follows the Local Government Transparency Code 2015 which sets out the requirements for local authorities to publish data.

Declarations of interest are included as a standing agenda item at all relevant meetings.

Based on the work carried out, we have identified a significant weakness in the Authority's governance arrangements:

At the date of reporting, the Avon Fire Authority have one open 'Accelerated cause of concern' and two open 'Causes for concern' in relation to reports made by HMICFRS. These were first raised following inspection visits in mid-2023.

There have been several follow-up visits since the inspection, however there is still progress to be made as only one 'Accelerated cause of concern' has been closed and there remain several recommendations in place across the remaining open causes of concern.

In addition to raising a significant weakness in the governance arrangements in place at the Authority, we have raised a recommendation for improvement for the Authority to promptly implement the required actions to close the remaining recommendations.

We have made recommendations for areas of improvement at section 8.

7. Improving efficiency, economy and effectiveness

We considered how the Authority uses information about its costs and performance to improve the way it manages and delivers its services, including:

- how financial and performance information has been used to assess performance to identify areas for improvement;
- how the Authority evaluates the services it provides to assess performance and identify areas for improvement;
- how the Authority ensures it delivers its role within significant partnerships and engages with stakeholders it has identified, in order to assess whether it is meeting its objectives; and
- where the Authority commissions or procures services, how it assesses whether it is realising the expected benefits.

Assessing performance and evaluating service delivery

The Authority's Service Plan 2024-2028 identifies their strategic priorities which are underpinned by six key objectives on which they report against performance as set out below. The Service Plan demonstrates how the Authority plan to achieve these priorities and objectives at a high level. This is public facing information.

The Authority has shared with us details of the confidential internal milestones while developing monitoring reports that have been in development since May 2023, for monitoring and measurement of progress against actions and strategic aims in more detail. These include Workshops with Service Leadership Board (SLB), SLT engagement sessions regular updates, evidence of training and reporting to leadership. Resulting Reports are based on Power BI systems, which while not yet the finished article, allow closer scrutiny and visibility of progress. Output includes action plans, the Improvement Register, and a new style Service Plan that includes a fixed point in time for reporting, rather than rolling dates. This allows more real-time monitoring of progress.

The Authority reports its performance against their key objectives to the Policy and Resources Committee with a detailed assessment of performance against the indicators linked to the strategic priorities and key objectives set out in their Service Plan 2024-2028. This report monitors the reasons for movements to identify where actions should be taken for improvements to be made. The Authority reports its financial performance against its budgets and MTFP to the Policy and Resources Committee. This report identified their progress in the year towards achieving a breakeven position.

The Authority takes part in the National Fire Chiefs Council, where national issues relating to Fire are discussed.

There is good evidence of the Authority implementing internal and external audit recommendations.

Partnership working

The Avon Fire Authority has a significant number of partnerships and collaborations with other bodies to deliver their services, in line with their statutory duty under the Policing and Crime Act 2017 to collaborate.

The Authority holds a Register of Collaborations and Formal Partnerships, and also a Register of Home Fire Safety Visits Referral Partnerships which monitor their partnership and collaborative working with other services. These are reported annually to the Audit, Governance and Oversight Committee who review the progress made within the partnerships in line with the established Collaboration Strategy.

Commissioning and procuring services

The Authority has a procurement strategy in place which aims to drive social value and sustainable practices in procurement whilst maximising efficiencies and improving value for money. This procurement strategy was implemented in 2019 and was due to be reviewed in 2022. However, this review was delayed and as such has not yet been implemented. The planned implementation date is now December 2024 which will be supported by Operational Plans across the Authority. Whilst there is evidence that the Authority is working towards the implementation of a new procurement strategy, we have made a recommendation regarding the timing of such implementation due to the delays which have arisen.

There is no evidence that suggests the Authority is failing to operate a fair procurement exercise for significant contracts.

Throughout the year, monitoring of contracts is undertaken by the relevant contract managers. The evidence provided as part of our work shows active communication with contract suppliers to manage and mitigate issues as they arise to restrict the impact on delivery of services.

Based on the work carried out, we are satisfied that there are no significant weaknesses in the Authority's arrangements for improving economy, efficiency and effectiveness. We have made recommendations for areas of improvement at section 8.

8. Recommendations

KEY:



Recommendations that refer to issues that have resulted in a significant weakness in the Authority's arrangements.




Recommendations that should improve the arrangements in place at the Authority but are not as a result of identifying a significant weakness.


Current Year Issues

Governance - Implementation of Action Plans	
	<p>Following the most recent visit from HMICFRS in September 2024, they have identified that there are still significant issues and that several recommendations are yet to be addressed.</p> <p>Our audit work in relation to assessing the arrangements in place at the Authority raises some concern that progress is still required in respect of one 'Accelerated cause of concern' and two 'Causes of concern'.</p> <p>Recommendation The Authority must promptly implement the required actions to close the remaining causes of concern and recommendations made by HM Inspectorate to strengthen its arrangements to secure economy, efficiency and effectiveness in its use of resources.</p> <p>Management comment HMICFRS has closed eight of the 20 recommendations made in the Round 3 2023/25 Inspection Report. The Service will continue working to complete the actions set out in its action plan and deliver the outcomes to address the remaining HMICFRS recommendations.</p>
Financial Sustainability - Workforce Planning	
	<p>We have assessed the Authority's arrangements in relation to financial planning and concluded that they do not have a Workforce Strategy in place which feeds into their Medium-Term Financial Strategy.</p> <p>Recommendation The Authority should produce a Workforce Strategy covering a sufficient period of time such that it can provide a meaningful basis for calculation of the workforce-related elements of the MTFP.</p> <p>Management comment Recommendation is noted. A Succession Planning policy is currently in draft, awaiting further development once the People Services structure has been finalised and agreed. This will determine where succession and workforce planning sit within the Service structure including ownership and oversight. There are a number of processes that dovetail into these strategies which the People Services restructure should support including establishment monitoring, retirement profiling and recruitment cycle planning. However, there remains a challenge with anticipating funding and MTFP on an annual cycle which will inevitably restrict the potential for longer lead-in times with this. The business case for the People Services restructure has not yet been agreed by SLB and it should be noted that this agreement will determine how much of the above can be supported as it will impact on resources and capacity available.</p>

Governance - Budget Monitoring Reports	
	
	<p>On review of the revenue budget monitoring reports presented to the Policy and Resources Committee, we are unable to see that there is integration of relevant non-financial information into the reporting alongside financial information.</p> <p>Recommendation When producing budget reporting, the Fire Authority should include (where appropriate) the relevant non-financial information to provide context to decision makers around matters such as service activity and workforce planning.</p> <p>Management comment We will review our budget monitoring reporting and consider how we can best incorporate non-financial information into that reporting going forwards.</p>

Governance - Procurement Strategy Updates	
	
	<p>Our work identified that the Procurement Strategy was due for revision in 2022, however this was delayed and intended for implementation in August 2024. This has now slipped to December 2024.</p> <p>Recommendation The Authority should implement a new Procurement Strategy as soon as practicable, as this is now significantly overdue.</p> <p>Management comment The new procurement strategy is in draft stage and will be circulated for consultation with stakeholders in December with the intention to bring a finalised version to the January SLT meeting to be approved and then published.</p>

Prior Year Issues reported by the predecessor auditor – Ongoing

HMICFRS Reporting	
	
	<p>In December 2021, the Service was inspected by HMICFRS in three areas, all of which were deemed as 'requires improvement'. However, it was determined that the Service had made significant progress and good investments since the previous inspection therefore a significant weakness was not identified in relation to 2021/22 financial year.</p> <p>We note the grading system has changed in 2022/23, however, The Service was assessed by HMICFRS on its performance in 11 areas of which:</p> <ul style="list-style-type: none"> • Two were assessed as 'adequate' • Five were assessed as 'requires improvement' • Four were assessed as 'inadequate' <p>This shows that significant improvements are needed to address the inspection findings and there is a significant weakness.</p> <p>The HMICFRS report highlighted fundamental issues in relation to culture and performance and the</p> <p>Recommendation Although the Service is taking significant steps to address the findings, such as creating a detailed action plan and strengthening the Corporate Risk Register to reflect the HMICFRS report findings, it is recommended that the Service continues to review the actions implemented and ensures the desired outcomes are achieved to address the concerns raised.</p> <p>2022-23 Management comment The Service was aware of two accelerated causes of concern months before publication of the report (in August 2023) and have already taken significant steps to address those concerns, which were recognised by the Inspectorate during their re-visit to the Service in December 2023. Here is a summary of the further steps taken:</p> <ul style="list-style-type: none"> • The Service Action Plan to address the recommendations associated with the two accelerated Causes of Concern was submitted and approved by the Policy & Resources Committee meeting on 29 September 2023.

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<p>following accelerated causes of concern were published:</p> <ul style="list-style-type: none"> • The Service doesn't have an effective system to gather and record relevant and up-to-date risk information to help protect firefighters • The Service's mobilisation system isn't reliable and crashes on some consoles during 999 calls 	<ul style="list-style-type: none"> • The Chief Fire Officer (CFO) has reviewed oversight mechanisms to ensure that progress with the Service Action Plan is monitored more closely and has set up: <ul style="list-style-type: none"> • A Service Improvement Board (comprising members of the Service Leadership Board and key external stakeholders) which is chaired by the CFO and meets monthly and • An Internal Improvement Team, which brings together a number of improvement strands, including the HMICFRS Action Plan, alongside other Service transformation and efficiency work. • An Extraordinary meeting of the Fire Authority was convened on 13 December 2023 to discuss the latest HMICFRS report and to note the work in progress to develop an Action Plan to address the formal recommendations. • The Service has entered the 'Engage' phase with the Inspectorate (to offer the Service support) and the CFO, Fire Authority Chair and Vice Chair have already briefed the HMICFRS' Fire Performance Oversight Group (FPOG) chaired by HM Chief Inspector Andy Cooke in February 2023, at which further progress was reported and recognised. • Following a Governance Review last year, the Policy & Resources Committee Terms of Reference include responsibility for 'priority programmes', including HMICFRS Action Plans and will continue to closely monitor progress with the Round 3 Inspection Plan. • Risks on the Corporate Risk Register (CRR) has been strengthened to deal with risks highlighted by HMICFRS; Members have received bespoke training on risk and a new CRR Framework is due to be introduced. • The Service has also introduced a Continuous Improvement Framework and toolkit for senior managers to access on SharePoint, which reflects best practice, allowing managers to access information quickly on progress against the HMICFRS Action Plan. <p><u>2023-24 Management Comment</u></p> <p>The Service continues to invest time and resources to deliver improvements and has made significant progress in addressing the two accelerated and two further causes of concern, and the 20 recommendations associated with them.</p> <p>Following the latest HMICFRS revisit (September 2024) one of the accelerated causes of concern and eight of the 20 recommendations have been closed.</p> <p>Summary of further steps taken:</p> <ul style="list-style-type: none"> • Introduction of an Internal Improvement Board (in addition to the strategic Service Improvement Board). This meets monthly, scrutinising action plan progress, assuring outcomes are being delivered and supporting action owners where needed. • Continue to attend the Fire Oversight and Performance Group meetings in London as part of the 'Engage' enhanced

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	<p>monitoring of the Service, where progress made is reported and has been recognised.</p> <ul style="list-style-type: none"> • The Corporate Risk Register has been further enhanced, with a full review taking place on a quarterly basis. There has also been a 'deep dive' review of the HMICFRS risk register entry. • Bi-monthly reporting of progress to the Service Leadership Team for consideration and scrutiny • A report was presented to the Fire Authority meeting on 6 November 2024 regarding the outcome letter (published October 2024) of the third revisit to the Service in September 2024 • Additional audits undertaken covering the mobilising system and risk information accelerated causes of concern to provide an additional assurance check on progress.



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