

HUMBERSIDE FIRE AUTHORITY **REQUEST FOR DIRECTORS' DECLARATIONS**

2. QUESTIONS ABOUT ARRANGEMENTS FOR PREVENTING AND DETECTING FRAUD

- **How does the Authority assess the risk that the financial statements may be materially misstated due to fraud?**

Internal Controls are tested annually by Internal Audit, the most recent review during 2019/20 assessed the controls to give 'substantial' assurance.

Annual Governance Statement compiled annually and considered by SLT, GAS Committee and HFA.

Treasury Management third party assurance statement produced by Internal Audit at Hull City Council. Compliance with the CIPFA Treasury Management Code with regular reporting of Prudential Indicators to the GAS Committee and HFA.

Third party assurance from East Riding of Yorkshire Council Internal Audit with regard to payroll activity.

Third party assurance statement from West Yorkshire Pensions Authority with regard to pensions payroll.

Budget monitoring produced and tabled at SLT, GAS Committee and HFA on 4 occasions a year.

Scheme of delegation and contract procedure rules in operation.

- **Is the Authority aware of management's process for identifying and responding to the risks of fraud generally and specific risks of misstatement in the financial statements and if so what are these processes?**

Whistleblowing Strategy, Anti-Fraud and Corruption Strategy, Anti-Money Laundering Policy, Anti-Bribery Policy. Anti-Fraud and Corruption Statement taken to GAS Committee and HFA each year.

National Fraud Initiative (NFI) participation which matches data across public sector organisations.

Monitoring Officer and Section 151 Officer roles act as a safeguard for the Authority.

- **Is the Authority aware of the arrangements in place for management to report about fraud to the Authority and if so what are these arrangements?**

Yes – we follow the procedures set out in the Strategies and Policies listed above.

- **Is the Authority aware of the arrangements management have in place, if any, for communicating with employees, lay members, partners and stakeholders regarding ethical governance and standards of conduct and behaviour and if so what are these arrangements?**

Whistleblowing and Anti-Fraud arrangements communicated annually in payslips. Authority's Constitution is published on our website which contains all details relating to Conduct and Probity, for example, Members' Code of Conduct and Officers' Code of Conduct.

- **Does the Authority have knowledge of actual or suspected fraud, including any entries made in the accounting records that you believe or suspect are false or intentionally misleading and if so is it aware of what actions management is taking to address it?**

Reported annually through the Anti-Fraud and Corruption Statement and on an exception basis by the Monitoring Officer and the Section 151 Officer. This has been completed and there are no identified or suspected cases of fraud in 2019/20. The Anti-Fraud and Corruption statement is on the HFA agenda for 26 June 2020.

- **What arrangements are in place for the Authority to oversee management arrangements for identifying and responding to the risks of fraud and the establishment of internal control?**

Internal Audit reports to the GAS Committee and HFA as well as the annual reporting of the Annual Governance Statement.

3. QUESTIONS ABOUT ARRANGEMENTS FOR COMPLYING WITH LAW AND REGULATIONS RESPONSIBILITIES

- **Has management provided a clear statement which confirms its consideration of relevant laws and regulations and its compliance with them?**

Annual Governance Statement and the Annual Anti-Fraud and Corruption Statement.

- **How does the Authority satisfy itself that all relevant laws and regulations are being complied with?**

Monitoring Officer oversight and interpretation and advice from our legal advisors, Capsticks LLP. All HFA reports and agendas are considered by the Monitoring Office for comment before they are considered by the HFA. The Monitoring Officer attends all of the Authority's meetings (HFA/GAS Committee/Pensions Board and other ad hoc committees as required). Advice is sought from the Monitoring Officer and/or Capsticks on reports/issues that clearly have a legal content.

- **Is the Authority aware of any instances of non-compliance with laws or regulations?**

No.

- **Has management provided a list of litigation and claims?**

Yes.

- **Has an assessment been made of the outcome of the litigation or claim and its estimate of the financial implications, including costs involved?**

Yes, where relevant – material items will be disclosed in the Annual Accounts.

- **Has the reasonableness of management's assessments been considered and additional information provided to the auditor where necessary?**

Yes, information will be provided as required.

4. QUESTIONS ABOUT THE APPROPRIATENESS OF THE GOING CONCERN ASSUMPTION

- **Has a report been received from management forming a view on going concern?**

The Section 151 Officer makes a statement in the Annual Accounts that confirms the Service to be a going concern.

- **Are the financial assumptions in that report (e.g. future levels of income and expenditure) consistent with the strategic business plan and the financial information provided to the Authority throughout the year?**

The Medium-Term Financial Plan sets out the Service's income and expenditure assumptions over the medium-term.

- **If not, does the report contain a clear explanation, with supporting evidence, for the assumptions used, and are those assumptions appropriate? This should include written evidence of agreed income and expenditure for major funding streams.**

Not applicable.

- **Are the implications of statutory or policy changes appropriately reflected in the business plan, financial forecasts and report on going concern?**

Yes based on the best information that is currently available from Government.

- **Have there been any significant issues raised with the Authority during the year (e.g. adverse comments raised by internal and external audit regarding financial performance or significant weaknesses in systems of financial control, or significant variances to activity levels compared to those planned), which could cast doubts on the assumptions made?**

No.

- **Has an analysis been undertaken of the Authority's projected or actual performance against its financial plan? If so, is it robust and does it identify any areas of potential concern?**

Medium-Term Financial Plan is reviewed twice a year and the in-year financial position is reviewed 4 times a year. A full risk assessment of the level of the Prudent Minimum General Reserve is

undertaken each year and considered at the September HFA meeting. The MTFP shows the Authority maintaining its General Reserve at or above the PMGR level over the life of the MTFP.

• Where there are potential concerns what action is being taken to address those areas of potential weakness?

Scenario Planning underway to prepare for potential further austerity from 2021/22 onwards. This work will be undertaken during late 2020 now given that the next CSR has been deferred due to the current COVID-19 crisis.

The Authority invoked its Business Continuity arrangements during the initial stages of the COVID-19 crisis and continued to deliver services to the public to a very high standard.

The Authority has closely tracked the cost impact of the COVID-19 crisis and is able to meet the costs with the assistance of £919k of grant from MHCLG for this purpose.

Fire and Rescue Services are a vital public service and the assumption is that the Authority will be a going concern as a result. Alongside side there will be very careful tracking of the expenditure and income impacts on the Service so that any shortfalls or pressures can be readily identified and tackled as required.

• Does the organisation have sufficient staff in post, with the appropriate skills and experience, particularly at senior management level, to ensure the delivery of the organisation's objectives? If not, what action is being taken to obtain those skills?

Yes – Succession Planning arrangements in place as well as Senior Leadership development.

Chief Fire Officer and Chief Executive

Chair of Humberside Fire Authority

**Executive Director of Corporate Services
and S.151 Officer**