

HUMBERSIDE FIRE AUTHORITY
GOVERNANCE, AUDIT AND SCRUTINY COMMITTEE

11 APRIL 2016

PRESENT: Independent Co-opted Members Mr D Chapman (Chairperson), Mr A Allingham, Mr J Doyle, Mr A Smith, Mrs M Thomlinson and Mr C Vertigans

Secretary/Monitoring Officer, Director of Organisational Development, Director of Public Safety, Director of Service Support, Corporate Planning & Performance Manager, Finance Manager, Committee Manager, Mr J Prentice (External Audit – KPMG) and Mrs B Boyes (Internal Audit - MIAA) were also present.

An apology for absence was submitted from Mrs P Jackson.

The meeting was held at the Humberside Fire and Rescue Service Headquarters, Kingston upon Hull. Meeting commenced at 10.00 a.m.

(The Chairperson welcomed Mr J Prentice (KPMG) and all who were observing the meeting.)

PROCEDURAL

5077 DECLARATIONS OF INTEREST - No declarations were made in connection with any of the items to be considered at the meeting.

5078 MINUTES – Resolved – That the minutes of the meeting of the Committee held on 7 March 2016 having been printed and circulated amongst the Members, be taken as read and correctly recorded and be signed by the Chairperson.

MATTERS ARISING FROM THE MINUTES

5079 Pay Policy Statement 2016-17 – A Member referred to Minute 5045 and asked whether any clarification had been circulated to Members in response to the query raised at the previous meeting that there should be a clear policy statement that employees who have left employment and are in receipt of a pension will not be eligible for re-employment. The Director of Service Support stated that the Local Government Association had recently been consulted on proposed changes in legislation that could affect the pension entitlement of persons in receipt of a pension, and also that so far as this Authority is concerned there would be no case for re-employing an employee who had retired under the Early Voluntary Release scheme.

Resolved – That the information be received.

SCRUTINY PROGRAMME

5080 SCRUTINY PROGRAMME 2016/17 – MEMBERS’ ALLOWANCES REVIEW – SCRUTINY INITIATION DOCUMENT - Further to Minute 5046 the Monitoring Officer/ Secretary presented a scrutiny initiation document in respect to the scoping of the proposed Members’ Allowances review. The Chairperson stated that the Committee would need to be mindful of any developments in governance structures that might arise from the forthcoming elections for a Police and Crime Commissioner (PCC) for Humberside Police on 5 May 2016 and also that the Committee would look more at the role and responsibilities of the post of Vice Chairperson of the Authority rather than becoming involved in an extensive review of rates of allowances. The Chairperson also acknowledged that the Authority had asked the Committee to look at the whole range of allowances which would include looking at the role and responsibilities of Group Secretaries. A Member suggested that the Committee was mindful that the review could become unduly complex, especially due to uncertainties as to whether comparable allowances paid elsewhere were on a like-for-like basis given different roles of Members and governance structures across authorities. The Monitoring

Officer/Secretary stated that the Committee would aim to submit the initial scrutiny outcomes report to this Committee and the Authority in January 2017.

Resolved – (a) That the Committee approves the scoping document for the Members' Allowances review now submitted, and

(b) that the aim will be to submit the initial scrutiny outcomes report to this Committee and the Authority in January 2017.

GOVERNANCE

5081 UPDATE: MATTERS ARISING/FEEDBACK FROM FIRE AUTHORITY – The Monitoring Officer/Secretary submitted a report summarising the consideration given by the Authority at its meeting on 18 March 2016 to the draft minutes of the meeting of the Committee held on 7 March 2016 and also providing feedback on other items considered by the Fire Authority on 18 March 2016.

Members referred to Minute 5066 of the Authority relating to the appointment of Councillor Hodgson to the Equality and Inclusion Group. It was noted that Councillor Hodgson holds two other important roles therefore the Authority may have wished to implement a Member development/succession planning opportunity and consideration could have been given to appointing a different Member, ideally from a minority group of the Members of the Authority.

Resolved – That the report be noted.

5082 COMMITTEE WORKSTREAMS/SCRUTINY PROGRAMME 2015/16 AND ANNUAL REPORT TO HUMBERSIDE FIRE AUTHORITY – The Monitoring Officer/Secretary submitted a report indicating that following a previous review of its corporate governance, the Authority adopted a Constitution and a new Committee structure. Members were reminded that it was agreed that the first meeting of each Committee in a new cycle would receive a report which outlined broadly the substantive reports that Members, as a minimum, could expect to receive during 2015/16. The workstreams agreed were not exhaustive, but indicative. The Authority at its meeting on 25 April 2014 (Minute 4511 refers) had approved a revised Terms of Reference for the Committee with the scrutiny function of the Committee being revised so that the Committee can focus its scrutiny role on a number of topics per year. At its meeting on 15 June 2016 the Committee agreed a Workstreams/Scrutiny Programme 2015/16 that included a review of Business Safety and also feedback on the outcomes of 2 reviews carried out during 2014/15 (Minute 4842 refers). A draft Annual Report to the full Fire Authority in accordance with the Constitution was attached to the report which briefly outlined progress against the workstreams/scrutiny programme agreed by the Committee at its meeting on 15 June 2015, and included a copy of the Development Plan produced by Internal Audit (MIAA) and submitted to the Authority on 12 December 2014 (attached at Appendix 2 to the Annual Report). The Monitoring Officer/Secretary indicated that some typographical errors and also the details in respect to attendances would need updating after this meeting of the Committee prior to the Annual Report being submitted to the Fire Authority.

Mrs B Boyes (MIAA) welcomed the inclusion of paragraph 10 of the Annual Report regarding Scrutiny Outcomes 2015/16 and reminded Members of the need to focus on outcomes of scrutiny reviews rather than looking only at outputs. The Chairperson and Mrs Boyes referred to paragraph 10 of the Annual Report regarding the Development Plan and suggested that some work was necessary to refresh the Development Plan by checking the status of the various actions listed in Appendix 2. Mrs B Boyes agreed to meet with the Chairperson to review the status and to provide an update to the next meeting of the Committee. The Chairperson stated that the third sentence of the Foreword should be deleted.

Resolved – That, subject to the Foreword being amended as now reported and, where necessary, the content being updated to take account of this meeting and minor typographical corrections, the draft Annual Report be approved for submission to Fire Authority AGM on 6 June 2016, to be presented by the Chairperson of this Committee.

5083 COMMITTEE WORKSTREAMS/SCRUTINY PROGRAMME 2016/17 - The Monitoring Officer/Secretary submitted a report indicating that in line with the Constitution, the first meeting of each Committee in a new cycle should receive a report which outlined broadly the substantive reports that Members, as a minimum, can expect to receive during the year. The report now submitted set out the Workstreams/Scrutiny Programme for the Committee for 2016/17. Progress against those workstreams would be included in the annual report from the Committee to the Fire Authority. The report reminded Members that the Annual General Meeting of the Authority sets the calendar of its meetings for the forthcoming year. With regard to the Governance, Audit and Scrutiny Committee, its calendar of meetings was a matter for the Committee. The report set out a list of proposed dates to assist the Committee in preparing its Workstreams/Scrutiny Programme for 2016/17. The Committee had previously agreed to meet in private with the Internal/External Auditors at 9.00 a.m. with the Committee commencing formally at 10.00 a.m. and the Committee was asked to also consider the timing of meetings. A schedule showing the proposed Calendar of Meetings which will be submitted for approval by the Fire Authority with the proposed Committee meeting dates incorporated was attached at Appendix A to the report. The proposed Workstreams/Scrutiny Programme for this Committee had been incorporated in the timetable of meetings of the Committee attached at Appendix 2 to the report that will be considered as part of that Calendar of Meetings.

A Member referred to the review of Collaboration and stated that Members had had an excellent initial meeting with Mr P Hayden who had supplied some very useful information. The Chairperson stated that Mr Allingham would head this sub-group.

Resolved – (a) that the dates and times for meetings of this Committee for 2016/17, be approved as set out in Appendix 1 to the report, and

(b) that the Workstreams/Scrutiny Programme 2016/17 for this Committee be approved as set out in Appendix 2 to the report.

5084 USE OF DELEGATED POWERS UNDER FIRE AUTHORITY CONSTITUTION BY CHIEF FIRE OFFICER & CHIEF EXECUTIVE - The Monitoring Officer/Secretary submitted a report providing details of the decisions taken by the Chief Fire Officer & Chief Executive during 2015/16 to vary the establishment, under his delegated powers within the Fire Authority Constitution.

Resolved – That the report be noted and that the Committee takes assurance that the Scheme of Delegations has been properly exercised.

5085 ANNUAL REVIEW OF CONSTITUTION - The Monitoring Officer/Secretary reported orally that that it was good practice that the Constitution of the Authority should be subject to an annual review but that it was considered that no substantive changes were necessary at the present time.

Resolved – That this Committee has no recommendations to make to the full Authority following the annual review of the Constitution.

AUDIT

5086 MANAGEMENT ACCOUNTS TO 29 FEBRUARY 2016 - The Finance Manager presented a report by the Executive Director Service Support/Section 151 Officer containing the Authority's Management Accounts and Prudential Indicators for the period ending 29 February 2016. The end of year projections were set out for the revenue budget, the capital programme and the pensions account. The summary estimated outturn position from the Management Accounts and Prudential Indicators was as follows:

- Revenue Budget - £1.107m underspend;
- Capital Programme - £5.138m total expenditure against an allocation of £12.955m;
- Pensions Account - £11.692m deficit.

A Member referred to the capital expenditure in respect to the Clough Road scheme and queried what works remained to be completed. The Director of Service Support stated that the variances reported referred to the delay in providing the training facilities on the land adjoining the fire station which would not be fully completed until 2016/17. A Member referred to note 8 on page 57 of the report and sought clarification regarding the overspend due to additional legal fees. The Finance Manager explained that at the time the budget was revised Officers were not fully aware of all the legal issues arising on such schemes as the East Coast and Hertfordshire Consortium and in respect of setting up the new Joint Fleet Management operation and undertook to look at the budgeting mechanics for the future. In response to a query regarding the delay in the Ark project (note 7 on page 58 of the report) the Director of Service Support gave a brief update with regard to the current situation regarding the project.

Resolved – That Members take assurance from the report and the Authority's financial position for the period ending 29 February 2016.

EXTERNAL AUDIT (KPMG)

5087 External Audit Progress Report and Technical Update – Mr J Prentice (External Audit - KPMG) submitted a report providing an overview on progress in delivering KPMG's responsibilities as external auditors. At the end of each stage of the audit KPMG issued certain deliverables, including reports and opinions. A summary of progress against those deliverables was provided in Appendix 1 of the report. The report also highlighted the main technical issues that were currently having an impact in local government.

Resolved – That the report be noted.

INTERNAL AUDIT (MIAA)

5088 Internal Audit Update – Ms B Boyes (Internal Audit - MIAA) submitted a report outlining internal audit activity since the last meeting as follows:

Internal Audit Plan 2015/16 – Progress Update - This report provided a progress update of 2015/16 Internal Audit activity against the agreed plan. A summary was provided at Appendix 1 to the report. A copy of the Combined Financial Systems review for which the overall objective was to review and test the key controls within the Financial Ledger, Budgetary Control and Payroll and Pensions systems, to ensure they are operating correctly and effectively was attached at Appendix 2 to the report. The main recommendations made were around the need for timely submission of leaver documentation and reiterating delegated limits to budget holders. Reviews of Procurement and Partnership Governance were substantially complete and had informed the Director of Audit Opinion attached at Appendix 3 to the report. The report on Cyber Security was at draft stage but did not attract an assurance level owing to the strategic and advisory nature of the work. It was anticipated that finalised reports would be available for the next Committee meeting. Risk management coverage (under operational reviews) was currently being planned but the advisory nature of that activity (risk workshops) meant that the output was not part of the overall annual opinion.

Members' referred to the statement in the Executive Summary that "All budget holders either strongly agreed or agreed that they fully understand what their responsibilities as a Service Budget holder are." and queried that the pie charts in respect of the responses to the individual budgetary control survey questions at pages 7-10 of the report did not appear to support that statement. Mrs Boyes explained that the statement reflected the responses to the first question (pie chart

1). The Director of Service Support stated that the survey served to identify what needed to be done in terms of increasing budget holders understanding of their role and responsibilities and the Service will now be working with budget holders to improve the situation. The Finance Manager reported that budget training was offered to Managers each year. The Chairperson stated that in the light of the evidence from the survey what was important was that the Service moves forward positively and Officers had indicated that appropriate action would be taken.

Director of Audit Opinion and Annual Report 2015/16 - The purpose of the Director of Internal Audit Opinion was to contribute to the assurances available to the Accountable Officer and the Authority which underpin their own assessment of the effectiveness of the organisation's system of internal control. The Director of Audit Opinion and Annual Report 2015/16 was attached at Appendix 3 to the report and provided a summary of the outcomes of Internal Audit activity throughout the year and offered an overall assurance level (significant) based upon (and limited to) the work undertaken. The Opinion Statement also offered areas for consideration for the completion of the Annual Governance Statement (AGS) and that had assisted the Authority in reviewing and refining the statement. Internal Audit performance indicators were also included in the Annual Report. Subject to any comments by the Committee the Annual Report and Opinion will be presented to the Fire Authority in April 2016 for approval.

Resolved – (a) That the Committee notes the progress against the 2015/16 Internal Audit Plan and issues arising, and

(b) that the Committee notes the Director of Audit Opinion and Annual report 2015/16 prior to its submission to the Authority in April 2016 for approval.

5089 DRAFT ANNUAL GOVERNANCE STATEMENT 2015/16 – The Corporate Planning & Performance Manager and the Monitoring Officer/Secretary submitted a report setting out a draft Annual Governance Statement (AGS) in respect to 2015/16 as set out in Appendix 1 to the report. Given the content of the Statement, it was considered desirable that the Governance, Audit and Scrutiny Committee should specifically review the AGS separate from the Annual Accounts, although the AGS would form part of the Annual Accounts once approved in July 2016. It was also desirable that Members receive the report in advance of the draft Annual Accounts at the June 2016 Governance, Audit and Scrutiny Committee meeting. There was no model AGS, but rather the Guidance issued by the Chartered Institute of Public Finance Accountants (CIPFA) Finance Advisory Network sets out best practice in respect to the production of the AGS. In addition, guidance had also been set out in the CIPFA/SOLACE good governance framework.

A Member pointed out that paragraph 9 (aa) was no longer applicable.

Resolved – That subject to the deletion of paragraph 9 (aa) the draft Annual Governance Statement for 2015/16 be noted and Members confirm that they have sufficient assurance on the Authority's governance arrangements.

PERFORMANCE, RISK AND PROGRAMME MANAGEMENT

5090 PERFORMANCE REPORTING AND SERVICE PERFORMANCE INDICATORS 2016/17 – The Corporate Planning and Performance Manager submitted a report providing information regarding the reporting of Service performance for the period 2016/17 and the proposed Service Performance Indicators and targets for that period which were included at Appendix 1 to the report. Performance against all of the Strategic Objectives will be monitored and retrospectively reported to Humberside Fire Authority (HFA) on a quarterly basis following scrutiny by the Governance Audit and Scrutiny (GAS) Committee. The HFA will receive three quarterly reports, followed by the Annual Performance Report which will incorporate performance information from the fourth quarter. This was in line with the

reporting of performance for 2015/16 and the Annual Performance Report for that period, which will be presented to Members at the July 2016 meeting.

A Member referred to SPI 24 (Sickness Absence Levels) and queried why a national target was used. The Corporate Planning and Performance Manager stated that it was a comparator used across Services for national reporting purposes. The Director of Service Support reminded Members that there was a comparator in the quarterly reports that was locally based. A Member referred to paragraph 8 of the report and queried whether Members of this Committee were permitted to attend the Community Protection Unit (CPU) level Performance and Risk meetings held on a quarterly basis which Members of the Authority were invited to attend to scrutinise performance in their area. The Corporate Planning and Performance Manager explained the purpose behind the invite to Members of the Authority and stated that he would check with the Deputy Chief Fire Officer/Executive Director Service Delivery whether the invite might in future be extended to Members of this Committee.

Resolved – That Members' welcome the approach for reporting performance and take assurance from the Service Performance Indicator targets for 2016/17 as set out in Appendix 1 of the report.

5091 INSPECTION OF MEMBER REGISTERS – The Member Registers of Interests and Declarations of Gifts and Hospitality were made available for inspection by any Member of the Committee as part of their monitoring role.

5092 INSPECTION OF OFFICER REGISTERS – The Officer Registers of Interests and Declarations of Gifts and Hospitality were made available for inspection by any Member of the Committee as part of their monitoring role.

5093 ANY OTHER BUSINESS – There were no items.

Meeting closed at 11.17 a.m.