

HUMBERSIDE FIRE AUTHORITY
GOVERNANCE, AUDIT AND SCRUTINY COMMITTEE

14 APRIL 2014

PRESENT: Independent Co-opted Members Mr D Hughes (Chairperson), Mr M Allingham, Mrs G Hardy, Mr J Jepson, Mrs M Thomlinson and Mr C Vertigans.

Councillor Briggs attended as an observer.

Chief Fire Officer & Chief Executive, Deputy Chief Fire Officer, M Buckley, Acting Monitoring Officer/Secretary, Director of Finance & Assets/Section 151 Officer, Committee Manager and Ms J Rae (External Audit – KPMG), Ms Y Mehmood (Internal Audit - H W Controls & Assurance), S Connor (Internal Audit - Mersey Internal Audit Service (MIAA) and Ms B Jones (Internal Audit - MIAA) were also present.

An apology for absence was received from Mr D Chapman.

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 the Chief Fire Officer & Chief Executive and Deputy Chief Fire Officer who were attending their first meeting in their new roles. The Chairperson also welcomed Mr S Connor and Ms B Jones (Internal Audit - (MIAA) who were attending their first meeting and also those persons observing the meeting.

4478 DECLARATIONS OF INTEREST – There were no declarations.

4479 MINUTES – *Resolved* – That the minutes of the meeting of the Committee held on 3 March 2014, 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, OTHER THAN ON THE AGENDA

4480 Implementation of Committee Recommendations - Role of Member Days – A Member referred to Minute 4430 and sought clarification of the statement in the minute that “A Member suggested that perhaps the Chief Fire Officer & Chief Executive and Chairperson of the Authority when determining matters to be discussed at future Member days could consider whether it might be appropriate to invite Members of this Committee to attend so as to avoid the duplication in training”. The Acting Monitoring Officer/Secretary explained that the minute clearly indicated that consideration would be given to the views of this Committee regarding the attendance of Independent Co-opted Members at future Member Days but that there may nevertheless be a need for the Members of this Committee to receive separate training dependent on the future role of the Committee which was due to be considered further by the Authority on 25 April 2014. The Chief Fire Officer & Chief Executive stated that where it was considered that there might otherwise be duplication in training it might be appropriate for Members of this Committee to attend the Elected Member Days, though it had to be recognised that there was a definite split between Member Days in terms of the role of the Governance, Audit and Scrutiny Committee and the role of Elected Members.

Resolved – That it be noted that subject to the outcome of the review by the Authority at its meeting on 25 April 2014 of the role of this Committee, the Chief Fire Officer & Chief Executive and Chairperson of the Authority will, when determining matters to be discussed at future Member Days, consider whether it might be appropriate to invite Members of this Committee to attend so as to avoid duplication in training

4481 UPDATE: MATTERS ARISING/FEEDBACK FROM FIRE AUTHORITY - The Chairperson and Acting Monitoring Officer/Secretary submitted a report summarising the consideration given by the Authority at its meeting on 14 March 2014 to the report presented by Mr Chapman on behalf of the Chairperson of the Governance, Audit and Scrutiny Committee and the draft minutes of the meeting of the Committee held on 3 March 2014.

A Member referred to Minute 4469 of the Authority relating to the recruitment of new Independent Co-opted Members of this Committee and queried whether there was a timetable for the recruitment process to ensure appointments were made in time. The Director of Finance & Assets/Section 151 Officer stated that a timetable would be submitted to the next meeting of this Committee. Mr Jepson referred to the letter dated 18 March 2014 which he had received from the former Chief Fire Officer & Chief Executive notifying him of the Authority's decision to extend his term of appointment to 30 September 2014 and stated that he was unable to accept the extension of his appointment and that consequently this was his last meeting of the Committee before his appointment expires on 30 April, 2014. The Chairperson reported that following previous requests the Independent Co-opted Members of this Committee had met with the Chairperson of the Authority prior to the commencement of this meeting when views were exchanged on a range of matters including:

- Meetings of Group Secretaries,
- Elected Member Days,
- The future role of this Committee

The Chairperson referred to Minute 4469 and commented that the suggested appointment of a Deputy Chairperson of this Committee had not been clarified although it was noted that no provision had been included in the recently approved scheme of Members' Allowances; and also that the suggestion that Members of this Committee might carry out a 'shadowing' role to increase their understanding of the work of the Authority did not seem to be included in the proposed revised role of the Committee. The Acting Monitoring Officer/Secretary stated that the Authority at its meeting on 14 March 2014 had simply asked for further clarification of the scrutiny role of the Committee and stated that part of the proposal to be considered on 25 April 2014 was that this Committee should set a Work Programme (partly pre-populated with the audit functions) and that the programme might be discussed at member workshops. The Chief Fire Officer & Chief Executive stated that it might be helpful to have a full Member Day (Elected Members/Corporate Management Team and Independent Co-opted Members of this Committee) to discuss the content of the Work Programme.

Resolved – (a) That the report be noted, and

(b) that the decision of Mr Jepson not to accept the extension of his appointment to 30 September 2014 be noted.

4482 MANAGEMENT ACCOUNTS TO 28 FEBRUARY 2014 - The Director of Finance & Assets/Section 151 Officer submitted a report containing the Authority's Management Accounts and Prudential Indicators for the period ending 28 February 2014. The summary estimated outturn position from the Management Accounts and Prudential Indicators was as follows:

Revenue Budget	-	£1.485m	underspend;
Capital Programme	-	£4.542m	total expenditure against an allocation of £11.306m;
Pensions Account	-	£7.893m	deficit.

A Member queried whether the year-end underspend would simply be transferred into the General Reserve fund. The Director of Finance & Assets/Section 151 Officer stated that that would be determined by the Authority in due course but that mainly the underspend would go in to the General Reserve.

Resolved – That Members take assurance from the report and the Authority's financial position for the period ending 28 February 2014.

EXTERNAL AUDIT - EXTERNAL AUDIT (KPMG)

4483 Interim Audit Report 2013/14 – Ms J Rae (External Audit (KPMG) submitted a report summarising the key findings arising from the work undertaken by KPMG to date in relation to both the audit of the Authority's 2013/14 financial statements and KPMG's 2013/14 Value for Money (VFM) conclusion.

Resolved – That the report be noted.

4484 External Audit Progress Report and Technical Update – Ms J Rae (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

Resolved – That the report be noted.

INTERNAL AUDIT - H W CONTROLS & ASSURANCE

4485 Annual Internal Audit Report 2013/14 – Ms Y Mehmood (H W Controls & Assurance) submitted the 2013/14 annual report of Humberside Fire Authority's Internal Audit function. Internal Audit had completed the programme of audits for the year ended 31 March 2014 in accordance with the CIPFA Code of Practice for Internal Audit. In carrying out its work the cooperation of management and staff was gratefully received throughout the year. Audits undertaken during the year had not resulted in any recommendations being classified as "high" priority. All recommendations had been implemented or were in the process of being implemented. There were no special investigations performed during the year. It was the opinion of Internal Audit that on the whole the Fire Service had an adequate, effective and reliable framework of internal control that provided reasonable assurance regarding the effective and efficient achievement of the Fire Service's objectives.

Resolved – That the report be noted.

4486 Key Financial Systems Review (Part 2) – Ms Y Mehmood (H W Controls & Assurance) submitted a report, further to Minute 4159, on the review of the Authority's key financial systems. The overall objective of the audit was to ensure that effective and efficient processes were in place for the key financial systems and that the information generated by those systems was accurate and complete. The work undertaken was designed to test the adequacy of the key controls within the following systems:

- Creditors, and
- Payroll.

The audit focussed on mapping the key processes that comprise the financial systems above and then testing a sample of transactions to ensure that the processes were adequately and consistently controlled. Overall, based upon the work undertaken H W Controls & Assurance had given an 'Adequate' assurance on the level of control in place to manage the risks associated with the key financial systems process. The report identified three weaknesses in controls and four areas of good practice.

The Chairperson thanked Ms Mehmood for the work which she and H W Controls & Assurance had provided during their period as the Authority's Internal Auditors.

Resolved - That Members note the findings of the audit and are assured by the management action being taken.

INTERNAL AUDIT – MERSEYSIDE INTERNAL AUDIT AGENCY (MIAA)

4487 Proposed Internal Audit Plan – Mr S Connor and Ms B Jones (Internal Audit - MIAA) gave a brief presentation regarding MIAA and submitted a report setting out the proposed detailed operational plan for 2014/15, as well as outlining the scope of the reviews. MIAA recognised that they might need to update the audit plan during the year as different risks emerge, in particular the implications of government policy but will keep the Authority informed on any proposed changes to the plan which will be discussed with the Director of Finance & Assets/Section 151 Officer and routed through the Governance, Audit and Scrutiny Committee. The report would be submitted to the next meeting of the Authority for approval.

Resolved – That the proposed Internal Audit operational plan for 2014/15 be noted.

4488 DRAFT ANNUAL GOVERNANCE STATEMENT 2013/14 - The Director of Finance & Assets/Section 151 Officer, the Acting Monitoring Officer/Secretary and the Deputy Chief Fire Officer submitted a report setting out a draft Annual Governance Statement (AGS) in respect to 2013/14 as set out in Appendix 1 to the report. Given the content of the Statement, it was considered desirable that Members should continue to specifically review it separate from the Annual Accounts, although the AGS would form part of the Annual Accounts once approved in September 2014. It was also desirable that Members receive the report in advance of the draft Annual Accounts at the June 2014 Governance, Audit and Scrutiny Committee meeting. There was no model AGS, but rather the Guidance sets out best practice in developing an AGS. A number of hyperlinks had been added to the document, enabling access to more detailed information when the approved AGS was published on the HFRS Website.

A Member reminded the Committee of comments she had made last year that consideration should be given to making the AGS more ‘user friendly’. The Director of Finance & Assets/Section 151 Officer acknowledged that the AGS included substantial technical information and informed Members that the Authority also produced a stand-alone Annual Assurance Statement which was typically just one page long and that document would hopefully address the comments made because it was more a public facing document intended for the website covering Governance, Financial and Operational assurance. A Member referred to the Significant Governance Issues 2013/14 identified in the AGS and in particular the statement that “The important audit and governance roles will continue with a change in the focus of the scrutiny role. This could for example entail the Committee agreeing a programme for the year with the Corporate Management Team and the Fire Authority of two or three areas that will be reviewed and scrutinised in depth.”, and suggested that there was a danger that this Committee could be working in a silo and not in a position to see matters in context. This view was supported by other members of the Committee. In response to other queries regarding the AGS the Director of Finance & Assets/Section 151 Officer stated that the AGS was in draft form until it was signed off in September 2014 and therefore if necessary the draft could be updated before then.

Resolved – That the draft Annual Governance Statement for 2013/14 be noted and Members confirm that they have sufficient assurance on the Authority’s governance arrangements.

4489 PERFORMANCE REPORTING AND SERVICE PERFORMANCE INDICATORS 2014-15 - The Deputy Chief Fire Officer submitted a report providing information regarding the reporting of Service performance for the period 2014/15 and the proposed Service Performance Indicators and targets for that period which were included in Appendix 1 to the report. Performance against all of the Strategic Objectives would be monitored and reported to Humberside Fire Authority (HFA) on a quarterly basis, following scrutiny by the Governance Audit and Scrutiny (GAS) Committee. The HFA would receive three quarterly reports, followed by the Annual Performance Report which would incorporate performance information from the fourth quarter. This was in line with the reporting for 2013/14 and the Annual Performance Report for that period, which will be reported to the Authority in July.

The report reminded Members that the Strategic Plan 2014/17 contains five strategic objectives, which provide the basis of performance reporting during 2014/15:

- Preventing loss of life, injuries and the community impact from emergency incidents.
- Responding quickly and effectively to emergencies when requested.
- Reducing risk in our communities.
- Making the best use of the resources we have.
- Continuing to develop a committed, skilled and safe workforce.

A table of the Service Performance Indicators for 2014/15, and the proposed targets for 2014/15, matched to the relevant Strategic Objective(s), was shown at Appendix 1 to the report. Other performance indicators might be developed where they were considered meaningful and appropriate. The Strategic Objectives were only achievable through an efficient governance framework. The Strategic Plan 2014/17 included a 'plan on a page' diagram which is shown at Appendix 2 to the report, explaining the dependencies and relationships of the Objectives and the under-pinning support and governance arrangements. In terms of the target setting process that report set out the principles that had been applied to the target setting at Service level. Incident activity based target setting at a Local Community Protection Unit (CPU) level used the Service level target as a baseline, which was then refined by focussing on more challenging targets in the areas of highest risk, to provide meaningful targets aimed at driving down risk in local communities. A schematic describing the target setting process was shown at Appendix 3 to the report. Quarterly Performance and Risk Reports would continue to be presented to this Committee and the Authority together with an Annual Performance Report. The report also outlined the arrangements for the management and reporting of local level performance.

A Member referred to SPI 19 and queried whether staff were required to keep their own training records, including a record of other, non-mandatory training they have undertaken. The Deputy Chief Fire Officer stated that there was a responsibility on staff to maintain their own training records. A Member asked whether that indicator applied to support staff as well as firefighters. The Deputy Chief Fire Officer stated that the aim was to move to a position where it was all staff. A Member commented that it was not proposed to set a target with regard to surplus funds generated by HFR Solutions. The Deputy Chief Fire Officer confirmed that that was the case at present. A Member referred to Strategic Objective 'Reducing risk in our communities' and welcomed that all the service targets for 2014/15 were lower than the previous year.

Resolved - That the Committee endorse the approach described in the report now submitted and recommends to the Authority that the proposed performance indicators be approved.

4490 USE OF DELEGATED POWERS UNDER FIRE AUTHORITY CONSTITUTION BY CHIEF FIRE OFFICER & CHIEF EXECUTIVE AND ESTABLISHMENT CLARIFICATION

- The Chief Fire Officer & Chief Executive and Acting Monitoring Officer/Secretary submitted a report providing details of the decisions taken by the Chief Fire Officer & Chief Executive during 2013/14 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.

ANY OTHER BUSINESS

4491 Mr J Jepson – The Chairperson referred to report by Mr J Jepson earlier in the meeting that this would his last meeting of the Committee and on behalf of Members thanked Mr Jepson for his many years work for this Committee and the former Standards Committee.

4492 Chair – Mr D Hughes reported that this would be his last meeting as Chairperson of this Committee and thanked everyone for all the support he had received during his term of office.

4493 Date of Next Meeting – The Acting Monitoring Officer/Secretary reported that a report would be submitted to the next meeting of the Authority suggesting that the Annual General Meeting of the Authority is held on 23 June 2014 instead of 23 May 2014. That report would also include a draft timetable for 2014/15. It was proposed that the next meeting of this Committee be held on Monday, 9 June 2014 at 10.00am.

Resolved – That the next meeting of this Committee be held on 9 June 2014.

4494 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.

4495 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.

Meeting closed at 11.56 a.m.