

**HUMBERSIDE FIRE AUTHORITY**  
**GOVERNANCE, AUDIT AND SCRUTINY COMMITTEE**

**9 APRIL 2018**

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

Councillors Briggs and Green attended as observers.

Monitoring Officer/Secretary, N McKiniry and J Kirby (Director of Emergency Response), Director of Public Safety, Director of Service Support, Director of Human Resources, Director of Operational Training, Head of Finance, Corporate Planning & Performance Manager, Committee Manager were also present.

An apology for absence was submitted from Mr K. Lloyd (Internal Audit – MIAA).

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 Director of Operational Training and also Councillors Briggs and Green who were observing the meeting.)*

**PROCEDURAL**

**5775 DECLARATIONS OF INTEREST** – There were no declarations.

**5776 MINUTES – Resolved** – That the minutes of the meeting of the Committee held on 5 March 2018 having been printed and circulated amongst the Members, be taken as read and correctly recorded and be signed by the Chairperson.

**5777 MATTERS ARISING FROM THE MINUTES, OTHER THAN ON THE AGENDA** – There were no items.

**SCRUTINY PROGRAMME**

**5778 SCRUTINY PROGRAMME 2017/18 – REVIEW OF BUSINESS CONTINUITY – OUTCOMES REPORT** - The Chairperson, invited Mr Doyle on behalf of the Member Sub-Group (comprising Mr Doyle (Lead Officer), Mr Allingham, Mr Smith and himself) to present the scrutiny findings and recommendations in the Sub-Group’s report following the scrutiny of Business Continuity Management (BCM) arrangements within the Service. The overall objective of the review was to provide assurance with respect to the design and operation of the Service’s BCM arrangements and that they are in place across the organisation. The report outlined the headline questions and findings of the review and set out the Sub-groups’ recommendations. The Corporate Planning and Performance Manager reminded Members that in the case of reviews undertaken by Internal Audit (MIAA) the Auditor first submitted his report to the Corporate Management Team (CMT) for a Management response to the outcomes of the review which were then considered and, if approved, incorporated into an Action Plan, and suggested that it might be appropriate for the GAS Committee to follow that process with regard to its scrutiny outcomes reports. The Monitoring Officer/Secretary suggested that if the Committee wished to refer scrutiny outcome reports to CMT for a Management response this matter could be reported back to the next meeting of this Committee in June 2018 which would also allow time for the Review Sub-group to conclude the outstanding area of review activity following attendance at a Control relocation exercise.

**Resolved** – (a) That the Committee agrees that scrutiny outcomes reports should be submitted to CMT for a Management response prior to being submitted to the GAS Committee, and

(b) that the outcomes of the scrutiny of Business Continuity Management arrangements and the Management response be submitted to the next meeting of this Committee in June 2018.

**5779 SCRUTINY PROGRAMME 2017/18 – REVIEW OF COUNTER FRAUD – OUTCOMES REPORT** - The Chairperson, invited Mrs P Jackson on behalf of the Member Sub-Group (comprising Mrs Jackson (Lead Officer) and Mr C Vertigans) to present the scrutiny findings and recommendations in the Sub-Group’s report following the scrutiny of Anti-Fraud and Corruption. The aim of the project was to firstly prepare two members of the GAS Committee to undertake their new responsibilities with regards to Anti-Fraud and Corruption scrutiny and secondly to reassure the HFA that the Anti-Fraud and Corruption policies and procedures in place manage the risks across the organisation. The report outlined the process followed in undertaking the scrutiny review and the key findings and conclusions of the review. There were no arising actions.

**Resolved** – That the following key findings and conclusions from the scrutiny review be submitted to the Fire Authority:

Key findings

- The Anti-Fraud and Corruption policies compare well with the sample of those from other Authorities.
- The policies appear to be well communicated across the organisation through a variety of means including information in staff pay slips, training opportunities (for example with the Corporate Management Team and related to the MIAA audit report) and the relevant documents are available on the website.
- The procedures appear to be robust within the Service and associated activities adequately resourced. Issues with potential high fraud risk were considered in the meetings, including time sheet manipulation, procurement favouritism, company card spending, petty cash irregularities and procedures for asset end of life disposal. The Service has adopted a range of good business practices, examples of which are:
  - i. Transparency on the Humberside portal;
  - ii. Appropriate scales of authority;
  - iii. Monitoring systems in place for procurement cards;
  - iv. Division of duties to investigate reports from the National Fraud Initiative.
- It was concluded that the procedures were satisfactory to deal with the eventualities considered.

Conclusion

To conclude, the preparation of the review report was excellent experience for the two members of the GAS Committee with new responsibilities with regards to Anti-Fraud and Corruption and the time, knowledge and understanding shown by the officers on this subject who were involved in this scrutiny topic was appreciated.

Secondly, the GAS Committee members involved are confident to echo the significant assurance given in the MIAA report that the Anti-Fraud and Corruption policies and procedures in place manage the risks appropriately across the organisation.

**5780 COMMITTEE WORKSTREAMS/SCRUTINY PROGRAMME 2018/19** - 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 2018/19. 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 2018/19. 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 1 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.

The Chairperson stated that one scrutiny topic might be around Complaints/ Compliments procedures but that the Committee would welcome suggestions by the Corporate Management Team or the Fire Authority.

**Resolved** – (a) That the dates and times for meetings of this Committee for 2018/19, be approved as submitted;

(b) that the Workstreams/Scrutiny Programme 2018/19 for this Committee as now amended and set out in Appendix 1 to these minutes be approved subject to scrutiny topics being programmed following the identification by CMT or the Authority of topics they wish the Committee to review.

## **GOVERNANCE**

**5781 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 16 March 2018 to the draft minutes of the meeting of the Committee held on 5 March 2018 and also providing feedback on other items considered by the Fire Authority at its meeting on 16 March 2018.

**Resolved** – That the report be noted.

**5782 COMMITTEE WORKSTREAMS 2017/18 AND ANNUAL REPORT TO HUMBERSIDE FIRE AUTHORITY** - The Monitoring Officer/Secretary submitted a report reminding Members that each Committee receives annually a report which outlined broadly the substantive reports that Members, as a minimum, could expect to receive during the forthcoming year. The workstreams agreed were not exhaustive, but indicative. The intention behind the workstreams for 2017/18 was to provide Members with a broad indication of the reports that they could expect to receive during the year. That enabled forward planning for the Corporate Management Team. Members were reminded that the workstreams agreed were not exhaustive, but indicative. The intention behind the scrutiny programme 2017/18 was to allow Members to focus on a small number of topics during the year. The Committee at its meeting on 10 April 2017 agreed a Workstreams/Scrutiny Programme 2017/18 that included reviews of Business Continuity and Counter Fraud (Minute 5424 refers). The Committee agreed that a scrutiny review of absence management be held in abeyance. The approved scrutiny programme also included a feedback report on Members' Allowances – Role of Vice Chairperson of HFA. A draft Annual Report to the full Fire Authority in accordance with the Constitution was attached to the report which included an update against the agreed Workstreams/Scrutiny Programme 2017/18 was attached at Appendix 1 to the report. The Monitoring Officer/Secretary indicated that 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.

A Member suggested that the final sentence of the Foreword to the Annual Report be amended to read "We respectfully regard our role as one in complete support of the Service and the Authority and as a critical friend, delivering positive outcomes that in turn add value to the HFRS."

**Resolved** – That, subject to the content being amended as now suggested and updated to take account of this meeting, the draft Annual Report be approved for submission to Fire Authority AGM on 4 June 2018, to be presented by the Chairperson of this Committee.

**5783 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 2017/18 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 Delegation has been properly exercised.

**5784 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 and stated 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

**5785 MANAGEMENT ACCOUNTS TO 28 FEBRUARY 2018** - The Head of Finance submitted a report containing the Authority's Management Accounts and Prudential Indicators for the period ending 28 February 2018. 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 - £57k underspend;
- Capital Programme - £3.289m expenditure against £3.877m allocation
- Pensions Account - £12.490m deficit.

A Member sought clarification regarding the income from HFR Solutions shown in the accounts. The Head of Finance explained the basis on which the accounts were prepared. A Member sought clarification regarding the delay in completing the capital scheme relating to dignity works. A Member sought clarification regarding the reasons for the variance in the wholetime pay budget line set out in notes 1 and 2 on page 56 of the report. Officers answered the query. A Member sought clarification of the overspend on the capital scheme at Brough which was answered by the Director of Service Support.

**Resolved** – That Members take assurance from the report and the Authority's financial position for the period ending 28 February 2018.

**5786 INTERNAL AUDIT UPDATE** – The Corporate Planning and Performance Manager presented a report by Internal Audit (MIAA) providing a progress update in the delivery of the Internal Audit Plan for 2017/18 as approved by the Authority on 17 March 2017. A schedule was attached at Appendix 1 to the report which provided a strategic overview and profiled timeline for agreed internal audit reviews and showed that since the previous meeting of the Committee the following reviews had been completed:

- Financial Systems: Payroll, Accounts Payable and Accounts Receivable: (copy attached at Appendix 4 to the report). The objective of the review was to evaluate the design, and test the application of controls, for payroll, accounts payable and accounts receivable. The review provided significant assurance that overall there is a robust control environment in place, with expected controls generally found to be in operation. The review had identified some areas for improvement as set out in the report. The report included 2 medium risk and 4 low risk recommendations.
- Local Government Transparency Code: (copy attached at Appendix 5 to the report). The objective of the review was to provide assurance that the organisation is publishing data in line with the requirements of the Local Government Transparency Code. The review provided significant assurance that overall the Service is compliant with the mandatory publication requirements of the Code. The review had identified some areas where further information could be provided as set out in the report. The report included 1 medium risk and 3 low risk recommendations.

The report indicated that Management had requested that the work on Data Quality which would focus on General Data Protection Regulations (GDPR) requirements be undertaken in May 2018, in order to allow the Service opportunity to develop the framework for GDPR. The review would then assess the baseline position at that time. All remaining reviews were now in progress or close to completion. Appendix 2 to the report provided the categorisation of assurance levels and risk ratings and Appendix 3 confirmed performance against the audit plan.

A Member referred to the recommendations in the final report on the Local Government Transparency Code 2015 (Appendix 5 to the report refers) relating to Trade Union Facility Time and queried when this was last reviewed.

**Resolved** – (a) That the Committee notes the progress against the 2017/18 Internal Audit Plan and issues arising (Appendix 1 to the report refers), and

(b) that the Committee notes the completed reviews of Financial Systems (Appendix 4 to the report refers) and the Local Government Transparency Code (Appendix 5 to the report refers).

### **5787 DIRECTOR OF AUDIT OPINION (DRAFT) AND ANNUAL REPORT 2017/18 –**

The Corporate Planning and Performance Manager presented the report by the Internal Audit (MIAA) submitting the draft Director of Audit Opinion and Annual Report indicating that his overall opinion for the period 1 April 2017 to 31 March 2018 was that substantial assurance can be given that there is a good system of internal control designed to meet the organisation's objectives, and that controls are generally being applied consistently. With regard to performance against the Internal Audit Plan the report stated that the Plan had largely been delivered in accordance with the schedule agreed with the Authority at the start of the financial year. That position had been reported within the progress reports across the financial year with regular updates through the Corporate Management Team, GAS Committee and the Fire Authority. The Annual Report concludes completion of the Internal Audit Plan with the exception of the review of Operational Training which is currently in progress and the review of GDPR which management had asked to be undertaken early in 2018/19. MIAA support on Cyber Security is ongoing and part of a rolling programme. An important aspect of the internal audit process is the follow up to ensure that opportunities for enhancement are delivered. During the course of the year MIAA had undertaken follow-up reviews although the draft report, at the time it was written, did not incorporate a conclusion as to the progress made regards to the implementation of recommendations. MIAA will continue to track and follow up outstanding actions. In addition to the Director of Audit Opinion, MIAA had identified a number of other strategic challenges that should be considered when drafting the Authority's Annual Governance Statement (AGS). Whilst the scope of the Internal Audit Plan would have considered elements of these, the report stated that it is important that the Authority reflects more widely on how these should be factored into the AGS. Areas for consideration include:

- Regulatory Compliance including National Framework, Fire Safety Order.
- Preparation for HMICFRS Inspection Programme.
- Organisational Performance including achieving financial duties, and operational delivery.
- Relationship and management of 3rd party providers upon which the Service places reliance, and the provision of assurances from these (including East Riding of Yorkshire Council (Payroll)).
- Cyber security, progress with developing framework for GDPR, information governance risks and any associated reportable incidents to the Information Commissioner.

Subject to any comments by the Committee the finalised Annual Report and Opinion will be presented to the Fire Authority in April 2018 for approval.

**Resolved** – That the Committee notes the Director of Audit Opinion (Draft) and Annual Report 2017/18 prior to its submission to the Authority in April 2018 for approval.

**5788 DRAFT ANNUAL GOVERNANCE STATEMENT 2017/18** - The Corporate Planning and Performance Manager submitted a report setting out a draft Annual Governance Statement (AGS) in respect to 2017/18 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 2018. It was also desirable that the Committee receive the report in advance of the draft Annual Accounts at the June 2018 Committee meeting. Guidance was issued by the Chartered Institute of Public Finance Accountants (CIPFA) Finance Advisory Network in respect to the production of the AGS. In addition, guidance had also been set out in the CIPFA/SOLACE good governance framework last revised in 2016. There was no model AGS, but rather the guidance set out best practice in developing an AGS.

**Resolved** – That the draft Annual Governance Statement for 2017/18 be noted and Members confirm that they have sufficient assurance on the Authority's governance arrangements.

## **PERFORMANCE, RISK AND PROGRAMME MANAGEMENT**

**5789 PERFORMANCE REPORTING AND SERVICE PERFORMANCE INDICATORS 2018-19** – The Corporate Planning and Performance Manager submitted a report providing information regarding the reporting of Service performance for the period 2018/19 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 Fire Authority on a quarterly basis following scrutiny by the Committee. The Authority 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 2017/18 and the Annual Performance Report for that period, which will be presented to Members at the July 2018 meeting. The Corporate Planning and Performance Manager stated that the report to be submitted to the Fire Authority would include an amended Appendix 1 to include updated performance data.

A Member referred to Appendix 1 to the report and suggested that it would be helpful if the information presented included comparative data from other authorities in the family group. The Director of Human Resources stated that she now had national data for sickness levels which could be presented to the next Committee meeting.

**Resolved** – (a) That Members' welcome the approach for reporting performance and take assurance from the Service Performance Indicator targets for 2018/19 as set out in Appendix 1 of the report, and

(b) that information from the national statistics on sickness be submitted to the June 2018 meeting of this Committee.

**5790 HER MAJESTY'S INSPECTORATE OF CONSTABULARY AND FIRE & RESCUE SERVICES – UPDATE** – The Corporate Planning and Performance Manager reported orally that following approval by the Home Secretary of the National Framework on 29 March 2018 the Service had received its first request to supply data to the Inspectorate on 3 April 2018. To date no issues had arisen. The Inspectorate had established a Technical Advisory Group on which the Service was represented by an officer. Mr C Drinkald, Service Liaison Lead – Cleveland, Humberside, North Yorkshire and South Yorkshire, Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) will be visiting the Service on a monthly basis

**Resolved** – That the report be received.

**5791 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.

**5792 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.

**5793 ANY OTHER BUSINESS** – The following matters were briefly discussed:

- Presentation on Equality and Inclusion - The Chairperson stated that Members would receive a presentation on the rising of this meeting.
- Anti-Social Behaviour aimed at Firefighters – Members expressed condemnation at the anti-social behaviour aimed at firefighters which had been recently highlighted in the Media.
- National Ladies' Day – Mrs Thomlinson and Mr Vertigans expressed thanks for being invited to attend this event.

*Meeting closed at 11.10 a.m.*



**Appendix 1****GOVERNANCE, AUDIT AND SCRUTINY COMMITTEE****PROPOSED SCHEDULE OF MEETINGS 2018/19****Including Workstreams ('Audit' and 'Governance') and Scrutiny Programme**

<b>2018/19</b>		
<u>Meeting</u>	<u>Workstreams ('Audit' and 'Governance')</u>	<u>Scrutiny Topics</u>
<b>Fri 15 June 2018</b>	<ul style="list-style-type: none"> <li>• External Audit report</li> <li>• Internal Audit reports</li> <li>• HFA Update report</li> <li>• Annual Statement of Accounts 2017/18 (unaudited)</li> <li>• Treasury Management Annual Report 2017/18</li> <li>• Equality and Inclusion Annual Report 2018</li> <li>• Annual Fraud Report 2017/18</li> <li>• Absence Management Update</li> <li>• Public Safety Update</li> <li>• HMICFRS Update</li> </ul>	<ul style="list-style-type: none"> <li>• Scrutiny programme 2018/19 – Scoping report</li> </ul>
<b>Mon 16 July 2018</b>	<ul style="list-style-type: none"> <li>• External Audit report</li> <li>• Internal Audit reports</li> <li>• HFA Update report</li> <li>• Annual Statement of Accounts 2017/18 (audited)</li> <li>• Annual Statement of Assurance 2017/18</li> <li>• Draft Annual Performance Report 2017/18</li> <li>• Absence Management Annual Report 2017/18</li> <li>• HMICFRS Update</li> </ul>	<ul style="list-style-type: none"> <li>• Scrutiny programme 2018/19 – Scoping report</li> </ul>
<b>Mon 17 September 2018</b>	<ul style="list-style-type: none"> <li>• Management Accounts – Period ending 30 June 2018</li> <li>• External Audit Progress Report</li> <li>• Internal Audit reports</li> <li>• HFA Update report</li> <li>• Annual Audit Letter 2017/18</li> <li>• 1st Quarter Performance and Risk Report.</li> <li>• 1st Quarter H&amp;S and Environmental Report.</li> <li>• Declaration and Registration of Interests by Members – Annual Update Report</li> <li>• Review of Anti-Fraud Related Strategies – Annual Update</li> <li>• HMICFRS Update</li> </ul>	
<b>Mon 26 November 2018</b>	<ul style="list-style-type: none"> <li>• Management Accounts – Period ending 30 September 2018</li> <li>• External Audit report</li> <li>• Internal Audit reports</li> <li>• HFA Update Report</li> <li>• Treasury Management Half Year Report</li> <li>• 2nd Quarter Performance and Risk Report.</li> <li>• 2nd Quarter H&amp;S and Environmental Report</li> <li>• 2nd Quarter Absence Management Report</li> <li>• 2018/19 Final Accounts Timetable</li> <li>• HMICFRS Update</li> </ul>	<ul style="list-style-type: none"> <li>• Scoping Report - Equality and Inclusion</li> <li>• Scrutiny Programme 2018/19 – Scrutiny Report (if any)</li> </ul>

<u>Meeting</u>	<u>Workstreams ('Audit' and 'Governance')</u>	<u>Scrutiny Topics)</u>
<b>Mon 28 January 2019</b>	<ul style="list-style-type: none"> <li>• Management Accounts – Period ending 31 December 2018</li> <li>• External Audit report – Audit Plan</li> <li>• External Audit Progress Report</li> <li>• Internal Audit reports</li> <li>• HFA Update Report</li> <li>• HMICFRS Update</li> </ul>	Scrutiny Programme 2018/19 – Scrutiny Report (if any)
<b>Mon 4 March 2019</b>	<ul style="list-style-type: none"> <li>• External Audit report</li> <li>• Internal Audit reports</li> <li>• Treasury Management and Capital Expenditure Strategy 2019/20.</li> <li>• Draft Internal Audit Plan 2019/20</li> <li>• 3rd Quarter Performance and Risk Report.</li> <li>• 3rd Quarter H&amp;S and Environmental Report.</li> <li>• 3rd Quarter Absence Management Report</li> <li>• Pay Policy Statement 2019/20</li> <li>• HMICFRS Update</li> <li>• Business Continuity Management Annual Report</li> </ul>	Scrutiny Programme 2018/19 – Scrutiny Report (if any)
<b>Mon 8 April 2019</b>	<ul style="list-style-type: none"> <li>• Management Accounts – Period ending 28 February 2019</li> <li>• External Audit report</li> <li>• Internal Audit reports</li> <li>• HFA Update report</li> <li>• Draft Annual Governance Statement 2018/19.</li> <li>• Performance Reporting and Service Performance Indicators 2019/20</li> <li>• CSE Audit Outcomes.</li> <li>• Annual Report to HFA</li> <li>• Committee Workstreams/Scrutiny Programme 2019/20</li> <li>• Use of Delegated Powers under Fire Authority Constitution by Chief Fire Officer &amp; Chief Executive</li> <li>• Annual Review of Constitution</li> <li>• Absence Management Update</li> <li>• HMICFRS Update</li> </ul>	