

HUMBERSIDE FIRE AUTHORITY
GOVERNANCE, AUDIT AND SCRUTINY COMMITTEE

18 JULY 2016

PRESENT: Independent Co-opted Members Mr M Allingham, Mrs P Jackson, Mr A Smith and Mr C Vertigans.

Councillor Briggs attended as an observer.

Monitoring Officer/Secretary, Director of Service Support, Director of Public Safety, Director of Emergency Response, Corporate Planning and Performance Manager, Committee Manager, Ms J Rae (External Audit – KPMG) and Mrs B Boyes (Internal Audit - MIAA) were also present.

Apologies for absence were submitted from Mr D Chapman (Chairperson), Mr J Doyle and Mrs M Thomlinson.

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

(The Monitoring Officer/Secretary took the Chair for the following item (Minute 5179).

PROCEDURAL

5179 APPOINTMENT OF CHAIRPERSON – In the absence of the Chairperson (Mr D Chapman) the Monitoring Officer/Secretary invited the Committee to appoint a Chairperson for this meeting.

Resolved – That Mr C Vertigans be appointed Chairperson for this meeting.

(The Chairperson welcomed all who were observing the meeting.)

5180 DECLARATIONS OF INTEREST - No declarations were made in connection with any of the items to be considered at the meeting.

5181 MINUTES – The minutes of the meeting of the Committee held on 17 June 2016 were submitted.

Resolved – That subject to the following amendments:

<u>Minute No.</u>	<u>Subject</u>	<u>Amendment</u>
5146	2016/17 Scrutiny Work Programme – Update on Progress	In the penultimate sentence of the paragraph headed “Collaboration” delete the word “will” and substitute therefor the word “may” so that the sentence reads “the Authority may benefit”.
5147	Internal Audit Plan 2015/16 – Finalisation Update	In the paragraph headed “Procurement” delete the word “bad” in the second sentence and substitute therefor the word “ineffective”.
5149	Treasury Management Annual Report 2015/16	In the 3 rd line of the second paragraph delete the repeated words “and queried”.

the minutes of the meeting of the Committee held on 17 June 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, OTHER THAN ON THE AGENDA

5182 Any Other Business – Member Day 8 July 2016 – The Chairperson referred to Minute 5191 and stated that he had received excellent feedback from Members of this Committee following their attendance at the Member Day on 8 July 2016 when Members received a presentation with regard to Equality and Inclusion, and also a demonstration of the new Command Unit. The Chairperson stated that Members of this Committee would appreciate it if they could be invited to the next Member Day on 7 October 2016 when Equality and Inclusion is to be further considered.

GOVERNANCE

5183 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 27 June 2016 to the draft minutes of the meeting of the Committee held on 17 June 2016 and also providing feedback on other items considered by the Fire Authority at its meeting on 27 June 2016.

Resolved – That the report be noted.

SCRUTINY PROGRAMME

5184 SCRUTINY WORK PROGRAMME 2016/17 - UPDATE ON PROGRESS – The Chairperson invited the lead Member for the two Sub-Groups for the scrutiny topics to be undertaken during 2016/17 (Collaboration and Members' Allowances) to update the meeting on progress to date.

Collaboration – Mr M Allingham (Lead Member) stated that Mr Smith and he had had a very useful meeting with ACO P Goatley, Humberside Police and had received a Police perspective which was slightly different to that of the Humberside Fire and Rescue service and that the information received would form part of the Sub-Group's report to the GAS Committee. Mr Allingham also stated that he had arranged to meet with the Officer dealing with Shared Services at North East Lincolnshire Council on 20 July 2016 to find out how collaboration works in similar authorities, which might be helpful in the event of future collaboration with North Yorkshire Fire and Rescue Service.

Members' Allowances – Mr C Vertigans (Lead Member) stated that Members of the Sub-Group had had an initial discussion with the Monitoring Officer/Secretary and that Sub-group planned to meet in September 2016. The Chairperson stated that the Sub-group would also include Mrs P Jackson.

Resolved – That the updates be received.

AUDIT

EXTERNAL AUDIT (KPMG)

5185 Report to those charged with governance (ISA 260) 2015/16 - Ms J Rae (KPMG) submitted a draft report summarising the key findings arising from:

- their audit work in relation to the Authority's 2015/15 financial statements, and
- the work to support their 2015/16 conclusion on the Authority's arrangements to secure economy, efficiency and effectiveness in its use of resources ("VFM conclusion").

The External Audit Plan 2015/16 presented to the Authority in February 2016 had set out the four stages of the financial statements audit process. The report now submitted focussed on the third stage of the process: substantive procedures. The report indicated that KPMG anticipated issuing an unqualified audit opinion on the Authority's financial statements by 31

July 2016 and that KPMG will also report that the Authority's Annual Governance Statement complies with the guidance issued by CIPFA/SOLACE in June 2007. KPMG had identified some minor audit adjustments as set out in Appendix 1 to the report which had no impact on the value of the general fund balance, the deficit on provision of services for the year or the net worth of the Authority as at 31 March 2016. KPMG had identified one key financial statements audit risks in their 2015/16 External audit plan issued in February 2016 and had reviewed the Authority's plans for dealing with the accounting for the consolidation of Emergency Services Fleet Management (Humberstone) Ltd. There were no matters of any significance arising as a result of their audit work in that area. KPMG had not identified any VFM risks in their External audit plan 2015/16 issued in February 2016 and there were no matters of any significance arising as result of their audit work. KPMG had concluded that the Authority has made proper arrangements to secure economy, efficiency and effectiveness in its use of resources. KPMG therefore anticipated issuing an unqualified VFM conclusion by 31 July 2016.

A Member referred to the commentary on page 21 of the report regarding 'Completeness of draft accounts' and queried whether the statement "but this did not identify some minor errors" was accurate. Ms Rae stated that she would revise the statement. A Member referred to Appendix 3, page 20 and the final paragraph under the heading 'Reporting to the Fire Authority' and queried whether any corrections were to be reported to the Authority. Ms Rae stated that she would revise the paragraph for clarity.

Resolved – (a) That the content of the report be noted and that Members of this Committee take assurance from the outcome of the audit;

(b) that it be noted that KPMG will amend the report as now discussed prior to submission to the Fire Authority, and

(c) that the Finance Team be congratulated on the satisfactory completion of the accounts.

5186 AUDITED STATEMENT OF ACCOUNTS FOR 2015/16 - The Finance Manager presented a report by the Executive Director Service Support/Section 151 Officer presenting the audited version of the Fire Authority's Accounts for the financial year 2015/16. The audit of the Authority's 2015/16 Statement of Accounts had now been substantially completed and pleasingly this was well in advance of the statutory deadline of 30 September. In partnership with the Authority's external auditor, KPMG, a small number of adjustments to the draft Accounts had been undertaken in order to reach the final version. These were detailed in the 'Report to those charged with governance (ISA 260) 2015/16' referred to in Minute 5184 above. The final version of the Annual Accounts was attached at Appendix 1 of this report. Members were reminded that the draft unaudited Statement of Accounts for 2015/16 had been submitted to the meeting of this Committee on 17 June 2016 (Minute 5148 refers). The external auditor, KPMG, in close liaison with the Fire Authority's Finance team, had now substantially completed the audit of the 2015/16 Statement of Accounts and supporting papers. The outturn position remained that which was reported to the 17 June 2016 meeting, a £1.223m underspend. The 'Report to those charged with governance (ISA 260) 2015/16' had given an unqualified opinion on the Authority's Accounts for 2015/16 and an unqualified value for money conclusion. Both of these aspects were extremely pleasing and showed another year of sound financial management. The report now submitted represented the final stage in the sign-off of the 2015/16 Statement of Accounts. Once approved by the Authority, the draft 'Letter of Representation' attached at Appendix 2 of the report would be duly signed and submitted to KPMG. After the Authority on 29 July 2015 the 2015/16 Accounts would be distributed to stakeholders and local libraries as well as posted on the Authority's website, to ensure information was as accessible as possible. A further notice would also be placed in the press to inform the public that the 2015/16 audit of Accounts was now closed.

Members expressed their congratulations to Ms Rae and the Finance Team for completing the audit process so quickly. A Member asked whether the timetable for completing the audit process had been manageable. The Finance Manager stated that the work required had necessitated a certain amount of commitment and prioritising and that additional resources had recently been put in to support accounting following a recent restructure of the Finance Team. Ms Rae stated that fortunately the process had not been hindered by any significant changes to the CIPFA Code of Guidance this year. A Member referred to page 51 and sought clarification with regard to the paragraph under the heading 'Material Events after 31 March'. The Finance Manager answered the query and explained that the budget was based upon zero inflation for purchases, and that that situation might change going forward. A Member referred to paragraph 15 of the report regarding consultation and queried whether any issues had arisen prior to the closure of the period for inspecting the accounts on 15 July 2016. The Finance Manager stated that no issues had arisen.

Resolved – That Members of this Committee take assurance from the audited Statement of Accounts for 2015/16.

INTERNAL AUDIT (MIAA)

5187 Internal Audit Update – Mrs B Boyes (Internal Audit - MIAA) submitted a report providing the following information:

- (i) 2016/17 Internal Audit Plan - A position statement for the 2016/17 Internal Audit plan with a summary provided at Appendix 1 to the report detailing the expected timelines of activity to align with service requirements and developments. A review around Service Improvement (which combined planned reviews for Savings Plan Delivery and Value for Money/Service Improvement) was currently being scoped.
- (ii) Risk Workshop 19 July 2016 - Risk management coverage (under operational reviews) was scheduled to take place on 19 July 2016 in the form of workshop activity for the Corporate Management Team (CMT) and the Tactical Management Team (TMT) and will provide a baseline and context for the subsequent planned Internal Audit review of the Risk Management and Assurance Framework. An outline of the workshop was provided at Appendix 2 to the report and was intended to provide an opportunity to consider current arrangements and identify any areas for improvement. Mrs Boyes stated that a further report would be submitted to the next meeting of this Committee.
- (iii) Follow up of Internal Audit Recommendations – Position Statement - The report reminded Members that Internal Audit recommendations are regularly followed up to assess implementation progress and outcomes. As part of the role of the Corporate Planning & Service Redesign Programme Manager to act as a single point of contact for this Committee, the status of Internal Audit recommendations was now provided to this central point for information, analysis and appropriate action such as ensuring those recommendations which complement other developments are aligned and also to take a view on any exceptions (i.e. slippage). This information will be reported/ challenged through officer processes. The exact arrangements were currently being determined but in the interim, a position statement had been provided at Appendix 3 to the report to provide the GAS Committee with an overview of the level and status of Internal Audit recommendations to date (i.e. since the MIAA contract inception in April 2014). The Corporate Planning & Performance Manager gave an oral update with respect to Non Allocated Support Vehicles; Technical Fire Safety/Community Safety and Executive Governance Arrangements and stated that he would provide an update for Mrs Boyes records. Mrs Boyes stated that she would submit a further update to the next meeting of this Committee.

- (iv) GAS Committee Workshop Outcomes Report (September 2014) - The Chairperson had reported verbally to the meeting of the Committee held on 17 June 2016 and Appendix 4 to the report formalised that update and served as a reference point for the GAS Committee to consider further and ongoing actions. Mrs Boyes stated that she wished to close this item off at this point.

Resolved – (a) That the Committee notes the progress against the 2016/17 Internal Audit Plan and issues arising, and

(b) that the Committee notes the status of the GAS Committee Workshop actions set out in Appendix 4 to the report and invites Mrs Boyes to the Committee's next pre-meeting..

5188 ANNUAL STATEMENT OF ASSURANCE 2015/16 – The Corporate Planning & Performance Manager submitted a report indicating that the Fire and Rescue National Framework for England (2007) sets out a requirement for Fire and Rescue Authorities to provide annual assurance, based upon the Department for Communities and Local Government (DCLG) Guidance on Statements of Assurance for Fire and Rescue Authorities in England (2013), and show they have had due regard to the expectations set out in their Integrated Risk Management Plan and the requirements included in the Framework. The areas covered were financial assurance, governance assurance and operational assurance. A copy of the Annual Statement of Assurance 2015/16 was attached at Appendix 1 to the report.

Resolved – That Members take assurance from the Annual Statement of Assurance for 2015/16.

5189 DRAFT ANNUAL PERFORMANCE REPORT 2015/16 - The Corporate Planning & Performance Manager submitted a report reminding Members that the Authority publishes Annual Performance Reports which include the full performance information for the previous year. The draft report for 2015/16 was included at Appendix 1 to the report and would go before the Authority for approval to publish at the meeting on 29 July 2016. The report incorporated detailed information covering the delivery of the Strategic Plan, a 'health check' of the Service and information relating to Preparedness, Community Safety, Business Safety, Emergency Response and Recovery.

A Member referred to the Access Statement on page 156 of the report and suggested that it might be helpful if the first paragraph included the words "Click on the link". A Member referred to the section on Business Safety Activities on page 173 of the report and suggested that it might refer to the work of the GAS Committee. The Corporate Planning & Performance Manager stated that he would revise that section accordingly. The Chairperson welcomed the performance data for response set out on page 161 of the report and queried whether in light of the results the targets for the attendance of the first 2 fire engines at an incident were challenging enough, and also whether the figures included attendance by the Tactical Response Vehicles. The Corporate Planning & Performance Manager assured Members that the Authority's targets are some of the most stringent in the country. The Director of Emergency Response stated that the targets were linked to the number of fire stations and fire appliances and that the figures did not include call outs by Tactical Response Vehicles although that information was monitored by officers. The Director of Emergency Response stated that to include the Tactical Response Vehicles in the performance targets would require the Fire Authority to approve such a change of approach. A Member referred to section 2 of the report regarding Equality and Inclusion and the statement that 2.4% are from a black or minority ethnic (BME) background and enquired what action was being taken to improve that ratio. The Director of Service Support stated that the Service was looking at positive action to address the workforce balance to address BME and gender. The Chairperson referred to page 167 of the report regarding 'How We Impact Upon our Environment' and sought clarification regarding the figures in respect of the use of diesel, water and energy. The Director of Service Support answered the query. A Member referred to page 171 the report regarding Deliberate Fires and suggested that the

section might be amended to include an indication of proposed actions aimed at reducing the number of deliberate fires. The Corporate Planning & Performance Manager stated that he would revise the report accordingly. A Member queried what was happening with regard to the review of Occupational Health. The Director of Service Support stated that the Authority had just appointed a Director of Human Resources and it was considered appropriate for that Officer to have an input into that review. A Member referred to the use of fire vehicles and personnel as a Medical Response service and queried how costs were recovered. The Director of Emergency Response confirmed that the Authority reclaimed the full additional costs to the Service in providing a Medical Response service.

Resolved – (a) That Members note the report and take assurance from the proactive approach to performance management, and

(b) that Members support the content of the Annual Performance Report 2015/16 for publication.

5190 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.

5191 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.

5192 ANY OTHER BUSINESS – The following matter was briefly discussed:

- Health Support Initiative Award – The Committee expressed congratulations on the receipt of the Transforming Services Award by the ground-breaking partnership between Humberside Fire and Rescue Service and the Hull Commissioning Group which led to the introduction of the Falls Response service in Hull. The award was presented at a ceremony in 7 July 2016.

Meeting closed at 11.00 a.m.