

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

**16 JULY 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.

Director of Emergency Response, Director of Human Resources, Director of Public Safety, Director of Service Support, Monitoring Officer/Secretary, Head of Finance, Senior Corporate Assurance Officer, Committee Manager, Mr R Khangura (KPMG), Mr H Laher (KPMG) and Mr K Lloyd ((Internal Audit - MIAA) were also present.

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 Councillor Briggs, Chairperson of the Fire Authority and Councillor Green who were observing the meeting.)*

**PROCEDURAL**

**5887 MINUTES** – The minutes of the meeting of the Committee held on 15 June 2018 were submitted. A Member referred to Minute 5842 (Annual Statement of Accounts 2017/18 - Unaudited) and stated that the minute did not reflect the discussion that had taken place regarding Service Performance Indicator (SPI) 2 and 2.1. A Member also referred to the reported allocation of reserves for The Ark – National Flood Resilience Centre project and queried whether, as stated in Minute 5842, a revised Business Case had yet been submitted to the Authority. The Director of Service Support stated that a revised Business Case was likely to be completed in the next couple of weeks and that if it was not completed in time for the July 2018 Authority meeting it would be considered during the following meeting cycle.

**Resolved** – That, subject to Minute 5842 (Annual Statement of Accounts 2017/18 - Unaudited) being amended as set out below, the minutes of the meeting of the Committee held on 15 June 2018 having been printed and circulated amongst the Members, be taken as read and correctly recorded and be signed by the Chairperson.

<u>Minute</u>	<u>Amendment</u>
Minute 5842 (Annual Statement of Accounts 2017/18 - Unaudited)	<p>At the end of the preamble add:</p> <p>“A Member referred to the performance in respect to Service Performance Indicator 2 (1st Fire Engine Intervention) and (Service Performance Indicator 2.1 (2nd Fire Engine Intervention) as reported in the table on page 49 of the report and queried whether the targets should be an aspirational 100%. The Director of Emergency Response stated that he would reflect on the comments on a review of the intervention standards. The Chairperson pointed out that if the Service is hitting the set standards the matter is not flagged up to the GAS Committee whereas if the standards are set high and are not achieved the Committee would receive a report on the performance levels achieved. A Member stated that it was assuring to hear that Officers were doing work on intervention standards in the background. The Director of Emergency Response informed Members that service demand was relatively stable now.”</p> <p>Amend decision to read:</p> <p>“<b>Resolved</b> – (a) That Members take assurance from the accounts presented, and (b) that it be noted that the Director of Emergency Response will share with the Committee the refreshed IRMP 2018-21 once it has been considered by the July HFA.”</p>

**5888 MATTERS ARISING FROM THE MINUTES, OTHER THAN ON THE AGENDA –**  
There were no items.

**5889 DECLARATIONS OF INTEREST** - No declarations were made in connection with any of the items to be considered at the meeting.

### **GOVERNANCE**

**5890 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 25 June 2018 to the draft minutes of the meeting of the Committee held on 15 June 2018 and also providing feedback on other items considered by the Fire Authority at its meeting on 25 June 2018.

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

### **SCRUTINY PROGRAMME**

**5891 2018/19 SCRUTINY PROGRAMME – TIMETABLING OF TOPICS –** The Monitoring Officer/Secretary submitted a report reminding members that at its meeting on 9 April 2018 the Governance, Audit and Scrutiny Committee (Minute 5780 refers) approved the Workstreams/Scrutiny Programme 2018/19 for this Committee subject to scrutiny topics being programmed following the identification by the Corporate Management Team or the Authority of topics they wish the Committee to review. At its meeting on 15 June 2018 the Committee was informed (Minute 5839 refers) that the following items had been suggested by the Corporate Management Team (CMT) as areas for scrutiny by this Committee in 2018/19:

- Benefits Realisation - from Service Redesign Programme.
- Effectiveness of the Cost recovery Model – Emergency Medical Response

The Committee agreed to defer until the next meeting the scheduling of the scrutiny topics into the previously approved Committee Workstreams/Scrutiny Programme 2018/19 (Minute 5780 refers), and requested that details of the previously approved programme be circulated to Members of this Committee prior to the next meeting (copy attached at Appendix 1 to the report). The Monitoring Officer/Secretary invited the Committee to determine the meetings when the Committee would scope the respective reviews and also when the Committee would wish to undertake its public scrutiny of those topics. The Director of Public Safety informed Members that Appendix 1 to the report should be amended to delete the workstream 'Public Safety Update' from the entry for the Committee on 15 June 2018.

Members stated that they had seen great benefits from the way in which the Committee had established Sub-groups to undertake the detailed scrutiny outside of the formal Committee meetings. The Monitoring Officer/Secretary informed Members that at other local authorities scrutiny was a public process. The Chairperson stated that he was aware of how scrutiny is applied elsewhere and reminded Members that that it had previously been suggested that Members would receive some training on the conduct of the scrutiny process, and suggested that Members should receive that training before considering its scrutiny programme further. The Chairperson reminded Members that Internal Audit was undertaking a review of Equality and Inclusion during the current audit plan and stated that it would be appropriate to defer that scrutiny topic from the November 2018 Committee until Internal Audit has concluded their review.

**Resolved** – That the review of the scrutiny programme for 2018/19 to incorporate the two scrutiny topics suggested by CMT and a revised timescale for the review of Equality and Inclusion be considered at a future meeting after Members have received training on the conduct of the scrutiny process.

**AUDIT**

**5892 REPORT TO THOSE CHARGED WITH GOVERNANCE (ISA 260) 2017/18 -** Mr R Khangura (KPMG) submitted a draft report summarising the key findings in relation to their 2017-18 external audit at the Authority. The report indicated that subject to all outstanding queries being resolved to their satisfaction KPMG anticipated issuing an unqualified audit opinion on the Authority's financial statements by 31 July 2018 and that they will also report that the Authority's Annual Governance Statement complies with the guidance issued by CIPFA/SOLACE in April 2016. Based on their work, KPMG had raised two recommendations as detailed in Appendix 1 to the report together with the Management's response to those recommendations. The report indicated that the Authority should closely monitor progress in addressing the risks, including the implementation of the recommendations. With regard to the follow-up of prior year recommendations Appendix 2 to the report indicated that the Authority had implemented all of the recommendations raised through KPMG's previous audit work. KPMG had also identified 1 significant difference and 3 other audit adjustments as detailed in Appendix 3 to the report. KPMG had concluded that the Authority has made proper arrangements to ensure economy, efficiency and effectiveness in its use of resources and therefore anticipated issuing an unqualified Value For Money opinion.

A Member referred to the key issue regarding transactions not accounted for in the correct year and sought clarification regarding the number of transactions reviewed. Mr Khangura stated that six transactions had been tested. In reply to a question by the Chairperson Mr Khangura assured Members that protocols were in place aimed at ensuring a smooth hand over to the new External Auditors for 2018/19.

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

(b) that it be noted that KPMG will update the report as now discussed prior to submission to the Fire Authority.

**5893 ANNUAL STATEMENT OF ACCOUNTS FOR 2017/18 - AUDITED** - The Head of Finance submitted a report presenting the audited version of the Fire Authority's Accounts for the financial year 2017/18. The audit of the Authority's 2017/18 Statement of Accounts had now been substantially completed and pleasingly this was in advance of the statutory deadline of 31 July. 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) 2017/18' referred to in Minute 5892 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 2017/18 had been submitted to the meeting of this Committee on 15 June 2018 (Minute 5842 refers). The external auditor, KPMG, in close liaison with the Fire Authority's Finance team, had now substantially completed the audit of the 2017/18 Statement of Accounts and supporting papers. The outturn position remained that which was reported to the 15 June 2018 meeting, a £11k underspend. The 'Report to those charged with governance (ISA 260) 2017/18' had given an unqualified opinion on the Authority's Accounts for 2017/18 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 2017/18 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 27 July 2018 the 2017/18 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 2017/18 audit of Accounts was now closed.

A Member referred to page 121 and sought clarification as to whether the Member Allowances included the payments to Members of this Committee. The Head of Finance confirmed that they did.

**Resolved** – That Members of this Committee take assurance from the audited Statement of Accounts for 2017/18.

### INTERNAL AUDIT

**5894 Internal Audit Update** – Mr K Lloyd (Internal Audit - MIAA) submitted a report providing a progress update in the delivery of the Internal Audit Plan for 2018/19 as approved by the Fire Authority on 16 March 2018. Since the meeting of the GAS Committee on 15 June 2018 MIAA had completed their follow up review of previously agreed recommendations that had reached their implementation date in order to assess progress made and the outcome was included in a separate report to this Committee (Minute 5895 below refers). The 2018/19 Internal Audit activity attached at Appendix 1 to the report provided a strategic overview and profiled timeline for agreed reviews. Section 3 of the report provided details of work in progress, Appendix 2 to the report provided the categorisation of assurance levels and risk ratings, and Appendix 3 confirmed performance against plan. Mr Lloyd stated that he had circulated separately to Members of this Committee the draft terms of reference in respect to the following reviews to be conducted during 2018/19:

- Absence Management
- FRS Equality Framework
- Site Specific Risk Information

Mr Lloyd stated that the terms of reference were due to be signed off next week and that he will circulate a copy of the final versions to Members of this Committee after that.

A Member suggested that some of the timescales in the documents looked quite challenging over the summer period. Mr Lloyd replied that provisional field work dates had been agreed.

**Resolved** – That the Committee notes Internal Audit progress against the 2018/19 plan and the intended timeline and outcomes as set out in Appendix 1 to the report.

**5895 Internal Audit Follow Up Report** – Mr K Lloyd (Internal Audit - MIAA) submitted a report reminding Members that in making recommendations and agreeing action plans, it was intended that improvements might be made to both internal controls and operational effectiveness. However, in order to verify that the benefits of the process are achieved, it was necessary to subsequently follow up on the implementation of agreed actions, in order to fully assess:

- Whether implementation has occurred or been superseded by further events; and
- Whether the actions have produced the intended effect.

Follow-up was, therefore, a vital aspect of the internal audit process and it was MIAA policy, in accordance with the Authority's Internal Audit plan, to revisit previous assignments. The report set out the completion of the most recent phase of follow-up reviews relating to Internal Audit Work completed as part of the 2016/17 and 2017/18 Audit Plan where action plans deadlines had been reached. The objective of the follow up review was to provide the GAS Committee with independent assurance that actions due for review have been completed and can be evidenced as such. Section 4 of the report provided a summary of all agreed Internal Audit actions outstanding which were followed up during June 2018 and indicated that of the 24 agreed actions outstanding 19 had been fully implemented and 5 recommendations whilst not complete, progress had been confirmed. Further detail of those recommendations was provided in section 5 of the report. This will be followed up by MIAA and an update provided to the GAS Committee.

The Chairperson stated that there appeared to be continual slippage on a number of the recommendations although he recognised there are priorities. Mr Lloyd stated that he had agreed with the Head of Corporate Assurance that he will update progress through the year. The Chairperson stated that it would be helpful if the report indicated 'Start Date/ Anticipated

End Date/ Revised Date' to enable Members to monitor progress. Mr Lloyd confirmed that that information could be incorporated in future reports.

**Resolved** – That Members take assurance from the report.

**5896 ANNUAL STATEMENT OF ASSURANCE 2017/18** – The Senior Corporate Assurance Officer presented a report by the Head of Corporate Assurance indicating that the Fire and Rescue National Framework for England (Revised 2018) 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 2017/18 was attached at Appendix 1 to the report. The Senior Corporate Assurance Officer drew Members' attention to an amendment to paragraph 11 of Appendix 1 and stated that an updated report will be submitted to the Authority.

**Resolved** – That Members take assurance from the Annual Statement of Assurance for 2017/18 as now amended.

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

**5897 DRAFT ANNUAL PERFORMANCE REPORT 2017/18** - The Senior Corporate Assurance Officer presented a report by the Head of Corporate Assurance reminding Members that the Authority publishes Annual Performance Reports which include the full performance information for the previous year. The draft report for 2017/18 was included at Appendix 1 to the report and would go before the Authority for approval to publish at the meeting on 27 July 2018. 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 data in respect to the school education and youth engagement programmes and queried the reasons why the numbers of children engaging with the Fire Service had gone down. The Director of Public Safety replied that the programme was now more focussed on schools in areas where more deliberate fires occurred. A Member referred to page 188 and asked for an update with regard to the integrated call handling and mobilising solution being delivered by the East Coast & Hertfordshire Control Room Consortium. The Director of Emergency Response stated that Hertfordshire Fire & Rescue Service had been operating the system for a little while and issues that had been identified were being addressed. The Director of Emergency Response stated that Humberside Fire & Rescue Service would start using the system by November 2018 at the earliest. A Member referred to the tables on page 184 report and suggested that the readability of the document could be improved by removing the words 'Variance in'. The Senior Corporate Assurance Officer stated that he would amend the report accordingly, and informed Members that once approved by the Authority the report will be checked by an external adviser for readability and use of plain English before being finally published. The Chairperson stated that it was a really good and pleasing report.

**Resolved** – (a) That Members take assurance from the statement presented, and

(b) that it be noted that the report will be amended before final publication.

**5898 HER MAJESTY'S INSPECTORATE OF CONSTABULARY AND FIRE & RESCUE SERVICES – UPDATE** – Further to Minute 5846 the Senior Corporate Assurance Officer reported orally that HMICFRS had not yet confirmed the date for the HFRS inspection but that the Inspectorate had now confirmed that the 11 diagnostic questions will each receive a graded judgment to add more purpose and context to the final report and that each of the three pillars had been weighted % reflective of priority and volume of evidence as follows:

- 50% Effectiveness (prevention and response)
- 25% Efficiency
- 25% People

The Senior Corporate Assurance Officer stated that the internal Heat Map system continued to be populated with evidence against each of the sub diagnostic questions updated by the directorate managers, facilitated by Corporate Assurance. When the populated content of the Heat Maps is finalised it will be used to inform the position statement and self-assessment questions. The next visit by the HMICFRS Service Liaison Officer is scheduled for 6/7 August 2018 to support the Service in the preparation stage, speaking to key internal stakeholders, while looking at the Service's systems. The Senior Corporate Assurance Officer stated that although the official inspection date was yet to be confirmed internal communications were ongoing with the introduction of new methods to engage with staff and informed Members of the HMICFRS communication routes that were available. The Inspectorate had now published their learning report compiled through the pilots and was available on the HMICFRS website or through Corporate Assurance.

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

**5899 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.

**5900 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.

**5901 ANY OTHER BUSINESS** – The following matters were briefly discussed:

- Annual Fire Rescue Day at 7 Lakes Country Park, Crowle – A Member reported that she had attended this event held on 7 July 2018 and expressed congratulations to those involved in organising this quality event;
- Member Day on 6 July 2018 – The Chairperson expressed thanks to the Authority for inviting Members of this Committee to attend the recent Member Day which was very much appreciated.

*Meeting closed at 11.21 a.m.*