

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

**17 JULY 2017**

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

Councillor Briggs attended as an observer.

Director of Emergency Response, Director of Human Resources, Director of Public Safety, Director of Service Support, Monitoring Officer/Secretary, Corporate Planning & Performance Manager, Senior Finance Officer, Committee Manager, Ms J Rae (External Audit – KPMG) and Mr K Lloyd ((Internal Audit - MIAA) were also present.

An apology for absence was submitted from Mr A Smith.

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 who was observing the meeting.)*

**PROCEDURAL**

**5535 MINUTES – Resolved** – That the minutes of the meeting of the Committee held on 16 June 2017 having been printed and circulated amongst the Members, be taken as read and correctly recorded and be signed by the Chairperson.

**5536 MATTERS ARISING FROM THE MINUTES, OTHER THAN ON THE AGENDA** – There were no items.

**5537 DECLARATIONS OF INTEREST** - No declarations were made in connection with any of the items to be considered at the meeting.

**GOVERNANCE**

**5538 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 26 June 2017 to the draft minutes of the meeting of the Committee held on 16 June 2017 and also providing feedback on other items considered by the Fire Authority at its meeting on 26 June 2017. In particular the Monitoring Officer/Secretary referred to Minute 5489 of the Committee regarding the term of office of Members of the Committee and drew Members' attention to the following decision of the Authority (Minute 5519 refers):

- (a) That, subject to the agreement of the individual Members, the period of appointment of all of the Independent Co-opted Members of the Governance, Audit and Scrutiny Committee be extended to 31 March 2019 to ensure continuity of the Committee, and
- (b) that a review is carried out prior to September 2018 to consider the potential for a joint committee with the PCC's office.

The Chairperson referred to part (b) of the Authority's decision and sought clarification as to how it was envisaged that the discussions with the Police and Crime Commissioner (PCC) might proceed and whether the GAS Committee will be consulted during that process. The Chairperson also drew attention to the implications on the Committee's scrutiny workstreams if a review is to be carried out by the Authority prior to September 2018. The Monitoring Officer/Secretary stated that there was still uncertainty as

to how this matter would proceed given that the Authority was still awaiting the necessary legislative changes with regard to the involvement of Police and Crime Commissioners in the governance of Combined Fire Authority's to be approved by Parliament. The Monitoring Officer/Secretary also explained that in terms of workloads and the role of GAS Committee Members in the scrutiny of the PCC's audit function it would be necessary to ensure that there would be no conflict with the role of the Crime and Policing Panels, and also that the Terms of Reference of a Joint Committee would need to be carefully drawn up. The Chairperson, on behalf of the Committee, thanked the Monitoring Officer/Secretary for the clarification given.

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

### **SCRUTINY PROGRAMME**

**5539 2017/18 SCRUTINY WORK PROGRAMME – ANTI-FRAUD AND CORRUPTION – SCOPING REPORT** – The Chairperson reported that the scrutiny review of the Authority's Anti-Fraud and Corruption arrangements would be carried out by a Sub-Group comprising Mrs Jackson and Mr Vertigans and invited those Mrs Jackson to present the Scrutiny Initiation Document now submitted. The document set out the following:

Aims/Objectives:

- To undertake background work to fully equip the two members of the GAS Committee to undertake their new responsibilities with regards to Anti-Fraud and Corruption scrutiny.
- To reassure Humberside Fire Authority (HFA) that the Anti-Fraud and Corruption policies and procedures in place manage the risks across the organisation.

Outcomes:

- A report on the effectiveness of the Anti-Fraud and Corruption policies and procedures, with appropriate recommendations, to HFA.

Projected Timeline:

- Scoping report to be agreed by GAS Committee on 17th July 2017
- Report to be approved by GAS Committee on 9th April 2018

The document also outlined the headline questions to be asked and the evidence to be sought.

**Resolved** – That the scoping of the scrutiny of Anti-Fraud and Corruption be approved.

### **AUDIT**

**5540 REPORT TO THOSE CHARGED WITH GOVERNANCE (ISA 260) 2016/17 -** Ms J Rae (KPMG) submitted a draft report summarising the key findings in relation to their 2016-17 external audit at the Authority as summarised on pages 4 –5 of the report. The report indicated that subject to all outstanding queries being resolved to their satisfaction and completion of work on pensions KPMG anticipated issuing an unqualified audit opinion on the Authority's financial statements by 31 July 2017 and that they will also report that the Authority's Annual Governance Statement complies with the guidance issued by CIPFA/SOLACE in April 2016. KPMG had identified multiple audit adjustments as detailed within page 24 of the report and, based on their work, had raised three 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 which KPMG will formally follow up next year. KPMG had not identified any significant VFM risks in their

External Audit Plan 2016/17 issued in February 2017 and there were no matters of any significance arising as result of their audit work. They were satisfied that external or internal scrutiny provided sufficient assurance that the Authority's current arrangements were adequate. KPMG had concluded that the Authority has made proper arrangements to ensure economy, efficiency and effectiveness in its use of resources. KPMG therefore anticipated issuing an unqualified VFM conclusion by 31 July 2017. Ms Rae drew Members' attention to Appendix 5 to the report regarding audit fees and stated that she would be holding discussions with the Executive Director Service Support & Section 151 Officer regarding a proposed additional fee for additional work undertaken during the audit. In response to a query regarding the acronym PPE Ms Rae stated that this was used in the report to refer to Property, Plant and Equipment and that she would update the report to avoid any confusion with the acronym widely used in the Service for Personal Protective Equipment.

A Member referred to the level of reserves held by the Authority and asked whether there was any formula used for calculating an appropriate level of reserves for an authority. Ms Rae stated that there was no formula and that it was essentially a judgment call. The Director of Service Support informed that there are guidelines for fire services regarding certain contingency allocations that should be taken into account when determining a budget.

**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 amend the report as now discussed prior to submission to the Fire Authority.

**5541 AUDITED STATEMENT OF ACCOUNTS FOR 2016/17** - The Senior Finance Officer 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 2016/17. The audit of the Authority's 2016/17 Statement of Accounts had now been substantially completed and pleasingly again 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) 2016/17' referred to in Minute 5540 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 2016/17 had been submitted to the meeting of this Committee on 16 June 2017 (Minute 5493 refers). The external auditor, KPMG, in close liaison with the Fire Authority's Finance team, had now substantially completed the audit of the 2016/17 Statement of Accounts and supporting papers. The outturn position remained that which was reported to the 16 June 2017 meeting, a £1.095m underspend. The 'Report to those charged with governance (ISA 260) 2016/17' had given an unqualified opinion on the Authority's Accounts for 2016/17 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 2016/17 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 28 July 2017 the 2016/17 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 2016/17 audit of Accounts was now closed.

A Members stated that each year there has been an underspend on the budget and expressed some surprise that this should be so in a period of financial austerity. Officers explained that the underspend was mainly on the pay budget head.

**Resolved** – That Members of this Committee take assurance from the audited Statement of Accounts for 2016/17.

**5542 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 2016/17 and 2017/18 as approved by the Fire Authority on 17 March 2017. The report indicated that the Internal Audit Plan for 2016/17 was complete and the final two pieces of work (both advisory in nature) were attached to the report. The HR maturity matrix attached at Appendix 2 to the report and underpinning evidence had been developed and populated in conjunction with the Corporate Management Team. It provided not only a baseline position for the Service (reflecting on a number of ongoing developments) but also defined future targets. The Service Improvement/Value for Money review (which focused on the Transactional Administration Post Implementation Review) was attached at Appendix 3 to the report. That review consisted of several elements:

- Reviewing project governance arrangements to ensure appropriate definition of, and compliance with, procedures and processes for identifying, planning and delivering VFM/service improvement reviews;
- Facilitation of organisational feedback (to feed into the Post Implementation Review (PIR)) on the delivery of the Transactional Administration Review through developing and delivering a User Survey; and
- Review of adequacy of outcome monitoring of the Transactional Administration Review through an assessment of the internal PIR.

For 2017/18 Internal Audit activity the Control Schedule attached at Appendix 1 to the report provided a strategic overview and profiled timeline for agreed reviews.

A Member referred to the HR Maturity Matrix on pages 153/154 of the report and in particular key Element E. 'Benefits realisation' and suggested that progress level 4 should state "The GAS Committee would have reviewed and affirmed the effectiveness of HR processes".

**Resolved** – (a) That the Committee notes Internal Audit progress against the 2016/17 plan and the intended timeline and outcomes for the 2017/18 plan as set out in Appendix 1 to the report, and

(b) that the Committee receives the output for the remaining 2 reviews for 2016/17 on the HR maturity matrix and service improvement/value for money as set out in Appendix 2 and 3 to the report respectively.

**5543 ANNUAL STATEMENT OF ASSURANCE 2016/17** – 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 2016/17 was attached at Appendix 1 to the report.

**Resolved** – That Members take assurance from the Annual Statement of Assurance for 2016/17.

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

**5544 DRAFT ANNUAL PERFORMANCE REPORT 2016/17** - 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 2016/17 was included at Appendix 1 to the report and would go before the Authority for approval to publish at the meeting on 28 July 2017. 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 asked questions regarding the incident activity included at paragraph 7 of the performance report which were answered by the Director of Emergency Response. In response to a query by a Member regarding the absence of data regarding benchmarking at paragraph 8 of the performance report the Corporate Planning & Performance Manager stated that the information would be included after the report is approved by the Authority on 28 July 2017 and prior to the statement being published on the Authority's website.

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

(b) that Members support the content of the Annual Performance Report 2016/17 for publication, and

(c) that an updated version of the benchmarking at paragraph 8 of the performance report be submitted to the next meeting of this Committee.

**5545 ABSENCE MANAGEMENT – UPDATE** - The Director of Human Resources submitted a copy of the progress report that was submitted to the Authority on 26 June 2017 (Minute 5516 refers) providing the first of the quarterly updates requested by Members on the performance and progress of the management of sickness absence. Sickness absence data was included at Appendix 1 to the report and was referred to throughout the report. The report also gave an update on progress relating to improved awareness of mental health, reducing stigma and earlier intervention and support for staff suffering mental distress. This was in the context of mental health difficulties being the highest reason for absence across the Service in the previous financial year.

**Resolved** – That Members of this Committee note the content of the report and take assurance from the actions taken in the HR Directorate to improve the management of absence and the support offered to staff who are unwell.

**5546 UPDATE ON THE FIREWATCH, DATA VALIDITY AND ESTABLISHMENT PROJECT** – The Director of Human Resources submitted a report providing, as requested by the Committee, an update on the Firewatch project and the position in relation to the integrity of data on the HR system. The report provided that update and gave details of the newly appointed Project Manager and the redeveloped project plan, developed with Infographics, the organisation who run the Firewatch system. The report reminded Members that during late 2016, the Corporate Management Team agreed to ask Shaw Consulting to undertake a review of the implementation, current usage and future usage of the system. The recommendation from that review was that the Service should decommission the Firewatch system, procure a new HR system and consider the position for other systems. Following that review, Infographics contacted the Service and offered 20 days free development time to see if the Authority could resolve the difficulties with the system. That offer was accepted by the Service. A 3 day workshop was scheduled for 2-4 May 2017 with the Infographics team and appropriate staff from inside the Service to progress the work, led by the Director of HR. The workshop was considered to be successful and Infographics produced a detailed action plan following the 3 days which was attached at Appendix 1 to the report.

With regard to other workstreams the Service also recognised that the data contained within the system was not as accurate as it should be and required a comprehensive data cleanse and validation exercise. It had been agreed that this project represented an ideal opportunity to undertake this necessary work and that it would be crucial moving forward whether the Authority retain the Firewatch system or look to begin a process to procure a new system. The processes undertaken within the Service in terms of the management of the establishment data and updating of people data also require reviewing and updating to ensure that the data on the system remains as accurate as possible following cleansing and validation. This had also been subsumed into this project.

With regard to the Project Manager the report indicated that Shaw Consulting had also noted that, despite some issues with the system implementation not being unique to Humberside Fire and Rescue service, efficient roll out of the system had been impacted on by internal resourcing of the project. The Service had therefore decided to appoint a fulltime project manager for a period of 6 months to manage the project and an officer had been seconded to undertake this important work with effect from 1 July 2017.

**Resolved** - That this Committee takes assurance from the content of the report as to the progress and plans for the reviewed project.

**5547 PUBLIC SAFETY LIGHT TOUCH PEER REVIEW OUTCOMES** – Further to Minute 5497 of the meeting held on 16 June 2017 the Director of Public Safety presented the report that had been submitted to the previous meeting outlining the outcomes of the light touch peer review of Public Safety arrangements within Humberside Fire and Rescue Service conducted by Staffordshire Fire and Rescue Service in September 2016. A copy of the outline implementation plan was attached at Appendix 1 to the report and a further version updated to 10 July 2017 had been circulated prior to the meeting.

The Chairperson stated that as previously agreed Members would seek clarification of matters arising at a briefing meeting to be held with the Director of Public Safety following this meeting.

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

**5548 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.

**5549 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.

**5550 ANY OTHER BUSINESS** – The following matters were briefly discussed:

- Attendance of GAS Committee Members at Fire Authority Member Day on 7 July 2017 – The Chairperson expressed thanks to the Authority for inviting Members of this Committee to attend the recent Member Day which was very much appreciated.
- Humber Rescue Day – The Chairperson stated that the event had been a great success.
- Grenfell Towers Fire Incident – The Director of Public Safety gave a brief update.

*Meeting closed at 11.12 a.m.*