

ANNUAL REPORT TO HUMBERSIDE FIRE AUTHORITY - GOVERNANCE, AUDIT AND SCRUTINY COMMITTEE

SUMMARY

1. Members will recall that each Committee receives a report annually which outlines broadly the substantive reports that Members, as a minimum, could expect to receive during the forthcoming year. This report briefly outlines progress against the workstreams agreed by the Governance, Audit and Scrutiny Committees, which is consolidated into the Annual Report to the full Fire Authority in accordance with the Constitution. The draft Annual Report was considered and approved by the Governance, Audit and Scrutiny Committee at its meeting on 10 April 2017 (Minute 5426 refers).

RECOMMENDATION

2. The Fire Authority is asked to discuss and approve the Annual Report from the Governance, Audit and Scrutiny Committee.

BACKGROUND

3. The intention behind the workstreams for 2016/17 was to provide Members with a broad indication of the reports that they could expect to receive during the year. This enabled forward planning for the Corporate Management Team. Members will recall that the workstreams agreed were not exhaustive, but indicative. An update against the agreed workstreams of the Committee is consolidated within the Annual Report (paragraph 6).
4. The intention behind the scrutiny programme 2016/17 was to allow Members to focus on a small number of topics during the year. The Committee at its meeting on 11 April 2016 agreed a Workstreams/Scrutiny Programme 2016/17 that included reviews of Collaboration and Members' Allowances (Minute 5083 refers) and an update setting out the outcome of those scrutiny topics is set out in the Annual Report (paragraphs 8-9).

ANNUAL REPORT

5. Under the Constitution each Committee of the Authority should submit an Annual Report to the full Authority, essentially to set out how the Committee has discharged its functions. A copy of Article 6 of the Constitution setting out the functions of the Governance, Audit and Scrutiny Committee applicable during 2016/17 is set out in Appendix 1 to the Annual Report. The Annual Reports also support the assurance framework.
6. The draft Annual Report was reviewed by the Governance, Audit and Scrutiny Committee on 10 April 2017 and approved, subject to some minor updating, for presentation by the Chairperson of the Committee to the Fire Authority AGM on 5 June 2017. A copy of the final Annual Report is attached.

STRATEGIC PLAN COMPATIBILITY

7. Corporate governance is a key enabler of the Strategic Plan.

FINANCIAL/RESOURCES/VALUE FOR MONEY IMPLICATIONS

8. None arising directly.

LEGAL IMPLICATIONS

9. None arising directly.

EQUALITY IMPACT ASSESSMENT/HR IMPLICATIONS

10. None arising directly.

CORPORATE RISK MANAGEMENT IMPLICATIONS

11. None arising directly.

HEALTH AND SAFETY IMPLICATIONS

12. None arising.

COMMUNICATION ACTIONS ARISING

13. None arising directly

DETAILS OF CONSULTATION AND/OR COLLABORATION

14. Corporate Management Team.

BACKGROUND PAPERS AVAILABLE FOR ACCESS

15. None.

RECOMMENDATION RESTATED

16. The Fire Authority is asked to discuss and approve the Annual Report from the Governance, Audit and Scrutiny Committee.

M BUCKLEY

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25 May 2017

**Annual Report
to Humberside Fire Authority
June 2017**

**Governance, Audit and
Scrutiny Committee**

Humberside Fire Authority

Annual Report

Foreword

There has been no change to the composition of the GAS Committee during the year and the Committee continues to enjoy a good working relationship with the Internal Auditor – Mersey Internal Audit Agency (MIAA).

2016/17 has once again been a challenging period for HFRS and the GAS Committee are pleased that their contribution throughout the period has been recognised.

The GAS Committee's major contribution continues to be primarily employed on Scrutiny topics, whilst remaining mindful of its responsibility concerning Governance and Audit. As a Committee we meet constitutionally 7 times per year, however in order to be able to deliver reports in a timely manner so that the output complements the undertaking, two scrutiny sub groups of the Committee have met on an additional basis. As Chairperson I am extremely grateful to the Members of the GAS Committee for their cooperation and commitment and am certain that the Authority and HFRS benefit from their expertise, experience and contribution.

Visibility of the GAS Committee and its work across the wider organisation continues to improve and its role and remit is becoming better understood.

We respectfully regard our role as one in complete support of the Service and the Authority, delivering positive outcomes that in turn add value to the HFRS.

Doug Chapman
Chairperson, Governance, Audit and Scrutiny Committee

Governance, Audit and Scrutiny Committee

Annual Report

1. Membership (7 Independent Co-opted Members)

Chairperson: Mr. Doug Chapman

Mr. Martin Allingham
Mr. James Doyle
Mrs. Pam Jackson
Mr. Andrew Smith
Mrs. Mandy Thomlinson
Mr. Clive Vertigans

2. Number of Meetings of Governance, Audit and Scrutiny Committee

17 June 2016
18 July 2016
12 September 2016
31 October 2016
30 January 2017
6 March 2017
10 April 2017

3. Attendance record at meetings of Governance, Audit and Scrutiny Committee

	Number of meetings attended
	7
Mr. Chapman	6
Mr. Allingham	6
Mr. Doyle	6
Mrs. Jackson	5
Mrs. Thomlinson	6
Mr. Smith	6
Mr. Vertigans	6

In addition the following Elected Members of the full Fire Authority attended meetings of the Governance, Audit and Scrutiny Committee as observers:

	Number of meetings attended
	7
Councillor Briggs	6
Councillor Sharpe	2

4. Attendance record at other meetings

It has become the practice for the Chairperson of the GAS Committee to attend meetings of the Authority to present the minutes of meetings of the Committee and also for Independent Co-opted Members to attend meetings of the HFA to observe governance arrangements and to report back to the Governance, Audit and Scrutiny Committee on any issues. In addition Members of the Committee may attend Member Days when invited to do so by the Authority and in 2016/17 there was one occasion on 8 July 2016.

Number of other meetings attended from 6 June 2016 to 24 April 2017:

Independent Co-opted Member	Fire Authority (9)	Appointments Committee (1)	Member Days (1)
Mr. Chapman	9	0	1
Mr. Allingham	3	0	1
Mr. Doyle	4	0	1
Mrs. Jackson	2	0	0
Mr. Smith	8	1	1
Mrs. Thomlinson	8	0	1
Mr. Vertigans	7	0	1

5. Functions of the Governance, Audit and Scrutiny Committee

The functions of the Governance, Audit and Scrutiny Committee during 2016/17 are set out in the Constitution, Article 6. Article 6 is attached at Appendix 1.

6. Progress against Workstreams 2016/17

The following workstreams were agreed at the April 2016 Governance, Audit and Scrutiny Committee meeting:

JUNE 2016 COMMITTEE MEETING	
Agreed Workstreams	Update
1. External Audit report 2. Internal Audit reports 3. Annual Statement of Accounts (unaudited) 4. Treasury Management Annual Report 2015/16	1. N/A 2. Reported. 3. Reported. 4. Reported.
JULY 2016 COMMITTEE MEETING	
Agreed Workstreams	Update
1. External Audit report 2. Internal Audit reports 3. Annual Statement of Accounts (audited) 4. Annual Statement of Assurance 2015/16 5. Draft Annual Performance Report 2015/16	1. Reported 2. Reported. 3. Reported. 4. Reported. 5. Reported
SEPTEMBER 2016 COMMITTEE MEETING	
Agreed Workstreams	Update
1. Management Accounts – Period ending 30 June 2016 2. External Audit report 3. Internal Audit reports 4. 1st Quarter Performance and Risk Report. 5. 1st Quarter H&S and Environmental Report.	1. Reported 2. Reported. 3. Reported. 4. Reported. 5. Reported
OCTOBER 2016 COMMITTEE MEETING	
Agreed Workstreams	Update
1. Management Accounts – Period ending 30 September 2016 2. External Audit report 3. Internal Audit reports	1. Reported 2. Reported. 3. Reported.

JANUARY 2017 COMMITTEE MEETING	
Agreed Workstreams	Update
1. Management Accounts – Period ending 31 December 2016 2. External Audit report 3. Internal Audit reports	1. Reported 2. Reported. 3. Reported
MARCH 2017 COMMITTEE MEETING	
Agreed Workstreams	Update
1. External Audit report 2. Internal Audit reports 3. Treasury Management Policy 2016/17. 4. Draft Internal Audit Plan 2016/17 5. 3rd Quarter Performance and Risk Report. 6. 3rd Quarter H&S and Environmental Report. 7. Pay Policy Statement 2017/18.	1. N/A 2. Reported 3. Reported 4. Reported 5. Reported 6. Reported 7. Reported
APRIL 2017 COMMITTEE MEETING	
Agreed Workstreams	Update
1. Management Accounts – Period ending 28 February 2017 2. External Audit report 3. Internal Audit reports 4. Annual Governance Statement 2016/17. 5. Performance Reporting and Service Performance Indicators 2017/18 6. CSE Audit Outcomes. 7. Annual Report to HFA. 8. Committee Workstreams/Scrutiny Programme 2017/18	1. Reported 2. N/A 3. Reported 4. Reported 5. Reported 6. Reported 7. Reported 8. Reported

7. Other reports considered during 2016/17

During 2016/17 in addition to the workstreams, the Committee considered a number of other reports, including:

Governance

- Review of Anti-Fraud Related Strategies

Audit

- External Audit: Annual Audit Letter
- Changes to Arrangements for the Appointment of External Auditors
- Fire Procurement Information Published By The Home Office
- Public Sector Audit Appointments (PSAA) – Report on the Results of Auditors' Work 2015/16: Local Government Bodies
- Treasury Management Mid-Year Update Report 2016/17
- Internal Audit – Audit Review Reports:
 - Combined Financial Systems
 - Strategic Planning
 - Business Continuity
 - Counter Fraud
- 2016/17 Annual Accounts Closedown Timetable
- Non-Pay Zero Based Budgeting
- Capital Expenditure – Programming Capital Schemes
- External Audit: External Audit Plan 2016/17

Performance, Risk and Programme Management

- Customer Service Excellence Award
- Equality and Inclusion Priorities and Actions – Outcomes from Consultation
- Absence Management – Progress Report

There are also a number of standing reports to the Committee:

- Inspection of Members Register of Interests/Gifts and Hospitality
- Inspection of Officers Register of Interests/Gifts and Hospitality

8. Progress against Scrutiny Programme 2016/17

The following scrutiny programme was agreed at the April 2016 Governance, Audit and Scrutiny Committee meeting:

Topic	Report submitted for Scrutiny to GAS Committee
1. Collaboration	31 October 2016
2. Members' Allowances	30 January 2017

9. The following table outlines the outcomes of the scrutiny undertaken during 2016/17.

Topic	Update/Comments
1. Collaboration	Outcomes reported to HFA
2. Members' Allowances	Outcomes reported to HFA

10. Scrutiny Outcomes 2016/17

The Committee are pleased that in respect of the Scrutiny topics listed in item 9 above the Authority has agreed as follows:

Collaboration - That going forward the recommendations in the report will be picked up by the Executive Director Service Support/Section 151 Officer as and when appropriate.

Members' Allowances That the Authority accepts the recommendation of the GAS Committee and agrees that the allowances be frozen at their current level for 2017/18.

It is pleasing for the GAS Committee to note that the Committee were complemented on their contribution to the scrutiny of Collaboration and Members' Allowances.

Feedback is essential and any comments on the quality of outcomes received should be provided to the GAS Committee.

The Committee would not have been able to produce the reports had it not been for the cooperation and support of the relevant Service Directors and their teams.

We are pleased that the Authority and HFRS appreciates our contribution and we are sure that the Scrutiny outcomes can only add value to the works of HFRS.

12. Compliance with functions under Article 6 of the Constitution (As applicable during 2016/17)

12.1 Article 6.1 - Composition

The Composition of the Committee has been in accordance with the Constitution.

12.2 Article 6.2 – Frequency of Meetings

The Committee has met regularly from June 2016 in accordance with the published schedule of meetings.

12.3 Article 6.3 - Functions

(a) 6.3.1 – Governance

All Members are required to complete a declaration accepting to abide by the Code of Conduct and to register any Interests. At each meeting the Committee reviews the Registers of Members and Officers Interests.

(b) 6.3.2 - Internal Control and Risk Management

This has been complied with.

(c) 6.3.3 – Internal Audit

This has been complied with.

(d) 6.3.4 – External Audit

This has been complied with.

(e) 6.3.5 – Performance Risk and Programme Management

This has been complied with.

(f) 6.3.6 – Scrutiny – Generally

This has been complied with.

(g) 6.3.7 – Additional Powers

This has not been exercised in 2016/17.

12.4 Article 6.4 – Power to Establish Sub-Committees or Panels

The Committee set up two Scrutiny Sub Groups in 2016/17 in respect of Collaboration and Members' Allowances.

12.5 Article 6.5 – Annual Report and Minutes

This has been complied with.

13. Assurance to Fire Authority

The Governance, Audit and Scrutiny Committee has discharged its functions under the Constitution.

Article 6 – Governance, Audit and Scrutiny Committee

6.1 COMPOSITION

- (a) The membership of the Governance, Audit and Scrutiny Committee shall be determined at the Annual General Meeting of the HFA. The size of the Committee shall be decided by the HFA.
- (b) The HFA may if it considers it necessary or desirable appoint such number of Independent Co-opted Members of the Committee as it shall determine who shall be selected for their relevant expertise, particularly in:
 - Audit and financial governance
 - Corporate governance
 - Scrutiny of decision making

The HFA will approve a selection process and criteria.

- (c) The Chairperson of the Committee may be appointed annually at the Annual General Meeting of the HFA or elected at the first meeting of the Governance, Audit and Scrutiny Committee following the Annual General Meeting.
- (d) The quorum for meetings of the committee shall be decided by the HFA at its AGM.

6.2 FREQUENCY OF MEETINGS

The Schedule of meetings shall be decided at the Annual General Meeting of the HFA. In addition, extraordinary meetings may be called at such other times as the Committee or Chairperson of the Committee may determine.

6.3 FUNCTIONS

The Governance, Audit and Scrutiny Committee shall have the following functions, unless decided otherwise by the HFA: -

6.3.1 Governance

- (a) To make observations to the HFA concerning its governance arrangements;
- (b) To assist the HFA in promoting and maintaining high standards of conduct by Members, including Independent Co-opted Members, appointed Members of Committees and Officers;
- (c) Generally assisting the Members to observe the Members' Code of Conduct;
- (d) Providing views to the HFA on the adoption or revision of the Members' Code of Conduct;
- (e) Advising, training or arranging to train Members and Officers on matters relating to the Members' Code of Conduct;
- (f) The monitoring of and issues relating to the declaration of interests and offer/receipt of gifts and hospitality by Members and Officers;

- (g) Such other matters in connection with governance as may be specified under this Constitution, or that the HFA may ask the Committee to consider.

In addition the Committee shall receive reports on the following matters (the Committee shall have no delegated authority but may make observations to the Fire Authority):

6.3.2 Internal Control and Risk Management

- (a) To consider the HFA's Annual Governance Statement prior to its adoption to the HFA.
- (b) To maintain an overview of the HFA's Constitution, particularly in respect to the contract procedure rules and financial procedure rules.
- (c) To review any issue referred to it by the Chief Fire Officer & Chief Executive, S.151 Officer or Secretary, or the HFA.
- (d) To monitor the effective development and operation of corporate risk and project management and corporate governance in the HFA.
- (e) To monitor the effectiveness of the internal control environment.

6.3.3 Internal Audit

The Committee shall consider and make observations to the HFA with regard to:

- (a) The Internal Audit Annual Work Programme;
- (b) Internal Audit reports;
- (c) The Internal Audit Annual Report;
- (d) The appointment of an effective and efficient Internal Audit Service; and
- (e) The performance of the Internal Audit Service.

6.3.4 External Audit:

The Committee shall consider and make observations to the HFA with regard to:

- (a) The appointment of External Auditors;
- (b) The External Auditor's Annual Audit letter;
- (c) The Annual Financial Statements and Statement of Assurance;
- (d) Feedback to the External Auditor upon performance of the external audit;
- (e) All External Audit Assessments concerning the Authority;
- (f) The audit aspects of the draft annual financial statements. These aspects will include the External Audit Opinion, the Statement of Members' Responsibilities, the Annual Governance Statement and any relevant issue raised in respect to the annual auditing process. The Committee should, where appropriate, confirm with the Internal

and External Auditors that the effectiveness of the internal control system has been reviewed, and comment on this in its Annual Report to the HFA.

6.3.5 Performance Risk and Programme Management

The Committee shall consider and make observations to the HFA with regard to:

- (a) The effectiveness of performance management;
- (b) The achievement of Strategic Plan objectives;
- (c) The achievement of the Integrated Risk Management Plan (IRMP) objectives;
- (d) The achievement of agreed performance indicators;
- (e) The effectiveness of corporate risk management processes;
- (f) The effectiveness of programme management processes;
- (g) The performance of the Humberside Fire and Rescue Service generally.

6.3.6 Scrutiny - Generally

Scrutiny Function

- (a) The Committee shall review and scrutinise decisions of the HFA proposals of the HFA and the implementation of policy at Humberside Fire and Rescue Service;
- (b) The Committee shall be responsible for setting its own work programme which shall be tightly focussed on a small number of major issues;
- (c) In setting its work programme the Committee will consider items for scrutiny put forward by the HFA, CMT and Members of the Committee;
- (d) The HFA shall refer business to and seek advice from the Committee as it considers appropriate. Such referrals will be accompanied by an indication of its preliminary view of the matter under consideration;
- (e) The Committee shall respond as soon as their work programme permits to requests from the HFA to review a particular issue or issues;
- (f) In exercising its scrutiny role, the Committee will ensure that any observations are non-political and are not designed to displace the functions or responsibility of the HFA;
- (g) The Committee shall make such recommendations as it considers appropriate to the HFA arising out of the scrutiny process.

6.3.7 Additional Powers

- (a) The Committee is authorised to investigate any activity within its terms of reference and to seek any information it requires from any employee. All employees are directed to co-operate with any request made by the Committee.
- (b) The Committee is authorised to obtain outside legal or other independent advice and to secure the attendance of non-members with relevant experience and expertise if it considers this necessary, normally in consultation with the Secretary, Chief Fire Officer & Chief Executive and Chairperson of the HFA. However, it may not incur direct expenditure in this respect without the prior approval of the HFA.

6.4 **POWER TO ESTABLISH SUB-COMMITTEE OR PANELS**

- (a) The Governance, Audit and Scrutiny Committee shall have the power to establish a sub-committee of the Members of the Committee and any such sub-committee shall be authorised solely to make recommendations to the Governance, Audit, and Scrutiny Committee.
- (b) The Governance, Audit and Scrutiny Committee shall be entitled to establish such panels or groups as it considers necessary to assist in the discharge of its functions. No delegated authority shall be granted to such a panel and the composition of a panel shall not be confined to the Members of the Committee and the rules of political proportionality shall not need to apply.

6.5 **ANNUAL REPORT AND MINUTES**

- (a) The Committee shall report annually to the HFA upon the discharge of its functions;
- (b) Minutes of the Committee will be circulated to all Members of the HFA and shall be included as an agenda item on the HFA;
- (c) The Chairperson of the Committee or nominated representative will be invited at the discretion of the Chairperson of the HFA to present the minutes at the meeting of the HFA and to respond to any questions that the HFA may have in respect to any matter concerning the Committee.