

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

**11 JULY 2014**

**PRESENT:** Independent Co-opted Members Mr M Allingham, Mr D Chapman, Mrs G Hardy, Mr D Hughes, Mrs M Thomlinson and Mr C Vertigans.

Councillors Briggs attended as an observer.

Deputy Chief Fire Officer/Executive Director Service Delivery, Executive Director Service Support/Section 151 Officer, Acting Monitoring Officer/Secretary, Director of Commercial Services, Director of Operations (North), Director of Operations (South), Corporate Planning & Performance Manager, N Tharratt (Group Manager/HFR Solutions'), Committee Manager, J Prentice (External Audit – KPMG) and Ms B Jones (Internal Audit - MIAA) were also present.

An apology for absence was received from Councillor Marper who had hoped to attend as an observer.

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

*(The Acting Monitoring Officer/Secretary took the Chair for the following item (Minute 4569).*

**4569 APPOINTMENT OF CHAIRPERSON** – The Acting Monitoring Officer/Secretary submitted a report on the appointment of a Chairperson for 2014/15.

**Resolved** – That Mr D Chapman be appointed Chairperson of this Committee until the Annual General Meeting of the Humberside Fire Authority in 2015.

*(Mr Chapman took the Chair and welcomed all who were observing the meeting.)*

**4570 DECLARATIONS OF INTEREST** - No declarations were made in connection with any of the items to be considered at the meeting.

**4571 MINUTES** – The minutes of the meeting of the Committee held on 9 June 2014 were submitted. The Chairperson referred to minute 4530 (Internal Audit Update) and reminded Members that he had commented that the Terms of Reference of the Committee had changed and that the Committee did not cover everything considered by the Authority and therefore this Committee could not be accountable for anything it was not aware of.

**Resolved** – (a) That the comments by the Chairperson regarding the level of accountability of this Committee be noted, and

(b) that the minutes of the meeting of the Committee held on 9 June 2014, having been printed and circulated amongst the Members, be taken as read and correctly recorded and be signed by the Chairperson.

**4572 MATTERS ARISING FROM THE MINUTES, OTHER THAN ON THE AGENDA** – There were no items.

**4573 UPDATE: MATTERS ARISING/FEEDBACK FROM FIRE AUTHORITY** – A report by the Chairperson and Acting Monitoring Officer/Secretary was submitted summarising the consideration given by the Authority at its meeting on 23 June 2014 to the draft minutes of the meeting of the Committee held on 9 June 2014 which were presented by Mr Hughes, Chairperson of the Governance, Audit and Scrutiny Committee.

The Chairperson referred to the revised Terms of Reference of this Committee and queried whether he would need to produce a report for the Authority presenting the draft minutes of this Committee. The Acting Monitoring Officer/Secretary confirmed that a report would not be required, except that a report would be submitted to the Authority on the outcome of scrutiny reviews.

**Resolved** – That the report be noted

**4574 CALENDAR OF COMMITTEE MEETINGS 2014/15** - The Acting Monitoring Officer/Secretary submitted a report indicating that the Annual General Meeting of the Authority on 23 June 2014 had set 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 the dates proposed for meetings of this Committee during 2014/15 which had been presented at the previous meeting of the Committee to assist it in preparing its Scrutiny Programme for 2014/15. 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. Attached at Appendix 1 to the report was a schedule showing the calendar of meetings approved by the Fire Authority with the proposed dates for meetings of this Committee incorporated. Mr J Prentice (External Audit – KPMG) drew attention to paragraph 6.2 of the Committee's Terms of Reference which stated that there shall be eight ordinary meetings of the Committee each year.

**Resolved** – That the dates and times of meetings of this Committee set out in Appendix 1 to the report be approved.

**4575 MANAGEMENT ACCOUNTS TO 31 MAY 2014** - The Executive Director Service Support/Section 151 Officer submitted a report containing the Authority's Management Accounts and Prudential Indicators for the period ending 31 May 2014. The summary estimated outturn position from the Management Accounts and Prudential Indicators was as follows:

- Revenue Budget - on budget;
- Capital Programme - £6.811m total expenditure against an allocation of £7.411m;
- Pensions Account - £8.445m deficit

The Accounts had been previously submitted to the Fire Authority on 23 June 2014 (Minute 4560 refers).

A Member stated that the Authority received a lot of information at its meetings and suggested that it might save some time and effort and cost if the accounts were submitted on a quarterly basis. The Executive Director Service Support/Section 151 Officer explained that the accounts had been submitted to this meeting as otherwise the Committee would not receive any reports until its September meeting, but undertook to take on board the comments regarding frequency of reporting.

**Resolved** – That Members take assurance from the report and the Authority's financial position for the period ending 31 May 2014.

#### **EXTERNAL AUDIT (KPMG)**

**4576 External Audit Update** – Mr J Prentice (External Audit - KPMG) reported orally that fieldwork on the audit had commenced in June 2014 and no issues had been identified from the initial review although some issues had been discussed with Officers regarding the accounting treatment of the East Coast and Hertfordshire Control Room Consortium project and the need for consistency between the Authorities involved. Mr Prentice stated that a progress report would be submitted to the next meeting.

A Member thanked Mr Prentice for his report and stated that it would be helpful if in future the Committee could receive written reports.

**Resolved** – (a) That the report be received, and

(b) that in future all audit reports should be in written format.

### **INTERNAL AUDIT – MERSEYSIDE INTERNAL AUDIT AGENCY (MIAA)**

**4577 Internal Audit Update** – Ms B Jones (Internal Audit - MIAA) submitted a report outlining internal audit activity since the last meeting as follows:

Assurance Mapping and Evaluation - The assurance mapping exercise launched with the Committee Members at their planning meeting on 14 May 2014, had been further developed and the latest iteration which further updated the version presented to the Committee on 9 June 2014 was attached at Appendix 1 to the report. It was considered that the document had reached a level of completion where it can move from its development status into a management tool. It was anticipated that the assurance map would continue to be refined and updated (for which a process had been determined) and an imminent further step in its population was for alignment to the Board and Directorate Risk Registers to ensure all assurance sources are captured and that the components of the map are triangulated with existing records. As the map forms a valuable reference tool for this Committee, the latest version was presented along with an evaluation of the outcomes thus far. The analysis followed the commentary in the issues/notes column on the map – some of which alert issues for future consideration and some raise questions of coverage – and which had been raised with the Corporate Management Team. The issues raised were as follows:

- Ethical Health – there may be potential gaps in independent assurance around counter fraud and Bribery Act requirements. Consideration to be given to the adequacy of management and second line assurance.
- Board oversight within management assurance - changes to the management board structure need to be reflected in the map to reflect revised governance arrangements although it is noted that the Performance and Risk Board will retain a key role.
- Consultants' reports commissioned for specialist projects/reviews will be revisited to ensure all work is reflected in the assurance map over the last 3 years.
- HFR Solutions - the assurance map reflects the specific organisational assurances within Humberside Fire and Rescue Service but there will be overlapping processes across other elements of the map regarding the systems and process interfaces of the Authority to ensure the overall governance assurance is adequate.
- Governance Audit and Scrutiny projects reflect areas where current and recent internal audit activity has been minimal which confirms the areas identified by the Committee for their consideration as appropriate and not duplicative.

A Member stated that it would be helpful to Members if the assurance map included timings. Ms Jones explained that the map took a view over a three year period and it was about a balance of detail, but nevertheless she would take the point regarding timings on board for future versions of the map. A Member suggested that the key officers mentioned in Appendix 1 to the report should include both the name and title of the Officer. Ms Jones undertook to make the necessary amendments. The Chairperson also requested that wherever slippage occurred that should be highlighted in the map.

Committee Workshop – The Committee received an oral update regarding the proposed Workshop for Members of this Committee to be delivered by MIAA. The session will be delivered early in September 2014 and prior to the next meeting of this Committee by Ms B Jones and K Lloyd (MIAA Audit Manager for Cheshire Fire)

which will enable comparative arrangements between the two organisations to be identified. In addition to establishing key challenges faced by the Committee (and other similar groups) a number of tools will be shared to assist the Members in discharging their roles and structuring their challenges.

Internal Audit Control Schedule - An outline control schedule to be used in reporting progress against the Internal Audit Plan was attached at Appendix 2 to the report for information and any comments on the level of monitoring detail required by the Committee. The control schedule indicated the commencement of the fleet review around non-allocated support vehicles. The control schedule would also detail audit opinions provided against each assignment. The precise definitions of those opinions were currently being discussed with Officers to ensure clarity prior to their application. The basis of the opinions and the underlying assessment principles would be explained in more detail at the forthcoming Committee workshop.

The Chairperson expressed his appreciation to Ms. Jones for the time given to Members prior to the meeting.

**Resolved** - (a) That the Committee notes the latest version of the assurance map;

(b) that the Committee agrees the suggested Workshop methodology, scope and to the Workshop being held early in September 2014 prior to the next meeting of this Committee, and

(c) that the Committee notes the outline internal audit control schedule attached at Appendix 2 to the report.

**4578 ANNUAL STATEMENT OF ASSURANCE 2013/14** – The Corporate Planning & Performance Manager submitted a report indicating that the Fire and Rescue National Framework for England (2007) set 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 2013/14 was attached at Appendix 1 to the report.

A Member referred to paragraph 13 of the report regarding Operational Assessments and asked how they were progressing. The Corporate Planning & Performance Manager confirmed that everything was on target. Members referred to paragraph 7 of the report and sought clarification of the use of the words “the effectiveness of the governance structure was reviewed”; stated that the Committee would welcome some feedback of that “effectiveness” review, and suggested that in future the Chairperson of this Committee should be involved in any future reviews. The Acting Secretary/Monitoring Officer stated that no further reviews of the Committee’s role were being proposed in the near future and that it was really about giving time for the new arrangements to bed down. Officers explained that it was the effectiveness of the overall governance structure that was reviewed in 2012/13 and that review had led to the establishment of this Committee in October 2012, and that the subsequent review in 2013/14 was concerned with the Terms of Reference of this Committee. A Member also queried whether there would be any on-going assessment of the effectiveness of this Committee, perhaps on an annual basis. Ms Jones (Internal Audit – MIAA) suggested that that was something that the Committee could consider addressing itself in its Annual Report to the Authority. A Member stated that last year the Committee had had a meeting with the Chairperson of the Authority which had been very helpful and suggested that that arrangement might usefully be repeated.

**Resolved** – (a) That Members take assurance from the Annual Statement of Assurance for 2013/14, and

(b) that this Committee would welcome a meeting during the year with the Chairperson of the Fire Authority as happened in 2013/14.

**4579 DRAFT ANNUAL PERFORMANCE REPORT 2013/14** - The Corporate Planning & Performance Manager submitted a report indicating that the Humberside Fire Authority (HFA) publishes Annual Performance Reports which include the full performance information for the previous year. The draft report for 2013-14 was included at Appendix 1 to the report and would go before the Authority for approval to publish at the meeting on 22 July 2014. The report incorporated detailed information covering the delivery of the Strategic Plan, a 'health check' of the Service and information relating to Preparedness, Prevention, Protection, Response and Recovery.

A Member queried to Section 2 of the report regarding total injuries from fire related incidents and queried whether the figures included Firefighters injured on duty. The Director of Operations (South) stated that the report before the Committee predominantly related to the Authority's communities and that injuries to firefighters were dealt with in the quarterly Health & Safety report. The Deputy Chief Fire Officer/Executive Director Service Delivery stated that a quarterly reporting system for Health & Safety had recently been introduced and those reports would continue to be submitted to this Committee. The Member suggested that it would be helpful if there was included in future reports a reference to the Health & Safety Quarterly reports. A Member referred to the data relating to 'mobilising resources to dwelling fire incidents within 60 seconds of receiving an emergency call' and queried whether the Service can use other Control Rooms, and whether those other Control Rooms followed the same 60 seconds target. The Director of Operations (South) confirmed that they did but that it was a new system that would take some time to embed in. A Member queried whether the 60 seconds target should be reviewed. The Director of Operations (South) stated that once the new system was embedded in the four fire regions the responses should get quicker, that call handling was not previously monitored, but that the technology was now in place which was very new. A Member asked whether it would be possible for Members of this Committee to view the new Control Room at Headquarters. The Director of Commercial Services undertook to arrange this after a future Committee meeting. Questions by Members regarding the increase in the vehicle fleet and also fuel usage were answered by the Executive Director Service Support/Section 151 Officer. A Member referred to the variance in the number of near misses in work related incidents and queried whether the information for the quarter to June 2014 was available. The Director of Operations (South) stated that the information was not yet available but that when it was he would circulate the information to Members and explained that the Authority was trying to change the culture so that near miss incidents are properly reported. A Member reported that he had had a previous discussion with the Health and Safety Manager regarding Health & Safety matters and considered that what was being proposed was very encouraging. A Member asked whether a report on the outcome of the investigation of work related incidents would come before this Committee. The Director of Operations (South) confirmed that the information would be included as part of the quarterly report to the next meeting of this Committee. In answer to a query regarding figures in respect of HFR Solutions the Deputy Chief Fire Officer/Executive Director Service Delivery confirmed that the information would be included in future quarterly reports relating to HFR Solutions. A question by Mr J Prentice (External Audit – KPMG) regarding long term illnesses was answered by the Executive Director Service Support/ Section 151 Officer. A question by a Member regarding attendance times for the first fire engine response in North East Lincolnshire was answered by an Officer. The Corporate Planning & Performance Manager reported that the comparison figure for 'all fire categories' and 'small fires' set on page 39 of the report would be corrected before the report is submitted to the Fire Authority.

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

(b) that future reports should include a reference to the quarterly Health & Safety report as suggested at this meeting, and should also show collective data for the individual Community Protection Units.

**4580 SCRUTINY PROGRAMME 2014/15 – SCOPING DISCUSSION RE HFR SOLUTIONS** – The Acting Monitoring Officer/Secretary advised the Committee that in discussing this item it might be necessary to exclude the Press from the meeting if the discussions should include sensitive commercial information which would be classed as Exempt Information under the Local Government Act 1972. The Director of Commercial Services submitted a report which had been prepared to provide the Committee with information on HFR Solutions Community Interest Company and act as a stimulus to help determine the areas that the Committee might wish to provide scrutiny over in the future. A scoping discussion paper was attached at Appendix 1 to the report which provided a summary of the following main areas of the business:

- Business Overview
- Business Status
- Business Structure
- Internal Resourcing
- External Resourcing
- Service Delivery
- Performance Management
- Risk & Opportunity Management

A discussion ensued regarding the scoping of the review during which questions by Members were answered by Officers.

**Resolved** – (a) That the objective of the scrutiny review of HFR Solutions' shall be that the Committee will look for assurance that there is a sustainable business plan for the company to go forward successfully,

(b) that the scope of the review shall include:

- Business Plan;
- Marketing;
- Service Delivery;
- Short/Medium/Long Term Plan;
- Contingency Planning in terms of contracts;
- Sustainability of the Employee Secondment model and operational risk to the Humberside Fire and Rescue Service, and

(c) that as a starting point the Business Plan for HFR Solutions' shall be submitted to the next meeting of this Committee as the content of that plan may provide assurance with regard to some items included within the scope of the review as set out in paragraph (b) above.

**4581 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.

**4582 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.

#### **ANY OTHER BUSINESS**

**4583 Senior Management Review Update** – A Member expressed her deep disappointment that the Exempt Report submitted to the Fire Authority on 23 June 2014 had initially been withheld from the Members of this Committee notwithstanding a previous assurance that similar papers would not be withheld in the future. The Member stated that if they do not see all the Agenda papers for meetings of the Authority the Members of this Committee will not be able to give assurance to the Authority regarding its governance. The

Member also reminded the Committee that all Members had signed the declaration agreeing to abide by the Authority's Code of Conduct and accordingly to respect confidentiality.

**Resolved** – That the concerns now raised be brought to the attention of the Fire Authority.

**4584 Induction Event for New Members of the Fire Authority** – A Member referred to the recent induction event for new Members of the Fire Authority and expressed disappointment that there was no time to outline the skill sets of individual Members of this Committee and therefore the new Members gained no real understanding of what the Independent Co-opted Members of the Governance, Audit and Scrutiny Committee could bring to meetings of the Committee. A Member suggested that it might be helpful if a brief resume of Members was produced and that perhaps that could be done at a future meeting.

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

**4585 Appointment of New Members of the Governance, Audit and Scrutiny Committee** – The Chairperson referred to the forthcoming appointment process to recruit new Independent Co-opted Members of this Committee and stated that if there were insufficient suitable applicants he would welcome the period of appointment of the outgoing Chairman of the Committee being extended so that he personally could benefit from his experience beyond 30 September 2014. The Acting Monitoring Officer/Secretary stated that this would be a matter for the Fire Authority.

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

**4586 Induction and Training for New Members of the Governance, Audit and Scrutiny Committee** – The Chairperson reported that Members had discussed their involvement in the training of new Independent Co-opted Members of this Committee and indeed all Member training. The Acting Monitoring Officer/Secretary stated that perhaps the induction training for new Members of this Committee might be in two sessions, one session presented by Officers and one session by existing Members of the Governance, Audit and Scrutiny Committee. The Executive Director Service Support/Section 151 Officer stated that the intention was to include some induction training as part of the second Workshop being organised by Internal Audit (MIAA), and that perhaps Members could share their skill sets at that workshop.

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

*Meeting closed at 11.43 a.m.*

