

HUMBERSIDE FIRE AUTHORITY**GOVERNANCE, AUDIT AND SCRUTINY COMMITTEE****10 APRIL 2017**

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

Councillors Briggs and Sharpe attended as observers.

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

Apologies for absence were submitted from Mr A Smith and Mr C Vertigans.

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 Councillors Briggs and Sharpe who were observing the meeting.)

PROCEDURAL

5419 DECLARATIONS OF INTEREST – There were no declarations.

5420 MINUTES – Resolved – That the minutes of the meeting of the Committee held on 6 March 2017 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 –

5421 Service Performance and Risk report – 2nd Quarter Period July-September 2016 – A Member referred to Minute 5380 and the discussion at previous meetings of this Committee regarding the Peer Group Review by Staffordshire Fire and Rescue Service and repeated her previous concerns at a lack of transparency regarding the findings of that review to both this Committee and the Fire Authority. The Member drew attention to the Committee's functions in respect to Performance Risk and Programme Management as set out in paragraph 6.3.5 of Article 6 of the Authority's Constitution and stated that external reports were an important part of that role. The Director of Public Safety apologised for a breakdown in communication of the Committee's requests for information of the Peer Review and explained that the review was a light touch approach and that outcomes from that audit were taken into consideration when forming the proposed structure and delivery model in the report on the Review of Public Safety submitted to the meeting of the Fire Authority on 17 March 2017. The Director of Public Safety assured Members that there was no intention to withhold the information and that he would submit the information to the next meeting of this Committee.

Resolved – (a) That the report be noted, and

(b) that a report on Peer Group Review by Staffordshire Fire and Rescue Service be submitted to the next meeting of this Committee.

5422 Update: Matters Arising/Feedback From Fire Authority – Role of Vice Chairperson of the Authority – The Chairperson referred to Minute 5381 insofar as it related to Minute 5337 (Scrutiny Work Programme 2016/17 – Members' Allowances) and the statement that in line with the report further discussion would be required on the role of the Vice Chairperson of the Authority. The Chairperson stated that a further meeting of the Sub-Group which undertook the scrutiny of the Members' Allowances Scheme will reconvene with the Chairperson of the Authority to progress this matter.

Resolved – That the report be received.

5423 Internal Audit Update – A Member referred to Minute 5384 and asked whether the Authority had yet received an Auditor’s opinion on 2015/16 that Kingston upon Hull City Council, as the third party provider of services in respect to the day to day management of treasury management activities, that the control environment and associated risk management practices are sufficiently robust to facilitate the required level of service. The Finance Manager stated that the Authority had now received the opinion for 2015/16 and was awaiting the opinion for 2016/17, and also that the requirement had been included in the timetable for the closure of the accounts.

Resolved – That the report be received.

SCRUTINY PROGRAMME

5424 COMMITTEE WORKSTREAMS/SCRUTINY PROGRAMME 2017/18 - The Monitoring Officer/Secretary submitted a report indicating that in line with the Constitution, the first meeting of each Committee in a new cycle should receive a report which outlined broadly the substantive reports that Members, as a minimum, can expect to receive during the year. The report now submitted set out the Workstreams/Scrutiny Programme for the Committee for 2017/18. Progress against those workstreams would be included in the annual report from the Committee to the Fire Authority. The report reminded Members that the Annual General Meeting of the Authority sets 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 a list of proposed dates to assist the Committee in preparing its Workstreams/Scrutiny Programme for 2017/18. 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. and the Committee was asked to also consider the timing of meetings. A schedule showing the proposed Calendar of Meetings which will be submitted for approval by the Fire Authority with the proposed Committee meeting dates incorporated was attached at Appendix 1 to the report. The proposed Workstreams/Scrutiny Programme for this Committee had been incorporated in the timetable of meetings of the Committee attached at Appendix 2 to the report that will be considered as part of that Calendar of Meetings. Members were invited to consider and identify any additional scrutiny topics for inclusion in the programme for 2017/18.

Mrs Boyes (Internal Audit) stated that a workshop for Members of the GAS Committee would be held after the Authority meeting on 24 April 2017 which would touch upon counter fraud arrangements and that discussion would inform the scoping of the scrutiny topic.

Resolved – (a) That the dates and times for meetings of this Committee for 2017/18, be approved as submitted;

(b) that the Workstreams/Scrutiny Programme 2017/18 for this Committee as now discussed and set out in Appendix 1 to these minutes be approved, and

(c) that the scrutiny of absence management be held in abeyance for the time being.

GOVERNANCE

5425 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 17 March 2017 to the draft minutes of the meeting of the Committee held on 6 March 2017 and also providing feedback on other items considered by the Fire Authority at its meeting on 17 March 2017.

A Member referred to the report submitted to the Authority on the Review of Public Safety (Minute 5411 refers) and also the scrutiny report on Business Safety considered by the Committee on 2 November 2015 (Minute 4971 refers) and queried what progress had been made in the intervening period. The Director of Public Safety explained that he only commenced his employment in July 2016 and had not seen the earlier report but that the

report submitted to the Authority in March 2017 had been widely consulted upon throughout the organisation. A Member asked whether there was a timetable going forward. The Director of Public Safety confirmed that the Service had an ongoing timeline for consultation with staff to 2020 and stated that he would submit a Public Safety Update to the next meeting of this Committee.

Resolved – (a) That the report be noted, and

(b) that a Public Safety Update report be submitted to the next meeting.

5426 COMMITTEE WORKSTREAMS 2016/17 AND ANNUAL REPORT TO HUMBERSIDE FIRE AUTHORITY - The Monitoring Officer/Secretary submitted a report reminding Members that each Committee receives annually a report which outlined broadly the substantive reports that Members, as a minimum, could expect to receive during the forthcoming year. The workstreams agreed were not exhaustive, but indicative. 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. That enabled forward planning for the Corporate Management Team. Members will recall that the workstreams agreed were not exhaustive, but indicative. 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). A draft Annual Report to the full Fire Authority in accordance with the Constitution was attached to the report which included an update against the agreed Workstreams/Scrutiny Programme 2016/17 was attached at Appendix 1 to the report. The Monitoring Officer/Secretary indicated that the details in respect to attendances would need updating after this meeting of the Committee prior to the Annual Report being submitted to the Fire Authority.

Resolved – That, subject to the content being updated to take account of this meeting, the draft Annual Report be approved for submission to Fire Authority AGM on 5 June 2017, to be presented by the Chairperson of this Committee.

5427 USE OF DELEGATED POWERS UNDER FIRE AUTHORITY CONSTITUTION BY CHIEF FIRE OFFICER & CHIEF EXECUTIVE - The Monitoring Officer/Secretary submitted a report providing details of the decisions taken by the Chief Fire Officer & Chief Executive during 2016/17 to vary the establishment, under his delegated powers within the Fire Authority Constitution.

Resolved – That the report be noted and that the Committee takes assurance that the Scheme of Delegation has been properly exercised.

5428 ANNUAL REVIEW OF CONSTITUTION - The Monitoring Officer/Secretary reported orally that that it was good practice that the Constitution of the Authority should be subject to an annual review and stated that whilst no substantive changes were necessary at the present time there might be a need to review the composition of the Authority to include the Police and Crime Commissioner but that legislation needed to be addressed before that change could be implemented, and also the Constitution would need to reflect any change proposed for the role of the Vice Chairperson of the Authority. The Director of Service Support reported that a letter dated 7 April 2017 had been received from the Minister of State for Policing and the Fire Service on a consultation exercise regarding applying the 'representation model' to combined fire and rescue authority (FRA) combination schemes. The Monitoring Officer/Secretary stated that it was likely to be some months before the matter was settled.

Resolved – That this Committee has no recommendations to make to the full Authority following the annual review of the Constitution.

AUDIT

5429 MANAGEMENT ACCOUNTS TO 28 FEBRUARY 2017 - The Finance Manager submitted a report containing the Authority's Management Accounts and Prudential Indicators for the period ending 28 February 2017. The end of year projections were set out for the revenue budget, the capital programme and the pensions account. The summary estimated outturn position from the Management Accounts and Prudential Indicators was as follows:

- Revenue Budget - £1.107m underspend;
- Capital Programme - £6.672m total expenditure against an allocation of £9.426m;
- Pensions Account - £11.213m deficit.

In reply to a query from a Member the Finance Manager clarified how underspends are dealt with in the accounts and confirmed when funds are invested. A Member sought clarification regarding the income from HFR Solutions shown in Table 6 of the accounts. The Finance Manager explained the basis on which the accounts were prepared. The Director of Service Support explained that the arrangements with HFR Solutions work well and as an example referred to the scope to offer the facilities at Immingham West to other organisations in return for a rental income.

Resolved – That Members take assurance from the report and the Authority's financial position for the period ending 28 February 2017.

INTERNAL AUDIT (MIAA)

5430 INTERNAL AUDIT UPDATE INCLUDING DIRECTOR OF AUDIT OPINION AND ANNUAL REPORT 2016/17 – Mrs B Boyes, Internal Audit (MIAA) submitted a report providing a progress update in the delivery of the Internal Audit Plan for 2016/17 as approved by the Authority on 18 March 2016. A schedule was attached at Appendix 1 to the report which provided a strategic overview and profiled timeline for agreed internal audit reviews and showed that the review of Counter Fraud is complete (Appendix 2 to the report refers). The organisation's arrangements for the mitigation and identification/investigation of fraud, bribery and corruption against national guidance and recommended practice were reviewed and the report provides positive assurance around the organisation's arrangements but with particular comments made around declarations (including secondary employment), organisational awareness, monitoring and accountability and risk assessment processes. The review of Service Improvement was nearing completion in reviewing the effectiveness and embedding of project and governance arrangements around value for money schemes and service improvement and evaluating arrangements for monitoring and assessing outcomes from projects and schemes set to deliver financial savings. Specific focus had been on the outcome monitoring of the Transactional Administration Review with alignment of Internal Audit activity to the Service's internal Post Implementation Review (PIR) through facilitating a user survey whilst critically assessing the method of the PIR and its conclusions. The Workforce review was well underway through the design and application of a customized maturity matrix. Both the reviews still in progress were advisory and therefore did not affect the outcome of the Annual Report. All assurance assignments were complete and the overall conclusions were reported through the draft Director of Audit Opinion and Annual Report (Appendix 3 to the report refers), the conclusions from which will be reflected in the Authority's Annual Governance Statement. Subject to any comments by the Committee the Annual Report and Opinion will be presented to the Fire Authority in April 2017 for approval.

A Member referred to the review of Counter Fraud and the statement that all employees had been made aware via payslips of the relevant policies and queried that Members, who also receive payments from the Authority had not been notified. Mrs Boyes replied that there was no reason why the notification could not be extended to members and that she would raise the matter with the Officer concerned and report back to the workshop on 24 April 2017. A Member asked from an awareness viewpoint how the Authority made its Anti Bribery policy and Code of Conduct available. Officers confirmed that the information was

available on the Authority's website. Mrs Boyes suggested that staff would need to be reminded of that from time to time. The Corporate Planning and Performance Manager informed Members that the Corporate Management Team had had an awareness session with Internal Audit and that Officers were now going through the process of increasing staff awareness of the policies and procedures. The Chairperson referred to the review of Counter fraud and the recommendation that a GAS Committee Member should ideally be nominated as a non-executive lead on fraud, bribery and corruption matters and nominated Mrs P Jackson and Mr C Vertigans for that role. A Member referred to the area for action relating to due diligence and queried how this was being applied by the Service in its proposed dealings with Hull University regarding IT procurement and the Ark project in terms of timetable and costings. The Director of Service Support stated that the Service was not yet at the stage where due diligence tests would apply.

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

(b) that the Committee notes the Director of Audit Opinion and Annual report 2016/17 prior to its submission to the Authority in April 2017 for approval, and

(c) that it be a recommendation to the Fire Authority that Mrs P Jackson and Mr C Vertigans be nominated as non-executive leads on fraud, bribery and corruption matters.

5431 DRAFT ANNUAL GOVERNANCE STATEMENT 2016/17 - The Corporate Planning and Performance Manager and Monitoring Officer/Secretary submitted a report setting out a draft Annual Governance Statement (AGS) in respect to 2016/17 as set out in Appendix 1 to the report. Given the content of the Statement, it was considered desirable that the Governance, Audit and Scrutiny Committee should specifically review the AGS separate from the Annual Accounts, although the AGS would form part of the Annual Accounts once approved in July 2017. It was also desirable that Members receive the report in advance of the draft Annual Accounts at the June 2017 Committee meeting. Guidance was issued by the Chartered Institute of Public Finance Accountants (CIPFA) Finance Advisory Network in respect to the production of the AGS. In addition, guidance had also been set out in the CIPFA/SOLACE good governance framework last revised in 2016. There was no model AGS, but rather the guidance set out best practice in developing an AGS.

Resolved – That the draft Annual Governance Statement for 2016/17 be noted and Members confirm that they have sufficient assurance on the Authority's governance arrangements.

PERFORMANCE, RISK AND PROGRAMME MANAGEMENT

5432 CUSTOMER SERVICE EXCELLENCE AWARD 2017 - The Corporate Planning and Performance Manager submitted a report reminding Members that the Customer Service Excellence Award (CSE), originally achieved in 2009, was re-certified on an annual basis subject to passing a compliance audit. The award covered a three year period with 2017 being a Year 3 re-validation based on five criteria listed in the report. The re-validation audit for 2017 took place on 9 February 2017 and it was pleasing to report that the award had been successfully retained for a further twelve months, with no partial or non-compliance issues identified. In summary the Assessor's findings were as follows:

- (a) The assessor was pleased to note great leadership and commitment to the service. This was evident from the Chief Fire Officer through to front-line and back office staff.
- (b) Humberside Fire and Rescue Service (HFRS) has continued to develop innovative and proactive service models to safeguard and improve the health and safety of its customers.

- (c) Partnership work is very strong in HFRS. Partners were unanimous in their positive comments regarding the commitment of HFRS staff.
- (d) The assessor was pleased to note high levels of customer satisfaction.
- (e) Customer journeys are well developed throughout the service and the assessor was pleased to note recent improvements, for example in complaints handling and in the delivery of services by the Falls Team, where extra steps had been added at the completion of the journeys to ensure customer satisfaction.

The full report was attached at Appendix 1 to the report.

Resolved – (a) That Members acknowledge the retention of the Award and take assurance from the on-going commitment to Customer Service Excellence, and

(b) that Members' congratulations be conveyed to those Officers involved in achieving the retention of the Award.

5433 PERFORMANCE REPORTING AND SERVICE PERFORMANCE INDICATORS

2017-18 – The Corporate Planning and Performance Manager and Director of Public Safety submitted a report providing information regarding the reporting of Service performance for the period 2017/18 and the proposed Service Performance Indicators and targets for that period which were included at Appendix 1 to the report. Performance against all of the Strategic Objectives will be monitored and retrospectively reported to Fire Authority on a quarterly basis following scrutiny by the Committee. The Authority will receive three quarterly reports, followed by the Annual Performance Report which will incorporate performance information from the fourth quarter. This was in line with the reporting of performance for 2016/17 and the Annual Performance Report for that period, which will be presented to Members at the July 2017 meeting. The Corporate Planning and Performance Manager stated that the report to be submitted to the Fire Authority would include an amended Appendix 1 to include performance targets in respect of the attendance of a first appliance at a road traffic accident and also in respect of the number of duty days lost through absence.

A Member referred to Appendix 2 and suggested that it would be helpful to keep the context of the review period, rather than delete the 5 year timeline.

Resolved – That Members' welcome the approach for reporting performance and take assurance from the Service Performance Indicator targets for 2017/18 as set out in Appendix 1 of the report.

5434 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.

5435 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.

5436 ANY OTHER BUSINESS – The following matters were briefly discussed:

- GAS Committee Members' Workshop with Internal Audit – The Chairperson referred to the workshop to be held on 24 April 2017.
- Mental Health Awareness event 8 May 2017 - The Chairperson queried whether members needed to book to attend this event. The Director of Service Support stated that he would pass on the query to the relevant officer.
- Police and Crime Commissioner Audit Meeting – The Chairperson stated that the first formal meeting would be held on 22 May 2017.

Meeting closed at 11.20 a.m.

Appendix 1**GOVERNANCE, AUDIT AND SCRUTINY COMMITTEE****PROPOSED SCHEDULE OF MEETINGS 2017/18**
Including Workstreams ('Audit' and 'Governance') and Scrutiny Programme

2017/18		
Meeting	Workstreams ('Audit' and 'Governance')	Scrutiny Topics)
Fri 16 June 2017	<ul style="list-style-type: none"> • External Audit report • Internal Audit reports • Annual Statement of Accounts (unaudited) • Treasury Management Annual Report 2016/17 	<ul style="list-style-type: none"> • Scoping report – Business Continuity
Mon 17 July 2017	<ul style="list-style-type: none"> • External Audit report • Internal Audit reports • Annual Statement of Accounts (audited) • Annual Statement of Assurance 2016/17 • Draft Annual Performance Report 2016/17 • 4th Quarter Performance and Risk Report 2016/17. • 4th Quarter H&S and Environment Report 2016/17 	<ul style="list-style-type: none"> • Scoping report – Counter Fraud
Mon 18 September 2017	<ul style="list-style-type: none"> • Management Accounts – Period ending 30 June 2017 • External Audit report • Internal Audit reports • 1st Quarter Performance and Risk Report 2017/18 • 1st Quarter H&S and Environment Report 2017/18. 	<ul style="list-style-type: none"> • Feedback report – Members' Allowances – Role of Vice Chairperson of HFA
Mon 27 November 2017	<ul style="list-style-type: none"> • Management Accounts – Period ending 30 September 2017 • External Audit report • Internal Audit reports 	<ul style="list-style-type: none"> • Scoping report - Equality and Inclusion
Mon 29 January 2018	<ul style="list-style-type: none"> • Management Accounts – Period ending 31 December 2017 • External Audit report • Internal Audit reports • 2nd Quarter Performance and Risk Report 2017/18 • 2nd Quarter H&S and Environment Report 2017/18 	
Mon 5 March 2018	<ul style="list-style-type: none"> • External Audit report • Internal Audit reports • Treasury Management Policy 2018/19. • Draft Internal Audit Plan 2018/19 • 3rd Quarter Performance and Risk Report 2017/18. • 3rd Quarter H&S and Environmental Report 2017/18. • Pay Policy Statement 2018/19 	<ul style="list-style-type: none"> • Scrutiny Report - Business Continuity
Mon 9 April 2018	<ul style="list-style-type: none"> • Management Accounts – Period ending 28 February 2018 • External Audit report • Internal Audit reports • Annual Governance Statement 2017/18. • Performance Reporting and Service Performance Indicators 2018/19 • CSE Audit Outcomes. • Annual report to HFA • Committee Workstreams/Scrutiny Programme 2018/19 • Use of Delegated powers under Fire Authority Constitution by Chief Fire officer & Chief Executive • Annual Review of Constitution • Result of any external inspections 	<ul style="list-style-type: none"> • Scrutiny report – Counter Fraud

