

Item 3

Minutes of the meeting of the
GOVERNANCE COMMITTEE held
in the Fire and Rescue Service
Headquarters, Barmston Mere on
FRIDAY 31 MAY 2019 at
10.30 a.m.

Present:

Mr G. N. Cook in the Chair

Councillors Dodds, Flynn and Woodward and also Miss G. Goodwill.

In Attendance:

Cameron Waddell (Mazars)
Diane Harold (Mazars)

Apologies for Absence:

Apologies for absence were submitted to the meeting on behalf of Councillors Burdis, and Kilgour and also Mr. M. Knowles.

Declarations of Interest

There were no declarations of interest.

Minutes

18. RESOLVED that the minutes of the meeting of the Governance Committee held on 11 March 2019 were confirmed and signed as a correct record.

Internal Audit Annual Report 2018/19

The Chief Fire Officer/Chief Executive (Clerk to the Authority) and the Head of Internal Audit submitted a joint report to consider the performance of Internal Audit for 2018/2019, areas of work undertaken and the internal audit opinion regarding the adequacy of the overall system of internal control within the Service.

The Committee was advised that the findings of the 2018/2019 audits had been taken together with the findings of audits from the previous two years to form an opinion on each of the identified key risk areas, and an opinion on the adequacy of the overall system of internal control for the Authority.

Section 4.2 of the report detailed the number of actions which had been agreed and Members were advised that of these, 24 were classified as medium and 10, low. The Head of Internal Audit explained that it was pleasing to note that there were no high or significant risks identified.

Members referred to Appendix 2 of the report and noted that the majority of the opinions were 'green' with only a small number being amber i.e. moderate.

One audit originally planned to be completed in 2018/19 related to a review of the contract management arrangements in place for a sample of key contracts. At the request of the Chief Fire Officer this audit was deferred until 2019/20 and an audit originally scheduled for 2019/20 relating to a review of the process followed for the implementation of the Core HR system, was subsequently brought forward.

Members were advised that an additional, unplanned audit was undertaken in 2018/19 following the identification of a totalling error in an Authority report dated 5th November 2018 detailing a major review of Response, centred around the Integrated Risk Management Plan (IRMP). Internal Audit was asked to review the reasons for the error and provide assurance on the wider content within the report.

In conclusion, sufficient audit work had been completed within the year to enable an opinion on the service's internal control environment, with no high or significant risk issues being identified and it was considered that throughout the service, there continued to be a good internal control environment.

Councillor Woodwork questioned what follow up works had been undertaken in relation to fuel and also partnership working and was advised that the moderate fuel opinion was due to a generic arrangement for the 'foreign key' which was not as clear as others.

With regards to partnership working, follow up work had been undertaken and the opinion had been revisited revising it to amber status.

The Chair, on behalf of the Committee, congratulated officers on an excellent report.

19. RESOLVED that the Internal Audit Report 2018/2019 be noted for information.

Annual Governance Review 2018/2019

The Chief Fire Officer/Chief Executive (Clerk to the Authority), the Strategic Finance Manager and the Personnel Advisor to the Authority submitted a joint report to present the findings of the 2018/2019 Annual Governance Review and to seek approval of the Annual Governance Statement that was incorporated into the Statement of Accounts.

ACFO Baines advised the Authority that the review was undertaken by Members of the Corporate Governance Steering Group (CGSG) with the methodology being detailed within sections 3.2-3.8 of the report.

Functional Self Assessments and Area Manager Controls Assurance Statements were examined to identify any issues of significance. All Departmental Heads had identified future plans for improvement. Newly identified actions for 2018/2019 resulting directly from the Annual Governance Review, had been included in the Corporate Governance Action Plan (Appendix B of the report).

From the Internal Audit Report, it was considered that overall throughout the Authority there was 'Substantial' assurance regarding the internal control environment.

ACFO Baines advised Members that the Corporate Risk Register was a live document and had most recently been updated on 16 April 2019. The top four risks were detailed at section 4.3.2 of the report.

Fire Authority Members were provided with the Corporate Governance questionnaire in December 2018, with a total of 15 out of 17 responses being received. Feedback from Fire Authority members indicated that there were no significant issues regarding Corporate Governance. The results were detailed at Appendix C of the report.

With regards to the External Auditor Opinion, it was considered that the Annual Audit Letter 2017/2018 gave reassurance that the Authority's overall governance and control arrangements were satisfactory.

ACFO Baines advised Members that the Authority had been subject to an inspection by Her Majesty's Inspectorate of Fire and Rescue Services (HMICFRS). Following data submissions provided throughout 2018, 'discovery' week in December 2018 and Field Work in February 2019, the Service had received a draft report and were awaiting publication of the full report, the following month.

During these phases the Service had been seeking continual improvements and had also developed an internal action plan.

The Chair asked that a copy of the full report be circulated to Members of the Governance Committee, once available.

In addition, the Service had registered for the RoSPA Achievement Award with a submission to be made in June and results anticipated in September 2019.

Members were then advised that an on-going 'After the Incident Survey' was carried out and, the latest results for 2018/2019 recorded a score of 97.50% for 'very satisfied' with regard to the services provided at domestic incidents. This survey also recorded a score of 92.59% for 'very satisfied' for services provided at non-domestic incidents.

ACFO Baines explained that the Annual Governance Statement had been drafted taking into account the findings of the annual governance review. The review had found that only minor improvements were needed to the control environment in a small number of areas. The Annual Governance Statement was attached at Appendix E for the Authority's consideration and approval.

Based on the evidence examined, the Authority had robust and effective governance and internal control arrangements in place. The views elicited during the review from Members and all senior managers across the Authority demonstrated that the principles of good governance were embedded and independent assurance had been provided on all areas required, as well as some areas not specifically required.

The review had not identified any weaknesses that would need to be highlighted in the Authority's Annual Governance Statement.

A small number of actions had been identified to further develop governance and control arrangements in 2019/2020, as detailed in the action plan attached at Appendix F.

Councillor Dodds referred to the Members Questionnaire and also the views of customers and suggested that in future, it would be useful to include areas for comment, whereby respondents could elaborate and provide reasons for their answers.

Miss Goodwill referred to the existing arrangements for identifying the development needs of Members and Principal Officers in relation to their strategic roles and commented that it did not mention lay people.

ACFO Baines responded by advising that training events could be arranged for any areas in which Members would find beneficial and that interaction between Members and Officers was welcomed.

Councillor Flynn referred to the preparation for the HMICFRS and questioned whether all positive feedback that the Authority had received was captured and fed back.

ACFO Baines responded by advising that information was encapsulated by the Communications Team and the positive work of the service was promoted.

20. RESOLVED that:-

- (i) The Annual Governance Statement 2018/2019 be approved; and
- (ii) The Corporate Governance Action Plan 2019/2020 be noted.

Statement of Accounts 2018/2019 (Subject to Audit)

The Finance Officer submitted a report to provide members with an opportunity to scrutinise and question the draft Authority's Statement of Accounts for 2018/2019 (Subject to Audit), the Finance Officer's Narrative Statement and a copy of the draft Annual Governance Statement that were required to be published

separately alongside the Accounts in line with the requirements of the Accounts and Audit Regulations 2015.

In addition, the report provided Members with details of the Statement of accounts process and the key dates that electors had to challenge the accounts (3 June -12 July) and also to provide Members with the Letters of Assurance required by the external auditor as part of the final accounts process.

Members were advised that the draft the financial statements for 2018/2019 subject to audit (appendix A) were to be certified later that day by the Finance Officer, in accordance with the regulations.

Members were referred to the Narrative Statement which provided a helpful summary of the main financial issues in 2018-2019 and was there to help put the accounts, which were very complex by nature, into context. This was set out at Appendix B of the report.

The Committee was advised that the Efficiency Plan identified savings totalling £8.248m to be achieved over the four-year period, based on the MTFS 2016/2017-2019/2020.

Although the Authority had found savings of £8.086m, £1.327 more than set out, it still had to deal with funding reductions and spending pressures. A further £0.162m still had to be found in the remaining year of the four-year plan, for which planned savings totalling £0.456m had been identified to date.

Members were advised that the Revenue Outturn for 2018/2010 was showing a net overall underspend of £1.681m, at £46.415m compared with the original budget of £48.096m. This would be reported to the Authority meeting on 10 June.

There had been a requirement to restate the Authority's previous published accounts for two prior period adjustments, namely, Pension Fund Deficit Contributions (LGPS) Payment in Advance and also Injury Pension Grant Repayment (Firefighter Pension Scheme).

20. RESOLVED that:-

- (i) the draft and unsigned Statement of Accounts 2018/2019 (subject to audit) and the separate Statements, which were set out in more detail in Appendices B to D of the report, in complying with the requirements of the Accounts and Audit Regulations 2015 be noted; and
- (ii) the contents of the Letter of Assurance from those charged with Governance (Appendix E) be approved and, the Letter of Assurance from those charged with discharging management processes and responsibilities (Appendix F) be noted.

(Signed) G. COOK,
Chairman