

AT A MEETING of the HIWFRA Standards and Governance Committee held at
Fire and Police HQ, Eastleigh on Tuesday, 16th November, 2021

Chairman:

* Councillor Liz Fairhurst

Vice-Chairman

* Councillor David Fuller

* Councillor Jonathan Glen

Councillor David Harrison

* Councillor Ian Stephens

* Present

Also present with the agreement of the Chairman:

Stew Adamson, Chairman of the HIWFRA Firefighters' Pension Board

20. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor David Harrison.

21. DECLARATIONS OF INTEREST

Members were mindful of their duty to disclose at the meeting any Disclosable Pecuniary Interest they had in any matter on the agenda for the meeting, where that interest was not already in the Authority's register of interests, and their ability to disclose any other personal interests in any such matter that they might have wished to disclose.

No interests were declared.

22. MINUTES OF PREVIOUS MEETING

The minutes of the last meeting held on the 29 September 2021 were reviewed and agreed.

23. DEPUTATIONS

There were no deputations for the meeting.

24. CHAIRMAN'S ANNOUNCEMENTS

The Chairman had no announcements to make.

25. **OPTED IN AUTHORITY - PUBLIC SECTOR AUDIT APPOINTMENTS LIMITED**

The Committee considered a report of the Chief Financial Officer on Opted in Authority – Public Sector Audit Appointments (PSAA) Limited (Item 6 in the Minute Book).

The report was introduced and the requirement for the Authority to appoint an external independent auditor was explained. It was noted that this was a decision for the Full Authority, which was being brought to Standards and Governance Committee to consider before recommending to Full Authority.

The options available were presented to the Committee as detailed in the report. It was highlighted that it would be costly to the Authority to run their own procurement exercise and as the PSAA scheme was a national scheme, the Authority would benefit from reduced costs as any up-front procurement costs would be shared with other authorities opting-in to the arrangements.

Members were content with the report and the recommendation to the Full Authority to opt-in to the PSAA national scheme.

RESOLVED:

That the HIWFRA Standards and Governance Committee **RECOMMENDS** to Full Authority that HIWFRA opts-in to the Public Sector Audit Appointments (PSAA) national scheme for the appointment of external auditors for HIWFRA for the 5-year period from April 2023.

26. **MCCLOUD AGE DISCRIMINATION REMEDY - IMMEDIATE DETRIMENT FRAMEWORK**

The Committee considered a report of the Chief Financial Officer on the McCloud Age Discrimination Remedy – Immediate Detriment Framework (Item 7 in the Minute Book).

The report was introduced to the Committee and Members were taken through the report, and the background to Immediate Detriment was explained as set out in paragraphs three-nine. It was explained that since the report had been published, new information had been provided relating to potential additional costs that may result from adopting the Immediate Detriment Framework for those already retired. The Committee heard that:

- The Immediate Detriment Framework would enable the opportunity for a larger lump sum.
- If retired more than 12 months ago, there would be an unauthorised payment tax charge of 40% of the additional payment.
- From 6 April 2022 the unauthorised payment cost in these circumstances would be waived by HMRC.
- Between the adoption of the framework and the 6 April 2022, the unauthorised payment cost would have to be paid by HIWFRS.

The Committee heard that assuming everyone eligible came forward before the 6 April 2022, there was a potential risk to HIWFRS of £80,000 in unauthorised payment costs, but this was seen as highly unlikely, and most payments would be made after this date. The lump sum could also be delayed to after this date. In response to a Member query, it was heard that the numbers affected were 70.

The Chairman of the HIWFRA Firefighters' Pension Board was invited to speak and highlighted the Board's support of the report and the Immediate Detriment Framework. During consultation with the Board for their input prior to report publication, issues relating to communication with current and retired firefighters had been raised, and also around capacity of the pensions team and succession planning. The Chairman of the Board confirmed that this had been taken back to Executive Group for discussion. It was also heard that 'McCloud' had been included on the Fire Pensions Risk Register for monitoring by the Board. Members of the Committee also noted that a current member of the Pension Board was a member of the Fire Brigades Union (FBU) which was seen as very positive.

Members questioned the impact if the deadline was breached, as well as the ability to divert experienced pension staff to work on this due to its complexity. It was explained that there was a risk of legal action by the FBU if timescales are not met, but Officers were keen to enable dialogue between the FBU and members of the pension scheme to keep communication flowing. Members also noted that there were currently no concerns around diverting staffing, if this is found to be necessary.

Members of the Committee were supportive of the approach as detailed in the report and were content to support the recommendation.

RESOLVED:

That the adoption of the Immediate Detriment Framework as set out in this report was approved by the HIWFRA Standards and Governance Committee.

27. INTERNAL AUDIT PROGRESS REPORT 2021/22

The Committee received a report of the Chief Internal Auditor on the Internal Audit Progress Report 2021/22 (Item 8 in the Minute Book).

The report was presented to the Committee, and it was heard that there had been a couple changes to timings in the rolling work programme at Appendix A, since the previous report to the Committee. The adjustment to the Internal Audit Plan at Section 8 of Appendix A was also clarified.

RESOLVED:

That the progress in delivering the internal audit plan for 2021/22 and the outcomes to date were noted by the HIWFRA Standards and Governance Committee.

28. **INTERNAL AUDIT MANAGEMENT ACTIONS PROGRESS REPORT**

The Committee received a report of the Chief Fire Officer providing a progress update on Internal Audit Management Actions (Item 9 in the Minute Book).

Members of the Committee were taken through the report, and attention was drawn to paragraph seven of the report which highlighted the progress made in reducing the number of audit management actions compared to June 2019. The table at paragraph six of the report detailed the current outstanding actions.

In response to a query relating to the accuracy of allowances and payments, it was explained that scrutiny and budget control was much improved and was reflected at a station level and upwards, and managers had been given guidance in checking and reviewing allowances and payments. It was heard that regular audit reviews would also monitor this. Officers confirmed that there had been some incorrect allowances identified during the current amnesty period, as detailed in the table at paragraph six, which would result in a number of relatively small payments. The Committee noted that a dedicated project team were managing this, and any changes to pay would be made in time for the March 2022 payroll. Members requested an update on this in a future report.

In relation to the outstanding action of 'operational staff with teaching or assessing rights to be able to capture training updates on the Competency Management System', it was explained that this would be implemented with the new Gartan software in stations.

Officers confirmed that there had also been significant work in assessing whether internal audit management actions were being addressed in the right way. Members were also reassured that impact assessments across the Service were robust.

RESOLVED:

That the HIWFRA Standards and Governance Committee noted the continued progress made towards the implementation of the internal audit management actions and the delivery of the audit plan.

29. **ORGANISATIONAL RISK REGISTER UPDATE**

The Committee received a report of the Chief Fire Officer providing an update on the Organisational Risk Register (Item 10 in the Minute Book).

The report was introduced and the background to the Authority's risk management approach was highlighted. The role of the Executive Group in monitoring current risks and examining new and emerging risks was explained. Members noted the two new risks 'Data Quality Issues' and 'McCloud Pension Issues'.

Officers drew Members attention to paragraph four of the report which confirmed that details from the new JCAD risk information system software had been used in formulating the report, and as a result the format of the appendix would change slightly going forward.

RESOLVED:

The HIWFRS Organisational Risk Register status under the delegated management of the Chief Fire Officer was noted by the HIWFRA Standards and Governance Committee.

Chairman,