

AT A MEETING of the HIWFRA Standards and Governance Committee of
HIWFRA Standards & Governance Committee held at Police & Fire HQ,
Eastleigh on Monday 28th November, 2022

Chairman:

* Councillor Derek Mellor

* Councillor David Harrison

* Councillor Zoe Huggins

* Councillor Gary Hughes

Councillor Debbie Curnow-Ford

65. APOLOGIES FOR ABSENCE

Apologies were received from Cllr Cal Corkery.

66. DECLARATIONS OF INTEREST

Members were mindful that where they believed they had a Disclosable Pecuniary Interest in any matter considered at the meeting they must declare that interest at the time of the relevant debate and, having regard to the circumstances described in Part 3, Paragraph 1.5 of the County Council's Members' Code of Conduct, leave the meeting while the matter was discussed, save for exercising any right to speak in accordance with Paragraph 1.6 of the Code. Furthermore Members were mindful that where they believed they had a Non-Pecuniary interest in a matter being considered at the meeting they considered whether such interest should be declared, and having regard to Part 5, Paragraph 2 of the Code, considered whether it was appropriate to leave the meeting whilst the matter was discussed, save for exercising any right to speak in accordance with the Code.

67. MINUTES OF PREVIOUS MEETING

The minutes of the last meeting were reviewed and agreed.

68. DEPUTATIONS

There were no deputations.

69. CHAIRMAN'S ANNOUNCEMENTS

There were no formal announcements.

70. EXTERNAL AUDIT RESULTS 2021/22

The Committee considered a report from the Chief Financial Officer (item number 6 in the minute book). The External Auditor reported that the work on the audit of the Authority's accounts was substantially complete and he was 'pretty confident' that there would be an unqualified audit opinion on the Statement of Accounts.

The External Auditor gave an update on the progress and reported that

- in respect to the Property, Plant and Equipment valuations, an adjustment to the balance sheet had been made of a reduction of £1.5m due to a discrepancy between the site plans provided at the time of audit and the centrally held one.
- there were two further outstanding questions which were not expected to have any material affect.
- In terms of the pension valuations – the Auditors were still awaiting a letter from the Hampshire Local Government pension Fund Auditor, with no expectations of a material effect on the accounts.
- All misstatements had been corrected and adjusted in the accounts.

Members asked whether there was an issue where the work was not fully complete against the deadline of 30 November and heard that there had been multiple issues across multiple authorities and that many were in the same position and that very few authorities would be complete by 30 November.

RESOLVED

The Committee received and noted the External Auditor's Audit Results Report for the year ended 31 March 2022.

71. **STATEMENT OF ACCOUNTS 2021/22**

The Committee considered a report from the Chief Financial Officer (item 7 in the minute book). A summary was provided of the following updates made to the accounts since they had been published on the Service's website.

- Update to collection fund entries, due to timing between the preparation of the draft accounts and the receipt of the finalised returns from the billing authorities. (£500k).
- Grant transferred from the Isle of Wight had been removed from the grants disclosure note. (£141k).
- Revision to the property valuation of Property, Plant and Equipment by a reduction of £1.5m (balance sheet), due to the external audit work as explained in the External Audit Results report.
- Short term creditors (increase of £3,211k).
- Long term borrowing (reduction of £1,088k).
- The usable reserves were unchanged.

- No change to the bottom line of the cash flow statement or the cost of services.

In response to a question from Members, the Committee heard that the pension reserve on page 101 of the reports pack is a notional accounting reserve and reflects the Authority's share of the scheme assets and liabilities and is not a 'cash' figure. This is subject to a revaluation every three years.

Members discussed the underspend from the financial year 2021/22 and asked about the Reserves Strategy, how this was decided and planned to be used in terms of capital and revenue spending. Members heard that the Capital Payments Reserve could be used by the Authority to determine what it could be spent on.

The Committee expressed concern that approximately 5% of the council tax precept had been added to reserves for capital spending and the impact upon council tax payers. They wished this to be noted.

Members heard that the maintenance of reserves had helped the Authority make strategic choices in the past and that the Community Risk Management Plan was informed by the 'bottom line'.

Members asked about the value in the ICT Reserve, the Equipment Replacement Reserve, the HQ Maintenance Reserve and the increase of £4.5m to the total value of Usable Reserve.

The officer explained that there was limited capital funding to Fire Authorities and therefore limited ways to fund capital expenditure. He explained that a vehicle replacement programme and projects such as the building of the new Bishops Waltham Fire Station.

Members heard that the Authority sets the Reserves Strategy and that a Budget Update Report would be presented to the Authority in December and then a Budget and Precept Report, including the Reserves Strategy in February.

RESOLVED

- The Statement of Accounts for 2021/22 (draft) at Appendix 1 was approved by the HIWFRA Standards and Governance Committee subject to any final amendments reported at the meeting including the changes outlined in paragraph 18, with the Chief Financial Officer given delegated authority to approve further minor amendments to the Statement of Accounts if required prior to publication.
- The Letter of Representations (draft) attached at Appendix 2 was approved and signed by the Chairman on behalf of the HIWFRA Standards and Governance Committee.

72. INTERNAL AUDIT PROGRESS REPORT

The Committee considered a report from the Chief Internal Auditor (minute book item number 8) and heard that good progress had been made on implementing

the outstanding internal audit actions, with only three remaining overdue. There had been no audit reports with limited assurance issued since the last report to the Committee.

In response to a question about the internal audit actions relating to the Audit Review of Referral Pathways, the Committee was told that the actions would stay on the update report until all were cleared and there would be more detail in the next report.

RESOLVED

The progress in delivering the internal audit plan for 2021/22 and 2022/23 and the outcomes to date was noted by Hampshire and Isle of Wight Fire and Rescue Authority Standards and Governance Committee.

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

The Committee considered a report from the Chief Fire Officer (minute book number 9), which provided the latest update on the Internal Audit management actions not completed within their target date and status. The officer reported that the number of open management actions remained broadly similar to the last report and that all relating to the Audit Review of DBS checks had all been completed.

He explained that the action relating to the Gartan Management system was specific relating to qualification dates and that this information was currently held locally for protection and prevention staff and was about making the system more efficient and of low risk.

In response to a question from Members, the officer explained the internal governance and oversight processes in place to monitor and scrutinise the implementation of internal audit actions and their escalation where there was slippage in timeframes.

RESOLVED

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

74. **ORGANISATIONAL RISK REGISTER UPDATE**

The Committee considered a report from the Chief Fire Officer, (item 10 in the minute book) providing an update on the Organisational Risk Register. The officer drew the Committee's attention to the Heat Map in appendix A which showed the current risk scores. He explained that in respect to risk number ORG37, planning was underway within the Service to ensure that critical services can continue to be maintained.

The officer explained that there was a new risk management procedure which had been approved by the Executive Group.

Members asked about the impacts and reaction of the Service to the recently publicised London Fire Brigade Report and heard that duty officers had been available to staff and had visited fire stations to speak to people if they wished it. Communications had been made to staff to remind them about how they could report any concerns via safe mechanisms.

Members discussed possible impacts on the wellbeing of staff.

In response to questions from Members about 'enduring risks', it was confirmed that:

- a risk tolerance level had been introduced and was to be embedded in the process.
- Draft regulations in respect to the McCloud pension issue were due to be issued in October 2023 and would take a period of time to implement.

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,