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AT AN EXTRAORDINARY MEETING of the HFRA Standards and Governance Committee held at Fire and Police HQ, Eastleigh on Tuesday 11th June, 2019

Chairman:

* Councillor Liz Fairhurst

* Councillor Jonathan Glen

* Councillor Roger Price

* Councillor Geoffrey Hockley

* Councillor Sharon Mintoff

*Present

Also present with the agreement of the Chairman:
Councillor Chris Carter, Chairman of the Fire Authority

65. **APOLOGIES FOR ABSENCE**

All Members were present and no apologies were noted.

66. **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 entered 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.

67. **MINUTES OF PREVIOUS MEETING**

The minutes of the last meeting were reviewed and agreed.

68. **DEPUTATIONS**

There were no deputations on this occasion.

69. **CHAIRMAN'S ANNOUNCEMENTS**

The Chairman had no announcements to make on this occasion.

70. INTERNAL AUDIT PROGRESS REPORT 2018/19

The Committee considered a report of the Chief Internal Auditor providing an overview of internal audit work completed in accordance with the approved audit plan, and an overview of the status of “live” reports (Item 6 in the Minute Book).

Members noted that this was a regular update report to the Committee and it was highlighted that there were some audits which remained as work in progress. Officers explained that work was continuing to ensure that these were completed before the annual opinion which would be brought to the July meeting of the Committee. Attention was drawn to Section 5 of the report (page 20 of the agenda pack), which highlighted the reports published concluding a limited or no assurance opinion. Members raised questions in relation to cyber security, and it was explained that there were many effective processes in place to ensure security, but a key concern was that server operating system and application updates were not always being applied promptly to mitigate against known vulnerabilities. Members noted that there were now dedicated officers working in the area of cyber security and corrective actions had been agreed with responsible managers. Officers also explained other measures in place such as highlighting the importance of password strength to users, and increasing awareness to emails received from outside the organisation. Whilst these measures were in place, the importance of documenting and evidencing for audit purposes was emphasised. The issue around pay claims was discussed and it was noted that this focussed on ensuring that the correct people were paid the correct allowance, and it was explained that there was subsequent monitoring of this. A query was raised regarding pension issues in relation to allowances and officers explained the processes in place for monitoring this, and this was part of a wider piece of work which was ongoing in conjunction with the payroll department.

Members had some concerns around the number of limited assurances in the report and Officers explained that there had been significant changes in the organisation which could have contributed to this including staff changes, IT restructuring and the complexity of some of the issues. Officers were confident that with the right resources in places, and the position in a year’s time would be more positive. It was noted that all outstanding audit actions would be continually tracked until completion, and the Committee would be updated by means of a regular progress report brought to each meeting.

RESOLVED:

That the Standards and Governance Committee noted and will continue to monitor the progress in delivering the internal audit plan for 2018/19 and the outcomes to date.

71. HFRS REPORT ON MANAGEMENT ACTIONS

The Committee considered a report of The Chief Fire Officer on progress made towards the implementation of internal audit management actions (Item 7 in the Minute Book).

The report was introduced and it was highlighted that there were a number of high and medium priority actions which were currently outstanding beyond their agreed target date, and detailed at page 34 of the agenda pack. Members noted that in relation to safeguarding actions, resources had been allocated in relation to these, and that the scale and complexity of some of these issues had been underestimated, which had led to the delay in completion.

It was explained that in relation to the action of debt collection, that where instances had occurred which had resulted in overpayment, a stepped approach would be followed to enable this to be repaid over the same length of time that the initial overpayment had occurred. In response to a Member's query, officers would explore whether the issue of overpayments should be a generic issue relating to shared services, and whether this should be reported differently going forward. The initial management response in relation to each limited opinion was also explained to Members as set out in pages 36-37 of the agenda pack.

A discussion ensued around the proposal to increase the number of Standards and Governance Committees from two to four meetings a year. Members agreed to the proposals to increase the number of meetings and agreed that the Clerk would liaise with Members around the timing of these.

RESOLVED:

- i) That the Standards and Governance Committee noted the progress made towards the implementation of the internal audit management actions.
- ii) That the Standards and Governance Committee agreed to increase the number of future meetings from two to four a year, and for the Clerk to liaise with Members around the timing of these.

72. INTERNAL AUDIT CHARTER AND INTERNAL AUDIT PLAN 2019/20

The Committee considered a report of the Chief Internal Auditor regarding the Internal Audit Charter and Internal Audit Plan 2019/20 (Item 8 in the Minute Book).

Members were led through the report and it was heard that there had been no changes to the Internal Audit Charter for 2019/20 since the Committee last reviewed it in 2018, and there had been discussions with Managers in relation to areas for inclusion in the Audit Plan. Officers explained that the Plan was designed to validate the assurance and control framework within the Authority and Members attention was drawn to Appendix B of the report which provided detail of the scope of the Plan.

The importance of also focusing on areas of weaknesses was highlighted to ensure that these areas were properly addressed. Members noted the reference to the role of Director of Professional Services on page 47 of the agenda pack, and it was explained that this was in error and this role no longer existed.

It was also heard that there had been a change in the approach to providing assurance for the Integrated Business Centre under the International Standard on Assurance Engagements (ISAE 3402), and Ernst and Young had been appointed to provide this assurance going forward.

The Chairman of the Fire Authority extended his thanks to the Internal Audit Team for their reporting and clear approach going forward.

RESOLVED:

That the Standards and Governance Committee approved the Internal Audit Charter and the 2019/20 Internal Audit Plan for Hampshire Fire and Rescue Authority.

Chairman,