

AT A MEETING of the HFRA Standards and Governance Committee held at Fire
and Police HQ, Eastleigh on Monday 2 March 2020

Chairman:

* Councillor Liz Fairhurst

Vice-Chairman:

* Councillor Sharon Mintoff

* Councillor Jonathan Glen

Councillor Geoffrey Hockley

* Councillor Roger Price

*Present

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

93. APOLOGIES FOR ABSENCE

Apologies were received from Councillor Geoff Hockley.

94. 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.

95. MINUTES OF PREVIOUS MEETING

The minutes of the last meeting held on the 22 October 2019 were reviewed and agreed.

96. DEPUTATIONS

There were no deputations on this occasion.

97. **CHAIRMAN'S ANNOUNCEMENTS**

There were no Chairman's announcements on this occasion.

98. **EXTERNAL AUDIT PLANNING REPORT**

The Committee received the External Audit Planning report and the Annual Audit Letter (Item 6 in the Minute Book) presented by Ernst and Young.

Members were taken through the report and in relation to audit risks and areas of focus as highlighted in section one, page 15 of the agenda pack. Members noted that there were few changes to risk or focus from the previous year, but attention was drawn to the new accounting standard which was a new risk identified this year. Section two, page 19 of the agenda pack detailed External Audit's response to the significant risk of misstatements due to fraud or error, and it was heard that a programme of work was being undertaken by External Audit in response to this, which would focus on areas such as appropriateness of journal entries and assessing accounting estimates.

Other areas of audit focus were outlined which included valuation of land and buildings, pension liability valuation and IFRS 16 leases. In relation to pension liability valuation, Members queried the need for actuaries to complete work when the valuation had already been set by government. Officers informed Members that they would look into this further.

Section three of the report detailed the value for money risks and it was explained that this risk assessment was ongoing through to the year-end and any risk identified would be brought to the Committee's attention in future. It was highlighted that the rest of the report was standard reporting and Members noted this and the Annual Audit Letter. In response to Member questions on how this information would be relayed to the HMICFRS, it was noted that the inspectorate would look at how the Service was operating in relation to governance areas.

RESOLVED:

- i) That the Standards and Governance Committee received and considered the External Audit Plan for 2019/20 and considered any recommendations for the Full Authority.
- ii) That the Standards and Governance Committee noted the final Annual Audit Letter for 2018/19.

99. **INTERNAL AUDIT PROGRESS REPORT 2019/20**

The Committee received a report of the Chief Internal Auditor, providing a progress report on Internal Audit for 2019/20 (Item 7 in the Minute Book). The report was introduced and Members attention was drawn to page 81 of the agenda pack which detailed the rolling work programme. It was noted that there would be an awareness raising piece of work undertaken on fraud related issues.

Officers highlighted that a periodic survey was due to be sent to Members imminently and that feedback on the services provided by the Southern Internal Audit Partnership would be welcomed. There had been no reports with a limited assurance opinion issued since the last progress report to Committee. Members were content with the report and no questions were raised.

RESOLVED:

That the progress in delivering the internal audit plan for 2019/20 and the outcomes to date was noted by the HFRA Standards and Governance Committee.

100. INTERNAL AUDIT CHARTER AND INTERNAL AUDIT PLAN 2020/21

The Committee received a report of the Chief Internal Auditor detailing the Internal Audit Charter and Internal Audit Plan 2020/21 (Item 8 in the Minute Book). It was explained that the Charter set out at Appendix A was a requirement of the Public Sector Internal Audit Standards and this was a standard document with no significant change since Members reviewed it last year. Members attention was drawn to the Internal Audit Plan at Appendix B, and it was explained that it is important that The Plan reflects the needs of The Service going forward and as such had been compiled in consultation with HFRS. It was noted that the audit approach in relation to Shared Services changed from 1 April 2019, with the approach set out in paragraphs 6-7 of the report. To prevent duplication of work, the internal audit plan only includes areas of Shared Services that are outside of the scope of the ISAE 3402 work conducted by Ernst and Young.

In response to questions, it was explained that the Q3 timing for the Disaster Recovery and Business Continuity review was considered appropriate as it allows time for changes to become embedded throughout HFRS. Members also heard that the updated Risk Register would be brought to a forthcoming Authority meeting.

RESOLVED:

That the Standards and Governance Committee approved the Internal Audit Charter and the 2020/21 Internal Audit Plan for Hampshire Fire and Rescue Authority.

101. 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 were taken through the report and attention was drawn to the table at paragraph 11 which detailed the Internal Audit Management Actions. It was heard that some areas identified had been very complex to resolve, and an example of this was the issue of pay claims.

Members were content with the report and no questions were raised.

RESOLVED:

That the Standards and Governance Committee noted the significant progress made towards the implementation of the internal audit management actions.

102. HMICFRS 2018/19 ACTION PLAN AND 2020 INSPECTION READINESS PROGRESS REPORT

The Committee received a report on the HMICFRS 2018/19 Action Plan which also detailed progress in preparing for the 2020 Inspection (Item 10 in the Minute Book).

Officers explained that the Action Plan had been developed in response to the findings of the HMICFRS inspection report published in December 2018 to address the one cause for concern and numerous improvement points. Members heard that in relation to preparing for the upcoming inspections, a Service Liaison Lead had been allocated, which was a key role in carrying out preliminary pre-inspection visits to both HFRS and IWFRS. Progress with preparing for the forthcoming inspections was detailed, and it was heard that working groups had taken place and also engagement with the Inspectorate on individual levels.

Members also noted that the self-assessment process for the second cycle of inspections had been revised, and the questions would relate to actions taken place since the previous inspection. It was explained that the self-assessment process would enable the Inspectorate to have a better understanding of the Service. In relation to the diagnostic sections of the report, it was explained that internal officer led scrutiny had increased in the last few months to complete and close the diagnostics identified (areas of improvement). Members noted that seven had been completed and six were on target to be completed, with one was in progress against a revised completion date. Officers highlighted that progress was being made in addressing the cause for concern diagnostic as detailed in paragraphs 60 – 63 of the report which included the development of a new Personal Development Review Process.

Members raised questions in relation to separate inspections of both HFRS and IWFRS when both Authorities were in transition towards a shared service. It was heard that this was a decision of the Inspectorate, and the two Authorities were currently still separate, but it was thought the Inspectorate would be mindful of the transition.

In response to Members queries relating to the three day course as highlighted in paragraph 49, it was heard that these courses had commenced and whilst not mandatory, managers were strongly encouraged to attend where there was a need following conversations as part of the leadership framework.

Members also asked questions relating to diversity and ensuring the workforce was more representative. It was noted that Leading with Impact courses had been held and were open to all female firefighters. Officers highlighted the

significant work that had also been undertaken in relation to recruitment and ethnic minority groups.

RESOLVED:

i) That the progress made towards the delivery of the HMICFRS 2018/19 Action Plan was noted.

(ii) That the progress made against the Inspection Readiness Plan 2020/21 was noted.

Chairman,