

AT A MEETING of the HFRA Standards and Governance Committee held
virtually via Microsoft Teams on Wednesday, 30th September, 2020

Chairman:

* Councillor Liz Fairhurst

* Councillor Sharon Mintoff

* Councillor Jonathan Glen

* Councillor Geoffrey Hockley

* Councillor Roger Price

*Present

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

115. **APOLOGIES FOR ABSENCE**

All Members were present and no apologies were noted.

116. **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.

117. **MINUTES OF PREVIOUS MEETING**

The minutes of the last meeting held on the 23 July 2020 were reviewed. It was confirmed that in relation to Minute 111 and reference 'Risk Assessment Champion', this was covered within Councillor Glen's Champion role, and the action was therefore resolved. Councillor Glen was content with this.

The minutes of the last meeting were therefore agreed.

118. **DEPUTATIONS**

There were no deputations for the meeting.

119. **CHAIRMAN'S ANNOUNCEMENTS**

There were no Chairman's announcements.

120. EXTERNAL AUDIT RESULTS REPORT 2019/20

The Committee received a report from the Chief Finance Officer (Item 6 in the Minute Book) which summarised the External Auditor's Audit Results report for 2019/20 which was appended to the report. Representatives from Ernst & Young (EY) introduced their report and outlined key issues. It was confirmed that the audit of the Authority was almost complete and given the challenges related to the impact of the Covid-19 pandemic, the audit was in a good position. Members attention was drawn to page 17 of the agenda pack which set out the impact that Covid has had on the audit, and a key outstanding item was 'Disclosures on Going Concern'. It was explained that EY have been working with Officers to obtain information on the impact of Covid, and a mandatory consultation process within EY would subsequently follow to ensure consistency and efficiency of the disclosure.

EY drew Members attention to page 19 of the agenda pack and confirmed that they were still considering the final form of the audit report and this was explained to Members. It was heard that a final judgement would be made when work was complete and it was emphasised that this was not a qualification to the External Audit opinion. It was noted that upon completion of work, EY would be able to sign the opinion on the accounts, however they may not be in a position to certify the full completion of the audit at that time as this depended on receiving instruction from the National Audit Office.

Members were taken through Section 2 of the report (page 23 of the agenda pack) which set out the key risks. It was heard that in relation to misstatements due to fraud or error, this was a risk identified in every audit engagement and was mandatory. EY concluded that they had not identified anything that would need to be drawn to Members attention in connection with fraud or error. The risk in relation to valuation of land and buildings was also explained, and it was noted that there was a material uncertainty clause in the Valuers report for this year as a result of Covid. It was heard that a difference of £600,00 had also been noted on assets revalued throughout the year, and this detail was explained to Members who noted that this would not impact the audit opinion.

Page 25 of the agenda pack detailed pension liability valuation which included looking at adjustments in respect to McCloud and Goodwin, and it was heard that there were no issues to report. Members noted that EY were yet to finalise testing in relation to IAS19, but expecting to conclude on that within days. A misprint was highlighted on page 25 of the agenda pack and it was noted that the first bullet point listed under 'What did we do' should read 'Hampshire Fire Authority' instead of 'Hampshire Constabulary'. In response to a Member query, it was confirmed that the government set the rules in relation to pensions but the valuation was undertaken by Actuaries, Aon Hewitt.

EY drew Members attention to page 34 in the pack which concluded no risks in relation to value for money, and page 37 highlighted a prior year adjustment with a difference of £11 million, but there would be adequate disclosure in the accounts for this. In conclusion EY emphasised their independence of the Fire Authority, and wished to record their thanks to Officers with their assistance in completing the audit during a challenging year.

In response to Member questions, it was confirmed that as the procedures were still to be completed, the final fee would be brought back in the final audit letter which would be considered at a subsequent meeting of the Committee. Officers also confirmed that the deadline for the Authority to publish final accounts had been extended to the 30 November due to Covid, and this was also the deadline for the completion of the audit.

The Chairman of the Authority was invited to speak and agreed with other Committee Members that this was a thorough audit report in difficult circumstances, and the Chairman of the Authority and Members of the Committee were content with the report.

The Chairman drew Members attention to an additional recommendation to consider whether there were any matters to refer to the Authority, and no matters were referred.

RESOLVED:

- a) That the HFRA Standards and Governance Committee considered whether there were any matters to refer to the Hampshire Fire and Rescue Authority.
- b) That the Committee received and noted the External Auditor's HFRA Audit Results Report for the year ended 31 March 2020.

121. ANNUAL ACCOUNTS 2019/20

The Committee received a report from the Chief Finance Officer (Item 7 in the Minute Book) regarding the Annual Accounts 2019/20. Members heard that the Covid pandemic had impacted on the timescales that Officers had been working to in producing the accounts, the valuations within the accounts and the growing concern statement. Members attention was drawn to the recommendation at paragraph 35 of the report which allowed for delegated authority to make changes to the statement of accounts if required. It was heard that this recommendation may be used because of the extension to the 30 November to publish final accounts, and also as the external audit was still in the process of completion, and Members of the Committee would be updated of any changes.

The Letter of Representations was highlighted, appended to the agenda pack, which detailed assurances to the External Auditor, and also the accounts which were appended at Appendix 1. It was noted that since publication of these, there would be some changes which would be picked up when the External Auditors sign off the final version of the accounts. It was noted that presently any changes identified were minor, and did no impact on the overall position for the accounts.

The Chairman invited the Chairman of the Authority to comment, and he expressed his content with the accounts and congratulated Officers on their work through very difficult circumstances. The Chairman of the Committee queried whether there would be a Government one year settlement and it was explained that the Government were keen for a three year settlement to give certainty

through difficult times. It was noted that the settlement wouldn't impact on the Authority's accounts, and it was expected sometime in November which would feed into the provisional local government finance settlement.

Members were content with the accounts and thanked Officers for their hard work.

RESOLVED:

- a) That the Statement of Accounts for 2019/20 attached at Appendix 1 be approved subject to any final amendments reported at the meeting.
- b) That the Chief Finance Officer be given delegated authority to approve any minor amendments to the Statement of Accounts if required.
- c) That the Letter of Representations be considered and signed by the Chairman on behalf of the Committee.

Chairman,