



Hereford & Worcester Fire Authority

Audit and Standards Committee

Tuesday, 30 July 2019, 14:00

Chairman: Cllr M Hart

Vice-Chairman: Cllr A Amos

Minutes

Members Present: Ms P Agar, Mr A Amos, Mrs E Eyre BEM, Mr I D Hardiman, Mr Al Hardman, Mr M Hart, Mr R J Morris, Dr K Pollock, Mr L Stark

135 Apologies for Absence

Apologies were received from Mrs K Hey and Mrs D Toynbee.

136 Named Substitutes

There were no named substitutes.

137 Declarations of Interest (if any)

There were no interests declared.

138 Confirmation of Minutes

RESOLVED that the minutes of the meeting of the Audit and Standards Committee held on 24 April 2019 be confirmed as a correct record and signed by the Chairman.

139 Statement of Accounts 2018/19

The Treasurer presented the Statement of Accounts to Members for approval.

Members were made aware of two issues that had arisen since the date the draft Accounts had been issued and which required amendment

to the Statements before approval:

- the audit had identified one special capital invoice for over £0.5m (managed through Place Partnership Ltd) which was received a couple of days after the cut-off date. Given the significant size of the invoice it had been decided to adjust the Statements accordingly.
- On 27 May the Supreme Court refused the government permission to appeal the Court of Appeal ruling in relation to the discriminatory nature of the transition arrangements for the 2015 Firefighters Pension scheme. As a consequence this matter was now being referred back to the Employment Tribunal for remedy, however an additional £15m had been adjusted in the Accounts for this potential impact.

Members also noted that the final contribution of £0.4m from Wychavon District Council for the new Evesham Fire Station was still outstanding and the Treasurer and Head of Legal Services were in detailed negotiations with Wychavon District Council.

Following consideration of the External Audit Findings Report (below) it was **RESOLVED that the Statement of Accounts 2018/19 be approved.**

140 External Audit Findings Report 2018/19

The External Auditor presented Members with the External Audit Findings Report 2018/19 which set out any issues that the Committee needed to consider before approving the Accounts.

The External Auditor also presented the Letter of Representation for approval by the Committee which would then formally conclude the Audit.

RESOLVED that:

- i) the External Audit Findings Report 2018/19 including an unqualified opinion on the 2018/19 accounts be noted; and**
- ii) the Letter of Representation be approved on behalf of the Authority.**

141 External Audit Fee 2019/20

The External Auditor updated Members on the fee for the Audit of the 2019/20 Accounts which will largely be undertaken in 2020/21.

Members were informed that the Authority's scale fee for 2019/20

remained at the same level as 2018/19 (£25,311) and that the fees would be reviewed and updated as necessary as the audit work progressed.

RESOLVED that the Committee note the External Audit Fee 2019/20 from Grant Thornton UK LLP.

142 Internal Audit Annual Report 2018/19

The Head of Internal Audit Shared Service presented a report detailing the achievement of the Internal Audit objectives as set out in the Internal Audit Plan 2018/19. The audit opinion and commentary on the overall adequacy and effectiveness of the internal control environment concluded that arrangements for 2018/19 had managed the principle risks effectively and could be relied upon to meet corporate objectives.

With regard to Risk Management, Members were reminded that the Service had robust and embedded risk management processes in place with regular updates brought before the Committee.

RESOLVED that the Committee note the Internal Audit Charter and that the audit plan delivered in 2018/19 has provided an assurance level of “full” for three core financial areas and that no limited or below assurance areas have been reported.

143 Internal Audit Progress Report 2018/19 and 2019/20

The Head of Internal Audit Shared Service presented Members with a progress update on the residual 2018/19 audit plan delivery and progress to date on 2019/20.

Members were assured that any recommendations that had been made were being addressed through robust management action plans and in a timely manner.

With regard to controls being strengthened, Members were advised that these were low level house keeping issues and management had put a plan in place to address them. It was suggested by a Member that examples be provided in next year's report.

RESOLVED that the report be noted.

144 Internal Audit External Assessment

The Head of Internal Audit Shared Service presented Members with an update to the implementation progress made against the Internal Audit

External Assessment that took place during the 2017/18 financial year.

Members were advised that actions had been taken by the Worcestershire Internal Audit Shared Service and all points had now been satisfactorily actioned.

RESOLVED that the report be noted.

145 National Fraud Initiative 2018/19

The Treasurer provided assurance to Members that the Authority's approach to the National Fraud Initiative (NFI) 2018/19 had been thorough and that no fraud had been detected.

Members were advised that this was the second report on National Fraud Initiative 2018/19 due to not all matches being completed in April.

The Treasurer was pleased to announce that the NFI outputs had now been fully and comprehensively examined and no fraud had been identified.

RESOLVED that the Committee note that all NFI matches had been reviewed and that no fraud had been detected.

146 Strategic Risk Register Review

The Head of Operational Support presented Members with the annual update on the Strategic Risk Register.

Members were informed that new processes and framework had been embedded in the management of the Strategic Risk Register and in the departmental level Risk Registers. Members were reassured that there was continual monitoring and reviewing taking place at quarterly Senior Management Board performance meetings and Middle Management Board meetings to ensure risks were being used to drive business.

[Councillor Morris left the room at 14:57 and returned at 14:58].

There was a query from a Member regarding the lack of any mention of climate change as a potential risk to the organisation. Officers confirmed this would be reviewed following the update of the National Risk Register later this year. They were also advised that following a Senior Management Board meeting earlier that day the risk of industrial action had been raised to medium due to the current threat of strike action.

RESOLVED that the contents of the report be noted.

147 Organisational Development and Challenge Group Update and People Strategy 2017 – 2020 - Progress Update

The Head of Human Resources and Development presented Members with an update on the Organisational Development and Challenge Group, including People Strategy progress in relation to equality and diversity.

Members were advised that the purpose of the Organisational Development and Challenge Group (ODCG) was to act as a critical friend in challenging plans and processes in order to improve equality, diversity, consistency, transparency and outcomes.

Members were pleased to note that the Service continues to make good progress in embedding its equality, diversity and inclusion agenda and will continue to provide updates to the Committee.

RESOLVED that the following areas of progress be noted:

i) The Organisational Development Working Group now incorporates a critical friend role with regards to cultural change and has been re-named the Organisational Development and Challenge Group (ODCG);

ii) Following the appointment of the Head of HR and Development, year three People Strategy actions to be undertaken by the HR&D team have been mapped into a People Delivery Plan;

iii) The People Delivery Plan also encompasses actions in relation to the HMICFRS feedback; and

iv) The People Strategy 2020 – 2023 will be drafted during the Autumn of 2019.

Health and Safety Committee Update

The Head of Operational Support updated Members on the activities and items of significance from the Service's Health and Safety Committee.

Members were informed that although there had been a slight increase in accidents, injuries and damage reported in comparison to Quarter 4, 2017-18 and the previous quarter, this was not seen as significant.

There was concern by Members that 25% from the staff survey results felt negative about Health and Safety and were assured that Managers would

explore why this was.

RESOLVED that the following issues, in particular, be noted:

i) Health and Safety performance information recorded during January to March 2019 (Quarter 4);

ii) The involvement of the Service in a number of Health and Safety initiatives.

The Meeting ended at: 15:30

Signed:.....

Date:.....

Chairman