



Hereford & Worcester Fire Authority

Audit and Standards Committee

Wednesday, 06 September 2017,09:30

Minutes

Members Present: Ms P Agar, Mr I D Hardiman, Mr M Hart, Dr K Pollock, Professor J W Raine

75 Apologies for Absence

Apologies were received from Mr A Amos, Ms K Guthrie, Mr R Matthews, Mr P Middlebrough, Mr S Williams.

76 Named Substitutes

There were no named substitutes.

77 Declarations of Interest (if any)

There were no declarations of interests.

78 Confirmation of Minutes

RESOLVED that the minutes of the Audit and Standard Committee held on 12 April 2017 be confirmed as a correct record and signed by the Chairman.

79 Draft Annual Governance Statement 2016/17

Members were given a summary of the governance arrangements for 2016/17 and advised that procedures followed the same format as previous years. The Committee were informed that the annual self-assessment review noted evidence of compliance with all core and supporting principles of good governance with no areas for immediate action. It was noted that two minor actions were scheduled for work in 2017/18 as the review of some documents and arrangements in Financial Regulations and Standing Orders for Regulation of Contracts had yet to

be completed.

RESOLVED that the Draft Annual Governance Statement 2016/17 be approved.

80 Approval of the Annual Statement of Accounts 2016/17

The Treasurer presented the Statement of Accounts 2016/17 to the Committee and noted that there were three amendments to the Draft Accounts covering the following;

Pg. 101 of Agenda 14. Senior Officers: Additional Final Sentence

The Chief Fire Officer/Chief Executive costs are only included for part of the financial year, this is because until 31 July 2016 he was employed by Oxfordshire County Council and seconded to Hereford and Worcester Fire Authority. The Authority made payment of £57,159 to Oxfordshire County Council for the services received.

Pg. 132 of Agenda 124. Events after the Reporting Period: Additional Disclosure

As part of the triennial revaluation of the Worcestershire Pension Fund (LGPS), the Fire Authority has a liability to make lump sum contributions; to cover the previous deficit relating to prior years; in 2017/18, 2018/19 and 2019/20, totalling £960k. In April 2017 the Authority paid the 2017/18 liability and prepaid the liabilities for 2018/19 and 2019/20 to secure a discount of £60k in the total liability.

Pg. 134 of Agenda Firefighters' Pension Fund Statement of Net Assets

Correction to 31 March 2017 top up grant and amounts due to General Fund.

The following balances in the table below are held in relation to the Pensions Fund.

	31-Mar-16	31-Mar-17
	£000	£000
Current Assets		
Debtors		
Employer Contributions Due	116	107
Employee Contributions Due	100	96
Top Up receivable from the government	234	2,504
Prepayments		
Pensions paid in advance	996	583
Creditors		
Unpaid Pension Benefits	(40)	(21)
Amounts due to General Fund	(1,406)	(3,269)
	0	0

The Treasurer confirmed that the accounts had been signed off on 26 May 2017 a month ahead of the new deadline that will apply from next year onwards and that there were no significant issues arising from the completed audit. The Treasurer highlighted that although the accounts showed a significant deficit this had arisen from the identified liabilities in the pension schemes and confirmed that the Authority was not required to fund the negative balance as it would be met by direct government grants. Members' attention was drawn to the fact that as a consequence of the new Account and Audit Regulations 2015 and the changing deadlines for account sign off and publish it will be necessary to make changes to the established timetable for the Committee from 2018 onwards.

Following consideration of the External Audit Findings Report (below) it was **RESOLVED the Statement of Accounts 2016/17 be approved.**

81 External Audit Findings Report 2016/17

The External Auditor confirmed that working papers received by officers were good quality reports and in line with the agreed timetable. It was

highlighted to Members the intention of issuing an unqualified opinion on the financial statements and an unqualified value for money conclusion. Members were advised that there were no control issues or weakness' to be brought to the attention of the committee and that no adjustments affecting the Authority's reported financial position were required.

There were no issues relating to findings against significant risks and the auditors were happy with the identified conclusions. With regards to the Medium Term Financial Plan it was noted that good plans were in place to address the deficit. It was recognised that despite risks with some longer term schemes involving external partners the arrangements that were in place were sustainable, focused and what the auditors expect to see.

RESOLVED that:

- i) the External Audit Findings Report 2016/17 including an unqualified opinion on the 2016/17 accounts be noted; and**
- ii) the letter of representation be approved on behalf of the Authority.**

82 External Audit: Future Plans

The External Auditors confirmed that the Authority's scale fee for 2017/18 remained unchanged from the previous year and that no additional charges were required.

The Treasurer reminded Members of the revised arrangements for the appointment of external auditors from 2018/19 and confirmed that the Authority had received notification from Public Sector Audit Appointments Ltd. appointing Grant Thornton UK LLP as auditors for five years commencing with the 2018/19 audit.

[9:55 Cllr Pat Agar entered the room]

RESLOVED that the Committee note:

- i) The External Audit Fee 2017/18 from Grant Thornton UK LLP; and**
- ii) The appointment of Grant Thornton UK LLP as Auditors for 2018/19 onwards.**

83 Annual Statement of Assurance 2017-18

It was highlighted to Members that this was the fifth Statement of Assurance that the Authority had produced and was designed to give

staff, partners and members of the public assurance that the Authority does everything it can to keep them safe as well as providing value for money. Members attention was drawn to the fact that the document was a summary covering three areas of governance, finance and frontline response, signposting readers to information that was already publically available.

RESOLVED that the Draft Statement of Assurance be adopted and approved for publication.

84 Internal Audit Annual Report 2016/17

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 2016/17. The audit opinion and commentary on the overall adequacy and effectiveness of the internal control environment concluded that arrangements for 2016/17 had managed the principle risks effectively and could be relied upon to meet corporate objectives. Full to moderate assurances were given in relation to all but two of the twelve areas reviewed. These outstanding issues in Safeguarding and the CARE Scheme were being addressed as part of the process of continuous improvement and clear management actions had been agreed.

RESLOVED that:

- i) the audit plan delivered in 2016/17 provided an assurance level of full for the core financial areas and identified two key areas for improvement be noted; and**
- ii) the internal Audit Charter be approved.**

85 Internal Audit Monitoring Report 2017/18

The Head of Internal Audit Shared Service presented a report detailing progress on the 2017/18 audit plan and the residual work from the 2016/17 plan. Members were informed that although the residual work reported four high priority recommendations arising with potential risks in safeguarding and the CARE system these were already being addressed through robust management action plans. It was confirmed that work for 2017/18 would continue to progress steadily throughout the year and the Committee would be kept up to date with findings.

RESLOVED that the Internal Audit Monitoring Report 2017/18 be noted.

Organisational Development - Equality and Diversity Review

Members were advised that the Service was on a conscious journey to improve equality and diversity practices. Members were informed of the findings and recommendations following a review carried out by The Wisdom Factory CIC on behalf of the Services Organisational Development Group. The review identified twenty four recommendations. It was noted that one of the key actions identified was the development of an Equality and Inclusion Strategy with measurable and achievable objectives that would produce an action plan to discharge the recommendations and be overseen and monitored by the Organisational Development Group.

Cllr Agar expressed concern that the report referred only to LGB rather than LGBT. Officers agreed that this would be a consideration in future documents.

***RESOLVED* that:**

- i) the findings and recommendations set out in the Equality and Diversity Review be welcomed and incorporated within an action plan being developed as part of the forthcoming People Strategy; and**
- ii) the action plan include an Equality and Inclusion Strategy which be brought back to Audit and Standards Committee for approval as soon as possible.**

Employment Monitoring Data 2016-17

Members were presented with a summary of progress against the Public Sector Equality Duty prior to the publication of the Employment Monitoring Data 2016/17. The data covered six main areas and the report went hand in hand with the Equality and Diversity review and the work of the Organisational Development Group.

***RESOLVED* that:**

- i) it be noted that there have been minimal changes to the overall make up of the Services workforce since the previous employment monitoring report for 2015-2016.**
- ii) it be noted the inclusion of data in relation to unsuccessful completion of the fitness test has been included within the Case Work section of the Employment Monitoring Report 2016-2017.**

iii) The Employment Monitoring Report 2016-2017 be approved for publication.

88 Health and Safety Committee Update

The key aim of the Health and Safety (H&S) Committee was to establish a forum to provide robust arrangements to review health and safety matters taking into account local, regional and national activity. It was confirmed that Councillor Brandon Clayton sat on the H&S Committee which had the ability to task a working group as and when required. Members were informed that currently the working group were midway through a review of organisational road risk and findings would be brought back to Audit and Standards Committee in due course.

RESOLVED that the

(i) Health and Safety performance information recorded during January 2017 to June 2017 (Quarter 4 2016/17 & Quarter 1 2017/18) be noted.

(ii) involvement of the Service in a number of Health and Safety initiatives be noted.

The Meeting ended at: 10:57

Signed:.....

Date:.....

Chairman