

At a meeting of the HAMPSHIRE FIRE AND RESCUE AUTHORITY STANDARDS & GOVERNANCE COMMITTEE held at Hampshire Fire and Rescue Service Headquarters, Eastleigh on 23 September 2013

PRESENT:

Councillors: C. Carter; L. Fairhurst; J. Frankum; D. Harrison; G. Hockley (Vice-Chairman); R. McIntosh (Chairman); P. Smith; R. Smith

1 APOLOGIES

Apologies were received from Councillor Chris Lagdon.

2 DISCLOSURES 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 pecuniary or non-pecuniary interests in any such matter that they might have wished to disclose.

There were no declarations of interest received for the meeting.

3 MINUTES AND MATTERS ARISING

The Minutes from 5 July 2013 were agreed and confirmed as a true record and signed by the Chairman (Item 3 in the Minute Book).

4 CHAIRMAN'S ANNOUNCEMENTS

The Chairman requested a future report to the Committee regarding whistleblowing. It was agreed that a report would be provided for the next meeting in December.

5 DEPUTATIONS

There were no deputations received for the meeting.

6 EXTERNAL AUDIT RESULTS LETTER 2012/13

The Chief Officer provided a report in relation to the Authority's external audit assessment and results letter for 2012/13 (Item 6 in the Minute Book).

A summary of the audit findings was provided. There were no risks identified in terms of the Authority's governance and use of resources and the auditors were assured about the Authority's arrangements. The audit was also assured over internal fraud controls. Members discussed the

wider issue of IT fraud risk within commercial and public sector organisations.

The Value for Money and Resilience themes within the assessment were considered to be robust. It was confirmed that the Value for Money assessment included benchmarking and it was acknowledged that the Authority actively sought to benchmark itself against other Authorities.

The Audit Commission would be issuing an unqualified audit opinion on the Statement of Accounts confirming that the Authority had sound governance arrangements in place for 2012/13.

The Committee enquired about how future audits would be carried out in terms of joint working/ shared services between Hampshire Fire and Rescue Authority (HFRA) and other public services. An audit protocol would be in place to assess the shared arrangements in line with the service sharing agreement and a primary group auditor would feedback to other auditors within the group.

The Committee was satisfied that the Authority had achieved a good audit result and the Chairman signed the letter of management representation on behalf of the Authority.

RESOLVED:

- a) For future years, Hampshire Fire and Rescue Service (HFRS) would review the annual Governance Statement wording 'the Authority has a low level of detected fraud' to clarify that detection of fraud was effective but the low level of fraud limited the amount which could be detected.
- b) The External Auditor's HFRA Audit Results Report for 2012/13 was received and;
- c) The letter of management representation (appendix 2) was considered and the Chairman of the Committee signed it on behalf of the Fire Authority.

7 DRAFT STATEMENT OF ACCOUNTS 2012/13

The Committee considered the report from the Treasurer in relation to the Authority's draft statement of accounts for 2012/13 (Item 7 in the Minute Book).

The Treasurer summarised the contents of the report which provided the Statement of Accounts for 2012/13 and which required approval by the Committee. The accounts were consistent with those issued to the Finance and General Purposes Committee in July 2013.

Aspects of the report were clarified including senior manager level pay numbers in relation to annual inflation.

Members requested assurance that 3SFire Ltd governance plans were reported to the Committee. The Director confirmed that the Committee did not have direct oversight of 3SFire Ltd since it was a separate organisation. The company was accountable to the full Authority as the sole shareholder. A report would be provided in due course to the Committee on the Authority's governance arrangements with 3SFire Ltd.

The selection process for appointing directors of 3SFire Ltd was discussed and it was suggested that a Members' skills audit be undertaken by HFRA. It was agreed that the Committee would discuss with the HFRA Members' Development Working Group the ways in which Members' skills could be identified to inform future appointment decisions.

The Committee noted the hard work of the finance team and thanked them for their contributions.

RESOLVED:

- a) That a report on the Authority's governance arrangements for 3SFire Ltd would be presented to the next committee.
- b) That Councillor Harrison would discuss the process of identifying Members' skills to inform future appointments with the HFRA Members' Development Working Group.
- c) The Statement of Accounts for 2012/13 was approved and the Chairman signed the 2012/13 Statement for the Authority.
- d) The Treasurer was given delegated authority to approve any minor amendments to the Statement of Accounts.

8 INTERNAL AUDIT PROGRESS REPORT 2013/14 (AUGUST 2013)

The Committee considered the report from the Treasurer in relation to the Authority's internal audit progress report for 2013/14, for the period up until August 2013 (Item 8 in the Minute Book).

An update was provided on the internal audit work completed in line with the approved audit plan, including reference to the status of 'live reports' and those closed since April 2013, as detailed in the report.

Members were satisfied with the internal audit progress to date for the current reporting period.

RESOLVED:

The Committee noted the progress of internal audit work for the period ending 31 August 2013.

9 PROGRESS REPORT ON THE IMPLEMENTATION OF AUDIT MANAGEMENT ACTIONS

The Committee considered the report of the Chief Officer in relation to the Authority's implementation of audit recommendations (Item 9 in the Minute Book).

An update was provided to the Committee on the progress of management actions following audit recommendations, including the Training Centre 2012/13 internal audit report, and additional audit action plans.

Revenue contracts (page 1 of Appendix) had been extended to align with local partners. Benefits in kind, in relation to taxation (page 2) was due for internal audit check. Budgetary control (page 4) was an ongoing action plan. The pro-active/ thematic review focusing on Overtime, Travel and Subsistence (pages 10 – 11) showed that no fraud had been detected, and recommendations on mobile data terminals (pages 18 – 19) had been implemented.

Monitoring of contractors by HFRA was discussed as well as the Service's key IT systems. The Committee requested a future report describing the major IT projects currently being implemented by the Service, including their progress to date and their governance arrangements, for its next meeting. In addition, information was requested about information security measures.

RESOLVED:

- a) The Committee requested a report describing the IT projects /systems being implemented by the Service including reference to information security management at the next meeting.
- b) The Committee approved the audit action reports and progress made towards the implementation of recommendations.