

At a meeting of the HAMPSHIRE FIRE AND RESCUE AUTHORITY STANDARDS & GOVERNANCE COMMITTEE held at Hampshire Fire and Rescue Service Headquarters, Eastleigh on 4 April 2014.

PRESENT:

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

38 APOLOGIES

There were no apologies for the meeting.

39 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.

40 MINUTES AND MATTERS ARISING

Members asked about actions as outlined within the Minutes. Under Minute 30 and action to provide an update about the Service's procurement process, a report was being considered at the next F&GP Committee and a link would be sent to S&G Members for reference.

Under Minute 32 and action to provide an update on information sharing protocol between the Authority and 3SFire, the Performance Review Manager confirmed that the Company had registered under the Data Protection Act. This would therefore not extend liability to the Authority. 3SFire staff were trained in Data Protection. The trading arm between the two organisations and governance arrangements were on the Authority's Risk Register and risk would be monitored.

Under Minute 32 and action to provide an update on 3SFire audits, it was noted that the Company would be audited separately. The Chairman advised Members that scrutiny of its audit could take place at the AGM. Any issues which linked with the Authority would be reported within the regular management actions progress report to S&G Committee.

Under Minute 31 and the previous granting of dispensation to 3SFire Directors who were Members of HFRA, it was confirmed that this applied from the date of the 11 December 2013 S&G Committee.

Post meeting note:

The Minutes from 11 December 2013 were signed by the Chairman as a true record following clarification from the Clerk that actions were provided within 'Matters Arising'.

41 CHAIRMAN'S ANNOUNCEMENTS

There were no Chairman's announcements.

42 DEPUTATIONS

There were no deputations received for the meeting.

43 HAMPSHIRE FIRE AND RESCUE AUTHORITY EXTERNAL AUDIT PLAN 2014/15

The Committee received a report from the external Auditor in relation to the External Audit Plan for 2014/15 (Item 6 in the Minute Book).

The Auditor summarised 'Financial Statement Risks' within the report. Management override of financial decisions was noted as a general risk within all plans whereby such decisions were audited. IAS19 changes were noted for the revised standard during 2013/14, linked to Authority pensions, which were reviewed within financial audit.

Fraud and error were noted as the responsibility of management to investigate, however, auditors reviewed internal management controls. Aspects of risk assessment under 'Economy, Efficiency and Effectiveness' were outlined in relation to ensuring Value for Money.

Members enquired if the audit included 3SFire. It was noted that this was not included within the audit remit, and would feature only in connection with matters linked with HFRA. The Audit Commission reviewed the Company's targets however, and this was reported to the Authority.

Benchmarking of the auditor's fee against other authorities was discussed. It was noted that the government had tendered for current providers, per region, for a fixed term of five years. Authorities could select auditors themselves after this period.

RESOLVED:

- a) The Committee received and accepted the External Audit Plan for 2013/14.

44 INTERNAL AUDIT PROGRESS REPORT 2013/14

The Committee considered the report from the Treasurer in relation to internal audit work completed to the end of February 2014 (Item 7 in the Minute Book).

The Treasurer summarised internal audit work completed as part of the Audit Plan for 2013/14. Outstanding actions were highlighted (as detailed within appendix section 2) and the Treasury were on course to deliver the annual audit opinion for the Committee in June.

Members were satisfied with the internal audit progress for the year.

RESOLVED:

- a) The Committee noted the progress of internal audit work for the period ending 28 February 2014.

45 INTERNAL AUDIT CHARTER AND ANNUAL INTERNAL AUDIT PLAN 2014/15

The Committee considered the report from the Chief Officer in relation to the internal audit Charter and Plan for 2014/15 (Item 8 in the Minute Book).

The Treasurer provided an update on plans in relation to the new Charter. In line with CIPFA regulations, the Charter replaced the former internal audit Strategy. The Charter now incorporated public sector standards and provided a clearer definition of roles and responsibilities, as shown within report Appendix A. Members noted the proposed Charter for 2014/15.

It was confirmed that there would be a joint plan for auditing of the 'H3' partnership in order to ensure efficiency. This would involve separate aspects for the Authority to report against. The Plan was noted as being adaptable for allowing for any new emerging risks.

Current arrangements of internal audit being undertaken by external providers via Hampshire County Council were discussed. It was explained that the audit was a service to management and an internal support mechanism for governance checks.

It was noted that the priorities listed within the report were only those ranked as 'high' or 'medium' and that lower risks were assigned to internal management for resolution.

RESOLVED:

- a) The Committee approved the Internal Audit Charter for Hampshire Fire and Rescue Authority and the internal audit plan for 2014/15.

46 INTERNAL AUDIT SELF ASSESSMENT AGAINST STANDARDS

The Committee considered the report of the Treasurer in relation to the internal audit self assessment (Item 9 in the Minute Book).

The Treasurer summarised aspects of the internal audit self assessment for

Members. This was an annual assessment of internal audit arrangements to check compliance with standards and it was confirmed that Hampshire County Council's Monitoring Officer independently assessed the results.

The findings of the assessment were outlined. One area of 'partial compliance' was noted in relation to assurance mapping of the audit. One of 'non compliance' was noted as being due to requirement for the Board to approve removal of the Chief Internal Auditor where needed. In the Authority's case this was not possible as it was an external appointment however, it was noted that this could be sought via the County Council.

RESOLVED:

- a) The Committee approved the self-assessment conducted to assess the effectiveness of the system of internal audit
- b) The Committee endorsed the action plan generated from the self-assessment against the Public Sector Internal Audit Standards.

47 PROGRESS REPORT ON THE IMPLEMENTATION OF INTERNAL AUDIT MANAGEMENT ACTIONS

The Committee considered the report of the Chief Officer in relation to internal audit management actions (Item 10 in the Minute Book).

The Performance Review Manager provided an update on the latest progress against internal audit management action plans. Members noted that several had been extended due to organisational changes linked with the Joint Working Programme which had created some delays.

The Risk Officer updated Members on ongoing action plans. The Taxation/ Benefits in Kind plan had been extended and pending implementation of the new tracking systems for vehicle use logs. Delays for completion of the Sustainability owing to post vacancy and for a September extension were noted. It was confirmed that in terms of the Training Centre, the training programme was running and only the provision of the course portfolio was delayed. Members were satisfied with the progress made.

RESOLVED:

- a) The Committee approved the audit action reports, and progress made towards the implementation of recommendations.

48 LOCALISM ACT 2011 – PROPOSAL FOR A PAN-HAMPSHIRE MEMBERS' CODE OF CONDUCT

The Committee considered the report of the Clerk in relation to development of the Pan-Hampshire Members' Code of Conduct (Item 11 in the Minute Book).

The Clerk summarised the background to proposals. The Hampshire-wide

proposal had arisen to provide a single code for dual-hatted members and following adoption of Option Two, as previously agreed by the Authority which the HIOWLA had agreed to adopt.

Revisions related to personal interests, declarations of pecuniary interest and gifts/ hospitality were highlighted. Member noted that under the new code, personal interests would now not need to be declared within registers but only at relevant meetings (and noted in the Minutes). Declarations of pecuniary interest would as before, need to be stated before agenda items during which members would need to leave the meeting. Members noted the increased threshold from £25 to £50 for gifts/ hospitality.

Members endorsed changes under the new Code and it was agreed that in the event of any doubt for declarations, that Members state their interest within the appropriate meeting.

RESOLVED:

That the Committee RECOMMENDS to the Authority that in the interests of achieving a consistent approach to Member Conduct across the HIOWLA authorities, the Members' Code of Conduct be amended to include provision concerning personal interests and gifts and hospitality as detailed in Appendix 2.