
CLEVELAND FIRE AUTHORITY

MINUTES OF AUDIT & GOVERNANCE COMMITTEE MEETING



25 FEBRUARY 2022

PRESENT: **VICE CHAIR:-** Councillor Naweed Hussain - Middlesbrough Council

HARTLEPOOL BOROUGH COUNCIL

Councillor Ben Clayton

MIDDLESBROUGH COUNCIL

Councillor Tom Mawston, Jon Rathmell

REDCAR & CLEVELAND BOROUGH COUNCIL

Councillor Billy Ayre, Cliff Foggo

STOCKTON ON TEES BOROUGH COUNCIL

Councillors Lynn Hall (Sub), Steve Matthews

INDEPENDENT PERSONS

Mr Steve Harwood

Mr Paul McGrath

AUTHORISED OFFICERS

Chief Fire Officer, ACFO - Strategic Planning and Resources, Treasurer,
Legal Adviser & Monitoring Officer, ACFO – Community Protection

MAZARS

Audit Director

Audit Manager

IN ATTENDANCE

Head of Risk and Performance

Head of Finance and Procurement

APOLOGIES Councillor Tom Cassidy - Hartlepool Borough Council
FOR ABSENCE: Councillors Adam Brook - Redcar & Cleveland Borough Council

In accordance with Standing Order No. 35 Councillor Lynn Hall substituted for Councillor Tom Cassidy.

107. WELCOME – NEW AUDIT MANAGER, MAZARS

The Chair welcomed Joanne Greener from Mazars to the meeting who has taken over from Ross Woodley as the Authority's Audit Manager.

108. DECLARATION OF MEMBERS INTERESTS

It was noted no Declarations of Interest were submitted to the meeting.

109. MINUTES

RESOLVED – that the Minutes of the Audit & Governance Committee held on 19 November 2021 be confirmed.

110. REPORTS OF MAZARS

110.1 Audit Progress Report 2021/22

The Audit Director (AD) updated Members on the progress of the 2021/22 Audit and outlined National Publications from:

- Chartered Institute of Public Finance & Accountability (CIPFA)
- Department for Levelling-Up, Housing & Communities (DLUHC)
- National Audit Office (NAO)
- Department of Health and Social Care (DHSC)
- Financial Reporting Council (FRC)

He acknowledged that there had been delays in delivering 2020/21 audit outcomes nationally with only 9% of audits achieved within the July 31 deadline. In response to this, the Government had agreed to move the deadline to 30 September from 2021/22 onwards with no sign of reverting to a 31 July deadline in the near future.

The AD gave members assurances that external reviews on audit work are undertaken, in addition to internal checks, and sanctions can be placed on Mazars from the FRC if they are unhappy with the audit quality. He reported that Mazars had been sanctioned for an 2018/19 audit which was not related to this Authority or involve any of the Authority's engagement team. As a result of the sanctions, Mazars undertook an internal quality control review which resulted in tightened documentation of its work and increasing the sample size from 2 to 4 to strengthen the process. Members thanked the AD for providing this reassurance.

RESOLVED – that the Audit Progress Report – February 2022 be noted.

110.2 Auditors Annual Report Year Ending 2021

The AD presented the Auditors Annual Report for the Year Ending 2021 which included:

- Audit of the Financial Statements
- Commentary on VFM arrangements
 - 1) Financial Sustainability
 - 2) Governance
 - 3) Improving Economy, Efficiency and Effectiveness
- Other Reporting Responsibilities and Fees

He stated that this new report replaced the Annual Audit Letter and although he was in a position to present the Value for Money opinion to Members he was still awaiting guidance from the Treasury on Whole of Government Accounts meaning the audit technically remained open.

He reported that the Value For money opinion now required a supporting narrative over the three key areas listed above and any significant weakness identified are required to be reported immediately, with recommendations against them.

The AD reported no significant weaknesses for the Authority and acknowledged that it had been a difficult decade for the Authority which needed to make savings where it could to balance the budget, set against a backdrop of funding uncertainties.

110.2 Auditors Annual Report Year Ending 2021 cont.

He reported that the Authority had effective governance arrangements in place and the best performance monitoring seen across other committees attended by the AD. Overall, the AD reported no significant weakness across any of the three areas.

The AD informed Members that audit fees for 2020/21 had increased to reflect the additional workload from the new approach to value for money reporting governance and in respect of the revised ISA540.

RESOLVED – That the Auditors Annual Report Year ending March 2021 be noted.

111. REPORTS OF CHIEF FIRE OFFICER

111.1 Organisational Performance & Efficiency Report April – January 2022

The Head of Risk and Performance (HoRP) outlined the performance of the Brigade for the period 1 April 2021 to 31 January 2022 which had been aligned to the Brigade's performance assessment framework.

Members received a presentation of current performance compared with 5-year averages to account for the impact of the Covid-19 pandemic and give the direction of travel. Key areas are highlighted below:

- Total incidents were 8,127– an increase of 528 (7%) compared to 5-year average. These comprised of: Primary Fires 679 (9%); Secondary Fires 3,025 (41%); False Alarms 2,368 (32%) and Special Services 1271 (17%).
- There have been 16,886 Safer Homes Visits completed and risk reduction advice provided – an increase of 2,975 (21%).
- 1,524 inspections of Industrial and Commercial Premises were carried out – an increase of 804 (112%) compared to the previous year.
- Accidental Dwelling Fires had increased by 42 incidents to 157 – a 37% increase on the 5-year average and 22% increase on 2021/21 (28). Cleveland has the second lowest rate of ADFs in the country with only Warwickshire FRS recording fewer incidents. The main causes being: electrical (22%); careless handling (22%); and cooking (19%).
- 3,540 Deliberate Fires were recorded – an increase of 813 incidents (30%) on the five-year average. 401 were Deliberate Primary Fires (+17%) and 3,139 were Deliberate Secondary Fires (+32%). Main cause of Deliberate Primary Fires was vehicles (221 / 55%) and Deliberate secondary was refuse (2,205 / 70%). April 2021 recorded the highest number of deliberate fire incidents in a month over the last 10 years.
- Violence to staff – 60 incidents recorded - 56% increase (15 incidents) on five-year average. 17 incidents recorded in January 2022 alone. 37 incidents were objects thrown at staff, 21 were verbal abuse, 1 was harassment and 1 other.
- Response Standards:

• Call answering:	Target set at 7 seconds, Actual 6.15 seconds
• Call Handling:	Target 100 seconds, Actual 84 Seconds
• Building Fires 1st Appliance	Target 7 Minutes, Actual 5.06 Minutes
• Building Fires 2nd Appliance	Target 10 Minutes, Actual 7.05 Minutes
• RTC	Target 8 Minutes, Actual 5.27 Minutes

111.1 Organisational Performance & Efficiency Report April – January 2022 cont.

- Sickness Absence (including Covid related sickness absence) was 8.45 shifts per person – an increase of 2.31 shifts (38%) compared to 5-year average of 6.14 shifts. Total 4,460 duty days lost to sickness equating to Whole Time 8.28 shifts per employee (+36%); Retained 4.39 (-19%); Control 15.37 shifts (+189%) and Greenbook 10.53 shifts (+50%). Half of the workforce had no sickness absence in the last year.

The Chair thanked the HoRP for the report and asked for further details on Safer Homes Visits. The CFO reported that these visits were delivered by crews and hub staff working through a checklist on a tablet to capture a thorough picture of individual needs and risks and put appropriate measures in place immediately.

Paul McGrath highlighted the 13% increase in mental health related sickness and asked if there was a correlation between the rise in attacks on firefighters. The CFO confirmed that this issue was being explored both locally and nationally and that the Authority had signed up to the Mental Health at Work Commitment working with other agencies across the country. Councillor Clayton asked whether rising sickness levels could be due to fact that people are less likely to go into the workplace when unwell than they might have been pre-pandemic. The CFO reported that all individuals have a wellbeing conversation with their line manager when returning to work after sickness to ensure they are fit to return to work and that appropriate measures are in place.

Steve Harwood referred to optimum appliance availability and asked whether this was more likely to be affected by crew availability rather than mechanical defects. The CFO confirmed this was rarely down to mechanical defects.

Councillor Matthews asked whether crews isolating due to Covid-19 was classed as sickness. The CFO confirmed that up to 24 March 2022, the agreement nationally was not to record Covid-related sickness on staff sickness records. He acknowledged that rising non-Covid related sickness levels impact the Brigade's ability to deliver services to the community and measures were in place to address this issue.

Councillor Rathmell expressed 'embarrassment' as a Middlesbrough Councillor over the repeated incidents of violence to staff taking place in Hemlington and asked whether all four local authorities have the same appetite to tackle this issue as a strategic priority. The CFO reported that while the Authority prioritises deliberate fire setting and violence to staff under 'Safer Neighbourhoods', these issues do not receive equal weighting across each local authority. He pointed out that it was down to Members of the Fire Authority to lobby their councils to change that agenda. The Chair reported that Middlesbrough Council had installed additional CCTV in the Hemlington area to support prosecutions.

Councillor Hall commended the Brigade for achieving 'absolutely amazing' numbers of Safer Homes Visits and highlighted the successful partnership work with Adult Social Health in Stockton. The CFO confirmed that all Safer Homes Visits and protection work is built around a risk-based inspection and targeted model. This is based on records of 260,000 households which indicate whether they are low/high risk and they are targeted according to that risk stratification.

RESOLVED – that the report be noted

111.2 Corporate Risk Register

Members considered the Corporate Risk Register which had been reviewed by the Active Risk Team in January 2022 and by the Executive Leadership on 12 February 2022. The outcome of this review was detailed at Appendix 1 and the CFO referred Members to section 14 of the report which detailed: new and emerging risks; changes to existing risks; risks to be deleted and risk mitigating actions.

RESOLVED – that Members noted the Corporate Risk Register, at Appendix 1.

111.3 Internal Audit Progress Report

The CFO presented the audits undertaken to date and highlighted the outcomes relating to limited / satisfactory assurance. He also gave a position statement regarding the actions set out in the audit action plans.

RESOLVED:-

- (i) that the audit position of the completed 2020/21 Audits be noted.**
- (ii) that the progress made to date in the Internal Audit Plan 2021/22 be noted.**

111.4 Progress Against Revenue and Capital Budgets 2021/22

The Treasurer presented the current position as at 31 December 2021 and informed Members of the forecasted outturn position which shows a net underspend of £0.372m which is slightly lower than the previous forecast underspend of £0.475m. He confirmed that this included £0.529m employee costs underspend owing to: under establishment across all pay groups and includes circa £79k from the pay award being lower than forecast (1.5% for firefighters and an expected 1.75% for Green Book pay), as detailed at Appendix 1.

The Treasurer reported a forecast outturn position of £0.470m underspend against a Capital Budget of £2.308m for 2021/22 and referred Members to Appendix 2 for the progress for each project within the Capital Programme, with no significant issues to report.

RESOLVED - that the position as at 31 December 2021 be noted.

112. REPORTS OF THE TREASURER

112.1 Treasury Management Strategy 2022/23

Members scrutinised the Treasury Management Strategy 2022/23 which covered:

- Economic Background and Outlook for Interest Rates
- Interest Rate Forecasts up to March 2025
- Treasury Management Strategy 2022/23
- Borrowing Strategy 2022/23
- Investment Strategy 2022/23
- Minimum Revenue Provision and Interest Costs / Regulatory Information 2022/23
- Borrowing and Prudential Indicators

112.1 Treasury Management Strategy 2022/23 cont.

The Treasurer reported that the Strategy would be referred to the Fire Authority for approval at its meeting on 25 March 2022.

RECOMMENDED - That the following recommendations be referred to the Fire Authority for approval at its meeting on 25 March 2022:

- (i) That the prudential indicators outline in Appendix B be approved.
- (ii) **Borrowing Strategy 2022/23**
That Members note that in the event of a change in economic circumstances that the Treasurer may take out additional borrowing in advance of need if this secures the lowest long term interest cost.
- (iii) **Investment Strategy 2022/23**
That the Counterparty limits as set out in paragraph 7 be approved.

112.2 Internal Audit Plan Report 2022/23

The Treasurer presented the Internal Audit Plan indicating the proposed coverage for 2022/23.

RECOMMENDED - that the report be noted.

COUNCILLOR NAWEED HUSSAIN
VICE CHAIR