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# CLEVELAND FIRE AUTHORITY

## MINUTES OF AUDIT & GOVERNANCE COMMITTEE MEETING



**20 MAY 2016**

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**PRESENT:**

**CHAIR:-**

Councillor Mick Stoker – Stockton on Tees Borough Council

**MIDDLESBROUGH COUNCIL**

Councillors Naweed Hussain, Tom Mawston

**REDCAR & CLEVELAND BOROUGH COUNCIL**

Councillor Mary Lanigan

**AUTHORISED OFFICERS**

Director of Corporate Services, Director of Technical Services, Legal Adviser and Monitoring Officer, Deputy Treasurer

**MAZARS**

Ross Woodley (Audit Manager), Mark Kirkham (Audit Director)

**IN ATTENDANCE**

Head of Risk and Performance, Head of Internal Audit (Hartlepool Borough Council)

**APOLOGIES FOR  
ABSENCE:**

Councillor Billy Ayre – Redcar & Cleveland Borough Council

Councillor John Gardner – Stockton on Tees Borough Council

Mr Jeff Bell – Independent Person

Mr Mike Hill – Independent Person

**AG20. DECLARATION OF MEMBERS INTERESTS**

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

**AG21. MINUTES**

**RESOLVED – that the Minutes of the Audit & Governance Committee held on 19 February 2016 be confirmed.**

**AG22. REPORT OF MAZARS**

**AG22.1 Audit Progress Report – May 2016**

The Audit Manager (AM), Ross Woodley, presented the Audit Progress Report which covered:

- The progress and timing of the 2015/16 Audit
- Changes to regulations on the public inspects of the accounts
- National Publications and Updates

The AM confirmed that there is no planned change to Audit Fees for 2016/17.

Councillor Mawston referred to the recently issued guidance and the Community Interest Company. The AM confirmed that Mazars have no concerns regarding potential conflicts of interests at Cleveland Fire Brigade in this regard.

**RECOMMENDED - that the report be noted.**

## **AG23. REPORTS OF THE CHIEF FIRE OFFICER**

### **AG23.1 Annual Performance & Efficiency Report 2015/16**

The Head of Risk and Performance (HoRP) outlined the performance of the Brigade for the year ending 31 March 2016.

He reported that the Annual Performance and Efficiency Report provided a one stop shop of risk, finance, performance and audit information.

The HoRP contextualised the area in which Cleveland Fire Authority operates and detailed the established Performance Assessment Framework which is used to assess performance in 8 key areas.

He reported that there had been a 1.91% (159 incidents) increase of incidents in April – March 2015/16 compared to the same period 2014/15. He explained that this increase can be partially attributed to the introduction of the EMR trial which commenced in January 2016 and has resulted in circa 40 incidents.

### **Strategic Goals & Aims – Performing Well**

#### **Safer Communities**

- All fire fatalities 2015/16 – 1, decrease of 1 from 2014/15
- All Fire Injuries 2015/16 – 22, increase of 1 from 2014/15
- Accidental Dwelling Fires (ADFs)– 2015/16 – 131, decrease of 40 from 2014/15
- ADFs have cost the economy of Cleveland £3.275m in 2014/15
- ADFs change by district compared to 2014/15 – Hartlepool - -15%, Stockton -19%, Middlesbrough +28% and Redcar & Cleveland +28%
- Deliberate Fires – 2015/16 - 2,890, increase of 139 incidents from 2014/15
- Deliberate Fires have cost the economy of Cleveland £11.3m in 2015/16
- Deliberate Fires change by district compared to 2014/15 – Hartlepool +7%, Stockton +6%, Middlesbrough -4% and Redcar & Cleveland +14%

#### **Provide a Professional Workforce**

- All staff sickness 2015/16 – increase of 3% from 2014/15, Whole-time +7%, Retained +12%, Control -9% and Green Book +19%.
- Top main causes of sickness – lower limb, mental health and back related

### **Annual Priorities – Performing Well**

- Annual and Corporate Priorities – 4 complete, 7 on-going and 1 deferred

### **Key Service Standards – Performing Well**

- Call Handling – target 98% of calls are answered and the appropriate response mobilised within 2 minutes – current performance 91%
- Response Standard – all benchmarks apart from one significantly exceeded the 75% target, the first pump into High Risk Wards failed the 75% benchmark achieving 71%. 5 out of the 17 mobilisations in this area failed.

## **AG23.1 Annual Performance & Efficiency Report 2015/16 (cont)**

### **Operational Assurance – Performing Strongly**

- There have been no inspections undertaken in 2015/16 on the Brigade's operational competence. However internal self-assessment has indicated that the external assessments conducted in 2014/15 remain valid.
- Operational Assessment undertaken in 2014 by senior fire professionals and members from other authorities - 7 key areas were assessed and 4 were assessed as being advanced and 3 as established
- In 2014 the National Resilience Audit Team carried out an audit in 7 key areas which were split into 41 sub areas and the Brigade achieved 100% compliance

### **Good Corporate Governance – Performing Strongly**

- In August 2015, the Brigade's External Auditors, Mazars stated that the Financial Statements represent a true and fair reflection and have issued an unqualified opinion.
- In April 2015, the Brigade was inspected by the Office of Surveillance Commissioners, who confirmed that the Brigade had successfully implemented recommendations from the last inspection and that no further issues had been identified as part of the inspection in April.

### **Value for Money – Performing Strongly**

- Mazars have concluded that Cleveland Fire Authority has proper arrangements in place to ensure financial resilience
- Mazars have concluded that Cleveland Fire Authority has proper arrangements in place to secure economy, efficiency and effectiveness
- The efficiency target for 2015/16 of £1,428,000 was achieved in full

### **Comparison against other Fire and Rescue Services – Performing adequately**

- Out of 13 comparable indicators – 6 are in the top, 3 remain in their original quartile and 4 have reduced their quartile position or are in the bottom quartile

### **Customer Care – Performing Strongly**

- Overall customer satisfaction rate for 2015/16 – 100%

The HoRP confirmed that the overall performance for 2015/16 is assessed as **Good**.

The Director of Technical Services (DoTS) recognised the excellent effort of staff in achieving these results, despite the continuing cuts to budgets.

He also referred to the sickness figures and informed Members of the further support being made available to staff with the introduction of the Employee Assistance Programme, which provides 24 hours a day, 365 days a year confidential counselling and support to staff.

The DoTS explained that with regard to Response Standards, the results for the first pump into High Risk Wards which did not meet the 75% benchmark were impacted by the low number of incidents (due to the intervention of community safety activity) in the ward and the ward location. He also reported that during the day we are trying to ensure that an appliance is working in the community which will assist response times.

### **AG23.1 Annual Performance & Efficiency Report 2015/16 (cont)**

Councillor Mawston asked how we are making use of partnership working. The DoTS confirmed that partnership working is taking place at every level with the CFO meeting the Local Authority Chief Executives on a regular basis and Brigade Directorates receiving and making referrals to and from partner organisations.

Councillor Lanigan referred to the EMR trial with North East Ambulance Service (NEAS) and queried the level of training received by firefighters participating in the trial.

The DoTS confirmed that the firefighters have undertaken Immediate Emergency Care Standard training (which is accredited by NEAS) and are qualified in First Aid for Firefighters. He confirmed that there are Defibrillators on all appliances and all operational staff are trained to use them.

Councillor Lanigan asked if there was sufficient support for staff in place following traumatic incidents. The DoTS confirmed that we have a Traumatic Risk Management System (TRiMS) which is initiated centrally following a serious or traumatic event. This ensures that staff have direct access to trained counsellors.

Councillor Stoker asked if HFSVs are now filtered or prioritised as he had passed on a request for a HFSV which remained outstanding. The DoTS confirmed that the visits had always been targeted at those most vulnerable and the Director of Corporate Support (DoCS) stated that she would follow up this enquiry.

The Audit Director (AD) raised the issue of indemnity arrangements whilst working in partnership with NEAS. The DoTS confirmed that with regard to the Pilot, arrangements have been made centrally and with regard to liability and indemnity this was in place prior to sign up. He stated that CFB's CFO is national lead both on Co-responder and EMR.

**RECOMMENDED - that the report be noted**

### **AG23.2 Scrutiny of Internal Audit Reports 2015/16**

The Director of Corporate Services (DoCS) summarised the progress on the recommendations contained within the Action Plans from Internal Audits carried out to date and listed the areas subject to Audit Review during the period April – June 2016.

**RECOMMENDED – that the progress made to date by Brigade and Proper Officers in achieving the recommendations contained within the Internal Auditor's Actions Plans be noted.**

### **AG23.3 Review of the Corporate Risk Register**

The DoCS reported that as part of the Authority's Governance arrangements the Corporate Risk Register was fully reviewed on a quarterly basis by the Brigade's Executive Leadership Team.

The DoCS highlighted new political and legislative risks in relation to the Government's intention for further collaboration between emergency services by moving ministerial responsibility for Fire and Rescue services from DCLG to the Home Office under the Minister for Policing, Fire, Criminal Justice and Victims and through the introduction of the Policing and Crime Bill.

### **AG23.3 Review of the Corporate Risk Register (cont)**

The Bill has been received through the House of Commons and is now to move onto the House of Lords. The provisions of the Bill (which apply to England only) will:

- a) *Introduce a duty to collaborate on all three emergency services, to improve efficiency or effectiveness.*
- b) *Enable PCCs to take on the functions and duties of Fire and Rescue Authorities (FRAs), where a local case is made (in the interest of economy, effectiveness or public safety).*
- c) *Further, enable PCCs to create a single employer for police and fire staff where they take on the responsibilities of their FRA, where a local case is made.*
- d) *In areas where a Police and Crime Commissioner has not become responsible for fire and rescue services, enabling them to have representation on their local fire and rescue authority with voting rights, where the fire and rescue authority agrees.*
- e) *Abolish the London Fire and Emergency Planning Authority and give the Mayor of London direct responsibility for the fire and rescue service in London.*

Also in the Bill, the requirement for a Chief Constable to have previously been a constable will be removed:

*“Where a local case is made, the Bill will enable a PCC to take this one step further by integrating the senior management teams of the police force and the fire and rescue service under a single chief officer”.*

She highlighted that the Authority has for a long time recognised the benefits of collaboration and has many collaborative arrangements in place such as shared estates and assets with the Police; and EMR with NEAS .

The DoCS referred to the Memorandum of Understanding which had been signed by the Chair of the CFA, the PCC, the CFO and Chief Constable with the intention of exploring further collaborative opportunities. Since the signing of the MOU, a joint Strategic Partnership Board comprising of the above people had been established to bring together political and professional leadership of both organisations to improve services to the public; reduce cost; and enhance resilience.

She explained that the Policing and Crime Bill also made provisions for the PCC to be the fire and rescue authority for the local area or alternatively for the local PCC to be involved in the fire and rescue authority. The Strategic Partnership Board is currently examining the positive and negative impacts of the Policing and Crime Bill on both services and considering the relative merits of the different governance models, as set out in the consultation i.e. the governance, single employer and/or the representation models.

**RECOMMENDED – that Cleveland Fire Authority’s Corporate Risk Register attached at Appendix 1 of the report be noted.**

**AG24 REPORTS OF THE TREASURER**

**AG24.1 Role of the Chief Finance Officer in Public Service Organisations**

The Deputy Treasurer reported that the role of the Chief Finance Officer is designated as the Treasurer at this Authority. He stated that the Treasurer had reviewed the CIPFA statement – ‘The Role of the CFO in Public Service Organisations’ and confirmed the CFA complied with the requirements as detailed in Appendix A of the report.

**RECOMMENDED – that it be noted that the CFA complies with the CIPFA requirements as detailed in Appendix A of the report.**

**AG24.2 Role of the Head of Internal Audit in Local Government**

The Deputy Treasurer reported that the CIPFA statement – ‘The Role of the Head of Internal Audit in Local Government’ had been reviewed by the Treasurer and confirmed that the CFA complied with the requirements as detailed in Appendix A of the report.

**RECOMMENDED – that it be noted that the CFA complies with the CIPFA requirements as detailed in Appendix A of the report.**

**AG24.3 Internal Audit Outturn Report 2015/16**

The Head of Internal Audit (HoIA) reported the outcomes of the audit work covering the period April 2015 to March 2016. He confirmed that the systems reviewed annually by Internal Audit have provided consistently high assurance that they are fundamentally operating as intended and that where weaknesses have been identified corrective action has been taken without delay.

**RECOMMENDED – that the report be noted.**

**AG24.4 Audit 2015/16 – Understanding Management Processes and Arrangements**

The Deputy Treasurer explained that the External Auditor (Mazars) needed to gain an understanding each year of how the Audit & Governance Committee exercise oversight of management’s processes for identifying and responding to the risk of fraud and error and the controls established to mitigate those risks. Mazars also have to gain an understanding of the legal and regulatory framework applicable to the Authority and how the Authority is complying with that framework. The Auditor is required to undertake procedures to help identify instances of non-compliance where it may impact on the preparation of the financial statements and this includes enquiring of ‘those charged with governance’ whether they are aware of any possible instances of non-compliance.

The Deputy Treasurer asked Members to consider the draft response to Mazars from the Chair of the Audit & Governance Committee which sets out how the committee has complied with the requirements of the International Standards of Auditing and fulfilled its Governance role.

**RESOLVED – that the letter at Appendix 1 of the report outlining how the activities of the Committee comply with the International Standards for Auditing be agreed and that the Chair be authorised to respond accordingly to the external Auditor.**

**AG24.5 Review of the Authority’s Annual Governance Statement 2015/16**

The Deputy Treasurer advised Members that the CFA had a statutory responsibility to ensure that its financial management is adequate and there is a sound system of internal

controls to facilitate the effective delivery of its functions, including the arrangements for the management of risk.

He advised that the Treasurer to the Authority was responsible for conducting an annual review of the effectiveness of the Annual Governance Statement, a copy of the 2015/16 Annual Governance Statement was attached to the report at Appendix 1. The Annual Governance Statement had been reviewed and all significant internal control issues identified and updated and will form part of the CFA's 2015/16 Financial Report. An Internal Audit Review of the Authority's Annual Governance Statement had been undertaken and a copy of the resulting report was attached to the report at Appendix 3.

**RESOLVED:-**

- (i) that the report be noted**
- (ii) that the 2015/16 Annual Governance Statement be approved for inclusion in the Financial Report.**

**AG24.6 Review of the Anti-Fraud and Anti-Corruption Strategy**

The HoIA informed Members that the Anti-Fraud and Anti-Corruption Strategy at Appendix 1 of the report emphasised the importance placed by the Fire Authority on probity, financial control and honest administration and the expectation that all Members, employees, consultants, contractors and others are fair and honest and provide any help information and support to the Authority to deal with fraud and corruption.

He requested that Members review the Strategy, which forms part of the Ethical Governance Framework as required under the terms of reference of the Committee.

**RECOMMENDED:-**

- i) that the Anti-Fraud and Anti-Corruption Strategy as attached at Appendix 1 of the report be noted.**
- ii) that the approval of the Anti-Fraud and Anti-Corruption Strategy be recommended to the Cleveland Fire Authority meeting on 10 June 2016.**

**AG25 ANY OTHER BUSINESS**

Councillor Lanigan informed Members that she had not been re-appointed to the Fire Authority by her constituent authority and stated that she had enjoyed her time as an Authority Member. Councillor Stoker thanked her for her contribution.

**COUNCILLOR MICK STOKER**  
**CHAIRMAN**