
CLEVELAND FIRE AUTHORITY

MINUTES OF AUDIT & GOVERNANCE COMMITTEE MEETING



29 JUNE 2018

PRESENT:

CHAIR:-

Councillor Norah Cooney – Redcar & Cleveland Borough Council

MIDDLESBROUGH COUNCIL

Councillor Teresa Higgins, Naweed Hussain

REDCAR AND CLEVELAND BOROUGH COUNCIL

Councillor Neil Bendelow

STOCKTON ON TEES BOROUGH COUNCIL

Councillors Gillian Corr, Mick Stoker

INDEPENDENT PERSONS

Messrs Mike Hill, Steve Harwood

AUTHORISED OFFICERS

Director of Corporate Services, Treasurer, Legal Adviser & Monitoring Officer

MAZARS

Ross Woodley (Audit Manager), Cameron Waddell (Engagement Lead)

IN ATTENDANCE

Area Manager - Emergency Response

Head of Risk & Performance

Head of Finance

Noel Adamson – Head of Audit & Governance – HBC

APOLOGIES

Chief Fire Officer

FOR ABSENCE:

Councillor Marjorie James - Hartlepool Borough Council

Councillor Paul Kirton - Stockton Borough Council

14. APPOINTMENT OF CHAIR FOR THE ENSUING YEAR

The Director of Corporate Services (DoCS) sought nominations for the position of Chair of the Audit & Governance Committee for 2018/19. Councillor Cooney was subsequently proposed and seconded whereupon nominations were closed.

RESOLVED – that Councillor Cooney be appointed Chair of the Audit & Governance Committee for the ensuing year (2018/19).

Councillor Cooney in the Chair

15. DECLARATION OF MEMBERS INTERESTS

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

16. APPOINTMENT OF VICE CHAIR FOR THE ENSUING

The Chair sought nominations for the position of Vice Chair of the Audit & Governance Committee for 2018/19. Councillor Neil Bendelow was subsequently proposed and seconded whereupon nominations were closed.

RESOLVED – that Councillor Neil Bendelow be appointed Vice Chair of the Audit & Governance Committee for the ensuing year (2018/19).

17. MINUTES

RESOLVED – That the minutes of the Audit & Governance Committee meeting on 23 February 2018 be approved.

18. REPORT OF THE CLERK

18.1 Audit & Governance Forward Work Programme 2018/19

The Director of Corporate Services (DoCS) outlined the Forward Work Programme for 2018/19, as detailed at Appendix 1, in accordance with the requirements of the Authority's Standing Orders. The DoCS noted that the Forward Work Programme will remain flexible to allow consideration of additional items should they arise.

RESOLVED – that the Forward Work Programme 2018/19 outlined at Appendix 1 be approved.

19. REPORTS OF MAZARS

19.1 Audit Progress Report

The Audit Engagement Lead (AEL) confirmed that the accounts had been received from the Authority by the end of May, in line with the new timeframes and while the audit was not complete there were no changes to the significant risks or outturn position and a final outcome would be reported by 31 July 2018. He thanked the Treasurer and his team for their assistance.

The Audit Manager (AM) reported the key messages in the report which included the 2017/18 Value for Money Conclusion and Opinion. He outlined National Publications and other updates and highlighted the publication on 'Response Times to Fires Attended by Fire Attended by Fire Services: England April 2016 to March 2017, Home Office, January 2018' which reported that Cleveland's response time to primary fires at 6.4 minutes was still the fastest in country.

The Chair commended the Brigade for continuing to provide a rural response to East Cleveland. The AEL confirmed that Cleveland Fire Authority should be very proud that its performance is so high.

The AM reported that Mazars had been appointed as the Authority's external auditors for the next 5 years and that there would be a 23% reduction in audit fees for 2018-19.

The Chair asked for assurances from Mazars in relation to GDPR. The AEL reported that although Mazars tends not to process personal data it was aware of the impact of non-compliance and confirmed that appropriate measures, including appointing dedicated Data Security personnel, had been implemented.

The DoCS updated Members on the Fire and Rescue Services Inspection Programme and Framework 2018/19 and confirmed that the pilots had been completed and the first tranche of inspections was underway.

RECOMMENDED – That the report be noted

Cameron Waddell left the meeting

20. REPORTS OF THE CHIEF FIRE OFFICER

20.1 Annual Performance and Efficiency Report 2017/18

The Head of Risk & Performance (HoRP) provided Members with a summary of the Brigade's key performance for the period 1 April 2017 to 31 March 2018 which included:

- Total incidents attended 8,563 a decrease of 2362 (22%) due to the reduction in EMR incidents. Core fire service incidents were 8119, an increase of 118 calls (1.5%) compared to 2016/17.
- 18,315 Home Fire Safety Visits (HFSV) took place, 1942 (10%) fewer than last year.
- 4,608 Safe and Well Visits were carried out, 3690 more than last year (402%).
- 1,809 Inspections of Industrial and Commercial Premises occurred over last year, 490 more than 2016/17 (37%).
- Accidental Dwelling Fires (ADFs) – 142 calls were taken, an increase of 4% (5 calls). These have reduced by 72% since 2003 when HFSVs were introduced and current coverage of Teesside for HFSVs stands at 58%.
- Top causes for ADFs are Electrical (28%), 16% Careless Handling and 16% Radiated Heat.
- Deliberate Fires have increased by 274 to 2978 compared to 2016/17 (10%). Of these 401 (13%) were Deliberate Primary Fires, an increase of 12 incidents (3%) and 2577 (87%) Deliberate Secondary Fires (increase of 255 incidents 11%). Despite a reduction in deliberate fires by 66% since 2003, Teesside is still rated as the worst place in the country for deliberate fires with one per 189 people.
- Sickness Absence rates are now below the national average at 6.72 duty shifts per employee, 21% (1.8 shifts) lower than 2016/17. Staff sickness for 2017/18 has cost the Brigade £689,305 with main causes of sickness being Anxiety/Depression (28%), RAD/Asthma (15%) and Lower Limb (10%).

Councillor Bendelow asked what measures have been implemented to improve sickness figures. The DoCS confirmed that in the past, long term sickness had impacted the figures and the Brigade was currently applying rigorous case conferencing in conjunction with Occupational Health, Line Managers and HR. In addition the Brigade has signed up to the Blue Light initiative providing mental health support to staff.

- Call Handling and mobilisation standards in the Brigade are stringent with Control Operators aiming to handle calls within 2 minutes 98% of the time. For 2017/18 they achieved this for 94% of calls. The Area Manager for Emergency Response (AMER) confirmed that Control Operators ask different questions depending on whether the incident is domestic or industrial and would mobilise instantly for a dwelling fire. Mr Hill suggested splitting the target would give a more positive outcome.

20.1 Annual Performance and Efficiency Report 2017/18 continued

- Members discussed in detail the 100% target for Retained appliances meeting the 'Book Mobile' threshold of 5 minutes. Councillor Higgins asked whether the 100% target was realistic and how often the Brigade reviewed retained firefighter's proximity once recruited to take account of changes to traffic flow. The DoCS confirmed that living within a 5 minutes radius of the station was contractual for retained firefighters. The AMER confirmed that issues with Retained Crews were not unique to Cleveland and the whole duty system was currently under review.

The HoR&P concluded that consolidating all of the information across all eight elements of the performance assessment framework the Brigade's overall performance for 2017/18 was 'good' in four areas with the other four areas scoring 'Excellent' giving a final score of 'Good'.

RECOMMENDED - that the report be noted.

20.2 Internal Audit Progress Report

The DoCS summarised the progress on the recommendations contained within the Action Plans from the Internal Audits Programme 2017/18 and outlined the progress to date on the 2018/19 Audit Programme.

RECOMMENDED:-

- (i) that the progress made to date contained within the Internal Auditor Plan 2017/18 be noted**
- (ii) that the 2018/19 Internal Auditor Plan be noted.**

20.3 Progress Against Revenue and Capital Budgets 2018/19

The HoF presented the current position as at 31 May 2018 and informed Members of the forecasted outturn position which showed a net underspend of £0.558m. He confirmed that the forecast outturn mainly reflects lower occupancy levels as a result of retirements not being replaced to facilitate the implementation of the CIRMP and the final outturn will be dependent on the outcome of the on-going pay negotiations.

The HoF reported no significant issues with the Capital Budget. Mr Harwood asked if the service costs of the new estate were in line with projections. The HoF confirmed they were on target however there was a current issue concerning rateable values which was subject to appeal.

RECOMMENDED - that the position at 31 May 2018 be noted

21. JOINT REPORT OF THE CHIEF FIRE OFFICER AND TREASURER**21.1 Outturn and Financial Report (including the 2017/18 Statement of Accounts) and Annual Statement of Assurance)**

Members scrutinised the 2017/18 Financial Report (included the Statement of Accounts) which covered:

21.1 Outturn and Financial Report (including the 2017/18 Statement of Accounts) and Annual Statement of Assurance) continued

- Revenue Position at 31 March 2018
- Capital Budget
- Basis for Preparing the Statement of Accounts
- 2017/18 Pre-Audit Financial Report

The Treasurer informed Members that the Annual Governance Statement was included in the Financial Report at Appendix E and would be approved as part of that process.

RESOLVED:-

- (i) **That the position as at 31 March 2018 be noted.**
- (ii) **That the 2017/18 Annual Governance Statement as detailed at pages 76 – 79 of Appendix E be approved.**
- (iii) **Members noted that the Financial Report detailed in Appendix E would be subject to the completion of the independent audit by Mazars and details of any audit amendments will be reported to the Authority on 27 July 2018.**
- (iv) **Members noted the opportunity to raise questions and/or seek clarification of information included in the pre-audit Financial Report in the period up to 27 July 2018 when the audited Financial Report will be presented to the Authority for final approval.**

22. REPORTS OF THE TREASURER

22.1 Internal Audit Outturn Report 2017/18

The Head of Internal Audit (HoIA) reported the outcomes of the audit work covering the period April 2017 to March 2018. 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 had been identified corrective action has been taken without delay.

Mr Mike Hill asked for further details on how the Authority's 'Ethics Systems' are reviewed. The HoIA confirmed that this comprises a desk top review of the Corporate Policies and Procedures the Authority has in place in liaison with the Legal Adviser and Monitoring Officer (LAMO).

RECOMMENDED - That the contents of the report be noted.

22.2 Audit 2017/18 - Request for Declarations

The Treasurer presented Members with a proposed response to a letter received from the Director and Engagement Lead of the Authority's External Auditor Mazars regarding processes, arrangements and compliance with laws and regulations and the prevention and detection of fraud. The proposed response, attached at Appendix 1, included:

- Questions and arrangements for preventing and detecting fraud
- Questions about arrangements for complying with law and regulations
- Questions about the appropriateness of the going concern assumption

22.2 Audit 2017/18 - Request for Declarations continued

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

22.3 Role of the Chief Financial Officer (CFO) in Public Service Organisations

The 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.

22.4 Role of the Head of Internal Audit in Local Government

The 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 Members note that Cleveland Fire Authority complies with the CIPFA requirements as detailed in Appendix A of the report.

**COUNCILLOR NORAH COONEY
CHAIR**