

**MINUTES OF AUDIT AND STANDARDS COMMITTEE
MEETING HELD ON 28 MARCH 2018**

Present: Councillors F Chapman (Chair), J Chatterley, P Duckett, D Franks,
M Headley (Vice-Chair), R Saleem and Y Waheed

Mr J Atkinson, ACO Z Evans, AC D Cook and Mr G Chambers

Ms K Storey, Ernst & Young

Ms L Davis, RSM

17-18/ASC/43 Apologies

43.1 Apologies were received from Councillor Chapman for arriving late to the meeting. Councillor Headley chaired the meeting for Items 1 to 5 only.

17-18/ASC/44 Declarations of Disclosable Pecuniary and Other Interests

44.1 There were no disclosures of pecuniary or other interests.

17-18/ASC/45 Communications

45.1 The Assistant Chief Officer provided a communications update report, and outlined various sections of the report that were useful for Members to note. In particular the Assistant Chief Officer guided Members of the Committee to page 10 of the report which provided a progress update in regards to the revised Fire and Rescue National Framework for England, as well as the HMICFRS consultation on fire and rescue services inspection. She advised that the Service were to be inspected in July 2018, and that a lot of work had been done in preparation for this. Furthermore, page 11 had offered information in regards to the re-engagement of senior fire officers after their retirement. With regards to GDPR, RSM had been appointed to assess the current position and to provide a plan prioritising actions going forward. This will be reported back to Corporate Services when it had been completed.

45.2 In response to questions from Members of the Committee, the following information was provided:

- No political balance clarity had yet been provided in regards to enabling Police and Crime Commissioners to sit and vote on Combined Fire and Rescue Authorities. The Secretary and Monitoring Officer had written to the Home Office regarding this matter; however, a response was still outstanding;

- A report on the implementation of the new General Data Protection Regulation (GDPR), which was due to come into effect from 25 May 2018, was to go to a future Corporate Services meeting; and
- The faster closure for the accounts was on track and was proving to be successful. The accounts were to be passed to the Auditors in April 2018 and the timetable was being adhered to.

RESOLVED:

That the communications be received.

17-18/ASC/46 Minutes

RESOLVED:

That the Minutes of the meeting held on 6 December 2017 be confirmed and signed as a true record.

17-18/ASC/47 External Progress Report 2017/18

- 47.1 Ms K Storey of Ernst & Young reported on the work Ernst & Young had undertaken since their appointment as external auditor to the year ending 31 March 2018. She reported that good progress had been made and that there were no matters arising. Furthermore, there was considered to be no significant risk in regards to the value for money conclusion.
- 47.2 In response to a question from a Member of the Committee in regards to payroll starters and leavers, Ms K Storey of Ernst & Young advised that interim work was being conducted and that they were working hard to obtain the relevant information. This included uploading documentation onto the audit file system.

RESOLVED:

That the External Audit Progress Report for 2017/18 be noted.

17-18/ASC/48 External Audit Plan 2017/18

- 48.1 Ms K Storey of Ernst & Young provided the 2017/2018 External Audit Plan produced by Ernst & Young, and advised that this was a report that came to the Committee every year. She reported that the areas of risk/focus ascertained had included risk of management override (considered to be a significant risk/fraud), property, plant and equipment valuations (considered to be an 'other risk' due to the size and numbers upon valuation of land/buildings), and pension valuation and disclosures (considered to be a high inherent risk due to large numbers). The Plan further highlighted 'Materiality' which had been set at £0.583 million, with 'Performance Materiality' having been set at £0.437 million (representing 75% of the Authorities planning materiality). The Performance Materiality was being shared with audit clients as it had shown lower, risks which may have needed to be considered. In addition, she confirmed that the Materiality Firefighters' Pension and Fund account was at lower levels than Materiality.
- 48.2 Ms K Storey further advised that the Plan had outlined value for money and that this was not considered to be a significant risk due to reserves that were in place, as well as the audit timeline. The audit timeline had the possibility of increasing staff pressures; however, members of staff were working hard to keep to the outlined timeframes, but

she advised that if the accounts were not produced in time the timeline may need to be adjusted.

48.3 In response to questions from Members of the Committee, the following information was provided:

- The high Materiality figures were usual and anything over £20,000 had to be reported;
- It was anticipated that the timeline was achievable; and
- There had been an increase in the scale fee as additional work had been undertaken by Ernst & Young. A breakdown of this had been obtained and it was considered to be reasonable due to the increased workload.

RESOLVED:

That the report be received.

17-18/ASC/49 Internal Audit Progress Report

49.1 Ms L Davis of RSM reported on the progress made against the Internal Audit Plan for 2017/18. She reported that two further reports had been finalised and that two reports had been drafted. Ms L Davis of RSM believed that a positive opinion was to be obtained and that she did not expect any additional matters to arise.

RESOLVED:

That the report be received.

17-18/ASC/50 Internal Audit Strategy 2018/19 to 2020/21

50.1 Ms L Davis of RSM provided a report by RSM on the approach to developing the Fire and Rescue Authority's Internal Audit Strategy for 2018/19 to 2020/21. A plan for 2018/19 was appended to the report and approval was being sought for this financial year. She reported that the Plan had been developed in conjunction with the Management Team and that page 93 of the appended report had outlined the strategy specifically for 2018/19.

50.2 In response to questions from Members of the Committee, the Assistant Chief Officer and Ms L Davis of RSM jointly provided the following information:

- The Internal Audit Strategy was to be continuously reviewed so that priorities could be ascertained as and when they arose. Furthermore, discussions were to take place next year to identify what was to be included in the Plan for 2019/20, as well as ensure any knock on affects from the previous year were incorporated. It was recognised that the Plan was quite heavy; however it was felt that it was important not to lose sight of any of the focus areas;
- At the time of this Committee meeting Members were to consider the set plan for year 2018/19. The three year plan was to offer more flexibility so that risks could be adjusted where necessary; and
- The GDPR had already been addressed in the Strategy in 2017/18 (page 97 of the appended reported referred).

50.3 Although the majority of the Committee voted to approve the Internal Audit Strategy for 2018/19, one Member expressed their unease voting for the three year plan and voted against the decision to approve this.

RESOLVED:

That the Internal Audit Strategy for 2018/19 be approved.

17-18/ASC/51 Audit and Governance Action Plan Monitoring - Exception Report and Summary Analysis

51.1 The Assistant Chief Officer provided a summary statistical analysis of actions that had arisen from internal audit reports over the last three financial years, as well as from the Fire and Rescue Authority's current Annual Governance Statement; together with an exception report on those actions that were in progress. She referred Members of the Committee to the appended reports and advised that four actions were being progressed, all of which were of a low status. She stated that there was nothing to flag at the time of this meeting.

RESOLVED:

That the report be received.

17-18/ASC/52 Review of the Code of Conduct

52.1 The Secretary and Monitoring Officer presented a report proposing some changes to the Fire and Rescue Authority's Code of Conduct. At its last meeting, the Committee had asked him to undertake a review of the Code of Conduct, with particular attention to be paid to the section on interests, and to ascertain if there were any areas of the Code that could be amalgamated so that a more streamlined document could be produced, as well as to include paragraphs in the illustrative text that had been produced by the Government. The Secretary and Monitoring Officer directed Members of the Committee to paragraphs 4.2, 4.3, 4.9, 4.15 and 7.2 (including 7.2.1 and 7.2.2) of the revised Code, as these outlined the specific amendments that were recommended.

52.2 Members agreed that the proposed amendments were an improvement to the previous version of the Code of Conduct; however, the word 'improperly' was to be added to paragraph 4.2 and was to read "... *or act improperly to gain financial or other material benefits for themselves, their family, a friend or close associate.*" As well as to paragraph 4.3, which was to read "...*that might seek to influence them improperly in the performance of their official duties.*"

RESOLVED:

That the revised Code of Conduct be recommended to the Authority for approval, subject to the minor amendments outlined above.

17-18/ASC/53 Annual Review of the Fire Authority's Effectiveness

53.1 The Assistant Chief Officer provided a report in regards to the outcome of the 2017/18 Review of the Fire and Rescue Authority's Effectiveness, which had included any identified areas for improvement and agreed actions for the coming year, together with a record of Members' attendance at meetings. She reported that the Fire and Rescue Authority's three Policy and Challenge Groups, and this Committee had each conducted

a review of their own effectiveness against their Terms of Reference (TOR) and that three overarching questions were considered and included:

- i. Did the Group consider that they had been effective and discharged their responsibility in regard to the Group's TOR.
- ii. Having taken into consideration the Group's TOR were there any areas that had not been considered and should have been addressed.
- iii. Did the Group consider any training and development which would have assisted them with the areas of work of the Group.

53.2 She referred Members of the Committee to points 2.2.1 to 2.2.4 of the report which outlined discussions that had taken place by the Groups, and reported that where recommendations were put forward these had been incorporated into the action plan.

53.3 In regards to Members' attendance to meetings, the Assistant Chief Officer stated that the station visit due to take place in Woburn had been scheduled for 10 April 2018. A Member of the Committee raised concerns with regards to the late notification of the Woburn Station visit and inquired as to why this had occurred. The Assistant Chief Officer advised that she was not aware of why this visit had not been set and was to find out why late notice had been given to Members as plenty of time was usually given. She further stated that a lot of work was conducted by Democratic Services to ascertain dates for visits and to provide notification of these visits working alongside diary commitments for neighbouring Authorities. However, she recognised that there could be occurrences when dates would need to be rescheduled.

53.4 In addition, at the bottom of page 140 of the Record of Member Attendance for Station Visits 2017/18 report it stated that *"Confirmation of attendance at Harrold and Biggleswade Station visits was not received by Democratic Services, therefore it has been assumed Members attended unless apologies were received prior to the visit"*. Members of the Committee felt that this note should be removed as it potentially provided misleading information. It was believed that if attendance was not known the relevant section was to be left blank. The Assistant Chief Officer was to look into this matter further to ascertain why attendance could not be identified.

RESOLVED:

1. That the 2017/18 Review of Effectiveness and associated action plan be received and be approved, including its incorporation into the Annual Governance Statement.
2. That the Assistant Chief Officer be requested to look into why Members were notified about the Woburn Station visit at a late stage, as well as put in place procedures to ensure Members of this Committee were notified of forthcoming visits within a timely manner.
3. That the Assistant Chief Officer be requested to establish why Member attendance to the Harrold and Biggleswade Station visits could not be wholly identified.

17-18/ASC/54 Review of Work Programme 2018/19

RESOLVED:

That the Committee's Work Programme for 2017/18 be received.

17-18/ASC/55 Review of BFRS Corporate Risk Register

RESOLVED:

That, pursuant to Sections 100A (2) and 100A (4) of the Local Government Act 1972, the public be excluded from the remainder of the meeting on the grounds that consideration of the

following items of business is likely to involve the disclosure of exempt information as defined in Paragraphs 3 of Part 1 of Schedule 12A to the Act (as amended):

Item

Review of BFRS Corporate Risk Register