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<b>To:</b> Members of the Governance, Audit and Scrutiny Committee	<b>Enquiries to:</b> Samm Campbell <b>Email:</b> <a href="mailto:committeemanager@humbersidefire.go.uk">committeemanager@humbersidefire.go.uk</a> <b>Tel. Direct:</b> (01482) 393205 <b>Date:</b> 15 January 2021
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Dear Member

I hereby give you notice that in accordance with The Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020, a **REMOTE MEETING** of the **GOVERNANCE, AUDIT AND SCRUTINY COMMITTEE** will be held on **MONDAY, 25 JANUARY 2021 at 10.00AM.**

**To access this remote meeting please visit <<https://zoom.us/join>> and then enter:**

**Meeting ID: 934 2297 6939**

**Password: 344234**

Or telephone +44 203 901 7895 and use the above Meeting ID and Password

The business to be transacted is set out below.

Yours sincerely



**Mathew Buckley**  
**Monitoring Officer & Secretary to Fire Authority**

Enc.

## **A G E N D A**

<b>Business</b>	<b>Page Number</b>	<b>Lead</b>	<b>Primary Action Requested</b>
<b><u>Procedural</u></b>			
1. Apologies for absence	-	Monitoring Officer/ Secretary	To record
2. Declarations of Interest (Members and Officers)	-	Monitoring Officer/ Secretary	To declare and withdraw if pecuniary
3. Minutes of the meeting of 16 November 2020	(pages 1 - 12)	Chairperson	To approve
4. Matters arising from the Minutes, other than on the Agenda	-	Chairperson	To raise

Business	Page Number	Lead	Primary Action Requested
<b><u>Governance</u></b>			
5. Update: Matters Arising/ Feedback from Fire Authority	verbal	Chairperson and Monitoring Officer/ Secretary	To consider and make any recommendations to the HFA
<b><u>Audit</u></b>			
6. External Audit Progress Update	(pages 13 - 29)	External Audit (Mazars)	To consider and make any recommendations to the HFA
7. External Audit Letter	(pages 30 -47*)	External Audit (Mazars)	To consider and make any recommendations to the HFA
8. Internal Audit Progress Update	(pages 48 - 102)	Internal Audit (TIAA)	To consider and make any recommendations to the HFA
<b><u>Finance and Performance</u></b>			
9. 2020/2021 Annual Accounts Close-down Timetable	(pages 103 - 107)	Head of Finance	To consider and make any recommendations to the HFA
10. Management Accounts Period Ending 30 September 2020	(pages 108 - 117)	Head of Finance	To consider and make any recommendations to the HFA
11. Review of Anti-Fraud Related Policies	Verbal	Head of Finance	To consider and make any recommendations to the HFA
12. HMICFRS Inspection Update	verbal	Director of Service Improvement	To consider and make any recommendations to the HFA
<b><u>Scrutiny Programme</u></b>			
13. Protection Engagement with the Commercial and Business Community	(pages 118 - 129)	Director of Service Support	To consider and make any recommendations to the HFA
14. GAS Committee Scrutiny Programme 2020/21	(pages 130 - 134)	Monitoring Officer/Secretary	To approve
15. Any Other Business	-	All Members	To raise

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\* - Further details are accessible via an electronic link alongside the agenda papers on the Fire Authority's website  
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*satisfy themselves that the security of any platform they elect to use is sufficient for their needs. Each participant should read the relevant privacy policy of the platform provider and should exercise adequate caution, including using appropriate anti-virus/malware/spyware software and device encryption.*

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**HUMBERSIDE FIRE AUTHORITY**  
**GOVERNANCE, AUDIT AND SCRUTINY COMMITTEE**

**16 NOVEMBER 2020**

**PRESENT:** Independent Co-opted Members Mr D Chapman (Chairperson), Mr M Allingham, Mr J Doyle, Mrs P Jackson, Mr A Smith, Mrs M Thomlinson and Mr C Vertigans.

Councillor Briggs and Councillor Green attended as observers.

Christine Cooper - Temporary Head of People and Development, Paul McCourt - Director of Service Delivery, Niall McKiniry - Director of Service Improvement, Steve Topham - Director of Service Delivery Support, Simon Rhodes - Head of Corporate Assurance, Martyn Ransom - Head of Finance, Jason Kirby - Emergency Response Special Project Officer, Jamie Morris - Support and Educational Manager, Lisa Nicholson - Monitoring Officer/Secretary, Sam Campbell - Committee Manager, Gavin Barker - External Audit (Mazars), and Ross Woodley - External Audit (Mazars) were also present.

The meeting was held remotely via video-conference (Zoom). The meeting commenced at 10.00 a.m.

**PROCEDURAL**

**80/20 APOLOGIES FOR ABSENCE** - There were no apologies for absence.

**81/20 DECLARATIONS OF INTEREST** - There were no declarations of interest.

**82/20 MINUTES - *Resolved*** - That the minutes of the meeting of the Committee held on 7 September 2020 be confirmed as a correct record.

**83/20 MATTERS ARISING FROM THE MINUTES, OTHER THAN ON THE AGENDA** - There were no matters arising.

**GOVERNANCE**

**84/20 UPDATE: MATTERS ARISING/FEEDBACK FROM FIRE AUTHORITY** - The Monitoring Officer/Secretary provided feedback on items considered by the Fire Authority at its meetings of 25 September and 30 October 2020.

***Resolved*** - That the update be received.

**Audit**

**85/20 EXTERNAL AUDIT UPDATE** - Gavin Barker and Ross Woodley (Mazars) delivered an external audit progress update.

Further to Mazars' previous update (Minute 67/20 refers), the Pension Fund assurance had been completed and Mazars had almost finished its evaluation. Since the Committee's previous meeting, changes to the value of property assets as a result of Covid-19 had necessitated further revision of the accounts, which were due to be considered by Humberside Fire Authority (HFA) at its extraordinary meeting on 27 November 2020. After the accounts had been approved, Mazars would present a final follow-up letter to close the 2019/20 external audit process.

***Resolved*** - That the update be received.

**86/20 INTERNAL AUDIT UPDATE** - No update was presented to the Committee.

### **PERFORMANCE, RISK AND PROGRAMME MANAGEMENT**

**87/20 HEALTH, SAFETY AND ENVIRONMENT - SECOND QUARTER 2020/21** - The Director of Service Improvement submitted a report summarising the Service's performance during the second quarter of 2020/21.

The Service had continued to deal with the Covid-19 pandemic, which affected many aspects of its work. During the reporting period, 16 accidents were recorded compared to 21 during the same period in the previous year. The number of accidents was also significantly lower than the three-year rolling average (22) for the same period. However, this needed to be considered in the context of overall reduced activity as a result of the ongoing Covid-19 pandemic. As a result of the nature of the work undertaken by the Service, 87 percent of accidents reported were sustained by full-time and on-call firefighters.

While the number of near-misses reported equalled the number of actual accidents (16), the number reported had decreased by around 50 percent during the reporting period. The Service would work to ensure that all near-misses were reported. The Health, Safety and Environment Section had begun to deliver training again following an initial pause due to the Covid-19 pandemic. Training would continue to be an essential part of developing a safety-conscious culture.

**Resolved** - That the report be received.

**88/20 PERFORMANCE AND RISK REPORT - SECOND QUARTER 2020/21** - The Director of Service Delivery Support provided an update in relation to performance reporting.

The Service had begun to use new software to track its performance which would significantly change the way in which performance was reported. The Service delivered a presentation to at the Member Day held on 2 October 2020, explaining the new performance and risk reporting system.

The Service had performed well in relation to all performance measures during the reporting period:

Performance Indicator	Quarter 2 Total Number	Upper Threshold (UCL3)	July		August		September	
			Monthly Total	Threshold Performance	Monthly Total	Threshold Performance	Monthly Total	Threshold Performance
SPI 2.2 Total Deliberate Fires	95	50	30	20	27	23	38	12
SPI 2.3 Accidental Dwelling Fires	72	39	24	15	20	19	28	11
LPI 2.3c Other Accidental Fires	33	17	12	5	10	7	11	6
SPI 2.4 Deliberate Secondary Fires	481	219	145	74	129	90	207	12
SPI 2.5b False Alarms Non-Domestic	296	116	94	22	110	6	92	24

The Service continued to monitor a number of key strategic risks:

Strategic Risk	Update	Risk Level
<b>Further Reduction in External Financial Support</b> <i>A further reduction in external financial support for the 4yrs from 2018/19 to 2021/22. Risk affecting whether the Authority can balance its budget</i>	An updated report, presented at the September Fire Authority Meeting, set out an initial estimated £1.3 million deficit for the 2021/22 period, with a further report going to the October Fire Authority Meeting on measures to try and balance the budget for next year.	Critical
<b>Emergency Services Network</b> <i>The Emergency Services Network (ESN) is the government's chosen option to replace the Airwave system, which 107 police, fire and ambulance services in England, Scotland and Wales (the emergency services) use for communications between control rooms and the field.</i>	Through the creation of a project risk register, any arising issues are identified and presented to the board. (see strategic project update for more information).	Critical
<b>Outcome of Grenfell Report</b> <i>Action required by HFRS following the outcomes from the Grenfell Report</i>	Confirmation of the Grenfell Infrastructure funding grant (£124,606.57) has been received and a return has been made to accept by the Executive Director & S151 Officer. Financial and progress monitoring returns are required as a condition of the grant, the first of these will be due by the 31 January 2021. Phase 2 of the Grenfell Tower Public Inquiry has recommenced following a summer recess and is currently hearing evidence.	High
<b>Coronavirus Pandemic</b> <i>Risk of critical staff shortage and/or closure of workplace(s) resulting from exposure to Coronavirus from direct infection or cross contamination</i>	All buildings are Covid- secure and two rounds of individual staff impact assessments have taken place. All sections are now returning to Business as Usual, albeit in a modified way. All Business Continuity arrangements remain in place pending a localised outbreak. Currently there is no significant impact on the Service.	High

As was usual for the second quarter, there had been a rise in the number of secondary fires due to Halloween, Bonfire Night and young people not being at school. The Service's average emergency response time for the attendance of the first fire appliance at an incident was five minutes and 44 seconds, with the second appliance arriving, on average, after around eight minutes. It was noted that part of the improvement to the

Service's response times would be due to the reduced amount of traffic and the reduced number of incidents.

A Member queried whether the complaints received by the Service could be published on its website alongside the compliments. The Director of Service Improvement agreed to investigate the best way in which to do this.

**Resolved -** (a) That the report be received, and  
(b) that the Service consider publishing details of the complaints it receives on its website.

**89/20 OPERATIONAL ASSURANCE - SECOND QUARTER 2020/21** - The Director of Service Improvement submitted a report summarising the Service's performance during the second quarter of 2020/21.

During the second quarter, 95 percent of operational assurance assessments received had indicated that the hot debrief had been conducted. This represented a significant improvement compared to previous quarters and a 15 percent improvement compared to the same quarter in the previous year. The Operational Assurance team had completed three tactical debriefs during the second quarter, including one in relation to the flooding of Snaith and Cowick, which was subject to ongoing review to ensure that the lessons learned improved practice.

Each operational assurance assessment reported on three key areas: safety critical (SC), areas of concern (AOC) and exceptional practice (EP). Safety critical reporting had reduced to zero and area of concern reporting had reduced by 54 percent (from 54 to 25). Exceptional practice returns had also fallen, with a 24 percent reduction in reporting (from 202 to 154).

The second edition of the NOL Newsletter, provisionally title 'Operational News', had been published. This publication shared information relating to the Service's water assets, drone capabilities, new equipment, fire contaminants, and health and safety incidents.

A Member asked about the Service's role in the event of a terrorism incident. The Service had been asked by the Home Office to develop capability in case of such an incident. The Service's role would be to assist Yorkshire Ambulance Service, working up to the edge of the 'warm zone' to its border with the 'hot zone', within which the police and military would be working. Training and development in relation to terrorism would continue.

**Resolved -** That the report be received.

**90/20 ABSENCE MANAGEMENT - SECOND QUARTER 2020/21** - The Temporary Director of People and Development submitted a report summarising absence management during the second quarter of 2020/21.

Absence management remained a key area of focus and, during the reporting period, the Service had exceeded three of its four targets. Full-time firefighter attendance had been recorded at 96.61 percent against a target of 95 percent and support staff attendance had been recorded at 98.03 percent against a target of 97 percent. Attendance at work by Control Room staff had continued to be affected by a small number of long-term absences among a small team (29.21 full-time equivalent posts).

	2 <sup>nd</sup> Quarter	2 <sup>nd</sup> Quarter	2 <sup>nd</sup> Quarter	Target attendance
	2018/19	2019/20	2020/21	
Full time	96.55%	95.69%	96.61%	95%



Control	97.41%	88.26%	94.84%	95%
Fire Staff	96.94%	94.85%	98.03%	97%

The Service had seen a 60.54 percent reduction in the number of days lost to sickness in the second quarter of 2020/21 compared to the same period in the previous year. Early indications were that working from home had had a positive effect on the number of sickness absences, perhaps allowing for a better work-life-balance.

	Sum of Days Lost	Establishment	Average Duty Days Lost per person	2020/21 annual target per person	YTD (annual divided by 12 x current month number)
Control	138.00	29.21	4.72	8.70	4.35
Fire Staff	446.98	174.29	2.56	10.00	5.00
On Call	396.90	348	1.14	7.00	3.50
Full Time	1376.00	443.5	3.10	7.00	3.50
<b>total</b>	<b>2357.88</b>	995	2.37		

The Service's infection control measures had been effective in minimising the impact of Covid-19 on its workforce. Absences resulting from Covid-19 were low compared to other fire and rescue services.

	Confirmed Covid	Self Isolation Symptoms of Covid	Self Isolation – Household symptoms	Self isolation – team or watch symptoms	Quarantine – returning to UK from affected area
Control	1	2	3	0	1
Fire Staff	4	9	15	1	0
On Call	12	13	27	15	1
Full Time	16	31	56	37	1
<b>Total</b>	<b>33</b>	<b>55</b>	<b>101</b>	<b>53</b>	<b>3</b>

Mental health, anxiety and depression continued to be the most prevalent cause of sickness absence within the Service, followed by three musculoskeletal issues:

CLG Category	Short Term days lost	Long Term days lost	Total duty days lost
Mental Health Anxiety/Depression	16.05	685.58	701.63
Musculo Skeletal Back	23.10	262.68	313.36
Musculo Skeletal Knee	63.42	249.94	285.78
Musculo Skeletal Lower Limb	21.26	169.96	191.22

A Member asked about the cost of delivering the new Employee Assistance Programme. This Programme had replaced the previous *ad hoc* counselling arrangements and, while providing a more wide-ranging service to employees, cost less to deliver. The Temporary Director of People and Development agreed to update Members with the exact costs.

**Resolved -** (a) That the report be received, and

(b) that the Temporary Director of People and Development update Members with the costs related to the delivery of the Employee Assistance Programme.

**91/20 TREASURY MANAGEMENT MID-YEAR UPDATE REPORT 2020/21** - The Head of Finance submitted a mid-year update report in relation to treasury management.

At its meeting of 13 March 2020, the HFA had approved the annual 2020/21 Treasury management Policy Statement and agreed a range of prudential indicators which aimed to ensure effective treasury management and the affordability of the Service's capital plans. The report indicated that the Service had abided by the Statement and complied with recommended best practice outlined in the Chartered Institute of Public Finance and Accountancy (CIPFA).

As of 30 September 2020, the Service's temporary investments totalled £13m and investment outcomes were summarised as follows:

Interest Earned April to September 2020	Rate of return April to September 2020	Benchmark return at 30 September 2020*	Difference (Favourable) April to September 2020
£14k	0.16%	-0.06%	(0.22%)

The Service's long-term borrowing was £13.6m, meaning that it was under the limit. While interest rates were unusually low, the Service would consider taking on more long-term borrowing. If approved by the HFA at its meeting due to be held on 7 December 2020, the Service would adopt the annuity method for calculating its minimum revenue provision (MRP). This method was widely used as it accounted for the time-value of money.

A Member requested, and it was agreed, that the Service facilitate a session for the Committee on long-term treasury management issues.

**Resolved -** (a) That the report be received, and  
(b) that the Service facilitate a session for the Committee on long-term treasury management issues.

**92/20 MANAGEMENT ACCOUNTS - PERIOD ENDING 30 SEPTEMBER 2020** - The Head of Finance submitted the Management Accounts for the period ending 30 September 2020.

The Service continued to predict an underspend (further to Minute 73/20) as other savings in the Revenue Budget had materialised as a result of Covid-19 (such as reduced fuel consumption). There were however other pressures including ill-health pension contributions and the settlement of historic mesothelioma claims. The scheduled capital expenditure on new personal protection equipment for firefighters had been delayed as a result of the Covid-19 pandemic and would feature in 2020/21's programme. The Service's reserves were £11.3m as a result of underspending.

A Member noted the underspend resulting from the fact that the Service had not recruited new firefighters during the financial year. The Workforce Plan ensured that the Service would not get into a difficult situation with regard to staffing. Firefighters were usually recruited in groups of 20 and the next round of recruitment was not likely to commence until after March 2021.

**Resolved -** That the Management Accounts be received.

**93/20 HMICFRS INSPECTION UPDATE** - The Director of Service Improvement provided the Committee with a verbal update in relation to Her Majesty's Inspectorate of Constabulary and Fire and Rescue Service's (HMICFRS).

The Service had undergone its thematic Covid-19 inspection (Minute 76/20 refers) and was awaiting formal feedback. Members would be informed of the initial feedback during a Member Day due to be held on 27 November 2020. HMICFRS was due to resume its planned programme of inspections in 2021, meaning that the Service expected its second inspection to be undertaken late in 2021.

**Resolved -** That the update be received.

### **SCRUTINY PROGRAMME**

**94/20 DEVELOPMENT AND DELIVERY PLANS TO SUPPORT THE HEALTH AND WELLBEING OF STAFF-** The Director of Service Improvement submitted a report in response to the Committee's scope relating to the development and delivery of plans to support the health and wellbeing of staff.

Since the report had been published, the Service had developed plans to trial a restructure which would involve the Occupational Health team moving into the Service Improvement Directorate. Occupational Health had worked closely with Health and Safety throughout the Covid-19 pandemic.

The report addressed the Committee's scope point-by-point:

- **How have matters improved since the Service's previous HMICFRS inspection?** The Head of Occupational Health and Wellbeing had been appointed in October 2019 and, since then the team's membership had stabilised and was fully established with substantive staff. A new post, Assistant Fitness Manager, had also been added. New policies had been written and subjected to appropriate consultations. These related to: menopause, health surveillance, critical incident stress management, and physical fitness. The Service had expanded its work with the mental health charity, MIND, which was supporting the delivery of 'emergency services resilience training' for Control Room staff. The Service had contracted with a new physiotherapy provider which aimed to refer employees within 48 hours. This would directly alleviate some of the Service's most common reasons for staff absence.
- **What support has the Service put in place for staff in the light of the significant challenges posed by Covid-19?** The Head of Occupational Health and Wellbeing had played a key role in organisational communications and support for staff during the first wave of Covid-19. The Service had produced a series of videos and podcasts to keep staff up-to-date on guidance and on how to access help and support. The Service had also established an internal track and trace system, allowing it to take immediate action in the event of a confirmed Covid-19 case. This had meant that the number of infections remained low. Clinical supervision had been put in place for senior decision-makers in the organisation; this was standard practice in other sectors such as health. Clinical psychologists had been commissioned to help the Service to develop a Covid Wellbeing Toolkit for staff and to provide supervision for Occupational Health staff.
- **What has the Service learned from the health and wellbeing initiatives in other areas?** The Occupational Health and Wellbeing team was a member of the Yorkshire and Humber regional Health & Safety and Occupational Health Committee and staff regularly met with their counterparts from other fire and rescue services. The Service also played a key role in the Local Resilience Forum, working with numerous other

agencies. Work was also being undertaken in partnership with Yorkshire Ambulance Service to explore the possibility of establishing a joint support service for psychological wellbeing.

- **What have been the main challenges to supporting the health and wellbeing of staff?** The geographical diversity of the Service's area had provided a significant challenge; the relatively small Occupational Health and Wellbeing team worked with many members of staff across 31 locations within four local authority areas. In addition to this, on-call staff would typically only be at one of these locations for a couple of hours in any given week. The Occupational Health and Wellbeing team was still developing as none of the members of staff had been in the team for longer than two years. Overall, the Covid-19 pandemic had proven to be the biggest challenge for the team.

A Member asked how the Service monitored staff morale. Morale was difficult to measure outside of staff surveys. The Occupational Health and Wellbeing team often discussed morale with employees during their sessions, asking whether staff felt they had been supported adequately and whether they had found accessing services easy. Feedback had indicated that 98 percent of staff members who had interacted with Occupational Health had felt well supported.

A Member asked about the uptake of the Service's new Employee Assistance Programme (EAP). While the Programme had only been implemented in October 2020, early feedback had been positive and demand was expected to increase as employees became aware of the offer. Three nurses worked within the Occupational Health and Wellbeing team; two with a focus on physical health and one with a focus on mental health.

The Committee was reassured by the range of improvements made by the Service in response to the previous HMICFRS inspection report and in relation to the Service Improvement Plan. However, the Committee was conscious that many of the initiatives were at an early stage in their implementation and agreed to monitor their progress.

**Resolved -** (a) That Head of Occupational Health and Wellbeing be commended on the quality of her work during the previous year, and

(b) that a verbal update be provided to the Committee in around three months.

**95/20 GAS COMMITTEE SCRUTINY PROGRAMME 2020/21** - The Committee Manager submitted a report summarising the Committee's Scrutiny Programme 2020/21.

In accordance with the Committee's recommendation at its meeting of 11 November 2019 (Minute 65/19 refers), the Director of Service Delivery provided an update in relation to the Emergency Medical Response Cost Recovery Model. At the Committee's previous meeting it was reported that the review of the cost recovery model relating to East Midlands Ambulance Service (EMAS) had not been undertaken as planned due to the COVID-19 pandemic (Minute 78/20 refers). Since then, the Service had agreed with East Midlands Ambulance Service that the cost recovery for the Emergency Medical Response service would be aligned with the arrangements already in place with Yorkshire Ambulance Service.

**Resolved -** (a) That the updates be received, and

(b) that the matter of the Emergency Medical Response Cost Recovery Model be considered resolved.

**96/20 ANY OTHER BUSINESS - CORRESPONDENCE** - The Committee had received two items of correspondence which would be discussed with the Chairperson of the Fire Authority. One related to concerns around pension abatement and another to alleged conflicts of interest within the Service.



Date	Item	Minute	Resolution	Responsible	Brief summary of outcome
13 July 2020	Internal Audit Update	49/20	<b>Resolved -</b> (b) that the Committee be updated in relation to TIAA's assessment of key financial controls at a future meeting.	TIAA	
13 July 2020	Draft Annual Performance Report 2019/20	51/20	<b>Resolved -</b> b) that the report be revised, taking into account the Committee's suggested amendments, prior to its receipt by the Fire Authority on 24 July 2020.	Director of Service Improvement	
13 July 2020	LGA Consultation on Draft Code of Conduct	54/20	<b>Resolved -</b> That the Committee respond to the consultation collectively through Mandy Tomlinson.	Mandy Tomlinson	
13 July 2020	GAS Committee Scrutiny Programme 2020/21	56/20	<b>Resolved -</b> That the Scrutiny Programme 2020/21 be approved subject to the addition of scoping questions agreed by the Committee.	Committee Manager	Scrutiny Programme updated.
13 July 2020	AOB - Action Schedule	58/20	<b>Resolved -</b> That the Committee receive an action schedule tracking its recommendations at future meetings.	Committee Manager	Action schedule created.
7 September 2020	Internal Audit Progress Update	68/20	<b>Resolved -</b> that the TIAA briefing note, Cyber Threats using the COVID-19 Pandemic, be circulated to the Committee.	TIAA	The briefing note was circulated to the Committee following the meeting.
7 September 2020	Performance Reporting Update	70/20	<b>Resolved -</b> that, in future, changes of this calibre be communicated to the Committee further in advance.	Director of Service Improvement	ONGOING
7 September 2020	Absence Management Q1	72/20	<b>Resolved -</b> that the Service seek further feedback from its employees in relation to its anti-bullying campaign.	Director of People and Development	
7 September 2020	Effectiveness of the Protection Risk-Based Targeting Strategy	77/20	<b>Resolved -</b> (b) that the Service be commended for its work in developing its Risk-Based Inspection Programme;	Director of Service Delivery Support	

			<p>(c) that the Committee be updated in six months in relation to the uptake of fire safety inspection training among on-call firefighters, and</p> <p>(d) that the Committee be updated in six months in relation to the Service's work with the University of Hull.</p>		
7 September 2020	Update in relation to the Emergency Medical Response Cost Recovery Model (Scrutiny Programme 2019/20)	78/20	<b>Resolved</b> - That the updates be received.	Director of Service Delivery	Reschedule for further update.
16 November 2020	Performance and Risk Report - Second Quarter 2020/21	88/20	<b>Resolved</b> - (b) that the Service consider publishing details of the complaints it receives on its website.	Director of Service Improvement	
16 November 2020	Absence Management - Second Quarter 2020/21	90/20	<b>Resolved</b> - (b) that the Temporary Director of People and Development update Members with the costs related to the delivery of the Employee Assistance Programme.	Temporary Director of People and Development	The Committee was provided an update on 30 November 2020.
16 November 2020	Treasury Management Mid-Year Update Report 2020/21	91/20	<b>Resolved</b> - (b) that the Service facilitate a session for the Committee on long-term treasury management issues.	Head of Finance	
16 November 2020	Development and Delivery Plans to Support the Health and Wellbeing of Staff	94/20	<b>Resolved</b> - (a) That Head of Occupational Health and Wellbeing be commended on the quality of her work during the previous year, and	Head of Occupational Health	



			(b) that a verbal update be provided to the Committee in around three months.		
16 November 2020	Update in relation to the Emergency Medical Response Cost Recovery Model (Scrutiny Programme 2019/20)	95/20	<b>Resolved -</b> (b) that the matter of the Emergency Medical Response Cost Recovery Model be considered resolved.	Director of Service Delivery	The cost recovery programme in relation to the Emergency Medical Response service was aligned across the Service's area.



# Audit Progress Report

Humberside Fire Authority

January 2021



1. Audit Progress
2. National Publications

# 01

## Section 01: **Audit Progress**

# Audit Progress

## **Purpose of this report**

This report provides the Governance, Audit and Scrutiny Committee (GAS) and the Fire Authority with an update on progress in delivering our responsibilities as your external auditors. It will be presented to the GAS Committee on 25 January 2021 and to the Fire Authority on 12 February 2021.

## **2019/20 Audit**

We completed our external audit of the Authority's 2019/20 financial statements and value for money conclusion in November 2020, signing the audit report on 27 November 2020. We provided the GAS Committee with a verbal update at its meeting on 16 November 2020, and we presented a follow up letter to our Audit Completion Report at a special meeting of the Fire Authority on 27 November 2020.

We are presenting the Annual Audit Letter as a separate agenda item to the GAS Committee on 25 January 2021 and to the Fire Authority on 12 February 2021, representing the final conclusion of the 2019/20 audit.

## **2020/21 Audit**

We have commenced our audit planning for the 2020/21 audit and will present our Audit Strategy Memorandum to the next GAS Committee meeting on 22 February 2021 and the Fire Authority on 12 March 2021. We have held regular discussions with the Authority's Executive Director of Corporate Services and these help us to keep up to date with emerging issues that may impact on our external audit.

We reported during 2019/20 that the National Audit Office had updated their Code of Audit Practice and that this new Code applies from the 2020/21 audit. The new Code changes the work that auditors will be required to do, and the related reporting, on the Authority's arrangements to deliver value for money in their use of resources. We summarise the impact of these changes on the next page.

# Audit Progress

## External audit work on the Authority's arrangements to deliver value for money in its use of resources

The changes to the reporting requirements means that from 2020/21 we will no longer include a value for money conclusion in our Financial Statements Audit Report. We will report our commentary on the Authority's arrangements to deliver value for money in a new Auditor's Annual Report (which replaces the Annual Audit Letter). The NAO Code requires that where auditors identify weaknesses in the Authority's arrangements they should report recommendations to the Authority promptly through the year.

In carrying out our work we will comply with the NAO's guidance on value for money work, which identifies that the work must have regard to the following specific criteria:

- **Financial sustainability:** how the body plans and manages its resources to ensure it can continue to deliver its services;
- **Governance:** how the body ensures that it makes informed decisions and properly manages its risks; and
- **Improving economy, efficiency and effectiveness:** how the body uses information about its costs and performance to improve the way it manages and delivers its services.

We will keep GAS Committee and the Fire Authority up to date on our progress as we complete our audit work.

# 02

## Section 02: **National Publications**



# National Publications

	Publication/update	Date published	Key points	Page
<b>National Audit Office</b>				
1	Guide for Audit and Risk Committees on Financial Reporting and Management during COVID-19.	June 2020	Guidance for audit committee members	9
2	Local auditor reporting application	December 2020	Data on local auditor reporting presented through an interactive map	9
<b>CIPFA</b>				
3	Financial Scrutiny Practice Guide	June 2020	Guidance for audit committee members	10
4	A Guide to Local Authority and Public Sector Asset Management	November 2020	Asset management guidance	10
<b>Home Office</b>				
5	Fire and Rescue National Framework; 2020 Progress Report	July 2020	Report on fire and rescue authorities compliance with the national framework.	11
6	Fire and Rescue Incident Statistics, England : Year-ending 31 March 2020	August 2020	Comparative data	11
7	Fire Prevention and Protection Statistics, England : Year-ending 31 March 2020	September 2020	Comparative data	11
8	Public Service Pension Schemes Guidance	September 2020	Consultation on the Remedy to McCloud / Sergeant litigation	12
9	Detailed Analysis of Fires Attended by Fire and Rescue Services in England,	October 2020	Comparative data	12

# National Publications (Continued)

	Publication/update		Key points	Page
<b>Home Office (Continued)</b>				
10	Fire safety	October 2020	Consultation on reforms in response to Grenfell tower Enquiry	12
11	Fire and Rescue Workforce and Pensions Statistics, England: 2019/20	October 2020	Comparative data	12
12	Fire and Rescue Authority Financial Reserves, March 2019	November 2020	Comparative data	12
<b>MHCLG</b>				
13	Local Authority Financial Reporting and external audit: independent review	September 2020	The Redmond report	13
14	Local authority financial reporting and external audit: government response to the Redmond review	December 2020	MHCLG's response to Sir Tony Redmond's independent review	13
<b>PSAA</b>				
15	Quarterly Quality Monitoring Report for the financial year 2021-22: Q2	September 2020	PSAA Audit Quality report	14
<b>Financial Reporting Council</b>				
16	Local Audit Inspections	October 2020	FRC Audit Quality report	15

# NATIONAL PUBLICATIONS

## National Audit Office

### 1. Guide for Audit and Risk Committees on Financial Reporting and Management during COVID-19, June 2020

The National Audit Office's (NAO) guide sets out that audit and risk committees are integral to the scrutiny and challenge process. They advise boards and accounting officers on matters of financial accountability, assurance and governance, and can support organisations, providing expert challenge, helping organisations focus on what is important, and how best to manage risk.

Each organisation will have existing risk management processes in place, but risk appetite may have changed as a result of COVID-19, making it more difficult for the organisation to operate effectively and respond in a timely manner. This may result in a weakening of controls in some areas, increasing the likelihood of other risks occurring. Organisations will need to consider how long this change in risk appetite is sustainable for.

This guide aims to help audit and risk committee members discharge their responsibilities in several different areas, and to examine the impacts on their organisations of the COVID-19 outbreak, including on:

- annual reports;
- financial reporting;
- the control environment; and
- regularity of expenditure.

In each section of the guide the NAO has set out some questions to help audit and risk committee members understand and challenge activities. Each section can be used on its own, although we would recommend that GAS members consider the whole guide, as the questions in other sections may be interrelated.

The guide may also be used as members consider reporting in the 2020-21 period when more specific and detailed reporting on the outbreak will be required.

<https://www.nao.org.uk/report/guidance-for-audit-and-risk-committees-on-financial-reporting-and-management-during-covid-19/>

### 2. Local auditor reporting application, December 2020

'The local auditor reporting application' presents the opinions of local auditors on local public bodies' financial statements and conclusions on whether they have proper arrangements in place to secure value for money. The data is presented through an interactive map which allows users to explore auditor reporting for nine different types of local body and two different audit years. The interactive map also contains pop-ups to enable users to access further information about the body, such as the local auditor's report or annual audit letter.

<https://www.nao.org.uk/other/local-auditor-reporting-application/>

# NATIONAL PUBLICATIONS

## CIPFA

### 3. Financial Scrutiny Practice Guide, June 2020

The impact of the COVID-19 pandemic on local authority finances and uncertainty regarding the delayed fair funding review on top of a decade of progressively more significant financial constraints has placed local government in a hugely challenging position. Accordingly, CIPFA state that for the foreseeable future, local authority budgeting will be even more about the language of priorities and difficult choices than ever before.

In response CIPFA have produced guidance proposing ways to move budget and finance scrutiny beyond set-piece scrutiny 'events' in December and quarterly financial performance scorecards being reported to committee. Effective financial scrutiny is one of the few ways that local authorities can assure themselves that their budget is robust and sustainable, and that it intelligently takes into account the needs of residents.

<https://www.cipfa.org/policy-and-guidance/reports/financial-scrutiny-practice-guide>

### 4. A Guide to Local Authority and Public Sector Asset Management, November 2020

This step by step guide to asset management in the public sector has been produced by CIPFA Property. It takes the reader on the asset management journey, from the development of strategic asset management policies and strategies designed to deliver corporate objectives through to the development, implementation, challenge and review of asset management practices and portfolios.

<https://www.cipfa.org/policy-and-guidance/publications/a/asset-management-in-the-public-sector-a-practitioners-guide>

# NATIONAL PUBLICATIONS

## Home Office

### 5. Fire and Rescue National Framework; 2020 Progress Report, July 2020

The report notes that each FRA in England has provided sufficient assurance that it is acting in accordance with the National Framework and material has been provided to demonstrate this including:

- assurance statements and, where appropriate, other documentation such as Integrated Risk Management Plans (IRMPs), governance statements and other operational and financial information (prepared by FRAs) for the period under review; and
- each FRA has provided assurance to their community on financial, governance and operational matters.

The Home Office also carried out an examination of a sample of FRA assurance statements to seek evidence that authorities have complied with the framework and to review their IRMPs and financial plans.

The Secretary of State confirmed satisfaction (based on the Home Office's assessment of assurances provided) that every FRA in England had acted in accordance with the requirements of the framework and so no formal steps had been taken to secure compliance since the last assurance in 2018.

<https://www.gov.uk/government/publications/fire-and-rescue-national-framework-2020-progress-report>

### 6. Fire and Rescue Incident Statistics, England : Year-ending 31 March 2020, August 2020

The report shows that in 2019/20 fire and rescue authorities attended 16% fewer fires than in 2018/19, although most of this reduction was due to secondary fires being unusually high in the relatively hot summer of 2018. The report also notes deaths and injuries fell slightly, the former to their lowest level recorded and 29% lower than ten years ago.

<https://www.gov.uk/government/statistics/fire-and-rescue-incident-statistics-england-year-ending-march-2020>

### 7. Fire Prevention and Protection Statistics, England : Year-ending 31 March 2020, September 2020

This report illustrates the continuing decline in the number of home fire safety checks performed since the peak in 2010/11, three per cent year on year and 25% over the ten year period. However, the percentage of households owning a working smoke alarm has continued to increase and has now reached 91%.

<https://www.gov.uk/government/statistics/fire-prevention-and-protection-statistics-england-april-2019-to-march-2020>

# NATIONAL PUBLICATIONS

## Home Office

### 8. Public Service Pension Schemes Guidance, September 2020

This consultation, which ended in October 2020 sets out options for how the Government will remove the discrimination against some younger pension scheme members identified in the McCloud / Sergeant judgements. These options involve providing members with a choice of which set of pension scheme benefits, those under their old scheme or the new scheme, they would like to receive for the remedy period and whether to make that choice immediately or defer it until retirement. The Government is expected to publish its response and final policy decision shortly.

<https://www.gov.uk/government/publications/public-service-pension-schemes-guidance>

### 9. Detailed Analysis of Fires Attended by Fire and Rescue Services in England, October 2020

The report shows that cooking fires represented about half of accidental dwelling fires but smoking fires, which only represented seven per cent of the total were more likely to result in fatality. Elderly men were more likely to be casualties than women and younger people.

<https://www.gov.uk/government/collections/fire-statistics-great-britain>

### 10. Fire safety, October 2020

The fire safety consultation, published alongside the draft Building Safety Bill, is key part of government's package of reform to improve building and fire safety in all regulated premises and to deliver key Grenfell Tower Inquiry recommendations. It closed in October 2020. If enacted, the Bill will require building control bodies to consult with Fire and Rescue Authorities and share fire safety information.

<https://www.gov.uk/government/consultations/fire-safety>

### 11. Fire and Rescue Workforce and Pensions Statistics, England: 2019/20, October 2020

This report shows that the number of full time firefighters has remained almost constant for three years. Seven per cent of firefighters are now female, compared to less than five per cent five years ago.

<https://www.gov.uk/government/statistics/fire-and-rescue-workforce-and-pensions-statistics-england-april-2019-to-march-2020>

### 12. Fire and Rescue Authority Financial Reserves at March 2019, November 2020

This report illustrates that fire and rescue authorities held reserves equivalent to 39% of core spending power at 31 March 2019. Humberside Fire Authority's reserves were below average, at 25%,

<https://www.gov.uk/government/publications/fire-and-rescue-authority-financial-reserves-march-2019>

# NATIONAL PUBLICATIONS

## MHCLG

### 13. Local Authority Financial Reporting and external audit: independent review, September 2020

This independent review, led by Sir Tony Redmond at the invitation of the Ministry of Housing, Communities and Local Government, considered the effectiveness of external audit and transparency of financial reporting in local authorities. The Redmond Report concluded that audit fees were at least 25% lower than is required to fulfil current local audit requirements effectively. Audit fees in the local authority sector have fallen significantly over the last five years, whereas audit fees in other sectors have significantly risen although audit suppliers have sought to bridge the gap with increasing fee variations, which averaged eight per cent in 2018/19. The report also suggests local authority accounts are currently too complex to make audit completion by 31 July feasible.

Redmond makes a number of recommendations in relation to:

- external audit regulation
- smaller authorities audit regulation
- financial resilience of local authorities
- transparency of financial reporting

<https://www.gov.uk/government/publications/local-authority-financial-reporting-and-external-audit-independent-review>

### 14. MHCLG's response to Sir Tony Redmond's independent review, December 2020

MHCLG has published its response to Sir Tony Redmond's Independent review into the oversight of local audit and the transparency of local authority financial reporting. The Redmond Review made 23 recommendations relating to the quality, timeliness and sustainability of local audit, and the transparency of local authority accounts. The department has grouped its response into 5 themes, which are summarised in Annex A to the response.

Amongst the responses MHCLG confirmed that they intend to amend existing regulations to extend the deadline for publishing audited local authority accounts from 31 July to 30 September, for a period of two years (i.e. covering the audit of the 2020/21 and 2021/22 accounting years). At the end of this period they will review whether there is a continued need to have an extended deadline.

They also confirmed that they did not intend to create an Office of Local Audit and Regulation (OLAR) stating in their response that they “*do not wish to re-create the costly, bureaucratic and over-centralised Audit Commission*”. They added that they “*will commit to explore the full range of options as to how best to deliver Sir Tony's finding that a 'system leader' is required. This will include close consideration of whether existing bodies could take on this function.*”

<https://www.gov.uk/government/publications/local-authority-financial-reporting-and-external-audit-government-response-to-the-redmond-review/local-authority-financial-reporting-and-external-audit-government-response-to-the-independent-review>

# NATIONAL PUBLICATIONS

## Public Sector Audit Appointments Limited

### 15. Quarterly Quality Monitoring Report for the financial year 2021-22: Q2, September 2020

Under the transitional arrangements, which followed the abolition of the Audit Commission, PSAA were responsible for monitoring the quality of the work undertaken by the audit suppliers at principal bodies. PSAA published the last report under these transitional arrangements in Autumn 2019 and Mazars received an overall amber rating, which matched the '*combined regime*' score across the 5 suppliers. This was slightly disappointing as in 2018 Mazars had been the only supplier awarded a green rating and the downgrading reflected weaknesses in the approach to auditing Property, Plant and Equipment and Pensions, which were common across suppliers.

PSAA explain in their latest quality monitoring report that they have appointed the Financial Reporting Council (FRC) and Institute of Chartered Accountants in England and Wales (ICAEW) to review audit quality from 2018/19 onwards and the results will be published in their 2020 Annual Monitoring Report, during 2021. However, they have continued to monitor delivery of local authority engagements and report any non-compliance with the terms of appointment.

The report indicates that in 2018/19 43% of local authority audits were not delivered by the 31 July 2019 deadline and eight per cent remained outstanding at 30 September 2020. Mazars were the top performer in terms of audit delivery with 20% of opinions late and two per cent still outstanding. Mazars were found to be fully compliant with the terms of appointment.

The report also notes that whilst only 18% of 2019/20 audits were reported as being at risk of being late this number was expected to increase and this forecast transpired to be accurate. The actual percentage of 2019/20 local authority audits outstanding at 30 November 2020 was 55%, an increase on 2018/19 (PSAA press release 4 December 2020).

<https://www.psaa.co.uk/managing-audit-quality/audit-quality-monitoring-reports-from-2018-19/quarterly-reports/>

The PSAA Press release regarding late 2019/20 opinions can be found at:

<https://www.psaa.co.uk/2020/12/news-release-2019-20-audited-accounts/>



# NATIONAL PUBLICATIONS

## Financial Reporting Council

### 16. Major Local Audits – Audit Quality Inspection, October 2020

#### The framework for the inspection of local audit work

Responsibility for the inspection of local audit work is now with the Financial Reporting Council (FRC) for ‘*major local audits*’ (those with annual expenditure which exceeds £500m) and the ICAEW for those bodies which do not meet the major local audit definition. As part of their inspection of major local audits for the 2018/19 financial year, the Audit Quality Review (AQR) team of the FRC reviewed two of our major local audits and found these to require significant improvements in respect of our audit of the financial statements. The same reviews indicated that our work on value for money arrangements for those audits was of a good standard. Our non-major local audits for 2018/19 were not subject to inspection by the ICAEW.

#### Our response to the FRC’s findings

We are committed to delivering high-quality audits to all of our clients and have responded robustly to the AQR’s findings. Our Local Audit Quality Plan incorporates the risks to audit quality identified from a range of sources and identifies that actions we have put in place, or are taking, to mitigate these risks. Our Audit Quality Team is responsible for the maintenance of the plan which is also subject to oversight and scrutiny from the firm’s Audit Board.

In addition, we have undertaken a detailed root cause analysis project to identify and understand the drivers of poor audit quality in some of our local audit work. This has focused on all local audits where the need for improvement or significant improvements have been identified either through external inspections or our programme of internal quality monitoring reviews.

We have taken steps to respond to the AQR’s specific findings in relation to our work in the following areas of the audit:

- Testing the valuation of property assets;
- Exercising appropriate oversight of group audits, including the direction, supervision and review of the work of component auditors; and
- Document judgements made as part of the audit process, specifically those in relation to our testing of income and expenditure.

We have also strengthened our standard procedures in relation to the audit of net defined benefit pension liabilities arising from our clients’ membership of local government pension schemes.

# NATIONAL PUBLICATIONS

## Financial Reporting Council

### 9. Major Local Audits – Audit Quality Inspection, October 2020 (continued)

#### What this means for the Authority

Although Humberside Fire Authority is not a major audit and thus not subject to FRC quality reviews we adopt a common methodology across our public sector audits. It is important to note that the FRC were satisfied with that methodology, but not the way it had been applied on the two audits sampled. Although the FRC did not finalise its report until October 2020 the key messages were conveyed in advance of 2019/20 audits, giving us time to make improvements across all local authority audits.

We take the weaknesses identified by the FRC extremely seriously, and our response to the improvement areas has been robust. It is clear that on areas of the audit such as the valuation of property assets and the audit of defined benefit pension liabilities, we must do more to meet the regulator's expectations. This means that the time we spend on these areas of the audit will increase and the level of challenge we apply in auditing these areas will also increase. Your finance team and your experts will have seen the increase in the scope and scale of work we have undertaken in 2019/20 in terms of the granularity and depth of testing.

Going forward, our response and the increase in the challenge we make, is likely to include the engagement of our own experts (for example, property valuation experts) to fully consider the methodologies and judgements applied by the Authority's own experts. There will be consequential effects on the fee that we are likely to request from the Authority to undertake the audit.

<https://www.frc.org.uk/news/october-2020/frc-publishes-major-local-audit-inspection-results>

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# Annual Audit Letter

## Humberside Fire Authority

Year ending 31 March 2020





## Contents

- 01** Executive summary
- 02** Audit of the financial statements
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- 04** Other reporting responsibilities
- 05** Our fees
- 06** Forward look

Our reports are prepared in the context of the 'Statement of responsibilities of auditors and audited bodies' issued by Public Sector Audit Appointments Ltd. Reports and letters prepared by appointed auditors and addressed to members or officers are prepared for the sole use of the Authority. No responsibility is accepted to any member or officer in their individual capacity or to any third party. Our written consent must first be obtained before this document, or any part of it, is disclosed to a third party.

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# 1. EXECUTIVE SUMMARY

## Purpose of the Annual Audit Letter

Our Annual Audit Letter summarises the work we have undertaken as the auditor for Humberside Fire Authority (the Authority) for the year ended 31 March 2020. Although this letter is addressed to the Authority, it is designed to be read by a wider audience including members of the public and other external stakeholders.

Our responsibilities are defined by the Local Audit and Accountability Act 2014 (the 2014 Act) and the Code of Audit Practice issued by the National Audit Office (the NAO). The detailed sections of this letter provide details on those responsibilities, the work we have done to discharge them, and the key findings arising from our work. These are summarised below.

Area of responsibility	Summary
Audit of the financial statements	<p>Our auditor's report issued on 27 November 2020 included our opinion that the financial statements:</p> <ul style="list-style-type: none"><li>• give a true and fair view of the Authority's financial position as at 31 March 2020 and of its expenditure and income for the year then ended; and</li><li>• have been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2019/20</li></ul>
Other information published alongside the audited financial statements	<p>Our auditor's report included our opinion that:</p> <ul style="list-style-type: none"><li>• the other information in the Statement of Accounts is consistent with the audited financial statements.</li></ul>
Value for money conclusion	<p>Our auditor's report concluded that we are satisfied that in all significant respects, the Authority has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2020</p>
Reporting to the group auditor	<p>In line with group audit instructions, issued by the NAO on 4<sup>th</sup> November, we reported to the group auditor in line with the requirements applicable to the Authority's WGA return.</p>
Statutory reporting	<p>Our auditor's report confirmed that we did not use our powers under s24 of the 2014 Act to issue a report in the public interest or to make written recommendations to the Authority.</p>





## 2. AUDIT OF THE FINANCIAL STATEMENTS

### Opinion on the financial statements

**Unqualified**

### The scope of our audit and the results of our work

The purpose of our audit is to provide reasonable assurance to users that the financial statements are free from material error. We do this by expressing an opinion on whether the statements are prepared, in all material respects, in line with the financial reporting framework applicable to the Authority and whether they give a true and fair view of the Authority's financial position as at 31 March 2020 and of its financial performance for the year then ended.

Our audit was conducted in accordance with the requirements of the Code of Audit Practice issued by the NAO, and International Standards on Auditing (ISAs). These require us to consider whether:

- the accounting policies are appropriate to the Authority's circumstances and have been consistently applied and adequately disclosed;
- the significant accounting estimates made by management in the preparation of the financial statements are reasonable; and
- the overall presentation of the financial statements provides a true and fair view.

Our auditor's report, stated that in our view, the financial statements give a true and fair view of the Authority's financial position as at 31 March 2020 and of its financial performance for the year then ended.

East Riding Pension Fund has made a disclosure of 'material valuation uncertainty' in relation to certain types of assets in the notes to its financial statements. As the Authority's accounts include a share of the Pension Fund assets, and the assets subject to the disclosure are above our materiality level, Note 3 to the Authority's financial statements in relation to sources of estimation uncertainty, has been updated to disclose the impact of this on the Authority's financial statements. In line with normal practice, we will include reference to this disclosure as an '*emphasis of matter*' in our audit report. The purpose of this paragraph is to draw attention to this disclosure, it is not a qualification and does not modify our proposed unqualified opinion on the financial statements.

### Our approach to materiality

We apply the concept of materiality when planning and performing our audit, and when evaluating the effect of misstatements identified as part of our work. We consider the concept of materiality at numerous stages throughout the audit process, in particular when determining the nature, timing and extent of our audit procedures, and when evaluating the effect of uncorrected misstatements. An item is considered material if its misstatement or omission could reasonably be expected to influence the economic decisions of users of the financial statements.

Judgements about materiality are made in the light of surrounding circumstances and are affected by both qualitative and quantitative factors. As a result we have set materiality for the financial statements as a whole (financial statement materiality) and a lower level of materiality for specific items of account (specific materiality) due to the nature of these items or because they attract public interest. We also set a threshold for reporting identified misstatements to the Authority. We call this our trivial threshold.

The table below provides details of the materiality levels applied in the audit of the financial statements for the year ended 31 March 2020:

Financial statement materiality	Our financial statement materiality is based on 2% of Gross Operating Expenditure.	£1,505,000
Trivial threshold	Our trivial threshold is based on 3% of financial statement materiality.	£45,000
Specific materiality	We have applied a lower level of materiality to the following areas of the accounts: - Members allowances - Senior officer remunerations - Exit packages	£1,000 £5,000 £1,000





## 2. AUDIT OF THE FINANCIAL STATEMENTS

### Our response to significant risks

As part of our continuous planning procedures we considered whether there were risks of material misstatement in the Authority's financial statements that required special audit consideration. We reported significant risks identified at the planning stage within our Audit Strategy Memorandum and provided details of how we responded to those risks in our Audit Completion Report. The table below outlines the identified significant risks, the work we carried out on those risks and our conclusions.

Identified significant risk	Our response	Our findings and conclusions
<b>Management override of controls</b>  In all entities, management at various levels within an organisation are in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Because of the unpredictable way in which such override could occur, we consider there to be a risk of material misstatement due to fraud and thus a significant risk on all audits.	We addressed this risk through performing audit work over: <ul style="list-style-type: none"> <li>Accounting estimates impacting on amounts included in the financial statements;</li> <li>Consideration of identified significant transactions outside the normal course of business; and</li> <li>Journals recorded in the general ledger and other adjustments made in preparation of the financial statements.</li> </ul>	Our work provided the required assurance.
<b>Property, Plant and Equipment Valuation</b>  The financial statements contain material entries on the Balance Sheet as well as material disclosure notes in relation to the Authority's holding of PPE. Although the Authority uses a valuation expert to provide information on valuations, there remains a high degree of estimation uncertainty associated with the revaluation of PPE due to the significant judgements and number of variables involved in providing revaluations. We therefore identified the valuation of PPE to be an area of significant risk.	<p>We addressed this risk by considering the Authority's arrangements for ensuring that PPE values are reasonable and engaged our own expert to provide data to enable us to assess the reasonableness of the valuations provided by the external valuer. We also assessed the competence, skills and experience of the valuer.</p> <p>We discussed methods used with the valuer and examined supporting information. We used indices provided by our own expert to confirm the assets not revalued are unlikely to have materially changed in value. We tested all revaluations in year to valuation reports and supporting calculation sheets and re-performed the calculations to ensure that they were correct and source data agreed with floor plans and relevant indices.</p> <p>We also considered the impact of COVID-19 on the valuations to gain additional assurance on their reasonableness.</p>	Our work provided the required assurance.



## 2. AUDIT OF THE FINANCIAL STATEMENTS

### Our response to significant risks (continued)

Identified significant risk	Our response	Our findings and conclusions
<p><b>Defined benefits liability valuation</b></p> <p>The financial statements contain material pension entries in respect of retirement benefits. The calculation of these pension figures, both assets and liabilities, can be subject to significant volatility and includes estimates based upon a complex interaction of actuarial assumptions. Moreover, in 2019/20 the local government pension fund assets and liabilities were subject to triennial revaluation. This resulted in an increased risk of material misstatement.</p>	<p>We discussed with key contacts any significant changes to the pension estimates. In addition to our standard programme of work in this area, we evaluated the management controls that the Authority has in place to assess the reasonableness of the figures provided by the Actuary and considered the reasonableness of the Actuary's output, referring to our expert's report on all actuaries nationally.</p> <p>We reviewed the appropriateness of the key assumptions included within the valuations, compared them to expected ranges and reviewed the methodology applied in the valuation. We also considered the adequacy of disclosures in the financial statements.</p>	<p>Our work provided the required assurance.</p> <p>As detailed on page 3, our Audit Report included an emphasis of matter associated with material uncertainty relating to valuations of Pension Fund property investments.</p> <p>One amendment to the financial statements was required in relation to the McCloud judgement which relates to potential age discrimination arising from transitional protections offered to some existing members of public service pension schemes that were not made available to younger members. As a result, the pension liabilities on the Firefighters' pension scheme reduced by £4M.</p>



## 2. AUDIT OF THE FINANCIAL STATEMENTS

### Internal control recommendations

As part of our audit we considered the internal controls in place that are relevant to the preparation of the financial statements. We did this to design audit procedures that allow us to express our opinion on the financial statements, but this did not extend to us expressing an opinion on the effectiveness of internal controls. We did not identify any deficiencies in internal control as part of our audit.



### 3. VALUE FOR MONEY CONCLUSION

Value for money conclusion	Unqualified
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#### Our audit approach

We are required to consider whether the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The NAO issues guidance to auditors that underpins the work we are required to carry out in order to form our conclusion, and sets out the criterion and sub-criteria that we are required to consider.

The overall criterion is that, 'in all significant respects, the Authority had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people.' To assist auditors in reaching a conclusion on this overall criterion, the following sub-criteria are set out by the NAO:

- informed decision making;
- sustainable resource deployment; and
- working with partners and other third parties.

Our auditor's report, stated that that, in all significant respects, the Authority put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31<sup>st</sup> March 2020

Sub-criteria	Commentary	Arrangements in place?
Informed decision making	<p>We reviewed financial, performance and risk management reports throughout the year and attended meetings of the Governance, Audit and Scrutiny Committee. We did not identify any concerns regarding data quality or the decision-making process. The Authority reviewed management accounts through the year and when an overspend was forecast took early and effective action that ensured a small surplus was achieved by year-end.</p> <p>We considered the following aspects of proper arrangements specified by the National Audit Office as part of our risk assessment, and, based on our risk-based approach, we did not identify any significant issues or exceptions in the Authority's arrangements:</p> <ul style="list-style-type: none"> <li>a) Acting in the public interest, through demonstrating and applying the principles and values of sound governance;</li> <li>b) Understanding and using appropriate and reliable financial and performance information to support informed decision making and performance management;</li> <li>c) Reliable and timely financial reporting that supports the delivery of strategic priorities; and</li> <li>d) Managing risks effectively and maintaining a sound system of internal control.</li> </ul>	Yes



### 3. VALUE FOR MONEY CONCLUSION (continued)

Sub-criteria	Commentary	Arrangements in place?
Sustainable resource deployment	<p>Financial and performance reports demonstrate a history of achieving cost reductions without adversely affecting services to date and a balanced medium term financial strategy is in place up to 2023/24 without the need for further savings and with general reserves of c£5m maintained. The fair funding review has been postponed and will not now impact until 2022/23 but the Authority has a strategy in place to meet several different funding scenarios.</p> <p>In June 2019 HMICFRS rated the Authority 'good' in two out of three inspection pillars and in 2019/20 the Authority has maintained performance in priority areas whilst implementing an improvement plan with particular focus on the inspection pillar rated as 'requires improvement'.</p> <p>We considered the following aspects of proper arrangements specified by the National Audit Office as part of our risk assessment, and, based on our risk-based approach, we did not identify any significant issues or exceptions in the Authority's arrangements:</p> <ul style="list-style-type: none"> <li>a) Planning finances effectively to support the sustainable delivery of strategic priorities and maintain statutory functions;</li> <li>b) Managing and utilising assets effectively to support the delivery of strategic priorities; and</li> <li>c) Planning, organising and developing the workforce effectively to deliver strategic priorities.</li> </ul>	Yes



### 3. VALUE FOR MONEY CONCLUSION (continued)

Sub-criteria	Commentary	Arrangements in place?
Working with partners and other third parties	<p>The joint Emergency Service Fleet Management workshop and Estates Department with Humberside Police illustrate the Authority's commitment to increase collaboration and build on long-established partnership arrangements to improve community safety. In 2020/21 collaboration has been further enhanced through shared management within Finance and by sharing control room infrastructure with other fire authorities to increase resilience.</p> <p>We considered the following aspects of proper arrangements specified by the National Audit Office as part of our risk assessment, and, based on our risk-based approach, we did not identify any significant issues or exceptions in the Authority's arrangements:</p> <ul style="list-style-type: none"> <li>a) Working with third parties effectively to deliver strategic priorities;</li> <li>b) Commissioning services effectively to support the delivery of strategic priorities; and</li> <li>c) Procuring supplies and services effectively to support the delivery of strategic priorities.</li> </ul>	Yes



### 3. VALUE FOR MONEY CONCLUSION (Continued)

#### Significant audit risks

The NAO's guidance requires us to carry out work to identify whether or not a risk to the Value for Money conclusion exists. Risk, in the context of our Value for Money work, is the risk that we come to an incorrect conclusion rather than the risk of the arrangements in place at the Authority being inadequate. In our Audit Completion Report, we reported that we had not identified any significant Value for Money risks.

#### Impact of the COVID-19 Pandemic

During March 2020, the significant impact of the COVID-19 pandemic began to have far reaching implications for us all, including an impact on the Authority. In particular, following the lockdown from 26 March 2020, the service needed to respond to the impact of the pandemic on its communities and also needed to adapt to new ways of working.

Our 2019/20 value for money conclusion is focused on the arrangements in place during the 2019/20 financial year. Given the timing of the major impact of the pandemic one week before the end of the financial year, the Authority did not have time to review its arrangements for informed decision making, sustainable resource deployment or working with partners and other third parties during the financial year under review. Consequently, we did not identify an additional significant risk relating to the COVID-19 pandemic in our 2019/20 value for money conclusion work.

The Authority's response to the pandemic will be a major focus of our 2020/21 audit. With this in mind, we have continued to liaise with officers and gain an understanding of the arrangements that have been put in place in the new financial year.



## 4. OTHER REPORTING RESPONSIBILITIES

Exercise of statutory reporting powers	No matters to report
Completion of group audit reporting requirements	Below Testing Threshold
Other information published alongside the audited financial statements	Consistent

The NAO's Code of Audit Practice and the 2014 Act place wider reporting responsibilities on us, as the Authority's external auditor. We set out below, the context of these reporting responsibilities and our findings for each.

### Matters on which we report by exception

The 2014 Act provides us with specific powers where matters come to our attention that, in our judgement, require reporting action to be taken. We have the power to:

- issue a report in the public interest;
- make statutory recommendations that must be considered and responded to publicly;
- apply to the court for a declaration that an item of account is contrary to law; and
- issue an advisory notice under schedule 8 of the 2014 Act.

We have not exercised any of these statutory reporting powers.

The 2014 Act also gives rights to local electors and other parties, such as the right to ask questions of the auditor and the right to make an objection to an item of account. We did not receive any such objections or questions.

### Reporting to the NAO in respect of Whole of Government Accounts consolidation data

The NAO, as group auditor, requires us to complete the WGA Assurance Statement in respect of its consolidation data. We submitted this information to the NAO on 27 November 2020.

### Other information published alongside the financial statements

The Code of Audit Practice requires us to consider whether information published alongside the financial statements is consistent with those statements and our knowledge and understanding of the Authority. In our opinion, the other information in the Statement of Accounts is consistent with the audited financial statements.





## 5. OUR FEES

### Fees for work as the Authority's auditor

We reported our proposed fees for the delivery of our work in the Audit Strategy Memorandum, presented to the Governance, Audit and Scrutiny Committee in January 2020 and the full Authority in February 2020. This was based on the scale fee set by Public Sector Audit Appointments Limited. As noted throughout the year, we highlighted that there would be additional recurring audit fees as a result of increased regulatory pressures and requirements. We also mentioned that we would review the final position on fees when the audit was concluded.

Following completion of the audit, we have revisited the fees for 2019/20. In addition to the increase in the base audit fee, there have been some one-off increases in the audit fee for the 2019/20 audit year, and mainly relate to audit issues arising from the Covid-19 pandemic and other matters.

Any variations to the final fee will also require the approval of Public Sector Audit Appointments Limited, which manages the contracts for our work.

Area of work	2019/20 proposed fee / PSAA scale fee (£)	2019/20 final fee (£)
Delivery of audit work under the NAO Code of Audit Practice	24,561	24,561
Recurring increases in the base audit fee arising from regulatory pressures		4,966
One-off fee increases for 2019/20 specific issues		2,052
<b>Total Audit Fees</b>	<b>24,561</b>	<b>31,579</b>

All fees are subject to VAT

### Analysis of Recurring increases in the base audit fee arising from regulatory pressures

Audit area for recurring additional work	Final fee 2019/20
Additional work on PPE and related valuations	£1,738
Additional work on pensions	£1,490
Additional work on review of journals	£993
Additional work in relation to the consideration of going concern	£745
<b>Total additional fee for 2019/20 (recurring in future years)</b>	<b>£4,966</b>



## 5. OUR FEES

### Analysis of One-off fee increases for 2019/20 specific issues

Additional work relating to the 2019/20 audit	Final fee 2019/20
Additional procedures to review the potential impact of the proposed remedy in the McCloud case against the pension liability disclosures, and consideration of the potential impact of the Goodwin case on pension liabilities – review of the revised disclosures for the firefighters' scheme in respect of McCloud	£1,026
Additional procedures in relation to Material Valuation Uncertainty of the Authority's property assets, including consideration of whether an additional disclosure was required and whether an Emphasis of Matter paragraph was needed in the audit report. We concluded that this was not necessary given that all of the assets held by the Authority were recorded on a DRC (Depreciated Replacement Cost) basis.	£513
Additional procedures in relation to Material Valuation Uncertainty of the Pension Fund's property assets, including disclosures and the inclusion of an Emphasis of Matter paragraph in the audit report, which was subject to Consultant Partner Review	£513
<b>Total additional fee for 2019/20 (not recurring)</b>	<b>£2,052</b>

### Fees for other work

We confirm that we have not undertaken any non-audit services for the Authority in the year.



## 6. FORWARD LOOK

### Financial outlook

In the Value for Money Conclusion section of this letter we indicated that there is considerable uncertainty about the Authority's financial outlook as the Government's review of the formula for funding local authorities has been postponed until late 2021. In addition, the COVID-19 pandemic is likely to reduce revenue from local taxation from 2021/22. The Authority has prudently maintained reserves to allow it to sustain strong performance whilst managing the financial challenges it has already faced and lie ahead.

In December 2020 the Authority updated its Medium Term Financial Plan to reflect the one year spending review announcement on 25 November and the associated public sector pay pause. The plan is balanced without a significant use of reserves. The Authority has a strategy in place to meet several different funding scenarios with sufficient reserves to buy time to develop and consider the savings plans required in the worst case scenario.

### Operational challenges

HMICFRS rated the Authority 'good' in two out of three categories in its full 2019 inspection. The Authority has continued to perform well against key indicators in 2020/21 whilst undertaking additional roles to help the community respond to the pandemic and implementing improvements in response to recommendations made by HMICFRS. It is currently consulting on a new Integrated Risk Management Plan covering the period 2021 to 2024.

### Legislative / environmental changes

Following the Police and Crime Act 2017, the Government are currently consulting on ways to improve the accountability of Police and Crime Commissioners to the communities they serve, which includes examining lessons learnt from different governance models for PCC representation on fire authorities. A decision on future governance arrangements for fire authorities is expected during 2021.

### How we will work with the Authority

Our 2020/21 audit will focus on the risks that the challenges noted above present to the Authority's financial statements and ability to maintain proper arrangements for securing value for money. We have commented on the changes to the Value for Money requirements in the new Code of Audit Practice on the next page.

We will continue to support the Authority through our audit work and through our attendance at Audit and Governance Committee where we will inform the Committee about our progress on the audit, report our key findings and share our insight on any changes we are aware about in the sector. We will continue to offer accounting workshops to finance officers, and the audit team will continue to work with officers to share our knowledge of new accounting developments and we will be on hand to discuss any issues as and when they arise.

### Our added value offer

We are grateful to the Authority, its Members and officers for the cooperation and open dialogue during the year and look forward to continuing to work closely with them in delivering our Code of Audit Practice responsibilities.

We are also keen to help the Authority face its many challenges through the delivery of added value work. The Engagement Manager is a former National and Regional Fire Service Lead with the Audit Commission and has substantial experience of added value work in the fire and rescue sector. We would be happy to discuss the potential for added value work as the scale of the financial challenge referred to above becomes clearer.



## 6. FORWARD LOOK

### Changes to the Code of Audit Practice

The Code of Audit Practice (the Audit Code), issued by the Comptroller and Auditor General, prescribes the way we carry out our responsibilities as your auditors. On 1<sup>st</sup> April 2020 a new Code came in to force and will apply to our work from 2020/21 onwards.

The new Audit Code continues to apply the requirements of International Standards on Auditing (ISAs) to our audit of the financial statements. While there are changes to the ISAs that are effective from 2020/21 the Audit Code has not introduced any changes to the scope of our audit of the financial statements. We will continue to give our opinion on the financial statements in our independent auditor's report.

There are however significant changes to the work on value for money arrangements, and the way we report the outcomes of our work to you.

#### The auditor's work on value for money arrangements

From 2020/21 we are still required to satisfy ourselves that you have made proper arrangements for securing the economy, efficiency and effectiveness in your use of resources, however unlike under the 2015 Audit Code, we will no longer report in the form of a conclusion on arrangements. Instead, where our work identifies significant weaknesses in arrangements, we are required to report those weaknesses to you, along with the actions that need to be taken to address those weaknesses.

Our work on value for money arrangements will focus on three criteria, specified in the revised Audit Code:

- Financial sustainability: how the body plans and manages its resources to ensure it can continue to deliver its services;
- Governance: how the body ensures that it makes informed decisions and properly manages its risks; and
- Improving economy, efficiency and effectiveness: how the body uses information about its costs and performance to improve the way it manages and delivers its services.

Under the new Audit Code we will be expected to report and make recommendations as soon as we identify a significant weakness in arrangements, as opposed to reporting our conclusion on arrangements at the end of the audit cycle as has previously been the case.

#### Reporting the results of the auditor's work

We currently issue you with an Annual Audit Letter which provides a summary of our work across all aspects of our audit. From 2020/21 the Annual Audit Letter will be replaced by the Auditor's Annual Report. This will continue to provide a summary of our work over the year of audit but will also include a detailed commentary on your arrangements in place to achieve economy, efficiency and effectiveness. This commentary replaces the conclusion on arrangements that was previously provided and will include details of any significant weakness identified and reported to you, follow up of any previous recommendations made, and the our view as to whether recommendations have been implemented satisfactorily.

The guidance supporting the new Audit Code is being developed by the National Audit Office and we will provide you with any further updates to our approach arising from this guidance when it is released and we have considered the fee implications.



## 6. FORWARD LOOK

### Redmond Review

In September 2020, Sir Tony Redmond published the findings of his independent review into the oversight of local audit and the transparency of local authority financial reporting. The report makes several recommendations that, if implemented, could affect both the financial statements that local authorities are required to prepare and the work that we as auditors are required to do.

The report and recommendations are wide-ranging, and includes:

- the creation of the Office of Local Audit and Regulation (OLAR), be created to manage, oversee and regulate local audit;
- reviewing reporting deadlines;
- reviewing governance arrangements in local authorities, including the membership of the Audit Committee; and
- increasing transparency and reducing the complexity of local authority financial statements.

The recommendations and findings are being considered by the Ministry of Housing, Communities and Local Government and we look forward to working with all stakeholders to implement changes to ensure the development and sustainability of local audit.

The full report is available here: <https://www.gov.uk/government/publications/local-authority-financial-reporting-and-external-audit-independent-review>



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Mazars is an internationally integrated partnership, specialising in audit, accountancy, advisory, tax and legal services\*. Operating in over 90 countries and territories around the world, we draw on the expertise of 40,400 professionals – 24,400 in Mazars' integrated partnership and 16,000 via the Mazars North America Alliance – to assist clients of all sizes at every stage in their development.

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## Humberside Fire and Rescue Service

### Summary Internal Controls Assurance (SICA) Report

2020/21

January 2021

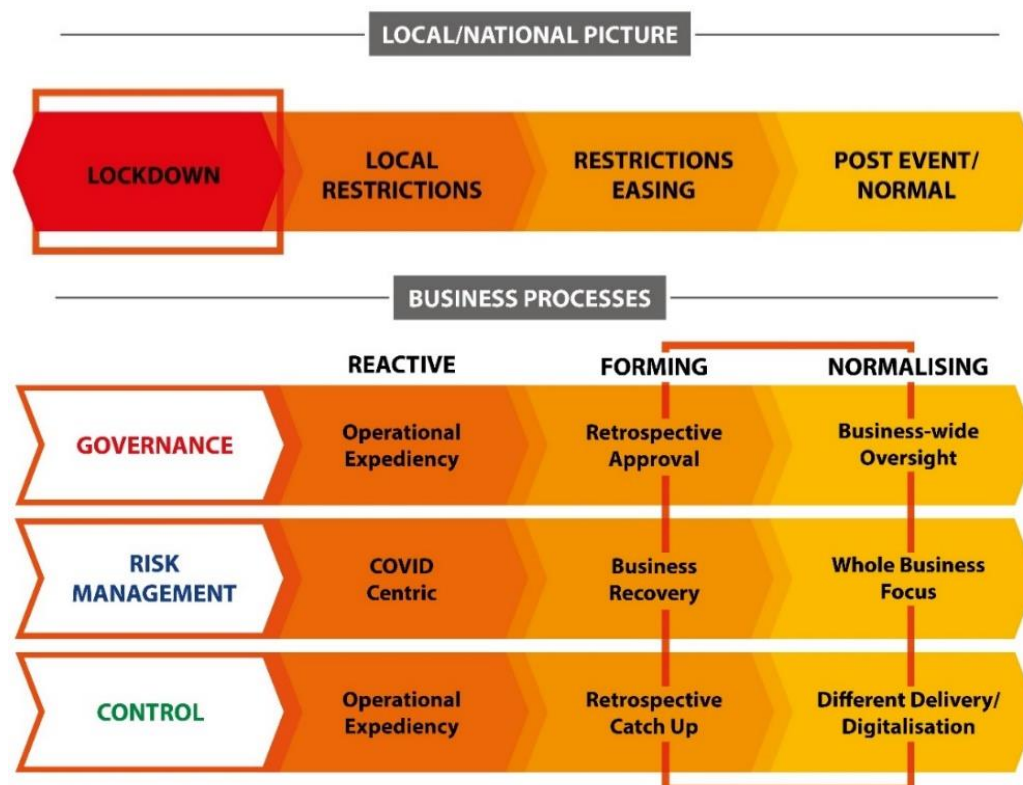
## Summary Internal Controls Assurance

### Introduction

1. This summary report provides the Governance, Audit and Scrutiny Committee (GAS) with an update on the emerging Governance, Risk and Internal Control related issues and the progress of our work at Humberside Fire and Rescue Service (HFRS) as at 11<sup>th</sup> January 2021. The period covered by this summary controls assurance report was significantly impacted by the COVID 19 pandemic.

### Emerging Governance, Risk and Internal Control Related Issues

2. COVID 19 is the most significant recent event to impact both strategically and operationally upon modern day Governance, Risk and Internal Control arrangements. It is clear that there has been and will continue to be a number of phases in relation to the move through the pandemic, and that the local and national picture can worsen as well as improve. Each phase has different implications for Governance, Risk and Internal Control arrangements, however, the way in which organisations have transitioned to revised ways of working is not necessarily directly linked to the local or national picture. The diagrams in the table below signify the assessment of the current local and/or national picture, but also assesses how the organisation has adapted to new ways of working (the 'new normal') at least for the foreseeable future.





3. There are a range of operational matters arising from the COVID 19 pandemic which impact upon the Governance, Risk and Internal Control arrangements and examples of such have been summarised in Appendix A. During the COVID 19 period it would be prudent for HFRS to compare the policies, procedures and internal control processes in effect during the pandemic against the policies, procedures and internal control processes in effect prior to the onset of the pandemic.. The matters identified should be risk assessed so as to gain awareness about where the undetected vulnerabilities that may exist so that an informed decision can be made around acceptance of such risks.

## Internal Control Framework

### Audits completed since the last SICA report to the Audit Committee

4. The table below sets out details of audits finalised since the previous meeting of the Audit Committee.

*Audits completed since previous SICA report*

Review	Evaluation	Key Dates			Number of Recommendations			
		Draft issued	Responses Received	Final issued	1	2	3	OEM
Performance Monitoring	Substantial	11/08/20	07/09/20	08/09/20	0	0	0	0
Health and Safety	Reasonable	30/07/20	14/09/20	14/09/20	0	3	1	0
Arson Prevention	Substantial	07/10/20	15/10/20	20/10/20	0	0	1	0
ICT Cyber Security	Reasonable	19/11/20	25/11/20	26/11/20	0	2	3	0
Business Safety	Reasonable	30/09/20	15/10/20	20/10/20	0	1	3	0
Key Financial Controls	Substantial	08/12/20	14/12/20	15/12/20	0	0	0	0

### Progress in actioning priority 1 recommendations

5. We have made no Priority 1 recommendations (i.e. fundamental control issue on which action should be taken immediately) since the previous SICA.

### Progress against the 2020/21 Annual Plan

6. **COVID 19:** The progress against the planned work for the quarter has been disrupted by the COVID pandemic. In mid-March, when the potential scale and impact of COVID 19 was becoming evident it was agreed with HFRS that the delivery of the internal audit service would be carried out remotely thereby minimising the need to physically access HFRS offices/premises and to hold face to face meetings.
7. Our progress against the Annual Plan for 2020/21 is set out in Appendix B.

### Changes to the Annual Plan 2020/21

8. HFRS has requested that the planned review of Risk management – Business Continuity Staff Shortages is deferred until the 2021/22 plan due to the number of audits for this area of the service and changes in staffing. The review is to be replaced by another review and discussions are currently taking place on the proposed replacement audit subject.

### Frauds Irregularities

9. We have not been advised of any frauds or irregularities in the period since the last SICA report was issued.

### Other Matters

10. We have issued a number of briefing notes and fraud digests, shown in Appendix C, since the previous SICA report.
11. We have reviewed recent guidance issued by the Internal Audit Standards Advisory Board (IASAB) in relation to internal auditing during the COVID-19 pandemic. The guidance aims to support heads of internal audit and individual internal auditors in continuing to meet their personal and professional responsibilities for conforming the UK Public Sector Internal Audit Standards (PSIAS). We can confirm continued conformance with the professional standards during this period.

### Responsibility/Disclaimer

12. This report has been prepared solely for management's use and must not be recited or referred to in whole or in part to third parties without our prior written consent. The matters raised in this report not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose. TIAA neither owes nor accepts any duty of care to any other party who may receive this report and specifically disclaims any liability for loss, damage or expense of whatsoever nature, which is caused by their reliance on our report.

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## Covid 19 – Governance, Risk and Control considerations during ‘lockdown’ phase

Area
<p><b>Governance:</b> The speed of the need to respond to COVID 19 has significantly impacted on the strategic governance infrastructure:</p> <ul style="list-style-type: none"> <li>• Urgent decisions taken for urgent operational reasons which would normally have gone through Board review and approval</li> <li>• Extension and rollover of procurement contracts</li> <li>• Disruption to management information received by the Board</li> <li>• Operational necessity for management dispensation to scheme of delegation and financial regulations</li> <li>• Move to remote working for reactive operational expediency reasons, rather than as part of a pre-planned strategy</li> </ul>
<p><b>Risk Management:</b> The markers which differentiate COVID 19 pandemic from most business resilience/recovery plans are:</p> <ul style="list-style-type: none"> <li>• Speed of major disruption to business as usual did not permit normal level of preparation</li> <li>• International as well UK-wide, not local</li> <li>• Level of government intervention</li> <li>• Duration and severity</li> <li>• Move to medium term remote working arrangements by staff and suppliers</li> <li>• Consequential impact upon all the previous strategic risks</li> </ul>
<p><b>Internal Control:</b> COVID 19 has provided the perfect storm both in a positive as well as negative manner. The positive aspects are the expeditious embracing of digital business delivery. It is recognised that a number of government and/or regulatory guidance requirements were issued at short notice and many of these were without the normal consultation and similar. On a negative basis the following need to be recognised:</p> <ul style="list-style-type: none"> <li>• Suppliers and contractors being unable to deliver contracted services</li> <li>• Increased digitalisation introduced at very short notice increases information governance risks</li> <li>• Temporary compromise of effective segregation of duties due to staff absences and/or remote working etc</li> <li>• Fraudsters seeking to take advantage of COVID disruption</li> <li>• Deferment and/or reprioritisation of services</li> <li>• Sudden and significant change in demand patterns for services</li> </ul>

## Progress against Annual Plan

System	Planned Quarter	Current Status	Comments
Health & Safety	1	Final report issued	
Business Safety	1	Final report issued	
Performance Management	2	Final report issued	
Arson Prevention	2	Final report issued	
Workforce Planning	2	Draft Report issued 22 <sup>nd</sup> December 2020	Deferred to Q3 at request of HFRS
Key Financial Controls	3	Final report issued	
ICT Cyber Security	3	Final report issued	
HR - Absence Management	3	Booked to commence 25 <sup>th</sup> January 2021	
Risk - Business Continuity Staff Shortages	4	Booked for 15 <sup>th</sup> March 2021	Request by HFRS to change audit subject
National Operational Guidance (NOG)	4	Booked to commence 22 <sup>nd</sup> February 2021	
Follow-up	4	Booked to commence 18 <sup>th</sup> March 2021	
Annual Planning	4	Booked for 1 <sup>st</sup> February 2021	
Annual Report for 2020/21	4		





**KEY:**

	To be commenced		Site work commenced		Draft report issued		Final report issued
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## Briefings on developments in Governance, Risk and Control

TIAA produces regular briefing notes to summarise new developments in Governance, Risk and Control, which may have an impact on our clients. These are shared with clients and made available through our Online Client Portal. A summary list of those CBNs issued in the last three months which may be of relevance to HFRS is given below. Copies of any CBNs are available on request from your local TIAA team.

### Summary of recent Client Briefing Notes (CBNs)

CBN Ref	Subject	Status	TIAA Comments
CBN 20029	All – Data Protection Guidance for Collecting Customer Information		<b>Urgent Action Required</b> Organisations should ensure they have appropriate policies and procedures in place to meet their obligations for contact tracing and the protection of customer and visitor details.
CBN 20025	All - Risks Associated with Cloud Computing		<b>Action Required</b> Audit Committees and Boards/Governing Bodies are advised to seek assurance from their Data Protection Officer and IT on the status of where data is stored and what risk mitigation measures have been employed. Where no due diligence has been performed prior to cloud service use, retrospective assurance should be sought.
CBN 20023	All – Need for a Social Media and Electronic Communications Policy		<b>Action Required Not Urgent</b> Audit Committees and Boards are advised to review their policies, including those relating to GDPR, communications, marketing, disciplinary, code of conduct, and to ensure that they are in line with the recommendations contained within the articles. Consideration should also be given to having a separate Social Media and Electronic Communication Policy.
CBN20021	All – Risk of Redacted Information being Unredacted		<b>Urgent Action Required</b> Organisations should ensure they have provided clear instructions to staff on how to safely and securely redact information, such that the redaction cannot subsequently be removed. Consideration should be given to obtaining an accredited third-party redaction tool for Microsoft Word and Excel.





## Humberside Fire & Rescue Service

Assurance Review of Business Safety

2020/21

October 2020

Internal Audit

DRAFT

Agenda Item  
**8i**

## Executive Summary

### OVERALL ASSESSMENT



### ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

SROAR - 2011-001 (6) - Further Reduction in External Financial Support

### SCOPE

The review considered the arrangements in place for Business Safety, including how actions arising from the HMICFRS inspection report are being progressed.

### KEY STRATEGIC FINDINGS



Minor amendments to the Public Safety Policy Document and Standard Delivery Guidance would better align them with current legislation and best practice.



Performance Indicators relevant to the Business Safety team should be reported as part of the Authority's quarterly cycle of Performance Reporting and Service Performance.



Target completion dates should be added to the Service Improvement Plan as soon as is practicable.

### GOOD PRACTICE IDENTIFIED



The Risk Based Inspection Programme is effective in directing activity towards compliance with legislation and related guidance.



The Service Improvement Plan is thorough and well-constructed, evidencing and promoting Public Safety's approach to continuous improvement.



The Service's revised RBIP methodology has been shared with the NFCC to contribute towards an expected national standardised approach to RBIPs. This evidences a commendable and proactive approach to business safety.

### ACTION POINTS

Urgent	Important	Routine	Operational
0	1	3	0



## Assurance - Key Findings and Management Action Plan (MAP)

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
3	Delivery	At a meeting of the Authority on 5 <sup>th</sup> May 2020 a paper was presented entitled Performance Reporting and Service Performance Indicators 2020/21. Appendix 1 is 'Reporting Service Level Performance Indicators 2020-21'. Within the 'Help the public to stay safe' Strategic Objective, one Expected Outcome is "Our Business Safety Risk Based Inspection Programme supports the business community through proportionate advice, intervention and enforcement where necessary". Four related Performance Indicators are stated, with a 'Target 2020-21' set for each. The Public Safety Risk and Intelligence Manager stated that targets for Business Safety team activity are not currently being reported to the Governance, Audit and Scrutiny Committee or to the Authority.	Performance Indicators relevant to the Business Safety team be reported to the Governance, Audit and Scrutiny Committee and to the Authority as part of the Authority's quarterly cycle of Performance Reporting and Service Performance.	2	Indicators have now been developed into performance dashboards at service wide level, with some work underway to include targets against the risk based inspection programme.	31/03/2021	Steve Duffield Head of Prevention and Protection (Central)  Heads of Service Delivery  Jo Mann Risk and Intelligence

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### PRIORITY GRADINGS

**1 URGENT** Fundamental control issue on which action should be taken immediately.

**2 IMPORTANT** Control issue on which action should be taken at the earliest opportunity.

**3 ROUTINE** Control issue on which action should be taken.

DRAFT

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	Directed	A Public Safety Policy Document, owned by the Director of Service Delivery Support, was written in August 2018, to be next reviewed in August 2021. It was stated that the Policy was approved by the Group Manager, Head of Public Safety, after Service-wide consultation. The Policy references the General Data Protection Regulation (GDPR). The government's website notes that the Data Protection Act 2018, which came into force in May 2018, is the UK's implementation of GDPR.	The Public Safety Policy Document be amended to reference the Data Protection Act 2018.	3	<u>Policy refresh is due this financial year, in line with the review of prevention and protection.</u>	<u>31/03/2021.</u>	<u>Steve Duffield, Head of Prevention and Protection (Central).</u>
2	Directed	The Public Safety Policy Document is supported by a suite of 16 Standard Delivery Guidance (SDG) documents. Three of these were reviewed and found to provide detailed instructions in a consistent format. One of the three SDGs states its Originator and the Issue Date.	It be ensured that each SDG states its Originator and the Issue Date.	3	<u>Formal template for SDGs is in place with some considerations for National Operational Guidance templates in some areas (Safeguarding). Review of all SDGs to align formatting.</u>	<u>31/03/2021.</u>	<u>Steve Duffield, Head of Prevention and Protection (Central).</u>

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#### PRIORITY GRADINGS

**1 URGENT** Fundamental control issue on which action should be taken immediately.

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Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
4	Delivery	The Authority has developed a Service Improvement Plan (SIP). The Plan is well constructed across three themes of Effectiveness, Efficiency and People. Each of the 34 points is given a unique reference, with a number of Actions being raised to address each point. Every Action shows who it has been assigned to and has been assessed with a progress percentage. An Evidence column gives a hyperlink to documentation supporting the progress percentage. A column indicating the Target Completion Date of each Action is blank as these are currently being revised due to COVID-19.	The Target Completion Date column of the SIP be populated as soon as is practicable.	3	<p><u>The SIP covers all areas of service improvement and a number of directors and section heads are named in various areas.</u></p> <p><u>Overall, the SIP has changed version over the course of COVID and dates are requiring updating due to this change and impact. This will be done by each named responsible in the round of governance meetings attending by the service improvement team.</u></p>	31/12/2020	All named responsible persons within the SIP

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#### PRIORITY GRADINGS

**1 URGENT** Fundamental control issue on which action should be taken immediately.

**2 IMPORTANT** Control issue on which action should be taken at the earliest opportunity.

**3 ROUTINE** Control issue on which action should be taken.

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Operational - Effectiveness Matter (OEM) Action Plan

Ref	Risk Area	Finding	Suggested Action	Management Comments
No Operational Effectiveness Matters were identified.				

ADVISORY NOTE

Operational Effectiveness Matters need to be considered as part of management review of procedures.

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## Findings



### Directed Risk:

Failure to properly direct the service to ensure compliance with the requirements of the organisation.

Ref	Expected Key Risk Mitigation		Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
GF	Governance Framework	There is a documented process instruction which accords with the relevant regulatory guidance, Financial Instructions and Scheme of Delegation.	Partially in place	1, & 2	-
RM	Risk Mitigation	The documented process aligns with the mitigating arrangements set out in the corporate risk register.	In place	-	-
C	Compliance	The management monitoring arrangements identify and action any non-compliance with the documented process.	In place	-	-

### Other Findings





The Authority has adopted a Constitution, dated May 2020, which is available on its website. This states that the Chief Fire Officer & Chief Executive and the Secretary are authorised to exercise the fire precautions, prevention, safety, incident response, emergency planning, response and recovery and health and safety functions of the Authority under any legislative requirements.





The Government's website notes that each fire and rescue authority must produce an Integrated Risk Management Plan (IRMP). In November 2105, the Chief Fire Officers Association issued its current version of 'Fire Safety Guidance Notes and Audit', enabling the delivery of a risk-based audit and inspection policy aligned to the Government's IRMP. To effect this guidance, the Authority has developed a Risk Based Inspection Programme (RBIP).

## Other Findings

- 

On 7<sup>th</sup> September 2020 the Governance, Audit and Scrutiny (GAS) Committee received a paper entitled Effectiveness of the Protection RBIP. It noted that HFRS have developed a new methodology to the RBIP to become more focused in targeting activities using a more enhanced understanding of risk. It notes that there is a project underway to replace the current Community Fire Risk Management Information System (CFRMIS), which will end in August 2021. The replacement system is to be phased in from March 2021.
- 

The RBIP was seen to use a risk matrix, identifying a number of factors and assessing a score to each factor. Adding these scores together produces a total score, which provides a way to more efficiently predict which buildings are to be visited as a priority. It is anticipated that the risk matrix will continually evolve, such as by adding new data sets.
- 

The Authority is an enforcing authority under the Regulatory Reform (Fire Safety) Order 2005. Article 26 of the Order imposes a duty on an enforcing authority to enforce the Order. Articles 29 to 31 provide for the service of alterations, enforcement and prohibition notices. It was indicated that, for the 12 months ended 31<sup>st</sup> August 2020, 17 such notices were served by the Authority. Articles 29 to 31 of the Order states several matters that must be disclosed in each notice served. From a review of an example of each of the three types of notice served by the Authority in the 12 months ended 31<sup>st</sup> August 2020, it was confirmed that the Authority is complying with the Order in this regard. The template notices used were developed nationally by Chief Fire Officers Association.
- 

In June 2019 Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) issued a report entitled Effectiveness, Efficiency and People 2018/19, following its inspection of the Authority. The report raised 17 Areas for Improvement. Testing confirmed that the Authority has included each of these 17 into its SIP. It was calculated during testing that the average percentage of completion of the 89 Actions within the SIP arising from the HMICFRS report is 60%. 30 of these Actions are fully complete and 23 are yet to commence. Sample testing indicated that the assessed percentages of completion are reasonable.



#### Delivery Risk:





Failure to deliver the service in an effective manner which meets the requirements of the organisation.

Ref	Expected Key Risk Mitigation	Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
PM	<b>Performance Monitoring</b> There are agreed KPIs for the process which align with the business plan requirements and are independently monitored and corrective action is taken in a timely manner.	Partially in place	3	-
FC	<b>Financial Constraint</b> The process operates within the agreed financial budget for the year.	In place	-	-
R	<b>Resilience</b> Good practice to enhance the economic, effective and efficient delivery is adopted.	Partially in place	4	-

#### Other Findings

- Performance for the Authority as a whole is reported quarterly to the Governance, Audit and Scrutiny Committee and to the Authority and is published on the Authority's website. The Annual Performance Report 2019/20 was presented at a meeting of the Authority on 24<sup>th</sup> July 2020. The Quarter One Performance and Risk Report 2020/21 will be presented to the Authority at its meeting on 30<sup>th</sup> October 2020.
- Business Safety Activity is recorded in Power BI. Activity is recorded against various types, including inspections, consultation and desktop inspection. Activities recorded include, for inspections, total activities, visits completed by RBIP category and inspection outcome (satisfactory or unsatisfactory).
- The Public Safety Directorate structure is well organised with clearly defined reporting lines. It is split into three geographical areas: Central; North (comprising the regions of East Riding and Hull); and, South (comprising North Lincs and NE Lincs). Each of the five locations is overseen by their own Group Manager. Reporting to these posts are a total of four Business Safety Managers and four Public Safety Managers. Each of the four regions have their own Business Safety Inspectors, reporting to the relevant Business Safety Manager.
- The outturn for the Public Safety Directorate for 2019/20 was within budget. Its monitoring report for the first three months of the current financial year, to the end of June 2020, showed the projected outturn for the 2020/21 financial year to be within budget.

## Other Findings

-  Robust arrangements for COVID-19 planning have been approved and implemented. Such measures include a Temporary Policy Addendum Document, to be read in conjunction with the Business Interruption Plan for Public Safety and the Public Safety Policy. The Policy is a formal statement of principles established by the Authority as a temporary measure during the COVID-19 outbreak planning arrangements, providing temporary parameters for decision making and actions in Public Safety. This aligns with guidance from the National Fire Chiefs Council.
-  A report to the Authority on 26<sup>th</sup> June 2020 outlined the post-implementation review conducted following the conclusion of the Public Safety Service Redesign Programme (SRP) for the period 2017-2020.
-  The Effectiveness of the Protection RBIP paper presented to the GAS Committee in September 2020 notes that following the completion of the Public Safety SRP 2017-2020, a new review into Prevention and Protection has commenced and will utilise information from targeting methodologies, including the RBIP, as well as learning from major events (Grenfell/COVID/HMICFRS) to recommend finance and resourcing needs.
-  The Effectiveness of the Protection RBIP paper also notes that the RBIP methodology has been shared with the National Fire Chiefs Council (NFCC) to contribute toward an expected national standardised approach to RBIP and that HFRS are involved with the NFCC developments in this regard. The refreshed methodology also incorporates feedback received from the GAS Committee.



## EXPLANATORY INFORMATION

## Appendix A

### Scope and Limitations of the Review

1. The definition of the type of review, the limitations and the responsibilities of management in regard to this review are set out in the Annual Plan. As set out in the Audit Charter, substantive testing is only carried out where this has been agreed with management and unless explicitly shown in the scope no such work has been performed.

### Disclaimer

2. The matters raised in this report are only those that came to the attention of the auditor during the course of the review, and are not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. This report has been prepared solely for management's use and must not be recited or referred to in whole or in part to third parties without our prior written consent. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose. TIAA neither owes nor accepts any duty of care to any other party who may receive this report and specifically disclaims any liability for loss, damage or expense of whatsoever nature, which is caused by their reliance on our report.

### Effectiveness of arrangements

3. The definitions of the effectiveness of arrangements are set out below. These are based solely upon the audit work performed, assume business as usual, and do not necessarily cover management override or exceptional circumstances.

<b>In place</b>	The control arrangements in place mitigate the risk from arising.
<b>Partially in place</b>	The control arrangements in place only partially mitigate the risk from arising.
<b>Not in place</b>	The control arrangements in place do not effectively mitigate the risk from arising.

### Assurance Assessment

4. The definitions of the assurance assessments are:

<b>Substantial Assurance</b>	There is a robust system of internal controls operating effectively to ensure that risks are managed and process objectives achieved.
<b>Reasonable Assurance</b>	The system of internal controls is generally adequate and operating effectively but some improvements are required to ensure that risks are managed and process objectives achieved.
<b>Limited Assurance</b>	The system of internal controls is generally inadequate or not operating effectively and significant improvements are required to ensure that risks are managed and process objectives achieved.
<b>No Assurance</b>	There is a fundamental breakdown or absence of core internal controls requiring immediate action.

### Acknowledgement

5. We would like to thank staff for their co-operation and assistance during the course of our work.

### Release of Report

6. The table below sets out the history of this report.

Stage	Issued	Response Received
<b>Audit Planning Memorandum:</b>	27 <sup>th</sup> July 2020	27 <sup>th</sup> July 2020
<b>Draft Report:</b>	30 <sup>th</sup> September 2020	N/A
<b>Revised Draft Report:</b>	14 <sup>th</sup> October 2020	
<b>Final Report:</b>		

## AUDIT PLANNING MEMORANDUM

## Appendix B

<b>Client:</b>	Humberside Fire & Rescue		
<b>Review:</b>	Business Safety		
<b>Type of Review:</b>	Assurance	<b>Audit Lead:</b>	Ian Goodwin

<b>Outline scope (per Annual Plan):</b>	The review considers the arrangements in place for Business Safety, including how actions arising from the HMICFRS inspection report are being progressed.		
<b>Detailed scope will consider:</b>	<p><b>Directed</b></p> <p>Governance Framework: There is a documented process instruction which accords with the relevant regulatory guidance, Financial Instructions and Scheme of Delegation.</p> <p>Risk Mitigation: The documented process aligns with the mitigating arrangements set out in the corporate risk register.</p> <p>Compliance: The management monitoring arrangements identify and action any non-compliance with the documented process.</p>	<p><b>Delivery</b></p> <p>Performance monitoring: There are agreed KPIs for the process which align with the business plan requirements and are independently monitored and corrective action is taken in a timely manner.</p> <p>Financial constraint: The process operates with the agreed financial budget for the year.</p> <p>Resilience: Good practice to enhance the economic, effective and efficient delivery is adopted</p>	
<b>Requested additions to scope:</b>	(if required then please provide brief detail)		
<b>Exclusions from scope:</b>	None		

<b>Planned Start Date:</b>	21 <sup>st</sup> September 2020	<b>Exit Meeting Date:</b>	25 <sup>th</sup> September 2020	<b>Exit Meeting to be held with:</b>	Steve Duffield
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### SELF ASSESSMENT RESPONSE

Matters over the previous 12 months relating to activity to be reviewed	Y/N (if Y then please provide brief details separately)
Has there been any reduction in the effectiveness of the internal controls due to staff absences through sickness and/or vacancies etc.?	N
Have there been any breakdowns in the internal controls resulting in disciplinary action or similar?	N
Have there been any significant changes to the process?	Y – revised RBIP methodology
Are there any particular matters/periods of time you would like the review to consider?	N



Internal Audit

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## Humberside Fire & Rescue Service

Assurance Review of Key Financial Controls

2020/21

December 2020

## Executive Summary

OVERALL ASSESSMENT		KEY STRATEGIC FINDINGS									
<div><div><div>Adequate &amp; effective governance, risk and control processes</div><div>SUBSTANTIAL ASSURANCE</div></div><div><div>SUBSTANTIAL ASSURANCE</div><div>REASONABLE ASSURANCE</div><div>LIMITED ASSURANCE</div><div>NO ASSURANCE</div></div></div>		<div><div><div></div><div>There is a documented constitution that sets out the rules governing Humberside Fire Authority's (HFA) business.</div></div><div><div></div><div>The payroll service is provided externally through the East Riding of Yorkshire Council.</div></div><div><div></div><div>Testing identified that approval of expenditures are divided into six levels with responsibility being delegated to officers at various levels within the service.</div></div><div><div></div><div>Requisition approval process is undertaken electronically using the Aptos system.</div></div></div>									
ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE		GOOD PRACTICE IDENTIFIED									
<p>It is important that there are robust financial systems in place to mitigate the significance risk of fraud in this area. This is essential to the financial well-being of the Authority.</p>		<div><div><div></div><div>The Finance officer checks each payroll prior to sign off and provides final authorisation for the payroll to be processed for pay day.</div></div><div><div></div><div>The Treasury Management Strategy is reviewed and approved annually by the Fire Authority and the Governance and Scrutiny (GAS) committee.</div></div></div>									
SCOPE		ACTION POINTS									
<p>The review assessed the adequacy and effectiveness of the internal controls in place for managing the following key financial systems. Creditor Payments; Payroll; Treasury Management; Debtors; General Ledger; and Pensions.</p> <p>The scope of the review does not include any assessment of the organisation’s furlough policy, eligibility or subsequent claim under the Coronavirus Job Retention Scheme.</p>		<table><tr><th>Urgent</th><th>Important</th><th>Routine</th><th>Operational</th></tr><tr><td>0</td><td>0</td><td>0</td><td>0</td></tr></table>		Urgent	Important	Routine	Operational	0	0	0	0
Urgent	Important	Routine	Operational								
0	0	0	0								

## Assurance - Key Findings and Management Action Plan (MAP)

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
There were no recommendations made.							

### PRIORITY GRADINGS

1	URGENT	Fundamental control issue on which action should be taken immediately.
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2	IMPORTANT	Control issue on which action should be taken at the earliest opportunity.
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3	ROUTINE	Control issue on which action should be taken.
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## Operational - Effectiveness Matter (OEM) Action Plan

Ref	Risk Area	Finding	Suggested Action	Management Comments
There were no operational effectiveness matters identified.				

ADVISORY NOTE

Operational Effectiveness Matters need to be considered as part of management review of procedures.

## Findings






### Directed Risk:









Failure to properly direct the service to ensure compliance with the requirements of the organisation.

Ref	Expected Key Risk Mitigation		Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
GF	Governance Framework	There is a documented process instruction which accords with the relevant regulatory guidance, Financial Instructions and Scheme of Delegation.	In place	-	-
RM	Risk Mitigation	The documented process aligns with the mitigating arrangements set out in the corporate risk register.	In place	-	-
C	Compliance	Compliance with statutory, regulatory and policy requirements is demonstrated, with action taken in cases of identified non-compliance.	In place	-	-

### Other Findings

-  An approved constitutional framework sets out governance arrangements for the effective delivery of fire and rescue services. The constitution details the arrangements in place for payments, payroll, income management, write-offs and treasury management. The constitution together with the scheme of delegation lists the level of financial controls, thresholds and the approval limits for officers at various levels within the service.
-  The previous internal audit of the Key Financial Controls arrangements at the Authority was undertaken in April 2020. Four recommendations were made. It was noted that all recommendations have been implemented.
-  The Governance, Audit and Scrutiny (GAS) Committee has responsibility for reviewing financial reports and providing assurance that the Authority complies with relevant requirements. The GAS Committee also monitors the effective development and operation of risk management to ensure that risk management controls are effective.

## Other Findings

-  The Authority outsources its payroll service through the East Riding of Yorkshire Council. The duration of the contract is for 4 years and runs from 1 April 2017 to 31st March 2021. Testing identified the Council invoices the Fire Authority quarterly in arrears for the service and invoices are paid within 21 days of receipt by the Fire Authority.
-  Testing confirmed that appropriate segregation of duties is in place for the payroll arrangements along with additional checks to authorise the payroll before release.
-  The Authority has approved a Treasury Management Strategy Statement (2020/21) that sets out Reporting requirements; capital strategy and the use of Treasury Management Consultants. The Authority's capital expenditure plans are the key driver of treasury management activity and the Strategy Statement details how these plans are being financed by capital or revenue resources (receipts, grants, reserves and revenue), Capital Financing Requirements projections, core funds and expected investment balances, limits to borrowing activity and interest rate estimates to March 2024. It was found the Authority and the Governance, Audit and Scrutiny (GAS) committee receives three main reports on treasury management activities each financial year. Testing identified the report produced in June each year serves as year-end report with a mid-year update being produced in December. The update reports provides members with a review of treasury management activities and prudential indicators for the year.
-  Discussions with the Finance Manager confirmed all treasury activity is undertaken by Hull City Council (HCC). Testing found a Service Level Agreement (SLA) in place which is reviewed and updated annually. Cash flow management and investments are the main services provided as detailed in the SLA.
-  Income generated for the Authority comes from several areas and includes Extinguisher Maintenance, Aerial Rentals, Emergency First Responder (EFR) and Special Services. Invoices are raised by the Finance Assistant upon requests received. A sample of six outstanding debts was reviewed. No anomalies were identified, with actions being carried out in line with the documented procedures.
-  A sample of six changes made to supplier bank account details between April 2020 and September 2020 was reviewed. Testing confirmed that all changes were supported by correspondence received from the supplier and evidence was held that the request had been verified appropriately.
-  A sample of BACs payments made between April and November 2020 were reviewed and were found to have been approved in line with policy and delegated authority levels.
-  Employees in the Local Government Pension Scheme have their payments deducted from their salary and these are balanced through the third party payment processes with payments being raised for the employee and employer contributions each month. Employees in the HFRS Pension Scheme have their payments balanced and reimbursements made monthly. The Authority do not pay the employees the monthly contributions deducted from payroll as they are the scheme administrators. It was noted there are effective governance in place for the administration of the Pension Schemes.





**Delivery Risk:**

Failure to deliver the service in an effective manner which meets the requirements of the organisation.

Ref	Expected Key Risk Mitigation		Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
PM	Performance Monitoring	There are agreed KPIs for the process which align with the business plan requirements and are independently monitored, with corrective action taken in a timely manner.	In place	-	-
FC	Financial Constraint	The process operates within the agreed financial budget for the year.	In place	-	-
R	Resilience	Good practice to respond to business interruption events and to enhance the economic, effective and efficient delivery is adopted.	In place	-	-

**Other Findings**



There is a quality agreement between the Authority and East Riding Payroll Services to provide a monthly report of agreed Key Performance Indicators in relation to payroll giving oversight on the following:

- Number of Transactions;
- Number of Emergency Payments (attributable to payroll and HFRS);
- Number of Pay Awards (Total and Processed);
- Number of P60s; and
- Number of overpayment invoices raised (attributable to Payroll and HFRS).

Testing found this report is updated monthly in accordance with the agreement.

## EXPLANATORY INFORMATION

## Appendix A

### Scope and Limitations of the Review

1. The definition of the type of review, the limitations and the responsibilities of management in regard to this review are set out in the Annual Plan. As set out in the Audit Charter, substantive testing is only carried out where this has been agreed with management and unless explicitly shown in the scope no such work has been performed.

### Disclaimer

2. The matters raised in this report are only those that came to the attention of the auditor during the course of the review, and are not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. This report has been prepared solely for management's use and must not be recited or referred to in whole or in part to third parties without our prior written consent. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose. TIAA neither owes nor accepts any duty of care to any other party who may receive this report and specifically disclaims any liability for loss, damage or expense of whatsoever nature, which is caused by their reliance on our report.

### Effectiveness of arrangements

3. The definitions of the effectiveness of arrangements are set out below. These are based solely upon the audit work performed, assume business as usual, and do not necessarily cover management override or exceptional circumstances.

<b>In place</b>	The control arrangements in place mitigate the risk from arising.
<b>Partially in place</b>	The control arrangements in place only partially mitigate the risk from arising.
<b>Not in place</b>	The control arrangements in place do not effectively mitigate the risk from arising.

### Assurance Assessment

4. The definitions of the assurance assessments are:

<b>Substantial Assurance</b>	There is a robust system of internal controls operating effectively to ensure that risks are managed and process objectives achieved.
<b>Reasonable Assurance</b>	The system of internal controls is generally adequate and operating effectively but some improvements are required to ensure that risks are managed and process objectives achieved.
<b>Limited Assurance</b>	The system of internal controls is generally inadequate or not operating effectively and significant improvements are required to ensure that risks are managed and process objectives achieved.
<b>No Assurance</b>	There is a fundamental breakdown or absence of core internal controls requiring immediate action.

### Acknowledgement

5. We would like to thank staff for their co-operation and assistance during the course of our work.

### Release of Report

6. The table below sets out the history of this report.

Stage	Issued	Response Received
<b>Audit Planning Memorandum:</b>	14 <sup>th</sup> October 2020	20 <sup>th</sup> October 2020
<b>Draft Report:</b>	8 <sup>th</sup> December 2020	
<b>Final Report:</b>		

# AUDIT PLANNING MEMORANDUM

## Appendix B

<b>Client:</b>	Humberside Fire & Rescue		
<b>Review:</b>	Key Financial Controls		
<b>Type of Review:</b>	Assurance	<b>Audit Lead:</b>	Ade Kosoko

<b>Outline scope (per Annual Plan):</b>	The review will assess the adequacy and effectiveness of the internal controls in place for managing the following key financial systems. Creditor Payments; Payroll; Treasury Management; Debtors; General Ledger; and Pensions		
<b>Detailed scope will consider:</b>	<p>Directed</p> <p>Governance Framework: There is a documented process instruction which accords with the relevant regulatory guidance, Financial Instructions and Scheme of Delegation.</p> <p>Risk Mitigation: The documented process aligns with the mitigating arrangements set out in the corporate risk register.</p> <p>Compliance: Compliance with statutory, regulatory and policy requirements is demonstrated, with action taken in cases of identified non-compliance.</p>	<p>Delivery</p> <p>Performance monitoring: There are agreed KPIs for the process which align with the business plan requirements and are independently monitored, with corrective action taken in a timely manner.</p> <p>Financial constraint: The process operates with the agreed financial budget for the year.</p> <p>Resilience: Good practice to respond to business interruption events and to enhance the economic, effective and efficient delivery is adopted.</p>	
<b>Requested additions to scope:</b>	(if required then please provide brief detail)		
<b>Exclusions from scope:</b>			

<b>Planned Start Date:</b>	23/11/2020	<b>Exit Meeting Date:</b>	27/11/2020	<b>Exit Meeting to be held with:</b>	Jamie Morris (Senior Service Improvement Officer, Shaun Edwards (Finance Manager) Dave Lofthouse (Procurement Manager), Martyn Ransom (Head of Finance)
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### SELF ASSESSMENT RESPONSE

Matters over the previous 12 months relating to activity to be reviewed	Y/N (if Y then please provide brief details separately)
Has there been any reduction in the effectiveness of the internal controls due to staff absences through sickness and/or vacancies etc?	N
Have there been any breakdowns in the internal controls resulting in disciplinary action or similar?	N
Have there been any significant changes to the process?	N
Are there any particular matters/periods of time you would like the review to consider?	N





Internal Audit

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## Humberside Fire & Rescue

Assurance Review of Performance Management

2020/21

August 2020

## Executive Summary

### OVERALL ASSESSMENT



### ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

SI - 2018-034 - Performance Management systems not in place to support SRP redesigned structures and provide directorate assurance of performance against the Strategic Plan.

### SCOPE

The review followed the audit undertaken in 2019/20 and considered how the new performance management system had been implemented and embedded.

### KEY STRATEGIC FINDINGS



Two of the recommendations contained within the Performance Monitoring internal audit undertaken in November 2019 have been implemented. The remaining two will be actioned by September 2020.



The majority of the anticipated additional facilities that were expected to be provided by Power BI have been achieved.



Testing carried out of a sample of quarter one performance indicators showed that they had been correctly calculated and reported within the Service Performance and Risk Report.

### GOOD PRACTICE IDENTIFIED



The Service has introduced "threshold" targets in relation to incident related statistics. This format utilises historic data (an average of the previous 12 months) and a standard deviation of this, in order to calculate the parameters within which the current actual performance should sit.



Additional measures related to Covid-19 activities have been included within the Service Performance and Risk Reports. These include the number of deliveries made (PPE, food, medication), well visits and telephone calls completed.

### ACTION POINTS

Urgent	Important	Routine	Operational
0	0	0	0

# Assurance - Key Findings and Management Action Plan (MAP)

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
No recommendations were made.							

PRIORITY GRADINGS

1

URGENT

Fundamental control issue on which action should be taken immediately.

2

IMPORTANT

Control issue on which action should be taken at the earliest opportunity.

3

ROUTINE

Control issue on which action should be taken.

# Operational - Effectiveness Matter (OEM) Action Plan

Ref	Risk Area	Finding	Suggested Action	Management Comments
No Operational Effectiveness Matters were identified.				

ADVISORY NOTE

Operational Effectiveness Matters need to be considered as part of management review of procedures.



## Findings



### Directed Risk:

Failure to properly direct the service to ensure compliance with the requirements of the organisation.

Ref	Expected Key Risk Mitigation		Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
GF	Governance Framework	There is a documented process instruction which accords with the relevant regulatory guidance, Financial Instructions and Scheme of Delegation.	In place	-	-
RM	Risk Mitigation	The documented process aligns with the mitigating arrangements set out in the corporate risk register.	In place	-	-
C	Compliance	The management monitoring arrangements identify and action any non-compliance with the documented process.	In place	-	-

### Other Findings



This audit follows up on the performance monitoring review that was undertaken in November 2019. This report contained four recommendations. These, and the progress made in implementing them, are as follows:

- The variances relating to the reporting of automatic fire alarms, fatalities, injuries and other accidental fires (exc. vehicles) be investigated and rectified.  
It was established that the previous reporting system was missing some of the reporting categories and these were rectified immediately. For information Power BI had been set up correctly.
- The data sets used within performance indicator calculations be reviewed and presented to the HFA for approval.  
A summary of the data sets used is to be incorporated into the Performance Policy, due for review in September 2020, which will be placed on the Service's website.
- A comparison of performance data generated by Power BI and the current system be undertaken.  
This was undertaken for the period December 2019 to March 2020 and no variances were noted between the data sets calculated.
- The Performance Catalogue be fully populated with the information included within this report.  
This has not been fully completed due to a number of additional performance indicators being incorporated into the Catalogue. It is anticipated that this will be completed by September 2020.

## Other Findings



The service improvement risk of "Performance Management systems not in place to support SRP redesigned structures and provide directorate assurance of performance against the Strategic Plan" has previously been included within the Directorate Risk and Opportunity Register. This risk was closed in May 2020 due to the dashboards being implemented.



An exercise was undertaken in order to verify the information contained within a sample of dashboard performance statistics against the source data. This showed that the quarter one PIs relating to total deliberate fires, accidental dwelling fires, total other accidental fires, deliberate secondary fires, false alarms, total fatalities and total casualties had been correctly reported.

**Delivery Risk:**

Failure to deliver the service in an effective manner which meets the requirements of the organisation.

Ref	Expected Key Risk Mitigation		Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
PM	Performance Monitoring	There are agreed KPIs for the process which align with the business plan requirements and are independently monitored and corrective action is taken in a timely manner.	Out of scope	-	-
FC	Financial Constraint	The process operates within the agreed financial budget for the year.	Out of scope	-	-
R	Resilience	Good practice to enhance the economic, effective and efficient delivery is adopted.	In place	-	-

**Other Findings**

It was anticipated that a number of additional facilities would be provided by Power BI. Details of how these have been realised are shown below:

- Greater flexibility in designing graphical representation of information and how data is presented.  
Examples of how data is presented within dashboards includes the use of speedo or gauge charts, vertical, horizontal and stacked bar charts, data tables, pie charts and line graphs. These have been utilised within the first quarter reports to be presented to the Authority in September 2020.
- More information being available to the public via the website.  
An open data portal is provided on the Service's website. This enables users to view the number of incidents (by geographical area and incident type) and an application that displays all incidents on a map of the region.
- The creation of operational dashboards that are specific to stations.  
Although the facility to create these exists within Power BI, only management level information is reported at present. Station specific dashboards are to be produced by the end of 2020.
- The vast majority of data being live.  
All incident data is live within Power BI. Currently sickness absence information is entered into Power BI manually prior to the end of the quarterly reporting period. The Service are considering utilising a cloud based version of the human resources system. This will enable data to be automatically updated daily into Power BI.
- The facility to access data and reporting via a mobile application.  
This is in use with access, including the focus areas available to view, being linked to the employee's IT system login.

## EXPLANATORY INFORMATION

## Appendix A

### Scope and Limitations of the Review

1. The definition of the type of review, the limitations and the responsibilities of management in regard to this review are set out in the Annual Plan. As set out in the Audit Charter, substantive testing is only carried out where this has been agreed with management and unless explicitly shown in the scope no such work has been performed.

### Disclaimer

2. The matters raised in this report are only those that came to the attention of the auditor during the course of the review, and are not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. This report has been prepared solely for management's use and must not be recited or referred to in whole or in part to third parties without our prior written consent. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose. TIAA neither owes nor accepts any duty of care to any other party who may receive this report and specifically disclaims any liability for loss, damage or expense of whatsoever nature, which is caused by their reliance on our report.

### Effectiveness of arrangements

3. The definitions of the effectiveness of arrangements are set out below. These are based solely upon the audit work performed, assume business as usual, and do not necessarily cover management override or exceptional circumstances.

<b>In place</b>	The control arrangements in place mitigate the risk from arising.
<b>Partially in place</b>	The control arrangements in place only partially mitigate the risk from arising.
<b>Not in place</b>	The control arrangements in place do not effectively mitigate the risk from arising.

### Assurance Assessment

4. The definitions of the assurance assessments are:

<b>Substantial Assurance</b>	There is a robust system of internal controls operating effectively to ensure that risks are managed and process objectives achieved.
<b>Reasonable Assurance</b>	The system of internal controls is generally adequate and operating effectively but some improvements are required to ensure that risks are managed and process objectives achieved.
<b>Limited Assurance</b>	The system of internal controls is generally inadequate or not operating effectively and significant improvements are required to ensure that risks are managed and process objectives achieved.
<b>No Assurance</b>	There is a fundamental breakdown or absence of core internal controls requiring immediate action.

### Acknowledgement

5. We would like to thank staff for their co-operation and assistance during the course of our work.

### Release of Report

6. The table below sets out the history of this report.

Stage	Issued	Response Received
<b>Audit Planning Memorandum:</b>	15 <sup>th</sup> July 2020	22 <sup>nd</sup> July 2020
<b>Draft Report:</b>	11 <sup>th</sup> August 2020	
<b>Final Report:</b>		

## AUDIT PLANNING MEMORANDUM

## Appendix B

<b>Client:</b>	Humberside Fire & Rescue		
<b>Review:</b>	Performance Management		
<b>Type of Review:</b>	Assurance	<b>Audit Lead:</b>	David Robinson

<b>Outline scope (per Annual Plan):</b>	The review follows the audit undertaken in 2019/20 and will consider how the new performance management system has been implemented and embedded.
<b>Detailed scope will consider:</b>	<p>The review will set out to provide assurance to the GAS Committee that HFRS has :</p> <ul style="list-style-type: none"> <li>• Implemented the recommendations made within the 2019/20 review.</li> <li>• Data contained within the performance reports are accurate.</li> <li>• The policy and procedures are up-to-date and clearly define responsibilities for data collation and reporting. Any changes to processes that have arisen due to Covid-19 working practices will also be considered to ensure that controls remain robust.</li> <li>• The Authority has utilised the additional functionality provided by Microsoft Power BI, specifically in relation to: Greater flexibility in designing graphical representation of information and how data is presented; More information being available to the public via the website; The creation of operational dashboards that are specific to stations; and The facility to access data and reporting via a mobile application.</li> </ul>
<b>Requested additions to scope:</b>	(if required then please provide brief detail)
<b>Exclusions from scope:</b>	

<b>Planned Start Date:</b>	03/08/2020	<b>Exit Meeting Date:</b>	05/08/2020	<b>Exit Meeting to be held with:</b>	Head of Corporate Assurance
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## SELF ASSESSMENT RESPONSE

<b>Matters over the previous 12 months relating to activity to be reviewed</b>	<b>Y/N (if Y then please provide brief details separately)</b>
Has there been any reduction in the effectiveness of the internal controls due to staff absences through sickness and/or vacancies etc?	N
Have there been any breakdowns in the internal controls resulting in disciplinary action or similar?	N
Have there been any significant changes to the process?	N
Are there any particular matters/periods of time you would like the review to consider?	N





## Humberside Fire and Rescue Service

Assurance Review of Arson Prevention

2020/21

October 2020

Internal Audit

DRAFT

## Executive Summary

### OVERALL ASSESSMENT



### ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

This is an area that the Senior Management requested be subject to audit.

### SCOPE

The review considered the arrangements and effectiveness of the arson prevention activities carried out by HFRS. The review also considered the partnerships established with key agencies including the Police, anti-social behaviour teams, housing providers and local authorities.

### KEY STRATEGIC FINDINGS



HFRS engage in a wide variety of proactive arson prevention activities, working with the Police, local authorities and other key partner organisations.



Performance on arson prevention activities and incident numbers is appropriately monitored by the Authority and senior management.



Testing and enquiry identified that procedures for collection of customer feedback are not always followed.

### GOOD PRACTICE IDENTIFIED



It was noted that planning for Bonfire Night 2020, under COVID restrictions on large gatherings, has been extensive and includes engagement with the Police.

### ACTION POINTS

Urgent	Important	Routine	Operational
0	0	1	0



## Assurance - Key Findings and Management Action Plan (MAP)

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	Directed	Testing of a sample of Firesetter interventions established that feedback forms had not been provided to the customers. Officers confirmed that feedback forms have not been completed for some time. The Firesetters Procedure states that "It is very important that the feedback forms are completed and returned to ensure our work is of a high standard and effective for our customers."	Information and training be provided to relevant staff on the use of feedback forms for Firesetter interventions. Monitoring of responses be introduced to aid continuous improvement to the service.	3	<p><u>Requirement highlighted here to ensure delivery teams are aware of full process to be adopted when delivering this activity – this is an immediate communication need through the correct governance meetings</u></p> <p><u>Whilst the evaluation of the activity, in terms of the feedback forms, is embedded within the training and instruction arrangements, this requires revisiting to ensure the full procedures for firesetter interventions is followed. This will be included in a formalised quality assurance process for this and all other prevention/protection activities.</u></p>	<p><u>31/10/2021</u></p> <p><u>31/03/2021</u></p>	<p><u>Matt Sutcliffe (Head of Service Delivery Hull) with other Heads of Service Delivery</u></p> <p><u>Steve Duffield (Head of Prevention and Protection central)</u></p>

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### PRIORITY GRADINGS

**1 URGENT** Fundamental control issue on which action should be taken immediately.

**2 IMPORTANT** Control issue on which action should be taken at the earliest opportunity.

**3 ROUTINE** Control issue on which action should be taken.

DRAFT

Operational - Effectiveness Matter (OEM) Action Plan

Ref	Risk Area	Finding	Suggested Action	Management Comments
There were no operational effectiveness matters identified.				

ADVISORY NOTE

Operational Effectiveness Matters need to be considered as part of management review of procedures.

## Findings



### Directed Risk:

Failure to properly direct the service to ensure compliance with the requirements of the organisation.

Ref	Expected Key Risk Mitigation		Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
GF	Governance Framework	There is a documented process instruction which accords with the relevant regulatory guidance, Financial Instructions and Scheme of Delegation.	In place	-	-
RM	Risk Mitigation	The documented process aligns with the mitigating arrangements set out in the corporate risk register.	In place	-	-
C	Compliance	Compliance with statutory, regulatory and policy requirements is demonstrated, with action taken in cases of identified non-compliance.	Partially in place	1	-

### Other Findings



Arson prevention activity is directed towards priority groups, geographies, business areas and times of year. Evidence was provided of targeted action in each of these areas, including collaboration with key partner organisations.





Activities undertaken in line with policies and procedures address requirements in the Fire and Rescue National Framework for England to assess and mitigate fire risks, promote fire safety and to work closely with other organisations to identify those at greatest risk from fire.



Management confirmed that intelligence gained from arson investigations is shared and used to aid future arson prevention work.

Other Findings

-  Evidence was provided showing systematic monitoring of media coverage relating to specific arson incidents, alongside details of interviews given by service personnel, to enable mitigation of reputational risks to HFRS.
-  Testing of a sample of domestic threats of arson found that procedures were followed. Management confirmed that the same process is used to guide action on threats to commercial properties.



**Delivery Risk:**

Failure to deliver the service in an effective manner which meets the requirements of the organisation.

Ref	Expected Key Risk Mitigation		Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
PM	<b>Performance Monitoring</b>	There are agreed KPIs for the process which align with the business plan requirements and are independently monitored, with corrective action taken in a timely manner.	In place	-	-
FC	<b>Financial Constraint</b>	The process operates within the agreed financial budget for the year.	In place	-	-
R	<b>Resilience</b>	Good practice to respond to business interruption events and to enhance the economic, effective and efficient delivery is adopted.	In place	-	-

**Other Findings**

- Review of performance reports identified that Management receive comprehensive analysis of incidents, preventative action, trends and forecasts and that this is used to inform operational priorities.
- Review of annual and quarterly performance reports to the Authority identified that these include appropriate content regarding risks and performance measures.
- Arson prevention expenditure is held within the Public Safety budget. Review of financial data confirmed that the 2019/20 outturn was within budgetary limits and expenditure for 2020/21 is currently on target to meet its approved budget.
- A comprehensive Public Safety Plan is in place, covering continuation of activity during the COVID 19 pandemic, along with steps to return to business as usual.

## EXPLANATORY INFORMATION

## Appendix A

### Scope and Limitations of the Review

1. The definition of the type of review, the limitations and the responsibilities of management in regard to this review are set out in the Annual Plan. As set out in the Audit Charter, substantive testing is only carried out where this has been agreed with management and unless explicitly shown in the scope no such work has been performed.

### Disclaimer

2. The matters raised in this report are only those that came to the attention of the auditor during the course of the review, and are not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. This report has been prepared solely for management's use and must not be recited or referred to in whole or in part to third parties without our prior written consent. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose. TIAA neither owes nor accepts any duty of care to any other party who may receive this report and specifically disclaims any liability for loss, damage or expense of whatsoever nature, which is caused by their reliance on our report.

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<b>In place</b>	The control arrangements in place mitigate the risk from arising.
<b>Partially in place</b>	The control arrangements in place only partially mitigate the risk from arising.
<b>Not in place</b>	The control arrangements in place do not effectively mitigate the risk from arising.

### Assurance Assessment

4. The definitions of the assurance assessments are:

<b>Substantial Assurance</b>	There is a robust system of internal controls operating effectively to ensure that risks are managed and process objectives achieved.
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<b>Limited Assurance</b>	The system of internal controls is generally inadequate or not operating effectively and significant improvements are required to ensure that risks are managed and process objectives achieved.
<b>No Assurance</b>	There is a fundamental breakdown or absence of core internal controls requiring immediate action.

### Acknowledgement

5. We would like to thank staff for their co-operation and assistance during the course of our work.

### Release of Report

6. The table below sets out the history of this report.

Stage	Issued	Response Received
<b>Audit Planning Memorandum:</b>	27 <sup>th</sup> July 2020	3 <sup>rd</sup> August 2020
<b>Draft Report:</b>	7 <sup>th</sup> October 2020	
<b>Final Report:</b>		

## AUDIT PLANNING MEMORANDUM

## Appendix B

<b>Client:</b>	Humberside Fire & Rescue		
<b>Review:</b>	Arson Prevention		
<b>Type of Review:</b>	Assurance	<b>Audit Lead:</b>	Stuart Whittingham
<b>Outline scope (per Annual Plan):</b>	The review will consider the arrangements and effectiveness of the arson prevention activities carried out by HFRS. The review will also consider the partnerships established with key agencies including the Police, anti-social behaviour teams, housing providers and other local authorities.		
<b>Detailed scope will consider:</b>	<p><b>Directed</b></p> <p>Governance Framework: There is a documented process instruction which accords with the relevant regulatory guidance, Financial Instructions and Scheme of Delegation.</p> <p>Risk Mitigation: The documented process aligns with the mitigating arrangements set out in the corporate risk register.</p> <p>Compliance: Compliance with statutory, regulatory and policy requirements is demonstrated, with action taken in cases of identified non-compliance.</p>	<p><b>Delivery</b></p> <p>Performance monitoring: There are agreed KPIs for the process which align with the business plan requirements and are independently monitored, with corrective action taken in a timely manner.</p> <p>Financial constraint: The process operates with the agreed financial budget for the year.</p> <p>Resilience: Good practice to respond to business interruption events and to enhance the economic, effective and efficient delivery is adopted.</p>	
<b>Requested additions to scope:</b>	(if required then please provide brief detail)		
<b>Exclusions from scope:</b>			
<b>Planned Start Date:</b>	28/09/2020	<b>Exit Meeting Date:</b>	30/09/2020
		<b>Exit Meeting to be held with:</b>	Head of Public Safety; Head of Service Delivery (Hull); Senior Service Improvement Officer

### SELF ASSESSMENT RESPONSE

Matters over the previous 12 months relating to activity to be reviewed	Y/N (if Y then please provide brief details separately)
Has there been any reduction in the effectiveness of the internal controls due to staff absences through sickness and/or vacancies etc.?	N
Have there been any breakdowns in the internal controls resulting in disciplinary action or similar?	N
Have there been any significant changes to the process?	N
Are there any particular matters/periods of time you would like the review to consider?	N







Internal Audit

FINAL








## Humberside Fire & Rescue

Assurance Review of ICT Cyber Security

2020/21

November 2020

## Executive Summary

OVERALL ASSESSMENT	KEY STRATEGIC FINDINGS								
<div></div>	<div><div><div>At six characters, the password length represents a security weakness and should be increased to a minimum of at least eight characters.</div></div><div><div>Privileged accounts should be reviewed to ensure the principle of least privilege is maintained.</div></div><div><div>The Information Security Policy provides a robust Information Security framework.</div></div><div><div>Further policies are required to enhance the cyber security control framework.</div></div></div>								
ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE	GOOD PRACTICE IDENTIFIED								
<div>SDS - 2019-043 - The national security picture suggests an increasing risk that the Service may be vulnerable to a cyber-security event that impacts on its ability to deliver core functions and the recovery period will be unacceptability high.</div>	<div><div><div>PCs are blocked from accessing the network if they have not connected within the last 30 days to mitigate against unpatched devices posing a security risk.</div></div><div><div>Phishing exercises have taken place to test employee’s ability to identify phishing emails.</div></div></div>								
SCOPE	ACTION POINTS								
<div>The review considered the extent to which HFRS has the appropriate controls in place to mitigate vulnerability to computer based threats to information security. The scope of the review did not extend to testing the robustness of the individual controls.</div>	<table><tr><th>Urgent</th><th>Important</th><th>Routine</th><th>Operational</th></tr><tr><td>0</td><td>2</td><td>3</td><td>0</td></tr></table>	Urgent	Important	Routine	Operational	0	2	3	0
Urgent	Important	Routine	Operational						
0	2	3	0						

## Assurance - Key Findings and Management Action Plan (MAP)

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
3	Directed	The Active Directory Group Policy allows passwords of six characters. To align with Cyber Essentials requirements, this should be increased to a minimum of eight characters.	The password length be enforced to at least eight characters as a minimum to align with Cyber Essentials requirements.	2	Group Policy has now been amended to reflect 8 characters as a minimum.	20/11/20	Head of ICT
4	Directed	The Domain Admin group contains 70 accounts including ICT staff and service accounts. Due to the privileged nature of these accounts, a review should take place of the using the principle of least privilege to reduce the attack surface.	A review of privileged accounts be undertaken using the principle of least privilege to reduce the attack surface.	2	A review will be taken on these accounts and to remove/amend as discussed.	15/12/20	Head of ICT
1	Directed	Due to the implementation of new firewalls with additional capabilities, a firewall policy is not in place.	A Firewall Policy be put in place to detail the firewall arrangements.	3	Firewall Policy is currently being written inline with the new ones that are to be implemented. We are currently running these concurrently until we migrate fully.	31/12/20	Head of ICT
2	Directed	A homeworking policy is currently going through the consultation process. In the interim, guidance has been provided through line management and newsletters.	The Homeworking Policy be put in place.	3	This is currently out for consultation with the Organisation.	TBC	Head of HR

### PRIORITY GRADINGS

**1 URGENT** Fundamental control issue on which action should be taken immediately.

**2 IMPORTANT** Control issue on which action should be taken at the earliest opportunity.

**3 ROUTINE** Control issue on which action should be taken.

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
5	Directed	<p>Cyber Essentials requirements state that organisations must have a password policy that tells users:</p> <ul style="list-style-type: none"> <li>• how to avoid choosing obvious passwords (such as those based on easily discoverable information like the name of a favourite pet);</li> <li>• not to choose common passwords — this could be implemented by technical means, using a password blacklist;</li> <li>• not to use the same password anywhere else, at work or at home;</li> <li>• where and how they may record passwords to store and retrieve them securely — for example, in a sealed envelope in a secure cupboard;</li> <li>• if they may use password management software — if so, which software and how; and</li> <li>• which passwords they really must memorise and not record anywhere.</li> </ul>	A Password Policy be put in place aligned to Cyber Essentials requirements.	3	<i>The User Password Management Policy has been updated within the ICT Information Security Policy Document to reflect Cyber Essentials Accreditation.</i>	15/11/20	Head of ICT.

PRIORITY GRADINGS

**1** **URGENT** Fundamental control issue on which action should be taken immediately.

**2** **IMPORTANT** Control issue on which action should be taken at the earliest opportunity.

**3** **ROUTINE** Control issue on which action should be taken.

## Operational - Effectiveness Matter (OEM) Action Plan

Ref	Risk Area	Finding	Suggested Action	Management Comments
No Operational Effectiveness Matters were identified.				

ADVISORY NOTE

Operational Effectiveness Matters need to be considered as part of management review of procedures.

## Findings







### Directed Risk:

Failure to properly direct the service to ensure compliance with the requirements of the organisation.

Ref	Expected Key Risk Mitigation		Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
GF	Governance Framework	There is a documented process instruction which accords with the relevant regulatory guidance, Financial Instructions and Scheme of Delegation.	Partially in place	1, & 2	-
RM	Risk Mitigation	The documented process aligns with the mitigating arrangements set out in the corporate risk register.	In place	-	-
C	Compliance	Compliance with statutory, regulatory and policy requirements is demonstrated, with action taken in cases of identified non-compliance.	Partially in place	3, 4, & 5	1

### Other Findings

-  The Information Security Policy provides a robust Information Security framework.
-  PCs are blocked from accessing the network if they have not connected within the last 30 days to mitigate against unpatched devices posing a security risk.
-  Phishing exercises have taken place to test employee's ability to identify phishing emails.
-  An E-learning package is in development as a mandatory training requirement for all staff.





### Delivery Risk:

Failure to deliver the service in an effective manner which meets the requirements of the organisation.

Ref	Expected Key Risk Mitigation		Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
PM	Performance Monitoring	There are agreed KPIs for the process which align with the business plan requirements and are independently monitored, with corrective action taken in a timely manner.	In place	-	-
FC	Financial Constraint	The process operates within the agreed financial budget for the year.	Out of scope	-	-
R	Resilience	Good practice to respond to business interruption events and to enhance the economic, effective and efficient delivery is adopted.	In place	-	-

### Other Findings

-  Cyber Essentials certification is in progress with the aim of achieving certification before the year end.
-  Humberside Fire and Rescue Service submitted the 2019/20 NHS Data Security and Protection Toolkit on 28th September 2020 with a rating of Standards Met.

## EXPLANATORY INFORMATION

## Appendix A

### Scope and Limitations of the Review

1. The definition of the type of review, the limitations and the responsibilities of management in regard to this review are set out in the Annual Plan. As set out in the Audit Charter, substantive testing is only carried out where this has been agreed with management and unless explicitly shown in the scope no such work has been performed.

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<b>Limited Assurance</b>	The system of internal controls is generally inadequate or not operating effectively and significant improvements are required to ensure that risks are managed and process objectives achieved.
<b>No Assurance</b>	There is a fundamental breakdown or absence of core internal controls requiring immediate action.

### Acknowledgement

5. We would like to thank staff for their co-operation and assistance during the course of our work.

### Release of Report

6. The table below sets out the history of this report.

Stage	Issued	Response Received
<b>Audit Planning Memorandum:</b>	17 <sup>th</sup> September 2020	24 <sup>th</sup> September 2020
<b>Draft Report:</b>	19 <sup>th</sup> November 2020	25 <sup>th</sup> November 2020
<b>Final Report:</b>	26 <sup>th</sup> November 2020	



# AUDIT PLANNING MEMORANDUM

## Appendix B

<b>Client:</b>	Humberside Fire & Rescue		
<b>Review:</b>	ICT Cyber Security		
<b>Type of Review:</b>	Assurance	<b>Audit Lead:</b>	Simon Butterfield

<b>Outline scope (per Annual Plan):</b>	The review considers the extent to which HFRS has the appropriate controls in place to mitigate vulnerability to computer based threats to information security. The scope of the review does not extend to testing the robustness of the individual controls.		
<b>Detailed scope will consider:</b>	<p>Directed</p> <p>Governance Framework: There is a documented process instruction which accords with the relevant regulatory guidance, Financial Instructions and Scheme of Delegation.</p> <p>Risk Mitigation: The documented process aligns with the mitigating arrangements set out in the corporate risk register.</p> <p>Compliance: Compliance with statutory, regulatory and policy requirements is demonstrated, with action taken in cases of identified non-compliance.</p>	<p>Delivery</p> <p>Performance monitoring: There are agreed KPIs for the process which align with the business plan requirements and are independently monitored, with corrective action taken in a timely manner.</p> <p>Financial constraint: The process operates with the agreed financial budget for the year.</p> <p>Resilience: Good practice to respond to business interruption events and to enhance the economic, effective and efficient delivery is adopted.</p>	
<b>Requested additions to scope:</b>	(if required then please provide brief detail)		
<b>Exclusions from scope:</b>			

<b>Planned Start Date:</b>	21/09/2020	<b>Exit Meeting Date:</b>	05/11/2020	<b>Exit Meeting to be held with:</b>	Head of ICT
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### SELF ASSESSMENT RESPONSE

Matters over the previous 12 months relating to activity to be reviewed	Y/N (if Y then please provide brief details separately)
Has there been any reduction in the effectiveness of the internal controls due to staff absences through sickness and/or vacancies etc?	N
Have there been any breakdowns in the internal controls resulting in disciplinary action or similar?	N
Have there been any significant changes to the process?	N
Are there any particular matters/periods of time you would like the review to consider?	N



**Governance, Audit and Scrutiny Committee**  
**25 January 2021**

**Report by the Head of Finance**

## **2020/21 ANNUAL ACCOUNTS CLOSEDOWN TIMETABLE**

### **REPORT EXECUTIVE SUMMARY**

The Fire Authority is required by statute to produce accounts on an annual basis; this report includes the timetable to ensure the Fire Authority produces accounts for 2020/21 on an efficient and timely basis. The date by which the Fire Authority must make available for audit its draft Annual Accounts (signed by the S.151 Officer) has not been confirmed yet. The Final (Audited) Annual Accounts are required to be approved by the Fire Authority by 30 September 2021.

## RECOMMENDATIONS

1. That the attached timetable gives assurance that the Fire Authority has robust plans in place to produce the Annual Accounts by the required deadlines.

## ANNUAL ACCOUNTS 2020/21

2. The attached timetable sets out the key tasks that will be undertaken on the 2020/21 Annual Accounts between December 2020 and September 2021.
3. Regular meetings will also be held with the Authority's external auditor, Mazars. These meetings will be held from late in 2020 through to the completion of the audit in the autumn of 2021.
4. The Authority is required by statute to produce its 2020/21 audited Annual Accounts by 30 September 2021.
5. The Authority has continued to liaise closely with our external auditors and plans to produce the Authority's Annual Accounts by the required deadline.

## STRATEGIC PLAN COMPATIBILITY

6. No direct issues arising.

## FINANCIAL/RESOURCES/VALUE FOR MONEY IMPLICATIONS

7. The Annual Accounts are a key document that ensures the Fire Authority is recording and reporting the transactions it enters into in an appropriate manner and reporting in line with the CIPFA Code of Practice for Local Authority Accounts.

## LEGAL IMPLICATIONS

8. The Authority is required by statute to provide Annual Accounts.

## EQUALITY IMPACT ASSESSMENT/HR IMPLICATIONS

9. No direct issues arising from this report.

## CORPORATE RISK MANAGEMENT IMPLICATIONS

10. No direct issues arising but timely and accurate Annual Accounts are a cornerstone of good governance.

## HEALTH AND SAFETY IMPLICATIONS

11. No direct issues arising.

## COMMUNICATION ACTIONS ARISING

12. No direct issues arising.

## DETAILS OF CONSULTATION

13. No direct issues arising.

## BACKGROUND PAPERS AVAILABLE FOR ACCESS


14. None.

## RECOMMENDATIONS RESTATED

15. That the attached timetable gives assurance that the Fire Authority has robust plans in place to produce the Annual Accounts by the required deadlines.

**M RANSOM**

Officer Contact: Martyn Ransom  
Head of Finance

 01482 567176

Humberside Fire & Rescue Service  
Summergroves Way  
Kingston upon Hull

MR/JP  
6 January 2021



**HUMBERSIDE FIRE & RESCUE SERVICE**  
**CLOSEDOWN TIMETABLE 2020/21**

<b><u>Target Date</u></b>	<b><u>Task</u></b>	<b><u>Completed By</u></b>	<b><u>Date Completed</u></b>
29/01/2021	Roll Forward previous year Balances on Aptos	DL/SE	
29/01/2021	Review previous year audit report and adjust for non material errors where necessary	MR/SE/AB	
29/01/2021	Produce Skeleton Accounts with prior year Comparatives	MR/SE/AB	
29/01/2021	Complete CIPFA Disclosure Checklist	MR/SE/AB	
29/01/2021	Provide FF pensions Commissioning letter for GAD	DL/WYPA/SK	
29/01/2021	Review Accounting Policies	MR/SE/MR	
15/02/2021	Send email to spending officers re year end purchase orders	SE/AB	
01/03/2021	Send email to spending officers re closedown	SE/AB	
05/03/2021	Provide Pensions cashflow and Member data to GAD	DL/SE/MR	
29/03/2021	Stocktake to be completed	AD/NH/Stores	
29/03/2021	Request Third Party Assurance Letters from Hull CC/ERYC/WYPA	SE/DL/AB/SK	
29/03/2021	Arrange final PWLB draw down with Hull City Council	SE/AB	
06/04/2021	Agree list of dated cheques and credit amounts back to ledger.	SE/AB	
06/04/2021	Post cash receipts and inter account transfers to 31 March	AB	
06/04/2021	Post all non cheque items to 31/03 to cash account	AB	
06/04/2021	Complete Financial Instrument Return for Sector	SE	
06/04/2021	Send confirmation letters to counterparties after requesting list from Hull CC	SE	
06/04/2021	Account for petty cash balances	SE/AB	
06/04/2021	Bank reconciliation to 31 March	AB	
06/04/2021	Adjust for April Pensions paid in advance.	SE	
06/04/2021	Complete FF Pension Analysis	SE	
06/04/2021	Run provisional Trial Balance for the year.	MR/SE	
06/04/2021	Deadline for receipt of Property Valuations	MR/SE/AB	
14/04/2021	Deadline for debtors lists	SE/AB	
14/04/2021	Deadline for creditors lists	SE/AB	
21/04/2021	Agree outstanding debtor's provisions and post to Aptos	SE/AB	
21/04/2021	Agree outstanding creditors provisions and post to Aptos	SE/AB	
21/04/2021	Complete Asset revaluation journals	MR/SE/AB	
21/04/2021	Reconcile Capital Spending and Funding	MR/SE/AB	
21/04/2021	Reconcile interest receipts to list supplied from Hull City Council and provided for interest due	SE/AB	
21/04/2021	Reconcile interest payments to P.W.L.B. and accrue for interest due at 31 March	SE/AB	
21/04/2021	Reconcile Finance Lease adjustments for the year.	MR/SE	
21/04/2021	Prepare and post capital financing journals.	MR/SE/AB	
21/04/2021	Reconcile VAT Account	SE/AB	
21/04/2021	Reconcile Payroll Balancing Account	SE/AB	
21/04/2021	Post debtor's Write offs	SE	
21/04/2021	Clear suspense accounts and or reconcile any balances to carry forward to 2019/19	SE/AB	
21/04/2021	Agree stock in hand @ 31/03	SE/AB	
21/04/2021	Pensions information re IAS 19 - Support Staff	SE/SK	
21/04/2021	Pensions information re IAS 19 - Fire Fighter's	SE/SK	
21/04/2021	Receive draft accounts from ESFM Ltd	ESFM Ltd	
21/04/2021	Provide for Retained Fire Fighters' pay paid in arrears.	SE/AB	
21/04/2021	Fair Value Statements from Sector	MR/SE	

**HUMBERSIDE FIRE & RESCUE SERVICE**  
**CLOSEDOWN TIMETABLE 2020/21**

<b><u>Target Date</u></b>	<b><u>Task</u></b>	<b><u>Completed By</u></b>	<b><u>Date Completed</u></b>
03/05/2021	Run provisional trial balance	MR/SE	
03/05/2021	Produce Financial Outturn and use for Foreword	SE	
03/05/2021	Run Final Revenue ledger.	MR/SE	
07/05/2021	Annual Governance Statement	SR	
07/05/2021	Ask Executive Director Service Support/Coporate Planning for foreword update	KW/SR	
07/05/2021	Deadline for Narrative report including performance numbers	KW/SR	
07/05/2021	Receive Collection Fund Balances from the Local Authorities and complete journals	SE/AB	
07/05/2021	Receive audited accounts from ESFM Ltd	ESFM Ltd	
TBC	Produce statement of accounts	MR/SE	
TBC	Notice for Right to inspect Accounts	KW/MR	
TBC	Accounts to be published on the Authority Website	MR/SE	
TBC	Commencement of right to inpect Accounts Period	KW/MR	
TBC	Commencement of External Audit fieldwork - TBC	MR/SE/Mazars	
TBC	Deadline for submission of Papers forGAS Committee	MR/KW	
TBC	Deadline for submission of Papers for Fire Authority	MR/KW	
TBC	Governance, Audit and Scrutiny Committee	MR/KW	
TBC	Completion of Whole Government Accounts	SE	
TBC	Fire Authority	MR/KW	
TBC	Deadline of for Submission of Papers for GAS Committee	Audit/MR/KW	
TBC	Governance, Audit and Scrutiny Committee	Audit/MR/KW	
TBC	Conclusion of right to inspect Accounts period	KW/MR	
TBC	Deadline for submission of Papers for Fire Authority	Audit/MR/KW	
TBC	Fire Authority	Audit/MR/KW	
TBC	Notice for Conclusion of the Audit	KW/MR	

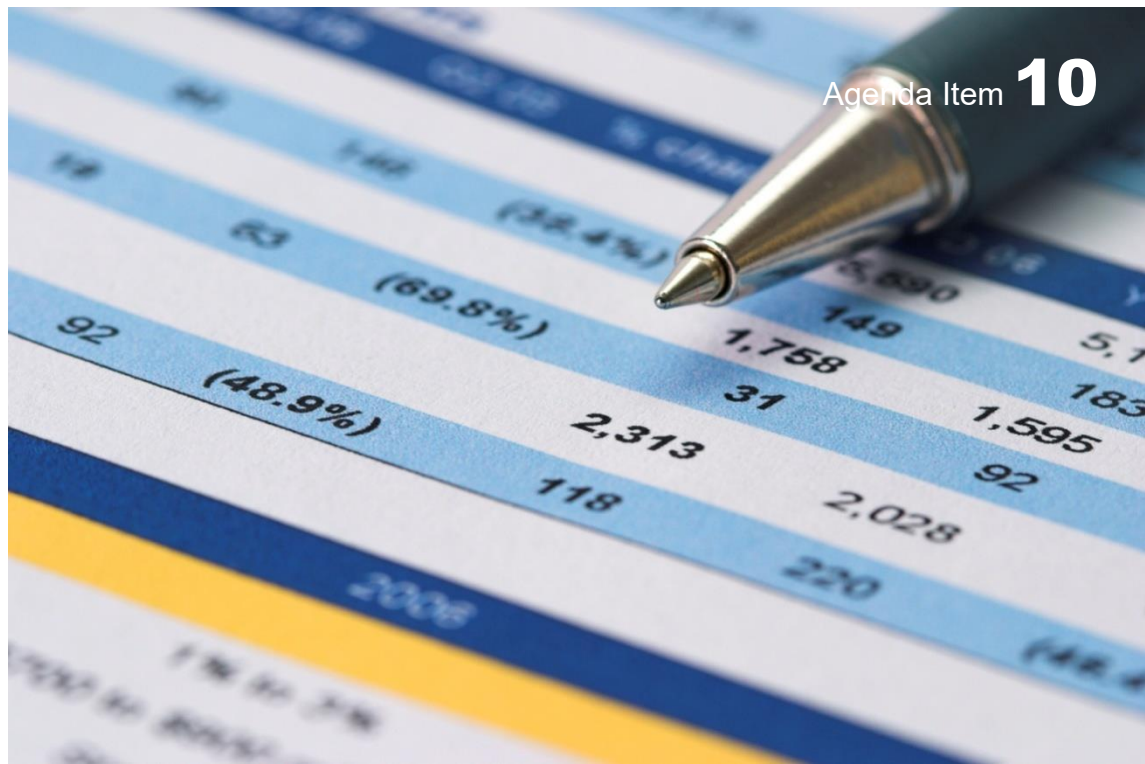
**Officers**

MR = Martyn Ransom  
DL = Dave Lofthouse  
SE = Shaun Edwards  
AB = Amie Brown  
KW = Kevin Wilson  
SR = Simon Rhodes  
PC/AD/Stores = Paul Clucas/Andy Day  
ESFM Ltd = ESFM (Humberside) Ltd JV Co

**Auditors**

Mazars





# Management Accounts for the period ending 31<sup>st</sup> December 2020



**HUMBERSIDE**  
Fire & Rescue Service

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**Key To Traffic Light System**

The elements of the Traffic Light system being used in the report to highlight significant outturn variances / issues are as follows:-

**Status Column** - indicates, using a colour reference whether an issue is:-

**Red**            **Potentially detrimental** to the finances of the Authority

**Green**        **In line with budget or potentially advantageous** to the finances of the Authority.

**HUMBERSIDE FIRE & RESCUE SERVICE**  
**COMMENTARY ON THE MANAGEMENT ACCOUNTS**  
**For the period 1 April 2020 to 31 December 2020**

The following statements represent a summary of the financial activity of the Service for the period stated above.

Each statement is accompanied with notes, referenced to specific lines on that statement where significant variances have been forecasted or where further explanation of information shown is necessary.

### Revenue Statements

These statements show the actual and committed revenue expenditure, in summary subjective heading format (Table 1) as at 31 December 2020 compared to the profiled 2020/21 budget for the same period. The report also shows the forecasted outturn for the full year based on current levels of income and expenditure and any known variations to the end of the financial year.

Table 1

**HUMBERSIDE FIRE & RESCUE SERVICE**  
**REVENUE MONITORING SUMMARY STATEMENT 2020/21**  
**1 April 2020 to 30 December 2020 (Period 09)**

	Original Budget £'000	Revised Budget £'000	31 December 2020		Projection £'000	Full Year		Status	Note
			Profile £'000	Actual & Committed £'000		Variance £'000	%		
<b>Employees</b>									
Wholetime Firefighters	25,127	24,982 *	18,779	18,781	24,832	(150)	(0.60)	Green	1
On-Call Firefighters	4,798	4,869 *	3,421	3,274	4,632	(237)	(4.87)	Green	1
Non-Operational	6,810	6,946 *	5,107	4,924	6,857	(89)	(1.28)	Green	2
Other Employee Expenses (Training, Occ Health, Insurance)	1,517	1,517	1,099	866	1,751	234	15.43	Red	3
<b>Total Pay &amp; Pensions</b>	38,252	38,314	28,406	27,845	38,072	(242)	(0.63)		
Premises	2,660	2,678 *	2,240	2,661	2,620	(58)	(2.17)	Green	4
Transport	1,744	1,744	1,341	1,543	1,586	(158)	(9.06)	Green	5
Supplies & Services	3,850	4,169 *	2,886	2,985	3,818	(351)	(8.42)	Green	6
Support Services	204	204	154	180	274	70	34.31	Red	7
Total Expenditure	46,710	47,109	35,027	35,214	46,370	(739)	(1.57)		
Income	(4,001)	(4,619) *	(2,765)	(4,662)	(4,948)	(329)	7.12	Green	8
<b>Net Expenditure (Ex Capital Charges)</b>	42,709	42,490	32,262	30,552	41,422	(1,068)	(2.51)		
Interest Payable	661	661	331	286	626	(35)	(5.30)	Green	9
Interest Receivable	(60)	(60)	(45)	(16)	(20)	40	(66.67)	Red	10
Accounting Adjustments	1,915	2,101 *	-	-	1,470	(631)	(30.03)	Green	11
Contributions to / (from) Reserves	44	77 *	-	-	1,462	1,385	1,798.70	Red	12
<b>Net Budget Requirement</b>	45,269	45,269	32,548	30,822	44,960	(309)	(0.68)	Green	
<b>Financed By</b>									
Business Rates	(3,915)	(3,915)	(2,936)	(3,140)	(3,915)	-	-		
National Non Domestic Rates	(17,104)	(17,104)	(13,425)	(13,425)	(17,104)	-	-		
Precepts	(24,250)	(24,250)	(18,305)	(18,308)	(24,250)	-	-		
	-	-	(2,118)	(4,051)	(309)	(309)	-		

\*budgets increased to reflect additional spend and grant received from Government in relation to COVID19

**Notes**

1. This projected underspend is due to the pay award for both wholetime and on-call firefighters being lower than anticipated as well as lower callout costs for on-call staff.
2. This projected underspend is due to a higher than anticipated pay award for support staff which is offset by a number of vacant support roles.
3. This projected overspend is due to a higher level of ill health contribution to the Firefighters' Pension Fund as well as higher insurance costs. In addition to this there has been less spent on course fees due to the impact of COVID19.
4. This projected underspend is due to lower than anticipated Business Rate charges on our properties combined with lower property insurance premiums.
5. This projected underspend is due to BP offering free fuel to blue light services during the COVID19 pandemic. In addition to this there has been a lower level of officer travel as training courses and meetings have moved to a virtual delivery.
6. This projected underspend is due to spending less on issue, cleaning, repairs and replacement of PPE. The uniform replacement programme funding has been slipped into 2021/22. In addition to this it is projected that the smoke alarm and hydrant maintenance budgets will not be fully utilised due to having a sufficient stock of smoke alarms and less hydrant maintenance required.
7. This projected overspend is due to ongoing mesothelioma claims.
8. This additional income is primarily due to additional grants from Government in relation to Protection and Grenfell with any unspent grant to be slipped into 2021/22.
9. No additional borrowing taken during the year has resulted in lower interest payments.
10. This variance is due to lower interest rates than anticipated.
11. This underspend is primarily due to the change of method used when calculating the Authority's Minimum Revenue Provision (MRP) as agreed Members in December 2020.
12. This variance is due to transfers to reserves for:
  - Uniforms (see note 6);
  - Protection and Grenfell (see note 8);
  - Transferring the saving from MRP (see note 11);
  - East Coast and Hertfordshire Control Room Consortium anticipated part contribution to 2021/22 infrastructure replacement cost.

## Capital Statement

This report shows the actual and committed capital expenditure as at 31 December 2020 compared with the adjusted profiled 2020/21 budget for the same period. This report also shows the forecasted outturn for the full year based on current levels of expenditure and any known variations to the end of the financial year.

Table 2

**HUMBERSIDE FIRE & RESCUE SERVICE**  
**CAPITAL MONITORING STATEMENT 2020/21**  
 1 April 2020 to 31 December 2020 (Period 09)

SCHEME	Original Budget  £'000	Revised Budget  £'000	31 December 2020		Projection  £'000	Full Year		Traffic Light	Note
			Profile  £'000	Actual & Committed  £'000		Variance		Status	
						£'000	%		
<b>Building Works</b>									
Invest to Save	260	402	161	35	402	-	-	Green	
Goole	-	387	155	-	25	(362)	(93.54)	Green	1
Scunthorpe	-	464	186	6	464	-	-	Green	
Bridlington	100	516	206	516	441	(75)	(14.53)	Green	1
BA Training Refurbishment	-	18	7	-	18	-	-	Green	
Furniture & Equipment	-	87	35	-	87	-	-	Green	
HQ OTC	-	34	14	-	34	-	-	Green	
Dignity Works	-	168	67	127	168	-	-	Green	
Industrial Training Centre	-	657	263	657	657	-	-	Green	
Co-Location	-	97	39	-	15	(82)	(84.54)	Green	1
Cleethorpes	-	36	14	-	36	-	-	Green	
Howden	200	395	158	-	10	(385)	(97.47)	Green	1
Calvert	100	100	40	-	25	(75)	(75.00)	Green	1
	660	3,361	1,345	1,341	2,382	(979)	(29.13)		
<b>Vehicles</b>									
Operational Vehicles	70	372	149	146	146	(226)	(60.75)	Green	2
Support Vehicles	400	487	195	70	70	(417)	(85.63)	Green	2
<b>Equipment</b>	227	278	111	5	5	(273)	(98.20)	Green	2
<b>PPE</b>	400	1,400	560	-	-	(1,400)	(100.00)	Green	3
<b>Information Technology</b>	600	820	328	596	820	-	-	Green	
	2,357	6,718	2,688	2,158	3,423	(3,295)	(49.05)		

## Notes

1. These works will not be completed until 2021/22.
2. The purchase of some of the vehicles and equipment will not be delivered until 2021/22.
3. The new PPE will not be rolled out during 2020/21.

## **Pensions Account Statement**

The Authority has a revised budgeted deficit of £11.255m on this account for 2020/21. The deficit for the year is now projected to be £11.198m. This is a result of:

1. A higher level of ill health pension contributions.
2. A combination of a lower pay award, fewer incidents and fewer staff in the Firefighters Pension Scheme than anticipated has resulted in lower employee and employer pension contributions.

The deficit on this account is financed through the Pensions Top-up Grant given by the Home Office, of which 80% of the grant was received in July of this financial year. The Authority has to stand any cash flow losses until the balance of the grant is paid in full in July 2021.

Table 3

**HUMBERSIDE FIRE & RESCUE SERVICE  
PENSIONS ACCOUNT STATEMENT 2020/21  
1 April 2020 to 31 December 2020 (Period 09)**

	Revised Budget £'000	31 December 2020 Profile £'000	Actual £'000	Projection £'000	Full Year Variance £'000	%	Note
<b><u>Expenditure</u></b>							
Pension payments	16,670	13,892	13,865	16,670	-	-	
Commutations	2,855	2,141	2,041	2,855	-	-	
Transfer Values	100	75	-	100	-	-	
<b>Total Pensions Expenditure</b>	<b>19,625</b>	<b>16,108</b>	<b>15,906</b>	<b>19,625</b>	<b>-</b>	<b>-</b>	
<b><u>Income</u></b>							
Contributions							
Ill Health	(186)	(139)	-	(431)	(245)	131.72	1
Employee's	(2,462)	(1,846)	(1,803)	(2,403)	59	(2.40)	2
Employer's	(5,622)	(4,217)	(4,113)	(5,493)	129	(2.29)	2
	<b>(8,270)</b>	<b>(6,202)</b>	<b>(5,916)</b>	<b>(8,327)</b>	<b>(57)</b>	0.69	
Transfer Values	(100)	(75)	(87)	(100)	-	-	
<b>Total Pensions Income</b>	<b>(8,370)</b>	<b>(6,277)</b>	<b>(6,003)</b>	<b>(8,427)</b>	<b>(57)</b>	0.68	
Net Pensions Deficit/(Surplus) To be financed by HO grant	<b>11,255</b>	<b>9,831</b>	<b>9,903</b>	<b>11,198</b>	<b>(57)</b>	<b>(0.51)</b>	

## Treasury Management

### Borrowing & Lending Activity

This statement shows the borrowing and lending activities undertaken by the Corporate Finance section of Hull City Council, on behalf of the Service, for the period 1 April 2020 to 31 December 2020 under the terms of the SLA. It also shows any variation between the actual interest received from the temporary investment of surplus monies and the budgeted interest.

Table 4

**HUMBERSIDE FIRE & RESCUE SERVICE**  
**BORROWING AND LENDING ACTIVITY STATEMENT**  
For the Period Ending 31 December 2020

Ref.	Company	Investment £	From	To	%	Returned	
						Interest £	Investment £
MMF	Deutsche Managed Sterling Fund	1,000,000.00					
MMF	Aberdeen (SL) Liquidity Fund	1,000,000.00					
MMF	Goldman Sachs Liquid Reserve Fund	1,000,000.00					
301712	BOS	1,000,000.00	28/08/2020	28/10/2020	0.01	16.71	1,000,000.00
301704	Thurrock Council	2,000,000.00	26/08/2020	30/10/2020	0.12	427.40	2,000,000.00
304714	DMO	1,000,000.00	21/10/2020	04/11/2020	0.00	-	1,000,000.00
301701	Royal Borough of Windsor & Maidenhead	2,000,000.00	19/08/2020	19/11/2020	0.09	453.70	2,000,000.00
301711	BOS	1,000,000.00	27/08/2020	27/11/2020	0.05	126.03	1,000,000.00
301702	Cornwall Council	2,000,000.00	31/07/2020	30/11/2020	0.04	267.40	2,000,000.00
301703	Surrey County Council	2,000,000.00	31/07/2020	30/11/2020	0.04	267.40	2,000,000.00
304717	DMO	2,400,000.00	19/11/2020	03/12/2020	0.00	-	2,400,000.00
301719	Hull City Council	2,000,000.00	21/12/2020	24/12/2020	0.00	-	2,000,000.00
301715	Thurrock Council	2,000,000.00	30/10/2020	29/01/2021	0.06	299.18	-
301716	Cornwall Council	2,000,000.00	30/11/2020	26/02/2021	0.02	96.44	-
301718	Coventry BS	2,000,000.00	03/12/2020	03/03/2021	0.03	147.95	-
						<u>2,102.19</u>	

Total Investments at 31 December 2020

9,000,000.00

Summary of Interest Receipts

		Projection	Actual	Variance under/(over)	%
		£	£	£	
Accumulated interest on Investments to :	30/09/2020	45,000	15,544	29,456	65.46

Temporary Loans

Investment £	From	To	%	Interest £
-				-

The total amount temporarily invested at 31 December 2020 is £9.000m.



**Movement in Revenue Reserves**

This statement shows the movements on the revenue reserves for the period 1 April 2020 to 31 December 2020.

This statement also gives a projected value of revenue reserves at 31 March 2021 based on the projections in Table 1.

**Table 5**

**HUMBERSIDE FIRE & RESCUE SERVICE  
MOVEMENT IN REVENUE RESERVES  
as at 31 December 2020**

	As at 1 April 2020 £'000	In Year Movements £'000	Projected Balance at 31 March 2021 £'000
General Reserve	5,758	353 *	6,111
Earmarked Reserves			
Insurance	500	-	500
The Ark - National Flood Resilience Centre	1,000	-	1,000
Capital Programme	3,000	760	3,760
Resilience Reserve	300	-	300
ESMCP	373	(58)	315
Grenfell and Protection	-	100	100
East Coast & Hertfordshire Control Room Consortium	-	400	400
Uniform Replacement Programme	-	150	150
COVID	-	33	33
	10,931	1,738	12,669

\*In year contribution to the General Reserve is based on the budgeted contribution to the reserve plus any estimated under/overspend as at 31<sup>st</sup> December 2020.

**Budget Virements (transfer between lines) Processed**

There were no budget virements processed during the period to 31<sup>st</sup> December 2020.

**Governance, Audit and Scrutiny  
Committee**  
**25 January 2021**

**Report by the Director of Service  
Support**

## REPORT EXECUTIVE SUMMARY

### **PROTECTION ENGAGEMENT WITH THE COMMERCIAL AND BUSINESS COMMUNITY**

#### ***What has changed about the way in which HFRS prioritises business/commercial engagement activities in light of the HMICFRS inspection?***

HFRS have developed a new methodology to the Risk Based Inspection Programme (RBIP) to become more focused in targeting activities using a more enhanced understanding of risk.

Work has commenced to increase capacity and competence in delivering the RBIP through an uplift in competence to our protection inspectors, an increasing number of competent inspectors and attainment of audit capability competence in our operational crews.

The main alteration from the previous way of delivering against an RBIP is the removal of a randomised part of the previous approach and introduction of more data sets to consider how the premises is managed, among other elements. A further change is the introduction of protection visits by HFRS operational crews to premises identified within the RBIP approach as non-complex and having high fire prevalence.

Reactive activities are delivered following concerns and complaints, referrals from partners or from operational crews and statute consultations are completed within assigned timescales.

Joint visits are conducted with partners in the Local Authority, and a close working relationship with LA colleagues allows us to work together in priority areas and premises. We also have a communication route into local groups (such as the Chamber of Commerce) and premises types where we prioritise messages that are targeted and appropriate.

#### ***How has the Grenfell Tower inquiry affected HFRS protection work?***

HFRS continues to deliver responsibilities within the national Building Risk Review (BRR) Programme, returning information to the NFCC (and subsequently MHCLG) on identified premises across the Humber area. This has been prioritised above RBIP activity however, every opportunity to maximise outcomes from this activity has been taken.

HFRS established a dedicated Grenfell team following the publication of the Public Inquiry Phase One report. The team are working on implementing the recommendations of the report and work closely with other relevant sections of the Service, including Protection and Training, reporting progress into the Service Improvement Plan and to the Strategic Leadership Team. This work includes specific recommendations relating to protection, as covered by the new legislative pieces within the Building Safety Bill and the Fire Safety Bill.

Part of this legislation (the Building Safety Bill) introduces a new regulatory body, led by the Health and Safety Executive (HSE) for higher risk premises. In relation to this, HFRS are attending a conference, which is being held for senior leaders in late January 2021 and aims to provide further understanding of the impact of this on FRSSs.

Other parts of the legislation (the Fire Safety Bill) will introduce further responsibilities for building owners regarding the publication of fire safety related information, and submission of

this information to Fire and Rescue Services. Whilst again, not fully implemented at this stage, HFRS have included a 'partner portal' on new software, to engage with building owners in regard to this and other areas, improving HFRS communication and building owner liaison further than it has ever been previously. A periodic meeting with colleagues in Local Authority Building Control teams also discusses these legislative changes.

Three streams of grant funding have been made available to assist with Grenfell related activities, as well as Protection more broadly. The three streams total £299k and are being utilised by the Grenfell team for resourcing and specific areas of the recommendations and Protection, to improve competence, increase training and qualification provision, increase capacity and improve software. All three grants are subject to quarterly returns.

The Grenfell Tower Inquiry, and the overall impact of Grenfell, has provided a continual requirement and demand for HFRS protection staff and others to feedback on significant number of legislation and guidance consultations from the Government and from the National Fire Chiefs Council.

HFRS await Phase Two outcomes of the Public Inquiry, ready to react as necessary to change our procedures as appropriate and required.

***What have been the main challenges in relation to engaging the commercial and business communities?***

*The COVID19 Pandemic* has been the main challenge for continuing to engage with the commercial and business communities throughout 2020 and into 2021.

Ongoing statute activities, including current prosecution cases and complaints, together with statute consultations, have been largely unaffected during this time, and present less of a challenge with risk assessment principles in place to protect staff and those we engage with. However, ongoing prosecution cases have been slower than expected, with various challenges.

A further challenge and as a result of lockdown, a significant number of businesses have been unable to be contacted/visited. This provides a direct challenge to HFRS ability to fully evaluate what is a new approach for operational crews and the Service. *Similarly, with less businesses operating during this challenging time, inspection and enforcement activities have seen a slight dip in terms of numbers, with telephone delivery bringing the number of inspections up but not seen as a viable option post COVID, due to the lack of opportunity to visibly observe breaches of the RRO and therefore deliver enforcement activity.*

*The NFCC have provided guidance throughout the pandemic and HFRS have adopted this guidance fully to continue to deliver activities in these challenging times. HMICFRS*

*HFRS have introduced a positive path for delivery of protection activities, including one which prioritises education to and engagement with businesses. This includes delivery of topical seminars, which were delivered in previous years. Whilst the education and engagement ethos of our delivery continues, this has been significantly impacted upon by restrictions on holding seminars, or availability of target audiences. The HFRS website has been utilised as the primary method of engagement to business communities, with targeted engagements by operational crews, to those identified within the RBIP.*

## RECOMMENDATIONS

1. The GAS committee take assurance from the Services new RBIP methodology that activities are well prioritised and targeted effectively.
2. The GAS committee note the continuing impacts of both the Grenfell Tower fire and of the COVID19 pandemic, and the positive changes taking place from these.

## BACKGROUND

### ***What has changed about the way in which HFRS prioritises business/commercial engagement activities in light of the HMICFRS inspection?***

#### Risk Based Inspection Programme (RBIP)

3. In 2018, HFRS commenced work to improve the Risk Based Inspection Programme (RBIP). This followed structural alterations delivered as part of the Public Safety Service Redesign Programme (SRP) that embedded a role of 'Risk and Intelligence Manager' into Public Safety Central. The Risk and Intelligence Manager introduced a new RBIP methodology which has been utilised on a trial basis since April 2019.
4. The previous RBIP prioritises the inspection of business premises, splitting them by Fire Service Emergency Cover (FSEC) type into four groups A to D.
  - i. Sleeping unfamiliar (places where people do not typically reside)
  - ii. Sleeping familiar (e.g. residential homes)
  - iii. Public unfamiliar (e.g. shops)
  - iv. Workplace familiar (e.g. factories/offices)
5. These groupings are the result of a weighting scheme based around the articles of the Regulatory Reform Fire Safety Order (RRFSO) 2005 which details the factors that have the most significant influence on the safety of people.
6. Within this approach, the guidance relating to the prioritisation of a building for inspection **before** a visit is limited and this is mainly because the risk prioritisation is by building type and utilises no other risk factors, such as management practices. This method means that a brand new hotel with excellent fire safety facilities and sound management practices will hold the same pre-visit risk weighting as a much older hotel that is failing to manage fire safety responsibilities well. While the concept of the previous RBIP is not fundamentally incorrect, the list of properties generated in each of the four groups and the random prioritisation of which buildings will be visited first was somewhat limited.
7. A new RBIP methodology has been developed and trialled for the audit approach over one year. A report on the methodology was produced prior to commencing the trial and is available as a background paper.
8. The new RBIP has been developed to include different information from different sources to allow a risk-based assessment of likelihood to be present, alongside consequence measures.
9. The new RBIP introduces two tiers of risk, categorised within a 'B' or a 'C' risk.

- 'B' risk premises are more complex in nature and typically include sleeping risk from the previous RBIP A and B types. The 'B' in this categorisation stands for business safety inspector and requires a level of competence commensurate with the potential complexities and associated life risk of the premises. This level of categorisation will be visited by competent inspectors. These premises are classed as our 'high-risk premises', returned to Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS).
  - 'C' risk premises are less complex and often smaller premises. The 'C' in this categorisation, stands for 'crews' and are visited by operational crews for engagement visits, with any identified issues sent to Protection inspectors for further consideration.
10. NOTE: The categorisation of premises risk within the RBIP will change in April 2021, to reflect feedback received from GAS committee members in February 2020 which suggested the categorisation in use was somewhat confusing. Therefore, with effect from the 1 April 2021, the above described 'B' risk will become our 'A' risk level, denoting our high-risk premises and the above described 'C' risk will become our 'B' risk level for operational crew engagements.
  11. Engagement visits delivered by operational crews are delivered to advise premises owners of their responsibilities and gather information in relation to those responsibilities. They are not an audit, nor inspection, of the premises. Where matters or issues with fire safety management are encountered, further support will be provided by Protection inspectors.
  12. This difference in the tiered approach relates directly to the competency requirements of the NFCC competency framework, referred to in the 'Protection capacity and skills' section of this paper.
  13. Alongside the new RBIP, thematic audits are delivered which are based on emerging risks locally and/or nationally, for example high rise residential premises. All of this is monitored within a dashboard for delivery.
  14. HFRS have delivered the current version of the Humberside RBIP to the National Fire Chiefs Council (NFCC) lead for RBIP at a best practice sharing event. The NFCC is looking to support the introduction of national basis/standard for risk-based inspection programmes and are using information gathered from the best practice event to contribute to this.
  15. An evaluation of the RBIP methodology and approach has been completed, on the audit tier of the method.
  16. The evaluation conducted has identified several positive outcomes:
    - HFRS found more businesses that were deemed as 'unsatisfactory' following audits.
    - HFRS issued more enforcement, prohibition and alteration notices during 2019/20 than in previous years (except for enforcement notices in 2017/18 however this was due to cladding related notices following Grenfell).
    - HFRS Operational Crews are engaging with more businesses than previous years.

- HFRS Operational Crews identified more referrals to Business Safety Inspectors than previously.
  - Examples have been seen of Operational Crews referring concerns to inspectors that have led to enforcement actions.
  - HFRS Operational Crews are becoming more involved in potential prosecution cases and the gathering of evidence.
17. The evaluation also identified some further areas of consideration and improvements including:
- Method of processing the data and the data utilised requires automating and embedding to improve the efficiency of RBIP creation.
  - The software currently used for operational crews engagement visits is standalone and inhouse developed, which needs to be embedded in a new software platform that will bring together the data for all prevention, protection and risk information on premises and people (a project to replace the current CFRMIS platform is underway).
  - The COVID19 pandemic led to a delay in the ability to evaluate the operational crew engagement visits layer of the trailed RBIP.
  - Verification of the approach through academic research by the University of Hull has paused for reasons out of HFRS control (at the University), this will be re-attempted in late 2020.
  - Nationally, there is work (together with uncertainty) in the standardised approach for RBIP from the NFCC as a result of the State of Fire report.
18. No full evaluation has been conducted at this stage, on the engagement tier of the method due to the impact of COVID19 on operational crew engagements with businesses identified by the RBIP. This evaluation will be done in early 2021.

#### Delivery of reactive activities

19. The Risk Based Inspection Programme provides the basis for proactive targeting of protection activities, reactive activities are delivered following referrals from operational crews (following incidents or engagement activities), statute consultations and concerns/complaints.
20. In 2020/21 there have been 25 referrals from operational crews to protection inspectors.
21. Timescales are attributed to some reactive activities as outlined:
- Complaints/Concerns are received from a variety of sources including members of the public. HFRS internally react to complaints and concerns in timescales associated with the potential risk posed:
    - High Risk – 24 hours (locked means of escape/no fire alarm system)
    - Medium Risk – 3 days (defective fire alarm system)
    - Low Risk – 5 days (firefighting equipment)
    - The aim is to feedback to the complainant within a one-month period as with all complaints received into HFRS.
  - HFRS receive formal consultations under Building Regulations and under the Licensing Act 2003. HFRS respond to these consultations within a 15 working day timeframe.

22. In 2020/21 to date, there have been 702 consultations and 55 complaints/concerns activities recorded. 90% of consultations have been completed within the 15 working day timescale.
23. Joint visits are conducted with partners in the Local Authority, and a close working relationship with LA colleagues allows us to work together in priority areas and premises. We also have a communication route into local groups (such as the Chamber of Commerce) and premises types where we prioritise messages that are targeted and appropriate.
24. In addition to these activities, there is currently a MHCLG led piece of work for the 'Building Risk Review', which forms part of the Government response to the tragic Grenfell Tower Fire. HFRS are currently inspecting and gathering information on 50 such premises.

***How has the Grenfell Tower inquiry affected HFRS protection work?***

25. HFRS do not have any residential high-rise premises with ACM attached, a full visit programme was initiated to gather information on high rise residential premises and liaise with building owners. This work was done by competent members of staff, therefore directing them away from proactive RBIP activities at that time.
26. HFRS continues to deliver responsibilities within the national Building Risk Review (BRR) Programme, returning information to the NFCC (and subsequently MHCLG) on identified premises across the Humber area. This has been prioritised above RBIP activity however, every opportunity to maximise outcomes from this activity has been taken, including gathering information for HFRS and liaising with building owners to discuss responsibilities and fire safety, as well as cascading necessary information direct from Government departments to local building owners.
27. In early 2020, HFRS established a dedicated Grenfell team following the publication of the Public Inquiry Phase One report, led by an Area Manager. The team includes a Station Manager and four Watch Managers from various areas of the Service and with relevant knowledge and expertise.
28. The team are implementing the recommendations of the Public Inquiry report and work closely with other sections of the Service, including Protection, Training, Service Control and Emergency Preparedness, reporting progress into the Service Improvement Plan and to the Strategic Leadership Team. This work includes specific recommendations relating to protection, as covered by the new legislative pieces within the Building Safety Bill and the Fire Safety Bill.
29. The Building Safety Bill introduces a new regulatory body, led by the Health and Safety Executive (HSE) for higher risk premises.
30. The Bill will make sure that those responsible for the safety of residents are accountable for any mistakes and must put them right. It will fully establish the regulator that will enforce new rules and take strong actions against those who break them. The regulator will have 3 main functions:
  - to oversee the safety and standard of all buildings,
  - directly assure the safety of higher-risk buildings; and



- improve the competence of people responsible for managing and overseeing building work.
31. The Bill will operate a new, more stringent set of rules for high-rise residential buildings. The new set of rules, contained in the Bill, will apply when buildings are designed, constructed and then later occupied. At each of these 3 stages, it will be clear who is responsible for managing the potential risks and what is required to move to the next stage enabling a 'golden thread' of vital information about the building to be gathered over its lifetime. When residents move into a building that falls under the new set of rules, it will need to be registered with the Building Safety Regulator and apply for a Building Assurance Certificate. The Accountable Person will need to conduct and maintain a safety case risk assessment for the building and appoint a Building Safety Manager to oversee it day to day. Building inspectors who are responsible for signing buildings off as safe for people to live in will also have to follow the new rules and must register with the regulator. The Bill will also give the government new powers to better regulate construction materials and products and ensure they are safe to use.
  32. A conference is being held for senior leaders in late January 2021, which we are attending and looking to enhance our understanding of the impact of the introduction of the Building Safety Bill, and specifically the new regulator for higher risk premises, on Fire and Rescue Services.
  33. The Fire Safety Bill will introduce further responsibilities for building owners and those deemed as responsible persons regarding the publication of fire safety related information, and submission of this information to Fire and Rescue Services.
  34. The Bill will amend the Fire Safety Order 2005 to clarify that the responsible person or duty-holder for multi-occupied, residential buildings must manage and reduce the risk of fire for:
    - the structure and external walls of the building, including cladding, balconies and windows
    - entrance doors to individual flats that open into common parts

This clarification will empower fire and rescue services to take enforcement action and hold building owners to account if they are not compliant.

35. The Bill will provide a foundation for secondary legislation to take forward recommendations from the Grenfell Tower Inquiry phase one report, which stated that building owners and managers of high-rise and multi-occupied residential buildings should be responsible for a number of areas including:
  - regular inspections of lifts and the reporting of results to the local fire and rescue services
  - ensuring evacuation plans are reviewed and regularly updated and personal evacuation plans are in place for residents whose ability to evacuate may be compromised
  - ensuring fire safety instructions are provided to residents in a form that they can reasonably be expected to understand
  - ensuring individual flat entrance doors, where the external walls of the building have unsafe cladding, comply with current standards
36. The Bill will also give the Secretary of State for Housing, Communities and Local

Government the powers to amend the list of qualifying premises that fall within the scope of the Fire Safety Order by way of secondary legislation, enabling the Government to respond quickly to developments in the design and construction of buildings, which may in turn, impact upon FRSS through changes to RBIP and other pieces of targeting and prioritising activities.

37. HFRS are currently delivering a project to replace the software system used across prevention and protection to gather information on people and premises, including operational risk information. Since the release of the Public Inquiry Phase One report, HFRS have included a 'partner portal' to engage with building owners in regard to this and other areas, improving HFRS communication and building owner liaison further than it has ever been previously.
38. A periodic meeting with colleagues in Local Authority Building Control teams also discusses these legislative changes and other impacts of Grenfell.
39. HFRS await Phase Two outcomes of the Public Inquiry, ready to react as necessary to change our procedures as appropriate and required.
40. A major impact on protection work of the Grenfell Tower Public Inquiry, has been the need to increase competence of protection staff, which is progressing well. Alongside this, is an increase to those deemed competent (operational crews and managers) and therefore, increased capacity to deliver protection outcomes. A full Prevention and Protection Review is progressing and aims to establish an increased capability across the Humber area, 24/7/365.
41. HFRS have been fully involved in all consultations and calls for evidence, in relation to Grenfell, the aforementioned legislation and other pieces of guidance and legislation across protection. This has been reported into HFA previously and continues to contribute to demands and workloads across protection.
42. NFCC continue to develop Protection related guidance and information, most recently a draft national fire standard for consultation which HFRS are actively engaged within. HFRS continue to contribute to NFCC workstreams in relation to Grenfell and across protection, which provides a level of demand and workload.

***What have been the main challenges in relation to engaging the commercial and business communities?***

*The COVID19 Pandemic*

43. A policy addendum was written in March 2020 to restrict activities delivered within the Risk Based Inspection Programme. Subsequently, the policy position was updated through risk assessment updates following the National Fire Chiefs Council guidance throughout the emergency and up to present day.
44. Physical visits delivered within the audit and the engagement tiers of the RBIP were enhanced by prior telephone contact to ascertain risk levels. If risk couldn't be mitigated by telephone engagement, a physical visit was conducted with risk assessment principles in place. This has led to the numbers of audits being largely similar to previous figures when including the telephone delivery.
45. Enforcement activity, including current prosecution cases and complaints, together with statute consultations, were unaffected during the COVID emergency. However,

ongoing prosecution cases have been slow due to a number of issues, including businesses responsible persons cancelling interviews from HFRS staff and therefore legal proceedings being slower than normal.

46. The operational crew engagement visits were initiated shortly before lockdown following development given to crews in 2019, therefore the number of engagement visits has increased during the COVID emergency, albeit via telephone method.
47. A further challenge and as a result of lockdown, a significant number of businesses have been unable to be contacted, with limitations on physical visits being provided. This provides a direct challenge to HFRS ability to fully evaluate what is a new approach for operational crews and the Service.
48. Similarly, with less businesses operating during this challenging time, inspection and enforcement activities have seen a slight dip in terms of numbers, with telephone delivery bringing the number of inspections up but not seen as a viable option post COVID, due to the lack of opportunity to visibly observe breaches of the RRO and therefore deliver enforcement activity.
49. Communications throughout the COVID emergency have been focused on supporting businesses in fire safety and risk assessment, supporting the reopening of businesses through website and social media messaging following periods of lockdown and closure.
50. The NFCC have provided guidance throughout the pandemic and HFRS have adopted this guidance fully to continue to deliver activities in these challenging times through a risk assessed approach.
51. HFRS have introduced a positive path for delivery of protection activities, including one which prioritises education to and engagement with businesses. This was included within our current Delivery Plan, and will be included in a refreshed Prevention, Protection and Enforcement Delivery Plan 2021-24, currently being drafted.
52. This includes delivery of topical seminars, which were delivered in previous years. Whilst the education and engagement ethos of our delivery continues, this has been significantly impacted upon by restrictions on holding seminars, or availability of target audiences. The HFRS website has been utilised as the primary method of engagement to business communities, with targeted engagements by operational crews, to those identified within the RBIP.

### Conclusions

53. Risk Based Inspection Programme (RBIP) approaches are developing nationally and HFRS are contributing to this. The new RBIP is within a second year of delivery, with continuing evaluation and improvements and software provision designed to improve effectiveness and efficiency.
54. Competence across protection is improving, with operational crews and officers receiving training and qualification, as well as continued investment into existing inspector roles.

55. HFRS have implemented suitable and specific resourcing requirements to ensure we are well positioned to implement outcomes of the Grenfell Tower Fire Public Inquiry Phase One.
56. HFRS are working across protection and other sections to fully understand the impacts of new legislation, brought about by the Inquiry. HFRS also ensuring that Phase two outcomes are monitored and understood.
57. Challenges brought about by the COVID19 pandemic have had some impact on the delivery of protection, however HFRS continues to deliver statute responsibilities and target identified premises to deliver outcomes to protect people and the environment.

#### STRATEGIC PLAN COMPATIBILITY

58. The delivery of Protection through a risk-based inspection programme, is a key part of the Strategic Plan within Making Our Communities Safer, and part of the Service Improvement Plan.
59. A revised and refreshed Prevention, Protection and Enforcement Delivery Plan 2021-24 has been drafted and is progressing in line with a Prevention and Protection Review, aligned to the Strategic Plan 2021-24.

#### FINANCIAL/RESOURCES/VALUE FOR MONEY IMPLICATIONS

60. Targeting methodologies developed within the current RBIP allow us to send resources to where they are needed the most.
61. Following the completion of the Public Safety SRP 2017-2020, a new review into Prevention and Protection has commenced and will utilise information from targeting methodologies, including the RBIP, as well as learning from major events (Grenfell/COVID/HMICFRS) to recommend finance and resourcing needs.
62. Three streams of grant funding to assist with Grenfell related activities, as well as Protection more broadly have been made available. The three streams are
  - Building Risk Review Fund £60k
  - Protection Uplift Fund £114k
  - Grenfell Infrastructure Fund £125k
63. The funding is being utilised by the Grenfell team for specific areas of the recommendations and Protection to improve competence, increase training and qualification provision, increase capacity and improve software. All three grants are subject to quarterly returns.

#### LEGAL IMPLICATIONS

64. The Regulatory Reform (Fire Safety) Order 2005 (sc26.1) states that:

*‘Every enforcing authority must enforce the provisions of this Order and any regulations made under it in relation to premises for which it is the enforcing authority ....’*

65. Capabilities to carry out this order, 24 hours a day, has been stated within the recent HMICFRS report for HFRS.

66. The Fire and Rescue National Framework for England requires FRS to have an RBIP in place, stating:

*'Fire and rescue authorities must make provision for promoting fire safety, including fire prevention, and have a locally determined risk-based inspection programme in place for enforcing compliance with the provisions of the Regulatory Reform (Fire Safety) Order 2005 in premises to which it applies.'*

67. Legislative changes, through the Fire Safety Bill and the Building Safety Bill, are currently being assessed across the sector.

#### EQUALITY IMPACT ASSESSMENT/HR IMPLICATIONS

68. Completed – no issues identified.

#### CORPORATE RISK MANAGEMENT IMPLICATIONS

69. Failure to deliver improvements from the recommendations following HMICFRS inspection. Risks continue to be managed within HFRS risk registers and the Service Improvement Plan (SIP).

#### HEALTH AND SAFETY IMPLICATIONS

70. None.

#### COMMUNICATION ACTIONS ARISING

71. A new review of Prevention and Protection is progressing and will feature staff engagement. The review utilises information from the RBIP and other targeting methods. The review will be presented to SLT this month and communicated to HFA accordingly.

72. A revised Prevention, Protection and Enforcement Delivery Plan 2021-24 has been drafted and will be communicated following a period of consultation. The delivery plan has been drafted to consider the impacts of, and learning from, HMICFRS, Grenfell and COVID19

#### DETAILS OF CONSULTATION AND/OR COLLABORATION

73. A revised Prevention, Protection and Enforcement Delivery Plan 2021-24 and a Prevention and Protection Review is due to be consulted upon in early 2021.

#### BACKGROUND PAPERS AVAILABLE FOR ACCESS

74. State of Fire and Rescue 2019, HMICFRS  
Effectiveness, efficiency and people 2018/19 - HFRS, HMICFRS  
Fire and Rescue National Framework for England, Home Office, May 2018  
Service Improvement Plan, HFRS  
HFA paper – Public Safety SRP Post Implementation Review, July 2020  
NFCC competency framework – January 2020

## RECOMMENDATIONS RESTATED

**S. TOPHAM**

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Director of Service Support

Humberside Fire & Rescue Service  
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**Governance, Audit and Scrutiny Committee  
25 January 2021**

**Report by the Monitoring  
Officer/Secretary**

## **GAS COMMITTEE SCRUTINY PROGRAMME 2020/21**

### **REPORT EXECUTIVE SUMMARY**

This paper summarises the Governance, Audit and Scrutiny Committee's Scrutiny Programme 2020/21. Each year, the Committee will programme four specific, defined scrutiny items complete with scopes in order that relevant officers can focus their reports. Appendix 1 to this report will serve as a point of reference for report-writers and as a 'living document' during the year for the Committee as it considers the scopes for its scrutiny items.

## RECOMMENDATIONS

1. That Members consider and approve the Scrutiny Programme 2020/21.

## PUBLIC SCRUTINY PROCESS

2. Public scrutiny is a corporate process undertaken by the GAS Committee, appointed by the Fire Authority for its breadth of professional experience.
3. Four areas for scrutiny were identified by the Committee for its 2020/21 programme:
  - Effectiveness of the protection Risk-Based Targeting Strategy
  - Development and Delivery Plans to Support the Health and Wellbeing of Staff
  - Safety Protection - Engagement with the Commercial/Business Community
  - Diversity and Recruitment - Progress and Plans

## STRATEGIC PLAN COMPATIBILITY

6. This paper supports the achievement of Strategic Plan 2018/21 through the provision of independent scrutiny of activity.

## FINANCIAL/RESOURCES/VALUE FOR MONEY IMPLICATIONS

7. Independent scrutiny contributes towards efficiency review activity.

## LEGAL IMPLICATIONS

8. None directly arising.

## EQUALITY IMPACT ASSESSMENT/HR IMPLICATIONS

9. None directly arising.

## CORPORATE RISK MANAGEMENT IMPLICATIONS

10. Scrutiny of performance provides an assurance that arising risks are being mitigated.

## HEALTH AND SAFETY IMPLICATIONS

11. None directly arising.

## COMMUNICATION ACTIONS ARISING

12. GAS Committee papers are publicly available via the HFRS Website.

## DETAILS OF CONSULTATION AND/OR COLLABORATION

13. SLT regarding scrutiny topics.

## RECOMMENDATIONS RESTATED

14. That Members consider and approve the Scrutiny Programme 2020/21.



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                                 Committee Manager

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                                 Secretary/Monitoring Officer

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SC



<b>GAS Committee Scrutiny Programme 2020/21</b>			
<b>Meeting Date</b>	<b>Responsible Officer</b>	<b>Item and Scope</b>	<b>Follow-up</b>
7 September 2020	<b>Director of Service Delivery Support</b>	<b>Effectiveness of the Protection Risk-Based Targeting Strategy.</b> <ul style="list-style-type: none"> <li>• How is public protection activity targeted according to risk and intelligence?</li> <li>• What systems does the Service use to undertake its risk-based targeting activities?</li> <li>• How does the Service gather the intelligence necessary to target intervention effectively?</li> <li>• How does the Service respond to referrals for intervention that would not necessarily result in action according to the Risk-Based Targeting Strategy?</li> <li>• What impact has COVID-19 had on the Risk-Based Targeting Strategy?</li> </ul>	
16 November 2020	<b>Director of People and Development</b>	<b>Development and Delivery Plans to Support the Health and Wellbeing of Staff</b> <ul style="list-style-type: none"> <li>• How have matters improved since the Service's previous HMICFRS inspection?</li> <li>• What support has the Service put in place for staff in the light of the significant challenges posed by COVID-19?</li> <li>• What has the Service learned from the health and wellbeing initiatives in other areas?</li> <li>• What have been the main challenges to supporting the health and wellbeing of staff?</li> </ul>	
25 January 2021	<b>Director of Service Delivery Support</b>	<b>Safety Protection - Engagement with the Commercial/Business Community</b> <ul style="list-style-type: none"> <li>• What has the Service changed about the way it prioritises its engagement with the commercial/business sector in the light of the previous HMICFRS</li> </ul>	

		<p>inspection?</p> <ul style="list-style-type: none"> <li>• How has the Grenfell Tower Inquiry affected the Service's business safety work?</li> <li>• What have been the main challenges in relation to engaging the commercial and business communities?</li> </ul>	
12 April 2021	<b>Director of People and Development</b>	<p><b>Diversity and Recruitment - Progress and Plans</b></p> <ul style="list-style-type: none"> <li>• How diverse is the Service's workforce currently?</li> <li>• Does this reflect the level of diversity in the local population?</li> <li>• How does the level of diversity compare at different levels within the organisation?</li> <li>• How can the Service increase the diversity of its workforce?</li> <li>• Update on training, promotion and development (Minute 62/19 refers).</li> <li>• What have been the main challenges to increasing diversity in the organisation?</li> </ul>	