

Fire & Rescue Service Headquarters Summergroves Way Kingston upon Hull HU4 7BB  
Telephone 01482 565333

<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> 25 August 2022
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Dear Member

I hereby give notice that a meeting of the **GOVERNANCE, AUDIT AND SCRUTINY COMMITTEE** of Humberside Fire Authority will be held on **MONDAY 5 SEPTEMBER 2022 at 10.00AM** at HUMBERSIDE FIRE & RESCUE SERVICE HEADQUARTERS, SUMMERGROVES WAY, KINGSTON UPON HULL, HU4 7BB.

**Public and press attendance at meetings**

Due to current social distancing requirements, a **maximum of 4 people** will be permitted entry to the public gallery - **places must be booked in advance** by contacting the Committee Manager on the contact details above.

To access this meeting remotely please visit [<https://zoom.us/join>](https://zoom.us/join) and then enter:

**Meeting ID: 884 0193 3801**

**Passcode: 777739**

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**

Business	Page Number	Lead	Primary Action Requested
<b><u>Procedural</u></b>			
1. Apologies for absence	-	Monitoring Officer/ Secretary	To record

Business	Page Number	Lead	Primary Action Requested
2. Declarations of Interest (Members and Officers)	-	Monitoring Officer/ Secretary	To declare and withdraw if pecuniary
3. Minutes of the meeting of 4 July 2022	(pages 1 - 4)	Chairperson	To approve
4. Matters arising from the Minutes, other than on the Agenda	-	Chairperson	To raise
<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 Completion Report	(pages 5 - 40)	Mazars	To consider and make any recommendations to the HFA
7. Internal Audit Update	(pages 41 - 46)	TIAA	To consider and make any recommendations to the HFA
<b><u>Finance and Performance</u></b>			
8. HMICFRS Update	verbal	Joint Deputy Chief Finance Officer	To consider and make any recommendations to the HFA
<b><u>Scrutiny Programme</u></b>			
9. GAS Committee Scrutiny Programme 2022/23	(pages 47 - 52)	Monitoring Officer/Secretary	To approve
10. Any Other Business	-	All Members	To raise

Under the Openness of Local Government Bodies Regulations 2014 members of the public may film, record, take photographs or use social networking during Authority and committee meetings that are open to the public. *The Monitoring Officer/Secretary kindly requests advance warning from anyone wishing to film, record or take photographs during open meetings so that suitable provision can be made.*

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

**4 JULY 2022**

**PRESENT:** Independent Co-opted Members Chris Brown, Pam Jackson, Kathryn Lavery, and Gerry Wareham.

Councillors Briggs attended as an observer.

Niall McKiniry - Assistant Chief Fire Officer/Executive Director of Service Delivery, Christine Cooper - Executive Director of People and Development, Martyn Ransom - Joint Deputy Chief Finance Officer, Steve Duffield - Temporary Director of Prevention and Protection, Matthew Sutcliffe - Director of Service Improvement, Steve Topham - Director of Emergency Response, Shaun Edwards - Head of Finance, Lisa Nicholson - Monitoring Officer/Secretary, Sam Campbell - Committee Manager, and Rob Close – Committee Manager were also present. Ross Woodley - External Auditor (Mazars) attended remotely.

The meeting was held at the Humberside Fire and Rescue Service Headquarters, Kingston upon Hull. The meeting commenced at 10.00 a.m.

*The Monitoring Officer/Secretary took the chair for Minute 49/22.*

**PROCEDURAL**

**49/22 ELECTION OF THE CHAIRPERSON OF THE COMMITTEE - *Resolved*** - That Pam Jackson be appointed Chairperson of the Governance, Audit and Scrutiny Committee for this meeting only.

*Pam Jackson took the chair.*

**50/22 APOLOGIES FOR ABSENCE** - Apologies for absence were received from Jim Doyle.

**51/22 DECLARATIONS OF INTEREST** - There were no declarations of interest.

**52/22 MINUTES - *Resolved*** – That, following Martyn Ransom’s addition to the attendance, the minutes of the meeting of the Committee held on 15 June 2022 be confirmed as a correct record as amended .

**53/22 MATTERS ARISING FROM THE MINUTES, OTHER THAN ON THE AGENDA** - There were no matters arising.

**GOVERNANCE**

**54/22 UPDATE: MATTERS ARISING/FEEDBACK FROM FIRE AUTHORITY** - The Monitoring Officer/Secretary provided feedback on items considered by the Fire Authority at its meetings of 24 June 2022.

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

**55/22 Draft Annual Statement of Assurance 2021/22** - The Director of Service Improvement submitted a report summarising the draft Annual Statement of Assurance for 2021/22.

As set out in the Fire and Rescue National Framework for England, the Statement of Assurance provided assurance that matters were shown due regard for the expectations set out within the Authority's Community Risk Management Plan (CRMP) and the Framework. Sound financial management was evident through a number of key processes. The Authority operated in accordance with CIPFA and SOLACE framework for corporate governance as detailed within the Annual Corporate Governance Statement. The Strategic Plan (SP) and the CRMP, annually reviewed with the Business Partnership Framework, considered necessary strategic objectives and took into account The National Framework.

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

## **AUDIT**

**56/22 External Audit Progress Update** - Ross Woodley (Mazars) presented a report updating the Committee on progress in relation to the external audit process.

Despite a number of challenges, HFA was one of the first authorities in the country to provide the 2021/22 financial statements. Mazars were approximately two thirds of the way through their audit which faced a minor challenge from equipment valuations which differed to previous assumptions following the appointment of a new valuer. A new leader for local audits, established through the Audit Reporting and Governance Authority (ARGA), was set to start work in September. Moreover, the National Audit Office (NAO) launched a new effectiveness tool for Audit and Assurance Committee to establish their effectiveness.

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

## **FINANCE AND PERFORMANCE**

**57/22 TREASURY MANAGEMENT ANNUAL REPORT 2021/22** - The Head of Finance submitted a report summarising the Treasury Management Annual Report for 2021/22.

The rate of return on the Authority's investments in 2021/22 had been lower than originally budgeted for due to lower interest rates than anticipated. No short term borrowing was undertaken within the course of 2021/22, however, taking advantage of lower interest rates, the Authority secured a favourable rate of long term borrowing. Generally, the Authority benefitted from a good amount of cash flow and a limited debt pressures.

The Committee was advised that, while there was no national threshold set limiting capital expenditure, the Authority operated within CIPFA's code on treasury management to ensure appropriate and responsible use of capital.

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

**58/22 ANNUAL STATEMENT OF ACCOUNTS 2021/22 (UNAUDITED)** - The Head of Finance submitted unaudited Annual Statement of Accounts for 2021/22.

The Annual Statement of Accounts for 2021/22 were produced ahead of the deadline 31 July 2022. In addition, the Committee asked what officers felt would be a likely pay award. The Head of Finance explained that pay awards would be determined at a national level, thus, the authority's allocated budget was unlikely to have a material impact. Additionally, the figure referred to accounted for inflationary pressures not just staffing costs. When the budget was set in December 2021, a pay award of 2.5 per cent appeared reasonable, however the unforeseen level of inflation, resulting from a number of external factors, could not have been predicted. Therefore, the importance of sufficient reserves to accommodate for variations in expenditure was stressed.

**Resolved -** That unaudited Annual Statement of Accounts for 2021/22 be received.

### **SCRUTINY PROGRAMME**

**59/22 Fire Standards** - The Director of Service Improvement submitted a report summarising the Committee's draft Scrutiny Programme 2022/23.

Fire Standards (FS) were expected to be a feature of Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) inspection programme going forward. Currently, there were 11 FS issued, with more still out for consultation, for an intended total of 23. FS sought to act as a key component of continuous improvement within the sector and provide a common standard of service. So far, the biggest change resulting from FS was changes to Fire Control which were primarily issued in 2021/22. The greatest challenge going forward was provision of driver training courses which were now qualifications linked to ISO data. The Fire Standards Board published a toolkit with each FS to support implementation and subsequent reporting. While no compulsory or recommended timescale was issued for FS adoption, compliance was expected to be managed through each Fire and Rescue Service (FRS). The Authority delegated responsibility for maintaining compliance with FS to the relevant directorates.

In response to questions raised, the following points were noted:

- **Current Challenges** – There were concerns that the resources to develop staff to keep up with the Emergency Response Driving FS may cause considerable challenges, particularly with limited providers. The necessity to regularly refresh codes of ethics may also lead to continual resource demands. As more FS were issued, effective forward planning for budgets was an area of concern, therefore particular attention would be given to consultation responses to anticipate future changes.
- **Common Professional Standards** – Officers were comfortable with the professionalism of their practices and appreciated the expectation for a common standard of service throughout the country.
- **College of Fire** – It was anticipated that in the future a College of Fire, similar to the virtual College of Policing model, would subsume the FSB for a longer term operating model.
- **Monitoring Compliance** – More practical methods of monitoring compliance were expected as it was appreciated that imposing data driven targets could divert resource allocation for those harder to monitor functions. Ultimately, it was hoped that a more qualitative approach would be adopted as seen through HMICFRS.
- **Governance** – The Authority's governance arrangements were inspected with the results being available for public scrutiny. Generally, it was felt that the Authority had a robust governance process in place with significant improvements made since its last inspection.
- **HMICFRS Inspections** – FS were expected to inform HMI inspections but wouldn't be immediately applicable for every aspect of fire and rescue.

**Resolved** - That the Programme be approved with thanks to the Committee Manager.

**60/22 GAS COMMITTEE SCRUTINY PROGRAMME 2022/23** - The Committee Manager submitted a report summarising the Committee's Scrutiny Programme 2021/22.

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

# Audit Completion Report

Humberside Fire Authority Year ended 31  
March 2022

August 2022



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Our reports are prepared in the context of the 'Statement of Responsibilities of auditors and audited bodies' and the 'Appointing Person Terms of Appointment' issued by Public Sector Audit Appointments Limited. Reports and letters prepared by appointed auditors and addressed to the Authority are prepared for the sole use of the Authority and we take no responsibility to any member or officer in their individual capacity or to any third party. Mazars LLP is the UK firm of Mazars, an international advisory and accountancy group. Mazars LLP is registered by the Institute of Chartered Accountants in England and Wales.





Humberside Fire Authority and Governance, Audit and Scrutiny Committee

Humberside Fire and Rescue Service Headquarters

Summergroves Way

Hull HU4 7BB

22 August 2022

Mazars LLP

The Corner  
Bank Chambers  
26 Mosley Street  
Newcastle Upon Tyne  
NE1 1DF

Dear Members

## Audit Completion Report – Year ended 31 March 2022

We are pleased to present our Audit Completion Report for the year ended 31 March 2022. The purpose of this document is to summarise our audit conclusions.

The scope of our work, including identified significant audit risks and other areas of management judgement, was outlined in our Audit Strategy Memorandum which we presented on 7 March 2022. We have reviewed our Audit Strategy Memorandum and concluded that the original significant audit risks remain appropriate.

We would like to express our thanks for the assistance of your team during our audit.

If you would like to discuss any matters in more detail then please do not hesitate to contact me on 07896 684771.

Yours faithfully

*Garvin Barker*

Mazars LLP

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# 01

Section 01:

**Executive summary**

# 1. Executive summary

## Principal conclusions and significant findings

The detailed scope of our work as your appointed auditor for 2021/22 is set out in the National Audit Office's (NAO) Code of Audit Practice. Our responsibilities and powers are derived from the Local Audit and Accountability Act 2014 and, as outlined in our Audit Strategy Memorandum, our audit has been conducted in accordance with International Standards on Auditing (UK) and means we focus on audit risks that we have assessed as resulting in a higher risk of material misstatement.

In section 4 of this report we have set out our conclusions and significant findings from our audit. This section includes our conclusions on the audit risks and areas of management judgement in our Audit Strategy Memorandum, which include:

- Management override of controls;
- Property, plant and equipment valuation (now more tightly defined as the valuation of land and buildings); and
- Defined benefit pension liability valuation.

## Misstatements and internal control recommendations

Section 5 sets out internal control recommendations and section 6 sets out audit misstatements; unadjusted misstatements total £263,000 but have no impact on useable reserves. Section 7 outlines our work on the Authority's arrangements to achieve economy, efficiency and effectiveness in its use of resources.

## Status and audit opinion

We have substantially completed our audit in respect of the financial statements for the year ended 31 March 2022. At the time of preparing this report, significant matters remaining outstanding as outlined in section 2. We will provide an update to you in relation to the significant matters outstanding through issuance of a follow up letter.

Subject to the satisfactory conclusion of the remaining audit work, we have the following conclusions:



### Audit opinion

We anticipate issuing an unqualified opinion, without modification, on the financial statements. Our proposed audit opinion is included in the draft auditor's report in Appendix B.



### Value for Money

We anticipate having no significant weaknesses in arrangements to report in relation to the arrangements that the Authority has in place to secure economy, efficiency and effectiveness in its use of resources. Further detail on our Value for Money work is provided in section 7 of this report.



### Whole of Government Accounts (WGA)

We have not yet received group instructions from the National Audit Office (NAO) in respect of our work on the Authority's 2021-22 WGA submission. We are unable to commence our work in this area until such instructions have been received. We have only just received group instructions in respect of 2020-21 and are still seeking notification from NAO of authorities that have been sampled for further procedures.



### Wider powers

The 2014 Act requires us to give an elector, or any representative of the elector, the opportunity to question us about the accounting records of the Authority and to consider any objection made to the accounts. No questions or objections were received in respect of the Authority's 2021-22 accounts.









# 02


Section 02:


**Status of the audit**


## 2. Status of the audit

Our work is substantially complete and there are currently no matters of which we are aware that would require modification of our audit opinion, subject to the outstanding matters detailed below.

Audit area	Status	Description of the outstanding matters
Pensions		We are awaiting assurance from the pension fund auditor. The pension fund audit is still in progress, which means that we are unable to conclude our work to address the significant risk in respect of the defined benefit pension liability valuation at this stage. We are expecting to receive the necessary assurance in time to give our opinion by 30 November 2022.
Movement in Reserves Statement (MIRS) and supporting notes		The pensions entries have a material impact on the MIRS and supporting notes so we have planned our audit of this area to follow the above work on pensions.
Collection Fund debtors and creditors		The Authority prepared its accounts earlier than the accounts of the four billing authorities and thus had to use estimates for collection fund debtors and creditors. Now that the billing authorities have provided 2021-22 accounts for audit we are seeking confirmation from their auditors that the estimates used by the Authority remain appropriate.
IT General controls		We are awaiting some evidence from the Authority to allow us to complete our testing of the design and implementation of IT general controls.
WGA		We are awaiting group instructions from the National Audit Office. This may impact on the timing of issuing our audit certificate to formally conclude and close the audit as it did in 2020-21.
Closing Procedures		Review and closure processes, including final consideration of post balance sheet events

 Likely to result in material adjustment or significant change to disclosures within the financial statements.

 Potential to result in material adjustment or significant change to disclosures within the financial statements.

 Not considered likely to result in material adjustment or change to disclosures within the financial statements.

# 03

## Section 03: **Audit approach**

# 3. Audit approach

## Changes to our audit approach

We provided details of our intended audit approach in our Audit Strategy Memorandum in March 2022. We have not made any changes to our audit approach since we presented our Audit Strategy Memorandum.

## Materiality

Our provisional materiality at the planning stage of the audit was set at £1.45m using a benchmark of 2% of gross operating expenditure. Our final assessment of materiality, based on the final financial statements, is £1.44m using the same benchmark.

## Use of experts

Management makes use of experts in specific areas when preparing the Authority's financial statements. We have used available third-party information to challenge the key valuation assumptions. Furthermore, no changes have been made to the planned approach as outlined in the Audit Strategy Memorandum.

Items of account	Management's expert	Our expert
Property valuations	Clark Weightman	
Defined benefit pension liability	Government Actuary's Department (FFPS) and Hymans Robertson (LGPS).	NAO's Consulting Actuary (PWC)
Financial instruments	Link Asset Services	

## Service organisations

The table below summarises the service organisations used by the Authority and our planned audit approach.

Items of account	Service organisation	Audit approach
Processing the payroll system underpinning expenditure figures and remuneration disclosures within the financial statements.	East Riding of Yorkshire Council	We are also the auditor of the Council and have direct access to accounting records and staff. Accordingly, we can substantively test the financial statements in the same way as if the Authority did not rely on a service organisation. We reviewed and documented the controls in place for production of the financial statements and also within the material financial information systems.
Processing the treasury management system underpinning loans and investment figures and financial instrument disclosures within the financial statements.	Hull City Council	We are also the auditor of the Council and have direct access to accounting records and staff. Accordingly, we can substantively test the financial statements in the same way as if the Authority did not rely on a service organisation. We reviewed and documented the controls in place for production of the financial statements and also within the material financial information systems.



# 04

## Section 04: **Significant findings**



# 4. Significant findings

- In this section we outline the significant findings from our audit. These findings include:
- our audit conclusions regarding the significant risks outlined in the Audit Strategy Memorandum;
  - our comments in respect of the accounting policies and disclosures that you have adopted in the financial statements. On page 13 we have concluded whether the financial statements have been prepared in accordance with the financial reporting framework and commented on any significant accounting policy changes that have been made during the year; and
  - any significant difficulties we experienced during the audit.

## Significant risks

Management	Description of the risk
override of controls	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. Due to 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.
How we addressed this risk	
We addressed this risk through performing audit work over:	
<ul style="list-style-type: none"><li>• Accounting estimates impacting 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>	
Audit conclusion	
Our audit work has provided the assurance we sought and has not identified any material issues to bring to your attention. There is no indication of management override of controls.	



# 4. Significant findings

Valuation of land and buildings	Description of the risk
	<p>The financial statements contain material entries on the Balance Sheet as well as material disclosure notes in relation to the Authority's holding of land and buildings. 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 land and buildings due to the significant judgements and number of variables involved in providing revaluations. In addition, the Authority have engaged a new valuer in 2021/22 and there are frequently significant revaluation movements in the year that an Authority changes its' valuer. We have therefore identified the valuation of land and buildings to be an area of significant risk.</p>
	<p><b>How we addressed this risk</b></p> <p>We addressed this risk by considering the Authority's arrangements for ensuring that land and building values are reasonable and we used data on valuation trends and relevant indices 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 their calculations. We used indices provided by NAO's valuation expert (Gerald Eve) to consider the reasonableness of the revaluation movement for each asset. We tested the revaluations in year to valuation reports and supporting calculation sheets and ensured that the calculations were correct and source data agreed with floor plans and indices. This included testing the calculation of the prior period adjustment relating to incorrect floor areas used by the previous valuer.</p>
	<p><b>Audit conclusion</b></p> <p>We have not identified any material issues to bring to your attention. Two calculation errors were identified in respect of professional fees. There was a partially offsetting error in respect of the prior period adjustment. The posting of revaluation movements between the revaluation reserve and net cost of services was also incorrect. These misstatements are disclosed as unadjusted misstatements on page 19.</p>

Valuation of Net Defined Benefit Pension Liability	Description of the risk
	<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. This results in an increased risk of material misstatement.</p>
	<p><b>How we addressed this risk</b></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 you have in place to assess the reasonableness of the figures provided by the Actuary and considered the reasonableness of the Actuary's output, referring to an 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 considered the adequacy of disclosures in the financial statements.</p> <p>We have also sought assurance from the ongoing audit of East Riding Pension Fund, which is expected to be received before 30 November 2022.</p>
	<p><b>Audit conclusion</b></p> <p>Subject to the completion of outstanding work, our work has provided the assurance sought. At this stage we have not identified any errors in respect of the valuation of pensions.</p>

# 4. Significant findings

## Qualitative aspects of the Authority’s accounting practices

We have reviewed the Authority’s accounting policies and disclosures and concluded they comply with the 2021/22 Code of Practice on Local Authority Accounting, appropriately tailored to the Authority’s circumstances.

The Authority has taken advantage of the exception permitted by the Code to exclude immaterial disclosure notes and this has resulted in financial statements that are relatively streamlined. It also means we have not reported the omission of immaterial figures from disclosure notes as errors.

Draft accounts were received from the Authority on 20 June 2022 and were of a good quality.

## Significant difficulties during the audit

During the course of the audit we did not encounter any significant difficulties and we have had the full co-operation of management.



# 4. Significant findings

## Wider responsibilities

Our powers and responsibilities under the 2014 Act are broad and include the ability 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 powers as part of our 2021/22 audit.

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. No such objections have been raised with us.



# 05

Section 05:

**Internal control recommendations**

# 5. Internal control recommendations

The purpose of our audit was to express an opinion on the financial statements. As part of our audit we have considered the internal controls in place relevant to the preparation of the financial statements in order to design audit procedures to allow us to express an opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of internal control or to identify any significant deficiencies in their design or operation.

The matters reported are limited to those deficiencies and other control recommendations that we have identified during our normal audit procedures and that we consider to be of sufficient importance to merit being reported. If we had performed more extensive procedures on internal control we might have identified more deficiencies to be reported or concluded that some of the reported deficiencies need not in fact have been reported. Our comments should not be regarded as a comprehensive record of all deficiencies that may exist or improvements that could be made.

During 2021-22 we did not identify any significant weaknesses in internal control. Therefore, we have not made any internal control recommendations.

In 2020-21 we made two recommendations to improve IT controls. As stated on page 7 our 2021-22 testing of IT controls is ongoing at the time of drafting this report and we will report any significant weaknesses identified in a follow up letter. However, we have followed up the two 2020-21 recommendations on the next page.



# 5. Internal control recommendations

## Follow up on previous internal control points

### Description of deficiency

During the pandemic the Authority has not tested its disaster recovery plan and ability to restore its general ledger. The last such test was performed in February 2020.

### Potential effects

There is a risk of data loss or delays in producing financial information and implementing key financial controls if the disaster recovery plan, including the restoration of its general ledger is not regularly tested.

### Recommendation

The Authority should resume annual testing of its disaster recovery plan and restoration of its general ledger in 2021/22.

### 2021/22 update

The Authority experienced a cyber-attack in May 2022 and had to exercise its disaster recovery plan to restore its general ledger. The Authority was able to restore the ledger and recover critical data sufficiently to provide comprehensive accounts and working papers for audit by the planned audit start date of 20 June 2022. This experience illustrates the importance of annual testing of the disaster recovery plan.

### Description of deficiency

When staff transfer between departments the Authority does not have a formal system for assessing whether or not their access rights to the general ledger need to be reviewed.

### Potential effects

Due to the low number of authorised users of the general ledger it is probable that any inappropriate access would be identified when an employee’s role changes. However, there is a low risk that an employee might initiate or authorise a transaction that is inappropriate following their change in role.

### Recommendation

The Authority should consider whether the payroll mover process should include an additional check to ensure access rights to the general ledger remain appropriate.

### 2021/22 update

The Authority formally considered in 2021/22 if a process is required to keep track of staff moving between roles and their access rights taking into account the time taken to implement such checks relative to the risk of inappropriate access. Given that there are only 10 staff that have access to the general ledger, other than for requisitioning, the introduction of a process for tracking movers was not considered a priority. Our 2021-22 testing of staff moving between roles did not identify any weaknesses.

# 06

Section 06:

## **Summary of misstatements**



# 6. Summary of misstatements

This section outlines the misstatements identified during the course of the audit, above the trivial threshold for adjustment of £43,000. The first table outlines the misstatements that were identified during the course of our audit which management has assessed as not being material either individually or in aggregate to the financial statements and does not currently plan to adjust.

The second table outlines the misstatements that have been adjusted by management during the course of the audit.

		Comprehensive Income and Expenditure Statement		Balance Sheet	
Unadjusted misstatements		Dr (£'000)	Cr (£'000)	Dr (£'000)	Cr (£'000)
1	Dr: Property, plant and equipment			502	
	Cr: Revaluation Reserve				502
Valuer calculation errors regarding professional fees at two fire stations. In one case fees were deducted rather than added and in the other there was no allowance for professional fees.					
2	Dr: Capital Adjustment Account			272	
	Cr: :Property, Plant and Equipment				239
	Cr: Revaluation Reserve				33
Being an error in calculating and posting the prior period adjustment.					
3	Dr: Revaluation Reserve			466	
	Cr: Capital Adjustment Account				466
Being an error in posting the revaluation adjustments to reserves.					
Total unadjusted misstatements: Property, Plant and Equipment Revaluation Reserve Capital Adjustment Account				263	69 194



# 6. Summary of misstatements

## Adjusted misstatements

		Comprehensive Income and Expenditure Statement		Balance Sheet	
		Dr (£'000)	Cr (£'000)	Dr (£'000)	Cr (£'000)
1	Dr: Creditors			896	
	Cr: Debtors				896
Collection Fund figures from 2020-21 were reversed incorrectly and so figures included within the balances in the 2021-22 accounts were incorrect.					
Total adjusted misstatements				896	896

# 6. Summary of misstatements

## Disclosure amendments

During our review of the financial statements we have identified amendments that were required to disclosures. The Authority has made these amendments, the most significant of which were:

- Note 1 (accounting policies) initially indicated that material estimation uncertainty was wider than was recorded at Note 3;
- Note 7 (borrowings) initially did not add up because a row in respect of one loan (£256,000) was hidden;
- Note 9 (financial instruments) initially understated 2020-21 debtors by £50,000; and
- Note 15 (prior period adjustment) was not specific enough initially to understand the need to restate the 2020-21 accounts.



# 07

## Section 07: **Value for Money**

# 7. Value for Money

## Approach to Value for Money

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 and sets out the reporting criteria that we are required to consider. The reporting criteria are:

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

At the planning stage of the audit, we undertake work to understand the arrangements the Authority has in place under each of the reporting criteria and we identify risks of significant weaknesses in those arrangements. Although we describe this work as planning work, we keep our understanding of arrangements under review and update our risk assessment throughout the audit to reflect emerging issues that may suggest significant weaknesses in arrangements exist.

We have not identified any risks of significant weaknesses in arrangements to date.

Where our risk-based procedures identify actual significant weaknesses in arrangements we are required to report these and make recommendations for improvement. Where such significant weaknesses are identified, we report these in the audit report.

The primary output of our work on the Authority's arrangements is the commentary on those arrangements that forms part of the Auditor's Annual Report. We intend to issue the Auditor's Annual Report later in 2022.

## Status of our work

We are yet to complete our work in respect of the Authority's arrangements for the year ended 31 March 2022. At the time of preparing this report, we have not identified any significant weaknesses in arrangements that require us to make a recommendation, however we continue to undertake work on the Authority's arrangements.

Our draft audit report at Appendix B outlines that we have not yet completed our work in relation to the Authority's arrangements. As noted above, our commentary on the Authority's arrangements will be provided in the Auditor's Annual Report.



# Appendices

A: Draft management representation letter

B: Draft audit report

C: Independence

D: Other communications

# Appendix A: Draft management representation letter

From:  
  
Executive Director of Corporate Services  
  
Humberside Fire and Rescue Service Headquarters  
  
Summergroves Way  
  
Hull HU4 7BB

To:  
  
Mr Gavin Barker  
Director  
Mazars LLP  
The Corner  
Bank Chambers  
26 Mosley Street  
Newcastle Upon Tyne  
NE1 1DF

Date: November 2022

## Humberside Fire Authority - audit for year ended 31 March 2022

This representation letter is provided in connection with your audit of the financial statements of Humberside Fire Authority for the year ended 31 March 2022 for the purpose of expressing an opinion as to whether the statement of accounts give a true and fair view in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21 (the Code).

I confirm that the following representations are made on the basis of enquiries of management and staff with relevant knowledge and experience (and, where appropriate, inspection of supporting documentation) sufficient to satisfy myself that I can properly make each of the following representations to you.

### My responsibility for the statement of accounts and accounting information

I believe that I have fulfilled my responsibilities for the true and fair presentation and preparation of the statement of accounts in accordance with the Code.

### My responsibility to provide and disclose relevant information

I have provided you with:

- access to all information of which I am aware that is relevant to the preparation of the statement of accounts such as records, documentation and other material;



# Appendix A: Draft management representation letter

- additional information that you have requested from me for the purpose of the audit; and
- unrestricted access to individuals within the Authority you determined it was necessary to contact in order to obtain audit evidence.

I confirm as Chief Financial Officer that I have taken all the necessary steps to make me aware of any relevant audit information and to establish that you, as auditors, are aware of this information. As far as I am aware there is no relevant audit information of which you, as auditors, are unaware.

## Accounting records

I confirm that all transactions have been recorded in the accounting records and are reflected in the financial statements. All other records and related information, including minutes of all Authority and Committee meetings, have been made available to you.

## Accounting policies

I confirm that I have reviewed the accounting policies applied during the year in accordance with the Code and International Accounting Standard 8 and consider them appropriate for the year.

## Accounting estimates, including those measured at fair value

I confirm that any significant assumptions used in making accounting estimates, including those measured at fair value, are reasonable.

## Contingencies

There are no material contingent losses including pending or potential litigation that should be accrued where:

- information presently available indicates that it is probable that an asset has been impaired or a liability had been incurred at the balance sheet date; and
- the amount of the loss can be reasonably estimated.

There are no material contingent losses that should be disclosed where, although either or both the conditions specified above are not met, there is a reasonable possibility that a loss, or a loss greater than that accrued, may have been incurred at the balance sheet date. There are no contingent gains which should be disclosed.

All material matters, including unasserted claims, that may result in litigation against the Authority have been brought to your attention. All known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to you and accounted for and disclosed in accordance with Code.

## Laws and regulations

I confirm that I have disclosed to you all those events of which I am aware which involve known or suspected non-compliance with laws and regulations, together with the actual or contingent consequences which may arise therefrom.

The Authority has complied with all aspects of contractual agreements that would have a material effect on the accounts in the event of non-compliance.





# Appendix A: Draft management representation letter

## Fraud and error

I acknowledge my responsibility as Chief Financial Officer for the design, implementation and maintenance of internal control to prevent and detect fraud and error.

I have disclosed to you:

- all the results of my assessment of the risk that the statement of accounts may be materially misstated as a result of fraud;
- all knowledge of fraud or suspected fraud affecting the Authority involving:
  - - management and those charged with governance;
  - - employees who have significant roles in internal control; and
  - - others where fraud could have a material effect on the financial statements.

I have disclosed to you all information in relation to any allegations of fraud, or suspected fraud, affecting the Authority's financial statements communicated by employees, former employees, analysts, regulators or others.

## Related party transactions

I confirm that all related party relationships, transactions and balances (including sales, purchases, loans, transfers, leasing arrangements and guarantees) have been appropriately accounted for and disclosed in accordance with the requirements of the Code. I have disclosed to you the identity of the Authority's related parties and all related party relationships and transactions of which I am aware.

## Impairment review

To the best of my knowledge, there is nothing to indicate that there is a permanent reduction in the recoverable amount of the property, plant and equipment below their carrying value at the balance sheet date. An impairment review is therefore not considered necessary.

## Charges on assets

All the Authority's assets are free from any charges exercisable by third parties except as disclosed within the financial statements.

## Future commitments

We have no plans, intentions or commitments that may materially affect the carrying value or classification of assets and liabilities or give rise to additional liabilities.

## Subsequent events

I confirm all events subsequent to the date of the financial statements and for which the Code require adjustment or disclosure have been adjusted or disclosed.

Should further material events occur after the date of this letter which may necessitate revision of the figures included in the financial statements or inclusion of a note thereto, I will advise you accordingly.

Executive summary	Status of audit	Audit approach	Significant findings	Internal control recommendations	Summary of misstatements	Value for Money	Appendices
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# Appendix A: Draft management representation letter

## Going concern

I confirm that I have carried out an assessment of the potential impact of the war in Ukraine on the Authority, including the impact on inflation and I am satisfied that the going concern assumption remains appropriate and that no material uncertainty has been identified.

To the best of my knowledge there is nothing to indicate that the Authority will cease to continue as a going concern in the foreseeable future. The period to which I have paid particular attention in assessing the appropriateness of the going concern basis is not less than twelve months from the date of approval of the accounts.

## Unadjusted misstatements

I confirm that there are three unadjusted misstatements above the reporting threshold of £43,000. All three relate to accounting for the revaluation of land and buildings and do not have any impact on the usable reserves at 31 March 2022. Individually and in aggregate they represent a small proportion of the value of land and buildings on the balance sheet and will be corrected at the next valuation. Accordingly, I do not believe adjustment is necessary.

Yours sincerely

Executive Director of Corporate Services

Date.....



# Appendix B: Draft audit report

## Independent auditor’s report to the members of Humberside Fire Authority

### Report on the audit of the financial statements

#### Opinion on the financial statements

We have audited the financial statements of Humberside Fire Authority for the year ended 31 March 2022, which comprise the Comprehensive Income and Expenditure Statement, the Movement in Reserves Statement, the Balance Sheet, the Cash Flow Statement, the Firefighter’s Pension Fund Account and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Authority as at 31<sup>st</sup> March 2022 and of its expenditure and income for the year then ended; and
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor’s responsibilities section of our report. We are independent of the Authority in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC’s Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Executive Director of Corporate Services’ use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Authority’s ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Executive Director of Corporate Services with respect to going concern are described in the relevant sections of this report.

#### Other information

The Executive Director of Corporate Services is responsible for the other information. The other information comprises the information included in the Statement of Accounts, other than the financial statements and our auditor’s report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we



# Appendix B: Draft audit report (continued)

identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## Responsibilities of the Executive Director of Corporate Services for the financial statements

As explained more fully in the Statement of the Executive Director of Corporate Service’s Responsibilities, the Executive Director of Corporate Services is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22, and for being satisfied that they give a true and fair view. The Executive Director of Corporate Services’ is also responsible for such internal control as the Executive Director of Corporate Services determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Executive Director of Corporate Services is required to comply with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 and prepare the financial statements on a going concern basis on the assumption that the functions of the Authority will continue in operational existence for the foreseeable future. The Executive Director of Corporate Services is responsible for assessing each year whether or not it is appropriate for the Authority to prepare its accounts on the going concern basis and disclosing, as applicable, matters related to going concern.

## Auditor’s responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the Council, we identified that the principal risks of non-compliance with laws and regulations related to the Local Government Act 2003 (and associated regulations made under section 21), the Local Government Finance Acts of 1988, 1992 and 2012, and the Accounts and Audit Regulations 2015, and we considered the extent to which non-compliance might have a material effect on the financial statements.

We evaluated the Executive Director of Corporate Service’s incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- discussing with management and the Governance and Audit Scrutiny Committee the policies and procedures regarding compliance with laws and regulations;
- communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- considering the risk of acts by the Authority which were contrary to applicable laws and regulations, including fraud.



# Appendix B: Draft audit report (continued)

Our audit procedures in relation to fraud included but were not limited to:

- making enquiries of management and the Governance and Audit Scrutiny Committee on whether they had knowledge of any actual, suspected or alleged fraud;
- gaining an understanding of the internal controls established to mitigate risks related to fraud;
- discussing amongst the engagement team the risks of fraud; and
- addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management and the Governance and Audit Scrutiny Committee. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

We are also required to conclude on whether the Executive Director of Corporate Service’s use of the going concern basis of accounting in the preparation of the financial statements is appropriate. We performed our work in accordance with Practice Note 10: Audit of financial statement and regularity of public sector bodies in the United Kingdom, and Supplementary Guidance Note 01, issued by the National Audit Office in September 2021.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council’s website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor’s report.

## Report on the Authority’s arrangements for securing economy, efficiency and effectiveness in its use of resources

### Matter on which we are required to report by exception

We are required to report to you if, in our opinion, we are not satisfied that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2022.

We have not completed our work on the Authority’s arrangements. On the basis of our work to date, having regard to the guidance issued by the Comptroller and Auditor General in December 2021, we have not identified any significant weaknesses in arrangements for the year ended 31 March 2022.

We will report the outcome of our work on the Authority’s arrangements in our commentary on those arrangements within the Auditor’s Annual Report. Our audit completion certificate will set out any matters which we are required to report by exception.

### Responsibilities of the Authority

The Authority is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

### Auditor’s responsibilities for the review of arrangements for securing economy, efficiency and effectiveness in the use of resources

We are required under section 20(1)(c) of the Local Audit and Accountability Act 2014 to satisfy ourselves that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Authority’s arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively. We have undertaken our work in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in December 2021.



# Appendix B: Draft audit report (continued)

## Matters on which we are required to report by exception under the Code of Audit Practice

We are required by the Code of Audit Practice to report to you if:

- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014;
- we make a recommendation under section 24 of the Local Audit and Accountability Act 2014; or
- we exercise any other special powers of the auditor under sections 28, 29 or 31 of the Local Audit and Accountability Act 2014.

We have nothing to report in these respects.

## Use of the audit report

This report is made solely to the members of Humberside Fire Authority as a body, in accordance with part 5 of the Local Audit and Accountability Act 2014 and as set out in paragraph 44 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. Our audit work has been undertaken so that we might state to the members of the Authority those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the members of the Authority, as a body, for our audit work, for this report, or for the opinions we have formed.

## Delay in certification of completion of the audit

We cannot formally conclude the audit and issue an audit certificate until we have completed:

- the work necessary to issue our assurance statement in respect of the Authority's Whole of Government Accounts consolidation pack; and
- the work necessary to satisfy ourselves that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

[Signature]

Gavin Barker Key Audit Partner  
For and on behalf of Mazars LLP

The Corner  
Bank Chambers  
26 Mosley Street  
Newcastle Upon Tyne  
NE1 1DF  
November 2022



# Appendix C: Independence

As part of our ongoing risk assessment we monitor our relationships with you to identify any new actual or perceived threats to our independence within the regulatory or professional requirements governing us as your auditors.

We can confirm that no new threats to independence have been identified since issuing the Audit Strategy Memorandum and therefore we remain independent.



# Appendix D: Other communications

Other communication	Response
Compliance with Laws and Regulations	<p>We have not identified any significant matters involving actual or suspected non-compliance with laws and regulations.</p> <p>We will obtain written representations from management that all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements have been disclosed.</p>
External confirmations	<p>We did not experience any issues with respect to obtaining external confirmations.</p>
Related parties	<p>We did not identify any significant matters relating to the audit of related parties.</p> <p>We will obtain written representations from management confirming that:</p> <ul style="list-style-type: none"><li>a. they have disclosed to us the identity of related parties and all the related party relationships and transactions of which they are aware; and</li><li>b. they have appropriately accounted for and disclosed such relationships and transactions in accordance with the requirements of the applicable financial reporting framework.</li></ul>
Going Concern	<p>We have not identified any evidence to cause us to disagree with the Executive Director of Corporate Services that Humberside Fire Authority will be a going concern, and therefore we consider that the use of the going concern assumption is appropriate in the preparation of the financial statements.</p> <p>We will obtain written representations from management, confirming that all relevant information covering a period of at least 12 months from the date of approval of the financial statements has been taken into account in assessing the appropriateness of the going concern basis of preparation of the financial statements.</p>



# Appendix D: Other communications

Other communication	Response
Subsequent events	<p>We are required to obtain evidence about whether events occurring between the date of the financial statements and the date of the auditor's report that require adjustment of, or disclosure in, the financial statements are appropriately reflected in those financial statements in accordance with the applicable financial reporting framework.</p> <p>We will obtain written representations from management that all events occurring subsequent to the date of the financial statements and for which the applicable financial reporting framework requires adjustment or disclosure have been adjusted or disclosed.</p>
Matters related to fraud	<p>We have designed our audit approach to obtain reasonable assurance whether the financial statements as a whole are free from material misstatement due to fraud. In addition to the work performed by us, we will obtain written representations from management, and the Authority confirming that</p> <ul style="list-style-type: none"><li>a. they acknowledge their responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud;</li><li>b. they have disclosed to the auditor the results of management's assessment of the risk that the financial statements may be materially misstated as a result of fraud;</li><li>c. they have disclosed to the auditor their knowledge of fraud or suspected fraud affecting the entity involving:<ul style="list-style-type: none"><li>i. Management;</li><li>ii. Employees who have significant roles in internal control; or</li><li>iii. Others where the fraud could have a material effect on the financial statements; and</li></ul></li><li>d. they have disclosed to the auditor their knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators or others.</li></ul>

# Gavin Barker, Director and Engagement Lead

[gavin.barker@mazars.co.uk](mailto:gavin.barker@mazars.co.uk)

## Mazars

The Corner  
Bank Chambers  
26 Mosley Street  
Newcastle Upon Tyne  
NE1 1DF

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.

\*where permitted under applicable country laws.



Internal Audit

FINAL

## Humberside Fire and Rescue Service

### Summary Internal Controls Assurance (SICA) Report

2022/23

August 2022

## Summary Internal Controls Assurance

### Introduction

1. This summary controls assurance report provides the Governance, Audit and Scrutiny Committee 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 as at 23<sup>rd</sup> August 2022.

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

2. According to the United Nations (UN) World Commission on Environment and Development, environmental sustainability is about acting in a way that ensures future generations have the natural resources available to live an equal, if not better, way of life as the current generations.

The world is now looking towards a vital global goal: net-zero. According to climate science it is essential that we meet this target by 2050 if we are to give ourselves a chance of limiting global warming and avoiding the most catastrophic impacts of climate change. The UK's Climate Change Act 2008 sets the framework for how the UK will manage and respond to the threat of climate change. Under the Act, the UK must reduce total GHG emissions by at least 78% below 1990 levels by 2035 and reach net zero by 2050.

Since 1<sup>st</sup> October 2013 the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has required all UK quoted companies to report on their greenhouse gas emissions as part of their annual Directors' Report. Increasingly, organisations are seeking information from their suppliers on greenhouse gas emissions, and as a result, many small businesses will be expected to measure and report on their emissions.



At TIAA, we have been taking this seriously for a number of years and are proud to have been accredited to the Green Dragon Environmental Certification since 2012, achieving Standard 3 in February 2022. Through our accreditation with Green Dragon, we understand our baseline emissions, set annual targets in order to reduce our impact and are focussed on implementing our most straight forward carbon reduction opportunities in the near future, before tackling longer term, more complex issues that may require cooperative working with other organisations.

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

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

*Audits completed since previous SICA report*

		Key Dates			Number of Recommendations			
Review	Evaluation	Draft issued	Responses Received	Final issued	1	2	3	OEM
None completed								

4. Due to issues at the Service caused by the cyber-attack incident, all audits planned to commence in quarter 1 were deferred. Therefore no audit reports have been issued during 2022/23. The audit programme re-commenced in August 2022.

### Progress against the 2022/23 Annual Plan

5. Our progress against the Annual Plan for 2022/23 is set out in Appendix A.

### Changes to the Annual Plan 2022/23

6. There has been one change to the plan. This relates to a review of Equality Impact Assessments replacing the audit of Fire Service Rotas.

### Progress in actioning priority 1 & 2 recommendations

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

### Frauds/Irregularities

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

### Responsibility/Disclaimer

9. 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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## Progress against Annual Plan

System	Planned Quarter	Current Status	Comments
Equality Impact Assessments	2	Commenced 22/08/2022	Replaced Fire Service Rotas
GDPR	2	Proposed 26/09/2022	
FireWatch	2	To commence 30/08/2022	
Quality Assurance – Prevention and Protection	2	To commence 05/09/2022	
Follow up (mid-year)	2		
Community Fire Risk Management Information System (CFRMIS)	3		
ICT-Management Controls	4		
Key Financial Controls	4		
TBC following HMICFRS Inspection publication - 2	3/4		
TBC following HMICFRS Inspection publication - 3	3/4		
Follow up (year-end)	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 and issued in the last three months which may be of relevance to Humberside Fire and Rescue Service 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 - 22002	Employing Someone from Outside the UK		<b>For information only</b>
CBN - 22003	Transforming Public Procurement: Government Response to Consultation		<b>For information only</b>
CBN - 22006	HMRC Review into VAT Charges on EVs		<b>Action Required Not Urgent</b> Organisations are advised to ensure that the appropriate HMRC compliant arrangements are in place
CBN - 22007	Amazon and VISA Settle Dispute		<b>Potential Urgent Action Required</b> Following on from the previous related CBN in January 2022, clients are advised to establish what internal process changes were made as a result of the previous announcements and consider whether there is merit in continuing to use Visa credit cards

CBN Ref	Subject	Status	TIAA Comments
CBN - 22010	Increased Cyber Security Risks		<b>Action Required - Urgent</b> Organisations are advised to review their key operational Cybersecurity arrangements and take appropriate remedial action.
CBN - 22019	Internal Audit: Untapped Potential		<b>Action Required:</b> Audit Committees and Boards / Governing Bodies are advised to note the report
CBN - 22023	UK Government reveals new Data Protection rules		<b>Action Required: For Information Only</b> Audit Committees and Boards / Governing Bodies are advised to familiarise themselves with the response document in line with current Data Protection practices
CBN - 22024	ICO sets out revised approach to Public Sector enforcement		<b>Action Required: For Information Only</b> Audit Committees and Boards / Governing Bodies are advised to note this information
CBN - 22026	Rise in Environmental, Social and Governance and supply chain fraud		<b>For Information Only:</b> Audit Committees and Boards / Governing Bodies are advised to note the outcome of the survey.



<b>Governance, Audit and Scrutiny Committee</b> <b>5 September 2022</b>	<b>Report by the Monitoring Officer/Secretary</b>
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## **GAS COMMITTEE SCRUTINY PROGRAMME 2022/23**

### **REPORT EXECUTIVE SUMMARY**

This paper summarises the Governance, Audit and Scrutiny Committee's Scrutiny Programme 2022/23. Each year, the Committee will programme six 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 2022/23.

## 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. Five areas for scrutiny were identified by the Committee for its 2022/23 programme:
  - Procurement
  - Equality, Diversity and Inclusion - Equality Impact Analysis
  - Fire Standards
  - Emergency Response Business Continuity
  - General Data Protection Regulation

## STRATEGIC PLAN COMPATIBILITY

6. This paper supports the achievement of Strategic Plan 2021-24 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 2022/23.

**S CAMPBELL  
M BUCKLEY**

Officer Contact:      Samm Campbell      ☎ 01482 393205  
                                 Committee Manager

                                 Mathew Buckley      ☎ 01482 567174  
                                 Secretary/Monitoring Officer

Humberside Fire & Rescue Service  
Summergroves Way  
Kingston upon Hull

SC  
June 2022



<b>GAS Committee Scrutiny Programme 2022/23</b>		
<b>Meeting Date</b>	<b>Responsible Officer</b>	<b>Item and Scope</b>
4 July 2022	<b>Director of Service Improvement</b>	<b>Fire Standards</b> <ul style="list-style-type: none"> <li>• Origin of fire standards.</li> <li>• Current fire standards.</li> <li>• Likely future fire standards.</li> <li>• Impact of fire standards on service delivery and quality.</li> <li>• Timeliness of adoption of new fire standards.</li> <li>• Impact on policy and strategy (particularly the Service Improvement Plan, Strategic Risk Register and Community Risk Management Plan).</li> <li>• Embedding changes introduced by fire standards (including reference to training and examples of the process of embedding fire standards).</li> <li>• Reporting on performance in relation to fire standards.</li> <li>• Assurance for Members around adoption and performance in relation to fire standards.</li> <li>• Impact of major incidents on fire standards.</li> </ul>
5 September 2022	<b>Director Emergency Response</b>	<b>Emergency Response Business Continuity</b> <ul style="list-style-type: none"> <li>• Business continuity arrangements (including crews and control).</li> <li>• Role of the East Coast Control Room.</li> <li>• Planning for industrial action.</li> <li>• The right to strike in the light of State of Fire and Rescue recommendations.</li> <li>• Impact of the White Paper.</li> <li>• Arrangements with the Fire Brigade Union (including reference to planning, co-production and the Joint Consultative Committee).</li> <li>• Arrangements with partner organisations.</li> <li>• Training for staff and volunteers.</li> </ul>

14 November 2022	<b>Executive Director of Finance/Section 151 Officer &amp; Head of Finance</b>	<b>Procurement</b> <ul style="list-style-type: none"> <li>• Assurance around compliance, ethics and value for money.</li> <li>• Calculation of value for money.</li> <li>• Environmental and climate considerations.</li> <li>• Safeguarding considerations and ethical requirements in relation to contractors.</li> <li>• Prioritisation of local procurement and weighting in the procurement process (with particular reference to capital projects).</li> <li>• Joint procurement - how it has worked in the past and impacts on ethics and standards.</li> <li>• Research and development procurement.</li> <li>• Potential standardisation of procurement nationally and the impact of guidance like the Fire Standards. Revenue expenditure compared to capital expenditure.</li> </ul>
23 January 2023	<b>Executive Director of People and Development</b>	<b>Equality, Diversity and Inclusion - Equality Impact Analysis</b> <ul style="list-style-type: none"> <li>• Criteria for the use/requirement of Equality Impact Analyses (EIA) (including the relevant policies as background papers).</li> <li>• Training for managers/writers (with particular reference to the decision not to undertake an EIA).</li> <li>• Publication of EIA.</li> <li>• Quality assurance of EIAs.</li> <li>• Impact of EIAs on decisions and how they are followed up.</li> <li>• Learning from individual EIA outcomes.</li> </ul>
20 February 2023	<b>Director of Service Improvement</b>	<b>General Data Protection Regulation</b> <ul style="list-style-type: none"> <li>• State of GDPR in the Service in relation to action plan developed with East Riding of Yorkshire Council.</li> <li>• Assurance for Members that the Service is compliant with GDPR.</li> <li>• Awareness of GDPR across the Service (including training).</li> <li>• Key risks and vulnerabilities.</li> <li>• Collecting, processing and storing of data.</li> <li>• Response standards in relation to freedom of information and subject access requests.</li> <li>• Controls on devices and use of data.</li> <li>• Reporting of GDPR breaches and learning from breaches (including a summary of the nature of breaches and any identified patterns).</li> </ul>

10 April 2023	<b>TBC</b>	<b>Topic to be decided following the publication of the HMICFRS inspection report in summer 2022.</b>
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