



**EAST SUSSEX FIRE AUTHORITY**  
**SCRUTINY & AUDIT PANEL**  
**THURSDAY 11 JULY 2013 AT 10.00 hours**

**MEMBERS**

**East Sussex County Council**

Councillors Buchanan, Galley, Lambert, Taylor and Wincott.

**Brighton and Hove Council**

Councillors Carden, Rufus and Theobald.

You are requested to attend this meeting to be held at East Sussex Fire & Rescue Service Headquarters, 20 Upperton Road, Eastbourne, at 10:00 hours.

**AGENDA**

- 833. In relation to matters on the agenda, seek declarations of any disclosable pecuniary interests under Section 30 of the Localism Act 2011.
- 834. Election of Chairman.
- 835. Apologies for absence.
- 836. Notification of items which the Chairman considers urgent and proposes to take at the end of the agenda/Chairman's business items.  
  
(Any Members wishing to raise urgent items are asked, wherever possible, to notify the Chairman before the start of the meeting. In so doing they must state the special circumstances which they consider justify the matter being considered urgently).
- 837. To consider any public questions and petitions.
- [838.](#) Non-confidential Minutes of the last Scrutiny & Audit Panel meeting held on 11 April 2013 (copy attached).
- 839. Callover.

The Chairman will call the item numbers of the remaining items on the open agenda. Each item which is called by any Member shall be reserved for debate. The Chairman will then ask the Panel to adopt without debate the recommendations and resolutions contained in the relevant reports for those items which have not been called.



- [840.](#) Internal Audit Annual Report and Opinion for the period 1 April 2012 – 31 March 2013 – report of the Treasurer (copy attached).
- [841.](#) Internal Audit Plan – report of the Treasurer (copy attached).
- [842.](#) Granting dispensations to Members – report of the Monitoring Officer (copy attached).
- [843.](#) Member Lead arrangements for 2013/14 – joint report of the Chief Fire Officer & Chief Executive and Monitoring Officer (copy attached).
- [844.](#) Corporate Risk Register Review 1<sup>st</sup> Quarter (April to June 2013) – report of the Chief Fire Officer & Chief Executive (copy attached).
- [845.](#) Environmental Issues - progress update – year 2012/13 – report of Councillor Sven Rufus, Member Lead for Environmental Issues (copy attached).
- [846.](#) 2012/13 4<sup>th</sup> Quarter Performance Results – report of the Chief Fire Officer & Chief Executive (copy attached).
- [847.](#) 2012/13 Key Task Areas and Corporate Projects – 4<sup>th</sup> Quarter Outturn results – report of the Chief Fire Officer & Chief Executive (copy attached).
- [848.](#) Rural Review recommendation 8 (maintaining availability at Mayfield, Burwash and Herstmonceux Fire Stations) – report of the Chief Fire Officer & Chief Executive (copy attached).
849. Exclusion of the Press and Public
- To consider whether, in view of the business to be transacted or the nature of the proceedings, the press and public should be excluded from the remainder of the meeting on the grounds that, if the public and press were present, there would be disclosure to them of exempt information. NOTE: Any item appearing in the confidential part of the Agenda states in its heading the category under which the information disclosed in the report is confidential and therefore not available to the public. A list and description of the exempt categories are available for public inspection at East Sussex Fire & Rescue Service Headquarters, 20 Upperton Road, Eastbourne, and at Brighton and Hove Town Halls.
- [850.](#) Confidential Minutes of the last Scrutiny & Audit Panel meeting held on 11 April 2013 (copy attached). (Exempt categories under paragraphs 1, 3 and 4 of the Local Government Act 1972).

**ABRAHAM GHEBRE-GHIORGHIS**  
**Monitoring Officer**  
**East Sussex Fire Authority**  
**c/o Brighton & Hove City Council**

**EAST SUSSEX FIRE AUTHORITY**

**Minutes of the meeting of the SCRUTINY & AUDIT PANEL held at East Sussex Fire & Rescue Service Headquarters, 20 Upperton Road, Eastbourne, at 12:05 hours on Thursday 11 April 2013.**

Members Present: Councillors Carden, Livings, Ost, Rufus, Sparks (Chairman), Tidy and Thomas.

N.B. Councillor Ost attended the meeting in place of Councillor Healy, Councillor Rufus in place of Councillor Duncan, and Councillor Tidy in place of Councillor Theobald, having been nominated by the Deputy Monitoring Officer in consultation with the relevant Group spokespersons.

**Also present:**

Mr. D. Prichard (Chief Fire Officer and Chief Executive), Mr. G. Ferrand (Assistant Chief Fire Officer), Mrs. C. Rolph (Assistant Chief Officer), Ms. L. Woodley (Deputy Monitoring Officer), Mr. D. Savage (Treasurer), Mr. R. Charman (Director of Financial Services), Mr. P. King (Ernst & Young Auditors) and Mrs. S. Klein (Clerk).

**816. DISCLOSABLE PECUNIARY INTERESTS**

816.1 It was noted that, in relation to matters on the agenda, no participating Member had any disclosable pecuniary interest under Section 30 of the Localism Act 2011.

**817. APOLOGIES FOR ABSENCE**

817.1 Apologies were received from Councillors Duncan, Fawthrop, Healy and Theobald.

**818. ANY OTHER NON-EXEMPT ITEMS CONSIDERED URGENT BY THE CHAIRMAN/ CHAIRMAN'S BUSINESS**

818.1 There were no urgent items. The Chairman welcomed Paul King, from Ernst & Young Auditors, who would be presenting Item 822 below, and Duncan Savage, now officially appointed as Treasurer to the Fire Authority on a fixed term contract.

**819. TO CONSIDER PUBLIC QUESTIONS OR PETITIONS, IF ANY**

819.1 There were none.

**820. NON-CONFIDENTIAL MINUTES OF THE LAST SCRUTINY AND AUDIT PANEL MEETING HELD ON 15 NOVEMBER 2012**

820.1 **RESOLVED** – That the minutes of the meeting of the Scrutiny & Audit Panel held on 15 November 2012 be approved as a correct record and signed by the Chairman. (Copy in Minute Book).

821. **CALLOVER**

821.1 Members reserved the following items for debate:

822. External Audit matters

823. Assurances to the External Auditor for the 2012/13 Audit

824. Draft Annual Governance Statement for 2012/13

825. Sussex Control Centre audit update

826. 2012/13 Value for Money review – Business Intelligence

821.2 **RESOLVED** – That all other reports be resolved in accordance with the recommendations as detailed below.

822. **EXTERNAL AUDIT MATTERS**

822.1 Members considered a joint report of the Chief Fire Officer & Chief Executive, Treasurer and Monitoring Officer which sought their approval of the recently published Audit Fee Letter 2012/13, Draft Audit Plan 2012/13, Audit Progress Report 2012/13, and Audit Fee Letter 2013/14. (Copy in Minute Book).

822.2 Paul King, Ernst & Young's Engagement Lead for ESFRS, was welcomed to the meeting and introduced the report. He confirmed that the Audit Fee Letter 2012/13 had been published in December 2012 and the Draft Audit Plan 2012/13 covered any points and assumptions. Mr. King also confirmed that the External Auditors' responsibilities to the Fire Authority were unchanged from previous years.

822.3 Mr. King informed Members that no significant financial risks had been identified in the Draft Audit Plan, and the general risk of misstatement due to fraud and error was a standard risk for all authorities. Mr. King brought to the Panel's attention the more general issue around the need to close the resource gap in the medium term and the pressures on funding generally. He also drew Members' attention to the misstatements limit of £54,600 which the Auditors considered 'clearly trivial'.

822.4 The Chief Fire Officer & Chief Executive was concerned that the Audit Commission had previously sought to make judgements on operational matters and Mr. King assured him that Ernst & Young's remit in meeting their VFM Conclusion responsibilities does not extend into reviewing the operational aspects of the Fire & Rescue Service, and they would be employing a light touch assessment. Councillor Thomas asked that the word 'operational' be removed from the audit approach in Section 3 (page 5) of the Draft Audit Plan and Mr. King agreed to this request. ('The robustness of the plans to move the Fire Authority to a more financially sustainable ~~operational~~ model over the medium term including the consideration of new ways of working.')

822.5 Members noted that the audit fee for 2012/13 had been substantially reduced from the previous year, reflecting the efficiencies achieved and the reduction in size of the Auditors; it was also confirmed that the indicative fee scale for 2013/14 remained unchanged at £41,021. Mr. King said explained that the new contracts had been let last year for 5 years with a possible further extension for 3 years; the fees were fixed for the 5 year period, i.e. there would be no annual up-rating for inflation, and should only change if the Audit Commission or the NAO agree a change to the scope of the audit engagement.

822.6 Mr. King gave a brief update on the Audit Progress Report for 2012/13 and confirmed that there were no significant additions to the Draft Audit Plan, no independence issues to report, and no conflicts of interest.

822.7 **RESOLVED** – That the reports recently issued by Ernst & Young be approved.

823. **ASSURANCES TO THE EXTERNAL AUDITOR FOR THE 2012/13 AUDIT**

823.1 Members considered a joint report of the Chief Fire Officer & Chief Executive, Treasurer and Monitoring Officer that sought confirmation of the Panel's arrangements regarding compliancy issues on risk of fraud and other legal and regulatory requirements as required by External Audit to meet the latest International Standard on Auditing. (Copy in Minute Book).

823.2 Subject to the views of the Panel, the Chairman would be required, on behalf of the Panel, to sign a letter to Ernst & Young, the External Auditors, confirming that satisfactory arrangements were in place regarding the Panel's responsibilities for being assured of the organisation's compliancy issues on risk of fraud and other legal and regulatory requirements; this assurance was required by 30 April 2013 by External Audit to meet the International Standard on Auditing.

823.3 Councillor Sparks expressed his confidence that the Authority's governance arrangements were very secure.

823.4 **RESOLVED** – That the report be approved.

824. **DRAFT ANNUAL GOVERNANCE STATEMENT FOR 2012/13**

824.1 Members considered a joint report of the Chief Fire Officer & Chief Executive, Treasurer and Monitoring Officer which sought the Panel's approval of the draft Annual Governance Statement for 2012/13 to accompany the draft Statement of Accounts 2012/13. (Copy in Minute Book).

824.2 The Fire Authority has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised having regard to a combination of economy, efficiency, and effectiveness. In discharging this overall responsibility, Members and senior officers are responsible for putting in place proper arrangements for the governance of the Fire Authority's affairs, the effective exercise of its functions, the management of risk and the stewardship of the resources at its disposal. These arrangements have to be summarised in an Annual Governance Statement in a nationally agreed format which has to accompany the Statement of Accounts but, under recent national guidance, no longer needs to be included within them.

824.4 Councillor Sparks asked officers to clarify whether there had been any employment claims made against the Fire Authority during 2012/13. ACO Rolph would let Members have this information in due course.

824.5 **RESOLVED** – That the draft Annual Governance Statement be approved to accompany the Statement of Accounts.

825. **SUSSEX CONTROL CENTRE AUDIT UPDATE**

825.1 Members considered a joint report of the Chief Fire Officer & Chief Executive and Treasurer which covered Phase 2 of the Internal Audit of the Sussex Control Centre, carried out by East Sussex County Council. (Copy in Minute Book).

825.2 This Panel had considered the report on Phase 1 of the Audit at their meeting in September 2012 and this report, therefore, covered Phase 2 of the Audit. Members noted that the Audit had received a partial assurance because controls required to monitor, control and report were still in development. The Auditors had recognised that this was due to the total cost of the project still not being fully known due to the award of contract not having taken place at the time of the audit, as well as pension issues resolution and transitional costs. Seven recommendations had been made from the audit and ACO Rolph confirmed that these had now been completed.

825.3 The Treasurer assured Councillor Tidy that WSCC are working in alignment with ESFA and that their internal auditors are working closely with ESFA's auditors to ensure that the work and costs are shared equally and complement each other. ACO Rolph explained to Members how the Project Board operates and confirmed that there were no barriers to the project at officer level

825.4 **RESOLVED** – That the report be noted.

826. **2012/13 VALUE FOR MONEY REVIEW – BUSINESS INTELLIGENCE**

826.1 Members considered a report of Councillor Paul Sparks, Member Lead on the Value for Money (VfM) Review of Business Intelligence, which sought the Panel's approval of the findings of the report. (Copy in Minute Book).

826.2 The Review had been conducted as part of the approved 2012/13 VfM Review & Business Review and Audit Programme, with Councillor Sparks as the Lead Member for the Review. Due to a number of staffing adjustments and additional higher priority workloads, the available resource was reduced to one Team Member for most of the review period, in addition to undertaking other workloads, and, therefore, the exacting scope of the original review could not be accommodated and a decision was made to concentrate on the part of the review dealing with the Business Intelligence needs of the organisation rather than on Strategic Planning. It was still considered worthwhile to review Strategic Planning, but Members noted that this had been re-phased back into 2013/14.

826.3 With regard to the evidenced outcome using the approved VfM review methodology, Members noted that a number of exemplar areas had been used and an overall score of 'Adequate Performance' had been achieved. As a strategic review was being undertaken concurrently by Actica to support the strategic direction and medium term plans for Information Management within ESFRS, it was noted that no specific recommendations had been made in the review, but a set of 'Improvement Expectations' had been included in the Executive Summary which, unless they were addressed, would lead to a deterioration in the overall scoring on economy, efficiency and effectiveness.

826.4 Councillor Ost asked whether the 'final score' of D was good; the Chief Fire Officer & Chief Executive said that it was not good enough. Councillor Tidy asked whether there were sufficient funds available to deliver the Improvement Expectations and the CFO&CE confirmed that there was money available in Reserves, but part of the problem was the availability of suitably qualified and experienced staff. With IMD staff engaged in other projects, the project was being phased in as money and staff became available. Councillor Livings proposed that the recommendation be changed from 'approve' (the report) to 'note' the report and the Panel agreed to this.

826.5 **RESOLVED** – That the report be noted.

#### 827. **FUTURE BUSINESS AUDIT/REVIEW PROGRAMMES FOR 2013/14 TO 2017/18**

827.1 Members considered a report of the Chief Fire Officer & Chief Executive which sought the Panel's endorsement of a reduced Business Audit/Review programme for 2013/14 to 2017/18. (Copy in Minute Book).

827.2 **RESOLVED** – That the reduced Business Audit/Review programme be approved.

#### 828. **STANDING ORDERS – PETITIONS**

828.1 Members considered a report of the Monitoring Officer which proposed a revision to Standing Order 25. (Copy in Minute Book).

828.2 **RESOLVED** – That a revised Standing Order 25, the addition of a new Standing Order 26 dealing with petitions, and the renumbering and consequential amendments to Standing Orders be approved.

#### 829. **STANDING ORDERS – AMENDMENTS TO CONTRACT STANDING ORDERS**

829.1 Members considered a report of the Monitoring Officer which proposed revisions to Contract Standing Orders 13.3, 13.6 and 13.9. (Copy in Minute Book).

829.2 **RESOLVED** – That revisions to Contract Standing Order 13.3(b), 13.6(b) and 13.9(b) and the necessary amendments to the Members' Handbook be approved.



830. **SCRUTINY & AUDIT MATTERS PROGRESS REPORT (OCTOBER 2012 TO MARCH 2013)**

830.1 Members considered a report of the Chief Fire Officer & Chief Executive which presented a summary of progress on the main issues for which the Scrutiny & Audit Panel has responsibility. (Copy in Minute Book).

830.2 **RESOLVED** – That the Panel notes the corporate progress made during the 3<sup>rd</sup> and 4<sup>th</sup> Quarters 20012/13 on various corporate risk, scrutiny, and audit matters.

831. **EXCLUSION OF THE PRESS AND PUBLIC**

831.1 **RESOLVED** – That item number 832 be exempt under paragraphs 1, 3 and 4 of Schedule 12A to the Local Government (Access to Information) (Variation) Order 2006 and, accordingly, is not open for public inspection on the grounds that it includes information relating to any individual, information relating to the financial or business affairs of any particular person (including the Authority holding that information), and information relating to any consultation or negotiations, or contemplated consultation or negotiations, in connection with any labour relations matter arising between the authority or a Minister of the Crown and employees of, or office holders under, the authority.

The meeting concluded at 13:20 hours.

Signed

Chairman

Dated this

day of

2013

**EAST SUSSEX FIRE AUTHORITY**

Panel: **Scrutiny & Audit**

Date: **11 July 2013**

Title of Report: **Internal Audit Annual Report and Opinion for the period 1 April 2012 to 31 March 2013**

By: **Treasurer**

Purpose of Report: **To provide an Opinion on East Sussex Fire Authority's internal control environment and report on the work of Internal Audit for the period 1 April 2012 to 31 March 2013.**

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**RECOMMENDATION:** The Panel is asked to:

- (i) note the Internal Audit Service's opinion on the Fire Authority's internal control environment for 2012/13; and
- (ii) consider whether the Fire Authority's system for internal audit has proved effective during 2012/13.

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**MAIN ISSUES**

1. On the basis of the audit work completed, East Sussex County Council's (ESCC) Head of Assurance, as East Sussex Fire Authority's (ESFA) Head of Internal Audit, is able to provide reasonable assurance that the Fire Authority has in place an adequate and effective framework of governance, risk management and internal control for the period 1 April 2012 to 31 March 2013. Individual reports on the systems evaluated by internal audit included recommendations to enhance controls and management have drawn up action plans to implement these recommendations.
2. Members' attention is drawn to the additional number of audit days commissioned to cover particular areas of concern on behalf of Corporate Management Team and this Panel and the decision taken to defer some work into 2013/14.

**Duncan Savage**  
**Treasurer**  
April 2013

## 1. **INTRODUCTION**

- 1.1 ESCC has provided the internal audit service to the Fire Authority since 1 April 1997 and we are pleased to submit this annual report of our work for the year ended 31 March 2013. The purpose of this report is to give an opinion on the adequacy and effectiveness of ESFA's framework of internal control.

## 2. **INTERNAL AUDIT WITHIN EAST SUSSEX FIRE AUTHORITY**

- 2.1 On behalf of ESFA, it is a management responsibility to determine the extent of internal control in its systems, and it should not depend on internal audit as a substitute for effective controls.
- 2.2 The role of internal audit is to provide independent assurance that an organisation's risk management, governance and internal control processes are operating effectively.
- 2.3 Most of the work carried out by internal audit is in the form of risk based audits which analyse and report upon the existence, operation and effectiveness of internal controls within specified systems, both financial and otherwise. All audit reports produced have included a management action plan where recommendations have been made which will enhance the level of control, together with an opinion on the systems reviewed.
- 2.4 During 2010, ESCC entered into a framework contract with the London Borough of Croydon to provide specialist ICT audit, via Deloitte and Touche Public Sector Internal Audit Limited. With the agreement of the Treasurer, this specialist resource is also being applied to work for ESFA. ESCC Assurance Division remains ultimately responsible for the production and delivery of ESFA's internal audit plan, even where we may seek to use external specialists to deliver the work on our behalf.

## 3. **DELIVERY OF THE INTERNAL AUDIT PLAN**

- 3.1 In accordance with the 2012/13 Annual Audit Plan, a programme of audits, based on an assessment of risk, was carried out across ESFA. In accordance with best practice, the programme of audit activity was reviewed during the year and revised to reflect changes in risk and priority, to enable us to provide an adequate level of assurance. All adjustments to the audit plan were agreed with the former Assistant Chief Officer (Corporate Services) and the Treasurer.
- 3.2 The terms of reference, approach and audit objectives for each audit assignment have been discussed and agreed with the former Assistant Chief Officer (Corporate Services) and Treasurer, to whom final internal audit reports are issued for consideration in the first instance, and for subsequent wider consultation and consideration.

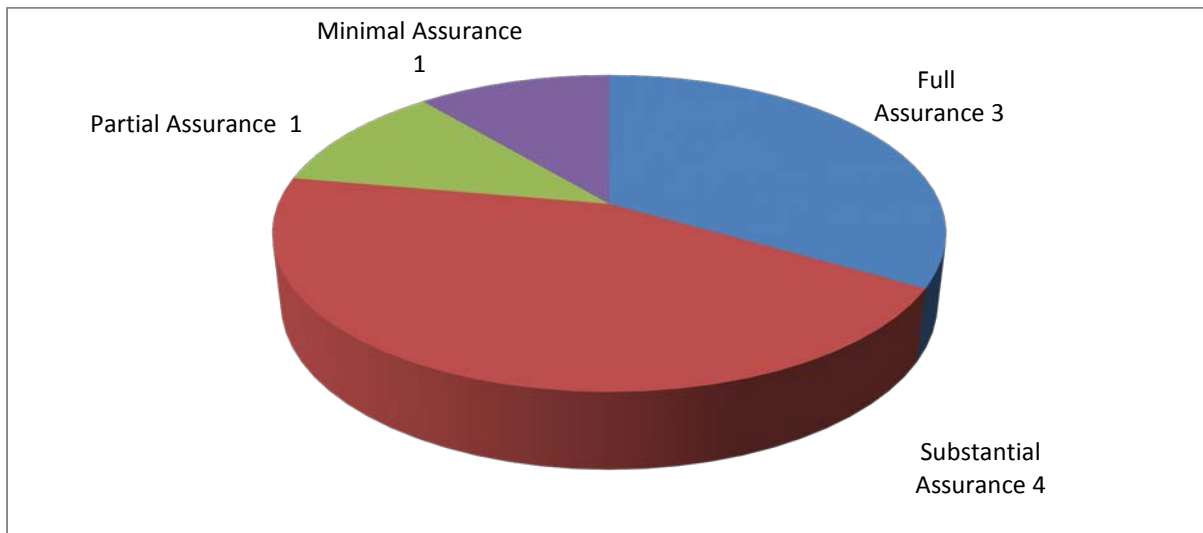
#### 4. **AUDIT OPINION**

4.1 ***No assurance can ever be absolute; however based on the internal audit work completed, ESCC's Head of Assurance (as ESFA's Head of Internal Audit) can provide reasonable assurance that ESFA has in place an adequate and effective framework of governance, risk management and internal control for the period 1 April 2012 to 31 March 2013.*** Audit testing has confirmed that the majority of key controls examined are working in practice, with some specific exceptions. Where improvements to control or compliance are required, we are satisfied that appropriate action has been agreed by the relevant managers within reasonable timescales. This level of assurance given takes into account:

- All audit work completed during 2012/13 and, where relevant, in previous years;
- Follow-up of actions from previous audits where appropriate;
- Management's response to the findings and recommendations;
- The effects of any significant changes in ESFA's systems;
- The level of resources available to deliver the audit plan.

4.2 No limitations were placed on the scope of internal audit during 2012/13.

4.3 The following chart provides a summary of the outcomes from all audits completed during 2012/13 with standard audit opinions (including fundamental accounting system work):



4.4 A summary of the main findings from these reviews and all other reports issued in 2012/13 is included at Appendix A.

4.5 Throughout the year, variations were made to the internal audit plan to reflect changing risks and priorities. These variations were discussed and agreed with the former Assistant Chief Officer (Corporate Services) and the Treasurer on behalf of ESFA. The main changes relate to the removal or deferring of some reviews in order to partially offset the inclusion of other unplanned activities as follows:

Reviews Removed / Deferred:

- East and West Collaboration Governance – deferred to future years if required;
- Strategic Financial Management Contingency and Future Resilience – no longer required as new arrangements now in place;
- Firewatch Retained Pay – deferred to 2013/14 in light of implementation delays;
- Data Protection Act Reporting Requirements – higher risk and priority areas identified. Deferred to future years if sufficiently high risk.

Reviews Added:

- Whole Time Shift Leave Investigation;
- Whole Time Shift Leave Internal Control Report.

4.6 As at 31 March 2013, the majority of internal audit work within ESFA's Audit Plan for 2012/13 had been completed. The following two reviews remained in progress at year end:

- ICT Network Infrastructure and Security Follow Up – the fieldwork for this audit was complete prior to year end and a meeting to finalise the report is due to take place in early May 2013;
- Contracting and Procurement Review – this review has been delayed due to unavailability of client officers and a widening of the scope of the review to incorporate additional areas. The audit has therefore been carried forward and will be reported on during 2013/14.

4.7 The table in Appendix B sets out actual time spent against the original audit plan, which includes approximately 35 days of additional work, all of which has been agreed with the former Assistant Chief Officer (Corporate Services) and Treasurer.

5. **PERFORMANCE**

5.1 The Accounts and Audit Regulations 2011 require the Authority to carry out an annual review of the effectiveness of its internal audit arrangements and the following information should provide a sound basis for the Panel to make such a judgement.

- 5.2 On an on-going basis, internal audit self-assesses against the Code of Practice for Internal Audit in Local Government in the UK. Overall, the service continues to maintain a high level of compliance with this, with further improvements achieved each year. With effect from April 2013, the Code of Practice has been replaced by new Public Sector Internal Audit Standards which require a full and independent external assessment of the service at least every five years. We expect our first such review to be undertaken during 2013/14.
- 5.3 Internal audit continue to work closely with ESFA's external auditor, formerly the Audit Commission and now Ernst and Young. As part of their Annual Governance Report for 2011/12, reported to Scrutiny and Audit Panel in September 2012, the Audit Commission stated the following with regard to internal audit performance:
- 'I have been able to successfully rely on testing carried out by internal audit where it is relevant to my audit, having carried out procedures specified in auditing standards to enable me to rely on that work. Also, I have been satisfied that your internal audit arrangements provide an effective management control as detailed in the Annual Governance Statement.'*
- 5.4 Internal audit are currently working with Ernst and Young in support of their work on the 2012/13 accounts.
- 5.5 Finally, the table in Appendix C shows the performance indicators agreed for internal audit and how we have performed against these targets. In all cases, performance targets have been met.

## **SUMMARY OF INTERNAL AUDIT FINDINGS** **for the period 1 April 2012 to 31 March 2013**

Whilst our opinion on many areas was that systems were operating effectively, most of our audit reports included recommendations to further strengthen controls. In all cases, these have been agreed with management within formal management action plans.

### **Reporting to ESFRS Management and the Scrutiny and Audit Panel**

The Head of Internal Audit has attended Scrutiny & Audit Panel meetings and offered advice and assistance as required. This includes production of the Annual Report and Opinion for presentation to the Scrutiny & Audit Panel.

Following a risk assessment exercise, a rolling 5-year Strategic Internal Audit Plan has been produced and this, along with the 2012/13 Internal Audit Plan, was agreed by the Scrutiny & Audit Panel at its meeting on 25 May 2012. The 2013/14 Internal Audit Plan is presented in another report on the Panel's agenda for approval.

All internal audit reports have been produced and discussed with the appropriate manager along with the former Assistant Chief Officer (Corporate Services) and the Treasurer, with whom on-going liaison is maintained throughout the year.

### **East and West Sussex Joint Control Project**

Following a decision to amalgamate East Sussex Fire & Rescue Service (ESFRS) and West Sussex Fire & Rescue Service (WSFRS) Command and Mobilising functions into a single Control Room function for the whole of Sussex, two internal audit reviews have been completed.

The first of these, undertaken by West Sussex County Council, with input from ESCC internal audit, reviewed the governance arrangements associated with the project. This review, with a '**satisfactory assurance**' level, found that effective project governance was in place, with a small number of areas for improvement. These included the need to add two key drivers from the original business case to the project planning documents and making minor amendments to reporting formats to provide further clarity.

The second review covered Project Finance and was undertaken by ESCC Internal Audit. This included ensuring project finances are controlled, monitored and reported and that the conditions of the grant funding the project are being complied with.

Whilst the review found that adequate controls were in place to ensure the conditions attached to the DCLG Grant Determination are being complied with, our ability to

provide an opinion beyond '**partial assurance**' was limited because, at the time of the review, many of the controls required to effectively control, monitor and report on the project finances were still being developed. Provision has been made within the 2013/14 audit plan for further work in this area, which will include a follow up of the recommendations arising from this original review.

### **Precepting Arrangements**

The audit was undertaken to verify that the processes used in calculating the precepting figures for ESFA by ESCC are robust and that the calculations were verified and checked prior to publication. Internal Audit found that this process has been carried out effectively. It was confirmed that thorough checks on the final calculations had been carried out and clearly evidenced working papers to support this have been maintained.

### **Delegated Financial Management – Contracting and Procurement**

This review has been carried forward to 2013/14 and includes the follow up of the previous Capital Programme/Contract audit relating to the Lewes and Bexhill Project.

### **Firewatch Implementation**

During the course of the year, Internal Audit have provided pro-active advice and support on risk, internal control and probity issues as part of the project to procure, develop and implement a new people resource management software system called Firewatch. To date, this work has involved a review of key project documentation, attendance at some Project Board meetings and identification of the range of specific risks areas where audit assurance is required.

At the time of producing this report, a number of these areas of assurance remain outstanding, with further evidence still required from management before we are in a position to provide an overall opinion. This work is therefore continuing into 2013/14.

### **Travel and Subsistence**

As part of the 2011/12 'Procure to Pay' audit it was established that staff expenses are paid through the accounts payable system rather than through the payroll system. As a result, it was agreed with management that as part of the 2012/13 audit plan, we would undertake a more detailed review of the expense claims process, covering all the various methods used by staff to claim expenses, including manual claim forms, procurement cards and business card accounts.

Although some opportunities were identified to strengthen the control environment, we have been able to provide '**substantial assurance**' that the system of controls is



effective. Areas for improvement included ensuring that, in future, staff expenses are processed through payroll rather than the accounts payable system in order to provide an even greater level of control and to help reduce the risk of non-compliance with HMRC regulations. Recommendations also included the need to remind employees of the correct process for claiming expenses and updating guidance on claiming expenses to reflect current practice in certain areas.

All of the recommendations arising from the review have been agreed with management as part of a formal action plan.

### **Station Regularity Visits**

The main purpose of this review was to provide an opinion on the effectiveness of financial controls in community fire stations as part of the cyclical programme of station audits. The review involved visits to three stations across the County examining compliance with ESFA's Financial Regulations, particularly in relation to expenditure, security, staff claims processes and storage of fuel and equipment.

Overall, Internal Audit was able to provide '**substantial assurance**' that a sound system of internal control is in place with only a small number of minor recommendations being made, primarily in relation to ensuring the accuracy of vehicle log books, inventory checks and fuel records, security of premises and accuracy of overtime claims.

During 2013/14, a review will be undertaken of all ESFRS station inspection arrangements to maximise effectiveness and avoid any duplication.

### **ICT Network Infrastructure and Security Follow Up**

This review, currently at draft report stage, has been undertaken by Deloitte & Touche on our behalf and is due to be finalised early in 2013/14.

### **Audit of Fundamental Accounting Systems**

The Fire Authority uses the main financial systems of ESCC. Each year, Internal Audit reviews the key controls within these systems as part of its programme of fundamental accounting system audits. This work is directly relied upon by ESFA's external auditors for annual accounts purposes.

The following fundamental accounting system reviews have been completed during 2012/13:

- General Ledger: Audit Opinion: **Full Assurance**
- Pensions: Audit Opinion: **Full Assurance**
- Accounts Payable: Audit Opinion: **Substantial Assurance**
- Accounts Receivable: Audit Opinion: **Full Assurance**
- HR/Payroll: Audit Opinion: **Substantial Assurance**

It is pleasing to report that in all cases the audit opinion for these reviews has been either substantial or full assurance.

## **Whole Time Shift Leave Investigation**

During 2012, Internal Audit was asked by management to undertake an investigation into potential anomalies in leave arrangements relating to Whole Time Shift staff. Initially this review focussed on a single Watch at one fire station but as a result of the seriousness of the issues identified, we were asked to widen the investigation to include all Whole Time Shift staff. The work was undertaken jointly with an investigating manager from ESFRS and covered the completeness and accuracy of leave records, the adequacy of policies and guidance relating to leave for Whole Time Shift Staff and the level of compliance with these policies.

Overall, the investigation identified a high number of instances where staff had over-claimed leave covering a number of years. Details of these findings were formally reported to management and a separate management report was made to Scrutiny and Audit Panel on 11 April.

## **Whole Time Shift Leave Internal Control Report**

In response to the issues highlighted in the above investigation, it was agreed with management that Internal Audit would produce a separate report detailing the internal control weaknesses within the organisation that are likely to have contributed to the over-claiming of leave by Whole Time Shift staff.

Based on the work undertaken we have only be able to provide '**minimal assurance**' over the control environment. We found that whilst a small number of improvements were required to the organisation's policy framework, specifically with regard to the management of leave and overtime, we found that the majority of control issues related to poor practice at stations and a low level of compliance with existing policies and procedures.

All recommendations arising from this review have been agreed with management, and have been incorporated within a comprehensive action plan for improvement. This will be subject to formal follow up by Internal Audit during 2013/14.

## **National Fraud Initiative (NFI)**

This is a statutory exercise carried out by the Audit Commission every two years and involved the submission during 2012 of data covering ESFRS employees, pensioners and creditors. The results from the matching exercise were received during early 2013.

The data is matched against other authorities' records, including the Department for Works and Pensions, to detect any possible errors or frauds. Our work in 2012/13 involved co-ordinating the collection and submission of data to the Audit Commission and monitoring action taken to ensure that these are subject to appropriate investigation by management. ESFRS intend to undertake a review of the matches early in 2013/14.

**SUMMARY OF INTERNAL AUDIT WORK IN 2012/13**

<b>Areas</b>	<b>2012/13 Planned Days</b>	<b>2012/13 Actual Days</b>
Preparation of five-year Internal Audit Plan (incl. Risk Assessment, assessment of internal audit needs and planning for individual reviews)	3.0	3.2
Production of Annual Report and Opinion	2.0	2.0
Advice and Liaison with ACOs/ Reporting to Scrutiny and Audit Panel	5.0	5.8
East and West Sussex Collaboration Governance	2.0	0.0
Anti-Fraud (Incl. National Fraud Initiative)	1.0	1.2
East and West Sussex Joint Control Project	5.0	6.8
Precepting Arrangements	1.0	1.0
Strategic Financial Management – Contingency and Future Resilience	2.0	0.0
Delegated Financial Management – Contracting and Procurement	5.0	5.0
Capital Programme/Contract Audit – Follow Up	1.0	0.0
Firewatch – Retained Pay	5.0	0.0
Firewatch – Implementation	5.0	4.3
Travel and Subsistence	10.0	10.2
Data Protection Act Reporting Requirements	10.0	0.0
ICT Network Infrastructure and Security Follow up	5.0	5.0
Station Regularity Visits x 3	5.0	5.8
2012/13 Fundamental Accounting Systems	18.0	29.1
<b><i>Unplanned Work:</i></b>		
Whole Time Shift Leave	0.0	15.7
Whole Time Shift Leave Stage 2 and Internal Control Report	0.0	24.3
<b>Total Days 2012/13</b>	<b>85.0</b>	<b>119.4</b>

**SUMMARY OF PERFORMANCE INDICATORS FOR 2012/13**

	<b>Performance Indicator</b>	<b>Achievement</b>
1	Draft reports are issued to management within 10 working days of the completion of audit fieldwork.	Achieved – 100%.
2	Final reports are issued to management within 5 working days of client response to the draft report.	Achieved – 100%.
3	Consistently achieving adequate, or higher, quality gradings in surveys of auditor performance through client survey questionnaires.	Achieved – 100%.
4	Acceptance of at least 90% of audit recommendations.	Achieved – 100%.
5	Completion of the plan by the 31 <sup>st</sup> March each year. Any revisions to the plan or changes to planned coverage are subject to the approval of the Assistant Chief Officer.	Achieved – the small number of reviews outstanding at year end have been delayed at management request.
6	Providing adequate internal audit arrangements. This would be assessed by reference to the external auditor's annual management letter.	Achieved – confirmed in latest Annual Governance Report.



**EAST SUSSEX FIRE AUTHORITY**

Panel: **Scrutiny & Audit**

Date: **11 July 2013**

Title of Report: **Internal Audit Plan**

By: **Treasurer**

Purpose of Report: **To provide an Internal Audit Plan for East Sussex Fire Authority covering the period 1 April 2013 to 31 March 2018.**

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**RECOMMENDATION:** The Panel is asked to:

- (i) Approve the 2013/14 Internal Audit Plan; and
  - (ii) Approve the updated Internal Audit Charter
- 

**MAIN ISSUES**

1. East Sussex County Council (ESCC) has provided the internal audit service to East Sussex Fire Authority (ESFA) since 1 April 1997. This service is usually delivered based on a standard annual budget of 70 audit days.
2. ESCC Internal Audit is pleased to present the latest version of the Internal Audit Plan for the period 1 April 2013 to 31 March 2018 which is set out as Appendix A. This plan has been produced on a risk basis, following consultation with the former Assistant Chief Officer (Corporate Services), the Treasurer and ESFA's external auditor, Ernst and Young.
3. With effect from 1 April 2013, the previous CIPFA Code of Practice for Internal Audit has been replaced by new Public Sector Internal Audit Standards (PSIAS), endorsed jointly by CIPFA and the Institute of Internal Auditors. The new PSIAS continue to require that a formal Internal Audit Charter for ESFA is in place and that this is subject to regular review. This review has recently been undertaken and an updated Charter, reflecting the latest requirements of the PSIAS, is attached to this report as Appendix B.

**Duncan Savage**  
**Treasurer**  
April 2013

**East Sussex Fire Authority**  
**Internal Audit Strategy and Plan**  
**1 April 2013 – 31 March 2018**

Contents

1. **Introduction**
2. **Internal Audit Plan 2013/14**
3. **Details of Audit Coverage 2013/14**
4. **5 Year Rolling Strategic Plan 2013 - 2018**
5. **Performance Indicators 2013/14**

**EAST SUSSEX FIRE AUTHORITY**  
**INTERNAL AUDIT STRATEGY AND ANNUAL AUDIT PLAN FOR 2013/14**

**1.0 Introduction**

- 1.1 The attached Internal Audit Plan has been drafted based on an updated assessment of the internal audit needs of ESFA covering the period 1<sup>st</sup> April 2013 to 31<sup>st</sup> March 2018. The assessment of internal audit needs is based on an internal audit risk analysis exercise, ESFA's Corporate Risk Register and consultation with the former Assistant Chief Officer (Corporate Services) and the Treasurer. This work helps to determine the audit strategy by focussing audit resources against areas of higher risk. The plan also takes into account past audit activity and current issues facing ESFA.
- 1.2 Internal Audit provides a service to ESFA in accordance with the Public Sector Internal Audit Standards (PSIAS) as defined by CIPFA and the Institute of Internal Auditors (IIA). It is ESFA's responsibility to maintain an effective internal audit service and assurance of this can be obtained through confirmation that the service is delivered in compliance with PSIAS and that agreed performance indicators are being achieved, including delivery of the annual audit plan.
- 1.3 Internal Audit review, appraise and report upon the effectiveness of the internal control environment established by ESFA's management. It is the responsibility of management to establish and maintain appropriate systems of internal control.
- 1.4 In addition to the completion of the internal audit plan, audit staff support the management of ESFA by providing informal advice and assistance through discussion of key risk and control issues as they arise throughout the year.
- 1.5 Whilst the internal audit needs assessment includes the programme of audit work for the period 1 April 2013 to 31 March 2018, it is important to note that the activity set out within years 2-5 (2014/15 – 2017/18) is indicative only and is subject to revision as part of the annual audit planning process.
- 1.6 ESFA is subject to audit and inspection by other bodies, in addition to internal audit, including the external audit of the accounts. These additional sources of assurance have been taken into account, primarily through discussion with the former Assistant Chief Officer (Corporate Services) and the Treasurer, when preparing this audit plan.



- 1.7 As part of the audit planning process, ESFA's newly appointed external auditor, Ernst & Young, has been consulted on the content of the plan. These consultations have also included clarifying Ernst & Young's approach to reliance on the work of internal audit, particularly with regard to the annual audit of key financial systems. As a result of these discussions, and in order to meet Ernst & Young's requirements, the proportion of internal audit days set aside within the 2013/14 audit plan for key financial systems audit has been increased by 2 days to 20 days. This increase has been offset by reductions in audit coverage in other areas and has not therefore resulted in any increase in the overall number of audit days to be delivered.
- 1.8 It is a requirement of the PSIAS that the internal audit service is subject to regular self-assessment against the standards and an independent external assessment at least every five years. It is anticipated that ESCC Internal Audit will be subject to this independent assessment during 2013/14 and the results of this will be reported to ESFA as part of the annual report. In addition, a range of performance indicators for monitoring the quality of the internal audit service can be found under Section 5 of this report.

## 2.0 East Sussex Fire Authority - Internal Audit Plan 2013/14

	Areas	Planned Days
<b>1</b>	<b>Management and Governance</b>	
	Preparation of five year Internal Audit Plan	2
	Production of Annual Report and Opinion	2
	Advice, Liaison & Follow Up with ACOs / Reporting to S&A Panel	6
	East and West Sussex Joint Control Project	1
	Anti-Fraud (incl. National Fraud Initiative)	1
	<b>Sub Total</b>	<b>12</b>
<b>2</b>	<b>Finance</b>	
	Precepting Arrangements	1
	Contracting and Procurement – Follow Up	5
	<b>Sub Total</b>	<b>6</b>
<b>3</b>	<b>Expenditure/Purchasing</b>	
	Procurement Cards	7
	<b>Sub Total</b>	<b>7</b>
<b>4</b>	<b>Personnel/Payroll</b>	
	Firewatch Implementation	2
	Firewatch - Retained Pay	10
	Whole Time Leave – Follow Up	1
	<b>Sub Total</b>	<b>13</b>
<b>5</b>	<b>Income</b>	
	No specific audits this year – income controls are covered within the Accounts Receivable Review under Fundamental Accounting Systems work (see below).	
	<b>Sub Total</b>	<b>0</b>
<b>6</b>	<b>Asset Management</b>	
	No specific audits this year.	
	<b>Sub Total</b>	<b>0</b>
<b>7</b>	<b>Station Visits</b>	
	Review of Station Audit and Inspection Arrangements	5
	<b>Sub Total</b>	<b>5</b>
<b>8</b>	<b>ICT Audit</b>	
	Joint Control Centre – ICT Security and Business Continuity	7
	<b>Sub Total</b>	<b>7</b>
<b>9</b>	<b>Fundamental Accounting Systems</b>	
	HR/Payroll, Accounts Payable, Accounts Receivable, General Ledger and Pensions.	20
	<b>Sub Total</b>	<b>20</b>
	<b>TOTAL PLANNED DAYS FOR 2013/14</b>	<b>70</b>

### **3.0 DETAILS OF INTERNAL AUDIT COVERAGE 2013/14**

#### **Management**

- 3.1 Internal Audit is responsible for the completion of the following:
- Annual risk analysis
  - Assessment of internal audit needs
  - Rolling five year strategic plan
  - Annual report and Opinion
  - Liaison with the Treasurer and other principal officers as necessary
  - Liaison with the external auditors to ensure best use of audit resources overall
  - Reporting to the Scrutiny and Audit Panel
  - Following-up of previous audit recommendations
  - Finalising previous year's reports.

#### **East and West Sussex Joint Control Project**

- 3.2 As part of the project to amalgamate the East and West Sussex Fire and Rescue Service Command and Mobilising functions into a single Control Room function, Internal Audit will provide proactive advice, support and challenge, particularly in relation to governance and risk management arrangements. Audit activity will also focus on providing assurance that appropriate ICT security and business continuity arrangements are in place at the new centre.

#### **Anti Fraud**

- 3.3 Anti-fraud work for 2013/14 will focus on monitoring arrangements for following up and investigating any positive matches arising from the latest National Fraud Initiative Data Matching exercise.

#### **Precepting Arrangements**

- 3.4 The review will ensure that the processes used in calculating the precepting figures for ESFA are robust and that the calculations are verified and checked prior to publication.

#### **Contracting and Procurement – Follow Up**

- 3.5 This review will follow up on the actions arising from the 2012/13 review of contracting and procurement within ESFRS, which examined significant areas of spend across the organisation with a view to ensuring that proper procurement procedures have been adopted and that adequate and effective contract management arrangements are in place.

#### **Procurement Cards**

- 3.6 Following the relatively recent introduction of procurement cards, this audit will assess compliance with established controls over the use of these cards across the organisation.

### **Firewatch- Implementation**

- 3.7 Firewatch is a people resources management software system which ESFA began implementing in 2012/13. Building on our activity in 2012/13 in support of this project, we plan to carry out further work in 2013/14 to provide assurance over the phased implementation of Firewatch, particularly with regard to HR and payroll related areas.

### **Firewatch - Retained Pay**

- 3.8 This is a review previously planned for 2012/13 that has been deferred as a result of delays in the full implementation of Firewatch. The retained pay process is an area of previous control weakness and this review will build upon lessons learned from past audits, having due regard for new arrangements implemented as a result of the introduction of Firewatch.

### **Whole Time Leave – Follow Up**

- 3.9 During 2012/13, a joint management and internal audit investigation was carried out in relation to whole time shift leave arrangements and this was followed by an internal control report highlighting areas of control weaknesses identified during our work. This follow up review has therefore been included within the 2013/14 audit plan in order to assess the progress made by management in implementing the recommendations arising.

### **Review of Station Audit and Inspection Arrangements**

- 3.10 During the course of recent audit activity at fire stations, including the whole time shift leave investigation referred to above, it has become apparent that current station audit and inspection arrangements are not operating as effectively as they could be. It has therefore been agreed that we would undertake a review in 2013/14, in conjunction with management, in order to ensure that these arrangements are effective, are properly co-ordinated and provide the appropriate financial and operational coverage.

### **Fundamental Accounting Systems**

- 3.11 ESFA uses the main financial systems (Payroll, Accounts Payable, Accounts Receivable, Pensions and General Ledger) of ESCC. Each year, we review these systems as part of our fundamental accounting system audits to ensure the systems have adequate controls in place. The scope and level of controls testing undertaken as part of these reviews is agreed with Ernst & Young, ESFA's external auditors, in order to ensure that they can rely on our work for final account audit purposes.

#### 4.0 ROLLING STRATEGIC PLAN 2013/14 – 2017/18

	2013/14	2014/15	2015/16	2016/17	2017/18
<b>MANAGEMENT &amp; GOVERNANCE</b>					
Preparation of five year Internal Audit Plan	2	2	2	2	2
Production of Annual Report and Opinion	2	2	2	2	2
Advice, Liaison and Follow Up with ACOs / Reporting to Scrutiny and Audit Panel	6	6	6	6	6
Corporate Governance and Corporate Risk Management Arrangements	-	3	-	5	-
East and West Sussex Joint Control Project	1	-	-	-	-
Anti-Fraud (incl. National Fraud Initiative)	1	1	1	1	1
<b>Sub Total</b>	<b>12</b>	<b>14</b>	<b>11</b>	<b>16</b>	<b>11</b>
<b>FINANCE</b>					
Precepting Arrangements	1	1	1	1	1
Contracting and Procurement	5	-	5	-	-
Delegated Financial Management - Budgetary Control	-	-	5	-	-
Capital Programme / Contract Audit	-	-	-	-	5
<b>Sub Total</b>	<b>6</b>	<b>1</b>	<b>11</b>	<b>1</b>	<b>6</b>
<b>EXPENDITURE/PURCHASING</b>					
Procure to Pay Processes	-	10	-	-	8
Procurement Cards	7	-	5	-	-
<b>Sub Total</b>	<b>7</b>	<b>10</b>	<b>5</b>	<b>0</b>	<b>8</b>
<b>PERSONNEL / PAYROLL</b>					
Starters / Leavers and Variations to Pay	-	5	-	-	10
Firewatch - Retained Pay	10	-	-	8	-
Firewatch Implementation	2	-	-	-	-
Whole Time Leave	1	-	5	-	-
Travel and Subsistence / Expenses	-	-	-	5	-
Pensions Arrangements	-	5	-	-	-
<b>Sub Total</b>	<b>13</b>	<b>10</b>	<b>5</b>	<b>13</b>	<b>10</b>
<b>INCOME</b>					
Income Generation incl. Training Activities	-	-	-	5	-
Debtors - Raising of Accounts / Recovery	-	-	3	-	-
<b>Sub Total</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>5</b>	<b>0</b>
<b>PAGE 1 TOTALS</b>	<b>38</b>	<b>35</b>	<b>35</b>	<b>35</b>	<b>35</b>

	2013/14	2014/15	2015/16	2016/17	2017/18
<b>ASSET MANAGEMENT</b>					
Asset Management incl. Write Off and Disposal of Equipment	-	-	-	-	5
<b>Sub Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5</b>
<b>STATION REVIEWS</b>					
Review of Station Audit and Inspection	5	-	-	-	-
Station Visits – Themed Review	-	10	10	10	10
<b>Sub Total</b>	<b>5</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>ICT AUDIT</b>					
Joint Control Centre – Security and Business Continuity	7	-	-	-	-
Data Protection	-	5	-	-	-
ICT Audit Coverage To Be Confirmed	-	-	5	5	-
<b>Sub Total</b>	<b>7</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>0</b>
<b>FUNDAMENTAL ACCOUNTING SYSTEMS</b>					
Fundamental Accounting Systems Work	20	20	20	20	20
<b>Sub Total</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>
<b>PAGE 2 TOTALS</b>	<b>32</b>	<b>35</b>	<b>35</b>	<b>35</b>	<b>35</b>
<b>ACTUAL TOTALS (PAGES 1 &amp; 2)</b>	<b>70</b>	<b>70</b>	<b>70</b>	<b>70</b>	<b>70</b>

## 5.0 SUMMARY OF PERFORMANCE INDICATORS FOR 2013/14

	<b>Performance Indicator</b>	<b>Achievement</b>
1	Draft reports are issued to management within 10 working days of the completion of audit fieldwork.	
2	Final reports are issued to management within 5 working days of client response to the draft report.	
3	Consistently achieving adequate, or higher, quality gradings in surveys of auditor performance through client survey questionnaires.	
4	Achieve compliance with new Public Sector Internal Audit Standards.	
5	Completion of the annual internal audit plan by the 31 <sup>st</sup> March each year. Any revisions to the plan or changes to planned coverage are subject to the approval of the Treasurer.	
6	Providing adequate internal audit arrangements. This would be assessed by reference to the external auditor's annual audit letter and the results of internal and external assessments.	



## EAST SUSSEX FIRE AUTHORITY'S (ESFA) INTERNAL AUDIT CHARTER & TERMS OF REFERENCE

### 1. RESPONSIBILITIES AND OBJECTIVES

- 1.1 ESFA's internal audit service is provided by East Sussex County Council (ESCC).
- 1.2 Internal Audit is 'an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes'<sup>1</sup>.
- 1.3 It is a management responsibility to establish and maintain internal control systems and to ensure that resources are properly applied, risks appropriately managed and outcomes achieved.
- 1.4 The agreed Mission Statement for ESCC's Internal Audit Service is as follows:

*'Internal Audit is an independent assurance function which conducts reviews and provides advice, support and challenge to the organisation on risk, governance and internal control matters. In achieving this, the service aims to:*

- *Deliver a high quality, cost effective service in line with best practice and professional standards;*
- *Work constructively with management to support new developments and major change programmes;*
- *Be pragmatic and proportionate with its recommendations, having regard not just to risk, but also the cost of controls;*
- *Be flexible and responsive to the needs of the organisation in all its work.'*

### 2. STATUTORY ROLE

- 2.1 Internal Audit is a statutory service in the context of the Accounts and Audit Regulations 2011, which state in respect of Internal Audit that:

"A relevant body shall maintain an adequate and effective system of internal audit of its accounting records and its system of internal control in accordance with the proper internal audit practices, and any officer or member of that body shall, if the body requires:

- make available such documents of the body which relate to its accounting and other records as appear to be necessary for the purpose of the audit; and
- supply the body with such information and explanation as the body considers necessary for that purpose."

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<sup>1</sup> Institute of Internal Auditors



- 2.2 The statutory role is recognised and endorsed within ESFA's Financial Regulations, which provide the authority for access to officers, members, documents and records and to require information and explanation as necessary.

### **3. INDEPENDENCE AND ACCOUNTABILITY**

- 3.1 Internal Audit will remain sufficiently independent of the activities that it audits to enable auditors to perform their duties in a way that allows them to make impartial and effective professional judgements and recommendations. Internal auditors have no operational responsibilities.
- 3.2 Internal Audit is involved in the determination of its priorities in consultation with those charged with governance. The Head of Internal Audit has direct access to, and freedom to report in his own name and without fear of favour to, all officers and Members and particularly those charged with governance.
- 3.3 Internal Audit may also provide consultancy services, generally advisory in nature, at the request of the organisation. In such circumstances, appropriate arrangements will be put in place to safeguard the independence of Internal Audit and, where this work is not already included within the approved audit plan and may affect the level of assurance work undertaken, this will be reported to the ESFA's Scrutiny and Audit Panel.
- 3.4 Accountability for the response to the advice and recommendations of Internal Audit lies with management, who either accept and implement the advice or formally reject it.

### **4. INTERNAL AUDIT SCOPE**

- 4.1 The scope of Internal Audit includes the entire control environment and therefore all of the organisation's operations, resources, services and responsibilities in relation to other bodies. In order to identify audit coverage, activities are prioritised based on risk, using a combination of Internal Audit and management risk assessment (as set out within organisational risk registers). Consultation also takes place with key stakeholders.
- 4.2 Internal audit activity will include an evaluation of the effectiveness of the organisation's risk management arrangements and risk exposures relating to:
- Achievement of the organisation's strategic objectives;
  - Reliability and integrity of financial and operational information;
  - Efficiency and effectiveness of operations and activities;
  - Safeguarding of assets; and
  - Compliance with laws, regulations, policies, procedures and contracts.

### **5. REPORTING LINES AND RELATIONSHIPS**

- 5.1 ESCC's Internal Audit Service provides internal audit services to ESFA in accordance with the contract between the two bodies.

- 5.2 For the purposes of delivering this contract, the Head of Internal Audit reports to the Treasurer of ESFA as the primary client contact, but also has direct access to the Chief Fire Officer and Chief Executive where required. ESFA also has a Scrutiny and Audit Panel to whom internal audit report annually (or more frequently, if required). The annual report to the Scrutiny and Audit Panel includes the results of internal audit activity, details of internal audit performance and an opinion on the adequacy of ESFA's control environment.

## **6. INTERNAL AUDIT STANDARDS**

- 6.1 There is a statutory requirement for Internal Audit to work in accordance with the 'proper audit practices'. These 'proper audit practices' are in effect the 'Public Sector Internal Audit Standards' (PSIAS) as defined by the Institute of Internal Auditors (IIA) in conjunction with the Chartered Institute of Public Finance and Accountancy (CIPFA). These Standards have been adopted by ESCC Internal Audit. It is a requirement of these Standards that the Internal Audit Charter clarify the terms 'board' and 'senior management' and, in the context of ESFA, these are deemed to be the organisation's 'Corporate Management Team' and 'Treasurer' respectively.
- 6.2 In accordance the Standards, Internal Audit is subject to a quality assurance and improvement regime. This consists of an annual self assessment of the service against the PSIAS, ongoing performance monitoring and an external assessment at least every five years by a suitably qualified, independent assessor. The results of all of this activity are reported to management and the Scrutiny and Audit Panel, along with details of any instances of non-conformance.

## **7. INTERNAL AUDIT RESOURCES**

- 7.1 It is a requirement that Internal Audit must be appropriately staffed in terms of numbers, grades, qualification levels and experience, having regard to its objectives and to professional standards. Internal auditors need to be properly trained to fulfil their responsibilities and should maintain their professional competence through an appropriate ongoing development programme.
- 7.2 The Head of Internal Audit is responsible for appointing the staff of the Internal Audit Service and will ensure that appointments are made in order to achieve the appropriate mix of qualifications, experience and audit skills.
- 7.3 In addition to internal staff, the Head of Internal Audit may engage the use of external resources where it is considered appropriate, including the use of specialist providers. In such circumstances, this will be agreed in advance with the Treasurer.
- 7.4 The Head of Internal Audit is responsible for ensuring that the resources of the Internal Audit Service are sufficient to meet its responsibilities and achieve its objectives. If a situation arose whereby they concluded that resources were insufficient, they must formally report this to the Treasurer and the Chief Fire Officer and Chief Executive and, if the position is not resolved, to the Scrutiny and Audit Panel.

## **8. FRAUD AND CORRUPTION**

- 8.1 Managing the risk of fraud and corruption is the responsibility of the Chief Fire Officer and Chief Executive and their Principal Officers, not Internal Audit. Internal Audit will, however, be alert in all its work to risks and exposures that could allow fraud or corruption and will investigate allegations of fraud and corruption in line with the Authority's Anti-Fraud and Corruption Strategy.
- 8.2 The Head of Internal Audit should also be informed of all suspected or detected fraud, corruption or impropriety in order to consider the adequacy of the relevant controls, and evaluate the implication of fraud and corruption for their opinion on the control environment.

Councillor \_\_\_\_\_  
Chairman of the Scrutiny & Audit Panel

Des Prichard  
Chief Fire Officer and Chief Executive

Duncan Savage  
Treasurer

Russell Banks  
Head of Internal Audit

Updated: March 2013

**EAST SUSSEX FIRE AUTHORITY**

Panel: **Scrutiny & Audit**  
Date: **11 July 2013**  
Title: **Granting Dispensations to Members**  
By: **Monitoring Officer**  
Purpose of Report: **To inform Members of the issues in relation to granting dispensations to Members in relation to budget and Council tax issues and the Member Allowance Scheme.**

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**RECOMMENDATION:** The Panel is asked to consider the issue of granting dispensations to Members relating to the budget and setting the council tax precept, and a Member Allowance Scheme, and agree that dispensations be granted by the Monitoring Officer to all Members of the Fire Authority annually.

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**MAIN ISSUES**

1. The Localism Act 2011 which did away with the old regime that had been brought in under the Local Government Act 2000 and allowed for a less restrictive one to be introduced. The Fire Authority approved a new Code of Conduct on 13 September 2012.
2. Under the model Code of Conduct of the previous standards regime, any business relating to Members' allowances or the setting of a council tax precept was expressly precluded from being a prejudicial interest. No equivalent measures have been provided for under the current regime. Whilst it is arguable that Members' Allowances and the setting of the council tax precept do not amount to interests, to avoid any challenges to decisions relating thereto, it is recommended that Members seek dispensations to allow them to speak and vote on business relating thereto. Under the new arrangements, the granting of dispensations is dealt with by the Scrutiny & Audit Panel or the Monitoring Officer, upon written request by the Member.

**Abraham Ghebre-Ghiorghis**  
**MONITORING OFFICER**

7 June 2013

Previous Reports:

Standards Panel – May 2012; Fire Authority – 13 September 2012.

Background Papers

No unpublished background papers have been relied on to a material extent in connection with this report.

## 1. **BACKGROUND**

- 1.1 Members were informed in May 2012 about the implications for the standards regime under the Localism Act 2011 which did away with the old regime that had been brought in under the Local Government Act 2000 and allowed for a less restrictive one to be introduced. Under the model Code of Conduct of the previous standards regime, any business relating to Members' allowances or the setting of a council tax precept was expressly precluded from being a prejudicial interest. No equivalent measures have been provided for under the current regime. Whilst it is arguable that Members' Allowances and the setting of the council tax precept do not amount to interests, to avoid any challenges to decisions relating thereto, it is recommended that Members seek dispensations to allow them to speak and vote on business relating thereto. Under the new arrangements, the granting of dispensations is dealt with by the Scrutiny & Audit Panel or the Monitoring Officer, upon written request by the Member. The Fire Authority, at its meeting on 13 September 2012, approved a new Code of Conduct for Members and re-established a Standards Panel with revised terms of reference. Consequential amendments were made to the Authority's Standing Orders. The Scrutiny & Audit Panel and the Monitoring Officer have the authority to grant dispensations to Members.
- 1.2 Since the County Council elections in May 2013, a number of new Members have been appointed to the Fire Authority and it is now necessary to reconsider the issue of dispensations.

## 2. **CURRENT SITUATION**

- 2.1 The Scrutiny & Audit Panel terms of reference include the following:

- 2.1.1 As authorised by section 33 of the Localism Act 2011:

To exercise the power to grant dispensations to Members and co-opted Members of the Authority whose participation in any business would otherwise be prohibited by section 31 (4) of the Localism Act 2011.

- 2.2 Section 33 of the Localism Act 2011 states:

- 2.2.1 (1) A relevant authority may, on a written request made to the proper officer of the authority by a member or co-opted member of the authority, grant a dispensation relieving the member or co-opted member from either or both of the restrictions in section 31(4) in cases described in the dispensation.[i.e. participating in the discussion or voting on the matter at the meeting].
- 2.2.2 (2) A relevant authority may grant a dispensation under this section only if, after having had regard to all relevant circumstances, the authority -
- (a) Considers that without the dispensation the number of persons prohibited by section 31(4) from participating in any particular business would be so great a proportion of the body transacting the business as to impede the transaction of the business,

- (b) Considers that without the dispensation the representation of different political groups on the body transacting any particular business would be so upset as to alter the likely outcome of any vote relating to the business,
  - (c) Considers that granting the dispensation is in the interests of persons living in the authority's area,
  - (d) If it is an authority to which Part 1A of the Local Government Act 2000 applies and is operating executive arrangements, considers that without the dispensation each member of the authority's executive would be prohibited by section 31(4) from participating in any particular business to be transacted by the authority's executive, or
  - (e) Considers that it is otherwise appropriate to grant a dispensation.
- 2.3 The Localism Act introduced new categories for the disclosure of interests. These are set out in the Code of Conduct – Part 2, included in the Members' Handbook section F. The Act describes personal interests and disclosable pecuniary interests (DPI), and details about disclosing and registering interests are also set out in the Members' Handbook.

### 3. **MEMBERS' INTERESTS IN SETTING THE PRECEPT AND MEMBERS' ALLOWANCES**

- 3.1 Decisions relating to setting the Council Tax precept and approving Member allowances are reserved for the full Fire Authority.
- 3.2 There has been discussion nationally about whether or not Members who are liable to pay Council tax have a DPI in relation to Council Tax matters and setting the budget (which would affect them in common with many thousands of Council tax payers). A similar situation arises in relation to the consideration of a Member Allowances Scheme.
- 3.3 It would make little sense if Members were disqualified from taking part in the discussion or decision-making of either of these issues, when it is only Members who can take decisions on these matters.
- 3.4 It is a criminal offence to breach the DPI provisions and it is, therefore, considered appropriate for the avoidance of doubt, to grant a general dispensation to Members to allow them to consider and set the budget and council tax precept and to decide upon Member Allowances.

### 4. **DISPENSATIONS**

- 4.1 A dispensation must specify the period for which it has effect, and may not be for a period longer than four years.
- 4.2 A general dispensation was granted to Members by the Monitoring Officer to allow for Members to consider and vote upon the Council Tax precept and Member Allowances at the Fire Authority meeting in February 2013. Since then, new Members have been appointed to the Fire Authority.

- 4.3 To enable all Members to participate fully in budget discussions, Council Tax and Member Allowances issues, it is recommended that dispensations be granted to all Members of the Fire Authority annually by the Monitoring Officer to take effect from the Annual Meeting of the Fire Authority and that he/she reports to the next meeting of the Scrutiny & Audit Panel. It would be impractical to wait until the first meeting of the Scrutiny & Audit Panel after the Annual Meeting of the Fire Authority for the Panel to grant dispensations.
- 4.4 Any consequential drafting for clarity will be made to the Members' Handbook.
- 4.5 Members are reminded that the Local Government Finance Act 1992 prohibits any Member who is two months or more in arrears with their Council Tax payments from participating in any meeting concerning the budget and setting the precept. This provision in statute overrides any dispensations that may be, or have been, granted.

**EAST SUSSEX FIRE AUTHORITY**

Panel: **Scrutiny & Audit**  
Date: **11 July 2013**  
Title: **Member Lead arrangements for 2013/14.**  
By: **Chief Fire Officer & Executive and Monitoring Officer**  
Purpose of Report: **To seek nominations for Member Leads**

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**RECOMMENDATION:** The Panel is asked to note and approve the reduction in the number of member leads and nominate Member Leads as per appendix B.

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**MAIN ISSUES**

1. Member Lead arrangements were established in 2009/10 and have worked reasonably effectively since that time, although it has to be recognised that the workloads of the different streams have varied. It should also be noted that the number of Member Leads for such a small Authority is now probably disproportionate and that the same outcomes can be achieved even with a smaller number.
2. The Panel is asked to give consideration and approval for a reduction in the number of Member Leads as well as to make nominations for the proposals.

**Des Prichard**  
**CHIEF FIRE OFFICER & CHIEF EXECUTIVE**  
24 June 2013

**Abraham Ghebre-Ghiorghis**  
**MONITORING OFFICER**

Previous Reports: Scrutiny & Audit 17 November 2011 Panel Membership Lead arrangements for 2011/12 and potential impacts beyond; Policy & Resources To nominate Lead Members on matter being managed by Policy & Resources Panel 16 July 2009



## 1 **CURRENT MEMBER LEAD ISSUES**

- 1.1 The current Member Leads for 2012/13 are set out in Appendix A to the report.
- 1.2 Under the current Members' Allowance scheme, Member Leads do not attract a Special Responsibility Allowance. These are only paid for Panel membership for Policy & Resources, Scrutiny & Audit and their respective Working Groups, and Urgency Panels excluding those members in receipt of special responsibility allowances for Chairman, Vice Chairman and leader of other political groups. The Independent Remuneration Advisory Group's current review of the Allowance Scheme is not expected to recommend a Special Responsibility Allowance for the Member Lead role. However, approval of a new allowance scheme is ultimately a matter for the full Fire Authority.
- 1.3 Members will note from Appendix A, that there were 18 Member Leads allocated to either generic functions, IRMP/VFM reviews or Annual plan activities. Whilst Member strategic direction and guidance is essential to officers so that they can deliver on plans, a balance has to be struck in relation to the amount of available time and attention Members can reasonably be expected to commit in addition to their Fire Authority and other responsibilities.
- 1.4 Having sought initial guidance from the Chairman, a reduced number of Member Leads is now felt more appropriate for the business of the Authority and an outline of the areas of responsibility is attached as Appendix B.

## Appendix A

	PANEL	LEAD MEMBER (and their Panel Membership)	Officer Lead
<b><u>SECTION 1: CURRENT MEMBER LEADS – GENERIC FUNCTIONS</u></b>			
Annual Efficiency savings (watching brief currently)	P&R	Fawthrop (S&A)	ACO(CS)
Closer collaboration with WSFRS Sussex Control Centre	CFA/P&R	Living's (P&R, S&A, Urg) + Sparks (P&R, S&A, Urg)	CFO&CE Joint Project Lead (CR)
Community Safety	P&R	Howson ( <b>No Panel</b> )	DCFO
Corporate Governance strategic issues	S&A	Healy (S&A)	ACO (CS)
Environmental Issues	P&R	Rufus (P&R, Urg)	ACFO
Equality & Diversity for employment		Scott (P&R, Urg)	DCFO
Equality & Diversity for community outcomes		Howson ( <b>No Panel</b> )	
Health & Safety	P&R	Fawthrop (S&A)	ACFO
Learning & Development for Staff	P&R	Waite (P&R, Urg)	DCFO
Learning & Development for Members		Thomas (P&R, S&A)	
Operational Assurance	S&A	Living's (P&R, S&A, Urg)	DCFO
Sustainability	P&R	Rufus (P&R, Urg)	ACFO
<b><u>SECTION 2: IRMP /VFM REVIEWS</u></b>			
In year order:			
Rural Review previous years IRMP – watching brief	S&A	Heaps ( <b>No Panel</b> )	DCFO
Estates vfm 2010/11 – watching brief	S&A	<b>Vacancy</b> (was Harmer–Strange – someone on S&A?)	ACFO
Information Management vfm 2010/11 – watching brief	S&A	<b>Vacancy</b> (was Freebody – someone on S&A?)	ACFO
Commissioning & Procurement reviews 2011/12 – watching brief	S&A	Ost (P&R)	ACO (CS)
Engineering Services vfm review 2011/12 – due to report	S&A	Waite (P&R, Urg)	ACFO
Business Intelligence vfm review 2012/13 – still to start	S&A	Sparks (P&R, S&A, Urg)	ACO (CS)
Environmental vfm review 2012/13 – still to start		Rufus (P&R, Urg)	ACFO
<b>Suggest Cllr Summers instead of Cllr Rufus, to give an independent overview – they'll need to discuss</b>			
<b><u>SECTION 3: ANNUAL PLAN</u></b>			
1. Emergency Response Arrangements (at normal speeds)	S&A	<b>Vacancy</b>	DCFO
2. Review and Prioritisation of Fire Safety Audit	S&A	<b>Vacancy</b>	DCFO

Current Members involved as Member Leads: Fawthrop, Heaps, Healy, Howson, Living's, Ost, Rufus, Scott, Sparks, Thomas, Waite: 11 out of 18. 4 vacancies.

(Councillors Carden, Kenward, Pidgeon, Powell, Summers, Theobald and Tidy not appointed)

## Appendix B

<b>Directorate</b>	<b>Lead Member</b>	<b>Lead Principal Officer</b>
Response & Resilience Prevention & Protection	To be confirmed	DCFO Gary Walsh
Equality & Diversity	To be confirmed	DCFO Gary Walsh and ACO Cheryl Rolph
People and Organisational Development (to include Staff and Member Development)	To be confirmed	ACO Cheryl Rolph
Support Services to include Environmental and Sustainability	To be confirmed	ACFO Gary Ferrand
Sussex Control Centre	To be confirmed	ACO Cheryl Rolph

**EAST SUSSEX FIRE AUTHORITY**

Panel: **Scrutiny & Audit**

Date: **11 July 2013**

Title: **Corporate Risk Register Review 1<sup>st</sup> Quarter**

By: **Chief Fire Officer & Chief Executive**

Purpose of Report: **To report on the latest quarterly review of Corporate Risk and agree outcomes**

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**RECOMMENDATION:** The Panel is asked to approve the latest update to the Corporate Risk Register.

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**MAIN ISSUES**

1. Our established Corporate Risk Management Policy helps to ensure Corporate Governance risk management arrangements are maintained. The effective monitoring of strategic risks remains a critical function to support the wider governance arrangements.
2. Reviews of corporate risk take place on a quarterly basis. The latest series of meetings with Corporate Risk Owners was carried out during June 2013 to update risk management action plans and review the position of each risk. The outcomes were considered by CMT at its June meeting. The Panel is asked to note that all risk management action plans have been updated following individual reviews for each risk owner to monitor and review each action plan in line with Service key task areas and other service delivery objectives.
3. In summary, and subject to the Panel's approval of this report:
  - i. 0 risks are proposed for removal.
  - ii. 0 risks are proposed to be reduced in Risk Score
  - iii. 0 risks are proposed to be enhanced from Below the Line to Above the Line.  
Some other risks have heightened, but are not considered to warrant an enhancement to a higher level.
  - iv. 1 new risk is proposed for approval. Risk no.45 ESMCP- Failure to implement economic, efficient and resilient solution to replace the current Firelink provision before 2016.
  - vi. 5 existing risks would remain 'Above the Line' – i.e. of more significant strategic risk and considered by this Panel.
  - vii. 15 risks would remain 'Below the Line' – i.e. of less significant strategic risk and considered by Corporate Management Team.
4. Appendix A provides a latest summary of risks and proposed changes (highlighted) since the last review (CMT April 2013).

**Des Prichard**  
**CHIEF FIRE OFFICER & CHIEF EXECUTIVE**  
18 June 2013

## Appendix A

### CORPORATE RISK REGISTER for approval by S & A Panel April 2013

**With any changes highlighted.** (There are no changes to risk ratings for the 1<sup>st</sup> quarter)

Likelihood ↑	A					<b>Likelihood:</b> A Very high B High C Significant D Low E Very low F Almost impossible  <b>Impact:</b> I Catastrophic II Critical III Marginal IV Negligible	
	B						
	C		31,34,42		5,10,35, 37, 41		
	D		4,6,11,24,		7,12,13,15, 16,19,39,40,		
	E						
	F						
		IV	III	II	I		
	Impact →						

	"Above the line" Risks	PO Lead	Risk Status	Impact of April 2013 Review	Impact of June 2013 Review
5	Significant IT Failure	ACFO	CII	No change to risk rating	No change to risk rating
10	Achieving Corporate Aims & Objectives in current Financial Climate	CFO&CE	CII	No change to risk rating	No change to risk rating
35	Sussex Control Centre project with WSFRS.	ACO(SCC)	CII	No change to risk rating	No change to risk rating.
37	Managing the strategic resourcing gap	CFO&CE	CII	No change to risk rating	No change to risk rating
41	Future Industrial Action	DCFO	CII	No change to risk rating	No change to risk rating
45	End of Airwave Contract	DCFO	DII		New Risk

'Below the line' Risks		PO Lead	Risk Status	Impact of April 2013 Review	Impact of June 2013 Review
4	Ineffective partnership working	DCFO	DIII	No change to risk rating	No change to risk rating
6	Operational incident performance below agreed standards	DCFO	DIII	No change to risk rating	No change to risk rating
7	Effective internal communications	ACO	DII	No change to risk rating	No change to risk rating
11	Failure to deal with key performance / competence issues	DCFO	DIII	No change to risk rating	No change to risk rating
12	South East Fire Improvement Board	CFO&CE	DII	No change to risk rating	No change to risk rating
13	IRMP outcomes not being accepted by staff	DCFO	DII	No change to risk rating	No change to risk rating
15	Risk of failing to defend claim for compensation	ACFO	DII	No change to risk rating	No change to risk rating
16	Cost of pension scheme rise disproportionately to revenue settlement	Treasurer	DII	No change to risk rating	No change to risk rating
19	Corporate Capacity	DCFO	DII	No change to risk rating	No change to risk rating
24	Legislation	CFO&CE	DIII	No change to risk rating	No change to risk rating
31	Pandemic Outbreak	DCFO	CIII	No change to risk rating	No change to risk rating
34	Sustained adverse/extreme/ abnormal weather	DCFO	CIII	No change to risk rating	No change to risk rating
39	Member Training on strategic issues including risk management	CFO&CE Change PO Lead to ACO	DII	No change to risk rating	No change to risk rating
40	Occupational Road Risk	ACFO	DII	No change to risk rating	No change to risk rating
42	Protect Security work streams aimed at the vulnerability to terrorism and reduce the risk of information loss or misuse information owned or managed by ESFRS	ACFO	CIII	No change to risk rating	No change to risk rating



**EAST SUSSEX FIRE AUTHORITY**

Panel: **Scrutiny & Audit**

Date: **11 July 2013**

Title: **Environmental Issues – progress update – year 2012/13**

By: **Councillor Sven Rufus, Member Lead for Environmental issues**

Purpose of Report: **To advise the Panel on behalf of the Fire Authority on the activities to reduce energy consumption.**

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**RECOMMENDATION:** The Panel is asked to note the outturn for 2012/13 and the related improvements since the last annual update.

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**MAIN ISSUES**

1. This report builds upon the work and activities undertaken over a number of years (starting with the Carbon Trust report of 2004/05), and as such advises on the progress made since the Scrutiny & Audit Panel approved the last half yearly update in 2012.
2. This report includes an update on the use of fleet fuel and mileage, heating fuels (oil and gas), electricity, waste and water.
3. For the energy consumption elements of this report, the application of the 2012 Department for Energy & Climate Change (DECC) guidelines for converting consumption and waste into CO<sub>2</sub> tonnage has resulted in an accurate and comparative report to the Panel.
4. The broad environmental performance is set out within the report under section 3 with a more detailed view of the main factors being measured within the appendix. For those areas measured the Authority is showing substantial reductions which exceed the Authority's climate change indicator – to achieve a 3.5% annual reduction in CO<sub>2</sub> emissions.



5. As always there are areas for improvement and these have been included within the forward look section of the report.

**Councillor Sven Rufus**

**MEMBER LEAD FOR ENVIRONMENTAL ISSUES**

17 June 2013

**Background Papers**

S&A Agenda item 786 - Environmental Issues - progress update (May 2012)

S&A Agenda item 737 - Environmental Issues - progress update (November 2011)

S&A Agenda item 642 - Environmental Issues - progress update (November 2010)

P&R Agenda item 562 - Environmental Issues - progress update (November 2009)

The Assessment of Energy Savings Opportunities Report compiled by the Carbon Trust

Carbon Trust Survey of East Sussex Fire Authority Premises - item 264 (September 2008)

## 1. **INTRODUCTION**

- 1.1 The Fire Authority is fully committed to achieving the challenges in respect to Climate Change, and this has been reflected with the approval of an Authority indicator (to achieve an annual 3.5% reduction in CO<sub>2</sub> emissions). With the recent improvements to the fleet and property, as well as the Member Lead and the Environmental Employee Group (setting an early action plan) the Authority's objective to reduce its carbon footprint in line with the target indicator is becoming more likely.
- 1.2 The 2012 Guidelines to DECC's Greenhouse Gas (GHG) Conversion Factors for Company Reporting have been used to produce this report, these factors represent the current official set of government emissions factors. This method offers a consistent and widely used solution to compare year on year energy usage, and is used widely across public and private sector organisations.
- 1.3 This report provides an update on the 2012/13 reporting year, on the progress in respect to the carbon footprint and references certain business activities that will continue to impact, and in many areas improve, on environmental efficiency.

## 2. **HEADLINE POINTS FROM ENVIRONMENTAL ACHIEVEMENTS IN 2011/12**

- 2.1 The Panel have previously been updated in regard to the numerous energy improvements made since the first Carbon Trust survey in 2004. Over the period since the survey, there have been further projects delivered, but these have been smaller in both scale and financial cost. Improvements to property and fleet during 2012/13 include:
  - a) Installation of photo-voltaic, solar hot water panels and LED lighting at Crowborough fire station;
  - b) Further installations of Passive Infra Red (PIR) motion detectors for lighting controls (at Roedean, Herstmonceux, Lewes and SHQ). These devices prevent lights being left on when not in use;
  - c) Programmed installations of cistern controls to urinals to conserve water;
  - d) Installation of heat recovery units to new drying rooms at selected stations;
  - e) Timer controls installed to ventilation fans;
  - f) The procurement of a further 2 front line appliances with Euro5 engines to replace older appliances with Euro3 engines;
  - g) Pool car use has been introduced at HQ and a number of strategic locations across the service to reduce the grey fleet mileage (shown as 'car allowance' in the out-turn report – see appendix);
  - h) Increase in the number of 'eco tec' (Vauxhall Corsa) light vehicles with the first sub-100g (88g) stop start engine - delivered June 2013; and
  - i) Installation of energy efficient printers – Canon being the successful supplier of multi-function devices and the new contract has resulted in ultra-efficient printers being rolled out across the Service, with the ability to utilise recycled paper for the first time.

2.2 The future works planned to commence during 2013/14 will focus on improving information regarding recycling – the estates team are in discussion with the waste contractor in this regard. We intend to maximise the use of renewable energy as a means of further reducing our energy usage; the Newhaven Fire Station design project will seek to include the provision for one or more renewable energy options on site.

Further work will include:

- Commissioning of an energy audit – this will review existing systems and building characteristics, to identify a range of energy efficiency measures across the ESFRS building stock.
- Trial of wholly recycled grey paper (formerly household waste) for use with the new printers.
- Light vehicle fleet review – by an independent transport specialist.
- Introduction of two Euro 6 appliances<sup>2</sup> into the fleet.

2.3 The energy audit will provide a range of low value – high impact measures together with more involved extensive installations such as photovoltaic (PV) panels, Solar Hot Water Heating, LED lighting and voltage optimisation. Officers will use the findings from this study to inform and develop an Energy Reduction Policy which will recommend a future programme of investment. This will ensure that we set realistic and affordable reduction measures for individual sites and continue to deliver energy saving measures into the future.

### 3. **PERFORMANCE**

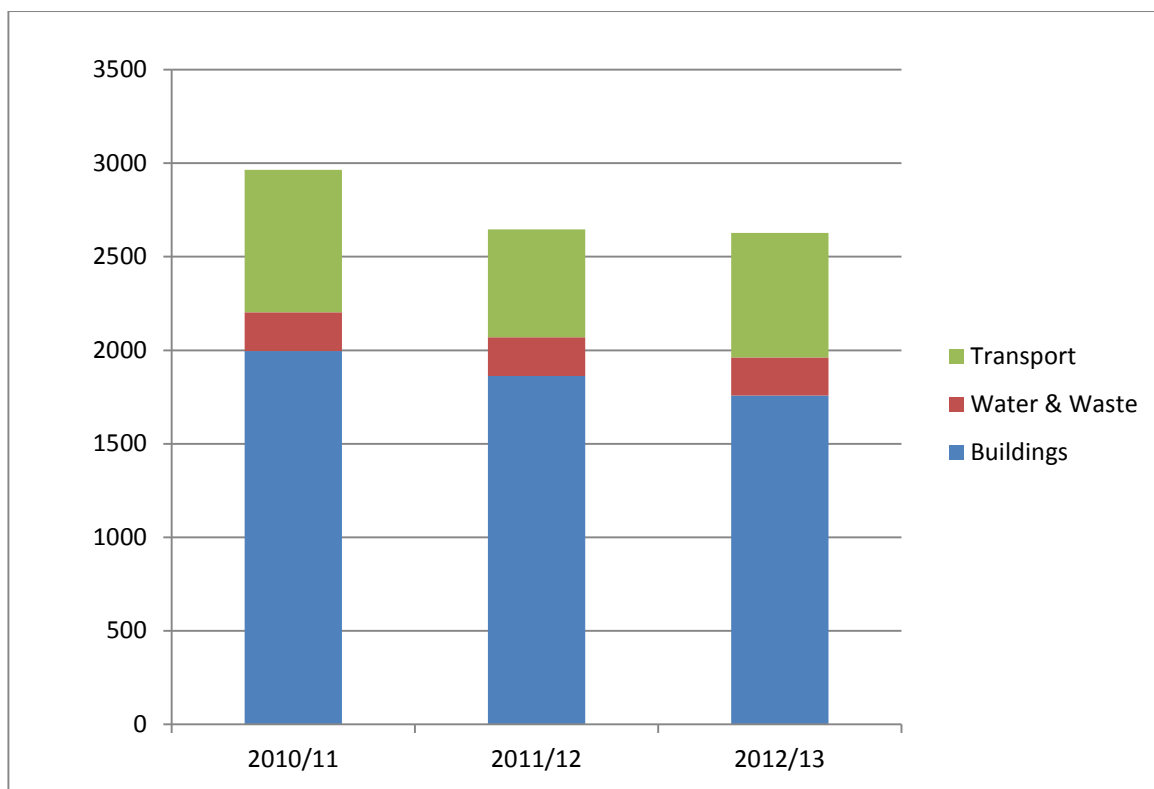
3.1 In overall terms, ESFRS spends an estimated £0.6m per annum on energy. Although consumption is the energy costs are increasing year on year and therefore smarter measures are needed if we are to significantly reduce cost, and the whole Service has to be more aware of the measures needed to reduce the carbon footprint of the organisation and achieve the Authority's performance target.

3.2 For the fourth consecutive year, the Authority is able to report its green performance by using the DEFRA Conversion Factors. This new template makes it easier for officers to convert more accurately the energy consumption into CO2 tonnage.

The table below shows a 'like-for-like' comparison when applying the DECC 2012 conversion factors:

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<sup>2</sup> Euro 6 - compared with the previous standard, Euro 6 mainly targets two types of emissions: nitrogen oxides (NO<sub>x</sub>) and particulate matter (PM). The limits are far stricter than the previous Euro 5 and older engines. A Diesel Particulate Filter (DPF) is needed to capture the smallest particulates. Euro 6 becomes mandatory for all new heavy trucks from 1 January, 2014.

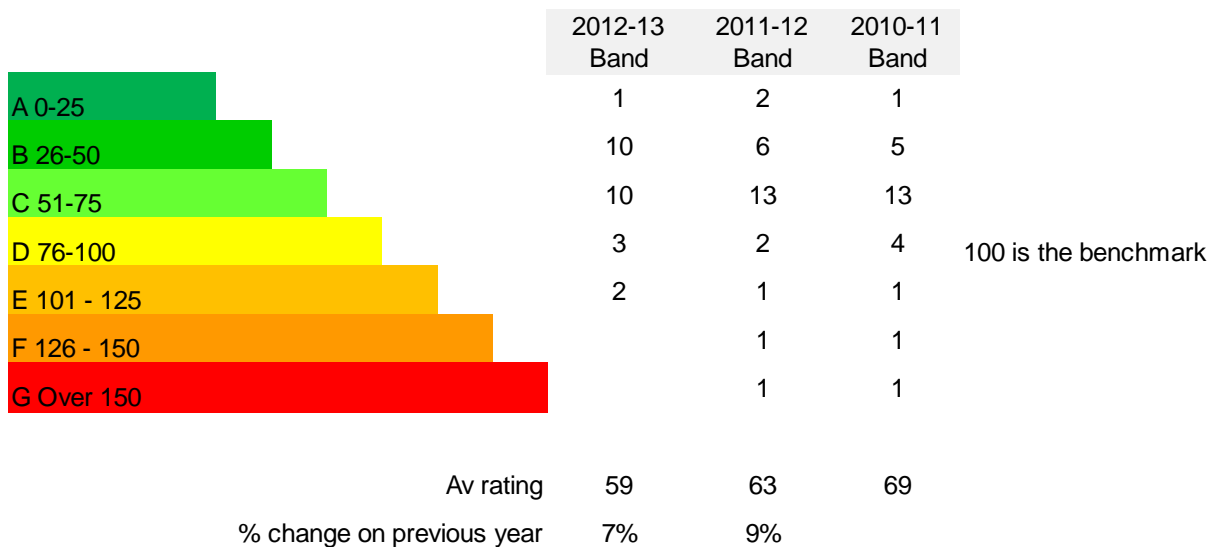


This table shows that the Authority is exceeding its own performance indicator 'To achieve a 3.5% reduction in CO2 emissions', this annual target has now been reduced by more than 10% over the last 2 reporting years.

### 3.3 **Buildings**

3.3.1 Buildings account for 70 per cent of all our emissions. Appendix 1 shows the carbon footprint for all buildings, as well as the fleet, waste and water.

3.3.2 The Service has 'energy display' certificates for all 26 sites under the Energy Performance of Buildings Directive (DECs) – although this is not a mandatory requirement for all buildings (applicable only to public buildings in excess of 1000m<sup>2</sup>). Display Energy Certificates (DEC) present the energy efficiency of buildings on a scale of A to G. The most efficient buildings – which should have the lowest fuel bills – are in band A, whereas the least efficient in respect to energy performance are in band G.



3.3.3 ESFRS building performance rating was first surveyed in 2009/10, and it is encouraging that the re-assessment of buildings during 2012/13 (undertaken by an independent contractor ‘Energy Team’) resulted in improvements to the DEC ratings. Where in 2009/10 nine sites fell below the ‘100’ mark, continual improvement has led to only two falling below the national benchmark. These two poor performing sites (SHQ and STC) will be our focus for reducing energy consumption. Significantly, as a result of targeted planned investment, the graph clearly shows where poorly performing premises have been improved and as a result moved up in the performance rating.

#### 3.4 **Information Management**

3.4.1 The upgrade of the Network bandwidth (2011/12) has led to the replacement of the Citrix Server technology with Desktop PCs, which are essential to improve speed and accessibility to networked applications and business intelligence systems. Thin Clients did offer high percentage energy savings when compared to the older desktop PCs they replaced, however, the latest PCs that have been installed are highly energy efficient with recycling of many of the integral components.

3.4.2 Virtualisation of internally hosted servers is increasing as it has the potential to reduce energy costs and consumption by up to 80%. Most servers and desktops today are in use only 5-15% of the time that they are powered on, yet most hardware consumes a high percentage of the normal power loading, even when idle. The Servers at SHQ are now able to operate at higher temperatures with no adverse effect resulting in lower energy output overall – largely caused by less dependency on air conditioning.

3.4.3 The recycling of computer hardware (by Computer Aid International) and toner cartridges (by The Fire Fighters Charity) continues to reduce the amount of waste entering landfill. Importantly, the charities that re-use or recycle these items ensure that all items either recover cost on behalf of the charity or go to a new home. Computer Aid is one such beneficiary, and they provide only the highest quality, professionally refurbished computers and laptops for reuse in education, health, agriculture in developing countries.

3.4.4 Current replacement of our Multi-Functional Devices (MFD / Printers) with more energy efficient units across the entire estate will offer considerable energy savings. The on-demand technology allows the devices to power up quickly whilst saving energy at the same time. The unit protects against unnecessary energy wastage, incorporating automatic timers that can shut down devices when idle or at the end of the working day or week. Typical Electricity Consumption (TEC) ratings means that 'sleep mode' reduces consumption to as little as 1W. Paper consumption has been reduced with the implementation of double sided printing as a standard. Secure printing is being implemented from July 2013 which means documents can be held until users are ready to collect – preventing wastage caused by forgotten print jobs.

### 3.5 **Fleet**

3.5.1 Currently, we have a fleet of 176 vehicles, which collectively travel slightly less than 1 million miles per year. The nature of much of our Service, as an emergency responder, means that our first priority is to minimise the risks, and social and economic costs caused by incidents. As a result, transport options for operational requirements are limited. Despite this, we have made a number of improvements to our fleet and continue to reduce unnecessary fleet mileage.

3.5.2 The Authority's Capital Programme determined that for years 2011/12 and 2012/13 there would be a suspension of new light vehicle purchasing thereby extending the replacement programme from 5 to 7 years acknowledging that vehicle maintenance demands are less nowadays than in years gone by. The consequent disposal volume minimises the Service's impact on the environment caused by vehicle disposal.

3.5.3 The red fleet out-turn for Green House Gases has been calculated using the volume of diesel dispensed at ESFRS fuel tanks in addition to the amount purchased from local petrol filling stations. The records allow us to convert the litres with some accuracy into GHG. This year's calculations show a red fleet Greenhouse Gas increase of 18% compared to the previous year.

3.5.4 The grey fleet (staff using their own vehicle for business journeys) is calculated with less accuracy as this relies on the mileage returns submitted as part of the individual travelling expenses claim forms. This is widely known to convert approximately to GHG using the DECC conversion table. There is no other means of measuring the grey fleet as vehicles are not owned or under the control of ESFRS. Notwithstanding this, the GHG out-turn for grey fleet vehicles reduced by 10% compared to the previous year – in a small way this off-set the increase in the red fleet.

3.5.5 The increase in red fleet mileage is a slight concern and appears to have been caused by reducing grey fleet mileage – which consequently means more mileage undertaken in the light vehicle fleet, due to the success of the pool car provision.

3.5.6 Steps are already underway to strengthen the 'pool vehicle' provision beyond the initial sites. This will reduce those occasions when staff need to use their own vehicle

for business use because a 'red' fleet vehicle is not available. There are additional risks with grey fleet usage and these relate to the Service accepting the health and safety risk of the driver and passenger(s) whilst they drive in their own vehicle – for which we have little control.

- 3.5.7 The forthcoming light vehicle fleet review will make recommendations on the number, disposition and efficiency of the light vehicle fleet, with a view to rationalising Service vehicles and mileage, and ultimately minimising or eradicating grey fleet mileage.
- 3.5.8 A further ICT innovation to add desktop video-conferencing facilities for selected officers will negate the need to travel to remote sites, thereby reducing mileage and time lost to travelling.

#### 4. **WASTE**

- 4.1 The current waste contract was awarded in 2011/12. ESFRS now have recycling provision at all sites. In addition there are battery recycling bins situated at all ESFRS sites – this is a free service and ensures that the c.9000 batteries procured annually by the Service can be safely disposed or recycled through arrangements with a specialist contractor.
- 4.2 Further work needs to be undertaken with the waste contractor to improve accuracy of data in respect of the quantity of landfill and recyclable waste collected. Currently, this is reported on an 'estimated expected weight' as opposed to 'actual collected'. The likely effect of this is that the amount of waste generated by the Service is overstated.

#### 5. **WATER**

- 5.1 We continue our work with the water regulator to reduce the impacts of our use of fire fighting foam and training foam, and improve the efficiency of foam use at incidents and its disposal. The water used for fire fighting is not metered and therefore not included within this report.
- 5.2 Significant improvements have been made to our auditing processes and the early identification of potential leaks or unusually high consumption against historical data is reported in quick time. Together with continued installation of water saving devices our consumption has dramatically reduced by almost 50% from 10,584 m<sup>3</sup> in 2011/12 down to just 5,488 m<sup>3</sup> in 2012/13. It is noted that there was a significant leak at one site during the 2011/12 reporting year, however even discounting this factor there has been significant improvement.
- 5.3 Following discussions with East Sussex County Council, the Service has signed a new Energy Management agreement for 2013/14 to extend their services to encompass water management. Under this agreement, apart from the procurement of utilities under a framework arrangement, ESCC will provide invoice checking, recording of usage (for all energy within buildings) and exception reporting, which allows us to identify any unusual consumption rates early on and take remedial action.

#### 6. **PROCUREMENT**

- 6.1 Last year the Procurement function completed the 'Hippo Box' roll-out to all Retained Stations, who now have a Hippo Delivery Box<sup>3</sup> on site.
- 6.2 Paper is a substantial consumable for the Service and the Authority, the current paper supply amounts to £1.95<sup>4</sup> per ream and the 'grey paper (Steinbeis Classic) amounts to £1.89 per ream. Based on our annual usage, the use of grey paper would amount to a saving of £525 per annum. Although not a significant cost saving the environmental impact of this change to recycled paper will be significant.
- 6.3 We currently use non-recycled, 'virgin' paper, whereas 'grey paper' is made from 100% household waste and on current HQ usage, by switching, ESFRS would also make a direct contribution to the environment by saving per annum:
- 165, 152 litres water
  - 33,904 kWh power
  - 15,600 kg trees

## 7. **FEED IN TARIFFS**

- 7.1 Members have previously approved the inclusion of renewable energy to the capital programme as an invest-to-save option across targeted properties within the estate. Since that decision, the Feed-in-Tariffs (FIT) were reduced significantly for commercial buildings.
- 7.2 The government felt that the FIT was too generous as the price of solar panels had fallen by more than 40% in 2012 alone. For this reason, the government decided to drastically reduce the Feed In Tariff payments to both domestic households and commercial properties.
- 7.3 The kind of organisations falling into the description of 'commercial' are schools, hospitals, offices, town halls and local government and council buildings, etc. Even though the FIT rate gets reduced for larger installations (over 50 kwh), the savings made on energy bills tend to be higher because the amount of energy that commercial buildings consume is greater.
- 7.4 Most commercial buildings use the bulk of their energy during daylight hours so would benefit in particular from using solar power. On average, a public sector organisation can expect to return approximately 13p per KWH, depending on the size of the system, from the feed-in-tariff. Although this has reduced by approximately 40% it offers some return on the investment through the FIT payment. Essentially, the likely reduction in energy consumption per site should remain the driver for installations such as solar PV, solar hot water and the like. Consequently, a business case will be undertaken taking account of the FIT return and the expected energy reductions for each site – the energy audit will make recommendations for the suitability of renewable energy on a site-by-site basis.
- 7.5 Taking the Crowborough installation as an example, the computer simulations have shown that the Solar PV system will produce 7700 KWp (Kilo Watt peak; this is the

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<sup>3</sup> These boxes are supplied with a unique barcode, which fits inside the door, allowing delivery drivers to scan the barcode or record the number to obtain a 'signature' as proof of delivery. ESFRS places orders for consumables monthly. Previously delivery companies could visit a Retained Station up to 3 times per week just to attempt a delivery and secure a signature. Now we have one successful delivery per month, thus reducing our carbon footprint.

<sup>4</sup> Subject to an imminent RPI increase under the Consortium Contract, which will take it to approx £2.00



maximum potential at optimal conditions). With this potential and the resultant savings, in addition to the current FIT income (approximately 13p per KWH), the system is estimated to pay back in 5-6 years. The panels have a life in excess of 35 years and require no maintenance. The inverters may have to be replaced once in that period, but that is a simple procedure.

7.6 The financial modelling undertaken for the entire Crowborough site takes into account, energy purchase savings from the energy produced by the PV and solar thermal systems; the FIT income, life span of the equipment; RPI and inflation of energy prices. Although this is somewhat conceptual and needs to be proven, on the face of it, there seems to be compelling financial reasons for installing renewable energy on new or refurbished fire stations.

## 8. **FORWARD LOOK**

8.1 In order to sustain and improve the achievements of previous years the Service has planned the following work for 2013/14;

- a) Complete the renewable energy scheme at Crowborough Fire Station.
- b) Strengthen the 'pool car' scheme to reduce the business miles undertaken by the grey fleet.
- c) Despite installing new printers across the Service the aim is to reduce paper and ink usage across all sites by promoting mobile technology for corporate meetings.
- d) Improve local energy monitoring and manage the performance of local sites to reduce energy costs and consumption.
- e) Improve waste reporting by working with waste contractor.
- f) Complete the light vehicle fleet review.
- g) Complete an energy audit for all ESFRS sites.

## 9. **CONCLUSION**

9.1 The previous outturn report to Members for 2011/12 has been compared using the same DECC conversion factors for 2012. This has resulted in a disappointing overall increase in fuel used in the red fleet, to slightly offset this increase there was a grey fleet reduction in GHG of 10%. And whilst waste showed a marginal reduction the out-turn for water shows a substantial reduction of 50% - caused largely by the installation of water minimisation measures and the substantial leak in the previous year. There have been healthy reductions in energy, notably heating oil, LPG and electricity.

9.2 This report concludes an overall GHG reduction for the Service which is greater than 10% when compared to 2010/11.

## APPENDIX 1

<b>Buildings</b>						Based on Direct Factors
<u>ELECTRICITY</u>						
	ELECTRICITY	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>	<b>2012/13</b>	
DEFRA CALCULATOR TABLE 3C	AMOUNT USED KWH	<b>2,451,357</b>	<b>2,435,338</b>	<b>2,304,937</b>	<b>2,190,273</b>	
	CONVERSION UNIT	0.54	0.54	0.5246	0.52037	
	GHG KG	<b>1,331,160</b>	<b>1,322,462</b>	<b>1,209,170</b>	<b>1,139,752</b>	
			-1%	-9%	-6%	
<u>GAS</u>						
	GAS					
DEFRA CALCULATOR TABLE 1C	AMOUNT USED Kwh	<b>3,819,912</b>	<b>3,050,961</b>	<b>2,695,257</b>	<b>2,660,556</b>	
	CONVERSION UNIT	0.20	0.20	0.18322	0.2055	
	GHG KG	<b>778,269</b>	<b>621,603</b>	<b>493,825</b>	<b>546,744</b>	
			-20%	-21%	11%	
<u>HEATING OIL</u>						
	HEATING OIL					
DEFRA CALCULATOR TABLE 1A	LITRES USED	<b>25,580</b>	<b>34,000</b>	<b>37,558</b>	<b>23,394</b>	
	CONVERSION UNIT	2.53	2.53	2.5299	2.5443	
	GHG KG	<b>64,766</b>	<b>86,085</b>	<b>95,018</b>	<b>59,521</b>	
			33%	10%	-37%	
<u>DIESEL FOR GENERATORS</u>						
	LITRES USED	<b>917</b>	<b>917</b>	<b>917</b>	<b>900</b>	
DEFRA CALCULATOR TABLE 1B	CONVERSION UNIT	2.5299	2.5299	2.5299	2.5835	
	GHG KG	<b>2,320</b>	<b>2,320</b>	<b>2,320</b>	<b>2,325</b>	
			0%	0%	0%	
<u>LPG</u>						
	LITRES USED	<b>8,000</b>	<b>8,000</b>	<b>7,586</b>	<b>5,993</b>	
DEFRA CALCULATOR TABLE 1B	CONVERSION UNIT	1.4884	1.4884	1.4884	1.5326	
	GHG KG	<b>11,907</b>	<b>11,907</b>	<b>11,291</b>	<b>9,185</b>	
			0%	-5%	-19%	
	<b>Total GHG KG</b>	<b>2,188,422</b>	<b>2,044,376</b>	<b>1,811,624</b>	<b>1,757,528</b>	
<b>Buildings</b>	<b>Total GHG Tonnes</b>	<b>2,188</b>	<b>2,044</b>	<b>1,812</b>	<b>1,758</b>	
			-7%	-11%	-3%	

Water & Waste					
<b>WATER AND WASTE WATER</b>					
DEFRA CALCULATOR TABLE 9D	WATER USED	8,148	7,705	10,584	5,488
	WATER CONVERSION UNIT	0.28	0.30	0.34	0.34
	GHG KG	2,249	2,312	3,598	1,866
	WASTE WATER USED	8,148	7,705	10,584	5,207
	WASTE WATER CONV. UNIT	0.69	0.75	0.70	0.70
	GHG KG	5,647	5,779	7,408	3,645
	<b>TOTAL WATER GHG KG</b>	<b>7,895</b>	<b>8,090</b>	<b>11,007</b>	<b>5,511</b>
			2%	36%	-50%
<b>WASTE AND RECYCLING</b>					
<b>WASTE TO LANDFILL</b>					
	VOLUME OF WASTE COLLECTED (T)			84.89	86.20
	LANDFILL CONVERSION UNIT/TONNE			1,613	1,613
	GHG KG			136,928	139,041
<b>RECYCLED WASTE</b>					
	VOLUME OF RECYCLED WASTE (T)			62.20	61.80
	RECYCLING CONV. UNIT/TONNE			955	955
	GHG KG			59,401	59,019
	<b>TOTAL GHG KG</b>	<b>200,000</b>	<b>200,000</b>	<b>196,329</b>	<b>198,060</b>
			0%	-2%	1%
<b>Water &amp; Waste</b>	<b>Total GHG Tonnes</b>	<b>208</b>	<b>208</b>	<b>207</b>	<b>204</b>
			0%	0%	-2%

Transport						Direct Factors
<b>DIESEL OIL</b>						
		<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>	<b>2012/13</b>	
DEFRA CALCULATOR TABLE 1A	DIESEL PROCURED /LITRE AVERAGE		0.90		1.17	
	ANNUAL COST		278,597		289,722	
	LITRES USED		278,598	210,696	246,213	
	CONVERSION UNIT		2.64	2.553	2.5835	
			<b>735,247.72</b>	<b>537,906.89</b>	<b>636,091.29</b>	
				-27%	18%	
<b>CAR ALLOWANCES</b>						
DEFRA CALCULATOR TABLE 6E	CAR ALLOWANCES AVERAGE 50P/MILE					
	MILEAGE IN YEAR					
	MILES IN YEAR		131,872	99,737	93,833	
	CONVERSION UNIT		0.33	0.32721	0.31332	
		<b>43,044.34</b>	<b>32,634.94</b>	<b>29,399.76</b>		
	<b>Total GHG KG</b>		<b>778,292</b>	<b>570,542</b>	<b>665,491</b>	
				-27%	17%	
<b>Transport</b>	<b>Total GHG Tonnes</b>		<b>778</b>	<b>571</b>	<b>665</b>	
				-27%	17%	
<b>Combined Total</b>	<b>Total GHG Tonnes</b>	<b>2,396</b>	<b>3,031</b>	<b>2,590</b>	<b>2,627</b>	
				-15%	1%	

**EAST SUSSEX FIRE AUTHORITY**

Panel: **Scrutiny & Audit**

Date: **11 July 2013**

Title of Report: **2012/13 4<sup>th</sup> Quarter Performance Results**

By: **Chief Fire Officer & Chief Executive**

Purpose of report: **To present the fourth quarter performance indicator results for 2012/13.**

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**RECOMMENDATION:** The Panel is asked to:

- i. note the 2012/13 performance results for Quarter 4 available to date, as set out in the report and complementary separate Appendix A; and
  - ii. consider the information included within the exceptions report set out as Appendix B.
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**MAIN ISSUES**

1. This report contains the Quarter 4 performance indicator results for 2012/13, compared with the results for the same quarter in 2011/12.
2. In terms of the overall performance for 2012/13, of the Fire Authority's priority areas, 2 have met their targets and 2 are within 10% of achieving their targets and 1 has missed its target. The main performance outcome summary is set out in Appendix A attached as a separate document, with an exceptions report set out as Appendix B.
3. The Panel is reminded that our strategic performance indicator targets continue to expect performance improvement across the entire Service. However, in many areas, it is also accepted that both the rate and scope of future improvement is slowing, and some of our targets for 2012/13 and the future trends reflect this position. In some areas, performance improvement will prove ever harder to achieve without smarter targeting of risk and community need. This is where the Service is striving to ensure all available information and tools at our disposal achieve even tighter targeting of services to the most vulnerable in our local communities in future years.
4. The report provides a simple Red, Amber, Green traffic light system. Where particular indicators show two or more reds, Appendix B summarises the explanations from the relevant responsible officers in relation to the variances in performance and a commentary on the actions needed to address the current downturn.

5. The Panel is asked to note that, at its request, additional indicators in relation to automatic fire alarms (AFAs) have been included in the quarterly performance report to negate the need for a separate report on AFAs on the agenda. Information is now provided on the percentage of AFA calls that were challenged by ESFRS, the percentage of AFA calls that were turned back by ESFRS and the percentage of AFA mobilised calls to properties covered by the Regulatory Reform Order that were then classified as a primary fire.
6. The Panel is asked to note that at the time of preparing this report data was not yet available for the following indicators:
  6. Expenditure per head of population,
  31. Affordable community safety services,
  34. To achieve a 3.5% reduction in CO2 and greenhouse gas emissions.

This information will be available for the Scrutiny & Audit Panel in July.

**Des Prichard**  
**CHIEF FIRE OFFICER & CHIEF EXECUTIVE**  
22 April 2013

## EXCEPTIONS REPORT – QUARTER 4 2012/13

Indicator	Commentary	Actions to be taken	Responsible Officer
<b>2. No of accidental dwelling fires (ADFs)</b>	There were 167 ADFs in quarter 4 giving a year end result of 557, which is within 10% of the target. However, there were 21 more ADFs this quarter compared to the same period last year.	As has been reported previously, performance is beginning to plateau in accidental dwelling fires. Boroughs are undertaking a range of initiatives to try to address this. For example, Eastbourne launched 'Operation Lifesavers 2013' which encouraged people to fit smoke alarms and then enter their details into a prize draw. 300 plus people entered the competition and are safer as a result. Research shows most of these fires are 'No fire fighting action' showing our message 'get out, stay out, call us out' is working. The biggest rise is in the Hastings area and more work is being undertaken to accurately establish the reasons for this. Also it is not clear what role the extended period of cold weather has had on the number of accidental dwelling fires.	Director of Response and Resilience
<b>16. Inspections of high risk premises completed</b>	There were 126 Audits completed in quarter 4. This gives a year end result of 681 against a target of 700 which is within 10%. However, compared to the same period last year we are 39 audits down.	The implementation of the new fire safety database slowed progress in the number of audits carried out due to parallel running of the two systems and the increase in data entry for the staff involved.	Director of Prevention and Protection
<b>26. Retained (RDS) female fire fighters as new entrants</b>	Of 13 newly appointed RDS fire fighters in 2012/13 none were female.	Twenty females applied during 2012/13 from a total of 250 applicants. Four will be taking written tests in May, one is scheduled to be interviewed in June and a further two will be attending physical tests in July. This will hopefully be an improving situation for 2013/14.	Head of HR
<b>5. The no. of working days/shifts lost to sickness</b>	There were 2.4 work days / shifts lost due to sickness during quarter 4. This gives a year end result of 8.4 work days / shifts against a target of 7.5. This is a slight improvement on the 2011/12 result which was 8.5 work days / shifts lost due to sickness.	With the introduction of Firewatch and the availability of flexible management reporting and improved HR metrics, sickness management will be easier to monitor and therefore control in future. This combined with a robust use of the Attendance Management Policy should start to improve the situation for 2013/14.	Head of HR



**EAST SUSSEX FIRE AUTHORITY**

Panel: **Scrutiny & Audit**  
 Date: **11 July 2013**  
 Title: **2012/13 Key Task Areas and Corporate Projects – 4th quarter outturn results**  
 By: **Chief Fire Officer & Chief Executive**  
 Purpose of Report: **To present the 2012/13 4th quarter outturn results on our corporate Key Task Areas and Projects.**

**RECOMMENDATION:** The Panel is asked to note the corporate progress made during 4th Quarter 2012/13 and within the context of all the other organisational work priorities being undertaken.

**MAIN ISSUES**

1. In September 2011, Corporate Management Team agreed to streamline reporting processes by reporting on Key Task Areas and Corporate Projects through the Interplan system. Accordingly Appendix A, attached as a separate document, contains the 4th quarter results for 2012/13 at a strategic summary level.
2. Of the 27 projects identified in the Appendix, in terms of compliance with expected project completion timescales, the table below summarises the outcomes both in terms of actual progress in accordance with planned progress (timeliness) and success of progress in terms of outcomes.

	<b>Total No of projects</b>	<b>25% or under</b>	<b>26% to 50%</b>	<b>51% to 75%</b>	<b>76% to 99%</b>	<b>Completed</b>
<b>Key Task Areas</b>	15	2	3	1	4	5
		a) Sussex Control Centre (Recorded at 8%; progress reported separately to ESFA) b) Newhaven Fire Stn	All as expected apart from KTA 3 Charging for AFAs which is delayed until outcome of Government Bill – remains 35% complete.			
		2	3	1	2	4
<b>Other Corporate projects which are critical to organisational effectiveness improvements</b>	12	Later phases – on track	All as expected apart from some functionality issues with Fireground Radios which are being resolved.			



3. Project Managers have included relevant comments on qualitative progress with their respective projects which are 'SMART' (Specific, Measurable, Achievable, Relevant and Timely).
4. The Appendix to this report also summarises the relevant information provided by the Project Managers concerned in relation to whether a project is slipping, static or progressing to schedule.

**Des Prichard**  
**CHIEF FIRE OFFICER & CHIEF EXECUTIVE**  
30 May 2013

**EAST SUSSEX FIRE AUTHORITY**

**Panel:** Scrutiny & Audit

**Date:** 11 July 2013

**Title:** Rural Review recommendation 8 (maintaining availability at Mayfield, Burwash and Herstmonceux Fire Stations)

**By:** Chief Fire Officer & Chief Executive

**Purpose of Report:** To apprise the Panel of the outcome of Rural Review recommendation 8, regarding maintenance of availability at Mayfield, Burwash and Herstmonceux Fire Stations

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**RECOMMENDATION:** The Panel is asked to note the success of the current recruitment efforts as appliance availability has improved across all three stations.

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**MAIN ISSUES**

1. The Rural Review analysis highlighted the low call rate and low risk areas of these stations.
2. Following public consultation, the original recommendation (that the appliances at these three fire stations be available during the evening/night time hours with no immediate cover provided from these fire stations during the day), was amended by the Fire Authority. The amended recommendation sought to maintain service delivery and review after two years. The availability of appliances at these stations has improved as a result of the action taken.
3. Since this recommendation, further areas for Integrated Risk Management Planning reviews have been agreed. The context of a diminishing budget also needs to be considered alongside future Integrated Risk Management actions.

**Des Prichard**  
**CHIEF FIRE OFFICER & CHIEF EXECUTIVE**  
27 June 2013

## 1. **INTRODUCTION**

1.1 As part of the Integrated Risk Management Planning programme of agreed Reviews, the Rural Review sought to assess fire cover and resilience in the rural areas of Lewes, Rother and Wealden, covering community risks and needs as well as operational response requirements. As part of that process, an extensive consultation and engagement programme was undertaken.

1.2 The original Fire Authority proposal was as follows:

Amend the existing Retained Duty System at Burwash, Mayfield and Herstmonceux fire stations in order to offer improvements in appliance availability, maximise service resilience and release staff from the requirement to make themselves available at times when there are insufficient numbers to fully crew the appliance. It is recommended that the appliances at these three fire stations be available during the evening/night time hours with no immediate cover provided from these fire stations during the day. Further consideration should be given to each of these stations to determine the precise hours when the station and appliance would be declared as available. This is appropriate when considering that, during the day, the current appliance availability for these fire stations is already low, the number of incidents occurring in these areas is also low and the surrounding fire station appliances can provide sufficient cover.

1.3 The amended outcome following consultation was as follows:

*Whilst the Review has provided evidence to the argument that the Fire Authority could close Herstmonceux, Mayfield and Burwash, there are no proposals to progress this, but the evidence does lead to maintaining the stations during the evening and night hours only. We have also considered the overall resilience arrangements and therefore propose to keep these 3 fire stations, and to recommend we maintain them as is current for a period of 24 months, after which we will bring a further report to the Fire Authority.*

## 2. **NATIONAL/REGIONAL POSITION**

2.1 The *Facing the Future* report by Sir Ken Knight highlights the value of Retained duty staff, or 'on-call firefighters'. The report comments that they are the backbone of provision for many fire and rescue authorities, particularly those that are most rural, and make up the majority of fire stations in the country. The challenge for all fire and rescue authorities in a new reduced-demand environment is to fully consider how they make best use of on-call staff. The report also states, as calls have dropped, the on-call system has become more expensive on a per call basis; but this system still provides excellent value for money.

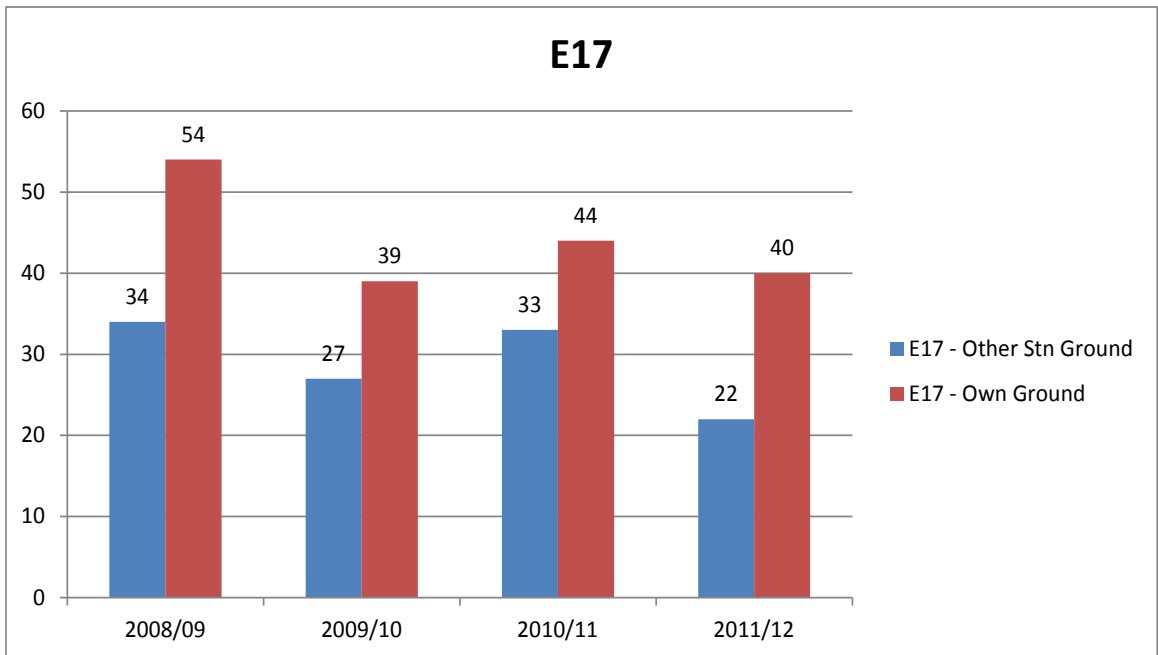
2.2 Availability is often the key reason given by more urban authorities for why they cannot use on-call staff – the population is too transient or works too far from home to provide cover. Availability has been improved in many areas by using electronic rostering and availability systems which provide easy monitoring and lets firefighters know when their unavailability will mean that a fire engine is off the run.

### 3. **THE LOCAL POSITION**

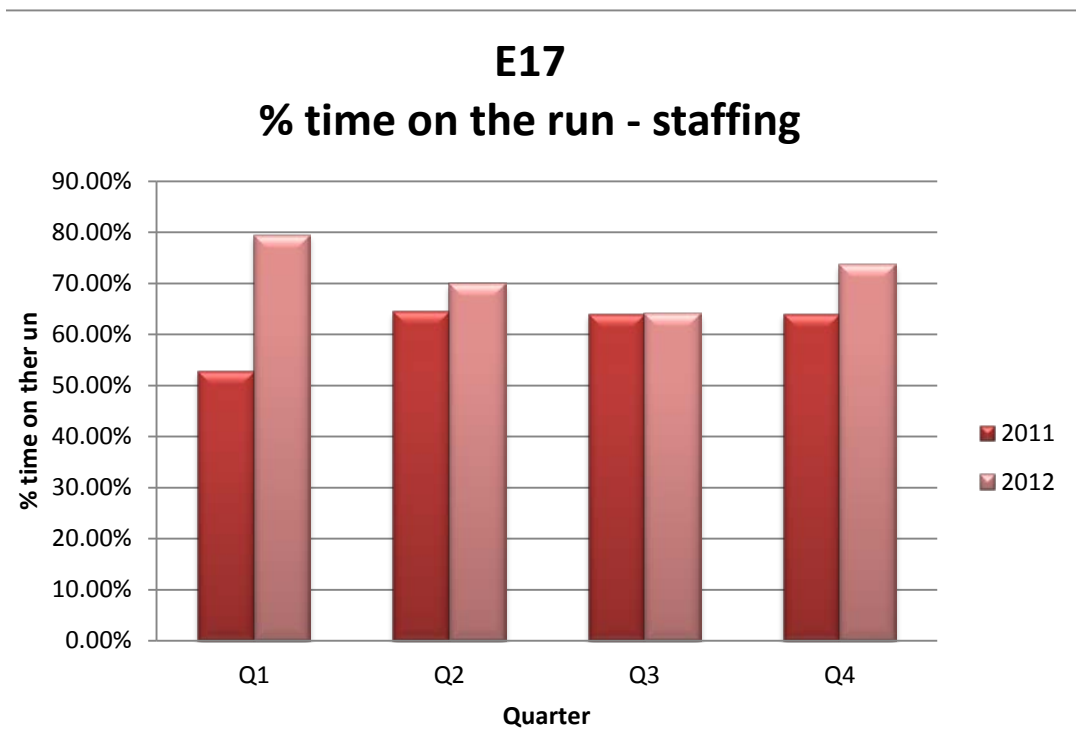
- 3.1 For over 24 months the fire stations of Mayfield, Burwash and Hertsmoncuex the service delivery of these stations has been maintained during which there have been efforts to improve recruitment to them and efforts to improve availability to respond.
- 3.2 The 24 months was from April 2011 until March 2013, and therefore is due to be reported back to the Fire Authority.
- 3.3 The Herstmonceux Station Management Team, in partnership with the Human Resources and Learning and Development departments, has taken a structured approach in the form of a 'five point plan.' The five point plan involved a localised recruitment strategy to complement the wider recruitment drive across the Service, tighter targeting of training to quickly maximise the availability of core skills during periods of availability, greater emphasis on establishing and managing contractual availability, building and developing the Station Management Team and a more concerted use of the available data and intelligence to manage short and medium term availability issues. The result of these efforts across the board is that, for the first time on record, Hertmonceux fire station has now reached full Establishment levels, with appliance availability at 90% and rising. Mayfield have increased their establishment by 1.5 units and the recruitment campaign currently continues at Burwash with potential candidates in the pipeline.
- 3.4 Over the last two years all three stations have seen improvements in their availability. Recruitment campaigns are ongoing and this is supported by a dedicated website [www.eastsussexretained.co.uk](http://www.eastsussexretained.co.uk) . Marketing material was also refreshed in recent years.
- 3.5 Other innovations have included some coaching for applicants by two community volunteers (one current teacher, one retired teacher), to help prepare candidates for selection tests.
- 3.6 Whilst sustainable recruitment is fundamental, performance management and monitoring of staff is also integral to optimising availability of appliances.

3.7 Below are graphical representations of how the availability at the three stations has improved.

**BURWASH (Call sign E17)**

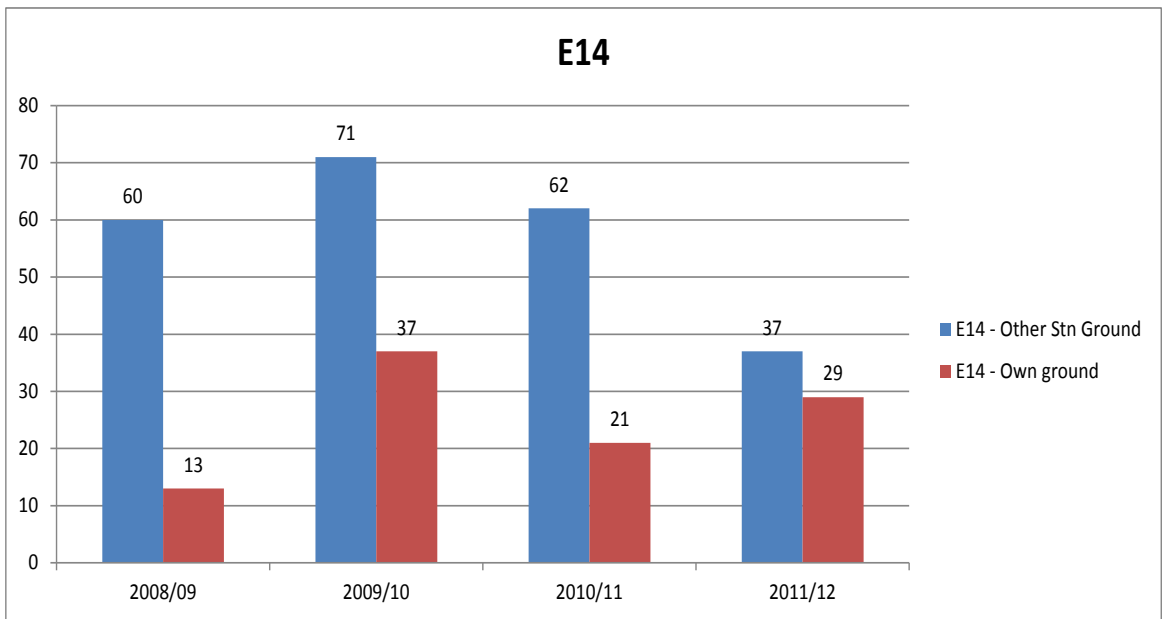


Graph showing proportion of calls on and off the station home area

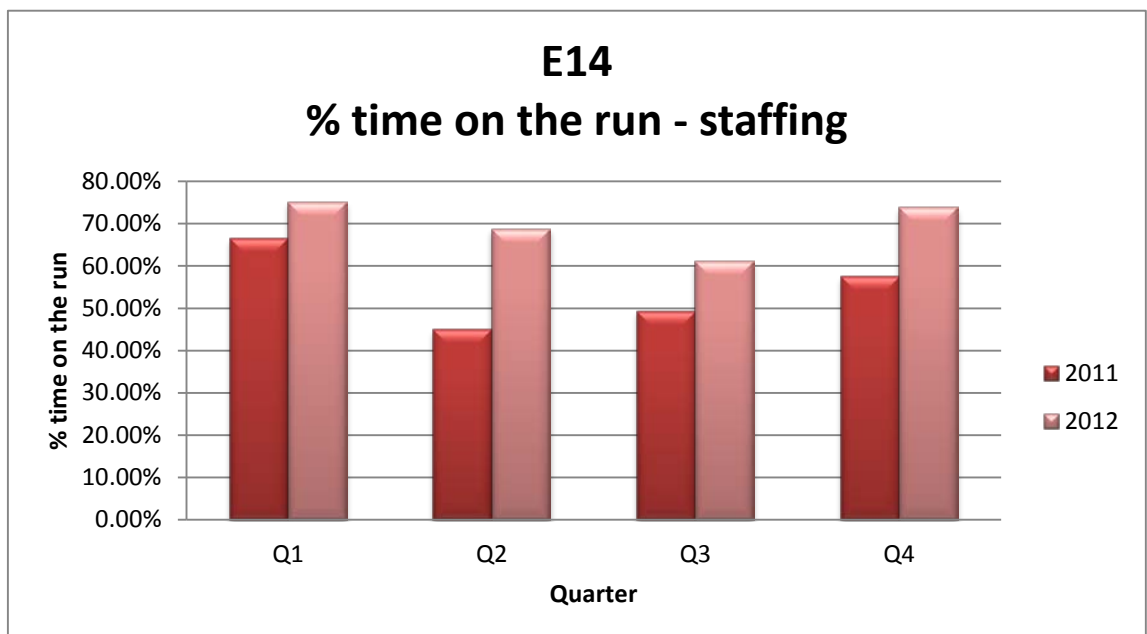


Graph showing improvement in amount of time the fire appliance was available for calls

MAYFIELD (callsign E14)

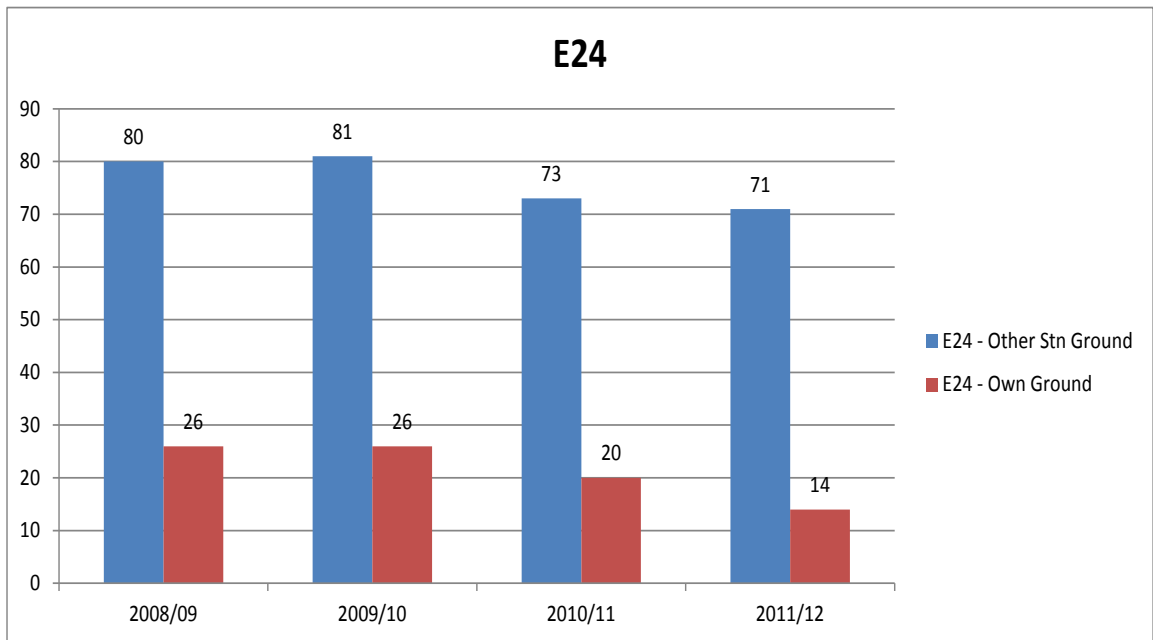


Graph showing proportion of calls on and off the station home area



Graph showing improvement in amount of time the fire appliance was available for calls

HERSTMONCEUX (call sign E24)



Graph showing proportion of calls on and off the station home area



Graph showing improvement in amount of time the fire appliance was available for calls

4. **CROSS DIRECTORATE ISSUES CONSIDERED**

4.1 There will be on-going issues across all Directorates. Associated with recruitment and retention are the impacts on human resources department, training and development.

5. **HEALTH & SAFETY ISSUES**

5.1 No additional issues identified.

6. **EQUALITY AND DIVERSITY IMPLICATIONS**

6.1 It is likely that any future Integrated Risk Management decision taken in respect to reallocating resources to match risk, could impact on retained duty system staff and, therefore, each system being evaluated should detail this impact as part of the assessment.

7. **IMPACT ASSESSMENTS CONSIDERED**

7.1 Maintaining the status quo for these two years has enabled a sustained recruitment effort. Of course, improving availability gives improved resilience, particularly on occasions where large incidents occur.

8. **POLITICAL**

8.1 During the consultation period of the Rural Review, in the main, respondents from Mayfield, Burwash and Herstmonceux were opposed to the original recommendation.

9. **ENVIRONMENTAL**

9.1 Dependent on options, there is potential to reduce fuel consumption, which in turn would reduce fuel costs and have a reduced negative environmental impact.

10. **SOCIAL**

10.1 In recent years the demographic profile has changed, and the recruitment become more challenging as more people in these communities work outside of the local area.

11. **TECHNOLOGICAL**

11.1 None, although technological solutions for monitoring crew availability could help.

12. **LEGAL**

12.1 None.



13. **ECONOMIC**

- 13.1 Some retained duty system staff are employed locally and, in a difficult economic climate, it could be assumed it may be more difficult to be released by the local employer to respond to calls.

14. **COMMUNICATION IMPLICATIONS**

- 14.1 No additional communication implications at this time, albeit recruitment marketing strategies should be reviewed regularly.

15. **FINANCIAL IMPLICATIONS**

- 15.1 There have been costs associated with the recruitment campaigns and coaching for the three stations, which have been met from within existing budgets.

16. **SUMMARY**

- 16.1 Availability has improved at all three stations which, in the main, can be attributed to a more sustained recruitment strategy. Other factors have included improved management/rostering of local resources and, in some instances, wholetime staff applying for Retained Duty System roles.

17. **RECOMMENDATIONS**

- 17.1 The Panel is asked to note the success of the current recruitment efforts as appliance availability has improved across all three stations.