

## **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 11:30 hours on Thursday 14 November 2013.**

**Members Present:** Councillors Barnes, Buchanan, Carden, Galley, Lambert, Rufus (Chair) and Taylor.

N.B. Councillor Barnes attended the meeting in place of Councillor Theobald, having been nominated by the Deputy Monitoring Officer in consultation with the relevant Group spokesperson.

Also present: Councillors Howson and Pragnell.

### **Also present:**

Mr. D Prichard (Chief Fire Officer & Chief Executive), Mr. G. Walsh (Deputy Chief Fire Officer), Mr. G. Ferrand (Assistant Chief Fire Officer), Mrs. C. Rolph (Assistant Chief Officer), Mr. D. Savage (Treasurer), Ms. L. Woodley (Deputy Monitoring Officer), Mr. P. King and Ms. H. Champion (Ernst & Young Auditors) and Mrs. A. Bryen (Clerk).

### **867. DISCLOSABLE PECUNIARY INTERESTS**

867.1 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.

### **868. APOLOGIES FOR ABSENCE**

868.1 Apologies were received from Councillors Theobald and Wincott.

### **869. ANY OTHER NON-EXEMPT ITEMS CONSIDERED URGENT BY THE CHAIR/ CHAIR'S BUSINESS**

869.1 The Chair welcomed Paul King and Hannah Champion from Ernst & Young Auditors.

### **870. TO CONSIDER PUBLIC QUESTIONS OR PETITIONS, IF ANY**

870.1 There were none.

### **871. NON-CONFIDENTIAL MINUTES OF THE LAST SCRUTINY AND AUDIT PANEL MEETING HELD ON 19 SEPTEMBER 2013**

871.1 **RESOLVED** – That, subject to the deletion of the word ‘produced’ and the substitution therefor of ‘audited’ in the penultimate line of paragraph 858.2, the non-confidential minutes of the meeting of the Scrutiny & Audit Panel held on 19 September 2013 be approved as a correct record and signed by the Chair. (Copy in Minute Book).

872. **CALLOVER**

872.1 Members reserved the following items for debate:

873. Annual Audit Letter 2012/13

875. 2013/14 - 2<sup>nd</sup> Quarter Corporate Risk Register Review

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

873. **ANNUAL AUDIT LETTER 2012/13**

873.1 Members considered a joint report of the Chief Fire Officer & Chief Executive, Treasurer and Monitoring Officer that presented the recently published Annual Audit Letter 2012/13. (Copy in Minute Book).

873.2 Paul King from Ernst & Young, the Authority's external auditors, addressed the Panel. The purpose of the Annual Audit Letter 2012/13 was to inform the Fire Authority, stakeholders and the public, about key issues arising from Ernst & Young's work. The detailed findings from the audit work had been reported to the Scrutiny & Audit Panel in the Auditors' 2012/13 Audit Results Report on 19 September 2013. The Audit Letter summarised the conclusions from all elements of Ernst & Young's work.

873.3 On 26 September, Ernst & Young had issued an unqualified audit opinion for the Authority, an unqualified value for money (vfm) conclusion, a report for the Authority, an audit completion certificate and reported their findings to the National Audit Office. There had been no issues to report that had come to their attention during the audit.

873.4 The Panel considered the key findings in relation to the financial statement audit, value for money conclusion, whole of government accounts, annual governance statement and audit fees.

873.5 The Panel noted in particular that the Audit Letter (paragraph 2.2) said that 'radical solutions' were needed to deliver the scale of savings and that, in the future, the Authority would need to make some difficult decisions. Paul King confirmed that whilst it was not the role of the auditor to make judgements on service provision, he recognised the scale of the challenge facing the Authority and that 'radical' reflected the significance of the savings target to be met. To achieve the savings level required, the Authority could not adopt a 'salami slicing' approach, but would have to adopt a more radical fundamental approach to reviewing how it delivered its services.

873.6 The Chair asked if the audit opinion next year would be adversely affected if the Authority did not adopt a radical enough approach to meeting its savings targets.

873.7 Paul King confirmed that each year was approached afresh looking at the evidence available. The 2013/14 vfm conclusion would look at the Authority's financial resilience as well as savings achievements and initiatives to deliver against the savings target it had set itself. The conclusion would be based on the position at the end of 2013/14.

873.8 Councillor Barnes said that guidance should be sought from the auditor next year to check if the Authority was on the right track to achieve its savings target. CFO&CE Prichard said that it was helpful to have the auditors examining retrospectively what the Authority had achieved and also to robustly examine forward plans that would be based on known factors and scenario planning.

See also confidential minute no 873A.

873.9 **RESOLVED** – That Annual Audit Letter 2012/13 be approved on behalf of the Fire Authority.

874. **2013/14 2<sup>nd</sup> QUARTER PERFORMANCE RESULTS**

874.1 Members considered a report of the Chief Fire Officer & Chief Executive that presented the second quarter performance indicator results for 2013/14 compared with the results for the same quarter in 2012/13. (Copy in Minute Book).

874.2 In terms of the overall performance for 2013/14, of the Fire Authority's priority areas, 3 were on target (% of home safety visits to vulnerable people, number of accidental dwelling fires, % reduction in automatic fire alarms), and 1 was within 10% of achieving the target (% of accidental dwelling fires confined to room of origin). The results for the two remaining priority areas were not available at this time as one was an annual indicator (expenditure per head of population) and the other was not available due to the installation of a new software product (the number of working days/shifts lost due to sickness).

874.3 Although there had been no fatalities in quarter 2, the target of zero fire deaths would not be met this year as a fatality had occurred earlier in the year. Also, staffing issues had adversely impacted on the quarter 2 performance in meeting the projected year end number of audits of high risk premises, although it was hoped that these issues would be resolved throughout the year.

874.4 **RESOLVED** – That the

- (i) 2013/14 performance results for quarter 2 available to date be noted; and
- (ii) exceptions report be noted.

875. **2013/14 2<sup>nd</sup> QUARTER CORPORATE RISK REGISTER REVIEW**

875.1 Members considered a report of the Chief Fire Officer & Chief Executive which presented the latest quarterly review of corporate risk. (Copy in Minute Book).

875.2 The Panel was informed that Corporate Risk Owners had reviewed and updated risk management plans in August. Corporate Management Team had considered the outcomes. Significantly:

- i. 0 risks were proposed for removal
- ii. 0 risks were proposed to be reduced in Risk Score
- iii. 0 risks were proposed to be enhanced from 'Below the Line' to 'Above the Line'
- iv. 1 risk 'Above the Line' had been increased from CII to BII by the Panel at its meeting in July 2013 (Risk no.41 Future Industrial Action)
- v. 1 Risk was recommended to rise from DII to CII following the Fire Authority meeting in September 2013 (Risk no.16 Cost of Pension Scheme)

- vi. 5 existing risks would remain 'Above the Line' – i.e. of more significant strategic risk and considered by this Panel
- vii. 16 risks would remain 'Below the Line' – i.e. of less significant strategic risk and considered by Corporate Management Team.

875.3 The report had been based on the situation at the end of September when strike action had not been called. A number of periods of strike action had since been called by the FBU, and it was recommended that Risk No. 41 – Future Industrial Action – be increased to All.

875.4 Councillor Barnes said that for those risks that were likely, the Panel should be scrutinising the measures to mitigate against them and what action was being taken to reduce the risks. As the risk ratings presented to the Panel were historic on a quarterly basis, some risks may have been affected by more recent events. The examination by Members of the risk register should be a more dynamic and active exercise, looking at up-to-date information and assessing the appropriate responses.

875.5 The Treasurer advised Members that work was already underway to update and improve the risk register and this would be informed by a workshop which was due to be held in the next week. It was hoped to present the new risk register to Members at the January 2014 meeting and this would include more information regarding mitigation work that was underway.

875.6 The Chair said that it would be useful for Members to be able to view the risk register on-line, with notification being sent to Members when changes happened. The Treasurer said that this could be explored once the new risk register was in place.

875.7 **RESOLVED** – That the latest update to the Corporate Risk Register, including the proposed amendment to Risk no. 41 – Future Industrial Action, be approved.

876. **2013/14 2<sup>nd</sup> QUARTER OUTTURN RESULTS – KEY TASK AREAS AND CORPORATE PROJECTS**

876.1 Members considered a report of the Chief Fire Officer & Chief Executive that presented the 2013/14 2nd quarter outturn results on corporate Key Task Areas and Projects. (Copy in Minute Book).

861.2 **RESOLVED** – That the corporate progress made at the end of 2<sup>nd</sup> quarter 2013/14 within the context of the other work priorities be noted.

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

877.1 **RESOLVED** – That item number 873A be exempt under paragraph 3 of Schedule 12A to the Local Government (Access to Information) (Variation) Order 2006 and, accordingly, was not open for public inspection on the grounds that it included information relating to the financial or business affairs of any particular person (including the Authority holding that information).

The meeting concluded at 12:07 hours.

Signed  
Dated this

Chair  
day of

2014