



## **EAST SUSSEX FIRE AUTHORITY**

### **SCRUTINY & AUDIT PANEL**

**FRIDAY 11 JULY 2014 at 10.00 hours**

#### **MEMBERS**

##### **East Sussex County Council**

Councillors Buchanan, Galley, Lambert, Taylor and Wincott.

##### **Brighton and Hove City Council**

Councillors Carden and Peltzer-Dunn + 1 GREEN Group vacancy (to be confirmed)

You are requested to attend this meeting to be held at East Sussex Fire & Rescue Service Headquarters, 20 Upperton Road, Eastbourne, on Friday 11 July 2014 at 10:00 hours.

#### **AGENDA**

Item No.	Page No.	
903.	1.	In relation to matters on the agenda, seek declarations of any disclosable pecuniary interests under Section 30 of the Localism Act 2011.
904.	1.	Election of Chairman.
905.	1.	Apologies for absence.
906.	1.	Notification of items which the Chair considers urgent and proposes to take at the end of the agenda / Chair's business items.
		(Any Members wishing to raise urgent items are asked, wherever possible, to notify the Chair before the start of the meeting. In so doing they must state the special circumstances which they consider justify the matter being considered urgently).
907.	3.	Non-confidential Minutes of the last Scrutiny & Audit Panel meeting held on 15 May 2014 (copy attached).

908. 2. Callover
- The Chair 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 Chair 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.
909. 11 Internal Audit Annual Report and Opinion for the period 1 April 2013 – 31 March 2014 – report of the Treasurer (copy attached).
910. 25 Internal Audit Strategy and Plan – report of the Treasurer (copy attached).
911. 39 Assessment of the Corporate Framework and Annual Governance Statement for 2013/14 – joint report of the Chief Fire Officer & Chief Executive, Monitoring Officer and Treasurer (copy attached).
912. 49 2013/14 4<sup>th</sup> Quarter Performance Results – report of the Chief Fire Officer & Chief Executive (copy attached).
913. 55 Member Lead Arrangements for 2014/15 – joint report of the Chief Fire Officer & Chief Executive and the Monitoring Officer (copy attached).
914. 2. 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.
915. 65 Information Management Department – joint report of the Chief Fire Officer & Chief Executive and Treasurer (copy attached). (Exempt categories under paragraphs 3 and 7 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 10:00 hours on Thursday 15 May 2014.**

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

**Also present:**

Mr. D Prichard (Chief Fire Officer & Chief Executive), Mr. G. Ferrand (Assistant Chief Fire Officer), Mrs. C. Rolph (Assistant Chief Officer), Ms. L. Woodley (Deputy Monitoring Officer), Mr. W. Tricker (Head of Procurement & Finance), Mrs. L. Ridley (Head of Performance Management), Mr. P. King (Ernst & Young Auditors) and Mrs. S. Klein (Clerk).

890. **DISCLOSABLE PECUNIARY INTERESTS**

890.1 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.

891. **APOLOGIES FOR ABSENCE**

891.1 There were no apologies for absence.

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

892.1 There were no urgent items for consideration.

892.2 The Chair welcomed Paul King, from Ernst & Young, the Fire Authority's external auditors, to the meeting. Hannah Champion was unable to attend this meeting, and would be leaving Ernst & Young on 3 June – the Chair asked Mr. King to pass on Members' thanks and best wishes to Ms. Champion.

892.3 The Chair also welcomed Warren Tricker to his first meeting as Head of Finance & Procurement.

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

893.1 There were none.

894. **NON-CONFIDENTIAL MINUTES OF THE LAST SCRUTINY AND AUDIT PANEL MEETING HELD ON 16 JANUARY 2014**

894.1 **RESOLVED** – That the non-confidential minutes of the meeting of the Scrutiny & Audit Panel held on 16 January 2014 be approved as a correct record and signed by the Chair. (Copy in Minute Book).

895. **CALLOVER**

895.1 Members reserved the following items for debate:

- 896 External Audit Plan and Update
- 897 Operational Assessment and Fire Peer Challenge
- 900 2012/13 Service Benchmarking
- 901 Internal Audit Review of Contracting & Procurement

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

896. **EXTERNAL AUDIT PLAN AND UPDATE, INCLUDING 2013/14 DRAFT AUDIT PLAN, 2013/14 AUDIT PROGRESS REPORT, AND 2014/15 AUDIT FEE LETTER**

896.1 Members considered a joint report of the Chief Fire Officer & Chief Executive and the Treasurer that informed them of the content of the external audit plan 2013/14 and progress to date. (Copy in Minute Book).

896.2 Mr. King explained that the external audit plan set out the work that the Authority's external auditors, Ernst & Young LLP (EY), intended to carry out in order to audit the Authority's 2013/14 accounts and form their judgement on the Authority's value for money arrangements. EY had not identified any specific risks relating to the Authority's accounts and Mr. King reassured Members that the 'Risk of management override' was a generic risk, contained within all local authority audit plans, and not specific to ESFA.

896.3 Mr. King also explained how EY defined 'materiality', for the purposes of determining whether the accounts were free from material error, and how, although this could not provide an absolute level of assurance that the accounts were absolutely accurate, this level would be communicated to Members at a later date.

896.4 It was noted that Ms. Champion was still a member of the audit team when the Plan was drawn up and Members would be notified of her replacement in due course.

896.5 A formal report detailing the results of the 2013/14 audit would be brought to the September meeting of the Panel and the Annual Audit Letter would be published in November.

896.6 The CFO&CE had discussed the report with the Auditors and would have further discussions following the meeting of the Fire Authority on 5 June, when Members would have made decisions on how to achieve savings to meet the funding gap.

896.7 The Chair asked what actions EY could take if the Fire Authority failed to put in place suitable arrangements to meet the financial challenges. Among a number of options, Mr. King said that EY could 'qualify' their Value for Money conclusion if they were not satisfied.

896.8 The fee for the 2014/15 audit (Appendix C) was confirmed as £41,021 which was in line with the Audit Commission's nationally set scale of fees and was dependent on a number of factors including the quality and timeliness of the accounts and their associated working papers, and the ability of the external auditors to rely on the work carried out by internal audit. The fee for 2013/14 was agreed at £41,021 but the Authority also received a rebate of £5,614 from the Audit Commission.

896.9 **RESOLVED** – That

- (i) the External Audit Plan for 2013/14 be approved;
- (ii) the progress to date be noted; and
- (iii) the external audit fee for 2014/15 be noted.

897. **OPERATIONAL ASSESSMENT AND FIRE PEER CHALLENGE**

897.1 Members considered a report of the Chief Fire Officer & Chief Executive that presented the final report from the Operational Assessment and Fire Peer Challenge 2014. (Copy in Minute Book).

897.2 The Fire & Rescue sector had a strong and long-standing commitment to sector-led improvement. The Chief Fire Officers' Association (CFOA) had developed the concept of Operational Assessment (OpA) in 2009, in partnership with the Local Government Association (LGA) and the Chief Fire & Rescue Adviser (CFRA). This had a strong operational focus, and comprised a self assessment and external peer challenge designed to allow a 'whole system' look at how a Fire & Rescue Authority (FRA) leads, prioritises and delivers the interrelated functions of prevention, protection and response.

897.3 The Operational Performance Assessment and Fire Peer Challenge took place in late January 2014, and the final report was received by the Service in April 2014. The Peer Review Team reported at the feedback meeting that they had enjoyed undertaking the Peer Review at East Sussex and that it was a positive experience.

897.4 The CFO&CE informed Members that the Team had found ESFRS to be an excellent Service with very high standards. They had found ESFRS to be very influential and with good partnership working, although they were concerned that this may not be sustainable in the future. Although they had found Members to be engaged, staff felt that they did not always get the same message from Members and officers – the CFO&CE was unsure what was causing the lack of clarity, but the Service was found to be self-aware.

897.5 Liz Ridley explained that there would be a joint officer/Member session on OpA at the next Members' Seminar on 11 July 2014. There had already been an operational de-brief and solutions put in place to address the issues raised, including the appointment of a Communications Manager.

897.6 Councillor Theobald felt that partnership work could be more effective if IT issues were addressed. The ACFO explained that there are plans to substantially improve the IT infrastructure and a further report on this would be brought to the Panel in July.

- 897.7 Councillor Theobald also felt that staff needed to be reminded that Members were involved politically and this could lead to them appearing to deliver 'mixed messages'. The CFO&CE reminded Members that he held a staff briefing following each meeting of the Fire Authority and the consistent message since 2010 agreed by the Fire Authority had been the need to make considerable savings, including the need to reduce the number of staff. The CFO&CE also reminded Members that, although their view, articulated by the Chairman, was that a merger with West Sussex FRS would be the best solution, the key message from West Sussex was that they do not want to merge.
- 897.8 Councillor Galley felt that this was a positive report, although there were areas of concern that he did not recognise, such as CMT spending too much time on tactical or relatively minor decisions and Members needing to act more strategically now. He also picked up on Members expressing different views, according to their politics, and felt that staff should not expect unanimity but a majority view from Members.
- 897.9 Councillor Rufus made it clear that the report was a reflection of what the assessors had found, not necessarily what they thought or believed, and Members should be aware of this **perception** – the report had identified areas of the Service that needed additional work. .
- 897.10 Councillor Lambert agreed that this was a good report and it was right to celebrate what was good about the Service, during a period when difficult decisions were being made. She asked how this was being publicised and whether an Action Plan was being drawn up.
- 897.11 Councillor Wincott thought that the report was vague, subjective, loaded, lacking in detail or evidence and made sweeping statements. He would like to have seen a proper explanation of how the report was compiled, how many staff were interviewed and how they were interviewed, and how the assessors reached their conclusions.
- 897.12 Councillor Rufus explained that a number of Members were involved in the process and officers had made sure that the assessors had access to all they needed to ensure evidence could be triangulated and was robust – the report presented the assessors' views as a result of the process. The CFO&CE explained that OpA was an LGA-led process, and the methodology had been laid out beforehand, so had not been included in the report. Officers had spent six months compiling the Service's self-assessment, which Members had been invited to take part in, and an LGA manager had also been involved in the process.
- 897.13 Councillor Theobald felt that the report was fair and detailed, but she also raised concerns about the high sickness levels which had been identified – the CFO&CE explained that this was one of the areas for improvement being worked on currently by the Service.

- 897.14 **RESOLVED** – That the following be noted:
- (i) the findings of the Operational Performance Assessment and Fire Peer Challenge;
  - (ii) that an appropriate action plan will be drawn up based on those ‘Areas to be Explored’ not already covered by the Service’s transformation programme; and
  - (iii) areas of Notable Practice identified by the Peer Team during the Assessment and the on-going commitment of staff to deliver the Fire Authority’s aims and objectives even at this time of change be acknowledged.

898. **2013/14 CORPORATE RISK REGISTER – 4<sup>TH</sup> QUARTER**

898.1 Members considered a report of the Chief Fire Officer & Chief Executive that reported on the latest quarterly review of Corporate Risk. (Copy in Minute Book).

898.2 **RESOLVED** – That the latest Corporate Risk Register be approved.

899. **2013/14 KEY TASK AREAS AND CORPORATE PROJECTS – 4<sup>TH</sup> QUARTER OUTTURN RESULTS**

899.1 Members considered a report of the Chief Fire Officer & Chief Executive that presented the 2013/14 4th quarter outturn results on our corporate Key Task Areas and Projects. (Copy in Minute Book).

899.2 **RESOLVED** – That the corporate progress made at the end of 4th Quarter 2013/14 within the context of the other work priorities be noted.

900. **2012/13 SERVICE BENCHMARKING**

900.1 Members considered a report of the Chief Fire Officer & Chief Executive that presented the Fire Statistics for 2012/13 and to benchmark ESFRS results against those of its family group. (Copy in Minute Book).

900.2 The report provided the results of an Annual Benchmarking Report that compared ESFRS to its peers, in particular the 13 Fire & Rescue Services (FRSs) that made up Family Group 2. These were FRSs deemed to be of similar size in terms of area and population. However, the family group did not have common service governance structures as some were Combined Fire Authorities and others were part of a County Council.

900.3 The report presented an overview of the datasets available that allow comparisons between FRSs and the timeframes that they are published. It provided a number of comparisons of ESFRS against demographic information and current performance measures, as well as organisational resourcing.

- 900.4 It was intended to produce the Benchmarking Report annually for the November meeting of the Scrutiny & Audit Panel after the national datasets were published in September. (However, on this occasion, the DCLG datasets had been released in December 2013, delayed from the usual September release date due to internal restructuring within DCLG and, therefore, this report, to the Panel had been delayed).
- 900.5 The report contained information as at 31 March 2013 and there had been a number of changes made, particularly in relation to staffing levels, such as the reduction in the number of senior managers (set out in Table 2 of the report).
- 900.6 Where this report had raised issues, e.g. in areas such as Health & Safety and the number of accidental dwelling fires, further work had been undertaken and dialogue had taken place to ensure that ESFRS were sharing best practice across Services.
- 900.7 Councillor Wincott thought this was a really good report and asked whether there were figures for East Sussex for non-fatal fire casualties but Ms. Ridley explained that these were not available.
- 900.8 Councillor Lambert was concerned about the high number of training incidents recorded for ESFRS, but the CFO&CE explained that there were different ways of recording these – ESFRS recorded all incidents that resulted in injury or loss of time from work (and these were going down) whereas some FRSs only recorded major incidents. The ACO highlighted that ESFRS provides more training days than some Services, which could account for a larger number of injuries.
- 900.9 Councillor Lambert suggested that sickness levels could also be included in future reports and the CFO&CE explained that Cleveland FRS was progressing a national report on sickness levels
- 900.10 **RESOLVED** – That
- (i) the contents of the report, given the delay in publication be noted; and
  - (ii) officers consider gathering sickness and Health & Safety data for the next Annual Benchmarking Report.

## 901. **INTERNAL AUDIT REVIEW OF CONTRACTING & PROCUREMENT**

- 901.1 Members considered a report of the Chief Fire Officer & Chief Executive that informed Members of the findings and recommendations of the internal audit review of contracting and procurement and the management response. (Copy in Minute Book).
- 901.2 An internal audit review of the Authority's procurement and contracting had given a minimal assurance opinion and identified weaknesses in control systems and compliance. A management response to address the recommendations had been agreed. The Fire Authority had already approved a new Procurement Strategy which included actions which would address the issues identified in the report.



901.3 Councillor Rufus was pleased the issues had been flagged up and asked where the Service would be if all the recommendations were implemented. Mr. Tricker was unable to answer categorically, but, having implemented these and a number of other actions, he would hope for a full assurance.

901.4 Councillor Buchanan asked about the timescale and impact of management's actions and Mr. Tricker confirmed that many actions had already been implemented, whilst complying with EU Directives and seeking legal advice where appropriate. The CFO&CE believed the Service had already moved to partial or full assurance and he would ask the Internal Auditors to build a review into their action plan for 2015/16 – he would ask officers to bring a report on the perceived progress to the Panel later this year. Initially it was suggested for September but the Head of Finance & Procurement suggested November would be more appropriate to allow sufficient time for changes to be implemented fully.

901.5 **RESOLVED** – That  
(i) the internal audit report be noted;  
(ii) the management response be endorsed; and  
(iii) a progress report be brought to the Panel in September 2014.

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

902.1 **RESOLVED** – That there were no items to be considered that required the exclusion of the press and public.

The meeting concluded at 11:20 hours.

Signed

Chair

Dated this

day of

2014



**EAST SUSSEX FIRE AUTHORITY**

Panel: **Scrutiny & Audit**

Date: **11 July 2014**

Title of Report: **Internal Audit Annual Report and Opinion for the period 1 April 2013 to 31 March 2014**

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 2013 to 31 March 2014.**

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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 2013/14; and
- (ii) consider whether the Fire Authority's system for internal audit has proved effective during 2013/14.

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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 2013 to 31 March 2014. 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 weaknesses in control identified by internal audit i.e. procurement and contracting and in IMD management controls, and 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 2014/15. Information is also provided on Internal Audit's performance against their agreed targets and their compliance with the Public Sector Internal Audit Standards (PSIAS).

**Duncan Savage**  
**TREASURER**  
12 June 2014



**EAST SUSSEX FIRE AUTHORITY**  
**INTERNAL AUDIT ANNUAL REPORT**  
**AND OPINION 2013-2014**

## **1. Introduction**

1.1 East Sussex County Council (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 2014. The purpose of this report is to give an opinion on the adequacy and effectiveness of East Sussex Fire Authority's framework of internal control.

## **2. Internal Audit within East Sussex Fire Authority**

2.1 On behalf of the Fire Authority, it is a management responsibility to determine the extent of internal control in the Fire Authority's 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 The internal audit service provided by ESCC continues to be supplemented with the use of specialist ICT audit resources from Mazars Public Sector Internal Audit Ltd (previously Deloitte). With the agreement of the Treasurer, this specialist resource is also being applied to work for East Sussex Fire Authority, with ESCC Assurance Division remaining ultimately responsible for the production and delivery of the Fire Authority 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 2013/14 annual audit plan, a programme of audits, based on assessment of risk, was carried out across the Fire Authority. In line with best practice, this 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 Treasurer.

3.2 The terms of reference, approach and audit objectives for each audit assignment have also been discussed and agreed with Treasurer, to whom final internal audit reports are issued for consideration in the first instance, prior to wider consultation and consideration.

## **4. Audit Opinion**

4.1 No assurance can ever be absolute; however based on the internal audit work completed, I can provide reasonable assurance that East Sussex Fire Authority has in place an adequate and effective framework of governance, risk management and internal control for the period 1 April 2013 to 31 March 2014. [ESCC Head of Assurance and Head of Internal Audit for the Fire Authority].

4.2 Whilst audit testing has confirmed that the majority of key controls examined are working in practice, a number of notable exceptions were identified which indicate deterioration in the control environment. These have been commented on in more detail in Section 5 below, specifically relating to control weaknesses in procurement and contracting activity and management control weaknesses within the Information Management Department (IMD).

4.3 Despite these vulnerabilities, we have continued to provide reasonable assurance over the control environment in recognition of the findings from all our other work completed during the year and the positive and proactive response from the organisation where issues of concern have been raised. It is apparent from our ongoing liaison with management that these matters are being taken seriously, with a strong commitment being made to address control weaknesses as a matter of urgency. This is, however, something that the Scrutiny and Audit Panel should seek to monitor over the coming months.

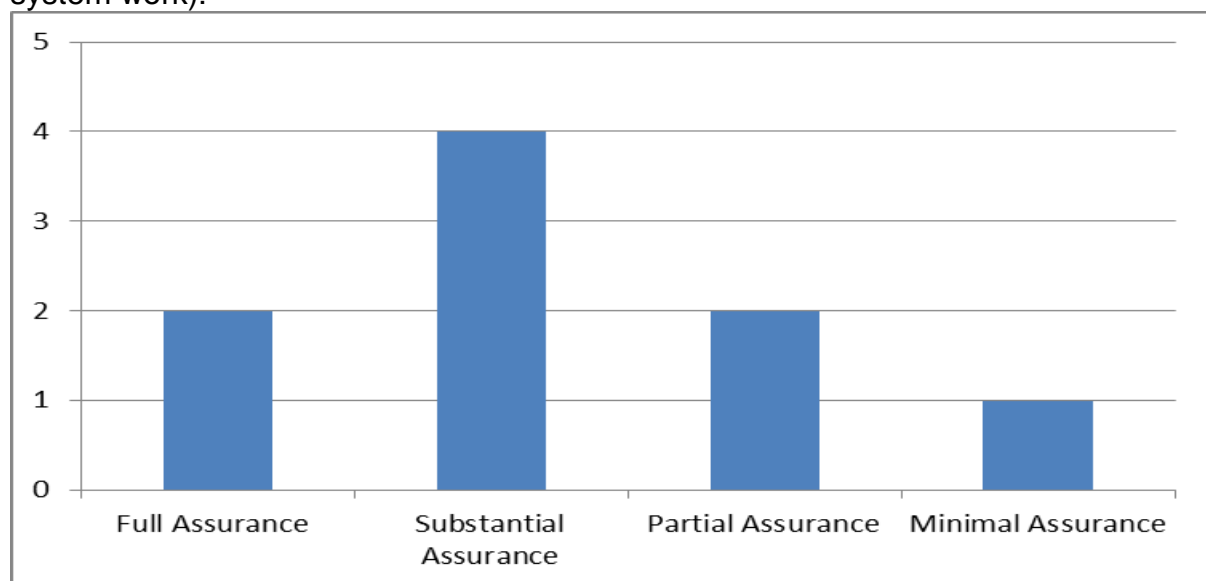
4.4 In all other areas where improvements in control or compliance are required, we are satisfied that appropriate action has been agreed by the relevant managers within reasonable timescales. The overall level of assurance given also takes into account:

- All audit work completed during 2013/14 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 the Fire Authority’s systems;
- The level of resources available to deliver the audit plan.

4.5 No limitations were placed on the scope of internal audit during 2013/14.

## 5. Summary of Work and Key Findings

5.1 The following chart provides a summary of the outcomes from all audits completed during 2013/14 with standard audit opinions (including key financial system work):



### Contracting and Procurement

5.2 The one review during the year resulting in an opinion of 'minimal assurance' related to Contracting and Procurement audit, which was requested by Authority, where we were unable to provide sufficient assurance that contracts were in place with all high value suppliers, that contracts were let based on the correct level of spend or that contract files were being maintained and updated appropriately. The need for improvements to Contract Standing Orders and procurement policies and procedures was also identified.

5.3 A number of actions have, however, been taken since the finalisation of our report, particularly with regard to the development of a new procurement strategy, with a supporting improvement plan, which was approved by the Authority in February 2014. This work will be subject to a follow up review during 2014/15 to confirm implementation.

### **Information Management Department (IMD) Investigation and Control Report**

5.4 In addition to our standard audit opinion work reported above, a major investigation has been undertaken by internal audit relating to procurement activity within IMD. The findings from this work, which uncovered clear evidence of a likely fraud committed against the Fire Authority by a former employee, is being reported to the Scrutiny and Audit Panel as part of a separate paper in order to maintain confidentiality associated with the ongoing criminal investigation by Sussex Police.

5.5 In an attempt to identify and address any control weaknesses which may have contributed to this fraud occurring, we have undertaken a subsequent exercise to examine the adequacy of management controls within IMD. The full report arising from this work is also being presented separately to the Scrutiny and Audit Panel, but in summary we found:

- Over reliance on the technical knowledge of an individual member of staff and inadequate arrangements in place to manage the associated fraud and business continuity risks;
- Weak procurement practices within IMD;
- Inadequate management and control of IT network infrastructure assets.

5.6 Whilst it is concerning that an alleged fraud of this kind has been able to take place, and that internal control weaknesses appear to have contributed to this, it is apparent that management have recognised the seriousness of this matter and have shown clear commitment to ensure the issues are thoroughly investigated, that all appropriate support is provided to the ongoing criminal investigation and that all recommendations arising from the subsequent internal control review will be addressed.

5.7 A summary of the main findings from these reviews and all other reports issued in 2013/14 is included at Appendix A.

## **6. Variations to the Audit Plan**

6.1 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 Treasurer on behalf of the Fire Authority. 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 Sussex Joint Control Project;
- Contracting and Procurement Follow up;
- Firewatch – Retained Pay;
- Joint Control Centre – ICT Security and Business Continuity.

#### Reviews Added:

- IMD Procurement Investigation;
- IMD Procurement Internal Control Report;
- Lewes and Bexhill Refurbishment Follow up;
- Contracting and Procurement.

6.2 As at 31 March 2014, the majority of internal audit work within the Fire Authority audit plan for 2013/14 had been completed. The IMD Procurement Internal Control Report was carried forward for a brief period but has subsequently been finalised.

6.3 The table in Appendix B sets out actual time spent against the original audit plan, which includes a large number of additional days, all of which have been agreed with the Treasurer. This relates primarily to the extensive investigation activity referred to above.

## **7. PERFORMANCE**

7.1 It is the Fire Authority's responsibility to maintain an effective internal audit service and the information set out below should provide a sufficient basis for making this determination.

7.2 Public Sector Internal Audit Standards (PSIAS) require the internal audit service to be reviewed annually against the Standards, supplemented with a full and independent external assessment at least every five years. The following paragraphs provide a summary of our performance during 2013/14, including the results of our latest PSIAS self-assessment, an update on our Quality Assurance and Improvement Programme and the year end results against our agreed targets.

### **PSIAS**

7.3 The new Standards cover the following aspects of internal audit, all of which have been assessed during 2013/14 by the Head of Assurance and subjected to preliminary external validation:

- Purpose, authority and responsibility;
- Independence and objectivity;
- Proficiency and due professional care;
- Quality assurance and improvement programme;
- Managing the internal audit activity;
- Nature of work;
- Engagement planning;
- Performing the engagement;
- Communicating results;
- Monitoring progress;
- Communicating the acceptance of risks.

7.4 The results of this work found a high level of conformance with the new Standards with only a small number of actions identified. The main areas for improvement related primarily to:

- Reviewing and updating some elements of our internal quality manual;
- Formalising some of the respective responsibilities for when audit services are provided to external clients;
- Introduction of some standard wording within our audit reports clarifying confidentiality and information sharing arrangements.

7.5 Work is already underway to address these actions, all of which are anticipated to be completed during the first quarter of 2014/15.

### **Key Service Targets**

7.6 Results against our previously agreed service targets are set out in Appendix C, with overall performance remaining high.

7.7 Finally, internal audit continue to work closely with the Fire Authority's external auditor, Ernst and Young, especially in support of their work on the annual accounts.

**SUMMARY OF INTERNAL AUDIT FINDINGS**  
**For the period of 1 April 2013 to 31 March 2014**

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

Where required, the Head of Assurance has attended Scrutiny and Audit Panel meetings and offered advice and assistance to management throughout the year. This includes production of the Annual Report and Opinion and Annual Strategy and Audit Plan for presentation to the Scrutiny and Audit Panel.

**Precepting Arrangements**

The audit was undertaken to verify that the processes used in calculating the precepting figures for the Fire Authority by East Sussex County Council are robust and that the calculations were verified and checked prior to publication. We 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.

**Procurement Cards**

The Procurement Card (P-Card) system was introduced in June 2011 with the expectation that it would simplify the procurement process and make efficiency savings by removing high volume, low value manually processed orders. The main purpose of this audit was to examine the arrangements for ensuring that the internal control environment over the use of procurement cards is sound, and that the payment review and authorisation processes are efficient and proportionate to the levels of expenditure.

Based on the work undertaken, we were able to provide '**partial assurance**' over the control environment, with the main weaknesses relating to:

- the management review of P-card expenditure being carried out centrally, reducing the ability of the reviewer to effectively challenge expenditure;
- VAT not always being accounted for correctly;
- An absence of some P-card application forms, preventing us from confirming that card holders had accepted the conditions of use and properly understand their responsibilities;
- Potential inefficiencies associated with running two separate payment card systems in parallel.

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

**Contracting and Procurement**

The focus of this review was to provide assurance over the adequacy and effectiveness of the controls around the Fire Authority's contracting and procurement arrangements. This involved examining significant areas of expenditure across the organisation with a view to ensuring that procurement procedures were complied

with and that robust contractual arrangements were in place. It also included ensuring compliance with EU procurement regulations and contract standing orders and providing assurance over the adequacy and effectiveness of contract management and monitoring.

Overall, we identified control weaknesses in the following areas which meant we have only been able to provide '**minimal assurance**' over the framework of control:

- Contracts were not found to be in place for a number of suppliers despite high levels of expenditure. In such instances, there is a risk that contract standing orders and EU procurement regulations could be breached and that value for money may not be achieved;
- Robust arrangements were not in place to monitor procurement expenditure, increasing the risk that correct tendering processes may not have been followed and best value not always obtained;
- Contract files and supporting documentation were not always maintained appropriately, preventing us from being able to provide assurance over a number of key controls.

A range of recommendations have been made as a result of this review and these have all been agreed with management. Since the finalisation of our report, the Fire Authority has approved a new Procurement Strategy and supporting action plan. An assessment of progress will be carried out by Internal Audit as part of a follow up review during 2014/15.

### **Whole Time Leave – Follow Up**

Following the 2012/13 investigation and internal control review into whole time shift leave arrangements, which received an audit opinion of minimal assurance, a follow-up audit was carried out during 2013/14.

We are pleased to report that, based on the work carried out, sufficient improvement has been made to enable us to now provide '**substantial assurance**' over the controls within the whole time leave system. Some recommendations have been restated and, where appropriate, a revised target date agreed with management. These mainly relate to reviews of Fire Authority policies on leave and associated record keeping.

### **Lewes and Bexhill Refurbishment - Follow Up**

This review was a short follow up of the original Lewes and Bexhill Station refurbishment audit completed in September 2011. Based on the desk top review undertaken, we have been able to confirm that significant progress has been made in the implementation of the previously agreed actions, with only one recommendation outstanding relating to Capital Project Procedures. The opportunity was also taken to include one further recommendation regarding the development of guidance over the appointment and management of external consultants.

## **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 Fire Authority Financial Regulations, particularly in relation to expenditure, security, staff claims processes and storage of fuel and equipment.

Overall, we have been able to provide '**substantial assurance**' that a sound system of internal control is in place with a number of minor recommendations being made, primarily in relation to vehicle log books and ancillary and turnout records not being completed appropriately.

During 2014/15, a review will be undertaken of all station inspection arrangements to maximise effectiveness and avoid any duplication.

## **Audit of Key Financial Systems**

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

The following key financial system reviews have been completed during 2013/14:

• Pensions	Audit Opinion:	<b>Full Assurance</b>
• Accounts Receivable	Audit Opinion:	<b>Full Assurance</b>
• General Ledger	Audit Opinion:	<b>Substantial Assurance</b>
• HR/Payroll	Audit Opinion:	<b>Substantial Assurance</b>
• Accounts Payable	Audit Opinion:	<b>Partial Assurance</b>

It is pleasing to report, that with the exception of Accounts Payable, each of these reviews has resulted in an opinion of either substantial or full assurance.

With regard to the Accounts Payable System, we found that whilst adequate controls existed for the approval of new vendors and the verification and payment of invoices, there continued to be gaps in controls over the ordering process. These weaknesses had been reported to management in prior years without sufficient action being taken to address them. However, it is anticipated that the implementation of the new Procurement Strategy and its supporting improvement plan, which includes clear accountability for compliance, supported by effective training and performance management, will improve the overall effectiveness of the control environment.

## **IMD Investigation**

During 2013, internal audit commenced an investigation into a former employee within IMD who was suspected of being involved in procurement practices that breached the Authority's Contract Standing Orders. This work was completed in February, with full details of our findings being reported separately as a confidential item to Scrutiny and Audit Panel in July 2014.

The results of our investigation have been reported to management and Sussex Police who are currently progressing a criminal investigation. Internal audit has supported the police throughout this period and will continue to do so until such time as the case is closed.

### **IMD Internal Control Report**

In response to issues highlighted in the above investigation, a further exercise was carried out by internal audit to identify and report upon any control weaknesses within the organisation that are likely to have contributed to these events or prevented them from being identified sooner. The findings from this work are also being presented to Scrutiny and Audit Panel separately, but in summary, we found:

- Over reliance on the technical knowledge of an individual member of staff and inadequate arrangements in place to manage the associated fraud and business continuity risks;
- Weak procurement practices within IMD;
- Inadequate management and control of IT network infrastructure assets.

All recommendations resulting from this work have been agreed with management who have made a clear commitment to address them as a matter of urgency. In some cases, appropriate action has already been taken and all of this will be subject to a follow up by internal audit during 2014/15.

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

This is a statutory exercise carried out by the Audit Commission every two years. During 2013/14, data matches covering East Sussex Fire Authority employees, pensioners and creditors were reviewed by staff at the Authority and South East Shared Services. It is understood that no issues of concern were identified during the review of these matches.

APPENDIX B

SUMMARY OF INTERNAL AUDIT WORK IN 2013/14

Areas	Planned Days	Actual Days
Preparation of five-year Internal Audit Plan (incl. Risk Assessment, assessment of internal audit needs and planning for individual reviews)	2.0	2.5
Production of Annual Report and Opinion	2.0	2.7
Advice and Liaison with ACOs/ Reporting to Scrutiny and Audit Panel	6.0	5.9
East and West Sussex Joint Control Project	1.0	0.0
Anti-Fraud (Incl. National Fraud Initiative)	1.0	0.5
Contracting and Procurement Follow Up	5.0	0.0
Precepting Arrangements	1.0	0.5
Procurement Cards	7.0	8.1
Firewatch - Implementation	2.0	0.4
Firewatch - Retained Pay	10.0	0.0
Whole Time Leave - Follow Up	1.0	1.6
Station Regularity Visits x 3	5.0	4.9
Joint Control Centre - ICT Security and Business Continuity	7.0	0.0
2013/14 Fundamental Accounting Systems	20.0	33.2
<i>Unplanned Work:</i>		
Investigation – IMD Procurement and Internal Control report	0.0	86.9
Lewes and Bexhill Refurbishment Follow Up	0.0	1.6
Contracting and Procurement	0.0	15.1
<b>Total Days 2013/14</b>	<b>70.0</b>	<b>163.9</b>

## SUMMARY OF PERFORMANCE INDICATORS FOR 2013/14

	Performance Indicator	Achievement
1	Draft reports are issued to management within 10 working days of the completion of audit fieldwork.	90% (one report issued in the year fell outside of this timescale).
2	Final reports are issued to management within 5 working days of client response to the draft report.	100%.
3	Consistently achieving adequate, or higher, quality gradings in surveys of auditor performance through client survey questionnaires.	100%.
4	Acceptance of at least 90% of audit recommendations.	100%.
5	Completion of the plan by the 31st March each year. Any revisions to the plan or changes to planned coverage are subject to the approval of the Assistant Chief Officer.	Achieved.
6	Providing adequate internal audit arrangements. This would be assessed by reference to the external auditor's annual management letter.	Achieved. Although this has not been made explicit within the previous Annual Audit Letter, Ernst and Young have continued to place reliance on the work of internal audit.



**EAST SUSSEX FIRE AUTHORITY**

Panel: **Scrutiny & Audit**

Date: **11 July 2014**

Title of Report: **Internal Audit Strategy and Plan**

By: **Treasurer**

Purpose of Report: **To provide an Internal Audit Plan for East Sussex Fire Authority covering the period 1 April 2014 to 31 March 2015.**

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**RECOMMENDATION:** The Panel is asked to

- (a) approve the 2014/15 Internal Audit Strategy and Plan
- (b) approve the updated Audit Charter

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**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. The proposed Internal Audit Strategy and Plan for 2014/15 is set out as Appendix A. This Strategy and Plan has been produced on a risk basis, following consultation with the Treasurer, Principal Officers, Deputy Monitoring Officer and ESFA's external auditor, Ernst and Young. A revised Audit Charter is set out in Annex A to the Strategy and Plan.

**Duncan Savage**  
**Treasurer**  
18 June 2014

**Appendix A**

**EAST SUSSEX FIRE AUTHORITY**

**INTERNAL AUDIT STRATEGY AND**

**ANNUAL AUDIT PLAN 2014-2015**



## **1. Role of Internal Audit**

1.1 East Sussex County Council (ESCC) Internal Audit provides a service to the Fire Authority in accordance with the Public Sector Internal Audit Standards (PSIAS) as defined by CIPFA and the Institute of Internal Auditors (IIA). It is the Fire Authority's responsibility to maintain an effective internal audit service and assurance of this can be obtained through confirmation that the service is delivered in conformance with PSIAS and that agreed performance indicators are being achieved, including delivery of the annual audit plan.

1.2 Internal audit review, appraise and report upon the effectiveness of the internal control environment established by the management of the Fire Authority. It is the responsibility of management to establish and maintain appropriate systems of internal control.

1.3 The full role and scope of the internal audit service is set out within our Internal Audit Charter and Terms of Reference, which was approved by the Scrutiny and Audit Panel in 11 April 2013. This Charter has been subject to some minor revisions during 2014 and is therefore attached as Annex A for approval.

1.4 The following mission statement sets out the basis for the delivery of internal audit services by ESCC:

*'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. Risk Assessment and Audit Planning**

2.1 The Fire Authority's Internal Audit Strategy and Plan is updated annually and is based on a combination of management's assessment of risk (including that set out within the Authority's risk registers) and our own risk assessment of the organisation's major systems and other auditable areas. In line with best practice, and in order to reflect the rapidly changing risk environment faced by the organisation, the Fire Authority's audit plan is now compiled on a one year basis rather than the previous five year rolling cycle. Section 5 of this Strategy does however include a list of areas not subject to review in the coming year but identified for consideration in future years.

2.2 The update of the plan for 2014/15 has involved consultation with a range of senior officers, to ensure that their views on risks and current issues are identified and considered. The Fire Authority 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 as part of the planning process, primarily through discussion with the Treasurer. As in previous years, we have also consulted with the Fire Authority's external auditor, Ernst & Young, which has included clarifying their approach to reliance on the work of internal audit, particularly with regard to the annual audits of key financial systems.

2.3 In producing the audit plan (see below) the following key principles continue to be applied:

- All fundamental accounting systems are subject to annual audits of compliance against key controls;
- Previous reviews which resulted in either 'no assurance' or 'minimal assurance' audit opinions will be subject to a specific follow up review to assess the effective implementation by management of agreed recommendations. This will also include a sample of previous reviews with a 'partial assurance' opinion.

2.4 The overall aim of the Internal Audit Strategy and Annual Audit Plan is to allocate the agreed level of internal audit resources so as to focus on the highest risk areas and to enable an annual opinion to be given on the adequacy and effectiveness of the Fire Authority's framework of governance, risk management and control.

### **3 Audit Approach**

3.1 The approach of internal audit is to use risk based reviews, supplemented in some areas by the use of regularity/compliance audits. Where considered appropriate, we will also seek to utilise external specialist resources for certain assignments, such as ICT reviews. In all cases, this will be agreed in advance with the Treasurer. All of our work will have regard to management's arrangements for:

- Identifying and managing risk;
- securing the proper, economic, efficient and effective use of resources;
- achieving key performance indicators, where appropriate, and;
- preventing fraud and irregularity.

3.2 In addition, internal audit will continue to support management by providing informal advice and assistance throughout the year on key risk and control issues as required or as they arise.

#### 4. Annual Internal Audit Plan 2014/15

Area	Outline Objective	Planned Days
Management	This includes preparation of the Internal Audit Strategy and Plan, production of Annual Internal Audit Report and Opinion, advice and ongoing liaison with management.	9
Anti-Fraud and Corruption	Coordinating the submission of data on behalf of the Fire Authority as part of the 2014 National Fraud Initiative data matching exercise.	1
Contracting and Procurement	A follow up on the actions arising from the 2013/14 review of contracting and procurement within ESFRS, which resulted in a 'minimal assurance' audit opinion.	5
Information Management Department (IMD) Internal Control	Following an internal audit investigation within IMD during 2013/14, an internal control report was subsequently produced setting out a range of recommendations for improving financial and management controls within the service. This follow up review will focus on providing assurance that all of the recommended actions have been taken and that sufficient controls are in place to avoid future repetition.	5
East and West Sussex Joint Control Centre	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, we will seek to provide assurance that appropriate ICT security and business continuity arrangements are in place at the new centre.	10
Fundamental Accounting Systems	<p>The Fire Authority uses the main financial systems of East Sussex County Council, specifically:</p> <ul style="list-style-type: none"> <li>• Payroll</li> <li>• Accounts Payable</li> <li>• Accounts Receivable</li> <li>• Pensions</li> <li>• General Ledger.</li> </ul> <p>Each year, we review these systems to ensure that key controls remain in place. The scope and level of controls testing undertaken is agreed with Ernst &amp; Young, the Fire Authority's external auditors, in order to ensure that they can rely on our work for final account audit purposes.</p>	20
Fire Station Audit and Inspection Arrangements	This work will be undertaken in conjunction with management to review the current approach to inspection arrangements at fire stations, in order to ensure that these are operating as intended, are fit for purpose and provide the appropriate financial and operational coverage.	5
Devolved Financial Management	Our review in this area will seek to examine how devolved financial management is being operated within ESFRS. The audit is likely to involve an examination of the systems in place for ensuring the effective management of devolved budgets, including the financial training and support mechanisms available to managers.	10
Risk Management	This work will focus on reviewing the adequacy and effectiveness of the revised risk management	5

Area	Outline Objective	Planned Days
Arrangements	arrangements within ESFRS, covering an examination of the risk framework itself and how this is being operated and applied by management throughout the organisation.	

## 5. Potential Future Reviews

5.1 The following areas have been identified during the audit plan consultation process and risk assessment but have not been incorporated within the 2014/15 audit plan. In all cases, these will be subject to consideration when planning audit work for future years:

- Asset Management
- Code of Conduct Compliance
- ICT Network Infrastructure and Security
- Retained Pay
- Staff Leave
- Travel and Expenses
- Information Governance
- E-mail and Internet Controls
- Insurance

## 6. Quality and Performance

6.1 With effect from 1 April 2013, all of the relevant internal audit standard setting bodies, including CIPFA, have adopted a common set of Public Sector Internal Audit Standards (PSIAS). These are based on the Institute of Internal Auditors International Professional Practices Framework and replace the previous Code of Practice for Internal Audit in Local Government.

6.2 One of the requirements of the new Standards is for internal audit teams to have in place a formal Quality Assurance Improvement Programme, incorporating the results of an annual self-assessment and, a full independent external assessment at least every five years. During 2013/14, ESCC Internal Audit completed its first self-assessment which established a high level of conformance with the new Standards. Only a small number of areas were identified where improvement is required, all of which are in the process of being actioned.

6.3 In addition, the performance of the internal audit service to the Fire Authority continues to be measured against key performance indicators, the current set of which are as follows:

- Draft reports are issued to management within 10 working days of the completion of audit fieldwork;
- Final reports are issued to management within 5 working days of client response to the draft report;
- Consistently achieving adequate, or higher, quality gradings in surveys of auditor performance through client survey questionnaires;
- Acceptance of at least 95% of audit recommendations;

- 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;
- 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.

6.4 At a detailed level each audit assignment is monitored and subject to appropriate manager review and there is ongoing performance appraisal and supervision for all internal audit staff.

Russell Banks CMIIA

Head of Assurance – East Sussex County Council and  
Head of Internal Audit for East Sussex Fire Authority

## **EAST SUSSEX FIRE AUTHORITY INTERNAL AUDIT CHARTER & TERMS OF REFERENCE**

### **1. RESPONSIBILITIES AND OBJECTIVES**

1.1 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 effectiveness of risk management, control and governance processes'<sup>1</sup>.

1.2 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. It is also a management responsibility to maintain an effective internal audit service and in the case of East Sussex Fire Authority, this is delivered by East Sussex County Council's Internal Audit Team.

1.3 The following mission statement sets out the basis for the delivery of internal audit services by ESCC:

*'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."

2.2 The statutory role is recognised and endorsed within the Fire Authority'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

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



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 Fire Authority'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 The East Sussex County Council Internal Audit Team provides internal audit services to East Sussex Fire Authority in accordance with the contract between East Sussex County Council and East Sussex Fire Authority.

5.2 For the purposes of delivering this contract, the Head of Internal Audit reports to the Treasurer of the Fire Authority as the primary client contact, but also has direct access to the Chief Fire Officer and Chief Executive where required. The Fire Authority also has a Scrutiny and Audit Panel to whom internal audit report annually (or more frequently, if required). The annual report to Scrutiny and Audit Panel includes the results of internal audit activity, details of internal audit performance and an opinion to on the adequacy of the Fire Authority'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 Institute of Internal Auditors (IIA) in conjunction with the Chartered Institute of Public Finance and Accountancy (CIPFA). These Standards have been adopted by East Sussex County Council 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 the Fire Authority, these are deemed to be the organisations '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 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 it's 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 internal audit staff 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 Team 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 XXXXX  
Chairman of the Scrutiny and Audit Panel

Des Prichard  
Chief Fire Officer and Chief Executive

Duncan Savage  
Treasurer

Russell Banks  
Head of Internal Audit

Updated: March 2014

**EAST SUSSEX FIRE AUTHORITY**

Panel:	<b>Scrutiny &amp; Audit</b>
Date:	<b>11 July 2014</b>
Title:	<b>Assessment of the Corporate Framework and Annual Governance Statement for 2013/14</b>
By:	<b>Chief Fire Officer &amp; Chief Executive, Monitoring Officer and Treasurer</b>
Purpose of Report:	<b>To set out how the Fire Authority has assessed the effectiveness of its governance arrangements and to seek approval of the Annual Governance Statement in line with the Accounts and Audit Regulations 2011.</b>

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- RECOMMENDATION:** The Panel is recommended to:
- (i) confirm that Members are satisfied with the level of assurance provided to them through this report and the Authority's governance framework and processes;
  - (ii) identify any significant governance issues that should be included in the Authority's Annual Governance Statement; and
  - (iii) approve the Annual Governance Statement to be signed by the Chair of this Panel and the Chief Fire Officer & Chief Executive.
- 

**MAIN ISSUES**

1. Sound Corporate Governance is crucial if the Authority is to continue to provide leadership, direction and control. The Annual Governance Statement provides an opportunity for the Authority to assess and report transparently to the public how it ensures that it is doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner.
2. The Authority's Corporate Governance Policy and Code of Practice was last reviewed in January 2012 and is based on best practice guidance from the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Chief Executives and Senior Managers (SOLACE).
3. The Accounts and Audit Regulations 2011 require the Authority to ensure that it has in place a sound system of internal control which facilitates the effective exercise of its functions and which includes arrangements for risk management. The Authority is required to conduct an annual review of the effectiveness of its system of internal control and to prepare an annual governance statement in accordance with proper practices to accompany its Statement of Accounts.

4. The production of an Annual Governance Statement is the final stage of an on-going process of review of our governance arrangements including risk management and internal control. In summary the process must involve an organisation reviewing the adequacy of its governance arrangements, developing an action plan for improving those arrangements and communicating the framework to users and stakeholders.
5. This report was prepared by the ACO (POD), the Treasurer and the Deputy Monitoring Officer with support from a small group of Heads of Service and other officers. It has been considered and approved by Corporate Management Team.
6. The Authority's corporate governance framework is underpinned by a number of key documents and processes. These are summarised in section 4 of the Annual Governance Statement (Appendix 2).
7. The main policies and strategies that make up the Authority's corporate governance framework are summarised in Appendix 1 to this report. The sources of assurance in place for each of these policies and strategies have been reviewed and where the need for improvement has been identified this is set out within the Annual Governance Statement.
8. Evidence shows that the Authority continues to have in place good arrangements for corporate governance and that they are working effectively.
9. The Annual Governance Statement is included at Appendix 2. It includes the mandatory disclosure of any significant governance issues identified through the Council's governance and internal control arrangements.
10. Since 2013 the Authority has been required to produce a Statement of Operational Assurance on an annual basis in line with the requirements of the Fire and Rescue National Framework and DCLG guidance issued in May 2013. Whilst there is some overlap between this statement and the Annual Governance Statement officers have decided to continue to publish them separately in order that their separate and distinct objectives are transparently fulfilled.
11. The Annual Governance Statement will be reviewed by our external auditors Ernst & Young LLP as part of their audit of the 2013/14 accounts.

**Cheryl Rolph**  
**ASSISTANT CHIEF OFFICER (POD)**

**Liz Woodley**  
**DEPUTY MONITORING OFFICER**

**Duncan Savage**  
**TREASURER**

30 June 2014

## East Sussex Fire Authority

### Annual Governance Statement for the year ended 31 March 2014

#### 1. Scope of responsibility

East Sussex Fire Authority (the Authority) is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Authority also 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, the Authority is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and which includes arrangements for the management of risk. To this end the Authority has approved and adopted a local code of corporate governance, which is consistent with the principles of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government*. A copy of the Authority's code is on our website at [http://www.esfrs.org/document/pdf/fa/membersHandbook/section\\_H09.pdf](http://www.esfrs.org/document/pdf/fa/membersHandbook/section_H09.pdf) or can be obtained from [fireauthorityclerk@esfrs.org](mailto:fireauthorityclerk@esfrs.org). This statement explains how the Authority has complied with the code and also meets the requirements of Accounts and Audit (England) Regulations 2011, regulation 4(3), which requires all relevant bodies to prepare an annual governance statement.

#### 2. The purpose of the governance framework

The governance framework comprises the systems and processes, culture and values by which the authority is directed and controlled and its activities through which it accounts to, engages with and leads its communities. It enables the Authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate services and value for money.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of the Authority's policies, aims and objectives, to evaluate the likelihood and potential impact of those risks being realised, and to manage them efficiently, effectively and economically.

The governance framework has been in place at the Authority for the year ended 31 March 2014 and up to the date of approval of the statement of accounts.

#### 3. The governance framework

The key elements that comprise the Authority's governance arrangements are set out in the local code of corporate governance and they include:

- an Annual Plan that sets out our vision for the community and the outcomes we intend to achieve;
- an established service planning process including the development of the medium term finance plan;
- a business planning and performance management framework which includes setting clear objectives and targets;
- regular reporting of performance against the Authority's key performance indicators, as set out in the Annual Plan, to officers and Members;
- established budgeting systems, clear budget management guidance and regular reporting of financial performance against budget forecasts to officers and Members;
- clear arrangements for the discharge of the statutory functions of the Head of Paid Service, Monitoring Officer and Treasurer;
- compliance with the Chartered Institute of Public Finance and Accountancy's Statement on the Role of the Chief Finance Officer;
- clear arrangements for decision making, scrutiny and the delegation of powers to officers and Members;
- codes of conduct for Members and employees which set out clear expectations for standards of behaviour;
- a clear framework for financial governance based on Contract Standing Orders and Financial Regulations;
- a risk management strategy and risk management framework, which takes account of both strategic and operational risks and ensures that they are appropriately managed and controlled;
- Member Panels with clear responsibilities for governance, audit and standards
- established arrangements for dealing with complaints and whistle-blowing, and combating fraud and corruption;
- schemes for identifying the development needs of Members and officers, supported by appropriate training;
- a strategy for communicating and consulting with the people of East Sussex and Brighton and Hove and our key stakeholders;
- clear guidance that promotes good governance in our partnership working;
- a range of policies and processes designed to ensure best practice and legal compliance for personnel matters, ICT security, access to information, data protection and project management.

#### **4. Review of effectiveness**

The Authority has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by:

- the work of Members through the Fire Authority and its Panels including Policy and Resources and Scrutiny and Audit;
- the work of senior officers and managers within East Sussex Fire & Rescue Service, who have primary responsibility for the development and maintenance of the internal control environment;
- the work of the Monitoring Officer and the Treasurer

- the risk management arrangements, including the maintenance and regular review of corporate risks by the Corporate Management Team and Scrutiny & Audit Panel;
- the work of the internal audit service including their individual reports, and overall annual report and opinion;
- the external auditors in their audit annual letter and annual governance report;
- the judgements of external inspection and statutory bodies and the Operational Assurance Peer Review.

## **5. Assurance and significant governance issues**

No assurance can ever be absolute; however this statement seeks to provide a reasonable assurance that there are no significant weaknesses in the Authority's governance arrangements. On the basis of the review of the sources of assurance set out in this statement, we are satisfied that the Authority has in place governance arrangements and a satisfactory system of internal control, both of which are fit for purpose and operating effectively.

As part of our review we have not identified any gaps in assurance over key risks or significant governance issues.

Both governance and internal control arrangements must be kept under review to ensure that they continue to operate effectively and meet changing legislative needs, reflect best practice and our vision of achieving safer and more sustainable communities.

We propose over the coming year to take steps to further enhance our governance arrangements and these are summarised below. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

- Ensure effective arrangements are in place to deliver the Authority's transformation agenda and savings plan (*Chief Fire Officer & Chief Executive*)
- Review the effectiveness of the Authority's Anti-Fraud and Corruption and Whistleblowing policies (*Treasurer / Deputy Monitoring Officer*)
- To clarify and review the Authority's key governance policies and produce a new Constitution to replace the Members Handbook (*Assistant Chief Officer POD / Deputy Monitoring Officer*)
- Carry out an assessment of the effectiveness of the audit functions of the Scrutiny and Audit Panel against the best practice guidance issued by CIPFA (*Assistant Chief Officer POD / Treasurer*)
- Implement the new Procurement Strategy and Improvement Plan (*Head of Finance & Procurement*)
- To secure improvements in the Authority's IMD arrangements through its new Strategy and determine new service delivery arrangements (*Assistant Chief Fire Officer*)
- Continue to improve the Authority's risk management arrangements (*Treasurer*)

- Develop an action plan to address the issues identified in the recent liP assessment (*Assistant Chief Officer POD*) and the Operational Assurance Peer Review (*Deputy Chief Fire Officer* )
- Achieve improvements in sickness absence (*Director of Response & Resilience and Head of Human Resources*)
- Strengthen arrangements for the management of declarations of conflict of interest and gifts / hospitality (*Assistant Chief Officer POD / Deputy Monitoring Officer / Treasurer*)

Chair, Scrutiny and Audit Panel

Des Prichard, Chief Fire Officer and Chief Executive  
11 July 2014



**EAST SUSSEX FIRE AUTHORITY**

Panel: **Scrutiny & Audit**

Date: **11 July 2014**

Title of Report: **2013/14 - 4<sup>th</sup> Quarter Performance Results**

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

Purpose of report: **To present the 4<sup>th</sup> quarter performance indicator results for 2013/14.**

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

- i. note the 2013/14 performance results for Quarter 4 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.

---

**MAIN ISSUES**

1. This report contains the Quarter 4 performance indicator results for 2013/14, compared with the results for the same quarter in 2012/13.
2. 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.
3. The Fire Authority has six priority areas:
  - Percentage of HSVs to the vulnerable members of our community
  - Number of accidental fires in dwellings
  - Percentage of accidental dwelling fires confined to room of origin
  - Percentage reduction of automatic fire alarms
  - Expenditure per head of the population on the provision of Fire & Rescue Services (Annual indicator)
  - Number of working days/shifts lost due to sickness absence for all staff
4. In terms of the overall performance for 2013/14, of the Fire Authority's priority areas, three are on target, one is within 10% of the target and one is off target. The result for the expenditure per head of population which will be available later in the year as the accounts are closed and finalised. The performance outcome summary is set out in Appendix A attached as a separate document, with an exceptions report set out as Appendix B.

5. 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 2013/14 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.

**Des Prichard**  
**CHIEF FIRE OFFICER & CHIEF EXECUTIVE**  
23 April 2014

**APPENDIX A IS ATTACHED AS A SEPARATE DOCUMENT**



**EAST SUSSEX FIRE AUTHORITY**

Panel: **Scrutiny & Audit**  
Date: **11 July 2014**  
Title: **Member Lead Arrangements for 2014/15**  
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 nominate Member Leads as per Appendix B.

---

**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 make nominations for the proposals.

**Des Prichard**  
**CHIEF FIRE OFFICER & CHIEF EXECUTIVE**  
10 June 2014

**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; Scrutiny & Audit 11 July 2013

## 1 **CURRENT MEMBER LEAD ISSUES**

- 1.1 The current Member Leads for 2013/14 are set out in Appendix A to the report which also includes the roles and responsibilities. The Panel may wish to reflect on the terms of reference and discuss whether they are still in keeping with the Authority's aspirations.
- 1.2 Members will recall in 2013 the number of lead members at that time was deemed to be high and the numbers were rationalised from 18 to 5.
- 1.3 The Panel is advised that Cllr Scott has stood down from his lead member role for People and Organisational Development. Cllr Scott commented that:

"I felt somewhat concerned that as Lead Member I felt it a non-role really, it was more about you giving me updates, etc. which helpful in itself do not allow for me to influence any reports that may come forward to P&R, etc.. It is therefore with regret I will step back from the role with "immediate effect".

## Appendix A

### Member Lead Roles for the Fire Authority

The Fire Authority has considered the positive benefits of having Member Leads on matters being managed by the Policy & Resources and the Scrutiny & Audit Panels. Guidance has been developed on the exact role of Member Leads and includes issues such as:

- i. The scope/restrictions of executive powers for Lead Members to accord with the current CFA governance arrangements and terms of reference of the Panels.
- ii. Working arrangements required for Lead Members to manage their remits via the Policy & Resources and Scrutiny & Audit Panels, as appropriate.
- iii. Working relationships with ESFRS staff.
- iv. The extent to which Lead Members can make statements on their briefs in co-ordination with the Fire Authority's communication strategy and responsible officers.
- v. How Lead Members engage with external parties on behalf of the Fire Authority and how they must work within the context of the Fire Authority's consultation and engagement strategy and its related action plan.
- vi. How Lead Members must operate within the context of all the Fire Authority strategies and working arrangements.
- vii. The appropriate electronic and administrative arrangements required.

The guidance is attached as Appendix A.

Member Leads for 2013/14 are set out in Appendix B.

#### MEMBER LEAD ROLES AND RESPONSIBILITIES

##### GUIDANCE AS AT DECEMBER 2009 (Reviewed 2013)

The following guidance is provided for Member Leads to help them manage their respective remits, co-ordinate their activities, communicate on progress being made, as well as providing progress updates at Members' Seminars, and for reporting to the Fire Authority and its Panels. It is not intended to be fully comprehensive, nor unnecessarily restrictive, but gives a framework within which Member roles on Fire Authority matters can develop. It is also intended to assist Principal Officers in their work with Member Leads.

This guidance will be included within future editions of the Members' Handbook and reviewed annually as part of the routine processes.

i. **The scope/restrictions of executive powers for Lead Members to accord with the current CFA governance arrangements and terms of reference of the Panels.**

The Fire Authority does not have executive governance arrangements. It runs on the more traditional committee arrangements which are called Panels by this Authority. Any executive powers delegated by the Fire Authority are defined within the terms of reference of the Panels, or delegated functions of officers of the Fire Authority. Member Leads do not have any additional executive powers and, as such, approval for policy changes must be sought through Panel arrangements.

Members are also reminded that the Fire Authority does not have 'executive arrangements' in place and, as such, its Policy & Resources Panel is politically balanced. Therefore, the scrutiny role of the Scrutiny and Audit Panel is to scrutinise whether the policies of the P&R Panel and CFA are being performed effectively.

ii. **Working arrangements required for Member Leads to manage their remits via the Policy & Resources and Scrutiny & Audit Panels, as appropriate.**

The Member Leads will need to understand the broad annual reporting cycles of the Fire Authority:

- Performance reporting takes place from June to September;
- Service planning initial proposals are considered from September to December;
- Outcomes of consultation processes and final decisions on budgets and service investments and improvements are made in January and February;
- Updating of Members' Handbook (corporate governance and strategy matters); service planning performance target setting and setting the Scrutiny and Audit programme of reviews takes place in February to May.

Where a Member Lead comes across something which they feel needs scrutinising, they should approach the Assistant Chief Officer as the Principal Officer, to add it to the agenda planning list. If there is a serious or urgent matter, Members have the right to ask the Panel Chairman to add it to the agenda under Urgent/Chairman's Business Items or contact the Auditor of the Authority if this is more appropriate.



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Preparation of the reports will continue to be the responsibility of the lead Principal Officer/Treasurer and Monitoring Officer as the agenda preparation timetable is extremely tight in relation to other approval and cross referencing requirements.

Such reports, previously made by officers of the Fire Authority on areas which Member Leads now have responsibility for, will be issued for Panel consideration under their name and they, along with the lead Principal Officer/Treasurer and Monitoring Officer, will support the Member to respond to issues raised.

It will be the responsibility of the lead Principal Officer to consult with their Member Lead and ensure their comments are included within the agreed corporate agenda consultation periods.

Principal Officers, with their Member Leads, will pull together a summary of Member Lead actions and news three weeks prior to Fire Authority meetings.

Principal Officers will support Member Leads and advise on strategic issues, until the Member Lead feels comfortable to take charge. Where a Member Lead identifies an area which may possibly require a future policy change, or an area which might merit a future scrutiny review, they should refer the issue to the relevant Principal Officer for consideration who will ensure it is fed into the appropriate Fire Authority business planning arrangements.

Meetings of the Member Leads and Principal Officers will be arranged on a regular basis, to fit in with the Fire Authority timetable.

### iii. **Working relationships with ESFRS staff – for current guidance see below.**

The following introductory guidance is contained in the current edition of the Members' Handbook:

'Briefly, good working relations between Members and employees are critical to the successful delivery of the Authority's business. Any misunderstandings about the roles and acceptable standards of behaviour may give rise to unnecessary stresses and tensions which, if not resolved, may harm the effectiveness of these relationships. The Members' Handbook does not seek to cover every eventuality, but it does aim to strengthen the good working relationships which already exist, to clarify possible areas of doubt and to offer advice as to how any difficulties which might arise can be resolved properly, speedily and, it is hoped, without recourse to the Authority's more formalised procedures.'

There is a Member and Officer Code of Conduct and it is not expected that further guidance is required.

### iv. **The extent to which Member Leads can make statements on their briefs in co-ordination with the Fire Authority's communication strategy and responsible officers.**

All Members and officers must operate within the Fire Authority's agreed communication strategy and the corporate communication policy arrangements in place.

Member Lead communication statements on their respective remits will be welcomed as a means of enhancing public knowledge and engagement in the work of our organisation and helping us to make our local communities safer and more sustainable.

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All corporate communications should be first agreed by the Chairman and/or lead Principal Officer – Assistant Chief Officer (People and Organisational Development) or, in their respective absences, the Vice Chairman and/or another Principal Officer. Any urgent communication with the Media should be co-ordinated through the ESFRS Communications and Media Officer.

Generally, it will be for the lead Principal Officer to prompt/encourage when a press release should be made, but Member Leads will be expected to develop these new Fire Authority roles and take the initiative on relevant occasions, in consultation with the lead Principal Officer.

- v. **How Member Leads engage with external parties on behalf of the Fire Authority and how they must work within the context of the Fire Authority's consultation and engagement strategy and its related action plan.**

In a similar way to the previous guidance on communications, all Members and officers must operate within the Fire Authority's agreed consultation and engagement strategy and the corporate consultation action plan and policy arrangements in place.

Generally, it will be for the lead Principal Officer to prompt/encourage consultation and engagement opportunities, but it is hoped that Member Leads will be expected to develop these new Fire Authority roles and take the initiative on relevant occasions, in consultation with the lead Principal Officer, and ensure feedback received is captured for subsequent policy consideration.

The Fire Authority agreed that non-voting co-opted members may be appointed to Panels. Community leaders may also be co-opted in a non-voting capacity on an ad-hoc basis, subject to approval by the Fire Authority following recommendation by the Panel.

- vi. **How Member Leads must operate within the context of all the Fire Authority strategies and working arrangements.**

Member Leads need to have a broad understanding of the overall impact of the Fire Authority strategies in particular, as well as a working knowledge of how ESFRS functions. This is because many policy issues are cross cutting and have impacts upon service planning and resource management, health and safety, equality and diversity and operational service and risk management prioritisation. As such, care needs to be taken to ensure all issues are given relevant consideration as part of specific Member Lead remits and where potential conflicts arise, these are discussed with fellow Member Leads, Group Leaders and the Principal Officers concerned. Member Leads are not allowed to use their position for political purposes.

- vii. **The appropriate electronic and administrative arrangements required.**

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It is important that Member Leads feel adequately supported, but this must be contained within the existing resources of the Clerks to the Fire Authority. There are no additional administrative resources available, and this is why preparations of briefing notes, seminar presentations and consultation and engagement opportunities will need to be co-ordinated through lead principal officers who will utilise their available resources to assist, where circumstances allow. Member Lead access to an extranet facility will need to be considered in due course.

Training and development for Member Leads will be included within the Member Development programme as required and covered in future Members' Seminars. It is the Member Leads' responsibility to discuss any changes to their roles, or issues that may arise, with the Assistant Chief Officer (People & Organisational Development).

### **ROLES AND RESPONSIBILITIES OF MEMBER LEADS**

#### **MEMBER LEADS**

More specific expectations relevant to the particular remits will be developed between the relevant Member Lead and the Principal Officer as supported by the Clerk and any Member Development requirements will need to be raised through the agreed People and Organisational Development arrangements for Members.

#### **ROLES**

The primary roles of Member Leads are to support the Fire Authority's democratic responsibilities and help achieve its Vision and Strategic Aims; to promote knowledge and understanding on the relevant remits both within and outside the Service; by undertaking the following key activities:

- A assisting the Fire Authority and Service to champion key services both internally and externally so that they are understood by relevant stakeholders and cohesive partnership working is maximised.
- B communicating and working with fellow Member Leads to ensure development of the Fire Authority takes place in a proportionate and holistic manner.
- C assisting the Fire Authority and Service to develop and prioritise cost effective delivery of services within the available medium term resource constraints and refining Service Strategies over the medium term to ensure they remain appropriate to community needs and strategic priorities.
- D ensure services are properly defined, developed and delivered within a strong performance management framework.
- E engage with external parties as appropriate to seek opportunities to help ESFRS adopt best practices in a timely manner within the national, regional and local community contexts.

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### DUTIES

The primary duties placed upon Member Leads are to undertake the following key activities:

- A Research the subject area through reading documents, website, internet, training sessions, visits, etc., to develop knowledge and understanding of the particular remits to which the Member Lead has been appointed.
- B Gain awareness of any relevant external assessment recommendations and best practice documents and consider the position of the Service in meeting such expectations for future improvement planning.
- C Be aware of the performance position of the Service in relation to past performance patterns and within the context of available benchmarking material as well as an overview of the resource inputs, outputs and outcomes expected from the functional area as appropriate
- D Chair / attend meetings and develop relationships with Fire & Rescue Service Managers/employees to further develop knowledge and understanding of the services provided.
- E Share the knowledge and understanding gained by:
  - Informal briefings and liaison at both Member and Senior officer level
  - Internal and externally targeted briefing documents
  - Presentations
  - Press releases
  - External consultation and engagement and shared working as appropriate as supported by the relevant Principal Officer
- F Coach/mentor individual Member colleagues in the development of knowledge and understanding, as requested

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### Appendix A

#### Member Lead Arrangements for 2013/14

<b>Directorate</b>	<b>Lead Member</b>	<b>Lead Principal Officer</b>
Response & Resilience Prevention & Protection	Carol Theobald Christopher Hawtree	DCFO Gary Walsh
Equality & Diversity	Peter Pragnell Stephanie Powell	DCFO Gary Walsh & ACO Cheryl Rolph
People and Organisational Development (to include Staff and Member Development)	Phil Scott	ACO Cheryl Rolph
Support Services to include Environmental and Sustainability	John Barnes	ACFO Gary Ferrand
Sussex Control Centre	Phil Howson	ACO Cheryl Rolph

Notes:

1. The Member Lead role does not attract an entitlement to Special Responsibility Allowance.
2. The number of Member Leads was reviewed by the Scrutiny & Audit Panel (11 July 2013) and was reduced from 18 to 5 as indicated above more appropriate to the business of the Authority.

## Appendix B

**2014/15**

<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

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#### 2014/15

<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