

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 Friday 11 July 2014.

Members Present: Councillors Barnes, Buchanan, Carden, Hawtree, Lambert, Peltzer-Dunn, Taylor and Wincott.

N.B. Councillor Barnes attended the meeting in place of Councillor Galley, and Councillor Hawtree attended as the Green Group member, having been nominated by the Deputy Monitoring Officer in consultation with the relevant Group spokesperson.

Also present: Councillors Howson and Pragnell.

Also present:

Mr. D Prichard (Chief Fire Officer & Chief Executive), Mr. G. Walsh (Deputy Chief Fire Officer), Mr. G. Ferrand (Assistant Chief Fire Officer), Mrs. C. Rolph (Assistant Chief Officer), Ms. L. Woodley (Deputy Monitoring Officer), Mr. D. Savage (Treasurer), Mr. W. Tricker (Head of Procurement & Finance), Mrs. L. Ridley (Head of Performance Management), Mr. P. King (Ernst & Young Auditors), Mr. I. Young (Ernst & Young), Mr. R. Banks (Internal Audit), Mr G Neale (Internal Audit) and Mrs. A. Bryen (Clerk).

903. **DISCLOSABLE PECUNIARY INTERESTS**

903.1 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.

904. **ELECTION OF CHAIRMAN**

904.1 **RESOLVED** – That Councillor Lambert be appointed Chair of the Panel for the ensuing year.

905. **APOLOGIES FOR ABSENCE**

905.1 An apology for absence was received from Councillor Galley.

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

906.1 There were no urgent items for consideration.

906.2 The Chair welcomed Paul King and Ian Young from Ernst & Young, the Fire Authority's external auditors, and Russell Banks and Gary Neale, the Fire Authority's Internal Auditors, to the meeting.

907. **NON-CONFIDENTIAL MINUTES OF THE LAST SCRUTINY AND AUDIT PANEL MEETING HELD ON 15 MAY 2014**

907.1 **RESOLVED** – That the non-confidential minutes of the meeting of the Scrutiny & Audit Panel held on 15 May 2014 be approved as a correct record and signed by the Chair. (Copy in Minute Book).

908. **CALLOVER**

908.1 Members reserved the following items for debate:
913. Member Lead Arrangements for 2014/15

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

909. **INTERNAL AUDIT ANNUAL REPORT AND OPINION FOR THE PERIOD 1 APRIL 2013 – 31 MARCH 2014**

909.1 Members had considered a report of the Treasurer that introduced the report of East Sussex County Council's (ESCC) Head of Assurance, as East Sussex Fire Authority's (ESFA) Head of Internal Audit. (Copy in Minute Book).

909.2 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, was able to provide reasonable assurance that the Fire Authority had 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 had drawn up action plans to implement these recommendations.

909.3 Members' attention was drawn to the weaknesses in control identified by internal audit i.e. procurement and contracting and in IMD management controls, as well as 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 was also provided on Internal Audit's performance against their agreed targets and their compliance with the Public Sector Internal Audit Standards (PSIAS).

909.4 **RESOLVED** – That
(i) the Internal Audit Service's opinion on the Fire Authority's internal control environment for 2013/14 be noted; and
(ii) the Fire Authority's system for internal audit had proved effective during 2013/14.

910. **INTERNAL AUDIT STRATEGY AND PLAN**

910.1 Members had considered a report of the Treasurer that provided an Internal Audit Plan for East Sussex Fire Authority covering the period 1 April 2014 to 31 March 2015. (Copy in Minute Book).

910.2 East Sussex County Council (ESCC) had provided the internal audit service to East Sussex Fire Authority (ESFA) since 1 April 1997. This service was usually delivered based on a standard annual budget of 70 audit days.

910.3 Members had also considered the proposed Internal Audit Strategy and Plan for 2014/15 which had been produced on a risk basis, following consultation with the Treasurer, Principal Officers, Deputy Monitoring Officer and the Fire Authority's external auditor, Ernst and Young, as well as a revised Audit Charter which was annexed to the Strategy and Plan.

910.4 **RESOLVED** – That

- (i) the 2014/15 Internal Audit Strategy and Plan be approved; and
- (ii) the updated Audit Charter be approved.

911. **ASSESSMENT OF THE CORPORATE FRAMEWORK AND ANNUAL GOVERNANCE STATEMENT FOR 2013/14**

911.1 Members had considered a joint report of the Chief Fire Officer & Chief Executive, Monitoring Officer and Treasurer that set out how the Fire Authority had assessed the effectiveness of its governance arrangements and which sought approval of the Annual Governance Statement in line with the Accounts and Audit Regulations 2011. (Copy in Minute Book).

911.2 The Annual Governance Statement provided an opportunity for the Authority to assess and report transparently to the public how it ensured that it was doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner.

911.3 The Authority was 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. The production of an Annual Governance Statement was the final stage of an on-going process of review of the Authority's governance arrangements including risk management and internal control.

911.4 The Authority's corporate governance framework was underpinned by a number of key documents and processes. The sources of assurance in place for each of the main policies and strategies that made up the Authority's corporate governance framework had been reviewed and any need for improvement that had been identified was set out within the Annual Governance Statement.

911.5 Evidence showed that the Authority continued to have in place good arrangements for corporate governance and that they were working effectively. The Annual Governance Statement would be reviewed by the Authority's external auditors Ernst & Young LLP as part of their audit of the 2013/14 accounts.

- 911.6 **RESOLVED** – That
- (i) the level of assurance provided to Members through this report and the Authority's governance framework and processes be confirmed as satisfactory;
 - (ii) no additional significant governance issues have been identified that should be included in the Authority's Annual Governance Statement; and
 - (iii) the Annual Governance Statement be approved to be signed by the Chair of this Panel and the Chief Fire Officer & Chief Executive.

912. **2013/14 - 4TH QUARTER PERFORMANCE RESULTS**

912.1 Members had considered a report of the Chief Fire Officer & Chief Executive that presented the 4th quarter performance indicator results for 2013/14. (Copy in Minute Book).

912.2 The report contained the Quarter 4 performance indicator results for 2013/14, compared with the results for the same quarter in 2012/13. In terms of the overall performance for 2013/14, of the Fire Authority's priority areas, three were on target, one was within 10% of the target and one was off target. The result for the expenditure per head of population would not be available until later in the year when the accounts were closed and finalised. The performance outcome summary and an exceptions report were presented to the Panel.

- 912.3 **RESOLVED** – That
- (i) the 2013/14 performance results for Quarter 4 as set out in the report and Appendix A, be noted; and
 - (ii) the information included within the exceptions report set out as Appendix B, be noted.

913. **MEMBER LEAD ARRANGEMENTS FOR 2014/15**

913.1 Members considered a joint report of the Chief Fire Officer & Chief Executive and the Monitoring Officer that sought nominations for Member Leads. (Copy in Minute Book).

913.2 Member Lead arrangements were established in 2009/10 and had worked reasonably effectively since that time. In 2013 the number of lead members was deemed to be high and the numbers were rationalised from 18 to 5. It was recognised that the workloads of the different streams had varied, and the number of Member Leads for such a small Authority was now disproportionate, and the same outcomes could be achieved with a smaller number.

913.3 **RESOLVED** – That the following Member Leads be appointed:

Directorate	Lead Member	Lead Principal Officer
Response & Resilience Prevention & Protection	Councillor C Theobald Councillor C Hawtree	DCFO Gary Walsh
Equality & Diversity	Councillor P Pragnell Councillor S Powell	DCFO Gary Walsh and ACO Cheryl Rolph
People and Organisational Development (to include Staff and Member Development)	Councillor C Butler	ACO Cheryl Rolph
Support Services to include Environmental and Sustainability	Councillor J Barnes	ACFO Gary Ferrand
Sussex Control Centre	Councillor P Howson	ACO Cheryl Rolph

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

914.1 **RESOLVED** – That item no. 915 be exempt under paragraphs 3 and 7 of Schedule 12A to the Local Government Act 1972 as amended by the Local Government (Access to Information) (Variation) Order 2006 and accordingly is not open for public inspection on the grounds that it includes information relating to the financial or business affairs of any particular person (including the authority holding that information), and information relating any action taken or to be taken in connection with the prevention, investigation and prosecution of crime.

The meeting concluded at 11:35 hours.

Signed

Chair

Dated this

day of

2014