

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 28 May 2015.

Members Present: Councillors Deane, Galley, Lambert (Chair), Pragnell, Scott, Taylor and Wincott.

N.B. Councillor Pragnell attended the meeting in place of Councillor Peltzer Dunn, and Councillor Scott attended the meeting as the second Labour Group member, having been nominated by the Deputy Monitoring Officer.

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. R. Banks (ESCC) and Mrs. S. Klein (Clerk).

960. **DISCLOSABLE PECUNIARY INTERESTS**

960.1 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.

961. **APOLOGIES FOR ABSENCE**

961.1 Apologies for absence were received from Councillors Buchanan and Peltzer Dunn.

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

962.1 There were no urgent items for consideration.

963. **NON-CONFIDENTIAL MINUTES OF THE SCRUTINY AND AUDIT PANEL MEETING HELD ON 15 JANUARY 2015**

963.1 **RESOLVED** – That the non-confidential minutes of the meeting of the Scrutiny & Audit Panel held on 15 January 2015 be approved as a correct record and signed by the Chair. (Copy in Minute Book).

964. **CALLOVER**

964.1 Members reserved the following items for debate:

965. External Audit Plan and Update 2014/15

966. Internal Audit Annual Report and Opinion for the period 1 April 2014 – 31 March 2015

968. Contracting & Procurement Follow-Up Audit

972. 2014/15 4th Quarter Performance results

964.2 Although item 970 was not called, the Chair drew Members' attention to the requirement to appoint four Members of the Fire Authority to the Pension Board and asked Group Leaders to consider nominations from their Groups.

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

965. **EXTERNAL AUDIT PLAN AND UPDATE 2014/15**

965.1 Members considered a joint report of the Chief Fire Officer & Chief Executive and Treasurer that informed them of the content of the external audit plan 2014/15 and progress to date. (Copy in Minute Book).

965.2 Mr. King explained that the external audit plan set out the work that the Authority's external auditors, Ernst & Young (EY), intended to carry out in order to audit the Authority's 2014/15 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. Mr. King drew Members' attention to one non-significant risk – medium term financial planning.

965.3 It was noted that the Local Audit and Accountability Act 2014 had closed the Audit Commission and repealed the Audit Commission Act 1998. Councillor Galley was pleased to see that the annual external audit indicative fee for 2015/16 had reduced, largely as a result of the change with the Audit Commission.

965.4 **RESOLVED** – That:

- i) the External Audit Plan for 2014/15 be approved; and
- ii) the external audit fee for 2015/16 be noted.

966. **INTERNAL AUDIT ANNUAL REPORT AND OPINION FOR THE PERIOD 1 APRIL 2014 TO 31 MARCH 2015**

966.1 Members considered a report of the Treasurer that provided an Opinion on East Sussex Fire Authority's internal control environment and reported on the work of Internal Audit for the period 1 April 2014 to 31 March 2015. (Copy in Minute Book).

966.2 Councillor Galley was concerned that the Station audit and inspection arrangements which had only received a partial assurance from the internal auditors, and asked what steps management was taking in re-examining its overall approach to this work. Mrs. Ridley confirmed that the Service Transformation Team was considering new arrangements and would be reporting their recommendations for new systems within six months which would satisfy the matters raised in the audit. The Treasurer explained that the audits and inspections covered financial and operational controls and the CFO&CE confirmed that Borough Commanders had been tasked to report to the DCFO, ensuring that operational records were kept correctly.

966.3 Councillor Galley was also concerned that the Service had only received substantial assurance, rather than full assurance, for accounts payable. The Treasurer confirmed that there had been a small number of issues but these were being addressed and improvements would be reflected in next year's report.

966.4 **RESOLVED** – That:

- i) the Internal Audit Service's opinion on the Fire Authority's internal control environment for 2014/15 be noted; and
- ii) consider whether the Fire Authority's system for internal audit has proved effective during 2014/15.

967. **INTERNAL AUDIT STRATEGY AND ANNUAL AUDIT PLAN 2015-16**

967.1 Members considered a report of the Treasurer that provided an Internal Audit Plan for East Sussex Fire Authority covering the period 1 April 2015 to 31 March 2016. (Copy in Minute Book).

967.2 **RESOLVED** – That the 2015/16 Internal Audit Strategy and Plan be approved.

968. **CONTRACTING AND PROCUREMENT FOLLOW-UP AUDIT**

968.1 Members considered a report of the Treasurer that provided an update on the outcome of the audit which had been commissioned to follow up on the previous Contracting and Procurement audit. (Copy in Minute Book).

968.2 Councillor Galley asked why the compliance status was amber for monitoring contracts appropriately in line with procurement procedures and legislation, and goods and services being received in line with contract deliverables. The CFO&CE gave an example of a contract where individual Stations were ordering independently, which meant that better terms had not been negotiated as the aggregated spend had not been taken into account. The Service was now procuring these goods and services collectively, enabling better terms. It was also noted that the Service has amended its procurement arrangements, with a qualified procurement manager, and the revised procurement manual was ready to be published alongside the enactment of the new Constitution in June.

968.3 **RESOLVED** – That the report and the Internal Audit opinion of substantial assurance be noted.

969. **ASSESSMENT OF THE CORPORATE FRAMEWORK AND ANNUAL GOVERNANCE STATEMENT FOR 2014/15**

969.1 Members 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 sought approval of the Annual Governance Statement in line with the Accounts and Audit Regulations 2015. (Copy in Minute Book).

- 969.2 **RESOLVED** – That:
- i) Members were satisfied with the level of assurance provided to them through this report and the Authority’s governance framework and processes;
 - ii) Members had not identified any significant governance issues that should be included in the Authority’s Annual Governance Statement;
 - iii) the Annual Governance Statement be approved to be signed by the Chair of this Panel and the Chief Fire Officer & Chief Executive; and
 - iv) the Local Code of Corporate Governance be approved to replace the existing Manual Note.

970. **FIREFIGHTERS’ PENSION SCHEME – NEW GOVERNANCE REQUIREMENTS**

970.1 Members considered a joint report of the Chief Fire Officer & Chief Executive, Monitoring Officer and Treasurer that advised them of the process for appointing members of the local Pension Board. (Copy in Minute Book).

970.2 **RESOLVED** – That the proposed process for the appointment of employer representatives to the local pension board be approved.

971. **2014/15 4TH QUARTER CORPORATE RISK REGISTER REVIEW**

971.1 Members considered a joint report of the Chief Fire Officer & Chief Executive and Treasurer that reported on the latest quarterly review of Corporate Risk and sought their agreement of the outcomes. (Copy in Minute Book).

971.2 **RESOLVED** – That the latest Corporate Risk Register be approved and the Internal Audit opinion of substantial assurance be noted.

972. **2014/15 4TH QUARTER PERFORMANCE RESULTS**

972.1 Members considered a report of the Chief Fire Officer & Chief Executive that presented the fourth quarter performance indicator results for 2014/15. (Copy in Minute Book).

972.2 Councillor Galley was impressed with the results in the report but concerned with the high levels of sickness absence. The CFO&CE explained that, with a high proportion of staff being operational firefighters, they may suffer a range of injuries that prevented them from undertaking operational duties and, therefore, being signed off work, whereas a similar injury may not prevent a member of the support services from undertaking their role. With the assistance of the Occupational Health Adviser, the Service was making more use of staff returning to work on ‘light duties’ and he was confident that the number of days lost would start to decline.

972.3 Councillor Scott was informed that the inspections of high risk premises completed included all premises covered within the Fire Safety Order, and included care homes, nursing homes, shops, offices, petrol stations, etc. The Service was liaising with other enforcement agencies, and focussing on supporting businesses to improve their compliance. The DCFO informed Members that the changes made within the Business Safety Department should lead to the targets being met in 2015/16.

972.4 Councillor Wincott was concerned that, although attendance times targets were being met, the direction of travel was declining. He questioned whether the targets were too low. Mrs. Ridley explained that the targets had been set under the Integrated Risk Management Plan around 2004/05, and a lot of work had been undertaken in reducing false alarm calls, which had affected the outcomes against the targets set. The CFO&CE added that the difference in numbers of call-outs and response times in urban and rural areas would also affect the figures, with the urban areas more likely to meet targets. He suggested that Members may wish to consider attendance times and targets at a future Members' Seminar.

972.5 Councillor Deane asked whether there was a correlation between the number of accidental dwelling fires and the number of Home Safety Visits. The DCFO explained that, following the Fire Authority's decision to remove a pump from the City, additional community safety work was being undertaken in the Mile Oak area, and an officer had been seconded to the City Council to help drive forward safety initiatives. There was a similar number of accidental dwelling fires but their intensity and damage caused had fallen, probably as a result of the education provided through Home Safety Visits.

972.6 **RESOLVED** – That:
i) the 2014/15 performance results for Quarter 4 be noted, as set out in the report and complementary separate Appendix A; and
ii) the information included within the exceptions report be considered, set out as Appendix B.

973. **2014/15 4TH QUARTER CORPORATE PROJECTS OUTTURN RESULTS**

973.1 Members considered a report of the Chief Fire Officer & Chief Executive that presented the 2014/15 4th quarter outturn results on the Corporate Projects. (Copy in Minute Book).

RESOLVED – That the corporate progress made at the end of 4th quarter 2014/15 within the context of the other work priorities be noted.

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

974.1 **RESOLVED** – That item number 975 be exempt under paragraph 3 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).

The meeting concluded at 11:05 hours

Signed

Chair

Dated this

day of

2015