

# East Sussex Fire Authority

Annual Audit Letter for the year ended 31 March 2015

October 2015

Ernst & Young LLP



Building a better  
working world



Members of East Sussex Fire Authority  
East Sussex Fire & Rescue Service  
20 Upperton Road  
Eastbourne  
East Sussex  
BN21 1EU

October 2015

Dear Members

## **Annual Audit Letter 2014/15**

The purpose of this Annual Audit Letter is to communicate to the members of East Sussex Fire Authority and external stakeholders, including members of the public, the key issues arising from our work, which we consider should be brought to their attention.

We have already reported the detailed findings from our audit work to the Scrutiny and Audit Panel in our Audit Results Report presentation given on 17 September 2015.

The matters reported here are the most significant for the Authority.

I would like to take this opportunity to thank the officers of the Authority for their assistance during the course of our work.

Yours faithfully



Paul King  
For and behalf of Ernst & Young LLP  
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Relevant parts of the Audit Commission Act 1998 are transitionally saved by the Local Audit and Accountability Act 2014 (Commencement No. 7, Transitional Provisions and Savings) Order 2015 for 2014/15 audits.

The Audit Commission's 'Statement of responsibilities of auditors and audited bodies' (Statement of responsibilities). It is available from the accountable officer of each audited body and via the [Audit Commission's website](#).

The Statement of responsibilities serves as the formal terms of engagement between the Audit Commission's appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas.

The Standing Guidance serves as our terms of appointment as auditors appointed by the Audit Commission. The Standing Guidance sets out additional requirements that auditors must comply with, over and above those set out in the Code of Audit Practice 2010 (the Code) and statute, and covers matters of practice and procedure which are of a recurring nature.

This Annual Audit Letter is prepared in the context of the Statement of responsibilities. It is addressed to the Members of the audited body, and is prepared for their sole use. We, as appointed auditor, take no responsibility to any third party.

Our Complaints Procedure – If at any time you would like to discuss with us how our service to you could be improved, or if you are dissatisfied with the service you are receiving, you may take the issue up with your usual partner or director contact. If you prefer an alternative route, please contact Steve Varley, our Managing Partner, 1 More London Place, London SE1 2AF. We undertake to look into any complaint carefully and promptly and to do all we can to explain the position to you. Should you remain dissatisfied with any aspect of our service, you may of course take matters up with our professional institute. We can provide further information on how you may contact our professional institute.

## 1. Executive summary

Our 2014/15 audit work was undertaken in accordance with the Audit Plan issued on 28 May 2015 and was conducted in accordance with the Audit Commission's Code of Audit Practice, International Standards on Auditing (UK and Ireland) and other guidance issued by the Audit Commission.

The Authority is responsible for preparing and publishing its Statement of Accounts, accompanied by an Annual Governance Statement (AGS). In the AGS the Authority reports publicly each year on how far it complies with its own code of governance, including how it has monitored and evaluated the effectiveness of its governance arrangements in year, and any changes planned in the coming period.

The Authority is also responsible for having proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

As auditors we are responsible for:

- forming an opinion on the financial statements and on the consistency of other information published with them;
- reviewing and reporting by exception on the Authority's AGS;
- forming a conclusion on the arrangements the Authority has to secure economy, efficiency and effectiveness in its use of resources; and
- undertaking any other work specified by the Audit Commission and the Code of Audit Practice.

Summarised below are the results of our work across all these areas:

Area of work	Result
Audit of the financial statement of East Sussex Fire Authority for the financial year ended 31 March 2015 in accordance with International Standards on Auditing (UK & Ireland)	On 17 September 2015 we issued an unqualified audit opinion on the Authority's financial statements
Form a conclusion on the arrangements the Authority has made for securing economy, efficiency and effectiveness in its use of resources	On 17 September 2015 we issued an unqualified value for money conclusion
Report to the National Audit Office on the accuracy of the consolidation pack the Authority needs to prepare for the Whole of Government Accounts	We reported our findings to the National Audit Office on 25 September 2015
Consider the completeness of disclosures on the Authority's AGS, identify any inconsistencies with other information which we know about from our work and consider whether it complies with CIPFA/ SOLACE guidance	No issues to report
Consider whether we should make a report in the public interest on any matter coming to our notice in the course of the audit	No issues to report
Determine whether we need to take any other action in relation to our responsibilities under the Audit Commission Act	No issues to report

***As a result of the above we have also:***

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Issued a report to those charged with governance of the Authority with the significant findings from our audit.

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Our Audit Results Report was presented on 17 September 2015 to the Scrutiny and Audit Panel

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Issued a certificate that we have completed the audit in accordance with the requirements of the Audit Commission Act 1998 and the Code of Practice issued by the Audit Commission.

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Issued on 17 September 2015

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## 2. Key findings

### 2.1 Financial statement audit

The Authority's Statement of Accounts is an important tool to show both how the Authority has used public money and how it can demonstrate its financial management and financial health.

We audited the Authority's Statement of Accounts in line with the Audit Commission's Code of Audit Practice, International Standards on Auditing (UK and Ireland) and other guidance issued by the Audit Commission and issued an unqualified audit report on 17 September 2015.

Our detailed findings were reported to the Scrutiny and Audit Panel on 17 September 2015.

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#### **Significant Risk: Risk of management override**

Management has the primary responsibility to prevent and detect fraud. It is important that management, with the oversight of those charged with governance, has put in place a culture of ethical behaviour and a strong control environment that both deters and prevents fraud.

Our responsibility is to plan and perform audits to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatements whether caused by error or fraud.

We identified no material misstatements, evidence of material fraud or other significant matters to report.

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### 2.2 Value for money conclusion

As part of our work we must also conclude whether the Authority has proper arrangements to secure economy, efficiency and effectiveness in the use of resources. This is known as our value for money conclusion.

In accordance with guidance issued by the Audit Commission, our 2014/15 value for money conclusion was based on two criteria. We consider whether the Authority had proper arrangements in place for:

- ▶ securing financial resilience, and
- ▶ challenging how it secures economy, efficiency and effectiveness.

We issued an unqualified value for money conclusion on 17 September 2015. A summary of the key findings from our work to support our conclusion is set out below.

#### **Financial Resilience**

The Authority under spent against its 2014/15 budget by £670,000 and increased the level of reserves by a greater amount than planned. Given the challenging financial context the Authority faces this has increased the Authority's financial resilience. These reserves will continue to provide temporary resources to support the delivery of changes in services and ultimately long term savings.

#### **Economy, efficiency and effectiveness**

The Medium Term Financial Plan (MTFP) has been updated and reports to the Authority have identified savings proposals over the past 12 months. The funding gap over the life of the MTFP has increased to £2.1 million (by 2020/21).

The Authority has a sound record for identifying and delivering the savings required and the MTFP recognises the national context and its assumptions, at this time, are reasonable.

## 2.3 Whole of Government Accounts

We performed the procedures required by the National Audit Office on the accuracy of the consolidation pack prepared by the Authority for Whole of Government Accounts purposes.

We had no issues to report.

## 2.4 Annual Governance Statement

We are required to consider the completeness of disclosures in the Authority's AGS, identify any inconsistencies with the other information which we know about from our work, and consider whether it complies with relevant guidance.

We completed this work and did not identify any areas of concern.

## 2.5 Objections received

We did not receive any objections to the 2014/15 financial statements from members of the Public.

## 2.6 Other powers and duties

We identified no issues during our audit that required us to use powers under the Audit Commission Act 1998, including reporting in the public interest.

## 2.7 Independence

We communicated our assessment of independence to the Scrutiny and Audit Panel on 17 September 2015. In our professional judgement the firm is independent and the objectivity of the Audit Director and audit staff has not been compromised within the meaning of regulatory and professional requirements



### 3. Control themes and observations

As part of our audit of the financial statements, we obtained an understanding of internal control sufficient to plan our audit and determine the nature, timing and extent of testing performed. Although our audit was not designed to express an opinion on the effectiveness of internal control we communicate to those charged with governance at the Authority, as required, significant deficiencies in internal control.

We have not identified any significant weakness in the design or operation of an internal control that might result in a material error in your financial statements of which you are not aware. Internal Audit found an improvement in controls over procurement and contracting and noted that plans were in place to address a small number of remaining control weaknesses, including finishing the procurement manual and ensuring that contracts are in place in all cases where spend exceeds the thresholds agreed by the Authority.

## 4. Looking ahead

Description	Impact
<p>In 2014/15 the Authority's post balance sheet events note was updated to disclose the Fire Authority's liabilities in relation to the Pensions Ombudsman determination in the case of the Government Actuary's Department (GAD) v Milne.</p> <p>Payments are expected to be made to individuals impacted by this judgment in 2015/16. At the time of writing this letter we anticipate that there will not be an impact on the Fire Authority accounts or the Firefighters pension fund account, as any liabilities incurred will be fully funded by top up grant from Central Government.</p>	<p>We will consider the accuracy and disclosure of the accounting entries relating to GAD v Milne liabilities along with any associated top up grant that may be received by the Fire Authority in 2015/16.</p>
<p>The Accounts and Audit Regulations 2015 were laid before Parliament in February 2015. A key change in the regulations is that from the 2017-18 financial year the timetable for the preparation and approval of accounts will be brought forward.</p> <p>As a result, the Authority will need to produce draft accounts by 31 May and these accounts will need to be audited by 31 July.</p>	<p>These changes provide challenges for both the preparers and the auditors of the financial statements.</p> <p>The Authority is aware of this challenge and the need to start planning for the impact of these changes. This will necessarily include review of the processes for the production and audit of the accounts, including areas such as the production of estimates, particularly in relation to pensions, the valuation of assets, and the year-end closure processes.</p> <p>We have held preliminary discussions with management and will continue to discuss and develop plans over the coming year.</p>

## 5. Fees

Our fee for 2014/15 is in line with the planned fee and scale fee set by the Audit Commission and reported in our Audit Plan and Audit Results Report. We carried out no non-audit work in 2014-15 (none in 2013-14).

	Final fee 2014/15	Planned fee 2014/15	Scale fee 2014/15	Final fee 2013/14
Total Audit Fee – Code work	£41,021	£41,021	£41,021	£41,021

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Appendix A



## ESFRS Corporate Projects and Programmes Report

1. Completion and Finish Dates for Major Milestones
2. Compliance Report - Documentation and Cost Reporting

*H. George*  
*Projects Co-ordinator*  
*02/10/2015*

# Corporate Programmes and Projects - Progress Report

Q2 July - September 2015



SCC Implementation	% complete	Original Finish Date	Projected Finish Date	Finish Variance	Status	Manager	Project Manager's (PM's) Comment
FAT testing complete	80%	31/10/2014	30/11/2015	395 days	Behind Schedule	IA	FAT carried out from 07/09/15 to 18/09/15. Three Cat 1 fails, three Cat 2 fails. Additional 2 months added to finish date for Remsdaq processes, likely to extend greatly if another option is required.
Training complete	10%	31/12/2014	31/03/2016	456 days	Behind Schedule	IA	No action until FAT result is decided
Milestone 1 - SAT		28/02/2016	Unknown	0		IA	SAT has been moved to the end of the process to cover as much of the continuing development items as possible
Milestone 2 - UAT		28/02/2016	Unknown	0		IA	UAT start date unknown, 20 days testing
Milestone 3 - Go-Live		31/03/2016	Unknown	0		IA	Subject to confirmation.
WHOLE PROJECT							

# Corporate Programmes and Projects - Progress Report

Q2 July - September 2015



IMD Transformation	% complete	Original Finish Date	Projected Finish Date	Finish Variance	Status	Manager	PM's Comment
Procurement Plan Agreed by CMT	100%	21/05/2015	21/05/2015	0	On Schedule	PG	The following 'Original Finish Dates' detailed are as per 'Procurement Plan v1.2'
OJEU Notice Published	95%	01/06/2015	27/07/2015	56 days	Behind Schedule	PG	<p>Date of publishing OJEU notice affected by:</p> <ul style="list-style-type: none"> <li>• Provision of PQQ template</li> <li>• Significant rework of PQQ format to ensure compliance</li> <li>• Confirmation / implementation of procurement portal</li> <li>• Clarification of who will perform financial assessment</li> </ul> <p>Furthermore, examination of the 2015 regulations indicates more of the later documentation should be available at time of OJEU publication, which has led to an additional 4 week delay at this stage.</p>
Intention to Award		25/01/2016	25/03/2016	60 days	Behind Schedule	PG	Projected finish date moved forward, as the PQQ evaluation was delayed two weeks waiting for supplier clarifications, in respect of; economic and financial standing, liquidity and gearing tests.
Contract Award		29/03/2016	27/05/2016	59 days	Behind Schedule	PG	Delay due to prior stage delay.
Transition Point		31/07/2016	30/09/2016	61 days	Behind Schedule	PG	
WHOLE PROGRAMME						PG	NB: Implementation phases yet to be scoped

# Corporate Programmes and Projects - Progress Report

Q2 July - September 2015



HQ Move	% complete	Original Finish Date	Projected Finish Date	Finish Variance	Status	Manager	PM's Comment
Appoint third party Programme Team	80%	31/08/2015	31/10/2015	61 days	Behind Schedule	JS	Advice requested from Monitoring Officer 30/09/2015.
Decide data centre and location arrangements	10%	17/11/2015	17/11/2015	0	On Schedule	JS/EA	Needs to be agreed at November CMT
Disposal strategy	50%	01/11/2015	17/11/2015	0	On Schedule	JS	Needs to be agreed at November CMT and December FA
Decision on dispersal sites	50%	16/12/2015	16/12/2015	0	On Schedule	JS	Decision by CMT on sites, layouts and cost. Designs and costings ready.
Agree Heads of Terms with Sussex Police	75%	31/03/2016	31/03/2016	0	On Schedule	JS	Dependent on: 1) decision re Data Centre which affects the amount of space needed 2) financial advice from third party re capital / revenue status 3) final Board approvals of facilities covered.
HR Structure published	TBA	TBA	TBA	0	On Schedule	VC	
Formal consultation with staff complete	TBA	TBA	TBA	0	On Schedule	VC	
Sign-off of HQ layouts and staff locations	20%	31/03/2016	31/03/2016	0	On Schedule	JS	CMT sign-off or delegated decision. We have layouts ready.
Decision on Mallings House move	0%	31/01/2016	31/01/2016	0	On Schedule	JS	
							<b>HQ Move report continues →</b>



# Corporate Programmes and Projects - Progress Report

Q2 July - September 2015



HQ Move (contd)	% complete	Original Finish Date	Projected Finish Date	Finish Variance	Status	Manager	PM's Comment
Dispersal site remodels	10%	31/08/2016	31/08/2016	0	On Schedule	JS	Draft plans being worked.
IMD Service / Infrastructure orders placed	0%	15 weeks lead time + 4 week install + 1 week testing = 20 weeks				EA	Dependent on early move decision - needed for Malling House move
Moves to dispersal sites complete		30/09/2016	30/09/2016	0	On Schedule	JS/EA	
Move to Malling House	0%	30/06/2016	30/06/2016			JS/EA	Calculated as 20 weeks after decision on move
Move to New HQ (training block)		15/12/2015	15/12/2015			JS/EA	
WHOLE PROJECT							First Board meeting held.
Newhaven Fire Station	% complete	Original Finish Date	Projected Finish Date	Finish Variance	Status	Manager	PM's Comment
Steel frame and floors	100%	16/04/2015	24/04/2015	8 days	On Schedule	JS	Complete
Blockwork	100%	02/07/2015	05/06/2015	-27 (early)	On Schedule	JS	Complete
Completion of works	80%	06/11/2015	06/11/2015	0	On Schedule	JS	On programme to complete on time.
Building ready for occupation	50%	09/11/2015	09/11/2015	0	On Schedule	JS	On programme to complete on time.
New fire station in operation	0%	01/12/2015	01/12/2015	0	On Schedule	JS	On programme
Co-occupants in building	0%	01/12/2015	01/12/2015	0	On Schedule	JS	On programme
WHOLE PROJECT	80%	31/12/2016	31/12/2016	0	On Schedule	JS	Steel frame and floors complete, internal blockwork nearing completion. Project programme and within budget. Completion of works due early Nov 2015.

# Corporate Programmes and Projects - Progress Report

Q2 July - September 2015



Service Transformation Phase 3	% complete	Original Finish Date	Projected Finish Date	Finish Variance	Status	Manager	PM's Comment
AERIAL LADDER PLATFORM	100%	Q1	Finished	0	On Schedule	LR	
SMALLER APPLIANCES	100%	Q1	Finished	0	On Schedule	LR	
RETAINED DUTY SYSTEM	65%	31/05/2015	30/09/2015	122 days	Behind Schedule	LR	Review presented to Board who asked for further development of options and more detail. Finish date therefore extended.
TECHNICAL RESCUE UNIT	70%	30/09/2015	31/10/2015	31 days	Behind Schedule	LR	Report drafted. Stakeholder engagement continues with views sought on draft options from Director of Response and Resilience and Engineering.
DEMAND-LED ROSTERING	90%	30/09/2015	31/10/2015	31 days	Behind Schedule	LR	Final report expected from consultants on a number of options. Preparation for presentation to CMT to commence when received.
CALL CHALLENGE	Not due yet	30/11/2015	30/11/2015	0	On Schedule	LR	
FLEXI OFFICERS REVIEW	Not due yet	30/11/2015	30/11/2015	0	On Schedule	LR	
SCHOOLS EDUCATION	Not due yet	31/12/2015	31/12/2015	0	On Schedule	LR	
PHASE 3 WHOLE PROGRAMME	30%	31/12/2015	31/12/2015	0	On Schedule	LR	
Service Transformation Phase 4	% complete	Original Finish Date	Projected Finish Date	Finish Variance	Status	Manager	PM's Comment
REVISIT RURAL REVIEW	Not due yet	2016				LR	
DAY CREWED + IN LEWES	Not due yet	2016				LR	
DAY CREWED+ UCKFIELD, CROWBOROUGH TO RDS	Not due yet	2016				LR	
PHASE 4 WHOLE PROGRAMME	Not due yet	2016				LR	

# Corporate Programmes and Projects - Progress Report

Q2 July - September 2015



Firewatch Phase 1 (re-opened)	% complete	Original Finish Date	Projected Finish Date	Finish Variance	Status	Manager	PM's Comment
Core HR	100%	30/11/2013	30/11/2013	0		JM	All complete except RDS Pay which will now be in Phase 2 of the Project (reliant on RDS Availability and new Mobs system integration). In the meantime, RDS pay will continue to be delivered via MIS and Data Warehouse.
Integrated Personal Development Ststem	75%	30/11/2013	30/11/2015	730 days	Behind Schedule	JM	Training Courses and Qualifications complete. Maintenance of Competence WIP - This was reliant Windows 7 rollout. This milestone has now been extended to avoid other operational training demands, notably new BA Guidance rollout to stations.
Crewing / Availability / Timesheets	50%	30/11/2013	31/03/2016	852 days	Behind Schedule	JM	Wholetime and Control Crewing complete. Officers Rota WIP - Built, training booked. This milestone has been extended to avoid clashing with roll out of new BA Guidance to stations. RDS Availability WIP - Text facility and Mobile Web access installed, minor upgrade taking place July 2015, building availability for two pilot stations, Crowborough and Herstmonceux, training to commence from August 2015 and will complete Service rollout December 2015. Support Staff timesheets WIP - Working patterns being built and assigned. Training TBC. Training Centre timesheets pending.
WHOLE PROJECT	75%	30/11/2013	31/03/2016	852 days	Behind Schedule	JM	

# Corporate Programmes and Projects - Progress Report

Q2 July - September 2015



CRM 2 Database	% complete	Original Finish Date	Projected Finish Date	Finish Variance	Status	Manager	PM's Comment
Discovery workshops	100%	31/03/2015	31/03/2015	0	On Schedule	RF	Has been on hold, but Board meeting scheduled for 05/10/2015. Information to be updated.
Select supplier	65%	30/04/2015	30/09/2015	153 days	Behind Schedule	RF	
Other CRM (non-HSV) functions	90%	31/08/2015	31/08/2015	0	On Schedule	RF	
Other non-CRM functions eg Ops Risk	25%	31/12/2015	31/12/2015	0	On Schedule	RF	
Deliver HSV	50%	31/12/2015	31/12/2015	0	On Schedule	RF	
WHOLE PROJECT	50%	31/12/2015	31/12/2015	0	On Schedule	RF	
RPE and Radios	% complete	Original Finish Date	Projected Finish Date	Finish Variance	Status	Manager	PM's Comment
Milestones below to be agreed with BB						BB	A number of board meetings have taken place. The user telemetry day has taken place, information gathering under way. Test equipment is in the service and contract information has been sought from Devon & Somerset FRS via our procurement team.
Research complete	60%				On Schedule	BB	
Pilots complete	60%				On Schedule	BB	
Contract for radios awarded						BB	
Contract for RPE awarded						BB	
Radios delivered						BB	
RPE delivered						BB	
Radio training complete						BB	
RPE training complete						BB	
All policies, risk assessments etc done						BB	
WHOLE PROJECT						BB	

# Corporate Programmes and Projects - Progress Report

Q2 July - September 2015



Procurement Cards	% complete	Original Finish Date	Projected Finish Date	Finish Variance	Status	Manager	PM's Comment
Business Process Re-engineering (Lean Review)	90%	17/06/2015	31/07/2015	44 days	Catching Up	CG	The BPR has been delayed, due to postponement of Lean Review Workshops, set to resume 08/07/15
Option appraise & identify optimum Procurement Card scheme	0		30/11/2015			CG	We will be assessing optimum solution for ESFRS from the various Corp P/Card schemes in the market, inc opportunities for collaboration & strategic alignment
Identify areas/departments which might benefit from Procurement Cards	30		30/11/2015			CG	It has been recognised that with the competing demands upon Procurement of several strategically critical projects, inc IMD Transformation, progress may be slower than anticipated. It is still our intention however, to align the P/Card launch with the implementation of the revised CSOs in Feb 2016. Options on how this can be achieved are being considered as a matter of urgency.
New training programmes (may include suppliers)	0		31/01/2016			CG	
Refresh policies, guidance & establish protocols for monitoring spend	0		31/01/2016			CG	
Phased implementation, Service-wide	0		28/02/2016			CG	
WHOLE PROJECT		31/03/2016	31/03/2016	0		CG	

# Corporate Programmes and Projects - Progress Report

Q2 July - September 2015



Emergency Services Mobile Communications Project	% complete	Original Finish Date	Projected Finish Date	Finish Variance	Status	Manager	PM's Comment
Initial meeting held; milestones to be set						IA	
On hold						IA	
WHOLE PROJECT						IA	
Day Crewed Plus Roedean, Ridge	% complete	Original Finish Date	Projected Finish Date	Finish Variance	Status	Manager	PM's Comment
On hold waiting for wider consultations						JS	
Data Warehouse (SCC / E-IRS)	% complete	Original Finish Date	Projected Finish Date	Finish Variance	Status	Manager	PM's Comment
On hold							
Lean Reviews	% complete	Original Finish Date	Projected Finish Date	Finish Variance	Status	Manager	PM's Comment
Details and dates to be added next quarter						LR	
CRM 2 Database	% complete	Original Finish Date	Projected Finish Date	Finish Variance	Status	Manager	PM's Comment
Discovery workshops						RF	Has been on hold / frozen, but Board meeting scheduled for 05/10/2015. Information to be updated.
Select supplier						RF	
Other CRM (non-HSV) functions						RF	
Other non-CRM functions eg Ops Risk						RF	
Deliver HSV						RF	
WHOLE PROJECT						RF	

	Outline Business Case	PID	RAID	Plan	Cost Report	Privacy Impact Assessment	EIA	Comment
SCC Implementation	✓	✓	✓	✓	✓	Project started before PIAs came in	✓	
IMD Transformation	✓	✓	✓	✓	In Highlight Report	✓		
HQ Move (new)	✓	In prep	In prep	In prep	In prep	Later	Later	
Newhaven Fire Station	✓	Outsourced	Outsourced	Outsourced	Outsourced	Not known	Not known	Project management is outsourced
Service Transformation Phase 3	✓	✓	✓	✓	✓			EIA s being completed for each review
Service Transformation Phase 4								Not started yet
Firewatch Phase 1 (re-opened)	✓	✓	✓		N/A	✓		Re-opened
CRM2 Database	✓	✓	✓	✓		✓		
RPE and Radios	✓	✓	✓	✓	✓	0		
P-Cards	✓	✓	✓	✓			N/A	
ESMCP	N/A	In prep	✓	Later	Later	Later	Later	One board meeting held.
Day Crewed Plus Roedean, Ridge								
Data Warehouse on hold								

*A tick indicates that the document exists, or is being actively developed.*

## ESFRS Corporate Projects Risk Report

Q2 Jul, Aug, Sept 2015

Compiled 24/09/2015



	Programme or Project	Identified	Last Reviewed	Description of Risk	Initial Likelihood Certain - 4 Very likely - 3 Low - 2 Unlikely - 1	Initial Impact Critical - 4 Serious - 3 Significant - 2 Minor - 1	Initial Score (9-16)	Mitigation	Likelihood after Mitigation	Impact after Mitigation	Residual Risk Score (9-16)	↓ ↑	Owner
R1	SCC Implementation			Awaiting Risk updates once POs have met to consider project progress and recent Factory Acceptance Test.									Assistant Chief Fire Officer
R2	Service Transformation	28/05/15	27/08/15	Savings target is not realised because Day Crewed Plus continues to be delayed and the aerial appliance cannot be moved.	3	4	12	There are options in the reviews that can deliver the savings despite any issues around Day Crewed Plus.	3	3	9		Deputy Chief Fire Officer
R3	IMD Transformation	07/09/15	New	Hand-over to new Senior Responsible Officer is not smoothly handled. Risk impact focused around continuity of strategic direction. Compounded risk as SRO also leads HQ Relocation.	3	4	12	Identify who the replacement is and ensure they are brought up to speed in good time. Unable to mitigate this risk at programme level.	3	4	12		Assistant Chief Fire Officer
R4	IMD Transformation	March 2015	07/09/15	By the time of implementation, the requirement is different from the current stated requirement (e.g. implications of 'Ways of Working' programme / HQ move). Cost of two transitions.  Developing push for Agile ('ways of') Working tied to possible HQ relocation - may force IMD's response and hence impact the programme.	4	3	12	<ul style="list-style-type: none"> <li>Need to ensure significant projects are aligned so that we do not have an out of date requirement. Ensure there is a mechanism during procurement to bring in change requirements. We need to be able to adequately specify the 'first part' of the agile working direction in order that a supplier will be able to meet this requirement.</li> <li>Procurement Phase 1 dialogue with suppliers includes questions related to mobile working to enable us to flag the requirement with potential suppliers. Dialogue phase is the key mitigation here, when we will firm up the requirement and assess potential solutions.</li> </ul>	4	3	12		Assistant Chief Fire Officer
R5	IMD Transformation	07/09/15	New	There is insufficient internal resource to support the programme. Extra time from key staff needed for due diligence, dialogue and implementation stages. Staff may leave either through natural turnover or because of uncertainty about the future of IMD.  The result will be a loss of expertise both to business as usual activity and to programme input. The loss of capacity may impact on availability for the Transformation programme activities.	4	3	12	<ul style="list-style-type: none"> <li>Ensure all staff are briefed on plans for IMD and can see a potential role in the future.</li> <li>Ensure that potential points of failure around skills / knowledge are identified early.</li> <li>Engage with departments through Specification Workshops to efficiently capture business requirements, minimising resource demands.</li> </ul>	3	3	9		Assistant Chief Fire Officer
R6	IMD Transformation	March 2015	07/09/15	The programme is put under pressure to deliver to multiple, diverse business requirements. This may result in unclear or contradictory requirements being put to potential bidders, with resultant increases in cost due to risk	3	3	9	Through programme activities and liaison with key teams across the organisation, we have rationalised a story about where the organisation is headed and in doing so are mitigating the risk as much as possible at this level. The IMD Strategy is also in progress which will help to mitigate but it does not and should not lead business strategy – vice versa.	3	3	9		Assistant Chief Fire Officer



	Programme or Project	Identified	Last Reviewed	Description of Risk	Initial Likelihood Certain - 4 Very likely - 3 Low - 2 Unlikely - 1	Initial Impact Critical - 4 Serious - 3 Significant - 2 Minor - 1	Initial Score (9-16)	Mitigation	Likelihood after Mitigation	Impact after Mitigation	Residual Risk Score (9-16)	↓ ↑	Owner
R7	IMD Transformation	March 2015	07/09/15	It may not be possible to attract suitable suppliers for all services or possibly, no supplier submits a bid. NB. Documents in public domain may reveal the current IT strategy does not have a clear 'direction of {business} travel'. May result in these services remaining 'in-house' and the retention of the expertise to manage them. i.e. Increased cost and risk of managing a hybrid of service delivery.	3	3	9	Make sure that the 'consolidate, enhance, expand' road map is made clear in published strategies. Ensure Outline Spec and Output Based specification contain clear descriptions of equipment and services, highlighting bespoke / input specified elements.  Test with the market through early supplier engagement. Build into Output Based Spec.  <i>Initial responses to PQQ are positive</i>	3	3	9		Assistant Chief Fire Officer
R8	IMD Transformation	March 2015	07/09/15	<ul style="list-style-type: none"> <li>The required service is higher than the current service provided by IMD and may therefore cost more. There may also be unrealistic expectations about the cost of new services (i.e. new services may cost more than old services).</li> <li>Bridging the gap with the new managed service may incur substantial costs, both in terms of new technologies (such as mobile working) and new support activities. As a result the validity of the programme and its approach could be questioned.</li> <li>There may be a loss of support for and faith in the objectives. People may make early decisions about the future of the programme based on expectation of cost.</li> <li>Worst case scenario is that the programme could be halted prematurely.</li> </ul>	4	3	12	<p>Will remain a risk until we get to the end as a large of part of the collection of IT we are buying is new; costs associated with this need to be better understood through dialogue. In the meantime continue to:</p> <ul style="list-style-type: none"> <li>Conduct financial analysis to show the difference between costs for the current and expected services and technologies. Present and seek feedback from key stakeholders.</li> <li>Carry out a contracts review process to confirm all IT related costs in the business.</li> <li>Develop and implement a projects filter process to determine which projects will be done before and after transition and hence where the costs will fall.</li> <li>Continue to compare service level expectations with current reality.</li> </ul>	3	3	9		Assistant Chief Fire Officer
R9	Procurement Cards	20/02/2014	16/09/2015	Both Procurement and IMD are short of resources. Procurement is currently supporting the IMD Transformation procurement process which has reached a critical stage.	3	3	9	P-Card project delivery may be lengthened, but will gain pace again once the IMD procurement phase is complete.	3	3	9		Head of Finance and Procurement

# Newhaven – New Fire Station

The following risks are coded “Red” on the Newhaven Risk Log which uses a 5x5 matrix. Risks compiled by Consultant.

Category	Risk	Mitigation	Residual probability	Residual Impact	Risk Score	Owner
<b>Newhaven - Utilities Risk 21</b>	High or unforeseen delay and cost associated with new services and required diversions. Possible schedule impact of 4 weeks.	Quotes received by Morgan Sindall from Utility Companies for all new connections and required diversions except new water connection, however the Gas diversion quote remains an estimated cost and therefore the risk remains.	2	3	6	Assistant Chief Fire Officer
<b>Newhaven - Utilities: Risk 56</b>	National Grid Network (NGN) requirements for easement and land transfer. Building will not have gas supply as NGN works will not be complete at PC - relocation of gas governor	Quotes received by Morgan Sindall from NGN for all their requirements; easement and land transfer requirements sent to ESFRS for action	2	3	6	Assistant Chief Fire Officer
<b>Newhaven - Design Risk 53</b>	Drainage not sufficient to meet Drill Exercise requirements. Possible cost impact of £57,000. Possible schedule impact of 4 weeks.	Engineers have been asked to check on provision to identify capacity.	2	3	6	Assistant Chief Fire Officer
<b>Newhaven - Change Requests Risk 56</b>	Project runs over budget due to change requests. Delays and costs. Possible schedule impact of 2 weeks.	Defined process for change management instigated.	2	3	6	Assistant Chief Fire Officer
<b>Newhaven - Provisional sums Risk 48</b>	Project runs over budget due to inadequate Provision Sums. Delays and costs. Possible schedule impact of 2 weeks.	Ongoing assessment of Provisional Sums by QS; all sums to be agreed by QS	2	3	6	Assistant Chief Fire Officer
<b>Newhaven - Handover date Risk 8</b>	Programme – The client's desired end date/hand over date is not achievable. Negative media coverage; impact on services - Police Fire Lewes District Council	Ongoing monitoring of programme; required dates confirmed at Progress, Decant and Strategic Board Meetings.	2	3	6	Assistant Chief Fire Officer
<b>Newhaven - Handover Risk 58</b>	Practical Completion tasks not completed on time. Inefficient handover and delay to occupation.	Ongoing monitoring of programme; required dates confirmed at Progress, Decant and Strategic Board Meetings.	2	3	6	Assistant Chief Fire Officer
<b>Newhaven - Handover Risk</b>	Station is not fit for purpose; Drill Tower cannot be used to full potential because of risk of water on Highway. Station cannot be fully operational	Several alternative proposals have been discussed with Highways; change location of tower; construct barrier.	2	3	6	Assistant Chief Fire Officer
<b>Newhaven - Client Risk 55</b>	Lack of coordination of furniture, fixtures and equipment by client. Disruption to programme and delay to occupation	Alice Smyth has organised Decant meetings to confirm requirements and process	2	3	6	Assistant Chief Fire Officer

The following projects have no risks which, after mitigation, score 9/16 or higher:

- Community Risk Management – New Database
- Respiratory Protective Equipment (RPE) and Radios
- Firewatch Phase 1 (Re-opened)
- Emergency Services Mobile Communications Programme (ESMCP)
- *Data Warehouse is on hold; HQ Relocation Project will hold its initial Board meeting on 01/10/2015*