

## **EAST SUSSEX FIRE AUTHORITY**

**NON-CONFIDENTIAL Minutes of the meeting of the SCRUTINY & AUDIT PANEL held at County Hall, St. Anne's Crescent, Lewes, East Sussex at 10:00 hours on Thursday, 26 July 2018.**

**Members Present:** Councillors Galley (Chairman), Lambert, Osborne, Peltzer Dunn, Sheppard and Taylor.

**Also Present:** D Whittaker (Chief Fire Officer), M Andrews (Assistant Chief Fire Officer), D Savage (Assistant Director Resources/Treasurer), L Ridley (Assistant Director Planning and Improvement), H Scott-Youlton (Assistant Director Training & Assurance), L Stevenson (Risk and Insurance Officer), P King (Ernst & Young), V Simpson (Deputy Monitoring Officer), A Blanshard (Senior Democratic Services Officer), Z Downton (Democratic Services Officer), E Simpkin (Democratic Services Officer), J Knightley (East Sussex County Council)

### **166      DECLARATION OF INTERESTS**

166.1      It was noted that, in relation to matters on the agenda, no participating Member had any interest disclosable in accordance with the provisions of the Fire Authority's Code of Conduct for Members.

### **167      ELECTION OF CHAIRMAN**

167.1      It was proposed by Councillor Peltzer Dunn and seconded by Councillor Sheppard that Councillor Galley be elected as Chairman of the Panel for the 2018/2019 municipal year.

### **168      APOLOGIES FOR ABSENCE**

168.1      No apologies were made.

### **169      URGENT ITEMS AND CHAIRMAN'S BUSINESS**

169.1      There were none.

### **170      NON-CONFIDENTIAL MINUTES OF THE SCRUTINY & AUDIT PANEL MEETING HELD ON 13 JUNE 2018**

170.1      **RESOLVED** – That the non-confidential minutes of the meeting of the Scrutiny & Audit Panel held on 13 June 2018 be approved as a correct record and signed by the Chairman. (*Copy in Minute Book*)

### **171      CALLOVER**

171.1      Members reserved the following items for debate:

172      Contract Standing Orders Waivers Summary April 2018 to date

173      Safety Events Statistics Report – Quarter 1 2018/19

174 External Auditors' Audit Results Report (ISA 260) and Statement of Accounts 2017/18

175 2018/19 First Quarter Corporate Risk Register Review

**172 CONTRACT STANDING ORDERS WAIVERS SUMMARY APRIL 2018 TO DATE**

172.1 The Panel received the report of the Assistant Director Resources/Treasurer (ADR/T) which informed Members of the waivers granted thus far in the financial year 2018/2019, in accordance with the Contract Standing Order (CSO) requirement 7.4. (*Copy in Minute Book*)

172.2 The ADR/T reminded Members that all waivers were the decision of the Treasurer, after consultation with the Procurement Manager, Deputy Monitoring Officer and the Chairman (as the relevant Member in these cases).

172.3 The Panel queried the current financial arrangements of the Headquarters Shuttle Bus service (under section 2.4 of the report) and whether there were rental opportunities. The ADR/T explained that, as from Autumn 2017, the Authority had agreed with the Police that the costs of the shuttle bus service would be shared equally. There would be further discussions with the Police on the future of that arrangement, given that they were currently reviewing their own travel plan. Staff feedback on the service would also be taken into consideration and depending on the outcome the service would be reviewed accordingly. In terms of rental opportunities, the ADR/T explained that the shuttle bus was owned by CTLA Community Transport and was therefore not an asset of the Authority to hire out.

172.4 In response to a councillor's query, the ADR/T would forward details of the specific cost of extending the contract to Panel Members.

172.5 **RESOLVED** – That the Panel noted the contents of the report.

**173 SAFETY EVENTS STATISTICS REPORT – QUARTER 1 2018/19**

173.1 The Panel received the report of the Assistant Director Training & Assurance (ADT&A) which summarised safety events data and hazard reports which had been received by the Health, Safety and Wellbeing Team for Quarter 1 2018/19. (*Copy in Minute Book*)

173.2 The ADT&A highlighted to Members that the report reflected a change in presentation style of the statistics.

173.3 Workplace safety representatives were appointed across the Authority and met regularly to discuss each statistic.

173.4 The Panel queried whether the increase in the number of near hits (as detailed under Appendix A) was due to the ease of reporting or a concerning trend. The ADT&A advised that staff were encouraged to report and the aim was to see a greater number of near hits rather than actual safety events as that allowed the Authority to be proactive in its prevention work.

173.5 The Panel commented that it would be useful to see a breakdown of equality data within the report in order to fully scrutinise the information. The ADT&A responded that she would feed the comment back to the relevant officers and would look to include equality data in future health and safety reports.

173.6 **RESOLVED** – That the Panel:

- i) considered the Quarter 1 health and safety statistics for 2018/19 as set out in the report;
- ii) continued to monitor and scrutinise performance over the forthcoming year; and
- iii) had not identified any areas where Members required further assurance.

174 **EXTERNAL AUDITORS' AUDIT RESULTS REPORT (ISA 260) AND STATEMENT OF ACCOUNTS 2017/18**

174.1 The Panel considered the report of the Assistant Director Resources/Treasurer (ADR/T) which presented the results of the External Auditor's Results Report (ISA 260) and updated Members on the External Auditor's unqualified opinion on the Authority's 2017/18 Statement of Accounts. (*Copy in Minute Book*)

174.2 The ADR/T explained that it was a function of the Panel to approve the Authority's accounts. He advised that the accounts had been prepared within the relevant timescales and in liaison with East Sussex County Council (ESCC). The statutory deadline for publishing the audited accounts was 31 July 2018.

174.3 The ADR/T brought to the Panel's attention that, whilst the report recommended the approval of the accounts, the Authority's External Auditors, EY (Ernst & Young) were awaiting assurance from KPMG in respect of the East Sussex Pension Fund, and as such were unable to issue an unqualified audit opinion on the Authority's financial statements in time for the meeting.

174.4 The External Auditor explained to the Panel that EY had substantially completed its audit of the Authority's financial statements for the year ended 31 March 2018. As part of its audit work (across all areas, not just East Sussex), EY looked for assurances on the Pension Fund. Ordinarily the established protocol for seeking that assurance worked well, however this year there had been a delay in receiving the necessary assurance as auditors from KPMG, thus delaying EY's audit opinion. The ADR/T advised that the reason for the delay had been that KPMG had asked additional questions of ESCC towards the end of the audit process and was out of the direct control of the Authority. The External Auditor provided sufficient reassurance to the Panel (notwithstanding the delay in issuing the Final Opinion) to enable it to proceed to sign off the accounts at the meeting.

174.5 The ADR/T explained that the awaited information had been chased by EY and was expected later in the day. However, he informed the Panel that there was a theoretical risk to the Authority, in the event of a further delay, that the accounts would not be published by the deadline (although in the event that the deadline was not met then it would be reported by the External Auditor that the reason was not due to a direct omission by the Authority itself).

174.6 **RESOLVED** – That the Panel:

- i) noted the External Auditor's Audit Results Report (ISA 260);
- ii) authorised the Assistant Director Resources/Treasurer to sign the formal letter of representation to the External Auditor;
- iii) approved the 2017/18 Statement of Accounts for publication; and
- iv) delegated authority to the Assistant Director Resources/Treasurer, in consultation with the Chief Fire Officer and Chairman of the Scrutiny & Audit Panel, to make any minor amendments required to the 2017/2018 Statement of Accounts on receipt of the final Audit Opinion from the Authority's External Auditors.

## **175 2018/19 FIRST QUARTER CORPORATE RISK REGISTER REVIEW**

- 175.1 The Panel considered the report of the Assistant Director Resources/Treasurer (ADR/T) detailing the latest quarterly review of Corporate Risk (with those risks scored against a matrix as shown in Appendix A). (*Copy in Minute Book*)
- 175.2 The ADR/T highlighted that a refreshed approach had been applied to the reporting of Corporate Risk, with the presentation slightly amended and simplified. The key change in the Register was a more concise description of the risk and the cause of the risk to allow an appreciation of the risk. There was also a distinction between 'actions' to be completed to reduce the risk, and 'mitigations' where the action was complete and consequently the risk score reduced.
- 175.3 In light of the new statutory duty to collaborate, the Panel queried whether there should be an additional corporate risk around collaboration. The Chief Fire Officer thanked the Panel for its query and advised that it had previously been discussed by officers. As background she explained that historically the Authority had entered into a number of collaborations with varied success and costs and that the Senior Leadership Team (SLT) had shifted its view of how collaboration was assessed. The Chief Fire Officer would take the matter back to SLT for review, adding that it may require further investigation.
- 175.4 The Panel commented on whether equality data and analysis could be more embedded into all reporting and subsequently reflected in risk reporting. For instance, in order to gauge the cumulative effect of organisational change on certain categories of people. The Chief Fire Officer thanked the Panel for raising the issue and stated that the Authority's intention was to refine its Equality Impact Assessments against policies and decisions that might affect the workforce or parts of the wider community. She sought to arrange a meeting with the Equality Advisor and SLT to discuss the Authority's approach to equality reporting. The ADR/T added that high level Equality Impact Assessments were published as part of the Authority's budget papers each year and that the majority of savings proposals had been neutral in terms of affect or impact. For those that had a positive or negative impact then a full Equality Impact Assessment was completed.
- 175.5 The *Ability to meet new legislative requirements* risk (on page 158 of the agenda) was discussed by the Panel and Principal Officers. It was noted that the Risk Register contained the pre-risk score (red) and not the adjusted mitigated risk score (amber) for that particular risk. The Assistant Chief Fire Officer advised that

