

## **SCRUTINY & AUDIT PANEL**

**Minutes of the meeting of the SCRUTINY & AUDIT PANEL held at The Yarrow Room, Lewes Town Hall, High Street, Lewes BN7 2QS at 10.00 am on Thursday, 22 July 2021.**

Present: Councillors Maples (Chair), Lambert, Redstone and Theobald

Also present: Councillor Roy Galley, M O'Brien (Deputy Chief Fire Officer), M Matthews (Assistant Chief Fire Officer), L Woodley (Deputy Monitoring Officer), D Savage (Assistant Director Resources/Treasurer), L Ridley (Assistant Director Planning & Improvement), H Scott-Youldon (Assistant Director Operational Support & Resilience), P Fielding (Internal Audit), S Norman (Business Fire Safety) and E Simpkin (Democratic Services Officer)

### **1 Declarations of Interest**

There were none.

### **2 Apologies for Absence**

Apologies were received from Councillor Scott and Councillor Azad. Apologies had also been received from Helen Thompson, EY (External Audit).

### **3 Notification of items which the Chairman considers urgent and proposes to take at the end of the agenda/Chairman's business items**

There were none.

### **4 Minutes of the last Scrutiny & Audit Panel meeting held on 29 April 2021**

**RESOLVED:** That the minutes of the Scrutiny & Audit Panel held on 29 April 2021 be approved as a correct record and signed by the Chair.

### **5 Callover**

Members reserved the following items for debate:

- 7 Internal Audit Annual Report and Opinion for the period 1 April 2020 to 31 March 2021
- 8 Outcome of the Internal Audit into the Management of Operational Assets – 2019/20
- 9 Internal Audit Report – ESFRS Procurement Cards
- 10 Corporate Risk Register Review Quarter 1 2021/22

## **Unconfirmed minutes – to be confirmed at the next meeting of the Scrutiny & Audit Panel**

- 11 2019/20 Service Benchmarking Report
- 12 Performance Report for Quarter 4 2020/21
- 13 Protection Update
- 14 The Reduction of False Alarms and Unwanted Fire Signals from Automatic Fire Detection – A Risk Based Approach
- 15 Emergency Services Mobile Communications Programme Update

### **6 External Audit Update**

The Panel received a report from the Assistant Director Resources/Treasurer (ADR/T) which provided an update on the external auditor's audit planning document for the audit of the 2020/21 financial accounts. The report covered the areas of the addition of a new risk concerning how the Authority accounted for new grants received in relation to Covid-19 and investment in protection services and progress on planning work for the auditor's value for money conclusion. External Audit had confirmed that at the current stage no significant risks to the Authority's proper arrangements had been identified.

**RESOLVED:** That the Panel noted the external audit plan update.

### **7 Internal Audit Annual Report and Opinion for the period 1 April 2020 to 31 March 2021**

The Panel received a report from the ADR/T which set out the Internal Audit Opinion on East Sussex Fire Authority's internal control environment and reported on the work of Internal Audit for the period 1 April 2020 to 31 March 2021.

The Panel welcomed Paul Fielding, Principal Auditor, to the meeting and asked whether there would be a reduction in audit fees due to delays incurred. The Principal Auditor explained that fees were calculated on the number of days delivered and that any reductions in days or changes to the audit schedule were agreed by the Senior Leadership Team. Payment was made on the actual number of days delivered. In 2020/21 there had been additional days agreed with the audit plan totalling 90 days. In 2021/22 the audit plan would return to the 'normal' figure of 70 days.

Members asked for a further explanation as to why only two of the 10 previously agreed actions from the 2019/20 audit review of HR/payroll had been fully implemented. The Assistant Director Operational Support & Resilience (ADOS&R) responded that the outstanding actions were in progress and delays had been encountered due to the Covid-19 pandemic, for example, it had not been possible to undertake the data cleanse as restrictions had meant they could not physically access records. All actions were monitored and reported to the Assurance, Performance and Governance Group.

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The Panel also asked for further information on network security (page 32 of the agenda). The ADR/T explained that since IT provision had been outsourced to telent an improvement project for IT security had been in place. This had considered the processes in place as well as the policies which underpinned IT security. An annual health check was carried out with regular reports made to the IT Strategy Board on which Councillor Tutt sat as Lead Member for IT. There were still improvements to be made but network security had now been embedded in business as usual and had significantly improved over the last 5 years. The ADR/T offered to meet with Panel Members to provide a further briefing on the matter.

**RESOLVED:** That the Panel:

- (i) noted the Head of Internal Audit's opinion on the Fire Authority's internal control environment for 2020/21;
- (ii) noted the full reports on Management of Operational Assets and Procurement Cards; and
- (iii) considered that the Fire Authority's system for internal audit proved effective during 2020/21

### **8 Outcome of the Internal Audit into the Management of Operational Assets 2019/20**

Members received a report from the ADOS&R which informed the Panel of the outcome of the recent internal audit undertaken into the Service's management of operational assets. Partial Assurance had been provided in respect to how the Service managed its Operational Assets. The audit had highlighted seven areas for improvement and an action plan was in place. It was expected that most actions would be completed by the end of 2021. It was noted that the review would help to inform the Fleet and Equipment Strategy which was currently going through the approval process as part of the broader Engineering improvement journey.

The Panel expressed their concerns over the outcome of the audit and urged officers to urgently address the weaknesses identified. The ADOS&R offered reassurance that an improvement plan was in place and that the Fleet and Equipment Strategy would be presented at the September Fire Authority meeting for approval. She added that funds had been provided in the IT Strategy budget for a replacement asset management system and a project plan was in place. A collaborative business case for fleet was being developed with West Sussex Fire & Rescue Service. Work was also being undertaken to support the Engineering Team. Two key members of staff had recently retired after 30 years' service and with that knowledge had been lost. Processes were now being mapped to ensure that knowledge was organisational and not individual. The previously vacant Asset Co-ordinator role was now in post. It was noted that work was underway to consolidate training records with a new system due to go live in January 2022.

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Members asked whether a collaboration with Police to deliver engineering services was being considered. The ADR/T explained that collaboration through the Integrated Transport Fund included a workstream around vehicle workshops. Consideration had been given to the development of a new build 'hub' in partnership with Sussex Police and a feasibility study had been carried out which demonstrated that the proposals were unaffordable. Sussex Police subsequently withdrew from the project. South East Coast Ambulance Service (SECamb) had looked into the possibility of joining but they had also withdrawn their interest. Consideration was now being given to how existing sites could be utilised, either as a standalone operation or in partnership with West Sussex Fire & Rescue Service. The ADOS&R added that it was important to ensure that any collaboration created tangible business benefits.

The Panel noted that a follow-up internal audit to check on progress would be carried out April/May 2022.

**RESOLVED:** That the Panel noted the outcome of 'partial assurance' of the internal audit undertaken into the Service's management of operational assets and were assured that an action plan for improvement had been developed.

### **9 Internal Audit Report - ESFRS Procurement Cards**

The Panel received a report from the ADR/T which updated Members on the findings and assurance opinion of the follow up internal audit report of procurement cards.

Initially undertaken in January 2020 as part of the agreed audit plan for 2019/20, the review aimed to provide assurance that PCards were only issued to appropriately authorised and trained staff and were being used only to purchase goods and services that were wholly, exclusively and necessary for the use of East Sussex Fire & Rescue Service. The audit opinion given at that time was Partial Assurance and contained fifteen actions, including twelve rated as medium priority.

The latest audit was part of the agreed Audit Plan for 2020/21 to ensure that the previously agreed actions had been implemented. The Panel noted that all but two recommendations had been completed by the end of May 2021, with the remaining actions planned to be complete by December 2021. Internal Audit was to carry out a follow up review in quarter 4 to provide assurance that this had happened.

Members raised some concerns that there were continuing issues with proper procedures and over the time taken to complete the actions. The ADR/T responded that written procedures and a training package was in place and reminders to cardholders and approvers on their responsibilities had been issued. Resources had been diverted to the Covid-19 response which had delayed some actions. The ADR/T reassured Members that there had been no evidence of any fraud and that Pcards had proved a more cost effective way of purchasing. There had been a reduction in low value invoices and

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purchase orders. The Panel noted that approximately 120 Pcards had been issued and use varied from regular users and those which were primarily for emergency use (incident ground refreshments etc). Individual spend could be restricted by transaction or per month. Line managers were required to review and approve transactions monthly and spot checks were carried out by Procurement. It was possible to apply sanctions to remove a card if necessary or reduce spend limits. The ADR/T assured the Panel of the control measures which were more effective than when dealing with petty cash and that the use of Pcards was standard across the sector.

**RESOLVED:** That the Panel noted the final audit report, its opinion and recommendations.

### **10 Corporate Risk Register Review Quarter 1 2021/22**

The Panel received a report from the ADR/T on the first quarterly position of Corporate Risk. The report detailed the business risks identified, including newly identified risks and how they had been or were being mitigated. The Panel noted that no new risks had been added to quarter 1 and no risk scores had changed. CR15 Health & Safety Non-compliance remained the only red rated risk and work was continuing under the auspices of the Health, Safety & Wellbeing Committee to implement the agreed mitigations and secure a reduction in the residual risk score. CR14 had been substantially revised in line with the discussion at the last Panel meeting to reflect the narrower scope of the Financial and Operational impacts of the UK's withdrawal from the EU.

The Panel queried whether a new risk relating to the Emergency Services Mobile Communications Programme (ESMCP) (item 15 on the agenda) should be added to the register given the current uncertainty around coverage and financials. The ADR/T responded that the financial risk relating to ESMCP was highlighted in the budget setting report and was highlighted in the Fire sector's Comprehensive Spending Review submissions. At officer level the Assurance, Performance and Governance Group also maintained an oversight. The Deputy Chief Fire Officer (DCFO) also drew attention to the timeframe of the project, meaning that adding it to the register now would see the risk remaining on the register for a period of 4-5 years as the earliest delivery date of the project was currently 2024.

Members asked about adding risks relating to Council Tax revenue loss and climate change. The ADR/T informed the Panel that reductions in Council Tax income would be accounted for in the revised Medium Term Financial Plan. Consideration could be given to adding climate change and environmental impacts to the register. A report on the work being undertaken on the environment, sustainability and carbon neutrality was due to be considered by the Fire Authority at its meeting in December. The ADR/T would be meeting with Councillor West as Lead Member for this area to discuss the progress being made.

The Panel expressed concern over the remaining 204 outstanding actions referenced in CR15 (Health & Safety non-compliance). The ADOS&R

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informed the Panel that remaining actions were being carried out and managers had identified priority areas. Progress was being made and corporate visibility would be maintained via the Assurance, Performance and Governance Group.

**RESOLVED:** That the Panel:

- a) noted and approved the Q1 Corporate Risk Register including the updates made since Quarter 4; and
- b) asked that consideration be given to adding a risk regarding climate change to the register.

### **11 2019/20 Service Benchmarking Report**

The Panel considered a report from the Assistant Director Planning & Improvement (ADP&I) which presented the Fire Statistics for 2019/20 and comparative benchmarking of East Sussex Fire & Rescue Service against its family group in order to provide context to support the Authority's future decision making.

The Panel welcomed the report and asked for a further explanation on East Sussex Fire & Rescue Service's ranking in having completed the lowest number of fire safety audits within family group 2 in 2019/20 (paragraph 4.4.1 of the report). The ACFO responded that this was partly due to reporting and the need for more consistent measuring had been recognised. The Service had set targets of 1,250 audits to be completed in 2021/22 and 1,500 in 2022/23.

Members were interested in the Service's position in having the lowest area per pumping appliance. The DCFO informed the Panel that this was mainly due to the geography of the area and having a large coastal population. The recent Integrated Risk Management Plan had shown that the Service did have the right number of stations and appliances in the right locations in order to meet the area risk profile and attendance standards.

The Panel also queried the accident figures (page 120 of the report) which placed East Sussex Fire & Rescue Service as the 2<sup>nd</sup> highest for the number of operational injuries. The ADOS&R highlighted that she felt this indicated that the Service had achieved a strong health and safety culture and welcomed having an accurate reporting of accidents so that any reoccurring issues could be identified and addressed.

Members were pleased to note the increase in female firefighters, however, there had been a decrease in operational staff from ethnic minorities. The ADOS&R explained that this was due to retirement of staff and it was recognised that it was area that needed improvement. A comprehensive positive action campaign had been run as part of the recent wholetime firefighter recruitment.

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**RESOLVED:** That the Panel considered and noted the results as set out in the report.

### **12 Performance Report for Quarter 4 2020/21**

The Panel received a report from the ADP&I which provided a summary of Service performance information for the 4<sup>th</sup> quarter of 2020/21 and year end results. The report contained information against 21 indicators and additional information on sickness and road traffic collision data, as requested by Members at previous meetings. Due to the national pandemic, the Service had adapted new models of service delivery including telephone home safety visits and business safety audits. The direction of travel indicators in these areas were not comparable and therefore had not been included.

The ACFO highlighted the reduction in accidental dwelling fires and stressed the need to continue to focus on the 'who and why' in order to identify how the figure could be reduced further. The Service was looking further into the correlation with factors such as mental health and hoarding and would assess the impact of any initiatives.

The Panel thanked officers for the useful report.

**RESOLVED:** That the Panel:

1. considered and noted the performance results and the progress being made towards achieving the Service's purpose and commitments as outlined in Appendix 1 to the report; and
2. considered and noted the performance results and remedial actions that had been taken to address areas of under performance in the Fire Authority's priority areas.

### **13 Protection Update**

The Panel considered a report from the ACFO which provided an update on areas of work nationally and locally impacting the Business Safety Department. The report included an overview of legislative changes following the Grenfell Tower Tragedy and the work being undertaken by the Business Safety Support Team and the Business Safety Legislation Delivery Board to ensure that all aspects of the Fire Safety Act and Building Safety Bill were being monitored and that the implications and impact were being considered in a timely manner. This included the potential financial and other resource impacts of additional statutory duties placed upon the Service. The Panel also noted updates on sprinkler protection and Primary Authority Partnerships.

The Panel welcomed the report and were pleased to note the progress which was being made.

**RESOLVED:** That the Panel:

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- a) noted the content of the report;
- b) noted the update on the current work streams and progress in response to the emerging detail contained in the Fire Safety Act and Building Safety Bill as a result of the Home Office responses to the Fire Safety consultation, and
- c) did not require any further information or assurance from officers at this time.

### **14 The Reduction of False Alarms and Unwanted Fire Signals from Automatic Fire Detection - A Risk Based Approach**

The Panel received a report from the ACFO which set out the strategy to reduce Service resource commitment to Unwanted Fire Signals (UwFS) from automatic fire alarm systems. The report resulted from the Integrated Risk Management Plan (IRMP) decision to implement a 'nil response to automatic fire alarms from commercial premises'. The Panel noted that the aim of the strategy was to achieve a step reduction in UwFS calls, whilst minimising risk and in turn addressing the improvement needed in the area highlighted by Her Majesty's Inspectorate of Constabulary and Fire & Rescue.

The Panel heard from Steve Norman, Business Fire Safety, who explained that over the next 6 months work was being undertaken to ensure that business owners were putting processes in place to accommodate the change in policy. He added that false alarms did not normally occur when premises were empty as they were usually a result of individual action.

Members asked for further clarification on the cost saving figures. The ACFO explained that it was envisaged that the reduction in attendance to false alarms would allow the Service to refocus resources to other prevention and protection activities rather than resulting actual cashable savings. Steve Norman added that current legislation was not clear on the provision for charging for false alarm calls and therefore it was difficult to use this as a mechanism to recover costs.

**RESOLVED:** That the Panel noted the content of the report.

### **15 Emergency Services Mobile Communications Programme Update**

The Panel received a report from the ACFO which advised Members on the latest position of the Emergency Services Mobile Communications Programme (ESMCP), a cross Government Programme involving the Home Office, Department for Health and Social Care, Scottish Government and Welsh Government and run by the Home Office which would provide the next generation of mission critical communications for the emergency services in Great Britain.



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It was noted that ESFRS had established local strategic and delivery boards to maintain an oversight of the national, regional and local impacts, risks and deliverables and enable a successful transition from Airwave to the Emergency Services Network (ESN). Despite the publication of the Full Business Case there remained a number of uncertainties and risks, including delivery timescale and the cost and funding of the project, all of which were being consider by the Service.

The Panel thanked officers for the report.

**RESOLVED:** That the Panel noted the report and did not require any additional assurance or information from officers at the stage.

The meeting concluded at 11.32 am

Signed

Chairman

Dated this

day of

2021