

## **SCRUTINY & AUDIT PANEL**

**Minutes of the meeting of the SCRUTINY & AUDIT PANEL held at County Hall, St Anne's Crescent, Lewes, East Sussex, BN7 1UE at 10.00 am on Thursday, 27 April 2023.**

Present: Councillors Lambert (Chair), Maples and Redstone

Also present: D Whittaker (Chief Fire Officer), D Norris (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), A Avery (Finance Manager), H Thomson (EY), R Rafiq Ullah (EY), P Fielding (ESCC), A Blanshard (Democratic Services Manager), R Smith (Democratic Services Officer)

### **37 Declarations of Interest**

Cllr Redstone declared a personal, non-prejudicial interest due to his membership of the East Sussex County Council Pensions Committee.

### **38 Apologies for Absence**

Apologies were received from Councillors Azad and Scott.

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

There were none.

### **40 Non-Confidential Minutes of the last Scrutiny & Audit Panel meeting held on 19 January 2023**

**RESOLVED** – That the minutes of the meeting held on 19 January 2023 be approved and signed by the Chair.

### **41 Callover**

Members reserved the following items for debate:

- 42 External Audit Planning Report and Scale Fee 2022/23
- 43 Internal Audit Strategy and Plan 2023/24
- 44 Corporate Risk Register Review Quarter 4 2022/23
- 45 Performance Report for Quarter 3 2022/23
- 46 Assessment of the Corporate Framework and Annual Governance Statement for 2022/23

### **42 External Audit Planning Report and Scale Fee 2022/23**

The Panel considered the report of the Assistant Director Resources/Treasurer (ADR/T) which presented the external auditor's planning

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report for the audit of the 2022/23 financial accounts and the external audit scale fee for 2023/24.

Members welcomed Helen Thomson of EY to the meeting. Helen informed Members that she would be retiring later in the year, before introducing Rumana Rafiq Ullah, the new External Audit Manager. The Panel were informed that it was unclear at this stage what the impact of this may be on the completion of the audit, and that this was dependent on the timing that the assurance letter from Grant Thornton (GT), the auditors of East Sussex Pension Fund (ESPF), is received. Members asked if the letter from GT was expected to be received earlier this year and were informed that this was not known at this stage.

The Panel queried who would carry out the audit into IT processes, and the level of detail that this would involve. EY advised that the revision of ISA 315 would be in place for this audit and whilst this would involve more work being undertaken to better understand the IT systems, they were not expecting to involve IT specialists at this time. The ADR/T informed Members that initial meetings had been set up internally and that no issues were foreseen.

Members discussed the Government's decision not to extend the deadline for the draft accounts. Concern was raised as to whether this would lead to work being repeated. The ADR/T informed the Panel that options were available to enable estimates to be used in the draft accounts, however the need to recommission external work would be avoided where possible.

**RESOLVED** – That the Panel:

- i. approved the external audit planning report for 2022/23
- ii. did not identify any further information or reassurance required from the Authority's external auditors.

### **43 Internal Audit Strategy and Plan 2023/24**

The Panel considered the report from the Assistant Director Resources/Treasurer (ADR/T) which provided an Internal Audit Plan for East Sussex Fire Authority, covering the period 1 April 2023 to 31 March 2024.

Concerns were raised that climate change was listed under potential future reviews, rather than incorporated in the 2023/24 audit plan. The ADR/T informed the Panel that there a broader piece of work was being undertaken which focused on the carbon-footprint and aligned with the work of the National Chiefs Fire Council (NFCC) Environment and Sustainability Group. The Chief Fire Officer (CFO) told Members that issues around climate change would be picked up in other work across the Service and highlighted that work to reduce fires had resulted in carbon reduction. The importance of prevention work in tackling climate change was also emphasised.

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Members discussed the importance of adequate testing of the MBOS Project ahead of the go-live date. The ADR/T acknowledged that there was a risk involved with the implementation, however emphasised the system would not be approved to go-live until there was adequate assurance, specifically that the payroll interface with Firewatch was functioning and robust end-to-end testing had been carried out.

**RESOLVED** – That the Panel approved the proposed internal audit plan for 2023/24.

### **44 Corporate Risk Register Review Quarter 4 2022-23**

The Panel received a report from the Assistant Director Resources/Treasurer (ADR/T) which reported and reviewed the Corporate Risk Register Quarter 4.

Members discussed the impact of the pay awards and the risk of new legal claims relating to the Firefighter Pension Scheme. The Assistant Director Resources/Treasurer (ADR/T) advised that the revised pay offer was made after the budget had been set, in February, and that the impact of the pay awards would be carried over three years, with the additional cost of approximately £500,000 above what had been budgeted for. The Panel were informed that during 2022/23 this had been covered by general reserves, however for 2023/24 the pressure was above what had been budgeted for. Further information regarding this was due to be reported to SLT in June and the Policy & Resources Panel in July. During 2024/25 the full effect of the pay award would be realised, and the latest estimate of the potential budget gap was £1.0m - £1.5m. Regarding the Pension Scheme, the Chief Fire Officer (CFO) advised that the reported risk related to new claims, and that it had been agreed through the National Fire Chiefs Council (NFCC) that collective legal advice would be sought for any claims submitted.

**RESOLVED** – That the Panel:

- a) agreed the Q4 Corporate Risk Register including changes made since Q3; and
- b) did not identify any further information or assurance required from Risk Owners.

### **45 Performance Report for Quarter 3 2022/23**

The Panel received a report from the Assistant Director Planning & Improvement (ADPI) which presented the results of quarter 3 2022/23 against quarter 3 2021/22 and the projected year end results for 2022/23.

The Panel queried the reported increase in the number of workplace reported accidents. The Deputy Chief Fire Officer (DCFO) explained that the rise in numbers was not unexpected as staff had begun to undertake more tasks following covid restrictions being lifted. Members were informed that these numbers were monitored quarterly and expected to fall over time.

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Members asked for an update on the progress of utilising Benenden Healthcare. The DCFO informed the Members that a report had been presented to the Senior Leadership Team (SLT) who had been supportive of the potential introduction, however it was stressed that it was important to investigate this fully to ensure that the provision offered would be relevant to the Service.

The Panel praised the figures relating to business safety events, and the Assistant Chief Fire Officer (ACFO) informed Members that engagement events had been an extremely effective method to get messaging across. He advised that whilst there was not a national target for these indicators, the figures were publicised when appropriate.

**RESOLVED** – That the Panel:

1. considered the performance results and progress towards achieving the Service's purpose and commitments as contained in Appendix A;
2. considered the performance results and remedial actions that had been taken to address areas of under performance in the Fire Authority's priority areas; and
3. noted that work was ongoing to develop the new performance report. This would be in place for Quarter 1 2023/24.

### **46 Assessment of the Corporate Framework and Annual Governance Statement for 2022/23**

The Panel considered a report from the Deputy Chief Fire Officer (DCFO), Deputy Monitoring Officer (DMO), Assistant Director Resources/Treasurer (ADR/T) and Assistant Chief Fire Officer (ACFO), which set out how the Fire Authority had assessed the effectiveness of its governance arrangements and sought the approval of the Annual Governance Statement in line with the Accounts and Audit Regulations 2015.

Members requested clarification on a number of points, including the perception of the management of risk and the understanding of diversity within the community. The Panel also asked for more information regarding Sustainability and Carbon Management. The DCFO advised that as part of the next Community Risk Management Plan, perception and diversity would be considered directly as part of this work, and that more information surrounding sustainability was due to be presented to the Panels later in the year.

The Panel also discussed the Action Plan Update, and the limited progress that had been made due to capacity issues. The ADR/T informed Members that whilst there had been difficulties in recruiting permanently to the Risk & Insurance position, support was being provided by Fire & Rescue Indemnity

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Company (FRIC) and work was being undertaken to explore the possibility of working with other Fire & Rescue Services to obtain a shared resource.

**RESOLVED** – That the Panel:

- i. confirmed that they were satisfied with the level of assurance provided to them through this report and the Authority’s governance framework and processes; and
- ii. approved the Annual Governance Statement for signing by the Scrutiny & Audit Panel Chair and the Chief Fire Officer.

The meeting concluded at 10.57 am

Signed

Chairman

Dated this

day of

2019