

## **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, 12 May 2022.**

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

Also present: D Whittaker (Chief Fire Officer), D Norris (Deputy Chief Fire Officer), M Matthews (Assistant Chief Fire Officer), L Woodley (Legal Advisor), D Savage (Assistant Director Resources/Treasurer), L Ridley (Assistant Director Planning & Improvement), H Scott-Youldon (Assistant Director Operational Support & Resilience), Helen Thompson (EY, External Auditor), P Fielding (Orbis, Internal Auditor), K Pearce (ITG Manager), C Sharp (Project Manager) and E Simpkin (Democratic Services Officer)

### **44        Declarations of Interest**

There were none.

### **45        Apologies for Absence**

Apologies were received from Councillor Scott.

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

There were none.

### **47        Minutes of the last Scrutiny & Audit Panel meeting held on 20 January 2022**

**RESOLVED:** That the minutes of the meeting of the Scrutiny & Audit Panel held on 20 January 2022 be approved as a correct record and signed by the Chair.

### **48        Callover**

Members reserved the following items for debate:

- 49.    External Audit Planning Report and Scale Fee 2021/22
- 50.    Internal Audit Strategy and Plan 2022/23
- 51.    Internal Audit Review of Surveillance Cameras
- 52.    Risk Register Review 4<sup>th</sup> Quarter 2021/22
- 53.    Performance and Corporate Strategy Monitoring Quarter 3 2021/22
- 54.    Building Risk Review Project Closedown

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

- 55. Project 21 Closure Report
- 56. Assessment of the Corporate Framework and Annual Governance Statement for 2021/22

### **49 External Audit Planning Report and Scale Fee 2021/22**

The Panel received a report from the Assistant Director Resources/Treasurer (ADR/T) which presented the external auditor's planning report for the audit of the 2021/22 financial accounts and the external audit scale fee for 2022/23. The Panel welcomed Helen Thompson from Ernst & Young LLP (EY) to the meeting.

The ADR/T explained that the base scale fee for 2021/22 was £23,690, the same as the previous year however, changes in audit requirements had resulted in additional work being undertaken by EY which meant that the actual scale fee was likely to be higher. EY was yet to submit a scale fee variation to Public Sector Audit Appointments (PSAA). For the 2019/20 audit EY submitted a proposed variation in the region of £32k with the additional agreed fee being approximately £8k. The 2020/21 audit scale fee variation would be reported to the next Scrutiny & Audit Panel meeting. Helen Thompson added that PSAA had increased hourly rates by 25% and therefore she expected the fee variation to be in line with this. The ADR/T added that the risks set out in the planning report were generic and did not highlight any risks specific to this Authority. The full audit plan would be presented to the Panel at its next meeting.

Members asked whether the audit and account deadlines were achievable. The ADR/T responded that the timeline remained a challenge, however, the Authority was in a good position compared to some other authorities who were still awaiting sign-off of their 2019/20 accounts. Draft accounts were expected in early June but there was a reliance on external factors such as the final Collection Fund figures from the Districts and Boroughs and the pension valuations from the actuary. The ADR/T added that the Finance Improvement Plan was being implemented and that the team would be in a much better position to deliver against these challenges once new members of staff had bedded in.

**RESOLVED:** That the Panel:

- (i) approved the external audit planning report for 2021/22;
- (ii) noted the change in the audit timetable; and
- (iii) noted that the final audit fee for the 2020/21 accounts was yet to be agreed.

### **50 Internal Audit Strategy and Plan 2022/23**

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

The Panel considered a report from the ADR/T which provided the Internal Audit Plan for the Fire Authority covering the period 1 April 2022 to 31 March 2023. The Strategy and Plan had been produced on a risk basis, following consultation with senior officers, the Authority's external auditor and the Panel Chair. The Strategy sought to achieve a balance between ensuring that existing controls were maintained and providing assurance on key projects within the Authority's transformation programme.

The report referenced that the Service would be progressing both Cyber Essentials and Cyber Essentials Plus certification and the Panel asked for further details on this. The ITG Manager responded that robust cyber security measures were in place which included proactive monthly monitoring and an annual IT health check which would be carried out in July. Although no organisation was totally immune from a ransomware attack there were measures and business continuity plans in place, for example mobilising systems were on their own networks and back-ups were made to distinct primary and disaster data centres. Officers were in discussion with contractors Aristi over the possibility of conducting pseudo ransomware testing. The cost of cyber security was included in the telent contract. Members commented on the need to be aware of the potentially increased threat to cyber security given the conflict in Ukraine. The CFO added that she was made aware of emerging risks through Critical National Infrastructure briefings. The ACFO also reassured the Panel that cyber security was addressed as part of the local assessment of risk undertaken by the Local Resilience Forum.

The Panel queried how the figure of 70 days for the programme to be delivered had been settled upon. The ADR/T explained that the Panel needed to be satisfied that the plan provided enough coverage to meet audit requirements and Internal Audit needed to be comfortable that there was enough time for them to be able to give an overall opinion on the Authority's systems of governance, risk management and internal control. Senior Leadership Team had considered the plan and where the audit could be put to good effect and provide added value. 70 days had been the baseline for a number of years with additional days being added when needed. The ADR/T confirmed that he believed it was a well-balanced and helpful plan which provided a risk-based approach across the Service.

**RESOLVED:** That the Panel approved the internal audit plan for 2022/23.

### **51 Internal Audit Review of Surveillance Cameras**

The Panel received a report of the ADR/T which outlined the findings of the internal audit review of surveillance cameras and the actions to be taken as a result to improve governance and control.

The Panel queried whether officers had looked across the sector in terms of best practice. The ADR/T explained that closed-circuit television (CCTV) was currently used in a specific and limited way with cameras installed on some buildings and vehicles (which had been partly been in response to an attack

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on crews). The Service was aware that some practices in relation to its use were not currently in line with best practice and therefore had commissioned an audit ahead of pursuing a business case to expand the use of CCTV across the whole of the Service's fleet. The installation of CCTV on fleet vehicles would lead to a reduction in insurance costs and help better manage claims against the Service. It would also help address driver behaviour as well as allowing the Service to assist police with footage when requested. An action plan had been developed to implement best practice which would be delivered with support commissioned from Aristi and telent.

The Chief Fire Officer (CFO) added that initially the Service was looking to align the CCTV project with Sussex Police, however, it became clear that requirements were different. The Service had now refined its specification and was working in collaboration with West Sussex Fire & Rescue Service to deliver cameras on fleet. The contract was now out for tender and the business case would be considered by the Strategic Change Board in May/June. Installation was expected to commence in October 2022.

**RESOLVED:** That the Panel noted the report and the agreed response to the findings of the internal audit review.

### **52 Risk Register Review 4th Quarter 2021/22**

The Panel received a report from the ADR/T which detailed the final quarter position of the Corporate Risk Register for 2021-22. It also set out the corporate risks identified and how they had been or were being mitigated.

The Panel noted that Corporate Risk 14 Health & Safety Non-Compliance had been reduced due to the progress made in resolving outstanding actions and was now rated amber. Corporate Risk 16 Grenfell Tower Public Enquiry – Non-compliance had also been reduced due to the completion of the Building Risk Review (BRR) project and the securing of additional project management resource and was now amber. Corporate Risk 5 Failure to Mobilise effectively had been removed due to the reduction in its risk score following the successful completion of P21 and the subsequent operation of Joint Fire Control.

The Panel asked for further details on Corporate Risk 10 Security and Safety of Staff and Visitors on ESFRS Sites, specifically the changes being implemented at Service Training Centre. The ADRT explained that the Service needed to be mindful of neighbouring properties when carrying out live fire training at Service Training Centre and that improvements in engagement with neighbours and security at the site had been made. An Environment Agency licence was required for live fire training and in order to mitigate the risk of an unsuccessful licence renewal, a project was being undertaken looking at replacing live fire training facilities which would reduce emissions.

The Panel also queried whether there need to be an additional risk around the Firefighter Pension Scheme and the ongoing issues surrounding Immediate

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Detriment. The ADR/T commented that SLT would be developing a risk on this which would form part of the risk register presented at the next Panel meeting.

**RESOLVED:** That the Panel agreed the Q4 Corporate Risk Register including changes made since Q3.

### **53 Performance and Corporate Strategy Monitoring Quarter 3 2021/22**

The Panel considered a report from the Assistant Director Planning & Improvement (ADP&I) which presented the results and direction of travel of Service performance at quarter 3 2020/21 and the projected end of year results for 2021/22. The report also contained a snapshot of progress against the Corporate Strategies.

Noting recommendation 3 of the report, that the refresh of performance measures reported to the Panel was nearing completion and would be brought back to a future meeting, Members commented that some of the performance measures were difficult to interpret and may benefit from further context.

The Panel welcomed the decline in accidental dwelling fires and asked for further information on how Home Safety Visits (HSVs) were conducted over the telephone. The Assistant Chief Fire Officer (ACFO) explained that national guidance had been issued when the pandemic restrictions prevented services from conducting face-to-face visits. A number of key questions were asked to establish whether the resident required a home visit for further assessment or to fit smoke alarms for example. The questions also assessed the risk of Covid. The ACFO highlighted the target to deliver 10,000 HSVs in 2020/21 and added that it was important for resources to follow risk. He believed that HSVs figures were positive, given the impact of Covid. The Service was conducting HSVs for those homes who were hosting Ukraine refugees. Members commented that they had received very positive feedback from both host families and Ukrainian visitors who had interacted with the Service.

**RESOLVED:** That the Panel noted:

- i) the performance results and progress towards achieving the Service's purpose and commitments as contained in Appendix 1 to the report;
- ii) the performance results and remedial actions that have been taken to address areas of under performance in the Fire Authority's priority areas;
- iii) that the work to refresh the performance measures nearing completion and will be brought back to a future meeting; and
- iv) the progress against the Service's strategies as at Quarter 3.

**54 Building Risk Review Project Closedown**

The Panel received a report from the ACFO which outlined the achievements of the Building Risk Review project and provided assurance on the completion of the project's key objectives.

The Panel congratulated officers on a very positive report and the successful move to business as usual. Members acknowledged the continued challenges that the Service faced in this area and the need to continue to lobby Government for additional resources.

The CFO emphasised the large volume of high-rise residential buildings located within the East Sussex Fire and Rescue Service area and the significant impact on capacity that future work with the Building Safety Regulator (BSR) and the delivery of the proposed Safety Case regime and associated risk-based inspection program (RBIP) would have. It was important to remember that there were also other buildings which did not fall into the high-rise category which were also at risk due to factors such as the age of the population. Although the new regulatory body (the BSR) was yet to be fully formed, as the risks had been identified, the Service had a duty to act upon this information; it could not wait for the regulator. The decisions being made regarding resourcing were currently reliant on one-off grants and there was a need for long-term funding and resourcing to be secured.

With regards to funding, the ADR/T explained that the Service was still awaiting confirmation of its Protection Grant allocation for the current financial year and reminded Members that the Authority had committed £300,000 from its own reserves to support the appointment of six Protection Trainees. The Sector's dependence on one off grant funding to sustain investment in Protection services following the Grenfell Tower tragedy was an ongoing matter of concern which had been raised with local MPs. He added that the Service estimated that it would require on-going base funding in the region of £500,000 to provide the additional capacity necessary to fulfil its new statutory responsibilities and significant number of high and medium rise buildings across East Sussex and the City of Brighton & Hove.

**RESOLVED:** That the Scrutiny and Audit Panel:

- a) noted the completion of the Building Risk Review project; and
- b) acknowledged the achievement of the Building Risk Review team in delivering the project objectives, within target timelines and meeting the grant funding conditions

**55 Project 21 Closure Report**

The Panel received a report from the ACFO which provided an overview of the Closure Report for Project 21 and requested approval to formally close the

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project. The closure report had previously been approved by the project Delivery and Strategic Boards and Senior Leadership Team.

The Panel congratulated and thanked the project team for the successful completion of the project. The CFO added her formal thanks to the project team including Project Manager Chris Sharp, ITG Manager Ken Pearce and Matt Lloyd as the Senior Responsible Officer.

**RESOLVED:** That the Scrutiny and Audit Panel:

- i) noted the reported position on scope, residual risks and issues handed over to Business as Usual;
- ii) noted the closing financial position, in particular the proposed retention of £184,000 contingency;
- iii) noted the revenue cost assessment, which shows that the forecast cost for 2022/23 is within the agreed revenue budget; and
- iv) approved the formal closure of P21.

### **56 Assessment of the Corporate Framework & Annual Governance Statement for 2021/22**

The Panel received a report of the Deputy Chief Fire Officer, ACFO, Deputy Monitoring Officer and ADR/T which set out how the Fire Authority had assessed the effectiveness of its governance arrangements for 2021/22 and sought approval of the Annual Governance Statement in line with the Accounts and Audit Regulations 2015.

The Panel asked whether officers could consider the presentation of the report and statement in order to highlight the changes which had been made from previous years. Members also discussed public engagement and transparency of decisions and whether the possibility of webcasting Fire Authority meetings had been considered. The ADP&I explained that webcasting options had been explored previously and that there was a cost to providing the service. There was currently no budget provision for webcasting and consideration would need to be given to the cost benefits. The Fire Authority could not currently legally hold hybrid meetings as a change in primary legislation was required.

The Panel also queried whether there was any concern over the current complaints procedure. The ADP&I responded that there had recently been an internal audit of customer service which had included complaints. This had received a reasonable assurance and an action plan was being completed. The number of complaints and compliments would be reported to the Panel as part of the Annual Outcome Report.

**RESOLVED:** That the Panel:

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- i) confirmed that they were satisfied with the level of assurance provided to them through the 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 11.20 am

Signed

Chairman

Dated this

day of

2022