Essex Police, Fire and Crime Commissioner, Fire and Rescue Authority

Governance - Transition

REVISED DRAFT

Internal audit report: 10.17/18

23 July 2018

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| --- | --- | --- | --- |
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1. Executive summary
   1. Background

A review of Governance - Transition was undertaken as part of the Police, Fire and Crime Commissioner, Fire and Rescue Authority internal audit plan for 2017/18.

The Police and Crime Commissioner for Essex was the first in the country to have received approval from the Home Secretary to take on the governance of the Essex Fire and Rescue Service in addition to his existing police role. This change was approved after submitting a detailed business case to the Home Office after a period of local consultation. Now formally known as the Police, Fire and Crime Commissioner, Fire and Rescue Authority (PFCC), as of October 2017 he replaced the members of the former Essex Fire Authority and is responsible for having oversight of the Fire and Rescue Service in Essex, setting its strategy and budget and holding the Chief Fire Officer to account.

Essex Police and Essex Fire and Rescue Service remain separate organisations with separate governance boards, budgets, staff and decision-making processes.

Since the transition the Office of the Police, Fire and Crime Commissioner (OPFCC) have developed two key forums to enable PFCC oversight; these are the Fire and Rescue Strategic Board (SB) and the Fire and Rescue Performance and Resources Board (PRB). The boards have no decision-making power and are there to inform and advise the PFCC in decision making and are part of the scrutiny arrangements for the PFCC.

The Service has maintained their original governance structure used before the transition.

The objective of this review was to assess if there is an adequate governance framework in place to ensure the PFCC with the Service can effectively engage with partners, align their needs to resources and deliver services to the community.

* 1. Conclusion

The Police, Fire and Crime Commissioner has only had responsibility for oversight of the Fire and Rescue Service since October 2017, therefore the new governance arrangements are still being embedded. There are various boards within the OPFCC and the Fire Service that input into the decision-making processes over which the commissioner has oversight, including two new PFCC boards which have been established as part of the new constitution. We found that, while changes had been made to align governance arrangements and there had been progress towards this, there could be improved clarity of responsibility and accountability between the various boards and committees, including whether delegated authorities and escalation routes are clearly defined.

* 1. Key findings

We identified the following areas of weakness which have resulted in four **medium** priority management actions. We have also agreed three low priority management actions which are detailed in section two of this report.

**Governance Structure and the Constitution**

We reviewed the Terms of Reference for the SB and the PRB, both of which are defined in the Essex Police, Fire and Crime Commissioner Fire and Rescue Authority Constitution. We also reviewed Terms of Reference for the Emergency Services Collaboration Strategic Governance Board; the Fire Service Senior Leadership Team (SLT); and the Essex County Fire and Rescue Service Change Board. These boards/committees are not constitutionally based None of these individual Terms of Reference link the purpose of the board in question to the responsibilities of other boards or give clear escalation routes for particular types of decisions. There is a risk that decisions could be made at an inappropriate level or issues may not be escalated. **(Medium)**

**Central Repository of Information**

In discussion with the Head of Performance and Scrutiny we were advised there is no central list or structure chart of groups and forums that make up the governance structure, or a central repository of their papers. Therefore, there is a risk the PFCC may not be fully informed of the discussions and decisions being made within these groups. **(Medium)**

**Performance and Resources Board**

We reviewed the minutes for the PRB meetings held on 18 December 2017, 29 January 2018 and 28 February 2018 and found key performance and resource information had been presented and discussed including a monthly performance summary such as incidents and response times data, budget review and a safeguarding update.

However, we also noted four instances where items that appear to be strategic in nature were presented to PRB rather than the Strategic Board: GDPR Preparations (December 2017); Terms of Reference of a Review of IT Strategy (January 2018); A review of the 2020 Programme (January 2018); and Cultural Change (January 2018). Through discussion with Head of Performance and Scrutiny at the PFCC and the Assistant Director Programme 2020 within the Service we were advised that some key issues, including those of a strategic nature, may be taken to PRB as the PRB meet more frequently than SB. Whilst both meetings require the same membership, if PRB continues to pick up items of a strategic nature there is a risk that the lines between the two boards become blurred. This may lead to neither forum effectively fulfilling its core purpose, terms of reference or to duplication. **(Medium)**

**Key Governance Documentation**

We reviewed the constitution and the decision log where the PFCC had approved and signed off the constitution on 24 October 2017. Whilst we found this document sets out the high-level roles and responsibilities, it was not clear to what extent authority could or had been delegated in such areas as policies or the taking of operational decisions, nor was there a separate Scheme of Delegation. Without clearly documenting delegated authority there is a risk that decisions could be made at an inappropriate level. This may lead to the authority of the PFCC being undermined and limit authority over strategy and achievement of the strategic objectives. In addition, without the constitution adequately detailing this information the remit of the governance forums may remain unclear and lack focus. **(Medium)**

**The following controls were adequately designed and operating effectively:**

We reviewed the Terms of Reference of the SB and PRB, as well as the Essex Fire and Rescue Service SLT and Strategic Change Board. For all of these boards the Terms of Reference set out their roles, responsibilities, memberships, quorum, meeting requirements and reporting requirements.

We reviewed the circulation of agendas, papers and minutes for two meetings of the SB and three meetings of the PRB, and where evidence was available we were able to confirm that this was done in accordance with the OPFCC meeting administration workflow.

Through discussion with Head of Performance and Scrutiny at the PFCC and the Assistant Director Programme 2020 within the Service we were advised that the Fire and Rescue Plan has not yet been developed. We were advised this will commence when the new Chief Executive / Chief Fire Officer starts in post in April 2018. The organisation intends to have this document developed and approved by December 2018.

The Service’s current 2020 Strategy was adopted by the PFCC as it had been accepted by the previous FRA, and could only be changed after a consultation and the publication of the Fire and Rescue Plan (see above).. Beneath the Service Strategy is the Integrated Risk Management Plan that supports the Service strategy. We were advised that this document will be revised following the completion of the Fire and Rescue Plan. Through review of the December 2017 SB minutes we found that the Assistant Director Programme 2020 presented a planning timetable for the review and development of this key documentation.

We also reviewed the PRB minutes for the last meeting held in January 2018 and found that the Board had discussed and asked to consider a report on the proposed changes to financial and authorisation levels. We were subsequently provided with a decision sheet signed by the PFCC which authorised the changes to the financial levels within Financial Regulations.

* 1. Additional information to support our conclusion

The following table highlights the number and categories of management actions made. The detailed findings section lists the specific actions agreed with management to implement.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Risk | Control design not effective\* | | Non- Compliance with controls\* | | Agreed actions | | |
| Low | Medium | High |
| SRR150004: If our governance processes are ineffective there is a risk that we may not be able to engage effectively with partners or we may misalign resources to need and may comprise safety in the delivery of our services to our communities. | 7 | (7) | 0 | (7) | 3 | 4 | 0 |
| Total | | | | | **3** | **4** | **0** |

\* Shows the number of controls not adequately designed or not complied with. The number in brackets represents the total number of controls reviewed in this area.

1. Detailed findings

|  |  |
| --- | --- |
| Categorisation of internal audit findings | |
| **Priority** | **Definition** |
| Low | There is scope for enhancing control or improving efficiency and quality. |
| Medium | Timely management attention is necessary. This is an internal control risk management issue that could lead to: Financial losses which could affect the effective function of a department, loss of controls or process being audited or possible regulatory scrutiny/reputational damage, negative publicity in local or regional media. |
| High | Immediate management attention is necessary. This is a serious internal control or risk management issue that may lead to: Substantial losses, violation of corporate strategies, policies or values, regulatory scrutiny, reputational damage, negative publicity in national or international media or adverse regulatory impact, such as loss of operating licences or material fines. |

This report has been prepared by exception. Therefore, we have included in this section, only those risks of weakness in control or examples of lapses in control identified from our testing and not the outcome of all internal audit testing undertaken.

| Ref | Control | Adequate control design  (yes/no) | Controls complied with (no/n/a) | Audit findings and implications | Priority | Action for management | Implementation date | Responsible owner |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Risk: SRR150004: If our governance processes are ineffective there is a risk that we may not be able to engage effectively with partners or we may misalign resources to need and may comprise safety in the delivery of our services to our communities.** | | | | | | | | |
| 1 | **Governance Structure and the Constitution**  In October 2017 the governance of Essex County Fire and Rescue Service moved from the Fire Authority to the Essex Police, Fire and Crime Commissioner.  The PFCC Constitution (the Constitution) defines the two main internal advisory boards as:   * Fire & Rescue SB- enabling the Commissioner to review and support the Essex County Fire and Rescue Services Strategic Transformation Programme. * Fire and Rescue PRB – enabling the Commissioner to review Essex County Fire and Rescue Service’s performance   The Constitution also refers to the Emergency Services Collaboration Strategic Governance Board, which enables the Police, Fire and Crime Commissioner to provide strategic governance and oversight of the Emergency Services Collaboration Programme, but not its relationship to the main internal Boards.  There are other relevant operational-level boards including:   * Fire Service Senior Leadership Team (SLT) * Strategic Change Board   These operational forums are not referenced within the Constitution and there has been no review of the governance structure in its entirety.  There is also no central repository for agendas, minutes and action logs for other governance forums operating within the service other than the two main Boards. | No | N/A | **Governance Structure and the Constitution**  We reviewed the Constitution, which includes the Terms of Reference for the SB and the PRB.  We also reviewed the Terms of Reference of:   * Emergency Services Collaboration Strategic Governance Board; * Fire Service Senior Leadership Team (SLT) * Strategic Change Board   None of these individual Terms of Reference link the purpose of the board in question to the responsibilities of other boards or to escalation routes for particular types of decisions.  Therefore, there is no clearly documented structure that establishes the relationship between the two main Boards and the operational boards/committees operating within the Service before and since the transition. Without these relationships and accountabilities being defined there is a risk that decisions could be made at an inappropriate level or issues may not be escalated.  We were also advised there is no central directory of governance forums or a central repository of their papers, and that as the PFCC and the Fire and Rescue Service do not share the same platform, implementing this will not be simple. There is a risk that the PFCC cannot be assured of the operations within these groups.  **SB and PRB Terms of Reference (ToR)**  We reviewed the Terms of Reference of the SB and PRB contained within the Constitution that was approved by the PFCC.  A principle focus of the ToR of the Strategic Board is the Strategic Transformation Programme. However, we were informed through discussion with the Head of Performance and Scrutiny at the PFCC that there is no such programme, so the ToR is not an accurate representation of the focus of the Strategic Board.  The ToR for PRB state that it monitors operational delivery and the efficient and effective use of resources.  We found the ToR for both boards adequately contained information on roles and responsibilities, reporting requirements, membership and quorum.  We noted that the membership as defined in the ToR are the same for both groups.  Within both ToR documents we found there was no initial duplication in coverage across these Boards, but further testing during this review of the minutes of both Boards suggests in operation there may be some duplication in coverage and potential to further streamline the contents of the PRB meeting. We have raised a low priority management action for this in area four and five below.  Without a clear statement of the purpose of the Strategic Board there is a risk that the group will not fulfil its remit. As a result, areas that should be discussed at the Strategic Board may be presented to PRB, which has the same membership. This could result in scope creep at PRB and the possible failure to fulfil its core function, or possible duplication. | Medium  Medium | We will establish clear lines of authority and accountability between the two main advisory boards and operational forums within the service.  The relationship between the forums will be captured in an organisation governance structure diagram.  We will establish a central repository for governance papers, to enable oversight of the groups by the PFCC. |  |  |
| 1.1.2 | **Terms of Reference (ToR)**  The Constitution includes the Terms of Reference for the following key advisory boards:   * Fire and Rescue SB * Fire and Rescue PRB   The Constitution was approved by the Essex Police, Fire and Crime Commissioner on 2 October 2017, and in doing so they also approved the Terms of Reference of these two groups.  In both cases the terms of reference include the following standard sections: purpose; membership; frequency & notice of meetings; attendance & quorum; minutes; and decision-making authority. | No | No | **Terms of Reference**  We reviewed the ToR of the Essex Fire and Rescue Strategic Board (SB) and the Performance and Resources Board (PRB) that are contained within the Constitution that was approved by the PFCC,  A principle focus of the ToR of the SB is the Strategic Transformation Programme. However, we were informed through discussion with the Head of Performance and Scrutiny that there is no such programme, so the ToR are not an accurate representation of the focus of the SB.  The ToR of PRB state that it monitors operational delivery and the efficient and effective use of resources.  Both ToR contain information on roles and responsibilities, reporting requirements, membership and quorum. We noted that the membership as defined in the ToR is exactly the same for both groups.  **ToR Approval**  Prior to the approval of the Constitution there were no formal boards of the Authority for its development to be discussed at.  We reviewed the decision sheet for the constitution sign off on the PFCC website. This record noted that to ensure the document was fit for purpose it was discussed at the Emergency Services Strategic Governance Board which the PFCC chairs. The SLT of the Essex County Fire and Rescue Service were also engaged in the development of the Constitution.  Despite this consultation there still remain in the ToR even mentions of a Strategic Transformation Programme that we have been informed by the PFCC’s Head of Performance and Scrutiny does not exist.  **Duplication of Responsibilities**  Within the ToR documents, we did not find duplication in coverage across these Boards, but in practice this is a concern.  Our further testing during this review of the minutes for the Boards suggests in operation there may be some duplication in coverage and potential to further streamline the contents of the PRB meeting. We have agreed a low priority management action for this in area 1.1.3.  Without a clear statement of the purpose of the SB and its relationship to other boards, and as it only meets every three months, there is a risk that items that should be discussed at the SB get brought instead to PRB, which has the same membership. This could result in scope creep at PRB and the possible failure to fulfil its core function. | Low | Once we have reviewed the governance structure in its entirety we will revise the Terms of Reference of the Strategic Board and PRB to include clear and accurate statements of each board’s purpose and relationship to other forums and the PFCC, as part of the clarification of the Governance Structure. | 28 March 2018 | TBC |
| 1.1.3 | **Strategic Board Operations**  The Fire & Rescue Strategic Board (SB) meets once every quarter, and supports the Commissioner in overseeing the Strategic Transformation Programme and managing the associated risks. As the PFCC was only created in October 2017 this board has only met twice since then, in December 2017 and March 2018.  Its core membership comprises:   * Police, Fire and Crime Commissioner * Deputy Police, Fire and Crime Commissioner * Chief Fire Officer * Director of Protection, Prevention and Response * Office of the Police, Fire and Crime Commissioner Chief Executive * Office of the Police, Fire and Crime Commissioner Treasurer * Finance Director and Treasurer * Director of Transformation   Every meeting has an agenda, minutes and associated papers to support the meetings. Minutes identify actions to be taken in a separate column within the structure.  The Office of Police, Fire and Crime Commissioner meeting administration workflow sets out how meetings are administered. It requires that minutes are drafted, amended, approved and published on the PFCC website within 14 days of the meeting. | No | No | **Strategic Board Operations**  We reviewed the minutes of the Essex and Fire Rescue Strategic Board meeting for 6 December 2017, and the draft minutes for the meeting on 12 March 2018and found the group had discussed key strategic areas such as the new fire and rescue plan and a review of the integrated risk management plan.  We also noted that a presentation was given on Responding to Operational Demand. This presentation provided performance and resource information on operations such as number of incidents attended and the location and availability of resources.  Through discussion with the Assistant Director Programme 2020 who attended the meeting we were advised this was presented to provide the PFCC with information on the current challenges and long-term sustainability of the service.  Previous meeting minutes are presented at subsequent SB meetings for consistency and transparency in discussion.  The Office of Police, Fire and Crime Commissioner meeting administration workflow document sets out the timeline for when meeting papers and agendas must be produced. On review we noted that for both the December 2017 and March 2018 meetings the papers and subsequent minutes were circulated in a timely fashion, in accordance with the workflow.  The administration workflow document includes a check of the draft minutes by agenda leads but we noted the following exceptions in the published minutes:   * The meeting was held on 6 December 2017 but the minutes are dated 6 November 2017. * None of the actions had a completion date listed, even though a column was provided; * Actions raised were not clearly documented alongside the corresponding agenda point. For example; the action “03/17 – Internal Audit Plan to be made available for March 2018” was listed on page four while the corresponding paragraph describing the discussion was on page five.   If the official record of discussions, decisions and actions, are not clear and accurate there is a risk that the purpose and outcomes of the group may be unclear. This may lead to actions not being effectively managed and implemented and groups not fulfilling their remit. | Low | We will ensure that the groups meet and discharge their roles and responsibilities in line with their remit.  Also, we will ensure that:   * minutes are accurate and actions are assigned dates for completion * Actions are clearly updated on progress and linked to the relevant discussion point within the papers. | 28 March 2018 | TBC |
| 1.1.4 | **Performance and Resources Board Operations**  The Performance and Resources Board (PRB) meets once every month. As the PFCC was only created in October 2017 this board has met five time since October 2017.  Its core membership comprises:   * Police, Fire and Crime Commissioner * Deputy Police, Fire and Crime Commissioner * Chief Fire Officer * Director of Protection, Prevention and Response * Office of the Police, Fire and Crime Commissioner Chief Executive * Office of the Police, Fire and Crime Commissioner Treasurer * Finance Director and Treasurer * Director of Transformation   The PRB produces an agenda, minutes and associated papers to support their meetings. Minutes identify actions to be taken in a separate column within the structure.  The Office of Police, Fire and Crime Commissioner meeting administration workflow sets out how meetings are administered. | No | No | **Performance and Resources Board Operations**  We reviewed the minutes for the PRB meetings held on 18 December 2017, 29 January 2018 and 28 February 2018.  On review of the minutes and papers for these meetings we found key performance and resource information had been presented and discussed including; monthly performance summary such as incidents and response times data, budget review and a safeguarding update.  However, we also noted four instances where items that appear to be strategic in nature were presented to PRB rather than the SB:   * December 2017 – GDPR preparations; * January 2017 – Terms of Reference of a Review of IT Strategy; * January 2017 – A review of the 2020 Programme; * January 2017 – Cultural Change.   Through discussion with Head of Performance and Scrutiny at the PFCC and the Assistant Director Programme 2020 within the Service we were advised that some key issues including those of a strategic nature may be taken to PRB as the PRB meet more frequently than SB.  Whilst both meetings require the same membership if PRB continues to pick up items of a strategic nature there is a risk that the lines between the two main advisory boards will become blurred. This may lead to neither forum effectively fulfilling its core purpose or to duplication.  As per our findings in 1.1.2 meeting administration workflow document sets out the timeline for when meeting papers and agendas must be produced. On review of email trails from the PFCC office we noted that for both the February and March 2018 meetings the papers and subsequent minutes were circulated in a timely fashion, in accordance with the workflow.  We were unable to confirm the same for the January 2018 minutes as the relevant e-mail was unavailable but we were able to confirm that the agenda was circulated in line with the required schedule.  On further review of these minutes we noted the following administrative exceptions:   * In the minutes for 29 January 2018 an action 37/17 (relating to the EFA Trading budget) was both updated and closed on the action log. No item 37/17 was recorded in the minutes of the previous meeting. We reviewed the Master Actions Log and noted that this action is recorded as being opened at the December 2017 meeting. * In the minutes for 29 January 2018 action 33/17 from the December 2017 meeting is not recorded as either updated or closed. Therefore, we cannot provide assurance that his had been followed up and the performance appropriately challenged. We reviewed the Master Actions Log and noted that this action is recorded as being closed at the January 2017 meeting.   If the official record of discussions, decisions and actions, are not clear and accurate there is a risk that the purpose and outcomes of the group may be unclear. This may lead to actions not being effectively managed and implemented and groups not fulfilling their remit.  We have agreed a combined management action for this in area 1.1.3. | Medium | See Recommendations 1.1.2 and 1.1.3  The short-term issue regarding the number of meetings has passed. We have a clear forward look and the PFCC wishes to maintain the current schedule. Where necessary extraordinary meetings can be help – the may be the case with EFA – the trading fund – and will be dealt with in that way. We do not consider there is a need to look at this again | Complete | Head of Performance and Scrutiny – Fire and Rescue |
| 1.1.5 | **Other Forums**  Other key forums that currently operate and that have a ToR in place are:  **Fire Service Senior Leadership Team (SLT)**  Fire Service Senior Leadership Team (SLT) assists PFCC to meet their responsibilities to establish and oversee the corporate governance arrangements of the Service.  Its core membership includes not only the Chief Fire Officer but also the PFCC and the PFCC Treasurer.  SLT meets every two weeks to determine the strategic direction of the Service and to develop plans which ensure that ECFRS continues to meet and exceed the expectations of the communities it serves.  Its decision-making authority in relation to PFCC is not clear as its ToR state that it also promotes and oversees the development, and ensures the implementation, of Service policies, procedures and programmes in accordance with the Authority’s strategic direction or as SLT may deem appropriate. It is therefore up to PFCC what strategic level of authority can be provided to SLT.  **Emergency Services Collaboration Strategic Governance Board**  This board supports the statutory requirement of Police, Fire, Ambulance and other emergency services to collaborate. It meets monthly, with a core membership of:   * PFCC (Chair) * Chief Constable * Chief Fire Officer * Chief of Finance (Treasurer) OPCC * ESCP Board Chair * Chief Executive: E. Region Ambulance Service * OPCC Executive Support (secretariat)   **Strategic Change Board**  The Strategic Change Board works strategically and collaboratively to ensure that ECFRS delivers the PFCC’s Strategy for the Service.  Its membership comprises the Essex Fire and Rescue Service SLT and it meets every month to provide a forum where all change activity is visible and subject to common control processes.  Whilst representation on some of these forums now may include the PFCC; as per control 1.01 these forums have not been formally considered as part of the constitution and therefore are not included so far in the review of the governance structure.  The PFCC and Service have left some review / decisions on areas of governance until the new Chief Executive / Chief Fire Officer commences in post in April 2018. | No | No | **ToR**  We reviewed the ToR for the following three Fire Service Governance forums:   * Police & Fire Service Collaboration Strategic Governance Board and Programme Board; * Essex County and Fire Rescue Senior Leadership Team (SLT); and * Essex County and Fire Rescue Change Board.   Both SLT and the Change Board have similar responsibilities with regard to overseeing projects and change. There are only two differences in the purpose of the two groups:   * The Change Board will “work Strategically, directing change within ECFRS to support the Authority’s Strategic Vision…” while SLT will “work Strategically to ensure that ECFRS achieves the Authority’s Strategic Vision…” * The Change Board is a forum where all change activity is visible and subject to common control processes, and SLT is a forum for assessing and evaluating progress against the Authority’s Strategy, IRMP and Corporate programmes and projects, and making recommendations and decisions about departmental issues.   Beyond these two wording differences every point of the Change Board’s role, as well as its entire membership, are shared with the SLT, including a role whereby both boards “Provide Strategic oversight for organisational programmes and projects, discharging responsibilities for authorising gateways”.  We noted that there is no line of escalation between the Change Board and the SLT. We also noted that the two forums have exactly the same membership.  The ToR of the Police & Fire Service Collaboration Strategic Governance Board and Programme Board, Essex County and Fire Rescue Senior Leadership Team (SLT), and Essex County and Fire Rescue Change Board all set out membership, purpose, and frequency, and the SLT and Change Board also include meeting requirements, and decision-making approach.  The Collaboration Strategic Governance Board does not include elements such as quorum, reporting and escalation requirements defined in its ToR, and the overall Collaboration Programme also lacks a communication plan so there is no statement on how decisions will be communicated.  Without formal statements on meeting requirements such as quorum or communications there is a risk that decisions may be taken without appropriate oversight and may not be communicated effectively.  **Relationship Between SB, PRB and the other Operating forums**  The relationship between the three Board and the SB and PRB is not clear. This is partly due to the issues with the ToR of the SB highlighted in 1.1.2, but also because these and other groups have not been considered as part of a review of the overall governance structure.  SLT remit is to determine strategic direction, develop operational plans to achieve their strategic objectives and approve Service policies. The Strategic Change Board works strategically and collaboratively to drive delivery in terms of the service strategy with the PFCC.  Recently the PFCC and the PFCC Treasurer have attended SLT as observers but this does not constitute sufficient oversight as they are not present as decision-making members of the board.  It is unclear what decisions can be made by the SLT and the Change Board and if these should receive oversight and approval from the PFCC.  Without a clear statement of the purpose of the SB, and well-defined relationships between different boards, there is a risk that decisions made at other boards do not receive the appropriate scrutiny from the PFCC, which would undermine the accountability of the PFCC.  We have agreed a high priority management action in 1.1.1. | Low | We will revise the Terms of Reference of SLT and the Change Board to make clearer the distinction between their respective roles.  We will also update the Terms of Reference of the Emergency Services Collaboration Strategic Governance Board to include key information on quorum, reporting and escalation requirements. | 28 March 2018 | TBC |
| 1.1.7 | **Key Governance Documentation**  Some key governance documentation such as:   * Essex Police, Fire and Crime Commissioner Fire and Rescue Authority: Powers, Functions and Duties * Functions of the Essex Police, Fire and Crime Panel * Decision making * Scheme of Delegation * Financial and Procurement Regulations   is included in the Constitution, but this does not reference key policies. | No | No | **The Constitution**  We reviewed the constitution and the decision log where the PFCC had approved and signed off the constitution on 24 October 2017.  Whilst we found this document set out the high-level roles and responsibilities; clear delegated authority for decision making on key areas such as policies and operational decisions that influence strategy was not defined in detail.  Without clearly documenting delegated authority there is a risk that decisions will be made at an inappropriate level. This may lead to the authority of the PFCC being undermined and limit authority over strategy and achievement of the strategic objectives.  In addition, without adequately detailing this information the remit of the governance forums may remain unclear and lack focus. | Medium | We will ensure that the delegated authorities are clearly defined in either the constitution or a separate scheme of delegation. | 28 March 2018 | TBC |

# Appendix A: Scope

## The scope below is a copy of the original document issued.

## Scope of the review

The scope was planned to provide assurance on the controls and mitigations in place relating to the following risks:

|  |  |  |
| --- | --- | --- |
| Objective of the risk under review | Risks relevant to the scope of the review | Risk source |
| Service led: Identifying the range of services we will need to provide, independently or in partnership, to help eliminate or mitigate risks in our communities. | SRR150004: If our governance processes are ineffective there is a risk that we may not be able to engage effectively with partners or we may misalign resources to need and may comprise safety in the delivery of our services to our communities. | Strategic Risk Register |

**When planning the audit the following areas for consideration and limitations were agreed:**

The Policing and Crime Act 2017 included provisions to increase the level of collaboration between the emergency services. This includes the option for the Police and Crime Commissioner for an area to be the fire and rescue authority for that area.

In Essex, the Police and Crime Commissioner took up this position in October 2017 and became the Police, Fire and Crime Commissioner Fire and Rescue Authority. We will undertake a review of the new governance structure to provide assurance over its clarity, implementation and embeddedness. This will include ensuring that for the senior management of the organisation:

* A new governance structure has been clearly defined;
* Each group in the Service and new Authority have clear terms of reference which set out their roles, responsibilities, memberships, quorum, meeting requirements, reporting requirements and delegations;
* There is no overlap in responsibilities to ensure that there is no duplication of efforts;
* Groups are meeting and discharging their roles and responsibilities in line with their terms of references;
* Authority decisions are being clearly documented;
* Issues are being clearly escalated through the governance structure;
* Meeting papers and agenda are produced to an agreed timetable;
* Clear meeting minutes are recorded and distributed in a timely manner;
* Actions are clearly recorded following meetings and shared in a timely manner to allow them to be completed;
* Actions are followed up each meeting and performance is challenge;
* The activities of the groups are reported up the governance structure through the presentation of meeting minutes and the attendance of the committee chairs (or nominated representative);
* A methodology for assessing the performance and effectiveness of the groups and a timeline for undertaking this review has been agreed; and
* The Governance documentation including Financial Regulations, Scheme of Delegation and key policies have been adequately documented, approved and disseminated.

**Limitations to the scope of the audit assignment:**

* We will not confirm the governance structure is effective, only that a clear structure has been defined and implemented;
* We will not cover the entire governance structure, only the activities of senior management;
* We will not consider the role of the Audit Committee;
* We will not confirm that all impacts of the changes have been identified and addressed;
* We will not confirm that conflicts of interest have been declared and managed;
* All testing will be compliance based sample testing only; and
* Our work will not provide any guarantee against material errors, loss or fraud or provide an absolute assurance that material error, loss or fraud does not exist.

# Appendix B: Further information

**Persons interviewed during the audit:**

* Anthony Maude, Head of Performance and Scrutiny, Essex Police, Fire and Crime Commissioner
* Ben Pilkington, Assistant Director of Programme 2020, Essex Fire and Rescue Service

# For further information contact

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