

**Audit Committee Meeting**

**Wednesday 12<sup>th</sup> December 2018**

**12:30, GF01, Kelvedon Park**

**PRESENT:-**

**Members:** Chair: Alan Hubbard (AH); Julie Parker (JP); Simon Faraway (SF)

**Office of the Police, Fire and Crime Commissioner (OPFCC):** Police, Fire and Crime Commissioner Roger Hirst (RH); Finance Officer Abbey Gough (Minute Taker); Pippa Brent-Isherwood (P-BI)

**Essex County Fire and Rescue Service:** Dave Bill (DB); Glenn McGuinness (GM)

**RSM:** Anna O'Keeffe

**Grant Thornton:** Paul Grady (PD); Parris Williams (PW)

**1. Declaration of Interest and Apologies for absence:**

Charles Garbett (CG); Jane Gardner (JG); Jonathan Swan (JS); Jo Turton (JT)

JP noted that she is actively involved with LGA peer reviews, however not the Fire and Rescue Service reviews.

**2. Minutes of the meeting held on 28<sup>th</sup> September 2018**

Minutes of the meeting were approved.

**3. Action Log / Matters Arising**

The following actions were agreed as closed 23/18, 25/18, 26/18 and 27/18.

It was agreed that GM would circulate the papers from the last collaboration board and change board to the members by the end of the week. Action 15/18 would remain open until it was completed.

AH asked how the HOBS go live went. GM confirmed that the system went live at the start of December and appeared to be running well. The system was currently being dual run alongside the SAP system, however the license for this would expire at the end of December. It was noted that there was a slight issue with the self-serve aspect of HOBS but this was being addressed.

It was agreed that part B minutes would be used when appropriate.

**4. Risk and Business Continuity Progress Report**

DB provided an overview of current work taking place to improve the risk process. DB said that meetings had taken place with risk owners to understand an overview of

their risks and control measures. DB said that SLT now had a good overview of the strategic risks in the organisation. The risk review process would be run in advance of the audit committee to ensure that regular updates take place.

Strategic risks will be presented to the PFCC Performance and Resources Board at regular intervals.

DB said that risk continuity plans were in place and that there was currently consideration being given to the appointment of a fixed term individual who would be charged with reviewing the established plans.

DB confirmed that the letter 'C' shown in appendix A referred to a change in risk rating. It was agreed that the future reports would include a list of what changes have taken place since the last meeting so that the committee could track the progress. Reference was made to the reporting style used by Essex Police and that this may be a version to emulate.

The members noted that there was inconsistency with the review dates shown on the risk register. The members asked whether these dates should all be quarterly and why they varied. It was identified that the dates reflected the JCAD manager review date but that consistency could be achieved.

SF asked what progress was made on GDPR and whether this was still seen as an issue for the Fire and Rescue Service. DB said that this is still a concern, training took place last week, and there is still work to take place in regards to educating the workforce on GDPR.

JP asked about risk 150013 and crewing systems. This is shown a red risk however there are not mitigating actions proposed. DB said that this related to the on call system and that there was currently a legal challenge taking place in the European courts which was being monitored at a national level.

The members said that good progress had been made on the risk register to date.

It was agreed that the final column would be removed from the register for future audit meetings.

**Action 28/18 – DB to remove final column from risk register for future audit committee meetings**

## **5. Internal Audit Progress Report and Audit Reports**

AO said that two final reports had been issued. One for Governance Transition and another for Appraisals, a further three reports are in draft. Currently there are no changes to the internal audit plan, however there are plans to review payroll and HOBs in January, the impact of this will need to be assessed.

The members asked for clarification on the scope of the safeguarding audit. DB confirmed that this would review internal processes but provide assurance of Fire and Rescue Service safeguarding of the public.

Appraisal audit received partial assurance, it was noted that in a number of cases the correct form was not completed, SMART objectives had not been agreed and that in some cases no performance targets had been set. It was understood that the training and development needs of employees were not being met.

AH said that this was a worry and that the action owner should be more senior than 'HR Advisor'. The members felt that this action should be led by SLT and even JT. DB said that the appraisals in the service were not viewed as a positive thing and some staff found them a difficult process. DB confirmed that he would raise with JT.

RH said that this was an issue which was being addressed and that he felt JT was leading on this work. There should be a clear link between appraisals and career development/progression.

PG noted that the cultural change elements could be picked up in the value for money programme by external audit as well.

The Governance Transition audit was an advisory opinion only and had two medium recommendations which are overarching. PBI confirmed that work had started to take place on these actions and that the work was being led by JT and PBI.

## **6. ECFRS Progress Report on Internal Audit Recommendations**

GM said that there were 27 medium and 8 high recommendations, of these 18 had now been completed resulting in 17 outstanding. GM confirmed that he would add the advisory audit recommendations to this going forward. GM said that the business continuity recommendations had been completed; it was hoped that the tracker would provide a suitable starting point for the follow up audit.

SF noted that outstanding recommendations did not include deadlines or forecast completion dates. The members noted that they would like to be able to understand what recommendations completed/outstanding were high or medium recommendations. The members suggested that GM review the police style of completing this tracker.

**Action 29/18 – GM to review police audit recommendation tracker and to ensure that completion dates, high and medium recommendations are included.**

It was noted that the internal audit plan for 2019/20 should be reviewed shortly and the GM would meet with RSM to discuss. The plan would be presented the

committee in March for their consideration. The plan would be risk based, and RSM would meet with Fire and Rescue as well as the OPFCC.

## **7. External Audit Progress Report**

PG said that meetings had taken place with various stakeholders across the organisation and that Grant Thornton were due to meeting with the previous external auditor shortly. There would be an accounts workshop taking place in the New Year and work was beginning on the VFM and audit programme.

The members asked PG what his first impression were. PG said that first impressions were positive and that there had been good engagement with members across the organisation.

DB referred to the national guidance on trading companies which was reported on in the external audit report. DB said that they were not currently looking to close EFAT but were doing further work to consider the future of the company. A full business case will be produced in the future.

## **8. Cultural Change**

DB discussed the cultural change report and noted that the Deputy Chief Fire Officer post was not recruited to. Another advert is currently out and they are hoping to appoint in this second round. Individuals are being interviewed for the Director of Corporate Services post this week.

Recent peer review was undertaken, this has been seen as a positive self-assessment report albeit highlight areas where the Fire and Rescue Service still need to improve. It was noted that staff want to see changes take place and that these need to happen soon. The members asked to view the peer report and action plan.

**Action 30/18– The peer review will be presented to the next committee along with any associated action plan.**

RH noted that work was still underway to update the whistleblowing and complaints policy. Fire and Rescue Service are in tranche 3 of the HMICFRS inspection and it is anticipated that this will take place between April – June.

## **9. Any Other Business**

Single Tender Action – the members requested that a report be presented confirming the STA position even if a nil return

**Action 31/18 – STA report to be included on the audit committee going forward**

The members asked for the work plan for the audit committee to be shared and included on the next agenda for discussion.

**Action 32/18 – Work plan to be included on the next agenda**

**10. Date of the next meeting**

22<sup>nd</sup> March 2019