

## MINUTES

### FIRE AUDIT COMMITTEE

20 September 2019, 1330 to 1530, GF01, Kelvedon Park

#### Present:

Jonathan Swan (JS)	Chair
Julie Parker (JP)	Independent Committee member
Simon Faraway (SF)	Independent Committee member
Alan Hubbard (AH)	Independent Committee member
Roger Hirst (RH)	Police, Fire and Crime Commissioner
Abbey Gough (AG)	Interim Section 151 Officer
Pippa Brent-Isherwood (PBI)	CEO, PFCC's office
Jo Turton (JT)	Chief Fire Office and Chief Executive
Dave Bill (DB)	Director of Change, Innovation and Risk
Karl Edwards (KE)	Director of Corporate Services
Moira Bruin (MB)	Director of Operations
Glenn McGuinness (GM)	Assistant Director of Finance
Jon Wilson (JW)	Project lead - Collaboration team
Anna O'Keeffe (AOK)	Internal Auditor, RSM
Zoe Hibbert (ZH)	Assistant Manager, RSM
Paul Grady (PG)	External Auditor, Grant Thornton
Parris Williams (PW)	External Auditor, Grant Thornton
Camilla Brandal	Minutes, PFCC's office

#### Apologies:

Dan Harris (DH)	Internal Auditor, RSM
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#### 1 Introduction and welcome

JS welcomed everyone to the meeting and accepted apologies from DH.

The Committee felt that although the agendas were functional, they did not provide an opportunity for external interests to be discussed. Topics for future Agenda items (in the form of a Deep dive paper) were to be forwarded to AG for inclusion on the Forward Plan.

#### **Action: 27/19**

**Members to forward topics for future Agenda items to AG to include on the Forward Plan.**

#### 2 Minutes from the meeting on 26 July 2019

- 2.1 AH commented that 4.1, line 3 should read 'difficulties being experienced' not 'difficulties being experience'.

- 2.2 AH commented that page 2, 4.1, line 4 should read 'The system holds' not 'The system hold'.
- 2.3 AH commented that page 2, 4.2, line 1 should read 'Without the correct data being recorded' not 'Without the correct data being record'.
- 2.4 AH commented that page 2, 4.4, line 4 should read 'linked to the CRM' not 'linked the CRM'.
- 2.5 SF commented that page 2, 4.1, line 5 should read 'all the information for' and not 'all the information from'.
- 2.6 SF commented that page 3, 6.1, line 3 should read 'Fire and Rescue Authority' not 'FRA'.
- 2.7 SF commented that page 3, 6.2, line 4 should read 'Personal Protection Equipment' not 'PPE'.
- 2.8 SF commented that page 4, 6.4, line 3 should read 'this would be satisfactory' not 'would satisfactory'.
- 2.9 The Committee asked that acronyms be spelt out in full initially and then abbreviated for following points.
- 2.10 There were no matters arising from the last meeting.

### 3 Action Log

- 3.1 The following Actions were agreed as closed:  
29/18, 2/19, 03/19, 04/19, 06/19, 07/19, 09/19, 11/19, 12/19, 13/19, 14/19, 15/19, 17/19, 18/19, 19/19, 20/19, 21/19, 22/19, 23/19 and 24/19.
- 3.2 Action 10/19 - Internal Audit Plan  
It was confirmed that although RSM would be carrying out an advisory audit on GDPR, the report would be advisory only and not contain an opinion. AOK would try and obtain the reasoning behind this decision and send it through to the Committee. JP asked whether the Audit Charter that is in place sets this particular issue out in full? AOK was not sure. After discussion, it was agreed that an advisory review be conducted by RSM following a meeting to agree a scope.
- 3.3 Action 25/19 - Cultural Change  
A discussion took place around the outcomes of the Lucas Report and it was confirmed that the paper being brought to the December Audit Committee meeting would contain old/new/superseded recommendations and evidence/progress made.
- 3.4 Audit Committee Action - update
  - 3.4.1 29/18 GM had reviewed the Audit tracker and submitted separately for review.
  - 3.4.2 04/19 KE confirmed that the payroll errors have been captured from July onwards and are set out in the covering report. It is hoped that these errors will lessen in number over time as the HOBS system becomes bedded in. After a brief

discussion, it was agreed that a comparison would be produced between the SAP system and HOBS.

**Action: 28/19**

**KE to provide a comparison table from the payroll errors between the SAP system and HOBS.**

- 3.4.3 05/19 JS asked that as this was a pre-agreed audit, is there a plan on what is being audited? It was confirmed that the agreed scope has not been finalised yet.
- 3.4.4 07/19 KE confirmed that the timeline for past and future HMICFRS inspections had been provided. JP asked whether there were other inspections planned, ie. Health & Safety Executive, Information Commissioner's Office etc. The Service were not aware of any future external inspections.
- 3.4.5 13/19 HOBS learning report. KE confirmed a staff survey had been rolled out and will report back on the results. The results will be brought back to the December meeting.

**Action: 29/19**

**KE to provide the results of the staff survey to the December meeting.**

- 3.4.6 14/19 Actions from Follow Up Audit - contained in this meeting's Audit Tracker report.
- 3.4.7 16/19 EFAT business case. Legal advice is being sought by the Monitoring Officer as to what steps can and cannot be taken in relation to EFAT. A discussion took place around what steps this involved and it was agreed that PBI would draft a decision sheet to close EFAT.

**Action: 30/19**

**PBI to draw up a draft decision sheet to close or make EFAT dormant.**

- 3.4.8 15/19 Audit Tracker dates of recommendations - included on this meeting's Audit Tracker.
- 3.4.9 17/19 Single Tender Actions. KE confirmed that the rationale and reasoning for choosing Microsoft Unified Support was included in the report. JS asked about whether the reduced cost was provided as an assumption or fact and GM confirmed that it was fact.
- 3.5 Action 3/19 - Property Services  
DB confirmed that the work had been carried out with Jon Doherty supplying the audit process for property services work. JS asked why at point 8 did the report make reference to the Governance Board being the Audit Committee. This is not the case as the Audit Committee do not have governance for the property services work. JP asked about the 10 orders a day that are reported on and whether this could be a value for money issue. DB confirmed that some areas of property services are being highlighted under the Medium Term Financial Plan for investigation.

**4 Work Plan**

There were no issues or comments on the Work Plan.

## 5 Emergency Services Collaboration Risk Register

- 5.1 JS asked for clarification around the Collaboration Risk Register and whether it was mainly Fire and Police with some Ambulance. It was confirmed that this was the case.
- 5.2 PBI went through the ownership of the Risk Register (predominantly the Programme Board) and in terms of the overview, there has not been a change in the risks that sit on the Register, with one risk moving from red to amber. The Programme Board had the Risk Register as a standing agenda item on their agendas along with Deep dive papers. There was one red risk at 3.4 against business cases and timelines/ costs etc.
- 5.3 JS commended the improvement made on this Risk Register.

## 6 Emergency Services Collaboration Update

- 6.1 PBI introduced JW and confirmed that the update was in response to the request made at the last meeting to give the Committee a better understanding of the governance and monitoring arrangements around benefits realisation, and the level of engagement of Ambulance in the collaboration piece.
- 6.2 JW had provided the slide pack to the Committee before the meeting and JS asked JW to briefly go through the involvement of Ambulance in collaboration. JW confirmed that there were 4 main areas in collaboration that the Ambulance Service have been involved in and they were; Collapsed Behind Closed Doors (which started as a police and fire collaboration but then involved Ambulance), drop in usage (where police were able to use some of the available parking at the next door ambulance station), information sharing agreement (key to bringing analysis on issues arising), and looking at the housing growth in Essex and how to respond as separate emergency services and as a joined up unit.
- 6.3 JS asked RH whether the original Local Business Case has now turned into an evolutionary Business Case. RH confirmed that there were two pieces of legislation that are used; one involving the joint governance of Police and Fire, and the other is a duty for emergency services to collaborate. The Local Business Case was approved by the Home Secretary and would continue to be delivered against, however it was reasonable to expect that there would be new or evolving projects.
- 6.4 JS asked whether the collaboration update is tabled at the Police Audit Committee, Fire Audit Committee or a separate meeting involving Police, Fire and Ambulance. A brief discussion took place around legal entities and it was agreed that the Audit Committee would have an annual meeting with the PFCC and invite the Chief Constable and Chief Fire Officer to discuss the collaboration Risk Registers.

### **Action: 31/19**

**An annual meeting to be set up between the Audit Committee, PFCC, Chief Constable and Chief Fire Officer.**

## 7 Strategic Risk Register Report

- 7.1 DB confirmed that the Risk Register had been updated from the comments from the last Committee meeting. The report covered the amendments that had been carried out. Risk 15 needed more clarity around the risk description in order to split it. This risk relates to the mobilising system and the recording system not

interacting with each other. There will also need to be more work done on the descriptor 'other fatality fire service personnel and public'. There may also be an impact on the risk scoring for financial planning for EU Exit.

- 7.2 AH asked about 3.1 in the report where holidays, process and people are causing an issue and whether there are deputies in place to deal with the workloads? DB confirmed that there are meetings in place with the risk owners to go through each risk but there is still work to be done in this area.
- 7.3 The Committee asked that the Register is set up for A3 printing as it is proving to be very difficult to read.
- 7.4 JP asked if a direction of travel column could be included on the Register. The date at the top of the current Register is showing as March 2017. DB confirmed that this is an error and should be from the last meeting date.
- 7.5 JP commented that there were 14 risks that were improving which seems very optimistic. DB confirmed that this reflects the work being done and the fact that risk management is being used with a better understanding of the risks. DB will however, check on these improvements to make sure they are presenting a true picture.
- 7.6 AH asked about the department link on the Register and whether it should be linked to the risk owner. After a brief discussion, it was confirmed that KE had regular meetings with the risk owners and they are taking the relevant actions to mitigate the control. The whole Register is reviewed once a month by SLT.

## 8 Internal Audit Progress Report

- 8.1 AOK confirmed that no final reports had been issued since the last meeting, there was 1 draft report for Health & Safety which was issued in June, and 3 other audits had been delayed (GDPR, Business Continuity and Procurement). The audit for Programme 2020 - progress had been asked to be removed as the project is almost complete and a suggestion had been put forward to replace it with an IT review.
- 8.2 The Committee members expressed their extreme disappointment that 6 months into the year, no internal audits has been completed. The rationale for audit work not being carried out or delayed start dates should not relate to 'people not being available' as the audits are on the processes and procedures that are in place.
- 8.3 RH asked whether the Service is on track for completing the scheduled list of audits for the December meeting and what the process was for replacing the Programme 2020 progress with an ICT audit? After a discussion, it was agreed that the Programme 2020 progress audit had not been replaced with an ICT audit and that a separate ICT audit had been requested. It was also agreed that progress on these audits would be made before the December meeting and final reports would be presented to the Committee.

## 9 Internal Audit Benchmarking report

AOK confirmed that the PFCC's office and Fire are sitting favourably above the average for reasonable and substantial opinions, and are significantly below the average on partial and no assurance opinions. AH asked whether the Emergency Services included the Ambulance Service and AOK confirmed that it was mainly Police and Fire but some Ambulance items were in there as well.

## 10 ECFRS Progress Report on Internal Audit Recommendations

- 10.1 GM confirmed that of the 20 recommendations on the tracker, 10 have been completed and 10 are ongoing. The date of the original audit report and the target dates have now been included on the tracker as requested.
- 10.2 The Committee members asked that the report be formatted for A3 printing for future and the dates added as a separate column rather than in a cell.

### **Action: 32/19**

**GM to add the date of the original audit report and the target dates as a separate column rather than in a cell on the tracker.**

- 10.3 AH asked about the progress reports on the amber risks as follows:
- 10.3.1 The Tactical task solution implemented - has this been done, what was done, when was it finished? GM confirmed that the various sources for all the training were pulled together to form the strategic solution using Civica to allow the full task books to go live. This will then allow the skills gap analysis work to be completed by April 2020.
- 10.3.2 Phase 3 task books? This is now being dealt with by Civica but it was agreed that the original due dates would be populated on the tracker.
- 10.3.3 The Business Continuity Plan was raised in 2017 but had the testing been set out with dates in diaries etc? DB confirmed that the testing regime was now in place.
- 10.3.4 EU Exit and Business Continuity Plans - what is happening with suppliers and their products? DB confirmed that procurement routes had been looked at as part of the planning.
- 10.3.5 Target dates for Key Performance Indicators from January 2018 but not being finalised until March 2020 - why the long time scale? GM confirmed that the Key Performance Indicators had been included within the Fire and Rescue Plan and the new Integrated Risk Management Plan.
- 10.3.6 Statement of Risk appetite - when is the outcome expected? DB confirmed that a paper is going to the Senior Leadership Team in three week's time with it coming to the December Audit Committee meeting.
- 10.3.7 JS asked that these all stay on the tracker until RSM have audited them. If an item is to be closed, then it should be removed by the internal auditor only.

## 11 External Audit Progress Report

- 11.1 PG confirmed that the 18/19 audit is awaiting the receipt of the valuations report for the fixed asset valuations to allow the remainder of the audit to be completed. There has been no movement for ECFRS over the NAO threshold.
- 11.2 JS asked what the progress was on the revaluation exercise and GM confirmed that Lambert Smith Hampton had begun the work and were hoping to complete their valuations by mid-October. GM was confident that they would submit the report on time to complete the audit with the Accounts being published in November. PG would arrange for the team to be available in early November to facilitate this. RH

asked that the Chair and RH be informed immediately should there be any suggestion of a delay in publishing the Accounts.

- 11.3 PG confirmed that he had shared a number of management considerations in the report which had been documented upfront. The 19/20 planning work will take place in the autumn along with the accounts workshops for the finance team. The 20/21 accounting standards change and the National Audit Office's consultation codes work.
- 11.4 JP asked about Page 9 of the report and who the Brexit lead was for the Service and how the organisation is supporting Brexit preparations? DB confirmed that the Brexit lead is Rick Hylton (the Deputy Chief Fire Officer) via the Essex Resilience Forum and Charles Thomas (ECFRS' risk manager) is the Services' day to day lead. SF asked whether there were any concerning issues arising from the planning and DB confirmed that the risks were not seen as large and mainly involved procurement, reactions from the public, fuel etc with the implications not being of concern.

## 12 Single Tender Actions

- 12.1 GM confirmed that the reasoning for the Microsoft tender had been included in the report. GM went through the report with the Civica (Tranman) Fleet Management System upgrade, the full property revaluation exercise by Lambert Smith Hampton and the IO Mart offsite backup facilities.
- 12.2 JS asked about Civica and whether they dealt with training, HR and fleet management specifically, and GM confirmed that they were a general software company who had developed separate systems to deal with training, HR and fleet management with all the systems interfacing with each other.
- 12.3 JS asked about IO Mart and why this particular company was sought as there were many companies that delivered this kind of offsite storage.
- 12.4 RH commented that he was not sure that the Civica item was a single tender action as it was an upgrade and no-one else could do it. The Lambert Smith Hampton valuation and Microsoft issue were single tender actions and the reasonings behind them both had been explored. RH had not been sighted on the IO Mart issue where it looked as though it could have gone to competitive tender. GM would look into this and follow up.

### **Action: 33/19**

**GM to look into the reasonings behind the IO Mart Single Tender Action and provide an explanation for the December meeting.**

## 13 Cultural Change Strategy Update

- 13.1 KE went through the paper that had been provided to the meeting which dealt with where we are, where we are going, the context, focus, aspirations, outputs, timeline of events, values and behaviours. KE confirmed that a number of exercises were currently being undertaken with a new leadership programme specifically for middle management being put in place over the next 2 to 3 years.
- 13.2 JS commented that the Committee liked the ambition of the strategy and asked whether the paper could be mapped back to the Lucas Report and the progress being made. A brief discussion took place around talent and innovation and how to

'unlock' it from staff. RH asked that the outcomes from the staff workshops done on the Fire and Rescue Plan be mapped back to the strategy.

- 13.3 AH commented that he enjoyed reading the report but had a suggestion around being more specific on the success criteria around middle management and aiming the feedback towards middle management.
- 13.4 JS commented that as a suggestion, perhaps the questionnaire questions could be provided as 'negative questions', for example, on number 17 instead of replying to a statement of agree or disagree for 'Bullying, harassment and discrimination are not tolerated at ECFRS', ask 'I'm not being bullied or harassed'. A discussion took place around the questionnaire questions and Real World HR.
- 13.5 JS asked about the completion rate of appraisals from the last meeting which was low and JT confirmed that there had been a 95% completion rate for appraisals. AH asked where a qualitative check had been undertaken on the appraisals and it was confirmed that this has been done.
- 13.6 JS asked when the plan will be started and KE confirmed that it is already underway with briefings and feedback.

RH left the meeting at 3.30pm

#### 14 Any Other Business

JS wanted to confirm that the Service were cognisant of the purdah regulations in connection with the PFCC elections. JT confirmed that the Service message had been very clear around what activities can and cannot take place during purdah through PBI, as the monitoring officer, talking to the managers about this issue at Senior Leadership Team meetings. JS was concerned that although the managers may understand this, and asked how the rest of the Service will understand this. JT confirmed that the managers have been tasked with this issue to make sure that the Service understand the issues of purdah.

There was no other business and the meeting closed at 3.40pm.