

**MINUTES**  
**POLICE, FIRE AND CRIME COMMISSIONER FOR ESSEX and**  
**ESSEX COUNTY FIRE AND RESCUE SERVICE**  
**FIRE AUDIT COMMITTEE**

25 September 2020, 1300 to 1500, via Microsoft Teams

**Present:**

Jonathan Swan (JS)	Chair
Julie Parker (JP)	Independent Committee member
Simon Faraway (SF)	Independent Committee member
Roger Hirst (RH)	Police, Fire and Crime Commissioner
Pippa Brent-Isherwood (PBI)	CEO, PFCC's office
Janet Perry (JPe)	Strategic Head of Performance and Resources, PFCC's office
Jo Turton (JT)	Chief Fire Officer and Chief Executive
Dave Bill (DB)	Director of Change, Innovation and Risk
Neil Cross (NC)	Chief Finance Officer and s151 Officer
James Palmer (JPa)	Assistant Director, Head of Prevention and Protection
Anna O'Keefe (AO)	Internal Auditor, RSM
Paul Grady (PG)	External Auditor, Grant Thornton
Parris Williams (PW)	External Auditor, Grant Thornton
Leah Perry (LP)	External Auditor, Grant Thornton
Camilla Brandal (CB)	Minutes, PFCC's office

**Apologies:**

Karl Edwards (KE)	Director of Corporate Services
Dan Harris (DH)	Internal Auditor, RSM
Austin Page (AP)	Finance and Compliance Manager, ECFRS

**1 Introduction and welcome**

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

**2 Minutes from the meeting on 24 July 2020**

There were no amendments to the minutes of the July meeting and there were no matters arising. The minutes were therefore agreed.

**3 Action Log**

Action 30/19      EFA Trading Ltd  
NC confirmed that legal advice had been sought and that a meeting had been set up for 5 October with a view to looking to close the company at an Extraordinary meeting which is anticipated to be scheduled at the beginning of November. NC confirmed that it is hoped to have closed the company this financial year.

Action 03/20 Strategic Risk Register report  
DB confirmed that the stuck risks would all be resolved as from next week.

Action 04/20 Internal Audit Recommendation Tracker  
On Agenda for this meeting – close.

Action 06/20 Matters Arising – Health and Safety Report  
On Agenda for this meeting – close.

Action 07/20 Work Plan  
On Agenda for this meeting – close.

Action 08/20 Audit – Follow up  
On Agenda for this meeting – close.

Action 09/20 Audit – Internal Audit Plan  
JT confirmed that Fleet and MTFP are on the internal PFCC Strategic Board Agendas – close.

Action 10/20 Updated Accounts progress paper  
NC confirmed that the amendments/ additions to the Narrative Statement had been completed – close.

#### 4 Work Plan

There were no amendments or additions to the Work Plan.

#### 5 Strategic Risk Register Report

5.1 DB went through the changes to the risks since the last meeting as follows:

5.1.1 SRR150001  
This risk is being reviewed through ongoing assessment in conjunction with the ECFRS Medium Term Financial Plan (MTFP). It is recognised that whilst the current risk remains the same, it is being reviewed on an increased basis due to Covid-19.

5.1.2 SRR150008  
Escalated to a red risk relating to problems with the mobilising system upgrade. Longer term the Service will be procuring a new mobilisation and ICCS system. It is hoped that once the upgrade is in place, the risk will de-escalate.

5.1.3 SRR150029  
The Service has established a Recovery Group and the Concept of Operations has been implemented. The impact of Covid-19 currently on the organisation achieving the objectives of the Fire and Rescue Plan, Integrated Risk Management Plan and the Annual Plan is minimal.

5.1.4 SRR150018  
On-call convergence project – the recruitment process has been impacted by Covid-19 and the movement of personnel through to competence has proved to be a challenge. A meeting to address a Risk Appetite Statement for this risk has been arranged to make sure that there are adequate controls in place.

JS asked about the implementation date of the project as it is stated as early next year. DB confirmed that it was initially planned for completion on the stations in April 2020 but the challenge to completing this has been around retention of the on-call personnel as they have moved to whole time firefighters. This retention issue is being addressed through the on-call development programme led by JT. DB is obtaining clarity around targets for 2020/21 for each of the stations with three more to go-live. DB is of the opinion that the project timescales will be clearer once the outcomes of the Risk Appetite Statements that are being drawn up is known.

A brief discussion took place around the Services Risk Register and the PFCC's Risk Register – relating to a query around the interpretation of broadening the role of a firefighter, and it was agreed that DB would work through the Services' Risk Register with JT and also look at the PFCC's Risk Register to align them better. DB would bring an update on this to the next meeting.

- 5.2 JP asked about Risk 150009 (Data loss) where she could not see anything on cybercrime on the Register spreadsheet and whether there ought to be a specific risk for cybercrime. DB confirmed that there had been a recent Business Continuity Exercise carried out where a cyber attack had been 'implemented'. DB confirmed that following this he will be updating the Risk Register to reflect the risk around cybercrime and cyber attacks by either incorporating into the existing risk or creating a new one.
- 5.3 On behalf of the Committee, JS wanted to thank DB and the Service for the work that they have put into the Risk Register but also wanted to ensure that although the narrative reports that are produced are very detailed and informative, that the actual Register itself is still kept up to date and used as a live document.

## 6 Audit Reports (RSM)

- 6.1 AO confirmed that two final audit reports had been issued, namely; Procurement and Human Resources – Wellbeing.
- 6.1.1 The Procurement report had resulted in a partial assurance opinion with one high priority action, five medium priority actions and two low priority actions. The high priority action was that the daily periodic cleaning contracts had expired and had not been renewed, with the total value of the contracts would be have in excess of the relevant OJEU thresholds. The medium priority actions focused around business cases and pipeline planning around the Ongar fire station refurbishment. AO confirmed that it was a very indepth review which had resulted in so many issues arising.
- 6.1.2 JS asked about the dip sampling that had taken place and whether AO thought that issues would have been found if more dip samples had been used? AO confirmed that although only three dip samples had been used, the review had tried to draw out the wider issues that had arisen with procurement. JS commented that he found the results of the review extremely disappointing, especially around the cleaning contract which had a clear end of contract date. JS also commented that he was concerned to note that there was no business case for the fire station refurbishment that had cost over £380,000. JT accepted JS's comments and said that she was equally disappointed in the results of the report, however, she also wanted to note that now the report has highlighted some of the issues, it will now enable the Service to address the best practice issues.
- 6.1.3 NC confirmed the report had highlighted some of the areas that the Service knew they had to address with procurement. The centralised Procurement Team had good specialist knowledge but some of the procurement functions are de-centralised into various other areas of the Service. NC confirmed that the Service are looking to appoint a Contracts Manager who will deal specifically with contracts along with a possible restructure of the Procurement Team to make it less centralised. Further measures have been implemented with the introduction of a Capital Board which deals with scrutiny and visibility over the capital spends.
- 6.1.4 NC agreed that a more rigorous process should have been undertaken around the cleaning contract and the renewal process. There were some known delays with the renewal partly to do with whether or not the cleaning contract could be a joint procurement with Essex Police but this did not come to fruition. NC confirmed that additional cleaning measures had been put in place to deal with Covid-19 issues and this was in place until the end of October but that a proper re-procurement of the cleaning contract will be undertaken. JS asked about the current contract and whether it had lapsed? NC confirmed that the contract had been rolled through to the end of October when the new procurement tender exercise will take place.

- 6.1.5 JS asked about the statement in the report that ‘devolved practice around procurement activities, the procurement function relies heavily on influencing services on procurement activity’, and was concerned that the Service were unaware of where money is being spent. NC confirmed that the amounts that are being spent are known and documented, it was the steps that lead up to the spend that are clearly not currently visible. NC also confirmed that there are approval processes in place with spend thresholds set out but unfortunately it is the business case preparation and decision making leading up to the project that are lacking.
- 6.1.6 JP asked about the subsidiary risk where activities might not comply with Health and Safety requirements, safeguarding or fraudulent practices, and does the report change the view on the subsidiary areas? NC was of the opinion that nothing had been highlighted specifically that put any of those areas at risk. The risk is that the contracts are not being re-procured and getting value for money.
- 6.1.7 After a brief discussion around acknowledging the outcome of the report and that the Service were already learning from and addressing the issues, it was agreed that RH would ask the Service to bring a paper to the November Performance and Resources Board explaining in detail how these issues will be resolved.

**Action: 11/20**

**RH would ask the Service to bring a paper to the November Performance and Resources Board explaining in detail how the issues raised in the Procurement audit will be resolved.**

- 6.2 AO presented the Human Resources – Wellbeing audit report which had resulted in a reasonable assurance opinion with one medium priority action. The action related to the fact that the Service had not completed a started self assessment against the framework due to a personnel change and then Covid. AO commented that the audit had found that there were lots of good practice which are highlighted in the report. AO confirmed that the check to see that the completion of the self assessment would be captured in the audit follow up report later in the year.
- 6.3 SF asked about the People Strategy and the BlueLight Wellbeing and whether this is being altered at all to cope with current circumstances relating to Covid? JT confirmed that the People Strategy is under constant review and all the learning that has occurred since Covid started, i.e what has worked well and what has not, has been logged with a view to including them in revisions of documents and procedures. The revisions to the People Strategy are not holding up the Service from implementing the lessons learnt.
- 6.4 JP asked AO about the report and whether if the Service had completed the self assessment, would the assurance opinion have been graded at ‘substantial’ rather than ‘reasonable’. AO confirmed that if the self assessment had been completed against the framework it would have resulted in a ‘substantial’ assurance opinion. The Service were obviously disappointed with this but it is hoped that the follow up audit will allow for the re-grade.

7.1 Emergency Services Benchmarking Report (RSM)

AO presented the annual Benchmarking of internal audit findings report for 2019/20 which showed how the Service compared against others in the Emergency Services sector. AO confirmed that the comparators were 18 Police Forces and PCC’s and 8 Fire and Rescue Services. AO commented that the PFCCFRA’s standing on the report is due to the 4 partial assurance reports. JS commented that it was a slightly disappointing profile but work is obviously in progress to improve the metrics.

7.2 Review of Internal Audit Progress Report

- 7.2.1 AO presented the Progress Report in respect of the audit plan and confirmed that the final report for 19/20 had now been issued (procurement) and the first audit for 2020/21 (HR).

AO confirmed that there were less audits tabled for this coming year and that the Wellbeing audit had been swapped with Property which is reflected in the Progress Report.

- 7.2.2 SF wanted to say well done on the results on the KPIs and it was good to see them reported.

## 8 Audit Recommendation Tracker

- 8.1 NC wanted to confirm that the work done on the tracker is now being undertaken by Austin Page, the Finance and Compliance Manager, who has been proactive in chasing up the audit points and documenting them, with the tracker also being presented at the PFCC's monthly Performance and Resource's Board.
- 8.2 NC confirmed that there were four overdue items on the tracker which are anticipated to be closed out over the next couple of months as they mostly relate to the procurement contracts.
- 8.3 JP commented that at paragraph 7 of the report, the Committee were being asked to consider extension to the deadlines for four recommendations and she would be reluctant to extend the deadline as it was overdue but to additionally provide an explanation as to why it was overdue. JP was of the opinion that if the timeline is extended, the accountability for addressing the recommendation is removed. It was agreed that the recommendations would stay as 'overdue' and not extended.
- 8.4 JS asked that the completed items be taken off the report as it was only necessary to report on the items that had had a change to their progress. It was agreed that RH would share a copy of the Essex Police tracker, as an example, which sets out what the recommendation is, what the significance is and any action taken along with any deadlines.

### **Action: 12/20**

**It was agreed that the PFCC's office would share a copy of the Essex Police tracker, as an example, which sets out what the recommendation is, what the significance is and any action taken along with any deadlines.**

- 8.5 The Committee wanted to compliment Austin on this report.

## 9 External Audit Findings Report (GT)

- 9.1 PG confirmed that Grant Thornton would be issuing an unqualified opinion on the Financial Statements and an unqualified opinion on the Value for Money arrangements in place. There was a material valuation uncertainty for assets owned by the PFCCFRA and also the PFCCFRA's share of property assets held as investments by the Pension Fund and sitting under the balance sheet as Pensions Liabilities figure. PG confirmed that there was no concern around the 'going concern' as there were a healthy level of reserves in place and there were no particularly issues to raise. PG confirmed that there had been an issue concerning a transposition error last year in the depths of the valuation but that this had been picked up this year and corrected. PG confirmed that work had been carried out on the risk involving 'super users' had now been mitigated.
- 9.2 PG commented that it was a good set of Accounts with a good response to the queries that had been raised throughout the process.
- 9.3 JS asked whether the report was linked to July for the draft accounts in July or whether it was a new report? PG confirmed that it was an updated report which relates to the Financial Statements that were presented in July, and sets out the most up to date position on the work done on the Financial Statements. NC wanted to confirm that the Accounts have not been signed off yet.
- 9.4 SF asked about the follow up recommendations and that the Service ensures that there is a mechanism in place to track these recommendations and to be able to report back on any progress. SF also asked about the segregation of duties and whether the personnel need

access to the two areas outlined to complete their tasks. NC confirmed that at the moment the personnel needed access to both the areas but he was looking at implementing some changes to move a member of the Finance team to the ICT team which would mean that the two specific points could be moved to ICT and held separately.

- 9.5 JS asked about Page 26 of the report which shows a blank Action Plan. PG confirmed that there were no new issues that had arisen from this year and the Action Plan was intentionally blank
- 9.6 PG confirmed that Grant Thornton would be issuing an unqualified opinion on the Value for Money arrangements. The financial position is relatively strong and were pleased to see the progress made on the cultural change.
- 9.7 JP raised an observation around the Value for Money section of the report and the statement from the auditors which says that the organisation can use capital receipts more flexibly than they are.
- 9.8 JP asked about Page 23 (fourth paragraph) and the comment made around the Change Programme being ambitious and may benefit from some streamlining, and she would be interested to know what the Service thought about that? DB confirmed that the Service now understood all the Change Programmes and commented that perhaps previously the Service may be been overly ambitious in trying to achieve all the timescales. The Service's Annual Plan now clearly sets out what work will be done through individual programmes etc but also included the ability to add and detract items. RH commented that the Annual Plan now forms a vital part of the Service's priorities and actions for the future.

#### 10 Review External Audit 'Annual Audit Letter' (GT)

To be dealt with at the December meeting.

#### 11 Single Tender Actions

NC confirmed that there had been four Single Tender Actions (specialist engineering works, unplanned system configuration on the CFRMIS project, People Insights survey process and ICT Licences). NC confirmed that he would be looking at the Service's Financial Procurement Regs in line with Essex Police's Financial Procurement Regs to see if they fall under the same criteria. RH commented that Single Tender Actions are an area where the items should be managed under a contract register in order to achieve a zero return, which is achievable.

#### 12 Health and Safety Report update

To be dealt with at the December meeting.

#### 13 Background Briefing – Keeping the Vulnerable Safe

- 13.1 JPa presented the Briefing on Keeping the Vulnerable Safe which was a paper originally prepared as part of the Deep Dive programme run under the PFCC's Performance and Resource's Board. Keeping the Vulnerable Safe is a key priority from the Fire and Rescue Plan and the two key measures that are looked at under this priority are whether people who received an intervention feel safer and less at risk and that there is a reduction in risk for vulnerable groups in Essex. JPa confirmed that 98% of people contacted would recommend the Service and 97% of people that had had a visit said that they felt safer and that they had modified behaviours to feel safer in the home.
- 13.2 JPa confirmed that the Briefing does not cover information on Accidental Dwelling Fires but does cover those people who were killed or injured in Accidental Dwelling Fires. The figures from 2016/17 with six fatalities and 55 injuries had reduced to two fatalities and 43 injuries in 2019/20.

- 13.3 JPa went through the Briefing highlighting key areas; sharing information with Partner agencies to identify the most vulnerable, using seven year's of incident data to identify the groups most at risk and developing a holistic risk model which looks at risk across Essex which will help when targeting interventions. The HMICFRS inspection carried out last year confirmed that not enough visits were being conducted and this is being addressed by the use of the operational crews to carry out Home Fire Safety Visits for the most vulnerable.
- 13.4 JPa confirmed that although the Prevention and Protection work had been paused briefly for a week due to the start of the response to Covid, the Service were and are still able to provide specialist teams to support the vulnerable.
- 13.5 Another piece of work that has been delivered throughout the pandemic is the implementation of a key piece of software solution which enables better recording of activity across the organisation and ensuring that data is shared easily with Partner agencies.
- 13.6 JS asked about the traditional perceived role of the firefighter and whether safeguarding is a natural fit to a firefighter. JPa commented that some firefighters are more receptive than others but that there is a specialist team who deal with the safeguarding within the Service. However, all new starters are now DBS checked as part of the safeguarding process.
- 13.7 JP commented that she was interested in JPa's comment about using the insights and data to inform where the highest risks are and then using it to target groups, and also that the data is being shared with Partners. JPa commented that due to the pandemic more Partner agencies were forced to work together and this has produced benefits that may have otherwise not been realised.
- 13.8 JS asked if JPa thought that this is part of normal firefighting work and not an extra cost base but a routine skill set for the modern day firefighter? JPa confirmed that safeguarding has formed part of the firefighter role map for some time. A key piece of work that JPa will be developing over the next year is an evaluation tool to show the benefits of the investments that are being implemented from a prevention activity.
- 13.9 JS asked how this safeguarding aspect is promoted to the public. JPa confirmed that it is done through the Fire and Rescue Plan, the Integrated Risk Management Plan, Corporate Comms, and social media campaigns (which always have an item of focus on home safety, safety on road, keep yourself save).
- 13.10 The Committee thanked JPa for delivering this very interesting and informative Briefing.

#### 14 Scheme of Governance and review of Terms of Reference

- 14.1 PBI confirmed that the report is similar to that of the Joint Audit Committee that was discussed at the meeting held this morning and the arrangements are broadly comparable across RH's two legal entities. There were a couple of key differences, being that the Commissioner and the Chief Fire Officer/ Chief Executive are not corporation soles in the same way that the Commissioner and the Chief Constable are in policing. PBI commented that the subject of corporation soles and operational independence of the Chief Fire Officer is something that is being considered as part of the national PCC Review currently and there may be some thoughts on that over the next couple of months.
- 14.2 PBI confirmed that the Scheme of Governance makes reference to the Fire and Rescue Service and do not feature in policing, i.e. the Fire and Rescue Plan, the Integrated Risk Management Plan and the Strategic Assessment of Risk. Other key differences to note are the functions of the PFCCFRA not able to delegate is longer than that of the PFCC.
- 14.3 JS commented about the make up of the membership of the Committees and the two sets of eligibility criteria for each Committee, and PBI confirmed that she would make the additions as suggested this morning.

- 14.4 PBI also confirmed that the recommendations pick up the points referenced this morning around needing to cover off the annual report of the Committee and suggesting a timeline for the Forward Plan for this Committee.
- 14.5 It was agreed that the updated Terms of Reference (with the addition in 14.3 above) were agreed, along with the membership (paragraph 2.3), the agreed approach to appraisals (paragraph 2.5) and that these items would be added onto the Committee's Work Plan.

**Action 13/20**

**The updated Terms of Reference (with the addition in 14.3 above) were agreed, along with the membership (paragraph 2.3), the agreed approach to appraisals (paragraph 2.5) and that these items would be added onto the Committee's Work Plan.**

15 Any Other Business

The date of the next meeting was confirmed as 18 December 2020.

There being no further business, the meeting closed at 1440.