

DRAFT MINUTES – Part A
POLICE, FIRE AND CRIME COMMISSIONER FOR ESSEX and
ESSEX COUNTY FIRE AND RESCUE SERVICE
FIRE AUDIT COMMITTEE

18 March 2022, 13:00 – 15:00

GF01, Kelvedon Park or

Microsoft Teams (details in calendar invitation)

Present:

Jonathan Swan (JS)	Chair
Julie Parker (JP)	Independent Committee member
Simon Faraway (SF)	Independent Committee member
Kash Pandya (KP)	Independent Committee member
Sonya Edwards (SE)	Independent Committee member
Roger Hirst (RH)	Police, Fire and Crime Commissioner
Darren Horsman (Dh)	Deputy Executive & Monitoring Officer, PFCC's office
Janet Perry (JPe)	Strategic Head of Performance and Resources, PFCC's office
Rick Hylton (Rh)	Interim Chief Fire Officer and Chief Executive
Neil Cross (NC)	Chief Financial Officer and s151 Officer, ECFRS
Austin Page (AP)	Finance and Compliance Manager, ECFRS
Karl Edwards (KE)	Director of Corporate Services, ECFRS
Ian Adams (IA)	Area Manager- Prevention and Protection, ECFRS
Dan Harris (DH)	Internal Auditor, RSM
Paul Grady (PG)	External Auditor, Grant Thornton
Parris Williams (PW)	External Auditor, Grant Thornton
Samantha Peace (SP)	Minutes, PFCC's office

Apologies:

Jane Gardner (JG)	Deputy Police, Fire and Crime Commissioner
Pippa Brent-Isherwood (PBI)	Chief Executive & Monitoring Officer, PFCC's office
Anna O'Keefe (AO)	Internal Auditor, RSM

1 Introduction and welcome

- 1.1 JS welcomed the committee members and introductions were made.
- 1.2 Apologies were provided for Jane Gardner, Pippa Brent-Isherwood, and Anna O'Keefe

2 Minutes from the meeting on 12th December 2021

2.1 20211217 – Part A minutes:

- 2.1.1 SF raised the repetition made in point 10.2 on page 5 and requested rewording. It was agreed and the wording was amended as follows:

“10.2 JS questioned how much of this can be spotted in advance and budgeted for without pipelines in place. NC reassured Board Members that better practices have been put in place to mitigate and minimise STA’s”.

2.1.2 JS apologised for not actioning point 8.2.2 and agreed to address this for the next meeting.

2.1.3 Subject to the above amendment, the Part A minutes were agreed and there were no matters arising not covered in this meeting agenda.

2.2 20211217 – Part B minutes:

2.2.1 The minutes were agreed and there were no matters arising not covered in this meeting agenda.

3 Action Log

Action 20/21 National Fraud Initiative paper

Update to be provided in this meeting. Close

Action 21/21 Risk register – broadening the Service’s role

KE to hold a workshop later in the year. Close

Action 23/21 Review of the wording within the delegation section of the Scheme of Governance

Dh updated that the revised version is due to committee in September 2022. Open

Action 24/21 Motorola implementation plan

Outstanding for action. Open

Action 25/21 Change of Audit Committee dates for 2022

Actioned. Close

4 Review of 2022 Draft Work Plan

4.1 JS commented on the robust nature of the Work Plan and no matters were raised by the committee members

5 Audit Recommendation Tracker & Internal Audit report

5.1 AP highlighted three new actions since the last update. Completed actions included the fleet team training assessment and access to the Competency Management System for trainers.

5.2 Recommendations within due date from a recent Key Financial Controls Audit will be presented later in this meeting

5.3 NC provided an overview of overdue recommendations. The Service is continuing with recruitment into the structure. A Category Manager recently withdrew from the process. Discussions have been held with several agencies at a National level and with 7-Forces around the recruitment process and there are interviews being held later today and next week. The recruitment reporting pack has been reviewed and a launch is planned in Q1 of 2023.

5.4 JS queried if there was a broader impact of not having the Category Manager post filled. NC assured the committee that the Service are still looking to recruit three out of five posts and currently have support from Barkers. JS enquired if there were resources within the Police, 7-Forces or the PFCC’s Office. KE assured the committee that the Service do access and utilise the 7-Force Procurement team.

- 5.5 JP asked what reassurance could be offered in the absence of a Contract Management Policy. NC updated that a draft policy has been written but the team are currently more focused around the Procurement activity.
- 5.6 RH asked if there is an alternative plan should the process not deliver the desired outcomes. NC agreed that this will be considered if the impending interviews are unsuccessful.
- 5.7 KE advised the committee that the team have a good working relationship with Kent County Fire & Rescue Service and the National Procurement lead has provided valuable support. JS questioned what failure would look like and NC described a situation where procurements and controls rolled over and became unaffordable. KE reassured the committee that the work NC has done around looking at the procurement pipeline will help inform any risk and identify large scale contracts due for renewal.

6 Internal Audit Progress Report

- 6.1 DH shared section three of the Progress Report illustrating the year-to-date position. The four final reviews were all positive opinions. The medium-term financial plan yet to be finalised was also a positive assurance. DH highlighted another positive year for the Service and anticipated that the unqualified opinion would be issued at year end.
- 6.2 DH updated the committee that RSM had passed The Independent Assessment, as they continue to meet the Public Sector Internal Audit Standards.
- 6.3 RH thanked and congratulated the team around the Pensions work and achieving substantial assurance. DH agreed and highlighted that no errors of payment were identified and only five low priority actions were raised.
- 6.4 JS asked if McCloud and Sergeants would affect this. DH confirmed that RSM have not looked at the detail of this scheme. RH shared that legislation clarifying the impact is due for release in April 2022. The target date for resolution being October 2023.
- 6.5 JP queried if IR35 is relevant to the Service. NC assured the committee that there are processes and procedures that have been adapted in the last year to account for IR35. SF asked if there were any learnings that could be taken from Essex Police. DH agreed to speak with Debbie Martin to liaise with the team.

Action: 01/22: DH to speak with Debbie Martin to liaise with AP, NC and KE to share some of the Police IR35 headline issues.

7. Approval of Internal Audit Plan and Audit Charter

- 7.1 DH reported that there were no changes to the plan in the current year. DH reminded the committee that RSM provide an opinion on the Risk Evidence and Control Framework and that Risk Management has been proposed for 2023/2024.
- 7.2 Appendix B provided a backward and forward element of the Internal Audit coverage. JP asked if the timings had been agreed. DH advised that specific dates have yet to be formally agreed and they are working towards quarterly targets.
- 7.3 KE raised future consideration for the environmental impact of the Service. Understanding the impact on service delivery and the cost of decarbonization moving forward. DH agreed.
- 7.4 In relation to the Business Continuity Disaster Recovery Plan, the last review was a partial reassurance opinion. DH clarified that a follow up review had been conducted since.
- 7.5 NC shared that Procurement can be expected in Q1 of 2023/24 Programme.
- 7.6 RH raised that one of the biggest issues for the Service had been the Cultural Change Programme. In 2020 it was reviewed as an amber risk and has not been assessed since. RH proposed a review in 2023. Rh agreed and assured the committee that this will also be

picked up through the HMICFRS Inspection later in the year. The Staff Engagement Survey launched later this year will also inform an Audit in 2023. RH agreed.

8 External Audit Progress Report and sector update

- 8.1 PG updated that GT have issued opinion on last year's accounts and the value for money work is due in April 2022. This concludes GT's work for 2021 except for the Government Accounts. PG explained that they are still awaiting The Treasury to issue guidance. GT will look to finalise the Audit Plan next month and bring this with a comprehensive interim audit finding report to the next committee.
- 8.2 No significant issues were raised.
- 8.3 JP queried what the implications would be for the Service when introducing the Code of Ethics (COE). Rh updated that the COE was launched earlier in the year and that a gap analysis had been completed alongside the Services own internal values. Staff are currently receiving a training input and it is being fed into the appraisal process this year.

9 Review of External Audit Letter to Management

- 9.1 NC provided an update on key areas of the Audit Letter including the revaluation of property. It is anticipated that there might be some issues receiving the Pension Assurance letters on time. This caused the delay in the final publication of the accounts and is out of the Authorities control.

10 Draft Annual Governance Statement

- 10.1 Rh thanked AP and the team for putting this document together. It follows the Good Governance 7 Principles and it has been updated to reflect these changes.
- 10.2 RH agreed that the report clearly lays out the structure and processes.
- 10.3 JS asked for clarity on page 4, the Executive Summary, that the two highlighted statements resulted in substantial reassurance. AP confirmed this was the case but needed to be updated and ratified by DH.
- 10.4 NC raised the Annual Governance Statement had been reproduced following some of the feedback from the Audit Committee in the prior year. The team were currently in the process of updating the Financial Statements to make them more user friendly. The draft will be shared with the Commissioner soon.
- 10.5 JP raised that some dates at the end of the document need to be reviewed for typo errors.

11 Risk Register and Risk Review

11.1 Strategic Risk Register

KE drew the committee's attention to the two red risks.

- **The Live Fire Training facility**

The MOD site at Wethersfield have given vendors a notice period. Early indications suggest this will be by the end of 2023 however there are possibilities for an extension to 2025. Relocation plans have started and a property consultant has been commissioned to assist with the development of a Strategic outline case for the next 12-months. A full business case is anticipated by the end of Q4 of the coming financial year.

- **Mobilising System**

To be discussed under agenda item 11.3 of this meeting. At the last Audit Committee, the current system had no secondary or tertiary back up. On 8th and 9th March, the supplier completed the necessary works within two days and the system now has a full secondary and tertiary environment. The Motorola System is due to go live in January 2023.

RH asked if this risk has now moved from red. KE agreed it will be deescalated to Amber and will remain there until transfer to the new system.

KE acknowledged the increase in monitoring for Cyber Security given the current global position. A tabletop Disaster Recovery exercise had been completed, looking at the Services Cyber Plans and security measures. The need to increase vigilance had been communicated to the workforce and ICT teams were monitoring a lot more closely.

SF asked if the Cyber Audit Reviews will be different to those in the past. DH suggested the Reviews will still cover the basic questions but the frequency may be increased.

11.2 Risk Register Report (March 2022)

KE apologised for the late changes made to the paper. For clarity and accuracy, paragraph four, page two referring to the Station End Equipment was omitted. Options are still being explored at this stage.

11.3 Risk Review of Resque 4i Mobilising System

The paper was provided to the committee for information purposes.

12 Updates

12.1 National Fraud Initiative

NC updated that this is a new piece of work personally, and although the Authority had undertaken some work previously, he wanted to ensure this was shared with Audit Committee. Various sources of data are taken from the Service and applied to the National Portal. The Portal then carries out checks of ECFRS data and that of other public sector bodies and flags up potential areas of risk. A small error in VAT was identified which has now been adjusted. JS queried how many of these errors would have been found regardless. NC agreed that the Services own data errors would have been identified but those of interest were around people working with different bodies.

12.2 SF asked what assurance could be given that valuable data was protected. NC assured the committee that this was progressed via the Data Team and agreed to find out more technical information from Government. KP supported the use of the Portal and that the reviewing cycle of every two years is better value for money.

12.3 JPe asked if there were any GDPR issues. A discussion took place and NC clarified that all communications were done through the Portal.

13 Discussion on Legal and Regulatory matters

13.1 NC updated that work is ongoing in the development of a formal mileage policy. One area was identified where some historic mileage payments that had not been taxable. A declaration will be made to HMIC and will be an approximate cost of £20,000 - £30,000 back dating a 6–7-year period.

14 Single Tender Actions

14.1 None to report in this period

15 Any other business

15.1 Storm Eunice

An update was requested by JS. Rh informed the committee it was the busiest day for ECFRS in 30-years. The Business Continuity Plan was initiated, setting up a Critical Incident Team and a full Command structure. Additional resources were placed into the Control

Room. Calls were stacked which assisted prioritisation. Initially the Service were only responding to life risk calls but then moved to completing every call.

15.2 Background/briefing – Broadening the role

KE referred to this earlier in the meeting and it will be taken forward to a workshop.

15.3 Conformance with the IIA Standards & Codes of Practice

DH updated that both publications were for information purposes.

15.4 Confirmation of items for Part A and Part B minutes

JS updated that the committee had agreed earlier in the Essex Police Audit Committee that all minutes will be Part A, unless stated otherwise.

15.5 Next meeting dates

JS suggested alternating the morning and afternoon committee meetings for Essex Police Audit and ECFRS Audit.

Action: 02/22 – SP/CB to see if the ECFRS AND Essex Police Audit Committee meetings can be alternated between the morning and afternoon sessions.

16 Independent Members and Auditors – Discussion

Not held.

There being no further business, the meeting closed at 14:27.