

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

24 March 2023, 13:00pm to 15:00pm

via Microsoft Teams and in person at Kelvedon Park (GF01)

Present:

Jonathan Swan (JS)	Audit Committee Member (Chair)
Julie Parker (JP)	Audit Committee Member
Simon Faraway (SF)	Audit Committee Member
Kashyap Pandya (KP)	Audit Committee Member
Natasha Carslaw (NCa)	Grant Thornton
Karl Edwards (KE)	Director of Corporate Services, ECFRS
Dan Harris (DH)	Partner and Head of Internal Audit, RSM
Zoe Hibbert (ZH)	Manager, RSM
Roger Hirst (RH)	Police, Fire and Crime Commissioner
Darren Horsman (DHo)	Strategic Head of Policy and Public Engagement and Deputy Monitoring Officer, PFCC's office
Rick Hylton (RHyl)	Chief Fire Officer and CEO
Austin Page (AP)	Finance and Compliance Manager, ECFRS
Janet Perry (JPe)	Chief Financial Officer/ Strategic Head of Performance and Resources, PFCC's office
Sarah Taylor (ST)	Head of ICT (guest attendee)
Jeremy White (JW)	Finance Manager, PFCC's office
Parris Williams (PW)	Grant Thornton
Camilla Brandal (CB)	Minutes, PFCC's office

Apologies:

Sonya Edwards (SE)	Audit Committee member
Pippa Brent-Isherwood (PBI)	CEO and Monitoring Officer, PFCC's office
Jane Gardner (JG)	Deputy Police, Fire and Crime Commissioner

1 Apologies for Absence

1.1 The apologies were noted as above.

2 Minutes of the last meetings and matters arising

2,1 16th December 2022 – Part A Minutes

2,1.1 There were no amendments to the minutes of 16 December 2022 and they were therefore agreed. There were no matters arising.

2.2 16th December 2022 – Part B Minutes

2.2.1 There were no amendments to the minutes of 16 December 2022 and they were therefore agreed. There were no matters arising.

2.3 3rd February 2023 – Additional Meeting Minutes

2.3.1 There were no amendments to the minutes of 3 February 2023 and they were therefore agreed. There were no matters arising.

3 Action Log

23/21 Scheme of Governance
It was confirmed that this action had been discharged following the September Audit Committee meeting.
Close.

05/22 Audit Committee papers
DH confirmed that a test had been run on a Microsoft Teams channel to facilitate the paper distribution issue. This is to be implemented going forwards and will be administered by the PFCC's office.
Remains open.

4 Work Plan

4.1 A date for the publication of the draft accounts to be put in for May but recognizing that this may move.

4.2 KE asked if there were specific items that the Committee members wanted to receive for the Background Briefings, to let him know.

4.3 It was confirmed that the ICT Programme would be scheduled for the next meeting in June.

Action 04/23

ICT Programme to be included under the Background Briefing updates for June.

5 Audit Recommendation Tracker and Internal Audit Report

5.1 Audit Report

5.1.1 AP presented the summary of the total numbers of high and medium recommendations and those that had been completed or remain outstanding.

5.1.2 AP also updated on the new recommendations that had been issued on Cybersecurity and CIPFA FM Code and overtime.

5.1.3 A brief discussion took place around the timescales for completing the outstanding recommendations by June, the GDPR training missing 5% figures which is not allowing the 100% completion rate (KE confirmed that the 5% consist of long time sick/ maternity etc), and the ability to push back on timescales.

5.2 Audit Tracker

5.2.1 See above.

6 Review of Internal Audit Progress Reports

6.1 Internal Audit Progress Report

6.1.1 DH confirmed that two final reports had been issued from the 2022/23 internal audit plan, namely Cyber Essentials and Key Financial Controls and CIPFA FM Code.

6.1.2 DM confirmed that the fieldwork had been completed for two further reviews and the reports for Change Management and Efficiency and Cost Savings are currently in the quality assurance process.

6.1.3 JS commended the work done on the Key Performance Indicators.

6.1.4 A brief discussion took place around the Cyber Essentials work and it was confirmed that the report was a borderline partial assurance opinion.

6.2 CIPFA Financial Management Code and Overtime

6.2.1 ZH went through the report associated with the CIPFA Code and Overtime audit.

6.3 Cyber Security

6.3.1 ZH went through the report associated with the Cyber Security audit. A brief discussion took place around the meaning of elevated privileges which was explained in full by ST.

6.4 Internal Audit Plan 2023/24

6.4.1 DH updated on the proposed Audit Plan for 2023/24.

6.4.2 AP had provided a questionnaire to the Service to ask for potential areas of coverage which has fed into the proposed Audit Plan for 2023/24.

6.4.3 A brief discussion took place around fraud and fraud reporting, and how it was reported through to the Committee, whether the Service are part of the National Fraud initiative. It was confirmed that they are.

6.4.4 There was a brief discussion on the proposed audit for the Service's robust and complete action plans following the Grenfell Tower and Manchester Arena incidents.

Action 05/23

JPe to share the PFCC's Anti-Fraud and Anti-Bribery policy with NC.

7 Risk Report and Risk Register

7.1 KE updated on the two red risk changes to the Risk Report: namely, Risk SRR150032 (carbonaceous fire training facilities) and SRR150001 (budget), of which both have reduced to an amber rating.

7.2 A brief discussion took place around the fire training facilities and the budget/finance issues relating to pay awards and grants.

8 Update on Fraud and/ or Debtor Write offs

8.1 None to report at this meeting.

9 Update on legal and regulatory matters

9.1 None to report at this meeting.

10 Single Tender Actions

10.1 NC confirmed that there were two Single Tender Actions (operational training for both).

10.2 A brief discussion took place around whether there should be a budget line in the training budget for these items or whether it was a re-procurement exercise. It was confirmed that a re-procurement exercise could not be undertaken as there was only one supplier available for each STA.

11 Update on publication of Audited Statement of Accounts 2021/22

11.1 NC confirmed that the Statement of Accounts had been published on the Service's website on 16 January (albeit awaiting final sign off following the receipt of the LGPS pensions letter).

12 External audit progress report and Grant Thornton "About Time" Report

12.1 External Audit Report

12.1.1 PW updated on the work that had been carried out as at March 2023 which included items on the extension of the VFM work (due to resource issues at GT) and the workshops that had been provided for the Finance Dept to prepare for the accounts.

12.1.2 RH wanted to note his thanks to Grant Thornton for all their work done and to recognise the challenges that have been presented.

12.2 Grant Thornton – About Time report

12.2.1 The report was noted.

13 Draft Annual Governance Statement

13.1 RHy presented the draft Statement and confirmed that sections of the Statement had been updated on the governance team, the precept flexibility, Assurance Strategy,

any significant issues (cost of living and industrial action, Fire Reform White Paper and devolution).

- 13.2 JP commented about the significant shift in changes from the list of items on 22/23 to 23/24 with only one item remaining the same, and whether this was a conscious decision to change them? It was confirmed that the changes did reflect all the changes made in world events, change in government departments and pay negotiations. DH commented that there were a few changes that PBI had raised (Her Majesty to His Majesty, cause for concern closure, update the industrial action around Grey Book, financial risk and uncertainty's expected delivery and possibly inclusion of a Productivity and Efficiency Plan). The ECFRS draft Statement will continue to be produced in March each year.

14 Informing the audit risk assessment 2022/23

- 14.1 NC confirmed that the management letter responses are very similar to the previous year and contained within the report.

15 Chair's Annual Report

- 15.1 JS presented the Chair's Annual report.
- 15.2 It was agreed that this report could be published. RH thanked JS for the report and the work that has been undertaken by JS and the Committee which has resulted in the Service being in a very different place from where it started.

16 Agreement of Terms of Reference

- 16.1 A discussion took place around the length of term for the Committee Members (a maximum of 3 terms (a term being 4 years) and a provision from the Local Government Act 1972 would be added to the list of people unable to serve as an Audit Committee member on the draft Job Description for the new Chair of the Independent Audit Committees.

Action 06/23

An inclusion of a provision from the Local Government Act 1972 would be added to the list of people unable to serve as an Audit Committee member in the Terms of Reference.

17 Any Other Business

17.1 Update on industrial action

- 17.1.1 KE updated on the current position of no industrial action but commented that the preparations that the Service had undertaken to address any industrial action had meant that robust plans have been put in place to address industrial action/ disruption. RHy confirmed that the negotiations etc had also afforded a good opportunity to address the culture challenges and further relationships as well.

17.2 Background briefings for future meetings

- 17.2.1 Discussed under Item 4 above.

17.3 Extraordinary Audit Committee meeting in May for publication of draft accounts 2022/23

17.3.1 It was agreed that a virtual Extraordinary Audit Committee meeting would be arranged for May.

Action 07/23

A virtual Extraordinary Audit Committee meeting would be arranged for May to deal with the publication of the draft accounts.

17.4 Membership of the Committee

17.4.1 RH proposed that the re-appointment letters for SF and JP are issued by the PFCC's office confirming SF's appointment for a further term of 4 years and JP's appointment for up to a further 2 years, which was agreed.

Action 08/23

The PFCC's office to issue re-appointment letters for SF and JP confirming SF's appointment for a further term of 4 years and JP's appointment for up to a further 2 years.

17.4.2 It was further confirmed that RSM would be assisting with the recruitment process for the new Chair.

There being no further matters arising, the meeting closed at 1415.

Next Meeting Date (13:00 to 15:00)

- 16th June 2023