

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

16<sup>th</sup> June 2023, 13:00pm to 15:00pm

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

**Present:**

Simon Faraway (SF)	Audit Committee Member (Chair)
Julie Parker (JP)	Audit Committee Member
Sonya Edwards (SE)	Audit Committee Member
Roger Hirst (RH)	Police, Fire and Crime Commissioner
Pippa Brent-Isherwood (PBI)	Chief Executive & Monitoring Officer, PFCC's office
Janet Perry (JPe)	Chief Financial Officer and Strategic Head of Performance and Resources, PFCC's office
Jeremy White (JW)	Finance Manager, PFCC's office
Rick Hylton (RH <sub>y</sub> )	Chief Fire Officer and Chief Executive
Neil Cross (NC)	Chief Financial Officer
Karl Edwards (KE)	Director of Corporate Services
Georgie Morris (GM)	Assistant Director of Finance
Parris Williams (PW)	Grant Thornton
Dan Harris (DH)	Partner and Head of Internal Audit, RSM
Zoe Hibbert (ZH)	Manager, RSM
Samantha Bardsley (SB)	Minutes, PFCC's office

**Apologies:**

Austin Page (AP)	Finance and Compliance Manager
Jane Gardner (JG)	Deputy Police, Fire and Crime Commissioner
Kashyap Pandya (KP)	Audit Committee Member

**1 Apologies for Absence**

- 1.1 The apologies were noted as above.
- 1.2 JP confirmed her association with the LGA and PSAA.

**2 Minutes of the last meetings and matters arising**

- 2.1 24<sup>th</sup> March 2023 – Part A Minutes

- 2.1.1 There were no amendments to the minutes of 24<sup>th</sup> March 2023 and they were therefore agreed. There were no matters arising.
- 2.2 24<sup>th</sup> March 2023 – Part B Minutes
- 2.2.1 There were no amendments to the minutes of 24<sup>th</sup> March 2023 and they were therefore agreed. There were no matters arising.
- 2.3 24<sup>th</sup> March 2023 (panel meeting)
- 2.3.1 Unable to agree due to only 2 panel members being present, will be agreed at a later stage outside of the meeting when all available.
- 2.4 25<sup>th</sup> May 2023 (extraordinary meeting)
- 2.4.1 There were no amendments to the minutes of 25<sup>th</sup> May 2023 and they were therefore agreed. There were no matters arising.

### 3 Action Log

- 05/22 Audit Committee papers  
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. Teams channel invites have been issued to all committee members. Not all members were able to access. Any issues to JW.  
**Remains open.**
- 07/22 Emergency Response Driving – Insurance  
NC has contacted the insurer and confirmed that if you have a valid driving license there is appropriate coverage in place on the policy.  
**Close.**
- 08/22 Oversight of Governance - Accessible publication  
This was discharged in December 2022. The document is published on the F&R Audit Committee page of the website (Audit Committee (Fire and Rescue) - Essex Police, Fire & Crime Commissioner (pfcc.police.uk)).  
**Close.**
- 09/22 Risk Register - Financial Ledger  
Noted and flagged to the risk officer for inclusion in the June 23 quarter's report,  
**Close.**
- 10/22 Risk Register - Social Media Accounts  
ECFRS social media accounts all follow a set process.  
**Close.**
- 11/22 Part B - External Audit - change of External Auditor  
Discussed.  
**Close.**
- 12/22 'Advisory report' to be added to the assurance description for Cyber Essentials Audit Report, for clarity, by AP. Updated as agreed in the internal audit update in the March 23 meeting.  
**Close.**
- 13/22 RSM to provide report on Cybersecurity to March committee meeting.

- Presented at the March 23 meeting.  
**Close.**
- 14/22 RHy to provide industrial action planning workshop to committee members at March committee meeting. Occurred.  
**Close.**
- 01/23 Terms of Reference, KE to provide latest version of the Terms of Reference document. Discussed at the March 23 meeting.  
**Close.**
- 02/23 Work Plan, HM to add 'Changes to Accounting Policies' to the Work Plan. Updated.  
**Close.**
- 03/23 Agenda Item, KE to provide further information to committee members on the Fire Services' Code of Ethics, Values and Behaviors. Completed.  
**Close.**
- 04/23 Work Plan, ICT Program to be included under the Background Briefing updates for June. On the agenda for this meeting.  
**Close.**
- 05/23 Internal Audit Plan 2023/24, JPe to share the PFCC's Anti-Fraud and Anti-Bribery policy with NC. Shared in March.  
**Close.**
- 06/23 Agreement of Terms of Reference, 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. Paragraph amended.  
**Close.**
- 07/23 Any Other Business, a virtual Extraordinary Audit Committee meeting would be arranged for May to deal with the publication of the draft accounts. Held on 25<sup>th</sup> May where the committee recommended the unaudited draft accounts be published.  
**Close.**
- 08/23 Any Other Business, 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. Letters issued.  
**Close.**
- 09/23 External Auditor contract update, DL, NC and Annette Chan to attend the meeting scheduled for Tuesday 28 March with the proposed supplier.  
**Close.**

#### 4 Work Plan

- 4.1 JPe queried if the tracker requires the recommendations to be brought together for internal and external recommendation tracking as discussed in the earlier JAC.

##### **Action 10/23**

**JW and KE to ensure the Audit Recommendations Tracker under agenda item/issue 3 covers both internal and external audit recommendations.**

- 4.2 KE flagged the requirement for an extraordinary meeting to sign off the accounts however a date is not yet known.

## 5 Audit Recommendation Tracker and Internal Audit Report

### 5.1 Audit Report

5.1.1 GM Presented, highlighting 19 total RSM recommendations tracked up from 13, as actions from the FM Code and Overtime (1 high, 1 medium) and Cyber Essential (1 high, 3 medium) audits were added to the tracker. 2 RSM recommendations completed. 12 recommendations are outstanding, and 5 recommendations are past their due date.

5.1.2. Two audits were completed this period, the Change Management audit providing substantial assurance and 2 low recommendations; and the Efficiency and Cost Saving audit, the draft report shows reasonable assurance, with 1 high and 3 low recommendations.

5.1.3 Under information governance it was noted that a number of actions were awaiting assurance to be signed off, The Service is currently exploring a third party assurance provider to review these actions

5.1.4 The 2 completed recommendations covered;

- Overtime Approval (Medium) Detailed validation checks are carried out by the Payroll Department – May's payroll checks were obtained as evidence. Comms have been circulated to all managers to ensure time sheets are reviewed and approved correctly.
- GDPR Data Breaches (Medium) There was a major data breach in the period, which occurred through the misuse of SharePoint. A detailed lessons learned was produced as a result, with specific feedback from the ICO which will be implemented by the Information Governance team. We have a policy and processes in place for reporting Data Breaches.

5.1.5 The outstanding recommendations covered;

- Overpayments (High) this is outstanding due to a system fix being required by CIVICA, due to take place around September.
- Cyber Essentials (3 Medium and 1 High) the ICT team have started discussions to plan for implementation before the estimated completion of December.
- GDPR Information Asset Register (Medium) due to complete in June, a reminder deadline has been sent to all information asset owners.
- Business Continuity (medium) the original due date of June has rolled back to September, due to the Procurement team being under-established, however a member of the team has started to contact critical suppliers.  
JP asked whilst the recommendations are being completed as listed, is there assurance that the actual Business Continuity plan is effective and being tested. GM confirmed all plans are reviewed annually and any suppliers involved would become part of the exercise.

5.1.6 The overdue recommendations covered;

- Emergency Response Driving and Compliance with Standards (Medium) overdue due to the NFCC putting together the National Audit team, expecting to be rolled out in October.
- Emergency Response Driving and Driver Training Policy (Medium) the first draft has been presented for review with the action owner on long term sick and unable to progress. The individual is now back and working through these and expected to be completed by October.  
JP noted that both these recommendations are estimated to complete over a year past their original due date, and asked how content is the Service with the

risk being held. RHy stated they were uncomfortable with the risk being held but assured they were satisfied with the measures in place to complete by the current expected estimations and the focus will be kept on via the continuous improvement board and service leadership team.

- Procurement (Medium) NC confirmed ample work had been completed, the reason it remains open is due to the cleaning contract that went out to national collaboration; this recommendation should be completed by the next meeting.
- GDPR Training (Medium) this is ongoing due to discussions around the target of 95% being very high to achieve (completion rates are currently at 88%) and the possibility of removing any non-available staff (long term sick (currently at 3%) and staff on maternity etc) from the calculations to make this more achievable. JPe queried if non available staff are being removed from the calculations should the 95% not be higher. GM happy to take this away and review.

### **Action 11/23**

**GM to look at the way the 95% target completion rate is calculated, can non-available staff be removed from the calculation and if so, should the 95% target be increased?**

- GDPR Data Flows (Medium) There is a Data Protection Impact Assessment (DPIA) process for all new contracts, the December deadline is due to the review of historic DPIA's expected to take a considerable amount of time and is reliant on multiple departments to complete.

## 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 updated on the key messages, the dates have been agreed for the 2023/24 reviews and ZH is in the process of scoping those audits. One of the audits shown on page 7 as in progress has been asked to defer and will come to a future meeting.

### 6.2 Change Management

6.2.1 ZH confirmed this was substantial assurance and presented the report as read with no further questions.

### 6.3 Efficiency and Cost Savings

6.3.1 ZH advised this gave a reasonable assurance opinion with 1 high action and 3 low. They found with the high action, there was inconsistencies with the savings tracker retained by the service and the source data which they wanted to match up the figures too. Discussions with NC and GM to rectify.

## 7 Annual Internal Audit Report

7.1 DH presented the report highlighting that it was a positive opinion for the 2022/23 financial year. It should be remembered the coverage is driven by risk so we are looking at areas that could come back with some negative opinions. In total there were issued 1 partial assurance, 4 reasonable assurance, 2 substantial assurance

and 1 advisory review. SF congratulated the team and everyone involved in achieving the positive opinion.

## 8 Risk Report

### 8.1 Risk Report

8.1.1 KE presented the risk report, there are no Red risks, 7 Amber, 5 Yellow, 0 Green and 2 Unassigned.

### 8.2 Fire & Rescue Service Risk Register

8.2.1 Risk SRR150014 has upgraded from Yellow to Amber, this is due to a lapse in the training of operational personnel in IOSH which is required at Crew Manager Level. We are actively treating this, with a plan to rectify underway as a matter of urgency.

8.2.2 JP raised concerns around the wording on risk SRR150034. KE confirmed the context is that gap analysis across the many different reports produced is occurring and will take this away to review.

#### **Action 12/23**

**KE to review the wording on SRR150034 for clarity/brevity.**

### 8.3 FIN0010 – Finance System Replacement

8.3.1 JP asked if there was any work to be done by way of internal audit surrounding the departmental risk of the finance system. KE confirmed the contract for the new finance system has been awarded and will be ready for implementation in June and internal audits are scheduled to look at the preparations for the implementation of the system at the later part of the year.

## 9 Update on Fraud and/ or Debtor Write offs

9.1 None to report at this meeting

## 10 Update on legal and regulatory matters

10.1 None to report at this meeting

## 11 Single Tender Actions

11.1 None to report at this meeting

## 12 External Audit Plan

12.1 PW presented the audit plan advising it is largely consistent with the plan in the previous years with the same 3 significant risks, the risk that the valuation of land and buildings in the accounts is materially misstated, the risk that the valuation of the net pensions fund liability in the accounts is materially misstated and the risk of management override of controls. In terms of value for money, we have had a

conversation with management that we are going to combine the work of 21/22 and 22/23 in a single annual auditor's report providing an opinion on both years.

- 12.2 PW talked about ISA 315 as one of their new auditing standards effective from this year and how one of the major changes is around the work they do on IT General Controls (ITGC's).

### 13 Update on External Audit contract commencing Statement of Accounts Year Ending 31/03/24

- 13.1 This was presented in the earlier JAC.

### 14 Background Briefing - ECFRS ICT Program

- 14.1 KE presented a background briefing on the ECFRS ICT Program via video and PowerPoint covering the digital and data improvements.
- 14.2 KE updated on the areas of work that have already been completed, including the Teams roll out, group video conferencing, moving 85% of technology into the cloud over data rooms, new mobiles improving end user experience and a new workforce management system. Projects that are underway include the new wide area network, improving data quality, frontline technology (asset tracking systems, drones, robotics), the new website going live and being well received and the new intranet on the way. Finally, what is left to do including the 3-year refresh program replacing laptops and IT on stations and the new Motorola mobilizing system is due to go live 27<sup>th</sup> June. JP asked how this was all connected to the efficiency strategy. KE confirmed there is a product and efficiency board that NC chairs and that through that board they track the various different products and the impact/improvements they are having.

### 15 Any Other Business

#### 15.1 Background briefings for future meetings

- 15.1.1 KE advised that if there were any further background briefings that the audit committee would like, topics could be driven by them. SF will take away to discuss.

#### 15.2 Major data breach discussion

- 15.2.1 GM covered this during the discussions in item 5.1.4

#### 15.3 RSM Emergency Services Technical Briefing

- 15.3.1 DH Covered in the earlier JAC but noted that the risk register analysis now brings together emergency services risk registers, so they are no longer separate between police and fire.

#### 15.4 RSM Emergency Services Risk Register Analysis

- 15.4.1 Covered in the earlier JAC

#### 15.5 RSM Using Your Strategic Risk Appetite

- 15.5.1 Covered in the earlier JAC

16 Approval of papers for publication

16.1.1 JW to confirm which papers are to be published, confirmed minutes to be published

**Action 13/23**

**JW to confirm papers for publication and to place a column on the agenda to detail if papers are to be published or not prior to the meeting in future.**

There being no further matters arising, the meeting closed at 14:40pm.

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

- 22<sup>nd</sup> September 2023
- 8<sup>th</sup> December 2023