



Essex Police, Fire and Crime Commissioner Fire and Rescue Authority

Decision Report

Report reference number: 003-24

Government security classification: Not protectively marked

Title of report: Internal Audit Contract Extension

Area of county / stakeholders affected: Service-wide

Report by: Neil Cross, Chief Finance Officer

Date of report: 2nd February 2024

Enquiries to: Neil Cross, Chief Finance Officer

1. Purpose of the report

In 2021, Essex County Fire and Rescue Service undertook a collaborative procurement with Bedfordshire and Cambridgeshire Fire and Rescue Services for the appointment of an internal auditor. A three-year contract was awarded to RSM Risk Assurance Services LLP which has a contract end date of 28 April 2024. The contract has an option to extend by a further two 12-month periods. For the reasons set out in this report, it is recommended that the contract is extended for a period of one year, to 28 April 2025.

2. Recommendations

The Commissioner is asked to approve the following recommendations:

- To approve the extension of the Internal Audit contract with RSM for a further 12 months, from 29 April 2024 – 28 April 2025.
- To note that that Essex County Fire and Rescue will work with Essex Police to align their respective Internal Audit contract renewal dates, with a view to moving towards a collaborative approach. A further update will be brought back to a future Audit Committee meeting.

3. Benefits of the proposal

The term of the current contract is three years, which ends on 28 April 2024. There is an option to extend the contract by a further two 12-month periods, as set out below:

- 1st extension period - 29 April 2024 – 28 April 2025
- 2nd extension period - 29 April 2025 – 28 April 2026

It is recommended to extend the contract for a further year to 28 April 2025.

Both Essex Police and Essex County Fire and Rescue Service are in the process of changing their external auditors for the year ending 31 March 2024. Therefore, it is beneficial to have a further year of continuity with their internal auditors, which will not put the further pressure on both organisations' resources that any such change would require.

4. Background and proposal

In 2022, Essex Police undertook a mini competition from the Crown Commercial Services (CCS) Audit and Assurance Framework Agreement (RM6188) for the appointment on an internal auditor. A two-year contract (to 30 June 2024) was awarded to RSM Risk Assurance Services LLP. This contract had an option of two 12-month extensions.

During the next 12 months, Essex County Fire and Rescue Service and Essex Police will develop an approach to procure an Internal Auditor collaboratively. A further update paper will be presented to their respective Audit Committees by September 2024.

Under the existing arrangements, Essex County Fire and Rescue Service wishes to take the option to extend their contract for one year until 28 April 2025.

5. Alternative options considered and rejected

An alternative approach would be for Essex County Fire and Rescue Service not to take the option of extending the Internal Audit contract and look to undertake a collaborative procurement for an Internal Auditor with Essex Police this year. This is not recommended as the extension should be granted by mutual agreement of all parties. Should one party not wish to enter the extension period, then the remaining parties would need to agree to continue and a variation to the contract be made. This could affect the pricing for the remaining parties as the original proposal by the supplier would have been based on contracting with all three organisations.

There is also a risk the supplier could choose not to continue with the extension period at all, meaning a new procurement would be required. Given the timescales to re-procure, this is not feasible.

6. Strategic priorities

This contract extension supports the objective of the Collaboration priority of the Fire and Rescue Plan, and also the priority around making best use of resources.

7. Operational implications

None associated with this decision report.

8. Financial implications

The 2023/24 Internal Audit Plan is for 90 days at a cost of circa £55k. The cost of the proposed 2024/25 extension is expected to be in line with this cost.

9. Legal implications

The procurement was carried out in accordance with the Contract Standing Orders and the Public Contracts Regulations 2015 using a compliant framework agreement.

10. Staffing implications

None associated with this report.

11. Equality and Diversity implications

The actions being taken will not have a disproportionate impact on individuals with protected characteristics (as defined within the Equality Act 2010) when compared to all other individuals, and will not disadvantage people with protected characteristics.

Race	N	Religion or belief	N
Sex	N	Gender reassignment	N
Age	N	Pregnancy & maternity	N
Disability	N	Marriage and Civil Partnership	N
Sexual orientation	N		

The Core Code of Ethics Fire Standard has been fully considered and incorporated into the proposals outlined in this paper.

12. Risks

There are no risks arising from this decision report.

13. Governance Boards

This proposal was discussed at the Audit Committee meeting in December 2023. The Audit Committee's role, in accordance with its Terms of Reference (paragraph 8.2.1) includes considering and making recommendations to the Commissioner on the provision of internal auditors, including appointment, assessment of performance and dismissal.

Audit Committee members supported the proposal. They were provided with assurance that management were satisfied with the quality of the work of RSM, hence they are content for a contract extension to be entered into at this time. The recommendation therefore has an implication that the management of the service is content with current service levels and value for money.

14. Background papers

None


Decision Process

Step 1A - Chief Fire Officer Comments

(The Chief Fire Officer is asked in their capacity as the Head of Paid Service to comment on the proposal.)

.....I support the recommendation.....

.....

Sign:  Date:.....02/02/2024.....

Step 1B – Consultation with representative bodies

(The Chief Fire Officer is to set out the consultation that has been undertaken with the representative bodies)

.....N/A.....

Step 2 - Statutory Officer Review

The report will be reviewed by the Essex Police, Fire and Crime Commissioner Fire and Rescue Authority’s (“the Commissioner’s”) Monitoring Officer and Chief Finance Officer prior to review and sign off by the Commissioner or their Deputy.

Monitoring Officer

Sign: 

Print: P. Brent-Isherwood

Date: 2 February 2024

Chief Finance Officer

Sign: 

Print:Neil Cross.....

Date: .. 01/02/2024

Step 3 - Publication

Is the report for publication? **YES**

If 'NO', please give reasons for non-publication (Where relevant, cite the security classification of the document(s). State 'none' if applicable)

None

If the report is not for publication, the Monitoring Officer will decide if and how the public can be informed of the decision.

Step 4 - Redaction

If the report is for publication, is redaction required:

- | | | |
|---|-------------------|------------|
| 1 | Of Decision Sheet | NO |
| 2 | Of Appendix | N/A |

If 'YES', please provide details of required redaction:

N/A

Date redaction carried out:


If redaction is required, the Chief Finance Officer or the Monitoring Officer are to sign off that redaction has been completed.

Sign: Print:

Date signed:

Step 5 - Decision by the Police, Fire and Crime Commissioner or Deputy Police, Fire and Crime Commissioner

I agree the recommendations to this report:

Sign:  FCC

Print: Roger Hirst Date signed: 20/02/2024