



# ESSEX FIRE AUTHORITY

## Internal Audit Progress Report

Audit, Governance and Review Committee  
presented to

20 April 2016

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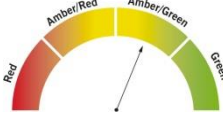
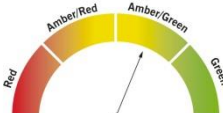
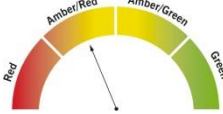
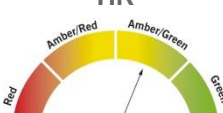
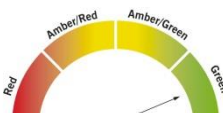
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# 1 INTRODUCTION

The Internal Audit Plan for 2015/16 was approved by the Audit, Governance & Review Committee in April 2015. This report provides a summary update on progress against that plan and summarises the work completed and result of 2015/16 internal audit plan.

## 2 REPORTS CONSIDERED AT THIS AUDIT, GOVERNANCE AND REVIEW COMMITTEE

Below provides a summary update on progress against that plan and summarises the results of our work to date. We have highlighted in **bold** those reports which are presented to this meeting. We have finalised five reports and have a further two reports issued in draft.

Assignments	Status	Opinion issued	Actions agreed		
			H	M	L
IT General Controls Healthcheck (1.15/16)	FINAL		0	3	4
<b>Workforce Planning (2.15/16)</b>	<b>FINAL</b>	<b>Advisory</b>	<b>0</b>	<b>4</b>	<b>2</b>
<b>Purchase of New Applications (3.15/16)</b>	<b>FINAL</b>		<b>0</b>	<b>3</b>	<b>2</b>
<b>Risk Management (4.15/16)</b>	<b>FINAL</b>	 <b>HR</b>	<b>0</b>	<b>5</b>	<b>4</b>
<b>Key Financial Controls (7.15/16)</b>	<b>FINAL</b>	 <b>General Ledger</b>	<b>0</b>	<b>3</b>	<b>1</b>
<b>Property Maintenance (8.15/16)</b>	<b>FINAL</b>		<b>0</b>	<b>0</b>	<b>1</b>

### 3 LOOKING AHEAD

The table below provides a summary update on progress against that plan and dates when audits are planned subject to the availability of key staff within the service.

Assignment area	Start Dates	Notes
VAT Follow Up (5.15/16)	March 2016	Draft report issued 24 March 2016 Revised Draft 7 April 2016
Governance (6.15/16)	01 March 2016	Draft report issued 29 March 2016
Follow up (10.15/16)	21 March 2016	Review in progress, awaiting outstanding information
Data Retention (9.15/16)	21 March 2016	Report in Quality Assurance

## 4 OTHER MATTERS

### 1.1 Changes to the audit plan

There have been no changes to the 2015/16 audit plan.

The Committee should note that the assurances given in our audit assignments are included within our Annual Assurance report. In particular the Committee should note that any negative assurance opinions will need to be noted in the annual report and may result in a qualified or negative annual opinion. We have not issued any qualified (red) reports to date. We have issued one partial (amber red) assurance opinion which will impact our year end opinion, but will not qualify the opinion.

No common weaknesses have been identified within our reports so far for 2015/16.

### 1.2 Information and briefings

#### Enabling closer working

**The government has published its response to a consultation held on proposals for greater collaboration between the emergency services, with the government now intending to legislate for fire and rescue services to be under the control of the Police and Crime Commissioners (PCCs).**

The government's consultation saw responses from over 300 stakeholders, with over three quarters of the responses coming from fire services, police and local authorities. Given the volume of consultation responses, the government understands it has sufficient information to now communicate its intention for a variety of legislation to be introduced. The three principal cabinet ministers involved: Theresa May; Greg Clark; and Jeremy Hunt make it clear in the foreword section of the response that:

**'There are clear opportunities for collaboration to go further and faster. The government intends to legislate to enable local communities to drive forward joint working in their area, improving the services delivered to the public as well as providing direct local accountability by enabling Police and Crime Commissioners to take on the functions of fire and rescue authorities.'**

This suggests that the government will act quickly to draft legislation whilst emphasising the wider role of the PCC moving forwards.

Despite the clear directive being set by the government there is emphasis on local areas to decide whether to implement collaboration. Local areas, however, must demonstrate that they have at least considered collaboration opportunities. The duty will be high level and primarily aimed at all three emergency services whilst not being 'overly prescriptive'. The government hopes this will allow local discretion on which course of action to take but also allow for the possibility of other bodies to be part of the collaboration.

As to whether PCCs should have responsibility for fire and rescue services, the government intends that when requested, the fire and rescue authority (FRA) should provide the PCC with 'all necessary information' when a business case is made. Any decision not to proceed would have to be ratified by the Secretary of State; this formed a contentious issue in the consultation responses with some respondents unhappy with giving the Secretary of State this power, as local opposition could be overruled.

Police and Crime panels will continue to scrutinise the PCC. However, where the PCC has responsibility for fire and rescue services, their remit will become wider. This will undoubtedly lead to police and crime panels needing to, what the government refers to as; 'reconstitute the membership' in order to ensure the collective panel has the skills necessary to scrutinise performance.

In summary, the government will legislate to:

- implement a high level duty for all three emergency services to improve efficiency or effectiveness;
- PCCs take on FRAs where a local case is made;
- PCC enabled to create a single employer for police and fire personnel;
- where a PCC does not take over, they can request voter right representation on their local FRA; and
- the Mayor of London will be given direct responsibility of fire and rescue services in London.

In light of the increased emphasis on collaboration we would encourage police and fire and rescue services to consider....

**Question – are you investigating the possibilities of collaborative working between the police and fire and rescue service? Have you considered the potential opportunities, benefits and risks in relation to:**

- **estates management,**
- **vehicle procurement and maintenance,**
- **senior posts,**
- **prevention programme?**

## Local government funding settlement confirmed

### Local government funding settlement confirmed

It has been confirmed by the Department for Communities and Local Government (DCLG) that fire and rescue services will face continued reductions in funding as part of the new local government finance settlement from 2016/17 and further provisional funding cuts through to 2019/20.

### DCLG fire and rescue funding

Year	Revenue support grant	Baseline funding grant	Settlement funding assessment
2016/17	480.67	532.37	1,013.03
2017/18	377.19	542.84	920.02
2018/19	321.71	558.85	880.56
2019/20	285.38	576.71	864.46

Note: All figures in millions

The outcomes of the funding settlement illustrates that the future continues to hold financial challenges for fire and rescue services which will need to be managed. One of the options available, as discussed earlier in this briefing, is collaboration with other parts of the emergency services sector. Whilst we have seen a number of fire and rescue services already engage in collaboration, further or enhanced joint working may hold greater efficiencies.

***Question – are you investigating the possibilities of collaborative working between the police and fire and rescue service? Have you considered the potential opportunities, benefits and risks in relation to:***

- ***estates management,***
- ***vehicle procurement and maintenance,***
- ***senior posts,***
- ***prevention programme?***

## **Ministerial responsibility for fire service moves to Home Office**

As part of the ongoing move for greater to collaboration between the police and fire and rescue services the ministerial responsibility for fire and rescue has moved from the Department for Communities and Local Government to the Home Office. Mike Penning MP takes over the portfolio to become the Minister of Policing, Fire, Criminal Justice and Victims.

## **Fire Brigades Union view of collaboration**

The Fire Brigades Union (FBU) has criticised the government's presentation of the consultation on proposals for increased collaboration between the police and fire and rescue services. The FBU criticised a lack of evidence in the consultation document and said the proposals had avoided proper scrutiny. The FBU, which has been very critical of the proposed collaboration maintain that Police and Crime Commissioners (PCCs) have 'no place' in fire and rescue services.

# FOR FURTHER INFORMATION CONTACT

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