

ESSEX FIRE AUTHORITY

Essex County Fire & Rescue Service



Minutes of a Meeting of the Essex Fire Authority Audit, Governance & Review Committee held on Wednesday 22 April 2015 at 2.00pm

Present:

Councillor J Knapman	Chairman
Councillor B Aspinell	
Councillor A Bayley	
Councillor G Butland	
Councillor P Honeywood	
Councillor T Kelly	
Councillor M McEwen	
Councillor C Seagers	
Councillor P Wexham	

The following Officers were present in support throughout the meeting:

Adam Eckley	Acting Chief Fire Officer
Dave Bill	Assistant Chief Fire Officer - Operations
Glenn McGuiness	Deputy Director of Finance
Lindsey Stafford-Scott	Director of Human Resources and Organisational Development
Shirley Jarlett	Deputy Clerk and Monitoring Officer
Suzanne Lane	Baker Tilly (Internal Auditors)
Martina Lee	Ernst and Young (External Auditors)
Judith Dignum	Secretary to the Committee

Apologies for absence were received from Councillors M Danvers, A Erskine, C Guglielmi, I Henderson and A Wood.

1. Minutes

The minutes of the meeting held on 21 January 2015 were agreed as a correct record and signed by the Chairman.

2. Declarations of Interest

The Chairman reminded Members that they should declare any interests at this point or during consideration of the appropriate agenda item.

3. Audit Recommendations

The Committee considered report EFA/036/15 by the Finance Director and Treasurer (presented by the Deputy Director of Finance) which provided an update on progress against the action plans developed by the Service in response to audit reports. Items marked as completed in the previous quarter's report had been deleted from the table.

The report was noted and Members expressed satisfaction with the progress being made.

4. Audit Reports

The Committee considered report EFA/037/15 by the Finance Director and Treasurer (presented by the Deputy Director of Finance) which presented for review the following three internal audit reports:

- Communications
- Budgetary Control
- Key Financial Controls

Members were pleased to note the Audit Conclusion of Substantial Assurance with regard to Budgetary Control and Key Financial Controls and congratulated the officers concerned.

The following information was provided in response to Members' questions:

- A report on pensions discretions would be included on the agenda for the Committee's next meeting.
- The need to remain up-to-date with regard to legislative and other changes in practice, and to take action as required, was identified as part of the Authority's Risk Strategy
- At the meeting of the Fire Authority on 11 February, a task and finish group had been established to consider the issue of policies relating to investment and reserves. The Finance Director and Treasurer was the lead officer for the group, which would meet some time after the General Election on 7 May.
- In the light of the Audit Conclusion of 'Reasonable Assurance' with regard to Communications, the Committee asked to receive a report to its next meeting concerning progress on actions to address the recommendations contained within the report.

Resolved:

1. That the internal audit reports on Communications, Budgetary Control and Key Financial Controls be noted.
2. That, in the light of the Audit Conclusion of 'Reasonable Assurance' with regard to Communications, a report be submitted to the next meeting of the Committee concerning progress on actions to address the recommendations contained within the report.

5. Internal Audit Progress Report April 2015

The Committee considered report EFA/038/15 by the Finance Director and Treasurer which provided an update on progress against the internal audit action plan, attached to the report as an appendix.

In commenting on the report, Ms Lane of Baker Tilly advised that the position was unchanged since the last meeting in that no issues had been identified which were likely to result in a qualified or negative annual opinion.

The report was noted.

6. Internal Audit Plan 2015/16

The Committee considered report FP/039/15 by the Finance Director and Treasurer which presented the Internal Audit Action Plan for 2015/16. Suzanne Lane of Baker Tilly responded to Members' comments and questions.

In considering the report, Members noted that the internal audit service provided by Baker Tilly would continue to be led by Daniel Harris, with support from Suzanne Lane, and that the number of days allocated for completion of the necessary work was the same as for the previous year. It was also noted that the three year strategy would be reviewed in one year's time.

In response to a question, it was clarified that the scope of the audit of Governance would be considered by the Committee at its September meeting, with the audit itself being conducted in Quarter 4 of 2015/16 (January to March 2016).

The Committee commended the report for being easy to read and understand.

Resolved:

That the Internal Audit Plan for 2015/16 be received.

7. External Audit Plan 2014/15

The Committee considered report FP/040/15 by the Finance Director and Treasurer which presented the Essex Fire Authority External Audit Plan for 2014/15. Martina Lee of Ernst and Young introduced the report and responded to Members' comments and questions.

The following matters arose from consideration of the report:

- Members noted that the Audit Results Report would be submitted to the September meeting of the Committee, on completion of the 2014/15 Audit.
- An update was given on the latest position concerning the recent issues surrounding the treatment of pension injury payments. The Committee noted that a decision as to whether the Authority should repay monies to Central Government and if so, the amount concerned, was expected after the General

Election. Members asked to be kept informed as to progress until the matter had been resolved

- Audit fees were charged according to a scale for all authorities set by the Audit Commission. The fee charged to the Authority had remained relatively static on the basis that the work involved had stayed largely the same.
- At the request of the Committee, the auditors agreed to consider and report back on the level of return which the Authority obtained on its investments in comparison with other, similar public sector organisations. The Authority had adopted a risk-averse approach to date, and Members stated that they would welcome information to help them assess whether the current balance between security and increased return was still the most appropriate.

Resolved:

1. That the external audit plan for 2014/15 be received.
2. That work be undertaken by the external auditors to investigate the level of return which the Authority obtains on its investments in comparison with other, similar public sector organisations, with the findings to be reported to a future meeting of the Committee.

8. The Audit Commission's Closure – An Overview

The Committee considered report FP/041/15 by the Finance Director and Treasurer (presented by the Deputy Director of Finance) which set out the arrangements that had been put in place since the closure of the Audit Commission on 31 March 2015. This date marked the point at which other organisations became responsible for delivering several of the Commission's functions.

In response to a question, it was noted that the National Audit Office would have responsibility for producing and maintaining the Code of Audit Practice.

9. Organisational Performance Reporting

The Committee considered report EFA/042/15 by the Director of Human Resources and Organisational Development which provided an update on the Service's Performance Reporting. The report advised that the implementation of the new mobilising system in January 2015 had resulted in the Service experiencing data issues which were having a serious impact on the performance reporting procedure and the ability to report complete performance data. Due to the level of data issues being experienced, the decision had been taken to pause performance reporting as it was not possible to report accurately on incomplete information. The Committee was advised that a full and comprehensive report would be submitted to the next meeting.

Arising from consideration of the report, the Committee received an update on the current position with regard to implementation of the new mobilising system. The following information was provided in response to Members' questions and comments:

- It was acknowledged that the current issues with the new system had gone beyond 'teething' problems. Work was ongoing with the system supplier to resolve all outstanding faults and ensure that the system was delivered to the standard set out in the contract. No action would be taken to reintroduce the new system until there was absolute certainty that it would function correctly, and it was not possible to give a likely timescale as to when this would occur. The situation was similar to that experienced by other fire services when introducing a new system.
- The Committee was assured that, even in the current circumstances, the mobilising system in operation remained as effective as it had been prior to the changes.
- ACFO Bill advised that the mobilisation system databases developed and improved with use. It would take time for the database on the new system to evolve to the level of that on the old system, which had been in use for many years.
- Officers asked for specific details of an incident referred to by Councillor Aspinell in order to allow them to investigate further.
- Recent industrial action by the Fire Brigades Union had related to changes to shift patterns rather than the introduction of the new mobilising system.
- The Committee noted that potential suppliers of the new system had been required to demonstrate their experience of implementing new mobilising systems as part of the procurement process. Both the successful contractor and the Service itself had considerable experience, but the large scale and complexity of the current project meant that it had been impossible to foresee and test for every potential eventuality.
- Once correctly functioning, the benefits of the new system were considerable, and would allow the Authority to make the most effective use of its resources, with the potential to improve response times.

Resolved:

1. That it be noted that performance reporting is currently paused for one month while work is undertaken to resolve data issues within the mobilising system, electronic rota book (staff availability system) and the incident recording system.
2. That a full and comprehensive report be submitted to the next meeting.
3. That the current position regarding implementation of the new mobilising system be noted.

10. Electronic Rota Book

The Committee considered report EFA/043/15 by the Director of Human Resources and Organisational Development which provided an update on the implementation and development of the Electronic Rota Book (ERB) system, together with the next steps required. It was noted that, although further refinement was needed, all the anticipated

benefits of the ERB application, with the exception of the transition of Flexi-Duty Officers, had been achieved or were planned to be achieved.

In presenting the report, the Director advised that the Service was considering the creation of an interim central resourcing team to help address issues relating to the accuracy of Whole Time resource information being populated on ERB, and the various influences on this, which would require attention in order for the systems to run effectively and deliver all associated benefits.

Arising from consideration of the report, the Committee had a lengthy and detailed discussion regarding cultural issues within the Service and potential ways in which these could be managed.

The report was noted.

11. Date of Next Meeting

Members noted that the next meeting of the Committee would take place on Wednesday 15 July 2015 at 2.00pm.

The meeting closed at 3.15pm

Signed.....

Chairman
15 July 2015