

ESSEX FIRE AUTHORITY

Essex County Fire & Rescue Service



Audit, Governance and Review Committee Agenda

10:00	Wednesday, 12 July 2017	Kelvedon HQ,
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Quorum: one third of the Committee's membership (5)

Membership

Councillor Anne Turrell
Councillor Aaron Watkins
Councillor Jo Beavis
Councillor Fay Evans
Councillor Mike Garnett
Councillor Michael Hardware
Councillor Ivan Henderson
Councillor Paul Honeywood
Councillor June Lumley
Councillor Bob Massey
Councillor John Moran
Councillor Ron Pratt
Councillor Wendy Schmitt
Councillor Kerry Smith
Councillor Ron Woodley

Chairman
Vice-Chairman

**For information about the meeting please ask for:
Fiona Lancaster (Committee Officer, Essex County Council)
033301 34573 / fiona.lancaster@essex.gov.uk**

Essex Fire Authority and Committees Information

Meetings of the Authority and its committees are open to the press and public, although they can be excluded if confidential information is likely to be considered.

Meetings are held at Essex County Fire and Rescue Service Headquarters, Kelvedon Park, Rivenhall, Witham, CM8 3HB. A map can be found on the Essex County Fire and Rescue Service's website (www.essex-fire.gov.uk); from the Home Page, click on 'Contact Us'.

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Please report to Reception when you arrive. The meeting rooms are located on the ground and first floors of the building and are accessible by lift where required.

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The agenda is also available on the Essex County Fire and Rescue Service website, (www.essex-fire.gov.uk). From the Home Page, click on 'Essex Fire Authority', then scroll down the page and select the relevant documents.

Part 1

(During consideration of these items the meeting is likely to be open to the press and public)

Pages

- | | | |
|----------|--|---------------|
| 1 | Apologies for Absence | |
| 2 | Declarations of Interest
To note any declarations of interest to be made by Members in accordance with the Members' Code of Conduct. | |
| 3 | Minutes
To approve as a correct record the minutes of the last meeting of the Committee held on 19 April 2017. | 7 - 16 |

Decision Items

- | | | |
|----------|---|------------------|
| 4 | Budget Review May 2017
To consider report EFA/086/17 by the Finance Director and Treasurer. | 17 - 26 |
| 5 | Audit Recommendation - Report on Progress Against Action Plans
To consider report EFA/087/17 by the Finance Director and Treasurer. | 27 - 38 |
| 6 | Audit Reports
To consider report EFA/088/17 by the Finance Director and Treasurer. | 39 - 96 |
| 7 | 2017-18 Essex Fire Authority Annual Fee Letter
To consider report EFA/089/17 from the Finance Director and Treasurer. | 97 - 100 |
| 8 | Update on Public Sector Auditor Appointments
To consider report EFA/090/17 by the Finance Director and Treasurer. | 101 - 106 |
| 9 | Treasury Management Strategy
To consider report EFA/091/17 by the Finance Director and Treasurer. | 107 - 116 |

Information Items

- | | | |
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| 10 | General Data Protection Regulation
To note report EFA/092/17 by the Finance Director and Treasurer. | 117 - 146 |
| 11 | Joint Governance of Police and Fire & Rescue in Essex - Transition Update
To note report EFA/093/17 by Adam Kendall, Office of the Police and Crime Commissioner. | 147 - 152 |
| 12 | End of Year Performance Report
To note report EFA/094/17 by the Director of Transformation. | 153 - 188 |
| 13 | Target Setting Presentation
To receive a presentation from the Director of Transformation. | |
| 14 | Date of Next Meeting
To note that the next meeting of the Committee will take place on Wednesday 4 October 2017, subject to the date of implementation of joint Police and Fire Service governance arrangements. | |
| 15 | Urgent Business
To consider any matter which in the opinion of the Chairman should be considered in public by reason of special circumstances (to be specified) as a matter of urgency. | |

Exempt Items

(During consideration of these items the meeting is not likely to be open to the press and public)

To consider whether the press and public should be excluded from the meeting during consideration of an agenda item on the grounds that it involves the likely disclosure of exempt information as specified in Part I of Schedule 12A of the Local Government Act 1972 or it being confidential for the purposes of Section 100A(2) of that Act.

In each case, Members are asked to decide whether, in all the circumstances, the public interest in maintaining the exemption (and discussing the matter in private) outweighs the public interest in disclosing the information.

16

Urgent Exempt Business

To consider in private any other matter which in the opinion of the Chairman should be considered by reason of special circumstances (to be specified) as a matter of urgency.



Minutes of the meeting of the Essex Fire Audit, Governance & Review Committee, held on Wednesday, 19 April 2017

Present:

Councillor J Knapman Chairman
 Councillor A Turrell Vice-Chairman
 Councillor M Hoy
 Councillor C Seagers
 Councillor J Ware-Lane
 Councillor A Watkins
 Councillor R Woodley

The following Officers were present in support throughout the meeting:

Adam Eckley	Acting Chief Fire Officer and Acting Chief Executive
Mike Clayton	Finance Director and Treasurer
Dave Bill	Director of Prevention, Protection and Response
Mark Stagg	Director of Transformation
James Taylor	Assistant Divisional Officer, ECFRS
Tracy King	Assistant Director - Performance and Data Management
Lucy Clayton	Performance Analyst
Moiria Bruin	Head of Operational Training
Shirley Jarlett	Clerk and Monitoring Officer to Essex Fire Authority
Daniel Harris	RSM UK (Internal Auditors)
Martina Lee	Ernst & Young LLP (External Auditors)
Alex Rafalowicz-Campbell	Ernst & Young LLP (External Auditors)
Fiona Lancaster	Committee Officer (Essex County Council)

Apologies for absence were received from Councillors D Blackwell, I Henderson, P Honeywood, N Hume, J Huntman, M McEwen, V Metcalfe and A Wood.

1 **Declarations of Interest**

The Chairman reminded Members that they should declare any interests at this

point or during consideration of the appropriate agenda item.

2 Minutes

The minutes of the meeting held on 18 January 2017 were agreed as a correct record and signed by the Chairman.

3 Annual Review of the Governance Statement

The Committee considered report EFA/056/17 by the Finance Director and Treasurer which sought the review and agreement of the schedule setting out how the Authority meets the principles of the Local Code of Corporate Governance, and determination as to whether an effective system of internal audit had been in place during the year to 31 March 2017. The Committee was also asked to approve the Annual Governance Statement.

The following points arose from the Committee's consideration of the report.

- The Committee expressed some concern about the increase in the number of audit reports receiving Limited/Partial or No Assurance conclusions. Members were reminded that the areas of Risk Management and HR were reviewed annually, and that the turnover of staff in the HR team had affected the outcome of the HR audit. Members noted that efforts were being put into improving compliance.
- The Committee acknowledged the view expressed that HR policies and procedures needed to be in place regardless of staff changes, and agreed that the high level of staff turnover was a concern. Members were reassured that improvements were already being made with the appointment of a new Assistant Director.
- The Committee recognised that a No Assurance conclusion did not necessarily imply a lack of control in procedures, but rather that there was a lack of staff able to collate the documentation for the audit.
- The Committee noted that an overall opinion from RSM UK was dependent upon the outcome of two further reports.
- Senior Officers were reminded to be consistent with the terminology they used in reports, as the use of both Limited and Partial Assurance had caused some confusion.

Resolved:

1. That the schedule setting out how the Authority meets the principles of the Local Code of Corporate Governance be agreed;
2. That the system of internal audit in place during the year to 31 March 2017 be determined as effective; and
3. That the draft Annual Governance Statement be accepted. However, during its review, the Audit, Governance and Review Committee expressed some concern

about the processes and levels of staffing in the HR team, and indicated that performance in this area was not at a satisfactory level.

4 Budget Review February 2017

The Committee considered report EFA/057/17 by the Finance Director and Treasurer which reported on expenditure against budget as at 28 February 2017, and identified major variances to the budget for the period.

The following points arose from the Committee's consideration of the report.

- The Committee noted the overspend in relation to support staff pay as a result of the increased costs of appointing casual and temporary staff into the HR area. The Finance Director and Treasurer reassured the Members that this expenditure was being reduced for 2017.
- Essex Fire Authority had now been informed by central government that it would be seeking payment of the amounts due for firefighter pension injury payments. The Committee was reminded that a provision of £13.3m had been made for this and the matter would be settled shortly.
- Members noted that the end of year numbers of on-call firefighters was four higher than that at the start of the year. Some concern was expressed about the speed and barriers to recruitment. The Committee noted the plan to amend the bandings in order to allow more flexibility in relation to working hours, and that recruitment was variable across the county.
- The Committee discussed key performance measures and asked the senior officers to examine whether the on-call targets and changes of staffing levels could be provided for each station, in addition to the measures regarding the availability of appliances and time standards.
- The Committee acknowledged that the overspend on legal costs related to a number of long running disciplinary cases.
- The Committee noted that the underspend on training related to planned external activity; this had been carried forward to 2017 with the agreement of the Policy and Strategy Committee.

Resolved:

1. That the position on income and expenditure at 28 February 2017 compared to the revised budget approved by Members on 21 September 2016 be noted; and
2. That the actual position with capital expenditure spend against budget for the period to 31 January 2017 be noted.

5 Audit Recommendation - Report on Progress Against Action Plans

The Committee considered report EFA/058/17 by the Finance Director and

Treasurer which provided an update on progress against the action plans developed by the Authority in response to audit reports. Items marked as completed in the previous quarter's report had been deleted from the table included with the report.

The Finance Director and Treasurer reported that the IT General Controls action points had been superseded by the future introduction of new General Data Protection Regulations in May 2018. A review of information governance was being carried out by Essex County Council to identify the action needed to meet the requirements of the new regulations and a report would be submitted to the July meeting of the Audit, Governance and Review Committee.

In response to a question regarding IT recruitment, the Committee noted that Councils in Essex had been approached to work in partnership, but that the problem to recruit staff with the right level of skills remained difficult due to the County's proximity to London.

The Members questioned the use of 'On Track' Progress in those instances where timescales had been amended, and on whether the timescales were too lengthy. The Finance Director and Treasurer undertook to provide more detail so that Members could understand what was being done. He also commented that the timescales on the recommendations were reasonable, taking into account the major projects currently underway and resourcing levels.

Resolved:

That the progress made against the action plans developed by the Authority be noted.

6 Audit Reports

The Committee considered report EFA/059/17 by the Finance Director and Treasurer which presented for review the following Internal Audit reports:

- Risk Management
- Governance
- Key Financial Controls - Finance
- Key Financial Controls - HR & Payroll
- Procurement
- Partnerships

Daniel Harris of RSM UK introduced the key findings, and at the request of the Committee, concentrated on those areas with Audit Conclusions of Partial Assurance.

Risk Management:

The Committee noted that a more positive audit conclusion had not been achieved because of insufficient evidence of progress. Members expressed disappointment that there was slower improvement in this area than they would have expected. In response, the Acting Chief Fire Officer explained that as a

result of the number of key projects undertaken over the past 18 months there had been a lack of capacity to focus on all areas. He added that risk management was being embedded across the Authority and that they were aware that they needed to be better at documenting their consideration of risks. The senior officers all understood their responsibilities within their own departments.

Members questioned whether the JCAD system had been an area of concern in the past and noted that the responsible officer had been called to help with strike action duties in 2014/15 so no areas had been documented. This area would be closely scrutinised in 2017/18 to ensure control gaps and identified issues were being addressed.

The Committee noted that additional resources were not needed, but that senior officers needed to regularly focus on risk management and ensure that the corporate risk register was fully documented.

The report was otherwise noted.

Governance:

The Committee noted the report and the areas where improvements could be made in relation to the quality of reporting to the Authority, Programme 2020 Board and other Committees.

Key Financial Controls - Finance:

The Committee noted the report.

Key Financial Controls - HR & Payroll

The Committee noted that previous audit actions had now been fully implemented. The Finance Director and Treasurer commented that there was evidence to demonstrate that the HR team was now carrying out all authorisation checks and that the new Assistant Director was focusing on getting the basics right. A mid-year review would be undertaken to ensure that issues identified were being addressed. The Finance Director and Treasurer was confident that the problems were now being dealt with and this area was being monitored with regular monthly updates being provided to the Senior Leadership team.

The Committee otherwise noted the report.

Procurement:

The Committee noted the report.

Partnerships:

The Committee noted the report and the significant progress made since this area had previously been reviewed. Further actions had been identified in order to strengthen the design and compliance with the current control framework in place.

7 Internal Audit Progress Report

The Committee considered report EFA/060/17 by RSM UK on progress against the Internal Audit Action Plan.

Daniel Harris of RSM UK advised that the reports on Business Continuity and a Follow up were being finalised and that the reports on these matters would be submitted to the July meeting of the Committee.

The report was noted.

8 Internal Audit Plan 2017/18

The Committee considered report EFA/061/17 by RSM UK on progress against developing the Internal Audit Plan to ensure it meets the requirements of the Authority and can be adapted when required.

In presenting the report, Daniel Harris of RSM UK commented that the proposed timings and dates may need to be reviewed in the light of the potential transfer of governance arrangements to the Essex Police and Crime Commissioner.

Resolved:

That the Internal Audit Plan 2017/18 be approved.

9 Audit Plan 2016-17

The Committee considered report EFA/062/17 by the External Auditors, Ernst & Young LLP which presented the Essex Fire Authority's External Audit Plan for 2016-17. Martina Lee of Ernst & Young LLP introduced the report and responded to Members' comments and questions.

The following points arose from the Committee's consideration of the report:

- The focus on the value for money risks and those relating to the governance arrangements for Police and Fire collaboration within Essex.
- The overall materiality for the financial statements of the Authority was £1.958m based on 2% of gross revenue expenditure.
- There were no plans to increase the Audit Fee at this time.
- Members noted that the risks of fraud in revenue recognition and of management override had been included in the previous year's plan, and that there had been no evidence of issues in either case.

Resolved:

That the Audit Plan be approved.

10 Accidental Dwelling Fires

The Committee received a presentation from James Taylor, Assistant Divisional Officer, Essex County Fire and Rescue Service on Accidental Dwelling Fires.

The following points arose from the Committee's consideration of the presentation.

- Members noted the 5% increase in the number of kitchen fire incidents over the past 12 months and how the ratio compared to non-kitchen fires remained the same.
- The impact of cultural cooking differences such as with the Polish communities, and how some communities view the Fire Service with suspicion because of how such organisations are aligned with the police and military in their 'home' countries. Also the lack of understanding about the use of smoke alarms in homes.
- The issues relating to white goods, and in particular, tumble dryers and the slowness of the manufacturer to replace and repair faulty parts. Additionally, the effect of changes to social care and to sheltered accommodation.
- The Committee noted the Targeted Interventions, and plan to support 100% of households in Essex to have working smoke alarms. A trial carried out in Harlow in 2014, where all crews had been involved, had led to a 19% reduction in dwelling fires.
- It was acknowledged that the number of incidents could continue to increase as a result of a rising population, and that the statistics may not positively reflect performance improvements as a result.
- Members noted that the majority of incidents occur in older properties.
- The success of the Summer Kitchen Roadshows in 2016 had led to a high number of residents arranging to have home safety visits, and over three thousand properties had already been visited.
- The Committee welcomed the plan to roll out an Older Persons Strategy in the summer, working with the Care Quality Commission and other partners, focusing on winter deaths and the effect of fuel poverty on the number of incidents.

The Assistant Divisional Officer was thanked for his attendance and input, and the report was noted.

11 Quarterly Performance Report - Quarter 3 2016/17

The Committee noted report EFA/063/17 by the Director of Transformation which provided an overview of the Authority's performance for the period Quarter 3,

2016 - 2017.

The Assistant Director, Performance and Data Management and the Performance Analyst gave a presentation on the progress that had been made since the last meeting to develop a more sophisticated set of key performance indicators (KPI's).

The following points arose from the Committee's consideration of the report and presentation.

- Members welcomed the move away from a 'traffic light' colour coding scheme to one which showed the direction of travel, and of the extra levels of detail.
- The Committee indicated that it would be useful to have more detailed explanations regarding those incidents where there was a five to ten minute delay in response times so that Members could fully understand the measures.
- The Committee commented that clarity was needed on the Output Headlines section. The pictures were felt not necessary, and the figures did not currently allow 'like for like' comparisons to be made.
- More detail was needed on the high risk areas and on the failure to achieve targets.

The Committee otherwise noted the report.

12 Programme 2020 - Highlight Report

The Committee received report EFA/064/17 by the Acting Chief Fire Officer (presented by Mark Stagg, Director of Transformation) which provided an update on the progress and range of work underway with Programme 2020.

The Members indicated that they were satisfied with the progress being made and noted the report.

13 External Quality Assessment

The Committee received report EFA/065/17 from the Director of Transformation regarding the quality of operational training being delivered and on record keeping.

The Head of Operational Training gave a short presentation on the benefits to the Authority from seeking and achieving Approved Centre Status for operational training. Benefits included an increased opportunity to collaborate nationally, and for staff to have transferable and nationally recognised qualifications.

The Committee was pleased to acknowledge the documentation in support of the delivery of the marketable qualifications and the commitment to professionally

develop staff.

The report was noted.

14 Date of Next Meeting

Members noted that the next meeting of the Committee would take place on Wednesday 12 July 2017 at 10.00 am.

The Chairman concluded the meeting by remarking that this was the final Audit, Governance and Review Committee meeting before the May 2017 County Council election. He thanked the Members for all they had accomplished and expressed particular thanks to the Acting Chief Fire Officer and the Finance Director and Treasurer.

Councillor Woodley, on behalf of the Committee, then commended Councillor Knapman for his chairmanship.

The meeting closed at 12.45 pm.

Signed.....
(Chairman)

Date.....

ESSEX FIRE AUTHORITY

Essex County Fire & Rescue Service



MEETING

**Audit, Governance and Review
Committee**

AGENDA ITEM

4

MEETING DATE

12 July 2017

REPORT NUMBER

EFA/086/17

SUBJECT

Budget Review May 2017

REPORT BY

Mike Clayton, Finance Director & Treasurer

PRESENTED BY

Mike Clayton, Finance Director & Treasurer

SUMMARY

This paper reports on expenditure against budget as at 31 May 2017 and identifies and comments on major budget variations. In addition, the report includes key indicators that act as lead indicators for expenditure across the Authority.

RECOMMENDATIONS

Members are asked to:

1. Note the position on income and expenditure at 31 May 2017 compared to the budget approved by Members;
2. Note the capital expenditure spend against budget for the period to 31 May 2017;
3. Note the amendment to the support staff headcount numbers to reflect the additional posts in community safety and other departmental changes; and
4. To note the approach to be adopted to provide greater clarity in roles for budget monitoring going forward.

BACKGROUND

This table below shows actual expenditure against budget to 31 May 2017.

Description	YTD Actual £'000s	Variance YTD £'000s	% Variance YTD	YTD Commitments £'000s
Firefighters	4,802	(136) ✓	-3%	-
On Call Firefighters	600	(60) ✓	-9%	-
Control	224	(6) ✓	-3%	-
Support Staff	2,986	74 ✓	3%	16
Total Employment Costs	8,611	(129) ✓	-1%	16
Support Costs	203	(80) ✓	-28%	54
Premises & Equipment	1,543	(203) ✓	-12%	855
Other Costs & Services	510	(99) ✓	-16%	299
Ill health pension costs	506	45 ✓	10%	-
Financing Items	250	(9) ✓	-3%	(4)
Operational income	(585)	105 ✓	-15%	(0)
Contribution to/(from) Reserves	11	- ✓	0%	-
Total Other Costs	2,439	(240) ✓	-9%	1,204
Total Budget	11,050	(369) ✓	-3%	1,220
Total Funding	(12,838)	32 ✓	0%	-
Funding Gap / (Surplus)	(1,788)	(337) ✓	23%	1,220

More detailed figures are provided at appendix 1.

STAFFING

Overall employment costs are £129K (1.5%) under budget for the 2 months to 31 May 2017.

Spend for whole time fire-fighters is £136K (2.8%) under budget, this reflects headcount being lower than budget.

For on-call firefighters, spend is £60K (9.1%) under budget. This comprises two main elements, actual average headcount at 491 has been consistently below budget at 519 this year, this results in an underspend of c. £30K to May. Activity levels have decreased and are lower than budget, this accounts for an underspend of £30K to date.

Support staff pay is £73K (3.9%) over budget for the 2 month to 31 May. This comprised of an underspend of £1K on directly employed staff (there is further adjustments required to the Budget to accommodate the Job Evaluation impact for the current reporting year), an overspend of £3K on Secondary Contract Staff and an overspend of £71K on casual and temporary staff.

Directly employed support staff full time equivalent (FTE) headcount was 261.2 at 31 May, this shows a net increase of 4.6 FTE or 1.8% since the beginning of the year. A further point worth highlighting is that we now have 14.8 (5%) vacancies against the budgeted establishment. There were also 33 Temporary Support Staff engaged to the end of May 2017.

This takes the total Support Staff to 294.2 for May 2017 (18.2 FTE above budget).

Whole-time fire-fighter numbers at 612.5 are 17.5 (2.8%) under phased budget at the end of May.

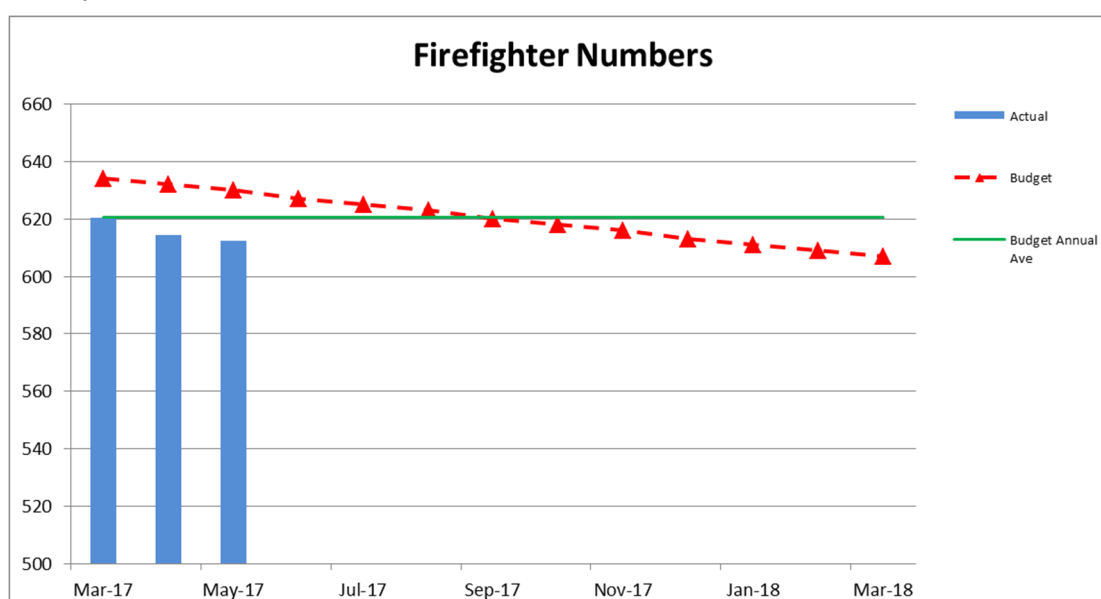
The staffing position at the end of May is summarised below (% figures rounded):

31 May 2017	Actual	Phased Budget	Variance	
Wholetime Firefighters - FTE	612.5	630.0	-17.5	-3%
On-Call Firefighters - Headcount	491.0	519.0	-28.0	-5%
Control - FTE	35.8	33.0	2.8	8%
Support Staff - FTE	261.2	276.0	-14.8	-5%
Total	1,400.5	1,458.0	-57.5	-4%

The figures in the table above show on-call fire-fighters on a headcount basis. On a full time equivalent basis there are 393.5 fire-fighters.

The number of whole-time fire-fighters aged over 50 with more than 30 years' service was 11 at the end of May. The number of fire-fighters aged over 50 with more than 25 years' service was 58 at the end of May.

The graph below shows the numbers of whole-time fire-fighters compared to the budget for the year.



WATCH BASED FIREFIGHTERS

The numbers of Watch Based Fire-fighters compared to the target levels set by the Authority are shown below.

Date	Budgeted Rider Resource	OptJmum Rider Resilience Level	Critical Minimum Rider Requirement	Actual Riders	Wholetime Rota Day Working (FTE)	On-Call Firefighters Mixed Crewing (FTE)
30/04/2017	524	500	476	482.0	0.0	0.0
31/05/2017	524	500	476	477.0	0.0	0.0

ON-CALL FIREFIGHTERS

The table shows that we have a headcount of 491 firefighters at 31 May 2017 a net increase of 9.0 from the 482.0 at 1 April 2017. This includes 19 new starters for Clacton Fire Station.

SUPPORT STAFF HEADCOUNT

The 2017/18 budget included the provision of £400k for additional community safety roles. In addition further work on departmental headcount has been carried out within the

overall budget agreed for support staff costs in the 2017/18 budget. The changes are summarised below:

Staff Changes by Department	Total FTE Budget Bid - Support Staff 31/01/2017	Total Pay Costs (Incl Temp/Agency + after Vacancy Factor) £'000s	Ave Cost per FTE £'000s
Amended Deaprtmental Headcount	285.5	10,915	38.2
Adjustments		£'000s	
Additional Community Safety Funding	10.0	400	
Secondary Contracts		360	
Resilience Pay		370	
Apprenticeship Levy		192	
LGPS Pension Supp/Cont deficit		972	
Amended Budget	295.5	13,209	
Original Budget	276.0	13,209	

To assist in future budget planning all posts will be classified as being "Service Delivery", "Support Services" or "Project" regardless of whether they are budgeted or filled by employees on Green Book or Grey book conditions of Service. This will ensure that any change of a role from one set of conditions to another will not be seen as increasing the staff numbers. This is because there are a number of roles that could be carried out by staff on either set of conditions.

NON-PAY RELATED EXPENDITURE

Non-pay expenditure is £345K underspent for the 2 month to 31 May; in addition operational income is £105K less than budget.

Support costs are £80K (28.3%), underspent for the 2 month to 31 May, the main areas of underspend are Employee Support Costs - £46K (41.1%); travelling and subsistence - £17K (22.6%) underspent and training - £17K (17.7%) underspent.

Premises and equipment is £203K (11.6%), underspent the main areas of underspend are IT Systems £110K (26.1%); Equipment and Supplies £55K (22.5%) and Transport £19K (12.0%).

Other costs and services are £99K (16.2%) underspent.

RESERVES

The reserves position of the Authority at 31 March 2017 is summarised in the table below:

Specific Reserves	Comment & Review	March 2018 Balance £'000s
Emergency Planning	To hold savings on the costs of Emergency Planning Reviewed annually with Essex County Council	437
On-Call Payroll – Demand Pressures	Main area of risk is retained pay budget. Reserve not utilised in recent years and reduced in 205/16 – To be reviewed March 2017.	600

Specific Reserves	Comment & Review	March 2018 Balance £'000s
Spend to Save Reserve	Good track record of delivering savings. Provides the ability to fund a period of transition before savings are delivered. Planned £648k use in 2017/18 for LGPS Pension deficit payments.	932
Taxbase and Collection Account Reserve	Last shortfall in 2012/13. Since then average of over £500k favourable balance.	200
National Non-Domestic Rates Collection Reserve	Risk remains through pooling arrangements, but considered low.	200
Infrastructure Reserve	To support future capital expenditure on buildings. Planned increase to even out future capital spending	2,400
Rolling Budgets Reserve	To hold balances of expenditure carried forward into the next financial year.	140
Business Continuity Reserve	To provide funds for any business interruption event not covered through risk protection funding. Reduced to reflect participation in FRIC.	300
Risk Protection	Expected limit of calls from FRIC.	250
Total		5,459
Capital Receipts Reserve	Receipts from the sale of capital assets used to reduce revenue charges for capital financing costs (property and vehicles).	7,025
General Reserve		6,754
Total Usable Reserves		19,238

CAPITAL EXPENDITURE

Capital expenditure for the 2 months to 31 May 2017 is shown in the table below.

	Original Budget 2017/18 £'000s	Approved Changes £'000s	Revised Budget £'000s	Total Spend including Commitments to end of May 2017 £'000s
Property				
New Premises				
Service Headquarters	-	-	-	-
Service Workshops	3,500	-	3,500	159
Other	-	-	-	-
Existing Premises				
Solar Panels	-	-	-	38
Asset Protection	2,500	-	2,500	463
Asset Improvement Works	-	-	-	-
Total Property	6,000	-	6,000	661
Equipment	605	-	605	-
Information Technology				
Projects > £250k	-	-	-	77
Projects < £250k	2,400	-	2,400	188
Total Information Technology	2,400	-	2,400	264
Vehicles				
New Appliances	2,060	-	2,060	2,108
Other Vehicles	825	-	825	42
Total Vehicles	2,885	-	2,885	2,151
Total Capital Expenditure	11,890	-	11,890	3,076

Total capital expenditure and commitments is £3.1m, the largest item included is £2.2m for new fire engines ordered for delivery in the year. The figure also includes £0.7m for asset protection and service workshops.

The investment of in information technology relates to improvements to the systems for Community Safety and Technical fire safety and the initial purchase costs of the new HR and Payroll system.

RISK MANAGEMENT IMPLICATIONS

The review of expenditure against the profiled budget is part of the overall financial control process of the Authority. In exceptional circumstances it allows for budget virements to ensure that under spending against budget heads can be utilised to fund expenditure against other priorities. If virements are not made there is a risk that the Authority will miss out on opportunities to improve performance and meet key objectives during the year. The Authority's reserves are at the upper end of their target range and the Authority is able to fund short term fluctuations in activity from them when necessary.

The review of the management accounts is one control measure to mitigate the risk of overspending the Authority's budget for the year.

LEGAL AND EQUALITIES IMPLICATIONS

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

There are no direct legal or equalities implications within this report.

List of background documents – including appendices, hardcopy or electronic including any relevant link/s.	
Appendix 1 Management Accounts	
Appendix 2 On Call Firefighter Headcount Numbers	
Proper Officer:	Finance Director & Treasurer
Contact Officer:	Mike Clayton Essex County Fire & Rescue Service, Kelvedon Park, London Road, Rivenhall, Witham CM8 3HB Tel: 01376 576109 Mike.clayton@essex-fire.gov.uk

APPENDIX 1 - MANAGEMENT ACCOUNTS – MAY 2017

Description	YTD			
	YTD Actual £'000s	Variance YTD £'000s	% Variance YTD	YTD Commitments £'000s
Firefighters	4,802	(136)	-3%	-
On-Call Fire-Fighters	600	(60)	-9%	-
Control	224	(6)	-3%	-
Support Staff	2,986	74	3%	16
Total Employment Costs	8,611	(129)	-1%	16
Training	79	(17)	-18%	10
Employee Support Costs	66	(46)	-41%	40
Travel & Subsistence	58	(17)	-23%	4
Support Costs	203	(80)	-28%	54
Property Maintenance	346	(14)	-4%	660
Utilities	89	(9)	-9%	1
Rent & Rates	242	11	5%	-
Equipment & Supplies	191	(55)	-22%	68
Communications	227	(8)	-3%	3
Information Systems	311	(110)	-26%	93
Transport	137	(19)	-12%	30
Premises & Equipment	1,543	(203)	-12%	855
Establishment Expenses	174	(6)	-3%	67
Insurance	90	(5)	-5%	-
Professional Fees & Services	200	(85)	-30%	232
Democratic Representation	21	(4)	-15%	-
Agency Services	26	1	4%	-
Other Costs & Services	510	(99)	-16%	299
III Health Pension costs	506	45	10%	-
Lease & Interest Charges	250	(9)	-3%	(4)
Depreciation	-	-	0%	-
Asset management revenue account	-	-	0%	-
Statutory Provision for Capital Financing	-	-	0%	-
Voluntary Provision for Capital Financing	-	-	0%	-
Financing Items	250	(9)	-3%	(4)
Operational income	(585)	105	-15%	(0)
Contributions to/ (from) General Balances	11	-	0%	-
Total Net Financing Requirement	11,050	(369)	-3%	1,220
Revenue Support Grant	(4,346)	-	0%	-
National Non-Domestic Rates	(2,557)	(0)	-100%	-
Council Tax Collection Account	(116)	-	0%	-
Council Tax	(5,819)	32	0%	-
Total Funding	(12,838)	32	0%	-

APPENDIX 2**ON CALL FIREFIGHTER HEADCOUNT NUMBERS**

	Actual For End of	Movement since	Joiners since	Leavers since	Transfers In since	Transfers Out since
Station	May 2017	01 Apr 2017	01 Apr 2017	01 Apr 2017	01 Apr 2017	01 Apr 2017
Billericay	13	0	0	0	0	0
Braintree	21	0	0	0	0	0
Brentwood	15	0	0	0	0	0
Brightlingsea	11	(1)	0	(1)	0	0
Burnham	11	0	0	0	0	0
Canvey Island	17	0	0	0	0	0
Clacton	19	19	19	0	0	0
Coggeshall	12	0	0	0	0	0
Corringham	10	(1)	0	(1)	0	0
Dovercourt	12	0	0	0	0	0
Dunmow	17	0	0	0	0	0
Epping	15	1	1	0	0	0
Frinton	14	(1)	0	(1)	0	0
Halstead	19	(1)	0	(1)	0	0
Hawkeell	14	0	0	0	0	0
Ingatestone	11	0	0	0	0	0
Leaden Roding	7	0	0	0	0	0
Maldon	20	(1)	0	(1)	0	0
Manningtree	14	0	0	0	0	0
Newport	10	0	0	0	0	0
Old Harlow	11	(1)	0	(1)	0	0
Ongar	8	1	1	0	0	0
Rochford	12	0	0	0	0	0
Saffron Walden	20	(1)	0	(1)	0	0
Shoeburyness	10	(2)	0	(2)	0	0
Sible Hedingham	9	0	0	0	0	0
Stansted	16	0	0	0	0	0
Thaxted	7	0	0	0	0	0
Tillingham	10	0	0	0	0	0
Tiptree	12	(1)	0	(1)	0	0
Tollesbury	11	0	0	0	0	0
Weeley	15	0	0	0	0	0
West Mersea	11	(1)	0	(1)	0	0
Wethersfield	10	0	0	0	0	0
Wickford	13	0	0	0	0	0
Witham	22	0	0	0	0	0
Wivenhoe	12	(1)	0	(1)	0	0
Grand Total	491	9	21	(12)	0	0

ESSEX FIRE AUTHORITY

Essex County Fire & Rescue Service



MEETING

Audit, Governance & Review
Committee

AGENDA ITEM

5

MEETING DATE

12 July 2017

REPORT NUMBER

EFA/087/17

SUBJECT

Audit Recommendation – Report on Progress Against Action Plans

REPORT BY

The Finance Director & Treasurer, Mike Clayton

PRESENTED BY

The Finance Director & Treasurer, Mike Clayton

SUMMARY

This paper reports on the progress against the action plans developed by the Service in response to audit reports. Items reported as completed in the previous quarter's report have been deleted from the table.

RECOMMENDATION

Members of the Committee are asked to review the progress.

BACKGROUND

This report brings forward the progress made by the Service in response to Audit recommendations.

RISK MANAGEMENT, LEGAL, FINANCIAL, ENVIRONMENTAL & EQUALITY IMPLICATIONS

There are no risk management, legal, financial, environmental or equality implications from this report.

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985	
List of appendices attached to this paper: Table of Recommendations	
Proper Officer:	Mike Clayton
Contact Officer:	The Finance Director and Treasurer Essex County Fire & Rescue Service, Kelvedon Park, London Road, Rivenhall, Witham CM8 3HB Tel: 01376 576000 mike.clayton@essex-fire.gov.uk

Source	Finding from Audit report	Original (or amended) Service Action Plan	Responsibility and Timescales	Progress
Purchase of New Appliances	The Procurement Strategy requires formal approval	The Strategy will be presented for formal approval by the Policy & Strategy Committee	Purchase and Supply Manager Amended date June 2017 – National strategy under review	On Track
HR Training & Development	Training needs for general support staff are identified according to their person specifications. In two cases the person specifications had not been reviewed since March and June 2015.	All person specifications will be updated to include the date of next review and will be reviewed annually.	Assistant Director HR Dec 2017	On Track
HR Training & Development	We have been unable to test whether key training for general staff has been undertaken as we were unable to confirm what training should have been undertaken as part of their roles.	Key training requirements will be identified by employee for all staff/officer roles. In addition the procurement and implementation of a new learning management system to effectively record workforce training will continue.	Director of Transformation Sep 2017	On Track
HR Training & Development	The Service has not documented the core training requirements through the ranks	The Service will implement a document outlining the key training requirements through the ranks and the regular mandatory training which must be completed.	Director of Transformation Sep 2017	On Track

Source	Finding from Audit report	Original (or amended) Service Action Plan	Responsibility and Timescales	Progress
HR Training & Development	Command is creating a manual central spreadsheet of all firefighters, their individual training requirements and record of current training. This spreadsheet is a work in progress. This exercise has highlighted training data on TEM and the manual excel spreadsheets does not reconcile.	The central command training record spreadsheet will be reviewed by an independent officer to ensure the input is accurate. On completion, the spreadsheet will be signed off by management as complete and accurate.	Director of Transformation April 2017	Completed
HR Training & Development	In three of 10 cases sample tested, supporting documentation had not been retained to evidence the completion of the Phase one firefighter training.	Comprehensive records will be maintained detailing the qualifications and training records of all staff.	Assistant Director – HR Dec 2017	On Track
HR Training & Development	There is no reporting on training compliance.	Once the new system is introduced and base line data can be relied upon, a process of monthly reporting will be implemented on training compliance for Firefighters and general staff. Management will also review the new systems capacity to be linked to TASK.	Director of Transformation Sep 2017	On Track
HR Training & Development	There are different methods of feedback for firefighters used depending on the core course.	A standardised process for feedback on key courses for firefighters will be implemented to ensure feedback is delivered and can be monitored effectively.	Director of Transformation Jun 2017	Completed

Source	Finding from Audit report	Original (or amended) Service Action Plan	Responsibility and Timescales	Progress
Communication and Engagement	We reviewed the Your Voice forum used to deliver face to face communication to employees via workshops held throughout the district. A review of the effectiveness of the Your Voice forum would benefit the organisation	The Director of Transformation will analyse the effectiveness, to include a review of lessons learnt, of the Your Voice forum and advise on improvement if necessary	Director of Transformation Sep 2017	On Track
Risk Management	We reviewed the Risk Management Framework and identified it did not include the Authority's risk appetite, reporting lines for the escalation of risk, and did not include version number, date of approval, delegated authority to approve the framework and scheduled review date.	The Corporate Risk and Business Continuity Manager will ensure that the Risk Management Framework is updated to include all Annexes, and states the version number, date of approval, delegated authority to approve and scheduled review date.	Corporate Risk and Business Continuity Manger Sep 2017	On Track
Risk Management	The reporting structure recorded in the Risk Management Strategy was not reflective of current practice and did not include the frequency of review by the Authority and its Committees.	The reporting structure in the Risk Management Strategy will be reviewed once the governance of the Authority is resolved.	Corporate Risk and Business Continuity Manger Dec 2017	On Track

Source	Finding from Audit report	Original (or amended) Service Action Plan	Responsibility and Timescales	Progress
Risk Management	<p>We reviewed a sample of three strategic risks and discussed the reporting and monitoring of the existence and appropriateness of controls with the Executive leads.</p> <p>We found:</p> <ul style="list-style-type: none"> • there were risk triggers that did not have documented controls in place to mitigate the risk; and • the sub control details for the control measures were not specific or time based. 	The Executive leads will be asked to confirm on a quarterly basis that they have reviewed their strategic risks, including the existence and appropriateness of controls	Service Leadership Team Sep 2017	On Track
Risk Management	The Service Leadership Team is developing a Risk Management Chart to identify linkage between the Authority's objectives and risks. Currently the Project Departmental and Strategic Risks are not linked in the JCAD system.	The Service Leadership Team will complete the Risk Management Chart detailing linkage of Authority's objective to risks.	Service Leadership Team Jun 2017	Completed

Source	Finding from Audit report	Original (or amended) Service Action Plan	Responsibility and Timescales	Progress
Risk Management	We identified from our review of the JCAD system high and extreme risks that the Risk Management Guidance is not being applied. We found that high and extreme risks were not referred to the Corporate Risk and Business Continuity Manager. We further noted that the Risk Management Guidance does not include the reporting structure for the escalation of high and extreme risks.	The Corporate Risk and Business Continuity Manager will review all Departmental Risks recorded with a score of eight and above for accuracy and refer all overdue risks greater than one month to the Heads of Department.	Corporate Risk and Business Continuity Manager Sep 2017	On Track
Risk Management	Outstanding Management Action 1.3 from Internal audit report dated 1 April 2016 We confirmed that approximately 30 percent of projects do not record risks associated risk in the JCAD system and are using alternative systems to record risk.	The Risk and Business Continuity Manager will remind Project Managers of their responsibility to use JCAD to record project risks.	Corporate Risk and Business Continuity Manager Jun 2017	Completed
Risk Management	Outstanding Management Action 1.8 from Internal audit report dated 1 April 2016 We identified that there is no risk appetite included in the Risk Management Strategy pending update by the Service Leadership Team and approval from the Authority for the revised objectives of Programme 2020.	The Authority will review its risk appetite to ensure it can be used to consistently assess whether a given risk level is acceptable or if further action is required. The Risk and Business Continuity Manager will review the link between the risk appetite and risk scoring.	Service Leadership Team Sep 2017	On Track

Source	Finding from Audit report	Original (or amended) Service Action Plan	Responsibility and Timescales	Progress
Procurement	We were advised that the Low priority management action agreed in our Purchase of New Appliances 3.15/16 had not been implemented. This was due for implementation by March 2016. We have therefore restated the management action.	The Service will draw up a procurement procedure document to demonstrate key stages of the tendering process and provide clear guidance to managers	Contracts Officer Jun 2017	Completed
Procurement	In our audit of Purchase of New Appliances 3.15/16 we agreed a Medium priority management action for the Authority to review, finalise and approve the draft Procurement Strategy. This action was due for implementation by August 2016. However, through review of the Purchasing & Supply Department Strategy 2014/15 to 2018/19 we found the document was still in draft. We have therefore restated the management action	Action restated from 3.15/16 The Service will ensure that the draft Procurement Strategy is reviewed to ensure content is sufficient and up to date to reflect and support the Service's objectives. As the objectives and requirements of the 2020 programme become clearer, these will be incorporated into any new Procurement Strategy. The Strategy will then be presented and formally approved at the Policy and Strategy Committee.	Purchasing Manager Jul 2017	On Track
Procurement	The Confirmation of Contract document for the SAC project did not have a service specification. However, we found this was included in the evaluation form as part of the initial service requirements document.	We will ensure that all contracts (including framework agreements) have a service specification within the contract or as an appendix to the contract	Contracts Officer April 2017	Completed

Source	Finding from Audit report	Original (or amended) Service Action Plan	Responsibility and Timescales	Progress
Partnerships	A review of the Guide to Managing Partnerships had not been undertaken since 2013. Moreover, the Guide did not encompass the process for notifying the Partnerships Manager when there is the termination of a partnership agreement.	The Guide to Managing Partnership will be reviewed and updated to take into account the findings of this report, including: <input type="checkbox"/> The requirement for the Guide to be reviewed annually; and <input type="checkbox"/> The process for notifying the Partnerships Manager where a partnership agreement is terminated	Partnerships Manager Feb 2017	Completed
Partnerships	We identified a partnership that had been in place since 2012, however we found that it was had not been supported by a formal Partnership Agreement until January 2017.	The Authority will ensure signed Partnership Agreements are in place at the commencement of all partnerships. Senior Managers will remind relevant staff of the need to draw up partnership agreements.	Service Leadership Team Mar 2017	Completed
Partnerships	Our review of five Partnership Agreements found that one had not been signed by the partner, and one had not been dated by the partner.	The Authority will ensure that all Partnership Agreements are signed and dated by partners.	Partnership Manager Mar 2017	Completed

Source	Finding from Audit report	Original (or amended) Service Action Plan	Responsibility and Timescales	Progress
Partnerships	We noted a varied level of quality with respect to performance management arrangements detailed within agreements. We also noted that an inconsistent approach was being undertaken when reviewing the performance of agreements	Partnership Managers will ensure that Partnership Agreements have sufficiently detailed performance review arrangements to enable effective monitoring of the partnership. This will include the stipulation of a performance review frequency. A consistent approach will also be adopted in relation to documenting outputs from performance reviews. A performance review template will be used which captures details such as: <input type="checkbox"/> Whether partnership objectives are on target to be met; <input type="checkbox"/> If the partner is consistently providing the required performance information; and <input type="checkbox"/> Whether any actions are required to address shortcomings in the arrangement.	Partnership Manager Mar 2017	Completed

Source	Finding from Audit report	Original (or amended) Service Action Plan	Responsibility and Timescales	Progress
Partnerships	We noted that there was ambiguity in the 'experience' risk factor in terms of what constitutes experience when referring to partnerships. In terms of due diligence for non-public sector partners, we noted that this had not been included in the partnership agreement template.	The 'experience' risk factor in the risk framework of the Partnership Agreement template will be revised to include more clarity as to what constitutes experience in the context of partnerships. Furthermore, the risk framework will also include guidance on due diligence that should be undertaken.	Partnership Manager Mar 2017	Completed
Partnerships	We found that partnership risk had not been included on departmental risk registers	Partnership risk, where appropriate, will be included on the relevant Authority area risk registers to ensure that this risk is subject to on-going monitoring.	Partnership Manager Mar 2017	Completed
Partnerships	The review frequency for fixed term partnership agreements was not detailed within the Partnership Agreement template. We also found that a pilot partnership agreement had ended in December 2015, however it had not been subject to review until February 2016.	The Partnership Agreement template will be updated to require a partnership effectiveness review frequency to be detailed for all types of agreements. In addition, the completion of partnership reviews will be monitored through the Partnership Register and escalated accordingly to ensure timely completion of reviews	Partnership Manager Mar 2017	Completed

Source	Finding from Audit report	Original (or amended) Service Action Plan	Responsibility and Timescales	Progress
Partnerships	The Authority did not have a formal approach to identifying whether there are any emerging partnerships the Authority should explore.	A review will be undertaken periodically to determine whether there are any potential emerging partnerships the Authority should explore to ensure partnerships are identified, follow the standard procedures, and benefits are identified and realised.	Service Leadership Team Apr 2017	Completed
Partnerships	The Authority did not have an overarching review process for partnerships to be collectively considered in terms of their effectiveness by Senior Management or the Authority.	An annual overarching review of partnerships will be performed by the Authority and presented to the Authority to determine the success of partnerships. This will include a link to costs and benefits realisation	Partnership Manager Apr 2017	Completed

ESSEX FIRE AUTHORITY

Essex County Fire & Rescue Service



MEETING**Audit, Governance &
Review Committee****AGENDA ITEM****6**

MEETING DATE

12 July 2017

REPORT NUMBER**EFA/088/17**

SUBJECT**Audit Reports**

REPORT BY

The Finance Director & Treasurer, Mike Clayton

PRESENTED BY

The Finance Director & Treasurer, Mike Clayton

SUMMARY

This paper provides four draft internal audit reports for review.

RECOMMENDATION

Members of the Committee are asked to note the contents of the reports.

BACKGROUND

This is a covering paper for the following external and internal audit reports being submitted to the meeting of the Audit, Governance & Review Committee. The reports are to be considered at the meeting;

Area	2016/17 Audit Conclusion
Business Continuity	Partial Assurance
Follow Up	Some Progress
Annual Report	Adequate and Effective Framework
Area	2017/18 Audit Conclusion
HR Transactions – Follow Up	Reasonable Progress

RISK MANAGEMENT IMPLICATIONS

Internal audit reports form part of the risk management arrangements for the authority. Progress on the implementation of agreed recommendations is also reported to the Committee.

LEGAL, FINANCIAL, ENVIRONMENTAL AND EQUALITY IMPLICATIONS

There are no relevant implications from this report.

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985	
List of appendices attached to this paper:	
Internal Audit Reports	
Proper Officer:	Mike Clayton
Contact Officer:	The Finance Director and Treasurer Essex County Fire & Rescue Service, Kelvedon Park, London Road, Rivenhall, Witham CM8 3HB Tel: 01376 576000 mike.clayton@essex-fire.gov.uk :



ESSEX FIRE AUTHORITY

Business Continuity - Operational Response

DRAFT

Internal Audit Report: 10.16/17

5 May 2017

This report is solely for the use of the persons to whom it is addressed.
To the fullest extent permitted by law, RSM Risk Assurance Services LLP
will accept no responsibility or liability in respect of this report to any other party.

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Debrief held 3 April 2017

Internal Audit team

Dan Harris - Head of Internal Audit
Suzanne Rowlett - Senior Manager
Matt Wright - Senior Auditor
Aidon Ford – Internal Auditor

Draft report issued 5 May 2017

Responses received

Final report issued

Client sponsor

Charles Thomas – Corporate Risk and Business Continuity Manager

Distribution

Charles Thomas – Corporate Risk and Business Continuity Manager
Mike Clayton – Director of Finance and Treasurer

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance>.

The matters raised in this report are only those which came to our attention during the course of our review and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Management actions for improvements should be assessed by you for their full impact before they are implemented. This report, or our work, should not be taken as a substitute for management's responsibilities for the application of sound commercial practices. We emphasise that the responsibility for a sound system of internal controls rests with management and our work should not be relied upon to identify all strengths and weaknesses that may exist. Therefore, the most that the internal audit service can provide is reasonable assurance that there are no major weaknesses in the risk management, governance and control processes reviewed within this assignment. Neither should our work be relied upon to identify all circumstances of fraud and irregularity should there be any.

This report is supplied on the understanding that it is solely for the use of the persons to whom it is addressed and for the purposes set out herein. Our work has been undertaken solely to prepare this report and state those matters that we have agreed to state to them. This report should not therefore be regarded as suitable to be used or relied on by any other party wishing to acquire any rights from RSM Risk Assurance Services LLP for any purpose or in any context. Any party other than the Board which obtains access to this report or a copy and chooses to rely on this report (or any part of it) will do so at its own risk. To the fullest extent permitted by law, RSM Risk Assurance Services LLP will accept no responsibility or liability in respect of this report to any other party and shall not be liable for any loss, damage or expense of whatsoever nature which is caused by any person's reliance on representations in this report.

This report is released to our Client on the basis that it shall not be copied, referred to or disclosed, in whole or in part (save as otherwise permitted by agreed written terms), without our prior written consent. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

1 EXECUTIVE SUMMARY

1.1 Background

An audit of Business Continuity - Operational Response was undertaken as part of the approved internal audit plan for 2016/17. The audit was designed to provide assurance over the Authority's controls to ensure it can continue to operate and respond effectively in the event of any serious incident.

As a Category 1 Responder, Essex Fire Authority is bound by the requirements of the Civil Contingencies Act 2004 (CCA 2004). The CCA 2004 requires that the Authority assess the risk of emergencies occurring and use the results to inform contingency planning; to put in place emergency and business continuity plans, to share information and cooperate with local responders to enhance coordination.

Senior leadership responsibility for the business continuity management function rests with the Director of Finance and Treasurer. Day to day oversight of the business continuity management process is the responsibility of the Corporate Risk and Business Continuity Manager, who is assisted in his duties by a Risk Officer and a Business Continuity Officer.

A survey conducted by the Risk and Business Continuity Team in Autumn 2016 identified a number of significant deficiencies, including the absence of processes at department level for identifying hazards, a lack of exercising activity, the majority of respondents expressing serious concerns about the existence or visibility of Business Continuity Plans, and a lack of understanding of the Civil Contingencies Act.

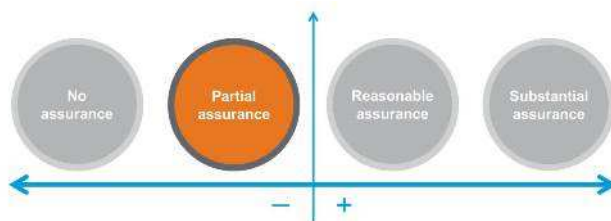
1.2 Conclusion

During the course of our audit, it was apparent that key operational business continuity plans were significantly out of date and were not being subjected to regular, rigorous testing. Work undertaken by the Risk and Business Continuity Team had highlighted significant process and knowledge gaps regarding business continuity management at the departmental level. We were not sufficiently assured from review of Senior Leadership Team meeting minutes that business continuity was given adequate attention, although this was a key part of the Team's documented remit. Due to a number of high priority findings, action is required to strengthen the control framework; as such, we can provide only partial assurance.

Internal Audit Opinion:

Taking account of the issues identified, whilst the Authority can take partial assurance that the controls upon which the organisation relies to manage this area are suitably designed, consistently applied.

Action is needed to strengthen the control framework to ensure this area is effectively managed.



1.3 Key findings

The findings from this review have resulted in five **high** and two **medium** priority management actions being agreed. The key findings from this review are as follows:

Business Continuity Plans

We reviewed the Business Continuity Plans for Fleet Management, Industrial Action and Control as well as the overall Strategic Business Continuity and Recovery Plan. Through review we noted that these plans did not identify the key activities or objectives along with a clear plan of action to ensure that these objectives are delivered during an adverse event.

In addition, we noted that the plans did not adequately identify Maximum Tolerable Periods of Disruption (MTPD) or Recovery Time Objectives (RTO) nor were they subject to testing with subsequent review and updates made to ensure that the plans remain fit for purpose.

Furthermore Business Impact Assessments (BIAs) were not taking place at the individual fire stations that were tested as part of our sample.

Without robust business continuity arrangements in place, and regular, rigorous exercising of plans, there is a combined risk of financial, operational and reputational impacts to the Authority in the event of serious operational disruption.

Management of Business Continuity Arrangements

We reviewed the terms of reference for Service Leadership Team (SLT) as well as the minutes for 15 SLT meetings dated between November 2016 and February 2017. We noted that the terms of reference documented the SLT's responsibility for reviewing, monitoring and ensuring effective management of business continuity arrangements. However, from review of the 15 SLT meeting minutes, we were unable to verify that business continuity arrangements had been discussed and challenged by the SLT at any point.

We also identified that there is no organisation-wide process for reviewing third-party BCPs or gaining assurance that they are working effectively.

We were advised that this had not historically been carried out by the Procurement Department. We were also advised that there was an intention to receive assurances from strategic suppliers regarding their business continuity arrangements however a formal programme regarding this was a work in progress.

Additional information to support our conclusion

Area	Control design*	Compliance with controls*	Agreed actions		
			Low	Medium	High
Business Continuity – Operational Response	4 (9)	1 (9)	0	2	5
Total			0	2	5

* Shows the number of controls not adequately designed or not complied with. The number in brackets represents the total number of controls reviewed in this area.

2 ACTION PLAN

Categorisation of internal audit findings

Priority	Definition
Low	There is scope for enhancing control or improving efficiency and quality.
Medium	Timely management attention is necessary. This is an internal control risk management issue that could lead to: Financial losses which could affect the effective function of a department, loss of controls or process being audited or possible reputational damage, negative publicity in local or regional media.
High	Immediate management attention is necessary. This is a serious internal control or risk management issue that may lead to: Substantial losses, violation of corporate strategies, policies or values, reputational damage, negative publicity in national or international media or adverse regulatory impact, such as loss of operating licences or material fines.

The table below sets out the actions agreed by management to address the findings:

Ref	Findings summary	Priority	Actions for management	Implementation date	Responsible owner
Area: Business Continuity					
1.1	We were unable to establish any reference within the Strategic Business Continuity and Recovery Plan to the activities or programme that would be required to deliver these objectives.	Medium	The Authority will ensure that the activities required to deliver the objectives are explicitly documented within the Strategic Business Continuity Plan.		
1.2a	We noted that no Business Impact Assessments had been completed for the fire stations under review.	Medium	Business Impact Assessments will form an integral part of station business continuity planning.		
1.2b	We noted through review of our sample of six Business Continuity Plans, that only the Fleet Management plan had identified Maximum Tolerable periods of disruption and Recovery Time Objectives.	High	The Authority will identify Maximum Tolerable Periods of Disruption as well as Recovery Time Objectives and the resources required to achieve these for critical activities and incorporate these into all Business Continuity Plans.		

Ref	Findings summary	Priority	Actions for management	Implementation date	Responsible owner
1.3	We noted that the Business Continuity Plans were out of date and did not include clear actions and timescales for completion.	High	<p>All business continuity plans will be updated annually by the plan owners. This will include input from the Risk and Business Continuity Team where appropriate, who will perform a secondary review to ensure plans are fit for purpose.</p> <p>Plans will include clear actions and timescales for completion, including details of those responsible for completing the actions.</p>		
1.4	We noted that there is no formal programme in place for exercising and testing business continuity arrangements.	High	<p>Once adequate BCPs are in place, a formal testing programme will be established for testing the plans at appropriate intervals.</p> <p>Plans will be tested annually at a minimum. Lessons learned reports will be produced following each exercise and used to inform any necessary updates to BCPs.</p>		
1.5	<p>The SLT is responsible for reviewing, monitoring and ensuring effective management of business continuity arrangements.</p> <p>We reviewed a total of 15 SLT meeting minutes and could not verify that business continuity arrangements had been discussed by the SLT at any point.</p>	High	<p>The Service Leadership Team will challenge the Risk and Business Continuity Team regarding the status of and progress against business continuity management, raising appropriate actions to address weak areas, and following these through to completion.</p> <p>The SLT will receive regular, clear and evidence-based assurances from the Business Continuity Team that robust business continuity arrangements are in place.</p>		
1.6	There is currently no clear and formal process for considering and approving the Business Continuity Plans adopted by partners or suppliers	High	The Authority will implement a clear and formal process for the review of third-party BCPs, and gain frequent assurance regarding their effectiveness.		

3 DETAILED FINDINGS

This report has been prepared by exception. Therefore, we have included in this section, only those areas of weakness in control or examples of lapses in control identified from our testing and not the outcome of all internal audit testing undertaken.

Ref	Control	Adequate control design (yes/no)	Controls complied with (yes/no)	Audit findings and implications	Priority	Actions for management
Area: Business Continuity						
1.1	<p>The Authority has a Strategic Business Continuity and Recovery Plan in place. However, this is out of date and is currently undergoing review.</p> <p>The Plan includes an overview of business continuity principles, a schedule of service sites, general strategic considerations in the event of a service disruption, and command and control communication arrangements.</p> <p>The Strategy includes a set of business continuity strategic objectives.</p>	Yes	No	<p>We were provided with the Strategic Business Continuity and Recovery Plan and through review we noted that the document stated its purpose as to provide a strategic response to a major business interruption for Business Continuity Management and Recovery.</p> <p>In addition, we identified that the aim of the plan had been documented as to provide a framework in which to manage the responses of the Service in order to mitigate the effects of a major business continuity interruption and following this seven objectives had also been documented.</p> <p>However, we were unable to establish any reference within the document to the activities or programme that would be required to deliver these objectives.</p> <p>If the Business Continuity Plan does not address the activities that are required to deliver the objectives there is a risk that the authority may fail to achieve their objectives.</p>	Medium	The Authority will ensure that the activities required to deliver the objectives are explicitly documented within the Strategic Business Continuity Plan.
1.2	<p>Business Impact Assessments (BIAs) are incorporated within the Business Continuity Plans for industrial action, fleet and control.</p> <p>These list the critical activities for each area, as well as the Maximum Tolerable Period of Disruption and Recovery Time Objectives (RTOs). Resources for achieving the RTOs are</p>	No	N/A	<p>We noted that no BIAs had been completed for the stations under review (Basildon, Colchester and Southend).</p> <p>Without robust business impact assessments, there is a risk that the stations have not adequately identified their critical activities or the size and nature of disruption to the activity, leading to an increased likelihood that there will be an intolerable level of disruption.</p> <p>Similarly, without an appropriate assessment of the Maximum Tolerable Period of Disruption or Recovery Time</p>	<p>Medium</p> <p>High</p>	<p>Business Impact Assessments will form an integral part of station business continuity planning.</p> <p>The Authority will identify Maximum Tolerable Periods of Disruption as well as Recovery</p>

Ref	Control	Adequate control design (yes/no)	Controls complied with (yes/no)	Audit findings and implications	Priority	Actions for management
	documented. BIAs are not completed, however, at the station level.			<p>Objectives, there is a risk that actual disruption will not be manageable within agreed timeframes.</p> <p>In addition, we identified that although the industrial action plan detailed the actions for short duration (up to 24 hours) and duration of up to 8 days, no assessment had been made regarding the impact to the authority in the first 24 and 48 hours.</p> <p>This creates the risk that the Authority may not undertake actions with an appropriate level of mitigation to minimise the effects caused as a result of an adverse event.</p> <p>We also noted that only the fleet management plan had identified a Maximum Tolerable Period of Disruption (MTPD) and there were only two plans that had identified a Recovery Time Objective (RTO) with the fleet management plan also quantifying the resources required to achieve RTO's. The Control BIA did not include and MTPD or RTO, and did not quantify the resources required to achieve the RTO.</p> <p>If a maximum tolerable period of disruption and recovery time objectives with resources required to achieve these are not identified, there is a risk that the authority will be unable to adequately maintain critical activities at an acceptable level during an adverse event.</p>		Time Objectives and the resources required to achieve these for critical activities and incorporate these into all Business Continuity Plans.
1.3	Business Continuity Plans are in place relating to industrial action, fleet management, and control. Stations have prepared basic contingency documents, but no formal continuity plans.	No	N/A	<p>We reviewed three key operational business continuity plans (industrial action, fleet and control) and three station plans to assess whether the design and content were fit for purpose. We noted that the industrial action contingency plan (known as Operation Gian) was an excessively large document with excess verbiage, creating a risk that it is unwieldy to use in practice.</p> <p>We noted the plan had not been updated since 2013, and that responsibility for updating the plan had not been clearly documented. Although a communication plan and</p>	High	All Business Continuity Plans will be updated annually by the plan owners. This will include input from the Risk and Business Continuity Team where appropriate, who will perform a secondary review to ensure Plans are fit for purpose. Plans will include clear actions and timescales for completion,

Ref	Control	Adequate control design (yes/no)	Controls complied with (yes/no)	Audit findings and implications	Priority	Actions for management	
				<p>strategy were included, no key contact details were listed in the plan.</p> <p>The implementation plan was in a heavily narrative form and it was unclear precisely what actions should be undertaken, or who was formally responsible for undertaking them.</p> <p>The plan included no clear analysis of critical activities or corresponding recovery timescales, and hence it was not clear that resources had been appropriately aligned to recovery activities.</p> <p>For both the Fleet and Control BCPs, we noted the document authors were identified, but no clear protocols for reviewing and updating the document.</p> <p>There was no clear schedule of roles and responsibilities following plan invocation, and although authority for invoking the plan was documented, the circumstances under which invocation should occur were not.</p> <p>Resources for the recovery of critical activities were listed out, but no clear process for their mobilisation. The Fleet and Control BCPs were largely at the level of a Business Impact Assessment, rather than a specific plan of actions to be undertaken following invocation. The Control BCP had more detail in this respect.</p> <p>The Fleet BCP also included a high-level communication strategy, but had a lack of specific communication activities to be undertaken.</p> <p>We noted the Control BCP was heavily out of date, being last reviewed in 2012.</p> <p>We confirmed in discussion with the Control Room Manager that it was not usable in its current form and that work was being undertaken with the Risk and Business Continuity Team to revise it.</p>			including details of those responsible for completing the actions.

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Ref	Control	Adequate control design (yes/no)	Controls complied with (yes/no)	Audit findings and implications	Priority	Actions for management
				<p>We confirmed that the industrial action, Control and Fleet BCPs were all explicitly aligned to the Civil Contingencies Act 2004.</p> <p>If Business Continuity Plans are not up to date, and do not include adequate detail with respect to specific actions and responsible owners, there is a risk that a materialising incident is not managed effectively.</p>		
1.4	<p>There is no formal programme in place for exercising and testing business continuity arrangements. No exercising or scenario planning activity is currently taking place with respect to operational Business Continuity Plans.</p> <p>As a consequence, there is no process in place for formally identifying, recording and actioning lessons learned.</p>	No	N/A	<p>In discussion with the Corporate Risk and Business Continuity Manager, exercising of operational business continuity plans is the responsibility of the relevant departments.</p> <p>It was noted that there is no formal programme in place at the corporate or departmental levels for exercising business continuity plans.</p> <p>With respect to industrial action, it was noted that there was a limited requirement for exercising, as the Authority had had extensive experience of applying the relevant business continuity plan during industrial action in recent years. Similarly, we confirmed in discussion with the Control Room Manager that evacuation exercises had taken place in the past. We note however, that this was not testing of the plan as such, but a general resilience test.</p> <p>Without a formal programme of exercising business continuity plans in place, there is a significant risk that they are not fit for purpose, that weak areas in the plans are not identified, and therefore to the continuity of operations.</p>	High	<p>Once adequate BCPs are in place, a formal testing programme will be established for testing the plans at appropriate intervals.</p> <p>Plans will be tested annually at a minimum. Lessons learned reports will be produced following each exercise and used to inform any necessary updates to BCPs.</p>
1.5	The Service Leadership Team (SLT) assists Essex Fire Authority to meet their responsibilities to establish and oversee the corporate governance arrangements of the Service.	Yes	N/A	<p>We reviewed the terms of reference for the SLT, confirming that they clearly documented the group's responsibility for reviewing, monitoring and ensuring effective management of business continuity arrangements.</p> <p>We also confirmed that they recorded a quarterly standing</p>	High	The Service Leadership Team will challenge the Risk and Business Continuity Team regarding the status of and progress against business continuity management, raising

Ref	Control	Adequate control design (yes/no)	Controls complied with (yes/no)	Audit findings and implications	Priority	Actions for management
	<p>The SLT is responsible for reviewing, monitoring and ensuring effective management of business continuity arrangements.</p> <p>A standing quarterly agenda item is documented in the Team's terms of reference for receiving updates on Corporate Risk and Business Continuity.</p>			<p>agenda update on corporate risk and business continuity.</p> <p>We reviewed a total of 15 SLT meeting minutes, covering the period November 2016 to February 2017. Although we noted that a quarterly Risk and Business Continuity Update was provided in February 2017, this included no information relating to business continuity, and throughout the entire period we could not verify that business continuity arrangements had been discussed by the SLT at any point.</p> <p>If there is insufficient oversight and direction of business continuity management from senior leadership, there is a risk that the process is not fit for purpose.</p>		<p>appropriate actions to address weak areas, and following these through to completion. The SLT will receive regular, clear and evidence-based assurances from the Business Continuity Team that robust business continuity arrangements are in place.</p>
1.6	There is currently no clear and formal process for considering and approving the Business Continuity Plans adopted by partners or suppliers acting on behalf of the service, or for receiving assurances that their plans are working effectively.	No	N/A	<p>In discussion with the Corporate Risk and Business Continuity Manager, it was noted there is no organisation-wide process for reviewing third-party BCPs or gaining assurance that they are working effectively.</p> <p>It was noted that this would be the responsibility of the relevant head of department.</p> <p>We noted in discussion with the new Head of Procurement that there was an intention to receive assurances from strategic suppliers regarding their business continuity arrangements; however, there is currently no formal programme of work in place to progress this and this had not been done historically by the procurement department</p>	High	The Authority will implement a clear and formal process for the review of third-party BCPs, and gain frequent assurance regarding their effectiveness.

APPENDIX A: SCOPE

Scope of the review

To evaluate the adequacy of risk management and control within the system and the extent to which controls have been applied, with a view to providing an opinion. The scope was planned to provide assurance on the controls and mitigations in place relating to the following areas:

Objective of the area under review

To ensure the Service can continue to operate and respond effectively in the event of any serious incident

When planning the audit, the following areas for consideration and limitations were agreed:

Areas for consideration:

- The development of business continuity plans for the operational aspects of the Fire Service (appliances, staff strikes, etc.)
- The inclusion of requirements provided by the Civil Contingencies Act within approved business continuity plans.
- The assurances received that the plans are compliant with the Civil Contingencies Act.
- The communication of operational plans throughout the Service and to any external suppliers/partners where applicable.
- The periodic testing of the operational business continuity plans to ensure that they are fit for purpose.
- The use of any scenario planning exercises to discuss and consider the existing plans in place and whether they are fit for purpose.
- How lessons are learnt from testing, shared with the Service and where necessary updated in to the Business Continuity Plans.
- The consideration and approval of Business Continuity Plans adopted by Partners/Suppliers acting on behalf of the Service and the assurances received that their Business Continuity processes are working effectively.

Limitations to the scope of the audit assignment:

- The audit did not consider all aspects of business continuity. This review focused on operational aspects and not business support functions.
- The audit does not provide assurance that the plans derived will be sufficient and have the capability to ensure continuity in the event of an incident.
- We have not provided assurances on areas not covered within the business continuity plans reviewed as part of this audit.
- The scope of the work was be limited to those areas examined and reported upon in the areas for consideration in the context of the objectives set out in for this review. It should not, therefore, be considered as a comprehensive review of all aspects of non-compliance that may exist now or in the future.

Any testing undertaken as part of this audit was compliance based and sample testing.

Our work does not provide absolute assurance that material errors, loss or fraud do not exist.

APPENDIX B: FURTHER INFORMATION

Persons interviewed during the audit:

- Mike Taylor – Director Finance and Treasurer
- Charles Thomas – Corporate Risk and Business Continuity Manager
- Steve Brant – Business Continuity Officer
- Peter Suarez – Control Room Manager

Benchmarking

We have included some comparative data to benchmark the number of management actions agreed, as shown in the table below. In the past year, we have undertaken a number of audits of a similar nature in the sector.

Level of assurance	Percentage of reviews	Results of the audit
Substantial assurance	100%	
Reasonable assurance	-	
Partial assurance	-	X
No assurance	-	
Management actions	Average number in similar audits	Number in this audit
	2	7

FOR FURTHER INFORMATION CONTACT

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ESSEX FIRE AUTHORITY

Follow up

DRAFT

Internal Audit Follow up report: 9.16/17

5 May 2017

This report is solely for the use of the persons to whom it is addressed.
To the fullest extent permitted by law, RSM Risk Assurance Services LLP will accept no responsibility or liability in respect of this report to any other party.

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Debrief held	12 April 2017	Internal Audit team	Dan Harris – Head of Internal Audit Suzanne Lane – Senior Manager
Draft report issued	5 May 2017		Anand Mistry – Assistant Manager Hollie Sheppard – Internal Auditor
Responses received			
Final report issued		Client sponsor	Glenn McGuinness – Assistant Director of Finance
		Distribution	Glenn McGuinness – Assistant Director of Finance

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance>.

The matters raised in this report are only those which came to our attention during the course of our review and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Management actions for improvements should be assessed by you for their full impact before they are implemented. This report, or our work, should not be taken as a substitute for management's responsibilities for the application of sound commercial practices. We emphasise that the responsibility for a sound system of internal controls rests with management and our work should not be relied upon to identify all strengths and weaknesses that may exist. Neither should our work be relied upon to identify all circumstances of fraud and irregularity should there be any.

This report is solely for the use of the persons to whom it is addressed and for the purposes set out herein. This report should not therefore be regarded as suitable to be used or relied on by any other party wishing to acquire any rights from RSM Risk Assurance Services LLP for any purpose or in any context. Any third party which obtains access to this report or a copy and chooses to rely on it (or any part of it) will do so at its own risk. To the fullest extent permitted by law, RSM Risk Assurance Services LLP will accept no responsibility or liability in respect of this report to any other party and shall not be liable for any loss, damage or expense of whatsoever nature which is caused by any person's reliance on representations in this report.

This report is released to you on the basis that it shall not be copied, referred to or disclosed, in whole or in part (save as otherwise permitted by agreed written terms), without our prior written consent.

We have no responsibility to update this report for events and circumstances occurring after the date of this report.

RSM Risk Assurance Services LLP is a limited liability partnership registered in England and Wales no. OC389499 at 6th floor, 25 Farringdon Street, London EC4A 4AB.

1 EXECUTIVE SUMMARY

1.1 Introduction

As part of the approved internal audit periodic plan for 2016/17 we have undertaken a review to follow up progress made by you to implement the previously agreed management actions. The audits considered as part of the follow up review were:

- Workforce Planning 2.15/16
- Property Maintenance 8. 15/16
- Data Retention 9. 15/16
- Follow up 10. 15/16

The 20 management actions considered in this review comprised of one high, 16 medium and three low priority actions. We have commented on the implementation of management actions stated during 2015/16. Our opinions were based on sample testing and the provision of evidence from the respective recommendation owners. Where responses are not received from action owners, the respective action will be reported as not implemented.

1.2 Conclusion

Taking account of the issues identified in the remainder of the report and in line with our definitions set out in Appendix A, in our opinion Essex Fire Authority has demonstrated **poor progress** in implementing agreed management actions.

In the year since the workforce planning audit, the Human Resources Department (HR) have seen an 82 percent turnover in staff including the departure of the entire management team (the first three tiers) down to and including two of the four business partners.

One main focus and reason for the poor progress conclusion in this report has been the conflicting priority with the recommendations agreed within the Lucas report. The report, 'Building Strong and Sustainable Foundations', published in March 2017, shares more detail about the Lucas report and the 35 recommendations made with the intent of improving the culture of ECFRS. Essex Fire Authority accepted all of these recommendations in October 2015 to achieve fundamental transformation of the Service.

The first of a number of key recommendations was the appointment of an Expert Advisory Panel (EAP) to assist the Fire Authority, senior officers and staff representatives by providing strategic advice on the leadership and change required. The recommendations from the Lucas report, the resulting People Structure project, and the advice provided by the EAP has meant that some of the management actions made by RSM have been reshaped or activity redirected to meet the urgent need to influence the culture of the organisation.

Another key priority and focus for the Authority since our last follow up in April 2016 has been the commencement of Project 2020 which had been approved in July 2016. A new HR team is now in place and a new Assistant Director of HR has been in post since 1 February 2017. The Authority is in an improved position to refocus on these actions with the new financial year 2017/18.

We have made new management actions where appropriate; these are detailed in Section 2 of this report.

1.3 Action Tracking

Action tracking enhances an organisation's risk management and governance processes. It provides management with a method to record the implementation status of actions made by assurance providers, whilst allowing the Audit, Governance and Review Committee to monitor actions taken by management.

Action tracking is undertaken by Essex Fire Authority's management. We have identified nine instances across all reviews followed up where the implementation status of action reported by management to the Audit, Governance and Review Committee differs from our own findings. In light of these findings, our opinion is that the Audit, Governance and Review Committee cannot place reliance on the action tracking reports provided by management. We have included a number of further actions to be undertaken by management to address the issues found. Management should take the following steps to enhance the action tracking process:

- All outstanding actions should be included in the action tracking report to the Audit, Governance and Review Committee.
- Actions in the management action report should not be reported as 'on track' if the date of implementation has passed.

Further details of progress made are provided in Section 2 of this report. It is important to note that until a management action is fully implemented, the organisation is still exposed to risk. The following graph highlights the progress made on the actions that have been followed up.

1.4 Progress on Actions

Implementation status by review	Number of actions agreed	Status of management actions				
		Implemented (1)	Implementation ongoing (2)	Not implemented (3)	Superseded (4)	Completed or no longer necessary (1)+(4)
Workforce Planning 2.15/16	6	0	3	3	0	0
Property Maintenance 8.15/16	1	0	0	1	0	0
Data Retention 9.15/16	4	1	3	0	0	1
Follow up 10.15/16	9	3	1	3	2	5
Total	20	4	7	7	2	6

Implementation status by management action priority	Number of actions agreed	Status of management actions				
		Implemented (1)	Implementation ongoing (2)	Not implemented (3)	Superseded (4)	Completed or no longer necessary (1)+(4)
Low	3	0	0	3	0	0
Medium	16	4	6	4	2	6
High	1	0	1	0	0	0

2 FINDINGS AND MANAGEMENT ACTIONS

This report has been prepared by exception. Therefore, we have included only those actions graded as 2 and 3. Each action followed up has been categorised in line with the following:

Status	Detail
1	The entire action has been fully implemented.
2	The action has been partly though not yet fully implemented.
3	The action has not been implemented.
4	The action has been superseded and is no longer applicable.

Assignment title Workforce Planning (2.15/16)										
Ref	Management action	Original date	Original priority	Status reported to Audit Committee	Audit findings	Current status	Updated management actions	Priority issued	Revised date	Owner responsible

Risk: If we do not have motivated and engaged people with the right skills and competencies there is a risk that we will be unable to innovate and deliver safe and effective services to our communities.

1.1	The Deputy Director of HR will document a formal implementation plan for workforce planning, detailing the following: <ul style="list-style-type: none"> Initiatives to be rolled out across the Service; Responsible managers; Start and end dates; Key deliverables; and Reporting 	July 2016	Medium	2	<p>The new Assistant Director of HR commenced role on 1 February 2017 and provided the following update on 30 March 2017:</p> <p>“Since the last audit in February 2016, the People Structures project has been launched. For the period of time that is being reviewed, this project has focussed workforce planning activity.</p> <p>The People Structure project is part of a response to the recommendations from the Irene Lucas review. The People Structures project includes</p>	2	We will ensure the People Structure project plan includes responsible managers and reporting arrangements for key deliverables.	Low	TBC	TBC
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arrangements.

several strands of workforce planning and replaced the workforce planning which was taking place previously.”

We found that the implementation plan originally agreed has been superseded by the People Structure following the Lucas Review. The implementation plan originally agreed had therefore been reflected in the project plan. Whilst we note that the initial phase of the project had been completed the Authority should ensure that plan details responsible managers and reporting arrangements.

We have therefore revised the management action.

1.2	The Deputy Director of Finance will liaise with the Deputy Director of HR, and identify the reporting arrangements for temporary staffing and overtime.	September 2016	Medium	2	<p>The Assistant Director of HR advised that for temporary staffing a proposal to put controls in place to manage temporary staffing was discussed at the Service Leadership Team meeting on 3 April 2017.</p> <p>We were advised that the new process for managing and reporting temporary staffing was agreed and was being actioned at the time of audit.</p> <p>We were also advised that overtime is monitored by each budget holder.</p> <p>Whilst we accept that the Authority plan to carry out</p>	2	<p>We will ensure there is a process for any adverse trends in temporary staffing and overtime to be reported to the Workforce Planning Group and Strategic Management Board. This requirement should be formally documented within the Agency Workers Policy and any relevant budget holder procedures.</p>	Low	TBC	TBC
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subsequent reviews of temporary staffing with the objective to continually drive down numbers/costs in this area, the proposal stated that the reviews 'can' be carried out as a part of the regular review meetings that take place with the HR Business Partners and their business/service partners during operational meetings.

The Authority must ensure there is a process for any adverse trends in temporary staffing and overtime to be reported to the Workforce Planning Group and Strategic Management Board. This requirement should be formally documented within the Agency Workers Policy and any relevant budget holder procedures.

When adverse trends are not adequately reported there is a risk that management will not be aware of any overspend in both agency and overtime. Without knowledge of any adverse trends, strategically decisions could be ineffective.

We have therefore revised the management action.

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We reviewed a snapshot of the

1.3	The HR Subject Matter Advisor will liaise with the Head of HR and ensure the following actions are completed for the high level retirement	July 2016	Medium	2	The Assistant Director of HR advised that a comprehensive piece of work was undertaken in July 2016 which collated, reviewed and analysed data around retirement. We reviewed a snapshot of the	2	We will ensure the following actions are completed for the high level retirement analysis: <ul style="list-style-type: none"> The frequency of updates will be 	Medium	TBC	TBC
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analysis:

- The Service operational lead for predictions process will be identified;
- The prediction process will be completed for retained firefighters;
- The frequency of updates will be communicated;
- The reporting lines for the statistics will be identified; and

The impact on succession planning will be considered.

review which showed the prediction process had been completed and results drawn up in graph form for whole-time and retained employee establishment as part of retirement planning.

This action is still in progress and the Authority has identified their next step which we were advised is to recreate a structure that serves the purpose of a workforce-planning group. This will be an internal HR and Finance mechanism consisting of the Authority's HR Business Partners, Finance Manager and Assistant Director of HR who will proactively review workforce data on a monthly basis so that the Authority are clear in making decisions for the future based on their review of retirement data and predictions.

We have therefore revised the management action.

communicated;

- The reporting lines for the statistics will be identified; and
- The impact on succession planning will be considered.

1.4	A skills gap analysis methodology will be drafted by the Operational Training Manager and Learning and Development Manager; and formally approved through the Workforce Planning Group. This will include the following: <ul style="list-style-type: none"> • Who will be responsible for 	October 2016	Medium	2	The Assistant Director of HR advised this management action needs to be carried forward as part of a more in depth learning and development action plan. Management action restated.	3	A skills gap analysis methodology will be drafted by the Operational Training Manager and Learning and Development Manager; and formally approved through the Workforce Planning Group. This will	Medium	TBC	TBC
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	<p>implementing the skills gap analysis;</p> <ul style="list-style-type: none"> • What are the key objectives of the analysis; • Does the service have current job specifications for all roles; • What template/ steps will be used in the analysis process; • How frequent will the analysis be implemented; • How will staff be approached/ involved in the process; • How will analysis data be collated; • How will training and recruitment be impacted/ prioritised following skills gap analysis; and • How will results be reported? 						<p>include the following:</p> <ul style="list-style-type: none"> • Who will be responsible for implementing the skills gap analysis; • What are the key objectives of the analysis; • Does the service have current job specifications for all roles; • What template/ steps will be used in the analysis process; • How frequent will the analysis be implemented; • How will staff be approached/ involved in the process; • How will analysis data be collated; • How will training and recruitment be impacted/ prioritised following skills gap analysis; and • How will results be reported? 					
1.5	Following a review of the Risk Management process, the Deputy	March 2016	Low	3	The Assistant Director of HR advised that this management action needs to be carried	3	Following a review of the Risk Management	Medium	TBC	TBC		

	Director of HR will update the Terms of Reference of the Workforce Planning Group. A requirement to review and monitor relevant workforce risks will be included.				forward and the first meeting of this group will take place in April 2017. Management action restated.		process, the Deputy Director of HR will update the Terms of Reference of the Workforce Planning Group. A requirement to review and monitor relevant workforce risks will be included.			
1.7	Suitable key performance indicators will be created and included in the performance reports, for reporting purposes to the Strategic Delivery Board and the Strategic Management Board.	October 2016	Low	3	<p>The Assistant Director of HR advised that the Strategic Delivery Board and the Strategic Management Board are now the Service Leadership Team (SLT).</p> <p>On review of evidence submitted by the Assistant Director of HR we found that some HR statistics had been reported to SLT in March 2017 for the last 12 month period. This included the following data:</p> <ul style="list-style-type: none"> • Number of joiners, leavers and those employees on maternity / paternity leave. • Sickness absence trend and percentage of staff who have taken sick leave; • Update on current status of formal HR cases. <p>However, the Authority are yet to establish suitable KPIs for the workforce. We were advised the Authority at the time of audit were in the process of developing KPIs in line with the</p>	3	Suitable key performance indicators will be created and included in the performance reports, for reporting purposes to the Service Leadership Team and the Strategic Management Board.	Low	TBC	TBC

Authority's 2017/18 business plan.

Due to the change in governance group we have revised the management action.

Assignment title Property Maintenance (8.15/16)

Ref	Management action	Original date	Original priority	Status reported to Audit Committee	Audit findings	Current status	Updated management actions	Priority issued	Revised date	Owner responsible
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Area: Property Maintenance

1.1	Management will ensure that the Concerto Project Closure Report is signed off by SMB.	June 2016	Low	1	We were provided evidence from the ICT Programme Manager including the Concerto project closure report. However, we found that the report had not been signed off.	3	Management will ensure that the Concerto Project Closure Report is signed off by SMB.	Low	TBC	TBC
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Management action restated.

Assignment title Data Retention (9.15/16)

Ref	Management action	Original date	Original priority	Status reported to Audit Committee	Audit findings	Current status	Updated management actions	Priority issued	Revised date	Owner responsible
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Risk: Data Retention

1.1	The Record Retention & Disposal Policy will be updated to include:	Sept 2016	Medium	1	We reviewed the updated Record Retention & Disposal Policy dated September 2016 and found that it now included	2	We will publish an article on the staff intranet to emphasise the	Low	TBC	TBC
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- Those responsible for deleting electronic records on key operating systems such as Dream and SAP. and
- The implication of breaching internal timescales and responsibilities set.

In addition the new policy will be disseminated to all staff and an article published on the staff intranet to emphasise its existence and importance.

the following:

- Those responsible for deleting electronic records on key operating systems such as Dream and SAP; and
- The implication of breaching internal timescales and responsibilities set.

Whilst we confirmed through observation that the updated policy was available to staff via the intranet the Authority have not published an article on the staff intranet to emphasise the policy existence and importance of data retention.

We have therefore revised the management action.

existence of the Record Retention & Disposal Policy and importance of data retention.

1.4, 1.5, 1.6 (a/b)	Essex Fire Authority will conduct an organisation wide review of data retention. This will include:	September 2016	High	2	Through discussion with Payroll and Finance we were advised that a process for reviewing data is in place and is carried out at year end. However, we found only hardcopy data had been disposed of with the Authority's third party contractor – EDM. We found in both departments (payroll and Finance) that historic electronic records, older than the required six years retention period have been retained and there has not been a review of any electronic records held. We also found that whilst the folder of historic bank	2	Essex Fire Authority will conduct an organisation wide review of data retention. This will include:	High	TBC	TBC
	<ul style="list-style-type: none"> • Ensuring there are processes in place to identify when records are due for disposal; • Disposing of electronic and hardcopy data in line with the data retention periods in the updated policy; <p>Making decisions corporately or within</p>						<ul style="list-style-type: none"> • Ensuring there are processes in place to identify when records are due for disposal; • Disposing of electronic and hardcopy data in line with the data retention periods in the updated policy; <p>Making decisions</p>			

departments to hold specific data electronically or in hardcopy so that duplicate records do not exist.

details previously found had been scanned electronically onto the payroll drive but not reviewed for disposal.

An update from the Head of Procurement also found with regards to contracts the department are currently in the process of reviewing the data they hold in hardcopy and electronically in order to establish what data can be disposed of.

Through discussion with the HR Policy and Strategy Manager we were advised that an annual review process had been developed. Whilst, HR has identified those hardcopy items for disposal in storage with EDM, no other actions have been taken.

We were advised by the Assistant Director of Finance that an organisation wide review of data retention had not been completed and other priorities have taken precedent since the last audit. However, with the introduction of the new General Data Protection Regulation (GDPR) coming into effect in early 2018 the Authority are meeting with an advisor in April 2017 from the local council with regards to GDPR and are looking to review their data.

With the introduction of the new GDPR, greater sanctions could

corporately or within departments to hold specific data electronically or in hardcopy so that duplicate records do not exist.

be enforced on the Authority if they do not abide by the data protection / data retention requirements. This could result in a penalty fine from the Information Commissioner's Office and an increased risk of financial loss.

Management action restated.

1.8	The Authority will ensure when data is disposed of a record will be kept by departments in line with the Record Retention & Disposal Policy.	31 March 2017	Medium	2	<p>Through discussion with Finance and Payroll we found that hardcopy documentation had been disposed of through the Authority's third party contractor EDM.</p> <p>We found in both departments that a log of the documents sent for disposal and the disposal certificates had been retained.</p> <p>We discussed with Finance and Payroll if there was a disposal log created for electronic information held. Whilst neither department had yet disposed of electronic information since the last audit the responsible officers had not thought of keeping a disposal log for electronic data.</p> <p>In addition, as the Authority have not fully implemented the review of data held at the Authority and disposed of electronic and hardcopy data in line with the data retention periods (action 1.4-1.6b) across all departments this action will be restated to ensure the required disposal logs are</p>	2	The Authority will ensure when data is disposed of a record will be kept by departments in line with the Record Retention & Disposal Policy.	Medium	TBC	TBC
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completed when a review is completed.

Management action restated.

Assignment title Follow Up (10.15/16)										
Ref	Management action	Original date	Original priority	Status reported to Audit Committee	Audit findings	Current status	Updated management actions	Priority issued	Revised date	Owner responsible
4	Communications (3.14/15) The Head of Communication should devise three separate strategies and implementation plans, demonstrating outcomes and performance measures for the following: <ul style="list-style-type: none"> • Corporate Public Relations; • Employee Engagement; and • Community Safety. These documents should be approved at the Strategic Management Board, and then disseminated to staff via the Service intranet.	April 2015	Medium	1	The Strategic Management Board has evolved to Strategic Leadership Team (SLT). Through discussion with the Head of Marketing and Communications a communications strategic plan has been drafted and is scheduled to be presented at the Service Leadership Team formal meeting on 16 May 2017. This strategic plan supports the Organisation Strategy and the Service Integrated Risk Management Plan. The Authority also has a Programme 2020 communication and engagement plan to support the strategic change plan and was approved at the Programme 2020 Board by SLT members. We have therefore revised the management action.	2	The communications strategic plan will be presented at the Service Leadership Team for approval. Once approved this plan will be disseminated to staff via the staff intranet.	Low	TBC	TBC

11	Follow Up (8.14/15) – Business Continuity (2.13/14)	April 2014	Medium	1	<p>During the time of audit a review of business continuity was carried out by RSM. Two high management actions have been raised with regards to this action in our business continuity review 2016/17 therefore this action has been superseded.</p> <p>Management action superseded.</p>	4	N/A	N/A	N/A	N/A
	All Business Continuity Plans should be submitted to the Risk and Business Continuity Team in a timely manner to enable a regular review.									
14	Follow up (8.14/15) – Property Maintenance (7.12/13)	31 Dec 2014	Medium	1	<p>We were not provided with an update or any evidence at the time of review. We raised this with the Assistant Director of Finance and agreed the action is to be carried forward into 2017/18.</p> <p>Management action restated.</p>	3	<p>The Services should review the process to record and monitor if repairs are completed within the required timescales.</p> <p>This could then be utilised to determine whether job sheets have been provided and use this as a basis to approve payments for repairs conducted by contractors.</p>	Medium	TBC	TBC
	The Services should review the process to record and monitor if repairs are completed within the required timescales. This could then be utilised to determine whether job sheets have been provided and use this as a basis to approve payments for repairs conducted by contractors.									
16	Follow up (Employee Taxes 2.12/13)	30 September 2014	Medium	4	<p>Through discussion with the Assistant Director of Finance we were advised that HMRC stated the Authority was not entitled to recover the Class 1A NIC and this dispute has now been resolved and lost written off.</p>	4	N/A	N/A	N/A	N/A
	In addition to the work already undertaken, Essex Fire Authority should continue to recover the excess									

Class 1A NIC from HMRC. As there is likely to be tax and NIC due to HMRC on the payments discussed in 3.7 any overpayment can be set off against these sums.

Updated Management Actions:

The action will be closed by management once the formal response to the recover the excess Class 1A NIC is received from HMRC.

This management action is therefore superseded.

18	Business Planning (10.14/15)	31 March 2016	Medium	1	As Project 2020 was agreed in June 2016 the departmental strategies were not developed until after this agreement had been received.	3	The Service should ensure that the action plans within the Department Strategies are formally monitored.	Medium	June 2017.	Assistant Director of Finance.
	The Service should ensure that the action plans within the Department Strategies are formally monitored.				Therefore the strategies will start to be monitored following the commencement of the new financial year 2017.					
	Updated Management Actions:				We have therefore revised the management action.					
	The Service should ensure that the new peer review system is implemented by April 2016 so that action									

plans within the Department Strategies can be formally monitored.

19	Business Planning (10.14/15)	31 March 2016	Medium	1	Through discussion with the Assistant Director of Finance we agreed the action is to be carried forward into 2017/18. Management action restated.	3	The Service should ensure that there is an annual self-assessment of the business planning process to identify areas where the process was effective and areas that could be improved upon, taking the process forward.	Medium	TBC	TBC
	The Service should ensure that there is an annual self-assessment of the business planning process to identify areas where the process was effective and areas that could be improved upon, taking the process forward.									

APPENDIX A: DEFINITIONS FOR PROGRESS MADE

The following opinions are given on the progress made in implementing actions. This opinion relates solely to the implementation of those actions followed up and not does not reflect an opinion on the entire control environment

Progress in implementing actions	Overall number of actions fully implemented	Consideration of high actions	Consideration of medium actions	Consideration of low actions
Good	75%	None outstanding	None outstanding	All low actions outstanding are in the process of being implemented
Reasonable	51 – 75%	None outstanding	75% of medium actions made are in the process of being implemented	75% of low actions made are in the process of being implemented
Little	30 – 50	All high actions outstanding are in the process of being implemented	50% of medium actions made are in the process of being implemented	50% of low actions made are in the process of being implemented
Poor	< 30%	Unsatisfactory progress has been made to implement high actions	Unsatisfactory progress has been made to implement medium actions	Unsatisfactory progress has been made to implement low actions

APPENDIX B: SCOPE

Scope of the review

The internal audit assignment has been scoped to provide assurance on how Essex Fire Authority manages the following objective: To establish progress made against actions made during the 2015/16 financial year.

When planning the audit, the following areas for consideration and limitations were agreed:

Areas for consideration

The following areas will be considered as part of the review:

The review will assess the implementation of management actions for the following audit reports:

- *Workforce Planning 2.15/16*
- *Property Maintenance 8. 15/16*
- *Data Retention 9. 15/16*
- *Follow up 10. 15/16*

We will seek to comment on the implementation of all recommendations stated during 2015/16. Our opinions will be based on sample testing and the provision of evidence from the respective recommendation owners.

Limitations to the scope of the audit assignment

- Our testing was limited to reviewing the controls in place within the Authority.
- Where responses were not received from action owners, the respective actions have been reported as not implemented.
- The review has been conducted on a sample basis and does not provide any guarantee against material errors, loss or fraud or provide an absolute assurance that material error, loss or fraud does not exist.
- Please note that the full scope of the audit can only be completed within the audit budget if all the requested information is made available at the start of the audit, and the necessary key staff are available to assist the audit process during the audit. If the requested information and staff are not available we may have to reduce the scope of our work and/or increase the audit budget. If this is necessary we will agree this with the client sponsor during the audit.

APPENDIX C: ACTIONS COMPLETED

From the testing conducted during this review we have found the following actions to have been fully implemented and are now closed:

Assignment title	Management action
Data Retention (9.15/16)	Essex Fire Authority will implement training to all relevant staff on data retention and data protection.
Communications (3.14/15)	<p>The Communications governance structure needs to be established for each of the three work streams:</p> <ul style="list-style-type: none">• Corporate Public Relations;• Employee Engagement; and• Community Safety. <p>This structured needs to demonstrate the relationship between each individual and group.</p>
Communications (3.14/15)	<p>The Fire Service should ensure there is an appropriate process for managing the Communications Plans for each project implemented. This should include:</p> <ul style="list-style-type: none">• An approval process, during project initiation, from the Head of Corporate Communications for each Project; and• Monitoring of the Communications Plan of the project.
Communications (3.14/15)	<p>The Fire Service need to ensure that it has appropriate policies, procedures and/or protocols in place governing the key channels of external communications, such as the media, press releases, 'images as incidents' and acceptable uses for all social media platforms.</p> <p>These should be approved, dated and assigned an annual review date to ensure they remain fit for purpose.</p> <p>Following this, the documents should be made available to all staff via the Service intranet.</p>

FOR FURTHER INFORMATION CONTACT

Suzanne Lane, Senior Manager

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07720 508148



ESSEX FIRE AUTHORITY

Annual internal audit report 2016/17

May 2017

This report is solely for the use of the persons to whom it is addressed.
To the fullest extent permitted by law, RSM Risk Assurance Services LLP
will accept no responsibility or liability in respect of this report to any other party.

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As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance>.

The matters raised in this report are only those which came to our attention during the course of our review and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Management Actions for improvements should be assessed by you for their full impact before they are implemented. This report, or our work, should not be taken as a substitute for management's responsibilities for the application of sound commercial practices. We emphasise that the responsibility for a sound system of internal controls rests with management and our work should not be relied upon to identify all strengths and weaknesses that may exist. Neither should our work be relied upon to identify all circumstances of fraud and irregularity should there be any.

This report is solely for the use of the persons to whom it is addressed and for the purposes set out herein. This report should not therefore be regarded as suitable to be used or relied on by any other party wishing to acquire any rights from RSM Risk Assurance Services LLP for any purpose or in any context. Any third party which obtains access to this report or a copy and chooses to rely on it (or any part of it) will do so at its own risk. To the fullest extent permitted by law, RSM Risk Assurance Services LLP will accept no responsibility or liability in respect of this report to any other party and shall not be liable for any loss, damage or expense of whatsoever nature which is caused by any person's reliance on representations in this report.

This report is released to you on the basis that it shall not be copied, referred to or disclosed, in whole or in part (save as otherwise permitted by agreed written terms), without our prior written consent.

We have no responsibility to update this report for events and circumstances occurring after the date of this report.

RSM Risk Assurance Services LLP is a limited liability partnership registered in England and Wales no. OC389499 at 6th floor, 25 Farringdon Street, London EC4A 4AB.

1 THE HEAD OF INTERNAL AUDIT OPINION

In accordance with Public Sector Internal Audit Standards, the head of internal audit is required to provide an annual opinion, based upon and limited to the work performed, on the overall adequacy and effectiveness of the organisation's risk management, control and governance processes. The opinion should contribute to the organisation's annual governance statement.

1.1 The opinion

For the 12 months ended 31 March 2017, the head of internal audit opinion for Essex Fire Authority is as follows:

Head of internal audit opinion 2016/2017

The organisation has an adequate and effective framework for risk management, governance and internal control.

However, our work has identified further enhancements to the framework of risk management, governance and internal control to ensure that it remains adequate and effective.

Please see appendix A for the full range of annual opinions available to us in preparing this report and opinion.

1.2 Scope of our work

The formation of our opinion is achieved through a risk-based plan of work, agreed with management and approved by the audit, governance and review committee, which should provide a reasonable level of assurance, subject to the inherent limitations described below.

The opinion does not imply that internal audit has reviewed all risks and assurances relating to the organisation. The opinion is substantially derived from the conduct of risk-based plans generated from a robust and organisation-led risk register. As such, the risk register is one component that the authority takes into account in making its annual governance statement (AGS).

1.3 Factors and findings which have informed our opinion

We issued two substantial assurance opinions (Procurement and Key Financial Controls), three reasonable assurance opinions (Communications and Engagement, Partnerships, Governance – Delivery and Monitoring of Strategic Plans and Objective), three partial assurance opinions (HR Transactional Processes, Risk Management, Business Continuity) and one no assurance opinion (HR Training and Development).

Our review of risk management identified in a number of areas there was evidence that the Authority was putting processes in place to improve risk management, namely in terms of staff training on understanding and evaluating risk. However, there were a number of areas of improvement from our 2015/16 review which had still not been fully implemented in 2016/17 and some weaknesses remain. Whilst we could evidence that improvements had been made since our last review, until these are fully embedded our opinion remains at partial assurance.

Our review of business continuity (partial assurance) identified that key operational business continuity plans were significantly out of date and were not being subjected to regular, rigorous exercising. Work undertaken by the Risk and Business Continuity Team had highlighted significant process and knowledge gaps regarding business continuity management at the departmental level. We were not sufficiently assured from review of Senior Leadership Team

meeting minutes that business continuity was given adequate attention, although this was a key part of the Team's documented remit. This resulted in an overall (negative) partial assurance opinion.

We also issued a further (negative) partial assurance opinion for our review of HR Transaction Processing and Payroll due to a lack of documentation to support changes made to the HR system. Management have requested a follow up of the actions agreed within this report to be undertaken in early 2017/18.

We also issued a no assurance (negative) opinion for HR Training and Development audit. We were unable to provide assurance that the Service had effective and comprehensive systems to monitor staff or officer compliance in meeting competencies and training objectives. We were also unable to establish if staff had been adequately trained as incomplete records had been retained and core and mandatory training had not been defined. There has been a significant change of staff within the HR team and management have advised the audit, governance and review committee that work in this area is now progressing.

Our follow up of the actions agreed to address previous years' internal audit findings shows that the organisation had made poor progress in implementing the agreed actions.

A summary of internal audit work undertaken, and the resulting conclusions, is provided at appendix B.

1.4 Topics judged relevant for consideration as part of the annual governance statement

The Authority should consider the inclusion of the weaknesses identified within the partial and no assurance opinion as identified above in the areas of HR Transactional Processes, Risk Management, Business Continuity and HR Training and Development and any progress made in implementing the agreed actions in the Annual Governance Statement.

2 THE BASIS OF OUR INTERNAL AUDIT OPINION

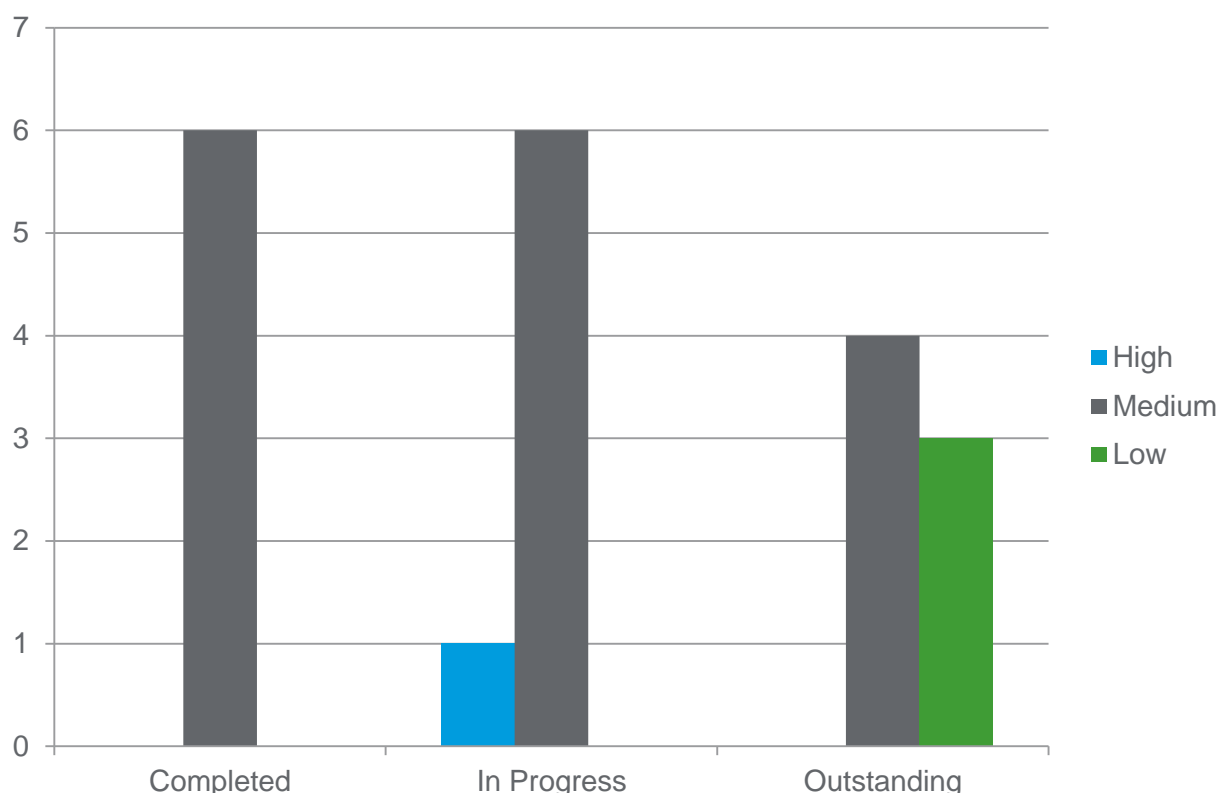
As well as those headlines discussed at paragraph 1.3, the following areas have helped to inform our opinion. A summary of internal audit work undertaken, and the resulting conclusions, is provided at appendix B.

2.1 Acceptance of internal audit management actions

Management have agreed actions to address all of the findings reported by the internal audit service during 2016/17.

2.2 Implementation of internal audit management actions

Our follow up of the actions agreed to address previous years' internal audit findings shows that the organisation had made poor progress in implementing the agreed actions.



2.3 Working with other assurance providers

In forming our opinion we have not placed any direct reliance on other assurance providers.

3 OUR PERFORMANCE

3.1 Wider value adding delivery

As part of our client service commitment, during 2016/17 we have issued four briefings relating to the sector and a fire service specific risk register analysis within our progress reports presented to the Audit, Governance and Review Committee. We will continue to share our briefings with you during 2017/18.

We have undertaken a joint review across Bedfordshire, Cambridgeshire and Essex Fire on the Risk Protection Pool to maximise the audit resource available across the organisations.

We have provided benchmarking within our reports where possible on the number and category of recommendations and assurance opinions across organisations similar to yourself.

We have made suggestions throughout our audit reports based on our knowledge and experience in the public sector to provide areas for consideration.

We have met regularly with management to discuss best practice and potential joint reviews across our wider Fire Authority / Service client base.

Throughout the year we have attended joint contract meeting with Bedfordshire, Cambridgeshire and Essex Fire on a quarterly basis to update on progress of the internal audit contract, raise any issues if required and discuss the Internal Audit Strategies. No significant issues have been raised through these meetings or outside of these meetings. In addition, we have had the opportunity to discuss current and upcoming issues such as the implication of the Policing and Crime Act 2017 for each Authority.

3.2 Conflicts of interest

RSM has not undertaken any work or activity during 2016/17 that would lead us to declare any conflict of interest.

3.3 Conformance with internal auditing standards

RSM affirms that our internal audit services are designed to conform to the Public Sector Internal Audit Standards (PSIAS).

Under PSIAS, internal audit services are required to have an external quality assessment every five years. Our risk assurance service line commissioned an external independent review of our internal audit services in 2016 to provide assurance whether our approach meets the requirements of the International Professional Practices Framework (IPPF) published by the Global Institute of Internal Auditors (IIA) on which PSIAS is based.

The external review concluded that “there is a robust approach to the annual and assignment planning processes and the documentation reviewed was thorough in both terms of reports provided to audit committee and the supporting working papers.” RSM was found to have an excellent level of conformance with the IIA’s professional standards.

The risk assurance service line has in place a quality assurance and improvement programme to ensure continuous improvement of our internal audit services. Resulting from the programme, there are no areas which we believe warrant flagging to your attention as impacting on the quality of the service we provide to you.

APPENDIX A: ANNUAL OPINIONS

The following shows the full range of opinions available to us within our internal audit methodology to provide you with context regarding your annual internal audit opinion.

Annual opinions

The organisation has an adequate and effective framework for risk management, governance and internal control.

The organisation has an adequate and effective framework for risk management, governance and internal control.

However, our work has identified further enhancements to the framework of risk management, governance and internal control to ensure that it remains adequate and effective.

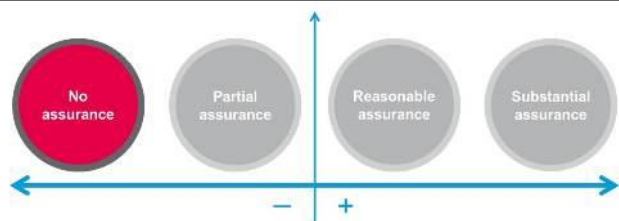
There are weaknesses in the framework of governance, risk management and control such that it could be, or could become, inadequate and ineffective.

The organisation does not have an adequate framework of risk management, governance or internal control.

APPENDIX B: SUMMARY OF INTERNAL AUDIT WORK COMPLETED 2016/17

Assignment	Assurance level	Actions agreed		
		H	M	L
HR Training & Development	No Assurance	4	3	3
HR Transaction Processing and Payroll	Partial Assurance	1	2	1
Risk Management	Partial Assurance	0	4	4
Business Continuity including compliance with the Civil Contingencies Act	Partial Assurance	5	2	0
Governance – Delivery and Monitoring of Strategic Plans and Objectives	Reasonable Assurance	0	2	5
Communication and Engagement	Reasonable Assurance	0	3	3
Partnerships	Reasonable Assurance	0	4	5
Key Financial Controls	Substantial Assurance	0	0	1
Procurement	Substantial Assurance	0	1	4
Follow up (DRAFT)	Poor Progress	1	7	6

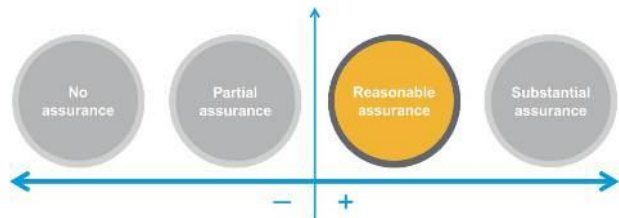
We use the following levels of opinion classification within our internal audit reports. Reflecting the level of assurance the authority can take:



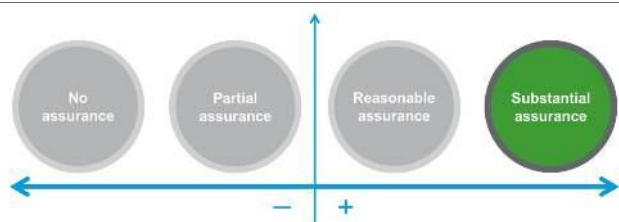
Taking account of the issues identified, the authority cannot take assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied or effective. Urgent action is needed to strengthen the control framework to manage the identified risk(s).



Taking account of the issues identified, the authority can take partial assurance that the controls to manage this risk are suitably designed and consistently applied. Action is needed to strengthen the control framework to manage the identified risk(s).



Taking account of the issues identified, the authority can take reasonable assurance that the controls in place to manage this risk are suitably designed and consistently applied. However, we have identified issues that need to be addressed in order to ensure that the control framework is effective in managing the identified risk(s).



Taking account of the issues identified, the authority can take substantial assurance that the controls upon which the organisation relies to manage the identified risk(s) are suitably designed, consistently applied and operating effectively.

FOR FURTHER INFORMATION CONTACT

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ESSEX FIRE AUTHORITY

HR Transaction Processing and Payroll – Follow Up

DRAFT

Internal audit follow up report: 1.17/18

26 June 2017

This report is solely for the use of the persons to whom it is addressed.
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Debrief held	6 June 2017	Internal audit team	Daniel Harris, Head of Internal Audit
Draft report issued	26 June 2017		Suzanne Rowlett, Senior Manager
Responses received			Anand Mistry, Assistant Manager
			Hollie Sheppard, Lead Auditor
Final report issued		Client sponsor	Colette Black, Assistant Director of HR
			Angela Mayer's, HR Support Team Manager
		Distribution	Glenn McGuinness, Assistant Director of Finance

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RSM Risk Assurance Services LLP is a limited liability partnership registered in England and Wales no. OC389499 at 6th floor, 25 Farringdon Street, London EC4A 4AB.

1 EXECUTIVE SUMMARY

1.1 Introduction

Following our previous review of HR Transaction Processing and Payroll in 2016/17 we were requested to undertake a follow up review in this area as an addition to the Internal Audit Plan for 2017/18.

Our 2016/17 review identified significant weaknesses in the application of controls in place to ensure that complete and robust audit trails were maintained for new starters, leavers, and amendments to standing payroll information. Furthermore, we identified that expense forms were not being checked to ensure that only appropriate managers were approving claims.

Following these findings, it was agreed that the management actions would be followed up promptly to provide assurance that improvements had been made.

The four management actions considered in this review comprised of one 'high', two 'Medium' and one 'low' priority actions. The objective of this review was, to provide assurance that the actions previously agreed have been adequately implemented.

1.2 Conclusion

Taking account of the issue identified in the remainder of the report and in line with our definitions in our opinion Essex Fire Authority has demonstrated **Reasonable Progress** in implementing agreed management actions.

Since our original report of HR Transaction Processing and Payroll in 2016/17; our sample testing in 2017/18 over a limited time period has identified that compliance with Essex Fire Authority's procedures has significantly improved and the Service has maintained adequate audit trails for key HR and Payroll transactional processes.

However, we identified that expense forms are not being checked to ensure that only appropriate managers are approving claims and we have therefore revised this **one medium** priority management action.

We have made new management actions where appropriate; these are detailed in section 2 of this report.

1.3 Action tracking

Action tracking enhances an organisation's risk management and governance processes. It provides management with a method to record the implementation status of actions made by assurance providers, whilst allowing the Audit, Governance and Review Committee to monitor actions taken by management.

Action tracking is undertaken by Essex Fire Authority's management. We have identified one instance in the audit followed up where the implementation status of action reported by management to the Audit, Governance and Review Committee differs from our own findings. This was in respect to the medium priority action in relation to expenses that has been revised where we found that no actions had been taken

The following table highlights the progress made on the actions that have been followed up. Further details of progress made are provided in Section 2 of this report. It is important to note that until a management action is fully implemented, the organisation is still exposed to risk. The following graph highlights the progress made on the actions that have been followed up.

1.4 Progress on actions

Implementation status by management action priority	Number of actions agreed	Status of management actions					
		Implemented (1)	Implementation ongoing (2)	Not implemented (3)	Superseded (4)	Not yet due (5)	Confirmed as completed or no longer necessary (1)+(4)
High	1	1	0	0	0	0	1
Medium	2	1	0	1	0	0	1
Low	1	1	0	0	0	0	1
Totals	4	3	0	1	0	0	3

2 FINDINGS AND MANAGEMENT ACTIONS

This report has been prepared by exception. Therefore, we have included only those actions graded as 2 and 3. Each action followed up has been categorised in line with the following:

Status	Detail
1	The entire action has been fully implemented.
2	The action has been partly though not yet fully implemented.
3	The action has not been implemented.
4	The action has been superseded and is no longer applicable.
5	The action is not yet due.

HR Transaction Processing and Payroll										
Ref	Management action	Original date	Original priority	Status reported to audit committee	Audit finding	Current status	Updated management action	Priority issued	Revised date	Owner responsible
1.4	The Authority will ensure the Approve Officer sign off on expense forms are verified for appropriateness before payment. The Authority will check this on a sample basis of c. 10 a month.	30 June 2017	Medium	2	<p>Through discussion with the Assistant Director of Finance and the Payroll Manager, we were advised that the current process and the originally agreed management action had been reviewed for appropriateness.</p> <p>Whilst we acknowledge that staff in the Finance and Transport teams may sense check the claim forms; the format of the form does not enable the reviewing officer to establish if the approving officer is of an appropriate rank in respect of the claimant.</p> <p>In addition to this, Finance and Transport do not have access to the Payroll / HR system to check names, roles and ranks.</p> <p>The Service plan to move the expense process to the new electronic HOBBS</p>	3	Until an electronic system is in place, we will update the expense form so that the claimant is required to detail their rank/position at the time of claim. We will then ensure the approving Officer who signs off on expense forms is verified for appropriateness before payment and evidenced as such.	Medium	TBC	TBC

system; expense claims would then be approved via a workflow thus eliminating the need for manual forms and a review of the authorising officer approving the claim.

The Assistant Director of Finance requested that we still sample test 20 claims to establish if these claims have been appropriately authorised.

We therefore reviewed a report from SAP of all expenses claimed in April and May 2017 and for a sample of 20 of the most expensive claims we found in 17 cases the claim forms had been authorised by a higher ranking / appropriate officer.

However, we found in three cases the claim forms had not been signed off by a higher ranking officer than the claimant, the total value of these claims was £2,616.

We have therefore revised the management action; until the electronic system is implemented.

APPENDIX A: DEFINITIONS FOR PROGRESS MADE

The following opinions are given on the progress made in implementing actions. This opinion relates solely to the implementation of those actions followed up and does not reflect an opinion on the entire control environment

Progress in implementing actions	Overall number of actions fully implemented	Consideration of high actions	Consideration of medium actions	Consideration of low actions
Good	75 per cent	None outstanding	None outstanding	All low actions outstanding are in the process of being implemented
Reasonable	51 – 75 per cent	None outstanding	75 per cent of medium actions made are in the process of being implemented	75 per cent of low actions made are in the process of being implemented
Little	30 – 50 per cent	All high actions outstanding are in the process of being implemented	50 per cent of medium actions made are in the process of being implemented	50 per cent of low actions made are in the process of being implemented
Poor	< 30 per cent	Unsatisfactory progress has been made to implement high actions	Unsatisfactory progress has been made to implement medium actions	Unsatisfactory progress has been made to implement low actions

APPENDIX B: SCOPE

Scope of the review

The internal audit assignment has been scoped to provide assurance on how Essex Fire Authority manages the following objective:

Objective of the area under review

To ensure that robust controls are in place to safeguard the integrity of the Authority's payroll function

When planning the audit, the following areas for consideration and limitations were agreed:

Areas for consideration:

As part of the Essex Fire Authority Internal Audit plan for 2016/17, a review of HR Transaction Processing and Payroll was undertaken. This review identified significant weaknesses in the application of controls in place to ensure that complete and robust audit trails were maintained for new starters, leavers, amendments to standing payroll information, and identified that expense forms were not being checked to ensure that only eligible managers were approving claims.

Following these findings, it was agreed that the management actions agreed would be followed up promptly to provide assurance that improvements had been made. We will therefore undertake sample testing to ensure that the following management actions have been fully actioned or clear plans have been developed to implement improvements.

Our samples will only be selected from the period since the original audit: April and May 2017 onwards.

Limitations to the scope of the audit assignment:

- Testing was undertaken on a sample basis only;
- Testing was limited to the evidence available at the time of the audit;
- Our samples focused on the period since the 2016/17 HR Transaction Processing and Payroll review;
- We have not covered the full scope of the original review, we have only completed testing on those areas where issues were identified and management actions had been agreed; and
- Our work does not provide absolute assurance that material errors, loss or fraud do not exist.

APPENDIX C: ACTIONS COMPLETED

From the testing conducted during this review we have found the following actions to have been fully implemented and are now closed:

Assignment title	Management actions
HR Transaction Processing and Payroll	The Authority will ensure that all starter forms are: <ul style="list-style-type: none">• Completed in full;• Scanned and uploaded to the employee file,• Signed off as input; and• Signed off for independent check.
HR Transaction Processing and Payroll	The authority will ensure leavers forms are scanned and uploaded onto the employee file.
HR Transaction Processing and Payroll	The Authority will ensure that all amendment forms are: <ul style="list-style-type: none">• Signed and dated by an appropriate manager for authorisation;• Signed off as input and checked independently by HR; and• Scanned and uploaded to the employee file.

FOR FURTHER INFORMATION CONTACT

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Adam Eckley
Acting Chief Fire Officer
Essex County Fire and Rescue Service
Kelvedon Park
Rivenhall
Witham
Essex CM8 3HB

20 April 2017

Ref: EY/EFA/17-18/Fee

Direct line: 023 8038 2159

Email: KSuter@uk.ey.com

Dear Adam

Annual Audit Fee 2017/18

We are writing to confirm the audit work that we propose to undertake for the 2017/18 financial year at Essex Fire Authority.

From 1 April 2015, the duty to make arrangements for the audit of the accounts and the certification of relevant claims and returns and to prescribe scales of fees for this work was delegated to Public Sector Audit Appointments Ltd (PSAA) by the Secretary of State for Communities and Local Government. In October 2015, the Secretary of State confirmed that the transitional arrangements would be extended for one year for audits of principal local government bodies only, to cover the audit of the accounts for 2017/18. The audit contracts previously let by the Audit Commission and novated to PSAA have therefore also been extended for one year to give effect to this decision.

From 2018/19, new arrangements for local auditor appointment set out in the Local Audit and Accountability Act 2014 will apply for principal local government, fire and police bodies. These audited bodies will be responsible for making their own arrangements for the audit of the accounts. The PSAA will play a new and different role in these arrangements.

Indicative audit fee

For the 2017/18 financial year Public Sector Audit Appointments Ltd (PSAA) has set the scale fee for each audited body, following consultation on its Work Programme and Scale of Fees. There are no planned changes to the overall work programme for 2017/18. It is therefore proposed by the PSAA that scale fees are set at the same level as the scale fees applicable for 2016/17. These fees reflect the significant reductions made to scale fees since 2012/13.

The fee reflects the risk-based approach to audit planning set out in the National Audit Office's Code of Audit Practice for the audit of local public bodies.

The audit fee covers the:

- Audit of the financial statements
- Value for money conclusion
- Whole of Government accounts

For Essex Fire Authority our indicative fee is set at the scale fee level. This indicative fee is based on certain assumptions, including:

- The overall level of risk in relation to the audit of the financial statements is not significantly different from that of the prior year;
- Officers meeting the agreed timetable of deliverables;
- The operating effectiveness of the internal controls for the key processes identified within our audit strategy;
- We can rely on the work of internal audit as planned;
- Our accounts opinion and value for money conclusion being unqualified;
- Appropriate quality of documentation is provided by the Authority;
- There is an effective control environment; and
- Prompt responses are provided to our draft reports.

Meeting these assumptions will help ensure the delivery of our audit at the indicative audit fee which is set out in the table below.

As we have not yet completed our audit for 2016/17, our audit planning process for 2017/18 will continue as the year progresses. Fees will be reviewed and updated as necessary, within the parameters of our contract.

Summary of fees

	Indicative fee 2017/18 £	Planned fee 2016/17 £	Actual fee 2015/16 £
Total Code audit fee	35,625	35,625	35,625
Non audit work	N/A	N/A	N/A

Any additional work that we may agree to undertake (outside of the Code of Audit Practice) will be separately negotiated and agreed with you in advance.

Billing

The indicative code audit fee will be billed in 4 quarterly instalments of £8,906.25.

Audit plan

Our plan is expected to be issued in January 2018. This will communicate any significant financial statement risks identified, planned audit procedures to respond to those risks and any changes in fee. It will also set out the significant risks identified in relation to the value for money conclusion. Should we need to make any significant amendments to the audit fee during the course of the audit, we will discuss this in the first instance with the Finance Director & Treasurer and, if necessary, prepare a report outlining the reasons for the fee change for discussion with the Audit, Governance and Review Committee.

Audit team

The key members of the audit team for the 2017/18 financial year are:

Kevin Suter
Executive Director

KSuter@uk.ey.com

Tel: 07876 397986

Martina Lee
Manager

mlee1@uk.ey.com

Tel: 07771 942580

We are committed to providing you with a high quality service. If at any time you would like to discuss with us how our service to you could be improved, or if you are dissatisfied with the service you are receiving, please contact me. If you prefer an alternative route, please contact Steve Varley, our Managing Partner, 1 More London Place, London, SE1 2AF. We undertake to look into any complaint carefully and promptly and to do all we can to explain the position to you. Should you remain dissatisfied with any aspect of our service, you may of course take matters up with our professional institute.

Yours sincerely



Kevin Suter
Executive Director
For and on behalf of Ernst & Young LLP

cc. John Knapman, Chairman of the Audit, Governance and Review Committee
Mike Clayton, Finance Director & Treasurer

ESSEX FIRE AUTHORITY

Essex County Fire & Rescue Service



MEETING

**Audit, Governance & Review
Committee**

AGENDA ITEM

8

MEETING DATE

12 July 2017

REPORT NUMBER

EFA/090/17

SUBJECT

Update on Public Sector Auditor Appointments

REPORT BY

The Finance Director and Treasurer, Mike Clayton

PRESENTED BY

The Finance Director and Treasurer, Mike Clayton

SUMMARY

To receive the update on Public Sector Auditor Appointments, attached as an appendix.

Opt in position

Authority type (inc. Pension Fund where applicable)	Number
County Council	27 (100%)
London Borough	32 (97%)
Metropolitan Borough	34 (94.4%)
Unitary Authority	53 (94.6%)
District Council	200 (99.5%)
Fire and Rescue Authority	29 (100%)
Police Authorities (Police and Crime Commissioner & Chief Constable)	73 (97.3%)
LG miscellaneous	35 (100%)
TOTAL	483 (98.17%)

Nine authorities decided to make local arrangements:

- Essex Police and Crime Commissioner and Chief Constable
- East Hampshire District Council
- City of London Corporation
- 3 x unitary councils (Cornwall, Isles of Scilly and Northumberland)
- 2 x Metropolitan Borough Councils (Newcastle and North Tyneside)

Fee setting process

- 2018/19 scale fees will be determined by the prices achieved in the auditor procurement
- PSAA will pool scheme costs and charge fees to audited bodies in accordance with a fair scale of fees which has regard to size, complexity and audit risk, most likely as currently evidenced by audit fees for 2016/17
- pooling means that everyone in the scheme will benefit from the most competitive prices.

Overall timetable

Activity	Target date
Deadline for submission of completed invitations to tender	Noon, 10 May 2017
Tender evaluation	11 May to 1 June 2017
Contract award decision made by PSAA Board and standstill period	June 2017
Contract award	Start of July 2017
Consult firms on proposed schedule of appointments	7 – 21 July 2017
Consultation on proposed auditor appointments with opted-in bodies	August to December
Consultation on proposed scale fees with opted-in bodies	October 2017 to January 2018
Auditor appointments approved by PSAA Board and confirmed to opted-in bodies	By 31 December 2017
Scale fees approved by PSAA Board and confirmed to opted-in bodies	By 31 March 2018
Start date for auditor appointments for 2018/19	1 April 2018

ESSEX FIRE AUTHORITY

Essex County Fire & Rescue Service



MEETING

AGENDA ITEM

**Audit, Governance and
Review Committee**

9

MEETING DATE

12 July 2017

REPORT NUMBER

EFA/091/17

SUBJECT

Treasury Management Strategy

REPORT BY

The Finance Director & Treasurer, Mike Clayton

PRESENTED BY

The Finance Director & Treasurer, Mike Clayton

SUMMARY

A set of treasury management and capital financing indicators were approved by the Authority in February 2016, which are intended to demonstrate that capital investment plans are affordable and that consequential borrowing will be based upon sound treasury management strategy. This report brings forward a review of the Authority's performance in 2016/17 against these indicators.

RECOMMENDATIONS

It is recommended that Members:

- Note the treasury management outturn position for 2016/17; and
- Note the performance against the capital financing indicators for 2016/17.

BACKGROUND

Local Authorities determine their own level of borrowing for capital purposes, based upon their judgement regarding the affordability, prudence and sustainability of that borrowing. The Chartered Institute of Public Finance and Accountancy (CIPFA) Code for Capital Finance in Local Authorities underpins this capital financing system to support authorities in taking decisions upon capital investment.

The aims of the Code are to assist local authorities to ensure that:

- Capital expenditure plans are affordable;
- All external borrowing is at a prudent and sustainable level;
- Treasury management decisions are taken in accordance with professional good practice;
- The authority is accountable, in taking decisions in relation to the above, by providing a clear and transparent framework; and
- The framework established by the Prudential Code is consistent with and supports local strategic and asset management planning and proper option appraisal.

In exceptional circumstances, the Code framework will demonstrate that there is a danger that the above aims will not be met, and so allow the Authority to take remedial action.

There are two aspects to the funding of capital expenditure. Firstly the treatment of capital financing costs through the Authority's Income and Expenditure Account. These are the capital financing charges which are equivalent to a depreciation provision for the assets purchased. Secondly, the treasury management of the cash flows associated with the capital expenditure and the use of external borrowing to provide the cash for capital expenditure.

CAPITAL FINANCING INDICATORS

The regulatory framework for self-management of capital finance focuses upon capital expenditure plans, external debt and treasury management. The capital financing indicators are designed to support and record decision-making in these three areas. The mandatory indicators are as follows:

Indicators for affordability

- Estimate of the incremental impact of capital investment upon Council tax
- Ratio of financing costs to net revenue stream

Indicators for prudence

- Net borrowing and the capital financing requirement
- Confirmation that treasury management is carried out in accordance with good professional practice
- External debt is within prudent and sustainable limits

Indicators for capital expenditure, external debt and treasury management

- Capital expenditure
- Capital financing requirement
- Authorised limit for external debt
- Operational boundary for external debt
- Actual level of external debt
- Interest rate exposures
- Maturity structure of borrowing

- Total principal sums invested for periods in excess of 364 days

It is intended that the capital financing indicators be considered collectively, to measure the Authority's performance over time. It should be noted that the individual authorities are free to determine their own indicators which form the basis for performance monitoring. The only indicator where there is a statutory obligation not to exceed the internally set limit is the authorised limit for external debt.

The following paragraphs contain the capital financing indicators approved by the Authority for 2016/17 and actual performance against these indicators. They also include the 2017/18 and future years indicators updated in the light of the 2016/17 outturn. A summary of the capital financing indicators for 2017/18 is shown at **Appendix A**.

CAPITAL EXPENDITURE PLANS

The estimates of capital expenditure to be incurred for the current and future years that were approved are summarised below:

	2016/17		2017/18	2018/19	2019/20
	Original Forecast	Outturn	Budget	Estimate	Estimate
	£000s	£000s	£000s	£000s	£000s
Capital Expenditure	7,823	5,369	11,890	9,319	8,281
Financed by					
Provision for Capital Financing	5,944	3,623	4,608	6,144	6,096
(Increase)/Decrease in Cash	1,879	1,746	7,282	3,175	2,185
Total Financing	7,823	5,369	11,890	9,319	8,281

The incremental effects of these plans on our revenue expenditure are shown below:

Incremental effect on revenue of the 2017/18 to 2019/20 capital programmes and borrowing			
	2017/18 £000s	2018/19 £000s	2019/20 £000s
Interest & MRP cost of 2017/18 programme	297	1,070	1,070
Interest & MRP cost of 2018/19 programme	-	233	839
Interest & MRP cost of 2019/20 programme	-	-	207
Incremental revenue cost in each year	297	1,303	2,116

The impact of capital investment on the level of council tax is used for comparative purposes. In practice other budget changes, including the ending of capital financing charges from earlier years investment mean that the incremental revenue cost of the capital budget is managed as a budget pressure, rather than as a driver for council tax increases. The incremental impact on the 2016/17 and 2017/18 council tax on the capital programmes is shown below:

Incremental effect on Council Tax of the 2016/17 & 2017/18 Capital Programme		
	2016/17 £000s	2017/18 £000s
Effect on Council tax	£0.22	£0.48

These figures represent the maximum potential impact, given the assumptions made.

The incremental impact of the proposed capital programme has been determined assuming that the revenue costs of borrowing would be fully met from Council tax. In reality, these costs would be financed from a combination of Revenue Support Grant, non-domestic rates, revenue account savings from earlier investment and Council tax income, though it is not possible to identify the different components.

The estimate of the incremental impact of capital investment decisions proposed in the capital programme report for the three year period beginning 2017/18, over and above capital investment decisions that have previously been taken by the Authority, are:-

Incremental effect on revenue and Council tax of the 2017/18 to 2019/20 programmes			
	2017/18 £000s	2018/19 £000s	2019/20 £000s
Total revenue cost in each year	297	1,303	2,116
Impact on Band D Council tax	£0.48	£2.10	£3.41
Estimated increase in Council tax that year resulting from the three year programme	0.80%	2.59%	2.00%

The full year effect of these programmes in 2018/19 and future years is £2,654k additional revenue payments per year, with a £4.28 impact on the Council tax. This does not include the effect of any new capital projects started in 2018/19 or later. This future revenue charge is considered explicitly when all major capital projects are brought forward for decision, and the funding of the additional revenue burden in both the short and medium term identified.

The freedom for authorities to borrow allows the Authority to set its own borrowing level above the level of Supported Borrowing issued by the Government. However as the Authority has no forecast to borrow for capital purposes in the next three years there is no projected effect on revenue or council tax of unsupported borrowing.

LONGER TERM AFFORDABILITY OF CAPITAL EXPENDITURE

A review of the longer term affordability of capital expenditure is being prepared and will be brought forward for Members information in October 2017 in conjunction with the medium term financial projections.

CAPITAL FINANCING REQUIREMENT

The Capital Financing Requirement (CFR) represents the amount of capital spending that has not yet been financed from capital receipts, capital grants or contributions from the revenue budget. This balance therefore reflects the authority's underlying need to borrow, or finance by other long-term means, for capital purposes. The CFR will be influenced by the capital expenditure in each year.

Other cash flow factors and the management of reserves will determine whether external borrowing is required. This does not reduce the magnitude of the funds held for these long-term purposes, but reflects the adoption of an efficient and effective treasury management strategy.

The Authority has an integrated treasury management strategy and has adopted the CIPFA Code of Practice for Treasury Management in the Public Services. The Authority's treasury management policy statement for 2017/18 is set out later within this report. In day-to-day cash management, no distinction can be made between revenue and capital cash. External borrowing arises as a consequence of all the financial transactions of the authority and not

simply those arising from capital spending. In contrast, the capital financing requirement reflects the authority's underlying need to borrow for capital purposes.

The comparison of the CFR to the original indicators for 2016/17, and the new indicators to be agreed for 2017/18 are shown below:-

Estimate of Capital Financing Requirement				
	31/3/17	31/3/18	31/3/19	31/3/20
	£000	£000	£000	£000
Original estimates	34,556	35,015	33,013	30,021
Updated indicators	39,173	41,278	39,276	36,284

MINIMUM REVENUE PROVISION POLICY STATEMENT

The minimum revenue provision is the amount set aside from revenue expenditure and Council Tax to fund capital expenditure. Until 2008 this was calculated as 4% of the capital financing requirement – meaning that all capital spending was funded over a 25 year period. Under transition arrangements agreed by the Authority in April 2008, this method continued for 2009/10. Since then the approach adopted has been to finance the initial capital cost of assets over their lives using the depreciation method.

NET BORROWING AND THE CAPITAL FINANCING REQUIREMENT

In order that, over the medium term, net borrowing is only undertaken for capital purposes, net external borrowing must not, except in the short term, exceed the total of the capital financing requirement in the previous year, plus the estimates of any additional capital financing requirement for the current and next two financial years. The authority has had no difficulty meeting this requirement in past years and no difficulties are envisaged for the current or future years. This view takes account of the current commitments, existing plans and the proposals contained within the revenue budget and capital programme which appear elsewhere on this agenda.

EXTERNAL DEBT

In respect of its external debt, it is recommended that the Authority approves the following authorised limits for its total external debt gross of investments for the next three financial years, and agrees the continuation of the current year's limit as no amendment is necessary. These limits separately identify borrowing from other long-term liabilities, such as finance leases.

Authorised limit	2017/18	2018/19	2019/20
	£000	£000	£000
Borrowing	40,100	43,300	45,400
Other long-term liabilities	0	0	0
Total	40,100	43,300	45,400

The limits are based upon the estimate of most likely, prudent, but not worst-case scenario, with sufficient headroom for fluctuations in cash balances. Risk analysis and risk management strategies have been taken into account, as have plans for capital expenditure, estimates of the CFR and estimates of cash flow requirements for all purposes.

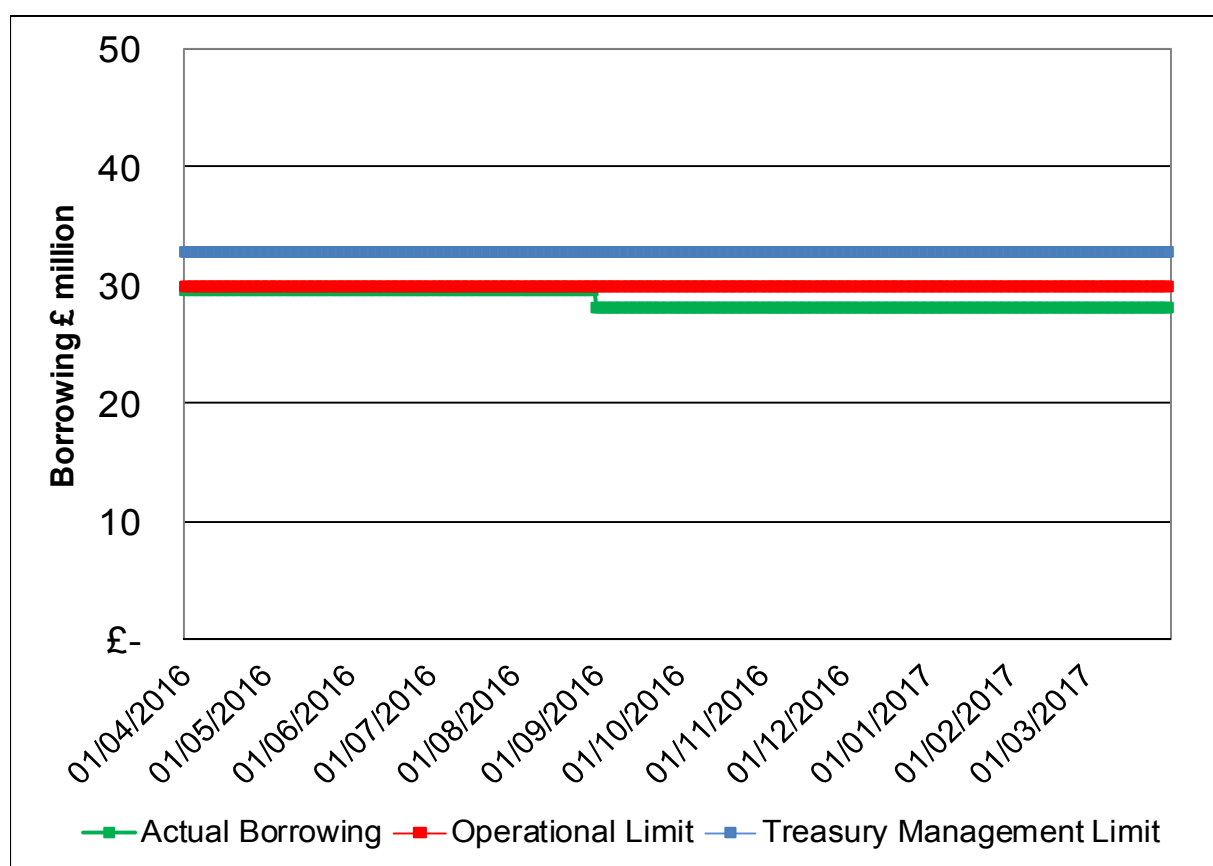
The Authority is also asked to approve the following operational boundary for external debt for the same time period. The proposed operational boundary is based on the same estimates as the authorised limit, but reflects directly the Treasurer's estimate of the most likely, prudent, but not worst case scenario, without the additional headroom included within

the authorised limit to allow for unusual cash flow movements, and equates to the maximum external debt projected by this estimate. The operational boundary represents a key management tool for monitoring by the Treasurer.

Operational Boundary	2017/18 £000	2018/19 £000	2019/20 £000
Borrowing	37,100	40,300	42,400
Other long-term liabilities	0	0	0
Total	37,100	40,300	42,400

The Authority has remained well within the operational limit during 2016/17 as shown in the graph below which outlines the Authority's total external debt compared to the operational and authorised limits. The actual level of borrowing at 31 March 2017 was **£28.0m**.

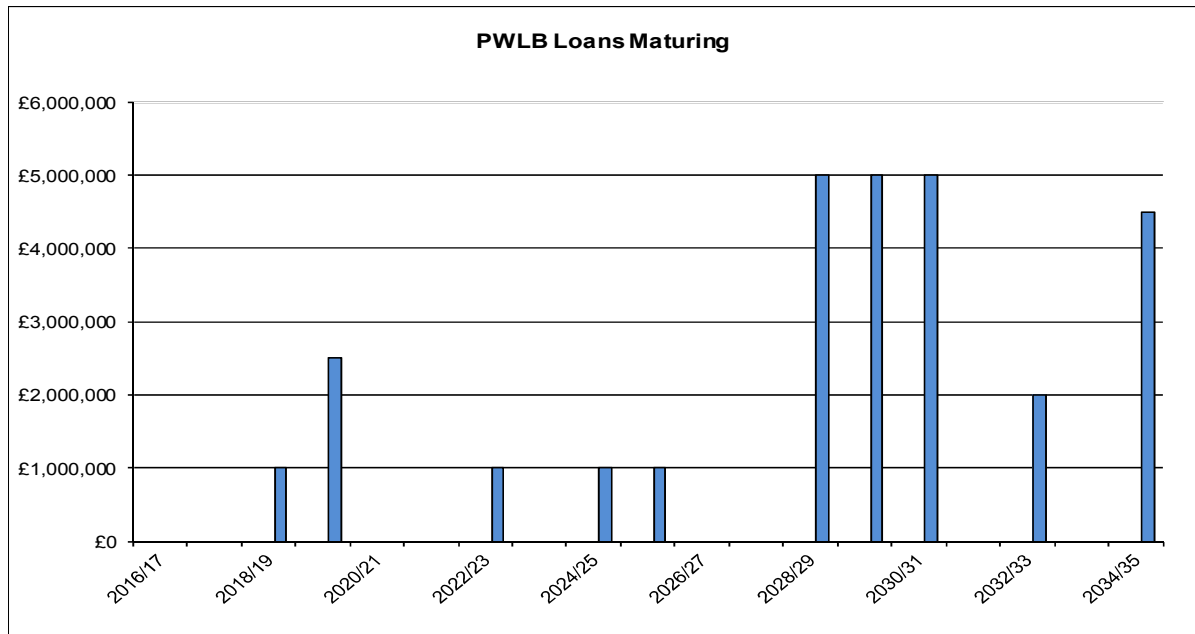
Figure 1 – Borrowing 2016/17



BORROWINGS AND REPAYMENTS

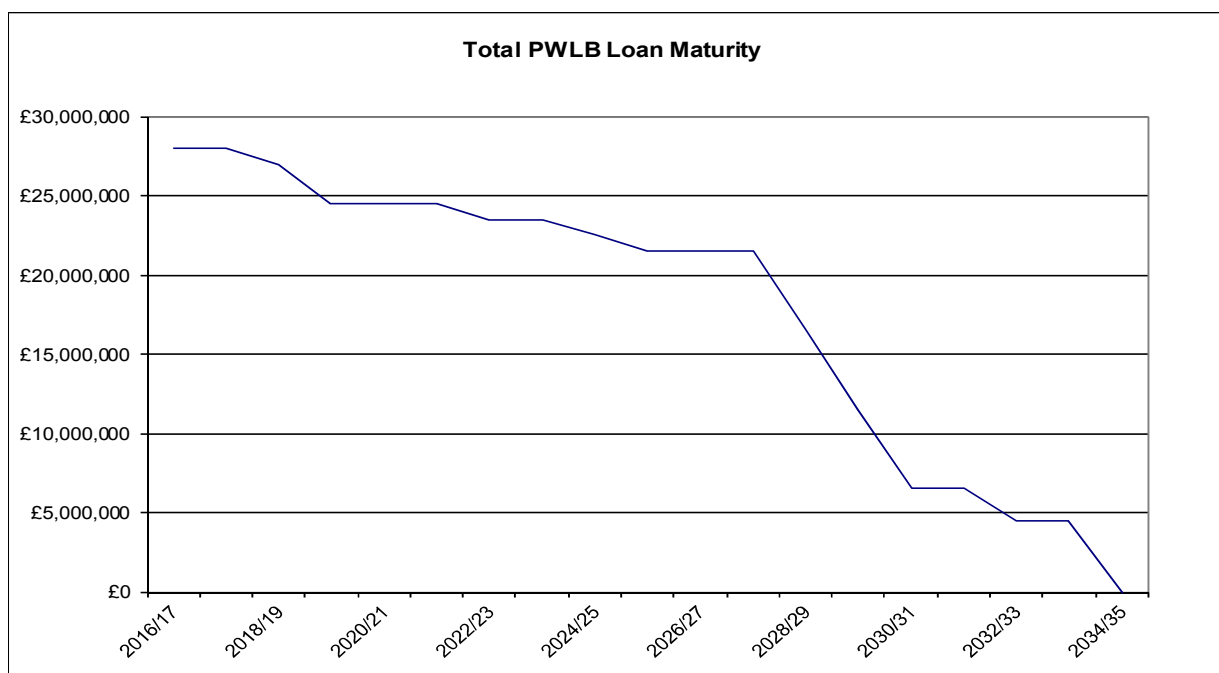
The level of long term debt at 31 March 2017 was **£28.0m**. The first graph below shows the maturity profile of all outstanding PWLB loans, and the second the cumulative profile.

Figure 2 – Repayment Profile



The longest dated loan is one of £4.5m that runs until December 2034.

Figure 3 – Debt Profile



MATURITY STRUCTURE OF BORROWING

The Authority sets upper and lower limits for the maturity structure of its borrowings. The limits are calculated as the projected amount of fixed borrowing that is maturing in each period, as a percentage of the total projected borrowing that is fixed rate.

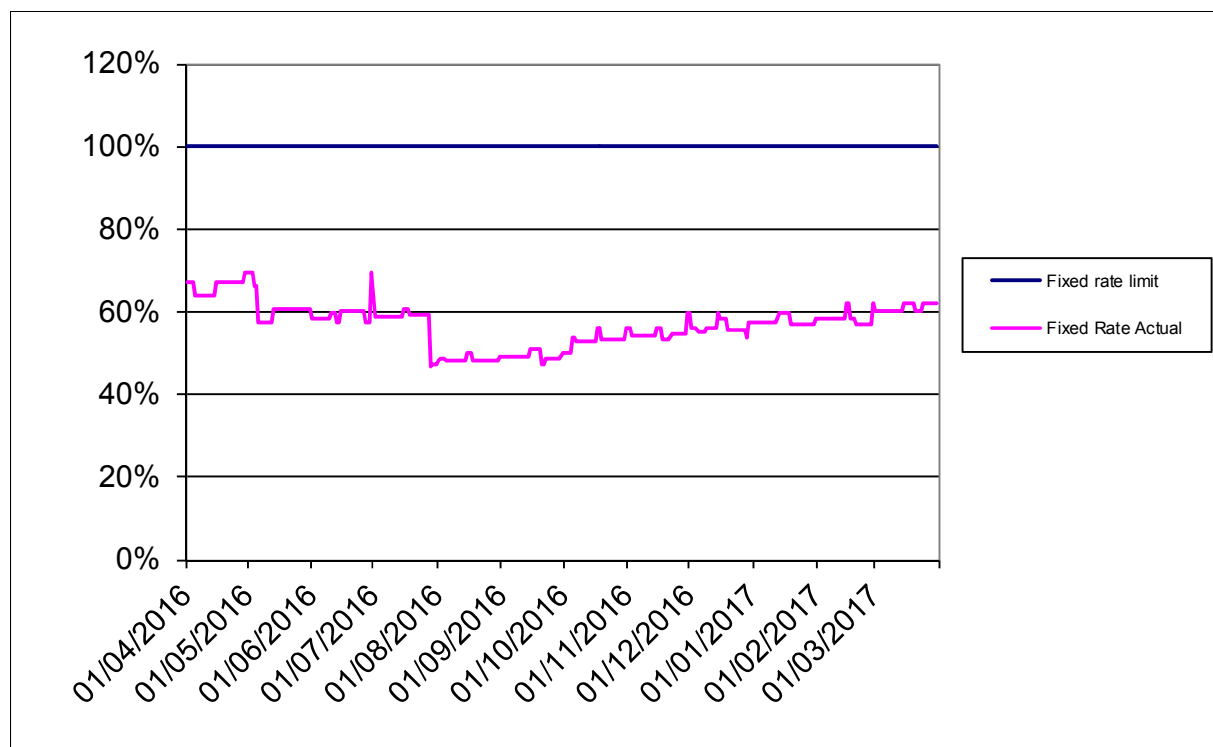
Maturity profile upper limits						
Period	2017/18		2018/19		2019/20	
	Lower Limit %	Upper Limit %	Lower Limit %	Upper Limit %	Lower Limit %	Upper Limit %
under 12 months	0	0	0	8	0	21
12 to 24 months	0	8	0	23	0	0
24 months to 5 years	0	23	0	8	0	9
5 to 10 years	0	23	0	16	0	60
10 years and over	0	100	0	100	0	100

The Authority has not exceeded the maturity profile upper limit in 2016/17.

INTEREST RATE EXPOSURE

The measure of interest rate exposure includes both funds that are borrowed and those that are invested. At present all of the authority's borrowings are at fixed interest rates for the period of their term, limiting exposure to the interest rates on new borrowing. Interest on cash deposits is generally at a variable rate, although some medium terms (3 months to one year) lending opportunities may be used. The chart below shows the overall exposure to variable interest rates during 2016/17.

Figure 4 – Interest Rate Exposure



RISK MANAGEMENT IMPLICATIONS

The purpose of this report is to set out the risks and the approach to risk in the financing of capital expenditure.

LEGAL IMPLICATIONS

The Capital Financing Code places significant responsibilities upon the Treasurer. Through the Code the Treasurer must ensure that all relevant matters with regard to setting or revising these indicators are reported to Members. The Treasurer is also responsible for establishing procedures for monitoring performance against the prudential indicators.

It is for the Authority, to make the judgement between the constraints of affordability and the demands of services for capital investment. The advice of the Treasurer is, however, important as the Code has to be considered in conjunction with the specific duties placed upon the Treasurer, by section 114 of the 1988 Act, for proper financial administration.

FINANCIAL IMPLICATIONS

The financial implications are set out in the report.

USE OF RESOURCES

There are two implications for the Authority regarding the use of resources and value for money implications of the approach to funding capital expenditure. Firstly, there is the balance between utilising cash surplus generated by the Authority and held as Reserves, and external borrowing. The Authority's approach to the retention of reserves is considered as part of the budget setting process. The intention is to provide funds to enable significant fluctuations in expenditure within a budget year to be absorbed, whilst maintaining on-going expenditure funded by government grants and council tax.

The cash generated as reserves is used to reduce borrowings, should the reserves be needed to fund expenditure, the borrowings of the authority will increase.

The second implication is in the choice of lender. The lender of choice for the Authority is the Public Works Loan Board.

EQUALITY IMPLICATIONS

There are no Equality Implications arising from this report.

ENVIRONMENTAL IMPLICATIONS

There are no Environmental Implications associated within this report.

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985	
List of background documents	
Proper Officer:	Finance Director & Treasurer
Contact Officer:	Mike Clayton, Essex County Fire & Rescue Service, Kelvedon Park, London Road, Kelvedon CM8 3HB. 01376 576000 E-mail: mike.clayton@essex-fire.gov.uk

Treasury Management Indicators		2015/16 Actual	2016/17 Original	2016/17 Outturn	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate
Indicators for Affordability							
Ratio of financing costs to net revenue streams %		6.97%	6.83%	6.83%	8.33%	10.53%	10.46%
Indicators for Prudence							
Net borrowing and capital financing requirement		<i>It is not envisaged that net borrowing will exceed the Capital Financing Requirement over this period.</i>					
Confirmation of treasury management good practice		<i>Treasury management will be carried out in accordance with approved policies and practices.</i>					
External debt within prudent and sustainable limits		<i>Prudential indicators for external debt take account of their affordability.</i>					
Indicators for capital expenditure							
Capital expenditure	£000	6,665	7,823	5,369	11,890	9,319	8,281
Capital financing requirement	£000	30,580	34,556	39,173	41,278	39,276	36,284
Indicators for external debt							
Actual external debt	£000	29,500	28,000	28,000	N/A	N/A	N/A
Authorised limit	£000	42,600	36,500	32,800	40,100	43,300	45,400
Operational boundary	£000	39,600	33,500	29,800	37,100	40,300	42,400
Interest rate exposures							
Upper limit - fixed rates	%	100	100	100	100	100	100
Upper limit - variable rates	%	80	80	80	80	80	80
Maturity structure of borrowing (upper limit)							
Under 12 months	%	13	-	-	8	21	N/A
12 months and within 24 months	%	-	7	8	23	-	N/A
24 months and within 5 years	%	26	20	23	8	9	N/A
5 years and within 10 years	%	20	20	23	16	60	N/A
10 years and above	%	100	100	100	100	100	N/A
Total sum invested for more than 364 days	£000	-	-	-	-	-	-

ESSEX FIRE AUTHORITY

Essex County Fire & Rescue Service



MEETING

**Audit, Governance &
Review Committee**

AGENDA ITEM

10

MEETING DATE

12 July 2017

REPORT NUMBER

EFA/092/17

SUBJECT

General Data Protection Regulation – May 2018

REPORT BY

The Finance Director & Treasurer, Mike Clayton

PRESENTED BY

The Finance Director & Treasurer, Mike Clayton

SUMMARY

This paper provides information to Members on the preparations for the introduction of the General Data Protection Regulations in May 2018. It brings forward a review of the Authority's position as at April 2017 and the action plan needed to ensure compliance with the new regulations next year.

RECOMMENDATION

Members of the Committee are asked to note the contents of the report.

BACKGROUND

Earlier this year the Authority commissioned the Information Governance Support team at Essex County Council to undertake a review of the Authority's preparedness for the new regulations concerning information governance that will be live from May 2018. It was decided to conduct the review before any specific work was undertaken within the Authority and to use the report to provide an action plan for the next few months. The full report and the agreed actions are attached as an Appendix to this report.

RISK MANAGEMENT IMPLICATIONS

Audit reports form part of the risk management arrangements for the authority. Progress on the implementation of agreed recommendations is also reported to the Committee.

LEGAL, FINANCIAL, ENVIRONMENTAL AND EQUALITY IMPLICATIONS

There are no relevant implications from this report.

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985	
List of appendices attached to this paper:	
Report by Lauri Almond, Information Governance Support, Essex CC	
Proper Officer:	Mike Clayton
Contact Officer:	The Finance Director and Treasurer Essex County Fire & Rescue Service, Kelvedon Park, London Road, Rivenhall, Witham CM8 3HB Tel: 01376 576000 mike.clayton@essex-fire.gov.uk :

Essex County Council

PO Box 11,

County Hall,
Chelmsford,
Essex
CM1 1QH

Our Ref: Information
GovernanceS201704/01

Your Ref: ECC/Essex Fire
Authority01-17

Date 28/4/2017

Dear Tracy

**Information Governance Support Information Governance Audit Report and
Recommendations: Executive Summary**

We attended ECFRS HQ on the 12th and 13th of April 2017 and conducted 16 interviews with members of staff identified by the Performance & Data Manager.

We had received a pre-audit proforma from the Authority prior to the audit and an initial review of documentation was undertaken to inform activities onsite. This also highlighted issues already of concern to the Authority which are a focus for this report.

The audit highlighted the following key areas of non-compliance, and further below we provide highlights of those areas with the detailed findings for each area presented in the full audit report with recommendations on how compliance can be improved.

We have provided recommendations on compliance with the current Data Protection Act (1998), and in blue text we have further provided recommendations for complying with the General Data Protection Regulations (2016).

Whilst the outcome of the audit is 'No Assurance' it should be recognised that the staff interviewed demonstrated a clear drive to improve information governance within their own areas but appeared to lack the organisational framework, tools and resources to effect change.

Main Audit Findings:

Governance Framework

There was no evidence of a clear framework to support information governance within the Authority. This is a key building block for ensuring appropriate action resource and support is provided for compliance with information legislation.

Reporting

There is a lack of reporting to Service Leadership Team on areas of information governance compliance which means there is insufficient understanding of the current risk position to inform an effective strategy. Information risk is not therefore appropriately managed in line with the organisational risk appetite.

Security Incidents

There is no clear process or facility for effective centralised logging of security incidents. The Senior Information Risk Owner provided a copy of a Security Incident Policy during our interview however no other staff interviewed were aware of the policy. If there is no robust logging and analysing of security incidents and alignment to any relevant information risk it is difficult for the Authority to evidence effective management of risk to the regulator.

Records Management

There was no evidence of a corporate approach ensure information is being recorded and managed according to a consistent and compliant set of standards. Starters with the Authority are not given adequate training on this expectation and processes for record keeping are learned 'on the job' without written processes and each team will have created its own practices independent of a central requirement.

Training

Whilst there is good focus on operational training, this does not extend to information governance. There is a blend of eLearning and some face-to-face training but there is no evidence of a corporate strategy/ policy or procedures with regard to managing completion of training.

Key staff processing statutory requests appear to lack any appropriate training to enable them to carry out their roles effectively in meeting compliance

Risk Management

There was no evidence provided of a risk management framework. As Service Leadership Team receives limited reporting on information governance activities, the associated risks cannot be properly managed. There is limited access to the risk management tool (software from JC Applications Development) and risks do not seem to be appropriately defined. We were advised that information risk was categorised as being 'reputational damage', however this is an impact rather than a risk.

Please review the report in full and provide your comments back to us by Friday 12th May or advise of any extension required in order to complete your review. If you would like to informally discuss these findings, please contact us to arrange a discussion.

Once we have your response we will provide you with a final report within 2 weeks

Our engagement is inclusive of template provision to support compliance and these will be made available once this report has been finalised and agreed.

Thank you for the opportunity to assist you in reviewing your current information governance compliance level. We hope the issues and recommendations provided can be used to improve information governance within the Authority. We are able to offer further support if required for example training and consultancy tailored to meet your identified needs. If you would like to discuss any further needs that we may be to assist you with, please contact us at informationgovernancesupport@essex.gov.uk






Information Governance Audit Report

1. Summary

Organisation:	Essex County Fire & Rescue Service	Overall Opinion			Number of Governance Framework issues identified		Number of Privacy by Design issues identified		Number of Recommendations	
Audit Sponsor:	Tracey King	No Assurance			4	Critical	1	Critical		Made
Distribution List:	Tracey King, Mike Clayton, Shirley Jarlett	Direction of Travel			5	Major	3	Major	124	tbc
Final Report Issued:	[Date]	No previous audit			0	Moderate	4	Moderate		N/A Rejected
Date of last review:	N/A				1	Low	0	Low		Major N/A
Scope of the Review and Limitations:	This audit assessed the level of compliance of the organisation with the requirements of relevant applicable statutory provisions of legislation governing the management of and access to data; namely the Data Protection Act 1998 (superseded by the General Data Protection Regulations 2016), the Freedom of Information Act 2000, the Environmental Information Regulations 2004 and the Privacy of Electronic Communications Regulations 2003.									
Critical and Major Findings and Recommendations <ul style="list-style-type: none">Governance FrameworkReportingSecurity IncidentsRecords ManagementTrainingRisk Management		Governance Framework					Each risk area for this review is shown as a segment The key to the colours on the wheel is as follows: <div><div></div>Critical priority Control Design or Control Operating in Practice issues identified</div> <div><div></div>Major priority Control Design or Control Operating in Practice issues identified</div> <div><div></div>Moderate priority Control Design or Control Operating in Practice issues identified</div> <div><div></div>No / Minor Control Design or Control Operating in Practice Issues identified</div>			
		<div><div>Roles</div><div>Policy</div><div>Report</div><div>Notify</div><div>Assets</div><div>ROPA</div><div>Training</div><div>Records</div><div>Risk</div><div>Commercial</div></div>								
		Privacy By Design								
		<div><div>Requests</div><div>Incidents</div><div>Assessments</div><div>Notices</div><div>Consent</div><div>Photo/Video</div><div>CCTV</div><div>Security</div></div>								





Auditor: Lauri Almond/ David Humphreys Fieldwork Completed: 13/4/2017 Draft Report Issued: 28/4/2017 Management Comments Expected: 12/5/2017 Management Comments Received: [Date] Final Report: [Date]	Releasing Audit Reports: Draft and final reports are retained by Essex County Council for 6 years and only distributed outside the Council's Information Governance Team to the named individuals on the distribution list above. Approval for distributing this report wider should be sought from the relevant Audit sponsor. Care must be taken to protect the control issues identified in this report. Risk Management: The management of the following risks has been reviewed in this audit. Where appropriate, the Audit Sponsor is responsible for adding new risks identified to the organisation's risk register.
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Risks Reviewed

Risk Ref:	Risk:	Risk already identified?	Impact:	Likelihood:	Risk Rating:	Risk managed
01	Immature information governance cannot effectively evidence current practices to the regulator <ul style="list-style-type: none"> Regulator would interpret as systemic failing and would increase likelihood of high monetary penalty in the event of scrutiny 	No	Critical (4)	Major (3)	Critical	
02	Authority data is lost/ processed in a non-compliant manner due to gaps in policy and processes <ul style="list-style-type: none"> Deriving from vulnerabilities in mover/ leaver processes, Authority device management and access from personal devices 	No	Major (3)	Major (3)	Major	
03	Breach of Information Governance policies due to lack of awareness, communication and training <ul style="list-style-type: none"> Where employee education needs are not effectively analysed and met, practice will not be compliant with policy 	No	Major (3)	Major (3)	Major	
04	Authority data is shared inappropriately/ illegally due to insufficient understanding of legislation <ul style="list-style-type: none"> Deriving from insufficient knowledge of legislation to develop effective sharing process which provide employees with confidence in disclosing data through legitimised routes 	No	Major (3)	Moderate (2)	Moderate	
05	Suppliers breach information legislation through lack of contractual controls <ul style="list-style-type: none"> Deriving from lack of clarity on compliance expectations in contracts and agreements and ineffective controls over third party access 	No	Major (3)	Moderate (2)	Moderate	


All issues identified above carry the risk of monetary penalties and/ or publication of failings by the regulator, with the strong likelihood of loss of confidence from the public and partner organisations in providing and sharing data; which will have implications for the Authority's ability to successfully deliver services.

2. Basis of our opinion and assurance statement

Risk rating	Assessment rationale
 Critical	<p>Major financial loss – Large increase on project budget/cost: (Greater of £1.0M of the total Budget or more than 15 to 30% of the organisational budget). Statutory intervention triggered. Impacts the whole Organisation. Cessation of core activities. Strategies not consistent with government's agenda, trends show service is degraded.</p> <p>Failure of major projects – Senior Managers/ Governing bodies are required to intervene. Intense political and media scrutiny i.e. front-page headlines, TV. Possible criminal, or high profile, civil action against the organisation and its employees.</p> <p>Life threatening or multiple serious injuries or prolonged work place stress. Severe impact on morale & service performance. Strike actions etc.</p>
 Major	<p>High financial loss – Significant increase on project budget/cost: (Greater of £0.5M of the total Budget or more than 6 to 15% of the organisational budget). Service budgets exceeded.</p> <p>Significant disruption of core activities. Key targets missed, some services compromised. Management action required to overcome medium term difficulties.</p> <p>Scrutiny required by external agencies, Audit Commission etc. Unfavourable external media coverage. Noticeable impact on public opinion.</p> <p>Serious injuries or stressful experience requiring medical treatment, many workdays lost. Major impact on morale & performance of more than 50 staff.</p>
 Moderate	<p>Medium financial loss – Small increase on project budget/cost: (Greater of £0.3M of the total Budget or more than 3 to 6% of the organisational budget). Handled within the team.</p> <p>Significant short-term disruption of non-core activities. Standing Orders occasionally not complied with, or services do not fully meet needs. Service action will be required.</p> <p>Scrutiny required by internal board to prevent escalation. Probable limited unfavourable media coverage.</p> <p>Injuries or stress level requiring some medical treatment, potentially some workdays lost. Some impact on morale & performance of up to 50 staff.</p>
 Low	<p>Minimal financial loss – Minimal effect on project budget/cost: (< 3% Negligible effect on total Budget or <1% of organisational budget)</p> <p>Minor errors in systems/operations or processes requiring action or minor delay without impact on overall schedule. Handled within normal day-to-day routines.</p> <p>Internal review, unlikely to have impact on the corporate image.</p> <p>Minor injuries or stress with no workdays lost or minimal medical treatment. No impact on staff morale.</p>
Level of assurance	Description
Good	Good assurance – there is a sound system of internal control designed to achieve the objectives of the system/process and manage the risks to achieving those objectives. Recommendations will normally only be of Low risk rating. Any Moderate recommendations would need to be mitigated by significant strengths elsewhere.
Adequate	Adequate assurance – whilst there is basically a sound system of control, there are some areas of weakness, which may put the system/process objectives at risk. There are Moderate recommendations indicating weaknesses but these do not undermine the system's overall integrity. Any Critical recommendation will prevent this assessment, and any Major recommendations relating to part of the system would need to be mitigated by significant strengths elsewhere.
Limited	Limited assurance – there are significant weaknesses in key areas in the systems of control, which put the system/process objectives at risk. There are Major recommendations or a number of moderate recommendations indicating significant failings. Any Critical recommendations relating to part of the system would need to be mitigated by significant strengths elsewhere.
No	No assurance – internal controls are generally weak leaving the system/process open to significant error or abuse or reputational damage. There are Critical recommendations indicating major failings


Auditors' Responsibilities It is management's responsibility to develop and maintain sound systems of risk management, internal control and governance and for the prevention and detection of irregularities and fraud. Audit work should not be seen as a substitute for management's responsibilities for the design and operation of these systems. We shall endeavour to plan our work so that we have a reasonable expectation of detecting significant control weaknesses. However, Audit procedures alone, even when carried out with due professional care, do not guarantee that non-compliance will be detected. Accordingly, our examinations as auditors should not be relied upon solely to disclose non –compliant practices, unless we are requested to carry out a special investigation for such activities in a particular area.

3. Recommendations

Matters Arising	Recommendations	Priority & Risk	Management Response and Agreed Actions
3.1. Governance Framework			
a) Roles & Responsibilities			
<p>1. No Information Governance Framework is in place. An effective framework provides for effective reporting to strategic leaders with clear roles and accountability. This informs strategy for risk tolerance, policy and training whose effectiveness is reflected in the reporting. The current lack of a framework results in no visibility of risks by the leadership, decision makers or data handlers</p> <p>2. Role holders have not received formal training for their role</p> <p>3. Job Descriptions do not specify the responsibilities aligned to Information Governance roles, e.g. Senior Information Risk Owner's job description for substantive role does not reference the Senior Information Risk Owner role</p> <p>4. No clear terms of reference for group or board role in the information governance framework</p> <p>5. No appointment made to the Data Protection Officer role (a statutory role under the General Data Protection Regulation)</p>	<p>1.1. An Information Governance Framework is required to ensure that roles and responsibilities are defined, and all staff have clarity on how to handle and escalate information risks</p> <p>1.2. Ensure clear routes to Service Leadership Team for raising information related concerns – Senior Information Risk Owner Senior Information Risk Owner responsibilities should be incorporated into the relevant officer's job description</p> <p>2.1. Senior Information Risk Owner role training and annual refresher training</p> <p>2.2. Ensure staff with responsibility for information management and compliance are appropriately trained and experienced</p> <p>4. Job descriptions to be updated to fully capture responsibilities of Information Governance additional roles</p> <p>5.1. Establish a Terms of Reference for the Service Leadership Team Information Governance sub group to support this work</p> <p>5.2. Amend terms of reference for existing</p>	 Critical	Agreed: Mike Clayton
		Link to Risk(s): 1	Action to be taken: Information Governance Framework to be drawn up, FD&T Job Description to be amended to reflect SIRO responsibilities, and longer term placing of the role to be agreed. Information Asset Owners in each department to be identified and a development plan for them put in place. Information Asset Owners to have Job Descriptions amended to reflect role.
			Additional Resources Required for implementation: Use of external specialist to help develop information asset owners.


	groups to incorporate their role within the Information Governance framework		Responsible Officer: Mike Clayton FD&T
	6. General Data Protection Regulation Data Protection Officer must be assigned with full account taken of the statutory requirements as regards knowledge, skills and conflicts of interest (e.g. there is a clear conflict if the role is assigned to a person with strategy-setting focus)...		Target Date: 31 December 2017

b) Policy

<ol style="list-style-type: none"> 1. Policies are presented in a variety of formats with little corporate consistency. Focus is on expressing detail and not on ease of consumption for staff. Inaccessible policy messages result in lack of understanding and unwillingness to commit to engaging with the documents. 2. Information Policies do not all sit with the team with information management responsibilities, they are shared out with other teams, e.g. Human Resources, Health & Safety etc which results in policy reviews not capturing the necessary input from specialists. This results in policies not covering all points required to achieve compliance with the legislation. 3. There is no corporate record of policy changes to support policy reviews and to understand changes over time to support breach investigations. This means the Authority will find difficulty in pinpointing when policy changed and will struggle to police breaches effectively over time. 	<ol style="list-style-type: none"> 1. Move to the 'Policy on a Page' model (template supplied) to ensure your policies are easy for your staff to understand and consume; and conform to a corporate template 2. All information management focussed policies to be owned and managed by the Performance and Data Team 3. A policy review log should be initiated, capturing version changes, and providing the opportunity to collate issues/resolutions ahead of the policy review 4. Create and implement a defined process to identify gaps in policy, draft changes and review. This to include clear approval routes 5. Ensure the organisation drafts and approves policies in the following areas: <ul style="list-style-type: none"> • Data Protection • Freedom of 	 Major	Agreed: Tracy King
		Link to Risk(s): 2,3	Action to be taken: All policies to be reviewed, amended and aligned to corporate policy template through policy review processes. Policies to be held in JCAD as controls for specific risks. Following Information Policies to be agreed: • Data Protection Freedom of Information/Environmental Information Regulation; Consent; Privacy Notices; Records Management; Communications; Social Media; Security Incident


<p>4. There is no clear corporate approach to creating and amending policy.</p> <p>5. A number of key policies are currently in draft form. These are not new versions of existing policies, but are designed to fill policy 'gaps'. There is therefore currently no policy control in those areas to provide to a regulator or the public to provide assurance</p>	<p>Information/Environmental Information Regulation</p> <ul style="list-style-type: none"> • Consent • Privacy Notices • Records Management • Communications • Social Media • Security Incident Handling • Privacy Impact Assessment • Information Asset Management • Electronic Imaging (Video/Drones/Body Worn Cameras) 		Handling; Privacy Impact Assessment; Information Asset Management; Electronic Imaging (Video/Drones/Body Worn Cameras).
			Additional Resources Required for implementation: 3-Days per week planned for in Performance and Data Structure for 2017/18
			Responsible Officer: Tracy King AD Performance
			Target Date: 31 December 2017

c) Reporting

<p>1. There are some areas of the business who do routinely report into Service Leadership Team regarding compliance issues, e.g. Safeguarding & Health & Safety. There was no evidence of regular reporting to Service Leadership Team or Senior Information Risk Owner on compliance regimes, e.g. Freedom of Information/Environmental Information Regulations compliance, Subject Access Requests compliance, information risk management and Security Incidents. The lack of visibility this leads to for Service Leadership Team does not allow them to fully appreciate the information risks, or form effective plans to</p>	<p>1. Incorporate reporting on the following areas into the Organisation Performance report, at a minimum containing statistical representation of performance across the following regimes:</p> <ul style="list-style-type: none"> • Freedom of Information/Environmental Information Regulations compliance • Subject Access Requests compliance • Information Security • Security Incidents • Complaints 	 <p>Critical</p>	Agreed: Tracy King
			Link to Risk(s): 1,3
			Action to be taken: Quarterly reporting to include data on information related requests, and information security. Targets to be agreed for reporting metrics. Quarterly and Annual report to Service Leadership Team.
			Additional Resources


<p>mitigate.</p> <p>2. The organisation does not set expectations around performance in order to demonstrate Information Governance compliance. Information Governance staff therefore do not have strategic goals to work towards and wider staff whose cooperation the Information Governance staff rely on to meet compliance are not made aware of corporate expectation</p> <p>3. In the event of an information security incident the regulator (Information Commissioner's Office) may require you to produce compliance figures and your risk and strategic approach in order to inform their decision making process. At present, the organisation could produce some data on demand, but there is low confidence in its inaccuracy, would present an accurate picture and would not provide assurance of well monitored activity and a strategic approach</p>	<ul style="list-style-type: none"> Records Management Information risk management <p>2. Service Leadership Team to set Service Level Agreements for reporting activities to drive performance and to enable summarised reports to focus on areas of activity falling outside of the risk acceptance range</p> <p>3. Introduce an annual report to Senior Information Risk Owner in all information risks and assets in order to support annual improvement plans within the strategic objective setting cycle</p>		Required for implementation: Requirement for additional resources not known at this time.
			Responsible Officer: [Tracy King AD Performance
			Target Date: 31 December 2017

d) Notifying


<p>1. Currently notified to the Information Commissioners Office. Performance and Data service's awareness of the requirement has resulted in timely compliance and there is awareness that the current notification is due to expire</p>	<p>1. Due for renewal in June 2017, however be aware that notification arrangements will change under the General Data Protection Regulation so monitor messages sent out by the ICO to ensure compliance in this area.</p>	 Low	Agreed: Tracy King
		Link to Risk(s): -	Action to be taken: Registration to be reviewed with Information Asset Owners and as and when ICO guidance changes.
			Additional Resources Required for implementation: None

			Responsible Officer Tracy King AD Performance
			Target Date: 31 December 2017

e) Asset Registers


<p>1. There is no evidence of an information asset register. The lack of such a register creates risks for effective information management.</p> <p>2. As there is no asset register it follows that there are no recorded or assigned asset owners or managers who can manage any related risks to those assets, and there is no process to maintain a register.</p>	<p>1. Compile Information Asset Register</p> <p>2.1. Assign Information Asset Owners and Managers</p> <p>2.2. Ensure training is given to IAO/Ms</p> <p>2.3. Ensure regular reporting to IAO/Ms to verify accuracy of their asset entries in the register</p> <p>2.4. Ensure regular review process to ensure the register remains accurate</p>		Agreed: Tracy King
		Critical	
		Link to Risk(s): 1	Action to be taken: Departmental Asset Owners to be identified. Work with them to identify information held and compile information asset register. Information Asset Owners to receive development in their role
			Additional Resources Required for implementation: External support for development
			Responsible Officer: Tracy King AD Performance
			Target Date: 31 December 2017

f) Records of Processing Activity

1. No current records meeting the evidential requirements of the General Data Protection	1.1 Review existing regulator guidance and the detail in the General Data Protection Regulation. Further		Agreed: Tracy King
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Regulation	<p>guidance will be issued by the regulator in due course</p> <p>1.2 Compile Information asset register,</p> <p>1.3 Complete data flow mapping across all areas of the business and then combine with other General Data Protection Regulation Article 30 requirements (e.g. legal basis, categories of data, recipients and subjects).</p> <p>1.4 Ensure all data flows link through to the PIA, privacy notice and any supporting contract or information sharing protocols.</p>	Major	
		Link to Risk(s): 1,4	Action to be taken: Methodology for managing information to be determined and workshops held with information assets owners to ensure a consistent approach across every department.
			Additional Resources Required for implementation: Departments to be supported in the development of their information asset owners and managers. Temporary Business Analyst required to assist departments with Data Flow Mapping.
			Responsible Officer Tracy King AD Performance Target Date: 31 December 2017

g) Training

<p>1. There is no consistent policy or strategy governing all training across all elements of information governance.</p> <p>2. There is a 3-month probation process for all new staff to complete relevant training before their induction can be passed, but this is not monitored/enforced and contains little reference to</p>	<p>1.1. A clear corporate strategy, policy and guidance is required and compliance must be monitored and documented.</p> <p>1.2. Security incidents analysis and areas of concern from the Senior Information Risk Owner's report should inform areas for greater focus when planning</p>	 Major	Agreed: Claire Budgen
		Link to Risk(s):	Action to be taken: Existing corporate training on information governance to be

<p>Information Governance matters. Consequently staff begin work with no formal expectations set on data management and confidentiality and rely on verbal undocumented process training on the job.</p> <p>3. There is no central system which can report on the successful completion of required learning across all staff and courses. The eTask system can report but is limited to training for operational staff which does not include Information Governance training. For some learning e.g. Data Protection, staff were asked to verify completion by email as proof an individual has completed the training. There was no test of the learning and some interviewees questioned its value. It was noted that an eLearning platform procurement business case is near completion.</p> <p>4. There is insufficient profiling and identification of role-specific training needs where key roles require more detailed or role-specific Information Governance training.</p> <p>5. No standard reporting to Service Leadership Team, except for operational training via eTask</p>	<p>training strategy</p> <p>3.1. Information provided at Induction needs to be reviewed and updated to reflect corporate standards and the requirements of GDPR</p> <p>3.2. Progress procurement and implementation of an eLearning platform capable of compiling statistics/ KPIs required</p> <p>3.3. Annual training on data protection is required for all staff as part of assurance evidence</p> <p>3.4. There are no consistent mechanisms in place to capture effectiveness of awareness raising</p> <p>4. Enhanced training is necessary for those staff with information management responsibilities. Such roles to be identified and matched to training needs with appropriate content then developed. Needs to be reviewed annually.</p> <p>5. Service Leadership Team to be provided with quality training completion data as part of the recommended reporting process</p>	3	strengthened. Departmental managers to be supported in identifying training and development needs for information asset owners and managers. Role of information governance in induction process to be reviewed.
			Additional Resources Required for implementation: External training spend on trainers.
			Responsible Officer: Claire Budgen, Head of Learning and Development
			Target Date: 31 December 2017

h) Records Management

<p>1. Unnecessary retention of records has been highlighted in recent internal and external audit reports and a high level retention policy has been produced to assist staff in managing review decisions. Holding onto data past retention periods adds to workload for Freedom of Information/Subject Access Requests etc</p>	<p>1. Review retention schedule to provide more detailed breakdown of record types and corresponding retention periods, highlighting any legal basis for the periods adopted as policy</p> <p>2. A Records Management policy should be introduced which clearly defines</p>	 Major	Agreed: Roy Carter
		Link to Risk(s):	Action to be taken: Existing records management policy to be reviewed in the light of the


<p>Some staff interviewed were aware of a retention policy but not of supporting processes of recording disposition decisions. There was no clear understanding of who was authorised to approve deletion.</p> <p>Retention practice for Personal Record Files does not make provision for extended retention periods for staff in roles which require DBS checks</p> <p>2. There is no standard guidance to Asset Owners, Asset Managers or staff at any level on the Service's expectations of quality data recording, where and how records should be managed. Each department has been free to develop practices independently.</p> <p>3. There is no clear policy statement regarding the use of personal drives for storing business data, and no analysis of the amount of data held in these locations despite capacity issues and generous storage allowances</p> <p>4. Anecdotal evidence that operational environments retain duplicated paper and electronic data after being supplied to support teams for storing as definitive records. Practices with such records are not known and not documented</p> <p>5. Although there is a facility at HQ for secure paper document disposal, there is no policy statement enforcing use. Staff have no guidance on what data should be disposed of using this process.</p> <p>6. Staff interviewed could not all verify that the systems they owned had either the functionality to delete records or whether this was being actively used in a documented managed process</p>	<p>ownership of information assets and the responsibilities of all staff to create and maintain quality information in a manner which supports business continuity and ease of access to those with the appropriate rights</p> <p>3. Policy to make clear how destruction decisions need to be approved and documented.</p> <p>4. Policy to make clear how personal drives can be used and to review storage allowance, regularly reporting on usage statistics to monitor policy compliance</p> <p>5. Policy to provide clear guidance on how records should be managed in operational areas after transfer of copies of data to support teams</p> <p>6. Review the deletion capability of all systems which hold personal data and document the functionality and supporting processes to utilise this in retrospective privacy impact assessments. Ensure future new or upgraded systems have this capability.</p>	2	identification of information assets.
			Additional Resources Required for implementation None
			Responsible Officer: Roy Carter, Service Solicitor
			Target Date: 31 December 2017

i) Risk Management

<p>1 ECFRS use J C Applications Development (JCAD) to record their organisational risks, however we were advised that only the H&S Manager has access to JCAD. There appears to be a lack of visibility for SLT of organisational risks</p> <p>2 In interview the Senior Information advised that risks are recorded as either reputational or financial risks, however these terms are 'impacts' as opposed to 'risks', so more depth, accuracy and clarity is needed when recording risks</p>	<p>1 Risk needs to be clearly understood by staff in order that management and senior leaders are able to manage those risks, tolerating or treating according to the organisations risk appetite</p> <p>1.3. Ensure there is a clear risk framework, and staff are aware of the roles and responsibilities assigned under the framework</p> <p>1.4. Ensure adequate risk management training is provided to key staff</p> <p>1.5. Consider including information asset owners/managers as part of your risk framework</p>	<div data-bbox="1563 229 1621 293"></div> <p>Critical</p> <p>Link to Risk(s): 1</p>	<p>Agreed: Charles Thomas</p> <p>Action to be taken: Essex Fire Authority use software from JC Applications Development to record their organisational risks. All Senior Leadership Team members, and other managers not on the Senior Leadership Team, have access to JC Applications Development software. In addition, Senior Leadership Team members have sight of every register on the recording system as part of the Senior Leadership Team Service management. The Strategic Risk Register has a risk around governance processes. Following this audit, a specific risk around information governance will be added. Risk appetite is a matter that the Senior Leadership Team will have to reconsider in the round, and not just about information governance. There is a very clear risk strategy and a day-to-day guidance document, both of which will be amended following a recent</p>
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			internal audit report, and taking account of likely changes to Service governance arrangements as we move towards new governance arrangements under the PCC.
			Additional Resources Required for implementation: None
			Responsible Officer: [Charles Thomas, Risk and Business Continuity Manager
			Target Date: 31 December 2017


j) Commercial

<p>1 There are Framework contracts as well as individual service contracts, and a mix of Information Technology suppliers and service delivery suppliers. It is good that risk in commercial is assessed not only in accordance with its contractual value.</p> <p>2 There was no awareness of whether current contract for Information Technology services have support from outside the EEA – this needs to be reviewed</p> <p>3 It was acknowledged that there is currently no contract compliance auditing, but it was recognised that this is essential moving forwards</p> <p>4 New Contracts lead, well informed, recognises scale of work to be done. Will seek support for</p>	<p>1. Any transfers to 3rd countries must be supported by binding corporate rules and standard contract clauses</p> <p>2. Review Information Technology support contracts to establish which country 2nd & 3rd line support is from</p> <p>3. Ensure that contract compliance checks are routinely carried out and documented</p> <p>4.1. Consider accessing some specific outsourcing training on General Data Protection Regulation requirements</p> <p>4.2. Ensure you communicate the requirements of the General Data Protection Regulation to your suppliers</p>	 Major	Agreed: Mike Clayton
			Link to Risk(s): 2,4,5
			<p>Action to be taken: Contract terms to be reviewed and new standard terms introduced where required.</p> <p>Additional Resources Required for implementation: None</p> <p>Responsible Officer: Mike Clayton Finance Director & Treasurer</p>

General Data Protection Regulation elements which we ran through during the interview. Generally there was recognition that contracts need to be strengthened ahead of any additional requirements for General Data Protection Regulation compliance			Target Date: 31 December 2017
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3.2. Privacy by Design

a) Statutory Requests

<p><i>Freedom of Information (Freedom of Information) and Environmental Information Regulations (Environmental Information Regulations) requests:</i></p> <ol style="list-style-type: none"> Freedom of Information requests are logged, but there is no countdown timeline to ensure timely chases to raise compliance No recognition of the Environmental Information Regulations – staff believe no such requests received by the Service. Freedom of Information is not perceived to be important to front line staff, however these are statutory requests Freedom of Information responses do not contain some of the legal requirements for responses, such as refusal notices or exemption explanations. Did not see No evidence provided in relation to the completion of public interests or prejudice tests required by some exemptions in the Act. Limited training, and what was received was too detailed a level and confusing. Freedom of Information eLearning was too simplistic, so hard to fail Poor records management makes locating and preparing information for disclosure difficult 	<p><i>Freedom of Information/Environmental Information Regulations</i></p> <ol style="list-style-type: none"> Update Excel logging sheet with a 'countdown clock', including colour changes – green for days 1 – 9, amber for days 10 – 16, red for days 17 – 20 Ensure staff are trained to recognise the relevant legislation for responding to statutory requests Ensure staff are adequately trained to understand the relevant law and how to write legally compliant responses, including the application of exemptions within the Act Staff would benefit from a template approach to responses, this will standardise and improve responses, saving time and embedding learning for the staff collating responses. Templates are available as part of our training package. Awareness campaign and training required for all staff to ensure they understand the organisations duty to 	 Major	Agreed: Tracy King
			<p>Link to Risk(s): 2,4</p> <p>Action to be taken: Tracking of FOI/EIR/SAR requests to be improved and additional data held. Further staff development to be undertaken.</p>
			<p>Additional Resources Required for implementation: Support for external development.</p>
			<p>Responsible Officer: Tracy Kind AD Performance</p> <p>Target Date: 31 December 2017</p>

<p>7 No regular reporting path for senior leader awareness of performance – done on demand when needed</p> <p>8 Internal reviews are completed by the Clerk, meaning no “lessons learned” are captured by the team members as they do not see those responses. It appears they come back into the Authority to the ECFRS Solicitor, but are not fed through to the team responsible for the completion of requests</p> <p>9 Failure to respond to requests within the statutory timescale is a breach of the legislation and creates risk for the Authority</p> <p>10 Staff requested to provide information to satisfy a request do not always receive full and explanatory information, which can lead to delays in responses</p> <p><i>Subject Access Requests (Subject Access Requests):</i></p> <p>1 All staff records from 2011 have been digitised, so only ex-employees files are held in paper copy offsite storage. The retrieval process works well and there is a contract in place. There does not appear to be a full documented process for handling Subject Access Requests. No central logging of Subject Access Requests. in the fullest</p>	<p>respond to requests; and to ensure that information is located and provided within the legal timescales</p> <p>6 Improve records management to enable timely access to requested data</p> <p>7 Regular reporting to Service Leadership Team to ensure visibility of risk of poor performance</p> <p>8 All internal reviews must be copied to the responsible officer to ensure lessons learned are captured and understood. This also allows appropriate and full record keeping in relation to statutory requests, something the ICO will ask for following complaints or as part of an audit</p> <p>9 Treat overdue Freedom of Information responses as security incidents to ensure the risk is fully captured</p> <p>10 Use email template when requesting data from teams to fulfil a requests, stating the statutory nature of the request, timescales for response, and outcomes for non-provision of data</p> <p><i>Subject Access Requests:</i></p> <p>1. Full Subject Access Requests process to be documented, including log and a suite of template letters for communicating with requestors, e.g. acknowledgement, ID requests, provision letters including redaction explanations etc.</p> <p>2. Training required for key staff (HR and anyone else processing Subject Access Requests). We are able to</p>		
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<p>sense For staff Subject Access Requests systems are searched, however emails must also be disclosed where requested, and this does not appear to be current practice. A process needs to be documented to manage this. Searches for staff files did not appear to extend to previous managers and systems outside the PRF record, unless the request received made specific reference to it.</p> <p>2 Essex Legal Services (ELS) complete some Subject Access Requests – Essex Fire Authority supply data to ELS for redaction. Essex Fire Authority do not know if a request has been fulfilled by ELS or when. So no record of compliance with timescales. There is uncertainty amongst the workforce as to who is responsible for responding to Subject Access Requests. There is no confidence internally on what should be redacted before disclosures identifying a training need.</p> <p>3 There is uncertainty over who is doing the required identification verification process required before any work can commence in relation to the Subject Access Requests. There is an assumption by ECFRS staff that ELS carry out this part of the process. If a clear verification process is not defined and understood by staff it exposes the organisation to significant risk</p> <p>4 Where cases are prepared internally for disclosure there does not appear to be any facility for electronic redaction, relying on a manual process which is costly in both monetary and resource terms.</p> <p>5 Be aware of changes under the General Data Protection Regulation affecting the processing of</p>	<p>provide targeted training for both Subject Access Requests and Freedom of Information/Environmental Information Regulations if required.</p> <p>3. Logging mechanism must be introduced to verify compliance level, verify ID checks, and manage requests appropriately</p> <p>4. Recommend redaction software, e.g. Adobe Pro, Rapid Redact is procured to ease manual processes open to human error and lacking security; in areas such as HR (Subject Access Requests), Finance (transparency Code publishing), Occupational Health (Reports).</p> <p>5. Ensure whatever logging processes you use can be further aligned when the timescales for disclosure change to 20 working days. Note also:</p> <p>a. You will no longer be able to charge for Subject Access Requests</p> <p>b. You will be able to refuse requests which meet the threshold for ‘manifestly unfounded’ or ‘excessive’.</p>		
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<p>Subject Access Requests</p> <ul style="list-style-type: none"> ➤ 40 calendar days reduced to 20 working days ➤ Removes the ability to charge for Subject Access Requests ➤ Allows an additional 40 days for complex Subject Access Requests, but requestors must be advised in the acknowledgement of the request if claiming this additional time ➤ Provides the opportunity to refuse manifestly unreasonable/repeated requests 			
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b) Security Incidents


<div>1 No formal Security Incident process defined. On day 2 of the audit the Senior Information Risk Owner provided us with a security incident policy (dated January 2016), however no staff interviewed were aware of its existence. The policy is quite well detailed, but does not include a decision tree/criteria or process for identifying the need to notify the regulator</div> <div>2 Security incidents should be linked through to the risk register where appropriate to ensure alignment</div> <div>3 Security incidents reports should be regularly reported to Service Leadership Team to ensure visibility and risk management</div> <div>4 Security incidents must be regularly analysed to inform training needs and to mitigate risks arising.</div> <div>5 To comply with the General Data Protection Regulation a process must include the threshold and process for referral of serious incidents to the ICO</div>	<div>1 Introduce an information security incident policy, process and guidance</div> <div>1.1 Raise awareness and deliver training to ensure culture change is made</div> <div>2 Assess and align security incidents to information risks held on software from JC Applications Development</div> <div>3 Service Leadership Team must have visibility of all SIs on a monthly basis, including trends analysis to ensure they are available to feed into strategy, policy, risk management and staff training</div> <div>4 Central logging tool to manage and analyse security incidents</div> <div>5 Vital for General Data Protection Regulation compliance where there is a requirement for serious Security Incidents to be notified to the ICO and data subjects within 72 hours.</div>	<div><div></div></div> <div>Critical</div>	<div>Agreed: Mike Clayton</div>
		<div>Link to Risk(s):</div> <div>1,2</div>	<div>Action to be taken: Existing Security Incident Policy to be reviewed and promulgated. Reporting to Service Leadership Team to be introduced.</div>
			<div>Additional Resources Required for implementation: ICT Security Officer</div>
			<div>Responsible Officer Mike Clayton Finance Director & Treasurer</div>
			<div>Target Date: 31 December 2017</div>

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c) Impact Assessments


<ol style="list-style-type: none"> Only 1 instance of evidence of PIA completion or review process, relating to a new system for L&D – no evidence of corporate policy or process for completing PIAs Observed that the Safeguarding team, processing sensitive data are sited in an open office with no facility for confidential conversations/communications PIA's are a legal requirement under General Data Protection Regulation. High risk projects are likely to need approval from the ICO before work can begin. 	<ol style="list-style-type: none"> <ol style="list-style-type: none"> Create policy and process for PIA and ensure awareness/training is delivered in this area. We are able to provide training in this area and templates to assist the development of procedures The people/policy element of the PIA need to be completed by a qualified/experienced DP Practitioner to ensure risks are identified and appropriately mitigated Review of allocation of work spaces to ensure teams processing sensitive data have an appropriately confidential environment to operate in – consider the use of screens where open offices are the norm <ol style="list-style-type: none"> All systems processing personal data will require a retrospective PIA to be completed for General Data Protection Regulation compliance as part of the Records of Processing Activity Consider publishing elements of PIAs to drive transparency for the public 	 Major	Agreed: Mike Clayton
		Link to Risk(s): 2	Action to be taken: Development of staff to support them undertaking Privacy Impact Assessments. Policy element to be picked up by HR. Departmental managers to be supported by discussion with property services if they believe office environment inappropriate and alternative options identified.
			Additional Resources Required for implementation: third party support for development
			Responsible Officer: Mike Clayton, Finance Director & Treasurer Target Date: 31 December 2017

d) Privacy Notices


<ol style="list-style-type: none"> No privacy notice policy, process or guidance was evidenced Website privacy notice is in place but limited information is provided 	<ol style="list-style-type: none"> Policy and process must be set for managing privacy notices Ensure a full Privacy Notice is held on the public facing website, including a 	 Major	Agreed: Roy Carter
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<p>3 Consider accessibility for those without access to the internet, and those with additional needs</p> <p>4 No privacy notice in place for staff or contractors.</p> <p>5 Violent hazard warning markers are managed by Community Safety Team but there was no evidence of a documented policy or process</p> <p>6 General Data Protection Regulation sets a higher bar, and requires additional information to be provided to data subjects</p> <ul style="list-style-type: none"> ➤ Legal basis explained ➤ Contact Details of the data Protection Officer ➤ Advise if there is any automated decision making or profiling ➤ Reference the right and the process for withdrawing consent ➤ Confirm if processing is contractual or statutory ➤ Explain the right to data portability where applicable ➤ Detail the security arrangements for any overseas transfers 	<p>breakdown of each service stream explaining what data is collected, who it may be shared with, and for what purpose</p> <p>3. Process to provide hard copy where requested.</p> <p>3.1 Ensure you consider and account for accessibility needs – translations, easy read etc.</p> <p>4. Ensure consent forms have a ‘potted’ privacy notice and a link to the full online notice</p> <p>5. Ensure that staff are provided access to a privacy notice on how their data is processed</p> <p>6. Ensure that privacy notices are given when hazard warning markers are placed on individuals, and explain the appeals process. Such warning markers should be reviewed annually</p> <p>7.1. Consider the additional requirements for privacy notices for compliance with General Data Protection Regulation and build these in from the start of the project.</p> <p>7.2. Web-based privacy notice can be checked against data flows to ensure that all flows and processing have an appropriate privacy notice in place</p> <p>7.3. Ensure there is a process for providing privacy notices to those who did not provide you with their data</p>	<p>Link to Risk(s): 2,4</p>	<p>Action to be taken: A process is being investigated where a marker can be placed against a premises if a “violent marker” is shown against a premises through the safeguarding process. This will be included in our Hoarding policy and notification process.</p> <p>Service Solicitor to review privacy notices on website and intranet.</p> <p>Additional Resources Required for implementation: None</p> <p>Responsible Officer Roy Carter, Service Solicitor</p> <p>Target Date: 31 December 2017</p>
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e) Consent


<p>1 Consent form in use in Safeguarding and Community Safety, but no privacy notice is attached or provided to individuals so the requirement for principle one of the DPA is not met (Processing must be <u>fair</u> and lawful).</p> <p>2 Outside of the Safeguarding Team there is a low level of understanding of when consent is required and the extent of the statutory duties of ECFRS</p> <p>3 Current consent process will not meet the requirements of the General Data Protection Regulation</p>	<p>1.1. Ensure there is a privacy policy available to staff (may be included in your data protection policy) to ensure methods for gaining consent are understood and appropriately actioned</p> <p>1.2. Review of all consent forms to ensure they capture all of the requirements</p> <p>1.3. Ensure Privacy notices form part of the consent process</p> <p>2. Train relevant staff so they have a full understanding of the legal requirements</p> <p>3.3. Ensure the higher bar set for consent under the General Data Protection Regulation is factored in</p> <p>3.4. Establish whether any online services for children are offered where General Data Protection Regulation consent is applicable</p> <p>3.5. General Data Protection Regulation Consent is a much higher bar – so there needs to be a full understanding of what statutory duties are undertaken by the Essex Fire Authority so that consent is not sought where it is not necessary, or where there is an imbalance of power</p>	 Moderate	Agreed: Roy Carter
		Link to Risk(s): 2,4	Action to be taken: Data Protection Policy to be amended to include a privacy policy. Consent rules to be defined.
			Additional Resources Required for implementation: None
			Responsible Officer: Roy Carter, Service Solicitor Target Date: 31 December 2017

f) Photo & Video

<p>1. Although there were some strong processes explained by the Communications Team, and supported by policy, there is disparity in the</p>	<p>1.1. Ensure all staff are trained on how to process images</p> <p>1.2. Ensure your privacy notices cover this type of data in full</p>	 Moderate	Agreed: Roy Carter
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process for gaining consent from staff versus the public	1.3. Ensure your retention schedule is explicit regarding how long such data is retained 1.4. Ensure you have the capability to delete images from your systems 1.5. Ensure there is a consent process in place for processing images where required	Link to Risk(s): 2,4	Action to be taken: Specific development of information asset owners of photo and video to be undertaken. Approach to managing images to be determined and implemented consistently across all departments.
			Additional Resources Required for implementation: Not yet known.
			Responsible Officer Roy Carter, Service Solicitor
			Target Date: 31 December 2017

g) Surveillance imagery/ Drones/ Body Worn Cameras

1 We were advised that 2 registers of CCTV are held, one in property and one in Fleet 2 CCTV Policy in draft for use of visual recording aids, but will need supporting processes and awareness raising to become effective 3 No consistent retention of CCTV imagery – the Property team have a 30 day recording loop, whereas the retention period varied within the Fleet service 4 No evidence was provided of notification to the Surveillance Commissioner 5 Fleet signage is not compliant with the	1. Compile and manage a full CCTV register 2.1. Ensure policy, process and procedures are documented on how to handle and secure such data 2.2. Ensure relevant staff are trained and aware of their responsibilities 3. Ensure consistent and secure retention of images across the Authority 4. Register with the Surveillance Commissioner if any CCTV coverage of publicly accessible areas 5. Ensure full signage is sited with all	 Moderate	Agreed: Roy Carter
		Link to Risk(s): 2,4	Action to be taken: Specific development of information asset owners of photo and video to be undertaken. Approach to managing images to be determined and implemented consistently across all departments.

<p>requirements of the DPA, however Property signage fully in place</p> <p>6 We were advised that 2 drones are owned by Essex Fire Authority, but they are not sure where 1 is currently. Body Worn Cameras were used during an industrial dispute, but have not used since. Staff were unaware if any footage has been retained.</p> <p>7 No evidence of the capability to redact data (pixilating)</p> <p>8 No evidence of awareness of any covert surveillance, however historically/anecdotaly there was a 'dusty bin'; but there is no knowledge of where this equipment is now, if it still exists</p>	<p>recording equipment</p> <p>6.1. Ensure awareness that the CCTV policy covers the use of Drones and Body Worn Cameras, including retention and access to recordings</p> <p>6.2. Asset tag, and manage via a log, the drones and body worn cameras to maintain awareness of their location an security</p> <p>7. Buy in, or contract 3rd party, to carry out any necessary redaction of images</p> <p>8. Identify key roles in an authorisation process for covert surveillance</p>		<p>Additional Resources Required for implementation: not Known</p> <p>Responsible Officer: Roy Carter, Service Solicitor</p> <p>Target Date: 31 December 2017</p>
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h) **Technical Security – PLEASE NOTE** – this was reviewed purely from an information management perspective rather than technical expertise

<ol style="list-style-type: none"> 1. The organisation does not currently monitor or receive updates on known security threats from respected sources 2. Proposed cloud strategy is being finalised. Strategy owner aware of the Cloud Security Principles but will need to ensure they are embedded in the process as compliance standards. 3. The majority of 3rd party access provided is to external Information Technology suppliers to facilitate maintenance support activities for procured systems. There is inconsistent knowledge of an approval process for granting this access. The move to cloud will create much greater flexibility for allowing 3rd party access without the need to providing managed Information Technology accounts. 4. There was uncertainty over whether the Authority is compliant with the PSN requirements. This is confirmed as necessary for the Authority to meet. 5. There was no evidence of a security classification marking scheme in operation, and no firm 	<ol style="list-style-type: none"> 1. Register with Care, CertUK and/or CiSP to receive regular notifications of day 1 cyber threats 2. Ensure awareness of the cloud security principles and the Cloud Security Alliance; and that these are captured in infrastructure design and procurements 3.1. A third party access procedure needs to be embedded in policy so that every instance is documented, approved by an appropriate risk owner in the organisation, time limited and monitored. This will form part of the records of processing activity 3.2. Support contracts need to be reviewed to ensure that suppliers who have access to data in order to support systems have effective controls in place to ensure the confidentiality of the data 4. Progress with certification as this will strengthen the legitimacy of requiring 	<div style="text-align: center;">  </div> <p>Moderate</p> <p>Link to Risk(s): 2,5</p>	<p>Agreed: Jan Swanwick</p>
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<p>confirmation able to be provided that the data handled within the Authority is limited to the OFFICIAL category.</p> <p>6. There was no confidence that a device asset register was complete (estimated at 90% compliant) although efforts were in place to improve this. Asset tagging is not currently common practice; devices are currently being registered by supplier identifiers. The regulator would see a lack of control over device management as a significant vulnerability.</p> <p>7. System owners were not able to consistently confirm the location of hosting and support locations of externally hosted systems and Information Technology have not completed a contract review to establish this for certain.</p> <p>8. The movers and leavers process is not comprehensively documented and does not effectively cover those systems where access credentials are not checked against the Authority's active directory register. There is a risk that leavers may still have access to certain system</p>	<p>the same standard of suppliers. However if not progressed the Authority must align to Cyber Essentials as a minimum standard and this should be confirmed and regularly reviewed</p> <p>5. Check Public Service Network compliance and take appropriate action to comply if not already met</p> <p>6. Check understanding of classifications in use, i.e. Official, Secret etc. Associated handling practices should be implemented in policy and awareness raised through training</p> <p>7. Asset register for devices needs to be complete and maintained on CMDDB system– recommend a consistent asset tagging process is introduced with an authority specific convention</p> <p>8. Check all hosted systems holding personal data sited are within the European Economic Area (EEA),</p>		<p>Action to be taken: Existing ICT security procedures to be reviewed for compliance with GDPR.</p> <p>Additional Resources Required for implementation: not Known</p>
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<p>data.</p> <p>9. The process of notifying Information Technology of leavers through the HR system does not cover contractors which presents a risk of third parties having access to Authority data after the entitlement having lapsed</p> <p>10. Information Technology staff are Information Technology Infrastructure Library (ITIL) qualified, however Information Technology Service Manager has identified a need to implement ITIL processes to improve consistency of and accountability for the activities of the Information Technology service.</p> <p>11. Managed devices are permitted general access to application stores therefore there is little control over the security of the platforms on which Authority data is stored.</p> <p>12. There is an unclear approach to use of unmanaged/ personal devices for working with Authority data. This presents challenges to maintaining confidentiality of Authority data and prevents the Authority from having control over</p>	<p>including 2nd & 3rd line support services</p> <p>9. Ensure the leavers process is explicit about return of devices and closure of AD account, including any web based systems accessed by the leaver</p> <p>10. Investigate managing contractor accounts in line with accounts for directly employed staff. If an additional process is required, it should ensure that all Information Technology account holders have a current and valid entitlement to access Authority data.</p> <p>11. ITIL processes should be implemented and maintained, ensuring Information Technology staff have the relevant training to support this activity.</p> <p>12. Managed devices (e.g. laptops, smart phones, assistive technologies, tablets, removable media) should be blocked from open access to application stores. There should be a whitelist of applications approved by Information</p>		<p>Responsible Officer – Jan Swanwick Head of ICT</p>
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<p>and access to all of its data.</p> <p>13. Where lost or stolen devices are reported to Information Technology such instances are not investigated and recorded as security incidents as part of a corporate process</p> <p>14. Secure methods of transferring sensitive data such as Egress and SFTP are available, however there is questionable understanding of when they should be used, and how to use them.</p>	<p>Technology and Information Governance which staff can access. There should be a process to request an evaluation of applications which staff support with a valid business case. Controls should show who has access to what apps on which devices. The whitelist is regularly reviewed for security and a valid business need.</p> <p>13. Policy should establish a clear instruction to staff on whether working with Authority data on personal devices is permitted, and if it is then develop effective instructions on how this may be done whilst safeguarding the data</p> <p>14. Include lost and stolen devices within the security incident process</p> <p>14.1. Utilise Egress to increase security and reduce costs in business areas such as HR, Occupational Health & Compliance when sending sensitive information or large files</p> <p>14.2. Ensure policy is clear on when there is a need to use Egress and SFTP and how to access the services.</p>		<p>Target Date: 31 December 2017</p>
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Essex Fire Authority

Essex County Fire and Rescue Service



MEETING

**Audit, Governance and Review
Committee**

AGENDA ITEM

11

MEETING DATE

12th July 2017

REPORT NUMBER

EFA/093/17

SUBJECT

Joint Governance of Police and Fire & Rescue in Essex – Transition Update

REPORT BY

Office of the Police and Crime Commissioner

PRESENTED BY

Adam Kendall – Police and Fire Governance Transition Programme Manager

1. PURPOSE OF THE REPORT

This paper provides an update to the Audit, Governance and Review Committee on the progress towards implementing the proposed joint governance of Police and Fire & Rescue Services in Essex.

2. RECOMMENDATIONS

Members are asked to:

1. Note the key transition activities which are planned to be undertaken to ensure a smooth transition to the new governance model. The new governance model is subject to the Home Secretary's approval of the Local Business Case.
2. Note the progress in delivering the transition activities.

3. LOCAL BUSINESS CASE APPROVAL

The Local Business Case was submitted to the Home Secretary on the 19th May 2017. The final documentation is available to Members on the PCC's website:

<http://www.essex.pcc.police.uk/localcaseforchange>

The Home Office have confirmed that the Essex Local Business Case is in the Ministerial submissions system. We expect to hear a response very soon.

The PCC will advise the Essex Fire Authority of the Home Secretary's decision at the earliest opportunity, once he has received confirmation of the decision.

4. TRANSITION ACTIVITY

In advance of a decision by the Home Office, the Office for the PCC has commenced initial work in planning for the transition. This work reports into the Emergency Services Strategic Governance Board which is chaired by the PCC and includes the Chair of the Fire Authority, the Acting Chief Fire Officer and the Chief Constable. The transition planning is being undertaken in close discussion and liaison with senior officers from ECFRS and Essex Police. A Transition Working Group has been established to take this work forward.

The aim of the transition programme (assuming the Home Office approve the decision) is to ensure a smooth as possible transfer to the new PCC Fire and Rescue Authority. A detailed project plan has been developed, setting out what will need to be undertaken to enable these priorities to be achieved.

Key activities identified in the project plan include:

- Constitution - Develop a revised EFA constitution to reflect the new legislation and statutory order.
- Governance Structure - Review existing board structure and identify the appropriate structure to support the PCC-style FRA in their role of effectively governing ECFRS. This will need to be fed into the new constitution.
- Statutory Roles - Develop the role of the Statutory Chief Officers under a revised governance model. This will need to be fed into the new constitution.
- Scheme of Delegation - Develop a new PCC-style FRA Scheme of Delegation to the senior officers of the ECFRS.
- Governance Meetings - Review the existing planned business of the FRA, and realign work to the new governance structure including setting a series of meeting dates for the new boards which will support the PCC FRA.
- Formation of Police, Fire and Crime Panel - Liaison with Essex County Council's Secretariat team regarding the development of the revised Terms of Reference for the new Police Crime and Fire Panel.
- Staff Formal Consultation - Undertake a formal consultation of all staff on their transfer to the PCC-style FRA.
- Communication Plan - Develop an internal communication plan for activity supporting the roll out of the new governance model.

The transition plan and the progress against are reported monthly to the Emergency Services Strategic Governance Board.

5. TRANSITION PROGRESS

A summary of the progress which has been made against the key deliverables is included in **Appendix A**.

6. RISK MANAGEMENT IMPLICATIONS

A risk register is review at each Strategic Governance Board.

7. FINANCIAL IMPLICATIONS

The costs for the preparation of the Local Business Case and any preparation for transition have been met by the Office of the Police and Crime Commissioner.

8. LEGAL IMPLICATIONS

The Local Business Case has been prepared under enabling provisions included with the Policing and Crime Act 2017.

9. USE OF RESOURCES IMPLICATIONS

Officers and staff from ECFRS, and the Office of the PCC are contributing to preparing for the transition.

10. EQUALITY IMPLICATIONS

There are no direct equality implications within the report.

An Equality Impact Assessment was completed as part of the Local Business Case.

APPENDIX A – KEY TRANSITION PROGRESS UPDATE

Title	Description	Status	Update	Proposed Completion Date
Constitution	Develop a revised EFA constitution to reflect the new legislation and statutory order	In Progress	Work has commenced to review the new legislation and the existing constitutions of both the OPCC and EFA. This will be progressed to a draft constitution once the content of the draft Statutory Instrument has been made available.	31 st August 2017
Governance Structure	Review existing board structure and identify the appropriate structure to support the PCC-style FRA in their role of effectively governing ECFRS. This will need to be fed into the new constitution	In Progress	<p>The PCC has indicated that to support his decision making the following boards are created.</p> <ul style="list-style-type: none"> • Fire & Rescue Performance & Resources Board • Fire & Rescue Audit Committee • Fire & Rescue Strategic Board <p>The terms of reference and the mapping of responsibilities from the existing FRA committees are currently in progress.</p>	31 st July 2017
Statutory Roles	Develop the role of the Statutory Chief Officers under a revised governance model. This will need to be fed into the new constitution	In Progress	Work has commented on defining and developing the role of the statutory officers. This is being fed into the draft constitution.	31 st July 2017
Scheme of Delegation	Develop a new PCC-style FRA Scheme of Delegation to the senior officers of the ECFRS.	Not Started	The work has not commenced to review the Scheme of Delegation; however there are no concerns over our ability to meet the deadline.	31 st August 2017
Governance Meetings	Review the existing planned business of the FRA, and realign work to the new governance structure including setting a series of meeting dates for the new boards which will support the PCC FRA.	Not Started	The work has not commenced to review realign the planned business of the FRA, however there are no concerns over our ability to meet the deadline.	31 st August 2017
Formation of Police, Fire and Crime Panel	Liaison with Essex County Council's Secretariat team regarding the development of the revised Terms of Reference for the new Police Crime and Fire Panel.	In Progress	<p>An initial meeting was held for members of the Police and Crime Panel, and Essex Fire Authority to discuss the different skills which would be required.</p> <p>The responsibility for the panel sits with ECC.</p>	30 th September 2017

Title	Description	Status	Update	Proposed Completion Date
Staff Formal Consultation	Prepare and undertake a formal consultation of all staff on their transfer to the PCC-style FRA.	In Progress	Initial meetings held between ECFRS HR Team and OPCC Staff. Project plan has been developed to deliver a staff transfer under COSOP. There is preparatory work underway to enable the staff consultation to commence following a decision from the Home Office. PCC has confirmed that there will be no changes to staff terms and conditions.	31 st August 2017
Communication Plan	Develop an internal communication plan for activity supporting the roll out of the new governance model.	In Progress	Regular engagement between the communications leads of ECFRS and OPCC have ensured that staff comms has been timely. A communications plan has been developed to align with the Staff Consultation.	30 th September 2017



June 2017






End of Year Performance report 2016 - 17

Performance Report

Performance Summary

Outcome Headlines

Incidents – Attended by the Service in 2016/2017

	Incident numbers	Fire	Special Services	False Alarms	RTC KSI
	16122 	5323 	4670 	6129 	733 
Previous Year Change	+2073 13% ↑	+867 16% ↑	+951 20% ↑	+255 4% ↑	-25 3% ↓

- In the period 2016/17 all the three incident classifications saw an increase over the previous reporting year.
- Special Services have seen the largest increase over the previous reporting year. Effecting Entry (+330), Assisting Other Agencies (+257), Co-Responder (+191) and Flooding (+100) accounted for the majority of the increase. **Lift Rescues saw the largest decrease with 46 fewer incidents.**
- In the current reporting period Primary Fires saw a 11% (279) increase, Secondary fires also saw a 11% (254) increase and Chimney fires saw a 20% (19) increase.
- Over the last 12 months Good Intent False Alarms have seen the largest increase, with a 7% increase (239). **False alarms due to apparatus (1%, -25) and Malicious False Alarms (10%, -17) have both seen decreases.**
- Volunteer hours have increased over this reporting period and this can be attributed to the successful recruitment of Parish Safety Volunteers.
- Volunteer hours have contributed to 24% of all non-specialist Home Fire Safety Visits.

Volunteer Hours

1790.5



HFSV

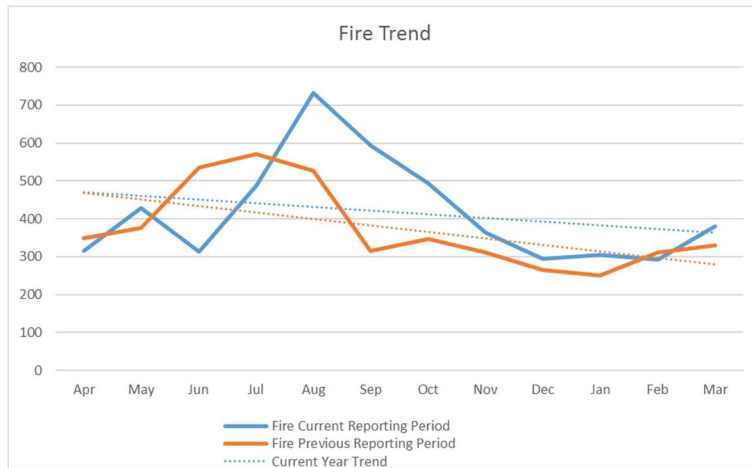
9024



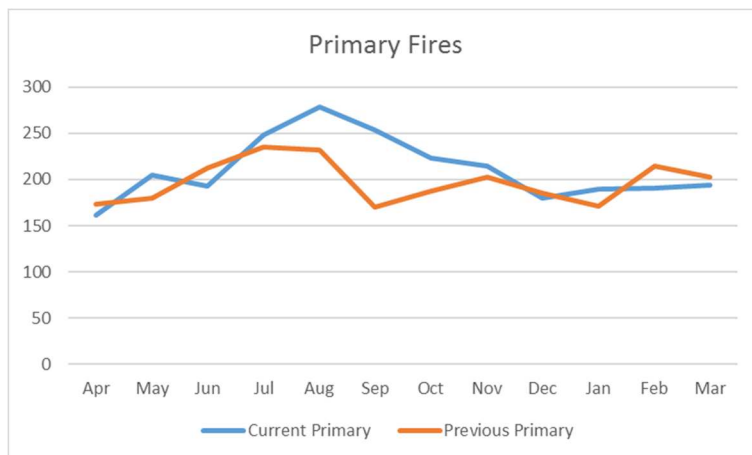
Fire Trends

Whilst the overall number of fires has increased over the last year, the long-term trend is still downward, although at a slower rate.

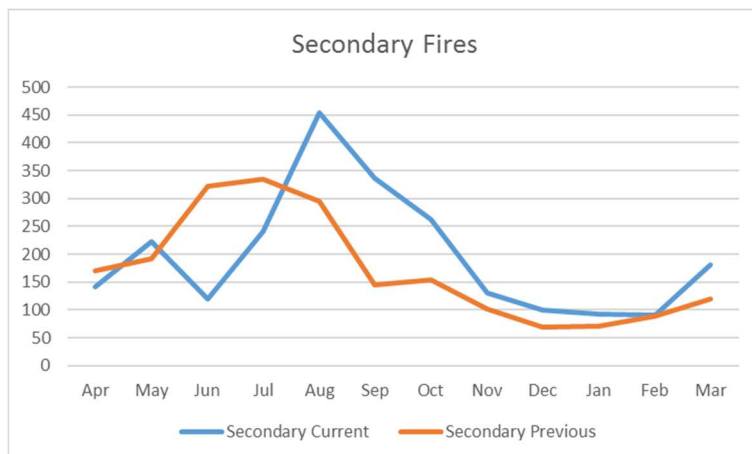
A significant peak of fire incidents has been noted around the summer months of 2017.



Primary fires¹ saw the peak in summer months but other months were in line with previous year's figures.

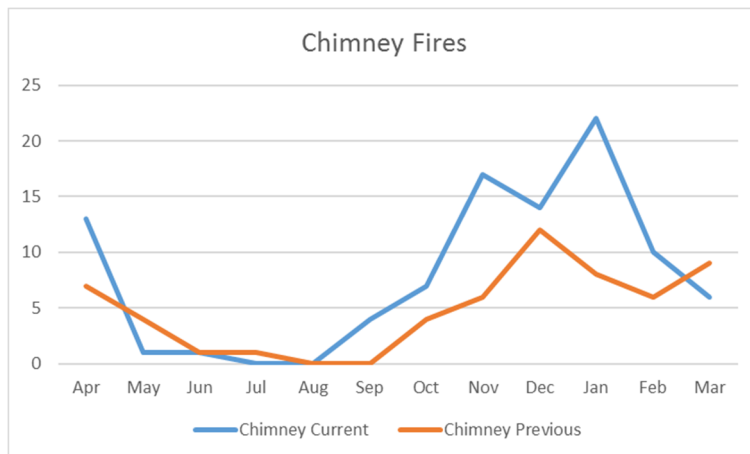


Secondary fires² saw a significant peak in August and figures continue to be above previous year's figures until year-end.



¹ Primary Fire: Includes all fires in buildings, vehicles and most outdoor structures or any fire involving casualties, rescues or fires attended by five or more appliances.

² Secondary Fire: An incident that did not occur at a Primary location, was not a chimney fire in an occupied building, did not involve casualties (otherwise categorised as a Primary incident) and was attended by four or fewer appliances (otherwise categorised as a Primary incident).



Chimney fires³ have seen a peak in incidents towards the end of the year although the numbers are still low in comparison to other Fire Incident types

³ Chimney Fires: Any fires in buildings where the fire was contained within the chimney structure and did not involve casualties, rescues or attendance by five or more appliances

Key

Trend



Towards Target

Trend is positively moving towards target



Away from Target

Trend is negatively moving away from target



Static

Trend has not changed

Target

Where Targets are blank, this is a new performance measure and proposed targets will be drafted and submitted to the Fire Authority.

Upper and Lower Control limits

Upper and Lower control limits have been added to charts within this report. These have been introduced to measures where performance will fluctuate month by month. These give managers an idea of where there are areas for performance management and improvement.

Horizon Scanning



This symbol shows that an issue has been identified as part of Horizon Scanning and it could have an impact on the performance measure.

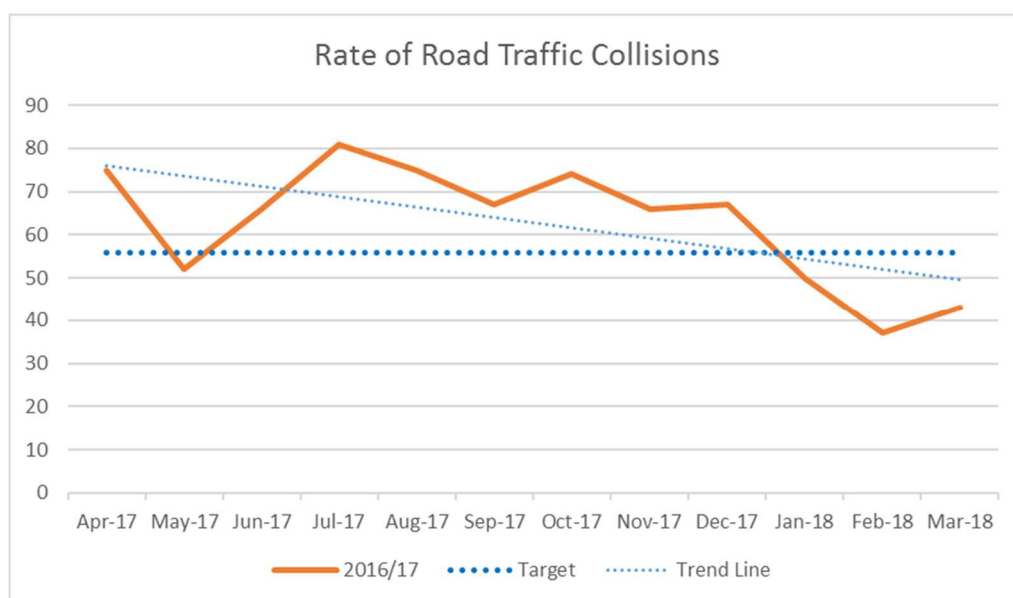
Prevention

01 April 2016 – 31 March 2017

We keep people safe when they travel in and through Essex

2016/17	2015/16	Trend	Target	Target
753	787	 Towards Target	676	Off Target

Number of people killed or seriously injured in Road Traffic Collisions (RTCs)



This data is collated Essex-wide from Essex Highway Department at Essex County Council. The data shows incidents attended by the police, but not all incidents are attended by Essex County Fire and Rescue Service. The Service work as part of a wider working group called the Safer Essex Roads Partnership, which has a focus on Making Essex Roads Safer.

If we look more widely at all Road Traffic Collisions that occur throughout Essex for 2016/17 the following data presents some useful points that can be deduced from the data (it is important to note that the broken down statistics will not total 3387, as there can be multiple fatalities/injuries in a single Road Traffic Collision):

3387 Road Traffic Collisions across Essex (257 decrease)

1306 Attended by the Service (48 Increase)

43 Fatal

796 Serious

30% Road Traffic Collisions Occur in wet/damp conditions


63% Occurred in 30mph zones.

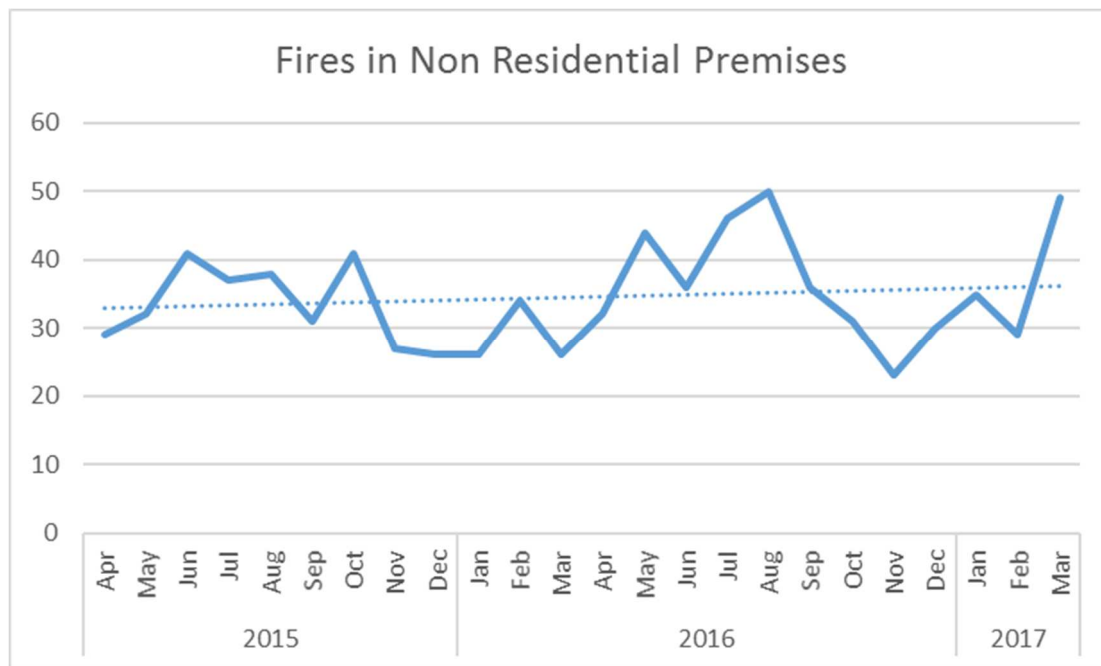
We will educate young people in Essex, so they become safer adults. 100% of schoolchildren are delivered an age appropriate safety message.

In the reporting year 2016-17, the Service visited 62% of the schools within Essex to carry out 1836 lessons, to a total audience size of 146,675.

We keep people safe in their workplaces and at leisure in Essex.

Fires in Non-Residential Properties

2016/17	2015/16		Target	Target
441	394	 Higher than previous year's figures	TBC	TBC



Prisons see the largest increase in incidents over the last 12 months, an additional 12 incidents (41%).

This trend has been showing as increasing over the reporting year.

Enforcements

One enforcement notice was served on 29 November 2016 for a Flat in Basildon of more than four storeys.

Prohibitions

One prohibition notice was served on 10 November 2016 on a Takeaway business in Harwich.

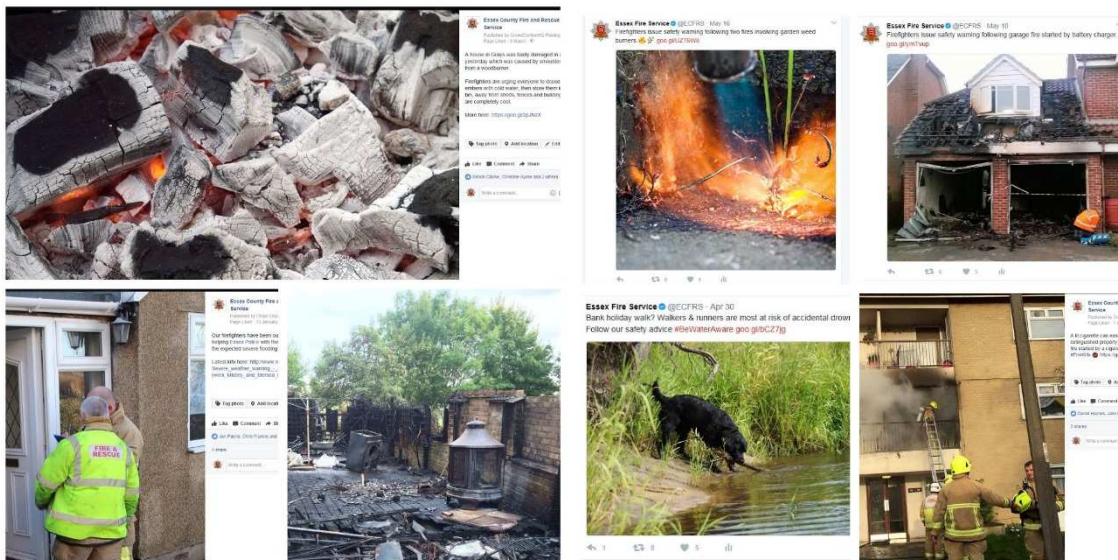
Prosecutions

No prosecution cases for the period 2016/17.

Safety messages relevant to all potentially life threatening calls attended by the Fire Service are shared with the communities we are here to serve.

The Communications and Marketing Team look for any safety messages that can be partnered with incidents, such as the house did not have a smoke alarm, and include safety advice in the summary on Social Media. This information is then shared on the website and social media and always links back to more information around the topic.

Examples of some of our Social media messages are shown below.




Protection

01 April 2016 – 31 March 2017

We keep people - including the elderly and vulnerable - safe in their homes protected by a working smoke alarm, and for higher risk buildings, a sprinkler.

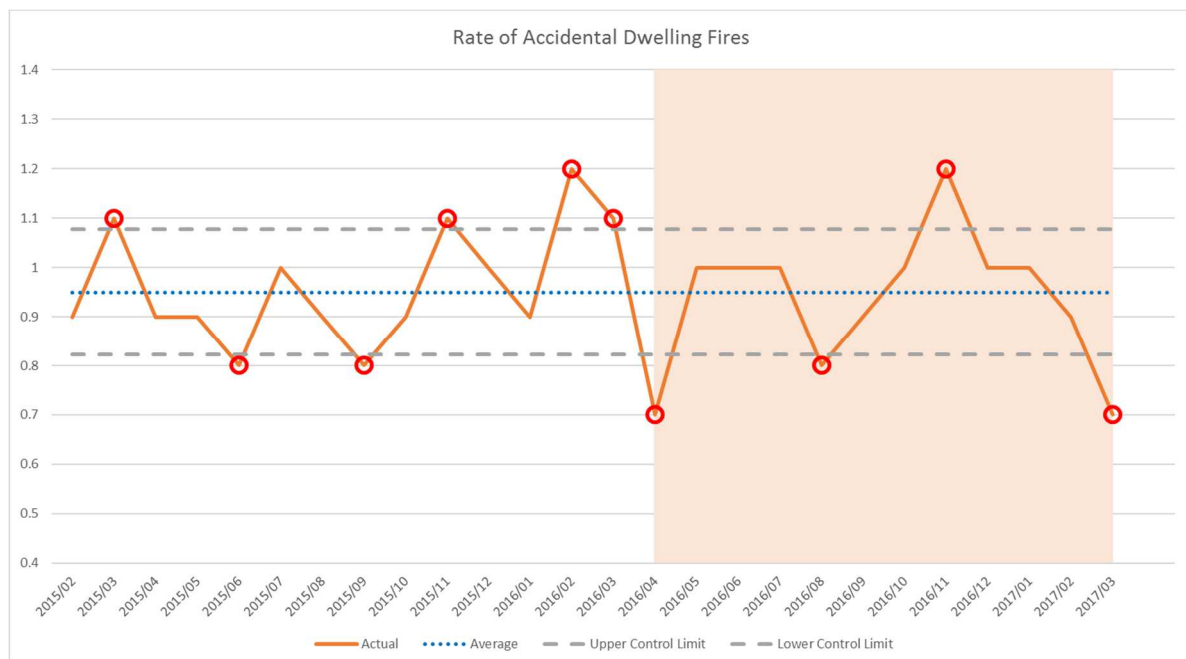
Rate of Accidental Dwelling Fires (per 10,000 properties)

2016/17	2015/16	Trend	Target	Target
11.6	11.3	 Away from Target	10.3	Off Target

This rate equates to 862 Accidental Dwelling Fires over the reporting year compared to 889 in the previous reporting year.

Month	2016/17	2015/16	Target	Target
April	0.7	0.9	0.9	On Target
May	1	0.9	0.9	Off Target
June	1	0.8	0.9	Off Target
July	1	1	0.9	Off Target
August	0.8	0.9	0.9	On Target
September	0.9	0.8	0.9	On Target
October	1	0.9	0.9	Off Target
November	1.2	1.1	0.9	Off Target
December	1	1	0.9	Off Target
January	1	0.9	0.9	Off Target
February	0.9	1.2	0.9	On Target
March	0.7	1.1	0.9	On Target

Whilst this target was missed for the reporting period of 2016/17, the rate of Accidental Dwelling Fires (ADF) exceed the Upper Control Limit⁴ in November. Performance has steadily improved towards the later end of the reporting year.



November saw 89 Accidental Dwelling Fires, this is the largest number seen in any month within the reporting period. The average number of Accidental Dwelling Fires is 72 per month, in the previous reporting year the average was 74.

Rate of Accidental Dwelling Fires by Borough/District.

District/Borough Name	Population	Total	ADF per 10,000
Southend-on-Sea	91,197	126	13.8
Harlow	43,851	54	12.3
Basildon	93,419	99	10.6
Thurrock	83,835	87	10.4
Colchester	92,732	95	10.2

The Boroughs and Districts with the highest population generally provide the highest rate of Accidental Dwelling Fires. Districts that are the exception to this trend are Harlow, which is the 10th smallest in terms of population but has the second highest rate of Accidental Dwelling Fires, and Braintree, which is the 6th largest in terms of population but has the 2nd lowest rate of Accidental Dwelling Fires. This information has been shared with Community Safety to help them target intervention programs within the most affected Boroughs and Districts.

⁴ Upper and Lower control limits have been added to charts within this report. These have been introduced to measures where performance will fluctuate month by month. These give managers an idea of where there are areas for performance management and improvement.

The most common fire start locations for Accidental Dwelling Fires in the reporting year are the kitchen (62%), the living room (7%) and the bedroom (6%).

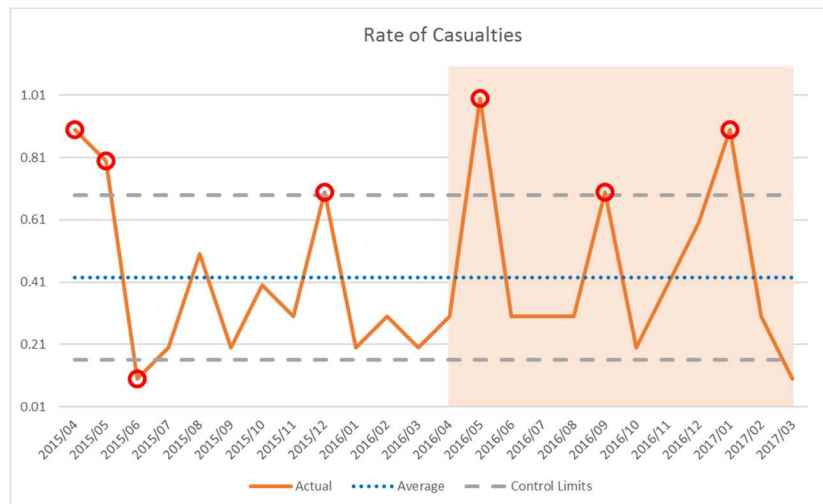
The most common causes for fires in 2016/17 were Cooking (35%), Fault in Electrical Equipment (15%) and Combustible articles being too close to heat source (12%).

Rate of Casualties (per 10,000) resulting from Fires

2016/17	2015/16	Trend	Target	Target
5.0	5.0	 Meeting Target	5.0	On Target

Over the reporting period there were 4 incidents that led to 7 fatalities, there were 69 incidents that led to 88 injuries.

Month	Fatalities	Injuries
2016/04	1	4
2016/05	0	18
2016/06	0	5
2016/07	0	6
2016/08	0	6
2016/09	1	11
2016/10	0	4
2016/11	2	5
2016/12	3	7
2017/01	0	15
2017/02	0	6
2017/03	0	1



The target was missed 4 times in the current reporting period. The rate of Casualties exceed the Upper Control Limit⁵ 3 times in the reporting period.

⁵ Upper and Lower control limits have been added to charts within this report. These have been introduced to measures where performance will fluctuate month by month. These give managers an idea of where there are areas for performance management and improvement.

Number of Home Safety Visits

Type	Technicians	Parish Safety Volunteers	Volunteers	Community Safety Officers	Station Personal	Total
2016/04	431	10	116	18	3	578
2016/05	325	17	132	91	94	659
2016/06	396	4	104	137	6	647
2016/07	664	2	85	76	7	834
2016/08	675	12	31	29	4	751
2016/09	572	16	70	25	18	701
2016/10	519	78	118	26	11	752
2016/11	647	119	127	17	13	923
2016/12	471	53	50	17	14	605
2017/01	756	51	45	9	22	883
2017/02	647	30	48	10	22	757
2017/03	779	63	75	8	9	934
Total	6882	455	1001	463	223	9024

9024 visits were conducted during the 2016/17 reporting period, with volunteers conducting 16% of these visits.

If specialist visits such as faulty, sensory, and domestic violence visits are removed, volunteers, including Home Safety and Parish Safety Volunteers, conducted 24% of all standard visits.

Number of Targeted Interventions

Targeted Interventions have been identified as a key activity in supporting the Service to achieve the IRMP pledge for 100% working smoke alarms in every home in Essex. Work has taken place to change the delivery method of Targeted Interventions to increase the number of at risk addresses visited by the Service.

Previously the Service would visit individual addresses based on a risk profile from MOSAIC⁶. We have to-date visited well in excess of 20,000 addresses. The change in delivery of Targeted Interventions enables Service personnel to visit whole streets visiting consecutive addresses thus increasing the amount of door knocks per hour (the time delegated to each whole time Fire Engine is allocated per shift).

⁶ MOSAIC is a demographic tool used by the Service to identify similar household across the county and allow us to target intervention measures towards them.

Volunteer hours provided

This year saw continuing success for the Parish Safety Volunteers Scheme. This, coupled with our original home fire safety volunteers sees nearly a quarter of all home safety visits in our county being delivered by volunteers.

Our museum volunteers have continued to excel in their expertise, and a volunteer-led outreach activity this summer saw our audience numbers increase by over 12,000. This was together with a temporary pop up museum at the Chelmsford and Essex Museum in Oakland's Park.

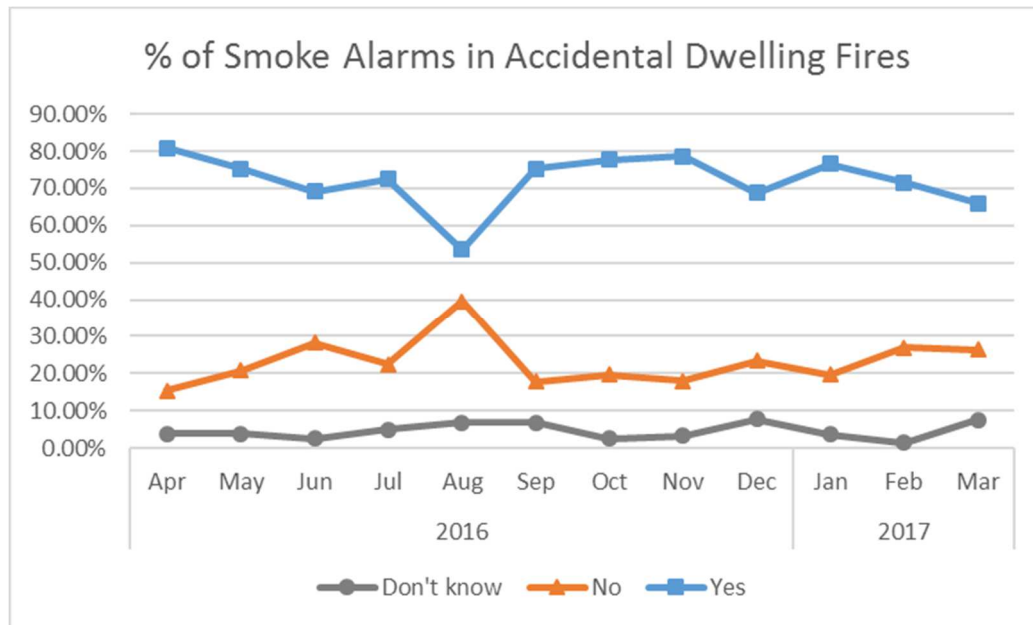
The volunteer symposium and volunteer celebration events remind the Service that the passion and dedication our volunteers have not only adds value to our work, but often is the only way it can happen. Please note that the Crucial Crew and Winter Warmer campaigns last year would not have been possible without the hard work of volunteers.

	Home Safety Visits	Community Safety Activities	Training	Museum	Total
April	267	238	56	151	712
May	223	61	20	212	516
June	273	182	40	206	700
July	210	89	34	235	567
August	83	257	72	220	631
Sept	199	271	73	138	681
Oct	325	192	21	126	663
Nov	384	233	33	116	766
Dec	117	82	71	93	362
Jan	201	116	46	240	602
Feb	184	50	4	136	374
Mar	248	159	79	132	617
Apr	175	115	21	156	467
Total	2,887	2,043	566	2,160	7,656

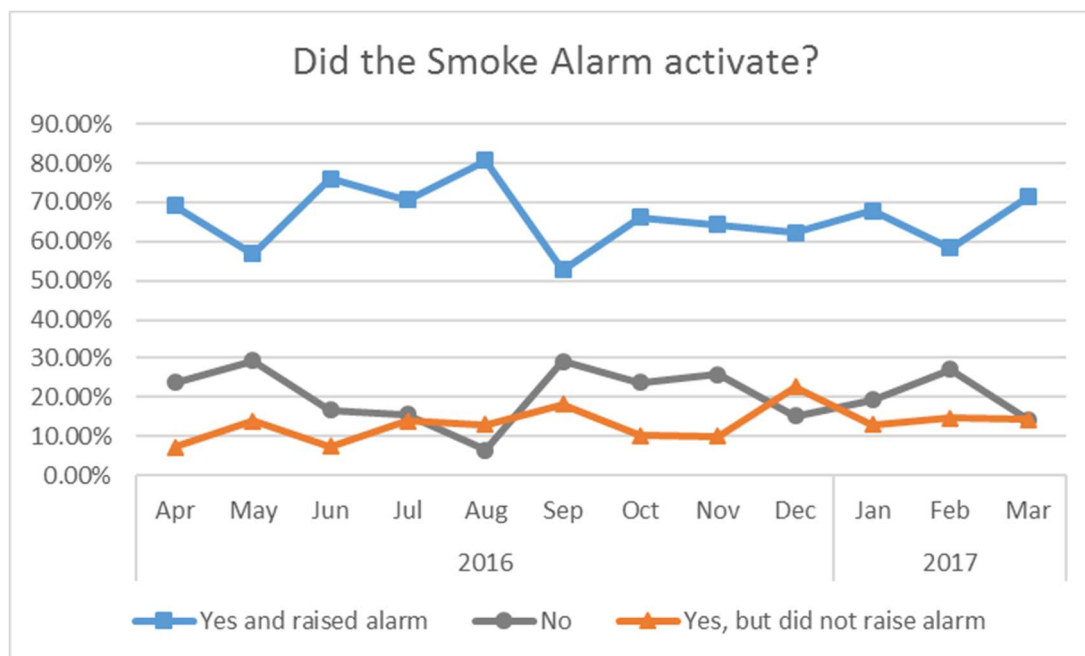
Fires, fatalities and casualties in dwellings, by presence or operation of smoke alarms

Smoke Alarms were present within 73% of Accidental Dwelling Fires (ADFs) attended by The Service within the reporting period 2016-17. This accounts for 625 incidents.

The trend is that Smoke Alarm Ownership in Accidental Dwelling Fires has gradually decreased over the year.



In the reporting period, where Smoke Alarms are present, they activated and raised an alarm in 66% occasions, in 13% of occasions they activated but did not raise alarm, and in 21% the alarm did not activate at all.



Response

01 April 2016 – 31 March 2017

We ensure the safety of firefighters at all operational incidents, regardless of the nature and scale and that those with responsibility for incident command decision-making are consistently competent to undertake that role.

Days/Shifts lost due to Health and Safety Incidents

Injuries during operation incidents


Month	Injuries at fire	Injuries at Road Traffic Collisions	Injuries at other special service	Total
Wholetime	141	4	9	154
On Call	6	0	2	8
TOTAL	147	4	11	162

Injuries during operation incidents

Month	Operation Training	Fitness Training	Injuries during routine activities	Total
Wholetime	29	8	11	48
On Call	0	28	0	28
TOTAL	29	36	11	76


Number of Health and Safety Incidents

Accidents

2016/17	2015/16	Trend	Target	Target
118	128	 Improving on Target	128	On Target


The number of accidents has been consistently below the figure reported in the corresponding periods in 2015-16.

Hazards

2016/17	2015/16	Trend	Target	Target
116	117	 Improving on Target	117	On Target


Only once over the reporting period did the Service not improve on the number of reported Hazards in the previous year.

Near Miss

2016/17	2015/16	Trend	Target	Target
62	89	 Improving on Target	89	On Target

The number of Near Misses has been consistently below the figure reported in the corresponding periods in 2015-16.

RIDDOR


2016/17	2015/16	Trend	Target	Target
7	20	 Improving on Target	20	On Target

RIDDOR is the “Reporting of Injuries, Diseases and Dangerous Occurrences Regulations” to the Health and Safety Executive for which the organisation and employees have an obligation to report certain serious workplace accidents, occupational diseases and specified dangerous occurrences (near misses).

The number of RIDDOR has been consistently below the figure reported in the corresponding period of 2015-16.

We deal with incidents safely and effectively and that for every known high-risk location in Essex there is an up-to-date and effective Tactical Fire Plan where the content is understood by those who are most likely to discharge it.

To get first attendance to an incident within 15 minutes on 90% of occasions


2016/17	2015/16	Trend	Target	Target
88%	90%	 Worse than previous year	90%	Off Target

Month	2016/17	2015/16	Target	Target
Apr-16	91%	90%	90%	On Target
May-16	90%	91%	90%	On Target
Jun-16	85%	90%	90%	Off Target
Jul-16	89%	88%	90%	Off Target
Aug-16	86%	87%	90%	Off Target
Sep-16	87%	90%	90%	Off Target
Oct-16	87%	91%	90%	Off Target
Nov-16	89%	91%	90%	Off Target
Dec-16	89%	90%	90%	Off Target
Jan-17	91%	90%	90%	On Target
Feb-17	87%	91%	90%	Off Target
Mar-17	90%	91%	90%	On Target

In 2016-17, 88% of incidents were attended within 15 minutes. The trend for this measure has been slowly increasing over the reporting year.

November, December and January saw the lowest averages for call handling for the financial year. Staff within Control should be congratulated for embedding the new 4i system as quickly as they have and being able to see the benefits of quicker call handling times already.

To get our first attendance to a potentially life-threatening incident within an average of 10 minutes

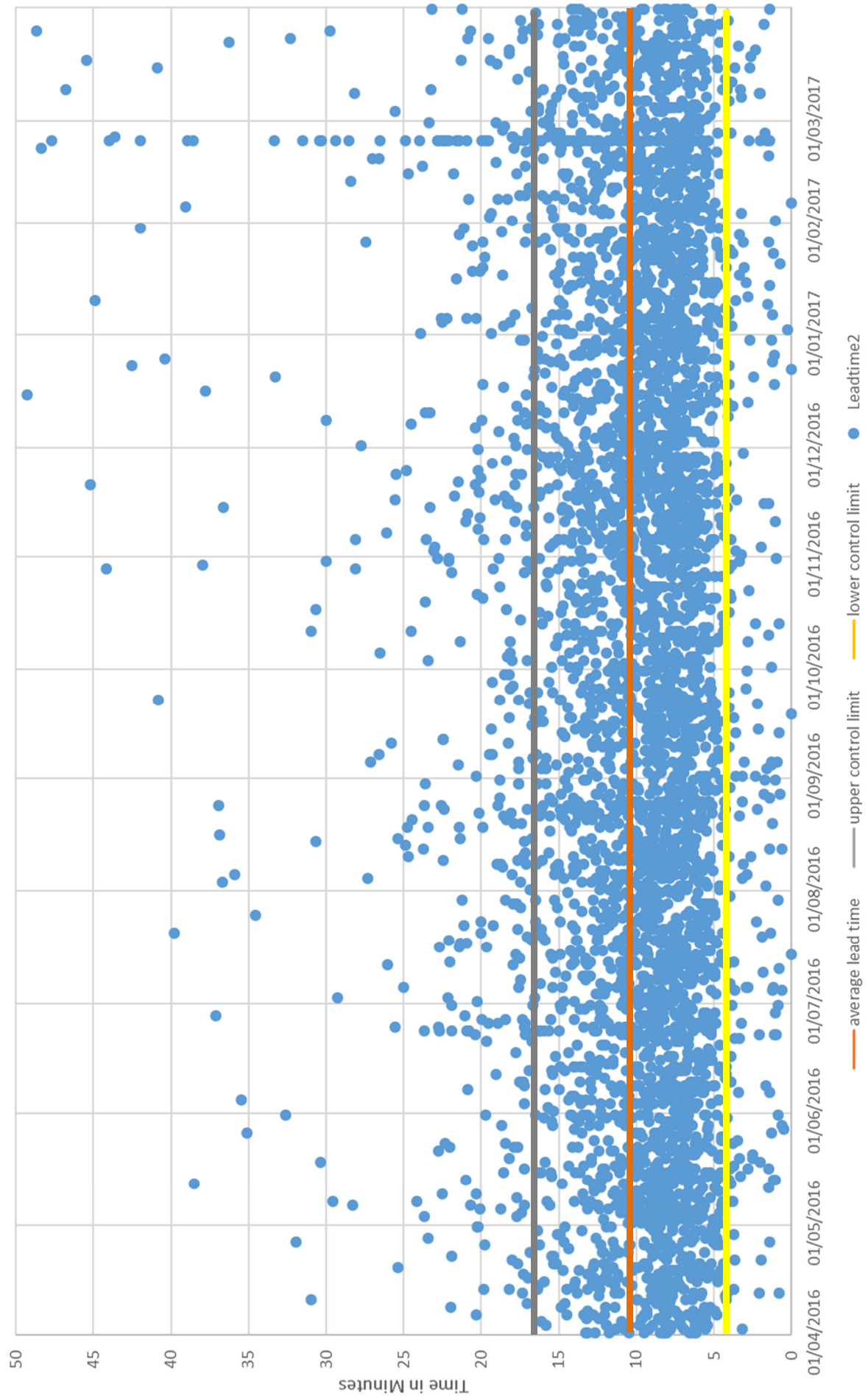
2016/17	2015/16	Trend	Target	Target
10.35	10.18	 Away from Target	10.00	Off Target

During 2016-17, there were 4387 incidents that were classed as Potentially Life Threatening incidents. 3978 Incident fell below the Upper Control Limit, 410 were above the Upper Control Limit.

Of the 410 Incidents occurring outside the Upper Control Limit⁷ 63 were Fires, 63 were False Alarms and 284 were Special Services.

⁷ Upper and Lower control limits have been added to charts within this report. These have been introduced to measures where performance will fluctuate month by month. These give managers an idea of a where there are areas for performance management and improvement.

Attendance Times



We ensure that lessons learned from all operational incidents, regardless of the nature and scale, are captured, fed back and acted upon.

Completion rate of debriefs

In 2016-17 there were 98 Debriefs carried out by the Service.

37	Level 1	Operational Debriefs
10	Level 2	Strategic
51	Level 2	Tactical


What are the key lessons learnt from the debrief process

The following areas have been identified as subjects that all personnel should familiarise themselves with:

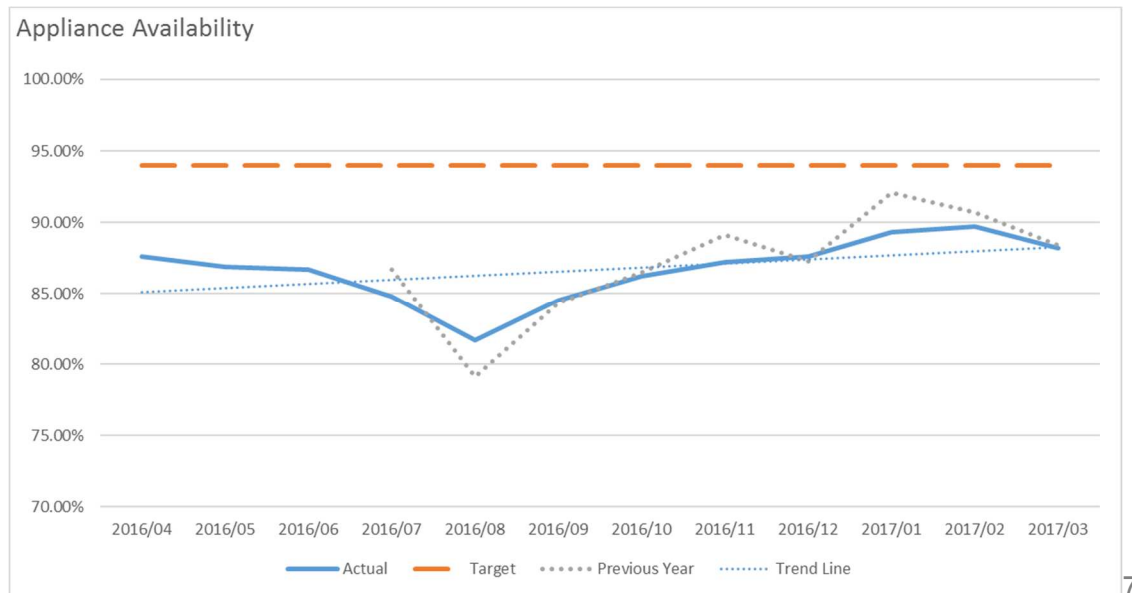
- Half Masks – Should be carried at all times as part of your PPE. Crews have been identified as putting themselves at greater risk by not using appropriate respiratory protection at asbestos incidents.
- Thermal Image Camera (TIC) – BA crews to ensure that a thorough search is performed and not to rely on the TIC to locate casualties behind obstructions.
- IIMARCH – Handover procedure. The Operations Department will shortly be issuing an aid sheet to all personnel.

We maximise the availability and utilisation of resources within our operational response model.

Total Pumping Appliances Availability

2016/17	2015/16	Trend	Target	Target
88%	87.6%	 Towards Target	94%	Off Target

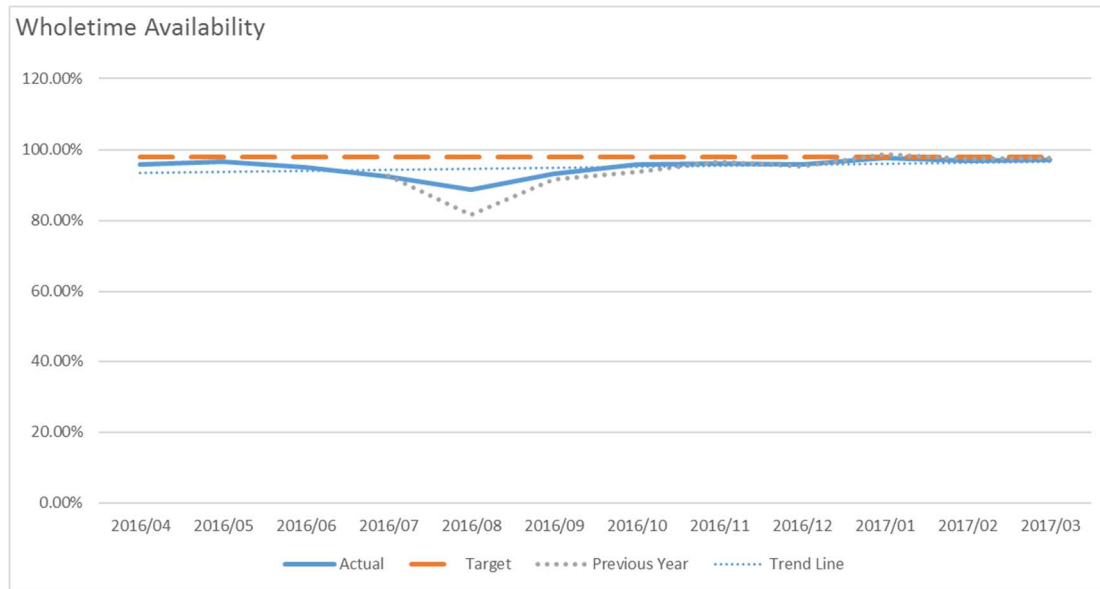
The chart below shows the 12 month appliance availability. As you can see this year follows the same seasonal trends as previous years and has fluctuated above and below previous year's figures but is consistently below the target set for this measure.



Wholetime Pumping Appliances Availability

2016/17	2015/16	Trend	Target	Target
95%	94%	 Towards Target	98%	Off Target

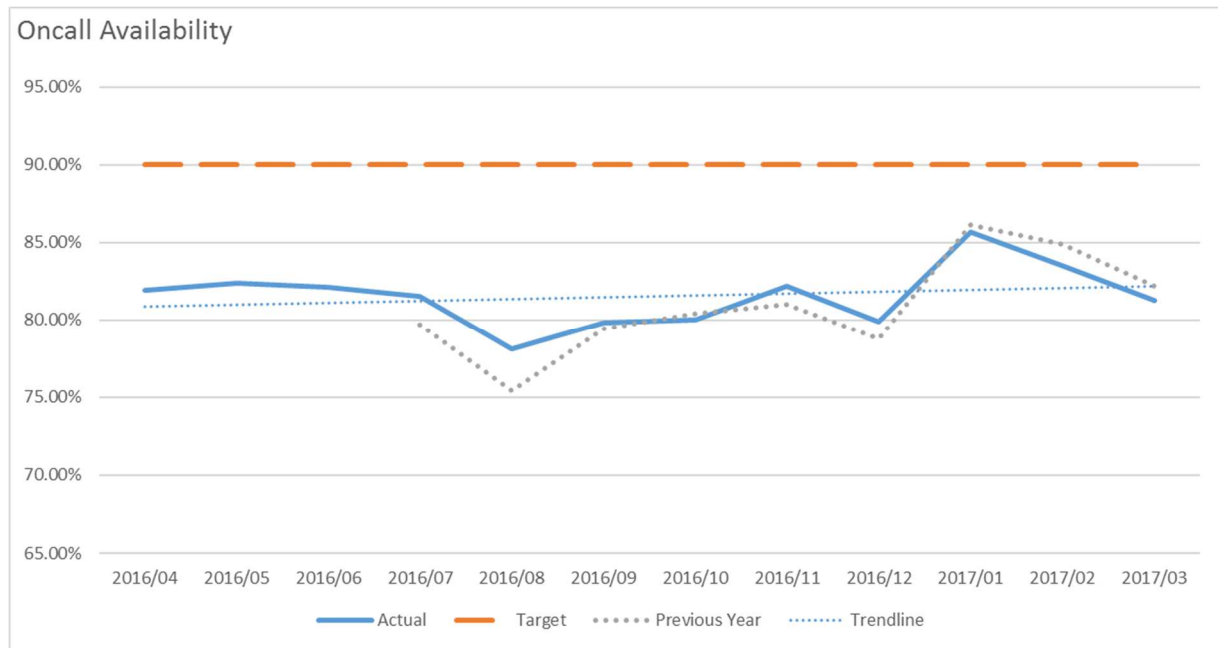
The chart below shows the 12 month Wholetime Pumping appliance availability. As you can see this year follows the same seasonal trends, with a dip in August, as per previous years but we are slowly increasing performance towards our target.



On Call Pumping Appliances Availability

2016/17	2015/16	Trend	Target	Target
81.5%	80.7%	 Towards Target	90%	Off Target

The chart below shows the 12-month Wholetime Pumping appliance availability. As you can see this year follows the same seasonal trends, with a dip in August, as previous years. The trend is slowing increasing towards target, despite the dip in the last reporting quarter. 14 On Call Stations met their availability targets over the 12-months, 9 missed by up to 10%.



Number of out duties

	Pre-Arranged Out Duties		Dynamic Out Duties	
	Total No.	Total Cost	Total No.	Total Cost
Apr-16	112	£6,672.28	251	£4,817.73
May-16	115	£7,100.07	226	£4,136.43
Jun-16	115	£6,658.72	215	£5,707.35
Jul-16	96	£6,350.50	229	£6,078.30
Aug-16	61	£4,046.66	325	£8,604.77
Sep-16	130	£7,168.51	251	£4,817.73
Oct-16	Data not Available			
Nov-16	128	£6,243.24	233	£5,641.23
Dec-16	125	£6,154.05	255	£7,576.11
Jan-17	77	£4,290.71	211	£6,311.19
Feb-17	51	£2,925.52	188	£5,640.00
Mar-17	79	£4,133.92	189	£7,832.00

Have the out duties been effective

The Service has two types of out duties: - Pre-arranged and Dynamic.

Pre-arranged are arranged by Stations. They request resource from another Station with a minimum of 4-days' notice. Dynamic out duties are arranged by Control. Control contact a Station on the day an out duty is required and request resources are sent immediately to the Station requiring cover. The number and cost of these are given above.

What is the progress with On Call Recruitment?

We finished with a net gain of on-call firefighters over the year – table 1 shows 53 recruited and 49 left the Service. This is a reflection of improvements in our general on-call recruitment activity rather than as a result of our specific activity as part of conversions under Programme 2020. The recruitment campaign at Clacton was successful but those recruited will only count as starters from May 2017.

Station	Actual For Mar 2017	Movement since 01 Apr 2016	Joiners since 01 Apr 2016	Leavers since 01 Apr 2016	Transfers In since 01 Apr 2016	Transfers Out since 01 Apr 2016
Billericay	13	(1)	0	(1)	0	0
Braintree	21	(2)	1	(3)	0	0
Brentwood	15	1	3	(2)	1	(1)
Brightlingsea	12	1	1	0	0	0
Burnham	11	(2)	3	(5)	0	0
Canvey Island	17	(1)	0	(1)	0	0
Coggeshall	12	2	1	0	1	0
Corringham	11	(1)	2	(2)	0	(1)
Dovercourt	12	0	0	0	0	0
Dunmow	17	1	5	(4)	1	(1)
Epping	14	(1)	0	(2)	1	0
Frinton	15	(2)	0	(2)	0	0
Halstead	20	(1)	2	(2)	0	(1)
Hawkeell	14	0	1	(1)	0	0
Ingatestone	11	1	2	(1)	0	0
Leaden Roding	7	0	0	0	0	0
Maldon	21	0	1	(2)	1	0
Manningtree	14	0	3	(3)	0	0
Newport	10	0	0	0	0	0
Old Harlow	12	(2)	1	(3)	0	0
Ongar	7	1	2	0	0	(1)
Rochford	12	2	4	(2)	0	0
Saffron Walden	21	(1)	0	(2)	1	0
Shoeburyness	12	0	2	(2)	0	0
Sible Hedingham	9	1	0	0	1	0
Stansted	16	2	5	(2)	0	(1)
Thaxted	7	(1)	0	0	0	(1)
Tillingham	10	(1)	1	(2)	0	0
Tiptree	13	1	2	0	0	(1)
Tollesbury	11	0	1	(1)	0	0
Weeley	15	1	2	(1)	0	0
West Mersea	12	1	1	0	0	0
Wethersfield	10	1	0	0	1	0
Wickford	13	2	2	0	0	0
Witham	22	0	3	(3)	0	0
Wivenhoe	13	2	2	0	0	0
Grand Total	482	4	53	(49)	8	(8)

Figure 1. On-call firefighter numbers April 2016 – March 2017

People and Leadership

01 April 2016 – 31 March 2017

Our leaders are clear on our aims, our expectations of each other, and how we make decisions and how we measure success.

How is performance data helping drive improvement?

Once of the biggest successes over the last financial year was the introduction of the SDO Dashboard.

This is a single page view of Station performance across all groups that is being used to drive discussions within one to ones between the SDO and their direct reports. Work is underway to develop further dashboards for all levels of Station Management.

An improvement that has already been realised since the introduction of the dashboard is the Weekly Incident Chase (where stations are chased to complete the incident data). This has improved week-on-week. This chase is essential as it ensures the timeliness of the completion of incident data.

We ensure our values are lived, we create a kind culture we are proud of and we reward people for what they do AND how they do it.

Number of Inductions

The Service has refreshed its local area induction materials, which are delivered by line managers using the on-line Welcome Induction Programme. The process for notifying line managers of what to do when a new employee starts has been strengthened and is a standard part of the recruitment process. We are expecting the first reports regarding completion of the package by June 2017. As a complement to this, the content of a face-to-face session has been scoped. This will cover the vision and values of the organisation in support of the job related information given during the local area induction.

Number of Grievances and Disciplines

In the 12 months to Dec 2016, we recorded and handled 29 formal disciplinary investigations and 20 formal grievances.

We are committed to become a learning organisation.

Number of Complaints, Compliments and suggestions received within the Service

The responsibility for this section is transferring to the Performance and Data Team in Q1 2017/18. As part of the transfer, **new corporate policies and procedures will be agreed. Improved recording will allow complaints to be transitioned in to learning opportunities and compliments will be incorporated** into our Reward and Recognition process.

We create forums for regular feedback on our talent, their strengths and suitability for promotion as well as identify future opportunities for development.

Number of End of Year Appraisals Completed

2016/17	2015/16	Trend	Target	Target
76%	68%	 Towards Target	90%	Off Target

What are the recognised forums for feedback?

We hold a number of recognised forums where our employees are able to share their feedback with other members of staff and senior leaders, including:

- Your Voice Employee Engagement Forum
- Leadership Forum
- Manager Briefings

How well are these forums attended?

Date	Location	Number of attendees	Key discussion points
April 2016	Billericay Fire Station	8	First workshop held for the development of the Service Strategy General question and answers
May 2016	Rayleigh Fire Station	21	Introducing Director of Transformation Service Strategy Discussion ahead of 8 June meeting about the future of our Service
July 2016	Kelvedon Park	21	Opportunity to get involved in Kitchen Fire Safety Roadshow Thoughts on speed dating - an internal engagement event
August 2016	Kelvedon Park	17	Programme 2020 - communications and engagement workshop General Programme 2020 Q&As
September 2016	Chelmsford Fire Station	17	Programme 2020 Service Strategy Inputting into the Professional Development Programme
October 2016	Lexden Workshops	19	Update from Director of Transformation Reward and Recognition Employee Engagement Measurement within our Service Values Appraisal feedback
December 2016	Kelvedon Park	12	Rank to Role Dignity and Fairness at Work Assessment Development Centre Learning and Development Strategy

We ensure that every manager has the skills and attitude to effectively discharge the role expected of them.

Over the reporting period, the Service has appointed a Head of Talent who has introduced a number of new Management incentives for the Service: -

- Launch of new competencies aligned to the national PQAs
- Development and launch of new appraisal form – simplified and new competencies included for development purposes only
- Development of a 'talent pool' process
- All Assessment Centre materials aligned to the new competencies
- Design of new development materials aligned to the new competencies

We develop ourselves and our teams to deliver more in a complex and uncertain environment.

Average Day/Shifts lost to sickness absence per person (including all staff)

2016/17	2015/16	Trend	Target	Target
8.7	9.2	 Towards Target	7.3	Off Target

Whilst the Service has missed its target for sickness and absence in 2016-17 there has been a continues improvement over previous year's figures since October 2010

We will ensure that our Service reflects the diversity of our communities.

Gender Profile

Gender	Whole time	On Call	Engineers	Support	Volunteers	Service Total
Female	9%	1%	0%	51%	32%	15%
Male	91%	99%	100%	49%	68%	85%

Age Statistics

Age Group	Operational	Retained	Engineers	Support	Volunteers	Service Total
18-24	0%	12%	15%	3%	11%	5%
25-34	11%	32%	5%	15%	14%	18%
35-44	36%	24%	15%	19%	14%	28%
45-54	49%	24%	35%	30%	14%	37%
55-64	4%	8%	30%	25%	18%	10%
65+	0%	0%	0%	8%	29%	2%

Ethnicity Statistics

Ethnic Origin	Operational	Retained	Engineers	Support	Volunteers	Service Total
Asian Indian	0%	0%	0%	0%	4%	0%
Black African	0%	0%	0%	0%	4%	0%
Black Caribbean	0%	0%	0%	0%	0%	0%
Chinese	0%	0%	0%	1%	0%	0%
Mixed Other	0%	0%	0%	0%	0%	0%
Mixed White&Asian	0%	0%	0%	0%	0%	0%
Mixed White&Black Caribbean	0%	0%	0%	0%	0%	0%
White Any Other	1%	1%	5%	1%	0%	1%
White British	35%	55%	20%	54%	68%	45%
White Irish	0%	0%	0%	0%	0%	0%
Not Stated	63%	43%	75%	44%	25%	53%

Public Value and Collaboration

01 April 2016 – 31 March 2017

We demonstrate value for money in our activities.

The Service Revenue Account

In 2016/17, the Authority's total planned net expenditure was £71.3m, which was met. During the year, expenditure was kept under strict management control thus ensuring that only essential expenditure was incurred.

We maximise the impact of our activity, ensuring that we make evidence based decisions and generate an understanding of what works.

Number of Collaboration Projects

The Emergency Services Collaboration Programme Board (ESCPB) initially drew up a programme of fifty-three potential projects of which ten were selected for further progression and development. Of the ten Workstreams devised six have remained closely aligned to the original project briefs (PSV, Collapsed by Closed Doors, Community Speed Watch, Expansion of Education, Duke of Edinburgh and Firebreak aiming to provide Restorative Justice intervention).

The schools education programme is now fully established with joint education Officers delivering an enhanced, integrated programme of activity to schoolchildren across Essex in support of the IRMP objective to reach 100% of schoolchildren. The PSV project has seen the continued roll out of volunteers supporting the community safety message across Essex and Firebreak has been delivering RJ courses. These projects are expected to require a lighter-touch support going forward.

The remaining four projects (development of Essex Risk Intervention Service, Joint rural patrols, Community portal and Joint Trunk patrols) have been subject to changes following on from response to discussions with the Rep Bodies and partner agencies. Work will continue on exploring options to deliver these against core themes.

The ESCPB is awaiting the outcome of a funding bid to the Home Office in support of the ten workstreams (delayed during purdah); however, they are not entirely dependent on external funding for progression. The board has now begun an assessment process to re-visit the initial fifty-three initiatives with a view to taking another cohort forward for development and progression over the next twelve months.

Freedom of Information Requests

In 2016/17 there were 180 Freedom of Information Requests received by the Service, 148 were completed on time or 82%.



The Information Commissioner has raised the threshold that triggers the ICO's monitoring of public authorities when responding to freedom of information requests. Public authorities will now be considered for monitoring if fewer than 90% (previously 85%) of their FOI responses fall within the statutory timescale.

Performance and Data Team

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