

ESSEX FIRE AUTHORITY
Essex County Fire & Rescue Service



**Audit, Governance and Review Committee
Agenda**

10:00	Wednesday, 18 January 2017	Kelvedon HQ,
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Quorum: one third of the Committee's membership (5)

Membership

Councillor John Knapman
Councillor Anne Turrell
Councillor Dave Blackwell
Councillor Ivan Henderson
Councillor Paul Honeywood
Councillor Michael Hoy
Councillor Norman Hume
Councillor Jamie Huntman
Councillor Maggie McEwen
Councillor Valerie Metcalfe
Councillor Colin Seagers
Councillor Julian Ware-Lane
Councillor Aaron Watkins
Councillor Andy Wood
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'.

There is ramped access to the building for wheelchair users and people with mobility disabilities.

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 (part I) To approve as a correct record the minutes of the last meeting of the Committee held on 5 October 2016.	7 - 14
Decision Items		
4	Draft Budget for 2017-18 To consider report EFA/004/17 by the Finance Director & Treasurer.	15 - 34
5	Budget Review To consider report EFA/006/17 by the Finance Director & Treasurer.	35 - 42
6	Audit Recommendation - Report on Progress Against Action Plans To consider report EFA/007/17 by the Finance Director & Treasurer.	43 - 46
7	Audit Reports To consider report EFA/008/17 by the Finance Director & Treasurer.	47 - 134
8	Internal Audit Progress Report To consider report EFA/009/17 by the Finance Director & Treasurer.	135 - 142
9	Corporate Risk Register To consider report EFA/011/17 by the Finance Director & Treasurer.	143 - 158

Information Items

- | | | |
|-----------|---|------------------|
| 10 | Organisational Performance Report
To note report EFA/005/17 by the Director of Transformation
- to follow. | |
| 11 | Programme 2020 - 6 month review
To note report EFA/010/17 by the Acting Chief Fire Officer. | 159 - 162 |
| 12 | Mid-Year Treasury Management report
To note report EFA/012/17 by the Finance Director &
Treasurer. | 163 - 174 |
| 13 | Review the regular and standing reports that are
presented to EFA meetings and committees
To discuss the annual work programme for the Authority, as
agreed by the EFA Policy and Strategy Committee on 2
November 2016 (ref Minute 7, recommendation 2). By way
of information, the 2016-17 work programme report is
attached. | 175 - 178 |
| 14 | Safeguarding Action Plan
To note report EFA/013/17 by the Director of Prevention,
Protection & Response. | 179 - 204 |
| 15 | Date of Next Meeting
To note that the next meeting of the Committee will take
place on Wednesday 19 April 2017 at 10.00 am. | |
| 16 | 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.

17 Minutes (part II)

- Information relating to any individual;
- Information relating to the financial or business affairs of any particular person (including the authority holding that information);

18 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, 05 October 2016

Present:

Councillor J Knapman	Chairman
Councillor A Turrell	Vice-Chairman
Councillor D Blackwell	
Councillor I Henderson	
Councillor P Honeywood	
Councillor M Hoy	
Councillor J Huntman	
Councillor V Metcalfe	
Councillor C Seagers	
Councillor J Ware-Lane	
Councillor R Woodley	

The following Officers were present in support throughout the meeting:

Mike Clayton	Finance Director and Treasurer
Dave Bill	Director of Prevention, Protection and Response
Mark Stagg	Director of Transformation
Tracy King	Assistant Director of Business Planning and Performance
Lucy Clayton	Performance Analyst
Shirley Jarlett	Clerk and Monitoring Officer to Essex Fire Authority
Martina Lee	Ernst & Young LLP (External Auditors)
Fiona Lancaster	Committee Officer (Essex County Council)

Apologies for absence were received from Councillors N Hume, M McEwen and A Wood, and also from Adam Eckley, Acting Chief Fire Officer and Acting Chief Executive and Kevin Suter from Ernst & Young LLP (External Auditor).

The Chairman reported that Councillor Sue Macpherson had now stood down as a representative on the Essex Fire Authority and as a member of the Audit, Governance and Review Committee. Details about her replacement would be confirmed in due course.

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 (part I)

The minutes of the meeting held on 13 July 2016 were agreed as a correct record and signed by the Chairman.

3 Auditor's Report on Accounts

The Committee considered report EFA/112/16 prepared by Ernst & Young LLP (presented by Martina Lee, Ernst & Young LLP) which summarised the findings from the 2015/16 audit.

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

- The External Auditors had now completed their audit and had given an unqualified opinion on the financial statements and conclusion on the value for money arrangements. The outstanding matters listed in Appendix A had all been completed.
- The External Auditors were satisfied that there were no matters to report in relation to the three significant risks identified during the planning phase of their audit (refer page 23 of the agenda pack).
- The External Auditors were satisfied with the arrangements that had been put in place regarding the recommendations and actions arising from the independent cultural reviews.
- The External Auditors thanked the Fire Authority's Finance team for their co-operation throughout the audit process.
- Acknowledging that the Auditor's Report on Accounts was first presented to the Policy and Strategy Committee, the Members asked whether it would be possible to receive future reports ahead of their completion.
- The Committee discussed the risks in relation to Programme 2020 and particularly the financial risks if savings were not achieved. The Director of Prevention, Protection and Response, reassured Members that there was ongoing monitoring of the risks and models, in addition to the annual reviews on operational challenges.
- The Committee expressed some concern regarding the number of firefighters leaving the Authority before retained firefighters had been put in place, and how this could affect the strategic plans.
- The Director of Prevention, Protection and Response, indicated that he would provide more detail regarding on-call firefighters to help explain the re-organisation of resources locally.

Resolved:

1. That the Auditor's Report on Accounts be noted, recognising that on-call firefighter recruitment needed to be improved to ensure that the future plans of the Authority were not compromised and that the arrangements would be under

constant review.

2. That the Finance Director and Treasurer (and External Auditors) would explore the possibility of providing the Auditor's Report on Accounts to an earlier meeting of the Committee in the next financial year.

4 Audit Recommendation - Report on Progress Against Action Plans

The Committee considered report EFA/115/16 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 commented that there were no reports for review at this stage, but that a large number would be presented to the January 2017 meeting.

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

- The Committee identified a number of timescales within the IT General Controls, Workforce Planning and Purchase of New Appliances sections which suggested that action plans were not on track. In response, the Finance Director and Treasurer updated the Committee on the correct position and agreed to provide a revised report to the Committee.
- The Police and Crime Commissioner's plans did not impact on the Authority's financial projections to 2020 at this point.
- The Committee discussed its role and the perceived lack of a governance work focus. Members considered the view that Officers should be asked to appear at Committee meetings to explain why they were not achieving their targets.
- The Clerk reported that elements of the Authority's Constitution were being reviewed and Members would be welcomed to get involved with this. Councillor Knapman indicated his willingness to help.

Resolved:

That, subject to the progress made against the action plans developed by the Authority being updated to reflect the correct position, the report be noted.

5 Budget Review and Revised 2016-17 Budget

The Committee considered report EFA/114/16 by the Finance Director and Treasurer which provided an update on expenditure against budget at 31 August 2016 and on major budget variations. It also provided an updated budget for 2016-17 to reflect the implementation plan for the Programme 2020 and sought approval for the budget virements required.

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

- The Committee noted the £60k overspend on employment costs, with the largest overspend relating to the employment of support staff.
- The number of whole time firefighters was 16 below the phased budget as a result of the major change of appliances at the end of September.
- Members noted the reduction of on-call firefighters, which was in line with the decision made by the Authority in June, and that the Consultation on amendments to the bandings for on-call availability was now underway. On-call numbers were expected to rise in 2017 as a result of a new recruitment drive. The Committee expressed concern regarding the perceived lack of progress in recruiting on-call firefighters and the possible effects that the failure to recruit could have on the Authority's strategy.
- The revised budget reflected the Programme 2020 changes, with the most significant factor relating to early exit retirement costs for firefighters which would be met from the capital receipts reserve, as agreed in advance with the External Auditors. In response to some concerns expressed about the use of that reserve and changes to the accounting policy, the Finance Director and Treasurer agreed to explore the possibility of creating a business transformation reserve instead.
- Savings would be made with the reduction in the numbers of operational appliances and those held in reserve. As part of the current contract, eight appliances would be upgraded each year until 2018.
- The Committee requested more information from the Finance Director and Treasurer on aspects relating to temporary/casual support staff, including information on lengths of contracts and work areas being covered, so that Members could understand the overspend in this area and how it was being managed. An on-call firefighter variance analysis would also be provided at the January meeting.
- The Committee noted the change of forecast relating to capital expenditure as a result of some items not being delivered by the end of the previous financial year. Collaborative working with Essex Police and the possibility of the police moving to the Authority's Kelvedon Park site had affected the progress of some projects, such as new service workshops.
- The Clerk would check whether the revised Budget 2016-17 needed to be referred back to the full Fire Authority for formal approval.

Resolved:

1. That the position on the Authority's income and expenditure at 31 August 2016 compared to the original budget be noted;
2. That the capital expenditure spend against budget for the period to 31 August 2016 be noted;
3. That the staffing position in respect of on-call firefighters be noted, accepting

that the Committee remain concerned about the ability to recruit on-call firefighters;

4. That the revised 2016-17 budget and the transfer of £2.9m from revenue reserves be noted.

5. The Finance Director and Treasurer to provide further details relating to temporary/casual support staff, including the lengths of contracts and work areas being covered, at the January meeting of the Audit, Governance and Review Committee.

6 Organisational Performance Report

The Committee considered report EFA/113/16 by the Director of Transformation which provided an overview of the Authority's performance for the 12 month period to 31 August 2016.

The following points arose from the Committee's consideration of the report concerning performance against success measures, and received updates on actions taken or proposed in response:

- The Committee referred back to the issues raised at the previous meeting regarding the accuracy and level of data presented in reports, and the need for consistency in terminology to enable comparisons to be made. The Members agreed that "worse than" could be used to ensure that outcomes were not misunderstood.
- Members expressed concern regarding the number of kitchen fires and the different levels of collaboration and good practice with other partners, particularly in relation to independent living elderly residents. The Director of Prevention, Protection and Response indicated that he would be providing a report to the January meeting on this issue.
- The Committee was reassured that details relating to on-call recruitment would be provided at every meeting.
- The amount of additional work being undertaken with other authorities and what level of savings others were achieving, and how the Authority could examine whether it was facing higher costs as a result of additional collaboration.
- The Director of Prevention, Protection and Response confirmed that the total appliance availability percentages were correct, and that attendance was at an appropriate level. August had been a challenging month, but availability had been maintained by the use of new initiatives.
- Some concern was expressed regarding the lack of data from Essex County Council for people killed or seriously injured in road traffic collisions from December 2015 to August 2016.

Resolved:

That, the Report circulated with the agenda be noted.

7 Performance Indicators Report

The Committee received a presentation from the Director of Transformation, the Assistant Director of Business Planning and Performance and the Performance Analyst on the intention to develop a more meaningful set of key performance indicators (KPI's) and a new reporting timetable that deliver assurance to Members and Senior Leaders that the Authority is delivering against its strategy.

The Committee welcomed the development of improved data and supported the proposed next steps which included Member participation in workshops.

In response to a question regarding Family Group 4, which was currently formed of 18 fire and rescue services from England, Wales and Northern Ireland, the Committee noted that the Group continued to meet twice a year, at which time the Authority's measures and relevance were reviewed.

Resolved:

That, a copy of the slideshow presentation be circulated to Committee Members.

8 Programme 2020 - Progress Report

The Committee received report EFA/116/16 by the Acting Chief Fire Officer and Acting Chief Executive (presented by Mike Clayton, Finance Director and Treasurer) which provided an update on the work of Programme 2020 and a forward view of planned work.

Programme 2020 was now in the delivery phase and the Authority was beginning to implement the changes. The Committee noted that it would receive Programme Progress reports at all future meetings.

The report was noted.

9 Health and Safety Annual Report 2015-16

The Committee received report EFA/117/16 by the Director of Prevention, Protection & Response which provided an update on the Authority's health and safety plans and performance for the year 2015/16.

The Committee acknowledged the good results arising from the past year's activities, and the report was noted.

10 Date of Next Meeting

Members noted that the next meeting of the Committee would take place on Wednesday 18 January 2017 at 10.00 am.

11 Exclusion of the Press and Public

Resolved:

That having reached the view that, in each case, the public interest in maintaining the exemption (and discussing the matter in private) outweighed the public

interest in disclosing the information, the public (including the press) be excluded from the meeting during consideration of the following items of business on the grounds that it involved the likely disclosure of exempt information as specified in paragraphs 1 and 4 of part 1 of Schedule 12A of the Local Government Act 1972.

[The External Auditor, Martina Lee, together with Officers Tracy King and Lucy Clayton, left the meeting at this point].

12 Minutes (part II)

The confidential minutes of the meeting held on 13 July 2016 were agreed as a correct record and signed by the Chairman.

13 Value for Money Review - Expert Advisory Panel

The Committee considered report EFA/118/16 by the Finance Director and Treasurer which provided a review for Members of the Expert Advisory Panel.

Resolved:

That the report on the review of the Expert Advisory Panel be noted.
(Please note that a fuller record is set out in the confidential appendix of the meeting).

The meeting closed at 12.25 pm.

Signed.....
(Chairman)

Date.....

ESSEX FIRE AUTHORITY

Essex County Fire & Rescue Service



MEETING

**Audit, Governance and
Review Committee**

AGENDA ITEM

4

MEETING DATE

18 January 2017

REPORT NUMBER

EFA/004/17

SUBJECT

Draft Budget for 2017-18

REPORT BY

The Acting Chief Fire Officer and The Finance Director & Treasurer

PRESENTED BY

The Finance Director & Treasurer, Mike Clayton

SUMMARY

The purpose of this report is to:

- Provide the draft revenue and capital budgets for the Authority for 2017/18;
- Provide information on the budget and business planning process; and
- Provide information on the formula grant settlement, share of national non-domestic rates, council taxbase and collection account for 2017/18.

Following the decision of the Fire Authority in June 2016 to support Option 2 of the Service change options the budget has been prepared showing figures for a Council Tax increase of 1.99%.

RECOMMENDATIONS

Members of this Committee are asked to review the budget to be submitted to the Fire Authority on 15 February 2017:

	2016/17 Budget	2017/18 Budget
Net Expenditure	£71,304k	£70,113k
Decrease from 2016/17		-£1,191k
Precept	£41,224k	£42,807k
Band D Council Tax	£67.68	£69.03
Increase from 2016/17		1.99%

1. A net expenditure budget of £70.113m;
2. A precept of £42.807m;
3. A Band D council tax of £69.03 (an increase of £1.35 or 1.99%);
4. The bands of Council Tax are shown in the following table.

Council Tax Band	2016/17	2017/18 with 1.99% Increase
A	£45.12	£46.02
B	£52.64	£53.69
C	£60.16	£61.36
D	£67.68	£69.03
E	£82.72	£84.37
F	£97.76	£99.71
G	£112.80	£115.05
H	£135.36	£138.06

5. Capital expenditure budget of £11.890m in 2017/18.

LOCAL GOVERNMENT FINANCE SETTLEMENT

In September 2016 the Authority approved an efficiency plan for the period to 2019/20 and this was submitted to the Government. The provisional settlement figures for 2017/18 were announced on 15 December 2016 and reflect those expected in the efficiency plan. The government have also confirmed that funding levels for 2018/19 and 2019/20 will reflect the certainty amounts included within our efficiency plan. The final figures for 2017/18 will be confirmed in early February 2017.

For 2017/18 the level of revenue support grant will be £11,033k some £3,197k lower than the current year, this is a reduction of 22.5%. In addition, the Authority will retain 1% of national non-domestic rates (business rates) worth an estimated £6,480k and receive a top-up grant of £9,423k. In total, these amounts for business rates are 4.0% higher than the current year.

SUMMARY OF GOVERNMENT FUNDING

The table below summarises government funding for 2017/18 in comparison with the current year:

Total Settlement Funding Level	2016/17	2017/18	Change	
	£'m	£'m	£m	%
Revenue Support Grant £m	14.230	11.033	-3.197	-22.5%
Share of NNDR	6.534	6.480	-0.054	-0.8%
Top Up Grant	8.763	9.423	0.660	7.5%
NNDR Collection Account	-0.327	-0.476	-0.149	45.6%
Total	29.200	26.460	-2.740	-9.4%

NATIONAL NON-DOMESTIC RATES

Within the overall amount of funding there is an element funded by the Authority's share (1%) of national non-domestic rates. For 2017/18, decisions by the government to extend relief for small businesses and other policy changes mean that £407k (£407k for 2016/17) of the business rates expected will be replaced by a government grant.

In addition, the government assumes that the Authority's share of national non-domestic rates from the billing authorities will be £6,480k for 2016/17. The exact amount may vary from this level, the Authority holds an earmarked reserve to manage this uncertainty, and it is proposed that the shortfall in the final level of billing authority sourced funding is managed through this reserve.

To help maximise the local share of national non-domestic rates the Authority has supported a pooling arrangements with the County Council and eight of the Essex district authorities. Under the pooling arrangements, a larger share of any gains in the level of these rates will be retained locally and apportioned within the pool. Because of this, it is estimated that the Authority will gain £120k in additional business rates.

COUNCIL TAX

The Authority consulted in 2016 on future service change options associated with proposed changes in the rate of council tax. The preferred option agreed by the Authority in June 2016 included planned increases in Council Tax of 2% per annum. For 2017/18, the government has proposed 2% as the threshold of the increase in council tax that will require a referendum. This is subject to confirmation by Parliament in early February 2017. The proposed increase for the Authority of 1.99% is the highest allowed within this threshold.

The increase in council tax from the rate increase add £837k to the Authority's income. If the increase is not agreed then this will create a larger call on reserves in 2017/18 and the need for savings to be identified in future years in addition to the 2020 programme.

TAX BASE

The position regarding the taxbase of the Authority remains strong with increases through better collection arrangements and growth. Work with the Billing Authorities has ensured that early figures for the taxbase have been provided to all precepting authorities. This is also supported by in-year monitoring of the progress in collection and an early assessment of the impact of changes to the billing authorities Council Tax support schemes.

The Authority has aligned itself with the County Council and the Police and Crime Commissioner and agreed with the billing authorities to share the precepting authorities' gains from technical changes in Council Tax with the billing authority.

The rate of growth in the taxbase has increased as the cautious approach adopted when council tax support was localised has worked through in higher collection rates. The figures for 2017/18 give a further increase of 1.8%.

COLLECTION ACCOUNT

Initial figures for the Council Tax collection account show a positive balance of £846k. The Authority has an earmarked reserve to absorb any negative movement on the collection account fund, but there will be no call on this reserve in 2017/18.

PRECEPT AND IMPLICATIONS FOR COUNCIL TAX

The table below sets out the calculations of the proposed council tax and show the changes from the 2016/17 budget.

	2016/17 Budget	Council Tax 2017/18	Change
	£'000	£'000	£'000
Budget Requirement	71,304	70,113	(1,191)
Sources of Finance			
Revenue Support Grant	14,230	11,033	(3,197)
National Non-Domestic Rates	14,970	15,427	457
Total Grant	29,200	26,460	(2,740)
Collection Fund Surplus	880	846	(34)
Precept Requirement	41,224	42,807	1,583
Tax Base	609,102	620,121	11,019
Council Tax (Band D)	£67.68	£69.03	£1.35

The main changes from 2017/18 are the reduction in revenue support grant, offset by an increased taxbase and an increase in the precept. Just under half of the increase in the precept comes from the higher taxbase with the balance from the increase in council tax.

2016/17 FORECAST REVENUE BUDGET POSITION

The forecast outturn has been reviewed to reflect the position at the end of November 2016, this forecast is summarised below and this position is reflected in the comparative figures used in this report.

Description	2016-17 Budget £'000s	2016-17 Forecast £'000s	Forecast Variance £000's
Firefighters	30,963	30,808	(156)
Firefighters - Retained Duty System	5,349	5,480	131
Control	1,364	1,257	(108)
Support Staff	12,381	12,343	(38)
Total Employment Costs	50,058	49,888	(170)
Support Costs	5,005	4,832	(173)
Premises & Equipment	10,529	10,478	(51)
Other Costs & Services	3,736	4,058	322
Firefighters' Pension Scheme	2,097	2,114	17
Financing Items	7,585	3,798	(3,787)
Operational income	(3,894)	(3,864)	30
Contribution to/(from) Reserves	(3,812)	-	3,812
Total Other Costs	21,246	21,416	170
Total Budget	71,304	71,304	0
Total Funding	(71,304)	(71,304)	-

The forecast variance is reported against the revised budget. The forecast includes £263k of higher legal costs, with savings across other budget headings. The main feature of the forecast is the use of £3.7m of the capital receipts reserve to reduce the capital financing charge, this replaces the budgeted use of the general reserve. This is the same approach that was adopted in 2015/16.

RESERVES

At 31 March 2016, the Authority had £12.2m of usable reserves. Capital receipts in 2016/17 have increased these reserves by £8.5m. Decisions by the Fire Authority to support early exit options mean there is a forecast reduction in 2016/17 of £3.7m leaving a year end forecast of £17.0m of usable reserves at 31 March 2017.

The report from the Treasurer (Appendix 1) reviews these factors for 2017/18 onwards including the review periods for the earmarked reserves. No changes to the ear-marked reserves are proposed, but £648k of the spend to save reserve will be used to balance the early payment of the pension deficit for the years 2018/19 and 2019/20. The balance of the shortfall in the budget for 2017/18 will be met through a reduction in the capital financing charge and the use of the capital receipts reserve to replace this charge. This will reduce the capital receipts reserve by £1,361k in 2017/18.

The 2017/18 budget represents a transitional period in the move towards a balanced budget for 2020 forwards. The potential for future savings in the costs of enabling services and property through collaboration and integration with the police remains, but the timing of these savings is not in the direct control of the Authority.

2017/18 BUDGET

The budget for 2017/18 has been drawn up reflecting the key decisions made by the Authority. The budget supports the Corporate Strategy and departmental budgets reflect the departmental activities in support of the overall strategy. The plans demonstrate the achievement of a balanced budget by 2020, but utilise existing reserves in the year.

The budget for 2017/18 is summarised below and compared to the most recent forecast for 2016/17.

Description	2016-17 Budget £'000s	2016-17 Forecast £'000s	2017-18 Budget £'000s
Firefighters	30,963	30,808	28,849
Firefighters - Retained Duty System	5,349	5,480	6,086
Control	1,364	1,257	1,382
Support Staff	12,381	12,343	13,209
Total Employment Costs	50,058	49,888	49,526
Support Costs	5,005	4,832	1,854
Premises & Equipment	10,529	10,478	10,474
Other Costs & Services	3,736	4,058	3,711
Firefighters' Pension Scheme	2,097	2,114	2,118
Financing Items	7,585	3,798	6,145
Operational income	(3,894)	(3,864)	(3,781)
Contribution to/(from) Reserves	(3,812)	-	67
Total Other Costs	21,246	21,416	20,587
Total Budget	71,304	71,304	70,113
Total Funding	(71,304)	(71,304)	(70,113)

The overall contribution to reserves of £67k comprises:

- Inflation provision of £715k (contribution to reserves); and
- Use of £648k of the spend to save reserve to fund early payment of the LGPS pension scheme deficit contribution for 2018/19 and 2019/20.

STAFF NUMBERS

Overall staff numbers are summarised below:

Staff Budget (Average)	2016/17 Budget	Changes	2017/18 Budget
Wholetime Firefighters	695	-75	620
On-Call (Retained) Firefighters	519	-	519
Control Staff	33	-	33
Support Staff - Employees	279	-39	240
Support Staff - Temporary & Agency	-	36	36
Total	1,526	-78	1,448

WHOLETIME FIREFIGHTERS

Employment costs equate to over 70% of the Authority's total revenue budget, with the numbers of firefighters employed the most significant element. The budget reflects a continued standstill in terms of recruitment with a reduction in firefighter roles as staff retire. This budget reflects some changes in the management of stations but does not anticipate the outcome of the rank to role work to be carried out in early 2017.

The average numbers of wholetime firefighters in 2017/18 by role are set out below:

Firefighter Budget (Pay Grades are shown in brackets)	2016/17 Budget	Changes	2017/18 Budget
Chief, Deputy Chief & Assistant Chief Fire Officers (Brigade Managers)	4	-2	2
Senior Divisional Officers (Area Manager B)	6	-2	4
Divisional Officers (Group Manager B)	17	-5	12
Assistant Divisional Officers (Station Managers B)	34	0	34
Flexi Station Officers (Station Managers A)	2	5	7
Station Officer (Watch Managers B)	64	-8	56
Sub-Officer (Watch Managers A)	98	-37	61
Leading Firefighters (Crew Managers)	101	-2	99
Firefighters	369	-24	345
Additional crewing cover	0	13	13
Total	695	-62	633

ON-CALL (RETAINED) FIREFIGHTERS

The numbers of on-call firefighters has only been budgeted on a head count basis as changes to availability bandings are currently being consulted on. The projection of numbers are shown in the table below:

Actual at 30/11/16	31/03/2017	31/03/2018	Average 2017/18
474	484	554	519

The on-call firefighters' project has reached delivery stage and is a key element of the changes agreed for 2020. There has been some early success in recruitment at new locations such as Clacton and the consultation on amended availability bandings will conclude in early 2017. These changes bring forward planned increases in expenditure for on-call firefighters expected in 2018/19 onwards, with an additional £0.7m of spend in 2017/18. The budgeted number for 2017/18 reflects an increase from the 474 on-call firefighters at the end of November with the impact of increased recruitment and lower staff turnover.

The main costs for on-call firefighters are for their utilisation, rather than headcount. The on-call pay budget reflect the actual levels of activity over the last 12 months and makes no allowance for any abnormal activity levels such as flooding, prolonged summer drought or strikes. An earmarked reserves exists should significant unforeseen activity be undertaken.

CONTROL STAFF

The budget for control staff reflects resources to cover vacancies, maternity leave and training so that we are able to maintain full staffing. The average number of staff budgeted (33) for reflects the current staffing position following the successful implementation of the new mobilising system at Kelvedon Park.

SUPPORT STAFF CHANGES

For support staff the high turnover rate for some staff groups, and the uncertainty over the timescale for collaboration across enabling functions with Essex Police means that £0.5m of

future savings reflected in the medium term financial plans have not been included in the budget for 2017/18. This is because, although these savings are expected from future collaboration and integration activities the timing of their delivery falls outside of the direct control of service managers. In addition, the balance between permanent roles in contrast to temporary and agency staff has been explicitly reflected in the budget to reflect the current vacancy levels.

Provision has been made for £0.4m of additional costs for community safety activities in the year using support staff roles. The exact departmental allocation of resources is still under discussion.

STAFF COSTS

In addition to the numbers of staff employed, a number of other elements influence the overall employment costs. These are discussed in the sections below.

RESILIENCE AGREEMENTS

The budgets for firefighter and on-call firefighter pay include a specific provision of £370k for resilience agreements. Firefighters who had agreed to these agreements have provided crewing for the appliances deployed during the periods of industrial action undertaken by the Fire Brigades Union.

PAY

The budget for firefighter pay includes additional expenditure on overtime where out-duties are worked, including the payment of allowances for pre-arranged out-duties.

As in recent years, the budget makes no specific provision for pay inflation this year. The full year impact of the increase for firefighters agreed in July 2016 is included within the budget. As in recent years, it is proposed that as part of the budget monitoring process authority is delegated to the Finance Director & Treasurer to authorise virements to reflect national pay settlements and virements for inflationary pressures. For the purposes of the budget, the provision of £715k for inflation has been included as a contribution to reserves.

PENSION SCHEMES

FIREFIGHTER PENSION SCHEMES

There were significant changes in the pension schemes for firefighters in 2015. The next change in contribution rates is expected to be in April 2018.

The Authority is required to budget for lump sum charges arising from the ill-health retirement of firefighters. These costs can be spread over three years, starting in the year in which the ill-health retirement occurs. In addition, the Authority has to fund the cost of the residual amount of injury scheme payments previously included in the pensions budget. The pension injury payments increase in line with inflation and represent a considerable burden for the Authority. The budget for 2016/17 is £1,988k. The level of ill-health retirements has fallen considerably in recent years, and provision has been made for one such retirement in 2017/18. There has been no decision from the government about the recovery of pension injury payments from 2006 to 2013 and the accounting provision for these costs remains in the Authority's balance sheet.

LOCAL GOVERNMENT PENSION SCHEME

There was an actuarial review of the local government pension scheme as at 31 March 2016 and this has resulted in an increase in the employers' contribution rate from 13.9% to 16.2%.

In addition to the on-going contribution rate the Authority is also making contributions for the past service deficit in the fund. For the annual deficit payment there is a saving of £50k for the Authority by making a single deficit payment in 2017/18 for the three years to the next valuation date. This results in an increased charge of £648k in 2017/18 that will be funded through the 'spend to save' reserve, with an offsetting contribution to the reserve in 2018/19 and 2019/20.

EMPLOYERS NATIONAL INSURANCE CONTRIBUTIONS & APPRENTICESHIP LEVY

The budget makes provision for the rates of employers National Insurance contributions and the new apprenticeship levy introduced from 1 April 2017. The change has increased costs by £300k in 2017/18.

INFLATION

Some specific allowances are included within the budget bids for expected inflationary increases in business rates, utilities and fuel and for higher supplier prices for property related costs. Budget holders have absorbed other inflationary pressures.

NON-STAFF COSTS & COLLABORATION SAVINGS

For non-staffing costs, the budget is derived from the outturn expenditure for 2016/17 "normalised" to exclude the impact of any non-recurring expenditure. This base figure has then been adjusted for efficiency gains and to reflect the impact of specific changes planned for the next year. Overall the budget has in effect been cash limited to the 2016/17 level.

The budget process was carried out in conjunction with the 2017/18 business planning process so that the financial plans for the year and the departmental business plans were developed in parallel.

The draft business case produced by the Police and Crime Commissioner identifies the potential for savings across a range of enabling services. The budget proposed does not include any of these savings because their delivery is outside the direct control of Officers. These include the benefits from shared accommodation, merging of enabling functions etc. The delivery of these savings needs to ensure that benefits are realised by all parties to the existing joint arrangements in place for Essex Police and the Fire Authority.

RISK PROTECTION

The Authority's risk protection arrangements are provided through the Fire and Rescue Indemnity Company Ltd (FRIC) in a risk sharing arrangement with eight other Fire and Rescue Authorities. These arrangements have been live for over one year and contributions to FRIC are in line with the insurance premiums paid in the previous year.

REVENUE BUDGET PROVISION FOR CAPITAL FINANCING

The Authority is required to make a statutory provision to fund capital expenditure from council tax. This provision is based on the historic cost depreciation charge for the assets that are purchased. The level of the provision reflects both past capital expenditure, the forecast expenditure in 2016/17 and the planned capital budget for 2017/18.

This charge has then been reduced by £1.4m to reflect the use of the capital receipts reserve as the means of balancing the 2017/18 budget.

INCOME

The budget reflects a realistic assessment of income from a range of sources including aerial sites for telephony, re-charges to EFA trading etc. These are analysed in the table below:

Description	2016-17 Budget £'000s	2016-17 Forecast £'000s	2017-18 Budget £'000s
Government Grants	(1,984)	(1,984)	(1,912)
Cycle to Work Scheme	(38)	(38)	(31)
Childcare Vouchers	(95)	(65)	(65)
Sales of Vehicles	(10)	(10)	-
Canteen Income	(91)	(91)	(85)
Sale of Vehicle Spares	(35)	(35)	(25)
Aerial Sites	(122)	(122)	(122)
Solar Panel Income	(60)	(60)	(70)
Hydrant Tests	(80)	(80)	(80)
Lease Cars - Employee Contributions	(87)	(87)	(40)
General Sales	(5)	(5)	(1)
Service Charges	(9)	(9)	(9)
Secondments	(55)	(55)	(38)
Labour Credit	(60)	(60)	(60)
Section 13/16	(45)	(45)	(50)
Provision of Hire Vehicles & Equipment	-	-	(12)
Interest on short term lending	(65)	(65)	(65)
Community Fire Safety	(300)	(300)	(360)
Reimbursements from EFA(T)	(62)	(62)	(70)
Other Miscellaneous Income	(147)	(147)	(143)
Emergency Planning Income	(543)	(543)	(543)
Total Income	(3,894)	(3,864)	(3,781)

1- Note figures may not sum due to rounding differences

Some of the income changes are entirely offset by a change in the Authority's costs, for example the Emergency Planning Income from Essex County Council. The most significant changes are for Community Fire Safety where we are expecting higher funding for schemes such as Firebreak and the lower income for secondments.

CAPITAL PROGRAMME 2017/18 – 2019/20

The affordability of the overall capital programme remains a key factor for the Authority in the next few years. Only if the overall capital programme can deliver financial benefits to offset the additional revenue burden of its financing costs will the projects outlined in this section be initiated. Most significant projects already require Member approval before they can be initiated. All projects coming forward for approval will be required to demonstrate how the financing costs will be met and whether this will be from efficiencies generated by the project or from other areas.

The proposed budget only includes either projects that are approved or an advanced stage in the approval and procurement process. The most significant projects are the purchase of new pumping appliances and the completion of the new mobilising system. The proposed budget is summarised in the table below:

	Forecast 2016/17 £'000s	Capital Bid 2017/18 £'000s	Capital Bid 2018/19 £'000s	Capital Bid 2019/20 £'000s	Capital Bid 2020/21 £'000s
Property					
New Premises					
Service Workshops	400	3,500	3,000	4,000	2,000
Existing Premises					
Solar Panels	100	-	-	-	-
Asset Protection	1,700	2,500	2,000	2,000	2,000
Asset Improvement Works	-	-	-	-	-
Total Property	2,200	6,000	5,000	6,000	4,000
Equipment	598	605	288	10	-
Information Technology					
Projects > £250k	-	2,100	400	-	-
Projects < £250k	645	300	100	100	-
Total Information Technology	645	2,400	500	100	-
Vehicles					
New Appliances	2,503	2,060	2,060	1,854	-
Other Vehicles	273	825	1,471	317	281
Total Vehicles	2,776	2,885	3,531	2,171	281
Total Capital Expenditure	6,219	11,890	9,319	8,281	4,281

The budget includes provision for a replacement to the Service Workshops. The Policy & Strategy Committee agreed to pause this project in November 2016 until there was clarification around the potential for utilising space at Kelvedon Park to accommodate Essex Police, and there was clarity around the potential for the development of a joint workshop facility with the Police. The budget does include a small number of ICT projects where there is not yet a confirmed business case. In all cases the approval process for these projects will require Member approval under the Financial Regulations.

CAPITAL RECEIPTS AND CAPITAL GRANTS

No material capital receipts are expected in 2017/18. Proposals for the options for the disposal of housing associated with day crewed fire stations will be brought to Members in 2017.

The government have not indicated that there will be any transformation funding or capital grants available in 2017/18.

FUNDING CAPITAL EXPENDITURE

The cash generated from the proposed income and expenditure budget is £5.9m with the balance of funding coming from the Authority's cash balances carried forward from 2016/17. There is no repayment of PWLB loans in the year, with a balance of £28m of loans due for repayment in future years, against an asset base of £111m at 31 March 2016. After these changes, the Authority will still have around £9m of usable cash balances at March 2017.

LEGAL IMPLICATIONS

The Local Government Act 2003 gives the Treasurer (Section 151 Officer) a responsibility to report to Members of the Authority on his assessment of the robustness of the estimates used within the budget, and on the adequacy of reserves. Members must have regard to the Treasurer's report before the full Authority approves the budget for 2017/18.

The Authority is also required to consider and set the capital financing indicators for the period 2017/18. A separate report on this will be submitted to the Fire Authority.

RISK MANAGEMENT IMPLICATIONS

These are covered in the separate report from the Treasurer to Members of the Authority appended to this paper.

FINANCIAL IMPLICATIONS

The financial implications are set out in the report.

EQUALITIES IMPLICATIONS

The budget is designed to provide resources to enable the Authority to carry out its duties in accordance with all statutory requirements. It provides the resources to enable the Authority to meet its equality duties and of itself has no direct equality implications.

USE OF RESOURCES

The use of resources assessment looks at how financial management is integrated with strategy and corporate management, supports Fire Service priorities and delivers value for money. The longer-term financial implications of the plans (including the planned level of capital expenditure) have been assessed and are summarised in the paper.

The budget for the Authority is closely linked to the overall Service business plan. At the same time that budget managers prepared estimates of expenditure they were also required to submit departmental plans identifying activities linked to the strategic priorities of the Authority. Subsequent review and amendment to the budget are reflected in revisions to the plans.

The budget recognises that decisions on some key aspects have yet to be made, but is explicit about the financial provision and assumptions made. The revenue and capital budgets are interlinked, and reflect the aim of finding resources to do more, and using the resources on what matters.

The balance between spending and resources is assessed. The budget proposes options for a council tax increase and reflects the impacts of decisions that have been made to ensure that the Authority is able to achieve a balanced budget over the spending review period.

The budget setting process is an important part of the review arrangements by the Members for a range of criteria. The arrangements that have or will be made to ensure that the budget will help the Authority manage and improve value for money are set out in the paper.

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985	
Appendices	
Appendix 1 – Treasurer’s Report on 2017/18 Budget	
List of background documents	
Proper Officer:	Finance Director & Treasurer
Contact Officer:	Mike Clayton, Essex County Fire & Rescue Service, Kelvedon Park, Witham, Essex CM8 3Hb Tel 01376 576000 E-mail: mike.clayton@essex-fire.gov.uk

DRAFT REPORT BY THE TREASURER TO THE ESSEX FIRE AUTHORITY

This paper provides the report by the Treasurer required by Section 25 of the Local Government Act 2003. The purpose of this report is to provide a review of the risks within the 2017/18 budget:

INTRODUCTION

The Local Government Act 2003 Section 25 includes a specific personal duty on the “Chief Finance Officer” to make a report to the Authority when it is considering its budget and Council Tax. The report must deal with the robustness of the estimates included within the budget and the adequacy of reserves for which the budget provides. The Act requires Members to have regard to the report in making their decisions.

Section 26 of the Act gives the Secretary of State power to set a minimum level of reserves for which an Authority must provide in setting its budget. The Secretary of State indicated that ‘the provisions are a fall back against the circumstances in which an Authority does not act prudently, disregards the advice of its Chief Finance Officer and is heading for serious financial difficulty’.

Sections 32 and 43 of the Local Government Finance Act 1992 also require billing and precepting authorities to have regard to the level of reserves needed for meeting estimated future expenditure when calculating the net budget requirement. There is also a range of safeguards, which either are in place or are about to be introduced, to ensure local authorities do not over-commit themselves financially. These include:

1. The Chief Finance Officer’s S.114 powers, which require a report to all members of the Authority if there is or is likely to be unlawful expenditure or an unbalanced budget; and
2. The Capital Financing Regulations.

RISK ASSESSMENT

LOCAL GOVERNMENT ACT 2003

The Local Government Act does not provide any specific guidance on how to evaluate the robustness of the estimates. The explanatory notes to the act do however identify the need to allow for risks and uncertainties that might lead to expenditure exceeding budget by:

1. Making prudent allowance in the estimates; and in addition
2. Ensuring that there are adequate reserves to draw on if the estimates turn out to be insufficient.

It is stressed that decisions on the appropriate level of reserves should not be based on a rule of thumb but on an assessment of all the circumstances considered likely to affect the Authority.

CIPFA GUIDANCE NOTE ON LOCAL AUTHORITY RESERVES AND BALANCES

The Chartered Institute of Public Finance Accountancy (CIPFA) states that the following factors should be taken into account when the Chief Finance Officer considers the overall level of reserves and balances:

1. Assumptions regarding inflation;
2. Estimates of the level and timing of capital receipts;
3. Treatment of demand led pressures;
4. Treatment of savings;
5. Risks inherent in any new partnerships etc.;

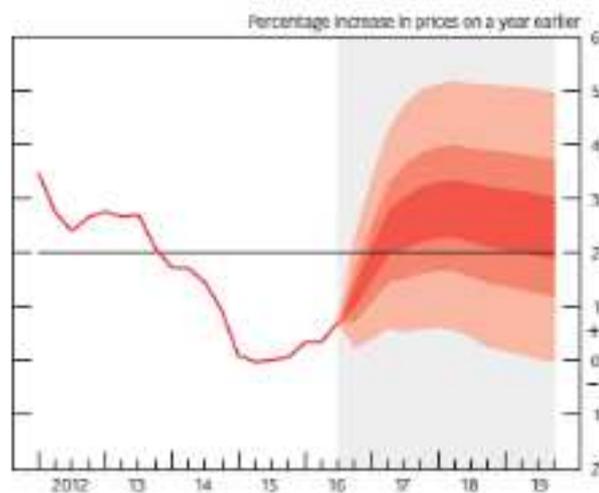
6. Financial standing of the Authority (i.e. level of borrowing, debt outstanding etc.);
7. The Authority's track record in budget management;
8. The Authority's capacity to manage in-year budget pressures;
9. The Authority's virements and year-end procedures in relation to under and overspends;
10. The adequacy of insurance arrangements.

The above are also of relevance when evaluating the robustness of the budget and the subsequent analysis includes comments on these issues.

ISSUES CONSIDERED WHEN EVALUATING THE ROBUSTNESS OF THE ESTIMATES AND THE ADEQUACY OF THE PROPOSED FINANCIAL RESERVES

INFLATIONARY PRESSURES

The background economic climate has a higher degree of uncertainty than in recent years with the Brexit vote and a higher degree of economic uncertainty. The outlook for inflation is above the 2% target set for the Bank of England. The Bank of England's November 2016 inflation forecast (CPI) is shown below:



A key element in the budget preparation process is building in an appropriate allowance for inflation up to 31 March 2018. This adjustment is known as the cash limit. It is inevitable that the cash limit will either over or under provide for the full cost of inflation as no-one knows exactly how prices will vary against the estimates made.

The budget assumes that fuel and utility prices remain low and no adjustments have been made to reflect price changes. No other specific allowances have been built into the budget for pay or price inflation. Instead, an overall inflation and contingency allowance of £715K has been used. If the requirement to increase cash budgets because of pay awards exceeds this provision then either offsetting savings will need to be found elsewhere in the budget, or the additional costs in 2017/18 will have to be funded from reserves. In most cases, Budget Managers absorb inflationary pressures within their departmental budgets.

To assess whether the inflation allowance is adequate it is necessary to consider the impact of both pay and non-pay inflation pressures. Firefighters accepted a 1% pay increase in 2016. One indication of the adequacy of the inflation provision is whether it would be sufficient for a similar increase. The same level of increase in 2016 across all firefighters would add £400k to the budget.

Government expectations are that public sector pay increases will continue to be limited over the next few years. Local government has already complied with government pressure, but future increases, perhaps linked to changes in the overall terms and conditions agreements are expected. The main pressure within local government is for the lowest paid staff and the move towards increasing the national living wage. These changes do not materially affect the Authority's pay bill.

The forecast for inflation is increasing with cost pressures associated with the decline in the exchange rate future economic uncertainty. There is a risk that external factors such as oil and commodity prices will flow through to the prices of goods purchased by the Authority. An overall 4% increase in such costs could add £500k to the Authorities costs. Existing contractual arrangements for key items including utilities and personal protective equipment means that price inflation will be limited to significantly less than this amount in 2017/18.

In summary, inflationary pressures remain a financial risk to the Authority's budget, but this is manageable within the overall context of the budget and level of General Balances. In addition there is potential for short term cost savings through restricting activity if necessary.

ESTIMATES ON THE LEVEL AND TIMING OF CAPITAL RECEIPTS

There are no material capital receipts expected in 2017/18.

TREATMENT OF DEMAND LED PRESSURES

The budget process has sought to identify and allow for demand led pressures. The main uncertainties relate to the following areas:-

1. Wholetime Duty System Firefighter Numbers

The budget makes provision for an average of 633 wholetime firefighters in 2017/18. The staffing forecast reflects recent experience in the timing of retirement decisions by firefighters and the promotion of staff to other Services. If firefighters chose not to retire then there is a potential risk that firefighter numbers would exceed the budgeted number.

2. On-Call (Retained Duty System) Firefighters

This budget has traditionally been difficult to estimate as factors such as extensive flooding and hot summers can have a significant impact on the hours worked by on-call firefighters. In addition, the use of these staff on a wider range of community safety and medical activities has increased the level of expenditure. The budget for 2017/18 reflects this level of activity.

Management controls enable the Authority to mitigate the risk and manage the level of expenditure, demand led pressure for operational activity could increase costs in this area. There is a specific earmarked reserve to manage any major increase in the costs of on-call firefighters with an allowance of £0.6m for any potential in-year budget pressures resulting from increased activity levels.

3. Other

Other potential expenditure pressures could result from factors such as an unanticipated need for urgent replacement of operational equipment and a need to respond to nationally driven changes in operational procedures. Such factors are viewed by the Service as relatively low risks and while if they did materialise it could lead to additional expenditure of in the order of £0.3m, there would be some scope to meet such costs within the existing budget provision by re-prioritisation.

4. Industrial Action

It should also be borne in mind that the Service is going through a time of change. At the time of writing this paper there are two disputes affecting the Authority. A national dispute around pensions and a local

dispute concerning the new shift arrangements for Control. There is potential for both of these to result in strike action. The present resilience arrangements have a fixed (and budgeted) cost of £0.4m. The implementation of these resilience arrangements costs depends on the nature of the strike action taken. To date such costs have been managed within the overall budget.

RISKS INHERENT IN PARTNERSHIP ARRANGEMENTS ETC

The Authority is involved in a range of partnership arrangements mainly in the area of community safety. The financial risks from these partnerships could lead to lower levels of income and partnership funding. A partnership policy is in place, all partnerships are actively managed to mitigate this risk.

FINANCIAL STANDING OF THE AUTHORITY (LEVEL OF BORROWING, DEBT OUTSTANDING ETC.)

This is becoming a less significant issue for the Authority. At 31 March 2016, the Authority had £28.0m of long term debt to fund capital expenditure and a further £0.3m of finance lease obligations. No additional borrowing is planned for 2017/18. Further significant capital spending is projected over the next few years. The revenue impact of the planned spend for 2017/18 is included within the budget, and the level of borrowing is within the limits set as part of the bi-annual review of capital financing.

At 31 December 2016, the cash balance is projected to be £20m. This includes £11m held to settle a potential liability to the government for firefighter injury payments.

THE AUTHORITY'S TRACK RECORD IN BUDGET MANAGEMENT, INCLUDING ITS ABILITY TO MANAGE IN-YEAR BUDGET PRESSURES

The Authority has a proven track record in financial management and has been able to restrict expenditure to keep within the overall budget. An internal audit report in 2015 confirmed that the Fire Authority can take substantial assurance from the budgetary controls in place.

However, the discipline of Financial Regulations – not incurring spending without the necessary budget provision – must be rigidly observed and the monitoring of the riskier budgets must be given priority. It remains of paramount importance that regular reports continue to be produced on all budgets throughout the year to identify emerging problems at the earliest opportunity. This will allow maximum benefit to be accrued from any corrective action taken.

Incremental improvements to financial processes to ensure that all orders and commitments are captured have been made and an Authority wide Contracts Register is in place. There is a high degree of visibility in the level of financial commitments and expenditure for managers who control budgets and their Directors.

The Authority has managed to restrict expenditure in advance of the expected cuts in government funding and achieved significant efficiency savings over the past few years. We have an excellent track record in anticipating and preparing for significant change, and on delivering planned budget savings.

THE AUTHORITY'S VIREMENT AND YEAR-END PROCEDURES IN RELATION TO UNDER AND OVERSPENDS

The Authority has embedded virement procedures that require senior approval to allow funds to be moved to areas of pressure. Budgeted expenditure is only transferred from one budget year to the next with the agreement of Members.

THE ADEQUACY OF RISK PROTECTION ARRANGEMENTS

Current risk protection arrangements are through a company created in partnership with a consortium of nine fire and rescue authorities. The Authority is one of the larger Authorities in the group (along with Devon & Somerset, Hampshire and Kent) who bear the first part of each loss. These limits are £50k for

motor claims (own damage only), £25k for public and employers liability and £5k for property. In addition, the Authority maintains a provision for the value of unsettled and unknown claims. These arrangements have delivered significant savings to the Authority over recent years.

There is a potential risk that this will expose the Authority to an increase in costs if consortium members experience a high level of claims. To reflect this potential risk the level of reserves held for risk protection related costs has been set at £0.25m. This is the amount of a potential call on the Authority for funding for FRIC. The consortium continues to work together on benchmarking and improving risk management to help to mitigate this risk.

PENSION LIABILITIES

1. Fire-fighters

The liability for firefighter pensions, whilst remaining with the Authority has been transferred to a separate account funded by government grants. The level of authority contributions remains unchanged in 2017/18.

2. Support staff

The Authority contributes to the Essex County Council Local Government Pension Fund in respect of its control and support staff, which are invested in order to meet its liability to provide for the benefits provided to past employees and future benefits for existing employees. The Fund is valued every three years with the most recent valuation based on the position as at 31 March 2016. The level of contributions by the Authority is fully reflected in the 2017/18 budget and these rates will be fixed until March 2020.

RESERVES

The general reserves of the Authority were £6,859k on 1 April 2016. In addition there were ear marked reserves of £5,354k. In 2016/17 there have been additional capital receipts of £8,553k which are also a usable reserve. The present forecast suggests that the Authority has a net use of the capital receipts reserves of £3,701k in 2016/17. The budget for 2017/18 requires £648k of funding from the ear marked spend to save reserve and a balance of £1,361k from the capital receipts reserve.

EARMARKED RESERVES

The Authority has established specific reserves to manage key financial risks. Movements between these specific reserves are determined by the Treasurer and reported to Members. The table below considers the specific reserves planned and the timetable for their review:

Specific Reserves	Comment & Review	March 2017 Balance £'000s	March 2018 Balance £'000s
Emergency Planning	To hold savings on the costs of Emergency Planning Reviewed annually with Essex County Council	428	428
On-Call Payroll – Demand Pressures	Main area of risk is retained pay budget. Need to provide £1.5m in case of in-year pressure Reserve at Maximum Limit – To be reviewed March 2015.	600	600

Specific Reserves	Comment & Review	March 2017 Balance £'000s	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. £250k allocated for sprinklers in 2015/16	976	328
Taxbase and Collection Account Reserve	Last shortfall in 2012/13. Since then average of over £500k favourable balance.	200	200
National Non-Domestic Rates Collection Reserve	Risk remains through pooling arrangements, but considered low.	200	200
Infrastructure Reserve	To support future capital expenditure on buildings. Planned increase to even out future capital spending	2,400	2,400
Rolling Budgets Reserve	To hold balances of expenditure carried forward into the next financial year.	0	0
Business Continuity Reserve	To provide funds for any business interruption event not covered through risk protection funding. Reduced to reflect participation in FRIC.	300	300
Risk Protection	Expected limit of calls from FRIC.	250	250
Total		5,354	4,706
Capital Receipts Reserve	Receipts from the sale of capital assets (property and vehicles). £1,361k used to balance 2017/18 budget.	4,852	3,491
General Reserve		6,859	6,859
Total Usable Reserves		17,065	15,056

The assessment of the general level of reserves takes into account the factors noted below:

Factor	Comment	Lower Limit	Upper Limit
Inflation and interest rates	The increase in the overall level of borrowing exposes the Authority to a degree of risk in the future if loans cannot be replaced at a similar interest rate. An increase of 2% on a loan of £20m would add £0.4m of costs equivalent to 0.6%	0.6%	1.5%

Factor	Comment	Lower Limit	Upper Limit
Level and timing of capital receipts	At present, the Authority is funding a significant capital programme with a gap before capital receipts will be realised. This risk is offset by high cash balances which eliminate the need for borrowing in 2017/18	0.2%	0.5%
Savings Track Record in Budget Management Capacity to Manage in Year Budget pressure	Good track record of delivering savings identified.	1.5%	5.0%
Partnerships	Increased risks associated with Community Budgets. Limited partnership funding of £0.2m pa	0.2%	1.0%
Financial Standing	Increasing level of borrowing limits future flexibility. Separate provision for future years.	0.5%	2.0%
Total		3.0%	10.0%

The lower limit of 3.0% of turnover equates to £2.1m and the upper limit of 10.0% of turnover equates to £7.0m. The Authority is close to the upper point of this range.

CONCLUSION

Given the level of total usable reserves available in 2017/18 of £17.0m; the prudent approach to the budget setting process for next financial year; and the Authority's good past record of budget management, it is my conclusion that there is sufficient capacity in the budget to cope with the financial risks the Authority faces in 2017/18 and future years.

M Clayton
Finance Director & Treasurer

Essex Fire Authority

Essex County Fire and Rescue Service



MEETING	Audit, Governance and Review Committee	AGENDA ITEM	5
MEETING DATE	18 January 2017	REPORT NUMBER	EFA/006/17
SUBJECT	Budget Review		
REPORT BY	Finance Director & Treasurer		
PRESENTED BY	Finance Director & Treasurer – Mike Clayton		

SUMMARY

This paper reports on expenditure against budget as at 30 November 2016 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 the Authority's income and expenditure at 30 November 2016 compared to the updated budget;
2. Note the capital expenditure spend against budget for the period to 30 November 2016; and
3. Note the details of cross border charges.

BACKGROUND

This table below shows actual expenditure against budget to 30 November 2016.

Description	YTD Actual	Variance YTD	% Variance	YTD
	£'000s	£'000s	YTD	Commitments £'000s
Firefighters	20,771	(295)	-1%	-
On Call Firefighters	3,390	121	4%	-
Control	843	(60)	-7%	-
Support Staff	7,728	(29)	0%	122
Total Employment Costs	32,732	(263)	-1%	122
Support Costs	3,820	(213)	-5%	85
Premises & Equipment	6,430	(589)	-8%	1,305
Other Costs & Services	2,624	153	6%	511
Ill health pension costs	1,443	52	4%	-
Financing Items	1,031	(63)	-6%	25
Operational income	(2,651)	(55)	2%	0
Contribution to/(from) Reserves	(3,390)	-	0%	-
Total Other Costs	9,306	(717)	-7%	1,927
Total Budget	42,038	(979)	-2%	2,049
Total Funding	(48,982)	38	0%	-
Funding Gap / (Surplus)	(6,944)	(941)	16%	2,049

More detailed figures are provided at Appendix 1.

STAFFING

Overall employment costs are £263K (0.8%) under budget for the 8 months to 30 November.

Spend for whole time fire-fighters is £295K (1.4%) under budget, this reflects headcount being lower than budget in the first half of the year.

For on-call firefighters, spend is £121K (3.7%) over budget. This comprises two main elements, actual average headcount at 472 has been consistently below budget at 519 this year, this results in an underspend of c. £160K to November. Activity levels have increased and are higher than both last year and budget, this accounts for an overspend of £281K to date..

Support staff pay is £29K (0.4%) under budget for the 8 months to 30 November. This comprised an underspending of £307K on directly employed staff offset by an overspending of £278K on casual and temporary staff. Directly employed support staff full time equivalent (FTE) headcount was 240.3 at 30 November, this shows a net reduction of 20.4 FTE or 8% since the beginning of the year. A further point worth highlighting is that we now have 47.4 (16%) vacancies against the budgeted establishment. The higher staff turnover for this group reflects a number of factors including uncertainty about future roles in the light of the potential for greater collaboration and integration with Essex Police.

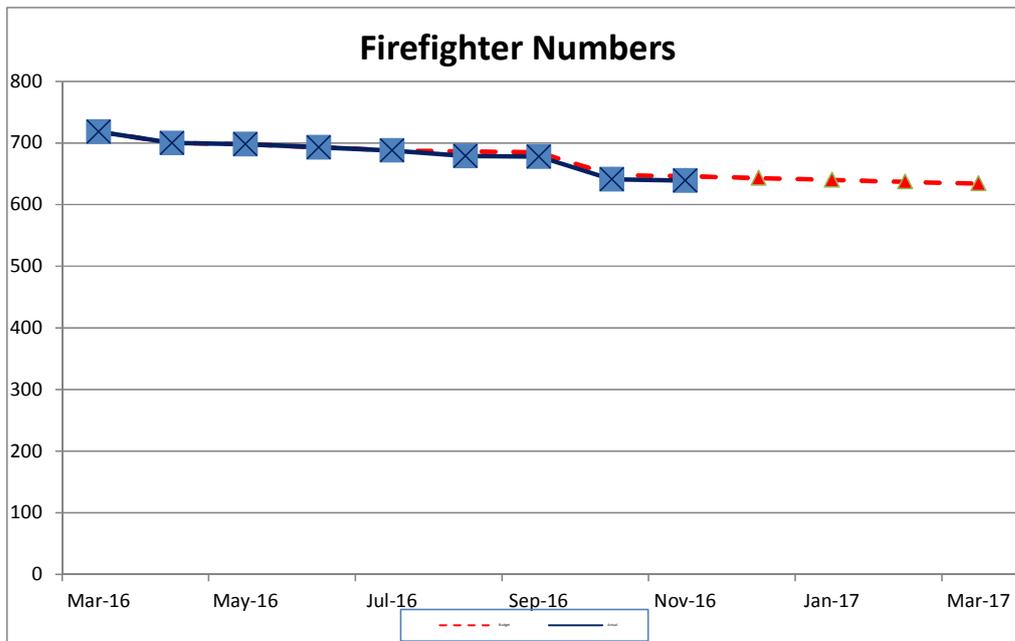
Whole-time fire-fighter numbers at 639.0 are 7.0 (1.0%) under budget at the end of November. The staffing position at the end of November is summarised below:

30 Nov 2016	Actual	Phased Budget	Variance	
Wholetime Firefighters - FTE	639.0	646.0	-7.0	-1%
On-Call Firefighters - Headcount	474.0	519.0	-45.0	-9%
Control - FTE	32.8	33.0	-0.2	-1%
Support Staff - FTE	240.3	287.7	-47.4	-16%
Total	1,386.1	1,485.7	-99.6	-7%

The figures in the table above show on-call fire-fighters on a headcount basis. On a full time equivalent basis there are 375.8 fire-fighters.

The number of whole-time fire-fighters aged over 50 with more than 30 years' service was 10 at the end of November. The number of fire-fighters over 50 with more than 25 years' service was 52 at the end of November.

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



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)
31/10/2016	524	500	476	505.0	0.0	2.4
30/11/2016	524	500	476	502.0	0.0	2.4

Following the conversion of the fire engine at Dunmow to On-call crewing the use of on-call firefighters to work wholetime shifts ceased from 30 November.

ON-CALL FIREFIGHTERS

Full details of the on-call numbers are provided in Appendix 2. The table shows that we have a headcount of 474.0 firefighters at 30th November a net reduction of 4.0 from the 478.0 at 1st April this year. Consultation on amendments to the bandings for on-call availability has commenced. Research has evidenced that this is a significant barrier to recruitments, particularly for a more diverse workforce.

NON-PAY RELATED EXPENDITURE

Non-pay expenditure is £661K underspent for the 8 months to 30 November; in addition operational income is £55K better than budget.

Support costs are £213K (5%), underspent for the 8 months to 30 November, the main areas of underspend are travelling and subsistence which is £131K (29%) underspent and training at £68K (15%) underspent.

Premises and equipment is £589K (8.4%) underspent the main areas of underspend are property maintenance, £173K (12%) and ICT projects £256K (15%)

Other costs and services are £153K (6%) overspent; this includes a £225K overspend on legal costs.

FORECAST

The forecast for 2016/17 has been reviewed as part of the 2017/18 budget process and the expected outturn position is shown below:

Description	2016-17 Budget £'000s	2016-17 Forecast £'000s	Forecast Variance £000's
Firefighters	30,963	30,808	(156)
Firefighters - Retained Duty System Control	5,349	5,480	131
Support Staff	1,364	1,257	(108)
Total Employment Costs	50,058	49,888	(170)
Support Costs	5,005	4,832	(173)
Premises & Equipment	10,529	10,478	(51)
Other Costs & Services	3,736	4,058	322
Firefighters' Pension Scheme	2,097	2,114	17
Financing Items	7,585	3,798	(3,787)
Operational income	(3,894)	(3,864)	30
Contribution to/(from) Reserves	(3,812)	-	3,812
Total Other Costs	21,246	21,416	170
Total Budget	71,304	71,304	0
Total Funding	(71,304)	(71,304)	-

The forecast variance is reported against the revised budget. The forecast includes £263k of higher legal costs, with savings across other budget headings. The main feature of the forecast is the use of £3.7m of the capital receipts reserve to reduce the capital financing charge, this replaces the budgeted use of the general reserve. This is the same approach that was adopted in 2015/16.

CAPITAL EXPENDITURE

Capital expenditure for the 8 months to 30 November 2016 is shown in the table below.

Total capital expenditure is £4.8m, the largest item included is £2.5m for new appliances. The figure also includes £1,423K for asset protection and service workshops. Equipment includes thermal imaging cameras (£237K), fire ground radio (£88K) and respiratory protection masks and equipment (£37K).

The investment of £249K in information technology relates to replacing the management information system for Community Safety and Fleet Workshops. A closure report for this programme will be brought to the next meeting of the committee.

	Original Budget 2016/17 £'000s	Approved Changes £'000s	Revised Budget - 16/3/16 £'000s	Total Spend including Commitments £'000s	Forecast 2016/17 at November 2016
Property					
New Premises					
Service Headquarters	-	-	-	-	-
Service Workshops	1,000	-	1,000	180	400
Other	-	-	-	-	-
Existing Premises					
Solar Panels	300	-	300	3	100
Asset Protection	2,000	-	2,000	1,240	1,700
Asset Improvement Works	-	-	-	-	-
Total Property	3,300	-	3,300	1,423	2,200
Equipment	592	597	1,189	360	598
Information Technology					
Projects > £250k	640	-	640	239	460
Projects < £250k	185	-	185	10	185
Total Information Technology	825	-	825	249	645
Vehicles					
New Appliances	2,255	-	2,255	2,503	2,503
Other Vehicles	851	116	967	219	273
Total Vehicles	3,106	116	3,222	2,722	2,776
Total Capital Expenditure	7,823	713	8,536	4,753	6,219

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

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

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985	
List of background documents – including appendices, hardcopy or electronic including any relevant link/s.	
Appendix 1 Management Accounts – November 2016	
Appendix 2 On-Call firefighter 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

MANAGEMENT ACCOUNTS – NOVEMBER 2016

Description	YTD			
	YTD Actual £'000s	Variance YTD £'000s	% Variance YTD	Commitments £'000s
Firefighters	20,771	(295)	-1%	-
On-Call Fire-Fighters	3,390	121	4%	-
Control	843	(60)	-7%	-
Support Staff	7,728	(29)	0%	122
Total Employment Costs	32,732	(263)	-1%	122
Training	378	(68)	-15%	44
Employee Support Costs	3,122	(14)	0%	37
Travel & Subsistence	320	(131)	-29%	4
Support Costs	3,820	(213)	-5%	85
Property Maintenance	1,266	(173)	-12%	502
Utilities	308	(86)	-22%	2
Rent & Rates	876	(50)	-5%	0
Equipment & Supplies	1,017	51	5%	86
Communications	904	(35)	-4%	534
Information Systems	1,480	(256)	-15%	142
Transport	580	(41)	-7%	38
Premises & Equipment	6,430	(589)	-8%	1,305
Establishment Expenses	616	(17)	-3%	190
Insurance	368	27	8%	8
Professional Fees & Services	1,465	138	10%	314
Democratic Representation	93	(4)	-4%	-
Agency Services	82	9	12%	-
Other Costs & Services	2,624	153	6%	511
III Health Pension costs	1,443	52	4%	-
Lease & Interest Charges	1,029	(65)	-6%	25
Asset management revenue account	2	2	++	-
Financing Items	1,031	(63)	-6%	25
Operational income	(2,651)	(55)	2%	0
Contributions to/ (from) General Balances	(3,390)	-	0%	-
Total Net Financing Requirement	42,038	(979)	-2%	2,049
Revenue Support Grant	(10,782)	(3)	0%	-
National Non-Domestic Rates	(10,325)	(6)	0%	-
Council Tax Collection Account	(572)	46	0%	-
Council Tax	(27,303)	(0)	-2%	-
Total Funding	(48,982)	38	0%	-

ON-CALL FIREFIGHTER NUMBERS

Station	Actual Nov 2016	Sum of Movement	Joiners	Leavers	Transfers	Year to date movement Incr/(Decr)
Billericay	13.0	(1.0)	0.0	(1.0)		(1.0)
Braintree	20.0	(3.0)	0.0	(3.0)		(3.0)
Brentwood	15.0	1.0	2.0	(1.0)	0.0	1.0
Brightlingsea	12.0	1.0	1.0	0.0		1.0
Burnham	9.0	(4.0)	0.0	(4.0)		(4.0)
Canvey Island	17.0	(1.0)	0.0	(1.0)		(1.0)
Coggeshall	12.0	2.0	1.0	0.0	1.0	2.0
Corringham	12.0	0.0	2.0	(1.0)	(1.0)	0.0
Dovercourt	12.0	0.0	0.0	0.0		0.0
Dunmow	16.0	0.0	4.0	(3.0)	(1.0)	0.0
Epping	14.0	(1.0)	0.0	(2.0)	1.0	(1.0)
Frinton	16.0	(1.0)	0.0	(1.0)		(1.0)
Halstead	21.0	0.0	2.0	(2.0)		0.0
Hawkwell	14.0	0.0	1.0	(1.0)		0.0
Ingatestone	12.0	2.0	2.0	0.0		2.0
Leaden Roding	7.0	0.0	0.0	0.0		0.0
Maldon	20.0	(1.0)	0.0	(2.0)	1.0	(1.0)
Manningtree	14.0	0.0	2.0	(2.0)		0.0
Newport	10.0	0.0	0.0	0.0		0.0
Old Harlow	13.0	(1.0)	0.0	(1.0)		(1.0)
Ongar	7.0	1.0	2.0	0.0	(1.0)	1.0
Rochford	11.0	1.0	3.0	(2.0)		1.0
Saffron Walden	21.0	(1.0)	1.0	(2.0)		(1.0)
Shoeburyness	10.0	(2.0)	0.0	(2.0)		(2.0)
Sible Hedingham	8.0	0.0	0.0	0.0		0.0
Stansted	14.0	0.0	3.0	(3.0)		0.0
Thaxted	8.0	0.0	0.0	0.0		0.0
Tillingham	10.0	(1.0)	1.0	(2.0)		(1.0)
Tiptree	13.0	1.0	1.0	0.0		1.0
Tollesbury	11.0	0.0	1.0	(1.0)		0.0
Weeley	15.0	1.0	2.0	(1.0)		1.0
West Mersea	12.0	1.0	1.0	0.0		1.0
Wethersfield	9.0	0.0	0.0	0.0		0.0
Wickford	12.0	1.0	1.0	0.0		1.0
Witham	21.0	(1.0)	2.0	(3.0)		(1.0)
Wivenhoe	13.0	2.0	2.0	0.0		2.0
Grand Total	474.0	(4.0)	37.0	(41.0)	0.0	(4.0)

CROSS BORDER CHARGES

For periods when invoices are not received we include in our accounts accruals for charges based on the most recent invoice.

Authority	Last Invoice	Last Period Charged For	Basis	Attendances to Essex	Attendances from Essex	Net	Charge	Annual Cost
London	Sep-16	2015/16	Actual	257	61	196	£295	£57,820
Hertfordshire	Sep-16	2015/16	3 Yr Average	137	24	113	£312	£35,256
Suffolk	Apr-13	2012/13	3 Yr Average	88	64	25	£292	£7,203
Total						334		£100,279

ESSEX FIRE AUTHORITY

Essex County Fire & Rescue Service



MEETING	Audit, Governance & Review Committee	AGENDA ITEM	6
MEETING DATE	18 January 2017	REPORT NUMBER	EFA/007/17
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
IT General Controls	The information security policy does not include all of the information that should be within such a policy.	The Service will be documenting a full information security policy and this will be completed using ISO 27001 guidance.	ICT Security Officer Amended date June 2017 – Recruitment of ICT Security Officer unsuccessful	Revised Date
IT General Controls	Information sharing agreements are in place with third parties, however there is not an information sharing register which identifies all of the sharing arrangements in place.	We will complete a register to identify the information that we transfer that will include the transfer methods and the information types. This will ensure that all data is transferred securely.	Senior Information Risk Owner (Finance Director & Treasurer) Amended date June 2017 – Links to initial work on 2018 data protection regulations	Revised Date
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	Revised Date
Risk Management	6 out of 15 control descriptions reviewed were not detailed enough	Drop in risk sessions will be used to advise risk and control owners on adequate description of controls.	Risk and Business Continuity Manager October 2016	Completed
Risk Management	The Strategic Management Board are not subjecting the Corporate Risk Register to an adequate level of challenge and scrutiny, actively seeking assurances around controls, or ensuring that action plans are in place to reduce specific risk to an acceptable level.	The Strategic Management Board (and the Service Leadership Team) will ensure it fulfils its remit with respect to risk management	Finance Director & Treasurer December 2016	Completed
Risk Management	Members of the Strategic Delivery Board individually review risk registers but do not do so as a group.	This will now sit with the revised Service Leadership Team	Finance Director & Treasurer December 2016	Completed

Source	Finding from Audit report	Original (or amended) Service Action Plan	Responsibility and Timescales	Progress
Risk Management	The Policy & Strategy Committee is not taking an active role in setting and determining risk management policy and strategy	The Committee will fulfil its remit with respect to setting and determining risk management policy and strategy.	Finance Director & Treasurer December 2016	Completed
Risk Management	The Corporate Risk Register presented to the February 2016 Authority meeting included incorrect information under the control details	The reports being produced by JCAD will be reviewed to ensure they are reporting complete information	Risk and Business Continuity Manager December 2016	Completed
Data Retention	Essex Fire Authority has not provided any training on data retention or data protection	Essex Fire Authority will implement training to all relevant staff on data retention and data protection.	Learning and Development Manager March 2017	On Track
Data Retention	Contracts Duplicate records have been held electronically and in hardcopy. In addition, data has been retained longer than the data retention period set in policy.	Essex Fire Authority will conduct an organisation wide review of data retention. This will include: 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; Making decisions corporately or within departments to hold specific data electronically or in hardcopy so that duplicate records do not exist.	Purchase & Supply Manager March 2017	On Track
Data Retention	Records of disposal have not been maintained by Payroll and I.T.	The Authority will ensure when data is disposed of a record will be kept by departments in line with the Record Retention & Disposal Policy	Deputy Director of Finance March 2017	On Track

Source	Finding from Audit report	Original (or amended) Service Action Plan	Responsibility and Timescales	Progress
Governance	The governance structure chart does not fully reflect the current committee arrangements.	The Authority will update the governance structure chart to reflect the current governance arrangements.	Service Solicitor & Deputy Clerk December 2016 (was May 2016)	Completed
Governance	There is no formal action plan process in place to demonstrate that the actions agreed at the individual committees are monitored to ensure satisfactory and timely progress has been made	The Authority should implement action logs to add robustness to the process of raising actions at the authority's key governance forums, provide a clear audit trail of actions set and allow for ease of monitoring.	Service Solicitor & Deputy Clerk December 2016 (was May 2016)	Completed
Governance	A formal training programme for the Authority's Members is not in place. In addition a training log is not in place to record Members training completion.	The Authority will ensure that training logs are retained for each of its Members and that where training sessions are missed that they are followed up with non-attendees. In addition the Authority will produce a formal training programme for Members.	Service Solicitor & Deputy Clerk December 2016 (was May 2016)	Completed
Governance	A self-assessment process is not in place for either the EFA itself or the committees within the governance structure	An annual review of the EFA and sub committees' effectiveness will be introduced to ensure that the forums have achieved their annual objectives and have adhered to their Terms of Reference.	Service Solicitor & Deputy Clerk April 2017 (was October 2016)	Completed

ESSEX FIRE AUTHORITY

Essex County Fire & Rescue Service



MEETING	Audit, Governance & Review Committee	AGENDA ITEM	7
MEETING DATE	18 January 2017	REPORT NUMBER	EFA/008/17
SUBJECT	Audit Reports		
REPORT BY	The Finance Director & Treasurer, Mike Clayton		
PRESENTED BY	The Finance Director & Treasurer, Mike Clayton		

SUMMARY

This paper provides three internal audit reports for review and the Annual Audit Letter from our external auditors.

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;

Audit Area	Audit Conclusion
Risk Protection Pool	Reasonable Assurance
Communication and Engagement – Draft Report	Reasonable Assurance
HR Training and Development – Draft Report	No Assurance
Annual Audit Letter	Unqualified Opinion

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: Risk Protection Pool Communication and Engagement HR Training and Development Annual Audit Letter	
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 :



**BEDFORDSHIRE FIRE AUTHORITY, CAMBRIDGESHIRE AND
PETERBOROUGH FIRE AUTHORITY AND ESSEX FIRE AUTHORITY**

Risk Protection Pool

FINAL

Internal Audit Report: 4.16/17

4 January 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 Ltd will accept
no responsibility or liability in respect of this report to any other party.

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Debrief held	27 October 2016	Internal Audit team	Dan Harris, Head of Internal Audit Suzanne Lane, Senior Manager
Further testing	18 November 2016		Lee Hannaford, Assistant Manager Fiona Ho, Senior Auditor
Draft report issued	15 December 2016		Shalini Gandhi, Auditor
Responses received	4 January 2017		
Final report issued	4 January 2017	Client sponsor	Gavin Chambers, Head of Finance/Treasurer (BFA) Matthew Warren, Deputy Chief Executive (CPFA) Glenn McGuinness, Deputy Director of Finance.
		Distribution	Gavin Chambers, Head of Finance/Treasurer (BFA) Matthew Warren, Deputy Chief Executive (CPFA) Glenn McGuinness, Deputy 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. 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 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 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

We undertook an audit of the Risk Protection Pool arrangements at Bedfordshire Fire Authority (BFA), Cambridgeshire and Peterborough Fire Authority (CPFA) and Essex Fire Authority (EFA) as part of the approved internal audit plan for 2016/17, to provide assurance that a robust risk protection process is in place and manages this area effectively.

In November 2015 the three Authorities entered into a Risk Protection Pool arrangement with seven other fire authorities. The decision to enter this partnership was made due to the high insurance costs placed on Fire Authorities by commercial insurers as Fire Authorities are deemed high risk clients. The aim of the partnership is to have a lower annual contribution from the members than that of conventional insurance, whilst still providing the same service and support.

To oversee the function the Fire Risk Indemnity Company (FRIC) was established. FRIC is managed by a Board which is made up of five Directors from the member authorities who were nominated by their authority to run the arrangement. FRIC outsources the day to day operational duties to a third party, Regis Mutual Management Ltd (Regis), and they are responsible for managing claims fed in by the member authorities.

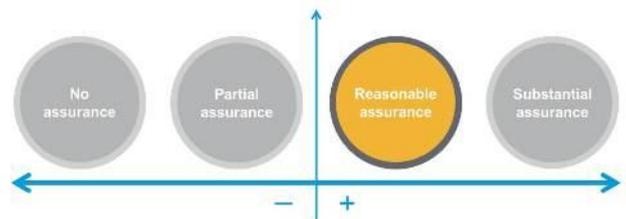
Each type of claim has a retention level agreed when the member joins FRIC and submits their annual application. Any claim up to this limit is payable by the respective authority. Claims over this amount and up to a limit, dependent on the type of claim, are paid by FRIC from the contribution pool obtained from the members' annual contributions. When claims are above the limit for FRIC payment they are escalated to one of two commercial insurance companies FRIC and the members have policies with. The insurance companies are ERS for motor claims and Builders Direct S.A for liability and property protection.

1.2 Conclusion

We have identified as a result of our testing at BFA, CPFA and EFA that the controls in place for the Risk Protection Pool were designed effectively. However, we have identified areas where the application of controls needs to be strengthened further, in particular relating to the documentation of EFA's lease vehicle retention amount.

Internal Audit Opinion:

Taking account of the issues identified, the Authorities can take reasonable assurance that the controls in place to manage this area 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 area(s).



1.3 Key findings

The key findings from this review are as follows:

The FRIC of which EFA is a member are the body which provides the pooled protection. We confirmed the selection process for the Board of Directors of FRIC and noted that this was appropriate and resulted in EFA being represented on the Board. We obtained the signed Articles of Association for FRIC and confirmed these were detailed and clearly lay out the role and responsibilities of FRIC. We also obtained the Rules for FRIC and confirmed these clearly explain the rules for membership and the requirements for notifying FRIC of a claim.

FRIC has a contract to manage the relationship with the management company Regis. We obtained the contract between FRIC and Regis and confirmed this was up to date and covers Regis' responsibilities including payment and contract price. We also obtained and reviewed the Service Level Agreement for Regis. This provided sufficient detail regarding the role expected of Regis as well as laying out performance reporting requirements and the key performance indicators (KPIs) for Regis. FRIC also has an Appointed Representative Agreement, Data Sharing Agreement and Supplemental Management Agreement with Regis to manage the relationship. We obtained these agreements and confirmed they were current and detailed Regis' legal responsibilities with regard to FRIC and the members of FRIC.

The members of FRIC sign up for services on an annual basis. We obtained the annual application for 2016/17 completed by all parties including BFA, CPFA and EFA. We reviewed the applications and confirmed they were complete and had been signed off by the appropriate authorised signatory. We confirmed the application covered all relevant areas of insurance including motor insurance, employers' liability protection, public and products liability protection, and property protection. We also obtained the corresponding draft member pricing model for 2016/17. Through review we noted this included the other member authorities pricing for transparency, and the backing for all calculated costs was clearly included.

Variance analysis for year on year costs was included so member authorities could scrutinise charges and gain assurance that their contributions are reasonable. The invoice provided to EFA by FRIC for 2016/17 cover evidence EFA are being charged the calculated amount in the pricing model and that EFA will have continued adequate coverage in 2016/17. We also obtained meeting minutes from BFA and CPFA, evidencing that careful consideration had been given to the proposal of the insurance pooled fund and in November 2015, both Authorities had agreed to go forward with the proposal.

The members of FRIC undertake a monthly conference call to discuss the performance of Regis and the pooling arrangements. We obtained the July, August and October 2016 agendas and confirmed attendance by a representative of EFA at every meeting. No minutes are maintained for these meetings, but we reviewed the agendas to confirm standing items relating to Regis' performance, as well as FRIC development, are consistent. We obtained the accompanying reports and confirmed these were useful detailing claims to date and providing analysis on this for discussion. The Finance Director and Treasurer of EFA confirmed that to date there have not been any complaints regarding Regis' performance.

We undertook sample testing at BFA and CPFA, selecting ten insurance claims from each and confirming that they were detailed on the claims cloud (database) with supporting evidence included. We identified that FRIC had been involved with all third party insurance claims but the Authorities had managed their own claims, mainly due to the fact that they were below the excess amount of £5,000. As a result, no exceptions were noted.

We also confirmed that since the new functionality to the claims cloud had been added (around July 2016), there were no liability claims and therefore the process could not be evidenced and no further testing was undertaken.

The Service Level Agreement between FRIC and Regis states that performance review meetings will take place between FRIC and Regis quarterly or at other intervals as agreed by the parties. We confirmed through review of the performance review meeting minutes from the meeting held in April 2016 that it was agreed these meetings would occur twice a year. We obtained the April performance review meeting reports which was the first meeting held since the initiation of the relationship in November 2015, and noted that to date no complaints or breaches have been made against Regis by any member, and that all of the relevant KPIs are being met by Regis. The reports also included an action log which includes action required, owner and target completion date evidencing actions being taken to improve the service. Through review of the minutes we confirmed all agenda items were discussed and that the FRIC representative provided challenge and scrutiny of the information reported by Regis.

Regis provides a quarterly claims pack to the members of FRIC providing them with management information regarding claims to date. We obtained the claims pack for quarter two and quarter three of the 2015/16 year. We reviewed the slides and supporting data spreadsheets and confirmed that management information was clear and in a useful format allowing comparisons to the other members for benchmarking and best practice. We confirmed dissemination of the reports by the Risk and Business Continuity Manager at EFA to relevant operational leads to allow analysis and learning from the collated data.

The Fire and Rescue Risk Group (FARRG) was established by FRIC to identify the main risks, causes and trends in claims that threaten FRIC's success and is made up of FRIC members. FARRG is open to other Fire and Rescue Authorities to enable shared learning and collaborative working. We obtained the meeting action minutes for the December 2015, February 2016 and June 2016 meetings. We confirmed the action minutes evidence discussion around claims and FRIC performance and put in place project plans and actions to improve performance and strengthen FRICs position. FARRG provides another oversight and management forum for the members of FRIC providing assurance that the insurance arrangement is functioning appropriately and any issues are being addressed.

We have agreed **one medium priority** actions with management relating to the following:

When a claim is submitted there are different retention limits EFA is responsible for covering, dependent on the claim type. These levels are documented in the policy and protection schedules and FRIC application form. We obtained the three schedules and wording documents EFA has with FRIC and reviewed these to confirm they were current and covered all agreed areas. Upon review we noted that the retention level listed for motor claims was £50,000, however, we confirmed through discussion with the Finance Director and Treasurer of FRIC and through review of claims data that this limit is not always relevant. When a motor claim relates to a lease vehicle the agreed limit is £250, and this is an amount agreed with FRIC.

Bedfordshire however, does not have leased cars like Essex FRA, Essex provide leased cars to operational officers. Whereas in Bedfordshire, operational officers lease their own cars and have their own insurance. Bedfordshire top up insurance on these leased cars is only where they are responding to incidents on emergency blue lights (to negate officers having the have this on their own insurance). This has resulted in a higher excess for Bedfordshire, on limited incidents (none in 2016/17 as you note), which keeps the premium lower. Bedfordshire are the only authority in the consortium with this position.

There is a risk that if limits are not documented in the agreements between FRIC and EFA correctly there is the risk that EFA could be forced to pay the higher retention amount for a lease vehicle claim as there is no official agreement in place.

1.4 Additional information to support our conclusion

Area	Control design*	Compliance with controls*	Agreed actions		
			Low	Medium	High
Risk Protection Pool	0 (10)	1 (10)	0	1	0

* 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: Risk Protection Pool					
1.1a	The agreed retention amount of £250 payable by EFA when there is a claim on a Lease Vehicle is not documented in the agreement between EFA and FRIC.	Medium	EFA will ensure the agreement with FRIC is updated so that it is clear that EFA are only liable for up to £250 in relation to lease vehicles.	Completed	Mike Clayton

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
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Area: Risk Protection Pool

1.1	<p>FRIC has three insurance policies set up to aid in claims where necessary and when they are above the agreed limits.</p> <p>For motor claims this is through Equity Red Star and for employee and public liability and property this is through Builders Direct SA. These insurance policies were agreed by FRICs Board.</p> <p>All potential claims are entered onto the Claims Cloud and from here they are dealt with either by the Authority or FRIC dependent on the content and cost.</p> <p>Entry of all claims and potential claims onto the Cloud enables FRIC to compile complete management information to the members.</p>	Yes	No	<p>We obtained the Equity Red Star and Builders Direct SA insurance policy documents along with the FRIC policy and protection schedules.</p> <p>We noted the policy and protection schedules for motor, liability and property were dated 1 November 2015 and expire on 31 October 2016. This evidences they were current (at the time of the audit) and had not lapsed, they also reconciled to the annual term the members agreed. The policy schedules clearly list EFA as the member and FRIC and the insurance provider are referred to making their responsibilities known.</p> <p>We obtained the supporting protection wordings / policy documents and reviewed confirming these are detailed covering the responsibilities of FRIC and the insurer and the excesses and payment limits.</p> <p>Through review of the application for protection to FRIC we confirmed that the retention amounts payable by EFA for each of the areas are:</p> <ul style="list-style-type: none"> • £50,000 for motor • £25,000 for liability protections • £5,000 for property protections. <p>After discussion with the Finance Director & Treasurer of EFA we confirmed that the retention amount payable for lease cars is £250 and not £50,000 and that this is agreed with the insurer. We confirmed this when we reviewed</p>	<p>Medium</p> <p>Medium</p>	<p>EFA will ensure the agreement between FRIC and EFA is updated so that it is clear that EFA are only liable for up to £250 in relation to lease vehicles.</p> <p>BFA will review the insurance arrangements relating to lease vehicles to ensure that their excess is in line with other Fire Authorities if possible.</p>
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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>a sample of claims and noted the retention of £250 was referred to in relation to the lease cars. If this retention amount is not documented in the agreement with FRIC, EFA are liable to cover costs for all motor vehicles up to £50,000 and could suffer financially as a result.</p> <p>We selected a sample of 10 claims made by EFA since November 2015. Five of these were related to third party claims and five to Fire Authority only claims. We viewed the claims on the Claims Cloud and confirmed all claims were appropriately added and supporting documentation attached. We confirmed via review of the claim type and amount that Regis was involved where necessary. We noted all closed claims had been paid if necessary, and that where a third party was involved or the amount was above the retention of £250 for a lease vehicle or £50,000 for a fire vehicle that Regis was the handler.</p>		

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 that appropriate arrangements have been put in place to administer the Risk Protection Pool

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

Areas for consideration:

A Risk Protection Pool has been established across nine Services which is administered through a contract between the Fire and Rescue Indemnity Company Ltd and Regis Mutual Management Ltd. All nine Authorities are members of the Fire and Rescue Indemnity Company Ltd. We are undertaking a joint review with sample testing from Bedfordshire, Cambridgeshire and Essex Fire Authorities.

In particular, we will confirm that:

- Clear and documented governance arrangements have been established for the operation of the Risk Protection arrangements. These include roles and responsibilities, delegation, authorisation, reporting lines, performance indicators.
- The governance arrangements have been agreed and approved at an appropriate level.
- Review of the governance structure of the Fire and Rescue Indemnity Company Ltd overseeing the risk protection arrangements.
- Adequate procedures have been developed for members of the Fire and Rescue Indemnity Company. The procedures are available for all required staff.
- Samples testing (from Bedfordshire, Cambridgeshire and Essex) on compliance against policies and procedures in place.
- Review of reporting for the risk protection arrangements and monitoring of performance.

Limitations to the scope of the audit assignment:

- We have not commented on adequacy or appropriateness of the risk protection arrangements or cover in place.
- We have not confirmed if the arrangements in place are the most efficient, effective or appropriate for the organisations, or provided an opinion on the overall or apportioned costs.
- Testing has been completed on a sample basis from Bedfordshire, Cambridgeshire and Essex Fire Authorities only.
- We have only reviewed pooled insurance documentation available at Essex Fire Authority.

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 Clayton, Finance Director and Treasurer
- Mark Ludlow, Fleet Workshops
- Jane Watts, Information and Democratic Support Assistant
- Joshua Muir, Business Support & Finance Officer

FOR FURTHER INFORMATION CONTACT

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ESSEX FIRE AUTHORITY

Communication and Engagement

FINAL

Internal Audit Report: 1.16/17

6 January 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	27 October 2016	Internal Audit team	Dan Harris, Head of Internal Audit Suzanne Lane, Senior Manager Lee Hannaford, Assistant Manager Joan Haase, Senior Auditor Chris Chick Internal Auditor
Draft report issued	18 November 2016		
Responses received	6 January 2017		
Final report issued	6 January 2017	Client sponsor	Glenn McGuinness Assistant Director of Finance
		Distribution	Glenn McGuinness Assistant Director of Finance Emily Osborne Head of Marketing and Communications

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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 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 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.

1 EXECUTIVE SUMMARY

1.1 Background

An audit of internal communication and engagement arrangements at Essex Fire Authority has been carried out as part of the approved internal audit plan for 2016/17, to provide assurance that internal stakeholders have been appropriately informed regarding the impending changes due to Programme 2020.

Programme 2020 is the Authority's transformation and change programme for the Service.

An engagement strategy and a corporate communication strategy have been developed to support the Service's vision and values. They set the guiding principles that the Service will follow to deliver effective communications from 2016-2020. Additionally, a Programme 2020 communication plan has been developed to specifically support Programme 2020.

A cultural shift requires time to be embedded into an organisation, the service must continue to reinforce steps to promote employees engagement in the process to ensure the change is effected within the given timeframes.

The internal stakeholders include 1,500 fire service employees located at Head Quarters, Fire Stations and Fleet workshops, of which 75 percent are operational staff.

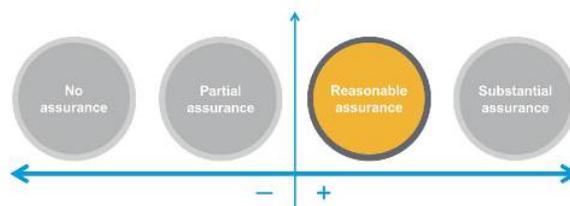
1.2 Conclusion

The Service has set up a coordinated approach to managing communication with its internal stakeholders. During the course of the audit we identified three medium and three low priority management actions.

Internal Audit Opinion:

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

However, we have identified issues that that need to be addressed in order to ensure that the control framework is effective in managing this area.



1.3 Key findings

The key findings from this review are as follows:

- We reviewed the ongoing communication delivered to the employees and confirmed that the communications are delivered on time and in a clear format containing accurate information. The communication channels are selected based on stakeholder analysis. Managers are informed and briefed on all updates and have received training on how to deliver messages effectively to staff. There are multiple communication channels that suit all types of employees to encourage them to voice their opinion. The service has worked hard to implement and facilitate intranet news forums via eWeekly and Daily News, Your voice workshops, discussion boxes on the intranet and direct email to programme 2020.
- We reviewed the Engagement Strategy and the Corporate Communication Strategy against Programme 2020's aims and values and confirmed that they were aligned. We confirmed that the employee engagement survey results 2015 have been used to inform and update the content of the strategies. However, we identified that the strategies do not include version control, date of last review or body who have approved the strategy. There is a risk that the strategy may not reflect current practice. **(Low)**

We noted that approval of the strategies was included as part of an informal Service Leadership Team meeting but the decision was not subsequently ratified at the next scheduled formal meeting. It is important that all decisions made by the Service Leadership Team are formally approved and documented as they are the primary forum to oversee the strategic direction of the serviced and the effective management of organisational performance at a corporate level. There is a risk that key decisions may not withstand external scrutiny if they are not formally documented. **(Medium)**

- We tested the linkage between key documents of Programme 2020, Gantt milestone document, road map of Programme 2020 and Programme 2020 communications delivery plan and noted that for the three project activities tested there were no project reference numbers and projects were named inconsistently between documents. There is a risk that not all activities from Programme 2020 are included in the communication delivery plan which may lead to communication not being delivered in line with the engagement strategy and the corporate communication strategy. **(Medium)**
- We reviewed the reporting structure in place to monitor progress of the implementation of Programme 2020 and identified that the Programme board currently has no terms of reference in place. It is important that members understand the Board's frequency of meetings, what constitutes a quorum and upward and downward reporting lines, this will ensure that monitoring is carried out and reported to the right places and decisions are made by the right people. There is a risk that Programme 2020 will not have regular meetings, key decisions made may not be challenged and reporting may not be addressed to the right level of governance. **(Medium)**

Staff Internal Communication Survey

- We reviewed the results of the internal communications and engagement survey. There were 256 respondents, with 53 per cent from operational staff and 47 per cent support staff. This represents a 17 per cent response from Essex County Fire and Service staff.
- The results showed that respondents preferred their communications delivered via the intranet and face to face meetings, with 75 per cent of respondents preferring face to face with managers. Receiving information about Programme 2020 and training and career development was ranked highly at 63 and 73 per cent respectively. 72 per cent of the respondents were very or fairly satisfied with internal communications. We found that the survey results were supportive of the communication channels used by the service and comments made by respondents were in general positive. Full details of the survey results are in appendix C.

1.4 Additional information to support our conclusion

Risk	Control design*	Compliance with controls*	Agreed actions		
			Low	Medium	High
To ensure that internal stakeholders have been appropriate informed regarding the impending changes due to Programme 2020.	0 (9)	5 (9)	3	3	0
Total			3	3	0

* 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.

1.5 Additional feedback

Suggestions for improvement

Format for the Programme 2020 delivery communications

The Programme 2020 delivery communications plan is currently in Microsoft word format. Given the expected increase in the number of actions to be included in the plan we suggest that the format is changed to Microsoft excel format. This will allow easy analysis of data included in the plan.

Gantt milestone document

The Gantt milestone document that informs the Programme 2020 delivery communications plan and noted that the completion dates contained in the document were based on physical completion dates of actions identified.

The communication required to inform internal and external stakeholders of an intended action covers a wider period than contained in the Gantt milestone document and can vary depending on the nature of the action and is not currently included in the Gantt milestone document.

We would suggest that the communication timelines be over laid onto the Gantt Milestone document to allow a complete project timescale to be viewed. This would enable an easier format for tracking project progress and decrease the risk that key messages regarding communication are not delivered in the appropriate timeframes.

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
Risk: To ensure that internal stakeholders have been appropriate informed regarding the impending changes due to Programme 2020.					
1.1a	<p>We reviewed the Engagement Strategy and the related Corporate Communication Strategy, both established to guide engagement and communication with internal stakeholders.</p> <p>We identified that they did not evidence the date of last review, level of approval, approval of strategy by governing body or the version control number.</p>	Low	The Service will ensure that the Engagement Strategy and the Corporate Communication Strategy are reviewed and updated annually with relevant themes from the annual staff survey. The strategies will include a version number and will be formally approved by the Service Leadership Team.	February 2017	Head of Marketing and Communications
1.1b	From our review of the approval process for Engagement Strategy and the related Corporate Communication Strategy we identified that the strategies had both been approved at an informal meeting of the Service Leadership Team but the decision had not been ratified in the next formal meeting.	Medium	The Service Leadership Team will ensure that all decisions made by them at informal meetings are ratified in the minutes of the next formal meeting.	February 2017	A/CFO

Ref	Findings summary	Priority	Actions for management	Implementation date	Responsible owner
1.2	<p>We sampled three project activities to test the linkage between key documents used to implement and guide Programme 2020 (Gantt Milestones, Road Map of structure, Programme 2020 Communication Delivery Plan).</p> <p>We found that none of project activities had been allocated a project ID by the Project 2020 team.</p> <p>For all three samples there was a different naming convention for the project activity.</p> <p>Two out of the three samples could be traced between the key documents, though this was with difficulty.</p>	Medium	The Programme 2020 team will ensure that all projects have unique identifiers and that there is clear and consistent linkage between the key documents.	February 2017	Assistant Director of Programme 2020
1.3	<p>We reviewed the format and content of the Programme 2020 delivery communications plan to ensure that it was appropriate to deliver against the objective of Programme 2020.</p> <p>We found that it could not be linked to the Gantt milestone document as it did not include project IDs.</p> <p>There was also no column to report against the effectiveness upon completion of the action, ie effectiveness of the communication.</p>	Low	<p>The Service will include the following columns in the Programme 2020 delivery communications plan:</p> <ul style="list-style-type: none"> Project ID that links to the Gantt project milestones document. Evaluation of effectiveness of the communication. <p>In addition, to ensure consistency standardised project names will be introduced.</p>	February 2017	Assistant Director of Programme 2020

Ref	Findings summary	Priority	Actions for management	Implementation date	Responsible owner
1.4	We identified that Terms of Reference for the Programme Board have not been established, and there are a number of areas that are currently not covered.	Medium	<p>The Programme 2020 team will develop Terms of Reference for the Programme 2020 Board that include details as per the approved in the Programme 2020 governance document.</p> <p>In addition it will include the frequency of meetings, number for a quorum and reporting structure for governance.</p> <p>This will be approved by the relevant governance body.</p>	March 2017	Assistant Director of Programme 2020
1.5	<p>We reviewed the Your Voice forum used to deliver face to face communication to employees via workshops held throughout the district.</p> <p>A review of the effectiveness of the Your Voice forum would benefit the organisation.</p>	Low	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.	September 2017	Director of Transformation and OD

3 DETAILED FINDINGS

This report has been prepared by exception. Therefore, we have included in this section, only those risks 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
Risk: To ensure that internal stakeholders have been appropriate informed regarding the impending changes due to Programme 2020.						
1.1	<p>The Engagement Strategy was developed alongside the Corporate Communication Strategy and both have been used to implement Programme 2020.</p> <p>The Engagement Strategy and the Corporate Communication Strategy should be approved by the Service Leadership Team.</p> <p>The strategies were written by Corporate Communications and was based on the staff engagement survey held in 2014., communication best practice, industry benchmarking and research and the Corporate Strategy and IRMP.</p>	Yes	No	<p>We reviewed the engagement strategy and found its values to be in line with Programme 2020. We noted that the Engagement Strategy was forward looking using lessons learnt from the past. It set a positive tone for the way the organisation would engage now and in the future. We were advised that the Engagement and Communication Strategies had been verbally approved during an informal meeting. There was no ratification of approval documented in formal meeting minutes.</p> <p>Where key decisions are made at an informal meeting it is important that these are ratified at the next formal meeting. There is a risk that there will be no record of decision and the currency of the decision would questionable and could lead to future challenge.</p> <p>We confirmed that the document is reviewed annually based on the results from the staff engagement survey. We have assessed that the frequency of review is adequate given the dynamic nature of communications.</p> <p>However, we noted that the Engagement Strategy does not document the level of approval, the frequency of review required or the version number of the document. There is a risk that review may not take place and current practice may not reflect the strategy.</p> <p>We obtained a copy of the 2015 staff engagement survey to ensure that concerns raised by employees were considered</p>	<p>Low</p> <p>Medium</p>	<p>The Service will ensure that the Corporate Communication Strategy and the Engagement Strategy are reviewed and updated annually with relevant themes from the annual staff survey. The Corporate Communication and Engagement Strategies will include a version number and will be formally approved by the Service Leadership Team.</p> <p>The Service Leadership Team will ensure that all decisions made by Service Leadership Team at informal meetings are ratified in the minutes of the next formal meeting</p>

Ref	Control	Adequate control design (yes/no)	Controls complied with (yes/no)	Audit findings and implications	Priority	Actions for management
				<p>and included when updating the engagement strategy</p> <p>We found that of the ten bottom results which identified areas of concern, the key issues were those linked to:</p> <ul style="list-style-type: none"> a) Communication and change management b) Employee's feeling undervalued. c) Pride and advocacy of employee's roles <p>We compared the results of the 2015 staff engagement survey to the Employee Engagement Strategy 2016–2020 and found that the Employee Engagement Strategy approach and strategies had been built around four enablers,</p> <ul style="list-style-type: none"> • Empowering leadership, • Engaging managers, • Integrity, and • Encouraging an employee voice. 		
1.2	<p>Programme 2020 is summarised in the publication Leading the Way to a Safer Essex which contains the following themes:</p> <ul style="list-style-type: none"> • Change in service delivery. • Fall in the number of call outs. • Expected reduction in funding. <p>This informed the development of the public consultation process with various options for selection. The consultation exercise resulted in the selection of preferred option two.</p> <p>The required changes to implement Programme 2020 consultation option two would see a reduction in watch-based whole time firefighters, a net</p>	Yes	No	<p>We obtained and compared a copy of the programme 2020 Leading the way to a safer Essex with the preferred option two from the consultation document and confirmed it was included in the agenda item 13 from the Essex Fire Authority for meeting dated 8 June 2016.</p> <p>We reviewed option two in the agenda and confirmed that the change agreed to the consultation document and the key themes in the Programme 2020 Leading the Way to a Safer Essex document.</p> <p>We selected a sample of three changes to be implemented from the consultation document option two.</p> <p>We tested the three samples to ensure that they were included in the Gantt chart, road map and Programme 2020 delivery communications plan. We found that although all three were included, however, we noted that the naming convention of the items selected varied between the three documents which</p>	Medium	The Programme 2020 team will ensure that all projects have unique identifiers and that there is clear and consistent linkage between the key documents.

Ref	Control	Adequate control design (yes/no)	Controls complied with (yes/no)	Audit findings and implications	Priority	Actions for management
	<p>increase in On-Call firefighters, removal of a number of Pinzgauer appliances and the removal of the second fire engine from a number of stations.</p> <p>The activities are displayed in a draft road map, which contain overarching areas:</p> <ul style="list-style-type: none"> • People and leadership. • Protection prevention response. • Public value and collaboration. <p>The Programme 2020 consultation option 2 is included within the Protection prevention response section, identified as Option 2 within programme tasks.</p> <p>In addition this has been translated into a series of activities that are documented in a Gantt Chart.</p> <p>The project areas identified in option 2 of the Road map and the Gantt Chart are also linked to the Programme 2020 delivery communications plan which gives the actions required for delivery of the milestone.</p>			<p>made them difficult to identify. The Programme 2020 team has not allocated a unique ID tracker to use between documents to ensure that tasks from the Option two are included.</p> <p>There is a risk that not all actions from Option two are included in the Gantt chart and Programme 2020 delivery communications plan and that information is not disseminated to staff in accordance with the Engagement and Corporate Communication Strategies.</p> <p>The use of a unique ID will make tracking of projects and reporting against projects easier, as the volume of projects undertaken increases.</p>		

1.3	<p>The Programme 2020 delivery communications plan contains a narrative section which includes background information and the three themes from Programme 2020:</p> <ul style="list-style-type: none"> • People and leadership. • Prevention protection and response. • Public value and collaboration. <p>It also includes the communication matrix from the corporate communication strategy and high level phasing of identified activities, sub divided by programme tasks which aligned with the programme road map.</p> <p>The communication team are included at project planning level as part of the completion of the Project Initiation Document (PID) to advise on appropriate communication channels for the development of projects. The exchange of information is used to inform the communication actions included in the Programme 2020 delivery communications plan.</p> <p>The PID is updated to include communication team input and is signed off and agreed prior to moving ahead. The Programme 2020 governance document gives authority to the communication team to select the best channels of communication based on their expertise and the stakeholder group to whom the communication is to be</p>	Yes	No	<p>We obtained a copy of the Programme 2020 delivery communications plan. We confirmed the headings included:</p> <ul style="list-style-type: none"> • When – Date of action, • What – programme/project stream, activity, • Why – Purpose of communication, • Who – Audience, • How to evaluate effectiveness, • Status. <p>We confirmed that the Communications Manager is responsible for completion of all actions. We assessed that quality of information included in the plan and confirmed that it was clearly documented and was sufficient to implement the actions. In addition the actions included were specific, measurable, related to specific projects and were time based.</p> <p>We identified through discussion with the communication team that the effectiveness of the communication is being measured by ad hoc verbal updates, but a record of the conversations or the outcomes is not consistently recorded. The Programme 2020 delivery communications plan states that the service will manage the approach and test the communications throughout the implementation of Programme 2020 to inform the development of the approach and this may drive any improvements which can be made as an ongoing process.</p> <p>There is a risk that the current approach to updating feedback and analysis of whether improvements could be made to the communication channel is not as efficient or effective as it could be and may result in key messages not being delivered in a cost effective manner.</p> <p>We confirmed that all actions were updated when complete and by review of the Programme 2020 delivery communications plan that there were not any overdue actions.</p> <p>We tested a sample of 5 completed actions to ensure there was appropriate information included to confirm that communications had been delivered as stated in the action</p>	Low	<p>The Service will include the following columns in the Programme 2020 delivery communications plan:</p> <ul style="list-style-type: none"> • Project ID that links to the Gantt project milestones document. • Evaluation of effectiveness of the communication. <p>In addition, to ensure consistency standardised project names will be introduced.</p>
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	delivered.			<p>plan to the specified target audience.</p> <p>We noted the following additional areas of improvement in the formatting of the plan.</p> <ul style="list-style-type: none"> • A column could be added with a project ID to link the plan to the Gantt project milestones document. • Given the additional columns to be included in the plan we would suggest the use of a excel format. <p>We reviewed the communication team involvement in project development. We confirmed with the Communication Manager that the communication team were included in the PID for the project Appliance Removal & Employee Relocation Project and that the information to inform the actions included in the Programme 2020 delivery communications plan.</p> <p>We confirmed that the PID included feedback from the Communication team and that their related actions in the Programme 2020 delivery communications plan. We sighted the Communications and Engagement section of the Programme 2020 Implementation Plan EFA paper and confirmed that the Communication Department had the authority to develop a plan based on the project based on the engagement and corporate communication strategies.</p>		
1.4	<p>Monitoring of the programme delivery communications plan is carried out by the Programme Board. Their authority comes from the governance document approved by Essex Fire Authority 7 September 2016. This details the structure for the Programme 2020 Board and the Programme Advisory Group. The governance documents states that the membership of the Programme 2020 Board is the same as the Service Leadership Team.</p> <p>The governance documents confirms a comprehensive</p>	Yes	No	<p>We obtained a copy of the Programme 2020 governance document and confirmed that it was approved by the Essex Fire Authority 7 September 2016.</p> <p>We confirmed that the membership of the board replicated that of the Service Leadership Team and was suitable to oversee Programme 2020.</p> <p>We noted that for the Programme Board it documented the format of the agenda and the objectives. However, the frequency of meetings, what constituted a Quorum or the reporting structure for the board was not documented.</p> <p>A structure diagram is included in the document detailing the reporting lines for the board but it does not specify to which</p>	Medium	<p>The Programme 2020 team will develop Terms of Reference for the Programme 2020 Board that include details as per the approved in the Programme 2020 governance document.</p> <p>In addition it will include the frequency of meetings, number for a quorum and reporting structure for governance.</p> <p>This will be approved by the relevant governance body.</p>

membership of the Programme 2020 Advisory group.

The discussions are fed by the Programme Advisory Group. The Group includes representatives from external parties including trade unions along with members of the Programme 2020 Board.

Key messages from the Programme Advisory Group are tabled at the Programme 2020 Board which are both held monthly on the same day. The Programme Advisory Group meeting precedes the Programme 2020 Board reporting.

Reporting to governance is quarterly to the Audit and Governance Committee and the Policy and Strategy Group.

The Audit and Governance Committee and the Policy and Strategy Group, reporting to the Essex Fire Authority on a quarterly basis.

committees at the Authority the programme is to be reported.

It is important that the Programme Board has Terms of Reference in place to ensure that there is no ambiguity over the validity or scope of decisions made and that there are clear reporting lines to governance.

We confirmed that the membership of the Programme advisory group was suitable to advise the Programme Board.

We noted that for the Programme advisory group the governance document identified the format of agendas and their objectives and that the frequency of meetings.

We reviewed the schedule of meetings held by the Programme board and confirmed that there were monthly meeting held since it was established in February 2015, except for June and July 2016. This was due to the change in structure of the group from an expert panel which included external representatives commissioned by the fire service to perform an oversight role, to a more autonomous group with a reduced level of oversight.

We reviewed minutes from the Programme Board for February, May and September 2016. We confirmed that there was a communication update from the Head of Marketing and Communications at each meeting in respect of the engagement and communication strategies and the delivery plan.

We noted that updates from the representative bodies and members (Programme advisory group) were included in the February and September 2016 minutes. We noted that in May 2016 there was no report from the Programme Advisory Group, however, we note that there were members present at the meeting.

We confirmed that the agenda format for September followed the guidelines established in the Programme 2020 Plan.

We reviewed minutes from the Programme advisory group

February, May and September 2016

We confirmed that there was an appropriate level of discussion around Programme 2020 and the consultation process. The Programme 2020 governance document showed that reporting to a governance level was to the Essex Fire Authority.

We reviewed the minutes from Audit and Governance Committee for April, July and October 2016 We confirmed that there was an agenda item included in the minutes. Programme 2020 – progress report.

We reviewed the minutes for the Policy and strategy committee for March, June and September 2016. We noted that there was no specific agenda item for programme 2020, However, it was mentioned in terms of budget.

It is important that reporting lines for Programme 2020 are clearly documented and approved by Essex Fire Authority

1.5	The services have established a Your Voice workshop programme that established to address employees concerns as a result of the cultural review. These employee forums take place on a six weekly basis since being established in December 2015. They are facilitated by the Director of Transformation.	Yes	No	<p>We obtained the list of Your Voice forums held for employees and confirmed there had been 9 meetings held between December 2015 and October 2016.</p> <p>We noted that the meeting attendance records are based on meeting acceptance and not on actual attendance. The average accepted attendance being 18, lowest attendance eight and highest 32. This was due to the size of the station and was influenced by their stage of embracing cultural development. We confirmed that the meetings were held at varying locations throughout Essex, however the majority were held at Kelvedon Park.</p> <p>The use of an attendance sheet documenting name, rank and location at a Your Voice forum would give actual figures of attendance and range of staff engaging.</p> <p>There is a risk that the forum will not be reaching all areas of the service and so may result in pockets of the service where culture is slow to respond to key messages.</p>	Low	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.
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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 risks:

Objective of the risk under review

To ensure that internal stakeholders have been appropriately informed regarding the impending changes due to Programme 2020.

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

Areas for consideration:

The Service has completed a significant engagement externally; however, with the impending changes as a result of Programme 2020, our review will focus on the Internal Communications and Engagement. We will undertake a review of the Authority and Service's approach to Internal Communication including how the Authority has communicated with internal stakeholders and if the communication has been reflective of recent internal changes.

In particular, we have confirmed that:

- Internal stakeholder groups had been identified and analysed to ensure that the Authority understands their concerns and threats associated with Programme 2020.
- An engagement strategy had been developed which set out how the Authority plan to engage with their internal stakeholder on the short and medium term in respect to address the concerns and threats identified within the stakeholder analysis;
- There was clear links between the objectives of Programme 2020 and the engagement activities planned;
- As action plan had been developed to support the Engagement Strategy and this is monitored for completion;
- A range of communication media had been employed (paper, electronic etc.) to engage with stakeholders regarding Programme 2020. This included the establishment of forums where open discussions could take place in a safe environment;
- An action plan had been established to address the concerns of internal stakeholders and this is being appropriately monitored to ensure completion

In addition to this, a staff questionnaire was undertaken to test the level and impact of communication. Managements support was used to develop an appropriate questionnaire; it was distributed to all staff to ensure that staff were encouraged to complete the questionnaire in a timely manner.

Limitations to the scope of the audit assignment:

- We will not comment on adequacy, appropriateness or achievability of the changes posed by Programme 2020.
- We will not provide assurance that the engagement activities will have the impact expected by the Authority.
- We will not confirm that all possible and appropriate engagement activities have been considered and or undertaken.
- 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:

- Emily Osborne, Head of Marketing and Communications
- Sarah Roberts, Communications Manager
- Ben Pilkington, Assistant Director of Programme 2020

APPENDIX C: SUMMARY OF RESULTS – COMMUNICATION AND ENGAGEMENT SURVEY

Question asked	Total number of responses	Rank No.1	Rank No.2	Rank No.3	Comments
How do you like to receive communications?	259	Face-to-face with my manager	Email	Digitally - intranet and Daily News	High level of response, supports the current communication channels
		75%	70%	61%	
How important is it to you to receive information and regular updates from your manager?	259	Very important	Somewhat important	Not Important	High level of response, supports the importance of good communication
		86%	12%	2%	
What topics do you like to receive information on?	259	Training and career development	Programme 2020	Acting Chief Fire Officer - weekly update	High level of response with interest in current developments which has received good coverage. The interest in training and career development demonstrates engagement with the service by staff, looking to progress.
		73%	70%	63%	
Over the last year, how often have you accessed and read content on the site?	249	2 - 3 times a week	Once a week	Never	We note that 70% of respondents accessed at least once a week with 30% once a month or never
		27%	26%	17%	
Do you agree or disagree with the following statements about Daily News?					
A - The articles are easy to read	243	agreed	disagree	N/A	Positive attitude to the Daily News readability
		77%	6%	17%	
B - I find the content interesting	241	agreed	disagree	N/A	Positive attitude to the Daily News content
		61%	12%	27%	
C - Daily News provides a good mix of corporate and people focused news	239	agreed	disagree	N/A	Positive attitude to the Daily News mix of stories but could improve.
		56%	23%	21%	
D - I know how to submit articles and stories to the corporate communication	244	agreed	disagree	N/A	Indication that staff are wishing to contribute to Daily News.
		39%	45%	16%	

team					
How often do you visit our intranet – our internal site?	247	2 - 3 times a day /once a day	2 -3 times a week/ once a week	Monthly/ never	Overall a high percentage of staff are visiting the site week.
		67%	28%	5%	
Do you think our communications are open, honest and trustworthy?	230	I usually trust the communications I receive	I sometimes trust the communications I receive	I always trust the communications I receive	The service is building the levels of trust with staff by open communication with staff but still has work to do in this area.
		50%	36%	14%	
Overall, how satisfied are you with our internal communications?	230	Fairly satisfied	I do not feel satisfied	Very satisfied	Positive response with 72% Fairly or very satisfied. 10% did not provide a response
		62%	18%	10%	
In the last month, have you: (see breakdown)	181,170 and 138	Accessed documents on the intranet?	Read a news story on Daily News?	Received a briefing from your line manager?	High percentage of participation
		79%	74%	60%	
Do you feel that the communications you receive from the Corporate Communications Team are relevant for your role?	230	Sometimes	Yes	No	Positive response with 84% feeling that communication is or is sometimes relevant to their roles.
		58%	26%	16%	
Question asked		Selection of comments received			Comments
What is your favourite thing/s about our internal communications? For example: Daily News, Weekly eBrief, different types of news stories		<p>In total there were 106 comments, which included:</p> <ul style="list-style-type: none"> • Different types of news stories • Short, succinct stories • News from both Essex & other brigades around the country • By comparison to days gone by it is more information coming forward • Weekly eBrief as it provided a solution for the bombardment of non prioritised comms from across the service which resulted in missed information. • They are an improvement on previous 			A majority of positive comments, supportive of the communication team with acknowledgement of the improvements made.

	<p>communications, but there is still a lot of improvement to make.</p> <ul style="list-style-type: none"> • I'm not really sure what things I will find where? I would prefer a single source of information • I like that our Comms have been streamlined over recent months so we have one channel of news now. • I find Weekly eBrief and and Daily News particularly useful and consider the level of information and detail contained to be just about right. • Better than it was- fact not fiction please. • I believe the Service communicate all our news story well. It's some of our staff that don't bother to look at it and then moan about our communication processes. 	
<p>How could we further improve our internal communications?(For example: More relevant articles to my job role, use of video etc)</p>	<ul style="list-style-type: none"> • Regular visits from area commander to brief watches on what's coming, what's being discussed and clear u o any speculation and uncertainty that is about with Q&A • Be given the time in the working environment to actually have the time to read the articles and stuff on the internet • More relevant operational information • More items of interest to all Fire Service personnel and not just about Kelvedon Park employees • Better proof reading before publication would inspire greater confidence in the source/content being read • Be broader in subject matter, what about a set of questions asked to various members in the service, Questions like, what was the topic of your last meeting, in 10 words 	<p>This question drew a lot of responses, some were constructive other used the question to vent frustrations.</p>

	<p>describe your department, and some light hearted as well. etc.</p> <ul style="list-style-type: none">• Tell us first hand rather than hearing information on the news• Weekly eBrief, when there is a lot of information have a linked index list so if information is not relevant you can just click on what is?• More balanced coverage of news stories - there is often a repeated focus on particular areas to the detriment of others (especially in relation to Community Safety)• Ensure focus on all departments on a regular basis• Training Aids - IE focus on real news events that Fire Service have attended over the worldwide stream,• More faces and videos• Ensure all line managers know how to clearly communicate information to their staff. You get some excellent managers who attend all briefings and feedback the information, however we have a lot of managers who don't attend relevant meetings and make excuses for their non-absence and therefore the message isn't delivered!	
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FOR FURTHER INFORMATION CONTACT

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ESSEX FIRE AND RESCUE AUTHORITY

HR Training and Development

FINAL

Internal Audit Report: 2.16/17

6 January 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	8 November 2016	Internal Audit team	Dan Harris, Head of Internal Audit Suzanne Lane, Senior Manager
Draft report issued	14 December 2016		Lee Hannaford, Assistant Manager
Responses received	6 January 2017		Hollie Sheppard, Internal Auditor
Final report issued	6 January 2017	Client sponsor	Mark Stagg, Director of Transformation Claire Budgen, Learning and Development Manager
		Distribution	Mark Stagg, Director of Transformation Adam Eckley, Acting Chief Fire Officer

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.

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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

A risk based review of training and development processes in place at Essex County Fire and Rescue Authority was undertaken as part of the approved internal audit plan for 2016/17. The objective of the review was to ensure that support staff and Firefighters have been appropriately trained and developed to deliver their roles competently and without injury to themselves or the public.

Currently there is no central learning management system which records all staff, their job roles, the required training (Including mandatory training) according to their individual roles vs current training undertaken, or notifications when training has expired. At the time of the audit the Service was procuring a new learning management system which is planned to be implemented by October 2017.

The Service manages and monitors firefighter training using manual spreadsheets for each individual core training course which are maintained by learning and development (L&D) officers.

The workforce's qualifications and training are recorded on the Training Events Management system (TEM) but the systems functionality is limited as it does not record the required training by individuals, or flag when core training is due to expire. On expiry, training is automatically removed by the system off an individual's training record.

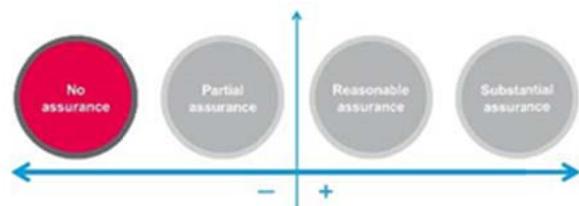
1.2 Conclusion

We are unable to provide assurance that the Service has effective and comprehensive systems to monitor staff / officers 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.

Internal Audit Opinion:

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).



1.3 Key findings

The key findings from this review are as follows:

Quality Assurance Framework & Professional Development Programme for 2016/17

Essex County Fire & Rescue Service (ECFRS) introduced a Quality Assurance Framework for Training in July 2016 which applies to all training and covers each stage of the development process from Training Needs Analysis (TNA), product design and delivery to evaluation and review of training. The framework was designed to produce ongoing self-assessment to improve the quality of provision and learner experience and on review we found the document covered the key areas of learning and development which was consistent with the processes being undertaken by the Service at the time of the review.

We reviewed the Professional Development Programme for 2016/17 which was developed as part of the organisational development plan. The programme includes a compendium of short courses and e-learning run internally to support continuous professional development and a schedule of course dates. We reviewed the staff intranet and confirmed both documents were available to all staff via the intranet.

Departmental Training Plans

We reviewed the summary departmental training plan which details all the additional training needs identified as part of the individual departmental training plans submitted to L&D. Through discussion with the L&D Manager we were advised that 14 plans should have been submitted to include all service lines. We were advised that 12 had been submitted via using the departmental plan template document and the L&D Manager confirmed verbally with the remaining two service lines (property and occupational health) any training requirements.

We identified the following areas of weakness which resulted in four high and three medium priority management actions being agreed.

We have also agreed three **low** priority management actions which are detailed in sections two and three of this report:

Training needs assessments

Within the Fire Fighter level there are three main phases for development, these are:

- Phase one – Acquisitions;
- Phase two – Development; and
- Phase three – Maintenance.

Core and mandatory training had not been defined for general support staff or firefighters according to their job roles. For clarity in staff training requirement and Line Management expectations the Service should document key training requirements for their workforce. **(Medium)**

Line Managers should also be identifying training needs as per person specifications and also the appraisal process. We reviewed five person specifications (job competencies) across five different service lines for general support staff and confirmed they did not include training requirements. In three cases we also found the specifications had not been reviewed in the last 12 months. If job competencies are not reviewed periodically there is a risk that core requirements will be out of date and Line Managers cannot accurately identify training needs. **(Medium)**

Monitoring completion of training – All staff

There is no central learning management system which records all staff, their job roles, the required training according to their individual roles vs current training undertaken, or notifications when training has expired. In relation to Firefighters this has specifically led to two instances where required training had not being effectively completed; more detail can be found in section three of this report.

If the Service cannot measure training requirements against training completion there is a risk that they cannot effectively monitor that staff are appropriately trained and training needs are being identified and addressed. If Line Management is not effective in developing their staff and this cannot be easily monitored there is a risk staff will not receive appropriate training leading to knowledge gaps, low levels of staff retention and poor succession planning within the organisation. Also, when firefighter training compliance cannot be effectively monitored there is a potential significant risk to staff and public safety when core training is not completed or maintained. **(High)**

Completion of initial basic training – firefighters

Firefighters have to complete initial basic training; it is one element of training we have been able to establish that all firefighters should have completed. We therefore reviewed a report of all firefighters from SAP and for a sample of 10 and requested evidence that their Phase one training had been completed. We identified six exceptions whereby, in three cases, no evidence had been retained by the Service to demonstrate the completion of initial Firefighter training. In the remaining three cases, incomplete evidence had been retained by HR to evidence the completion of this training. We have raised a management action as there is a risk that staff / officer records may not be updated appropriately and are not accurate. Also, if serious incidents occur (leading to death), the Service may be unable to provide evidence to demonstrate that staff / officers have received the correct level of training required for their role. **(High)**

Monitoring and completion of refresher training for firefighters

The phase three refresher training is completed throughout the year and we tested the completion of phase three TASK books for year end 2015/16 as each TASK book must be completed in full. For a sample of five firefighters (full time and retained) across five different stations we obtained reports from TASK and found in all cases the TASK books had not been fully completed. We also found in three of the five cases the Training had not been reviewed / verified by the Station Manager via automatic workflow. In the remaining two cases we found the respective Station Managers had only verified half of the TASK book. If the refresher training is not fully completed and monitored by Station Managers there is a risk that firefighters will not be sufficiently trained to remain competent. Where competence is low there are potential impacts on the safety of officers and the public. **(High)**

Reporting on training compliance

Due to the lack of a central learning management system and defined core training requirements the Service are unable to report on training compliance and currently no reporting is undertaken. Without adequate and timely reporting, management cannot effectively and reliably monitor the organisations compliance with core training. Training gaps may not be identified which could ultimately lead to staff / officers being unable to effectively carry out their duties. This has a potential impact on the safety of Officers and the public. **(High)**

Feedback for firefighter training

There are different methods of feedback used depending on the course. Without a more standardised process for feedback on courses for firefighters there is a risk that the Service will be unable to monitor competence and compliance effectively leading to uncertainty in the compliance of training across the workforce **(Medium)**.

1.4 Additional information to support our conclusion

Area	Control design*	Compliance with controls*	Agreed actions		
			Low	Medium	High
HR Training and Development	9 (11)	1 (11)	3	3	4
Total			3	3	4

* 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
Risk: HR Training and Development					
1.1	The Learning and Development Policy had not been reviewed since April 2015.	Low	An annual review of the Learning and Development Policy will be undertaken.	April 2017	Mark Stagg
1.2	The 2016/17 organisational development plan had not been formally approved and evidenced as such.	Low	Annual review and approval of the annual organisational development plan will be formally evidenced.	April 2017	Mark Stagg/Collette Black
1.3a	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.	Medium	All person specifications will be updated to include the date of next review and will be reviewed annually.	December 2017	Collette Black

Ref	Findings summary	Priority	Actions for management	Implementation date	Responsible owner
1.3b	<p>Core training has not been defined for general staff according to their job roles.</p> <p>There is no central learning management system which records all staff, their job roles, the required training according to their individual roles vs current training undertaken, or notifications when training has expired.</p> <p>We have therefore 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.</p> <p>Each Learning and Development Manager maintains a manual excel spreadsheet for a specific core training course to monitor completion as there is no central learning management system.</p> <p>For a sample of eight trainers/instructors, six cases did not have a complete record of their qualifications on TEM or their HR personnel files.</p>	High	<p>Key training requirements will be identified by employee for all staff/ officer roles.</p> <p>In addition the procurement and implementation of a new learning management system to effectively record workforce training will continue.</p>	<p>April 2017</p> <p>September 2017</p>	<p>Mark Stagg</p> <p>Mark Stagg</p>
1.4	The Service has not documented the core training requirements through the ranks.	Medium	The Service will implement a document outlining the key training requirements through the ranks and the regular mandatory training which must be completed.	September 2017	Mark Stagg

Ref	Findings summary	Priority	Actions for management	Implementation date	Responsible owner
1.6	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.	Low	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.	April 2017	Mark Stagg
1.7	In three of 10 cases sample tested, supporting documentation had not been retained to evidence the completion of the Phase one firefighter training.	High	Comprehensive records will be maintained detailing the qualifications and training records of all staff.	December 2017	Collette Black
1.8	For a sample of five firefighters (full time and retained) across five stations we found in all cases their 2015/16 TASK books had not been fully completed. In four cases the Station Managers had not reviewed their TASK books for completion. In one case the TASK book had been verified, even though it had not been fully completed.	High	Line Managers will be reminded of the importance for firefighters to complete their phase three TASK books fully on an annual basis. Compliance should be monitored and reported on by station in a periodic performance scorecard or report to the relevant governance forum.	February 2017	Mark Stagg
1.10	There is no reporting on training compliance. Firefighter TASK books for Phases Two and Three can be updated automatically via SAP but the data within SAP is not relied upon. Currently this process is manual and dependent on timely notifications of staff changes from Station Managers to ensure TASK books and training is accurate.	High	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.	September 2017	Mark Stagg

Ref	Findings summary	Priority	Actions for management	Implementation date	Responsible owner
1.11	There are different methods of feedback for firefighters used depending on the core course.	Medium	A standardised process for feedback on key courses for firefighters will be implemented to ensure feedback is delivered and can be monitored effectively.	June 2017	Mark Stagg

3 DETAILED FINDINGS

This report has been prepared by exception. Therefore, we have included in this section, only those risks 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 (No/N/A)	Audit findings and implications	Priority	Actions for management
Risk: HR Training and Development						
1.1	<p>Policies and Procedures</p> <p>Essex County Fire & Rescue Service (ECFRS) have in place an overarching Learning and Development Policy (the policy) which sets out:</p> <ul style="list-style-type: none"> • Framework for Learning and Development; • The strategic aims of learning, training and development; • The roles and responsibilities of both the organisation and individuals; • How development programmes will be developed; • How records will be maintained; • Monitoring and evaluation of Learning and Development; and • The induction process. <p>The policy is available on the staff intranet but had not been reviewed since April 2015.</p>	Yes	No	<p>We reviewed the ECFRS Learning and Development Policy and noted the document had last been reviewed in April 2015. The date of next review or frequency of review had not been detailed within the Policy.</p> <p>We were advised by the Learning and Development Manager that the Policy is updated when amendments are made to policies and procedures, there is no periodic review process.</p> <p>On review of the Policy we found it covered the key areas of learning and development and was consistent with the processes being undertaken by the Service at the time of the review.</p> <p>There is a risk that the Policy and procedure documents available to staff are not up to date and fit for purpose and this could result in the failure of the Service to adequately inform staff of their roles and responsibilities.</p>	Low	An annual review of the Learning and Development Policy will be undertaken.
1.2	<p>Planning Learning and Development</p> <p>On an organisational level, staff</p>	Yes	No	We were advised by the L&D Manager that the TNA for 2016-17 was developed with the Deputy Director of HR and Organisational Development playing an active	Low	Annual review and approval of the annual organisational development plan will be

Ref	Control	Adequate control design (Yes/No)	Controls complied with (No/N/A)	Audit findings and implications	Priority	Actions for management
	<p>development needs that meet a corporate need are identified by the Learning and Development Department in December each year. This covers an assessment of the core training required to meet role related competencies and health and safety requirements for each role within the Service. It will take account of likely changes in workforce, organisational policy and demand for services.</p> <p>On a departmental level, needs are identified by Heads of Department when developing their Service Business Plans and agreeing Development Goals. These will cover all known learning and development requirements for the next financial year and will be submitted to the Learning and Development Business Team in December each year.</p> <p>The L&D Team have a complete view of next year's training needs by January each year in order to prospectively plan the following year's programme and to plan the allocation of course fees.</p> <p>The Training Needs Analysis (TNA) is approved by the Director of HR OR Deputy Director of HR.</p>			<p>part and was approved by her verbally as the TNA was completed.</p> <p>Therefore we cannot provide assurance that the 2016/17 training plan had been appropriately approved to ensure it meets the needs of the organisation.</p> <p>We reviewed an email from the L&D Manager sent on 14 March 2016 to Departmental Heads requesting that Line Managers be nominated to complete a departmental training plan.</p> <p>We reviewed the summary departmental training plan which details all the additional training needs identified as part of the individual departmental training plans submitted to L&D. Through discussion with the L&D Manager we were advised that 14 plans should have been submitted to include all service lines. We were advised that 12 were submitted to L&D and the L&D Manager confirmed verbally with the remaining two service lines; property and occupational health their training requirements.</p>		formally evidenced.
1.3a/b	<p>Training needs assessments and monitoring completion of training – General Staff</p> <p>There is no central learning management system which records all staff and their job roles, the required</p>	No	N/A	<p>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 as this has not been formally agreed or documented.</p> <p>Line Managers should be identifying training needs as</p>	Medium High	<p>All person specifications will be updated to include the date of next review and will be reviewed annually.</p> <p>Key training requirements will</p>

Ref	Control	Adequate control design (Yes/No)	Controls complied with (No/N/A)	Audit findings and implications	Priority	Actions for management
	<p>training according to their individual roles vs current training undertaken, or notifications when training has expired.</p> <p>In addition, core training has not been defined for general staff according to their job roles.</p> <p>Line Managers' are responsible for identifying individual employee training needs according to the employee's job description. The job description details high level skills for staff and specific qualifications for specialist roles.</p> <p>Line Managers can use the Professional Development Programme document to see what courses are available to their staff in the current financial year.</p> <p>Individual training needs are identified through the appraisal meetings or direct consultation with the individual's line manager (all staff) at any time in the year and followed up by a Learning and Development Request Form which is sent to the Mailbox - Learning and Development.</p> <p>Core training is offered in line with the demand forecast by the Training Plans submitted each year in December. Individuals and managers do not need to request this training if provided internally, but instead they need to ensure they are booked to attend all mandatory training relevant to their job. The core training available to staff internally is documented within the</p>			<p>per person specifications and also the appraisal process. We reviewed five person specifications (job competencies) across five different service lines and confirmed they did not include training requirements. On review of the person specifications we found they only contained high level personal skills.</p> <p>We reviewed the following person specifications and were advised they had been last updated on the following dates (as competencies do not detail the date of review).</p> <ul style="list-style-type: none"> • HR - Pensions Support Officer - 15/07/2016 • L&D - Driver Trainer - 30/06/2015 • Performance - Assistant Director Performance and Business Planning - 08/07/2016 • Finance - Payroll Assistant - 18/03/2015 • IT - Network and Security Support Officer - 19/10/2016. <p>If job competencies are not reviewed periodically there is a risk that core requirements will be out of date and Line Managers cannot accurately identify training needs.</p> <p>Through discussion with the L&D Team we were also advised that whilst TEM records current training and qualifications held by individual staff member. If training expires the system does not flag when training is due. The training record on TEM is automatically removed by the system on expiry. Therefore, if training expires the Service cannot monitor what training should be recorded for that particular role.</p> <p>Currently, the Service relies on Line Managers to effectively identify training needs. The current process in place does not allow the Service to effectively</p>		<p>be identified by employee for all staff/ officer roles.</p> <p>In addition the procurement and implementation of a new learning management system to effectively record workforce training will continue.</p>

Ref	Control	Adequate control design (Yes/No)	Controls complied with (No/N/A)	Audit findings and implications	Priority	Actions for management
	<p>Professional Development Programme for 2016/17 and is available on the staff intranet.</p> <p>For a range of specific courses, nominations are submitted to the Learning and Development Business Team by Commands.</p> <p>A record of individuals training history is recorded on the Training Events Management system (TEM). TEM is updated by the L&D Team on receipt of the attendance list from trainers (for internal courses) and if relevant results of a pass or fail on particular courses. External qualifications are also uploaded on TEM by L&D following the receipt of a certificate.</p> <p>TEM does not have the ability to flag when training expires. When training expires on an individual's profile it will automatically be deleted from their profile on TEM.</p>			<p>monitor current training completion against required training.</p> <p>If the Service cannot measure training requirements for support staff against training completion there is a risk that they cannot effectively monitor that staff are appropriately trained and training needs are being identified and addressed.</p> <p>If Line Management is not effective in developing their staff and this cannot be easily monitored there is a risk staff will not receive appropriate training leading to knowledge gaps, low levels of retention and poor succession planning within the organisation.</p>		
1.4	<p>Core training document</p> <p>Areas of required training are set based on the employee's level of working within the organisation and the location of where they are stationed (e.g. if there is special/different equipment at a station, or geographical risk within the area they work). Within the Fire Fighter level there are three main phases for development, these are:</p> <ul style="list-style-type: none"> Phase one – Acquisitions; 	No	N/A	<p>We reviewed a historic Career Progression and Development document for Officers which was in use around five years ago, but is out of date. The document clearly details the Services Strategy and the career path of Firefighters to Brigade Managers.</p> <p>We found the document included flow charts of training through phases and development programmes required to exceed through the ranks.</p> <p>For clarity in training requirements staff and Line Management expectations the Service should have a similar guidance document as previously used.</p>	Medium	The Service will implement a document outlining the key training requirements for Officers through the ranks and the regular mandatory training which must be completed.

Ref	Control	Adequate control design (Yes/No)	Controls complied with (No/N/A)	Audit findings and implications	Priority	Actions for management
	<ul style="list-style-type: none"> Phase two – Development; and Phase three – Maintenance. <p>There is no document which outlines the required training at each phase.</p>					
1.5	<p>Monitoring the completion of required training</p> <p>There is no central learning management system which records all staff / officers and their job roles, the required training according to their individual roles vs current training undertaken, or notifications when training has expired.</p> <p>Manual spreadsheets are maintained by learning and development (L&D) for each individual core training course where an L&D Officer is responsible for monitoring the expiry of the specific courses for firefighters.</p> <p>TEM is designed to record all employees training history. TEM does not have the ability to flag when training expires and therefore L&D relies on the manual spreadsheets to manage training. When training expires on an individual's profile it will automatically be deleted from their profile on TEM.</p>	No	N/A	<p>Each L&D Manager maintains a manual excel spreadsheet for a specific core training course, for example Breathing Apparatus (BA) and Incident Communication Verification (ICV). The L&D Manager is responsible for monitoring the completion of their specific core training course for firefighters. Monitoring the expiry is critical as training can have expiry dates which need to be updated in line with National Occupational Standards. On review of the BA and ICV spreadsheets we found they have the capacity to flag when training has expired.</p> <p>Through discussion with L&D we were unable to confirm what the core courses are and how many manual spreadsheets exist or should be in existence.</p> <p>In addition, we have found that this process has been ineffective in the past for ensuring key training is undertaken and kept up to date for firefighters.</p> <p>In the last year gas safety suits for retained firefighters training had not been included as part of the required training therefore there were retained firefighters working without required qualifications.</p> <p>In addition, there is an internal requirement for Breathing Apparatus (BA) training to be completed every 18 months (National Guidance is every two years). As the internal timeframe had not been checked by management on the L&D Managers BA monitoring spreadsheet the Service found there were a high number of Firefighters whose BA training had</p>		Note - We have also raised a high management action in 1.3b for the implementation of an improved system.

Ref	Control	Adequate control design (Yes/No)	Controls complied with (No/N/A)	Audit findings and implications	Priority	Actions for management
				<p>expired and was in breach of the internal timescale.</p> <p>The Team have spent the past 12 months ensuring training was updated and are still working through the backlog. On review of the BA spreadsheet at the time of the audit we found there were still 39 Firefighters whose BA training had expired and breached the internal 18 month requirement. We also found there was one case where training had breached the 24 month national requirement whose training expired on 30 July 2016.</p> <p>On review of the ICV spreadsheet we found 48 Firefighter without confirmation of ICV training on the log.</p> <p>There is a risk that firefighter training compliance cannot be effectively monitored by the Service and therefore they are unable to confirm their workforce is appropriately trained. There is a significant risk to staff / officer and public safety, in addition to potential reputational and financial impacts to the Service. We have a raised a high management action for this in point 3.</p>		
1.6	<p>Central Command Spreadsheet</p> <p>Command is creating a manual central spreadsheet of all firefighters, their training requirements and current training. This spreadsheet is a work in progress and the Service has not yet updated the spreadsheet for any core courses e.g. Breathing Apparatus.</p> <p>The spreadsheet is planned to hold a record of all current firefighters, their training requirements, current training and flag when training is compliant or</p>	No	N/A	<p>We reviewed the central excel spreadsheet which is being developed so Command has a central record of all firefighters, their training requirements and the expiry date of key training. On review we found it had not been completed.</p> <p>As the spreadsheet has been developed the Station Officer in Command has identified the training records on the TEM system did not reconcile to the training records held on the core training spreadsheets by L&D officers.</p> <p>The Station Officer in Command therefore plans to reconcile TEM and the manual excel core training</p>	Low	<p>The central command training record spreadsheet will be reviewed by an independent officer to ensure the input is accurate.</p> <p>On completion, the spreadsheet will be signed off by management as complete and accurate.</p>

Ref	Control	Adequate control design (Yes/No)	Controls complied with (No/N/A)	Audit findings and implications	Priority	Actions for management
	not.			<p>spreadsheets to gather the most reliable training data to input into the central command spreadsheet.</p> <p>Through discussion with the Station Officer in Command that is responsible for developing the central spreadsheet we were advised there was no planned date for completion.</p> <p>The central command spreadsheet will be used by Command to monitor and control firefighter training and compliance and the data will be manually input into the spreadsheet. Therefore the Service should ensure that the data being relied upon is checked by an independent officer for accuracy and signed off by management.</p>		
1.7	<p>Completion of Phase one induction training</p> <p>Since 2012, the Assistant Divisional Officer in L&D receives a firefighters Phase one paper TASK book on completion of the training and signs off to verify the training has been completed and sends a memorandum to the Station Manager and HR as notification. The Phase one paper TASK books are then sent back to the firefighters to retain. A copy of the memorandum is retained by the Assistant Divisional Officer.</p> <p>Prior to 2012, a letter was sent by HR to the firefighter and Station Manager as a record that Phase one training is complete.</p>	No	N/A	<p>We reviewed a report of all firefighters from SAP and for a sample of 10 requested evidence that their Phase one training had been completed.</p> <p>In three cases post 2012 we received the memorandum held by L&D to the Station Manager and Firefighter that Phase one training had been completed. These three in the sample should also have a hardcopy of their signed Paper phase one TASK book at their station. We have requested this evidence but this was not received during our audit.</p> <p>In three cases we found a final report of training had been signed off by an assessor to confirm completion, this information was held on the individuals personnel files within HR.</p> <p>In a further four cases evidence had not been retained by the Service to demonstrate initial Firefighter training had been completed.</p> <p>We have agreed a management action as there is a risk that staff records may not be updated appropriately and are not accurate. In addition if</p>	High	Comprehensive records will be maintained detailing the qualifications and training records of all staff.

Ref	Control	Adequate control design (Yes/No)	Controls complied with (No/N/A)	Audit findings and implications	Priority	Actions for management
				serious incidents occur (leading to death), the Service may be unable to prove that officers are competent and qualified appropriately.		
1.8	<p>Monitoring and completion of refresher training for firefighters</p> <p>For Phase three of training, firefighters complete their individual electronic TASK book which is checked and signed off on completion by the individuals Line Manager via automatic workflow.</p> <p>Phase three firefighters have refresher / training updates which are set within their TASK books.</p> <p>Phase three must be fully completed throughout the year and a new TASK book is issued at the beginning of each year.</p> <p>Station Managers should monitor the completion of this training by reviewing their Teams TASK book.</p>	No	N/A	<p>As Phase three training is completed throughout the year we have tested the completion of Phase three TASK books for year end 2015/16 as each TASK book must be completed in full.</p> <p>For a sample of five firefighters (full time and retained) across five different stations we obtained reports from TASK on the completion of TASK books for 2015/16 and found in all cases the TASK books had not been fully completed.</p> <p>In three cases six of eight sections for core operational skills training had been completed.</p> <p>In one case five out of eight sections of core operational skills training had been completed.</p> <p>In the final case two of eight sections of core operational skills training had been completed and only five of the eight sections had been completed for risk critical training (training specific to location).</p> <p>On review of the TASK reports for our sample of five we found three cases where the training had not been reviewed / verified by the Station Manager. In the remaining two cases we found the respective Station Managers had only verified half of the TASK book.</p> <p>If the mandatory refresher training is not fully completed and monitored by Station Managers there is a risk that firefighters will not be sufficiently trained to remain competent. Where competence is low there are potential impacts on the safety of staff and the public.</p>	High	<p>Line Managers will be reminded of the importance for firefighters to complete their phase three TASK books fully on an annual basis.</p> <p>Compliance should be monitored and reported on by station in a periodic performance scorecard or report to the relevant governance forum.</p>

Ref	Control	Adequate control design (Yes/No)	Controls complied with (No/N/A)	Audit findings and implications	Priority	Actions for management
1.9	<p>Trainer qualifications</p> <p>As per the Learning and Development Policy, trainers/instructors, responsible for the design and delivery of learning and development programmes are responsible for ensuring they meet the minimum requirements for quality assurance.</p> <p>The minimum qualification for Trainer or Instructor will be the Preparing to Teach in the Lifelong Learning Sector (PTLLS) Level three, or equivalent.</p> <p>An individual's qualification certificates are sent to L&D to confirm qualification is held and added to the individuals profile on TEM. Copies of qualification certificates are then retained in employee personnel files in HR.</p>	No	N/A	<p>We reviewed a list from Payroll of all trainers and instructors on SAP and found there were 24 individuals within a training role including those who are on a casual or secondary contract.</p> <p>We also reviewed a list maintained by L&D of all individuals who currently provide training and found there was a total of 94 staff.</p> <p>Through discussion with L&D we were advised that some individuals may provide training as part of their role but their main role may not be a trainer or instructor which is why L&D hold a more comprehensive list.</p> <p>As the Policy states the minimum qualification for a Trainer or Instructor is the Preparing to Teach in the Lifelong Learning Sector (PTLLS) Level three, or equivalent we took a sample of 10 from the L&D list of trainers and found:</p> <ul style="list-style-type: none"> In two cases the individuals worked in the Community Safety and do not provide any training. They are responsible for undertaking presentations within the community on safety and therefore do not need the qualification. In five cases we confirmed the relevant qualification had been recorded on the TEM system. In the remaining three cases we found the trainer/instructors did not have a level three qualifications or equivalent recorded on TEM. Through discussion with the L&D Team, we confirmed one out of three of these cases were an L&D officer who advised they had the required qualification but had not submitted copies of their qualifications to L&D or HR since commencing 		Please refer to management action 1.3 for maintaining records.

Ref	Control	Adequate control design (Yes/No)	Controls complied with (No/N/A)	Audit findings and implications	Priority	Actions for management
				<p>their role.</p> <p>We requested evidence of qualification certificates from HR for the eight individuals with Training/ instructor duties and found:</p> <ul style="list-style-type: none"> • In two cases the certificates were held on the individuals personnel file in HR; • In two cases the certificates were only held by L&D and not on the individuals PRF file in HR; and • In the remaining four cases the certificates were not held on the individuals' personnel files in HR or L&D. <p>If evidence of trainer/instructor qualifications are not held centrally or qualifications are not possessed by those training there is a risk that these individuals within the Service are administering training in breach of the Learning and Development Policy. Therefore training could be given by inappropriately qualified staff leading to insufficient training of training attendees.</p>		
1.10	<p>Reporting on training compliance</p> <p>There is currently no training compliance reporting carried out for general staff and firefighters.</p> <p>A quarterly report has been developed by Learning and Development to show all courses the Service will run each quarter in comparison to the actual number of courses delivered within the same period for firefighters.</p> <p>The data that informs the report is from</p>	No	N/A	<p>We reviewed the latest report developed for the Quality Assurance of Training firefighters for quarter two 2016. We were advised by the Learning and Development Manager that a draft of this report was sent to the Director of Transformation but feedback on the content and scope of this report is still required before it can be issued to the Service more widely.</p> <p>On review of the report we found it detailed the courses planned by subject area, the number of bookings and number of days training to be held against the actual number of courses delivered and levels of attendance.</p>	High	<p>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.</p> <p>Management will also review the new systems capacity to be linked to TASK.</p>

Ref	Control	Adequate control design (Yes/No)	Controls complied with (No/N/A)	Audit findings and implications	Priority	Actions for management
	<p>the TEM system.</p> <p>The first report covered the period of July-September 2016. The report is still being developed and but once complete will be reported to the Service Leadership Team to provide an overview of the number of courses were delivered against plan.</p>			<p>TASK reporting capabilities</p> <p>We reviewed the TASK system reporting capabilities with the Assistant Divisional Officer in L&D. We found locally Line Managers at Stations have the ability to run basic reports by individual employee on their training compliance within TASK.</p> <p>The system does not have the capacity to calculate the overall training compliance of the workforce. The L&D team would have to run a report by station and import the data into excel to get a percentage of compliance.</p> <p>Through discussion with L&D and the Head of Performance and Data we confirmed there is no reporting to Senior Management on training compliance for firefighters or general staff.</p> <p>Due to the lack of a central learning management system and defined core training requirements for general staff the Service are unable to report on compliance with training.</p> <p>Without reporting the Service and its management cannot effectively and reliably monitor the organisations compliance with core training. Training gaps will not be identified and lead to staff being incompetent. With regards to operational staff this has potential impacts on the safety of staff and the public.</p> <p>Further TASK system functionality issues</p> <p>Through discussion with the Assistant Divisional Officer in L&D we were advised and identified further system functionality issues with TASK. SAP has the capacity to be linked to TASK and update firefighter TASK books and line managers when they commence employment or transfer to other stations. However, the Service have stopped using the facility as the data on</p>		

Ref	Control	Adequate control design (Yes/No)	Controls complied with (No/N/A)	Audit findings and implications	Priority	Actions for management
				<p>SAP was found not reliable and had caused workbooks to be incorrect.</p> <p>An element of the TASK books and training are specific to the firefighter's location due to the risk factors within their geographical area. As firefighters complete training on TASK a notification is sent to their Line Managers via automatic workflow to sign off and verify that the employee training is complete.</p> <p>As SAP is not relied upon to inform TASK books, the Assistant Divisional Officer in L&D is required to manually update and ensure TASK books are correct. Apart from the increased resource this method relies upon Station Managers to provide an update to L&D on any changes in a timely manner. Should up to date information not be provided to the Assistant Divisional Officer in L&D there is a risk that firefighters will not have the correct TASK books and will not undertake the required training.</p> <p>Whilst we understand the SAP system will be replaced the Service should consider the new systems capacity to be linked to TASK to ensure that TASK books are accurate according to their grade and location.</p>		
1.11	<p>Feedback for firefighter training</p> <p>There are different methods of feedback used depending on the core course.</p> <p>Feedback on the courses is managed and monitored by the responsible L&D Manager for that particular course. This information is not used for any form of reporting.</p>	No	N/A	<p>There are different methods of feedback used depending on the course.</p> <p>Without a more standardized process for feedback on courses for firefighters there is a risk that the Service will be unable to monitor competence and compliance effectively leading to uncertainty in the compliance of training across the workforce.</p>	Medium	A standardised process for feedback on key courses for firefighters will be implemented to ensure feedback is delivered and can be monitored effectively.

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 risks:

Objective of the risk under review

To ensure that the services staff and Firefighters have been appropriately trained and developed to deliver their roles without injury to themselves or the public.

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

Areas for consideration:

The training and development of fire service staff and Firefighters is pivotal to the success of the Authority in delivering a safe service to the local population. This review will look at the following, for both fire staff and firefighters:

- Policies and procedures are in place which set out the training requirements of all staff and include the roles and responsibilities of the individual, line managers and HR in ensuring compliance;
- A review of training needs assessments at each level of the Service and how these are used to build training programmes and courses. This will include the review of use of personal training assessments and how these are monitored to ensure the assessment and the training is completed. As part of this we will sample test to ensure records of personal training needs are up to date;
- Review of how mandatory training needs are identified and approved to ensure these meet the needs of the organisation;
- Compliance with mandatory training and refresher training, and how they are assessed and monitored, by selecting a sample of records across areas to ensure those records of training completed and due are accurate and evidenced. This will also include interviews with a sample of Managers;
- A sample review of the assessment of new recruits for their operational skills and knowledge and identification of training requirements, including the completion of required training;
- A review of the assessment of the competence of trainers within the Training Dept. and at Stations;
- Review of methods for evaluating the adequacy and effectiveness of the training provided;
- Review of reporting covering training needs and completion of mandatory training have been completed, using sample testing to review the accuracy of those reports;

In addition to this, we will review how competencies are documented and how well the Authority is able to evidence the continued development of Firefighters including the use of 360 degree feedback to ensure that additional training needs are identified and actioned.

Limitations to the scope of the audit assignment:

The following limitations apply to the scope of our work:

- This review did not comment on whether individual training risks were appropriately managed, the organisation Testing was conducted on a sample basis only based on records and reporting completed in the last 12 months.
- We have not commented on the type, appropriateness or quality of the training delivered; only note the progress that has been recorded against training plans in place.
- We have not commented on the competence of trainers, only that a process is in place to assess completeness and from the review of a sample that the process had been followed.
- We have not carried out a review of 360 degree feedback on training due to the number of issues identified during the review.
- 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:

- Claire Budgen, Learning & Development Manager
- Wendy Marshall, Learning & Development Officer
- Marie Russell, Learning & Development Officer
- Carl Pullen, Station Officer
- Steve Hart, BA Training Manager
- Moira Bruin, Divisional Officer Training & Development Manager
- Mark Huggins, Assistant Divisional Officer Operational Training Manager
- Sarah Rapley, Assistant Divisional Officer / Operational Training Officer
- Kerry Peterson, Learning & Development Support Team Leader
- Sean Howard, HR Assistant
- Wendy Fautley, Resource Co-ordinator
- Michelle Kent, Resource Co-ordinator

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
Green (substantial assurance)	0%	-
Amber Green (reasonable assurance)	50%	-
Amber Red (partial assurance)	50%	-
Red (no assurance)	0%	✓
Management actions	Average number in similar audits	Number in this audit
	5	10

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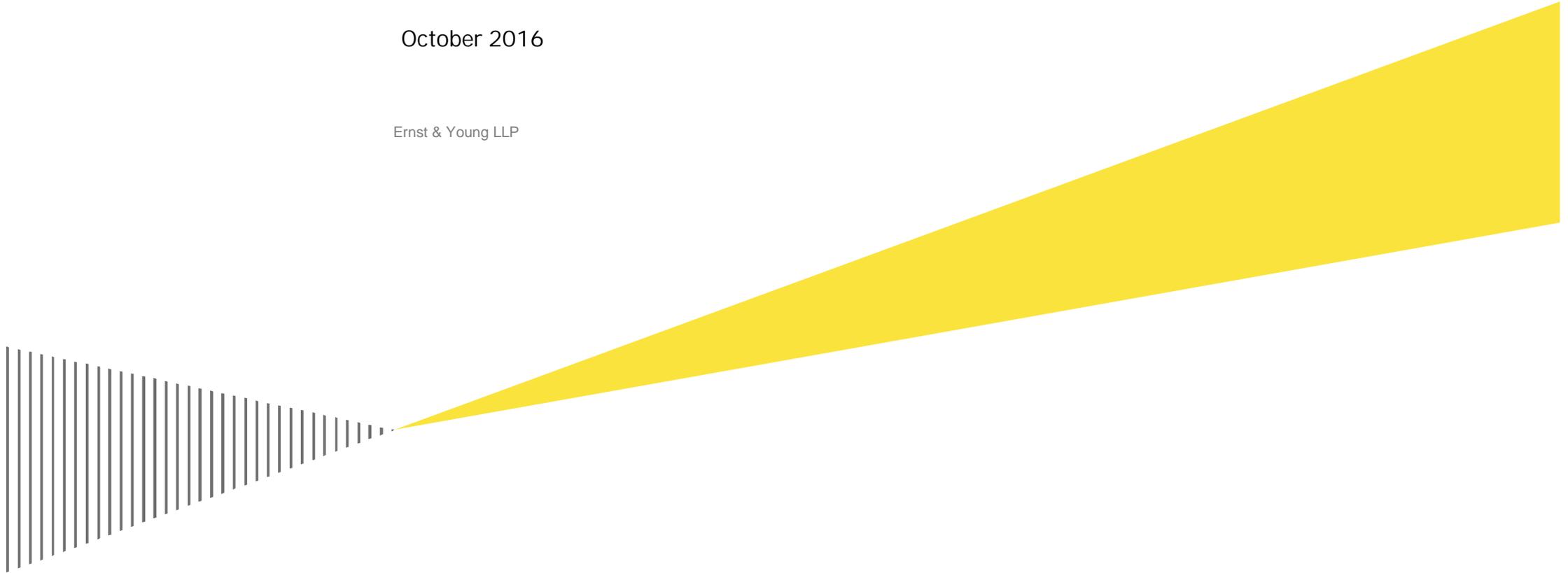
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Essex Fire Authority

Annual Audit Letter for the year ended 31 March 2016

October 2016

Ernst & Young LLP



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In April 2015 Public Sector Audit Appointments Ltd (PSAA) issued ‘Statement of responsibilities of auditors and audited bodies 2015-16’. It is available from the Chief Executive of each audited body and via the PSAA website (www.psaa.co.uk)

The Statement of responsibilities serves as the formal terms of engagement between appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas.

The ‘Terms of Appointment from 1 April 2015’ issued by PSAA sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice (the Code) and statute, and covers matters of practice and procedure which are of a recurring nature.

This Annual Audit Letter is prepared in the context of the Statement of responsibilities. It is addressed to the Members of the audited body, and is prepared for their sole use. We, as appointed auditor, take no responsibility to any third party.

Our Complaints Procedure – 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, you may take the issue up with your usual partner or director contact. 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. We can provide further information on how you may contact our professional institute.

A hand holding a pen writing on a document, with a calculator and a laptop in the background. The scene is set on a desk with a white mug on the left. A yellow rectangular box is overlaid on the left side of the image.

Executive Summary

Executive Summary

We are required to issue an annual audit letter to Essex Fire Authority (the Authority) following completion of our audit procedures for the year ended 31 March 2016.

Below are the results and conclusions on the significant areas of the audit process.

Area of Work	Conclusion
Opinion on the Authority's: ▶ Financial statements	Unqualified – the financial statements give a true and fair view of the financial position of the Authority as at 31 March 2016 and of its expenditure and income for the year then ended
▶ Consistency of other information published with the financial statements	Other information published with the financial statements was consistent with the Annual Accounts
Concluding on the Authority's arrangements for securing economy, efficiency and effectiveness	We concluded that you have put in place proper arrangements to secure value for money in your use of resources

Area of Work	Conclusion
Reports by exception: ▶ Consistency of Governance Statement	The Governance Statement was consistent with our understanding of the Authority.
▶ Public interest report	We had no matters to report in the public interest.
▶ Written recommendations to the Authority, which should be copied to the Secretary of State	We had no matters to report.
▶ Other actions taken in relation to our responsibilities under the Local Audit and Accountability Act 2014	We had no matters to report.

Area of Work	Conclusion
Reporting to the National Audit Office (NAO) on our review of the Authority's Whole of Government Accounts return (WGA).	The Authority is below the specified audit threshold of £350 million. Therefore, we did not perform any audit procedures on the consolidation pack.

As a result of the above we have also:

Area of Work	Conclusion
Issued a report to those charged with governance of the Authority communicating significant findings resulting from our audit.	Our Audit Results Report was issued on 9 September 2016
Issued a certificate that we have completed the audit in accordance with the requirements of the Local Audit and Accountability Act 2014 and the National Audit Office's 2015 Code of Audit Practice.	Our certificate was issued on 29 September 2016

We would like to take this opportunity to thank the Authority's staff for their assistance during the course of our work.

Kevin Suter

Executive Director
For and on behalf of Ernst & Young LLP

Purpose



Purpose

The Purpose of this Letter

The purpose of this annual audit letter is to communicate to Members and external stakeholders, including members of the public, the key issues arising from our work, which we consider should be brought to the attention of the Authority.

We have already reported the detailed findings from our audit work in our 2015/16 Audit Results Report to the 21 September 2016 Policy & Strategy Committee, representing those charged with governance. We do not repeat those detailed findings in this letter. The matters reported here are the most significant for the Authority.



Responsibilities

Responsibilities

Responsibilities of the Appointed Auditor

Our 2015/16 audit work has been undertaken in accordance with the Audit Plan that we issued on 31 March 2016 and is conducted in accordance with the National Audit Office's 2015 Code of Audit Practice, International Standards on Auditing (UK and Ireland), and other guidance issued by the National Audit Office.

As auditors we are responsible for:

- ▶ Expressing an opinion:
 - ▶ On the 2015/16 financial statements; and
 - ▶ On the consistency of other information published with the financial statements.
- ▶ Forming a conclusion on the arrangements the Authority has to secure economy, efficiency and effectiveness in its use of resources.
- ▶ Reporting by exception:
 - ▶ If the annual governance statement is misleading or not consistent with our understanding of the Authority;
 - ▶ Any significant matters that are in the public interest;
 - ▶ Any written recommendations to the Authority, which should be copied to the Secretary of State; and
 - ▶ If we have discharged our duties and responsibilities as established by thy Local Audit and Accountability Act 2014 and Code of Audit Practice.

Alongside our work on the financial statements, we also review and report to the National Audit Office (NAO) on your Whole of Government Accounts return. The Authority is below the specified audit threshold of £350 million. Therefore, we did not perform any audit procedures on the return.

Responsibilities of the Authority

The Authority is responsible for preparing and publishing its statement of accounts accompanied by an Annual Governance Statement. In the AGS, the Authority reports publicly each year on how far it complies with its own code of governance, including how it has monitored and evaluated the effectiveness of its governance arrangements in year, and any changes planned in the coming period.

The Authority is also responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

Financial Statement Audit

Financial Statement Audit

Key Issues

The Authority's Statement of Accounts is an important tool for the Authority to show how it has used public money and how it can demonstrate its financial management and financial health.

We audited the Authority's Statement of Accounts in line with the National Audit Office's 2015 Code of Audit Practice, International Standards on Auditing (UK and Ireland), and other guidance issued by the National Audit Office and issued an unqualified audit report on 29 September 2016.

Our detailed findings were reported to the 21 September 2016 Policy & Strategy Committee.

The Authority met the key statutory deadlines, with a good quality set of accounts and supporting working papers.

The key issues identified as part of our audit were as follows:

Significant Risk	Conclusion
<p>Management override of controls</p> <p>A risk present on all audits is that management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records directly or indirectly, and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.</p> <p>Auditing standards require us to respond to this risk by testing the appropriateness of journals, testing accounting estimates for possible management bias and obtaining an understanding of the business rationale for any significant unusual transactions.</p>	<p>We carried out testing on journals processed during the year, including testing for:</p> <ul style="list-style-type: none">- references to senior staff in the description;- unusual account combinations;- capital postings from revenue; and- key words included in the description. <p>We consider the key accounting estimates to be the valuation of property, plant and equipment assets, and your pension liability. We considered the estimations to be reasonable.</p> <p>We have not identified any material weaknesses in controls or evidence of material management override.</p> <p>We have not identified any instances of inappropriate judgements being applied.</p> <p>We did not identify any other transactions during our audit which appeared unusual or outside the Authority's normal course of business</p>

Revenue and expenditure recognition

Auditing standards also required us to presume that there is a risk that revenue and expenditure may be misstated due to improper recognition or manipulation.

We respond to this risk by reviewing and testing material revenue and expenditure streams and revenue cut-off at the year end.

For fire authorities the potential for the incorrect classification of revenue spend as capital is a particular area where there is a risk of management override. We therefore review capital expenditure on property, plant and equipment to ensure it meets the relevant accounting requirements to be capitalised.

Our testing did not reveal any material misstatements with respect to revenue and expenditure recognition.

Our audit work did not identify any issues or unusual transactions which indicated that there had been any misreporting of the Authority's financial position.

Our work on expenditure testing, accounting estimates and capital expenditure did not identify any further issues or matters for reporting.

Milne v Government Actuaries Department (GAD)

Following the determination of the case of Milne v GAD in May 2015 by the Pensions Ombudsman, Essex Fire Authority is required to make payments to those individuals affected by the judgement.

This case centred on whether GAD had a proactive responsibility to review the commutation factors used in the calculation of the lump sum payments made to pensioners when they opt to take an increased amount of their pension benefit in that form.

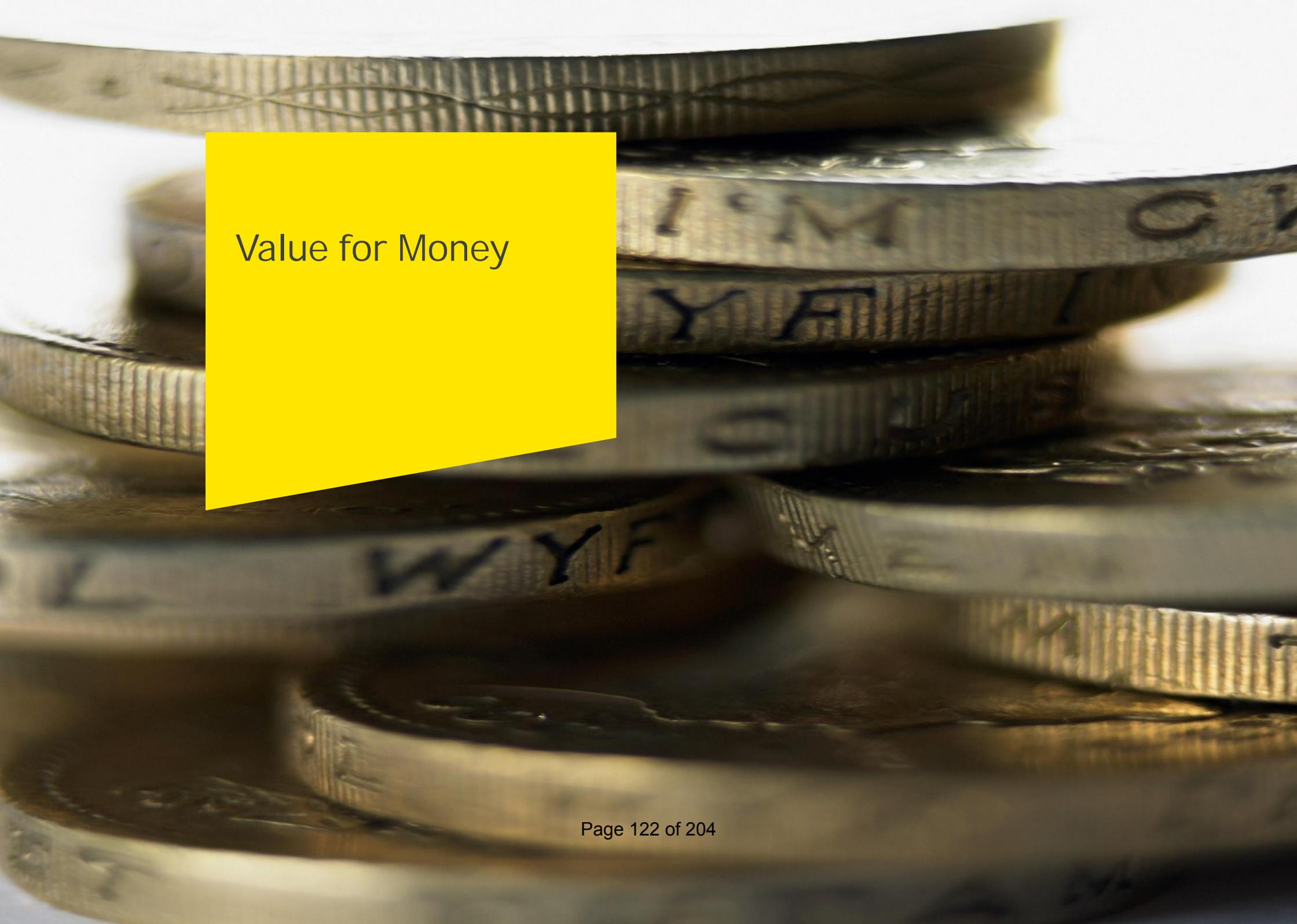
The total value of payments which are due to be paid before 31 March 2016 is expected to be material. The payments are expected to be funded by the Department for Communities and Local Government (DCLG) through the top up grant. Therefore there will be no overall impact on the financial position of the Authority. The accounting arrangements for these payments have not yet however been determined.

We carried out the following procedures:

- Tested a sample of payments made to affected individuals during 2015-16; and
- Reviewed the accounting treatment and associated disclosures within the Authority's statement of accounts as well as in the Firefighters' Pension Fund Account.

Our work on payments did not reveal any material misstatements or identify any issues or matters for reporting.

Our review of the income received, accounting treatment and associated disclosures found that the transactions had been correctly disclosed in the financial statements of the Authority and the Firefighters' Pension Fund.

A close-up, shallow depth-of-field photograph of a stack of coins. The coins are stacked vertically, with the top few in sharp focus. The lighting is warm, highlighting the metallic texture and the ridges on the edges of the coins. A bright yellow rectangular box is overlaid on the left side of the image, containing the text 'Value for Money'.

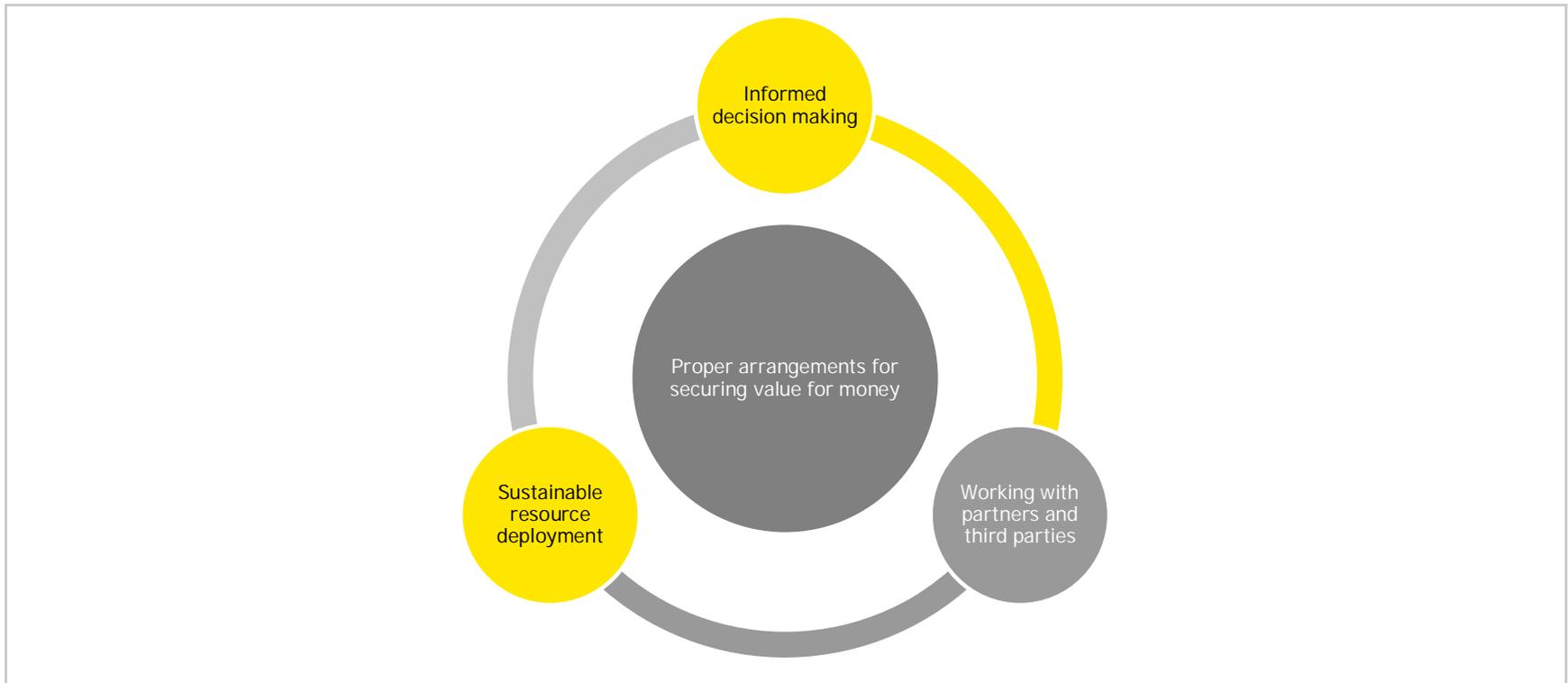
Value for Money

Value for Money

We are required to consider whether the Authority has put in place 'proper arrangements' to secure economy, efficiency and effectiveness on its use of resources. This is known as our value for money conclusion.

Proper arrangements are defined by statutory guidance issued by the National Audit Office. They comprise your arrangements to:

- Take informed decisions;
- Deploy resources in a sustainable manner; and
- Work with partners and other third parties.



We issued an unqualified value for money conclusion on 29 September 2016.

Our audit did not identify any significant matters in relation to the Authority's arrangements. We based our conclusions on the following key findings.

Key Findings

Programme 2020

- Ø Essex Fire Authority commenced Programme 2020 in February 2016 and generated a range of options, of which three were approved for wider consultation.
- Ø On 8 June 2016, the Fire Authority resolved to support the proposals included in Option 2, which was overwhelmingly supported in the consultation. Option 2 proposed a 2% increase (about £1.35 on a Band D property per year) in the fire service portion of Council Tax and a smaller reduction in response resources.
- Ø The proposals have started to be implemented with the removal of second fire engines from operational service at some fire stations and transition of crewing arrangement to On-Call.
- Ø The decision, and implementation, gives us assurance that the arrangements put in place before the 31 March 2016 were adequate.
- Ø As part of Programme 2020, the Authority wants to avoid or minimise compulsory redundancies. Therefore, eligible uniformed staff have been offered an early exit opportunity. However, this will put pressure on the budget in the short-term.
- Ø The option includes proposals to broaden the role of firefighters and invest in prevention and protection. The Authority is also seeking different ways in working in partnerships with other agencies, such as CCGs and developing plans for further collaboration with Essex Police.

Budget and efficiency plans

- Ø The Authority's efficiency plans are based on the assumption that Council Tax will increase by 2% annually until 2019/20. However, the Authority has recognised in its efficiency plans that it still faces financial challenges of £14.7 million from 2016/17 to 2019/20.
- Ø As well as operational effectiveness, Programme 2020 considers the financial position. Plans indicate that the reduction in the number of fire engines and the crewing changes will generate a net £6.4 million of savings by 2020. Further savings of £2 million have been identified from areas such as management review during 2016/17 and collaboration and integration from 2017. The total savings assumptions reduce the budget pressure to £2.7 million from 2016/17 to 2019/20.
- Ø In order to balance the budget, the Authority has resolved to use reserves to support the one-off costs of early exit options in 2016/17 and the transition to On-Call firefighters in 2017/18 and 2018/19. The efficiency plans include annual transfers to reserves of £0.303 million to normalise reserves and ensure they remain at a stable level of £12 - £13 million between 2016/17 and 2019/20.

Independent Cultural Review

- Ø Irene Lucas CBE conducted a review into organisational culture at Essex County Fire and Rescue Service during 2015. Her final report and recommendations were published in September 2015. The report set out 35 recommendations, one of these being that a progress review should be undertaken.
- Ø Essex Fire Authority invited Sir Ken Knight to undertake this work, which was conducted at the end of July. The report concluded that:

I am satisfied that Essex Fire Authority (the Authority) and Essex County Fire and Rescue Service (the Service) have taken, and are continuing to take, appropriate early actions to deliver against the Lucas Review recommendations. Appropriate consideration has been given to the fundamental issues and the Authority is on track to deliver against the recommendations in a timely manner. However, while good progress has been made in respect of laying groundwork and foundations, there is still some way to go to build on this work and embed change throughout the Authority and Service.

There remains significant scope for the lessons to be learned from the work that the Authority and the Service have undertaken to address organisational culture to be shared more widely with other fire and rescue services.

Some specific areas remain uncertain and are undoubtedly hindering some of the necessary progress; particularly in relation to ongoing historical employment issues. Whilst it can be tempting to demand immediate resolution of these matters; it is important that due process is allowed to continue in order to ensure that all matters are dealt with fairly; particularly given their complex nature. For this reason it is necessary for a progress review to be completed during the autumn of 2016 to seek an update on resolution of historical employment issues.



Other Reporting Issues

Other Reporting Issues

Whole of Government Accounts

The Authority is below the specified audit threshold of £350 million. Therefore, we did not perform any audit procedures on the consolidation pack.

Annual Governance Statement

We are required to consider the completeness of disclosures in the Authority's annual governance statement, identify any inconsistencies with the other information of which we are aware from our work, and consider whether it is misleading.

We completed this work and did not identify any areas of concern.

Report in the Public Interest

We have a duty under the Local Audit and Accountability Act 2014 to consider whether, in the public interest, to report on any matter that comes to our attention in the course of the audit in order for it to be considered by the Authority or brought to the attention of the public.

We did not identify any issues which required us to issue a report in the public interest.

Written Recommendations

We have a duty under the Local Audit and Accountability Act 2014 to designate any audit recommendation as one that requires the Authority to consider it at a public meeting and to decide what action to take in response.

We did not identify any issues which required us to issue a written recommendation.

Objections Received

We did not receive any objections to the 2015/16 financial statements from member of the public.

Other Powers and Duties

We identified no issues during our audit that required us to use our additional powers under the Local Audit and Accountability Act 2014.

Independence

We communicated our assessment of independence in our Audit Results Report to the Policy & Strategy Committee on 21 September 2016. In our professional judgement the firm is independent and the objectivity of the audit engagement partner and audit staff has not been compromised within the meaning regulatory and professional requirements.

Control Themes and Observations

As part of our work, we obtained an understanding of internal control sufficient to plan our audit and determine the nature, timing and extent of testing performed. Although our audit was not designed to express an opinion on the effectiveness of internal control, we are required to communicate to you significant deficiencies in internal control identified during our audit.

We had no such matters to bring to your attention.

A close-up photograph of a person's hands holding binoculars to their eyes. The person's face is partially visible in the background, looking through the lenses. A bright yellow rectangular box is overlaid on the left side of the image, containing the text "Focused on your future".

Focused on your
future

Focused on your future

Area	Issue	Impact
EU referendum	<p>Following the majority vote to end the UK’s membership of the European Union (EU) in the EU Referendum held on 23 June 2016 there is a heightened level of volatility in the financial markets and increased macroeconomic uncertainty in the UK. All three major rating agencies (S&P, Fitch and Moody’s) took action on the UK Sovereign credit rating and, following the rating action on the UK Government. For entities in the public sector, there is likely to be an impact on investment property valuations if confidence in the wider UK property market falls; and the valuation of defined benefit pension obligations may also be affected. It is too early to estimate the quantum of any impact of these issues, but there is likely to be significant ongoing uncertainty for a number of months while the UK renegotiates its relationships with the EU and other nations.</p>	<p>Many of the issues and challenges that face the UK public sector will continue to exist, not least because continued pressure on public finances will need responding to. Additionally it may well be that the challenges are increased if the expected economic impacts of the referendum and loss of EU grants outweigh the benefits of not having to contribute to the EU and require even more innovative solutions.</p> <p>We are committed to supporting our clients through this period, and help identify the opportunities that will also arise. We will engage with you on the concerns and questions you may have, provide our insight at key points along the path, and provide any papers and analysis of the impact of the referendum on the Government and Public Sector market.</p>

Appendix A

Audit Fees



Appendix A Audit Fees

The table below sets out the scale fee and our final proposed audit fees.

Description	Final Fee 2015/16 £	Planned Fee 2015/16 £	Scale Fee 2015/16 £
Total Audit Fee – Code work	35,625	35,625	35,625

We confirm we have not undertaken any non-audit work outside of the PSAA's requirements.

EY | Assurance | Tax | Transactions | Advisory

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ED None

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ESSEX FIRE AUTHORITY

Essex County Fire & Rescue Service



MEETING	AGENDA ITEM
Audit, Governance & Review Committee	8

MEETING DATE	REPORT NUMBER
18 January 2017	EFA/009/17

SUBJECT
Internal Audit Progress Report

REPORT BY
The Finance Director and Treasurer, Mike Clayton

PRESENTED BY
The Finance Director and Treasurer, Mike Clayton

SUMMARY

To consider the update provided by RSM UK on progress against the internal audit action plan, attached as an appendix.



ESSEX FIRE AUTHORITY

Internal Audit Progress Report

Audit, Governance & Review Committee
presented to

18 January 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.



CONTENTS

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2 Other matters	3
For further information contact	4

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.

Recommendations 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 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.

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 INTRODUCTION

The internal audit plan for 2016/17 was approved by the Audit, Governance and Review Committee in July 2016. Below provides a summary update on progress against that plan and summarises the results of our work to date.

2 PROGRESS AGAINST AUDIT PLAN

We have issued three final reports since the previous Audit, Governance and Review Committee.

Assignment (Bold reports presented to this meeting)	Status (Date Planned)	Opinion issued	Actions agreed		
			H	M	L
Communication and Engagement (1.16/17)	Final Report	Reasonable Assurnace	0	3	3
HR - Training and Development (2.16/17)	Final Report	No Assurance	4	3	3
Insurance Pool – Joint Review (Bedfordshire, Cambridgeshire & Essex)	Final Report	Reasonable Assurnace	0	1	0
Partnerships	(Planned 09 January 2017)				
Key Financial Controls	(Planned 23 January 2017)				
Governance	(Planned 20 February 2017)				
Procurement	(Planned 3 March 2017)				
Risk Management	(Planned 6 March 2017)				
Business Continuity including compliance with the Civil Contingencies Act	(Planned 23 March 2017)				
Follow up	(Planned 6 April 2017)				

We have agreed the dates with management and are in the process of agreeing the individual Terms of Reference for each audit. The progress of the audit plan will be reported to the Audit, Governance and Review Committee throughout the year.

2 OTHER MATTERS

2.1 Annual Opinion 2016/17

The Audit, Governance and Review Committee should note that the assurances given in our audit assignments are included within our Annual Assurance report. In particular, the Committee should note that any negative assurance opinions will need to be noted in the annual report and may result in a qualified annual opinion.

We have issued three final reports to date, two of which resulted in a positive opinion and one negative opinion. This report is isolation will not result in a qualified opinion, however, will feed into the Head of Internal Audit Opinion.

2.2 Changes to the audit plan

There have been no changes to the audit plan since approval at the last meeting.

2.3 Contract Meeting

We held a joint contract meeting with Bedfordshire, Cambridgeshire and Essex Fire in November 2016 to update on progress of the internal audit contract and have the opportunity to raise any issues. No issues were raised.

2.4 Information and briefings

We have issued one further client briefings since the last Audit, Governance and Review Committee which was published on 18 November 2016, this included briefings on the following topics:

- Emergency Services Network,
- Little book of cyber scams,
- Fire procurement,
- Updates from Parliament,
- RSM's fire risk register analysis.

FOR FURTHER INFORMATION CONTACT

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Tel: 07720 508148

rsmuk.com

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Essex Fire Authority

Essex County Fire and Rescue Service



MEETING	Audit, Governance and Review Committee	AGENDA ITEM	9
MEETING DATE	18 January 2017	REPORT NUMBER	EFA/011/17
SUBJECT	Corporate Risk Register		
REPORT BY	Finance Director & Treasurer		
PRESENTED BY	Finance Director & Treasurer - Mike Clayton		

SUMMARY

This paper reviews the corporate risk register for the Fire Authority identifying the potential causes and impacts of these risks together with the current status of the associated controls.

RECOMMENDATIONS

It is recommended that Members review the risk register and agree any further actions to be taken to mitigate against the likelihood or impact of corporate risks.

BACKGROUND

The key underlying risks to the Authority remain unchanged for earlier years. What is changing are the potential triggers for these risks and, to a lesser extent, the impact of the risks occurring. The key risks (and opportunities) are:

- **Loss of funding** - If we have a large or unexpected loss in our income or cash there is a risk that we will have to reduce the level of prevention, protection and response services we provide to our communities;
- **Loss of resources** - If we have a significant failure, loss or reduction of our physical infrastructure or resources (including our people) there is a risk that we will not deliver the same level of prevention, protection and response services to our communities;
- **Loss of reputation** - If there is a loss of public or stakeholder confidence in the Service there is a risk that we will not be able to engage effectively with our communities, which will impact on our ability to deliver our services;
- **Governance failure** - If our governance processes are ineffective there is a risk that we may not be able to engage effectively with partners or we may misalign resources to need and may compromise safety in the delivery of our services to our communities;

- **Management Failure** - 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; and
- **Innovation Opportunity** If we are able to react in an agile way to changes in our environment there is an opportunity to identify new and effective ways to deliver our services.

Recent changes to triggers include the proposed governance changes for the Service, the risk to future government funding post Brexit and the potential impact if pay rates for key roles move significantly away from market rates.

APPROACH TO RISK MANAGEMENT

The Authority uses the “bow tie” method to identify the potential causes of risks and their impacts, together with the associated controls. Using this approach a number of key risks and opportunities have been identified and the most significant potential causes and impacts assessed. Risks are scored using a 5 by 5 matrix which assesses the likelihood of the risk occurring and the consequences if it does.

The two scores are multiplied to give both the target risk assessment and the current assessment of the risk. Where the current risk assessment is above target for a risk (or below target of an opportunity) then this indicates that either existing control measures are not yet fully implemented and effective, or additional control measure may be required for a new trigger.

Likelihood

Level	Descriptor	Measure
1	Rare	The event may occur in exceptional circumstances
2	Unlikely	The event may occur infrequently
3	Possible	The event may occur at some time
4	Likely	The event is expected to occur
5	Almost Certain	The event will occur in most circumstances

Impact (Examples)

Level	Service Impact	Financial Impact	Safety Impact
1	Insignificant	Financial loss <£25k	No injuries
2	Minor	Financial loss >£26k <£100k	Minor injuries
3	Moderate	Financial loss >£101k <£250k	Serious injury
4	Significant	Financial loss >£251k <£500k	Severe or multiple injuries.
5	Major	Financial loss >£501k	Loss of life or long term hospitalisation.

The risk register is provided in Appendix1.

RISK MANAGEMENT IMPLICATIONS

The risk management implications are set out in the paper.

FINANCIAL & USE OF RESOURCES IMPLICATIONS

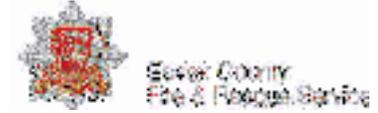
The financial implications are primarily associated with the risk appetite assumed. For example, to ensure that the Authority is able to receive calls and mobile appliances back-up systems and alternative sites for mobilisation are available. These arrangements have to be tested so that there is assurance that they will work if needed. These arrangements add to the authority's costs. The cost burden would not be as great if the risk appetite was greater.

LEGAL, ENVIRONMENTAL AND EQUALITY IMPLICATIONS

There are no direct legal, environmental or equalities implications from the decisions in this paper.

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985	
List of appendices attached to this paper: Appendix 1 – Risk Register	
List of background documents (not attached):	
Proper Officer:	Mike Clayton, Finance Director and Treasurer
Contact Officer:	Mike Clayton Essex County Fire and Rescue Service, Kelvedon Park, London Road, Rivenhall, Witham CM8 3HB Tel: 01376 576000 E-mail: mike.clayton@essex-fire.gov.uk

Risk Matrix Assessment - With Reviews - Withdrawn Controls Excluded



DATE: 05/01/2017 NAME: Adam Eckley
SERVICE: Essex FRS3

Risk Event/Description	Triggers/Sources	Impacts/Consequences	Current Risk Assessment	Target Risk Assessment	Next Review Date	Last Review Date	Days Overdue	Risk Owner
SRR150001 If we have a large or unexpected loss in our income or cash there is a risk that we will have to reduce the level of prevention, protection and response services we provide to our communities. Risk Status: Tolerate Type of risk Financial / Income	Reduction in Government funding - Loss of £8m of RSG by 2020 Fraud Loss of cash through banking failure Reduction in National Non-Domestic rates	Temporary reductions in non-core spend and investment Prosecution Short term borrowing to fund expenditure Service reductions - 2020 Programme	Risk - Medium High	Risk - Medium High				
			10	10				
			Impact/Consequence Likelihood 5	Impact/Consequence Likelihood 5	22/06/2017	22/12/2016	0	Mike Clayton

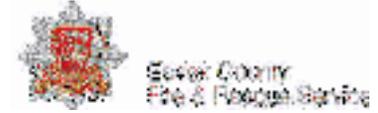
Risk Review Update

Review Summary: 2020 efficiency plan accepted by Govt, so certainty of govt funding to 2019/20. 1.8% increase in tax base for 2017/18 - 0.3% higher than expected.

If we have a large or unexpected loss in our income or cash there is a risk that we will have to reduce the level of prevention, protection and response services we provide to our communities. Updated on 27/06/2016 09:33:42

Control Measure	Control Measure Details	Status	Cost to Date Est. Cost	% Complete	Treatment Days Overdue	Treatment Review Date	Treatment Control Owner
Governance	Review Summary: Governance under review 2016, internal audit review scheduled Jan 2017. Governance Updated on 26/10/2016 15:59:52	Effective		100	0	26/01/2017	Glenn McGuinness

Risk Matrix Assessment - With Reviews - Withdrawn Controls Excluded

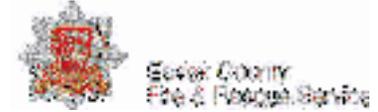


DATE: 05/01/2017

NAME: Adam Eckley

Control Measure	Control Measure Details	Status	Cost to Date Est. Cost	% Complete	Treatment Days Overdue	Treatment Review Date	Treatment Control Owner
Spend Management	<p>Review Summary: Members approved restructure plans re project 2020 option 2 in June 2016. Medium term financial plan through 2020 to ensure financial sustainability approved by members 21/9/16. Funding of reorganisation costs will be met from cash backed reserves following sales of Hutton for £8.4m in May 2016. Budget setting and control will be based on medium term financial plans.</p> <p>Spend Management Updated on 26/10/2016 15:58:58</p>	Effective		100	0	26/01/2017	Glenn McGuiness
Communications	<p>Review Summary: Updated communications plan to the Programme Board in September.</p> <p>Communications Updated on 15/09/2016 16:05:51</p>	Effective		100	0	15/03/2017	Ben Pilkington

Risk Matrix Assessment - With Reviews - Withdrawn Controls Excluded



DATE: 05/01/2017 NAME: Adam Eckley
SERVICE: Essex FRS3

Risk Event/Description	Triggers/Sources	Impacts/Consequences	Current Risk Assessment	Target Risk Assessment	Next Review Date	Last Review Date	Days Overdue	Risk Owner
SRR150002 If we have a significant failure, loss or reduction of our physical infrastructure or resources (including our people) there is a risk that we will not deliver the same level of prevention, protection and response services to our communities. Risk Status: Treat Type of risk Organisational Infrastructure	Denial of Premises - General Denial of Premises - Loss of Service Workshops Loss of supporting infrastructure or services (ICT, Water etc.) Critical staff shortage or strike Major incident Loss of appliances or equipment Cyber attack Loss of support staff through uncertainty over roles Loss of staff because of market pay variations	Process delays and contact difficulties for public and colleagues Short term loss of use of premises or systems Appliances unavailable, routine activities curtailed, training delayed Maintenance Programme Severe interruption to Appliance Senior managers and decision makers unavailable Cost of business continuity or asset replacement Lower levels of appliance availability during strike periods	Risk - High 15	Risk - Medium High 9				
			Impact/Consequence Likelihood 5	Impact/Consequence Likelihood 3	14/02/2017	14/11/2016	0	Dave Bill

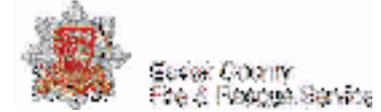
Risk Review Update

Review Summary: With the on-going dispute with the FBU this still remains a significant risk, however resolution talks are being held and Service still has good resilience arrangements in place.

If we have a significant failure, loss or reduction of our physical infrastructure or resources (including our people) there is a risk that we will not deliver the same level of prevention, protection and response services to our communities. Updated on 08/08/2016 13:22:41

Control Measure	Control Measure Details	Status	Cost to Date Est. Cost	% Complete	Treatment Days Overdue	Treatment Review Date	Treatment Control Owner
Physical Security	Review Summary: Discussions are in progress with the awareness advisors from the anti terrorist group within Essex Police. Project Argos and Griffin provide background knowledge and awareness. Physical Security Updated on 31/05/2016 11:44:42	Effective		100	3	02/01/2017	Jon Doherty

Risk Matrix Assessment - With Reviews - Withdrawn Controls Excluded

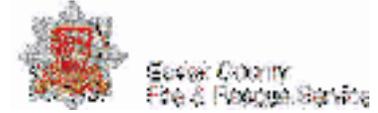


DATE: 05/01/2017

NAME: Adam Eckley

Control Measure	Control Measure Details	Status	Cost to Date Est. Cost	% Complete	Treatment Days Overdue	Treatment Review Date	Treatment Control Owner
Network Resilience	Review Summary: New control system resilience tested as part of commissioning. Secondary Bearers Updated on 03/01/2017 10:45:15	Effective		100	0	03/04/2017	Jan Swanwick
HR Arrangements	Review Summary: This control measure is complete. HR Arrangements Updated on 22/07/2016 13:39:43	Effective		100			Caroline Cotterell
Resilience	Review Summary: Resilience plans remain effective Resilience Updated on 18/10/2016 08:43:05	Effective		100	0	18/01/2017	Caroline Cotterell
ICT Security	Review Summary: Risk static - no security officer, but third party support in place ICT Security Updated on 14/11/2016 09:08:15	In Progress		80	0	14/02/2017	Jan Swanwick
Service Workshops Replacement Plan		Proposed		0	0	27/01/2017	Jon Doherty

Risk Matrix Assessment - With Reviews - Withdrawn Controls Excluded



DATE: 05/01/2017 NAME: Adam Eckley
SERVICE: Essex FRS3

Risk Event/Description	Triggers/Sources	Impacts/Consequences	Current Risk Assessment	Target Risk Assessment	Next Review Date	Last Review Date	Days Overdue	Risk Owner
SRR150003 If there is a loss of public or stakeholder confidence in the Service there is a risk that we will not be able to engage effectively with our communities, which will impact on our ability to deliver our services. Risk Status: Treat Type of risk Safer Communities & Public Awareness	Negative publicity over 2020 changes Very badly managed operational incident Poor corporate leadership across the Service Continued exposure of themes identified in Lucas review Thomas review into National Terms and Conditions A poor official report from an external source on policies and procedures indicating single points of failure, such as safeguarding	Reputational damage Intervention by Secretary of State Reduced and reducing efficiency and staff morale, and ability to deliver services with decline in performance Poor or deteriorating relations with other emergency services Additional costs to support required changes in culture	Risk - High 15	Risk - Medium High 8				
			Impact/Consequence Likelihood 3	Impact/Consequence Likelihood 2	26/12/2016	26/09/2016	10	Adam Eckley

Risk Review Update

Review Summary: I have completed a review of this risk and amended some of the triggers and consequences.

If there is a loss of public or stakeholder confidence in the Service there is a risk that we will not be able to engage effectively with our communities, which will impact on our ability to deliver our services. Updated on 21/01/2016 09:56:10

Control Measure	Control Measure Details	Status	Cost to Date Est. Cost	% Complete	Treatment Days Overdue	Treatment Review Date	Treatment Control Owner
Governance arrangements	Review Summary: SOLACE led workshops with Members being held. Control becoming more effective. Governance arrangements Updated on 22/12/2016 10:07:17	Implemented	150,000.00 400,000.00	100	0	22/06/2017	Mike Clayton

Risk Matrix Assessment - With Reviews - Withdrawn Controls Excluded

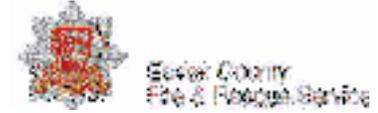


DATE: 05/01/2017

NAME: Adam Eckley

Control Measure	Control Measure Details	Status	Cost to Date Est. Cost	% Complete	Treatment Days Overdue	Treatment Review Date	Treatment Control Owner
Performance Reporting to identify negative trends/poor performance	<p>Review Summary: Proposals for service measure presented to Policy & Strategy Committee October 2016</p> <p>Performance Reporting to identify negative trends/poor performance Updated on 18/10/2016 08:48:52</p>	Implemented		60	55	11/11/2016	Tracy King
Inter-Service Liaison	<p>Review Summary: Good working relationships remain with fellow Fire and Rescue Service and other blue-light responders.</p> <p>Inter-Service Liaison Updated on 23/10/2016 08:00:17</p>	Under Review		100	0	23/01/2017	Dave Bill
Expert Advisory Panel	<p>Review Summary: Interim progress report by Sir Ken Knight received by the Authority in September 2016. Good progress being made. Role of panel to continue but with less frequent meetings.</p> <p>Expert Advisory Panel Updated on 17/10/2016 09:09:37</p>	Implemented	200,000.00 400,000.00	100	0	17/01/2017	Mike Clayton
Staff Engagement	<p>Review Summary: 2016 staff engagement survey planned</p> <p>Staff Engagement Updated on 18/10/2016 08:52:58</p>	Implemented		100	0	18/01/2017	Mark Stagg
Departmental structures	<p>Review Summary: Date amended to align with the proposed outcome of the management review.</p> <p>Departmental structures Updated on 07/11/2016 17:27:55</p>	Proposed		100	0	31/03/2017	Dave Bill

Risk Matrix Assessment - With Reviews - Withdrawn Controls Excluded



DATE: 05/01/2017 NAME: Adam Eckley
 SERVICE: Essex FRS3

Risk Event/Description	Triggers/Sources	Impacts/Consequences	Current Risk Assessment	Target Risk Assessment	Next Review Date	Last Review Date	Days Overdue	Risk Owner
SRR150004 If our governance processes are ineffective there is a risk that we may not be able to engage effectively with partners or we may misalign resources to need and may compromise safety in the delivery of our services to our communities. Risk Status: Treat Type of risk Legal / Regulatory / Compliance	Lack of Member engagement Poor financial management Lack of budgetary control Poor corporate leadership across the Service and down through the management structure Judicial Review challenge to an Authority decision Governance change to Police and Crime Commissioner Inadequate reviewing process of old Service Orders (Big Red Books) to check for superseded content etc.	Poor Internal and External Audit reports Loss of Elected Member confidence Loss of public, partner and stakeholder confidence Potential breach of legislation or statutory duty	Risk - Medium High 9	Risk - Medium Low 6				
			Impact/Consequence Likelihood 3	Impact/Consequence Likelihood 2	22/06/2017	22/12/2016	0	Mike Clayton

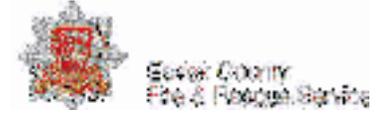
Risk Review Update

Review Summary: Good progress in addressing concerns raised in Lucas review. Further SOLACE led Member workshops being held.

If our governance processes are ineffective there is a risk that we may not be able to engage effectively with partners or we may misalign resources to need and may compromise safety in the delivery of our services to our communities. Updated on 13/06/2016 08:24:04

Control Measure	Control Measure Details	Status	Cost to Date Est. Cost	% Complete	Treatment Days Overdue	Treatment Review Date	Treatment Control Owner
Governance	Review Summary: No further update at Oct 2016 Governance Updated on 26/10/2016 16:00:53	Effective		100	0	26/01/2017	Glenn McGuinness

Risk Matrix Assessment - With Reviews - Withdrawn Controls Excluded

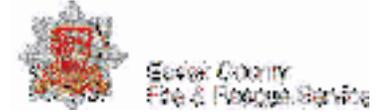


DATE: 05/01/2017

NAME: Adam Eckley

Control Measure	Control Measure Details	Status	Cost to Date Est. Cost	% Complete	Treatment Days Overdue	Treatment Review Date	Treatment Control Owner
Operational governance	<p>Review Summary: the Service's new IRMP was approved by the FA in June, and the new Service Strategy in September. A Response strategy paper is being developed to support delivery of these. DO Operational Policy reports direct to ACFO PPR, his objectives include an audit of JESIP, and reviewing the Service's mobilising policy.</p> <p>Operational governance Updated on 31/10/2016 09:09:37</p>	Under Review		75	0	31/01/2017	Dave Bill
Communications	<p>Review Summary: Control effective</p> <p>Communications Updated on 18/10/2016 08:51:59</p>	Effective		100	0	18/01/2017	Emily Osborne

Risk Matrix Assessment - With Reviews - Withdrawn Controls Excluded



DATE: 05/01/2017 NAME: Adam Eckley
SERVICE: Essex FRS3

Risk Event/Description	Triggers/Sources	Impacts/Consequences	Current Risk Assessment	Target Risk Assessment	Next Review Date	Last Review Date	Days Overdue	Risk Owner
SRR150005 If we do not have motivated and engaged people with the right skills and competencies, with appropriate succession planning and career development, there is a risk that we will be unable to innovate and deliver safe and effective services to our communities. Risk Status: Treat Type of risk Organisational Learning & Knowledge Management	Unable to recruit key specialist staff into the Authority as an employer of choice Uncertainty around future employment conditions and shape/size of the Authority Poor or absent succession/career planning and individual development built in to business planning Poor or absent succession planning policies and procedures Representative bodies in dispute with the Authority Pay rates not reflective of market Poor or absent market horizon scanning coupled with vacancy forecasting and/or skills gaps.	Loss of corporate knowledge Higher costs of interim and temporary staff Increased onboarding times for new staff Specialist roles vacant for long(er) periods Higher levels of sickness and absence Lack of skilled and experienced key employees to deliver the Service strategy Lack of flexibility in service delivery Detrimental effect on service delivery	Risk - Medium High 12	Risk - Medium High 9				
			Impact/Consequence Likelihood 4	Impact/Consequence Likelihood 3	19/12/2016	19/09/2016	17	Mark Stagg

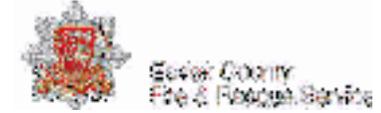
Risk Review Update

Review Summary: Staff engagement survey for 2016 currently under design plus communications strategy surrounding actions taken since last survey

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. Updated on 18/04/2016 10:54:25

Control Measure	Control Measure Details	Status	Cost to Date Est. Cost	% Complete	Treatment Days Overdue	Treatment Review Date	Treatment Control Owner
Staff Engagement	Review Summary: 2016 staff engagement survey planned Staff Engagement Updated on 18/10/2016 08:51:03	Under Review		80	0	18/01/2017	Caroline Cotterell

Risk Matrix Assessment - With Reviews - Withdrawn Controls Excluded

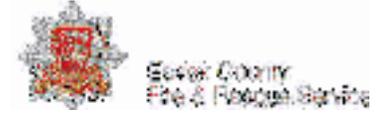


DATE: 05/01/2017

NAME: Adam Eckley

Control Measure	Control Measure Details	Status	Cost to Date Est. Cost	% Complete	Treatment Days Overdue	Treatment Review Date	Treatment Control Owner
Budget	<p>Review Summary: Monthly finance reports to SLT and members as appropriate. Revised budget 2016-17 approved by members 21/9/16 to take account of reorganisations costs 2016-17. Monthly monitoring with budget holders continues 2016-17</p> <p>Budget Updated on 26/10/2016 15:46:42</p>	Effective		100	0	26/01/2017	Glenn McGuinness

Risk Matrix Assessment - With Reviews - Withdrawn Controls Excluded



DATE: 05/01/2017 NAME: Adam Eckley
SERVICE: Essex FRS3

Risk Event/Description	Triggers/Sources	Impacts/Consequences	Current Risk Assessment	Target Risk Assessment	Next Review Date	Last Review Date	Days Overdue	Risk Owner
SRR150006 If we are able to react in an agile way to changes in our environment there is an opportunity to identify new and effective ways to deliver our services. Risk Status: Treat Type of risk Organisational Learning & Knowledge Management	Focus on wider role in supporting partners in meeting their objectives Changes to funding arrangements Technological advances	Improve our organisational culture Improved communications with partners, stakeholders and the public Improved and intelligent use of data	Opportunity - Marginal 6	Opportunity - Substantial 20				
			Impact/Consequence Likelihood 2	Impact/Consequence Likelihood 4	12/01/2017	12/10/2016	0	Dave Bill

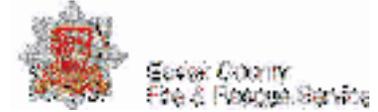
Risk Review Update

Review Summary: The review of the management structure will be important in ensuring that the Service can identify opportunities and adequate resources to maximise opportunity.

If we are able to react in an agile way to changes in our environment there is an opportunity to identify new and effective ways to deliver our services. Updated on 11/07/2016 14:51:31

Control Measure	Control Measure Details	Status	Cost to Date Est. Cost	% Complete	Treatment Days Overdue	Treatment Review Date	Treatment Control Owner
Development of a strategic approach to knowledge management		In Progress		25	0	17/01/2017	Mark Stagg

Risk Matrix Assessment - With Reviews - Withdrawn Controls Excluded



DATE: 05/01/2017 NAME: Adam Eckley
SERVICE: Essex FRS3

Risk Event/Description	Triggers/Sources	Impacts/Consequences	Current Risk Assessment	Target Risk Assessment	Next Review Date	Last Review Date	Days Overdue	Risk Owner
SRR150008 There is a risk that the Service may be unable to effectively communicate with our mobile assets and partner agencies caused by the planned change in mobile communications provider. Risk Status: Treat Type of risk Emergency Response, Capacity, Capability & Performance	Planned change in mobile communications provider. Failure to successfully implement National Airwave Replacement Programme	This may result in the Service failing to meet its statutory requirements as set out within the FRSA 2004, CCA 2004, H&SAW 1974. Loss of Critical Communications Infrastructure Reduction in public & staff safety Loss of public trust Reputational damage Additional Financial Burden Central and Local Government Scrutiny Service is unable to provide safe systems of work	Risk - High 20	Risk - Medium Low 6				
			Impact/Consequence Likelihood 4	Impact/Consequence Likelihood 3	28/02/2017		0	Dave Bill

Risk Review Update

Control Measure	Control Measure Details	Status	Cost to Date Est. Cost	% Complete	Treatment Days Overdue	Treatment Review Date	Treatment Control Owner
Implementation of the Emergency Services Mobile Communications Programme	Review Summary: ECFRS internal programme manager has been confirmed and is in post. The programme manager is reviewing current programme governance and structure. ECFRS are lobbying for the appointment of the regional PM and PS with effect from 1/4/17 rather than starting recruitment from this point. The budget implication of the frequentis ICCS upgrade remains a concern. The ESMCP remains relevant as the control measure for this risk. Airwave replacement project Updated on 03/01/2017 14:44:32	In Progress		1	0	17/01/2017	Matt Furber

ESSEX FIRE AUTHORITY

Essex County Fire & Rescue Service



MEETING

Essex Fire Authority

AGENDA ITEM

11

MEETING DATE

7 December 2016

REPORT NUMBER

EFA/010/17

SUBJECT

Programme 2020 – 6 month review

REPORT BY

Adam Eckley, Acting Chief Fire Officer

PRESENTED BY

Adam Eckley, Acting Chief Fire Officer

SUMMARY

This report provides Members of the Fire Authority with an update on the progress of Programme 2020.

RECOMMENDATIONS

Members of Essex Fire Authority are asked to note the content of this report.

BACKGROUND

Programme 2020 was set up in February 2015 to plan the work of ECFRS to become service-led, community-focussed, values driven and financially sustainable. The definition phase of the Programme included the work to develop a new Strategy for the Essex Fire Authority, an updated Integrated Risk Management Plan (IRMP) and options for change which were all agreed by the EFA on the 8th June 2016.

The implementation plan for the changes consulted upon as Option 2 was approved by the EFA on 7th September 2016 alongside the Authority's new Strategy for the Service.

Following approval of the implantation plan the Programme commenced the delivery phase. The first changes were made as planned on the 30th September 2016 with the removal from operational service of the second fire engines from Orsett, Corringham, Rayleigh Weir and Loughton fire stations. At the same time the Pinzgauer fire engine at Great Dunmow was replaced with a conventional fire engine.

This report considers the progress of the programme since the last meeting of the Audit, Governance and Review Committee on 5th October 2016.

SUMMARY OF PROGRESS

Progress of the key projects is summarised below.

Appliance removal and employee relocation project

The project has managed the removal of fire engines from Orsett, Rayleigh Weir and Loughton and is ensuring that the Service has the right resources in the right place through a workforce planning and relocation exercise.

Following the removal of the fire engines on the 30th September and the conclusion of the early exit process which saw 43 people leave the Service there was a need to relocate employees to balance resources.

The project used the internal transfer policy deliver the relocations with engagement from employees and Representative Bodies shaping the process throughout. The process has been undertaken in two phases with employees first offered the opportunity to express a preference to move to fire stations with vacancies.

In total 31 employees were relocated with 26 on a voluntary basis with 5 employer initiated moved required.

The project is expected to close in February 2017. Lessons learned from the project will be incorporated into other projects within the Programme.

On-Call conversions project

The project will manage the conversion of fire stations/fire engines to On-Call. Recruitment of new on-call staff has started at Clacton and Great Dunmow fire stations with targeted recruitment campaigns launched in October.

Clacton Conversion Update

- Clacton recruitment campaign concluded and closed.
- 100 initial contact forms received
- Of which 65 were within response distance and able to provide required levels of cover
- 10 applicants have already passed pre-fitness appointments and approved for Clacton Assessment Days.

General on-call recruitment continues with 8 applicants passing the most recent assessment day.

Tesco have agreed to expand pilot once the initial two employees reach Phase 2 (expected end of January 2017). A further eight stores have been identified within response distance of on-call stations.

Off-road vehicle replacement

A working group has been established to develop the specification for the new off-road vehicles.

RDS development project

The project has been extended to allow additional time for consultation and negotiation on the new availability bands for On-Call staff.

People systems

The procurement process for the HR and OD Business Solution (HOBS) is in underway. The Operational Availability Management project is in the detailed planning stage.

OTHER PROGRAMME ACTIVITY

In addition to the projects described above significant planning activity is underway in a number of areas.;

- The People Structures Project is bringing together the work on; rank to role, management review II, Grey/Book Green book review and a Talent Pool/Promotion process, core hours and flexi-duty rota.
- A separate Green Book Job Evaluation project will address the historical inconsistencies relating to our current pay scales and the way in which they are aligned to the majority of green book roles.

The Service Strategy for 2016 to 2020 developed as part of the 2020 Programme has been published and the new values statements are being rolled out across the Service.

RISK MANAGEMENT IMPLICATIONS

There are no risk management implications arising from the matters dealt with in this paper

FINANCIAL IMPLICATIONS

There are no financial implications arising from the matters dealt with in this paper

LEGAL IMPLICATIONS

There are no legal implications arising from the matters dealt with in this paper

EQUALITY IMPLICATIONS

There are no equality implications arising from the matters dealt with in this paper.

ENVIRONMENTAL IMPLICATIONS

There are no environmental implications arising from the matters dealt with in this paper.

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985	
List of appendices attached to this paper:	
List of background documents (not attached):	
Proper Officer:	Acting Chief Fire Officer Adam Eckley
Contact Officer:	Ben Pilkington Essex County Fire & Rescue Service, Kelvedon Park, London Road, Rivenhall, Witham CM8 3HB Tel: 01376 576000 E-mail: ben.pilkington@essex-fire.gov.uk

ESSEX FIRE AUTHORITY

Essex County Fire & Rescue Service



MEETING	AGENDA ITEM
Audit, Governance & Review Committee	12

MEETING DATE	REPORT NUMBER
18 January 2017	EFA/012/17

SUBJECT
Mid-Year Treasury Management Report

REPORT BY
The Finance Director & Treasurer

PRESENTED BY
The Finance Director and Treasurer, Mike Clayton

SUMMARY

In accordance with the requirements of the CIPFA Code of Practice on Treasury Management, a set of 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. The Code of Practice requires these indicators to be monitored and reviewed on a rolling basis. The purpose of this report is therefore to report on the Authority's performance in the first eight months of 2016/17 against these indicators.

RECOMMENDATIONS

It is recommended that Members of the Audit, Governance and Review committee:

1. Note the treasury management position for 2016/17; and
2. Note performance against the treasury management indicators for 2016/17.

BACKGROUND

There are two separate and distinct elements to capital financing that need to be provided for in the Authority's budget. The first is the requirement to finance the capital expenditure of the Authority from the annual revenue budget. The second issue is the need to fund the cash requirements for capital expenditure when payments fall due. This report deals with both aspects of capital financing.

Funding Capital Expenditure from the Revenue Budget

Within the Authority's revenue budget there is a provision for the annual charge required to fund past capital expenditure. This is known as the Minimum Revenue Provision (MRP) charge for capital financing. This is the amount required for each financial year to ensure

that the capital expenditure of the authority is charged against the income and expenditure account and financed through the Authority's income. This financing provision can also come from the Authority's capital receipts (the sale of previously funded assets), or from capital grants received.

For capital expenditure the annual charge for each asset is calculated on a depreciation basis, based on the original cost of the capital expenditure. Unlike the normal depreciation charge the value of the capital financing charge does not alter if the asset's value changes. Prior to 2008 all capital expenditure was financed over a fixed 25 year period.

In 2015/16 we made a statutory provision of £3.6m. The balance of capital expenditure yet to be financed from capital receipts, grants or the revenue expenditure budget was £39.0m at 31 March 2016 and forward projections of the capital financing charges arising from the planned level of capital expenditure are covered in this report.

Cash and Capital Expenditure

Separate considerations apply to the cash funding of capital expenditure as it is incurred. The Authority will generate cash during the year if there is a net underspend against the revenue budget and from any non-cash provisions within the accounts such as the capital financing charge described above.

If capital expenditure exceeds the available cash in any financial year the Authority can borrow the cash required. There are two main sources of cash for local authorities, these are the use of asset leases and secondly the Public Works Loan Board (PWLB). The attractiveness of each option depends on a number of factors including the relative interest rates for the Authority. The interest rates are influenced by market factors including the availability of cash to lenders, longer term government gilt interest rates, the tax regime and availability of tax allowances to commercial lenders etc. The Authority has not used lease finance since 2005, but the position is subject to annual review by the Treasurer.

At 31 March 2016 the Authority had £29.5m of PWLB loans, of which, a loan of £1.5m was repaid in August 2016. At the same time we had £16.2m of cash. The penalties on early repayment of PWLB loans mean that there is a significant cost to the Authority if surplus cash is used to reduce borrowings, whilst the Authority's expenditure plans mean that the cash surplus will be utilised over the next few years.

One part of the cash surplus can be said to equate to the reserves that the Authority has built up from past years underspending against the revenue budget. At 31 March 2016 these reserves totalled £12.2m.

TREASURY MANAGEMENT GUIDANCE

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 of Practice on Treasury Management underpins this capital financing system to support authorities in taking decisions upon capital investment.

The primary requirements of the Code are:

1. Creation and maintenance of a Treasury Management Policy Statement;
2. Creation and maintenance of Treasury Management Practices which set out how the Policy will be achieved;
3. Adoption of an annual Treasury Management Strategy Statement, including the policy on the minimum revenue provision for capital expenditure funding;
4. Mid-year and annual stewardship reports;
5. Delegation by the Authority of responsibilities – the monitoring of the Strategy is delegated to the Audit Governance and Review Committee.

This report has been prepared in accordance with the code of practice.

TREASURY MANAGEMENT STRATEGY STATEMENT

The Treasury Management Policy Statement was approved by the Authority in February 2016. The Authority regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the Authority.

The statement identified 12 Treasury Management Practices

- TMP1 Risk management;
- TMP2 Performance measurement;
- TMP3 Decision-making and analysis;
- TMP4 Approved instruments, methods and techniques;
- TMP5 Organisation, clarity and segregation of responsibilities, and dealing arrangements;
- TMP6 Reporting requirements and management information arrangements;
- TMP7 Budgeting, accounting and audit arrangements;
- TMP8 Cash and cash flow management;
- TMP9 Money laundering;
- TMP10 Training and qualifications;
- TMP11 Use of external service providers; and
- TMP12 Corporate governance.

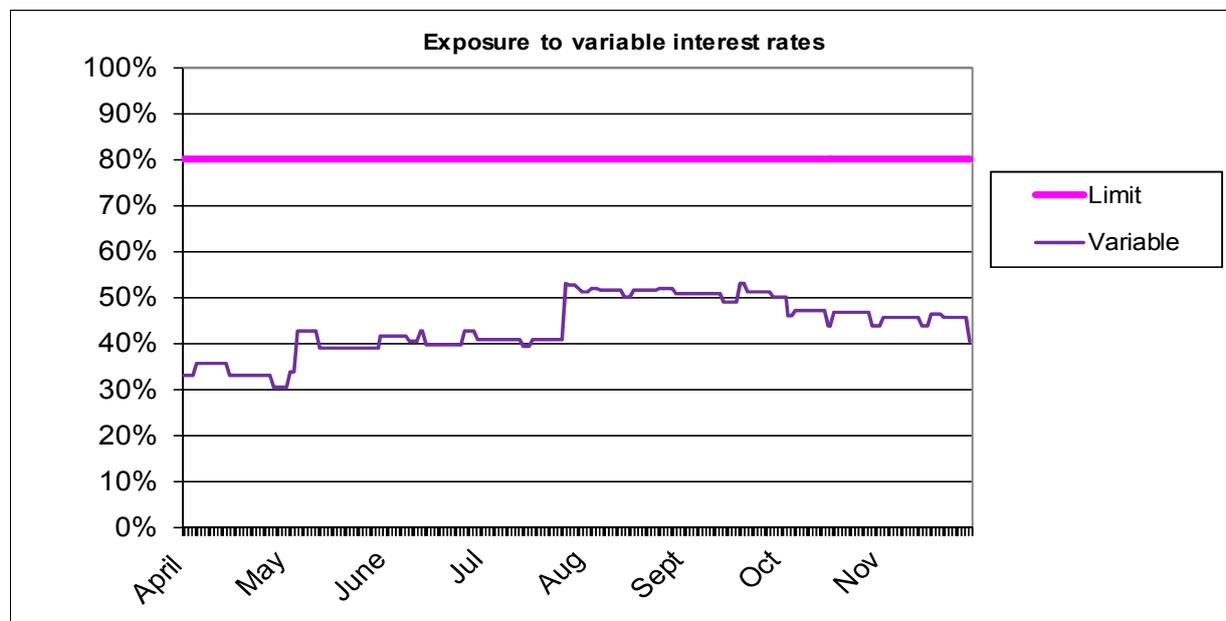
RISK MANAGEMENT

Credit & Counter Party Risk Management

With the cash balances that the Authority presently has the key risk to be managed is that of credit and counterparty risk management. Funds are currently held with the Authority's bankers (Lloyds Bank) and with one AAA rated money market fund (CCLA). In addition the Authority has a Debt Management Account Deposit Facility where surplus funds can be deposited with the Government's Debt Management Office. This is in accordance with the Authority's policy that requires counter parties, except the Authority's bankers, to have AA or AAA ratings.

Interest Rate Risk Management

The main factor affecting the balance between exposure to fixed and variable interest rates is the increase in the Authority's cash balances. All of the Authority's long term borrowing is at fixed interest rates, and all of the investment of surplus funds is at variable rates. The relative proportions currently ensure that the maximum exposure to variable interest rates is below the 80% upper limit as shown in the graph below:



Other Risk Management Issues

The present level of cash balances means that the Authority has no exposure to refinancing risks for the next few years. There have been no issues around controls, regulatory risks, fraud or errors in the year.

CAPITAL EXPENDITURE PLANS

The actual capital expenditure that was incurred in 2015/16 and the estimates of capital expenditure to be incurred in 2016/17 are summarised below:

	2015/16		2016/17	
	Actual	Original Forecast	Original Forecast	Updated Forecast
	£000	£000	£000	£000
Total Payments	6,665	7,823	7,823	8,536
Financed by				
Capital Receipts	-	-	-	8,536
Internal Resources	6,665	7,823	7,823	-
Total Financing	6,665	7,823	7,823	8,536

The 2016/17 forecast has increased following approval at Policy and Strategy in March to carry forward £713k of the 2015/16 capital budget for equipment (£597k) and vehicles (£116K). This forecast will continue to be reviewed during the year.

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

Incremental effect on revenue of the 2016/17 capital programme and borrowing			
	2016/17 £000	2017/18 £000	2018/19 £000
Interest & MRP cost of 2016/17 programme	213	768	768
Interest & MRP cost of 2017/18 programme	-	210	755
Interest & MRP cost of 2018/19 programme	-	-	158
Incremental revenue cost in each year	213	978	1,681

Incremental impact of new capital investment on Council tax

The incremental impacts on the 2015/16 and 2016/17 council tax of the capital programmes are shown below:

Incremental effect on Council Tax of the 2015/16 & 2016/17 Capital Programme		
	2015/16 £000	2016/17 £000
Effect on Council tax	£0.28	£0.35

In practice this additional cost is managed through the overall budget process with the impact of savings from past and current projects contributing to the overall budget.

Ratio of financing costs to net revenue stream

Estimates of the ratio of financing costs to budget requirement for 2016/17 and the actual figures for 2015/16 are:

Ratio of financing costs to net revenue stream		
	2015/16 Actual	2016/17 Estimate
Original 2016/17 estimate	10.84%	10.52%
Updated estimate	6.97%	9.34%

The estimates include interest payable and receivable, and the amounts required for the repayment of external loans. Net revenue streams represent the amounts to be met from government grants and local taxpayers.

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, the receipts from asset disposals and the level of government grants.

The comparison of the CFR to the original indicators for 2016/17, and the updated indicators for 2016/17 are shown below:

Estimate of Capital Financing Requirement				
	31/3/16	31/3/17	31/3/18	31/3/19
	£000	£000	£000	£000
Original 2016/17 estimates	41,913	38,615	31,959	26,501
Updated 2016/17 indicators	39,005	37,243	34,712	30,354

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 not had net additional external borrowing since 2009/10 because it has funded capital expenditure from internal generated cash resources.

The Authority has an integrated treasury management strategy and has adopted the CIPFA Code of Practice for Treasury Management in the Public Services. 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.

In respect of its external debt, the Authority approves authorised limits for its total external debt gross of investments. These limits separately identify borrowing from other long-term liabilities, such as finance leases.

The recommended 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 also approves operational boundaries for external debt. This 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.

	2015/16	2016/17
	£000	£000
Actual Borrowing	29,500	28,000
Authorised limit	35,600	38,700
Operational Boundary	32,600	35,700

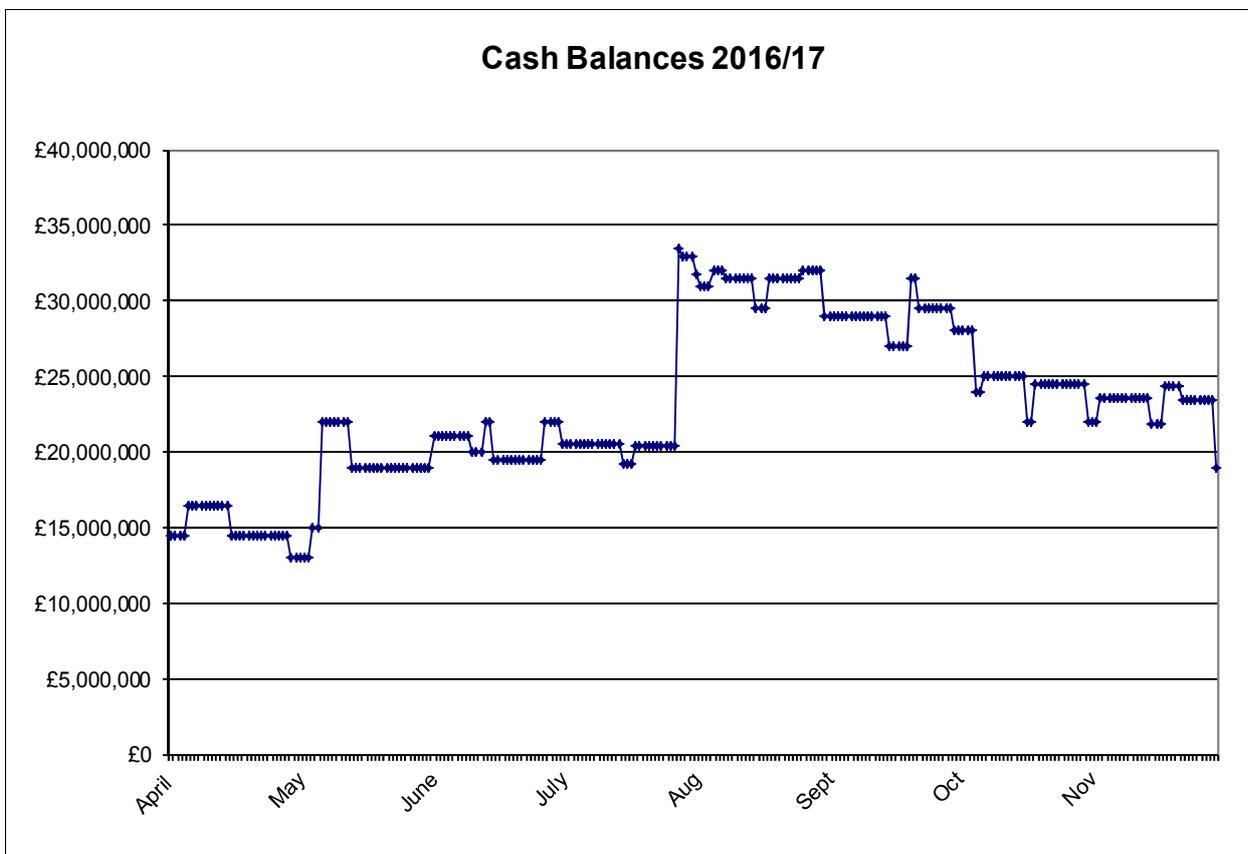
The authority has remained within the operational limit during 2016/17.

TREASURY MANAGEMENT 2016/17

Investments – First eight months of 2016/17

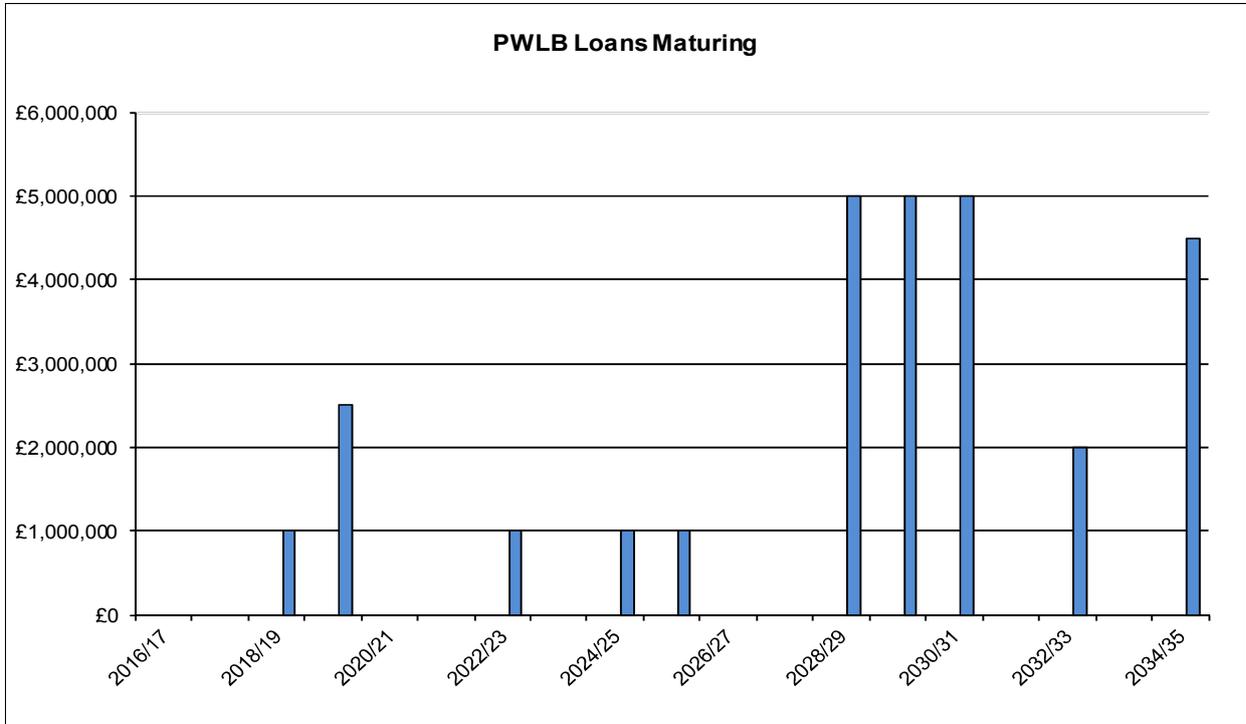
Most of the Authority’s income is received on a bi-monthly basis from billing authorities and Central government. As illustrated in the graph below, the level of outstanding investments decreases during each month as expenditure is incurred, with the largest reductions occurring when the monthly payrolls are paid. Funds are invested with either Lloyds or CCLA (Charities, Churches and Local Authorities money market fund) or the Debt Management Account Deposit Facility. The interest earned by the Authority on its investments during the first eight months of 2016/17 was **£57k** at an average rate of **0.35%**.

The increase in May reflects the monies received from the sale of the former HQ site, Hutton, and the sharp increase in July reflects the funding provided by the government for the deficit on the Authority’s Firefighter Pensions Account.

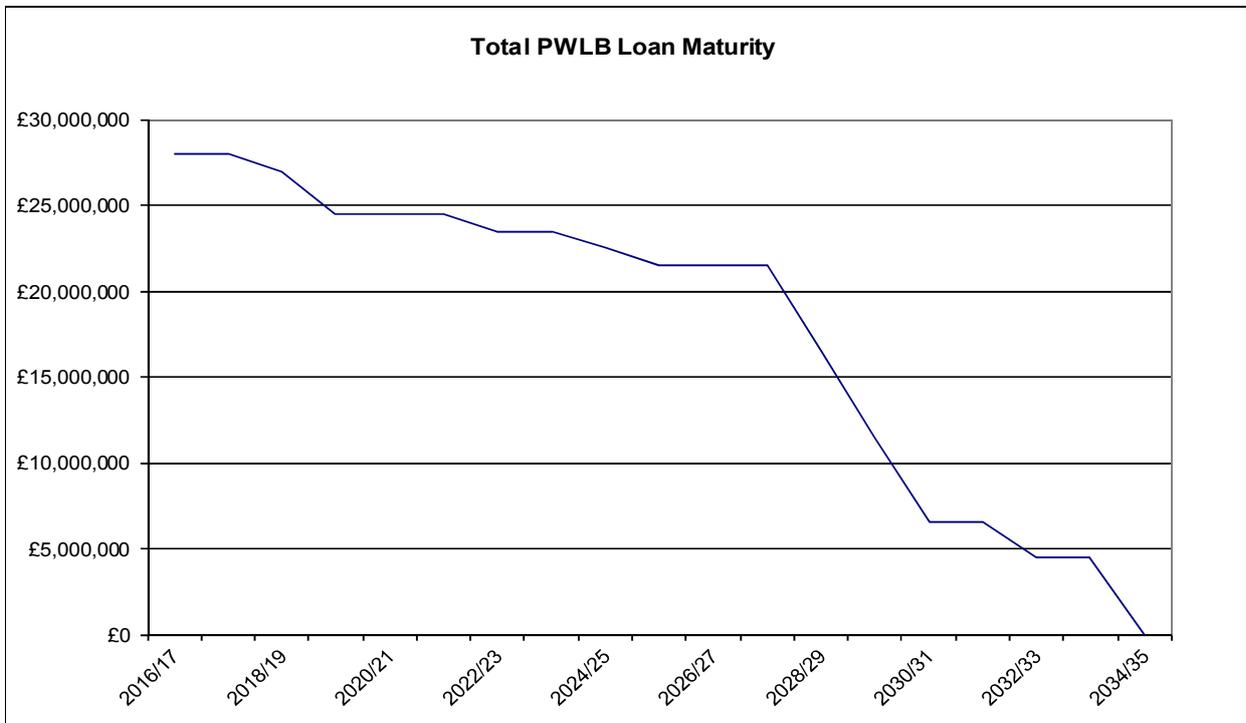


Borrowings and repayments

The total level of long term debt at 30 November 2016 was **£28.0m**. The first graph below shows the maturity profile of all outstanding PWLB loans, and the second the cumulative profile.



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



Maturity structure of borrowing

The Authority has set upper and lower limits for the maturity structure of its borrowings. The proposed limits were 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	2016/17	
	Original Limit %	Actual Profile %
under 12 months	-	-
12 to 24 months	7	-
24 months to 5 years	20	28
5 to 10 years	20	28
10 years and over	100	100

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 Treasury Management Code places significant responsibilities upon the Treasurer. Through the Treasury Management 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 Treasury Management 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 Treasury Management 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 are 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 associated with the recommendations within this report.

ENVIRONMENTAL IMPLICATIONS

There are no environmental implications associated with the recommendations within this report.

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985	
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List of appendices attached to this paper:	
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Appendix A – Treasury Management Indicators	
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List of background documents (not attached):	
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Proper Officer:	The Finance Director and Treasurer
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Contact Officer:	The Finance Director and Treasurer, Mike Clayton, Essex County Fire & Rescue Service, Kelvedon Park, London Road, Rivenhall, Witham CM8 3HB Tel: 01376 576000 E-mail: mike.clayton@essex-fire.gov.uk
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Treasury Management Indicators		2015/16	2016/17	2016/17
		Actual	Original Forecast	Updated Forecast
Indicators for Affordability				
Ratio of financing costs to net revenue streams	%	6.97%	9.94%	9.34%
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>Treasury management indicators for external debt take account of their affordability.</i>		
Indicators for capital expenditure				
Capital expenditure	£000	6,665	7,823	8,536
Capital financing requirement	£000	39,005	38,615	37,243
Indicators for external debt				
Actual external debt	£000	29,500	28,000	28,000
Authorised limit	£000	35,600	37,500	38,700
Operational boundary	£000	32,600	34,500	35,700
Interest rate exposures				
Upper limit - fixed rates	%	100	100	100
Upper limit - variable rates	%	80	80	80
Maturity structure of borrowing (upper limit)				
Under 12 months	%	13	-	-
12 months and within 24 months	%	-	7	-
24 months and within 5 years	%	26	20	28
5 years and within 10 years	%	20	20	28
10 years and above	%	100	100	100
Total sum invested for more than 364 days	£000	-	-	-

ESSEX FIRE AUTHORITY

Essex County Fire & Rescue Service



MEETING

Essex Fire Authority

AGENDA ITEM

9

MEETING DATE

13 April 2016

REPORT NUMBER

EFA/050/16

SUBJECT

2016-17 Work Programme

REPORT BY

The Acting Chief Fire Officer, Adam Eckley

PRESENTED BY

Service Solicitor, Roy Carter

SUMMARY

This paper reviews the work programme for the Authority and its main committees for 2016/17 and brings forward recommendations for Members of the Essex Fire Authority to consider.

RECOMMENDATIONS

Members are asked to:

1. Agree the proposed work plan for regular report in 2016/17.

BACKGROUND

This report brings forward a planned work programme for 2016/17.

The focus of this paper is to review those items that the Authority, the Policy & Strategy Committee and the Audit, Governance and Review Committee should receive on a regular basis. For the Audit, Governance and Review Committee it also proposes a subject area that could be considered for review. Finally the paper reviews those items that have been approved by the Authority or the Policy & Strategy Committee in the last few years where either progress or closing reports are required.

The sections below consider the various categories of items that should come forward and reviews the proposals for 2016/17.

STATUTORY ITEMS REQUIRING APPROVAL

This group includes matters that are required by law to be agreed by the Authority on an annual basis. These are matters such as the Statement of Assurance, the Budget, the Annual Accounts and Governance Statement, Capital Financing & Treasury Management indicators, the Pay Policy Statement, and Charges. There are also some information items associated with some of these areas, such as the Auditor's Report on the Accounts.

There are also items that require Authority approval, but not on an annual basis, including matters such as the Integrated Risk Management Plan, Members Allowances and Principal Officer Pay.

ASSURANCE

There are a range of regular reports covering Performance, Budget Review, Capital Financing & Treasury Management, Internal Audit, Governance, Trades Union Facilities, Partnerships, Risk Register, EFA (Trading), and the Workforce Report that support Members in their oversight of the governance of the Authority. These reports are designed to provide assurance to Members and the opportunity for scrutiny of the discharge of statutory duties. For 2016/17 an additional report on the exercise of delegated decisions will be included.

STRATEGIC ISSUES

For this area some amendment and clarification of the items requiring approval are proposed. The Overall Corporate strategy is a matter for the full Authority, the current strategy was approved in December 2014. Beneath this there are a number of lower level strategies that will be brought to the Policy & Strategy Committee either on an annual basis, or when changes are required. These are:

- Medium Term Financial Strategy;
- Community Safety Strategy; and
- Response Strategy.

Reviews of the detailed activities in support of these strategies are considered as part of the annual work-plan agreed by the Authority for the Audit, Governance and Review Committee.

ITEMS FOR APPROVAL

The final group of papers are those where the specific approval of the Authority or the Policy & Strategy Committee is required for a project, planned activity or change. This includes the initiation of high value projects this includes those with a costs greater than £300k for ICT projects, and greater than £1m for all other projects. It also includes major decisions around fire cover, crewing systems etc. The exact nature of these and the timing of decisions means that these items cannot easily be set down in a forward plan.

After all such decisions there will be a competitive procurement process for any planned third party expenditure before contracts are agreed. Variations in the planned expenditure compared to that authorised are brought back for approval.

In addition, there is a secondary area where a report back at the conclusion of a project is required. The third stage that may apply to some decisions is a follow up review of the decisions, the benefits realisation or the impact of the change. These third stage reviews will be considered by the Audit, Governance and Review Committee and agreed as part of their work plan on an annual basis.

The current on-going projects or decision items where either a progress or closure report has been included in the work plan are:

Fire Authority

- Fire Control (Closure Report); and

- Essex Strategic Flood and Water Management Alliance (Annual Report).

Policy & Strategy Committee

- Insurance Pooling (Progress Report); and
- New Service Workshops (Progress Report).

AUDIT, GOVERNANCE & REVIEW COMMITTEE WORKPLAN FOR 2016/17

In addition to the items listed above, matters to be reviewed by the Audit, Governance and Review Committee need to be included in the work plan or referred to it by the full Authority or the Policy & Strategy Committee. For 2016/17 it is proposed that this Committee continues to receive progress reports on the 2020 Programme to provide a more detailed level of scrutiny and review on behalf of the Authority.

FINANCIAL AND USE OF RESOURCES IMPLICATIONS

The work plan proposed attempts to balance the requirements for transparency, accountability, oversight and governance with the resources required to prepare and review reports and data.

RISK IMPLICATIONS

By bringing forward a planned programme of work provision is made for the incorporation of the resource requirements into departmental and officer work plans. This mitigates against the risk that timely reviews will not be carried out.

LEGAL IMPLICATIONS

There are no direct legal implications.

EQUALITIES IMPLICATIONS

There are no direct equalities implications from the proposed work plan.

ENVIRONMENTAL IMPLICATIONS

There are no environmental implications associated with the content of this report.

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985	
List of appendices attached to this paper: Appendix 1 – Essex Fire Authority 2016/17 Work plan	
List of background documents (not attached):	
Proper Officer:	The Finance Director & Treasurer
Contact Officer:	The Finance Director & Treasurer, Mike Clayton Essex County Fire & Rescue Service, Kelvedon Park, London Road, Rivenhall, Witham CM8 3HB Tel: 01376 576000 E-mail: mike.clayton@essex-fire.gov.uk

	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Meetings	EFA			EFA			EFA		EFA		EFA	
	P&S			P&S		P&S		P&S		P&S		
		AG&R			AG&R			AG&R			AG&R	
Statutory Items	Approve Accounts & Governance Statement			Auditor's Report on Accounts	Auditor's Report on Accounts		Statement of Assurance	Draft Budget and Council Tax Proposal	2015/16 Budget & Capital Financing & Charges		Review Governance Statement	
Statutory Items	Integrated Risk Management Plan			Approve Audited Accounts				Draft Budget Review	Pay Policy Statement			
Regular Reviews	Performance Report - Annual & Target Setting	Performance Report		Cultural Review - 6 Monthly Independent Progress Review	Performance Report		2020 Programme - 6 monthly review	Performance Report	Cultural Review - 6 Monthly Independent Progress Review		Performance Report	
Regular Reviews	Budget Review			Budget Review	Capital Finance & Treasury Management Review	Budget Review		Budget Review	Workforce Report	Budget Review	Delegations Review	
Regular Reviews	Annual Report	Budget Review			Budget Review			Budget Review	Risk Register		Budget Review	
Regular Reviews	EFA (Trading) Report	Audit Reports & Progress			Audit Reports & Progress			Audit Reports & Progress			Audit Reports & Progress Annual Plans	
Regular Reviews		Internal Audit Progress Report		Risk Register	Internal Audit Progress Report			Internal Audit Progress Report			Internal Audit Progress Report	
Strategic Issues	Corporate Strategy			Intergated Risk Management Plan		Insurance Pooling Progress Report		Corporate Strategy Review				
Strategic Issues	2020 Programme Proposals	2020 Programme Review		Medium Term Financial Strategy	2020 Programme Review	New Service Workshops Progress Report		2020 Programme Review			2020 Programme Review	
Strategic Issues				Fire Control Closure Report			Essex Strategic Flood Alliance Annual Report					

ESSEX FIRE AUTHORITY

Essex County Fire & Rescue Service



MEETING	Audit, Governance & Review Committee	AGENDA ITEM	14
MEETING DATE	18 January 2017	REPORT NUMBER	EFA/013/17
SUBJECT	Safeguarding Action Plan		
REPORT BY	Director of Prevention, Protection & Response, ACFO Dave Bill		
PRESENTED BY	Director of Prevention, Protection & Response, ACFO Dave Bill		

SUMMARY

This paper reports on the progress made following an independent safeguarding review (appendix 1) which was commissioned by the Acting Chief Fire Officer in February 2016. This paper also details the action plan (appendix 2) for standards assessed as not fully met following completion of a Section 11 audit completed in September 2016.

RECOMMENDATION

Members of the Committee are asked to note the contents of the report and attached appendices.

BACKGROUND

Following an increase in the number of Safeguarding referrals towards the end of 2015 the A/CFO initiated a review into the Essex County Fire and Rescue Service's (ECFRS) current Safeguarding arrangements, the purpose of the review was to;

- assess to what extent there is an adequate policy and procedure framework in place to support safeguarding practice for ECFRS and ensure minimum compliance with current safeguarding legislation;
- ascertain the integrity, reliability and appropriateness of ECFRS current response to Safeguarding and
- examine the arrangements in place for Safeguarding compliance, arrangements by which decisions are made, how referrals are monitored and reviewed, and related risks identified and managed.

With the Review's recommendations to consider:

- Responsibility of the Safeguarding Lead, managers and individuals
- Training and Support requirements for management and Staff
- Process for the support and safe practice in regards to referrals.
- Governance

Phil Picton, who undertook the review, has extensive experience in working at a strategic level for public sector organisations and has been working with Safeguarding Boards for nearly twenty years. He is currently Chair of the Essex adult and children's safeguarding board. The final report was received on the 10th of May and is found in Appendix One (with the salient points highlighted). It concludes that safeguarding in the Service is being well managed, is fulfilling all legal requirements and is generally managing potential areas of risk well, however also identifies one significant risk which requires immediate action (Page 1 of Report);

'EFRS is at risk of being unable to effectively manage safeguarding referrals if the resilience issues for the 'Safeguarding Manager' role are not addressed in the short and medium term.'

In addition to this, the Report offers solutions, both in potentially rationalising the Service's commitment to the Boards, and also offering the potential to mitigate the risk to the Service by taking a more supportive role to other agencies, rather than leading, when delivering community safety initiatives.

Steps taken since the review are; -

- ACFO Prevention, Protection and Response nominated as Strategic lead for Safeguarding.
- Safeguarding policies reviewed and updated.
- Suggested Deputy Safeguarding Manager was recruited in October 2016 (in response to the significant risk identified).
- An e-learning training programme has been developed and is currently being completed by all staff.
- The Service continues to complete Section 11 audits and monitor progress against the requirements (see below).
- The report was shared with all the Safeguarding boards.

SECTION 11 of the Children Act (2004)

Section 11 (S.11) of the Children Act (2004) places a number of duties on a range of organisations and individuals (and the services they contract out to others) to ensure that when they go about their day to day business, they do so in a way that takes into account the need to safeguard and promote the welfare of children and vulnerable adults. S.11 outlines the need to have in place safe systems and safe processes; for example, by ensuring safe recruitment of staff, by providing appropriate training and by having up to date policies which all staff understand and know how to access.

Compliance with S.11 is a statutory requirement for the following organisations:

- Local authorities
- NHS organisations include the NHS Commissioning Board and clinical commissioning groups
- NHS Trusts and Foundation Trusts.
- The police
- British Transport Police
- Probation Service
- Governors / Directors of Prisons and Young Offender Institutes
- Directors of Secure Training Centres and
- Youth Offending Services
- Organisations such as ECFRS that are commissioned to provide a service on behalf of one of the agencies listed above should also be compliant with Section 11, and much of the funding attracted to courses such as fire break is done on the basis that ECFRS is S.11 compliant.

ECFRS Section 11 Audit

The most recent audit was completed in the Summer of 2016 at the request of Essex, Southend & Thurrock Safeguarding Children Boards. Allocated audits being on the following subject areas: -

- Senior Level, commitment to safeguarding and accountability
- Core Safeguarding policies and procedures
- Safer Recruitment
- Service Development
- Learning, Development & staff support
- Early help and inter-agency working
- Information sharing

Following completion of the audit an action plan was produced and meetings are held monthly and a number of actions have been achieved including the following: -

- The recruitment of the Safeguarding Deputy – Karen Soanes
- Introduction of a new E-Learning Level 1 Safeguarding training package for the whole service
- Work almost complete with regards to the incorporation of the Adult and Children Safeguarding policies
- Safeguarding “Whistleblowing” policy now prepared and shortly will be incorporated in the new joint Safeguarding policy
- Meetings have taken place with all section heads and action points shared

CFOA Centre of Excellence Duke of Edinburgh (DofE) Award Scheme

ECFRS have been named as the Centre of Excellence for chief Fire Officers Association (CFOA) with regards to the National DofE Licence. The national licence is now managed by our Community Development & Safeguarding Manager who has responsibility for the management of the licence for and on behalf of CFOA and holds responsibility as the Child Protection National Manager for CFOA DofE Awards. The licence allows Fire & Rescue Services nationally to offer the DofE Award Scheme to all Fire Cadets throughout the Country.

RISK MANAGEMENT IMPLICATIONS

Following the review ECFRS were added to the risk register of the Essex Safeguarding Board. Now these issues have been resolved, it is envisaged that ECFRS will be removed from the risk register in early 2017. The action plan established since submitting Section 11 Audit will ensure the service remains free of the risk register and that any future funding for services such as Firebreak will not be at risk.

FINANCIAL IMPLICATIONS

The total cost for the review was £3,566.15. There may also be financial consequences following changes to Job Descriptions and additional training and development as suggested in the report.

LEGAL IMPLICATIONS

Are set out in Appendix One.

HEALTH AND SAFETY IMPLICATIONS

None specific to this report.

EQUALITY IMPLICATIONS

Safeguarding sets out clear standards in ensuring the Service's staff behave appropriately, not only when engaging with its communities, but also with each other whilst at work. When considering Safeguarding issues, the Service must recognise that those most vulnerable within the community are often within minority ethnic groups.

ENVIRONMENTAL IMPLICATIONS

None specific to this report.

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985	
List of appendices attached to this paper: Appendix 1 – Safeguarding Review Appendix 2 – Section 11 Action Plan	
Proper Officer:	Dave Bill
Contact Officer:	Director of Prevention, Protection & Response Essex County Fire & Rescue Service, Kelvedon Park, London Road, Rivenhall, Witham CM8 3HB Tel: 01376 576000 Dave.bill@essex-fire.gov.uk

Review of Safeguarding Systems in Essex Fire and Rescue Service –
Final Report

Executive Summary

This report reviews Essex Fire and Rescue Service's (EFRS') current approach to safeguarding vulnerable adults and children from abuse and neglect.

It makes recommendations for the future which have borne in mind EFRS' strategic direction and the need to provide an effective, yet proportionate response to safeguarding issues.

Overall safeguarding in EFRS is being well managed. It is fulfilling all legal requirements and generally managing potential areas of risk well. However there is one staffing issue of significant risk which needs to be addressed immediately:

EFRS is at risk of being unable to effectively manage safeguarding referrals if the resilience issues for the 'Safeguarding Manager' role are not addressed in the short and medium term.

Options for managing this risk are contained within the report.

Throughout the review, firefighters, managers and community safety staff showed an eagerness to address the needs of vulnerable members of the community and cooperated fully with the work. I am very grateful for their comments which were used to develop these recommendations.

Phil Picton

May 2016

This report considers the effectiveness of Essex Fire and Rescue Service (EFRS) at safeguarding children and vulnerable adults against neglect and abuse including self-neglect and self-harm. The report is provided to inform the Chief Fire Officer of the current state of safeguarding and the steps that can be taken to ensure an effective and proportionate response to safeguarding risks in the foreseeable future.

(Within the report the term 'Safeguarding Manager' is used to describe the manager responsible for providing specialist advice and support to EFRS at all levels. It is recognised that this is not the current 'title' of the post-holder but is the term used by the majority of interviewees to describe the function. The role is discussed in more detail in this report).

Principles Underpinning Effective Safeguarding in EFRS

To be effective at safeguarding, an organisation such as EFRS needs to fulfil three requirements:

1. **Legal compliance** with safeguarding legislation - for children, vulnerable adults and those at risk of becoming involved in terrorism.
2. **A risk based approach** at both the operational and organisational level. This approach needs to recognise that safeguarding risks cannot be completely eliminated but need to be appropriately managed in a way which is proportionate to the resources, role and strategic direction of the organisation.
3. **A safeguarding culture which is based upon learning and development** combined with a willingness to share information and where appropriate challenge behaviour and decision-making, both inside and outside the organisation.

The following pages consider EFRS against those principles.

1. Legal Compliance

The requirements specifically put upon Fire and Rescue Services by 'safeguarding' legislation are very low. Statutory guidelines [Working Together (WT), Care and Support Statutory Guidelines (CSSG) and Counter-Terrorism and Security Act guidance (CTSA)] mention **Fire Services** as being potentially **useful players in multi-agency partnerships but do not perceive them as key agencies at the heart of safeguarding. As a result they are not included as organisations bound by the Children Act 2004, Section 11 standards which are for 'statutory partners'** (see further discussion below). WT (Chapter 2) has extended the standards to apply to organisations commissioned by those partners, the voluntary sector and private sector, but without specific reference to Fire and Rescue Services. Guidelines also make broad statements about general responsibilities for 'everyone' regarding their commitment to safeguarding.

EFRS' current approach fulfils its legal obligations to safeguard from abuse and neglect. Opportunities identified in this review potentially rationalise that approach whilst still complying with the legal requirements.

2. Management of Safeguarding Risks

A. The General Operational Safeguarding Risk

In carrying out their responsibilities, EFRS staff come into contact with a wide range of individuals and situations. Sometimes they become aware or suspicious that a child or vulnerable person is at risk of abuse or neglect. If there is a safeguarding risk of harm through fire or significant accident (such as in a hoarding or fire-setting situations) EFRS staff will need to continue to work with the individual, their family or community. This is normally in partnership with other agencies who hold a role of addressing other aspects of the situation or longer term issues for the individual (such as housing, mental health or social care). **In situations without a risk of fire or accident, EFRS' role is to refer the circumstances to another agency for the safeguarding issues to be addressed. If there is immediate risk of harm then the police are contacted to take responsibility.**

Operational EFRS staff spoken to within this Review had a realistic and sensitive awareness of these risk situations. They generally had a suitable understanding of the signs and symptoms of abuse/neglect and were very well aware of how to seek advice or to refer cases within EFRS. This knowledge appears to be a consequence of the training given to staff as EFRS' community safety agenda has grown. In particular, the training of 120 firefighters as Firebreak instructors has led to many operational watches having at least one member who has attended a 'Level Two' safeguarding course.

Within EFRS, the general operational awareness of safeguarding is good and the general safeguarding risk is well managed

B. The Safeguarding Risk in 'Community Safety' work

With its strategic aim of embracing community engagement as a route to reducing the risks of fire and accident, individual members of staff are increasingly targeting members of the vulnerable population. This leads to contact with young people and adults with specific safeguarding needs or who have been subject to sexual or physical abuse or neglect and who may experience ongoing safeguarding risks. These include:

- People and families at risk from behaviour which may lead to harm from fire or accident – such as hoarders and fire-setters.
- People with emotional or mental health needs which may lead to repeated false calls.
- Individuals who are vulnerable because of their health, disability or other circumstances. This includes students on Firebreak courses, victims of domestic abuse who need improved fire protection in their homes and individuals or groups engaged with under the EFRS 'Delivering a Difference in Neighbourhoods' initiative (DDIN).

EFRS needs to proactively manage the inherent safeguarding risk that comes from working with these groups. The challenge is to ensure that staff working with the vulnerable have awareness of the 'signs and symptoms' in its various forms, understand vulnerability and are sensitive to the individuals' needs. They will sometimes be taken into confidence about abuse or neglect and occasionally receive disclosures or information which they will need to report to other agencies. To do this effectively, staff need more development in their understanding of safeguarding than is normally necessary for firefighters.

The Safeguarding Manager has been very thorough in ensuring that such development has been mandatory before staff lead courses, such as Firebreak. All Firebreak instructors spoken to during this Review had been trained to 'Level Two' in safeguarding and other staff working less intensively with vulnerable groups had been trained at Level One.

Formal training is only a first step in building competency in safeguarding. It is important that those working with the vulnerable have an opportunity to share their safeguarding experiences. A recent briefing for a staff in the community safety department gave people an opportunity to build on others experience and this should become a regular feature of the EFRS approach to safeguarding

Delivering Difference in Neighbourhoods (DDIN):

During the review, several people raised the issue of how to manage safeguarding risks within the DDIN initiative. Many staff on operational watches have only received safeguarding awareness training in their induction into EFRS. Watch members and managers spoken to in the review were generally very enthusiastic about the potential for these initiatives and they clearly have a benefit of increasing job satisfaction.

The following is suggested as an approach for effectively managing safeguarding in DDIN projects in future:

- Wherever possible, DDIN work should be structured to assist a partner agency rather than working directly with individual members of the community or ad hoc

groups – for example, a Watch working with a school to support the school staff. In most cases, such partner agencies will have their own safeguarding systems and designated safeguarding professional (DSP) who monitors standards and training appropriate to its clients. Such an approach fits well with EFRS' stated aim of working "with partner agencies in meeting the social needs of vulnerable people." (EFRS 2020 Consultation Document)

- **That partner's DSP should formally be made aware of the level of experience and training of the EFRS members in working with vulnerable people and asked to provide any additional awareness for them.** This awareness 'training' is likely to be achievable by a briefing by that DSP.
- **In this arrangement, primary responsibility for safeguarding remains with the partner agency.** If watch members become aware of neglect or abuse issues, they should initially refer them to that DSP for the agency they are assisting. If safeguarding issues appear to be institutionalised or from inappropriate behaviour by the partner's DSP, EFRS staff should seek the advice of the EFRS Safeguarding Manager before taking further action.
- **In the event that a DDIN project does not involve a partner agency, an assessment of safeguarding risks and their likelihood should be carried out before the project starts. This risk assessment should be formally noted but it should not be overly bureaucratic.**
- **Watch members involved in DDIN work should receive refresher basic safeguarding training** and the Watch Officer should have the responsibility to seek advice from the EFRS Safeguarding Manager about risks and issues if they occur.

There is potential conflict between achieving formal targets on initiatives, such as Firebreak Courses and the opportunity for local DDIN projects if they both work with the same groups. It is important that safeguarding issues are not used to justify one or the other approach. Both Firebreak and DDIN can fulfil the requirements of good safeguarding if risks are appropriately managed.

Safeguarding risks in Community Safety work are currently well managed. Delivering Difference in Neighbourhoods work (DDIN) carries a lower level of risk if it is focussed on supporting partners rather than being carried out in isolation. This should be adopted as the normal approach to DDIN projects

C. The Risk of Actual or Alleged Inappropriate Behaviour by EFRS Staff.

It is important that staff dealing with vulnerable people maintain a professional approach to contact at all times. Some vulnerable individuals, such as those with learning disabilities or who have suffered sexual abuse, may not be able to judge

personal situations well. This can lead to compromising situations or inappropriate contact if EFRS personnel are unaware of this aspect of their vulnerability.

However cautious EFRS is on its recruitment and training, allegations or incidents of inappropriate behaviour are likely to occasionally happen and it is important that they are well managed. When this happens, advice should be sought from the Local Authority Designated Officer (LADO) as set out in the current EFRS safeguarding policies.

The Service needs to ensure that it clearly states and reinforces that engagement with the community is a professional service being provided by EFRS rather than being provided by staff on a personal level. Ensuring appropriate checks are carried out when staff join EFRS mitigates the risk of inappropriate behaviour. Management of safe recruitment and DBS policy should be maintained as a core responsibility of EFRS Human Resources Department. Pragmatic methods to reduce the risk of inappropriate contact, such as congratulating by shaking hands rather than embracing, chaperoning if a person is upset etc., should routinely be included in induction and refresher training.

The risk of inappropriate behaviour and allegations needs to be proactively managed although it is not high in the type of work carried out by EFRS.

Approaching community safety arrangements by supporting other agencies to deliver their purpose reduces the likelihood that EFRS staff will regularly work unsupervised with children, act inappropriately through ignorance or become eligible for DBS checks.

Human Resources Department should lead on 'safer staffing' policies to ensure appropriate checks of recruits and involve the Local Authority's Designated Officer (LADO) if allegations against staff are received.

D. Strategic and Organisational Risk

There is increasing public and political expectation that publicly funded agencies will ensure children and vulnerable adults are always well safeguarded when they come into contact with that organisation. The consequences are very evident even when an organisation's core business is not about safeguarding people from abuse and neglect e.g. BBC and Savile enquiry. Management of such organisational risks is achieved through governance structures, roles with a particular remit for safeguarding, partnership work and a general commitment to improving standards of safeguarding.

EFRS has managed strategic and organisational safeguarding risks effectively as it has expanded its role into working more with vulnerable people.

However, with its new strategy and the future context of reducing budgets, there is a need to agree a revised organisational approach to safeguarding which is proportional to its strategic direction and resources.

Essex Fire Authority Involvement in Safeguarding:

Fire Authority members should be better sighted on safeguarding issues with an opportunity to support and where appropriate challenge EFRS on its approach and impact. Elected members who sit on other authorities give EFRS an opportunity to influence partner organisations on their own responses to safeguarding issues identified in EFRS work. The Authority has received significant information on safeguarding through a very readable Community Development and Safeguarding Evaluation Report for 2013/14-2014/15. Child safeguarding is discussed in the report (pages 39-40) giving assurance that EFRS is aware and addressing individual cases. Adult safeguarding was not included. The report showed that the vast majority of cases (17 out of 18 in 2014/15) were within Essex County Council area.

That concise report should summarise safeguarding activity during the past year, indicating any trends or changing emphasis. Most importantly it should also highlight to members any ongoing challenges or risks for EFRS in managing safeguarding cases or achieving an appropriate response from partners to safeguarding referrals.

The Fire Authority should receive an annual concise report on safeguarding from abuse and neglect in EFRS.

One member of the Authority has a particular responsibility for community safety however during this review, interviewees were uncertain how that role is carried out and whether this includes a remit for safeguarding issues. A more structured approach to the Authority's awareness of safeguarding should be built into its work.

One member of the Fire Authority should have a specific remit to understand in more detail the safeguarding issues which EFRS engages with.

This member should not be party to information about individual cases. The role could be incorporated into other responsibilities regarding community safety.

Dedicated Safeguarding Roles in EFRS

Strategic Officer Involvement in Safeguarding:

EFRS has ensured that an Assistant Chief Officer has overall responsibility for safeguarding. In EFRS policies, this role is described as the 'Designated Person' for safeguarding. This is confusing. In the safeguarding community, Designated

Safeguarding Professionals (DSPs) are the source of advice and guidance on safeguarding for organisations. They monitor referrals, oversee and deliver training and ensure that policies and procedures are up to date, disseminated and applied.

This is not the role of the ACFO but sits with a Safeguarding Manager (see below discussion). The ACFO should be the 'strategic lead' for safeguarding – liaising with their peers in other agencies when necessary, ensuring that the EFRS approach is appropriately resourced and promoted and providing the route for issues to be raised by the Safeguarding Manager with chief officers and vice versa. The strategic lead responsibility may require some specific 'training' or e-learning, however much understanding can be achieved by meeting with Board Chairs and other strategic leaders and discussing issues with the Safeguarding Manager.

The strategic lead should meet with the EFRS Safeguarding Manager at least quarterly, to discuss safeguarding issues including trends in referrals and the evolving nature of partners' involvement. Notes of decision and actions from these meetings should be kept. In addition to these meetings, it is important that the Safeguarding Manager has ready access to the ACFO, so that individual safeguarding cases can be discussed, particularly when there is a need to escalate unresolved issues to higher levels in partner agencies.

The Safeguarding Manager and Community Development Team.

EFRS has recognised that a manager with a functional responsibility for safeguarding is an essential role. The initial role of the EFRS Safeguarding Manager has evolved into the current post described as 'Children, Young People and Safeguarding Manager' in a job description which includes wider community safety development responsibilities. The job description makes little reference to adult safeguarding. (Currently in EFRS safeguarding policies this post is referred to as 'Community Development and Safeguarding Manager' and therefore throughout this document, for ease of reference the term 'Safeguarding Manager' has been used). This manager is in effect the DSP for EFRS.

During this review, it was clear that the current Safeguarding Manager is very involved with the extension of Firebreak courses and other community safety arrangements. With the on-going targets for Firebreak and its franchising outside Essex, this appears to be a significant commitment which has coincided with the growth in safeguarding referrals.

Trained staff (e.g. Firebreak instructors) should be able to refer cases directly to Social Services without involving a manager. However, in practice referrals are rarely straightforward and funnelling them through the Safeguarding Manager allows for referrals to be monitored and quality assured. It also increases the likelihood that Social Services or other partners respond appropriately.

Although policies sometimes refer to the 'safeguarding team', there appears to be no such team in practice nor a clear deputy to the Safeguarding Manager who can advise on potential referrals. As a result the manager is 'on-call' to give advice on safeguarding at all times and is under significant pressure from the competing demands.

EFRS is at risk of being unable to effectively manage safeguarding referrals if the resilience issues for the Safeguarding Manager role are not addressed.

In the short term, EFRS can mitigate this risk by seconding a member of staff to work with the Safeguarding Manager and deputise for her on safeguarding issues. This should include giving advice on referrals to operational staff and delivering training etc. This person should be or become qualified at 'Level Two' safeguarding. The person may need some additional development, but this should initially involve 'on-the-job' induction and meeting with other partners rather than extensive training.

In the medium term, a number of other members of the community safety team should be expected to develop sufficient knowledge to be able to give advice on safeguarding referrals. As some of this team have operational firefighting or control room experience, they are likely to be able to liaise very effectively with operational staff. Some interviewees perceived safeguarding as a specialist function aside from normal operations rather than an aspect of everyday work. Involving staff with operational experience should help to embed a culture of safeguarding as 'business as usual' supported by a team of experts.

During interviews it was suggested that within the Community Safety team there should be 'champions' for different safeguarding topics, such as CSE or Domestic Abuse. The role of champions suggests the need for a significant commitment of time. Bearing in mind that in most cases EFRS' responsibility is to identify possible neglect and abuse and refer on, the use of 'champions' is likely to be disproportionate. However, members of community development teams should be encouraged to take an interest in a particular theme, such as domestic abuse or dementia, as a personal objective.

However the short term risk is managed, the Safeguarding Manager's job description should be reviewed to ensure that it fully represents both the adult and children's agenda and is clear about the expected commitment to other work in Community Safety.

Safeguarding and community development work is by definition a 'bottomless pit' where there is always more that can be done. It is important that staff working in these roles have regular performance appraisals to ensure that their own priorities compliment EFRS' strategic needs and any developmental initiatives are balanced with core responsibilities.

The EFRS appraisal system needs to be reinvigorated by leaders and managers within the Community Safety Department. This will help staff keep future safeguarding commitments proportionate to the needs of EFRS.

The EFRS Role in Safeguarding Boards

EFRS participation in safeguarding boards' work, whilst not a legal obligation, provides senior managers with an opportunity to influence partners' approaches to safeguarding and to develop their own understanding. It also provides a platform for developing good working relationships which may benefit EFRS' long term aims in community safety and other areas. Being a proactive committed board member also builds a positive image of EFRS.

However, membership brings with it expectations of contribution in time and resource. Attendance at strategic boards is a responsibility for strategic leaders. To delegate it sends a message about the importance EFRS places on safeguarding and reduces its impact on the board's work. It is, therefore, necessary to balance the benefits for EFRS of membership of each board against the 'costs' with the aim of achieving a proportionate commitment.

The 'landscape' of safeguarding boards in Greater Essex is complex with six boards - 3 adult (SABs) and 3 children (LSCBs). EFRS is a member of all six. These have developed some common approaches. For example, they (SET) have identical policies and procedures for children and for adults and use a common approach for self-assessment against safeguarding standards. However, they have overlapping but different priorities and separate Board meetings. Nationally, LSCBs have led the development of safeguarding partnership work and understandably, EFRS has been more influenced by children's safeguarding as it has evolved its own approaches.

It is relatively unusual for Fire and Rescue Services (FRS) to be members of LSCBs. Published LSCB Annual Reports for the Eastern region in 2015 show that EFRS is the only Service to be a member of its local LSCBs. However, FRS are members of over half of Eastern Region Adult Boards.

Not surprisingly with a small senior management team, EFRS involvement in the Boards is inconsistent. Some Boards rarely see an EFRS representative and others have varying levels of representation. Full Safeguarding Boards generally meet 4 or 5 times a year, with formal sub-group meetings addressing particular functions or topics. To be properly represented as full members across all six Boards in Greater Essex, a strategic member of EFRS would need to attend at least 25 half-day Board meetings per year, often with similar topics being discussed in the different meetings.

The vast majority of 'referrals' to social services from EFRS are adults rather than children (in 2015-16 174 adults compared with 21 children) and adult referrals have grown much quicker than those of children during the past three years (up six-fold whilst children's referrals have doubled). It has not been possible to analyse the geographical spread of these referrals in this review but the Community Development Evaluation Report showed a heavy slant towards Essex CC area for children referrals. When compared to the child/adult split in Hampshire, and against Greater Essex populations, this data appears to be a good proxy indicator of where EFRS staff most frequently encounter safeguarding risks.

With the above issues in mind, the following is suggested as a proportionate approach for involvement in safeguarding boards.

- **EFRS should prioritise involvement in at least one adult safeguarding board (SAB) with a chief officer routinely attending Board meetings.**
- The officer should represent the Service on strategic issues, making decisions as appropriate about EFRS involvement in the Board's work and supporting or challenging other agencies' commitment to safeguarding as appropriate.
- **Chief Officers should discuss with the Chairs of the other five Boards a flexible involvement with their work.**
- This could include EFRS receiving agendas and papers but not routinely attending meetings unless there is a specific issue to address. It might also involve some management commitment to a LSCB/SAB sub-group on a topic in which EFRS has particular expertise or operational involvement.
- **Where SABs and LSCBs have local groups which build networks and share safeguarding information, such as Essex Stay Safe groups, Community Safety staff should continue to participate.**

Self-assessment against Safeguarding Standards (including Section 11)

Section 11 of the Children Act 2004 places duties on a range of statutory partners to ensure that they conform to safeguarding standards and apply them to other organisations when they contract out services. LSCBs have a legal obligation to assess whether those standards are being met. Fire Services are not statutory partners for these purposes.

However, the standards are generally considered to be good practice for public bodies and have been used as the foundation for guiding all types of organisations about good practice. They have been used by CFOA to frame its current national guidance to fire services on safeguarding children. Within the child (and to some extent adult) safeguarding world, 'compliance with Section 11 standards' is used almost as accreditation that an organisation has good safeguarding governance and

seeks to improve its safeguarding practice. This statement is used by EFRS staff marketing Firebreak to other agencies.

LSCBs have adopted a model of asking partners to regularly carry out self-assessment against the standards, sharing their findings and action plans for improvement with partners. In Greater Essex, the three LSCBs together commission an electronic self-assessment tool which they have asked partners to complete and share annually. The Greater Essex SABs have adopted a similar approach using non-statutory standards developed to suit adult safeguarding.

This approach to self-assessment is very thorough but relatively intensive compared with other LSCBs and SABs which ask partners to self-assess every two or three years rather than annually. Currently the Essex LSCB and SAB are considering moving to this approach. However it is unclear whether Southend and Thurrock are likely to follow suit. While the Boards are coordinating their approach to the self-assessment tool, the Boards are less coordinated on reporting back to partners and discussing issues putting different expectations on EFRS. As members of all 6 Boards, EFRS is currently expected by their Boards to service these different requirements.

There is clearly a need for strategic leaders in EFRS and its Authority to be satisfied that appropriate standards of safeguarding are met and where necessary improved upon. The Section 11 approach provides an opportunity to formally do this. However, EFRS has the opportunity to negotiate with the Board and Chair how it does this. As a governance approach for self-assessment the following is suggested:

In negotiating membership or contribution to Greater Essex SABs and LSCBs, EFRS should set out how it intends to carry out self-assessment against standards, reassuring both its own Authority and Board partners of its competence and any direction for improvement.

It is proportionate for EFRS to self-assess against standards every two years and in alternate years carry out a check against the last full report to review any improvement plans. The self-assessment or annual review should be used to inform the concise annual report on safeguarding to the Fire Authority. The results of the self-assessment should be shared with partners through a Safeguarding Board.

Policies and Procedures

EFRS has separate policies for safeguarding children and safeguarding adults. Neither policy is up-to-date – the Adult’s policy makes no reference to the Care Act 2014 (the primary legislation for Safeguarding Adults) and the Children’s policy does not mention new safeguarding issues such as Child Sexual Exploitation (CSE) or

radicalisation. Having been written at different times and drawing on different sources, **the policies do not complement each other**, for example advice on physical contact differs in the way it is set out although the underlying principles appear to be similar. The lack of current information is not critical to operational staff as both policies start with similar overarching 'safeguarding protocols' and a fundamental procedure in a simple diagram which is a useful reference point for staff.

However, the lack of current information will become an increasing issue and the absence of an up-to-date policy suggests that EFRS is not 'on top' of safeguarding more generally. AS EFRS' role is generally not to take responsibility for cases of abuse and neglect in the long term, it does not need very detailed separate procedures on for children and adults. **Therefore, EFRS should take the opportunity to merge the policies into one combined policy.**

The EFRS policies for Safeguarding Children and Safeguarding Adults should be updated taking the opportunity to merge the policy into one concise document, a 'Safeguarding Children and Vulnerable Adults Policy'.

In developing policy, **EFRS could look to CFOA for guidance.** However, **the CFOA guidance on safeguarding is not up to date**, is couched in the general responsibilities of a Fire and Rescue Service (based on the Section 11 standards) and does not cover vulnerable adults. CFOA is aware that its own guidance needs updating and EFRS personnel have been involved in meetings on this issue.

3. EFRS Learning and Development in Safeguarding

In order to manage safeguarding risks effectively, operational personnel need to be aware of the 'signs and symptoms' of neglect and abuse in its various forms. They do not need high levels of expertise. They need to have confidence in referral processes so that the 'handover' of cases to other agencies is effective. Some staff, working with fire setters and hoarders, need an understanding of the constraints and opportunities which apply to other partners approaches.

A great deal of this knowledge and understanding can be achieved by giving staff an opportunity to reflect on others' experience both inside and outside EFRS. Rather than formal training courses this can be achieved through briefings, bulletins and discussions in the workplace. There are many ways to develop such approaches but the following would strengthen EFRS confidence in safeguarding:

- **A group of community safety and operational staff should regularly come together to discuss safeguarding cases, issues and topics for development in a relatively informal 'safeguarding forum' led by the Safeguarding Manager.**

Members should be expected to share any learning with colleagues in their own teams.

- At senior level, performance data about referrals and information on significant cases should be included in meetings and briefings for senior staff so that they can build a picture of the EFRS commitment to safeguarding.

The Community Safety Department should develop a more flexible approach to sharing safeguarding experience. This should gradually increase the awareness of all staff on the signs and symptoms of neglect and abuse and inform senior managers about safeguarding issues and challenges.

Action Plan for 2015/16 S11 Audit

Ref.	Description	Responsible Person	Comments	Status & Date Completed/Due
1. SENIOR LEVEL COMMITMENT TO SAFEGUARDING, AND ACCOUNTABILITY				
1.1	Evidence that safeguarding appears on appraisals for both Donna Finch & Dave Bill.	Acting/Chief Fire Officer (A/CFO) Personal Assistant (PA)/Assistant Chief Fire Officer (ACFO) PA	[26/09/16] Email received from A/CFO confirming that Safeguarding will appear on the appraisal of ACFO. ACFO confirms safeguarding will appear on the appraisal of Community Development & Safeguarding Manager (CD&SM).	Completed 26/09/2016
	Evidence that safeguarding appears on senior leadership team agenda.			
	Evidence of regular meetings with Essex fire authority regarding safeguarding.	ACFO PA	[20/09/16] Safeguarding added to October formal SLT agenda and will be reported upon on a regular basis.	Completed 26/09/2016
		ACFO PA	[20/09/16] Meetings booked on a regular basis with EFA members who champion safeguarding.	Completed 26/09/2016
1.2	Evidence of strategic and corporate plans that reference safeguarding children and is linked into relevant work streams – evidence needed	ACFO	No evidence found within strategic and corporate plans – urgent action to incorporate.	High 31/03/2017
1.3	Attendance at Safeguarding Boards regular and appropriately represented.	CD&SM	Training on going for new Safeguarding Officer and they are attending sub group meetings. Preparing a detailed list of sub group meetings attended by Community Builders is underway.	Medium 31/03/2017

1.4	The organisation adequately apportions resources to meet its responsibilities with regard to safeguarding	CD&SM/ ACFO/ Training	CD&SM to update ACFO on a regular basis with regards to workloads/resource needs. Safeguarding Budget allocation confirmed. Training Dept. needs to confirm allocation of budget specifically for safeguarding training.	Medium 31/03/2017
1.5	There are clear lines of accountability from staff through the organisation to named safeguarding person/s	Head of Human Resources (HoHR)/CD&SM	Service has a flow chart of accountability and this is displayed and available to all staff through the E learning on the intranet.	Completed 31/11/2016
		HoHR/CD&SM	Check all JDs to ensure that those roles are clearly defined in all job descriptions.	High 31/10/2016
		ACFO/HoHR	Requirement for an accountability framework which enables all staff to understand their role in safeguarding children (e.g. in job descriptions, through training)	High 31/10/2016
		DF/Head of Comms (HoC)	SET Child Protection Procedures are available on intranet for access by all staff. Media requested to action	Medium 31/03/2017
2. CORE SAFEGUARDING POLICIES AND PROCEDURES				
2.1	The organisation has a Child Protection policy and procedure in place. Reintroduce campaign safeguarding postcards ensuring this is done every 6 months. Ensure, review and update of policy in-line with local and national developments every 3 years.	CD&SM	Incorporate the Adults and Children S/G Policy into one policy to avoid confusion	Medium 31/03/2017
		CD&SM/HoC/ ACFO	Regular updates to all staff once every three months, reporting on any particular themes, CD&SM will work with HoC to produce something to be sent on behalf of ACFO.	Medium 31/03/2017

		CD&SM/HoC/ ACFO	Run a campaign every 6 months reminding all of responsibilities and lawful responsibilities. Suggested to run March and November of every year. The ideal opportunity will be when the web page is set up.	Medium 31/03/2017
2.2	E-safety policies and procedures are in place	Head of ICT	CD&SM has had discussions with Head of ICT - work underway	High 31/03/2017
2.3	There is a complaints policy and procedure in place.	HoC	Audits to confirm that policy has been updated within 12 months and promoted internally and externally. Evidence of evaluations and audits of the complaints process undertaken twice yearly.	High 31/03/2017
2.4	Whistle Blowing" procedures for staff to raise safeguarding concerns against colleagues or managers are clearly understood and correctly followed where required.	Service Solicitor/ACFO/ CD&SM /HoHR	Safeguarding whistle blowing policy now drawn up to be incorporated in new joint Safeguarding Policy	Medium 31/03/2017
		HR	Promote alternative methods such as 'speak out'. Ensure that whistleblowing policy is publicised and a poster is visible at all work places. To ensure that a copy of the policy is included in all induction packs. Addressed once safeguarding policy update is complete	High 31/03/2017
2.5	There is a procedure in place for managing child protection allegations made against staff.	CD&SM/ACFO /HoHR	Training requirement needed for HR and all managers on referrals. Consideration of this process should be included in the suspension policy, recommended to check previous suspensions to check protocol followed.	High 31/03/2017

3. SAFER RECRUITMENT				
3.1	The organisation has a safer recruitment policy in place. The policy has been reviewed within the agreed timescale.	CD&SM/HoHR	CD&SM qualified in safer recruitment but duties to comply sit with HR. Policy needs to be reviewed within the agreed timescales. Relevant staff who are involved in recruitment have a good understanding of the policy, how to access it and how to adhere to it. New Deputy Director of HR due to commence employment – CD&SM will need to establish regular meetings.	High 31/03/2017
3.2	Human Resources and Recruiting staff follow safe recruitment practices.	HoHR/CD&SM	Ensure Safer Recruitment Lead works with and meets with DF on a regular basis	High 31/03/2017
		HoHR	Ensure all policies are updated and guidance produced to all recruiting managers	High 31/03/2017
		HoHR	Ensure all recruitment training incorporates Safer Recruitment	High 31/03/2017
		HoHR	Ensure audits are carried out to determine compliance	High 31/03/2017
		HoHR	Evidence of quality assurance on recruitment processes	High 31/03/2017
		HoHR	Guidance to all staff on requirements for DBS against identified roles	High 31/03/2017
		HoHR	All above evidence to be submitted to Community Development & Safeguarding	High 31/03/2017

			Manager	
3.3	The organisation provides specific training on safe recruitment	HoHR/Training	Ensure training and refresher training available to all HR and recruiting managers within service.	High 31/03/2017
		Training	Evidence of training materials and audits of training attendees to be provided to Community Development & Safeguarding Manager.	High 31/03/2017
4. SERVICE DEVELOPMENT				
4.2	The organisation has an effective strategy in relation to Domestic Abuse and Violence	CD&SM	All lead instructors have been trained in the use of DASH.	Completed 30/11/2016
5. LEARNING, DEVELOPMENT AND STAFF SUPPORT				
5.1	Safeguarding is covered effectively within inductions for all staff.	Training/ CD&SM/HoHR /HR	Effective processes are in place with regards to level 1 safeguarding training, however safer recruitment procedures need to be instigated by HR as a matter of priority.	High 30/11/2016
5.2	There is effective supervision and support for staff engaged in safeguarding children work	ACFO/Head of Safer Communities	Location of Community Development & Safeguarding team within KP needs to be considered urgently. Due to the significant work load requiring sensitivity and the need to adhere to government policies surrounding data protection and information sharing a safe place of work needs to be implemented. This was noted by the ESCB Board Manager.	High 31/03/2017
5.3	Safeguarding learning and development opportunities are provided to all staff at a level appropriate to their role.	Training	The Safeguarding team, with the training department, have implement learning and development opportunities with regards to safeguarding that are available to all staff/volunteers/agency staff/ EFA members at a level appropriate to their role. Training records	Medium 31/03/2017

			are maintained and monitored and audited. Audits can be supplied on request to the Community Development & Safeguarding Manager. Safeguarding Level 1 training and refresher training is in place to comply with our statutory responsibility. An E learning package has been completed and can be accessed by all staff and is being audited by training, for completion by all staff by 31/03/2017	
6. EARLY HELP AND INTER-AGENCY WORKING				
7. INFORMATION-SHARING				
7.1	The organisation has a policy on information-sharing relating to safeguarding that is accessible to staff.	Finance Director and Treasurer (FD&T)	Policy on information sharing needs to be promoted and provided to all staff at induction.	High 31/03/2017
		FD&T	Training for all staff urgently required on information sharing and data protection legislation. Audit available when requested by The Community Development & Safeguarding Manager.	High 31/03/2017
		HoHR/FD&T	Evidence that staff are aware of their responsibilities within Confidentiality Policies.	High 31/03/2017
7.2	Staff are aware who they should go to should they require clarification on information-sharing.	Performance	Sharing information manager needs to provide consistent and effective communications and training provision for all staff. Audit of such activities to be provided to Community Development & Safeguarding Manager	High 31/03/2017

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