

# **ESSEX FIRE AUTHORITY**

## **Essex County Fire & Rescue Service**



### **Audit, Governance and Review Committee Agenda**

<b>10:00</b>	<b>Wednesday, 05 October 2016</b>	<b>Kelvedon HQ,</b>
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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 Sue MacPherson  
Councillor Maggie McEwen  
Councillor Valerie Metcalfe  
Councillor Colin Seagers  
Councillor Julian Ware-Lane  
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](mailto: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](http://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.

If you have a need for documents in an alternative format, in alternative languages or in easy read please contact the Committee Services Manager (contact details on the front page) before the meeting takes place. If you have specific access requirements please inform the Committee Services Manager before the meeting takes place.

The agenda is also available on the Essex County Fire and Rescue Service website, ([www.essex-fire.gov.uk](http://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**

- |          |  |               |
|----------|--|---------------|
| <b>1</b> | <b>Apologies for Absence</b>   |               |
| <b>2</b> | <b>Declarations of Interest</b><br>To note any declarations of interest to be made by Members in accordance with the Members' Code of Conduct. |               |
| <b>3</b> | <b>Minutes (part I)</b><br>To approve as a correct record the minutes of the last meeting of the Committee held on 13 July 2016.               | <b>7 - 14</b> |

### **Decision Items**

- |          |   |                |
|----------|---|----------------|
| <b>4</b> | <b>Auditor's Report on Accounts</b><br>To consider report EFA/112/16 by the Finance Director and Treasurer.                                   | <b>15 - 42</b> |
| <b>5</b> | <b>Audit Recommendation - Report on Progress Against Action Plans</b><br>To consider report EFA/115/16 by the Finance Director and Treasurer. | <b>43 - 50</b> |

### **Information Items**

- |          |  |                |
|----------|--|----------------|
| <b>6</b> | <b>Budget Review and Revised 2016-17 Budget</b><br>To note report EFA/114/16 by the Finance Director and Treasurer.                            | <b>51 - 58</b> |
| <b>7</b> | <b>Organisational Performance Report</b><br>To note report EFA/113/16 by the Director of Transformation.                                       | <b>59 - 64</b> |
| <b>8</b> | <b>Performance Indicators Report</b><br>To receive a presentation from the Director of Transformation and the Performance Improvement Manager. |                |

- |           |   |                |
|-----------|---|----------------|
| <b>9</b>  | <b>Programme 2020 - Progress Report</b><br>To note report EFA/116/16 by the Acting Chief Fire Officer and Acting Chief Executive.   | <b>65 - 68</b> |
| <b>10</b> | <b>Health and Safety Annual Report 2015-16</b><br>To note report EFA/117/16 by the Director of Prevention, Protection & Response.   | <b>69 - 84</b> |
| <b>11</b> | <b>Date of Next Meeting</b><br>To note that the next meeting of the Committee will take place on Wednesday 18 January 2017 at 10.00 am.   |                |
| <b>12</b> | <b>Urgent Business</b><br>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.

- |           |   |
|-----------|---|
| <b>13</b> | <b>Minutes (part II)</b> <ul style="list-style-type: none"> <li>• Information relating to the financial or business affairs of any particular person (including the authority holding that information);</li> </ul> |
|-----------|---|

**14 Value for Money Review - Expert Advisory Panel**

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

**15 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.



# ESSEX FIRE AUTHORITY

## Essex County Fire & Rescue Service



### MINUTES OF A MEETING OF THE ESSEX FIRE AUTHORITY AUDIT, GOVERNANCE AND REVIEW COMMITTEE HELD ON WEDNESDAY 13 JULY 2016 AT 10:05 AM

#### Present:

Councillor A Turrell	Vice-Chairman (Chairman of the meeting)
Councillor A Bayley	
Councillor I Henderson	
Councillor M Hoy	
Councillor N Hume	
Councillor V Metcalfe	
Councillor C Seagers	
Councillor J Ware-Lane	
Councillor J Whitehouse	(substitute)

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
Ben Pilkington	2020 Programme Manager
Shirley Jarlett	Clerk and Monitoring Officer to Essex Fire Authority
Daniel Harris	RSM UK (Internal Auditors)
Kevin Suter	Ernst & Young LLP (External Auditors)
Fiona Lancaster	Committee Officer

Apologies for absence were received from Councillors J Knapman (Chairman), J Deakin (substituted by Councillor J Whitehouse), P Honeywood, S MacPherson, M McEwen, A Wood and R Woodley, and also from Adam Eckley, Acting Chief Fire Officer and Acting Chief Executive, and Roy Carter, Service Solicitor and Deputy Clerk and Deputy Monitoring Officer to Essex Fire Authority.

#### 1. Minutes

Subject to the sentence of **Resolved** item 2 of minute 7 (Audit Reports – Key Financial Controls) being amended to read "... that Internal audit should check that changes in relation to pension contributions had been made appropriately...", the minutes of the meeting held on 20 April 2016 were agreed as a correct record and signed by the Chairman.

#### 2. Declarations of Interest

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

### 3. Organisational Performance Report

The Committee considered report EFA/089/16 by the Director of Transformation which provided an overview of the Authority's performance for the period June 2015 to May 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:

- Members expressed some concern regarding the accuracy and level of data presented in objectives 1b and 1c, and highlighted the need for consistency in terminology to enable comparisons to be made. It was **agreed** that the Director of Transformation would review and amend the data, providing a more detailed breakdown on the Number of RTCs attended, and circulate a revised report to the Committee.
- Evidence was beginning to show that the investment in smoke alarms is reducing the number of fires in homes.
- The Committee indicated that it would welcome a report from the Director of Prevention, Protection and Response on the new initiative in relation to kitchen fires at its October meeting.
- Members were reassured that after the recent organisational changes are made the Fire Authority had sufficient resources available to deal with incidents.
- Members noted the low score in relation to the number of staff appraisal forms received (objective 4), and acknowledged that the failure to agree a competency framework with the Unions had affected this outcome, with the majority of firefighters not completing the task. The Director of Transformation reported that a working group was now reviewing the competency framework in line with nationally agreed policies, and that they hoped to resolve the dispute and have an agreed framework in place by January 2017.
- The Committee noted that the Fire Authority was not currently aware of a particular make of car catching fire or being involved with criminal activity. Any such incidents involved joint working and investigation by Essex Police.

#### **Resolved:**

1. That the Report circulated with the agenda be noted.
2. That the Director of Transformation review, amend, and circulate a revised Report to the Committee.
3. That the Director of Prevention, Protection and Response provide a report to the Committee in October on the new initiative in relation to kitchen fires.



#### **4. Budget Review – May 2016**

The Committee considered report EFA/090/16 by the Finance Director and Treasurer which reported on expenditure against budget as at 31 May 2016 and identified major variances to the budget for the period.

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

- The Committee noted that the overall employment costs were marginally under budget as a result of a drop in headcount numbers.
- Support costs were overspent for the two months to 31 May, with the main area of overspend relating to training, which was being addressed with the budget holder.
- The underspend in relation to premises and equipment reflected a slow start to the year. Some projects had been delayed until the completion of the 2020 Programme in June.
- The spend for whole time fire-fighters was 1% below budget as there had been a high number of leavers in March and April.
- On-Call firefighter numbers were below budget, with work underway to recruit new applicants.

#### **Resolved:**

1. That the review of income and expenditure against the budget be noted.
2. That the actual position with capital expenditure to 31 May 2016 be noted.
3. That future reports would include additional information relating to On-Call firefighter recruitment headcount and movement on leavers, and on Full Time Equivalents.

#### **5. Audit Recommendation – Report on Progress Against Action Plans**

The Committee considered report EFA/091/16 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 reported that the outstanding issues relating to Communications had now been completed, and that no further adjustments had been made to the timeline. In relation to the issue of IT backup restore testing, the Members were reassured that this would be completed by the time of the next report to the Committee.

**Resolved:**

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

**6. Audit Reports**

The Committee considered report EFA/092/16 by the Finance Director and Treasurer which presented for review the following internal and external audit reports:

- Governance
- Data Retention
- Follow Up report
- VAT Follow up
- Annual Report

Daniel Harris, RSM UK, introduced the key findings and the Committee expressed some concern in relation to the areas of Data Protection and the use of Fuel cards.

Governance:

Members noted the report.

Data Retention:

Members noted the high priority action required in relation to the high number of out-of-date leavers' records, and the number of personnel records being held in excess of six years.

Follow Up report:

Members noted the report.

VAT Follow up:

Members noted the report.

Annual Report:

Members noted the report.

The Finance Director and Treasurer reassured the Committee that any actions which had been identified for ongoing work during the meeting would be put back onto the tracker until they had been fully completed. The Committee indicated that it continued to seek progress on the areas of Data Retention and Risk Assurance.

**Resolved:**

1. That the Audit Reports be noted.

2. That the Finance Director and Treasurer provide a report to the Committee with details on Fuel card use, the volume of Fuel cards issued, and on the procedures in place to ensure compliance with the policy.

## **7. Annual Audit Fee 2016/17**

The Committee received a copy of the Annual Audit Fee letter from the External Auditors (Kevin Suter, Executive Director, Ernst & Young LLP) which confirmed the audit work proposed to be undertaken for the 2016/17 financial year at Essex Fire Authority.

Members noted that for the 2016/17 financial year, Public Sector Audit Appointments Ltd (PSAA) had set the scale fee. They also noted that as the audit for 2015/16 was not yet completed by Ernst & Young LLP, the audit planning process for 2016/17 would continue as the year progressed.

## **8. Internal Audit Strategy (Plan) 2016-17**

The Committee considered report EFA/061/16 by RSM UK on progress against developing the internal audit plan to ensure it meets the requirements of Programme 2020 and can be adapted when required.

In presenting the report, Daniel Harris of RSM UK highlighted the proposed scope for the 2016/17 year and the approximate number of audit days required to complete the work. Members were reassured that they would be alerted if more days were required as a result of any significant issues arising during audit testing.

Members considered the suggestion to include the potential collaboration of the Fire Authority with Essex Police into the Governance audit, and the impact of the EU Referendum outcome on Fire Authority funding from national government. The Committee **agreed** that the financial implications would need to be reviewed at an earlier stage.

### **Resolved:**

1. That the Internal Audit Plan 2016/17 be approved.
2. That the Budgetary Control and Financial Planning audit would be brought forward and considered in 2017/18.
3. That the Procurement audit would be considered in 2016/17 and include a review of where Essex Fire Authority was nationally benchmarked in this area.

## **9. Cyber Security**

The Committee considered report EFA/095/16 by the Finance Director and Treasurer which provided details on the arrangements in place within the Authority for the management of cyber security and information security.

The Finance Director and Treasurer commented that this new area of report to the Committee was as a result of an increase in more sophisticated attacks on the Authority's controls. The Authority had used government guidance to provide an assessment of its position and to understand the latest risks. The Authority's assessment had indicated that reasonable awareness and protection was in place, although more work was underway in relation to malware protection to assess its vulnerability and educate users.

Members acknowledged that the Authority had insufficient capacity to embark upon an ISO implementation at this time due to the high number of other key projects and organisational change activities currently underway.

**Resolved:**

That a report on the management of cyber security and information security be provided annually, and that any issues of significance be reported to the Committee at the time of occurrence.

**10. Treasury Management Strategy – 2015-16 Outturn report**

The Committee considered report EFA/096/16 by the Finance Director and Treasurer which provided a review of the Authority's performance in 2015/16 against a set of treasury management and capital financing indicators approved by the Authority in February 2015.

The Finance Director and Treasurer confirmed that the Authority had not needed to borrow in 2015/16 for capital expenditure plans. He also reported that at the end of March 2016, the estimates indicated that the capital financing requirement was better than planned.

Members noted that there was no financial advantage in the early repayment of loans, and that there were some loans ending in 2016 which would be repaid and not replaced.

**Resolved:**

1. That the treasury management outturn position for 2015/16 be noted.
2. That the performance against the capital financing indicators for 2015/16 be noted.

**11. Programme 2020 – Progress Report**

The Committee received report EFA/097/16 by the Acting Chief Fire Officer and Acting Chief Executive (presented by Ben Pilkington, 2020 Programme Manager) which provided an update on the work of Programme 2020 and a forward view of planned work.

Members were reminded that following public consultation, the Fire Authority had approved Service Strategy Option 2 at its Annual General Meeting on 8 June 2016. A delivery plan was now being developed ready for submission to the full Fire Authority in September.

The Committee noted that the political Group Spokespersons (Lead Members) were attending the Programme 2020 Board meetings and workshops to stay updated on progress.

The report was noted.

## **12. Date of Next Meeting**

Members noted that the next meeting of the Committee would take place on Wednesday 5 October 2016 at 10.00 am.

## **13. 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.

## **14. Value for Money Review**

The Committee considered EFA/098/16 which provided information on a value for money review and ongoing activities.

### **Resolved:**

That the report on the value for money review be noted.

(Please note that a fuller record is set out in the confidential minutes of the meeting).

The meeting closed at 12:15.

Signed.....

Chairman  
5 October 2016



# ESSEX FIRE AUTHORITY

## Essex County Fire & Rescue Service



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MEETING

**Audit, Governance & Review  
Committee**

AGENDA ITEM

**4**

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MEETING DATE

5 October 2016

REPORT NUMBER

**EFA/112/16**

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SUBJECT

**Auditor's Report on Accounts**

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REPORT BY

The Finance Director and Treasurer, Mike Clayton

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PRESENTED BY

The Finance Director and Treasurer, Mike Clayton

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### SUMMARY

To consider the attached report prepared by Ernst and Young LLP which summarises the findings from the 2015/16 Audit.





# Essex Fire Authority

Audit Results Report - ISA (UK and Ireland) 260  
for the year ended 31 March 2016

9 September 2016

Ernst & Young LLP



Building a better  
working world

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## Contents

<b>1. Executive summary .....</b>	<b>0</b>
<b>2. Responsibilities and purpose of our work.....</b>	<b>2</b>
<b>3. Financial statements audit .....</b>	<b>3</b>
<b>4. Value for money .....</b>	<b>6</b>
<b>Appendix A – Outstanding matters .....</b>	<b>9</b>
<b>Appendix B – Independence.....</b>	<b>10</b>
<b>Appendix C – Auditor fees .....</b>	<b>11</b>
<b>Appendix D – Draft audit report.....</b>	<b>12</b>
<b>Appendix E – Management representation letter.....</b>	<b>15</b>
<b>Appendix F – Required communications with the audit committee .....</b>	<b>19</b>

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](http://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 Audit Results Report is prepared in the context of the Statement of responsibilities. This report is intended solely for the use of the Members of the audited body. 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.

# 1. Executive summary

The National Audit Office's Code of Audit Practice (the Code) requires us to report to those charged with governance – the Policy and Strategy Committee – on the work we have carried out to discharge our statutory audit responsibilities together with any governance issues identified.

This report summarises the findings from the 2015/16 audit which is substantially complete. It includes messages arising from our audit of your financial statements and the results of the work we have undertaken to assess your arrangements to secure economy, efficiency and effectiveness in your use of resources.

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

Status of the audit	<p>We have substantially completed our audit of the financial statements of Essex Fire Authority for the year ended 2015/16. Subject to satisfactory completion of the outstanding items included in Appendix A we will issue an audit opinion in the form which appears in Appendix D.</p> <p>We have performed the procedures outlined in our Audit Plan and anticipate issuing an unqualified opinion on the Authority's financial statements.</p> <p>We expect to conclude that you have put in place proper arrangements to secure value for money in your use of resources.</p> <p>The Authority is below the materiality threshold set by the National Audit Office (NAO) for the Whole of Government Accounts return. We therefore do not have to complete any procedures related to this, other than confirming that the Authority is below the threshold.</p> <p>We expect to issue the audit certificate at the same time as the audit opinion.</p>
Audit differences	<p>We have not identified any audit differences within the draft financial statements, which management have chosen not to adjust.</p> <p>Our audit identified some minor disclosure differences which our team have highlighted to management for amendment. These have been corrected during the course of our work. These adjustments have not had an impact on useable reserves.</p>
Scope and materiality	<p>In our Audit Plan presented at the meeting of the Audit, Governance and Review Committee on 20 April 2016, we communicated that our audit procedures would be performed using a materiality of £2.223 million. We have reassessed this based on the actual results for the financial year and have reduced this amount to £1.958 million.</p> <p>The threshold for reporting uncorrected audit differences which impact the financial statements has also reduced from £0.111 million to £0.098 million.</p> <p>The basis of our assessment is 2% of gross operating expenditure. Our materiality has been reduced as a result of expenditure reducing in 2015/16 compared to 2014/15.</p> <p>We also identified the following areas where misstatement at a level lower than our overall materiality level might influence the reader. For these areas we developed an audit strategy specific to these areas, the areas identified and audit strategy applied include:</p> <ul style="list-style-type: none"> <li>• <i>Remuneration disclosures including any severance payments, exit packages and termination benefits:</i> Our audit strategy was to check</li> </ul>

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the bandings reported in Notes 25 and 31 of the financial statements, test the completeness of the disclosure and compliance with the Code requirements. We sample checked transactions back to the payroll system and supporting documentation. We have completed our work and did not identify any issues.

- *Related party transactions:* Our audit strategy was to obtain and review declarations from senior officers and members of the Authority and review for any material disclosures. We also confirmed that the disclosure in Note 27 complied with the Code requirements. We undertook a sample check of contracts included on the Authority's contracts register against Companies House records to identify whether any key decision makers within the Authority had an interest in the companies with which the Authority had contracts. We have completed our work and did not identify any issues.
- *Members Allowances:* Our audit strategy was to test the completeness of the disclosures within Note 24 and make sure that the disclosure was compliant with the Code by sample checking transactions back to the payroll system and other relevant supporting documentation. We have completed our work and did not identify any issues.

We carried out our work in accordance with our Audit Plan.

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#### Significant audit risks

We identified the following audit risks during the planning phase of our audit, and reported these to you in our audit plan:

- risk of management override;
- risk of fraud in revenue recognition; and
- Milne v Government Actuaries Department (GAD).

We have not yet completed our audit procedures to address these risks, but have no issues to report on the work completed to date. We will report any findings arising from the completion of this work to the Policy and Strategy Committee on 21 September 2016.

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#### Other reporting issues

We have no other matters we wish to report.

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#### Control observations

We have adopted a fully substantive approach and have therefore not tested the operation of controls.

We have not identified any significant deficiencies in the design or operation of an internal control that might result in a material misstatement in your financial statements of which you are not aware.

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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

## 2. Responsibilities and purpose of our work

### The Authority's responsibilities

The Authority is responsible for preparing and publishing its Statement of Accounts, accompanied by the Annual Governance Statement (AGS). In the AGS, the Authority reports publicly on the extent to which it complies with its own code of governance, including how it has monitored and evaluated the effectiveness of its governance arrangements in the year, and on any planned changes 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.

### Purpose of our work

Our audit was designed to:

- Express an opinion on the 2015/16 financial statements and the consistency of other information published with them;
- Report on an exception basis on the Annual Governance Statement;
- Consider and report any matters that prevent us being satisfied that the Authority had put in place proper arrangements for securing economy, efficiency and effectiveness in the use of resources (the value for money conclusion); and
- Discharge our statutory duties and responsibilities as established by the Local Audit and Accountability Act 2014 and Code of Audit Practice.

In addition, this report contains our findings related to the areas of audit emphasis and any views on significant deficiencies in internal control or the Authority's accounting policies and key judgments.

Alongside our work on the financial statements, we also review and report to the National Audit Office on your Whole of Government Accounts return. The extent of our review and the nature of our report are specified by the National Audit Office.

### 3. Financial statements audit

#### Addressing audit risks

We identified the following audit risks during the planning phase of our audit, and reported these to you in our Audit Plan. Here, we set out how we have gained audit assurance over those issues.

A significant audit risk in the context of the audit of the financial statements is an inherent risk with both a higher likelihood of occurrence and a higher magnitude of effect should it occur and which requires special audit consideration. For significant risks, we obtain an understanding of the entity's controls relevant to each risk and assess the design and implementation of the relevant controls.

Significant Risks (including fraud risks)	Audit procedures performed	Assurance gained and issues arising
<p><b>Risk of management override</b></p> <p>As identified in ISA (UK and Ireland) 240, 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. We identify and respond to this fraud risk on every audit engagement.</p>	<p>Our audit approach focussed on:</p> <ul style="list-style-type: none"> <li>▶ Testing the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements.</li> <li>▶ Reviewing accounting estimates for evidence of management bias.</li> <li>▶ Evaluating the business rationale for significant unusual transactions.</li> </ul>	<p>We have carried out sample testing on journals and this work has not identified any issues or matters for reporting.</p> <p>Our work on accounting estimates and unusual transactions has not identified any management bias or matters for reporting.</p> <p>We did not identify any matters that we need to bring to your attention</p>
<p><b>Risk of fraud in revenue recognition</b></p> <p>Under ISA (UK and Ireland) 240 there is a presumed risk that revenue may be misstated due to improper recognition of revenue.</p> <p>In the public sector, this requirement is modified by Practice Note 10, issued by the Financial Reporting Council, which states that auditors should also consider the risk that material misstatements may occur by the manipulation of expenditure recognition.</p> <p>For fire authorities, the potential for the incorrect classification of revenue spend as capital is a particular area where there is a risk of fraud in revenue recognition.</p>	<p>During the course of our audit we have:</p> <ul style="list-style-type: none"> <li>▶ Reviewed and tested the Authority's revenue and expenditure recognition policies.</li> <li>▶ Reviewed and tested revenue cut-off at the period end date.</li> <li>▶ Tested capital expenditure on property, plant and equipment to ensure it meets the definition of capital expenditure as set out in the Code of Practice on Local Authority Accounting in the United Kingdom (the Accounting Code).</li> </ul>	<p>We have carried out sample testing on income streams and this work has not identified any issues or matters for reporting.</p> <p>Our work on expenditure streams is currently being completed. This work will include agreeing the amounts to supporting documentation for reasonableness and business purpose.</p> <p>We will provide an update and any findings at the Policy and Strategy Committee meeting.</p> <p>Our sample testing of income and expenditure transactions at the period end date found that transactions had been recorded in the correct period.</p> <p>Our sample testing of capital additions found that expenditure on property, plant and equipment met the relevant accounting requirements to be capitalised.</p>

**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.

Our audit approach focussed on:

- ▶ Testing a sample of payments made to affected individuals during 2015-16; and
- ▶ Reviewing 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 the payments is currently being completed. This work will include sample testing the payments to supporting documentation and recalculating the amount paid.

We will provide an update and any findings at the Policy and Strategy Committee meeting.

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.

## Other matters

As required by ISA (UK&I) 260 and other ISAs specifying communication requirements, we are required to communicate to you significant findings from the audit and other matters that are significant to you oversight of the Authority's financial reporting process, including the following:

- Qualitative aspects of your accounting practices; estimates and disclosures;
- Matters specifically required by other auditing standards to be communicated to those charged with governance. For example, issues about fraud, compliance with laws and regulations, external confirmations and related party transactions;
- Any significant difficulties encountered during the audit; and
- Other audit matters of governance interest

We have no matters we wish to report at this stage of our audit.

## Control themes and observations

It is the responsibility of the Authority to develop and implement systems of internal financial control and to put in place proper arrangements to monitor their adequacy and effectiveness in practice. Our responsibility as your auditor is to consider whether the Authority has put adequate arrangements in place to satisfy itself that the systems of internal financial control are both adequate and effective in practice.

We have adopted a fully substantive approach and have therefore not tested the operation of controls.



We have not identified any significant deficiencies in the design or operation of an internal control that might result in a material misstatement in your financial statements of which you are not aware.

We have reviewed the Annual Governance Statement and can confirm that it not misleading or inconsistent with other information forthcoming from the audit or our knowledge of the Authority.

## **Request for written representations**

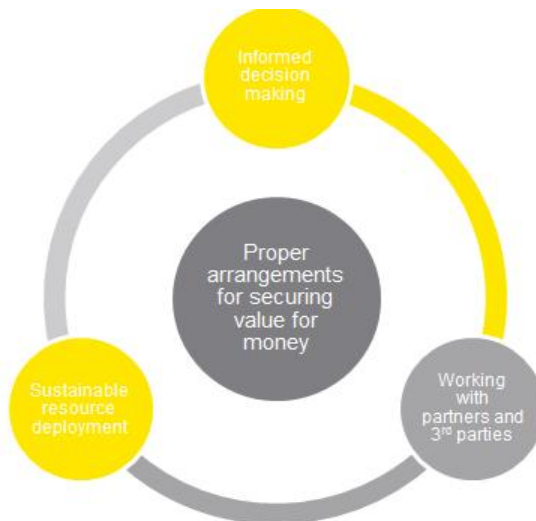
We have requested a management representation letter to gain management's confirmation in relation to a number of matters, as outlined in Appendix E.

## **Whole of Government Accounts**

Alongside our work on the financial statements, we also review and report to the National Audit Office on your Whole of Government Accounts return. The extent of our review and the nature of our report are specified by the National Audit Office.

The Authority is below the materiality threshold set by the National Audit Office (NAO) for the Whole of Government Accounts return. We therefore do not have to complete any procedures related to this, other than confirming that the Authority is below the threshold.

## 4. 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.

## Overall conclusion

We identified two significant risks in relation to these criteria, and performed the procedures outlined in our Audit Plan. Our overall findings are set out in the table below.

### Sustainable resource deployment: Achievement of savings needed over the medium term

#### Identified risk

The Authority faces significant financial challenges and has identified that they will face a £8 million reduction in revenue support grant over the spending review period to 2019-20.

Given the scale of the savings needed, there is a risk that savings plans to bridge this gap are not robust and/or achievable.

The Authority has recognised this challenge as part of its options for change, through Programme 2020.

We have considered:

- ▶ The robustness of any assumptions used in the 2016-17 annual budget.
- ▶ The Authority's progress in identifying sources of savings and efficiencies to meet the pressures of future reductions in funding.
- ▶ The adequacy of future levels of reserves.
- ▶ The Authority's arrangements for longer term financial planning, taking into account any relevant information from progress of Programme 2020.
- ▶ The options being considered and the decisions taken, which support the Service as it seeks to deliver significant organisational change and transformation.

The key findings and factors considered included:

#### Programme 2020

Essex Fire Authority commenced Programme 2020 in February 2016 and generated a range of options, of which three were approved for wider consultation.

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.

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.

The decision, and implementation, gives us assurance that the arrangements put in place before the 31 March 2016 were adequate.

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.

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**

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.

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.

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.

### **Conclusion:**

We have concluded that the Authority's arrangements are adequate.

## **Informed decision-making: Progress on the delivery of the work programme required to improve the culture within ECFRS**

### **Identified risk**

The report of the Independent Cultural Review of Essex County Fire and Rescue Service, received by the Authority on 2nd September 2015, made 35 recommendations to improve the culture in the organisation.

A number of other resolutions were also agreed by the Authority.

Failure to effectively address the issues identified within the Independent Review of Culture present significant risks to the Service and the Authority, not least, as the report suggests, that without significant change employees and communities may be at risk.

We have considered the:

- ▶ Authority's progress on the implementation of the recommendations and resolutions required to improve the culture within ECFRS.
- ▶ Monitoring arrangements and reporting progress to members of the Strategic Management Board and Members of Essex Fire Authority.
- ▶ The integration of the Authority's response with Programme 2020.

The key findings and factors considered included the following.

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.

Essex Fire Authority invited Sir Ken Knight to undertake this work, which was conducted at the end of July. The report concluded the following:

*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.*

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*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.*

While Sir Ken Knight's review was undertaken after the 31 March 2016, this gives us assurance over the arrangements that the Authority put in place. We have also seen evidence that progress is being made to implement the recommendations from the culture review and integrate these with Programme 2020

**Conclusion:**

We have concluded that the Authority's arrangements are adequate.

---

We therefore expect to conclude that you have put in place proper arrangements to secure value for money in your use of resources.

## **Other matters to bring to your attention**

We have no other matters to bring to your attention.

## Appendix A – Outstanding matters

The following items relating to the completion of our audit procedures are outstanding at the date of the release of this report

Item	Actions to resolve	Responsibility
Other outstanding work	Management and EY to work together to complete any outstanding work on: <ul style="list-style-type: none"> <li>• expenditure account testing</li> <li>• payments testing on Milne v Gad transactions</li> <li>• final Director and Manager review of the audit work</li> <li>• review of the final version of the financial statements</li> </ul>	EY and management
Annual accounts	<ul style="list-style-type: none"> <li>• Correction of any misstatements identified by EY.</li> <li>• Approval of accounts by the Policy and Strategy Committee.</li> <li>• Accounts re-certified by RFO.</li> </ul>	EY, management and Policy and Strategy Committee
Subsequent events review	Completion of the subsequent events procedures to the date of signing the audit report	EY and management
Management representation letter	Receipt of signed letter of representation	Management and Policy and Strategy Committee

## Appendix B – Independence

We confirm there are no changes in our assessment of independence since our confirmation in our Audit Plan dated 31 March 2016.

We complied with the Auditing Practices Board's Ethical Standards for Auditors and the requirements of the Public Sector Audit Appointments Ltd (PSAA)'s Terms of Appointment. 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 of regulatory and professional requirements.

We confirm that we are not aware of any relationships that may affect the independence and objectivity of the firm that we are required by auditing and ethical standards to report to you.

We consider that our independence in this context is a matter that should be reviewed by both you and ourselves. It is therefore important that you consider the facts of which you are aware and come to a view. If you wish to discuss any matters concerning our independence, we will be pleased to do so at the forthcoming meeting of the Policy and Strategy Committee on 21 September 2016.

We confirm that we have met the reporting requirements to the Policy and Strategy Committee, as 'those charged with governance' under International Standards on Auditing (UK and Ireland) 260 – Communication with those charged with governance. Our communication plan to meet these requirements was set out in our Audit Plan of 31 March 2016.

## Appendix C – Auditor fees

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

Description	Proposed final Fee 2015/16 £	Scale Fee 2015/16 £	Variation comments
Total Audit Fee – Code work	35,625	35,625	

Our actual fee in in line with the scale fee set by the PSAA at this point in time, subject to satisfactory clearance of the outstanding work.

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

## Appendix D – Draft audit report

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ESSEX FIRE AUTHORITY

#### Opinion on the Authority financial statements

We have audited the financial statements of Essex Fire Authority for the year ended 31 March 2016 under the Local Audit and Accountability Act 2014. The financial statements comprise the:

- Movement in Reserves Statement;
- Comprehensive Income and Expenditure Statement;
- Balance Sheet;
- Cash Flow Statement;
- related notes 1 to 39; and

include the firefighters' pension fund financial statements comprising the:

- Fund Account;
- Net Assets Statement;
- related notes 1 to 2.

The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2015/16.

This report is made solely to the members of Essex Fire Authority, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 and for no other purpose, as set out in paragraph 43 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Authority and the Authority's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### Respective responsibilities of the Finance Director and Treasurer and auditor

As explained more fully in the Statement of Responsibilities for the statement of accounts set out on page 10, the Finance Director and Treasurer is responsible for the preparation of the Authority's financial statements in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom, and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Authority's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Finance Director and Treasurer; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Essex Fire Authority 2015/16 Accounts to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired



by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the financial position of Essex Fire Authority as at 31 March 2016 and of its expenditure and income for the year then ended; and
- have been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2015/16.

### **Opinion on other matters**

In our opinion, the information given in Essex Fire Authority 2015/16 Accounts for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which we report by exception**

We report to you if:

- in our opinion the annual governance statement is misleading or inconsistent with other information forthcoming from the audit or our knowledge of the Authority;
- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014;
- we make written recommendations to the audited body under Section 24 of the Local Audit and Accountability Act 2014;
- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014;
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014; or
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014.

We have nothing to report in these respects

### **Conclusion on Essex Fire Authority's arrangements for securing economy, efficiency and effectiveness in the use of resources**

#### ***Authority's responsibilities***

The Authority is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

#### ***Auditor's responsibilities***

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to satisfy ourselves that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The Code of Audit Practice issued by the National Audit Office (NAO) requires us to report to you our conclusion relating to proper arrangements.

We report if significant matters have come to our attention which prevent us from concluding that the Authority has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

***Scope of the review of arrangements for securing economy, efficiency and effectiveness in the use of resources***

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance on the specified criterion issued by the Comptroller and Auditor General (C&AG) in November 2015, as to whether Essex Fire Authority had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people. The Comptroller and Auditor General determined this criterion as that necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether Essex Fire Authority put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2016.

We planned our work in accordance with the Code of Audit Practice. Based on our risk assessment, we undertook such work as we considered necessary to form a view on whether, in all significant respects, Essex Fire Authority had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

***Conclusion***

On the basis of our work, having regard to the guidance issued by the C&AG in November 2015, we are satisfied that, in all significant respects, Essex Fire Authority put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2016.

***Certificate***

We certify that we have completed the audit of the accounts of Essex Fire Authority in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice issued by the National Audit Office.

**Kevin Suter, (senior statutory auditor)**

for and on behalf of Ernst & Young LLP, Appointed Auditor

Luton

September 2016

## Appendix E – Management representation letter

[To be prepared on the entity's letterhead]

[Date]

Kevin Suter  
Ernst & Young  
400 Capability Green  
Luton  
Bedfordshire  
LU1 3LU

Dear Kevin,

### **Essex Fire Authority Letter of Representations**

This letter of representations is provided in connection with your audit of the financial statements of Essex Fire Authority ("the Authority") for the year ended 31 March 2016. We recognise that obtaining representations from us concerning the information contained in this letter is a significant procedure in enabling you to form an opinion as to whether the financial statements true and fair view of the Authority financial position of Essex Fire Authority as of 31 March 2016 and of its income and expenditure for the year then ended in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2015/16.

We understand that the purpose of your audit of our financial statements is to express an opinion thereon and that your audit was conducted in accordance with International Standards on Auditing (UK and Ireland), which involves an examination of the accounting system, internal control and related data to the extent you considered necessary in the circumstances, and is not designed to identify - nor necessarily be expected to disclose - all fraud, shortages, errors and other irregularities, should any exist.

Accordingly, we make the following representations, which are true to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

#### **A. Financial Statements and Financial Records**

1. We have fulfilled our responsibilities, under the relevant statutory authorities, for the preparation of the financial statements in accordance with the Accounts and Audit Regulations 2015 and CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2015/16.
2. We acknowledge, as members of management of the Authority, our responsibility for the fair presentation of the financial statements. We believe the financial statements referred to above give a true and fair view of the financial position, financial performance (or results of operations) and cash flows of the Authority in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2015/16. We have approved the financial statements.
3. The significant accounting policies adopted in the preparation of the financial statements are appropriately described in the financial statements.
4. As members of management of the Authority, we believe that the Authority has a system of internal controls adequate to enable the preparation of accurate financial statements in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2015/16, that are free from material misstatement, whether due to fraud or error.

5. There are no unadjusted audit differences identified during the current audit and pertaining to the latest period presented.

## **B. Fraud**

1. We acknowledge that we are responsible for the design, implementation and maintenance of internal controls to prevent and detect fraud.
2. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
3. We have no knowledge of any fraud or suspected fraud involving management or other employees who have a significant role in the Authority's internal controls over financial reporting. In addition, we have no knowledge of any fraud or suspected fraud involving other employees in which the fraud could have a material effect on the Authority's financial statements. We have no knowledge of any allegations of financial improprieties, including fraud or suspected fraud, (regardless of the source or form and including without limitation, any allegations by "whistleblowers") which could result in a misstatement of the Authority's financial statements or otherwise affect the financial reporting of the Authority.

## **C. Compliance with Laws and Regulations**

1. We have disclosed to you all identified or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.

## **D. Information Provided and Completeness of Information and Transactions**

1. We have provided you with:
  - Access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
  - Additional information that you have requested from us for the purpose of the audit; and
  - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
2. All material transactions have been recorded in the accounting records and are reflected in the financial statements.
3. We have made available to you minutes of the meetings of the Authority and all committees, including the Audit, Governance and Review Committee, or summaries of actions of recent meetings for which minutes have not yet been prepared held through the to the most recent meeting on the following date: xxx
4. We confirm the completeness of information provided regarding the identification of related parties. We have disclosed to you the identity of the Authority's related parties and all related party relationships and transactions of which we are aware, including sales, purchases, loans, transfers of assets, liabilities and services, leasing arrangements, guarantees, non-monetary transactions and transactions for no consideration for the period ended, as well as related balances due to or from such parties at the period end. These transactions have been appropriately accounted for and disclosed in the financial statements.
5. We believe that the significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.

6. We have disclosed to you, and the Authority has complied with, all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.

#### **E. Liabilities and Contingencies**

1. All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the financial statements.
2. We have informed you of all outstanding and possible litigation and claims, whether or not they have been discussed with legal counsel.
3. We have recorded and/or disclosed, as appropriate, all liabilities related litigation and claims, both actual and contingent. There are no guarantees that we have given to third parties.

#### **F. Subsequent Events**

1. Other than the results of the EU referendum described in Note 5 to the financial statements, there have been no events subsequent to period end which require adjustment of or disclosure in the financial statements or notes thereto.

#### **G. Use of the Work of a Specialist**

1. We agree with the findings of the specialists that we engaged to evaluate the Property, Plant and Equipment and Pension Liabilities and have adequately considered the qualifications of the specialists in determining the amounts and disclosures included in the financial statements and the underlying accounting records. We did not give or cause any instructions to be given to the specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an effect on the independence or objectivity of the specialists.

#### **H. Estimates for Property, Plant and Equipment and Pension Liabilities**

1. We believe that the measurement processes, including related assumptions and models, used to determine the accounting estimates have been consistently applied and are appropriate in the context of the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2015/16.
2. We confirm that the significant assumptions used in making the estimates for property, plant and equipment and pension liabilities appropriately reflect our intent and ability to make judgments, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for the revenue and expenses during the year on behalf of the entity.
3. We confirm that the disclosures made in the financial statements with respect to the accounting estimates are complete and made in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2015/16.
4. We confirm that no adjustments are required to the accounting estimate(s) and disclosures in the financial statements due to subsequent events.

#### **I. Retirement Benefits**

1. On the basis of the process established by us and having made appropriate enquiries, we are satisfied that the actuarial assumptions underlying the scheme liabilities are consistent with our

knowledge of the business. All significant retirement benefits and all settlements and curtailments have been identified and properly accounted for.

*Yours Sincerely,*

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Finance Director and Treasurer (s151 Officer)

I confirm that this letter has been discussed and agreed at the Policy and Strategy Committee on 21 September 2016

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Chairman of Policy and Strategy Committee

## Appendix F – Required communications with the audit committee

There are certain communications that we must provide to the Audit Committee of UK clients. These are detailed here:

Required communication	Reference
<b>Planning and audit approach</b> Communication of the planned scope and timing of the audit, including any limitations.	Audit Plan
<b>Significant findings from the audit</b> <ul style="list-style-type: none"> <li>▶ Our view about the significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures</li> <li>▶ Significant difficulties, if any, encountered during the audit</li> <li>▶ Significant matters, if any, arising from the audit that were discussed with management</li> <li>▶ Written representations that we are seeking</li> <li>▶ Expected modifications to the audit report</li> <li>▶ Other matters if any, significant to the oversight of the financial reporting process</li> </ul>	Audit Results Report
<b>Going concern</b> Events or conditions identified that may cast significant doubt on the entity's ability to continue as a going concern, including: <ul style="list-style-type: none"> <li>▶ Whether the events or conditions constitute a material uncertainty</li> <li>▶ Whether the use of the going concern assumption is appropriate in the preparation and presentation of the financial statements</li> <li>▶ The adequacy of related disclosures in the financial statements</li> </ul>	No conditions or events were identified, either individually or in aggregate, that indicated there could be doubt about Essex Fire Authority's ability to continue as a going concern for the 12 months from the date of our report.
<b>Misstatements</b> <ul style="list-style-type: none"> <li>▶ Uncorrected misstatements and their effect on our audit opinion</li> <li>▶ The effect of uncorrected misstatements related to prior periods</li> <li>▶ A request that any uncorrected misstatement be corrected</li> <li>▶ In writing, corrected misstatements that are significant</li> </ul>	Audit Results Report.
<b>Fraud</b> <ul style="list-style-type: none"> <li>▶ Enquiries of the audit committee to determine whether they have knowledge of any actual, suspected or alleged fraud affecting the entity</li> <li>▶ Any fraud that we have identified or information we have obtained that indicates that a fraud may exist</li> <li>▶ A discussion of any other matters related to fraud</li> </ul>	We have made enquiries of management and those charged with governance. We have not become aware of any fraud or illegal acts during our audit.
<b>Related parties</b> Significant matters arising during the audit in connection with the entity's related parties including, when applicable: <ul style="list-style-type: none"> <li>▶ Non-disclosure by management</li> <li>▶ Inappropriate authorisation and approval of transactions</li> <li>▶ Disagreement over disclosures</li> <li>▶ Non-compliance with laws and regulations</li> <li>▶ Difficulty in identifying the party that ultimately controls the entity</li> </ul>	We have no matters we wish to report.

Required communication	Reference
<b>External confirmations</b> <ul style="list-style-type: none"> <li>▶ Management's refusal for us to request confirmations</li> <li>▶ Inability to obtain relevant and reliable audit evidence from other procedures</li> </ul>	We have received all requested confirmations.
<b>Consideration of laws and regulations</b> <ul style="list-style-type: none"> <li>▶ Audit findings regarding non-compliance where the non-compliance is material and believed to be intentional. This communication is subject to compliance with legislation on tipping off</li> <li>▶ Enquiry of the audit committee into possible instances of non-compliance with laws and regulations that may have a material effect on the financial statements and that the audit committee may be aware of</li> </ul>	We have not identified any material instances of non-compliance with laws and regulations.
<b>Independence</b> Communication of all significant facts and matters that bear on EY's objectivity and independence  Communication of key elements of the audit engagement partner's consideration of independence and objectivity such as: <ul style="list-style-type: none"> <li>▶ The principal threats</li> <li>▶ Safeguards adopted and their effectiveness</li> <li>▶ An overall assessment of threats and safeguards</li> <li>▶ Information about the general policies and process within the firm to maintain objectivity and independence</li> </ul>	Audit Plan and Audit Results Report
<b>Significant deficiencies in internal controls identified during the audit</b>	Audit Results Report
<b>Fee Information</b> <ul style="list-style-type: none"> <li>▶ Breakdown of fee information at the agreement of the initial audit plan</li> <li>▶ Breakdown of fee information at the completion of the audit</li> </ul>	Audit Plan Audit Results Report



**EY** | Assurance | Tax | Transactions | Advisory

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Ernst & Young LLP, 1 More London Place, London, SE1 2AF.

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# ESSEX FIRE AUTHORITY

## Essex County Fire & Rescue Service



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**MEETING**

Audit, Governance & Review  
Committee

**AGENDA ITEM**

**5**

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**MEETING DATE**

5 October 2016

**REPORT NUMBER**

**EFA/115/16**

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**SUBJECT**

Audit Recommendation – Report on Progress Against Action Plans

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**REPORT BY**

The Finance Director & Treasurer, Mike Clayton

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**PRESENTED BY**

The Finance Director & Treasurer, Mike Clayton

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### 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 Dec 2016	On Track
IT General Controls	Backup restore testing is not performed as part of a defined schedule.	The Service will implement a defined schedule to confirm that servers and data can be restored in a continuity event.	ICT Service Manager Jun 2016	On Track
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) Dec 2016	On Track
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 August 2016	On Track
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	On Track
Risk Management	Project owners are not uniformly using JCAD to record risks and controls	The Risk and Business Continuity Manager will assist project managers in maintaining all project risk registers on JCAD	Risk and Business Continuity Manager September 2016	On Track

Source	Finding from Audit report	Original (or amended) Service Action Plan	Responsibility and Timescales	Progress
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	On Track
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	On Track
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	On Track
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	On Track
Risk Management	The Authority's risk appetite as currently defined is not aligned to the Authority's risk scoring system in such a way as it can be used to assess whether a given risk level is acceptable.	The Authority will review its risk appetite to ensure it can be used to consistently assess whether a given risk level is acceptable or if further action is required.	Risk and Business Continuity Manager September 2016	On Track
Workforce Planning	An implementation plan has not been drafted for the workforce tasks and initiatives due to be undertaken	There will be a formal implementation plan for Initiatives to be rolled out across the Service.	Deputy Director of HR July 2016	On Track

Source	Finding from Audit report	Original (or amended) Service Action Plan	Responsibility and Timescales	Progress
Workforce Planning	Key details of the process for monitoring early retirement had not been identified.	Service operational lead will be identified. The prediction process will be completed for on-call firefighters. The frequency of updates will be communicated. The reporting line for statistics will be identified. The impact on succession planning will be considered.	Head of HR July 2016	On Track
Workforce Planning	Trend analysis had not been undertaken on agency and overtime spends to monitor achievement of objectives within the HR departmental strategy.	Reporting requirements for temporary staffing and overtime will be identified. Adverse trends will be reported to the Workforce Planning group and the Strategic Management Board	Deputy Director of Finance September 2016	On Track

Source	Finding from Audit report	Original (or amended) Service Action Plan	Responsibility and Timescales	Progress
Data Retention	<p>The Record Retention &amp; Disposal Policy is dated December 2013 and has not been reviewed since. The policy states that the review date should have been September 2014.</p> <p>The Policy does not detail: who is responsible for deleting electronic records on key operating systems such as Dream or SAP; and the implication of breaching internal timescales and responsibilities set.</p> <p>Testing throughout this audit has highlighted non-compliance with this policy across all departments and demonstrates a lack of awareness of the Policy.</p>	<p>The Record Retention &amp; Disposal Policy will be updated to include: Those responsible for deleting electronic records on key operating systems such as Dream and SAP. and the implication of breaching internal timescales and responsibilities set.</p> <p>In addition the new policy will be disseminated to all staff and an article published on the staff intranet to emphasise its existence and importance.</p>	<p>Finance Director &amp; Treasurer Sept 2016</p>	Completed
Data Retention	<p>Essex Fire Authority has not provided any training on data retention or data protection</p>	<p>Essex Fire Authority will implement training to all relevant staff on data retention and data protection.</p>	<p>Learning and Development Manager March 2017</p>	On Track

Source	Finding from Audit report	Original (or amended) Service Action Plan	Responsibility and Timescales	Progress
Data Retention	There are no processes in place within HR, Payroll and Finance to identify when records are due for disposal. From our testing we have identified that data has been retained longer than the timeframes detailed in the Record Retention & Disposal 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.	Finance Director & Treasurer September 2016	Completed
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
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)	Revised Data



Source	Finding from Audit report	Original (or amended) Service Action Plan	Responsibility and Timescales	Progress
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)	Revised Date
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)	Revised Date
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)	Revised Date



# ESSEX FIRE AUTHORITY

## Essex County Fire & Rescue Service



MEETING	<b>Audit, Governance and Review Committee</b>	AGENDA ITEM	<b>6</b>
MEETING DATE	5 October 2016	REPORT NUMBER	<b>EFA/114/16</b>
SUBJECT	<b>Budget Review and Revised 2016/17 Budget</b>		
REPORT BY	The Finance Director & Treasurer		
PRESENTED BY	The Finance Director & Treasurer		

### SUMMARY

This paper reports on expenditure against budget as at 31 August 2016 and identifies and comments on major budget variations. It also provides an updated budget for 2016/17 to reflect the implementation plan for the Programme 2020 and seeks approval for the budget virements required.

### RECOMMENDATIONS

Members are asked to:

1. Note the position on the Authority's income and expenditure at 31 August 2016 compared the original budget;
2. Note the capital expenditure spend against budget for the period to 31 August 2016;
3. Note the staffing position in respect of on-call firefighters and
4. Note the revised 2016-17 budget and the transfer of £2.9m from revenue reserves.

### BACKGROUND

This table below shows actual expenditure against budget to 31 August 2016.

Description	YTD			
	YTD Actual £'000s	Variance YTD £'000s	% Variance YTD	Commitments £'000s
Firefighters	13,224	(149)	-1%	-
On Call Firefighters	1,957	42	2%	-
Control	525	(34)	-6%	-
Support Staff	4,761	201	4%	174
<b>Total Employment Costs</b>	<b>20,468</b>	<b>60</b>	<b>0%</b>	<b>174</b>
Support Costs	796	83	12%	59
Premises & Equipment	3,889	(492)	-11%	1,161
Other Costs & Services	1,643	173	12%	304
Ill health pension costs	948	49	5%	-
Financing Items	681	(2)	0%	2
Operational income	(1,723)	(89)	5%	0
Contribution to/(from) Reserves	-	164	0%	-
<b>Total Other Costs</b>	<b>6,234</b>	<b>(114)</b>	<b>-2%</b>	<b>1,526</b>
<b>Total Budget</b>	<b>26,702</b>	<b>(54)</b>	<b>0%</b>	<b>1,700</b>
<b>Total Funding</b>	<b>(31,337)</b>	<b>17</b>	<b>0%</b>	<b>-</b>
<b>Funding Gap / (Surplus)</b>	<b>(4,635)</b>	<b>(37)</b>		<b>1,700</b>

More detailed figures are provided at page 7.

## STAFFING

Overall employment costs are £60K (0.3%) over budget for the 5 months to August.

Spend for; whole time fire-fighters is £149K (1.1%) under budget, this includes pay in lieu of notice for some leavers, for on-call firefighters, spend is £42K (2.2%) over budget.

Support staff pay is £201K (4.4%) above budget for the 5 months to August. This comprises an underspending on directly employed staff of £175K offset by an overspending of £376K on casual and temporary staff cover. The largest factor in the overspend of £201K is £163K relating to the employment of interim staff in the HR and training departments as a result of departmental reorganisation this year.

Whole-time fire-fighter numbers at 679.0 are 16.0 (2.3%) under phased budget at the end of August.

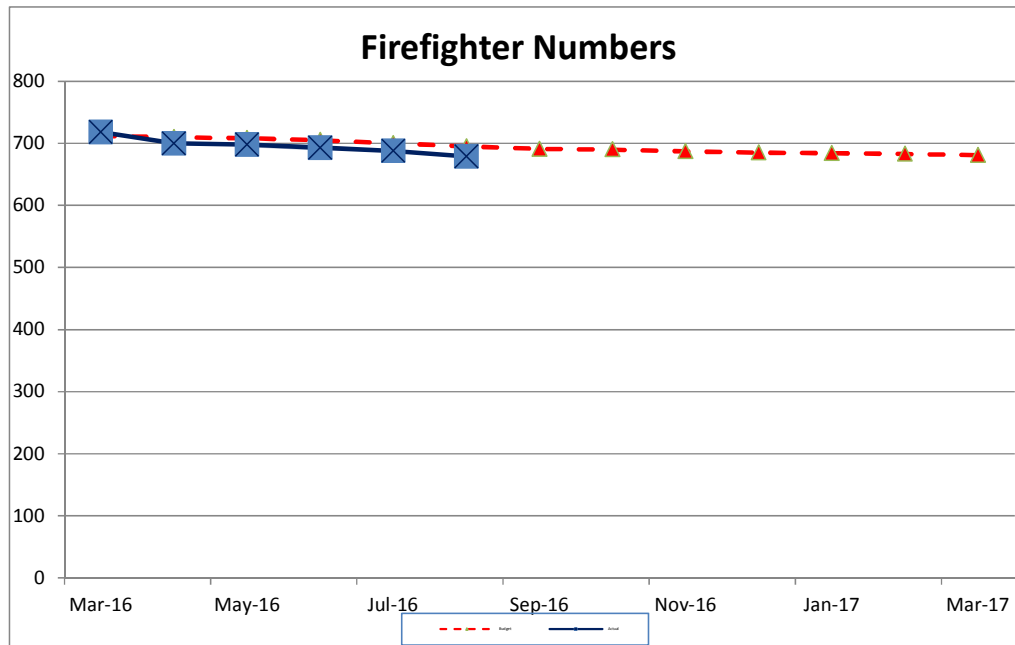
The staffing position at the end of August is summarised below (% figures rounded):

31 Aug 2016	Actual	Phased Budget	Variance	
Wholetime Firefighters - FTE	679.0	695.0	-16.0	-2%
On-Call Firefighters - Headcount	471.0	519.0	-48.0	-9%
Control - FTE	32.8	33.0	-0.2	-1%
Support Staff - FTE	247.7	278.7	-31.1	-11%
<b>Total</b>	<b>1,430.5</b>	<b>1,525.7</b>	<b>-95.3</b>	<b>-6%</b>

The figures in the table above show on-call fire-fighters on a headcount basis. On a full time equivalent basis there are 374 fire-fighters.

The number of whole-time fire-fighters aged over 50 with more than 30 years' service was 9 at the end of August. The number of fire-fighters over 50 with more than 25 years' service was 77 at the end of August.

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)
31/07/2016	600	576	548	546.0	0.0	2.9
31/08/2016	600	576	548	538.0	0.0	2.9

The shortage of riders will be addressed by the removal of the second fire engines from Loughton, Orsett and Rayleigh Weir fire stations at the end of September as part of Programme 2020.

### ON-CALL FIREFIGHTERS

Full details of the on-call numbers are provided in Appendix 2. The table shows that we have a headcount of 471.0 firefighters at 31<sup>st</sup> August a net reduction of 7.0 from the 478.0 at 1<sup>st</sup> 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 £25K underspent for the 5 months to 31 August; in addition operational income is £89K better than budget.

Support costs are £83K (11.7%) overspent for the 5 months to 31 August, the main areas of overspend are training £56K (28%) and Redundancy and Financial Strain £125K (100%) Travelling and subsistence is £91K (32%) underspent.

Premises and equipment is £492K (11%) underspent, this reflects a slow start to the first half of the year on property maintenance ICT and operational equipment.

## REVISED BUDGET 2016/17

The budget for 2016-17 approved by the Fire Authority in February was prepared on a business as usual basis, although options for change including project 2020 and the management review were being considered, these could not be included in the budget until decisions on the future direction of the Service had been made by members, these were scheduled for June 2016.

Following the decision by the Authority to adopt option 2 from the options for change proposals and completion of phase 1 of the management review an exercise has been carried out to assess the impact on the 2016-17 budget.

A revised budget for 2016-17 is given in the table below with the main reason for the changes analysed:

Description	Original Full Year Budget	2nd phase Firefighter early		HR Dept Restructure and		Options for change plan		Revised Full Year Budget
	£'000s	Pay Inflation	exits cost £'000s	Reorganisa sation Savings	Additional Training '000s	£'000s	Other	
Firefighters	31,847	366	470	(1,377)	-	-	305	31,612
On Call Firefighters	5,522	45	-	-	-	-	-	5,567
Control	1,345	10	-	-	-	-	-	1,355
Support Staff	11,477	116	-	(45)	297	182	(17)	12,010
<b>Total Employment Costs</b>	<b>50,190</b>	<b>537</b>	<b>470</b>	<b>(1,422)</b>	<b>297</b>	<b>182</b>	<b>288</b>	<b>50,543</b>
Support Costs	1,717	-	2,630	-	188	-	-	4,535
Premises & Equipment	10,514	-	-	-	-	-	-	10,514
Other Costs & Services	3,516	-	25	-	-	70	125	3,736
Ill health pension costs	2,097	-	-	-	-	-	-	2,097
Financing Items	7,585	-	-	-	-	-	-	7,585
Operational income	(3,922)	-	-	-	-	-	28	(3,894)
Contribution to/(from) Reserves	(393)	(537)	-	-	-	-	-	(931)
<b>Total Other Costs</b>	<b>21,114</b>	<b>(537)</b>	<b>2,655</b>	<b>-</b>	<b>188</b>	<b>70</b>	<b>153</b>	<b>23,643</b>
<b>Total Budget</b>	<b>71,304</b>	<b>0</b>	<b>3,125</b>	<b>(1,422)</b>	<b>485</b>	<b>252</b>	<b>442</b>	<b>74,186</b>
<b>Total Funding</b>	<b>(71,304)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(71,304)</b>
<b>Funding Gap / (Surplus)</b>	<b>-</b>	<b>0</b>	<b>3,125</b>	<b>(1,422)</b>	<b>485</b>	<b>252</b>	<b>442</b>	<b>2,882</b>

The revised budget reflects some additional non-recurring costs in 2016/17 that were not included in the medium term projections included in the Authority's efficiency plan. The plan requires a net use of reserves of £2.9m after the inclusion of some £3.1m of costs associated with the early exit options for firefighters. The plan will be updated to reflect this before submission to the Government. Comments on these and the other major changes are included below:

- To fund the costs (£3.1m) of early retirement for c.45 firefighters, this in accordance with the approach to organisational change agreed by members in December 2015.

- Reorganisation savings of £1.4m result from a reduction in firefighter numbers from 1<sup>st</sup> October and savings from phase 1 of the management review.
- The restructuring the HR department has required additional interim management resourcing, this together with some additional training cost initiatives will increase the HR and training budget by £485K this year.
- As part of the development of the options for change plan, the resources required to support this have been assessed at £252K in 2016-17.
- £200K for backdated pension contributions for day-crewed firefighters.

## CAPITAL EXPENDITURE

Capital expenditure for the 5 months to 31 August 2016 is shown in the table below.

Total capital expenditure is £3.7m, the largest item included is £2.5m for new appliances. The figure also includes £473K for asset protection and service workshops. Equipment includes thermal imaging cameras (£237K), fire ground radios (£87K) and RPE masks and equipment (£36K).

The investment of £186K in information technology relates to replacing the MIS system for Community Safety and Fleet Workshops.

	Original Budget 2016/17 £'000s	Approved Changes £'000s	Revised Budget - 16/3/16 £'000s	Total Spend including Commitments £'000s	Forecast 2017 £'000s
<b>Property</b>					
New Premises					
Service Headquarters	-	-	-	-	-
Service Workshops	1,000	-	1,000	174	400
Other	-	-	-	-	-
Existing Premises					
Solar Panels	300	-	300	3	100
Asset Protection	2,000	-	2,000	296	1,700
Asset Improvement Works	-	-	-	-	-
<b>Total Property</b>	<b>3,300</b>	<b>-</b>	<b>3,300</b>	<b>473</b>	<b>2,200</b>
<b>Equipment</b>	<b>592</b>	<b>597</b>	<b>1,189</b>	<b>360</b>	<b>1,189</b>
<b>Information Technology</b>					
Projects > £250k	-	-	-	88	-
Projects < £250k	825	-	825	98	645
<b>Total Information Technology</b>	<b>825</b>	<b>-</b>	<b>825</b>	<b>186</b>	<b>645</b>
<b>Vehicles</b>					
New Appliances	2,255	-	2,255	2,503	2,503
Other Vehicles	851	116	967	149	750
<b>Total Vehicles</b>	<b>3,106</b>	<b>116</b>	<b>3,222</b>	<b>2,651</b>	<b>3,252</b>
<b>Total Capital Expenditure</b>	<b>7,823</b>	<b>713</b>	<b>8,536</b>	<b>3,671</b>	<b>7,286</b>

## 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 – May 2016	
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 – AUGUST 2016

Description	YTD Actual	Variance YTD	% Variance	YTD
	£'000s	£'000s	YTD	Commitments
	£'000s	£'000s	YTD	£'000s
Firefighters	13,224	(149)	-1%	-
On-Call Fire-Fighters	1,957	42	2%	-
Control	525	(34)	-6%	-
Support Staff	4,761	201	4%	174
<b>Total Employment Costs</b>	<b>20,468</b>	<b>60</b>	<b>0%</b>	<b>174</b>
Training	256	56	28%	31
Employee Support Costs	350	118	51%	27
Travel & Subsistence	190	(91)	-32%	1
<b>Support Costs</b>	<b>796</b>	<b>83</b>	<b>12%</b>	<b>59</b>
Property Maintenance	758	(135)	-15%	531
Utilities	195	(51)	-21%	-
Rent & Rates	563	(15)	-3%	-
Equipment & Supplies	560	(43)	-7%	98
Communications	567	(20)	-3%	367
Information Systems	892	(193)	-18%	140
Transport	353	(35)	-9%	25
<b>Premises &amp; Equipment</b>	<b>3,889</b>	<b>(492)</b>	<b>-11%</b>	<b>1,161</b>
Establishment Expenses	336	(53)	-14%	8
Insurance	222	9	4%	-
Professional Fees & Services	981	220	29%	296
Democratic Representation	58	(3)	-5%	-
Agency Services	46	0	1%	-
<b>Other Costs &amp; Services</b>	<b>1,643</b>	<b>173</b>	<b>12%</b>	<b>304</b>
<b>III Health Pension costs</b>	<b>948</b>	<b>49</b>	<b>5%</b>	<b>-</b>
Lease & Interest Charges	681	(2)	0%	2
Statutory Provision for Capital Financing	-	-	0%	-
<b>Financing Items</b>	<b>681</b>	<b>(2)</b>	<b>0%</b>	<b>2</b>
Operational income	(1,723)	(89)	5%	0
Contributions to/ (from) General Balances	-	164	0%	-
<b>Total Net Financing Requirement</b>	<b>26,702</b>	<b>(54)</b>	<b>0%</b>	<b>1,700</b>
Revenue Support Grant	(8,195)	(2)	0%	-
National Non-Domestic Rates	(6,478)	(10)	0%	-
Council Tax Collection Account	(359)	29	0%	-
Council Tax	(16,305)	(0)	-1%	-
<b>Total Funding</b>	<b>(31,337)</b>	<b>17</b>	<b>0%</b>	<b>-</b>

## ON-CALL FIREFIGHTER NUMBERS

ON CALL FIREFIGHTERS					
Headcount Movement 2016-17					
Station	Actual 31st Aug	Joiners	Leavers	Transfers	Year to date movement Incr/(Decr)
Billericay	14.0	0.0	0.0	0.0	0.0
Braintree	20.0	0.0	(3.0)	0.0	(3.0)
Brentwood	14.0	1.0	(1.0)	0.0	0.0
Brightlingsea	12.0	1.0	0.0	0.0	1.0
Burnham	9.0	0.0	(2.0)	0.0	(2.0)
Canvey Island	18.0	0.0	0.0	0.0	0.0
Coggeshall	10.0	0.0	0.0	0.0	0.0
Corringham	11.0	0.0	(1.0)	0.0	(1.0)
Dovercourt	12.0	0.0	0.0	0.0	0.0
Dunmow	16.0	0.0	(1.0)	0.0	(1.0)
Epping	15.0	0.0	(1.0)	0.0	(1.0)
Frinton	17.0	0.0	0.0	0.0	0.0
Halstead	22.0	1.0	0.0	0.0	1.0
Hawkwell	14.0	1.0	(1.0)	0.0	0.0
Ingatestone	11.0	1.0	0.0	0.0	1.0
Leaden Roding	7.0	0.0	0.0	0.0	0.0
Maldon	19.0	0.0	(1.0)	0.0	(1.0)
Manningtree	13.0	1.0	(2.0)	0.0	(1.0)
Newport	10.0	0.0	0.0	0.0	0.0
Old Harlow	14.0	0.0	0.0	0.0	0.0
Ongar	5.0	0.0	0.0	0.0	0.0
Rochford	11.0	1.0	0.0	0.0	1.0
Saffron Walden	21.0	0.0	(1.0)	0.0	(1.0)
Shoeburyness	11.0	0.0	(1.0)	0.0	(1.0)
Sible Hedingham	8.0	0.0	0.0	0.0	0.0
Stansted	15.0	1.0	0.0	0.0	1.0
Thaxted	8.0	0.0	0.0	0.0	0.0
Tillingham	11.0	1.0	(1.0)	0.0	0.0
Tiptree	13.0	1.0	0.0	0.0	1.0
Tollesbury	11.0	0.0	(1.0)	1.0	0.0
Weeley	14.0	2.0	(1.0)	(1.0)	0.0
West Mersea	12.0	1.0	0.0	0.0	1.0
Wethersfield	9.0	0.0	0.0	0.0	0.0
Wickford	11.0	1.0	(1.0)	0.0	0.0
Witham	20.0	0.0	(2.0)	0.0	(2.0)
Wivenhoe	13.0	0.0	0.0	0.0	0.0
<b>Total Headcount</b>	<b>471.0</b>	<b>14.0</b>	<b>(21.0)</b>	<b>0.0</b>	<b>(7.0)</b>

# ESSEX FIRE AUTHORITY

## Essex County Fire & Rescue Service



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MEETING

**Audit, Governance & Review  
Committee**

AGENDA ITEM

**7**

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MEETING DATE

5 October 2016

REPORT NUMBER

**EFA/113/16**

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SUBJECT

**Organisational Performance Report**

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REPORT BY

Mark Stagg, Director of Transformation

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PRESENTED BY

Mark Stagg, Director of Transformation

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### **Purpose of Report**

This report provides an update on:-

1. 12 Month Performance to August 2016 (the performance information presented here is also available in the Service's performance management software).

### **Recommendations**

It is recommended that members of SLT: -

1. Note the contents of the performance report to August 2016.

### **Performance to August 2016**

The following measures are annual measures and not reported against here

- 4a Improved staff satisfaction
- 4b The percentage of employees who are satisfied with the training they receive to do their role.
- 5a Annual reduction in carbon footprint
- 6a Improved satisfaction with leadership within the Service.

## Overview of Organisation Performance by Strategic Objective

### Colour key:

	>10% off track against target
	0-10% off track against target
	0-10% better against target
	>10% better against target
	No data/reported quarterly

**Objective 1. We will identify the risks to our communities and work in partnership with them to manage the risk, to reduce its likelihood or its impact on our communities.**

M	YTD	1a Number of incidents attended in Essex Performance against Month and YTD target
---	-----	--

Essex County Fire and Rescue Service attended **1,716** incidents in August 2016, this is an increase on the number recorded over the same month last year (1,377 - target is to be below previous year's figures).

The rolling 12-month total stands at **14,481** against a target of 13,365.

	2015-16	2014-15	Difference	% Change
Fire	4400	4336	↑64	↑1%
False Alarms	5984	5668	↑316	↑6%
Special Services	4097	3361	↑736	↑22%

**Special Services** have seen the largest increase in incidents over the last 12 months with an additional 736 incidents. The largest increase has been Effecting Entry which accounts for 42% of the increase; this reflects the positive work that the service has been carrying out with other agencies.

**False Alarms** have seen the second largest increase over the last 12 months, with all false alarm reasons recording an increase.

**Fires** have increased by 1% over the past 12 months.

**Primary Fires** The total number of primary fires increased by 10% over the last 12 months. August 2016 reported the highest number of primary fires in 5 years. Deliberate Primary Fires have increased at a faster rate than Accidental Fires. Cars and Other Road Vehicles are the main contributors to the increase in Deliberate Fires.

**Secondary Fires** The total number of Secondary Fires has seen a moderate decrease in the last 12 months.

**Chimney Fires** The total number of Chimney Fires has reduced by 50% over the last 12 months

M	YTD
---	-----

**1b Rate of Accidental Dwelling Fires (ADF)**  
Performance against Month and YTD target

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Essex County Fire and Rescue Service recorded 58 Accidental Dwelling Fires in August 2016; this is lower than the 68 recorded in the same month in 2015. This makes the rate of Accidental Dwelling Fires per 10,000 dwellings 0.8 in August 2016. This is better than the target of 0.9 and below the rate recorded in August 2015.

The rolling 12 month rate of Accidental Dwelling Fires is 11.5; this is higher than 10.3 recorded last year and off track against the 10.8 target.

Kitchens continue to be the most common start location for Accidental Dwelling Fires with 64% originating here in the last 12 months, this in a 4% increase over previous reporting periods. Bedrooms (7% of ADFs) and living rooms (9% of ADFS) have marginally increased in start location of fires over the last 12 months.

Whist cooking related incidents continue to be the most common cause of Accidental Dwelling Fires, Chip Pan Fires have reduced in the last 12 months, other cooking related incidents have increased.

Fault in equipment and combustible articles too close to heat source (or fire) account for more Accidental Dwelling Fires than Chip Pan Fires.

M	YTD
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**1c Number of people killed or seriously injured in RTCs**  
Performance against Month and YTD target

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At the time of reporting data has not been provided by ECC for people killed or seriously injured in road traffic collisions from December 2015 to August 2016.

The following information is provided for information only and provides numbers of incidents attended by Essex County Fire and Rescue Service as well as number of persons involved in the RTC.

Number of RTCs attended by Essex was 1297 which is a minor increase over 2014/2015 figures of 1286.

Within 2015/16 there were 949 persons rescued from the incidents. 20 Persons were fatally injured, 785 were rescued with injury and 85 were rescued without injury.

M	YTD
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**1f Rate of casualties (fatal and non-fatal) resulting from fires per 100,000 population**  
Performance against Month and YTD target

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Essex recorded 0 fire-related fatalities in August 2016, along with 5 non-fatal casualties. This equates to 0.3 per 100,000 populations against a target of 0.4, this is better than the previous year's figure of 0.5.

The 12-month rolling rate of casualties is 4.7 per 100,000 populations, which is better than target (5.3) and shows a continued improvement over the same period in the previous year (5.8).

**Objective 2. We will provide a resilient, timely, safe and effective response when risks become incidents.**

<b>M</b>	<b>YTD</b>	<b>To get our first attendance to an incident within 15 minutes on 90% of occasions from the time we receive a call</b> Performance against Month and YTD target
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In August the Essex attended 86% of incidents within 15 minutes, this is slightly below the target of 90% and below the figure recorded in August 2015. The rolling 12 Month figure is 89%, is slightly under the target of 90% and but shows an improvement over previous year figure of 87%.

<b>M</b>	<b>YTD</b>	<b>To get our first attendance to a potentially life-treating incident, within an average of 10 minutes from the time we receive a call.</b> Performance against Month and YTD target
----------	------------	--

In August the average time from call to arrival at potentially life threatening calls was 10.19 minutes. This is below the the target of 10 minutes but is an improvement on the previous year figure of 10.23 minutes.

**Objective 3. We will use our resources flexibly, efficiently and effectively, reducing the cost of the Service to match the funding available.**

<b>M</b>	<b>YTD</b>	<b>3a Total appliance availability (ECFRS)</b> Performance against Month and YTD target
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81.4% total appliance availability was achieved during August 2016, this is lower than previous months and off track against the target set for the month (94%) but an improvement on the same period in the previous year.

The year to date figure currently sits at 86.8%, off track against the target of 94% but an improvement on the same period in the previous year.

**Objective 4. We will ensure our people are involved, engaged and empowered to deliver excellence.**

<b>M</b>	<b>YTD</b>	<b>4c Percentage of staff who received an appraisal in the past 12 months</b> Performance against Monthly target only
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By August 2016 staff receiving an appraisal in this financial year at 60%, off track against the 90% target, but an improvement over the same period as last year.

<b>M</b>	<b>YTD</b>	<b>4d Average days/shifts lost per person to sickness absence per year</b> Performance against YTD target
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The average days/shifts lost to sickness absence per person by the end of August 2016 was 9.4. This is off track against than the rate recorded for August 2015 and the target of 7.3 days per person.

Financial, Legal, Health and Safety, Equality and Environmental Implications  
There are no significant implications from the content or purpose of this paper.

Further details and background information available from:

<b>LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985</b>	
<b>List of appendices attached to this paper:</b>	
<b>List of background documents (not attached):</b>	
Proper Officer:	<b>Tracy King</b>
Contact Officer:	Tracy King, Performance Improvement Manager Essex County Fire & Rescue Service, Kelvedon Park, London Road, Rivenhall, Witham CM8 3HB Tel: 01376 576252 E-mail: <a href="mailto:tracy.king@essex-fire.gov.uk">tracy.king@essex-fire.gov.uk</a>





# ESSEX FIRE AUTHORITY

## Essex County Fire & Rescue Service



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MEETING

**Audit, Governance and Review  
Committee**

AGENDA ITEM

**9**

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MEETING DATE

5 October 2016

REPORT NUMBER

**EFA/116/16**

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SUBJECT

**Programme 2020 - Progress Report**

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REPORT BY

Adam Eckley, Acting Chief Fire Officer

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PRESENTED BY

Adam Eckley, Acting Chief Fire Officer

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### **SUMMARY**

This report provides members of the Fire Authority with an update on the work within Programme 2020 and provides a forward view of planned work and deliverables.

### **RECOMMENDATIONS**

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

### **BACKGROUND**

Programme 2020 was started in February 2015 and is the mechanism through which the Service will deliver the change required in order that it becomes service led, community focussed, values driven and financially sustainable.

Using the Managing Successful Programmes (MSP) methodology the programme has two distinct phases; definition and delivery. The Programme is moving from the definition into the delivery phase as the Service begins to implement the changes approved by the Fire Authority.

At the meeting of the EFA on 7<sup>th</sup> September it was agreed that Programme Progress reports would be provided to all meetings of the Audit, Governance and Review Committee and the Policy and Strategy Committee.

### **SUMMARY OF PROGRESS**

The following key activities have been completed in the last period;

- Approval of the Option 2 Delivery Plan, Service Strategy and 2020 Efficiency Plan at the EFA on 7<sup>th</sup> September.
- Completion of the draft Programme Definition Document which sets out the delivery structure for Programme 2020.
- Completion of the draft 2020 delivery communications plan.
- The governance arrangements for the Programme have been updated and the new arrangements are now in place. The first meeting of the Programme Advisory Group took place 21<sup>st</sup> September.
- The appliance removal and employee relocation project is underway;
  - The settlement agreement process for those that submitted an acceptance for the offer of early exit is in progress.
  - The process for employee transfers is being discussed with the Representative Bodies.
  - The second fire engines at Orsett, Corringham, Rayleigh Weir and Loughton are scheduled to be removed from operational service on 30<sup>th</sup> September.
- The RDS Development Project continues;
  - Consultation and negotiation on new on-call availability model and pay structure has started
  - Review of on-call recruitment process to improve efficiency and improve user experience.
  - The pilot of the On-Call Liaison Officer ends on 30<sup>th</sup> September and will be evaluated before a decision on further roll-out is made.
  - Business engagement is progressing positively with 3 applicants from Tesco staff currently going through the recruitment process.

### **KEY ACTIVITIES PLANNED**

The focus of the Programme during the next period will be further development of the plans for the component projects including the incorporation of existing projects now falling within scope of 2020.

### **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.

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



# ESSEX FIRE AUTHORITY

## Essex County Fire & Rescue Service



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MEETING

AGENDA ITEM

**Audit, Governance and Review  
Committee**

**10**

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MEETING DATE

REPORT NUMBER

5<sup>th</sup> October 2016

**EFA/117/16**

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SUBJECT

**Health and Safety Annual Report 2015/16**

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REPORT BY

Assistant Chief Fire Officer Dave Bill, Director of Prevention, Protection & Response

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PRESENTED BY

Assistant Chief Fire Officer Dave Bill, Director of Prevention, Protection & Response

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### **SUMMARY**

This report is to provide an update to members of the Essex Fire Authority regarding the Service's health and safety plans and performance for the year 2015/16.

### **RECOMMENDATIONS**

Members of the Essex Fire Authority are asked to note the attached 2015/16 Health and Safety Annual Report (Appendix 1) providing challenge where appropriate.

### **BACKGROUND**

Appendix 1 to this paper provides members of the Essex Fire Authority with a summary of the Service's health and safety plans and performance for 2015/16.

### **RISK MANAGEMENT IMPLICATIONS**

Effective health and safety arrangements are a requirement under the Health and Safety at Work etc. (HSW) Act 1974, the Management of Health and Safety at Work Regulations 1999 and other relevant health and safety related legislation.

These arrangements serve to protect the Authority, employees and the community against risk of safety incidents occurring as a result of poor health and safety working practices. Failure to ensure effective arrangements may damage the Service's reputation.

There are no other Risk Management implications associated with the recommendations set out in this paper.

## **FINANCIAL IMPLICATIONS**

Failure to ensure effective arrangements and compliance with relevant health and safety legislation could expose the Authority, in the event of a safety event, to prosecution under the HSW Act 1974. Defence costs would normally be an insured risk, however any fine (which may be sizeable) imposed following conviction will not be.

There are no other financial implications arising directly out of the recommendations set out in this paper.

## **LEGAL IMPLICATIONS**

Failure to ensure effective arrangements and compliance with relevant health and safety legislation could expose the Authority, in the event of a safety event, to prosecution under the HSW Act 1974 in particular:

Potential personal liability upon Members and Officers (s.37 HSW Act, Corporate Manslaughter & Corporate Homicide Act, Common Law Manslaughter).

Moreover, personal injury claims may arise as a result of loss suffered by Health and Safety failures.

Potential employment claims relating to health and safety matters: including challenges from Trade Unions.

## **ENVIRONMENTAL IMPLICATIONS**

The Fire Services Act 2004 defines “emergency” to include an event or situation that causes or is likely to cause serious harm to the environment (including the life and health of plants and animals).

The Service has a duty to protect the environment, (so far as is reasonably practicable) when carrying out its functions (including responding to emergencies) by virtue of sections 2 and 3 of the HSW Act.

The Service also has specific duties under health and safety regulations, including the Control of Substances Hazardous to Health Regulations 2002 (as amended), and in particular the requirement to carry out an assessment of the risks of their activities (including environmental risks) as required by the Management of Health and Safety at Work Regulations 1992.

There are no other environmental implications associated with the recommendations set out in this paper.

## **EQUALITY IMPLICATIONS**

There are no equality implications associated with this paper.

<b>LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985</b>	
<b>List of appendices attached to this paper:</b> 2015/16 Health & Safety Annual Report	
<b>List of background documents (not attached):</b>	
Proper Officer:	ACFO Dave Bill, Director of Prevention, Protection & Response
Contact Officer:	DO Danny Bruin, Health and Safety Manager Essex County Fire & Rescue Service, Kelvedon Park, London Road, Rivenhall, Witham CM8 3HB Tel: 01376 576000 E-mail: <a href="mailto:danny.bruin@essexfire.gov.uk">danny.bruin@essexfire.gov.uk</a>







# Health and Safety

## Annual Report

### 2015/2016



# Contents

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Executive Summary

Current Resourcing

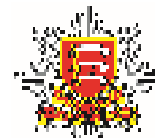
2015/16 Department Achievements

Case Study – Model Risk Assessments and Model Training Risk  
Assessments

Case Study – Delivery of Accident Investigation Training

2015/16 Health and Safety Department Objectives Review

2016/17 Health and Safety Department Objectives



## Executive Summary

This report provides an overview of the Service health, safety and welfare performance achievements for the period 1<sup>st</sup> April 2015 to 31<sup>st</sup> March 2016.

The report will be provided to members of the Service Leadership Team (SLT), Essex Fire Authority (EFA), and the Health, Safety and Welfare and Strategy Group (HSWSG). It will also be available electronically via the Service intranet.

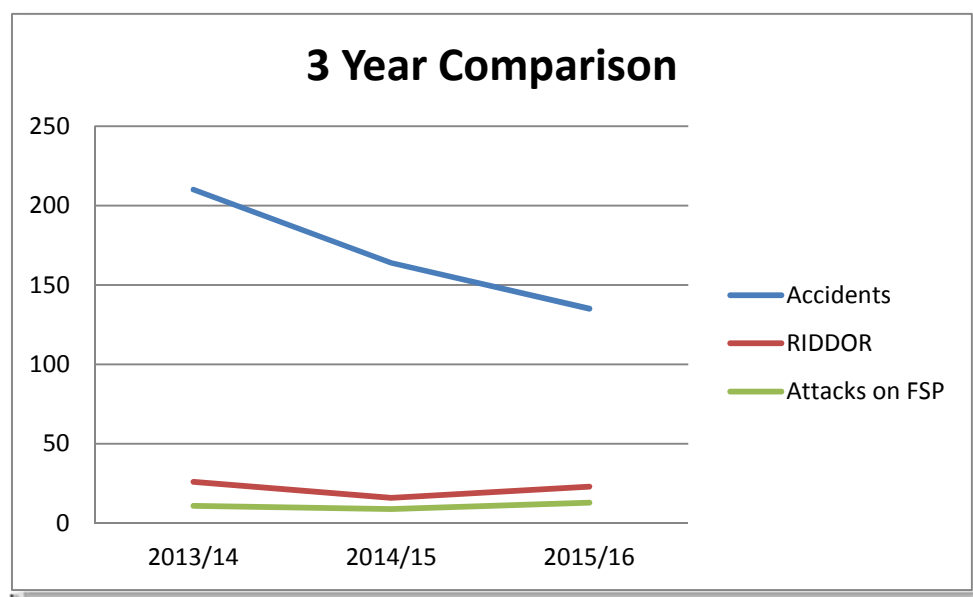
The Service seeks continuous improvement in all aspects of safety, from promotion of a positive safety culture, to identification and mitigation of risk and personal competence. The Service strives to make its employees and the county of Essex safer whilst delivering a wide range of essential services to the community.

Our performance is constantly monitored and measured against agreed standards to reveal where and when improvement is needed.

Active self-monitoring and reactive monitoring is carried out by the Health and Safety department to ensure that key risks are controlled and that performance standards and risk assessments are actually used and monitored.

The continual monitoring of safety events on the 'Occupational Safety and Health Environmental Notification System' (OSHENS) enable trends and issues to be identified and monitored with remedial actions taken swiftly and appropriately where required. There is feedback into the risk assessment system where past hazards and accidents are the driver for risk assessment reviews. The data obtained from this is used by risk assessment authors to influence risk assessments to provide both continuity and ensure that risks are mitigated to as low as is reasonably practicable.

Over the last 10 years the Health and Safety department has seen a steady decrease in all reported safety events (43% reduction). More specifically the graph shows the last 3 years data with a 36% reduction in accidents alone. 'Attacks on Fire Service Personnel' increased by 18% in 3 years, all of which were verbal abuse and none related to physical violence or injury.

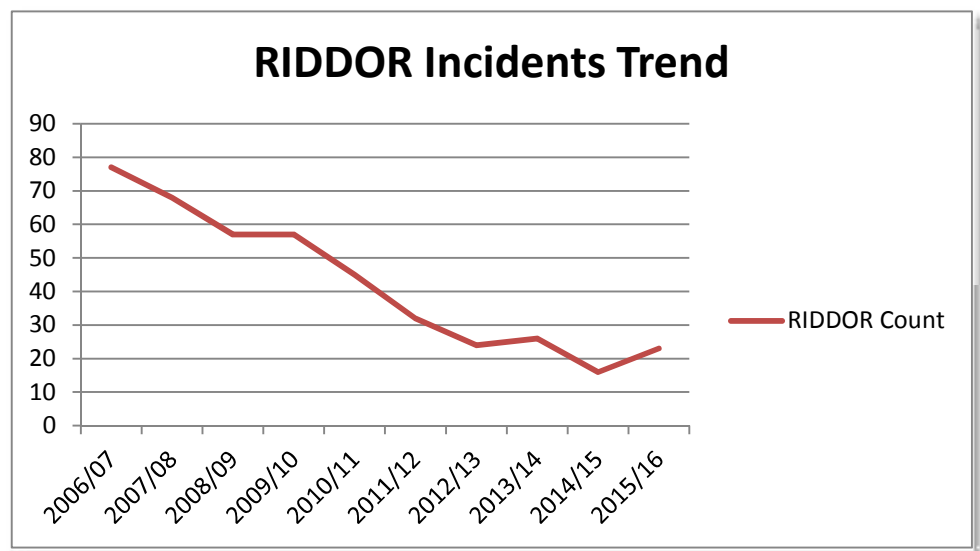




## OUR GOALS

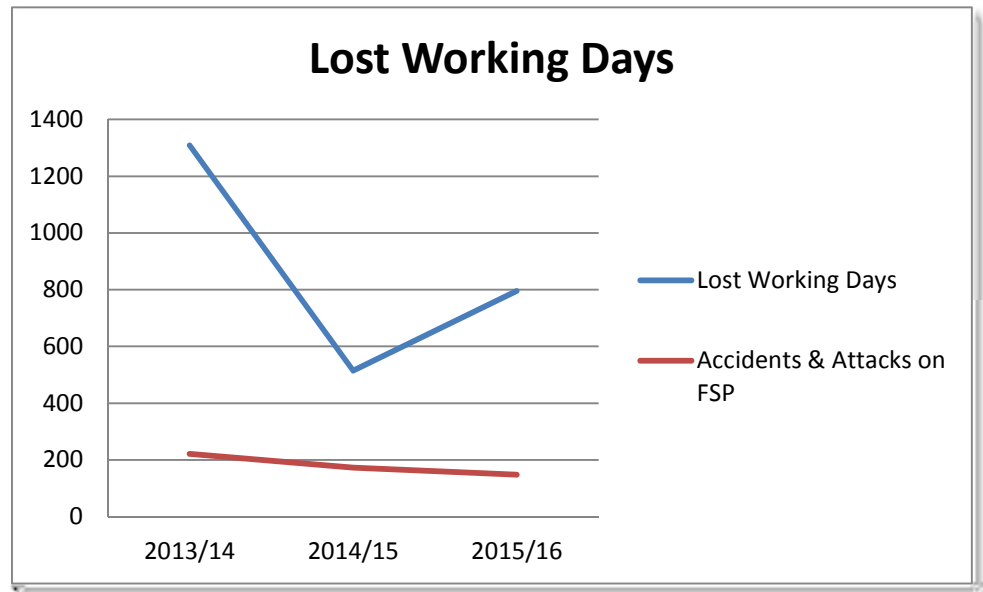
- Drive a system of open communication and a no-blame culture on safety that fosters strong employee and employer engagement.
- Protect people, assets and the communities in which we work.
- Provide and maintain safe plant, equipment and safe systems of work.
- Apply best practice always and recognise that compliance with standards and legislation is a minimum level only that must be continually improved upon.
- Endeavour to control workplace hazards by assessing risks and establishing suitable control measures.
- Monitor and improve upon safety statistics and communicate lessons learnt and good practice throughout the organisation.

RIDDOR reportable incidents decreased by 11% over the past 3 years. This was a slight increase in the last year due to a number of Dangerous Occurrences relating to potential BA set Malfunctions. The occurrences which were subsequently rectified followed the introduction of new BA sets and did not directly relate to an increase in accidents.





The total number of lost working days due to accidents and attacks on fire service personnel has decreased by 39% over the last 3 years. There was however a spike showing an increase of 281 lost days compared to last year. In context this is directly related to 2 unrelated manual handling accidents where the lost days totalled 325 days.



## OUR COMMITMENTS

- Create a non-judgemental environment where our staff can be open and willing to share something that with hindsight they could have done better. This enables us to learn and reduce the likelihood of a similar occurrence or accident being repeated.
- Assign health and safety risks the same priority as other critical Service activities.
- Provide a healthy working environment and appropriate facilities for the welfare of all staff.
- Provide a strong safety management framework that sets and reviews safety objectives and targets.
- Motivate and drive commitment of all employees by providing health and safety awareness training.
- Use, handle, store and transport articles and substances safely.
- Provide an annual report on health and safety statistics and trends to enable us to continually seek to improve upon our performance.
- To ensure continual improvement, all ECFRS employees are reminded of their responsibility. Each individual has an obligation to take reasonable care of their own safety and the safety of others who may be affected by their activities.



## Current Resourcing

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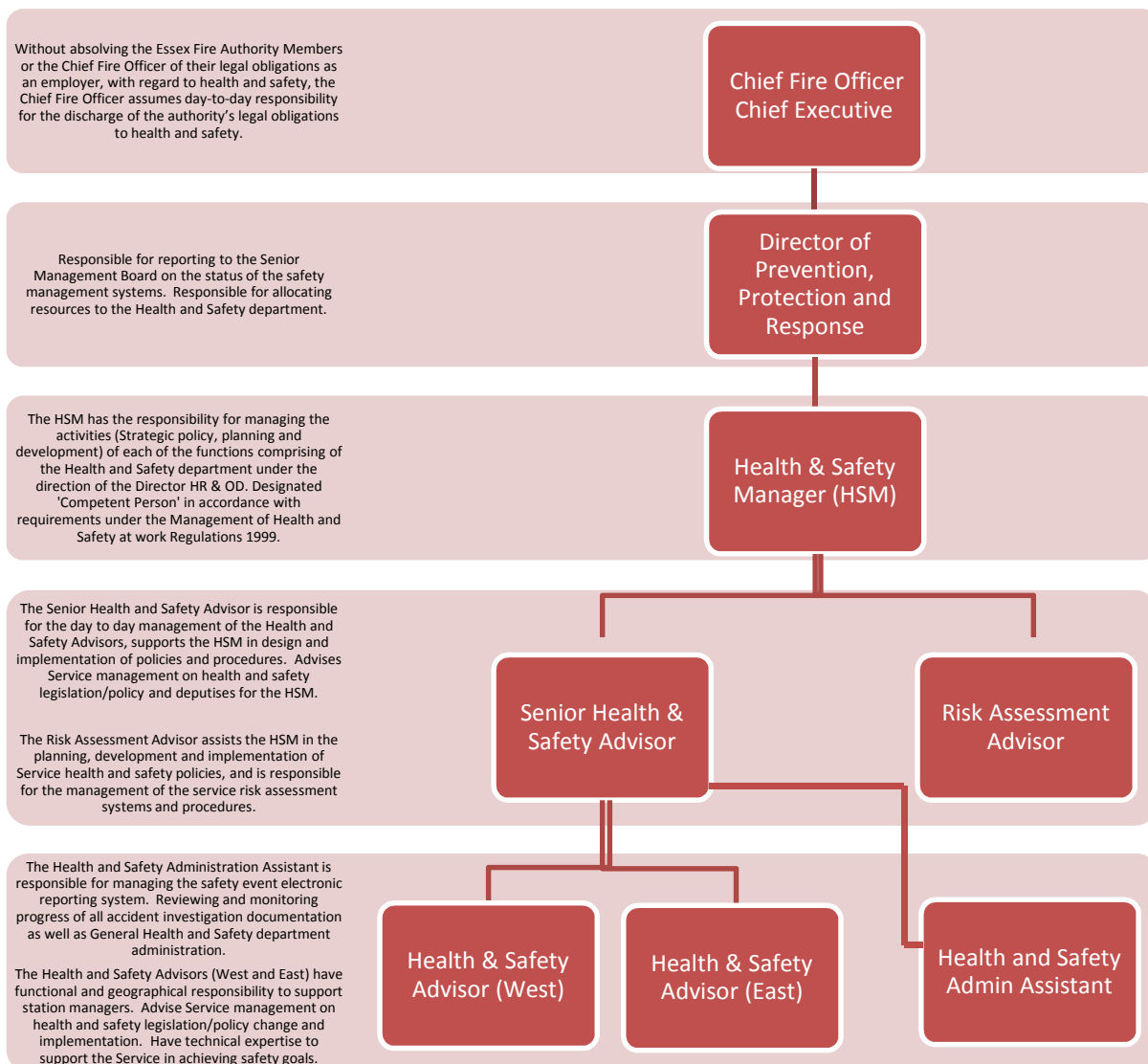
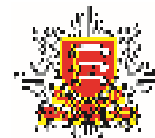
The EFA Health and Safety Lead Member was Cllr Peter Wrexham until July 2015 when Cllr Julian Ware-Lane was appointed to the position. Both their contributions to the Health, Safety and Welfare Strategy Group over the year are greatly appreciated.

The Health and Safety department is led by Danny Bruin the Health and Safety Manager who is a uniformed Divisional Officer and chartered member of the Institution of Occupational Safety and Health.

In 2014/15 one of the Health and Safety's department objectives was to increase staff retention, we achieved this by recruitment campaigns to attract suitable candidates and successful applicants who would then want to stay with the Service. Out of an 8 strong team only 1 member has left in the last 12 months, this is the highest retention rate in over 5 years.

During the 2016/17 period there will be a greater emphasis in expanding the core skills of the health and safety team, which will see increased diversity in respect of the internal training currently on offer in-house. Increased and dedicated training shall be undertaken to ensure the health and safety team can develop internal training courses whilst exploring opportunities to use their expertise and knowledge to external partners for income generation for the Service where possible.

From April 2016 the Health and Safety department will be changing directorate and will be directed by ACFO Dave Bill, the Director of Prevention, Protection and Response.





## 2015/16 Department Achievements

In 2015/16 the Health and Safety department completed a number of achievements summarised below:

- In April 2015 the Health and Safety department published the first Toolbox Talk. The aim of a toolbox talk is to highlight specific hazards within the workplace or within working practices. The objective is to raise employee awareness and inform them of the control measures put in place to prevent workplace accidents. In the period of April 2015 until the end of March 2016, nine toolbox talks have been issued with the following topics covered: 'Introduction to Health and Safety Toolbox talks', 'Slips, Trips and Falls', 'Hazards', 'Personal Protective Equipment', 'Accident Reporting', 'New and Expectant Mothers', 'Support following stressful traumatic incidents', 'Safety Critical equipment's left at incident grounds' and 'OSHENS Version 5 upgrade'.
- September 2015 the 'Managing Occupational Road Risk Service' policy was reviewed and went live on to the Service intranet. The purpose of the policy is to cover the supply and use of all Service vehicles and to ensure that the Service does all that is reasonably practicable to ensure that high standards of health, safety, welfare and training is achieved and maintained for all its employees who use vehicles for work.
- Following on from the 'Slips, Trips and Falls' report, we have an ongoing testing regime that have seen 16 slips tests completed across the county with the rest of the premises due to be completed by December 2016. Full reports have been completed for each premise and where there has been a requirement, recommendations have been sent to Property Services for action.
- A new health and safety poster campaign was launched in 2015 with the aim to publish 4 posters each financial year. In 2015/16 there were 4 posters issued, these were: 'Chemicals', 'Weill's Disease', 'Working in the Sun and 'Slips, Trips and Falls'.
- Those working in the Health and Safety department are now trained to carry out noise assessments, 11 assessments have been carried out on new and current Service equipment.







## Case study: Model Risk Assessments and Model Training Risk Assessments

In 2015 the Health and Safety department issued the first 'Model Risk Assessments' (MRA's) and 'Model Training Risk Assessments' (MTRA's) with the aim of simplifying the risk assessment process.

These generic risk assessments have undergone a full consultation process. They are a comprehensive model for use when carrying out various activities.

MRA's are used for routine activities or events such as 'Open Days', 'Car Washes' and 'Community Events'.

The MTRA's are used for Watch based drills and training. The MTRA can also be used for larger exercises (multi-Station and multi-agency exercises including operational simulations).

No further consultation period is necessary for these activities as they have already undergone the consultation with Trade Union Safety Representatives.

MRA' and MTRA's contain enough risk information to carry out an activity. A 'Site Specific Risk Assessment' (SSRA) is undertaken prior to commencing an activity and is updated throughout the event as necessary. These are then sent back to the Health and Safety department for review and inclusion of any additional control measures into the main MRA or MTRA.

2. Attendance at Fire Stations of children and young people		
<b>Description of Risk Activity:</b>	Presence on the Fire Station of members of the public under sixteen years of age	
<b>Reason 1: Unsupervised supervision of children and young people (schooling is suspended)</b>		
<b>Existing Control Measures:</b>	MRA's are issued for the control of all forms of fire. There is a risk of fire in the station at all times.	<b>Add New Risk Control Measure:</b> [Yellow box]
<b>Reason 2: Misinterpreted actions:</b>		
<b>Existing Control Measures:</b>	MRA's are issued for the control of all forms of fire. There is a risk of fire in the station at all times.	<b>Add New Risk Control Measure:</b> [Green box]
<b>Reason 3: Misinterpretation of children and young people</b>		
<b>Existing Control Measures:</b>	MRA's are issued for the control of all forms of fire. There is a risk of fire in the station at all times.	<b>Add New Risk Control Measure:</b> [Green box]
<b>3. Children participating in fire safety exercises at Fire Stations (e.g. fire hazard spotting)</b>		
<b>Description of Risk Activity:</b>	Certain events may be used to educate children regarding fire safety	
<b>Reason 1: Trailing cables, excitement and fear</b>		
<b>Existing Control Measures:</b>	MRA's are issued for the control of all forms of fire. There is a risk of fire in the station at all times.	<b>Add New Risk Control Measure:</b> [Green box]

The results are a more user friendly system which ensures suitable and sufficient risk assessments are available for routine activities and training events. They have received extremely positive feedback from all users throughout the service.

Looking forward, the Health and Safety department will continue to issue MRA's and MTRA's which will cover a broader range of activities during 2016/17.



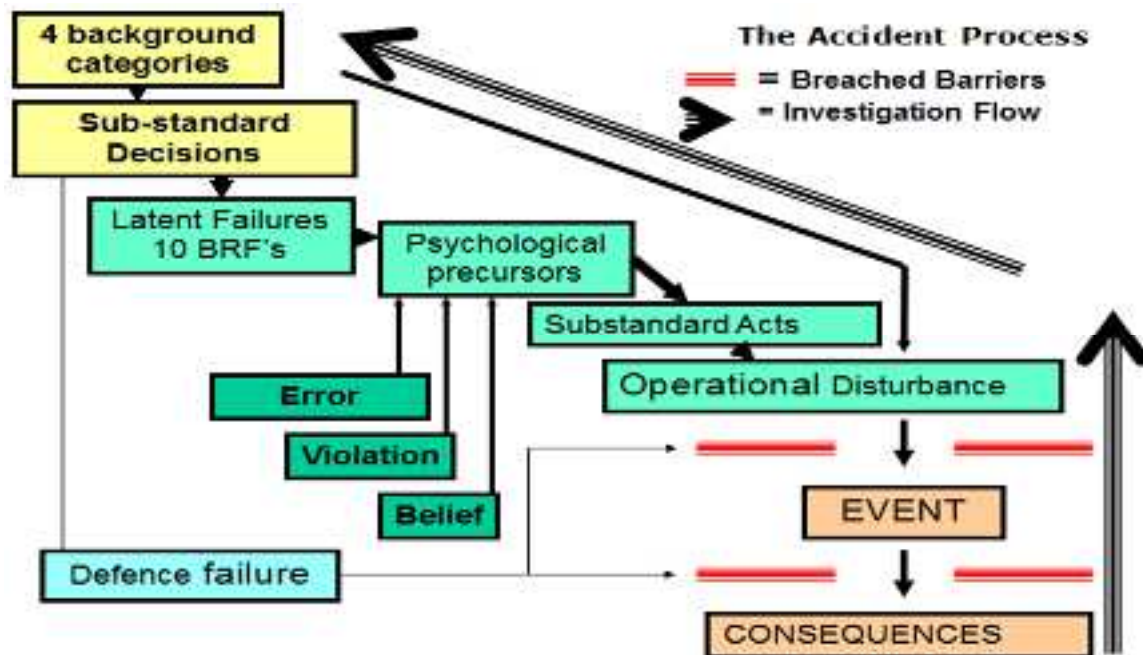
## Case study: Delivery of Accident Investigation Training

In 2015/16 the Health and Safety department facilitated 5 'Industrial Accident Investigation and Evidence Gathering' courses held at Service Headquarters. These courses were aimed at those persons or teams who have responsibility for identifying the causes of an industrial accident. The delegates included safety professionals, trade union representatives and managers from across the organisation and other Fire and Rescue Services within the region.

Delegates covered a number of aspects including:

- understanding corporate motivators
- understanding the accident causation model
- the role of BRF's (organisational failure areas) and DMF's (decision making factors)
- action at the scene
- issues surrounding the investigation of major events
- the influence of human factors (error, violation and belief)
- the role of criminal and civil law
- interviewing and statement construction
- statement – legal conventions
- analysing human factors
- analysing data and statements
- identifying underlying causation the role of executive management

The course was aimed at identifying failure that leads to four main areas of loss, these being personal injury, environmental impact, reputation damage and asset loss.



The result of providing this training is the Service now has the knowledge that any investigation will be carried out based on good evidence gathering and analytical processes using techniques acceptable to the highest legal standards.



## 2015/16 Health and Safety Department Objectives Review

Each year a health, safety and welfare strategy action plan is produced. This document identifies and sets out the strategic direction of the Health and Safety department over the coming year. The Health and Safety departmental objectives for the year 2015/16 were as follows:

- **To carry out all accident investigations within terms of reference timeframes on 100% of occasions.** All accident investigations are conducted in a timely manner so that accident boards and action plans can be implemented without undue delay. We have met this target in 2015/16 and have actioned and closed 8 significant accident investigations.
- **To review the current accident investigation process, identify and train accident investigators.** In 2015/16 we have run two accident investigation courses training 25 accident investigators from within the Service; this is in addition to training the regional health and safety professionals. There are two more future courses planned for 2016. A review of the current 'Accident Investigation' policy is underway and is to be published on completion of the 'Accident Investigation Training' course later in 2016.
- **Incorporate vehicle accident reporting and investigation within OSHENS.** Work has been carried out in conjunction with ICT and Fleet Workshops to implement vehicle accidents on to OSHENS. OSHENS is now set up and ready. It is expected that by the end of September 2016 Tranman and OSHENS will go live for reporting vehicle accidents.
- **Review of welfare facilities and disability access for 100% of Service premises.** A disability access review was carried out in January 2016 with an action plan submitted to Property Services for review and action. The review of welfare facilities has been reprogrammed for the 16/17 financial year.
- **To deliver manual handling training and 'Working Safely' course to 100% of all firefighters in line with the Health and Safety department training plan.**  
During August and September 2015 manual handling training was delivered service wide to all operational Whole-time Firefighters. Working Safely training has also commenced.
- **To carry out a review of the CCTV policy and 'Privacy Impact Assessment' policy.** A review of the CCTV policy is underway including privacy impact assessments, it is expected that this will be completed by Mid-2016.





## 2016/17 Health and Safety Department Objectives

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Each year a health, safety and welfare strategy action plan is produced. This document identifies and sets out the strategic direction of the Health and Safety department over the coming year.

The Health and Safety departmental objectives for the coming year are to:

- review the current Health and Safety policy document including the 'Policy Statement of Intent'
- review all OSHENS safety event guidance and identify and train OSHENS system users
- review the current 'Work Related Death' policy and benchmark against CFOA's policy
- review the current accident investigation process, identify and train accident investigators
- review welfare facilities and disability access for all Service premises
- implement gap analysis project work for Service and country wide incident investigations



**For further information please contact:**

**Danny Bruin CMIOSH OSHCR - Health and Safety Manager**  
**Health and Safety department**

Essex County Fire and Rescue Service, Service Headquarters (Kelvedon Park), London Road,  
Rivenhall, Witham, Essex CM8 3HB

Phone: 01376 576 234

Email: [health.and.safety@essex-fire.gov.uk](mailto:health.and.safety@essex-fire.gov.uk)

Website: [www.essex-fire.gov.uk](http://www.essex-fire.gov.uk)

**Doing more than we have ever done to make Essex safer**