



Northern Ireland  
Assembly

Committee for Health, Social Services and  
Public Safety

# OFFICIAL REPORT (Hansard)

Northern Ireland Fire and Rescue Service:  
NIFRS Briefing

20 March 2013

# NORTHERN IRELAND ASSEMBLY

## Committee for Health, Social Services and Public Safety

### Northern Ireland Fire and Rescue Service: NIFRS Briefing

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**Members present for all or part of the proceedings:**

Ms Sue Ramsey (Chairperson)  
Mr Jim Wells (Deputy Chairperson)  
Mr Roy Beggs  
Ms Paula Bradley  
Mr Mickey Brady  
Mr Gordon Dunne  
Mr Samuel Gardiner  
Mr Kieran McCarthy  
Mr Conall McDevitt  
Ms Maeve McLaughlin

**Witnesses:**

Dr Joe McKee	Northern Ireland Fire and Rescue Service
Ms Geraldine Rice	Northern Ireland Fire and Rescue Service
Mr Jim Wallace	Northern Ireland Fire and Rescue Service

**The Deputy Chairperson:** Welcome, lady and gentlemen, to our Committee. Some of you have been here before. Geraldine, we have met many times.

**Ms Geraldine Rice (Northern Ireland Fire and Rescue Service):** We have indeed.

**The Deputy Chairperson:** We have not met in a Committee setting. This is your first time in front of this Committee.

**Ms Rice:** I probably know a good few of you around the table, because I have been around as a councillor for 25 years this year. I have been involved in politics for a long time.

**The Deputy Chairperson:** You are very welcome. Dr McKee, of course, you have been before us before, as has Mr Jim Wallace, the chief executive, so you know the routine. We will go straight into questions. If you have anything that you want to say during those questions to expand upon earlier positions, that will be fine.

**Mr Dunne:** Welcome, panel. We have seen a number of you before. Geraldine, you are very welcome. Unfortunately, you are getting the first question. Linda Ford came before the Committee and advised that she blew the whistle to the permanent secretary. I understand that she provided a letter to you as chair of the audit committee. Do you recall what you did to action that letter?

**Ms Rice:** Was that the letter that went to Andrew McCormick?

**Mr Dunne:** Pardon?

**Ms Rice:** Was that a copy of a letter that was sent to Andrew McCormick? You will have to excuse me, as I have a really bad cold.

**Mr Dunne:** Yes, that is right. You got a copy of the letter.

**Ms Rice:** I did not actually get a copy of the letter at all. I have checked with our board secretary, and no letter was ever sent out to me. I also checked with the head of our audit department, because I am an individual board member and am not responsible for taking something to the board unless I go through the Committee. It should have gone to the Committee if it came to anyone. It never did. The letter was never addressed to me. It was copied to me as a copy. I knew nothing about any of this. I was away on holiday in August and September. The first that I heard of it was in October or November, when the then Chief Fire Officer told me verbally that Ms Ford had sent the letter with grievances to the permanent secretary, but that I need not worry about it because it involved a lot of personnel matters in which we, as individual board members, do not get involved. In fact, that is in our standing orders. I can let you have a copy of them if you wish. Therefore, we did not need to investigate it because, at that time, the audit from the Department of Health, Social Services and Public Safety was taking place. It was investigating some of the grievances that she felt had been placed upon her.

**Mr Dunne:** Do you acknowledge that you did get a copy of the letter?

**Ms Rice:** No. I did not get a copy until very recently when the chair talked to me about it. It was actually the chair who gave me a copy. That was the first time that I saw it. It was not very long ago. We, as a board and a committee, actually knew nothing about what was going on. What we need to remember is that a lot of this stuff, which I have since heard about, happened long before we became board members. It happened five or, maybe, six years ago, before we actually became involved in the board. We were dealing with only two items that we then discovered were in the letter. We are already dealing with those issues. All of our minutes go directly to the board. All of that would have been minuted and would have gone directly to the board.

**Mr Dunne:** So, when did you, as chair of the audit committee —

**Dr Joe McKee (Northern Ireland Fire and Rescue Service):** Chair, may I give clarification to Mr Dunne? The letter was addressed to the permanent secretary with copies to the chief executive, Geraldine Rice, Peter Craig and me. They were not posted to our home addresses. My understanding is that they came in and were left at reception. I certainly got a copy. However, they were not posted through the normal mail system. We have checked with the mail log. There is no log of their being posted out. So, I support my colleague in that.

**Mr Dunne:** So, they were left in reception. Would they have been left in an in-tray, perhaps?

**Dr McKee:** They came up, I think, to the Chief Fire Officer's office. He handed me my copy.

**Ms Rice:** I never received a copy at all. I can assure you of that. As I said, the first that I heard about Ms Linda Ford was from the Chief Fire Officer. He told me that he had suspended her for her abuse of the Data Protection Act 1998; it was a personnel matter, and it would not be in my remit to deal with it. That was in October or November. I was also informed that the Department's auditors were looking into the matters that had arisen before our time on the board. You can check that out if you want: they did come in.

**Mr Dunne:** Were you aware that they were looking at that issue?

**Ms Rice:** I was aware only of what the Chief Fire Officer told me verbally; that the auditors were coming in to investigate some of the issues that were in the letter to Andrew McCormick. At that time, I did not even know what the issues were, nor did the committee. As an individual board member, I cannot go out on my own and do things; I must do everything through the committee, as I am sure that

you are well aware. When you are part of a committee, it is the committee that makes the decisions, and then it goes to the board — not me as an individual. We were never aware of that.

**Mr Dunne:** Were you disappointed that that was not the case?

**Ms Rice:** Obviously, we were disappointed. The committee was disappointed that we had never heard anything about it. Why would you not be disappointed?

**Mr Dunne:** It reflects that there was, perhaps, a breakdown in the system. You were not kept advised about what was happening.

**Ms Rice:** We were operating under an old system that had been in place for many years. We are now, and I think that we should be, looking towards the future. We have changed a lot of the stuff. Our audit committee is very robust in its dealings with everything that comes through it. I can give you a list of stuff that we have done. The whole issue around what had happened had nothing really to do with us at all. As I said, on 27 February, I asked the auditors to come and see us because we did not actually know what was happening. I asked the chairman, who can confirm this, and he asked, but they refused to come to the meeting. At the meeting on 27 February, I stressed the importance of the committee's being kept informed of key issues and expressed our disappointment that the Health Department had not met the committee as yet. I pointed out the need for the committee to be aware of any issues that had been identified. I discussed that with the chair, as I said; KPMG representatives who were there; auditors from the Health Department — I can give you a list of the auditors; and internal auditors, who are at every meeting of the audit committee. They themselves said that they were disappointed that we had not been briefed on the terms of reference for the auditors and stressed the importance of the committee being made aware of such matters. We invited the auditors again to the next meeting, but they never came.

**Mr Dunne:** OK. Thank you.

**Mr McDevitt:** Ms Rice, when did you join the board?

**Ms Rice:** December 2010.

**Mr McDevitt:** And when did you become chair of the audit committee?

**Ms Rice:** About six months from that. We actually redid all the committees, and I was elected by my peers —

**Mr McDevitt:** Yes, but when did you become chair of the audit committee?

**Ms Rice:** It would have been in 2011.

**Mr McDevitt:** When in 2011?

**Ms Rice:** I cannot remember off the top of my head; sorry. I can find out for you.

**Mr McDevitt:** If you could, yes.

Were you chair of the audit committee on 25 July 2011?

**Ms Rice:** Yes.

**Mr McDevitt:** Definitely?

**Ms Rice:** Yes.

**Mr McDevitt:** You are quite certain about that?

**Ms Rice:** Yes.

**Mr McDevitt:** Do you dispute the chairman of the board's contention that he received his copy of the letter that was sent to the permanent secretary and cc'd to you, him and the Chief Fire Officer, shortly after 25 July?

**Ms Rice:** Do I contend that the chair got it? No. He may have done. I did not receive it. I was on holiday during July and August. We did not have another meeting until the middle of September, and I never received it.

**Mr McDevitt:** But the chairman confirmed to us in December, when he was before us, that he was aware that you had been cc'd into the letter. Did he ever discuss it with you?

**Ms Rice:** Not at that stage, no. The first I heard of it was from the Chief Fire Officer in October/November time.

**Mr McDevitt:** How often does the audit committee meet?

**Ms Rice:** We meet once a quarter.

**Mr McDevitt:** So every quarter. Tell me when you met between July and December 2011, please.

**Ms Rice:** It would have been in September.

**Mr McDevitt:** So you met in September, but you are telling me that the Chief Fire Officer did not bring this letter and its contents to your attention until October.

**Ms Rice:** I categorically assure you that we received no letter. I received no letter, and the committee received no letter. It should have gone before the audit committee, not to me personally. Even if it was cc'd to me, it still should have gone to the committee. If I had received it, the first thing that I would have done is bring it to the audit committee's attention.

**Mr McDevitt:** Just so that we are absolutely clear about this: you are certain that the audit committee met in September 2011?

**Ms Rice:** Yes.

**Mr McDevitt:** And you are quite certain that this letter was not available to that committee at that meeting?

**Ms Rice:** Absolutely. I clarified that with the head of our internal audit. I also clarified it with the board secretary, who said that nothing had been sent. She is very good and keeps a really strict record of any correspondence that I got, and nothing had been sent to me.

**Mr McDevitt:** Who are the members of the audit committee?

**Ms Rice:** Well, I am the chair, and I was elected by my peers, one of whom is very senior in the Fire Brigades Union. In fact, he is the vice-president. There is a unionist councillor —

**Mr McDevitt:** What is his name?

**Ms Rice:** Do I have to give their names?

**The Deputy Chairperson:** It is on the public record.

**Ms Rice:** OK. It is on the public record anyway. Jim Barbour.

**Mr McDevitt:** OK. Who else?

**Ms Rice:** There is Siubhan Grant, who has a legal background. I have 30 years' experience in business and 25 years' experience as a local councillor. We have another councillor: David Barbour, who is a local unionist councillor. They are all very, very good.

**Mr McDevitt:** So you are not aware of this letter when you sit down as an audit committee in September 2011. When exactly are you made aware of the letter?

**Ms Rice:** I have already told you that. I was never aware of the letter.

**Mr McDevitt:** But you did become aware of it at some point.

**Ms Rice:** I was given the information from the Chief Fire Officer at the stage when he told me that a letter had been sent to Andrew McCormick and that he had suspended Ms Ford for misconduct for abuse of the Data Protection Act. As it was a personnel matter, we had no remit as an audit committee.

**Mr McDevitt:** When exactly did the Chief Fire Officer make you aware of all that?

**Ms Rice:** He did not.

**Mr McDevitt:** You just said that he did.

**Ms Rice:** He made me aware of that in probably October/November, but he did not give me a letter, and I did not have sight of a letter at that stage.

**Mr McDevitt:** So when then, Ms Rice, do you become aware of the existence of this letter?

**Ms Rice:** I became aware of this letter when all these issues were being discussed and when the audit by the Health Department was being carried out. The chair then gave me access to the letter. We talked about it, and he said that a letter was sent out. I categorically told him the same as I am telling you: we never received a letter. When I got the letter from Andrew McCormick, there were some issues that we had already dealt with, and I can give you a note of those. We could not deal with a lot of the issues that we subsequently heard about because they were way before our time. We only took over in December 2010, and, at that time, an awful lot of work needed to be done, and we were concentrating on it. At the meeting on 27 February, we still had not received anything. We received no letter and no information on the grievances or allegations that I was told about, and that is when I asked for a meeting with the auditors, because, as an audit committee, we needed to know.

**Mr Beggs:** You said that you could not deal with the issues because they were way before your time. If you do not deal with them in the audit committee, who will deal with them?

**Ms Rice:** We could not deal with issues that arose before we became an audit committee or before we were on the board.

**Mr Beggs:** Do you not have to deal with all live issues in the organisation?

**Ms Rice:** They were not live to us. We did not know about them. Only two issues pertained to when we came on the board, and we had already dealt with those. Any other issues were being dealt with by the Health Department's audit. All those issues were being investigated.

**Mr Beggs:** I would assume that the audit committee has to deal with all issues in front of the organisation.

**Ms Rice:** We do deal with all the issues.

**Mr Beggs:** You just said that you did not deal with them because they were in the past.

**Ms Rice:** They were in the past, but the Health Department's auditors were investigating them. As I just said, on 27 February, we still did not know what the issues were. We asked to meet the auditors so that we could deal with any areas that we had not been informed of. We were never given that information. The auditors from the Department of Health never came to us. We asked on several occasions, and they refused to meet us.

**Dr McKee:** Chair, may I give some clarification?

**The Deputy Chairperson:** Yes, and Sam will come in on this point as well.

**Dr McKee:** Three points were raised specifically in the letter of 25 July. The first was to do with corporation tax in 2009-2010; the second was management information for the end-of-year figures for 2009-2010; and the third was to do with the non-uniformed directors' salary for 2009-2010. It was our understanding that those were being dealt with. They had gone through the Department and the Northern Ireland Audit Office and had been internally and externally audited. I hear what Mrs Rice is saying, and, in that sense, those issues from the previous board were being dealt with. The non-uniformed directors' salary was a major episode when it happened. It cost the board; the board was replaced at that time. It was well in the public domain, and it had been scrutinised. We are saying that those three issues were in the public domain and were known. That was not hidden from anyone. The Department and the Audit Office knew about the issues.

**Mr Gardiner:** Mrs Rice, how are you? It is good to see you.

**Ms Rice:** It is nice to see you.

**Mr Gardiner:** We know each other.

When did you first have sight of investigations into the alleged irregularities in the Northern Ireland Fire and Rescue Service in the report based on the allegations made by Ms Ford?

**Ms Rice:** To be perfectly honest with you, I still have not seen all the allegations. We had already picked up the first three allegations, which the chairman referred to. I asked the auditors who were present at a board meeting to clarify for me whether or not the Northern Ireland Fire and Rescue Service had to pay corporation tax, and they assured us that it did not. The second point was about the financial controls. On 12 September, under the management letter and statement of internal control, following clarification requested by me on corporation tax, we knew that we had no requirement to pay such tax and, therefore, no amendment was necessary to the management letter and the report. The audit was then complete to the satisfaction of everyone, and that came from a NIAO representative who was present at the meeting.

**Dr McKee:** We are talking at cross purposes. There are two separate issues. There was the whistleblower's letter of July. The pace of things changed in October, when Ms Ford sent a further list of allegations to Paul Maskey at the Public Accounts Committee (PAC). The Department was advised of that in a letter sent around 8 November by the Northern Ireland Audit Office. I was called to a meeting with Andrew McCormick to learn of those new allegations around 28 November. Those allegations are the basis of the report that is in front of you, which was published on 15 October. So, the initial whistle-blowing letter of 25 July is slightly different: it was the precursor to a number of allegations that were accelerated in October and November. That is when this was brought to the attention of the board.

**The Deputy Chairperson:** Alderman Gardiner asked when you saw the report. When did you physically see the report?

**Ms Rice:** Around January/February, I spoke to the chairman about the letter that had been sent to Andrew McCormick. I said to him that I had never had sight of it. At that stage, only three areas, which have been alluded to, were mentioned in the letter. The rest of it, I knew nothing about. I did not even know about the second letter that had been sent.

**The Deputy Chairperson:** When — month and year — did you actually see the report?

**Ms Rice:** January/February.

**The Deputy Chairperson:** Of what year?

**Ms Rice:** 2011. Sorry, 2012. You are talking about the letter to Andrew McCormick.

**The Deputy Chairperson:** No, I am talking about the report on the irregularities.

**Ms Rice:** I never saw that. I still have not seen that.

**The Deputy Chairperson:** But, it was published in October 2012.

**Ms Rice:** I have never seen it.

**The Deputy Chairperson:** But, this is a report that everybody —

**Ms Rice:** Are you talking about the Department report from the Audit Office?

**The Deputy Chairperson:** Yes.

**Ms Rice:** I have seen that letter, but all of that was after they had dealt with it.

**The Deputy Chairperson:** There would have been a covering letter, but when did you physically have the actual report in your hands?

**Ms Rice:** I did not have it in my hands until the report was carried out by the Department's auditors, who were dealing with all of the areas outlined in the letter.

**Mr Gardiner:** That was the report that was based on the allegations.

**Dr McKee:** Yes, that was the second set of allegations.

**Ms Rice:** Yes, that was the second set of allegations, which we did not get at all.

**The Deputy Chairperson:** As the chair of the audit committee, you must have seen a draft and final copy of that.

**Ms Rice:** No, and the auditors never came to talk to us. As I said, I asked them to do so on several occasions, because they were investigating all those allegations, not us. I asked them to talk to us so that we were clear on the allegations. We never saw them.

**The Deputy Chairperson:** I have just been advised that the Fire Service board met on 3 October to discuss that report. Not only are you chair of the audit committee, you are a member of the board.

**Ms Rice:** Yes.

**The Deputy Chairperson:** So, you would have received a copy of the report in your papers for that meeting.

**Dr McKee:** A draft report came to me and the chief officer in May. At that point, it was refined on the basis of a right of reply, because there were two or three individuals named in it. We have all seen the first redacted report. It was agreed that those individuals who had been named by Ms Ford had a right of reply to challenge what had been said. Those challenges were subsequently written into the report. The reports were published on 15 October, and we saw them on that date. So, all of us saw the report at that stage.

**The Deputy Chairperson:** Going back, why did you not bring the chair of the audit committee into your confidence when you got the original draft, which contained allegations against various members of staff? Was the chairman of the audit committee not an obvious person to discuss that with, or did you see it as a personnel issue?

**Dr McKee:** No, it was not a personnel issue. It was not our report; it was the Department's report. There were two people in particular against whom very serious allegations had been made. It was felt that they had a right of reply before anyone else saw the report.



**Mr McDevitt:** If I heard you right, Ms Rice, you were certainly aware of the 25 July letter and that a departmental audit team investigation had been going on from about the autumn of 2011, I would presume.

**Ms Rice:** Yes.

**Mr McDevitt:** OK. So, I have a couple of questions for you as chair of the audit committee. Are you aware of the public service governance rules that you have to uphold in that role?

**Ms Rice:** Of course we do.

**Mr McDevitt:** Were you ever trained in them?

**Ms Rice:** Yes.

**Mr McDevitt:** When did you receive that training?

**Ms Rice:** I received training from NIFRS and a full training on fraud. I have been to quite a number of bits of training. I have been to audit chairs' meetings run by the Department. Over the years that I have been involved, I have done lots of training. But if you do not get information at the time that you need it, you cannot act on it.

**Mr McDevitt:** We are coming to that. We have established, though, that you had the information from the autumn of 2011 —

**Ms Rice:** When the auditors were in.

**Mr McDevitt:** — and you knew that investigations were ongoing.

**Ms Rice:** Yes.

**Mr McDevitt:** OK. Given that you were aware that investigations were ongoing and of the nature of those investigations, because you were party to the letter and knew what the whistle-blower had disclosed using protected disclosure —

**Ms Rice:** No. I did not see the letter until quite long after that, until after the auditors had come in.

**Mr McDevitt:** So, just to be clear: when exactly did you see a copy of that letter?

**Ms Rice:** I saw a copy of the letter to Mr Andrew McCormick with about five grievances or allegations in it, three of which we had dealt with already or were dealing with and the rest were being looked into by the Department's auditors, because, as I told you before, it was way before our time —

**Mr McDevitt:** When did you actually see the letter?

**Ms Rice:** I would probably have seen it around January or February. I cannot actually be sure. It was only when I asked about it —

**Mr McDevitt:** January 2012?

**Ms Rice:** Yes.

**Mr McDevitt:** But you told us a few minutes ago that, in the autumn of 2011, you were aware that allegations had been made and an investigation was being carried out by a departmental team.

**Ms Rice:** Yes.

**Mr McDevitt:** So, as chair of the audit committee, were you not curious? The buck stops first with you in the audit committee.

**Ms Rice:** It does with me, but it —

**Mr McDevitt:** Were you not curious about why an external audit team was in the Northern Ireland Fire and Rescue Service? Were you not making sure that you and the committee had met all your directorial duties and fulfilled all your governance responsibilities? Were you not taking steps to assure yourself that you had done everything that you reasonably needed to do, given that there was now an external investigation into the organisation in an area for which you and your committee have responsibility?

**Ms Rice:** I will just explain to you again that we were not made aware of the allegations until after the Department's auditors had come in.

**Mr McDevitt:** I understand.

**Ms Rice:** So, there was nothing that we were — I was told, "This is not your responsibility; this is a personnel matter".

**Mr McDevitt:** Who told you that?

**Ms Rice:** It was from the Chief Fire Officer. He stated to me quite clearly that the Department of Health was investigating the matters; therefore, they were outside the remit of my audit committee.

**Mr McDevitt:** You said that you had received extensive training in public service audit. Surely you would have known not to take his word on the matter. You chair the audit committee. You have a duty to the organisation that goes beyond him. Your duty is not to him; it is to the organisation. So, you would want a second opinion on anything that is said to you that does not stack up.

**Ms Rice:** We asked to see the auditors because we did not know what the allegations were. I have already said that we were not aware of them at that time. It was not until February that year — it was a very slow process — that I stressed again that we wanted the auditors to come to the audit committee and explain what the allegations were, where the problems were, whether there was anything that the audit committee had not been given advice on and what we should be doing about it.

**Mr McDevitt:** Just one last question.

**Ms Rice:** They did not meet us.

**Mr McDevitt:** How did you feel when you read the report, 'Investigation of Alleged Irregularities at Northern Ireland Fire and Rescue Service: Stores Management and Stock Control' that was published on 12 October and the other report that was published that day, which was into Linda Ford's allegations of financial irregularities?

**Ms Rice:** We had already started investigating some of the issues that came up in —

**Mr McDevitt:** No, but how did you feel as chair of the audit committee when you read that report?

**Ms Rice:** I was very annoyed that we had not been informed. Why would I not be?

**Mr McDevitt:** Did you feel that you had been kept in the dark?

**Ms Rice:** To a certain extent, yes.

**Mr McDevitt:** Did you feel like you had been betrayed by a colleague?

**Ms Rice:** No, I did not, because, at the time when this was all brought up, we were told and I was told, and the committee was not informed of any of the allegations, so there was nothing that we were able to do. Unless you have a crystal ball sitting in front of you, you cannot actually go into allegations that you know nothing about. When the auditors from the Department were in, I was asking for them to come and let us know what the allegations were and why the problems had arisen. I wanted to know

whether there was anything that the audit committee should be doing, and they would not come to meet us.

**Mr McDevitt:** Looking back on it now, was there some sort of omertà in the organisation?

**Ms Rice:** Is there some reason why we should tell the audit committee that we do not accept you coming in here and making inquiries into the allegations? You are asking me again what I have done. I have told you what I have done.

**Mr McDevitt:** No, I am asking you, looking back on it now, you have been in the Northern Ireland Fire and Rescue Service at a senior directorial level board member —

**Ms Rice:** Sorry, I have not. I am a board member as everyone else is.

**Mr McDevitt:** You are a board member, so you have a duty towards the organisation. You have been a board member throughout this period. Looking back on it —

**Ms Rice:** Sorry, can you clarify what period you are talking about?

**Mr McDevitt:** The period of the disclosure of this information, the conduct of the investigations, the publication of the report and the response to the report. This all happens while you are a board member.

**Ms Rice:** Yes.

**Mr McDevitt:** So, what I am asking you is, thinking about the period between the disclosures, the period during which the investigations took place and the period of reporting, do you feel like there was some sort of omertà in the organisation, some sort of vow of silence that no one would say anything that might in any way damage anyone else?

**Ms Rice:** I cannot tell you that. I cannot answer that question. I can only deal with what is factual when someone has given us information through the audit committee. We have 27 audits a year to carry out with two people. The amount of work that we are doing is way beyond what we were asked to do when we joined that board. When I get the information or when it comes to the committee, we scrutinise everything thoroughly without going to anyone else. We make recommendations to the board, and the board then takes those forward.

**Mr McDevitt:** Chair, I meant to leave it there, but Ms Rice just said something. You just said that the amount of work that you are being asked to do is way bigger than what you thought you were being asked to do when you joined the board. Do you think that you have the capacity to do your work as a committee?

**Ms Rice:** As a committee, we have scrutinised everything. If you are talking about internal audit, that is something that we have got to review, and we are in the process of doing that. We need to have an internal audit that is fit for purpose, and we need to get all of the information that we require. I cannot disclose any further, because there are personnel and staff involved. The chief executive is currently looking at options for how we improve the internal audit in the organisation.

**Dr McKee:** Supplementary to Mr McDevitt's questions, I am completely in sympathy with Geraldine when she says that what we are doing at the moment is way beyond what we thought we were signing up to. For instance, the description of the job of chair is two and a half to three days a week, but I find myself almost living in the place. Similarly, my board members — Geraldine is the only one here today — were told that it was two or three days a month. It has been much more than that. Do we have the capacity? Yes, we do have the capacity, but my colleagues, just as with our senior executive staff, are working very long hours to address these issues. On top of all the appointments and things that we have had to deal with in the first year and the scrutiny role in the second year responding to these issues, people are actually in the building a lot more than they had thought that they would be at the start.

**The Deputy Chairperson:** I sat on the audit committee of Down District Council for three years, and, if a local government auditor had been going through our books on a particular issue and we had not

been told instantly of their arrival and the chairman had not been taken aside and given an in-depth briefing, I suspect that, as a committee, we would have resigned on the spot if we subsequently heard that. It strikes me as being really strange that, at a very early stage, senior staff knew that this was happening, yet, although there was an audit committee and there was an audit report into alleged financial abuse, no one thought of going down the corridor and talking to the chair of the audit committee and saying that this has happened. Particularly when you tell me that you are practically never out of the building, this strikes me as a major omission in the system.

**Dr McKee:** May I come in for a moment? I want to give further clarity, because there are two different strands to this. One strand led into the other. May I outline the sequence? The letter came in on 25 July to Andrew and there was a circulation list at the back that I took at face value: it went to me, Geraldine and Peter Craig. The same information had gone to the Deputy Chairperson of the PAC around April or May, three months previously, and the PAC had informed the Northern Ireland Audit Office. Three weeks later, on 17 August, Terry McGonigal, who was director of finance at that time — the three issues in the whistle-blowing letter of July all related to issues around finance and financial management — sent a robust rebuttal, as you would imagine, of Ms Ford's original letter to the same circulation list. The e-mail that I got said that it was circulated to Dr McCormick, Peter Craig, Gerry and me. On 23 August, there was a letter from the permanent secretary to the Chief Fire Officer, who was the chief executive and accounting officer at that time, highlighting the possibility of the Department sending in its internal auditors to carry out an investigation. That was within the first month.

On the surface, the issues — when the Chief Fire Officer and I discussed the letter, he said that all of those issues had been dealt with in the past. They were going back over previous years. They highlighted once again the breakdown of relationships in that finance directorate. Peter wrote to the permanent secretary and requested permission to contact the Chief Fire Officers Association to invite a senior officer — a chief officer — to conduct an independent inquiry. I was at two accountability meetings between the Fire Service and the Department. One of those meetings was in early September, I think — sorry, it was on 28 September 2011. When asked whether there were any governance or statement of internal control issues, Mr Craig advised the accountability meeting that there were no emerging issues to report. Mr Craig would have to speak for himself, but I was of the opinion that, as the board and the chair report to the Department and, ultimately, to the Minister, the three issues that had been raised quite legitimately by the whistle-blower on 25 July were being dealt with.

**The Deputy Chairperson:** Yes, I accept all that. However, I cannot fathom why, at no stage in the process did you meet either the chair of the audit committee or the full committee and have an in-depth look at this. You relied on the fact that letters had been cc'd to various people and, as it turned out, they did not arrive with those individuals — and that is another issue, given the importance of it. However, did it never occur to you that this was quite serious and that you should sit down with the people who were responsible — the audit committee — and discuss an audit report?

**Dr McKee:** I did that, and the chief and I minuted that as soon as the substantive list — the longer list — of allegations that became the basis of the report that was issued in October. At that point, the permanent secretary brought me up at the end of November, advised me of the seriousness of the issues that had been revealed in the second tranche of allegations — not the first three — and said that he would be sending in his internal auditors. They came in almost immediately to deal with that.

**The Deputy Chairperson:** But still you did not go down the corridor —

**Dr McKee:** We informed the board in December.

**The Deputy Chairperson:** Yes, but, gosh, I would have been on the ball a lot quicker had I heard —

**Dr McKee:** But they only came in in December.

**Ms Rice:** When you get a statement of financial control and a management letter, and you as a councillor and I would get the same — you would accept it as being correct because it is done through the NI Audit Office. We received a letter and a management letter and the statement of internal control in relation to those allegations about financial controls, stating that there was no problem with them and that the audit was complete and satisfactory. Everyone, including the Department, accepted that.

**Mr McDevitt:** On a point of accuracy, Dr McKee said, if I heard him correctly, that Terry McGonigal wrote back to the cc list of the 25 July letter by way of e-mail. When did that happen?

**Dr McKee:** It happened on 17 August.

**Mr McDevitt:** So, Ms Rice, you received an e-mail on 17 August from the director of finance rebutting a whole series of allegations that were made in a letter that was written on 25 July.

**Ms Rice:** Well, I was not there, so I did not receive it on 17 August.

**Mr McDevitt:** When did you read it?

**Ms Rice:** I was actually in Lanzarote at the time. I did not get to read it until I came back in September. Again, it was raised with the committee in September, but most of those —

**Mr McDevitt:** You told me —

**Ms Rice:** Most of those allegations were in relation to what had been written to the Department. As I have already said, I was advised by the Chief Fire Officer in October and November not to get involved because it was a personnel matter.

**Mr McDevitt:** I appreciate that, and I am not trying to catch you out. I am just trying to get to the bottom of who knew what and when. A few minutes ago, you told us that, in September, the committee did not discuss any of the matters that were raised in Linda Ford's letter of 25 July. You have just told me now that an e-mail that rebutted Linda Ford's 25 July letter was discussed at the committee.

**Ms Rice:** No, sorry. The e-mail was not discussed. I said to you that I had received it but I had been advised by the Chief Fire Officer that auditors were coming in and that it was not the remit of the audit committee — they were going to deal with all those issues that had arisen. There was a lot of personal stuff going on as well.

**Mr McDevitt:** I need to ask you straight up: it seems to me that you did know, personally, when you got back from your holidays that summer, that there had been a letter because you knew about Terry McGonigal's response to that letter. He had cc'd you, and you acknowledged that you received it.

**Ms Rice:** As an e-mail, yes.

**Mr McDevitt:** So, therefore, you knew about the existence of a letter.

**Ms Rice:** I spoke to the Chief Fire Officer about the letter.

**Mr McDevitt:** Yes, I know what happened next, but I am asking you, as chair of the audit committee, what you knew and when you knew it. You did know.

**Ms Rice:** There was a rebuttal, but I did not know the facts of that rebuttal. I never saw that letter. I did not see the allegations that were in that letter, and I told you that.

**Mr McDevitt:** So you are chair of the audit committee —

**Ms Rice:** I did not get that information.

**Mr McDevitt:** OK, so you are chair of the audit committee. You arrive back from your holidays, and there is an e-mail from the finance director, which is a rebuttal of a series of allegations, and you are telling me that you never asked for the letter?

**Ms Rice:** I am sorry; I was not given the letter.

**Mr McDevitt:** That is what I am asking you.

**Ms Rice:** I asked the Chief Fire Officer whether there was a letter. He more or less told me that it was nothing to do with me, but it was —

**Mr McDevitt:** Even though you, as chair of the audit committee — and you have confirmed that you have been trained and all that, that you are very aware of your duties and that you have confidence in your committee — were personally in receipt of an e-mail from the director of finance that rebutted a series of serious allegations, it did not occur to you to want to see a copy of those allegations?

**Ms Rice:** Well, if you ask for it and you are not given it, what do you do then?

**Mr McDevitt:** As chair of the audit committee, you do not report to the Chief Fire Officer.

**Ms Rice:** I may be chair of the audit committee, but I cannot act as a lone person. I can show you our standing orders. I can only go through our committee.

**Mr McDevitt:** Well, maybe if I could ask you —

**Ms Rice:** You are asking me to say to the Chief Fire Officer that he has information and he is not giving it to me.

**Mr McDevitt:** OK, fair enough. Did you raise it at the September meeting of the audit committee?

**Ms Rice:** No, because we did not know what was in it.

**Mr McDevitt:** No, you did know before the committee met in September.

**Ms Rice:** I did not know the detail of it.

**Mr McDevitt:** Yes, but did you raise, at the September audit committee meeting, the fact that you were in receipt of an e-mail that you discussed with the chief fire officer, and that he was refusing to give you the source of the allegation?

**Ms Rice:** I have said to you, and I will tell you again, that when this whole thing arose I was told quite categorically that the audit team from the Department of Health was coming in to carry out those investigations and that it was not therefore within the remit. I raised the point in September about auditors being in — we did not know what the allegations were, and asked for the auditors to come in. Do you not think it was reasonable at that stage to ask others to come in to investigate issues that you did not have the full detail of? They refused, so you need to go back to the Department of Health's auditors and ask them why they would not give us that information.

**Mr McDevitt:** I need to understand why you, as chair of the audit committee, took the Chief Fire Officer's word for something when you clearly had a duty to get to the bottom of it. That is what I need to understand, as well as why you did not follow this through, either with your audit committee or with the board. The Chief Fire Officer works for the board; the board does not work for the Chief Fire Officer. You are the appointing authority; you are the ones who have the governance duties; you are the ones that are meant to be in there defending the public interest in this organisation.

I need to ask you again. You had Terry McGonigal's e-mail rebutting the allegations that Linda Ford had made. If you knew about this from early September and did not bring it up at the audit committee or, from what you are telling me, at the board meeting, do you think in retrospect that maybe you should have?

**Ms Rice:** If I had known what the allegations were, I would have done, but I could not bring stuff to the board that I did not know anything about.

**The Deputy Chairperson:** I remember my experience when something like £19 disappearing from petty cash at the leisure centre in Down district. The local government auditor expressed concern, everybody was brought into a room immediately and told that there was concern about this — the chair, the entire committee and all the chief officers — and it was only maybe £60. It strikes me that the import of the allegations being made, even if all you saw was the rebuttal, indicates that if the audit

committee was carrying out its functions correctly, immediately it became aware of that, an emergency meeting should have been called. The Chief Fire Officer or whoever should have been brought in and asked what is going on because this looks very serious, rather than simply accepting his word that everything was fine. Your role is that of watchdog.

**Ms Rice:** We were not accepting that anything was fine. As far as we were aware, the auditors from the Department of Health were coming in to investigate allegations. We were not able to do anything about those allegations because they were already under investigation by auditors from the Department.

**The Deputy Chairperson:** You did not know that until November.

**Ms Rice:** No; it was November.

**The Deputy Chairperson:** Yes, so you mean that from 25 July until November, effectively, as far as the audit committee is concerned, nothing was done about this — absolutely nothing. There was no direct contact between you and the chair, and no discussion whatsoever on the issue. That strikes me as an absolutely amazing omission. I know that, in my council, although I am off it now, the words "local government auditor" filled everyone with fear. You would act immediately and there would be all sorts of discussions behind closed doors to try to work out what has gone wrong.

**Ms Rice:** I have already explained to you that some of the allegations that we then heard about, we had already dealt with at the audit committee. There were allegations that we did not know about that the auditors did; we knew nothing about them. You cannot report something if you do not know what those allegations were. The initial ones that were on the August letter to the Department — to Andrew McCormick — we had already dealt with. I have already said that the irregularity of finances was clarified to our board and to the committee. We had a management letter, the internal audit was completed and there was nothing to investigate because they had given us that management letter and the internal audit had been satisfactory to everyone.

**The Deputy Chairperson:** You accepted that, of course.

**Ms Rice:** Of course we would accept it; it came from the NIAO. Would you not have accepted it?

**The Deputy Chairperson:** No, I would not have.

**Dr McKee:** The initial letter of July highlighted three areas. The permanent secretary, as accounting officer of the Department, got the letter, as it was directly sent to him. The accounting officer for the Fire and Rescue Service, the Chief Fire Officer of the day, got the letter as well. I felt that there was open accountability between the organisation and the Department.

It was when the second list of allegations came in, which are the basis of the main report in front of you, that I let everyone know. It came on the agenda in December. However, the audit team was very tight in what it looked at and about preserving what could become evidence and making sure that everything was in place and done properly. If I were to do it again, I would not have taken at face value the circulation list on the letter. I was one of the persons to whom it was copied. With the benefit of hindsight, I would have done that differently. However, the Chief Fire Officer and I were of a view that those three issues had been substantially dealt with, and that they were certainly in the bigger accountability circle between us, the Department and the Audit Office.

**The Deputy Chairperson:** We will move on to what I think is another major deficiency in what happened. This point is to you, Dr McKee, and it relates to Ms Ford's grievances against Peter Craig.

**Dr McKee:** Sorry?

**The Deputy Chairperson:** Ms Ford's allegations against Peter Craig. The report into the alleged irregularity states:

*"These grievances should have been heard by an independent person (the Chairman or a member of the Board)".*

However, quite extraordinarily, Mr Craig responded directly to the grievances himself. That is clearly contrary to disciplinary policy. Why did that happen? Why did Peter Craig actually deal with allegations being made by a senior member of staff against him?

**Dr McKee:** You would have to ask him about that, Mr Wells. I cannot tell you what was in Peter's mind over that.

**The Deputy Chairperson:** Were you were aware that Linda Ford had submitted grievances and allegations against Mr Craig?

**Dr McKee:** I will look this up. There were a number of grievances about the length of time that the suspension had gone on and about access to files. There was a lot of movement back and forward around all those issues.

**The Deputy Chairperson:** I accept that, but the policy is very clear. At that level of staffing in the Northern Ireland Fire and Rescue Service, those grievances should have been dealt with by the chair or a senior board member. Were you aware that, in fact, they were being dealt with by Peter Craig? Can you see the obvious problems that that causes?

**Dr McKee:** I can. There should have been very clear advice to him at that stage. Difficulties in governance were arising because of that, but it went on for a long time. The difficulty in all of these — in the three individuals at the centre of these grievances — was that, once it got past the first six months or so, it became very difficult to disentangle them.

**The Deputy Chairperson:** Yes, but were you aware of your responsibility — that it was your role to either deal with these or to appoint somebody from the board to deal with them? Were you aware that that is what should have been happening, rather than Peter Craig basically investigating them himself?

**Dr McKee:** The difficulty with the subsequent grievances was that, in my letters with Ms Ford's representative body, NIPSA, I wanted to get the three grievances that came up in late 2011-12 dealt with, but Ms Ford's NIPSA rep wanted the initial grievance from 2010 dealt with first of all. There were concerns about unauthorised accessing of files. An investigation that was looking at that stalled the whole thing. So, we did not hear the grievances while the investigation went on into the alleged unauthorised accessing of finance files.

**The Deputy Chairperson:** With respect, you did not really answer the question. Were you aware that Peter Craig was investigating allegations made by Ms Ford against him? Were you aware that he was doing that himself? If you were aware of that, you must also have been aware that that is contrary to the disciplinary procedures.

**Dr McKee:** Three grievances came to me. I referred to the HR unit about those. We tried to hear those three grievances, but the NIPSA rep wanted the first accusation that was levelled, which was a bullying and harassment case, to be dealt with first. As I said, there were concerns about accessing of files, and there was an investigation going on into that.

**The Deputy Chairperson:** Were you aware that Peter Craig was investigating allegations against himself?

**Dr McKee:** I do not think that he was.

**The Deputy Chairperson:** Well then, who was investigating? You were not doing it, and you had not appointed somebody from the board to do it.

**Dr McKee:** Peter Craig initiated an investigation into the allegation that Ms Ford had been accessing files without authorisation; that is what he was investigating.

**The Deputy Chairperson:** But that is not her grievance. She made a series of written accusations and grievances against Peter Craig. As far as I can see, the only person who investigated those grievances is Peter Craig. The very simple question is this: did you know that he was doing that?



**Dr McKee:** I have the grievances in front of me. One is about access to files being denied by the Chief Fire Officer; he did not investigate that. The second is a grievance in relation to a suspension from her post on 19 August. The third one is that the grievance of 19 August had not been held within the normal procedures and time frames. Those are the three grievances that I am aware of.

**The Deputy Chairperson:** No; there is a previous set of grievances.

**Dr McKee:** The previous grievance was to do with harassment and bullying in the finance directorate back in spring 2010.

**The Deputy Chairperson:** Right. Who investigated those?

**Dr McKee:** That first one?

**The Deputy Chairperson:** Any of them. Who investigated any of those grievances?

**Dr McKee:** Nobody investigated those last three. Those came to me because we came unstuck in the inquiry into the accessing of files.

**The Deputy Chairperson:** I refer you to page 14 of the audit investigation, which states:

*"These grievances should have been heard by an independent person (the Chairman or a member of the Board) however the CFO personally responded to the first grievance and was involved to some degree in considering the second and neither of them were heard."*

The reports make it very clear that the chair did not investigate these grievances, or a member of the board, and that the CFO personally responded to the first grievance and was involved in some degree in the second. That is clearly a breach of the disciplinary policy; there is no question about that. It is so obvious —

**Dr McKee:** Sorry. Just so that I am being fair to both parties: which section of the report that was published is this?

**The Deputy Chairperson:** Seven four.

**Dr McKee:** Seven?

**The Deputy Chairperson:** Seven four.

**Dr McKee:** Seven point four.

**The Deputy Chairperson:** The simple question is this: did you know that Peter Craig was responding to the allegations against him? Did you know that that was happening, or had he taken it upon himself to control the information in such a way and deal with it personally?

**Dr McKee:** Those grievances were not heard by anyone. They were not heard.

**The Deputy Chairperson:** That is not the question. Did you know that Peter Craig was responding to those accusations personally?

**Dr McKee:** No. My understanding is that the three grievances that followed the initial grievance were not heard. Nobody has heard those.

**The Deputy Chairperson:** I think it is semantics here. It is not a matter of there being a hearing or an investigation. Did you know that Peter Craig had decided to deal with this entirely internally within his own office and not to bring anybody else on board?

**Dr McKee:** No.

**The Deputy Chairperson:** You did not know that.

**Dr McKee:** I do not think so.

**The Deputy Chairperson:** Do you accept that that was a fundamental breach of the policy, which is there for very good reason? When senior officers make allegations against each other, the person being accused should not be judge and executioner on the allegations that have been made against him. The fact that that happened totally undermines the procedures that were followed. It should have been you, and, if you felt that you were too embroiled in it, it should have been somebody else.

**Dr McKee:** We had a board member lined up to hear those three grievances. It did not happen. They have not been heard.

**The Deputy Chairperson:** What triggered the appointment of the board member to hear the grievances?

**Dr McKee:** That was the right way to do it. We did not stop hearings. The chief had issues with Ms Ford accessing finance files, and that was discussed in our organisation and in the Department. He certainly did not hear those three grievances.

**The Deputy Chairperson:** About 40 years ago, the Fire Service was part of councils. Had an allegation been made at local government level, it would have been taken off the desk of the chief executive, and a council chair or someone else would have been appointed to deal with it. It is very important that that is done instantly so that there is no allegation that it is not properly investigated or that the evidence is tainted by the fact that the person who has been alleged against has been involved. That did not happen. When those allegations came in, they were not handed immediately to you or to another board member. We can conclude that that is absolutely true.

**Dr McKee:** When the last three came to me, we tried to set it up so that those would be heard by a member of the board who has a strong background in the law. I thought that that would have been a fair way to do it, but we did not get as far as that.

**The Deputy Chairperson:** It did not happen.

**Dr McKee:** No, it did not.

**The Deputy Chairperson:** Meanwhile, Mr Craig was meddling in allegations and grievances against himself. That is the problem. He did not detach himself from those grievances immediately and hand them over to you or to a board member. He was involved in that grievance process. That is a fact. That is what paragraph 7.4 states. That is a fundamental breach in every branch of local government or government service; you just do not do that at senior officer level. That is not justice being seen to be done.

We will move on to the next question, although members might want to come back on this issue. Some of what Conall will ask has been mentioned already, but I am sure that he wants to follow up.

**Mr McDevitt:** We will put it on the record, Chair. Dr McKee, when did you receive the draft copy of the report into the investigation of alleged irregularities at the Fire and Rescue Service?

**Dr McKee:** In May 2012.

**Mr McDevitt:** What exactly did you do with the draft report when you got it?

**Dr McKee:** I read through it.

**Mr McDevitt:** Did you circulate it to anyone?

**Dr McKee:** No.

**Mr McDevitt:** Nobody?

**Dr McKee:** No.

**Mr McDevitt:** Who else in the organisation received copies?

**Dr McKee:** My understanding was that the Chief Fire Officer got a report because he was named in it and that Mr McGonigal got a copy because he was named in it.

**Mr McDevitt:** Did the Department give you any indication as to what it expected you to do with the draft report?

**Dr McKee:** It obviously wanted me to scrutinise it.

**Mr McDevitt:** To fact-check it?

**Dr McKee:** Yes; to fact-check it.

**Mr McDevitt:** Ms Rice, you were not aware of the existence of the draft report?

**Ms Rice:** No, I was not. Can I clarify something? I explained that I did not receive information on some of the previous allegations. I can show you what I did receive and what was acted on. It was the Northern Ireland Audit Office management letter, and the audit was completed by it. That was in 2010-11, and it was satisfactory to everyone, including the Audit Office and the Department. The audit committee was satisfied that everything that had been raised in the original allegation had been dealt with by the Audit Office. There were other issues that I do not know about and still do not know about.

**Mr McDevitt:** We will come back to that. That is very interesting. Dr McKee, did you not think it necessary to circulate a copy of the draft report to the audit committee?

**Dr McKee:** It was not ready to circulate at that point.

**Mr McDevitt:** I mean the draft report, for fact-checking.

**Dr McKee:** No. It was not my report. It was the Department's report. It was the Department's investigation, and I was asked to have a look at it.

**Mr McDevitt:** OK, but you were not asked to have a look at it because, with the greatest respect, you are Joe McKee and a nice guy. You were asked to look at it because you are chairman of the Northern Ireland Fire and Rescue Service board.

**Dr McKee:** Yes.

**Mr McDevitt:** I am trying to ascertain what sort of checks and balances you carried out in your own mind on receipt of it. Did you think, "I need to quality assure this with the chair of the audit committee and its members", which, routinely, is privy to information that the rest of the board would not see? That is basically the deal when you are on an audit committee: you see a lot of stuff that other board members are not entitled to see or just would never see. Did you think about the need to send it to the audit committee?

**Dr McKee:** It said on the front cover, as I recall, "In confidence", and I understood that it was sent to me in confidence.

**Mr McDevitt:** Are you aware — this is a conversation that we had the last time you were in front of us — of your duties as chairman of the board when you get something formal like this about public finance and public service governance? Are you quite clear about the sorts of duties you have?

**Dr McKee:** I am, but I am also clear that, when a highly sensitive document that names individuals is sent in draft form and marked "In confidence", I treat it in confidence and then negotiate back and forward with the Department.

**Mr McDevitt:** I have two quick questions on the back of that. You said, "negotiate back and forward", so you responded to this draft report?

**Dr McKee:** I did.

**Mr McDevitt:** Was it just your own information that you had available at that time to inform your response, or did you draw on information that was received from other people or elsewhere?

**Dr McKee:** As I said, the two named individuals had a right of reply and challenge to —

**Mr McDevitt:** They were doing that as named individuals. Surely you did not have a discussion with them, did you?

**Dr McKee:** No, but I satisfied myself that they had a right of reply.

**Mr McDevitt:** So you satisfied yourself that the two named individuals had a right of reply. I just want this to be very clear: did you ever have a discussion with them about the contents of the report?

**Dr McKee:** With the named individuals?

**Mr McDevitt:** Yes.

**Dr McKee:** I did.

**Mr McDevitt:** What was the nature of that discussion?

**Dr McKee:** "Are you satisfied that references to you are accurate and true?"

**Mr McDevitt:** And what did they say?

**Dr McKee:** They responded by saying no, and that they wanted certain things changed.

**Mr McDevitt:** Did you reply to the Department on their behalf?

**Dr McKee:** No. They replied on their own behalf.

**Mr McDevitt:** What did your reply say?

**Dr McKee:** I do not have that document with me. I would have talked about the tone, tenor and fairness of the document. I simply would have looked at points of accuracy as I saw them.

**Mr McDevitt:** But you really would not have been able to establish the points of accuracy without consulting the audit committee.

**Dr McKee:** As I say, it was handed to me in confidence, and I was asked to treat it in confidence.

**Mr McDevitt:** OK.

**Mr McCarthy:** Ms Ford told the Committee that, on her return to work, she had been instructed not to communicate directly with any member of the finance department. The Committee then wrote to you about this matter, and you replied:

*"the issue being referred to is one relating to members of the Finance Directorate expressing what we perceive to be genuine concerns about professional contact with Ms Ford about financial matters, while the issues of grievances and full return to normal work are outstanding. They have requested not to be contacted by her as distinct from management advising Ms Ford not to talk to them. Given the circumstances and taking into account all of the events leading up to the current position, we can fully understand the context of their concerns, although I am also very conscious of the impact it has had on Ms Ford."*

Mr Wallace, did you sanction the request from members of finance staff not to speak to Linda Ford?

**Mr Jim Wallace (Northern Ireland Fire and Rescue Service):** No, definitely not. I think that, to be fair to Linda, when the situation was explained to her, she understood why there might be some concerns, and, again, to Linda's credit, I think that that was a fair and reasonable reaction. The reason why we raised it with her at the time is that our responsibility is not just to the individual — in this case, the whistle-blower — but to all the staff in the organisation. Given what had taken place, a number of staff were, understandably, sensitive. They expressed those concerns in the correct manner. We recognised those, we shared them with Linda and we handled her return to work in the way in which, I hope, we would always do so: sensibly and equitably. The Chief Fire Officer at the time took personal responsibility for working with Linda. Any suggestions or requests that she had for financial information were directed through him. They were then passed on through the finance section. At that time, the relationship was adequate. I have to say that, as of this point in time, dialogue has been resumed between Linda and the finance department.

**Mr McCarthy:** I have a couple of follow-on questions. On what grounds would you have made that decision? What message do you think that sends out to other potential whistle-blowers in the organisation?

**Mr Wallace:** To be clear, we did not instruct people. I would never advocate that. I do not think that that is in anyone's interests. I would just repeat what I said: the interests of all staff are paramount to me and the organisation. Recognising what the whistle-blower had been through, we recognised that there were sensitivities around people who had worked with her previously. Obviously, as I have said, things have moved on and personalities have changed. There has been a change of individuals, so we have been able to address the issues in a more professional way that is acceptable to all parties. I wish to be quite clear that I would not advocate that people do not speak to other people. That is not the way in which to deal with the issue. It should be managed. I think that that is what we have done since Linda returned to work.

**Mr Beggs:** Following on from that, Dr McKee, were you aware that sections of staff in the Fire Service were being permitted by the Chief Fire Officer not to engage with Ms Ford in a professional capacity?

**Dr McKee:** All that I was aware of is that there were concerns. All of the finance staff are on one floor. There were concerns about answering questions about finance issues. I think that people just felt a little bit in the dark. They have, subsequently, been reassured that there are no issues: Linda is back at work, people should be open and trusting of one another, and they should be able to talk to her. There were concerns at the start. Those concerns have been addressed.

**Mr Beggs:** Do you accept that it is impossible for anyone to do his or her job if they are not allowed to talk professionally to others?

**Dr McKee:** There was no question of people not being allowed to talk.

**Mr Beggs:** Let me rephrase that: do you accept that it is not possible for someone to do his or her job effectively if others will not communicate with that individual?

**Dr McKee:** That would be the case, if it happened. However, it is not happening.

**Mr Beggs:** I understand that things have been rectified now. I welcome that. However, my understanding is that people said that they did not want to talk to so-and-so.

**Dr McKee:** No. My understanding, Mr Beggs, is that people were asking whether they could talk about this or that, or whether there were areas about which they could not talk. I think that people were just being careful, especially in the finance section, that they were sharing information correctly.

**Mr Beggs:** Obviously, if there were sensitive areas that should not be talked about, that would be appropriate. However, my understanding is that there was a blanket ending of conversations and that dialogues had to go through a third party, namely the Chief Fire Officer.

**Dr McKee:** I was not aware of that.

**Mr Beggs:** Were we not just told that information was sought through the Chief Fire Officer? That strikes me as strange. Is that not correct, Mr Wallace?

**Mr Wallace:** As I said, when Linda returned to work, she was working for the Chief Fire Officer on specific pieces of work. When there were requirements for her to have access through financial systems, they were directed to the appropriate members of staff. We facilitated her requirements.

We have also to bear in mind that there was, obviously, a great deal of sensitivity from people in the finance function, given the possible access to personal data, which was the nub of the issue for finance staff. Again, to repeat what I said about looking after the interests of all staff, we recognised that. Given that there were also outstanding grievances in relation to Linda in the finance function, we took what we felt was the most appropriate way to have Linda back at work. We tried to work around the issues in a way that we felt was acceptable, given the circumstances at the time.

**Mr Beggs:** Would you say that we are back to normal conditions or are there issues yet to be resolved to allow professional conversations to happen between staff members?

**Mr Wallace:** I am not actually sure what "normal" is at present, but I am sure that we are getting somewhere towards it. I would not suggest for a minute that everything is resolved in that respect. The encouraging sign for me is that we have started to put things back to where we think that they should be, although one or two issues are still to be dealt with. However, getting people back to doing the jobs that they were asked to do was my key responsibility and the expectation placed on me. We are not quite there yet, but I am very optimistic that we will be in a matter of weeks.

**Dr McKee:** I just wish to say that I am immensely encouraged that Linda Ford is back on the second floor of the building, and that John Boyle is back in the finance directorate. It is a great regret that the whole thing took so long. At the core of that report, in the initial overview, the Department referred to the fact that ongoing tensions at Fire Service headquarters were militating against good, effective management. I record my thanks to Jim, as chief executive, and to Chris Kerr, as Chief Fire Officer, for facilitating that improvement. We have had some people leave the organisation and some come back after being out of circulation for too long. It gives Geraldine, the board and me great satisfaction that we are moving in the right direction. We have a little bit to go, but do not underestimate the painful aspect of this for everyone. It is terrific to see people back at their desk.

**Ms Rice:** I just want to say that we have been trying to move the organisation forward. Mistakes were made some time ago, and the organisation probably did not report to us in the way that it should have. I do not think that some people felt that the audit committee was as important as they should have. As a committee, we have asked for all key issues to be pulled together so that we, along with the board, are enabled to ensure that those key issues are addressed as quickly as possible.

While all this other stuff was going on, one of the initial things that we were doing was looking at a corporate governance framework. When we came in, there was no corporate governance framework, and we had to start going through that. We brought that forward and implemented it as soon as possible, which was October 2011. Through the audit committee and the reports that we get, we actually scrutinise every single part of the organisation.

We looked at finance, and, when we came on board, tenders came in without any information. You got the person who won the tender and the amount. We said that that was not good enough and that we needed to have all the information on the tenders, prices and who received the tender. That has been implemented, as has a stipulation that any purchase over £50,000 in each financial year must come to the board. Many of those things did not happen before.

Looking back, I accept that there were problems and that mistakes were made. Information that should have been coming through — particularly to the audit committee — was not. However, I assure this Committee that we have taken strong steps to ensure that every single piece of information now comes through us and that nothing is missed. I take your point about the auditors; they should have come to see us. They did not. The Northern Ireland Audit Office gave us an assurance that the 2010-11 finances were fine and there were no problems with anything, and I would not dispute that. You know that when the Northern Ireland Audit Office comes into a council, you accept its recommendations as correct.

**The Deputy Chairperson:** Maeve McLaughlin's next question will raise a very important issue. I will be keen to hear a straight answer.

**Ms Maeve McLaughlin:** I first have a comment on what Ms Rice has just said. Given the organisation's scale and its valuable service to society, it is a concern that it had no governance framework in place until 2011. That point must be made very strongly. Following your comments a few minutes ago, Dr McKee, will you say whether Mr Wallace has come to the board yet with any recommendations on whether staff should be disciplined as a result of the information in the four reports that were published by the Minister in October 2012?

**Dr McKee:** He has. Mr Wallace attends the board meetings. He does not have a vote, because he is not a board member, but he is the accounting officer. He commissioned an external overview of all the reports that we received from the Chief Inspector of Fire and Rescue Authorities in Scotland and the chief officer of the largest brigade there, Brian Sweeney. They came to the board in — I cannot recall which month —

**Mr Wallace:** January.

**Dr McKee:** Yes. They met the Chief Fire Officer, the chief executive and me just before we went into the full board meeting. Their view was that the service had significant failings in and around finance and the human resource function, significant gaps in organisational policy, procedures and processes, and significant issues around governance, institutional and cultural failings. We could have read that from the overview of the seriousness of the reports that the Minister brought to the House in October. They gave us some advice on discipline. They said that their overview of the investigation reports led them to the conclusion that, in the main, the failings were acts of omission and not commission. They continued:

*"In our opinion and on the face of it, there is little evidence to support any widespread disciplinary concerns, but it will be for the NIFRS board to determine the requirements for formal disciplinary action. Importantly, we are arguing here for a need for significant strategic intervention. If any disciplinary action is progressed, that should not be considered in itself to be a solution to the issues. We firmly believe that individual behaviours are a consequence of broader cultural issues and not the core issue in themselves."*

I have an association with the service going back over 40 years. I left the operational side of the things in 1987, which is 27 years ago. However, I have kept an arm's-length relationship. I have gone to the occasional event and in the past two years I have been chair. They got it absolutely right: the Northern Ireland Fire and Rescue Service is in serious need of a major cultural change and transformation.

The culture in the organisation needs to be turned around. There is absolutely no doubt about that. When we look at all the reports, every one of them includes issues where people made mistakes. None of the reports came out hard and fast and said, "There are major discipline issues here." I have heard what you have said, as has the board, about heads having to roll and people having to be held to account. I am not making any excuses for people that I have been working with for the past couple of years, but, as I said the last time I was here, the Fire Service, over the last 30 years in particular, has done exceptional work. We know that, and there has been, somehow or other, a culture in the organisation that some of the other areas around the front line services are somehow less important. That is no longer any good in 2013. We have to get the business side of the organisation sorted out. I am in sympathy with what they are saying on that. I think that they have absolutely nailed it. There has been a culture of doing things in a certain way that needs to be changed.

**Ms Maeve McLaughlin:** You indicated that, obviously, those are quite significant failings. You have them listed across sectors, governance, finance, as well as the point about the need for significant strategic intervention. That external overview was done in January. What has been the position of the board? Has it agreed with those recommendations?

**Dr McKee:** The board sat in grim silence and listened to it. It is not good news for any board to be told that there are significant failings around finance, human resource and culture, but we thought that there was no clear evidence in the reports of wilful misconduct. We acknowledge that there was a culture that contributed to poor performance practices.

The major change in the past year, which goes against everything that a traditional fire and rescue service would have, was to split the role of chief executive from the chief operational officer. We have

done that. That is a major and radical cultural transformation. On the other positive side, we just want to encourage our staff to see the organisation as the important thing; not individuals within it.

**Ms Maeve McLaughlin:** I will rephrase that: did the external review present recommendations or did it just give an overview?

**Dr McKee:** It asked us to carry out an interim review — the chief executive can report on that — and it suggested a longer-term strategic review. For all of the discomfort that we were in — Geraldine can say yes or no — the board felt comfortable with what Torrie and Sweeney were telling us.

**Ms Rice:** As chair of the audit committee, I can say that we recognised the failings that had happened in the past, and we have done everything to implement new frameworks within the organisation. It is not going to be easy. It is going to take time. It is not just a matter of asking people to do things. It is a matter of change, and change is very hard to achieve over a comparatively short period of time. We have not been there that long. We have looked at everything that we feel is not right within the organisation, even in terms of staff, which the chair alluded to. We recognise the fact that there were an awful lot of senior staff not in place, so we were not getting the information through a particular member of staff or director that we should have been getting. We have kept the board informed of all of that. We have even asked for a qualified chartered accountant to join the board — not actually as a member, but to sit on the board.

Our audit committee recognised that, at one stage, there was an attempt to breach financial statements. The chairman does not sit on the audit committee, so we brought him in to explain to him what we had seen in some of the reports that we were getting. We were not happy with them and were not satisfied that they were accurate, so we brought the chairman in and discussed it with him. We then brought BSO in to investigate the whole issue around the fraud. It was then taken over again by the Department, which concluded that investigation for us.

There is an awful lot of stuff that we have been implementing. We have had to look backwards and start coming forwards. It is something that is not going to happen within a year or so. It takes time, as you well know, to implement change of the scale that we have to implement.

**Ms Maeve McLaughlin:** I accept what you are saying about change being required. The external overview was in January, and it indicated that significant strategic intervention was required. I am listening to Mr McKee now, and the board listened. However, as he said, it was not a nice place to be to reflect on some of the feelings. Apart from committing to a wider strategic review, what actions need to be taken? What step changes are required in the organisation to allow that strategic intervention to take place?

**Dr McKee:** By next week, the organisational improvement committee will have met three times. Its job is to drive through all the combined recommendations from those various reports. It is made up of uniformed staff, etc. I will probably hand over to the chief executive to speak about this, but the committee is a major move forward in a comprehensive change-management programme.

**The Deputy Chairperson:** Conall will want to come in on this point, but I want to say that, overall, I often wonder what you need to do to be disciplined in or sacked from government service. If the Northern Ireland Fire and Rescue Service had been a plc or a limited company, or if these events had been happening in a private company, heads would certainly have rolled in large numbers. However, because of the culture of the government service, you can retire. It seems that you are able to retire ridiculously early in the Fire Service. I have sat and looked at people here and thought that they looked considerably younger than me, but it turns out that they were retired on full pension.

**Ms S Ramsey:** They were younger than you?

**The Deputy Chairperson:** They were considerably younger than me. They walk away on a full pension, because that can be done. There is no discipline or clawback. Alternatively, they go off ill for a very long period. That is what has been happening. That would not be tolerated in the real world. However, it seems that that has been happening in the Northern Ireland Fire and Rescue Service. When you add up the numbers of all the people who have walked early or gone off on long-term sick, you will see that it is a very, very large number of people.



**Ms Rice:** Chair, I agree with you. I have been in private sector business as a director of a company for 30-odd years. I have often said, and the chair will agree with me, that if this were in a private company, individuals would be directed to the door. People would be saying, "Here's your hat, where's your hurry?". It is not the way that we want to operate, but it is the way that we have to operate, because there are so many rules and regulations on disciplining people and being able to get rid of them. It is very, very hard; it is not that easy. You will know how hard it is even from being on local councils.

**The Deputy Chairperson:** If it is any consolation, legal aid overspent by £150 million, and not even a little note of concern was expressed. So, you are not unique in that sense. However, it describes government culture. Dr McKee is now telling us that nobody has been disciplined, at any level, as a result of all this. That is what you are telling me: nobody has been disciplined.

**Mr Wallace:** Perhaps we should be a little bit more considered in how we talk about this. At a previous appearance before the Committee, I gave a response on discipline and what action would be taken. At that time, I said that, in my professional view, given the evidence that was presented and the reports' recommendations, I did not believe that, on the face of it, there was disciplinary action to follow. One of the drivers behind having an external overview was, perhaps, to challenge my thinking on that statement. I also gave a commitment that, if I were proved to be wrong, I would come here and say that I had got it wrong and that there was discipline to follow. I am still of the view that there is no evidence — I use that word advisedly — to support the disciplining of individuals, and the external overview report perhaps makes some comments that support my view.

I have been involved in discipline, driven discipline and initiated discipline over many years, and I have always done so on the basis of evidence or empirical data. Even though we know that many things are not done properly or in the professional way that I would want, I am still of the view that nothing was done with fraudulent or malicious intent. The evidence in the report does not counter my view. Whether that is right or wrong is perhaps a debate for another day. Believe me, if discipline procedures were to be adopted, they would be taken forward.

We also had a number of internal audit investigations, which were even more thorough than some of the external reports, and we could find no evidence in a number of those cases. That is not to say that we would shy away from taking action if further evidence were to come forward on any of the issues that have been raised with us. I can give you that guarantee. On the basis of what is presented to us, my considered view and that of others, I think that, at this point in time, we are taking it forward in the right way.

**Ms S Ramsey:** Thank you. Apologies for being late. I think that Wallace is a good name for heads to roll.

**Mr Wallace:** It is not a genetic inheritance.

**Ms S Ramsey:** It just struck me when we talked about heads rolling. It is good to see it.

One issue is that you have no baggage, Jim, which is very good. Can we get a copy of the overview report that was commissioned in January, or is it still internal?

**Dr McKee:** You can get a copy.

**Mr Wallace:** It has been published, and it is widely available. As soon as it came in, it was circulated to the board and to the Department.

**Ms S Ramsey:** You are right that we need to move in the right direction, as Geraldine said, but the difficulty is that you have had to look back. However, the reality is that nothing has changed, and I think that the board and senior management need to take responsibility for that. If there were problems, you need to take collective responsibility. It is about accountability and who was actually in charge.

Let us cut to the chase, Jim. Joe mentioned that Linda and John are back in position. Is that because Terry McGonigal resigned, making it easier for them to go back?

**Mr Wallace:** I think that that changed the dynamics of the situation that we found ourselves in.

**Ms S Ramsey:** Joe, you said that there was no clear evidence of wilful misconduct. Does the overview report say that there was no clear evidence of wilful misconduct?

**Dr McKee:** I will read it again:

*"In our opinion, on the face of it, there is little evidence to support any widespread disciplinary concerns."*

Importantly, we are arguing here for the need for significant strategic intervention. If any disciplinary action is progressed, that should not in itself be considered a solution to the issues.

**Ms S Ramsey:** Let me just read you a response that the Minister gave during Question Time yesterday when Mr Gerry Kelly asked him about some of the reports. The Minister was asked whether anybody was disciplined for anything that is in the reports. He said:

*"There certainly was a recommendation for disciplinary proceedings to be carried out. The Fire Service board should be very careful about how it handles things because in one particular report, it was very clear that discipline was the expected outcome. Sometimes, people can use the system to avoid disciplinary procedures. It would be a travesty if that were the case in this instance, and the board would be snubbing the House if that happened. That is something that it should reflect on and be very careful about." — [Official Report, Vol 83, No 3, p50, col1].*

When the Minister said that yesterday, that was the first time that people had been upfront and honest that there is an issue about people being disciplined. I am not asking you to speak for the Minister, but, as the chief executive and chair of the board, what did he mean by that? Or, given that the person resigned, is it that that is not longer the case?

**Dr McKee:** If we were to ask somebody to leave their work and we did not have firm evidence for that, we would find ourselves in an even worse position. We would be in tribunals and all sorts of things.

**Ms S Ramsey:** I do not want to put you in a position, because I accept that. Is there a possibility that, further down the road, people could be disciplined?

**Dr McKee:** Of course.

**Mr Wallace:** Absolutely. To repeat what I said earlier, as I am sure you are all aware, many allegations have been made, even in my short time here. We have investigated them, whether they are named or anonymous. We have always said that, if further evidence is available, we are more than happy to have it and to act on it. If there is evidence-based action to be taken, we will take it. Be clear about that.

**Mr McDevitt:** I was very struck by the external reviewer's observation that there were acts of omission, not commission. I ask the chair of the board and the chair of the audit committee whether they believe that the board needs to take responsibility for acts of omission, particularly during the period of July to December 2011.

**Dr McKee:** Around Linda Ford?

**Mr McDevitt:** Around everything that was going on.

**Dr McKee:** Yes.

**Mr McDevitt:** Do you agree, Ms Rice, that, as chair of the audit committee, you need to take responsibility for acts of omission during that period?

**Ms Rice:** Yes.

**Mr McDevitt:** So, you made mistakes?

**Ms Rice:** Everybody made mistakes then. We acted as best we could on the information that we received. All that information was acted on.

**Mr McDevitt:** I welcome that honesty. I think that it is important to put it on the record, and it is noble of you to do so. Given the challenge that this board faces to change this organisation, are you the people who will be able to make that change?

**Ms Rice:** As the audit committee, we are making very significant changes. I can let you see all the information and all the changes that we are making and are continuing to make. It was a very difficult time when we came into that board, and I said to you earlier that, at that stage, there was not even a corporate governance framework. That was one of the first things that we set out to achieve, and we did that. Again, a lot of senior staff were missing, and we advised the board and continue to advise it of the need to have those significant posts filled as quickly as possible.

**Mr McDevitt:** Dr McKee, do you think that this board is the board that will be able to make the cultural shift, given its involvement in the events and some of the issues of the past two years?

**Dr McKee:** Yes. As we said the previous time, we have had four chiefs, three or four chairs and three boards in as many years. We learned a great deal in our first year. I think that we are now in the position where we know a great deal more about the organisation. Even with my own background, I have to put my hands up and say that I had no idea what I was walking into in that first year. A lot of it crept up on me. Given these cultural issues, I even had people ring me to say "Joe, do you have any idea?".

Mr McDevitt, I have thought long and hard about this. What are the lessons that we have learned from those painful reports? One is that we should look after our people. You always say that people are our main asset. A big lesson learned is that important issues should be dealt with when they arise, especially issues on grievances. Another lesson is to ensure that the board is asking the right questions and getting the right information. We found that we should not allow key staff vacancies to run for too long and that we should insist that our senior management executive colleagues are planning ahead. This is crucial. There has been a toxic, poisonous environment in the headquarters — not outside, I have to stress. Another lesson is not to allow these personal tensions to affect the workplace. Another is to ensure that the corporate management team is working as a team. A lot of the difficulties that we had in the early part of the second year were because the corporate management team was not working. We dealt with that, and the outcome of that is the person who is sitting on my right. I should have put the next lesson first. We need to re-establish an organisational vision and reinforce core values. I am up for that, and Geraldine and the rest of the board are up for that.

There were comments — maybe they were tongue-in-cheek — that we sat about drinking tea and that it was very cosy. I can tell you that that does not happen. Ask my colleague on my left about that. We have quite feisty and difficult meetings, because people want to fix this. The members of my board are hugely committed to fixing it, and I think that we will fix it by working alongside our senior management. We will not fix it by fighting with them but by promoting and celebrating best practice. We need to do a bit more benchmarking with some of the outstanding services that we know about in other parts of these islands by isolating and removing unacceptable performance. We need to do a bit more PR, and we need to highlight good news stories. We had young people up in the glens of Antrim going through a course to make them more aware of the dangers on the roads. We certainly need to get out of this mess that we are in and develop new community initiatives, which we know that our colleagues across the water are doing much more effectively than we are.

**Mr McDevitt:** Thank you, Dr McKee; I appreciate that. Ms Rice, a few minutes ago you said that you had been in business for a long time and that if this were a private company, heads would roll. You went on to say that there were so many rules in the public sector that it is impossible to sack people. Given your position as chair of the audit committee, do you want to rephrase some of that?

**Ms Rice:** As chair of the audit committee, it would not be up to me to have somebody sacked. I was referring to what Mr Wells referred to. In a private company, the rules are totally different. If somebody is not doing their job, as the director in the company, I have the power to say, "Away you go." Very rarely —

**Mr McDevitt:** Are you quite sure that you have that power?

**Ms Rice:** I have done it in the past — I have sacked many a person for not doing their job properly.

**Mr McDevitt:** I am suggesting that maybe you might not want to go down that line too far. I was going to ask a particular question. Mr Wallace told us that there had been a series of internal audit procedures subsequent to the substantive reports that are in front of us. Mr Wallace said that they were even more thorough than the reports. He said that there was no evidence in those procedures.

They would have all happened under your jurisdiction and your committee.

**Ms Rice:** Yes. We investigate thoroughly anything that comes to us.

**Mr McDevitt:** Brilliant.

**Ms Rice:** We also report it to the board. I was talking from a personal point of view.

**Mr McDevitt:** You are the chair of the audit committee, and you are in front of a Stormont Committee right now.

**Ms Rice:** I am aware of that. I was explaining to you —

**Mr McDevitt:** I just want to ask you whether you agree with Mr Wallace's assessment that there have been several internal audit procedures that were even more thorough than the reports in front of the Committee and that there is no evidence in those of grounds for discipline at this stage?

**Ms Rice:** I can give you a list of the auditors who sit on our committee, both from the health committee and KPMG. If there were audit reports that we felt were not right, and if we had doubts about anything, we would ask their advice, which I feel is the best way to go. An issue came up, which I alluded to, where we felt that there was an attempted breach of financial controls during my watch as an audit chair. We brought that to the attention of the chairman, who does not sit on our committee, but I invited him in to give him a rundown on what actually happened. At that stage, because of the way that the organisation worked, we could not do an internal audit investigation. Therefore, we brought in BSO, and it did the investigation for us. When that was concluded from BSO's point of view, the Department of Health stepped in and took over the investigation. We had a report on the conclusion of what was going to happen.

**Mr McDevitt:** OK. I understand that, and I think that the Committee is aware of that work. I want to ask you whether you agreed with Mr Wallace when he said, subsequent to these reports, which are the reports arising from Linda Ford and another, who has not yet been named publicly, whistle-blower, that —

**Ms Rice:** Could I say, first of all, that I have no knowledge of another whistle-blower.

**Mr McDevitt:** Several internal audit procedures were conducted, and Mr Wallace said that they were even more thorough than the departmental audit procedures and that there was no evidence of disciplinary action. As chair of the audit committee, do you agree with that assessment?

**Ms Rice:** We have carried out very, very thorough investigations into anything that came before us.

**Mr McDevitt:** You said that it is impossible to sack someone, but do you agree with what the chief executive said, which was that there was no evidence in any of that?

**Ms Rice:** Sorry, but we were talking about a private company, which is totally different. You need to have evidence before you actually sack someone.

**Mr McDevitt:** Therefore, as chair of the audit committee, do you agree with the chief executive?

**Ms Rice:** Yes.

**Mr McDevitt:** OK. Thank you very much.

**Dr McKee:** I will answer the tail end of Ms McLaughlin's question. Apart from the personal satisfaction that we get from seeing people back at work who have been away for too long, we also have a very changed team. We have an acting finance director at the moment who is from the private sector and who has experience in recent years of a budget that is much, much larger than ours; it is three or four times bigger than ours. In the three areas that Torrie and Sweeney picked up, which are areas of concern, Mr McDevitt, on finance, we are very comfortable with the person leading that team. We have support in from the Department, and we have our own staff back in there. We also have a new director substantive of human resources, who gave me great support in the lead-up to this meeting in looking at where we are so that we can give you an accurate picture. At the end of the month, we will interview for a new director of planning. So, the three non-uniformed directors have completely changed.

I know that Mr Wells is conscious about his appearance, but the young, fresh-faced officers who have come before you have worked for 30 years and pay twice the contribution that I paid as a teacher. They are entitled to retire after 30 years. I had to work for nearly 40 years to get my entitlement. So, there is an entitlement issue.

**The Deputy Chairperson:** It is interesting that there was no thought of retirement until issues arose, and then, suddenly, they want to spend more time gardening. It would be mischievous of me to ask whether anyone rang Mr Wallace to warn him before he came here, because he is clearly facing a huge challenge.

**Mr Gardiner:** Mr Wallace, how many cases are still outstanding?

**Mr Wallace:** I believe that it was reported last week that there were seven. One of those has been addressed, so we are down to six. The number has changed because, obviously, as I said, the changes in personnel have shifted where some of the grievances stood. More dialogue is taking place at the moment, as it has been for some time, on the resolution of those cases. I am hopeful that —

**Mr Gardiner:** How long is it going to take before those six cases are cleared?

**Mr Wallace:** If we are able to continue the dialogue that we are having, it will be a question of weeks rather than months.

**Mr Gardiner:** We welcome that. I hope that there are no more cases.

**Mr Wallace:** I wish that I could guarantee that.

**The Deputy Chairperson:** I think that we have given this a fair hearing. We will call it a day after Gordon has asked his question.

**Mr Dunne:** We have all listened with interest to today's session. We have had several sessions on this and have covered a lot of ground. Would the three of you agree that there is clear evidence that there are major gaps in the organisation? One gap is perhaps on the day-to-day operational and management side, another is in the board, where a serious gap has developed between it and what goes on day to day, and to us, there seems to be another serious gap between the board and the Department.

I believe that those issues need to be addressed thoroughly and effectively and that it will take major change to do that. I want to ask all three of you to say, in a couple of sentences, how you are going to do that. To me, audit is very important in assuring the public and all of us that procedures and processes are working correctly. It is important that any evidence that is taken will be addressed so that there is no recurrence of the problem.

To me, the internal audit processes throughout the organisation were obviously very weak. You were there as an audit committee to look at the organisation overall, but a lot of issues were not being reported back to you. We had evidence last week from the senior departmental auditor — the chief of audit — who had gone in and looked. There were issues about stores, for example, which were not effective and were not working properly.

So, there are major gaps to be addressed.

**Ms Rice:** I agree with you absolutely. During our time, there were gaps in the information that we were getting from internal audit. I will not blame the people in internal audit who were bringing reports to us.

There were 27 audits to be looked at, which represents quite a substantial amount of work for the two girls that are in internal audit. They are doing their best; in fact, they have been working very hard to produce those reports.

My committee and I do not feel that we were getting the right information all the time. Therefore, as far as we are concerned, we have asked the chief to look at options for the internal audit services to see whether they are working well enough and whether there are enough staff to service an organisation that is the size of the Fire and Rescue Service.

The committee and I want to make sure that, in future and as soon as we get this information through to the chief, we have a robust internal audit service that is fit for purpose. I cannot say any more until we get that review done, but I accept what you are saying. I said to the board just recently that, because of the gaps in senior management and directors, there were risks that have been outstanding for five or six years. We are not happy with that. Why should a risk not be addressed?

**Mr McCarthy:** That should not be the case.

**Ms Rice:** We have asked that the director who is responsible for that area of work come to the audit committee and explain why it has not been sorted out.

In answer to your question about stores, I can tell you that we have been aware of that. We have been asking questions, and we have delivered to the board. Nobody was in charge of that area, so we were not getting the reports as and when we should have. When the director of planning left, the Chief Fire Officer at the time said that he would take that area over. Unfortunately, that did not happen. We can only do our best with the reports that we are getting, and I have to reiterate that we are not always getting the information.

**Mr Dunne:** I appreciate that.

**Ms Rice:** You are asking if we are dealing with this area or that area. However, as you will understand, if we do not have the information, we cannot deal with it. You can deal only with the information that you have.

**Mr Dunne:** Mr McKee, what do you think about closing the gaps on the management side?

**Dr McKee:** Again, going back to what the overview said, we have addressed the finance directorate and human resource concerns. There have been cultural changes, and I think that we are moving in the right direction. To be serious about the cost of this issue to staff, I have seen people in a very bad state in the past six months. The toll on our people has been tremendous: the emotional toll and the pressure that they feel themselves under on top of their normal work have been tremendous. People are working very long hours to try to fix this —

**The Chairperson:** Plus the 20 grand we had to pay Linda Ford. Do not forget that.

**Dr McKee:** Sorry?

**The Chairperson:** Linda Ford had to be paid £20,000.

**Dr McKee:** So, we have been through a lot. I can give you a complete commitment that we will take this forward. It would have been very easy, once or twice, for me to have walked away from this. Jim and I have had very direct conversations about the sheer scale of what is involved, but we are going to give our very best to this. I know that we have a lot of really good staff right across the organisation who want to fix this.

**Mr Dunne:** OK. Mr Wallace, you told us that you feel that there is not enough evidence to discipline people at this stage. Following all the evidence that we have gone through, is there not a real risk that the public will come to its own conclusions? The one conclusion that I would worry about is that there

is a cover-up, meaning that the issues are not being addressed and that no one will be held to account. I think that that is our fear.

I understand that there will be further inquiries into this that might go into more detail, and further evidence may come to light. However, I feel that strong and effective action needs to be taken. At the end of the day, there has to be a service that is accountable to the public, that is efficient and effective and that deals with people fairly. One of the major issues that we have all been concerned about is how the organisation seemed to operate. We felt that there was evidence of corruption, malpractice and poor management. That should never have happened in an open organisation or in a Department. That must be addressed and addressed effectively. The whole ethos and culture of the place needs to change. People need to be treated with respect, fairness and openness. If that happens, you can then get the best out of everyone.

**The Deputy Chairperson:** I think that that is more of a statement than a question. Thank you very much for coming along, Councillor Rice, Dr McKee and Dr Wallace.