



Northern Ireland  
Assembly

Public Accounts Committee

# OFFICIAL REPORT (Hansard)

Northern Ireland Fire and Rescue Service:  
An Organisational Assessment and Review  
of Departmental Oversight and Report on  
Accounts 2011-12

24 April 2013

# NORTHERN IRELAND ASSEMBLY

## Public Accounts Committee

### Northern Ireland Fire and Rescue Service: An Organisational Assessment and Review of Departmental Oversight and Report on Accounts 2011-12

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

Ms Michaela Boyle (Chairperson)  
Mr John Dallat (Deputy Chairperson)  
Mr Trevor Clarke  
Mr Michael Copeland  
Mr Sammy Douglas  
Mr Paul Girvan  
Mr Chris Hazzard  
Mr Daithí McKay  
Mr Sean Rogers

**Witnesses:**

Mr Peter Craig	
Dr Andrew McCormick	Department of Health, Social Services and Public Safety
Ms Julie Thompson	Department of Health, Social Services and Public Safety
Mr Jim Wallace	Northern Ireland Fire and Rescue Service

**The Chairperson:** Dr Andrew McCormick, Mr Jim Wallace, Mr Peter Craig and Ms Julie Thompson, you are very welcome. We are to hear evidence on the Audit Office's report into the NI Fire and Rescue Service (NIFRS). Dr McCormick, would you like to introduce your team?

**Dr Andrew McCormick (Department of Health, Social Services and Public Safety):** Thank you for the opportunity to give evidence on these complex issues. I am joined by my deputy secretary in the Department on the finance side and senior sponsor of the Fire and Rescue Service, Julie Thompson. Jim Wallace, as you know, is the acting interim chief executive of the Fire and Rescue Service. Peter retired as Chief Fire Officer in June 2012, and he was previously the accounting officer.

**The Chairperson:** Peter, you are very welcome, too.

**Mr Peter Craig:** Thank you.

**The Chairperson:** Dr McCormick, the Committee has looked into the area around the 2001 report, when issues of financial governance arose. The Committee reported that the service had a history of not responding to recommendations. The C&AG's report on the 2011-12 accounts lists a sequence of failings since then. What have you been doing to improve governance in that arm's-length body since then?

**Dr McCormick:** The central issue for us is ensuring that our oversight of the Fire and Rescue Service, as with all our arm's-length bodies, is effective. Everything that I do in giving assurance to you, as representatives of the taxpayer, can only ever be based on confidence in people and systems. We have to find the balance for the degree of trust that is imparted to an organisation. If there are no grounds for trust, there is no point in having the organisation. We have to have a degree of delegation of authority. Our task, since these issues began to emerge, has been to ensure that we find the right balance so that we are providing strategic leadership, clarity of purpose and then making sure that the right people are in place and that the systems are operating properly. In large part, that means relying on those in the organisation. The Fire and Rescue Service has been through many previous inquiries.

There was and remains grounds to expect a degree of autonomy and confidence in the organisation. Looking back now, it is clear that the oversight was not fully effective. We need to acknowledge that. We depend on the leadership of the organisation to carry out its functions. We also depend on internal audit as part of the process to provide the chief executive of the organisation with assurance that the systems are in place and working effectively and to provide me with assurance that what is being said to me in the routine meetings that I have with every chief executive across the service is supplemented by evidence that shows what is working and what is not and where there is need for improvement. That is part of what internal audit is there for.

Whistle-blowing in a good context should not be necessary because the culture in the organisation should be receptive and open to challenge and should correct itself where there are weaknesses in systems. Where it happens, it is very important that whistle-blowing is respected and protected and that the handling of all such disclosures is fair and objective. We have learned from what happened in this case about making sure that our knowledge of what is going on is as clear as it can be and that we are then entrusting and empowering those whom we put into leadership. The task for Jim, as chief executive, is to help to turn the organisation round, stabilise, make sure that the systems are working properly and get to a place where there is fully functioning and full assurance to me, as accounting officer, and hence to you, because that is our clear responsibility.

The service has had leaders in the past and up to now who have long experience in the public service. We normally expect that to work. We have had a complex combination of issues relating to people, systems and the organisational culture. We would have hoped that the organisational culture would have improved and changed to a more modern, responsive and accountable status. There is some disappointment on our part in that respect. However, in moving forward, the objective is to ideally put what has happened into the past, deal with the issues, resolve them, make sure that there has been proper insight and understanding of what happened, make sure that the lessons are learned and fully applied and that the leadership of the organisation has in place the right value base and ethos. Much entrustment of that task is to Jim, but we will give him support and seek assurance from the organisation as we go forward.

That is a longer answer than I will give to most of your questions, Chair. I wanted to set the broad context of what we are trying to do. I acknowledge that there was a lot in the past that is not acceptable. We are trying to secure a full assurance to you about the protection of public funds and the delivery of the values and ethos of public service.

**The Chairperson:** OK, Dr McCormick. What you are saying is that mistakes have been made. You have recognised and admitted that, and you are now willing to learn from that.

**Dr McCormick:** Absolutely.

**Mr Girvan:** Some of the points that have been made were identified in the previous report. It has been 11 or 12 years, and we are back at the same point. There has been no change. What happened after the previous report to bring about the changes and recommendations that were in it?

**Dr McCormick:** In the period between that report and around 2008-9, there were some indicators that suggested that things were acceptable. When the irregular payments — the issue of non-uniformed directors' pay — hit us, we had to look at the organisation more fully. We commissioned the Department of Finance and Personnel (DFP) to investigate. At that stage, it became clear that there was a deeper issue. The work that DFP did and the Audit Commission review gave us all a very clear basis for moving forward and correcting what was a long-standing set of cultural difficulties.

I recognise that there is disappointment that some things that were identified a long time ago do not seem to have been corrected, but I think we had some genuine evidence of improvement in the middle

part of the decade. We then had a further set of problems, especially around continuity of leadership, from 2009 onwards. I think that we have everything on the table now. I think that we are aware of all the issues and have a plan to put it all right in that sense.

**The Chairperson:** Are you content with that?

**Mr Girvan:** I will come back in later.

**Mr Dallat:** I will follow up on Paul's question. Paul, of course, is far too young to remember the previous report in 2002. I remember it vividly because it was a bad report. It bordered on the worst that I have come across. I have a list of meetings that your Department has had with the Fire Service in various ways. There were 114 of them, but you attended only one. Worse than that, you were chucked out of a meeting on 31 August 2012 so that the Fire Service could discuss a staff grievance — the very thing that has rocked the Fire Service to its foundations. What confidence do we have today that you are going to put in place people who are properly trained, have the proper skills and are at senior management level? With the crisis or, if you like, the cacophony of corruption, that is alleged to be running through this organisation, how can we have that confidence? You need to come up with something better than what you have come up with so far.

**Dr McCormick:** I understand and accept the points you make. This is a serious set of issues. I have had regular personal engagement through the accountability meetings. They occur at least twice a year, and, in some cases, more often. I have been having those meetings with the chair, the Chief Fire Officer and, more recently, with Jim as acting chief executive. That is my normal conduct. I do not normally attend the Fire Service board meetings, but we are represented at those meetings and at the audit committee. So, since 2009, there has been very intense oversight.

What has become clear is that not all the issues that gave rise to concern were even coming to those meetings. So, the opportunity for the Department to observe those was not as strong as it might have been. Therefore, we recognise and accept what you say about the need to have taken more strong interventions. That is exactly why we have moved to the dual leadership of Jim Wallace and Chris Kerr, and that is why we are committed to ensuring and supporting the Fire Service in filling the remaining senior posts. There is a process to seek new directors. There was a significant loss of continuity of leadership, and we are determined to make sure that there is strength, skill, authority and clarity of purpose in the Fire Service and in our sponsorship function in the Department, and that that is achieved in order to give proper and full assurance to the Committee.

**Mr Dallat:** Chairperson, I will come back later.

**Mr Clarke:** I appreciate that we are only at the start of this, but there were some interesting buzzwords in your opening remarks, Dr McCormick. You talked about systems working properly; you referred to internal auditing; and you said that whistle-blowing should not be necessary. I appreciate that it should not be necessary. The fact is that it has been necessary. Before we get into this, how can you convince me now that you are confident that the people you have in place are going to do the job? The systems and individuals who were in place when some of the failings occurred are still in place. Take internal audit, for instance. If I were you, I would get the brightest bulb that you have in your cabinet and shine it strongly on it. Before we even get into the report, how has some of this stuff not been brought to the table by internal audit before? Why is it taking so long?

Following on from what John, the Deputy Chair, referred to, it seems to me that it is a case of the tail wagging the dog. You were asked to leave the meeting. John said that you were thrown out of the meeting. You are the head of the organisation. Why anyone had the authority to ask you to leave is beyond me. It seems that there is a structure within the organisation that states that they can basically do what they want.

Before I get into the report, I have to say that I have no confidence that anything is going to change, because all the buzzwords came out at the start. I have no confidence that we have the right people in the right jobs to deliver the organisation.

**Dr McCormick:** There are several points to respond to there. I agree that we need to have strong internal audits, and Jim is working on that within the organisation. A major focus of my attention is my relationship with, and dependence on, my internal audit team. We have had to supplement that work with special exercises as a result of what has emerged.

There is some continuity but quite a lot of turnover. There are quite a lot of new people being appointed. A new director of HR was recently appointed to the organisation. It is in the process of looking for directors of planning and finance. Therefore, fresh appointments will be made. Knowing the approach of Jim and the chairman, Joe McKee, I know that they will appoint people in whom they have confidence to be strong and effective in the roles that matter.

There is significant turnover. There is actually too much turnover, and that left too many gaps for a while. That has been a problem. It shows that, going back a number of years, it has been difficult to secure succession planning on either the operational or corporate side. The corporate side has been bedevilled by things that were wrong in substance and difficulties in relationships within the organisation. It is a really complex group of issues.

I recognise that there is reason to believe that we could have done more sooner. However, I say again that, once things began to go wrong — we began to be clear on how wrong things were in 2009 — DFP did a comprehensive review. It made 85 recommendations to put the thing right. Most of those have been implemented, with only 17 outstanding. It is now a matter of the board, the leadership team in the organisation and my sponsorship group, which Julie heads up, making sure that we do this. We will want to listen to, and take account of, your concerns. When you produce a report and make recommendations, we will want to pursue those and ensure that they are fulfilled. There is a responsibility to put this right. I absolutely accept what you say.

**Mr Clarke:** You say that the problem started to come to light in 2009, yet you are also saying that you are still trying to appoint people, four years after some of this came to light. It has taken too long. That is four years for a culture that, according to this report, has been particularly bad. The report is damning of the organisation. Things came to light in 2009, but, in 2013, we are still talking about putting people in place.

**Dr McCormick:** Some things came to light in 2009. As a result of that, we then had a change of board and chairman and a series of changes at Chief Fire Officer level. It was around the time of the investigation into the whistle-blowing that Peter retired. I then had to have very serious discussions with Joe McKee, as chair, about how to deal with the situation. At that stage, I was also talking to Sir Ken Knight, the then chief fire and rescue adviser to the Department for Communities and Local Government in England. I was taking advice at the highest level on how to provide interim leadership in a context in which there was not a pool of applicants stepping forward to apply to be Chief Fire Officer.

We have had such big turnover. Yes, some things began to emerge in 2009. The full picture of the range of difficulties came more to light through the whistle-blowing. We need to acknowledge and appreciate that that happened. That occurred in 2011, so it was a gradually emerging picture. We have been trying to judge what are the right and proportionate interventions and how to make sure that there is investigation and correction of what has been wrong, as well as ensuring continuity. The first mission has to be to keep the service working. I want to pay tribute to the way in which Jim, and especially Chris Kerr on the operational side, have ensured that that has been sustained in this very troubled period.

**The Chairperson:** Thank you for that. From listening to you, it is very clear to me and, I am sure, to Committee members that your eye was taken off the ball during this period. Do you agree with that, Mr McCormick?

**Dr McCormick:** There was a period in which we had reason to believe that things were not too bad. I acknowledge that many other things had to be done on all the health and social care issues, and there has always been a unit in the Department responsible for looking after the Fire and Rescue Service, but what I am saying is that we were not fully aware of the range of difficulties. There was a need to look at that at various stages, but we would certainly not expect an organisation to depart from its obligations, as happened with the non-uniformed directors' pay issue. That was a breach of governance that should not have happened.

Our position is that people know the rules, and we expect them to fulfil them. We should not have to look over their shoulder all the time. There is a responsibility and expectation that people will comply with straightforward delegated authority and that those principles are accepted governance. That is not new or unusual. At that time, the leadership was experienced and there had been continuity, so we had a reasonable degree of confidence in that team. That then became a difficulty. Arguably, we

should have been more aware, but the fact is that, as we became aware, we intervened, took a grip and sought to put this right.

**The Chairperson:** Thank you, Dr McCormick. My second question is to you, Mr Craig. Dr McCormick mentioned having a "reasonable degree of confidence". I am concerned about the understanding of accountability in the Fire and Rescue Service. You were the accounting officer at the time when a lot of the recent whistle-blower allegations arose. What do you understand to be the responsibilities of an accounting officer?

**Mr P Craig:** To ensure that public money is correctly allocated and correctly spent and that there are the audit trails and processes to back that up. Other responsibilities are to report any irregularities, real or perceived, and to make sure that, at all stages, there is proper governance and that we are looking after what is effectively your money and my money on a day-to-day basis.

**The Chairperson:** OK. Were all the irregularities in the report reported on?

**Mr P Craig:** Yes. A substantial number of them occurred in the period before I became the accounting officer. The whistle-blowing occurred before I became the accounting officer. I inherited that on the way through. During my period as acting chief and as chief, other matters came up. I reported those, as I was required to do.

**The Chairperson:** Who did you report those to?

**Mr P Craig:** I reported them through the board and up to the Department.

**The Chairperson:** OK. Mr Wallace, I understand that you have come in on a rescue mission for the Fire and Rescue Service, if you will pardon the pun. How have you gone about that? How did you advise the board at the time?

**Mr Jim Wallace (Northern Ireland Fire and Rescue Service):** I have been very fortunate in that I have worked for four fire and rescue services now: two in England and one in Scotland before coming to Northern Ireland. Although the service that they provide is very similar and consistent, each organisation has been quite different in its own right. Northern Ireland Fire and Rescue Service is no different, although it may have some unique challenges, which I was aware of before coming in. I was perhaps not aware of the extent and depth of those challenges when I arrived, but that was the position from which I started.

The issues to address, and the organisational culture associated with them, were a bigger challenge than anyone fully realised. One of the first pieces of work that I tried to get across to the board, the Department and the chairman was to make them really understand the full depth of the issues that we had to deal with, including the culture, processes, policies and procedures, as well as the outstanding grievances and investigations. The key point for me as the accounting officer was that the buck started and stopped with me. The dialogue that I had to begin with, and continue with to this day, with the chairman was absolutely vital. Therefore, through the chairman, the board and the corporate management team, the first job was to get to grips with the scale of the issues and begin to build and enhance the relationships with Andrew and his team in the Department. To me, those relationships are absolutely pivotal to how we went forward.

**The Chairperson:** I am sure that members will ask you later about how you advised the board. I am curious to hear about the external overview report. How did you go about vetting its authors before recommending them to the board? I know that members will touch on that later, but can you comment briefly on how that came about?

**Mr Wallace:** Certainly. The reports were published back in October 2012 and were very wide-ranging. They covered almost every aspect of our organisational activity, but they were all produced on the basis of a specific piece of work on fairly narrow elements of the organisation's activity.

Within that, there have been well-documented comments about the need perhaps to discipline and take action against those who were perceived to have done things wrong — acts of commission rather than omission — on which I would have been content to follow through.

My concern in making that judgement was that, in looking at all the individual reports in isolation, I was probably missing some elements of the whole organisational impact of the recommendations contained in all the reports.

I thought that it would be helpful to seek an experienced, professional, external view of what all the reports put together meant for the Northern Ireland Fire and Rescue Service going forward. Although I had my own views, bearing in mind that the recommendations, as I said earlier, touched on almost every aspect of our activity, I thought it useful to seek professional advice on whether I had missed anything in the recommendations, or indeed specifically on the issue of discipline.

I suggested the individuals on the basis that, first, we do not have a fire service inspectorate, as is the case in England and Wales and in Scotland, and, secondly, that the view of an external, experienced Chief Fire Officer of a similar-sized organisation could contextualise the recommendations of each of the reports.

It was on that basis that I suggested that the chief inspector for Scotland be approached to undertake an overview. His view at the time, in the discussions prior to developing the terms of reference, was that we should use the Chief Fire Officer of Strathclyde, Brian Sweeney, who has years of experience in an organisation not dissimilar in size, scale and complexity and would also provide a very useful input. I knew from the way in which the inspectorate and that particular chief worked that I would get a very robust response and overview. That was the basis on which I recommended to the board that we go forward.

**The Chairperson:** OK. I may come back to that later.

**Mr Girvan:** I want to follow up on the point about bringing in Steven Torrie and Brian Sweeney to carry out that external overview. How did that come about? Was that openly tendered for, or was this someone whom you had some connection with in the past?

Let us be honest: we are here to investigate something. You could bring someone in to write a report that suits yourselves. Was there any previous relationship with those two individuals that could have influenced your decisions? We are not calling their professional credentials into question here, but, to people outside, if something looks like a duck, quacks like a duck and walks like a duck, it might be a duck and probably is. We are trying to work out whether that is what was happening here. Were those guys closely connected?

I am looking at your previous experience in Scotland and England. Was there any link whatsoever that could be deemed to have had some influence on the way in which a report would come out? It is an open question.

**Mr Wallace:** Prior to coming over here, I worked with the Scottish Government, where Steven Torrie, as the chief inspector, was based. Prior to that, I worked with Brian Fraser, who was the chief inspector in Wales, and Sir Ken Knight, the recently retired chief inspector in England, so there was some relationship that I could have had with all three.

Steven Torrie had, I think, been approached on previous occasions to do work for the Northern Ireland Fire and Rescue Service, and prior to that, Jeff Ord was asked to do an inspection of the Northern Ireland Fire and Rescue Service in 2007. For me, established links were already there. I also felt that, knowing the work that was going on to change the Scottish structure, Steven Torrie could provide a unique insight into what was going on over here. The suggestion of Brian Sweeney, as I said earlier, was appropriate given his experience and background. Between them they were bringing about 65 or 70 years of specialist knowledge and expertise into the service, with an integrity that I would have said is second to none. I was aware of Mr Torrie's background, having done some work with him, but I still had absolutely no concerns about his integrity, professionalism or separation to carry out this piece of work, which I was not directly involved with other than in determining terms of reference and asking them to deliver for me.

**The Chairperson:** Deputy Chair, did you want in?

**Mr Dallat:** Yes, but if you want to go first, I will follow up.

**The Chairperson:** Thank you. Mr Wallace, obviously there was a cost for that external overview, and I am sure that members will be interested in hearing whether that cost is available to us today. Do you have the figure off the top of your head as to how much it cost to do the external overview?

**Mr Wallace:** There was no financial cost levied on the service or the Department for that exercise. It was done as a professional courtesy on the basis of something that was asked of me. I was very grateful for it, and that was one of the first questions that I asked, because, clearly, there would have been a tendering process that would have had to take place. As I said, it was done on a professional basis.

**Mr Dallat:** Mr Wallace, are you aware that one of those two people was the subject of an investigation himself, relating to conflicts of interest through sitting on a panel that influenced his own salary?

**Mr Wallace:** Are you referring to Mr Sweeney?

**Mr Dallat:** Yes.

**Mr Wallace:** I think that Mr Sweeney has, by his own admission, been the subject of many accusations and deliberations over the years, none of which has necessarily been found to be substantiated. I was advised, and I had my own view on his experience, particularly in the issues that we were dealing with in Northern Ireland. Given the size and nature of the Northern Ireland Fire and Rescue Service, there are not many comparable services across the UK from which you could get someone with that insight.

I was also assured and confident that Stephen Torrie as a chief inspector of Scotland had the integrity to be able to separate any possibility of anything that was less than professional from it. His integrity assured me, and I was quite happy to recommend him to the board at that time. Indeed, I was happy at the outset to accept Mr Torrie's recommendation that Mr Sweeney be involved.

**Mr Dallat:** Surely on reflection, that was not a good decision. Given the horrendous difficulties in the Northern Ireland Fire and Rescue Service, you brought in somebody who was linked to you and who had a chequered past, yet you expect the report to be credible and independent. Would you do it again?

**Mr Wallace:** If the circumstances dictated — hopefully they will not — and I were in a situation in which I had to bring in expertise, I would certainly consider the nature and source of that expertise, given the individual circumstances at the time. There was a specific set of quite unique criteria on this occasion, and the individuals who were brought in carried out what I consider to be a very helpful review, which we have actually taken on board.

**Mr Clarke:** I am struggling with what Mr Wallace has just said. In your first response to Mr Dallat, I think that you suggested that there was no foundation to the criticisms levelled, particularly against Mr Sweeney. What is your view of the Northern Ireland Audit Office (NIAO) and the role that it plays? How valuable do you consider the contribution that the Northern Ireland Audit Office makes?

**Mr Wallace:** It is difficult to give a concise judgement, given the relatively short time. I can compare it only on the basis of what I have experienced with the Audit Commission, Audit Scotland and the Accounts Commission, all of which, I have felt, were very helpful, supportive and challenging in what I have been involved with. The NIAO, in my experience, is very similar. Recommendations that have been made on a sound basis give us something to work with.

**Mr Clarke:** I appreciate that, and I count that as a positive response, and I probably share that view. You said to the Deputy Chair that the allegations against Mr Sweeney were "unfounded", or a similar form of words. Are you not aware that Audit Scotland had also named Mr Sweeney in allegations?

**Mr Wallace:** I am not aware of the detail, but I am conscious that the Strathclyde service, where he was at the time, had an issue with some of the decisions that were made at board level.

**Mr Clarke:** From the answer that you gave the Deputy Chair, it seems that you dismissed any allegations against him as being unfounded. As I said, I think that you used the word "unfounded". That is why I want to get your view on audit in general. You brought in Audit Scotland and compared it to the Northern Ireland Audit Office. I commend you for that, because the role that the NIAO plays is

very important. Audit Scotland produced a 32-page report that refers to possible tax liabilities being discovered after the deal was made of a total of £235,000 and that that has been set aside but no money has been paid out. There are various things, but Mr Sweeney has been tied into that. I have nothing to suggest anything about the other gentleman, but you know something about the gentleman and talk about his integrity. I take from what you have said about the Audit Office that you hold it in high esteem. A damning report, which you commissioned, has been done in Scotland about one of the gentlemen, and he has come here to look at a troubled organisation in Northern Ireland. What is your view on that?

**Mr Wallace:** I am not party to the detailed investigation report that was carried out into the board decisions, nor am I a party to the detailed implications about Mr Sweeney. I was quite content with the discussions that I had with the chief inspector, who was of the view that the nature of the issues to deal with here warranted the input from a senior officer who could understand what was going on in this size of organisation. The inspectorate also used the same individual in other investigations in the Scottish structure. As I said earlier, I was comforted and content that the advice that was given and the nomination that was provided to me would give me an investigative report or overview that I could use, and that it would be done with the highest integrity.

**Mr Clarke:** Having read the report, I am less than content, and I am less than content today. Mr Wallace, in response to the Deputy Chair, stood over his suggestion that what he had done was correct.

Mr Wallace, we are looking at an organisation, the Northern Ireland Fire and Rescue Service, that is not held in the highest repute and about which there are misgivings. We have brought in someone from the Scottish model about whom misgivings have been suggested. Therefore, I do not know how you can stand over that report. Moreover, I am more concerned by the fact that, in response to the Chair, you said that these two gentlemen who were known to yourself were brought here in an unremunerated capacity to look at a troubled organisation in Northern Ireland. That concerns me. What is your view on that, Mr McCormick?

**Dr McCormick:** I was very comfortable with the process that Jim applied in identifying two people to fulfil this task and with the conduct of it. I was not aware of the document that you have just mentioned. Several things apply. Two people were involved in the work, and it is always good practice to have two people looking at reports. It was also a relatively self-contained remit in reviewing the reports and identifying the issue of whether anything was missing in what the Fire and Rescue Service had done. This was not a full-scale review of the whole organisation. The terms of reference were clearly defined. I stand beside Jim in the approach that he has taken, and I believe that the Scottish Government have confidence in their chief inspector. There is some security for us in that. This is going to, as I would do with Whitehall —

**Mr Clarke:** I suggest that you should furnish yourself with the 32-page audit report. I think that you are falling into the same trap as Mr Wallace by trying to put someone on a pedestal that I do not necessarily believe he should be on.

Given the suggestions that we are making about the Audit Office report, one of the terms of reference was:

*"Review of all Documentation [and] Review of Structure and Governance Arrangements".*

We are casting doubt on someone who was brought in to look at an organisation, who may have had suggestions made against his own governance arrangements. I suggest that that person was not best placed to review this organisation in Northern Ireland. I hope that by the time that you have read the report, you will have come to the same view.

**The Chairperson:** Mr Wallace —

**Mr McKay:** Chair, can I just come in?

**The Chairperson:** Yes.

**Mr McKay:** The witnesses have not considered that information. I think that they should consider it and write back to the Committee with a view. That is important.

**Dr McCormick:** We intend to do so.

**The Chairperson:** Mr Wallace, when Mr Sweeney and Mr Torrie were here, how long did the external overview take?

**Mr Wallace:** As Andrew said, the two individuals undertook a desktop review of all the reports. They did not come in and visit, revisit, interview and re-interview. As we said, it was an overview of all five reports and very much a desktop review of what had gone on.

**The Chairperson:** Were they given the information?

**Mr Wallace:** They were, Chair. As I said, they were then in a position to put all the recommendations together to get a sense of where the organisation, as a single entity, stood in relation to its difficulties and its ability to cope with the accusations and difficulties as it moved forward. That is what I was brought over for — to take the organisation forward. The external overview gave us an overview of exactly what the implications of all the recommendations were on the organisation's ability to move forward with a change process.

**Mr Clarke:** On that point, Mr Wallace, there is no doubt that the Northern Ireland Fire and Rescue Service has been a troubled organisation for some time. Given that you brought in individuals from another region to give you an independent view of what the organisation was or was not doing correctly, do you think that it was good idea to give them an overview and tell them where to look? Would it not have been better to give them all the information that they needed to make up their own mind, rather than guiding them where to look? You said that you gave them an overview. That would suggest that you gave them an insight and told them where to look, rather than let them look at everything.

**Mr Wallace:** The basis on which they were engaged in October was to look at the five published reports specifically, and nothing else. Their report was based on the implications of those reports, a desktop review of the documents in their entirety and a four- to five-week period of checking, rechecking and challenging. I had no input into their findings. I provided no further information about the organisation other than those five reports. That was also the basis on which I was trying to take the organisation forward. They made their judgements and gave their overview purely on their review of those documents and from their perspective.

**Mr Douglas:** Mr Wallace, you are in a very prominent position at the moment. Looking at your CV, I notice that you have been involved in change management. Will you outline to the Committee some of the steps that you propose to take to restore the good name of the Northern Ireland Fire and Rescue Service? Over the years, all of us have been very supportive of that aim and of the excellent job that many of your officers have done.

**Mr Wallace:** Thank you for that. We should not lose sight of what the service has continued to deliver, in every aspect of its activity, throughout this difficult period. That is important. Through our support staff, volunteers and full-time retained officers, we have continued to make this a safe community. Everyone should be commended on that. I think that it is fair to say that staff have been battered and bruised by the torrent of criticism and accusations that have been directed at us, much of which has been unsubstantiated. That creates its own difficulties and perhaps undermines the confidence and, sometimes, the commitment of our people. In my relatively short experience in the organisation, I have to say that every single person is fully committed to what we are there to achieve and in making sure that the community maintains a safe level of living. Change is clearly needed. What has worked in the past cannot be sustained for the future. As I said earlier, that became more evident from the depth and breadth of the issues. Of course, the key to delivering that is our people.

We, of course, had deficiencies in our governance arrangements pointed out to us. So, the first thing for me was to revisit those arrangements to make sure and re-establish, if needs be, that we had the proper governance arrangements. That meant working with the Department, the board and the chairman, and, critically, re-establishing the corporate management team very early on, because one of the key things that we want to try to achieve is to revisit exactly what we are about, what our values are and what the 10-year vision for the organisation is in order to give that focus to our people and to maintain and build sustainable confidence among communities.

Re-establishing the corporate management team has not been easy. As Andrew said, we still have some vacancies. It has been quite difficult to build that team, but I think that we are in a position now where the team is working as one unit. We are elevating considerable volumes of work to the committees and the board, which they may or may not welcome, but which is absolutely fundamental to making sure that good governance and accountability are present. I certainly think that the chairman was spending far too much time at headquarters, given that he is supposed to be there only two or three days a week. For me, those issues, plus a number of other issues, are absolutely vital if we are to turn this organisation around in the way that we should.

**The Chairperson:** Just before I let the Deputy Chairperson in — Mr Wallace, you are currently in charge of recruitment, is that right?

**Mr Wallace:** I think that I am responsible for everything, so, yes.

**The Chairperson:** Dr McCormick mentioned that you have a new director of HR and are recruiting for a director of finance and planning. Can you assure the Committee that that competition will demonstrate best practice and value for money? Have there been any problems with that whole process of recruitment?

**Mr Wallace:** The two posts are director of finance and procurement, and director of planning and corporate affairs. The director of finance post was vacated in February. We have an interim director at the moment, and we are planning to recruit once we have revisited the responsibilities for the role itself. That follows a realignment of some of our service delivery directorates to make sure that we have a good strategic fit between service delivery and service support. So, there will be minor changes to that. The director of planning and corporate affairs process was completed within the past fortnight, but an appointment was not made. We had a complaint from one of the candidates over some maladministration, and we are dealing with that at the moment.

**Mr Dallat:** I want to pick up on that, because it is important. How many months have you been in your position?

**Mr Wallace:** Eight.

**Mr Dallat:** Eight months. I am sure that you have found them long, but anyway. Were interviews carried out for those two posts? Was there shortlisting?

**Mr Wallace:** The process for the director of finance has not started yet. There was an advert, shortlisting and interviews for the director of planning and corporate affairs.

**Mr Dallat:** So interviews have taken place?

**Mr Wallace:** Yes.

**Mr Dallat:** You had two candidates?

**Mr Wallace:** The first series of interviews produced two candidates, yes.

**Mr Dallat:** Can you tell us more?

**Mr Wallace:** The appointments panel on the day, I believe, could not determine between the two, so both candidates were invited back for a final interview to decide whether either was appropriate or suitable.

**Mr Dallat:** And? Continue.

**Mr Wallace:** The panel decision was to offer the job to one of the candidates, subject to references and a medical, as would normally apply.

**Mr Dallat:** Is that person getting the job?

**Mr Wallace:** No. That person was not actually offered the job subsequently.

**Mr Dallat:** I find this absolutely bizarre. Here we have this fresh man who has been in for eight months and who has, so far, been talking about change in the whole culture of the Fire and Rescue Service, and yet, if I heard him correctly, he is telling me now that somebody was appointed and then got a phone call to say that they were not appointed. Am I right?

**Mr Wallace:** Chair, we had an official complaint from one of the candidates. We are still looking into that and have not responded to it formally, so I do not think that it would be appropriate to go into the detail, particularly as it has also been referred to —

**Mr Dallat:** There is no point in Mr Wallace hiding behind that. We know what happened. What confidence can anybody have in an organisation that approaches recruitment in that way? Silence.

**Mr Wallace:** I do not think anybody would suggest for one minute that anybody approaches a recruitment process with the intention of making genuine mistakes. Where we want to appoint someone, there is nothing worse than not appointing except appointing the wrong person. The decision that the appointments panel made was absolutely right and transparent. The mistake that was made subsequent to the decision is something that we will be looking into. We will give a formal response to that in an open and transparent way.

**Mr Dallat:** Chairperson, I am conscious that you have to go round everybody. The person who thought they were getting the job worked previously for the Fire Authority for Northern Ireland. Is that correct?

**The Chairperson:** The advice from Fiona is that we cannot go into that.

**Mr Dallat:** I understand that we are constrained, but I am in the privileged position of knowing exactly what they did.

**The Chairperson:** You have been open about the complaint that has been made. I thank you and commend you for that.

**Mr Clarke:** Mr Wallace, I take you back to the question my colleague Sammy Douglas asked you. From the outset of the meeting, we should have acknowledged the high esteem and value we place on the job that the Fire and Rescue Service does on a daily basis. If the media are listening to this, the purpose of this is the management of the Fire Service, not the men and women who go out every day to protect people, putting their lives in danger. So, what we say should be put in that context. I appreciate my colleague bringing it round to that.

I am disturbed by you again, Mr Wallace, because you try to put a positive spin on a negative every time you answer a question. You have referred again today to "unsubstantiated claims". Although there are unsubstantiated claims in the body of the report, there are more substantiated ones in it than unsubstantiated ones. So, I would rather we focus on the substantiated claims and not continually spin it away to the positives. This is a damning report on management of the Fire and Rescue Service, and for you to answer questions in a positive way and to try to play down the negative content of this report is not very helpful when it comes to us getting confidence in the Fire and Rescue Service and its management. Bear that in mind before you answer any more questions.

**Mr Rogers:** I was going to make exactly the same point. Is there any part of the report that you take issue with?

**Mr Wallace:** Which report?

**Mr Rogers:** The NIAO report. You mentioned the idea of allegations being unsubstantiated.

**Mr Wallace:** I have no issues with the content of the NIAO report in its entirety. That is something that we have already taken into account. We have built in the recommendations from all the reports, which number well over 100, in our action plan to address them.

To move the organisation forward, I need to remain positive, because it is quite difficult for many people in the organisation to see a way out from where we are. I was brought in to try to change that and move things forward. I am totally and utterly committed to that. I get where we are, though, and I get that I have not moved the organisation forward with the speed that I had hoped. That is because I have been addressing a lot of the legacy issues. However, before I can move forward with some degree of certainty and vision, I need to address those legacy issues. That is consuming far too much of my time, but I do, rest assured, take them very seriously. Every recommendation that has been presented to us has been taken on board.

**Dr McCormick:** I recognise entirely the concerns that members have expressed and want to reinforce our recognition that significant allegations have been substantiated and that we are here to answer your questions about that and to do our best to make sure that you have the full information you need about them. We also recognise that some of the points in the recent Department for Social Development (DSD) report were not substantiated. So, there is a balance to be found. There is some acceptance. I emphasise that all the allegations relate to before Jim's time. I am the one who has been here the longest with total responsibility. We are here to answer on the issues that have arisen, with full recognition that we need to deal with them, accept and resolve them, and then empower Jim, Chris Kerr and the wider management team with moving forward. So, we need to try to draw a line. However, in this hearing and previous Health Committee sessions, we have, from my point of view, shown complete acceptance that we answer to you on those issues. We accept that there is a lot to answer for. We need to get right to the bottom of that. We want to recognise that.

**Mr Girvan:** Previously, Andrew, you mentioned that you do not always attend board meetings, but that someone from the Department is present. If they were present at board meetings at which, as you see when you read the report, certain things should have come to light, what was the feedback mechanism to ensure that you actually knew what was coming up and could identify the potential problem that was just around the corner? Realistically, I am just wondering what level the people were at who observed the board meetings on behalf of the Department and reported back. What level were they at? Did they ever bring back a negative report of what was going on to the Department?

**Dr McCormick:** The people who attended were experienced people at grade 7 or deputy principal level in the Civil Service. So, they were familiar with the operation of the organisation. We had regular feedback from them to the head of the division, to Julie and to her predecessors as deputy secretary and senior sponsor. When issues of significance were observed at the meetings, they were drawn to my attention. So, I have confidence in that part of the process.

What I have to acknowledge is that part of the issue was that a lot of the difficulties that have now come to light did not come to light at the board or the audit committee. So, there is a deeper issue. That says that the problem is more serious, because if the governance structures that apply do not spot things that are going wrong, that is much harder to fix. That is why we are where we are, frankly — because there was a deeper issue. That is where we have to depend on internal audit. We now know that there were some issues and weaknesses in internal audit in the Fire and Rescue Service over the years. That is why this has various levels of difficulty and has got to the state that it is in.

**Mr Girvan:** I appreciate your answer on that. I was very worried at the start of it when you said that you were aware of everything that was going on because it was being reported back. However, I am more worried, now, to find out that stuff is being held back from the board. Either the board is not working effectively as it stands, or certain people within it are actually running it themselves, along with senior management. Perhaps, that will be teased out further through this investigation.

**Mr Clarke:** Whenever we start it.

**Mr Girvan:** Well, we have not even got into it yet. However, I believe that it is, now, identifying that there is a serious problem from board level right down.

**Dr McCormick:** There was.

**Mr Girvan:** In other words, "we will feed through some of the good-news stories to the board, let them report it and it will look good, and all the other stuff we will hold back". I am starting to worry greatly about what has been held back.

**Dr McCormick:** I want to give assurance that we have worked with the newly appointed board, Jim and Chris to make sure that the lesson of what happened through the things that the governance structures identified is a greater awareness, a greater propensity to ask questions and clarity of responsibility. Jim represents someone who is not dyed in the wool of the culture of the organisation. Organisations have continuity. Even if people change at senior level, an organisational culture can perpetuate itself. That seems to be what happened. That is why we are concerned and disappointed that there was not more response to the previous reports. It is also hard to pick out individual responsibility when it is a deep-seated way of behaving that is built up over many years.

I am confident that we are doing the right things to fix that. I am not asking you to take that on trust. Going forward, I hope that we will have the right balance between delegation and empowering, so that the organisation can get on with its job, and also systems that check. We will want to have strong internal audit, and also a repeated message. The leadership needs to be saying, continually, "If anybody in the organisation has a concern about anything that might be improper, unethical, against public sector values, you have the right to say so, and we will back you if you say so." That message has to be absolutely crystal clear, so that the ethos and values of public service stands. Jim is doing that, and Joe McKee is doing that. I am confident going forward, and that is why I said "was" rather than "is".

I am clear that things were not coming to the board that should have been coming, and that issues only came to light through the whistle-blowers. I know that we need to acknowledge that they did what they did, and support them. I am much more confident now, but I am not resting on what we have done so far. We need to secure that and make it fully effective.

**Ms Julie Thompson (Department of Health, Social Services and Public Safety):** I will add to that. The delivery and innovation division report had a significant focus around the corporate governance arrangements, including the set-up of the board and its committees. A lot of the working through of the things that they proposed and the recommendations that they made were focused around that area. When they came in, there was acknowledgement that things needed to improve from the previous board. That work was done around 2010. They looked at the recommendations going forward. So, it is an added piece of the jigsaw puzzle.

**Mr Douglas:** As the link between the Department and the Fire and Rescue Service, what action did you recommend to the accounting officer to build capacity in the service but also to address the understaffing?

**Ms Thompson:** We have been working very closely with the Fire and Rescue Service, over the past few months in particular, since Jim's arrival. You are quite right; there are capacity issues. We have been looking at procurement, for example, and ensuring that there was a link to a centre of procurement expertise function and that that was set on a more sound footing moving forward. We have also been looking at business case approval processes and things around that. We have been working alongside the Fire Service around business plan requirements and, looking into the future for 2013-14, at what the Department is asking the Fire Service to deliver. There are a range of actions; those are examples of things that we have been dealing with.

In recent months, there has been a significant focus on the reports and the outcome of the reports and, as Jim has described, ensuring that the recommendations are dealt with as we move forward. Significant effort and resource has had to go into that piece of work as well. So, we are trying to balance the strategic agenda going forward and, equally, trying to ensure that we are addressing the issues from the past. That has been quite a challenge from the perspective of the Fire Service and the Department.

**The Chairperson:** We will now go into the formal line of questioning. I will open up the discussion to members; that was a warm-up. Our first line of questioning is from Mr Daithí McKay and Mr Chris Hazzard on the handling of whistle-blowers and their complaints. Members, I remind you to keep your comments brief, and indeed your answers brief and to the point.

**Mr McKay:** Obviously a body of work has already been done by the Health Committee, and this Committee has looked at the Hansard reports. I was drawn to some comments that were made towards the end of the session with Linda Ford. She said:

*"The first contact was the letter in which I was whistle-blowing to Dr McCormick."*

Following that, she was suspended. She said:

*"I did the whistle-blowing to the permanent secretary on 25 July 2011. I was then suspended on 19 August, and, on 26 August, I again wrote to the permanent secretary requesting his intervention. Prior to that, I had also whistle-blown to the Audit Office."*

Following that, she was suspended for a period. How did you respond to the initial letter on 25 July, and what actions did you take in the two or three months after that?

**Dr McCormick:** I have already acknowledged that our response to Linda's whistle-blowing was not fully appropriate.

**Mr McKay:** You specifically?

**Dr McCormick:** We took the view initially that the right thing to do was to ask Peter, as Chief Fire Officer, to investigate the issues that had been raised. Indeed, I wrote to Peter.

**Mr McKay:** Was that your view?

**Dr McCormick:** That was the view that I took at the time, yes.

**Mr McKay:** Even though the complaint was against Mr Craig?

**Dr McCormick:** The complaint was against several in the organisation, and there were quite a few dimensions to the allegations she made then.

**Mr McKay:** Was that in line with the Department's whistle-blowing guidelines and policy?

**Dr McCormick:** The advice we had was that that was the prime action in a case like that, and I have done this in other cases as well, where it has been appropriate to ask the accounting officer responsible to account to me for what they have done but to investigate the issues that have been raised.

**Mr McKay:** How many other cases have you done?

**Dr McCormick:** A number of other cases in health trusts, and so on. There are other cases within this case.

**Mr McKay:** There have been other cases in health trusts where complaints have been lodged against accounting officers, and they have been asked to investigate the complaints against themselves?

**Dr McCormick:** Not in cases where the complaint is against the individual, but where it is a concern about something in the organisation. It can be appropriate for them to investigate, but is within a framework of accountability to me. Where I judge that the issues are more serious, the right thing to do — I have done this on several occasions — is to take over the investigation. That is what happened, and I am grateful to the Audit Office, which called me over when Linda raised the issues with it. I had an important discussion with the Audit Office and, with its agreement, we intervened then.

**Mr McKay:** When was your first contact with the Audit Office?

**Dr McCormick:** That was in October or November 2011.

**Mr McKay:** Until that point, did you not take it as seriously as you did then?

**Dr McCormick:** I have acknowledged that I was on the wrong track at that point because, very importantly, I had a misunderstanding and misapprehension as to the reason for Linda's suspension.

**Mr McKay:** What was that?

**Dr McCormick:** The letter that I had seen from Peter made two points. There was an issue about his concern that she had come to me and an issue that she had breached data protection and had accessed the systems illegitimately. Those were both in the letter of suspension. I became aware in July 2012 that Linda was told on the day she was suspended that she was being suspended because she had blown the whistle to me. I regard that action as absolutely unacceptable, because whistle-blowing has to be protected and honoured. As soon as I realised that was the case —

**Mr McKay:** Even in regard to the data protection —

**Dr McCormick:** Yes.

**Mr McKay:** Did you verify that before she was suspended?

**Dr McCormick:** That issue remains outstanding and unresolved.

**Mr McKay:** Why did you not verify it at the time?

**Dr McCormick:** We are still in the process of verifying it. There was a prima facie case.

**Mr McKay:** Linda said, in this particular session, that she was not even interviewed. So, there were so many holes in how the initial complaint was dealt with, and you did not verify that it was being dealt with appropriately.

**Dr McCormick:** As a first step, the letter to Peter asked him to investigate all the issues and then report to me. That was part of the process, and that is a totally orthodox process.

**Mr McKay:** How often did Peter report to you?

**Dr McCormick:** That was overtaken and did not happen. Before that process was completed, I had a meeting with the Audit Office, and we intervened to take over the investigative process because it had been blown out of that context into the Audit Office context, which is very important, and my judgement was that it was important for the investigation to be independent of the Fire and Rescue Service. Hence, I commissioned my own internal auditor to investigate most of the allegations. A number were technical, and I put those to others in the finance team, but we said that we would look after this. At a later stage, I became aware of what had been said to Linda on the day she was suspended, and that was what led to my apology to her, because we clearly got that wrong in the context. I was under a misapprehension as to the reason for her suspension. Once I understood the reason for her suspension, it was very important to me to change my stance on the issue, apologise to her and to do so publicly. That arose in the context of a request for information from the 'Irish News'. That was, to me, a necessary and appropriate step.

From the point of the engagement of the Audit Office, we have been seeking to secure proper and full investigation of Linda's allegations. We have had a lengthy process to do so. She had an opportunity to comment on the report, as did the others who were involved in the process, and we have now reached the stage where most of the allegations are substantiated. So that is a very important thing to have happened. Very significant lessons have been learned by us in that context, both in the process — there are things that I would do differently, had I to do them over again — and there are substantive lessons in relation to the governance and organisation of the service.

**Mr McKay:** Why was the director of finance not suspended, as well as Linda?

**Dr McCormick:** That would initially have been a matter for the organisation, and then —

**Mr McKay:** Obviously, if you had been made aware of the initial complaints, you would have been aware that the director of finance was allegedly culpable as well. Surely, if you or Mr Craig was going to suspend Linda, you should have recognised the need to suspend the director of finance as well?

**Dr McCormick:** Those are questions for the organisation. The Department does not, and did not at any stage, either suspend any individual or say that any individual should not be suspended. That is not our direct role.

**Mr McKay:** I will ask Mr Craig to comment on that in a moment. It appears to me, from your answers so far, that you were aware of the situation from the beginning. Mr Craig was to brief you and keep you updated with regard to it. Certainly, if there was that transparency between the Department and the Fire and Rescue Service, perhaps some of those in the Fire and Rescue Service may have believed that what they were doing was the right thing, because you were not pulling them on their policy and their whistle-blowing policy? You were effectively giving them a green light.

**Dr McCormick:** If I gave any signal to that effect — if that was the way it was interpreted — it is something that I regret and regard as wrong. As soon as it was clear that Linda had been told that she was being suspended because she had written to me — as soon as I became aware of that — I took the view that that was totally unacceptable and that it had to be corrected.

**Mr McKay:** OK. Peter, do you have a view on those points?

**Mr P Craig:** I am quite clear why Linda was suspended. It had nothing to do with the whistle-blowing. It was clearly in relation to her breaching our IT systems and removing confidential information about third parties. That was a breach of the Data Protection Act 1998.

**Mr McKay:** Should the director not have been suspended?

**Mr P Craig:** He was not involved in a breach of the Act.

**Mr McKay:** According to some of the comments in the Health Committee hearings, she was following instructions that led back to the director. Is it your view that he should not have been suspended and that he is in no way responsible?

**Mr P Craig:** In the investigation, it became apparent later on that she indicated that it was the director of performance and corporate affairs who had instructed her to get the information. I could not verify that at the time. I subsequently saw a minute and passed that over. As you know and have already discussed here, there were loads and loads of complex HR issues going on in the organisation. That is not an excuse, but it is a fact. When I took up the job, I had in my first six months three different chairmen and a brand new board. There was not a substantive principal officer on my team or whatever. So there was a lot of transition going on, and continuity is very difficult to achieve with that. I still believe that Linda Ford breached the 1998 Act. The issue of her whistle-blowing was totally separate. I had to treat her in the same way that I would treat anyone in the organisation who, in my opinion, had carried out such a breach.

**Mr McKay:** How long were you in the position of Chief Fire Officer?

**Mr P Craig:** When?

**Mr McKay:** When this complaint was made.

**Mr P Craig:** I am sorry, I am not being evasive; which complaint?

**Mr McKay:** The complaint of July 2011.

**Mr P Craig:** I was in post — let me just think. In July 2010, I was acting Chief Fire Officer. Forgive me; I was really doing the job but I was called "acting chief". I was then substantively promoted, and that was ratified in February 2011. The complaint came to the Department in July 2011. I am doing this from memory, so forgive me if my dates are slightly wrong. I was made aware of the whistle-blowing complaint at that stage. My understanding, from memory, is that there were three issues, none of which referred to me at all. I do not think that I became involved until the whistle-blower or whistle-blowers went to the NIAO, when 13 allegations were made. I think that I became involved at that stage. Forgive me; I have been out of the job for 12 months. I left all my documentation in the service because it is important for continuity, and so on. That is my understanding of the situation. I am quite clear why Linda Ford was suspended. I made it quite clear to the people to whom I spoke prior to handing her the letter that the suspension was for a breach of data protection.

**Mr McKay:** How did you confirm that that was the case?

**Mr P Craig:** It was a minute that had been circulated to another member of staff. It was signed by Linda Ford, and it indicated that she had removed personal information from our IT system about salaries.

**Mr McKay:** Was she interviewed after that?

**Mr P Craig:** She would have been interviewed during the investigation.

**Mr McKay:** When was that?

**Mr P Craig:** The investigation was ongoing. As the permanent secretary quite clearly said, he told me in November to suspend that issue and that he would take it forward. I adhered to that.

**Mr McKay:** Was she interviewed before she was suspended?

**Mr P Craig:** No.

**Mr McKay:** To clarify: when was she interviewed? Do you know, Andrew?

**Dr McCormick:** Any issue about the process with Linda and her suspension was a matter for the service, so I have nothing to say on that. If you are talking about the issue that we discussed with the Health Committee, which was the interview or discussion with Linda in the context of the internal investigation, I can answer that. As we said to the Health Committee, the remit that I gave to my head of internal audit was to investigate Linda's allegations. He judged that he could investigate most of them based on the information available on the record of the Fire and Rescue Service and through interviewing others. He did not judge it necessary to interview her because, at that stage, there was no issue about her. He was not investigating her conduct or situation in any sense. He was also aware that she had been off ill. There was a point towards the end of the investigation at which, in relation to the few allegations about which he was not totally clear on the outcome, he sought some clarification from her. That was part of his clarification of the evidence that led to the final report. She also had an opportunity to comment on the draft report, as did the others who were involved. That was the nature of our process. As I said to the Health Committee, it is a fit-for-purpose investigation. It has given us sufficient grounds to identify the issues, to move on and to form conclusions about which allegations were substantiated, including the allegation that she made about her suspension.

**The Chairperson:** Ms Ford obviously received a suspension notice. Did it say that it was because of her whistle-blowing?

**Dr McCormick:** The letter refers to both. It expresses —

**Mr P Craig:** With hindsight, I accept that the letter could have been more precisely worded. I took advice on how to word that letter. It was quite clear; the letter is a matter of public record.

**The Chairperson:** Did you write the letter, Mr Craig?

**Mr P Craig:** I did. It is quite clear that she was suspended for what I considered to be a serious breach that bordered, in my opinion, on misconduct.

**The Chairperson:** HR informed her that it was because of the whistle-blowing.

**Mr P Craig:** I cannot comment on that. HR was told exactly —

**The Chairperson:** You were the accounting officer.

**Mr P Craig:** I passed the information to the acting head of HR. I told her quite clearly what the issue was about. I cannot understand why there was any misinterpretation by her about what the suspension was about. That is all that I can say.

**The Chairperson:** I am at a loss.

**Mr Clarke:** You are causing confusion, Mr Craig, because in response to Mr McKay, you said that you were quite clear why she was suspended and that you did not mention whistle-blowing in the letter that you wrote to her. We are now hearing that, in your correspondence, you referred to whistle-blowing.

**Mr P Craig:** Unless I have misinterpreted what has been answered here, no. I made it quite clear that I am absolutely clear in my mind that Linda Ford was suspended because of her IT breach.

**Mr Clarke:** You may be clear in your mind, but I am also clear in my mind about what you said earlier. You did say whistle-blowing, and you did say that, in hindsight, you should not have had that in the letter, which would make me suggest that, obviously, you had that in the letter.

Mr McCormick, I want to ask you about the concerns that Mr Craig raised in the letter that he wrote to you — or the e-mail or whatever format you got it in. What concerns did Mr Craig raise about Linda Ford going directly to you?

**Dr McCormick:** He did not raise that with me; he raised that with Linda. The letter says:

*"I am disappointed and concerned that you have not raised these matters directly with me as accounting officer nor via NIFRS whistle-blowing policy, which in your position as NIFRS financial accountant you will have knowledge of and understand your obligation to comply with that policy. This would appear to be a serious breach of your obligation to NIFRS and to me."*

That is Peter's letter to Linda; he did not raise it with me as such.

**Mr Clarke:** At what stage did Mr Craig become aware that he was one of those alleged in the whistle-blowing?

**Ms Thompson:** I think that Mr Clarke is describing the extra 13 whistle-blowing allegations, which the Audit Office informed us about in November. *[Interruption.]*

**Mr Clarke:** I am sorry; someone was whispering while you were speaking. Would you say that again?

**Ms Thompson:** The additional whistle-blowing allegations were advised to us by the Audit Office in November 2011, so it was in that time frame.

**Mr Clarke:** Mr Craig, if you believed that you may have been part of the whistle-blowing, why would you have expected Ms Ford to go directly to you?

**Mr P Craig:** I did not believe that I was part of the whistle-blowing in July. The only time that I became aware that there was an issue involving me, in the 13 points that she raised, was when I was interviewed by the Department's auditors in January 2012. At that interview, I asked to see the letter of complaint, but that opportunity was not afforded to me. However, I accept that that was the way in which the Department wanted to go forward. I fully support Dr McCormick in how he decided to take the matter forward, and that is where we are.

**Mr Clarke:** From your earlier response to Mr McKay, I do not think that you have clarified why you suspended Linda; there is a bit of ambiguity. Data protection was one of the issues, and you are right about upholding the organisation's data protection policy. What if there was doubt about the director? Why did you not suspend the director? If an allegation was made about the director forcing or asking an individual to obtain that information, why was that director not suspended until an investigation had been carried out?

**Mr P Craig:** I did not think that the director was harassing her.

**Mr Clarke:** I did not ask you whether you thought that. I am saying to you that if you want to uphold the name of the organisation under data protection, you are now trying to say clearly that you suspended Linda Ford on the basis of data protection. However, her suggestion to you was that she was asked to do it by a director. If there was a suggestion that a director was involved, whether you believe her evidence or not, why was that director not suspended, as was Ms Ford, until the outcome of an investigation?

**Mr P Craig:** She did not advise me of that. It did not become apparent until much later on.

**Mr Clarke:** When did it become apparent?

**Mr P Craig:** I do not recall the specific date, but I think that it was some months later.

**Mr Clarke:** Were you still in post?

**Mr P Craig:** Yes.

**Mr Clarke:** Did you suspend the director then?

**Mr P Craig:** No.

**Mr Clarke:** Why did you not suspend the director?

**Mr P Craig:** I did not think that it warranted a suspension at that stage, but —

**Mr Clarke:** It did not warrant —

**Mr P Craig:** I was quite happy in the investigation —

**Mr Clarke:** It did not warrant suspending a director, but it did warrant suspending another member of staff who brought forward allegations to you. You did not feel that it was warranted to suspend that member of staff until the outcome of an independent investigation.

**Mr P Craig:** That is correct.

**The Chairperson:** Mr McKay, do you want to go back to your line of questioning?

**Mr McKay:** It is important that we get this clear in our heads. With regard to contact between Linda Ford and the Department and senior NIFRS officials, could you provide in writing a timeline and details of all interactions so that we can have a clear picture of that, including any interviews in which Linda participated? When were terms of reference drawn up for the investigation?

**Dr McCormick:** After my meeting with the Audit Office, we moved very quickly to draw up terms of reference and commission Colin Evans, my head of internal audit, to lead an investigation team. That was all done within a very short time. Julie, do you have the details?

**Ms Thompson:** It was done at the end of November 2011. I do not have the exact date.

**Mr McKay:** So she was suspended in August and remained so for a number of months. Did it take until the end of November before terms of reference were put together?

**Dr McCormick:** It was done as quickly as possible, having received the information from the Audit Office. My team and I then gave it significant priority and initiated that process. It was quite complex. The allegations were extensive and were complex to investigate, so it took some time. Have you any more on that, Julie?

**Ms Thompson:** The meeting with the Audit Office was on 8 November. By 25 November, we had the terms of reference worked out, so it took a couple of weeks to set them up. In November, through conversations with the Audit Office, the greater number of allegations came to the fore. In July, the material contained three allegations; the other allegations came through later on in the process.

**Mr McKay:** Can you tell us about human resources in the Fire Service? Where was HR in all that? When was HR formally informed? What actions did it take? I have not seen much reference to HR.

**Dr McCormick:** Once we launched the investigation, we met the chair of the organisation, and he was fully informed as to —

**Mr McKay:** From July onwards, what was happening?

**Dr McCormick:** In July and August, it was for the Fire and Rescue Service to look at the HR issues. It was its responsibility to look at and deal with them. It was not our direct concern.

**Mr McKay:** Surely it was your direct concern at the time. Linda contacted you in July and August, and you must have known that this was a very serious issue. Surely you would have known the basic happenings in the Fire Service over that period.

**Dr McCormick:** In this case, as in others, when I receive whistle-blowing correspondence, a judgement must be made as to what to do. It is either to put the allegations to the organisation, ask it to investigate and then report to me; or, if it is more serious, to investigate it ourselves. In neither of those scenarios do I become directly involved in the HR practice in an organisation. If it emerges that the core issue, the thing that is going wrong, is in relation to HR practice, I need to have an assurance that, whatever process is being undertaken to handle that either in the organisation or under my own responsibility, it is proper, fair and objective. Given what has happened in this case, we know better what to do in current and future cases. I recognise that there are things that we have learned from this case because we did not get it right. We were not sure-footed in the July, August, September, October period of 2011. There are lessons for us to learn from that. However, we were not deeply involved in the HR issues at that stage.

**Mr McKay:** Peter, can I come back to you briefly? Ms Ford raises the point that her suspension was not reviewed every four weeks in accordance with the guidance of the time. Was there a reason for that?

**Mr P Craig:** It was probably an oversight because we had just lost our acting head of HR. She had returned to her substantive post. People were on annual leave, and there was no senior HR person at that stage. I had to put in an acting head of HR.

**Mr McKay:** You would obviously have flagged up to the Department that you had serious personnel shortages and that you had no one in HR. What was the Department's response?

**Mr P Craig:** The Department was aware of my difficulties with the staffing arrangements. Like all those processes, we were working through that. I had to resolve an outstanding strategic review of HR that had to be taken forward before we could go through a process to appoint a director of HR, should that have been the case. Regrettably, because of legacy issues in the organisation, the interim acting head, who came from another Department, had not been able to progress that. The staffing issues were difficult, but the Department was aware of them and was sympathetic.

**Mr McKay:** I have a final question before I pass over to Chris. What is your view of the culture of the organisation? You were there for many years. Was that part of the problem? You inherited the role of Chief Fire Officer, and there was a lot of flux in the organisation. Were processes in place for policies to ensure that risks were successfully managed? They had not been dealt with for many years. What is your view of the culture being an issue?

**Mr P Craig:** In our support and operational environment, we have a huge number of very committed individuals who are absolutely committed to delivering the best service they possibly can to the public.

**Mr McKay:** I mean, in particular, the board and the senior staff.

**Mr P Craig:** Over the years, it is fair to say that there have been challenges between the board and senior management, and we had gone through a lot of staff changes. The Chief Fire Officer, the deputy chief fire officer and the director of HR had retired, so there were those difficulties, and we were moving from an old culture to a new one. In my opinion, I worked extremely hard to breach that rift in culture, which, to be fair, is probably prevalent at headquarters rather than throughout the rest of the organisation. I think that that is possibly to do with not seeing the big, red, shiny fire engines going out. I had difficulties with staffing relationships at a senior level. When I took the job, I genuinely thought that I could move in and deal with those, but when people will not work with one another and will not work with you, it becomes extremely difficult. In the public sector, you have to manage that and try to charge your way through it as best you can. That caused some difficulties, but, in general, I found the culture to be quite good. It was old school. There were a lot of policy and legacy issues that

I had to deal with that were already on the table, let alone other issues that were emerging on a day-to-day basis.

**Mr Hazzard:** I will follow up on one point that was made about the terms of reference and the fact that it took three months to pull them together. Why did it take so long, given the urgency of the matter?

**Dr McCormick:** It took two to three weeks.

**Ms Thompson:** The terms of reference were pulled together by 25 November, but the full wide-ranging allegations that were put forward had been provided to us only on 8 November through conversations with the Audit Office. So the information that was available at the start concerned a limited number of allegations, and, at that point, the Fire Service was investigating them. By the start of November, it became apparent that many more allegations were presenting, and, at that point, in those two or three weeks, we pulled the terms of reference together. We are happy to provide you with a timeline, if that is helpful, to put it in context.

**Mr Hazzard:** That would be helpful. Peter, in your time as Chief Fire Officer, is it fair to say that you had a sound understanding of the disciplinary procedures and policies?

**Mr P Craig:** Yes.

**Mr Hazzard:** No problem. I just find it hard to believe that when Ms Ford submitted two grievances against you in August 2011 — the first relating to denial of access to financial systems and the second around the decision to suspend her — they were not heard by an independent person. Instead, you responded personally.

**Mr P Craig:** The difficulty was that we were in the process of going through a series of complex internal investigations. It was my intention to appoint an independent investigator because that was essential. That was one of my clear intentions because we were all being seen as being tainted in some way by a range of individuals. The difficulty was that the principle of a grievance procedure, as I understand it, is to try to resolve an issue at the appropriate level without its becoming formal. Linda had addressed issues in writing that she had never raised with me, and I thought that it was perfectly reasonable, in the spirit of trying to resolve those issues without having to make them formal, to say, "Linda, tell me what it is, and I will try to fix it." That is why I wrote, but I am fully aware of the discipline and grievance procedures.

**Mr Hazzard:** So you had an intention, but you fully recognise that it was contrary to policy.

**Mr P Craig:** Policy is there to be interpreted. In exceptional circumstances, when you are dealing with great gaps in your organisation, you regrettably have to make some decisions on the hoof. I wrote to Linda in an open and friendly way, and I did not receive a response. I did not chase it up; I did my best to try to resolve the situation, as a grievance procedure is supposed to do, at the appropriate level.

**Mr Hazzard:** On a more general note, Dr McCormick, what protections do you believe that whistle-blowers are entitled to?

**Dr McCormick:** That is provided for in the statutory protections on disclosure in the public interest. The most important thing is for organisations to have leaders who consistently convey the message that they are open and responsive to challenge. A lot of things are written down, a lot of things are required, and there are lots of procedures, all of which are important. The tone that is set, the style of operation and the behaviour of leaders is most important. They should consistently ask questions, be available and be seen and visible in an organisation so that if someone has a concern, people at a senior level are accessible and responsive and convey the message that it is a learning organisation.

Whatever business we are in, any member of staff has the right to ask whether someone is doing something right; they can ask whether something is being done in the right way; or they can ask someone whether what they are doing is wrong. The person who is challenged should respond, not in a dismissive way but in a thoughtful and responsive way. We have to convey that as a style and as a culture. It is only by leaders behaving in that way that behaviour changes and, hence, culture changes. That is the most important thing to me. We then underpin that with good procedure, separation of roles and through ensuring that there is independence in different stages of a process.

That is all provided for in each organisation's whistle-blowing policy and their practice guidelines, and it is important to think those things through and apply those principles faithfully.

I accept what Peter says: there are times when you need to recognise the context in which you are working, but the more it is in line with protocols and principles set out in these guidance documents, the better. To go back to the main point: it is about leadership style and tone, and humility in the way that things are done.

**Mr Hazzard:** Is it fair to suggest that, in reality, Ms Ford did not benefit from a variety of these protections that you have just outlined in theory?

**Dr McCormick:** That is the way it looks now. That is why I see major lessons for us to learn from this process. It is important that the processes allow for allegations to be examined and challenged because allegations are sometimes made with a motive other than the public interest. We have to be wise about these issues, but I definitely regret what happened in this case. My clear understanding is that Linda was told on the day on which she was suspended that it was because of whistle-blowing; that is why I reacted in the way that I did.

**Mr Hazzard:** It is a very serious concern. Who do you think is responsible?

**Dr McCormick:** From what Peter said, I do not think that it is clear who is responsible. I am not sure whether that will be readily established. Peter has given his point of view; we have a record of what was said to her on the day that she left; we have the letter that Peter sent; and we have her understanding of it. Those are not all consistent so it is hard to judge. It is important to learn lessons and to say that, in future, when someone has blown a whistle, the procedures are applied properly. That does not take away from our responsibility if there is a serious breach, although the issue on data protection is a genuine point. However, that needs to be handled with careful and rigorous regard to HR protocols.

**Mr Hazzard:** It appears that there is clear evidence that the actions of a number of senior officials displayed a complete lack of understanding or willingness to understand the ethical standards required. Is that a fair comment? If so, how do we practically address that? It is an issue for Jim as well. How do we break down the culture of that senior leadership that has, in Ms Ford's example and everything else, clearly failed miserably and detrimentally?

**Dr McCormick:** The Audit Office report draws attention to the need to reinforce ethical standards throughout the organisation. Some of the allegations that were substantiated were not even about a blatant misappropriation of funds or issues such as that. However, if there is the appearance of failure to have proper regard for issues such as conflicts of interest, what I say in my own team and when I talk to chief executives and others across the health service and the Fire and Rescue Service is that public service values have to be paramount. It is better to make sure that there is no risk of misinterpretation. If something looks as though it could be a conflict of interest, even if we all know that it is not, it is still better not to do it. It is better to be careful and err on the side of safety and uphold the right ethos and values. We recognise the fact that the examples that have emerged are serious. The clear responsibility for Jim, Joe McKee as chairman, the wider leadership team and me is to reinforce values and a good ethos.

**Mr Hazzard:** During one of the Health Committee evidence sessions, reference was made to the employment of an external investigator, Dr Carol Ackah. Has a report been issued to the Health Committee on the work of that external investigator? When is that likely to happen?

**Ms Thompson:** It was discussed, but the Committee did not ask for a copy of the report. The Hansard report shows that the issue was discussed, but copies were not asked for.

**Mr Hazzard:** Will the Committee receive a copy of the report?

**Ms Thompson:** If the Committee asks, we can deal with that.

**Mr McKay:** I have a final point. Has Linda returned to her job?

**Dr McCormick:** Yes.

**Mr McKay:** When did she return?

**Mr Wallace:** She returned to Fire Service headquarters in June 2012, not to her substantive role but in a financial role. There is dialogue with the individual, but she has not returned to her substantive role.

**Mr McKay:** Was she told that she could not communicate with anybody in the finance department?

**Mr Wallace:** That question has come up previously. In order to manage Linda's return to the workplace, there was a very open discussion with her. She was told that, given the nature of some of the allegations, there were some anxieties among some of the professional staff in the function about her coming back and, obviously, the period of time for which she had been away. We took it on ourselves to share that with Linda so that she knew the exact situation, in case people were not interacting with her in the way that we would hope, in which case we would deal with it. Linda readily accepts that she was not told not to speak to anyone. That was corrected. To be fair to Linda, she knows that.

**Mr McKay:** Just clarify that again.

**Mr Wallace:** She was not told not to speak to anyone. She was told that some people may have anxieties about having conversations with her at the outset because of the time for which she had been away and the nature of the allegations. As I said, to be fair to Linda, she accepts that she was not told not to speak to anyone.

**Mr McKay:** Was she given the option of going back to her old position?

**Mr Wallace:** I am not sure at that time. I cannot comment. She came back to work in headquarters in June last year.

**Mr McKay:** Was she given the option of going back? What is the situation?

**Ms Thompson:** No, I think that, at the time, she was taken back in and was reporting through to Chris Kerr. She has been fulfilling that position rather than her substantive role.

**Mr McKay:** Whose decision was that?

**Ms Thompson:** It goes back to a decision that was made in the organisation in June or July 2012. That was just after Peter retired.

**Mr P Craig:** It might have been Chris who made that decision. I know that, prior to my retirement, there had been discussions with Adele Davidson, who was the acting head of HR at that stage, about integrating Linda back into the workforce. I also know that Linda had expressed some reservations about interacting with other people who there were perceived difficulties with, and the HR department was working to make sure that there was a smooth transition back into the workplace for Linda.

**Mr McKay:** Did she indicate that she did not wish to return to her old position?

**Mr P Craig:** I cannot comment on that. She spoke to HR.

**Mr McKay:** So, it was more an HR decision than one that Linda influenced?

**Mr Wallace:** I might be speaking out of turn, because it happened prior to my coming, but, I believe that, at that time, information was referred to the Information Commissioner, which meant that there was something ongoing with them. It would probably not have been appropriate for Linda to return to her substantive role, given the nature of that referral. However, I can check that for sure for you.

**Mr McKay:** Could we receive a written overview of how the process for her return to work was implemented, including what her input was and who made the decision on that?

**Dr McCormick:** Sure.

**Mr Dallat:** Chairperson, I know that we have unlimited time. However, it is limited only by the length of time that people can stay, and there is an awful lot still to go through.

I will stay with this issue. The chairperson has not had a mention today at all. He was ultimately responsible for corporate governance. Is that correct?

**Dr McCormick:** He would oversee it.

**Mr Dallat:** Dr McCormick, to your credit, you apologised to Linda Ford, and you have been admired in the public domain for that. Has the chairman apologised?

**Mr Wallace:** I cannot comment.

**Mr Dallat:** I can answer that for you, Mr Wallace. I met you on 1 November, and we were subsequently joined by the chairman. That question was put to him, and the answer was no. How can we look forward to a new dimension in the Fire Service, given that you told us that the chairman is now spending more time than ever in headquarters and refuses to apologise, as head of corporate governance, for what happened to that poor woman? How will you convince this Committee? Paul Girvan said, as did Sammy Wilson — I mean Sammy Douglas; sorry, Sammy — that there are a lot of good people in the Fire Service whose morale is very low because of the goings-on at management level. There are families out there that are affected, including that of Joe McCloskey from Dungiven. He lost his life in a fire, and no independent inquiry was granted, because no one would say who ordered the poor man on to the roof where he lost his life. How do you convince that family to have any confidence? I will ask you this now, Dr McCormick. I had a letter from your Department last week. So, given what has been said today, will you please go back and reflect seriously on senior management? Surely it is not in a position to deny a fireman's family the right to an independent inquiry.

I will leave it at that and ask you to reflect on that.

**Mr Clarke:** Dr McCormick, I understand your confusion about Mr Craig's recollection of events versus yours. However, I will go back to what I asked Mr Craig, because I am still confused. There is a certain degree of ambiguity around what she was suspended for. There will be correspondence from Linda Ford that I am sure you will have forwarded to Mr Craig. I wonder whether that is the correspondence that Daithí referred to.

I will go back to what Mr Craig said. To my mind, he has changed his opinion and is now focusing on data protection. Has the data protection issue been sorted?

**Dr McCormick:** No. It is with the Information Commissioner.

**Mr Clarke:** That is all that I wanted to know. So, if it is not sorted and if that is the substantive reason why she was suspended, why is she back in post? I do not know the lady, and I wish her well for the future. However, if this were the big misdemeanour that Mr Craig made it out to be and she were suspended and publicly humiliated, why is she back in post, given that the investigation is not complete?

**Ms Thompson:** I think that that gets to the heart of the issue with her return. She is not back in her substantive role. It comes back to the previous set of questions.

**Mr Clarke:** No, sorry, Julie, it does not come back to that. That is because, if there were another position for her in the organisation and if that were not the substantive reason for her suspension, that position could have been made for her from the outset. However, Mr Craig is very clear — although I do not think he was; he is trying to intimate today that he was very clear — that he suspended her because of the data protection issue. If there is a place for her in the organisation now, why was a place not made for her in the organisation then? Is this a case of the organisation trying to cover its tracks, Mr Craig?

**Mr P Craig:** I did not return her to work, so I cannot comment on that.

**Mr Clarke:** No, but you suspended her.

**Mr P Craig:** I am not trying to cover my tracks. It is a matter of public record why I suspended Linda, and I stand by that.

**Mr Clarke:** I think that it depends on what record you read, I have to say.

Dr McCormick, let us return to the allegations in Mrs Ford's evidence, because I do not think that we will get to the bottom of it with Mr Craig. Why was the director not suspended, given that Mrs Ford made an allegation about the director suggesting that she got that information?

**Dr McCormick:** I said before that any issue around that would have been a judgement for the employer rather than for the Department. So, we did not get involved in considering that. Whether anybody should or should not be suspended was never put to us as an issue.

If we step back and look at the issue itself, my understanding is that there was no judgement that there was no prima facie case for that individual to answer on that issue. All that will, I think, become clearer when the Information Commissioner reaches its conclusion on this issue, which it is still investigating. It is maybe some months away before that will be concluded. That is when we will know better the rights and wrongs of that aspect of matter.

**Mr Clarke:** In that case, do you believe that Peter Craig's decision at that time to suspend Mrs Ford was harsh?

**Dr McCormick:** What I have is the advice from my internal auditor on allegation 11, which basically found that her allegation that she had been illegitimately suspended was largely substantiated. That is what the report states on allegation 11. The report then draws out the background and analysis of that issue and largely supports the points that Linda made about that.

That is what I have accepted, and that is what is in the public record as the Department's position on that issue. There is a note on the record that confirms a conversation between the HR person and Linda saying that, on the day that she was leaving the office, she was told that she was being suspended because she blew the whistle. That is what she was told, and —

**Mr Clarke:** You are publicly saying today that that was harsh?

**Dr McCormick:** If that was the reason, it was not just harsh but totally unacceptable.

**Mr Girvan:** Going back to the HR issue, there were difficulties, in that people were missing from work. I do not mean that they were missing; they were actually off. Some were perhaps on sick leave, and posts were not filled. How was the Department made aware of that deficit in the HR section? You alluded to the fact that the Department would have been aware of that, but how was it made aware of it? If it was aware, did it not offer expertise to deal with some of those matters? There was bound to have been plenty of expertise in the Department to deal with some of the shortfall in the Fire Service at that time. How was that referred to and communicated?

**Dr McCormick:** I cannot say that I was strongly aware of that. I do not recall conversations or correspondence on the Fire Service saying, "We have a problem." My consistent message to chief executives generally is that I expect them to manage their businesses, but if they have a problem, the phrase that I use is that they have a "right and responsibility" to put their hands up and say that they have a problem. That then becomes my problem. That is not encouraging them to dump all their problems on me, but it is saying that they are accountable and that I am there. My responsibility is to provide them with support. We — my team — had initially sourced Heather Ellis, who was the temporary director of HR.

**Mr Girvan:** What is the timeline for that?

**Dr McCormick:** Heather went in —

**Ms Thompson:** I think that it was between summer 2010 and summer 2011. We can confirm that it was around that time. It was between 2010 and 2011, and she left in summer 2011, I think.

**Mr Girvan:** So, she left in mid-2011, which was around the same time that some of those allegations were being made.

**Dr McCormick:** What I take out of it is that, with hindsight, we probably should have observed the gap in HR and asked more questions. I think that the primary responsibility was on the organisation to say to us that it had a problem. However, I think that we also had a responsibility to ask whether it had a problem. Had we done that, we might have then established the need to parachute further temporary HR resource in to it. With hindsight, I regret not doing that.

**Mr Girvan:** To deal with that specific issue?

**Dr McCormick:** No, not that specific issue; just to deal with —

**Mr Girvan:** To have the expertise available when and if a problem arises?

**Dr McCormick:** That is right.

**Mr Girvan:** I asked that because it was alluded to earlier and I wanted to know about it. So, my understanding — I just want to get this clear — is that the Department was not made aware of that issue right away and that, had it been made aware, it would have tried to throw in expertise to help.

**Dr McCormick:** We were aware that Heather Ellis had left. So, I suppose you could say that, by implication, we were then aware that there was a gap. However, I do not recall a major flag being raised to say that there was a problem.

**Mr Clarke:** Was it your responsibility or that of the service to realise that there was a problem in HR?

**Dr McCormick:** I would accept some responsibility. I would say that the primary responsibility was with the service, but I think that we maybe should have been a bit more sensitive, especially because, around that time, we were aware that things were not well.

**Ms Thompson:** The recruitment processes for the director of HR were in play around that time as well, so if you go right back to that timeline, you might see that there was an expectation that the director of HR post would be filled. That, unfortunately, did not happen for a considerable time thereafter. When Heather Ellis left, there was an expectation that the post would be filled again in the near future.

**Mr Clarke:** That goes back to the responsibility of the board.

Mr Craig, you said that the Department was aware of the problems that you had and that you had flagged that up.

**Mr P Craig:** That is correct. In terms of —

**Mr Clarke:** How did you flag that up?

**Mr P Craig:** The HR support was put in place before I arrived. As the departmental official said, when Heather Ellis left at the end of July, we had anticipated that there would be a fairly short process before we got a substantive director of HR. I spoke with the existing HR people, the board and the chairman to make sure that we had sufficient support to cope in the interim with what was the outstanding issue. I then got permission and informed the Department that we were bringing in a consultant to finish off the strategic review of HR so that we would be in a position, with board and departmental approval, to move forward in arriving at having a substantive director of HR.

**Mr Clarke:** I note that you did an awful lot of this by telephone conversation. Do you have any records of any of this stuff?

**Mr P Craig:** If there are records, they would be maintained at headquarters.

**Mr Clarke:** If you were the author of the request or had alerted the Department, you would have been aware of whether there was any written correspondence to the Department making it aware that there was a particular problem.

**Mr P Craig:** I did not think that there was a particular problem at that stage.

**Mr Clarke:** You said earlier that there was.

**Mr P Craig:** What I said was that, when I took up the post, we had an interim director of HR. I am sorry for labouring this, but I am just trying to clarify it as best I can. That interim head of HR was brought in fundamentally to hold the line and to allow us to do a strategic review of HR. Regrettably, at that stage and not long after she arrived, the chief and deputy chief had gone, and we had to go through a fairly substantial recruitment process to fill those posts. So, she was tied up doing that day and daily. That left the strategic review of HR sitting on a bench. We could not move forward with the appointment of a new director of HR until we had carried out the strategic review of HR and got board and departmental approval to move forward.

**Mr Clarke:** Are you putting the responsibility for that on the Department, or are you suggesting —

**Mr P Craig:** No. I am simply saying that it is a statement of fact. It was because of the turnover and change of staff. That is the way it was.

**Mr Clarke:** You tried to apportion blame to the Department earlier, and I want to clear up whether it was the Department's fault or that of the Fire and Rescue Service.

**Mr P Craig:** I think that it was a combination of both.

**Mr Clarke:** So, it was a combination of the Department and the Fire Service. Other than telephone conversations, do you have a record of where you alerted the Department that there was risk?

**Mr P Craig:** I took it through my board and chairman. It went through the board.

**Mr Clarke:** Mr McCormick, can we find out what correspondence the board has had with you on that matter?

**Dr McCormick:** We will check out the files for sure.

**Mr Clarke:** I have two more questions, Chair. You refer to your auditor, Colin Evans. Is he still in position?

**Dr McCormick:** Yes.

**Mr Clarke:** Who headed up the Fire Service's audit?

**Ms Thompson:** Deborah Reynolds. Colin Evans is the head of internal audit in the Department, and Deborah Reynolds is the head of internal audit in the Fire Service.

**Mr Clarke:** Have there been recent changes, or are there any personnel left, in the Fire Service's internal audit?

**Mr Wallace:** The establishment for internal audit is three, and, at present, there are two in place, with one post vacant.

**Mr Clarke:** Why is that post vacant?

**Mr Wallace:** I have no idea. It is one of a number of posts that we are trying to fill.

**Mr Clarke:** How long had the person who has left been in post?

**Mr Wallace:** I do not know the date of when they left, but, for the previous financial year, the post has been vacant and the audit plan has been based around the shortage of resource.

**Mr Clarke:** How long were they in position?

**Mr Wallace:** The person who left? I do not know exactly how many years they were in post. We can check that.

**Mr Clarke:** Do you know where they went?

**Mr Wallace:** No, I do not personally know.

**Mr Clarke:** It is our understanding that someone left the organisation without another position to take up. That makes me wonder why someone would leave a perfectly good job in the current climate with nothing to go to.

**Dr McCormick:** We will check that. It is well worth knowing about that.

**The Chairperson:** We will move into a comfort break for 10 minutes and resume at 4.30 pm.

*Committee suspended.*

*On resuming —*

**The Chairperson:** Welcome back. We move to the next line of formal questioning, which is on learning and leadership.

**Mr Rogers:** Just to go back to a point that Peter made earlier when he said that people would not work with each other in a senior management role. In your written submission to the Committee, you mention a "dysfunctional management team". With respect, you have been part of that management team for quite a few years. Will you elaborate on what you meant by saying that people would not work with each other.

**Mr P Craig:** I was aware when I took the job of tensions between individuals in the corporate management team. I was aware of the cultural issue that there was between what were called uniformed and non-uniformed staff, etc. When I took the job, I genuinely believed that it was among the issues that I would have to address. I thought that I would be assisted in doing so when some people left and new people came in. The difficulty was that I just could not get to the bottom of tensions between some of our support staff and our uniformed staff. That is the crux of it.

**Mr Rogers:** There was the issue of the Land Rover, the details of which I will not go into. However, you were requested to return that Land Rover and you said that you were disappointed that you had to return it.

**Mr P Craig:** Yes.

**Mr Rogers:** Why was that?

**Mr P Craig:** I felt that the Land Rover offered an opportunity to enhance our community education on road safety to young people across Northern Ireland. Finance was extremely tight at that time and no money was going into community support vehicles. My record shows that I have always been a great believer in prevention being better than cure. We were losing young people on our roads at an inordinate rate, and I genuinely felt that, in getting a vehicle out there, we could educate young people about the consequences of road traffic collisions and make a fundamental difference. The Land Rover provided a vessel with which to deliver our message in an open and transparent manner. I was disappointed that it had to go back.

I should add that it was not unusual: fire services across the country use sponsorship to support their community service work. Surrey has a sponsorship document. Cleveland — I would not want to go this far — will offer you the opportunity to sponsor shirts on firefighters, because money is tight out

there. I have always believed that you have got to get the best value for money that you can, and this offered us an opportunity to do that.

**Mr Rogers:** I will move on. Where there tensions between you and Mr Lamme?

**Mr P Craig:** There are always tensions between individuals. I do not think that they ever manifested themselves, but Colin and I sometimes did not agree, and we agreed to differ. However, I always put the Fire and Rescue Service first and I know that his professional manner was the same.

**Mr Rogers:** He requested that the Land Rover be returned to the retailer.

**Mr P Craig:** He told me to return it to the supplier.

**Mr Rogers:** You did not agree with that?

**Mr P Craig:** I did not. However, at the end of the day, he was the chief. We operate in a hierarchical society, and if the chief tells me to go and stand on my head in a corner, I will do it. If it is an incorrect order, I can challenge it afterwards but, at the end of the day, he issued an instruction and I adhered to it.

**Mr Rogers:** You did not return it to the retailer?

**Mr P Craig:** I returned it to the supplier as he instructed.

**The Chairperson:** Did you say that you returned it to the supplier as instructed?

**Mr P Craig:** Yes.

**The Chairperson:** Following the memo from Mr Lamme in December —

**Mr P Craig:** The memo from the chief said that the Land Rover had to be removed from headquarters premises. I did that. I returned it to our media suppliers, who had supplied the vehicle.

**The Chairperson:** But not to the retailer or the shop owner?

**Mr P Craig:** I returned it to the supplier. That is correct.

**Mr Rogers:** That clarifies what we have here: that you sent the vehicle to the premises of the Northern Ireland Fire Service's media consultants. Is that not correct?

**Mr P Craig:** That is correct.

**The Chairperson:** The memo said that it should be returned to the suppliers, whom Mr Lamme —

**Mr P Craig:** My interpretation of "the suppliers" was the media service because they supplied it to us.

**The Chairperson:** Did the memo specify a particular garage?

**Mr P Craig:** No.

**The Chairperson:** Did it state "the suppliers"?

**Mr P Craig:** I do not recall.

**The Chairperson:** Is there evidence of that Fire Service memo?

**Mr P Craig:** Yes. The memo was dated 3 December 2009.

**The Chairperson:** Can we get a copy of that memo? I am told that we can.

**Mr Rogers:** There are other points. Dr McCormick, you talked about cultural difficulties in your opening comments. To my mind, we have three distinct bodies: the organisation, the board and the Department. Only when those three work together do we get an effective organisation. I know that you want to draw a line in the sand, but we need to get to the bottom of things to see what the real problem is before we can effect improvement.

It is incredible that you and the Department were not notified about bonus payments to staff. It is also very difficult to understand how, on another occasion, when Mr Lammey told the chair of the board about bonus payments, that that was not communicated to the board and that you and the Department had neither agreed it nor anything else. Is that right?

**Dr McCormick:** There were two separate incidents, neither of which was acceptable. The issue in relation to the non-uniformed directors was what gave rise to the Department increasing its oversight and scrutiny of the Fire and Rescue Service to a very intense level of engagement. Because those payments were irregular, they led to the previous accounts qualification. That exposed significant issues of governance. I had very serious discussions at that time with the then chairman and the then Chief Fire Officer because I was clear that what they had done was unacceptable. There is an issue around job evaluation, but they had a clear responsibility to seek approval. They did not carry that out, and that was not acceptable.

In the same piece of work, it came to light that there had been a previous award of bonuses. Those were smaller amounts and not recurrent. The non-uniformed directors were given salary increases. The uniformed directors had received one-off bonuses but, again, they were above delegation thresholds and made without approval. That led to a significant breakdown in the relationship between the Department and then chair and chief executive. We had then to impose a significant constraint on the organisation and make sure that the message was very clear that the organisation had to adhere to financial approvals and do only what was approved. That has placed an onus on us to work with them, going forward. I want to get back to a more normal relationship whereby you can delegate, but delegation depends on trust. Trust had been broken, and I had to give time for that to be repaired and restored, and to make sure that the message was clear as to what should and should not be happening. It was a very disturbing incident.

**Mr Rogers:** Mr Craig, I know Dr McCormick is talking about how things have improved since 2009, but evidence shows that, even in 2012, there was no stock control system for the woodchip. I know that you were not around at that stage, but, back in the early years, the likes of a lawnmower might not have been on the books. However, you were a senior manager in the Fire Service. Why was there no stock control?

**Mr P Craig:** I cannot comment on why there was no stock control, because that did not fall within my directorship. However, I can say that we ran very tight stock control and financial management in community development, and that has been verified in a series of audits that we have undertaken.

**Mr Rogers:** Are you saying that you cannot comment because it was not your responsibility?

**Mr P Craig:** Clearly, everybody in the organisation, from firefighter up, has an obligation for governance and looking after public equipment, public money, etc, but I was not aware of any issue at all around the training centre stores.

**Mr Rogers:** Mr Craig, in one of your opening comments to one of my colleagues, you said that you saw your role as making sure that we had, first, a good Fire Service, and, secondly, to ensure value for money.

**Mr P Craig:** Absolutely.

**Mr Rogers:** Surely stock control is an essential part of getting value for money.

**Mr P Craig:** I agree with you. I am not debating that, but there are a range of directorates across the organisation. Each has their own accountable officers. The accounting officer delegates that responsibility on a day-to-day basis. I accept that, ultimately, I am accountable, but people have a responsibility for locking doors, etc. If you followed that to its nth degree, and that was my

responsibility, I would have to go round and lock every door in the fire station. It is about delegating that responsibility down to the appropriate level.

**Mr Rogers:** With due respect, there is a lot of difference between stock control and locking doors. The likes of woodchip, the lawnmower, or whatever, were not recorded.

What about the internal audits? Over the six-year period between 2006 and 2012, there were supposed to be four reviews. Only two took place. An audit plan for 2010-11 was not undertaken. It is not down to the minutiae of locking doors; it is serious stuff.

**Mr P Craig:** I agree with you. At the end of the day, there are directors across each of the disciplines in the Fire Service to deal with that.

**Mr Rogers:** I am certainly not convinced. When were the audit recommendations in the NIAO report communicated to the board?

**Mr P Craig:** I assume that that was done when the report was issued. We had the draft report. We made a 25-page response to some of the issues in the Audit Office report. That was then communicated and some work was done with the Department. Then the draft came in, and we took it as read that we would move forward and introduce an action plan to deal with those issues. We have been moving forward on a day-to-day basis, and I know that Mr Wallace continues to do that today.

**Mr Rogers:** What was the reaction of the board to the report?

**Mr P Craig:** I know that the board was disappointed; its members were literally just in place. I think they took up their posts in October, and the Audit Office visited us in early November. You would have to direct that question to the board, but my observation was that it was disappointed that, in many ways, it had been left to carry the legacy of its predecessors.

**Mr Rogers:** I find it hard to believe that they were just disappointed. I think people would have been shocked by this report. Leading on from that, you mentioned the new board. How was that board brought up to speed in respect of training, etc?

**Dr McCormick:** Yes; an important part of dealing with the public appointments process is to provide opportunity for new board appointees to undertake induction training in relation to their responsibilities, the challenge role, how corporate governance works and what they need to know about the organisation itself. That opportunity was provided for the members of the new board soon after their appointment. That is a very important principle that we hold to across all organisations, because the general place we need to get to is where there is clarity of responsibility for the board and the executive leadership so that, as Peter said, it is not up to senior leaders to do the nuts and bolts, but they need to be sure that the system is working so that someone is responsible for locking the door. They need to know that that is clear and straightforward, be it in stock control or any basic aspect.

What I do across all the organisations is to make sure that there is a review of systems all the time to make sure that those systems are working and that there is a stewardship from operational level to corporate level to ensure that the right things are being done. We then have internal audits to check whether the right things are being done. Those are the first and second lines of defence that we have in looking after these things and ensuring that senior leaders can do the strategic thinking and oversee the systems in a proper way. Do you have detail on the training, Julie?

**Ms Thompson:** The new board did the on-board training that is common across the public sector in February 2011. There were then a number of other training events further to that into 2012. There was an induction process for that new board, and the on-board training was a significant part of that. Obviously, individual members have also had individual training.

**Mr Rogers:** Looking at some of this material, can you assure me that this cannot happen again and that people cannot just give themselves a pay rise without telling the board or the Department?

**Dr McCormick:** There is no doubt that the pay issues are now well overseen. You can never be absolutely sure, and I would be unwise to give you absolute and blanket assurances. We have put reasonable checks and balances in place. One of the key points is that some of those things have received such public attention that anybody stepping out of line would be extremely foolish, because

they would be exposed immediately. Pay information, for example, comes to light as a matter of public record, so there is no hiding place. I am confident that that could not happen again, but you can never give an absolute assurance. Assurance is always in the context of systems working properly and people doing what they are supposed to do. The ultimate guarantee lies in the fact of open disclosure and the fact that people will know that, if something is done that is wrong, someone will tell. Freedom of information and whistle-blowing are important guarantees that things are done right.

**Mr Rogers:** Can you assure me that a proper stock control system is in place now?

**Dr McCormick:** I will ask Jim to comment on that, too, but that is the sort of thing that needs to be secure and right in any working organisation: standard oversight, reliable systems and then checks that those are being applied.

**Mr Rogers:** Is that in place?

**Mr Wallace:** A number of the recommendations in the reports focused on the weaknesses in the stock control systems and the linkage between that and finance. They have been addressed. There were also issues around the stock checks themselves. We have just completed a full and thorough end-of-year stocktake, so we have picked up the main issues in relation to stores, but there are one or two minor ones still to be addressed.

**Mr Rogers:** In respect of learning, one of the weaknesses was the internal audit. Has internal audit been strengthened?

**Mr Wallace:** Again, in recognition of the comments in the reports and the fact that the reports themselves were taken to the audit and risk committee prior to the board, one of the key reviews that has been requested of and commissioned by me is a complete review of the internal audit function. The audit and risk committee will receive a report back at the end of May or beginning of June, with options to look at the future provision of internal audit, taking into account all the recommendations from all the sources.

**Mr Rogers:** Has internal audit received specific training as a result of the recommendations?

**Mr Wallace:** As far as I am aware, internal audit has not, apart from its continuing professional development. I can check whether it has taken on specific additional training to strengthen the function. I cannot give you the definitive position.

**Mr Rogers:** Will you respond in writing?

**Mr Wallace:** Yes.

**Mr Rogers:** That is very important.

We have talked a lot about the Linda Ford case. I am again thinking about the learning aspect. What assurances can the Department now give me that the whistle-blowing process is robust and that any future whistle-blower will have sufficient confidence to use the system?

**Dr McCormick:** That is a very important question. The Minister wrote to all staff across Health and Social Care, the Fire and Rescue Service, and all the Department's arm's-length bodies in March last year to say that he was on the side of whistle-blowing. He said that it should not be necessary and that he wanted an organisational culture in which leadership conveyed an openness and willingness to respond to questions. He also said that the various organisations will have in place a whistle-blowing policy and that staff should be aware of it, be aware of the organisations they can go to, and be aware that the NIAO or the Regulation and Quality Improvement Authority in the health and social care system have a specific responsibility to be available to whistle-blowers to act on their behalf. That opened the door to encourage people to participate in that process, and it informed them that they have statutory rights and protection. For people who make disclosures in the public interest, there is legislation that protects them from victimisation.

We still hear and see in the media many stories about there being anxiety. There should not be anxiety; there needs to be confidence. I undertake to you in this context and across all the health service bodies that, in my conversation with the leadership team, I say, "Be open. Be receptive. Be

willing to be criticised and challenged. Do not assume that things are right just because you are being told by the immediate people who are working for you that they are right. Ask the harder questions." We do not need to be paranoid, but we need to be very careful about responding to concerns and dealing with them proportionately and appropriately. That has to be the culture. There is no equivocation in my position on that issue.

**Mr Rogers:** In addition to what you have just said, how have you facilitated the Fire Service in adopting those recommendations?

**Dr McCormick:** We provide ongoing support and a working relationship with Jim and with Joe McKee, as chair, to ensure that we monitor its progress with all the recommendations from all the reports. Where there are issues with which the Department is directly involved, such as approval issues or dealing with business cases, we are seeking to smooth out those processes to make sure that they are fit for purpose and supportive to the business while adhering to the principles of governance. We have to work very much in partnership as well as placing a responsibility on the organisation and holding it to account. I always say in the accountability meetings that we have to do both: we have to work as a team together and in a clear relationship of accountability. We have to be able to do both of those effectively without contradicting ourselves.

**Mr Rogers:** When do you intend to evaluate that progress?

**Dr McCormick:** I would not wish to commit to a timescale on that because we need to get to a place where we have achieved a drawing of the line. We are not there yet; we need to wait for the work on this scrutiny session and your report, because we are accountable to you. When we have given consideration to your report and worked with DFP on the reply to it, we then hope to be on a consistently upward track. After that, we need to plan. As you say, we need to review the situation a few months after that to ascertain whether we have got the thing sorted and whether everything is on track. We will work with the team to provide that assurance.

**Ms Thompson:** In the meantime, the recommendations are being monitored. We will have conversations on a quarterly basis to hold the organisation to account on the progress that has been made. As of right now, there is a process to engage with the Fire Service around the recommendations and to ensure that processes are in place.

**Mr Rogers:** How often does a progress report come back to the board?

**Mr Wallace:** A report on the individual recommendations comes back every month. There is also an organisational improvement committee on which two board members sit, and we have someone from the Department sitting with us, as well as members of staff representative bodies, who, through my chairmanship, are leading on the improvements and the recommendations.

**Mr Clarke:** While I was listening to that, I was reading what was originally supposed to be Mr Craig's pen profile, which turned out to be more like an inquiry submission. Sean asked questions about the Land Rover. You said that, on instruction, you took the Land Rover back. Who was the supplier of the Land Rover?

**Mr P Craig:** Charles Hurst.

**Mr Clarke:** Sorry?

**Mr P Craig:** Do you mean who actually supplied it to the Fire and Rescue Service?

**Mr Clarke:** Well, who did you take it back to?

**Mr P Craig:** Ardmore Advertising.

**Mr Clarke:** Where is Ardmore Advertising based?

**Mr P Craig:** Hollywood.

**Mr Clarke:** Holywood. There is no formal evidence, but there have been reports that it was not in Holywood. However, we will not go into that because I do not have the facts and information to back that up.

I notice in your pen profile or statement that you referred to the timing of the request from Mr Lamme to hand back the Land Rover. You said that it was within six days of his tendering his resignation, is that right?

**Mr P Craig:** That is correct.

**Mr Clarke:** You said that you respected his decision because he was the Chief Fire Officer.

**Mr P Craig:** That is correct.

**Mr Clarke:** So why did you delay or why did you notify others that you were still of the opinion that the Land Rover may come back at a time when someone else was to be made permanent Chief Fire Officer?

**Mr P Craig:** When we returned it to the suppliers and they asked what was happening, I still believed that it was a viable way for us to deliver part of the community safety programme. I told them that we may well be interested in it when the new chief was appointed.

**Mr Clarke:** My point is that, in reply to Sean, you said that Mr Lamme was the Chief Fire Officer and you took his counsel, basically because he was in that position and he asked you to take the Land Rover back. So why did you interfere in the next part of the process to stall the opportunity for that Land Rover to go back and be used by someone else? You effectively stalled that process.

**Mr P Craig:** That was not my intention.

**Mr Clarke:** Those were your words.

**Mr P Craig:** Yes, but that was not my intention.

**Mr Clarke:** In your pen profile, those are your words.

**Mr P Craig:** I accept that. I am accountable for those actions. If I were offered the Land Rover again today, I still think it would be a viable way to deliver the community safety programme to the community of Northern Ireland.

**Mr Clarke:** Again, in your words, you said that you inherited an organisation that was dysfunctional.

**Mr P Craig:** No, I said that there was a "dysfunctional management team".

**Mr Clarke:** Yes, but you were part of the management team.

**Mr P Craig:** That is correct.

**Mr Clarke:** Would you not say that you contributed to that?

**Mr P Craig:** I think that we all did. If people cannot get on, all you can do is try your best to make people work together to try to deliver. The word "dysfunctional" is contained in the reports.

**Mr Clarke:** It is also in your submission.

**Mr P Craig:** Yes.

**Mr Clarke:** Do you accept that you have added to that dysfunctional culture within the Fire Service?

**Mr P Craig:** In what respect?

**Mr Clarke:** Well, the Chief Fire Officer, whether tendering his resignation or not, gave you a direct order to return a vehicle. You decided on your own merits to do that, but also to have a subsequent conversation with the supplier to tell them not to do anything with it because you were going to bring it back to the organisation.

**Mr P Craig:** No. I could not have said that because I had no idea whether I would have been the chief.

**Mr Clarke:** In your pen profile, you said that you informed the media supplier:

*"that no definitive decision could be taken until a new substantive CFO had been appointed."*

How could you say that no decision could be taken when a decision had been made when there was a Chief Fire Officer in position?

**Mr P Craig:** I felt, and I have said this —

**Mr Clarke:** It is this dysfunctional part again, but go ahead.

**Mr P Craig:** I still feel to this day, that there was an opportunity to utilise that vehicle, which was leant to the organisation at no cost, to deliver community safety. When they asked me whether it was dead in the water, I said that I did not know and that we had to wait until the new chief comes back.

**Mr Clarke:** No, you said in your pen profile that no definitive decision could be taken until a new substantive Chief Fire Officer had been appointed. However, that was you undermining the authority of the then Chief Fire Officer once shortcomings had been found in the organisation. You were asked to leave the Land Rover back, but you added to the dysfunctionality of the management in the service by speaking to the supplier to suggest that they hold it until someone else was appointed. Do you accept that?

**Mr P Craig:** It is your opinion. I cannot argue with you.

**Mr Clarke:** I asked whether you accept that.

**Mr P Craig:** No.

**Mr Clarke:** You would not accept that?

**Mr Dallat:** Trevor, let me just —

**Mr Clarke:** Yes, I will surely, John.

**Mr Dallat:** Mr Craig, are you denying any of the allegations that rather than the Land Rover being returned to the suppliers, it was put in a garage somewhere in Ballyclare and kept there until it was safe to bring it back? Is that story all made up?

**Mr P Craig:** Yes.

**The Chairperson:** John, my apologies for earlier. Do you want to continue with your line of questioning now?

**Mr Dallat:** Not a bother. Thanks.

Mr Wallace, can I have your attention please? We agreed earlier that Dr Joe McKee was head of corporate governance. You also told us that he is about the place now more often than not, and we are agreed that he has not apologised to Linda Ford. How does that help you to put together a new senior management structure that has left the past behind?

**Mr Wallace:** I cannot comment on the specifics of Dr McKee's lack of apology to Linda. You asked about the corporate management team. I have to be honest with you: despite the fact that there were

not that many when I first joined, I now have a relatively small team, which is not quite complete, that is professional, committed and capable, and the only issue that we have around the table is one of capacity in that we are trying to do so much and possibly not doing as much as we want. In building that team, I have tried to stress the openness, integrity and trust that I perceived to be absent from previous teams, which is perhaps referred to in some of the reports, and all I have tried to do is instil in the group some confidence and the openness that I have been used to. The chairman and the board have been very supportive of the direction in which I have tried to take the corporate team and, in many respects, the way that the organisation is starting to move.

**Mr Dallat:** Apart from Linda Ford, is anyone else currently displaced and posted down to Enniskillen or somewhere out of the road? Or have they all been retired?

**Mr Wallace:** I am not aware of anyone.

**Mr Dallat:** Mr Craig, you knew the chairperson very well.

**Mr P Craig:** Professionally, yes.

**Mr Dallat:** Does that extend to the trips abroad, conferences, trade fairs, the games in America and all that stuff?

**Mr P Craig:** I went to the World Police and Fire Games in my capacity as the vice-chair of the World Police and Fire Games. The chairman attended that event having gone through the board and having sought departmental approval, as did I.

**Mr Dallat:** My point — I think that you missed it — is that there is a need for professional, to use your word, distance between management and staff. Did you think that that was compromised in any way by the fact that the pair of you were off to those places?

**Mr P Craig:** To this place?

**Mr Dallat:** Yes.

**Mr P Craig:** To New York? To represent Northern Ireland and to bring the World Police and Fire Games —

**Mr Dallat:** Whatever it was. I understood that you also went to conferences and things as well.

**Mr P Craig:** I do not recall whether I ever went to a conference with the chairman. I do not think so. I might have gone to the national joint council where he travelled separately but not with me. Either he was on other business or I was. At the end of the day, I am clear about my professional role and clear about how I behave on a day-to-day basis, and, quite frankly, there is nothing irregular or untoward about the chairman and I attending meetings or whatever in our official capacity.

**Mr Dallat:** OK. Earlier, I think you agreed with the Committee that you did not know what was going on in the stockroom, but you must have heard about the uniforms turning up in Cardiff and even locally at Belfast City Airport. You must have heard about that. Maybe this question could be directed to Dr McCormick as well, but did it ever occur to you to call in the PSNI to investigate those allegations of corruption and crime?

**Mr P Craig:** I knew nothing about it. That is a matter of public record, and the answer remains no.

**Mr Dallat:** I know that you have justified your £200,000 pay-off. On reflection, however, given that you knew nothing about any of the things that I have asked you about, was it really justified?

**Mr P Craig:** Absolutely. I did not receive a £200,000 pay-off. What I —

**Mr Dallat:** Whatever it was.

**Mr P Craig:** What I received was my pension entitlement, which I contributed to for 36 years by staying beyond 30 years and beyond the age of 50 or 55. That was a derogatory step for me. I lost money because I had to remain in a pension scheme that I was contributing to for no benefit.

**Mr Dallat:** Mr Craig, I could understand the stock thing if it had been just a few sheets of chipboard or something. However, there was a lawnmower valued at £6,000 mounted on an Lfor Williams trailer that disappeared with no record of that at all, and you know nothing about that.

**Mr P Craig:** Let me make it quite clear. If I had known anything about that, I would have reported it. I knew nothing about that. I have been truthful and honest here today and when I was before the Health Committee. I am telling you truthfully and honestly that I knew absolutely nothing about any of that.

**Mr Dallat:** Chairperson, with your indulgence, I want to press this one a little bit. Mr Craig, are you telling us that you have not even heard of the allegation that that lawnmower —

**Mr P Craig:** No. The first that I heard of it was when I looking through —

**Mr Dallat:** How can I, as an ordinary member of the Public Accounts Committee, have heard all that and could even suggest where the lawnmower is today, and you do not know?

**Mr P Craig:** I would suggest that if you have that information, you may want to pass it to the police.

**Mr Dallat:** I would suggest that you take it to the police, and that is what you did not do, along with all the other allegations.

**Mr P Craig:** Chair, with respect, I have answered the question honestly and truthfully, and I just think that this is unfair.

**Mr Dallat:** OK, I will move on, Chairperson. I have just another couple of questions, and they are for Dr McCormick, who has had to pick up the pieces of this catastrophe.

To be fair: I think that the public placed a lot of confidence in those so-called independent inquiries. They thought that the inquiries would get to the bottom of things and that they would start to get value for money again; that morale among firefighters, who are the most important people in this affair, would be rebuilt; and that young people would reflect on joining the Fire Service. However, the PSNI was not involved in any of those independent inquiries. The whistle-blowers were not even spoken to. Indeed, sometimes they are called inquiries, sometimes reviews and, at other times, recommendations. Did the Department really take all that seriously?

**Dr McCormick:** We absolutely did and we have sought to undertake proportionate and appropriate investigations. For me, there is always the possibility that one thing can lead to another. So, if Colin Evans, as my head of internal audit, was to say to me, "Actually, this is deeper and more difficult than we thought", I would widen the terms of reference and, if need be, commission further independent expertise.

That is partly why we used the Department of Agriculture and Rural Development (DARD) in the investigation into recruitment and where there were fraud allegations. That is also why we used DSD in the one that was published just recently — it brought further expertise. If DSD was saying to me, "Actually, you have prima facie evidence of fraud", we would be going further and, if appropriate, referring to the PSNI.

I rely on different levels of investigation, and the capacity for escalation is always there. I am never saying that this is for internal audit only. What I am saying is: let internal audit look at the matter and then report back. If it was saying that we have to go higher or deeper, that is what I would do. My consistent practice in this and other cases has been to take it step by step, and make sure that the investigation was appropriate and independent of the organisation so that nobody can say that the organisation unduly influenced or controlled the investigation. Nevertheless, I recognise that there are steps that can be taken. We have done this with great concern, and I would never draw a line if I was not satisfied that we had done an appropriate and proportionate investigation.

**Mr Dallat:** Chairperson, I do not in any way question Dr McCormick's integrity, but if I sound a little bit annoyed about this, I will tell you why. When the last report was published in 2002, there was a whistle-blower then, too, who gave valuable information that could have resolved all these problems. That whistle-blower was sacked from the board during a period of suspension. That person was Rosemary Craig; she will not mind me mentioning her name, because you know it anyway.

We are now dealing with a new set of whistle-blowers, and we know what happened to Linda Ford and others. We know about Mr Boyle, who spent several months down in Enniskillen. If you are a professional accountant, how humiliating must it be to be taken from your post and sent off to Siberia, so to speak?

Dr McCormick, in view of the evidence that is before the Committee today, do you not think that there is scope for a further deep-dive investigation into what was going on, particularly since the current chairperson is not prepared to acknowledge that he did anything wrong or that he was part of the problem? In my opinion, quite honestly, and with all due respect, he should go.

**Dr McCormick:** I think that we need to reflect on the conclusions that you reach as a Committee. We are accountable to you, and when you report on this issue, that report will go to the Minister and not only to me as the accounting officer. At that stage, when you make your recommendations, they will be for the Minister to consider.

My advice at present is that my judgement is that we have investigated to an appropriate and proportionate stage. I am aware of the allegations that were made years ago by Rosemary Craig, and we have limited evidence relating to those issues. It is difficult, sometimes, to pursue evidence.

I understand absolutely the concerns that you are expressing, and we will need to let this process unfold and, ultimately, judge whether further investigation is appropriate. My instinct is that we have probably got as far as we are going to get. It does not feel very satisfactory because there are questions remaining, but I am not sure that there are answers lying there, either in the record or in testimony, that might be available. It might be futile, but we need to take it very seriously, and we will await your formal view, which is clearly a vital stage of the process.

**Mr Dallat:** That is a very constructive and honest answer that, I am sure, the Committee will welcome. You have your hands full; you are monitoring 129 recommendations. Can you tell us briefly how you are getting on with that?

**Dr McCormick:** Yes. We are making good progress. There are recommendations from all the whistle-blowing reports. Julie has the numbers to hand.

**Ms Thompson:** Of the 129 recommendations, 43 have been completed. As we said, we will continue to monitor that. The board will monitor them monthly, and we will monitor them quarterly.

**Mr Clarke:** Mr Craig, I am still intrigued by the whole whistle-blowing thing, so I want to go back to something else that I have just read. I am not fully across this one, but what was the basis of Mr Boyle's complaint?

**Mr P Craig:** My understanding is that he had a problem with the director of finance.

**Mr Clarke:** Only the director of finance?

**Mr P Craig:** I am not sure because there was an investigation and the Ackah report was being prepared. My role was to keep myself detached from that and await the recommendations of the independent consultant. That had been set up by my predecessor and, based on that information, I was to make a judgement.

**Mr Clarke:** Do you feel that you were detached from that?

**Mr P Craig:** Yes.

**Mr Clarke:** Why did Heather Ellis, your HR adviser, inform you that Ms Ford was also involved in supporting the claim by Mr Boyle if you were detached from that?

**Mr P Craig:** In terms of?

**Mr Clarke:** You were either detached or involved. You said that you were detached. In your penned submission that you made for today, you suggested that Mrs Ellis had informed you that Ms Ford had been involved in supporting the claim made by Mr Boyle.

**Mr P Craig:** That is correct.

**Mr Clarke:** How were you detached then?

**Mr P Craig:** How was I attached?

**Mr Clarke:** Detached. How were you detached if you were actually involved?

**Mr P Craig:** I was not involved.

**Mr Clarke:** You were involved if you were taking information from Mrs Ellis, head of HR.

**Mr P Craig:** Mrs Ellis was obliged to report to me. I did not get the detail. It was just to tell me that they were involved.

**Mr Clarke:** Would that have helped you to make your determination to suspend Ms Ford?

**Mr P Craig:** No, it would not.

**Mr Clarke:** It is just coincidence that the two events followed each other.

I am intrigued about the Land Rover. Mr Wallace, what is the process for having an advertising vehicle if you wished to acquire one today for the service? How would you go about that?

**Mr Wallace:** First and foremost, I would sit down and consider whether it was on sponsorship. I would want to know the basis on which we would be doing it. Is it part of what we want to do? Is it a strategy that fits with our strategic priorities? Are there other ways of doing it? Given the difficulties that we have had in this case, I would be very wary of anything. There would be many hoops for me to put in front of people before we went anywhere near it, including talking to the Department and seeking legal advice, which, as Peter said, other services in the UK have done. It is not something that I would seek to pursue at present.

**Mr Dallat:** Is it not basic common sense never to accept sponsorship from a company that is deriving very substantial financial gain from being associated with the Fire Service, whether it is in marketing, supplying tyres or whatever? Is that something that you would totally rule out because people would put two and two together and get five?

**Mr Wallace:** I agree. I have been in the position before of turning down sponsorship because of the nature of the business or the nature of the apparent relationship that could be perceived with the organisation. I am quite clear that it would not be entered into.

**Mr Clarke:** Mr Craig, why did you not see the same problem?

**Mr P Craig:** Mr Wallace and I have a difference of opinion. It does not make Mr Wallace right or me wrong.

**Mr Dallat:** Indeed, it does.

**Mr P Craig:** Mr Dallat, you are entitled to your opinion, too. As far as I am concerned, I did this openly and transparently. There are vehicles in fire services. I think we are using one at the moment in our Driving Change project, which includes a sponsorship element. It is perfectly acceptable. The clear issue for me is making sure that it does not cross the procurement guidelines. In the NIAO report, it says that there was no connectivity there.

**Mr Clarke:** To me, it is not transparent. I believe that your interference with it has caused it to be tainted. By you not following orders, whether he had only six days to tender his resignation or not, in my opinion, means it has been tainted.

**Mr P Craig:** You are entitled to your opinion.

**Mr Clarke:** You are right; I am entitled to that opinion.

Dr McCormick, in paragraph 2.26 of the report, the review of the firefighter recruitment campaign tells us that 36 appointments were made following the exercise, and a reserve list was set up with further appointments that could be made. How many of the people appointed were relatives of Fire Service staff involved in the recruitment campaign?

**Dr McCormick:** We think that there were two.

**Mr Clarke:** Would you have been informed of that at the time, or was that subsequently?

**Dr McCormick:** As a Department, we were not informed of that at the time. Concerns arose about what happened, which led to the two-fold investigation of the recruitment process, first of all about HR practice, which was undertaken by London Fire Brigade, and then the issue of finance, which was undertaken by DARD on our behalf. There were concerns about links with family members. The London Fire Brigade review found no specific evidence in that regard but, again, as in the previous discussion about sponsorship, you have to look at appearances. Therefore, it is important for these things to be done properly in HR terms. All good HR principles should be applied, with separation of roles and avoiding the appearance of conflict or the appearance of the possibility of nepotism. Those are as important as the specific thing itself.

**Mr Clarke:** Would you accept that the HR function within the Northern Ireland Fire and Rescue Service was weak?

**Dr McCormick:** It is clear from those recommendations that HR should have been more fully in control of the recruitment process. If —

**Mr Clarke:** Would you accept that it was weak?

**Dr McCormick:** It was at the time. We had a discussion earlier about where the responsibility for that lay. That is, indeed, shared. It should have been put right and strengthened earlier so that we could have avoided some of those issues. That is a clear lesson learned. In the ongoing oversight of this and other arm's-length bodies, we are looking to be sensitive so that, where there are weaknesses, in whatever area of the organisation's work, we make sure that there is restoration and strengthening. That is a major concern that I have.

**Mr Clarke:** Mr Craig, I want to go back to something that Mr Dallat referred to with regard to the uniforms. There were suggestions about the storeman at that particular time, albeit it turned out to be a family business as opposed to his own. Mr Lammey was aware that there was a conflict of interest. Were you aware of it as a senior management official at that time?

**Mr P Craig:** I think that it was me who said that if I had been aware, I would have seen it as a conflict of interest. I think Mr —

**Mr Clarke:** No. The question that I asked you is: as Mr Lammey said that he was aware of it, why were you, as a member the management team at the time, not aware of it?

**Mr P Craig:** I think Mr Lammey said that he did not see it as a conflict of interest.

**Mr Clarke:** No. He was asked whether he was aware of it. He said that he was aware of it. Were you aware of it?

**Mr P Craig:** No.

**Mr Clarke:** In retrospect, and regardless of the position now, should senior management, particularly had they known, have informed the individuals that there was a conflict of interest and made sure that it was declared?

**Mr P Craig:** Yes.

**Mr Clarke:** That is fair enough.

**Mr P Craig:** I said that to the Health Committee.

**Mr Clarke:** Dr McCormick, were either of the two people whose families were connected successful in being appointed?

**Dr McCormick:** One got through after an appeal.

**Mr Clarke:** Who sat on the appeal for that? Can you furnish us with that information?

**Dr McCormick:** I am sorry, we do not have that information to hand.

**Mr Clarke:** Again, you can see where there would be concerns about the public perception. Someone from outside the organisation might be unsuccessful, yet and all, where there is a connection to the organisation, an individual can get appointed on appeal and someone else does not. Was everyone aware that they had the opportunity to appeal if they failed to get appointed?

**Dr McCormick:** No. The London Fire Brigade report makes it clear that there was not an appropriate notification of the appeals process. That is one of the concerns that it found in its review. The recommendation was, therefore, that, in future exercises, there is clarity of process at the outset. You should set out what is going to happen, what might happen and all eventualities. I am involved in planning and detailing recruitment processes, and we rigorously go through every possible step and say what will happen if people appeal at various stages. It is totally conventional. That shows that there was a significant issue with regard to HR. All the concerns that have arisen could have been avoided had we had straightforward good practice in place. It just is the way it was.

**Mr Clarke:** Mr Craig, are you aware of campaigns that were run for operational staff during your time?

**Mr P Craig:** To recruit operational staff?

**Mr Clarke:** Yes.

**Mr P Craig:** Yes.

**Mr Clarke:** Why were those campaigns run by yourselves as opposed to HR?

**Mr P Craig:** I already indicated that. The senior management team had a timeline to get personnel in. We spoke to HR and we had some consistency, because we had just appointed some substantive uniformed personnel. We clearly had vacant HR posts, and the corporate management team collectively felt that we had to move forward and that the best way to do that was to have it supported through the workforce planning group, on which the people with all the relevant expertise sat.

**Mr Clarke:** Would it not have been better to fill the gaps within your secretariat first, namely HR, before you went to recruit operational staff? The expertise in HR in the Fire and Rescue Service was not necessarily present, but in a good organisation, it would have been. Would it not have been better to have proper HR positions filled before you filled the operational positions?

**Mr P Craig:** Of course it would, but we had an operational obligation and an establishment level to maintain. We had significant overtime bills. I had hoped that both would run in parallel, but that is not the way it turned out.

**Mr Clarke:** Would there not have been an opportunity for you seek support from the Department and fill those posts using its HR?

**Mr P Craig:** Which posts?

**Mr Clarke:** The operational posts. You had no cover in HR and did the competition yourselves, as a service, and, as you identified, there were gaps in HR. Was that not an opportunity for you to go to the Department and use its HR opportunities to fill those posts as opposed to leaving yourselves vulnerable as an organisation?

**Mr P Craig:** With the benefit of hindsight, yes.

**Mr McKay:** Mr Craig, you were head of the community development directorate. Will you give me an overview of what you did when you were in that role?

**Mr P Craig:** Do you own a smoke alarm? If so, do you test it every week? If you do not, I failed slightly. However, 99% of people in Northern Ireland own a smoke alarm. That is what I did in community development. I went out of my way to involve groups. Mr Dallat made comments about the disenfranchisement of young people in Northern Ireland. I introduced the local intervention fire education — LIFE — scheme, and some of you may well have attended its events. I introduced fire cadets and worked with other organisations to drive down fire deaths by over 60% in Northern Ireland as well as accidental fires in dwellings, accidental fires generally and secondary fires. You will have to take my word for it, which may be difficult, but we are looked at by the rest of the world as exemplars of best practice in community safety. The bottom line is that you have a smoke alarm because we engaged with you through my directorate to make that an issue of public interest.

Another issue was attacks on firefighters. All of you were affronted by attacks on firefighters because of the work that we did. I am not taking credit for that, because there are a lot of people who work extremely hard in community development. Such attacks are practically unheard of now, which has delivered substantial savings to the organisation as machines are no longer being damaged.

**Mr McKay:** I am trying to understand the context for the Land Rover stuff. Obviously, you had a good grasp. I remember some of the work you did through the LIFE scheme and other initiatives throughout the North.

**Mr P Craig:** If you can engage with young people, or people in general, to make them accountable for their issues, that is what will happen. There are two ways you can do things: you can shock and drop them or shake them and wake them. I preferred to shake and wake, and that is what the Land Rover was used for. It said, "Cut it out before we cut you out." The question is this: cut out what? In this case, it was the causation factors of road traffic collisions and, therefore, their consequences. You know as well as I do, Mr McKay, about the number of people across Northern Ireland who have lost family members as a result of road traffic collisions. That has to stop.

**Mr McKay:** So, it was to be used for a community safety education programme.

**Mr P Craig:** Yes.

**Mr McKay:** Who are Ardmore?

**Mr P Craig:** Ardmore Advertising, through open procurement, was the contracted media supplier for Northern Ireland Fire and Rescue Service. When it went through the tendering process, it was to deliver community safety education and look for and deliver sponsorship opportunities.

**Mr McKay:** Ardmore came to you about the Land Rover.

**Mr P Craig:** Yes, as, I believe, it was required to, under the terms of the contract.

**Mr McKay:** There was no contact between Charles Hurst and the Fire and Rescue Service directly, and Ardmore was outside of the Fire and Rescue Service.

**Mr P Craig:** Yes, and that has already been confirmed by it.

**Mr McKay:** The initial audit report was in 2002, Andrew.

**Dr McCormick:** Yes, on fleet management.

**Mr McKay:** Who was the Chief Fire Officer and who was the chair of the board at the time?

**Mr P Craig:** John McClelland was Chief Fire Officer and Errol Gaynor was the chairman.

**Mr McKay:** Obviously, we know about the recent flux. When did the Fire and Rescue Service settle into a position in which the top posts are held by the current people?

**Dr McCormick:** There was normal continuity through from 2002 to the appointment of Bill Gillespie as chair in 2006, if I recall. Colin was appointed as Chief Fire Officer in 2007. There was normal turnover for senior appointments for a period of 10 years. The destabilising and the flux is a more recent phenomenon. That has been very unfortunate and has led to a great difficulty in keeping our focus on fixing the issues rather than on having continuous change in oversight and governance.

**Mr McKay:** Therefore, Bill Gillespie and Colin Lammey were in post for about five years.

**Dr McCormick:** That is true for the chair. Colin was appointed in 2007 and departed in 2010. That is a shorter period, but it is still not unusual. There is no indication of a particular difficulty from those timelines. That is not to say that there were no other problems, but that in itself was not an issue.

**Mr McKay:** I am concerned about some of the Audit Office papers and some of the Health Committee information. Both people gave evidence to the Health Committee, but there was a very serious issue to do with £50,000 worth of bonuses. Neither the chair nor the Chief Fire Officer informed the board about that.

**Dr McCormick:** That is the full value of the irregular payments to the non-uniformed directors that were made following job evaluations in 2008-09. That came to light and led to the Department imposing a tight regime on the Fire and Rescue Service for a number of years. It also led to the qualification of the organisation's accounts, because that £50,000 was unapproved. It had not gone through proper process in the organisation nor had it come to the Department for approval as it should have. Had it come, it would not have been approved, because, at that stage, we were under clear instruction from Ministers to exercise restraint on senior pay.

**Mr McKay:** Have all inquiries about bonuses been completed?

**Dr McCormick:** Yes, that process has been completed.

**Mr McKay:** When was it completed?

**Dr McCormick:** The one thing outstanding is an industrial tribunal case for one of the individuals. It is my understanding that that is to be heard in June.

**Mr McKay:** What is that exactly?

**Dr McCormick:** There is a challenge to the action taken by the Fire and Rescue Service to restrict those payments. There is an argument for the payments having been made. A job evaluation process was undertaken and awards were made, but the key point, from my point of view, is that there was a clear requirement on the organisation to seek approval before making any such payments, and that did not happen. We have a clear understanding of what happened with the oversight and governance process, but there is still an individual case to be heard.

**Mr McKay:** However, it is a clear example of those in the top two positions withholding information from the board. We have been discussing how the board has not performed, so I suppose that a key question is: how many other instances were there of information being withheld from the board or others that could have damaged the organisation?

**Dr McCormick:** There is nothing where we have that clarity of a clear piece of information being withheld. There is nothing else that quite parallels that. What we have through the various reports is a range of other issues that relate to the standard and approach of total governance. The objective

now, taking account of all the recommendations from different reports, especially those from the Audit Office, is to secure the establishment of good systems and the appointment of appropriate people to all the roles. We then move into a normal oversight process, whereby we check that things are being done right. That remains the approach that we are trying to take to minimise the risk of any recurrence of the issues.

**Mr McKay:** The reason why my attention has been drawn to those particular roles is that, when he was before the Health Committee, Colin Lammey stated that he was aware that the stores manager was actively involved in the procurement of uniforms and personal protection equipment, and was also aware of his wife's company. He stated to the Health Committee that he:

*"could never see or point to a conflict in those two areas of Mr McGrath's life."*

Peter Craig, however, told the Committee that he had no knowledge of the store manager's business. I am just concerned that the Chief Fire Officer at the time, Mr Lammey, did not see a conflict of interest where there clearly was one.

**Dr McCormick:** I am in full agreement with the views expressed in the Audit Office report on that issue. There needs to be an awareness of conflicts of interest and management disclosure. All the principles are, to me, very clear.

**Mr Clarke:** Is it awareness, or should it not be — I had the word, but it has left me again. Should that responsibility not be enforced, not encouraged, for everyone, as opposed to it being a very subjective thing whereby someone may have to do something? People should be reminded, given that we are talking about public money. We want to hear confidence from you that there is a change of direction.

Following on from Mr McKay's comments — I think that he was quite kind in some of them — the chairperson of the audit committee, who is also a board member, was before the Health Committee. I was absolutely amazed at this. The culture of the organisation was being talked about, but she said that she was not aware of the whistle-blowing allegations until months after Linda Ford had written to her. She also said that she did not see the October 2012 report on irregularities and did not know that there was a second whistle-blower. How is it that the chairperson of the Northern Ireland Fire and Rescue Service audit committee did not see the Department's report on irregularities?

**Dr McCormick:** That issue is different according to where we place it in the sequence of events.

**Mr Clarke:** Sorry, I do not see how it is different. She was asked a direct question. She was on the board at the particular time yet was not aware of the reports. Regardless of what the sequence was, on that date, she held two senior positions in the structure of the Northern Ireland Fire and Rescue Service. She was on the audit committee and on the board. To my mind, there is a conflict there as well, to a degree, but, anyway, she was on both.

**Dr McCormick:** There was a period while the investigation was ongoing when that was being kept from the organisation. We were taking responsibility for the investigation, so we were not sharing any details of it with anyone in the organisation for a period. I sort of accept —

**Mr Clarke:** I can accept withholding information from certain individuals, but I am talking about the chairperson of the internal audit committee, who should be very aware of how the organisation is performing. This comes back to the confidence of this Committee and the wider public. Do you think that some of the reports on irregularities in the organisation should be hidden from its internal audit chairperson?

**Dr McCormick:** The way that I would put it is that we have learnt some lessons from the way in which this has all played out with the Fire and Rescue Service. Our present practice is to ensure that chairs of organisations and audit committees are briefed as investigations proceed. There is a degree of briefing. I think that I would be careful to withhold certain details from anyone. Indeed, we withheld a lot of detail from Joe McKee, as chair, for quite a considerable period. He only saw the documentation at quite a late stage of the process. I think that it was prudent and appropriate to conduct it in that way.

I take your point, however, that there needs to be an appropriate level of briefing for someone in the position that you describe. I recognise your point, but, to my mind, it was right to withhold the full

detail during that period because the investigation was still very much progressing and there was a need for, for example, factual accuracy checks with individuals, including the whistle-blower herself and those named most substantively in the allegations, including Peter and the director of finance. Therefore, it is quite a complex process. I think that when we took responsibility for the investigation there was less responsibility on the chair of the audit committee. We were not asking her or, indeed, Joe McKee to oversee the investigation. I think that it is right that they should be briefed on the emerging findings, especially if corrective actions need to be made to systems in the organisation. That is going directly towards their responsibility.

**Mr Clarke:** OK. I accept that. What about the present chairman of the board, who discussed Linda Ford's grievances with Peter Craig, even though he was aware that Peter Craig was one of the people named in that complaint?

**Dr McCormick:** Yes.

**Mr Clarke:** I referred to the report in which the chairman said:

*"will need careful consideration by the board".*

"Careful consideration" — not "robust consideration" — was his choice of words. He was also asked to conclude a full review of the whistle-blower's suspension. Did that take place?

**Dr McCormick:** That was in one of the grievances.

**Mr Clarke:** As chairman of the board, he was asked to conduct a full review of the whistle-blower's suspension. Did he do that? If not, why not? Subsequently, why is he still in the position that he is in today?

**Dr McCormick:** The situation is that the internal audit report addresses substantively the allegation about the suspension and finds Linda Ford's allegations on that issue to be largely substantiated. Therefore, there has been an internal audit assessment —

**Mr Clarke:** There may have been an internal audit, but the chairman of the board was asked in May 2012 to conclude a full review of the whistle-blower's suspension. We are now saying that that did not take place, so I am asking why it did not and why he is still in the position that he is in today. There has been a catalogue of travesties in the organisation that that man is dealing with, and there is total hypocrisy in the organisation's management.

**Dr McCormick:** It is also true to say that she returned to work in June.

**Mr Clarke:** She may have returned in June, but he was asked to do something in May that he still has not done. He shared Linda Ford's grievances with Peter Craig, who was named as one of the individuals in that grievance. Why did the chairman of the board, who should know more about the internal policies than anyone else, share that information with one of the individuals who had been named in the report? Do you not see what he did in the organisation as being a very large breach? I will ask this again: why is he still in that position, given the catalogue of errors that he made?

**The Chairperson:** He was a member of the HR committee, also.

**Mr Clarke:** Oh, was he? It just gets worse.

**Dr McCormick:** His role is a matter for the Minister. The position of chair is a ministerial appointment, so that is where the responsibility lies. In light of the views that you expressed, that is an issue for further consideration once you have completed your scrutiny.

It can genuinely be quite complex when you are dealing with an organisation that is overseen by a chair and chief officers when they are personally involved. The principle has to be to move towards independent investigation, but that can be difficult to manage and organise. I would not be —

**Mr Clarke:** Dr McCormick, you were right at the outset that we should not have whistle-blowers, because we should have robust organisations, but we should have a culture in which individuals have

the confidence to blow the whistle if they see a problem in an organisation. If you were a member of that organisation today with a grievance, and you wrote to the board and followed all the correct procedures, how would you feel if the chairman of the board had shared your grievance with some of the individuals named? How would you feel as an individual?

**Dr McCormick:** I understand that is not a comfortable place —

**Mr Clarke:** It is certainly not. I have listened to what the Minister said about whistle-blower, and he has been very robust in the argument that he made. I believe — rather, I know — that he will support anyone in whistle-blowing, but the chairman of the board of the organisation sharing information with people who are named leaves me with little or no confidence in that individual's ability to carry on in that position.

**Dr McCormick:** I understand.

**Mr Dallat:** Trevor's point is valid, and the message needs to go back that this is not a sin bin, where you get out with no more problems. It would be regrettable after today if the problems that exist there at the moment continue to exist, fester and cause low morale among the staff and diminish the Fire and Rescue Service in the eyes of the public, because that would be unfair to the firefighters themselves. I certainly do not want to identify any individual, but I believe that the chairperson has played a significant role in these goings-on, and that needs to be reflected on. To be honest, I do not think that he has a future.

Mr Wallace, your position is temporary. You have been here only a few months but you have made a few mistakes as well. That may be because you have not fully realised the depth of the problems that exist there among management. Again, you need to reflect on how you take this forward, because this Committee does not want to hear that people are still displaced from their jobs and are sent to Siberia because their face does not fit, and all that horrible stuff. That does not fit with my image of the Fire and Rescue Service being friendly people who come and rescue you in times of need. It is not the sort of stuff that we have listened to here for four hours; that does not fit. I endorse what Trevor said. There needs to be serious reflection among people over whether they have a future, whether they can contribute to a new management structure or whether they are in fact part of the problem.

**Mr Clarke:** Another thing that I want to explore, Chair, follows on from Sean's point, although I do not think that he covered it. It concerns the high turnover of staff. Can we get information on the number of people who have been promoted into higher positions over approximately the past 10 years and how long they were in those positions? Mr Dallat referred to Mr Craig's payoff, and we see this in other organisations, but there seems to be a tendency to promote people into high positions before they take their package to go.

I am not saying that about Mr Craig: you were in the service, and I complement you for the length of service that you gave to the Fire and Rescue Service. I am sure you were on the front line in the early days of your career.

I am not making any reference to Mr Craig in particular, but if there has been a culture of promoting people out before they retire, that concerns me, because again we are talking about public money and giving people an opportunity before they go. That is the perception that is out there. We see it in other public organisations as well.

**Dr McCormick:** Yes. I am not sure how many others that applies to, but there is a particular series of factors here that has led to an unusually high pattern of turnover. I think that that is a recognition that there is a depth of difficulty in dealing with the corporate issues and the cultural issues in the organisation. It has been very challenging for Peter and his predecessors. I have recognition of that. However, it does not look good when that is what happens. I think that we have to get back to the stabilisation part of the work —

**Mr Clarke:** In defence of Peter and his colleagues, on the face of it, neither he nor others seems to have particularly strong boards.

**Dr McCormick:** Again, we need to help —

**Mr Clarke:** At the end of the day, Peter Craig and Colin Lammey joined the service, I presume, as firefighters and progressed through the organisation into management.

**Mr P Craig:** Many, many years ago.

**Mr Clarke:** I appreciate that, and the work that you did before you got to management has to be put on record. However, based on what I am reading today in these reports, it seems that some people who were appointed to boards, whenever they got to that position, did not take their position particularly seriously, and the support that they gave to the Chief Fire Officers might not necessarily have been there. Certainly, when I read what I am reading today, I am concerned about the current board. That has to be looked at.

**Dr McCormick:** I understand what you are saying. I think that we have to play our part in providing support to board members, ensuring that they have access to information, training and support and that, in the organisation, there is a proper process of appraisal. It is mainly for the chair of each organisation to appraise the board members. Officials then try to provide advice to the Minister on the assessment of chairs of organisations. That has to be a firm, clear and ongoing process so that boards are as strong as they can be. We also need to help the Minister with the process of identifying and selecting candidates for non-executive positions. My regular dealings with non-executives, mainly across Health and Social Care but also in the Fire and Rescue Service, is that people are largely conscientious and committed to trying to do what they can. However, sometimes the challenges in organisations are very great. We need to recognise that that is part of how public services are overseen and work in Northern Ireland. Helping that process work and giving recognition, support and challenge to those individuals is really important. I take strongly the points that you and your colleagues have made on the issue.

**Mr Clarke:** I know that the point about bonus payments has been covered a few times, but may I go back to it? You told us the position that you took at the time. However, what is the current position, given that we still have problems in the service? Have people still got the delegated authority to award themselves a £5,000 pay rise or has that gone away?

**Dr McCormick:** No. Part of the response to what happened was a significant lowering of delegation thresholds. That meant much more intervention, many more meetings to attend and many more papers to consider. Julie is just checking the current delegated limits on that, but the more important point is that the principle of rigorous and tight control of senior pay stands. It stands in the Fire and Rescue Service. It stands in Health and Social Care. We have been tougher than any other part of the UK. That follows this Committee's work on health service senior pay —

**Mr Clarke:** Dr McCormick, it does not stand, and that is the problem. It does not stand where individuals can award themselves a pay rise without proper scrutiny.

**Dr McCormick:** That happened once and cannot happen at the present time.

**Mr Clarke:** What mechanism do you have in place to prevent that from happening?

**Ms Thompson:** We reduced all the delegated limits. For example, job evaluations cannot happen without going through the Department. There was a range of lowering delegated limits, which happened in 2008-09. In fact —

**Mr Clarke:** How much do they have to seek authority for on bonus payments?

**Ms Thompson:** I do not have bonus payments, but we can come back to you.

**Dr McCormick:** In practice, if Fire and Rescue Service or any other of the arm's-length bodies was awarding anything unusual in senior pay, they would definitely be talking to me, because they know exactly how tough we have been on this issue. It is not something —

**Mr Clarke:** That does not give me comfort. Go back to the other £50,000. They knew that they could not do that, but they did it. The accounts were then qualified. They could not do it then, but they did. What is in place today to prevent that from happening? Quite honestly, and I hope that members share my view, most of us will not have confidence in the delivery of the board until something is done

and a total review of its processes is carried out. What can you tell us today to assure us that there will be no more of that?

**Ms Thompson:** The pay remits come through the Department and must be approved. That applies to any pay that is being paid to individuals. On the recommendations, the Fire and Rescue Service has looked at ensuring that departmental approval has been granted for any pay discussions that take place. As I said, we also removed the delegated authority to do anything related to job evaluations. That was specifically to deal with the issue.

**Mr Clarke:** What about bonuses?

**Ms Thompson:** It is all within the pay remit process, so it is all blocked.

**Dr McCormick:** I think that this is tight — as tight as can be.

**Mr Clarke:** That is how it should be.

**The Chairperson:** Thank you. Going back a long time, there has been an abuse of assets. There is a history. There has been abuse of hospitality and credit cards. If this were in the private sector, I am sure that someone would have been before a judge. There would have been a court case. That brings me to the role that you had as accounting officers and why there was no PSNI involvement. I find that very difficult to understand. The Fire and Rescue Service is a small part of the Department's remit, Dr McCormick, and the only uniformed arm's-length body in the Department. I believe, and I am sure that members will agree, that the Fire and Rescue Service was well off the Department's radar. It is about how we move on from that and how we deliberate on the information that we have in front of us.

Mr McCormick, the Audit Commission said prospects for the leadership in the Fire and Rescue Service were poor. Will the service now have leadership capacity? Will it have capability in its needs to deliver future improvements? Can I have a guarantee here that you will take that forward?

**Dr McCormick:** Yes. The situation now is that we have a clear responsibility to move from where we are now to a stable, sustainable, effective oversight and management of the service. We need to work with the organisation and the leadership team to secure succession planning and proper appointment of senior leaders in the coming months to make sure that vacancies are filled. We then have to move to a place where we can identify where the next in line will be and where there will be a pool of people ready to apply for director, area commander or chief posts.

I go back to what I said earlier to Mr Dallat. We have not got prima facie evidence of anything that would justify referral to the PSNI. Direct evidence on that is not there. We need to judge carefully what the next appropriate response is. Do we look at further investigation or do we say, "We've probably exhausted the evidence, and there is nothing further to be found?" I think that the signal that you will give in your report that there have to be rigorous standards of control and pursuit of issues to make sure that there is a reliable protection of public funds will reverberate around the organisation, the Department, which is my wider area of responsibility, and, I am sure, across the public sector. That is a fundamental responsibility, and we need to make sure that you are satisfied that things are being put right and being dealt with properly and that there is an appropriate and proportionate response to all the issues.

Not everything that was alleged was proven. Indeed, no evidence was found to substantiate some of the things that were alleged. There is a balance to be found in how we handle this. We do not need to overreact, but we absolutely must not under-react. It is entirely fair for you to state the position strongly, as you are doing, and we need to respond to that appropriately and faithfully and work with all the organisations and, indeed, the NIAO to make sure that this is dealt with properly.

I want to give you an assurance that we take the matter extremely seriously. It has been a high-level issue at senior level regularly and with the Minister certainly since the exposure of the irregular payments in 2008-09. It is not off our radar, nor is it undervalued. It is a vital part of our responsibilities, and it has certainly consumed significant amounts of my time and that of Julie and senior colleagues in the past number of years and months. We need to sustain that and fulfil our responsibilities. That is my undertaking to you. We will do that.

**The Chairperson:** OK, thank you. To conclude, I commend the work of the Fire and Rescue Service that serves our communities. We are grateful to the heroic firefighters, male and female, who serve the public daily and risk their lives doing what they do.

You had a recruitment campaign across the region recently, and for the young men and women who wanted to join the Fire and Rescue Service, those recruitment days were very busy. I know a few people who attended them. Those young people are looking in now and hearing what is being said, and they will hear about this in the media and read about it in the newspapers.

We need to instil confidence in those young people who are looking at the future that they want to have in the Fire and Rescue Service. I do not want to use the phrase "heads should roll", but I will. That is the case today: heads should roll. We are not a disciplinary Committee; we are a scrutiny Committee. However, on behalf of the Committee, I can say that, were we a disciplinary Committee, people would be going home this evening with no jobs.

In coming to a conclusion on this evidence session, we will consider the evidence that we have been given today. We requested some additional information from you, and from you, Mr Craig, but we will also not rule out the possibility of scheduling another witness inquiry into the matter. We may also want to call other witnesses before we deliberate again with Mr McCormick, Mr Wallace, Mr Craig and Ms Thompson.

You have the right to reply today if there is anything that you feel has not been replied to. There are no further questions from members, so I will call the meeting and the inquiry to an end. Thank you for your time.