

**M. Pearson
CLERK TO THE AUTHORITY**

**To: The Chair and Members of the
Audit and Performance Review
Committee (see below)**

**SERVICE HEADQUARTERS
THE KNOWLE
CLYST ST GEORGE
EXETER
DEVON
EX3 0NW**

Your ref :
Our ref : SS/APRC/May 2014
Website : www.dsfire.gov.uk

Date : 28 April 2014
Please ask for : Sam Sharman
Email : ssharman@dsfire.gov.uk

Telephone : 01392 872200
Fax : 01392 872300
Direct Telephone : 01392 872393

AUDIT AND PERFORMANCE REVIEW COMMITTEE
(Devon and Somerset Fire and Rescue Authority)

Wednesday 7 May 2014

A meeting of the Audit and Performance Review Committee will be held on the above date, **commencing at 10:00 hours in Conference Room B in Somerset House, Service Headquarters** to consider the following matters.

M. Pearson
Clerk to the Authority

AGENDA

PLEASE REFER TO THE NOTES AT THE END OF THE AGENDA LISTING SHEETS

1. **Apologies**
2. **Minutes** of the meeting held on 28 November 2013 attached (Page 4).
3. **Items Requiring Urgent Attention**

Items which, in the opinion of the Chair, should be considered at the meeting as matters of urgency.

PART 1 – OPEN COMMITTEE

4. **Grant Thornton items:**

The Authority's external auditor, Grant Thornton, has submitted, for information, the following documents:

- Report on progress in delivering its audit responsibilities to the Devon and Somerset Fire and Rescue Authority attached (page 8);
- Letter setting out the planned audit fee for 2014/15 attached (page 25).

Peter Barber, representing Grant Thornton, will be attending the meeting to present these items to the Committee.

5. **2013-14 Internal Audit Year End Report**

Report of the Audit and Review Manager (APRC/14/1) attached (page 28).

6. **2014-15 Internal Audit Plan**

Report of the Audit and Review Manager (APRC/14/2) attached (page 42).

7. **Devon and Somerset Fire and Rescue Service Performance report: April 2013 to March 2014**

Report of the Director of Operations attached (page 50).

PART 2 – ITEMS WHICH MAY BE TAKEN IN THE ABSENCE OF THE PRESS AND PUBLIC

Nil.

MEMBERS ARE REQUESTED TO SIGN THE ATTENDANCE REGISTER

Membership:-

Councillors Radford (Chairman), Brazil, Burridge-Clayton, Edmunds, Gribble, Healey and Horsfall

NOTES	
1.	<p><u>Disclosable Pecuniary Interests (Authority Members only)</u></p> <p>If you have any disclosable pecuniary interests (as defined by Regulations) in any item(s) to be considered at this meeting then, unless you have previously obtained a dispensation from the Authority's Monitoring Officer, you must:</p> <ul style="list-style-type: none"> (a) disclose any such interest at the time of commencement of consideration of the item in which you have the interest or, if later, as soon as it becomes apparent to you that you have such an interest; (b) leave the meeting room during consideration of the item in which you have such an interest, taking no part in any discussion or decision thereon; and (c) not seek to influence improperly any decision on the matter in which you have such an interest. <p>If the interest is sensitive (as agreed with the Monitoring Officer), you need not disclose the nature of the interest but merely that you have a disclosable pecuniary interest of a sensitive nature. You must still follow (b) and (c) above.</p>
2.	<p><u>Part 2 Reports</u></p> <p>Members are reminded that any Part 2 reports as circulated with the agenda for this meeting contain exempt information and should therefore be treated accordingly. They should not be disclosed or passed on to any other person(s). Members are also reminded of the need to dispose of such reports carefully and are therefore invited to return them to the Committee Secretary at the conclusion of the meeting for disposal.</p>
3.	<p><u>Substitute Members (Committee Meetings only)</u></p> <p>Members are reminded that, in accordance with Standing Order 35, the Clerk (or his representative) must be advised of any substitution prior to the start of the meeting. Members are also reminded that substitutions are not permitted for full Authority meetings.</p>
4.	<p><u>Access to Information</u></p> <p>Any person wishing to inspect any minutes, reports or lists of background papers relating to any item on this agenda should contact the person listed in the "Please ask for" section at the top of this agenda.</p>

AUDIT AND PERFORMANCE REVIEW COMMITTEE
(Devon and Somerset Fire and Rescue Authority)

28 November 2013

Present:-

Councillors Radford (Chairman), Brazil, Burridge-Clayton, Edmunds, Gribble and Woodman (vice Healey).

Apologies:-

Councillors Healey and Horsfall.

***APRC/14. Minutes**

RESOLVED that the Minutes of the meeting held on 25 September 2013 be signed as a correct record.

***APRC/15. Audit Committee Update**

The Committee received for information a report prepared by Grant Thornton, which set out the progress made with the delivery of its responsibilities as the Authority's external auditor. David Bray was in attendance at the meeting and he highlighted the main issues, including the work that had been carried out in respect of the 2012/13 financial accounts – the Annual Audit Letter was submitted for consideration as a separate item on the agenda (**Minute *APRC/16 below refers**) – and an initial approach for the 2014/15 accounts had already been discussed with the Finance Team. Interim audit testing was due to commence in January 2014.

The report also set out details of emerging issues and developments, notably:

- information in respect of property, plant and equipment revaluations;
- simplifying and streamlining the presentation of local authority financial statements,
- a consultation on the Local Authorities Code of Practice for 2014/15, and
- the potential risk of procurement fraud.

The auditor had raised a number of challenge questions for the Authority to consider in the document circulated and suggested that it may be appropriate for these to be set down into a tracker document for the benefit of the Committee. The Treasurer advised that he would be happy to do this and to bring this back to the Committee setting out the action taken for information in due course.

Mr Bray drew attention to an audit consultation event that had been organised by Grant Thornton which would be held in Exeter on 8 February 2014 and he encouraged the Service to attend.

***APRC/16. Devon & Somerset Fire & Rescue Authority Annual Audit Letter for the Year Ended 31 March 2013**

The Committee received for information the Annual Audit Letter for 2012/13 as prepared by Grant Thornton, the Authority's external auditor.

Mr Bray referred to the work that had been undertaken with the Authority during 2012/13, including the Statement of Accounts, for which an unqualified opinion had been given, together with the Value for Money opinion which had also been unqualified.

At this point, Mr Bray informed the Committee that he would not be working with the Authority in future as he had been moved to another account and he thanked both Members and Officers for the support that he had received during his time on Authority business. In return, the Committee thanked Mr Bray for the work that he had undertaken over the years.

NB. MINUTE *APRC/15 ABOVE ALSO REFERS.

***APRC/17. Audit and Review 2013-14: Progress Report**

The Committee considered a report of the Audit and Review Manager (APRC/13/13) that set out the combined work that had been undertaken by the Devon Audit Partnership and the Audit and Review team to date as measured against the internal Audit Plan. The report also highlighted additional work that had been completed to date, together with the key findings in respect of the audits of:

- Fleet Development; and
- Protection.

The Audit and Review Manager drew attention to paragraphs 4.1 and 4.2 of the report that referred to the Audit Plan and the amendments required in light of the recent organisational restructure and the subsequent removal of the Process Management review. It was noted that it was proposed to switch the 10 day allocation to complete a review of firefighter safety which would support the Operational Peer Assessment that was scheduled for 2014.

RESOLVED

- (a) That the proposed change to the 2013-14 Internal Audit Plan as set out within paragraph 4.2 of report APRC/13/13 is approved; and
- (b) That subject to (a) above, the report be noted.

***APRC/18. Devon and Somerset Fire and Rescue Service Performance Report: April to September 2013**

The Committee received for information a report of the Director of Operations (APRC/13/14) that set out Service performance for the period 1 April to 30 September 2013 against those measures contained within the approved Corporate Plan for 2013/14 to 2015/16.

In particular, the following points were highlighted:

- Measure 1 (fire deaths where people live): there had been 6 fire fatalities recorded to the end of September 2013 which meant that there was a slightly increasing trend since 2007/08.

Additionally, since the report had been prepared, a further fire fatality had occurred involving an 85 year old lady who had tried to extinguish a fire caused by a cigarette but had failed and died as a result. The lady had no smoke alarm in place at the property and there was no care package in place with appropriate agencies. This had prompted the Service to raise the issue of smoke alarms again and a fire fatality review would be held to discuss this case with appropriate agencies.

The Area Manager – Community Safety – advised that the Service had hit a stumbling block in its efforts to promote the maintenance of smoke alarms with care commissioners and sought the support of the Committee in influencing this if possible. He indicated that the Service would like to see the maintenance of smoke alarms included within the job specification for care commissioners to ensure that they were tested on a regular basis where vulnerable people were involved. Councillor Brazil commented that the lack of willingness to undertake this role may be as a result of potential liability issues and he suggested that the Service may need to consider taking on training the staff involved to overcome this.

It was noted that the Service was working actively to identify whether there were any further steps that could be taken to prevent further fire fatalities from occurring.

- Measure 2 (fire injuries where people live): there had been 43 injuries occurring between 1 April and 30 September 2013 as compared with 23 in the same period in 2012/13. 8 of these were deliberate fires (with a total of 11 injuries), the other 28 being accidental (with a total of 32 injuries).

Whilst there was an overall trend for a reduction in fires, the number of injuries was increasing and more analysis had been undertaken to try to understand the reasons behind this. It had been identified that the new Incident Recording System (IRS) had resulted in an overly cautious approach to incident reporting and therefore there had been an increase in the number of incidents reported combined with limited quality control. On further investigation it had been found that Firefighters at an incident had been applying a risk averse approach and therefore an ambulance was called if there was any doubt in respect of a potential casualty at the scene. If an ambulance was called but the person did not require it, this was still recorded as an injury, however. It was accepted that there was a need to record the precautionary checks to be more accurate with the data but staff needed further training in respect of what and how to record these incidents. This may, however, result in the statistics being higher than may have previously been the case.

- Measure 3 (incidents where people live): there had been a slight increase in the number of fires to 525 in April to September 2013 which represented an increase of 6 incidents as compared with the same period in 2012/13 although overall this measure was still showing a downward trend since combination in 2007/08.
- Measure 4 (fire deaths where people work): there had 2 deaths occurring at places where people work and visit in 2013/14, one of which was an outdoor fire and the other a vehicle fire. This measure had showed a downward trend since combination in 2007/08. Reference was made to work that had been undertaken by Cleveland Fire and Rescue Service in respect of deaths involving self immolation (the act of setting oneself on fire) and it had been demonstrated that getting involved with these people at a very early stage did have an influence.

- Measure 5 (fire injuries where people work): the statistics for April to September 2013 showed an increase to 28 injuries in comparison to the same period in 2012/13 which had 9 recorded injuries. This was linked to the issues associated with the IRS recording as mentioned above and the Service was working through this.
- Measure 6 (incidents where people work): there had been an increase in the number of incidents reported in April to September 2013 to 779 as compared with 723 in the same period in 2012/13, with deliberate fires down by 8 incidents and accidental fires up by 64. This was attributable largely to the long spells of hot, dry weather that had been experienced this year. The increase in other fires (notably grassland fires) was potentially also attributable to this. It was noted that there had also been a spike in the regional statistics in this area as a result.
- Measures 7 & 8 (emergency response standards): The performance on both of these measures had improved during the period April to September 2013 with a performance at 66.93% for 1st attendance within 10 minutes and 75.28% for 1st attendance within 15 minutes for a road traffic collision.

Reference was made to the number of retained stations that may be off the run at any time and what percentage this may be of the total number of stations. It was noted that the Service was undertaking research into this area presently and that this information would be reported back to the Committee in due course.

- Measures 9, 10 and 11 – an update on progress on these measures was set out within the report for information.

In terms of sickness, it was reported that the level of absence had dropped below 8 days or shifts per person in the last 10 months which was very encouraging and that short term sickness had also reduced. In terms of benchmarking data, the Service was slightly higher than other organisations but compared well with the public sector as a whole. The Service continued to monitor the trend on sickness absence and to work towards improving performance in this area.

*** DENOTES DELEGATED MATTER WITH POWER TO ACT**

The meeting started at 14:00hours and finished at 15:20hours.



DEVON & SOMERSET FIRE & RESCUE AUTHORITY

REPORT REFERENCE NO.	APRC/14/01
MEETING	AUDIT & PERFORMANCE REVIEW COMMITTEE
DATE OF MEETING	7 MAY 2014
SUBJECT OF REPORT	2013-14 INTERNAL AUDIT YEAR END REPORT
LEAD OFFICER	Audit and Review Manager
RECOMMENDATIONS	<i>That the report be noted.</i>
EXECUTIVE SUMMARY	<p>This document sets out the 2013-14 Internal Audit Year End Report for consideration and discussion.</p> <p>The 2013-14 Year End report combines the work of the DSFRS Audit & Review Team and the Devon Audit Partnership to provide one comprehensive Internal Audit report.</p> <p>The report details the progress against the approved 2013-14 Internal Audit Plan and provides assurance statements for the audits completed.</p>
RESOURCE IMPLICATIONS	Nil.
EQUALITY RISKS AND BENEFITS ASSESSMENT (ERBA)	Not applicable.
APPENDICES	Nil.
LIST OF BACKGROUND PAPERS	<p>Audit & Review 2013-14 Plan</p> <p>Audit & Review Service Policy</p>

1. INTRODUCTION

- 1.1 The 2013/14 Internal Audit Plan was approved by the Audit and Performance Review Committee on the 8 May 2013. The Plan sets out the combined scope of internal audit work to be completed by the Audit & Review Team and the Devon Audit Partnership.
- 1.2 The Audit & Review Team and the Devon Audit Partnership are accountable for the delivery of the Plan and the policy includes the requirement to report progress to the Audit and Performance Review Committee at least three times per year.
- 1.3 All Internal Audit reports, Plans and Service Policy are available on the intranet and can be accessed using the following link:
<http://intranet/Departments/SPRD/RiskandReview.asp>
- 1.4 The key objective of this report is to provide the Audit and Performance Review Committee with an end of year report against the Plan.

2. ASSURANCE STATEMENTS

- 2.1 One of the key roles of Internal Audit is to provide independent assurance as to how effectively risks are managed across the organisation.
- 2.2 The following assurance statements have been developed to evaluate and report audit conclusions:

★★★★ High Standard

The system and controls in place adequately mitigate exposure to the risks identified. The system is being adhered to and substantial reliance can be placed upon the procedures in place. Only minor recommendations aimed at further enhancing already sound procedures.

★★★ Good Standard

The systems and controls generally mitigate the risk identified but a few weaknesses have been identified and / or mitigating controls may not be fully applied. There are no significant matters arising from the audit and the recommendations made serve to strengthen what are mainly reliable procedures.

★★ Improvements Required

In our opinion there are a number of instances where controls and procedures do not adequately mitigate the risks identified. Existing procedures need to be improved in order to ensure that they are fully reliable. Recommendations have been made to ensure that organisational objectives are not put at risk.

★ Fundamental Weakness Identified

The risks identified are not being controlled and there is an increased likelihood that risks could occur. The matters arising from the audit are sufficiently significant to place doubt on the reliability of the procedures reviewed, to an extent that the objectives and/or resources of the Authority may be at risk, and the ability to deliver the service may be adversely affected. Implementation of the recommendations made is a priority.

3. PROGRESS AGAINST THE 2013-14 PLAN

Audit Area	Progress	Assurance Statement
Audit & Review Team		
P-Cards	Final Report	★★★ Good Standard
Fleet Development (Carried over from 2012-13)	Final Report	★★ Improvements Required
Protection	Final Report	★★★ Good Standard
Performance Information	Final Report	★★ Improvements Required
Area Command – Additional Retained Hours / Payments	Final Report	★★ Improvements Required
Driver Training	Final Report	★★ Improvements Required
Emergency Planning (Resilience)	Final Report	★★★ Good Standard
Specialist Rescue	Final Report	★★ Improvements Required
HR – Welfare	Final Report	★★★ Good Standard
Operational Assurance	Draft Report	
Emergency Call Incident Support	Draft Report	
Fire Fighter Safety	Draft Report	
Devon Audit Partnership		
Key Financial Systems:		
Main Accounting System (including Creditors and Debtors)	Final Report	★★★★ High Standard
Treasury Management	Final Report	★★★★ High Standard
Fixed Asset Register	Final Report	★★★ Good Standard
Payroll	Draft Report	
ICT:		
ICT Audit Plan	Completed	
ICT Organisational Controls	Draft Report	
Strategic Fire Control Project	Draft Report	

- 3.1 Following a request from the Executive Board, the 2013-14 Internal Audit Plan was amended to include a Fire Fighter Safety Audit. The audit was undertaken using the days that had originally been assigned to Process Management, Area Training and Operational Assets – Production and Income Generation. The change to the plan is more aligned to organisational priority and was approved by the Committee on 28 November 2013.
- 3.2 The Audit & Review Team are pleased to report that all audits have progressed to at least Draft Report by the end of the current financial year.

4. ADDITIONAL WORK COMPLETED

4.1 The Audit & Review Team and the Devon Audit Partnership have also completed the following additional pieces of work that were not included in the original plan:

- Annual Statement of Assurance – The Audit & Review Team is responsible for the completion of the DSFRS Annual Statement of Assurance. A combined report has been produced and published that ensures the Accounts and Audit (England) Regulations 2011 and CLG requirements are met.
- EFQM – The Audit & Review Team has played a key role in co-ordinating the EFQM organisational assessment evidence document in preparation for the light touch external assessment completed in June 2013.
- Operational Assessment (OpA) – The Audit & Review Team has played a key role in co-ordinating the OpA assessment evidence document in preparation for the Peer Assessment in September 2014.
- Capital Funding Grant - The Audit & Review Team is responsible for auditing the Capital Funding Grant and signing the return to CLG to confirm that the grant has been used in accordance with guidelines.
- Annual Stock Take - The Audit & Review Team have completed a review and validation of the annual stock takes completed at Chelston Stores, Chelston Workshop and Crownhill Workshop.
- States of Jersey FRS Fire Call Handling Audit – Following a request from the Chief Fire Officer, States of Jersey Fire & Rescue Service it was agreed that Devon and Somerset Fire & Rescue Service would complete an audit of the States of Jersey Fire & Rescue Service Emergency Call Handling procedures within the combined control centre.
- Co-Responder Analysis – Following a request from the Response & Resilience Manager, the Audit & Review Team have completed a cost analysis of the Co-Responder scheme to support the Corporate Plan Implementation.
- Central Command Review – Following a request from the Central Command, the Audit & Review Team have completed a review of the command structure to analyse how it effectively supports the delivery of core activities (Prevention, Protection, and Response).
- Job Share Review – Following a request from Central Command East Group Support Team, a review of the controls around the operational job share posts has been completed.
- Estates Maintenance – Following a request from the Property Maintenance Manager, a review of the controls around the new Maintenance Team activities has been completed.
- Shepton Mallet Pilot – Following a request from the Somerset Command, the Audit & Review Team have provided on-going support to the Shepton Mallet Pilot.
- Glastonbury Festival review – Following a request from the Somerset Command, a review of the 2013 Glastonbury Festival has been completed.
- Incident Command Unit (ICU) Investigation – Following a request from the HR Manager, the Devon Audit Partnership has completed a review of the controls underpinning the ICU procurement contract.

- ISO27001 – The Audit & Review Team is providing on-going support to the Information Assurance Project in relation to the auditing requirements for the ISO27001 accreditation.
- National Fraud Initiative (NFI) Data Matching – The Audit & Review Team co-ordinate the NFI data matches.
- On-going Audit Advice and Guidance – The Audit & Review Team provide on-going audit advice and guidance in relation to all Internal and External Audit matters.

5. AUDIT & REVIEW RECOMMENDATIONS

- 5.1 As part of the Audit & Review process, best practice recommendations are captured in an action plan for each piece of audit work completed. All recommendations are reviewed with service leads and agreed management actions are discussed and recorded to improve the current process.
- 5.2 To ensure that all agreed actions are effectively monitored, the Audit & Review Team has built and communicated the Audit Recommendation Tracker. This has been made available to all Devon and Somerset Fire and Rescue Service (DSFRS) employees to enable agreed management actions to be continually reviewed.
- 5.3 To date in 2013-14, 153 recommendations have been agreed and recorded on the Audit Recommendation Tracker. Time has been built into the 2014-15 plan to ensure all agreed actions are followed up.
- 5.4 In previous years (2010 – 2013) a total of 632 recommendations were agreed and recorded on the Audit Recommendation Tracker. The Audit & Review Team are pleased to report that they have seen evidence of actions being implemented; the following progress has been noted:
- 316 Actions Completed
 - 199 Actions in Progress
 - 70 Actions are Outstanding
 - 21 Actions are Closed (Original recommendation superseded)
 - 26 Actions are Due to be Followed up
- 5.5 All outstanding and in progress audit recommendations have been fed into the 2014-15 Corporate Planning process and where still relevant, have been captured in service plans.

6. AUDIT & REVIEW FOLLOW UPS

- 6.1 The Audit & Review Team is committed to following up all finalised Internal Audit work.
- 6.2 The Audit Recommendation Tracker has been designed and rolled out to ensure that all agreed management actions can be monitored effectively.

6.3

The Audit & Review Team is also committed to completing formal follow up reviews of all audits completed. This enables the Committee to track the impact of actions and performance against identified risks. To date the following progress has been made:

2013/14 Follow Ups (Original Audit Completed in 2012-13)

Audit Area	2012-13 Assurance	2013-14 Assurance
Contract Management	★★ Improvements Required	★★★ Good Standard
Risk Management	★★ Improvements Required	★★ Improvements Required
Road Safety	★★ Improvements Required	★★ Improvements Required
BA Training	★★★ Good Standard	★★★ Good Standard
Home Safety – Implementation of Risk Based Strategy	★★★ Good Standard	★★★ Good Standard
Equality Risks and Benefits Assessment (ERBA)	★★ Improvements Required	★★ Improvements Required
Defusing	★★★ Good Standard	★★★★ High Standard
Operational Risk Information System (ORIS) – Phase 1	★★★ Good Standard	★★★ Good Standard
Non-Operational Equipment Inspection and Maintenance Testing	★★ Improvements Required	★★ Improvements Required
Programme Management	★★ Improvements Required	★★★ Good Standard
Fire Control Resource Mobilising	★★ Improvements Required	To be completed May 2014
Flexi Duty System	★★ Improvements Required	To be completed May 2014

6.4

Risk Management

Since the original audit, good progress has been made towards improving the systems for managing risk across the organisation. A new off the shelf system called DATIX has been procured; initially for use by the Organisational Safety Assurance Team, but was identified to include risk management capabilities. The new system is currently being configured and populated and will:

- Provide a Corporate and Service-wide Risk Register framework which will be accessible to all identified risk managers and teams.
- Provide a risk based performance dashboard at each risk management perspective, strategic, programme, project and operational (day to day) levels.
- Automate an embedded escalation process.

- Automate an embedded action planning process.

As a result of the rollout of the new system it is anticipated that the following controls will be implemented:

- Formal and periodic review at EB / SLT level.
- Populating the control measures by working more closely with the Audit & Review Manager.
- Standard Service reporting templates will include a risk section, detailing risk scores and controls.
- A periodic corporate risk management report will be presented to APRC.

Upon review; the majority of original recommendations have either been incorporated into the new system or are pending its roll out. At the time of the audit follow up, the assurance level remains as ★★ Improvements Required with a view to completing another audit in the future to test against the new system once embedded.

6.5 **Road Safety**

Since the original audit, good progress is being made to improve the level of control over the systems and processes for managing road safety activities. However, at the time of the audit follow up, the Road Safety Strategy and supporting process framework were still in development. As these are 2 key underpinning controls, the assurance level remains as ★★ Improvements Required.

6.6 **Equality Risks Based Assessment (ERBA)**

Since the audit, resource changes have had an impact on team capabilities and output more recently, has been focused on the coordination and development of the Services Core Values and the delivery of the classroom style learning for all managers with supervisory responsibilities.

The audit follow up has identified that while some improvement has been noted, the assurance level remains as ★★ Improvements Required. It is acknowledged that the ERBA process (and assurance level) is impacted by the way service policy documents are managed, a current area for organisational improvement.

6.7 **Non-Operational Equipment Inspection and Maintenance Testing**

Since the audit, some progress has been made to improve the controls in managing inspection and testing requirements, however, the majority of actions are still in development pending the delivery of the Services asset management framework. As a result of this the assurance level remains as ★★ Improvements Required.

7. **AUDIT & REVIEW PERFORMANCE**

- 7.1 To evaluate the performance of the Audit & Review Team, an Internal Audit Feedback Questionnaire is sent out at the end of the audit for the service / audit lead to complete. All completed returns are used to evaluate perceived performance of the Audit & Review Team and identify areas where the Team could improve.

Performance is scored out of 5:

5 = **Excellent** / 4 = **Good** / 3 = **Adequate** / 2 = **Unsatisfactory** / 1 = **Very Unsatisfactory**

7.2 To date 63% of feedback forms have been received. Overall customer feedback received has averaged 4.6 which indicate high levels of customer satisfaction.

8. KEY AUDIT FINDINGS – Good Practice Examples

8.1 Key Financial Systems

The work completed by the Devon Audit Partnership demonstrates that DSFRS have an effective control framework for managing the key financial systems. This includes:

- Main Accounting System
- Creditors
- Debtors
- Treasury Management
- Fixed Assets

8.2 P-Cards

The Audit & Review Team are pleased to report that upon review, DSFRS was found to have a good level of control underpinning the use of P-cards. There has been a reduction in spends that can be linked in part to the successful embedding of corporate contracts.

8.3 Protection

In accordance with the National Framework (July 2012), FRAs are required to have a management strategy and a risk-based inspection programme to enforce the provisions of the Fire Safety Order which must form part of each FRAs Integrated Risk Management Plan (IRMP).

DSFRS launched a revised strategy in June 2010 which requires a fire safety check (FSC) to be carried out to high risk premises; the result of which determines whether a full fire safety audit (FSA) is needed.

The Audit & Review Team are pleased to report that the new strategy was found to be effectively rolled out across the organisation.

8.4 Emergency Planning

The Emergency Planning Team plays a key role in DSFRS's resilience and continuity arrangements. Through professional knowledge / experience and the on-going commitment to the Local Resilience Forums the Emergency Planning Team help to ensure emerging risks are identified and managed. This ensures that front line operational activity can continue with minimal disruption and DSFRS's meets its statutory requirements.

The Emergency Planning Team also plays a key role in managing the risk to Fire Fighter safety. The team are responsible for the collection, security and communication of highly sensitive risk critical information. The flow of this information into front line crews ensures that incidents can be managed in accordance with agreed protocol while safeguarding crews from known risks.

The Audit & Review Team are pleased to report that the controls to support the main Emergency Planning activities are on the whole, suitably robust.

8.5 **Welfare**

DSFRS have published a Welfare Policy which states that the Service 'recognises the importance of the Health, Safety and Welfare of all its employees and is committed to supporting their physical and psychological welfare'. By recognising this importance and promoting good health amongst its employees, the Service will benefit from healthy employees, increased productivity and a reduced risk in employee grievance over health issues.

Upon review, DSFRS were found to offer a wide range of welfare related services and benefits which compared well when benchmarked against other FRS's. An effective Staff Supporter framework was also found to be in place to provide an additional resource to support the Welfare Officer.

The Audit & Review Team are pleased to report that the current welfare services and benefits in place across DSFRS demonstrate the organisational commitment to staff and their welfare.

8.6 **Defusing**

The Audit & Review Team are pleased to report that the defusing process continues to demonstrate a good level of control with the controls further strengthened since the original audit.

The Audit follow up procedure has resulted in the overall audit assurance statement improving from a 'Good Standard' to a 'High Standard'.

9. **KEY AUDIT FINDINGS – Areas for Improvement**

9.1 **Additional Retained Hours / Payments**

The origins of the additional Retained Duty System (RDS) payments were found to go back to an old Devon FRS Retained Authority Report dated 25th September 2001. This committee paper approved the weekly payment of 10 hours (6 for station admin, 4 for equipment maintenance and testing) for additional RDS activities.

Between April 2011 and March 2013, DSFRS paid a total of £1,767,628 on RDS additional other duties. This can be broken down into the following annual spends:

- 2011-12 - £889,877
- 2012-13 - £877,751

The RDS additional other duties is made up of 14 different activity types; including station administration, training administration, vehicle/equipment administration, station cleaning and maintenance, project work, PPD preparation and completion, partnership working meetings, medical, IRS completion and reporting, Fire Investigation, meetings, debriefs, CFS Hot Strikes and other.

The Gartan system has been used to process RDS payments since January 2011 (with historic data backdated to August 2010). The implementation of the Gartan system has brought many benefits to DSFRS, including improved management information and administration efficiencies.

The audit has identified clear inconsistencies in Additional RDS Payments across similar DSFRS stations. The inconsistencies can be seen as an indicator that clear processes / systems do not underpin additional other duties. There is the opportunity to further review and set clearly defined budgets to enable spend to be more consistent across the retained stations.

Based on 2012-13 costs, the average hourly rate for additional other duties was found to be £13.99. The following table illustrates the estimated costs and savings based upon applying varying budgets (between 10 and 16 hours per station, per week) for additional other duties:-

Budgeted Hours	Cost	Saving
10	£560,160	£317,591
11	£616,176	£261,576
12	£672,192	£205,560
13	£728,207	£149,544
14	£784,223	£93,528
15	£840,239	£37,512
16	£896,255	-£18,504

It is acknowledged that the original Devon FRS report issued in 2001 is now out of date and RDS duties have evolved including the preparation time and completion of PPDs. The original report did not differentiate any differences between 1 and 2 pump retained stations, nor activity rates. However, the table clearly demonstrates the financial savings that can be generated through effective budget setting and management. This will also need to be balanced against the risk of disengaging staff and retaining RDS employees.

The Audit & Review Team identified the following areas where it was considered that management actions should be focused:

- There is insufficient corporate guidance that clearly sets out DSFRS's expectations for the hours that can be claimed for additional retained activities.
- The audit identified significant inconsistencies in spends across the DSFRS stations. For example in 2012-13:
 - 23% of stations claimed up to 10 hours per week, while 12% of stations claimed over 25 hours for additional other duties.
 - The highest 2 pump station claimed £30,789, compared to the lowest at £7,926.
 - The highest 1 pump station claimed £23,744, compared to the lowest at £2,566.

- The Gartan system has the functionality to enable budgets to be assigned against each 'other duty' activity for each station. This functionality is currently not being utilised and would support managers to monitor spends against agreed budget.
- Upon review there was little evidence to demonstrate that additional RDS payment spends have been regularly monitored and benchmarked to identify any trends or inconsistencies.
- The number of activity reports submitted for authorisation on Gartan was found to be significant. In 2012-13, the number of RDS payments requiring approval was in excess of 181,000 including approximately 36,000 for additional 'other duties'. Audit testing identified numerous examples where payments were 'bulk authorised' with little apparent scrutiny.
- The audit also identified an issue with the recording of data, it should be noted that the quality of data is largely poor due to frequent miscoding between main and sub categories. The absence of clearly set budgets does not encourage Gartan users to accurately record activities.
- There would appear to be the opportunity to include some of the additional payments within a wider salary budget. This would have the combined benefit of reducing the administration of these payments and creating a more attractive / enhanced RDS salary retainer.

The Audit & Review Team are pleased to be able to report that a working party has been set up to progress all of the issues raised in the audit report. The working party includes representatives from RDS Stations, Middle Managers, HR, Finance, Area Admin and Audit. The first meeting was held on the 28th March with positive feedback received and issues progressed.

9.2 **Specialist Rescue**

Specialist Rescue (SR) is a term that provides an enhanced range of equipment, skills and knowledge in dealing with a wide range of human or animal rescues in unusual and technically challenging incidents including:-

- Fast flowing and deep water
- Mud, sand and ice
- Widespread flooding
- Heights (e.g. cliffs, cranes and buildings)
- Confined spaces (e.g. mine shafts and sewers)
- Large animal rescues

DSFRS implemented a specialist rescue model across three Wholetime stations and the Urban Search & Rescue Station 60 in January 2010. The four stations have increased capabilities to enable them to deliver more technical rescues.

The Specialist Rescue Strategy has been developed to ensure that the most appropriate trained and equipped resources are used in response to operational incidents. SR capability provides a layered approach, designed to integrate easily within training and operational environments whilst maintaining safe systems of work.

Whilst DSFRS undertake a wide range of SR activities to ensure local communities are kept safe, the supporting controls affecting service delivery were found to be weak. The Audit & Review Team identified the following areas where it was considered that management actions should be focused:

- Operational Asset Management has been recognised as an area for improvement across DSFRS, this has impacted upon Specialist Rescue. SR equipment is recorded on the organisational asset register MIQUEST. Upon review, data entry was found to be ad-hoc and key financial information and life cycle data appears to be incomplete.
- A clear SR training package has been developed, however current TQMP training records appear to be incomplete and do not clearly demonstrate that SR Operatives have been fully trained. Some courses have been amended in the last few years changing from a single to modular format which have had an impact on course code audit trails. The Audit & Review Team have identified a potential shortfall of 465 training records.
- DSFRS cannot currently demonstrate that Specialist Rescue competencies / maintenance of skills are effectively recorded and monitored. SR Core Competence Reports do not reflect the training course requirements described in the Specialist Rescue Operative, Supervisor & Instructor Training Policy and a lack of framework has resulted in inconsistencies across the four stations with regard to how they are managing the requirement to maintain their skillset.
- On average, each station has approx. 600 individual items of SR equipment which includes the requirement to complete after use and monthly tests. All items should be coded with a unique FKV number and reconciled to a testing regime to demonstrate the tests are being carried out. A sample test determined that just 11% of selected equipment was traced through to complete testing records. The volume of equipment appears to be unmanageable and is further hindered by illegible etching of the FKV number on certain items of equipment. All stations confirmed their understanding and moral need to complete after use tests; however none were able to demonstrate that completed tests have been recorded.
- There are no clear systems in place for DSFRS to measure SR activity. There were also found to be discrepancies between different data sets including the fire control, performance management and incident recording systems. Further work is required to cleanse the data before performance can be effectively monitored.

9.3 Performance Information

The Performance Analysis Team is responsible for collating, reviewing, analysing and reporting performance information. Following a recent organisational re-structure, the Performance Analysis Team now forms part of a wider Data Hub whose key role is to provide management with invaluable information to support and inform important decisions made about how DSFRS operates.

In the current economic climate, the information collected by the Data Hub is of vital importance in ensuring that DSFRS resources are used in the most efficient way possible to enable DSFRS to fulfil its vision of acting to protect and save.

Performance Management has been recognised as an area for improvement across DSFRS. Performance information plays a key role in the overall performance management framework.

The Audit & Review Team identified the following areas where it was considered that management actions should be focused:

- It would appear that historically, a similar level of information has been reported and discussed at all organisational levels. A more robust and segmented performance information framework would enable indicators to be set at each stakeholder group. There should be a clear performance hierarchy (Strategic, Tactical, and Operational) where all levels should contribute towards the execution of the organisational mission, strategy and goals.
- The EFQM Excellence Model Assessment has identified that, 'the range of performance indicators currently reported are not totally relevant or balanced and the key indicators / measures have not been identified or prioritised. The performance framework and measurement system are not fully developed to meet the business need for clear and accessible data to support decision making.' A balanced scorecard is one such approach that the Performance Team could take to improve the current framework.
- The Performance Analysis Team recognised that QA / data checking is a current area of weakness within the team. The audit has clearly identified differences in the data sets between the key databases. It is the view of the Audit & Review Team that a clear QA framework should be developed and embedded as a priority. Once a framework is in place, the Performance Analysis Team will be able to perform QA checks as part of a planned work routine that has been designed around work capacity.
- It is the view of the Audit & Review Team that the new web based client and the development work that has been completed to date have seen significant improvements to the PIMS performance information system. However, the Audit & Review Team are under the impression that PIMS is an underused tool across the organisation. Once the new performance information framework has been designed, the next challenge for the team is to promote and train staff in the use of PIMS to support management activities. It is hoped that a clearer performance information framework will enable greater understanding and buy in from staff across the organisation to commit to the use of PIMS to help deliver improved performance.

9.4 All issues have been discussed with the Lead Officers and the Audit & Review Team is pleased to report that suitable action plans have been agreed to improve the management of the risks identified.

9.5 The agreed actions will be monitored as part of the audit follow up procedure. Once the agreed management actions have been implemented and embedded, the Audit & Review Team would be in a position to award improved levels of assurance.

11. CONCLUSION & RECOMMENDATIONS

11.1 Based on the work we have completed and our knowledge from previous years, the systems in operation within Devon and Somerset Fire & Rescue Service demonstrate a good level of internal control.

11.2 Budget pressures are causing many Public Sector Organisations to review operational and administrative practice and staffing levels. This inevitably has an impact on internal control arrangements and we would urge the service to consult with us to assess the internal control and risk management implications of any proposed changes.

- 11.3 The Audit and Review Team would like to use this report to thank all staff who have worked with us in delivering the audit programme for their willingness to engage positively in the audit process.
- 11.4 It is recommended that the report be noted.

PAUL HODGSON
Audit & Review Manager

DEVON & SOMERSET FIRE & RESCUE AUTHORITY



REPORT REFERENCE NO.	APRC/14/02
MEETING	AUDIT & PERFORMANCE REVIEW COMMITTEE
DATE OF MEETING	7 MAY 2014
SUBJECT OF REPORT	2014-15 INTERNAL AUDIT PLAN
LEAD OFFICER	Audit and Review Manager
RECOMMENDATIONS	<i>That the proposed 2014-15 Internal Audit Plan is approved.</i>
EXECUTIVE SUMMARY	<p>Attached for consideration and discussion is the 2014-15 Internal Audit Plan.</p> <p>The 2014-15 Plan sets out the proposed scope of the combined Internal Audit work to be completed in 2014-15 by the Service's Audit & Review Team and the Devon Audit Partnership.</p>
RESOURCE IMPLICATIONS	Nil.
EQUALITY RISKS AND BENEFITS ASSESSMENT (ERBA)	Not applicable.
APPENDICES	A. 2014-15 Internal Audit Plan
LIST OF BACKGROUND PAPERS	Audit & Review Service Policy

1. 2014-15 INTERNAL AUDIT PLAN

- 1.1 The 2014-15 Internal Audit Plan is attached as Appendix A to this report.
- 1.2 The Plan sets out the proposed scope of the combined Internal Audit work to be completed in 2014-15 by the Service's Audit & Review Team and the Devon Audit Partnership.
- 1.3 As part of the planning process, the Audit & Review Team consult with the Service's Corporate Governance Group, Service Leadership Team (SLT) and Executive Board (EB) to help identify corporate risks, service risks, activities, projects, governance issues, process / system issues that would benefit from some audit review. The following additional activities are also completed to support the audit planning process:
- A review of the Corporate Risk Register.
 - A review of service risk registers.
 - A review of the Corporate Planning documents.
 - A review of additional strategic documents.
 - A review of the outputs from external assessments
 - The identification of Audit days available.
 - The completion of a risk based model to allocate audit days.
- 1.3 A risk based planning model has been used as a tool to allocate audit days against activities. A simple traffic light system has been applied to help identify high/med/low areas of audit risk. This is then used to allocate the audit days available to organisational activity.

2. NATURE OF WORK

- 2.1 The internal audit activity must evaluate and contribute to the improvement of governance, risk management and control processes using a systematic and disciplined approach.

3. INTERNAL AUDIT REVIEWS

- 3.1 The Audit & Review Team and the Devon Audit Partnership are responsible for the completion of each audit assignment from the approved Internal Audit Plan.
- 3.2 To ensure the Public Sector Internal Audit Standards (PSIAS) standards are delivered in a systematic and disciplined approach, the following activities are undertaken for each audit assignment:
- The audit scope and objectives are agreed with the Service Manager and recorded on an Audit Initiation Document (AID). The SLT and EB Leads are copied into the correspondence.
 - The audit resources and timescales are agreed and recorded on the AID.
 - The Audit & Review Manager develops an audit work programme to ensure that the audit meets its objectives.
 - The Auditor documents and records the systems and processes in place to manage the agreed service risk areas.

- The Auditor must identify, analyse, evaluate and document sufficient information to achieve the engagement's objectives.
- The Auditor must base conclusions and engagement results on appropriate analyses and evaluations.
- All completed audits are reviewed by the Audit Manager to ensure objectives are achieved, quality is assured and staffs are developed.
- The results from the audits are communicated via draft and finalised Audit Reports. The Final Draft Report and accompanying Action Plan are agreed with the Service Manager and SLT Lead, before being circulated to EB to comment upon. After a 2 week time period, the Final Audit Report is published on the service Intranet.

3.3 All audit recommendations are recorded on an online audit tracker that is available to all staff to access.

3.4 The Audit & Review Team is also committed to completing formal follow up reviews of all audits completed. Follow up audits are typically completed between 9 and 12 months of the original audit and enable the Executive Board (EB) and the Audit and Performance Review Committee (APRC) to track the impact of actions and performance against identified risks.

4. REPORTING TO THE AUDIT & PERFORMANCE REVIEW COMMITTEE

4.1 The Audit & Review Team reports at least three times a year to EB and to APRC. The reports identify:

- progress against the plan;
- any significant control issues found and the potential for improving the risk management and control processes;
- changes made to the annual plan.

5. RECOMMENDATION

5.1 It is recommended that the proposed 2014-15 Internal Audit Plan is approved.

PAUL HODGSON
Audit & Review Manager

2014-15 Internal Audit Plan

* Based on a 30hr per week DAP secondment from 14.07.2014 (to cover maternity)

Audit & Review Days 286

Total Days (Audit & Review and DAP Sub Total) 346

Review / Assurance Work

EFQM 55
 Internal Audit Follow Ups 25
 OpA 35
 Capital Programme 10
 Annual Governance Statement 5
 Capital Funding Grants Audit 5
 Annual Stock Take Audit 5
 NFI 5

Total 145

Remaining Audit Days 201

Devon Audit Partnership (DAP) Days		Key	Low Risk Score
			Medium Risk Score
Finance - Key Financial Systems	30		High Risk Score
ICT - Business Applications	30		
Sub Total	60		
Internal Audit Planning and APRC	5		
Total	65		
Contingency	5		

Directorate	Service Area	Activity / Review	Score	Last Audited	2014-15 Audit Days
Operations	Response & Resilience	Community Resilience (Emergency Planning)	Yellow	2013/14	
		National Resilience (USAR)	Yellow	2011/12	
		Specialist Capabilities (SR)	Yellow	2013/14	
		Response Support (Research & Development)	Yellow	N/a	
		Fleet Development	Yellow	2012/13	
		Operations Admin	Green	2010/11	
	Operational Assets	Hydrant Management	Green	2011/12	
		Fleet Maintenance	Yellow	2011/12	
		Light Vehicle Management	Green	N/a	
	Estates & Asset Strategy	Estates - Professional Services	Yellow	N/a	
		Estates - Maintenance Management	Green	2013/14	
		Estates - Project & Development (Capital)	Yellow	N/a	
	Community Safety & Risk Reduction	Protection - Fire Protection Advice & Enforcement	Red	2013/14	15
		Protection - Call Reduction	Yellow	2011/12	
		Protection - Fire Investigation	Yellow	N/a	
		Prevention - Home Safety	Yellow	2012/13	
		Prevention - Children & Young People	Red	2011/12	10
		Prevention - Road Safety	Yellow	2012/13	
		Prevention - Deliberate Fire Reduction	Yellow	N/a	
		Prevention - Charity Coordination	Yellow	N/a	
	Prevention - Community Engagement (DW)	Yellow	N/a		
	Area Command	Area Command - Structure (Command / GST)	Red	N/a	
		Area Command - Area Admin	Green	N/a	

		Area Command - Fire Fighter Safety		2013/14	16	
		Area Command - Flexi Duty System		2012/13		
		Area Command - Glastonbury Festival		2013/14		
		Area Command - Emergency Response Standards		N/a	15	
		Area Command - Incident Command		N/a	20	
		Area Command - Advocates		N/a	10	
		Area Command - Gartan		N/a		
		Area Command - RDS Additional Payments		2013/14		
		Emergency Call Incident Support - Call Handling		2010/11	15	
		Emergency Call Incident Support - Projects / Data Team		2013/14		
		Emergency Call Incident Support - Training		N/a		
		Analysis & Development	Performance Management		2013/14	
			Planning & Consultation		2010/11	
		Community Research & Analysis		N/a		
		Geographical Information & Analysis		N/a		
		Operational Resilience (JH)		N/a		
		IRS Administration		N/a		
		CFRMIS Administration		N/a		
		Programme Management		2012/13	10	
People & Commercial Services	HR	HR - Data & Systems		N/a		
		HR - Fitness Testing & Occupational Health		2011/12		
		HR - Recruit, Select, Appointment &		N/a		

	Induction of Staff			
	HR - PPD Process		2010/11	
	HR - Defusing		2012/13	
	HR - Employee Industrial Relations		N/a	
	HR - Grievance & Disciplinary Procedure		N/a	
	HR Services - Welfare		2013/14	
	HR - Workforce Planning (Staff Development, Leavers, Retirement & Organisational Design & Deployment)		N/a	15
	Communities & Workplace Equalities		2012/13	
	HR Pay & Conditions (DAP)			
	Training & Development			
	Training - Severn Park		N/a	
	Training - First Aid School		N/a	
	Training - Maritime School		N/a	
	Training - Driver Training School		2013/14	
	Training - Fire Safety School		N/a	
	Training - Fire Fighter School		N/a	15
	Training - Fire Behaviour School		N/a	
	Training - Access & Rescue School		N/a	
	Training - Incident Command School		N/a	
	Training - Academy Central Support		N/a	
	Training - Learning & Development		N/a	
	Organisational Safety Assurance			
	Operational Assurance		2013/14	
	Health & Safety		2012/13	
	Commercial Services			
	Commercial Services - Red One		2012/13	
Corporate Services	Procurement		2010/11	
	Stores & Supplies		N/a	
	P-Cards		2013/14	
	Corporate Communications			
	Public Relations & Media		N/a	

		Marketing & Comms		2011/12	
	Information Management	Information Assurance / Management		N/a	
	Corporate Support	Democratic Services		2011/12	
		PA & Admin Support / Reception		N/a	
		Catering		N/a	
	ICT - Covered by Devon Audit Partnership	ICT (DAP - See Supporting Plan)			30
Finance	Risk & Insurance	Risk Management		2012/13	
		Insurance		N/a	
	Finance - Covered by Devon Audit Partnership	Key Financial Systems (DAP & External Auditors)			30
					201

Remaining

0

DEVON & SOMERSET FIRE & RESCUE AUTHORITY



REPORT REFERENCE NO.	APRC/14/3
MEETING	AUDIT AND PERFORMANCE REVIEW COMMITTEE
DATE OF MEETING	7 MAY 2014
SUBJECT OF REPORT	DEVON AND SOMERSET FIRE AND RESCUE SERVICE PERFORMANCE REPORT: APRIL 2013 TO MARCH 2014
LEAD OFFICER	Director of Operations
RECOMMENDATIONS	<i>That the report be noted.</i>
EXECUTIVE SUMMARY	<p>Attached for your consideration and discussion is the Performance Report April 2013 – March 2014 for Devon and Somerset Fire and Rescue Service.</p> <p>The report looks at a summary of the corporate measures, and the performance and progress against them in 2013/14.</p> <p>The Director of Operations will give a presentation at the meeting in respect of the Service's performance against the targets set out within the Corporate Plan for 2013/14 to 2014/15.</p>
RESOURCE IMPLICATIONS	None
EQUALITY RISK & BENEFITS ASSESSMENT	None
APPENDICES	A. Devon and Somerset Fire and Rescue Service Performance Report: April 2013 – September 2014 (page numbered separately).
LIST OF BACKGROUND PAPERS	Devon and Somerset Fire and Rescue Authority Corporate Plan 2013/14 – 2014/15