



DEVON & SOMERSET FIRE & RESCUE AUTHORITY

**M. Pearson
CLERK TO THE AUTHORITY**

**To: The Chair and Members of the Audit &
Governance Committee**

(see below)

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

Your ref :
Our ref : AGC/MP/SS
Website : www.dsfire.gov.uk

Date : 21 November 2022
Please ask for : Sam Sharman
Email : ssharman@dsfire.gov.uk

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

AUDIT & GOVERNANCE COMMITTEE
(Devon & Somerset Fire & Rescue Authority)

Tuesday, 29th November, 2022

A meeting of the Audit & Governance Committee will be held on the above date, **commencing at 10.00 am in Committee Room A, Somerset House, Devon & Somerset Fire & Rescue Service Headquarters, Exeter** to consider the following matters.

M. Pearson
Clerk to the Authority

A G E N D A

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

1 Apologies

2 Minutes (Pages 1 - 4)

of the previous meeting held on 22 July 2022 attached.

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 Internal Audit 2022-23 Progress Report (Pages 5 - 18)

Report of the Director of Governance & Digital Services (AGC/22/15) attached.

5 Corporate Risk Register (Pages 19 - 34)

Report of the Director of Governance & Digital Services (AGC/22/16) attached.

6 His Majesty's Inspectorate of Constabulary & Fire & Rescue Services (HMICFRS) Areas for Improvement Action Plan Update (Pages 35 - 36)

Report of the Deputy Chief Fire Officer (AGC/22/17) attached.

7 Local Pension Board Annual Report 2021-22 (Pages 37 - 44)

Report of the Director of Governance & Digital Services (AGC/22/18) attached.

MEMBERS ARE REQUESTED TO SIGN THE ATTENDANCE REGISTER

Membership:-

Councillors Brazil (Chair), Hendy, Kerley, Partridge (Vice-Chair), Power, Prowse, Roome, Sellis and Thomas

NOTES

1. **Access to Information**

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.

2. **Reporting of Meetings**

Any person attending a meeting may report (film, photograph or make an audio recording) on any part of the meeting which is open to the public – unless there is good reason not to do so, as directed by the Chair - and use any communication method, including the internet and social media (Facebook, Twitter etc.), to publish, post or otherwise share the report. The Authority accepts no liability for the content or accuracy of any such report, which should not be construed as representing the official, Authority record of the meeting. Similarly, any views expressed in such reports should not be interpreted as representing the views of the Authority.

Flash photography is not permitted and any filming must be done as unobtrusively as possible from a single fixed position without the use of any additional lighting; focusing only on those actively participating in the meeting and having regard also to the wishes of any member of the public present who may not wish to be filmed. As a matter of courtesy, anyone wishing to film proceedings is asked to advise the Chair or the Democratic Services Officer in attendance so that all those present may be made aware that is happening.

3. **Declarations of Interests at meetings (Authority Members only)**

If you are present at a meeting and you are aware that you have either a disclosable pecuniary interest, personal interest or non-registerable interest in any matter being considered or to be considered at the meeting then, unless you have a current and relevant dispensation in relation to the matter, you must:

- (i) disclose at that meeting, by no later than commencement of consideration of the item in which you have the interest or, if later, the time at which the interest becomes apparent to you, the existence of and – for anything other than a “sensitive” interest – the nature of that interest; and then
- (ii) withdraw from the room or chamber during consideration of the item in which you have the relevant interest.

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 an interest of a sensitive nature. You must still follow (i) and (ii) above.

Where a dispensation has been granted to you either by the Authority or its Monitoring Officer in relation to any relevant interest, then you must act in accordance with any terms and conditions associated with that dispensation.

Where you declare at a meeting a disclosable pecuniary or personal interest that you have not previously included in your Register of Interests then you must, within 28 days of the date of the meeting at which the declaration was made, ensure that your Register is updated to include details of the interest so declared.

	NOTES (Continued)
4.	<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>
5.	<p><u>Substitute Members (Committee Meetings only)</u></p> <p>Members are reminded that, in accordance with Standing Orders, 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>
6.	<p><u>Other Attendance at Committees)</u></p> <p>Any Authority Member wishing to attend, in accordance with Standing Orders, a meeting of a Committee of which they are not a Member should contact the Democratic Services Officer (see “please ask for” on the front page of this agenda) in advance of the meeting.</p>

AUDIT & GOVERNANCE COMMITTEE

(Devon & Somerset Fire & Rescue Authority)

22 July 2022

Present:-

Councillors Brazil (Chair), Hendy, Kerley, Power, Prowse, Randall Johnson (vice Thomas), Roome and Sellis

Apologies:-

Councillors Partridge and Thomas

* **AGC/22/1** Minutes

RESOLVED that the Minutes of the meeting held on 10 May 2022 be signed as a correct record.

* **AGC/22/2** Government White Paper "Reforming Our Fire and Rescue Service" - Proposed Response

The Committee considered reports of the Chief Fire Officer (AGC/22/9 and AGC/22/15) setting out an initial proposed response and revised response respectively to the Government's White Paper on "Reforming Our Fire and Rescue Service", the deadline for response to which was 26 July 2022.

The Chief Fire Officer advised the Committee that, since publication of the initial proposed response, the feedback given by Authority Members at the Members' Forum held on 19 July 2022 had been collated and fed into the paper circulated subsequently (AGC/22/15). As a result, the revised response gave proposed options for consideration, notably on questions 5, 8, 25 and 34 which the Committee was invited to consider.

In terms of these alternatives:

- Question 5 – pay negotiation - Option A, with the wording tweaked to strengthen the issues surrounding timing, affordability, outvoting and the need to avoid local pay bargaining was **MOVED** by Councillor Randall-Johnson, seconded by Councillor Roome and **CARRIED** unanimously;
- Question 8 – direct entry – Option A, with the last sentence tweaked of paragraph 2 amended to take out "care would need to be taken" and replace this with "it is essential that, before putting", was **MOVED** by Councillor Randall Johnson, seconded by Councillor Roome and **CARRIED** unanimously;
- Question 25 – priorities for professionalising fire and rescue services – the response was changed from "disagree" to "neither agree nor disagree" with the commentary set out in Option A and B as the basis for the response – **MOVED** by Councillor Power, seconded by Councillor Kerley) and **CARRIED** unanimously;

- Question 34 – transfer of fire governance to combined authority mayors or police and crime commissioners – Option A (not applicable) was **MOVED** by Councillor Power, seconded by Councillor Roome and was **CARRIED** unanimously.

RESOLVED that, subject to the incorporation of the amendments above, the final response from this Authority to the White Paper “Reforming our Fire and Rescue Services” be submitted to the Government by the deadline of 26 July 2022.

* **AGC/22/3** **Internal Audit 2022-23 Progress Report - Quarter 1**

The Committee received for information a report of the Director of Governance & Digital Services (AGC/22/10) on the internal audit progress for the first quarter of the 2022-23 financial year. The report detailed progress made against the approved internal audit plan for that year together with additional review work undertaken.

Work on delivery of the 2022-23 Plan had been delayed as a result of the late completion of the 2021-22 work. The following audits had been completed now as part of the 2021-22 Plan with assurance level as indicated below:

- Community Safety – Fire Prevention – limited assurance;
- Personal Protective Equipment (PPE) – limited assurance;
- Fleet Management - reasonable assurance; and
- Flexi Duty Rota – limited assurance.

In terms of the 2022-23 Plan, work had commenced on 3 audits, namely:

- Station Based Testing Regime;
- Crewing pool;
- and Application of Learning.

Based on the completed audit work to date, Internal Audit expressed a reasonable level of assurance in the systems in operation within the Devon & Somerset Fire & Rescue Service. Generally, there was a sound system of governance, risk management and controls in place. Where weaknesses had been identified, management had agreed the findings and/or recommendations or accepted the associated risks. All audit reports included an action plan, with a designated responsible officer and timescales for completion, to address issues identified.

The Committee sought an assurance that the Authority’s Information Technology systems were robust and that any weaknesses had been addressed due to the potential cost implications of failure. The Director of Governance & Digital Services responded that there was a plethora of systems in place and that the Service was replacing old systems with new ones gradually, ensuring connectivity between them wherever possible. This was set out within the Digital Strategy. He added that the Service was in a reasonable position on this and improving.

Councillor Roome **MOVED**, seconded by Councillor Randall Johnson:

“That a follow up report be included within the Internal Audit progress paper at a future meeting of the Committee setting out the progress made on the audits indicated above with limited assurance”.

RESOLVED

- (a) That a follow up report be included within the Internal Audit progress paper at a future meeting of the Committee setting out the progress made on the audits indicated above with limited assurance; and
- (b) Subject to (a) above, the report be noted.

NB. Councillor Roome declared a personal, non-pecuniary interest in this item by way of his Chairmanship of the Devon Audit Partnership.

* **AGC/22/4** **Going Concern Review**

The Committee received for information a report of the Director of Finance, People and Estates (Treasurer) (AGC/22/11) that provided a formal response from management to the external auditor (Grant Thornton) on the Authority as a going concern.

The report contained a review of the financial position as at 31 March 2022 alongside an assessment of the ability of the Authority to continue operating for the foreseeable future. The report confirmed that the Authority was operating within a robust control environment which was evidenced through appropriate assurance, financial and operational monitoring reports both to management and the Authority.

It was noted that the Covid-19 pandemic was likely to continue to impact on financial risks in the future but the Authority was well placed to respond to this.

* **AGC/22/5** **Annual Review of Authority Standards Arrangements**

The Committee received for information a report (AGC/22/12) that identified the Standards arrangements adopted by the Authority to secure compliance with the legislative provisions of the Localism Act 2011 and associated Regulations. The report also provided an overview of operation of the regime during the 2021-22 financial year.

* **AGC/22/6** **Revised Forward Plan 2022-23**

The Committee considered a report of the Director of Governance and Digital Services (AGC/22/13) that set out a revised Forward Plan for the Committee following amendment of the previous version agreed on 10 May 2022 (Minute AGC/21/25 refers).

RESOLVED that the revised Forward Plan for 2022-23 be approved.

* **AGC/22/7** **Exclusion of the Press and Public**

RESOLVED that, in accordance with Section 100A(4) of the Local Government Act 1972, the press and public (with the exception of Councillor Coles and Andrew Davies [Grant Thornton]) be excluded from the meeting for the following item of business on the grounds that it involved the likely disclosure of exempt information as defined in the following paragraph of Part 1 of Schedule 12A (as amended) to the Act, namely:

- Paragraph 3 (information relating to the financial and business affairs of any particular person – including the authority holding that information); and

AGC/22/8 **Corporate Risk Register - Inclusion of Red One Ltd. (Authority Trading Company)**

An item taken in accordance with Section 100A(4) of the Local Government Act 1972 during which the press and public (with the exception of Councillor Coles and Andrew Davies {Grant Thornton}) were excluded from the meeting).

The Committee considered a joint report of the Chief Fire Officer, Director of Governance & Digital Services and Director of Finance, People & Estates on a proposed addition to the Corporate Risk Register in respect of its trading company, Red One Ltd. The external auditor, Grant Thornton, had recommended in a report to the Committee in March 2022 that the Authority should consider adding Red One to the risk register because, as the company continued to grow, it was important that governance arrangements remained under constant review to ensure they remained appropriate.

It was noted that a review of the governance arrangements for Red One Ltd. had also been approved by the Authority at its meeting on 10 June 2022 (Minute DSFRA/22/13 refers).

RESOLVED:

- (a) That the risk register entry for Red One Ltd. set out within Appendix A of report AGC/22/14 be approved; and
- (b) That the Authority be recommended to approve the revision of the Audit and Governance Committee's Terms of Reference as set out at paragraph 3.11 of report AGC/22/14.

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

The Meeting started at 10.00 am and finished at 12.35 pm

Agenda Item 4

REPORT REFERENCE NO.	AGC/22/15
MEETING	AUDIT & GOVERNANCE COMMITTEE
DATE OF MEETING	29 NOVEMBER 2022
SUBJECT OF REPORT	INTERNAL AUDIT 2022-23 PROGRESS REPORT
LEAD OFFICER	Director of Governance & Digital Services
RECOMMENDATIONS	<p><i>That the Committee:</i></p> <p><i>(a). approves the revised 2022-23 internal audit plan;</i></p> <p><i>(b). agrees that future updates on progress in addressing the findings of audits with a limited assurance rating is submitted to Committee on at least an annual basis until there is sufficient assurance that appropriate action has been taken; and</i></p> <p><i>(c). reviews and considers the outcomes of the work completed as set out in this report and indicates whether it requires any further assurance.</i></p>
EXECUTIVE SUMMARY	<p>The Internal Audit Service provides independent assurance to the Service’s senior officers and Members that governance, risk management and controls are sufficient in ensuring delivery of the Service’s objectives.</p> <p>This report sets out the progress that has been made against the approved Internal Audit Plan for 2022-23 in addition to completion of the 2021-22 Internal Audit Plan.</p>
RESOURCE IMPLICATIONS	Nil.
EQUALITY RISKS AND BENEFITS ANALYSIS	Not applicable
APPENDICES	<p>A. 2022-23 Internal Audit Plan</p> <p>B. Definitions of Audit Assurance Opinion Levels.</p>
BACKGROUND PAPERS	<p>Report APCR/21/3 (2021-22 Draft Internal Audit Plan) to the [then] Audit & Performance Review Committee meeting on 5 March 2021 (and the Minutes of that meeting – APCR/43).</p> <p>Report AGC/22/1 to the Audit & Governance Committee on 7 March 2022 (and the Minutes of that meeting – AGC/21/17).</p>

1. **INTRODUCTION**

- 1.1. The Internal Audit Plan forms the principal work of the Internal Audit Service and is a significant source of assurance of the effectiveness of the internal control environment.
- 1.2. The aim of this report is to update the Committee on progress in completing the 2021-22 plan and delivery against the 2022-23 plan.
- 1.3. The team can confirm that there are no significant facts or matters that impact on its independence as auditors that it is required to, or wishes to, draw to the attention of the Committee. The team confirms that it is independent and able to express an objective opinion on all statements provided.
- 1.4. The opinions contained within this report are based on audit examination of restricted samples of transactions/records and discussions with officers responsible for the processes reviewed.

2. **DELIVERY OF THE 2021-22 AUDIT PLAN**

- 2.1. The following three audits included within the 2021-22 audit plan are in the process of being finalised:
 - Organisational Safeguarding Assurance. The management actions are currently being considered by Safeguarding Board. This will be formally signed off at the January 2023 Safeguarding Board meeting.
 - Information Security – Availability of systems
 - Use of Data
- 2.2. The outcome of the Key Financial Systems audit was inadvertently omitted from previous progress reporting on delivery of the 2021-22 audit plan. The outcome of the audit is therefore reported below in table 1 alongside the outcome of the programme assurance review which has also now been completed. Definitions of Audit Assurance Opinion Levels and Recommendation Priority can be found at Appendix B.

Table 1

Audit Area and Assurance Summary	Audit Opinion	Management Response
Key Financial Systems Except for the new creditor invoice matching software, there have been few changes within the Finance and Payroll services in 2021-22. Key Financial Systems continue to operate effectively overall with measures in place which mitigate risk to varying degrees in most areas examined.	Reasonable Assurance	Consideration will be given to introducing new arrangements for journal review and authorisation during the coming year. The Service is content that the level of debt in relation to Red One is falling in line with

Audit Area and Assurance Summary	Audit Opinion	Management Response
<p>Positive actions have been taken regarding several agreed actions from last year's audit. In respect of journal authorisations, these continue to be undertaken by dip sampling post event, however the sample remains small. Under ideal circumstances a review and authorisation process for all significant journals at the time of input would be implemented; we understand that the external auditors have also made recommendations in this area.</p> <p>Although it is understood that the debt in relation to Red One is being monitored and there is a repayment schedule in place, concerns remain as the amount outstanding increases year on year.</p>		<p>expectations. Any invoices raised since July 2020 that are falling due are being paid within the credit terms and regular monthly payments are being made to clear the legacy debt.</p>
<p>Project Management Maturity Assurance</p> <p>The Change & Improvement Programme has made good progress since its inception back in 2018.</p> <p>The review concurs with the vast majority of the self-assessed consensus scores and associated maturity statements.</p> <p>A Portfolio Board has been formed and started to meet. This and the new Programme Office appear to be embracing good Programme Management methodology. At the time of the assessment, there was still the issue of what initiatives, projects or changes to operations came under the Transformation umbrella and its governance and which remained outside.</p> <p>Attention has been paid to the management of benefits with the adoption of a Benefits Management Framework. A Benefits register has been created and is maintained, recording both financial and non-financial benefits, assigning owners responsible for their delivery/realisation. This has generally avoided managers using their own approaches to capturing and monitoring benefits. It was noted that the feeling of officers was that benefits were being managed at project rather than programme level as they were more</p>	<p>Not Applicable</p>	<p>The team will undertake a review, and amendment where appropriate, of current guidance that sets out the criteria required for a new initiative to be directed under the portfolio governance as part of the risk critical and urgent pathway (RCUP) process.</p> <p>An overarching communications plan for transformation and Service wide communications on the Portfolio Office will be developed.</p> <p>Programme benefits to be visible at boards and to be part of the agenda.</p> <p>All benefits to ensure that they have baseline measurement data in place at full business case stage.</p>

Audit Area and Assurance Summary	Audit Opinion	Management Response
<p>difficult to demonstrate at programme level. In addition, it was felt that validating the achievement of benefits through the provision of evidence was lacking. Whilst programme benefits are delivered, from an organisational point of view, re-distributing any resources/savings to something else that would benefit the organisation is recognised as being more of a challenge. In addition, where projects are interlinked or are dependent on other projects then the realisation of benefits can be hampered and is often caused by the draw on scarce resources or other delays.</p>		

3. **2022-23 AUDIT PLAN**

3.1. The transfer of the internal audit service to Devon Audit Partnership (DAP) on 1 October 2022 has necessitated a review of delivery of the 2022-23 audit plan with a view to agreeing deliverables for quarters 3 and 4.

3.2. The delivery of the 2021-22 plan was impacted in quarter 4 by Covid-19 related sickness for Internal Audit, DAP and Service colleagues and deferral of annual leave to quarter 4. This resulted in delay to completion for a number of audits which in turn impacted the start of the 2022-23 internal audit plan which was approved by the Audit & Governance Committee on 7 March 2022.

3.3. The following 2021-22 audits were completed in the 2022-23 financial year:

- Community Safety: Fire Prevention
- Personal Protective Equipment Audit
- Fleet Management
- Organisational Safeguarding Assurance
- Flexi Duty Rota
- Key Financial Systems
- Use of Data (report to be agreed by Service)
- Information Security – Availability of systems (report to be agreed by Service).

- 3.4. The impact of the carry forward of the 2021-22 internal audit plan, implementation of the Transfer of Undertakings (Protection of Employment) (TUPE) process and establishment of a new partnership arrangement has inevitably impacted delivery of the 2022-23 internal audit plan. Appendix A sets out the 2022-23 internal audit plan (a review of Payment for Availability is an addition to the plan at the request of the Area Manager for Response), status of the work and a rationale as to whether or not this work should transfer to DAP for completion. A number of audits have been identified for deferral for consideration in the 2023-2024 internal audit plan if appropriate.
- 3.5. As part of this review of audit plan delivery and determination of how the remaining audit days should be used, a risk based review is currently being undertaken to determine how the remaining 20 days in the plan should be used.

4. **DELIVERY OF THE 2022-23 AUDIT PLAN**

- 4.1. Table 2 below shows the detailed status of the audits completed for the 2022-23 Plan.

Table 2

AUDIT PLAN 2022-23		
Audit Area and Assurance Summary	Audit Opinion	Management Response
<p>Crewing Pool</p> <p>The Service's Crewing Pool has become an integrated part of improving operational capabilities. A group of staff intended for back up use are now heavily relied upon and use a large amount of financial resources.</p> <p>There is a lack of assurance that the Crewing Pool process is adequately managed. There have been reported incidences of people taking advantage of the crewing pool perks, taking pumps off the run to go to other stations.</p> <p>The general opinion amongst Group Commanders is that Crewing Pool is not a good use of Service resources, and that the root cause of the issue is a lack of staffing. There are suggestions that increasing the employment radius around the stations, and diversifying available roles within the Service, would help to increase retention time. There is also a culture of reduced responsibility surrounding taking a station's pump off the run because staff know that the Crewing Pool is there as a back-up if the Service requires the station on the run.</p>	<p>Limited Assurance</p>	<p>Several risks identified in this audit are to be mitigated by the new Bank Staff Scheme. This was rolled out in October and the use of crewing pool ceased. A review of uptake, performance and costs will be undertaken in December 2022.</p>

AUDIT PLAN 2022-23		
Audit Area and Assurance Summary	Audit Opinion	Management Response
<p>Application of Learning</p> <p>For the various sources of learning considered as part of this audit, designated resources and processes are in place that help co-ordinate and monitor implementation of associated actions.</p> <p>Resourcing levels have however been cited as a potential issue for some teams, who are unable to provide as much input or time to these activities as they would otherwise like. In part this may be due to the sheer scale of the exercises involved, such as the National Operational Guidance Strategic Gap Analysis, which has over 2000 tactical actions across 20 areas against which the Policy, Procedure and Guidance Team have to co-ordinate an assessment. In this instance the assessment period is spread over a two-year period.</p> <p>For most types of learning, a formal sign off process exists involving reports to management at the most senior levels. The exception is the Operational Assurance Team, who indicate they can close out any tactical learning activities without further escalation.</p> <p>Each team demonstrated a process for tracking and reviewing learning points. The learning points themselves tended to be assigned to lead officers within service areas and progress updated periodically.</p> <p>Overall, whilst learning is identified, co-ordinated, assigned, implemented, tracked, and monitored, there are several areas where further improvements can be made to processes to ensure that the application of learning is consistent and more effective</p>	<p>Limited Assurance</p>	<p>A new action tracking process has been established in SharpCloud for the action plan designed to address His Majesty's Inspectorate of Constabulary and Fire & Rescue Services' (HMICFRS) report.</p> <p>Additional sign off evidence for the remaining actions in the Grenfell action plan is to be obtained and retained.</p> <p>The National Operational Guidance Strategic Gap Analysis two-year plan will ensure that all strategic actions are assessed and records kept as to compliance. A quarterly follow up to the responsible department is now in progress as part of the two-year plan.</p> <p>A new Operational Assurance system has now been implemented which will help to facilitate improved processes and address a number of the points raised within the report through automation of workflows and removal of manual processes.</p>

5. **AUDIT AND REVIEW RECOMMENDATIONS**

- 5.1. Where recommendations for improvements have been made within audit reports, action plans have been agreed with management and regular reviews conducted.

5.2. At its meeting on 22 July 2022, Audit & Governance Committee requested an update on the actions to address the audits that had been reported to that meeting with a limited assurance rating. Table 3 below sets out this update.

Table 3

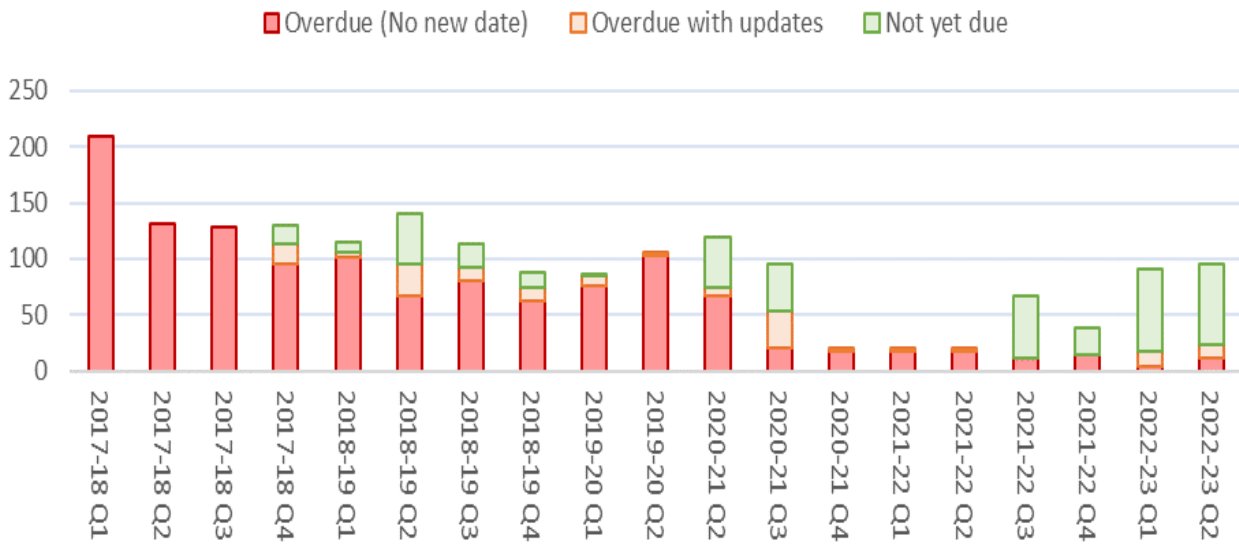
Audit Area and Assurance Summary	Update
<p>Community Safety – Fire Prevention</p> <p>The team gained resource in 2019 with the introduction of ten additional home safety technicians. Whilst this has supported the quantity of checks completed, there are continued management gaps highlighted in data quality review, risk-based escalation culture, action logs and process that limit the effectiveness of fire prevention.</p> <p>The lack of accessibility of data and lack of skilled resource within the Prevention Team to analyse the Home Fire Safety data collected has limited the ability of the team to be able to challenge and manage performance or to ensure that vulnerable people are re-visited.</p> <p>The Community Safety Team is self-aware of many of the gaps identified in this audit, with many actions awaiting the introduction of Management of Risk Information (MORI) and reliant on the capacity of ICT to update the data management system that will support extraction of key data to align resource to risk. Implementation of the audit recommendations and the Prevention Team’s strategy are highly dependent on the capacity of the Strategic Analysis / data team to support with the introduction and continued use of MORI.</p>	<p>Since the report was issued, the Area Manager Service Delivery Risk has placed the home safety element of Prevention into Business Continuity due to problems with how the current home safety app is being used and is performing and the continued delay in the delivery of MORI.</p> <p>The Executive Board commissioned a review of ICT and Prevention ICT solutions. The outcome of this review will help to determine future ICT/Data strategy within Prevention.</p> <p>A business analyst has been seconded into Prevention to resolve data quality, risk escalation and processes. This is being communicated with the team through a series of workshops.</p> <p>The team is currently working with their business analyst to cleanse the current app of records and to ensure accurate process maps are in place ahead of any ICT solution and to ensure that the data is able to migrate to a new system.</p> <p>The Quality Assurance and Evaluation officer is establishing evaluation processes, in line with HMICFRS recommendations. These will have dependencies on ICT and the Strategic Analysis Team which may also be influenced by the review commissioned by Executive Board.</p> <p>Some technical changes have taken place within the doorstep home safety app to prevent duplication of records.</p> <p>Although operational issues with the Home Safety app and data continue, the Prevention team is on track to deliver the target of 18,000 home safety visits this year and there has been an improvement in the targeting of risk, with the number of visits having 2 or more risk factors approaching the 60% KPI which is a significant improvement on previous years.</p>

Audit Area and Assurance Summary	Update
<p>Personal Protective Equipment (PPE)</p> <p>Firefighters within the Service are provided with fit for purpose, personal use, operational PPE. However, the Service cannot fully assure itself that adequate training is provided in how to use, store, and maintain this PPE in accordance with the PPE at Work Regulations 1992.</p> <p>Examples were identified of staff wearing incorrect PPE to an incident or using it in a way that increases the risk of injury. This suggests that if training is taking place, refresher sessions and management intervention are required to maintain a higher level of assurance of compliance.</p> <p>Policies and procedures meet legislative requirements. However, there is a lack of assurance that they are read and understood by relevant members of staff.</p> <p>The storage of PPE varies across stations with PPE either stored in the appliance bay or a designated area. A lack of segregation of clean / dirty PPE and storing PPE in the appliance bay does not comply with regulations.</p>	<p>Subject matter experts from Health & Safety and Research & Development will ensure access to PPE manufacturers' guidance to ensure that the training package meets the requirements and provides assurance against Health & Safety Executive requirements.</p> <p>The intended training delivery model will be aligned to the same method as the recent helmet training:</p> <ul style="list-style-type: none"> • Mandatory training for all operational staff to complete individually and recorded against their personal training record. • Training will have a requalification period applied - time to be determined. • Will be reportable on the 'Skills Dashboard' under the current PPE tile. • The training will be a requirement of all new operational posts. <p>This will ensure that all current operational staff complete the training, all new starters have this as a requirement when joining, there is a requalification period set and that training completion is reportable. These actions are due for completion in April 2023.</p> <p>The Health & Safety team is completing premises audits, which are due to finish by April 2023. These audits include a review of PPE storage. Some locations do not have the space to fully comply with the regulations. As part of their rolling programme of improvements to stations, Estates will enhance the PPE storage where they are able to.</p> <p>ORMs do check PPE log books on their station visits but this is still adhoc. A station operational readiness framework that sets out responsibilities for a number of matters including PPE is in the process of being implemented after a successful trial in Yeovil. Once implemented this will then be performance managed.</p>

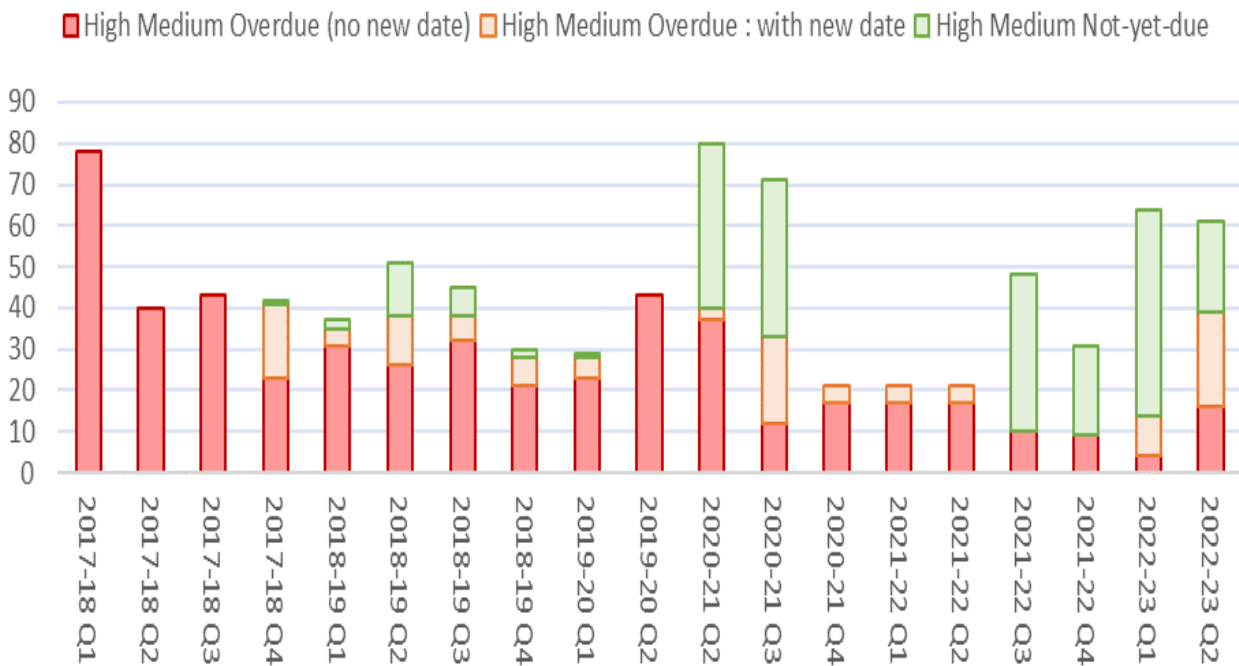
Audit Area and Assurance Summary	Update
<p>Flexi Duty Rota</p> <p>In accordance with the Grey Book requirements, a Flexible Duty System (FDS) is in operation for officers at the Station Manager rank and above. Those utilising the Flexible Duty System undertake duties which can be split into two key types: Managerial duties - referred to as 'positive' hours and Standby duties - where the officer is on call to carry out managerial duties as necessary. Standby duties require a set number of 'positive' hours to be worked, primarily used to provide support to stations within Commands, for instance attending a drill night at a station during an on-call shift.</p> <p>The audit concluded that the FDS, as operated within DSFRS, may not always be in the spirit in which the system was intended. Contingencies which the Policy states should be exceptional, have in many cases become the norm. There are potential risks to officer welfare and to the effective delivery of incident response.</p> <p>The output from the audit will help inform the planned internal project to review the FDS and provide some helpful pointers regarding inconsistencies and areas where improvements may be possible.</p>	<p>The Deputy Chief Fire Officer has commissioned a full and complete review of the FDO rota with a view to introducing a new policy, guidance documents and framework as well as rota pattern for the rota. This will be considered as part of the Target Operating Model with implementation expected in the new financial year.</p>

- 5.3. It is proposed that future updates on progress in addressing the findings of audits with a limited assurance rating is submitted to Committee on at least an annual basis until there is sufficient assurance that appropriate action has been taken.
- 5.4. The Audit Tracker records all recommendations and agreed actions arising from internal audit work. This has now been transferred to SharpCloud to provide greater visibility of action due dates and facilitate more effective management of the recommendations.
- 5.5. Some open actions have been superseded by changes to the Service structure, digital transformation, and other upgrade/changes. Work is ongoing to ensure that actions that have been superseded are documented and recorded as closed.
- 5.6. The tables overleaf show the number of open items on the Audit Tracker.

Number of Open Items (*All priorities*)



Number of Open Items (*High / Medium High priorities*)



6. **CONCLUSION AND RECOMMENDATIONS**

6.1. The progress made against the agreed Audit Plan will be reported back to Audit & Governance Committee at regular intervals.

6.2. It is recommended that the Committee:

- (a). approves the revised 2022-23 internal audit plan;

- (b). agrees that future updates on progress in addressing the findings of audits with a limited assurance rating is submitted to Committee on at least an annual basis until there is sufficient assurance that appropriate action has been taken; and
- (c). reviews and considers the outcomes of the work completed as set out in this report and indicates whether it requires any further assurance.




MIKE PEARSON
Director of Governance & Digital Services

2022-23 Internal Audit Plan

Audit	Days	Status	Transfer?	Rationale
ORIGINALLY ASSIGNED TO INTERNAL RESOURCE				
Crewing pool	15	FINAL REPORT	No	N/A
Review the operation of the critical messaging process	15	DRAFT REPORT	In part	Predominantly completed internally. DAP to review.
Control of working hours	15	DRAFT REPORT	In part	To be completed internally. DAP to review.
Payment for Availability	20	WORK IN PROGRESS	Yes	Request for priority review.
Application of HR policy and procedure	25 20	NOT STARTED	TBC	The rationale for this audit is that the People department is undertaking a significant amount of work to review and update HR policies and procedures. This audit will support continuous improvement in this area by reviewing the application of those new policies and procedures.
Community Safety - Schools & Engagement	20	PLANNING	No	The audit has been deferred until the Safeguarding Manager starts in December 2022
Station compliance - Environmental / waste management	25	NOT STARTED	No	Initial Environmental Review completed by external consultant with first annual review in process of being completed. Once priority areas of focus have been determined then audit work can be prioritised accordingly.
Support the Service's response to the HMICFRS 2021 report findings	30	NOT STARTED	No	Action plan has only just been developed so propose deferring until 2023/24.
Station-based Testing Regime	20	NOT STARTED	No	Already deferred to accommodate rollout of Phase 2 asset management and self-assessment audits rolled out in June.

Audit	Days	Status	Transfer?	Rationale
Personal Protective Equipment: Contaminants	20	NOT STARTED	No	Already deferred to allow contaminants work to progress.
Firefighter Fitness Training Review	10	NOT STARTED	No	Not required; HMICFRS discharged Cause of Concern.
Behavioural Risk	15	NOT STARTED	No	Links with work to support the Service's response to the HMICFRS 2021 report findings. Would also be beneficial to defer until after staff survey has been completed.
ORIGINALLY ASSIGNED TO DAP				
Key Financial Systems	32	NOT STARTED	N/A	Core element of the internal audit plan. Planned to start January 2023.
Application of learning	30	FINAL REPORT	N/A	N/A
Supervision for work completed internally	5	WORK IN PROGRESS	N/A	Critical messaging and control of working hours audits

Definitions of Audit Assurance Opinion Levels	
Assurance	Definition
Substantial Assurance	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.
Reasonable Assurance	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
Limited Assurance	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
No Assurance	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.

Direction of Travel Indicators	
Indicator	Definitions
	No Progress has been made. The action plan is not being progressed at this time, actions remain outstanding.
	Progress has been made but further work is required. The action plan is being progressed though some actions are outside of agreed timescales or have stalled.
	Good Progress has/is being made. Good Progress has continued.

Agenda Item 5

REPORT REFERENCE NO.	AGC/22/16
MEETING	AUDIT & GOVERNANCE COMMITTEE
DATE OF MEETING	29 NOVEMBER 2022
SUBJECT OF REPORT	CORPORATE RISK REGISTER
LEAD OFFICER	DIRECTOR OF GOVERNANCE & DIGITAL SERVICES
RECOMMENDATIONS	<i>That the report be noted.</i>
EXECUTIVE SUMMARY	<p>Managing risks, both operational and strategic, is an important part of ensuring that the resources of Devon and Somerset Fire and Rescue Service are used to best advantage. Risk is inherent in most things that the Service does and much of its activity is already assessed and managed through the application of the operational risk management procedures and good common sense.</p> <p>The Corporate Risk Register sets out risks and mitigation to ensure that risk is managed appropriately and proportionately.</p>
RESOURCE IMPLICATIONS	Nil.
EQUALITY RISKS AND BENEFITS ASSESSMENT (ERBA)	Not applicable.
APPENDICES	<p>Appendix A – Risk management framework</p> <p>Appendix B – Corporate Risk Register by risk category V48</p> <p>Appendix C - Sharpcloud risk register view V48</p>
LIST OF BACKGROUND PAPERS	<p>Audit & Governance Committee 7 March 2022 – Corporate Risk Register</p> <p>Audit & Governance Committee 8 October 2021 – Corporate Risk Register</p>

1. INTRODUCTION

1.1. The aims of Risk Management for the Devon & Somerset Fire & Rescue Service (“the Service”) are to:

- Protect the assets of the Service;
- Ensure service continuity; and
- Facilitate innovation and opportunity.

1.2 Risk management does not mean risk avoidance. It is about encouraging officers and managers to identify, understand and control risk and to learn how to accept the right level of risk.

2. CORPORATE RISK REGISTER

2.1. The corporate risk register captures and describes the Service’s most significant risks, with a focus on cross-cutting risks and major projects. It is formally reviewed and refreshed on a regular cycle. In order to embed the Service’s approach to managing strategic and operational risks, risk management is integrated within the planning process so that it is part of direction setting, activity and resource planning and activity monitoring.

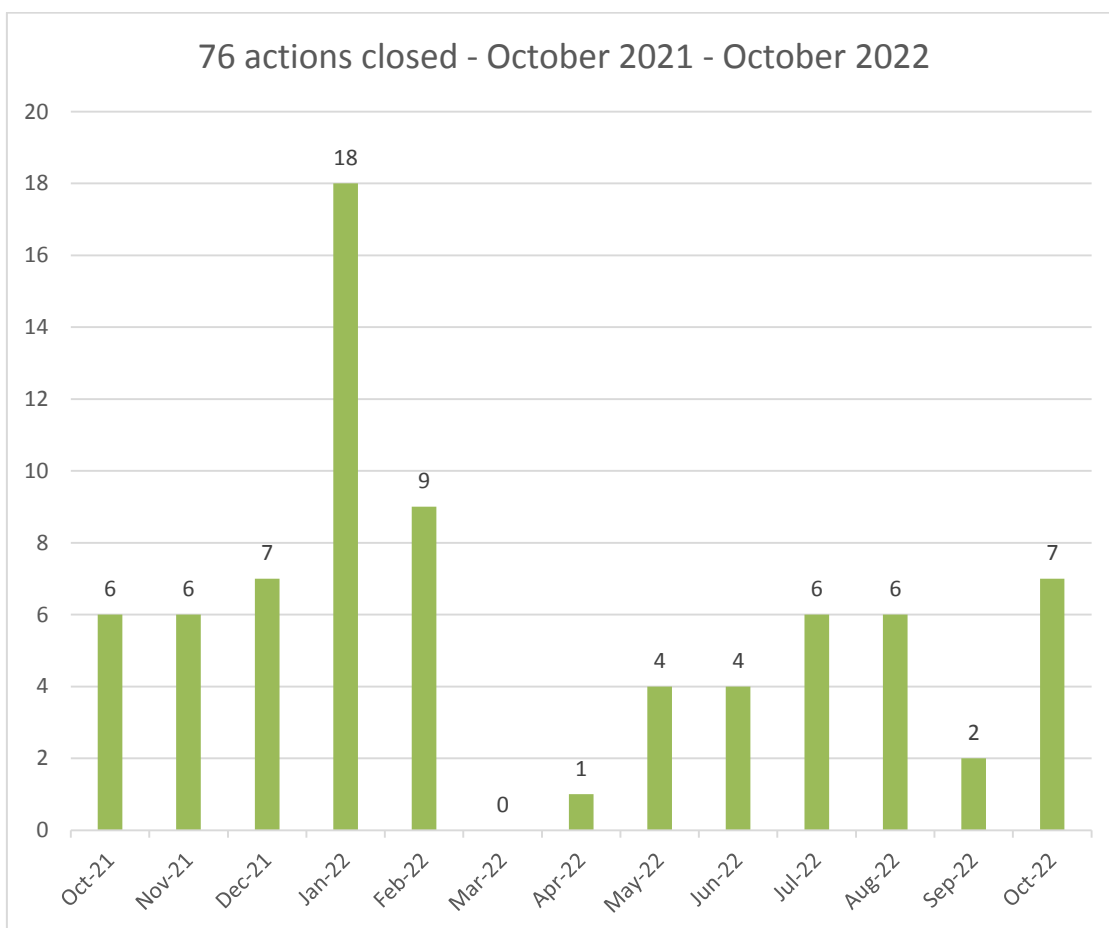
2.2. Risk management is the process by which risks are identified, assessed, recorded, mitigated and reviewed. A risk is the threat that an event or action will adversely affect the ability to achieve our objectives. This Risk Management Framework sets out responsibilities for the management of risk and seeks to ensure that key risks to the achievement of DSFRS objectives are understood, reported and appropriately mitigated. It is important to recognise that an effective risk management framework is as much a way of thinking as it is a process or system as illustrated in Appendix A of this report.

2.3. The process includes the identification, assessment and recording of risks and mitigating activities which is incorporated into annual service plans. The final stage of the process, once risks have been reviewed by risk owners and directors, is for the Audit & Governance Committee (the Committee) to note the contents of this report.

2.4. The Service risk profile has changed since the last report. The corporate risk register entries total eighteen risks with three risks escalated from local risk registers, three de-escalated to local and thematic risk registers and no risks closed. The register is reviewed monthly by the Service Executive Board dependent on net risk score with high risks reviewed monthly and medium risks quarterly.

2.5. Risk sources are both internal and external to Service activities, therefore establishing categories for risks provides a mechanism for collecting and organising risks as well as ensuring appropriate scrutiny and management attention for those risks that can have more serious consequences to meeting objectives. Risk categories consolidate risks into a two dimensional view, strategic process and directorate; either may exist in a single directorate or cut across multiple directorates. Service corporate risks are aligned to HM Treasury Orange Book (2020) risk categories. Failure to manage risks in any of these categories may lead to financial, reputational, legal, regulatory, safety, security, environmental, employee, customer and operational consequences. The table in Appendix B of this report provides clarification on the high and medium corporate risks, grouped by risk category, with a high level summary of effective mitigation and actions in development. Appendix C provides details of high and medium risks.

2.6. Over the last twelve months, 76 actions have been closed. The graph below illustrates actions closed per month.



2.7. As is normal, there have been minor changes to control measures across the risk portfolio. Risk owners are assigned to each risk with active mitigation in place. All risk register owners have reviewed and updated their risk mitigations and agreed new review dates. Overall, the Service's Executive Board is satisfied with the adequacy of the risk mitigation progress.

3. CORPORATE RISKS ADDED SINCE THE LAST REPORT TO THE COMMITTEE

3.1. The Executive Board agreed to add the following risks to the corporate risk register:

- July 2022: CR080 Failure to create a diverse and inclusive workforce.
- July 2022: CR081 Failure to operate appropriate trading company governance arrangements.
- August 2022: CR055 (SSC 005) Failure to thoroughly investigate & learn from safety events and take corrective action to prevent foreseeable reoccurrences.

3.2. The Executive Board also agreed to amend the following risks on the corporate risk register:

- September 2022: Increased the likelihood score for risk CR070 (failure to operate an effective risk assessment process) from 3 to 5, thereby increasing the risk level from medium to high risk.
- September 2022: Increased the likelihood score for risk CR079 (inability to assure ourselves that Home Fire Safety data created, held and reported on is correct) from 3 to 5, thereby increasing the risk level from medium to high risk.

4. RISKS DELEGATED TO LOCAL RISK REGISTER

4.1. The following three risks have been de-escalated to local risk registers now that they have been mitigated within a tolerable risk level.

- March 2022: CR037 Physical loss of ICT services causes sustained ICT outage.
 - February 2022 the risk owner reviewed the risk and recommends de-escalation to ICT risk register due to actions completed:
 - DSFRS Digital strategy adopts a strategic move to cloud for ICT services.
 - Cloud based backup and data replication deployed that reduces recovery time.
 - Backups held offsite.
 - Regular meetings between Business Continuity (BC), Information Governance (IG) and Information & Communications Technology (ICT) management leads.
 - Business continuity impact assessment and Information Governance information asset register have been combined into one document. ICT system restoration plan available and regularly reviewed by BC, IG and IC T management. Two data centres in place. The next strategic horizon scan meeting is planned to exercise cyber-attack with Executive Board and Service Leadership Team (ELT), date to be confirmed.

- April 2022: CR055 Failure to report and learn from events and take corrective action to prevent foreseeable accidents.
 - Actions completed and Safety event management system rolled out February 2022.
 - Consultants supporting Health and Safety plan to work towards an engaged safety culture.
- July 2022: CR064 Failure to provide demonstrable consistent standards in Fire Fighter competence
 - Evidence to support de-escalation of risk is provided through an updated report from the Operational Assurance team to the risk owner. This report identifies that in the last 3 years:
 - of 816 incidents monitored by an Operational Assurance, 796 incidents reported that the Incident Commander was identifiable by wearing a tabard or armband.
 - the appropriate level of resources was requested for 760 incidents with 15 incidents resourced to an inappropriate level.
 - decision controls were observed as used during 734 incidents with 34 occurrences of them not being considered.
 - plans were created, communicated, and reviewed regularly. The plan was initiated and communicated during 764 incidents with only 8 incidents where it was not. Plans were reviewed and adjusted at 756 incidents and not at 14 incidents.
 - spans of control were at an appropriate level during 611 incidents but not manageable during 10 incidents.
 - Safety Officers were utilised during 170 incidents. For 30 Incidents it was felt they were required but not implemented, and 547 incidents not a required role.
 - there were 15 incidents where the cordons were either not established or effective. A further 360 incidents had effective cordons in place.
 - there were 733 incidents with correctly positioned appliances and only 16 occurrences of inappropriately placed appliances.
 - 733 incidents recorded as effective comms and 26 incidents where comms were not as effective.
 - effective multi-agency working was in place during 380 incidents. There have been 19 recorded incidents of ineffective joint working. 410 incidents have declared the subject as not applicable.

5. **RISK HORIZON SCAN REPORTS**

- 5.1. The concept of horizon scanning aims to detect early warning signs of emerging risk to prompt the Service to make decisions to act when needed.
- 5.2. Many different external reports are used to compile a forward look, one being the UK Government Horizon Scan methodology. This recommends that everyone in the public sector has a responsibility to think about the future in the work they do. Decisions made today have long term consequences. However, the future in which these decisions have an impact is uncertain and making decisions is difficult.
- 5.3. The horizon scan report aims to illustrate how strategic issues can change over time and the benefits that horizon scanning considerations can bring. The topics discussed relate to short term, medium term and long term risks.
- 5.4. Quarterly reports offer general horizon scan updates with a deeper dive that explores specific topics such as how citizen data might change and to help decision makers form strategies that are resilient to future uncertainties.
- 5.5. An important element of horizon scanning, which sets it apart from risk assessment, is that it considers information which cannot normally be sourced from within the Service. Emerging risks, by their nature are varied, difficult to identify and quantify. They can have a detrimental impact on the Service's ability to deliver future prevention, protection and rescue activities to communities so it is important to recognise them as early as possible.
- 5.6. Over the last six months, the ELT have met every two months to consider future key risks, milestones and changes. The outputs inform corporate risk reports and planning. The latest session was held on 15 September 2022. The meeting focused on topics noted below and how they could impact the Service.
 - Geopolitical / global risks, strategic supply chain
 - Strategy, development of target operating model, robust planning and strategy aligned with HMI direction
 - Severn Park closure
 - Legislative changes such as Building Safety Regulator
 - Clinical Governance and transporting patients would require new burdens funding
 - New dimensions 2, access to air support
 - Economic stability and cost of living crisis, escalating energy bills
 - Environmental agenda, renewable energy sources, northwards people migration
 - Lithium ion batteries
 - Biological risks Artificial intelligence, self-drive vehicles, drones.

- 5.7. Aon prediction of risks from now until 2024 indicates that cyber-attack / data breach is expected to remain on corporate risk registers, followed by economic slowdown and scarcity of materials. Leaders anticipate the rapid pace of change will bring about changing internal and citizen risk profiles and behaviours, changing the way we work, gaining greater insights for data.¹

Top 10 Risks in the Next 3 Years



6. COVID & CORPORATE RISK REGISTER INTERDEPENDENCIES

- 6.1. As a consequence of the changes to the Government’s Covid-19 protocols the Service moved out of Business Continuity Covid response phase to business as usual. Risk CR057 Covid 19 results in significant staff absences, was de-escalated February 2022.
- 6.2. To assure business continuity plan adequacy, the Executive Board receive monthly updates and progress against the business continuity plan exercise schedule. The corporate and department business continuity plans have been updated and exercised between March 2022 and October 2022.

7. HEALTH AND SAFETY THEMATIC RISK REGISTER

- 7.1. On the corporate risk register there are five health and safety corporate risks. Executive Board decided on 10 August 2021 to set up a thematic health and safety risk register to focus on health, safety and wellbeing risks with a wider stakeholder group.

¹ [9. Increasing Competition - 2021 Global Risk Management Survey \(aon.com\)](https://www.aon.com)

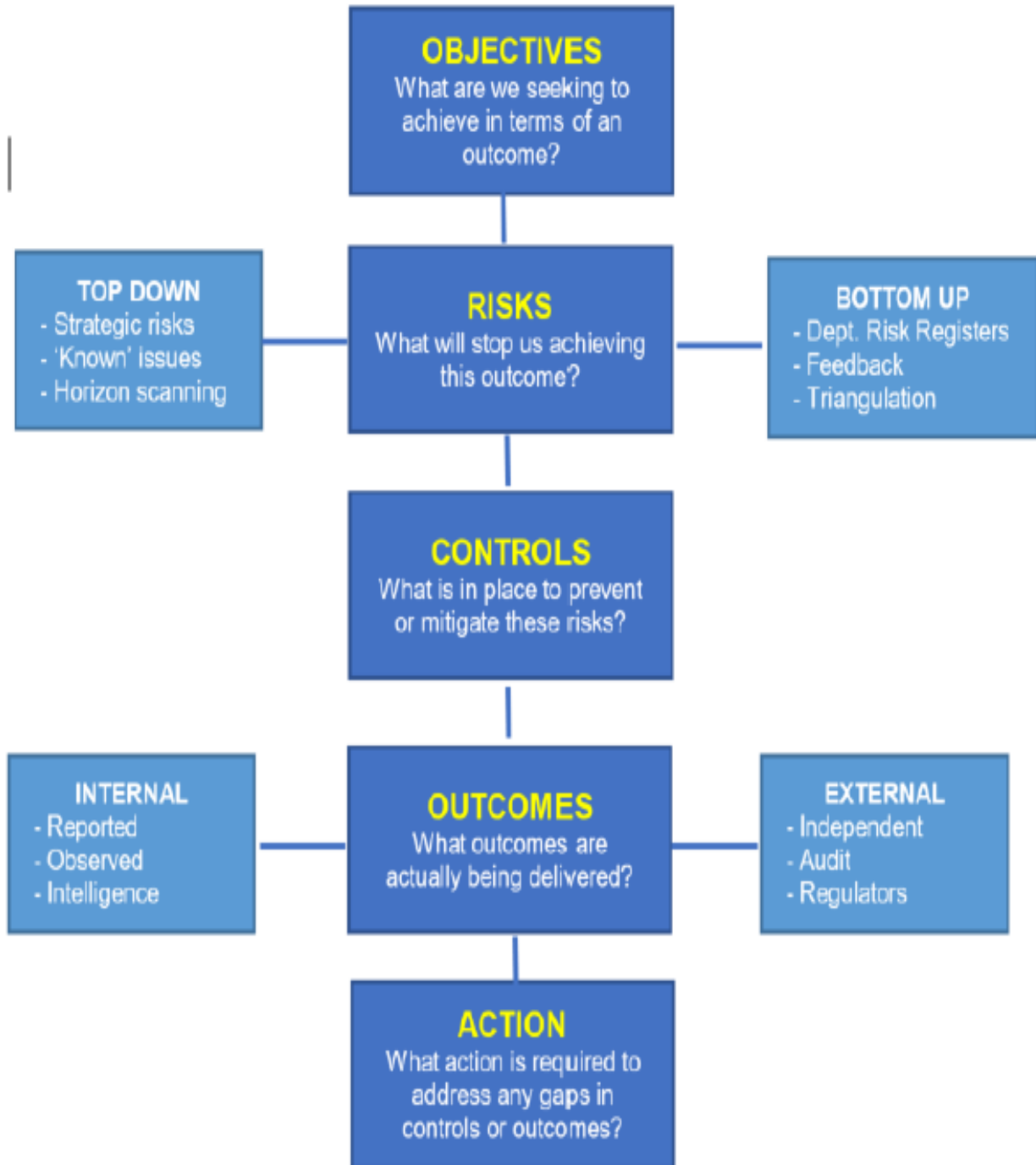
- 7.2. The strategic health and safety thematic risk register workshop is chaired by CFO Howell, reviewed monthly by Health and Safety stakeholders, including representative bodies, and quarterly by Strategic Safety Committee which is chaired by a member of the Executive Board. The risks are owned by Service Leadership team leads, and managers are the control and action owners.
- 7.3. In the previous six months, April 2022 to October 2022, two risks were escalated to the Corporate Risk Register, namely:
- CR070 (SSC002) Failure to operate an effective risk assessment framework; and
 - CR055 (SSC002) Failure to thoroughly investigate and learn from safety events and take corrective action to prevent foreseeable recurrences.

8. NEXT STEPS

- 8.1. The Corporate risk register will continue to be subject to monthly review by the Service Executive Board. The next formal review of the corporate risk register by the Committee is due to take place in six months' time, the date to be confirmed when the calendar of meetings is agreed by the Fire & Rescue Authority.

MIKE PEARSON
Director of Governance & Digital Services

Risk Management Framework



Corporate Risk Register March 2022 v41 - October 2022 V48

The Service corporate risks are aligned to His Majesty’s Treasury Orange Book (2020) risk categories. Failure to manage risks in any of these categories may lead to adverse consequences. The table below provides clarification on the high and medium corporate risks, grouped by risk category, with a high level summary of effective mitigation and actions in development. Corporate, new, escalated and emerging risks are reported to Executive Board monthly and Audit and Governance Committee every 6 months.

HM Treasury Orange Book Risk Category	DSFRS Corporate Risks	Risk Mitigation
Five high risk – EB monitor monthly		
<p>Safety: Risks arising from safety deficiencies or poorly designed or ineffective/inefficient hazard management resulting in non-compliance and/or harm and suffering to employees, contractors, service users or the public.</p>	<p>CR055 (SSC003) Failure to thoroughly investigate and learn from safety events and take corrective action to prevent foreseeable occurrences. Re-escalated August 2022.</p> <p>CR070 Failure to operate an effective risk assessment framework.</p>	<ul style="list-style-type: none"> • H&S team working with contractor to develop campaigns to address identified areas of improvement • H&S cultural survey September 2022 • Strategic risk assessment process. • Health and Safety monitor effectiveness of risk assessment process.
<p>Information: Risks arising from a failure to produce robust, suitable and appropriate data/information and to exploit data/information to its full potential.</p>	<p>CR079 Inability to assure ourselves that the Home Fire Safety data held and being submitted to HMICFRS is correct. (increased likelihood score from 3 to 5, medium to high risk)</p>	<ul style="list-style-type: none"> • Home Fire Safety system review. • Options appraisal report.
<p>People: Risks arising from ineffective leadership & engagement, suboptimal culture, inappropriate behaviours, the unavailability of sufficient capacity & capability, industrial action, and/or non-compliance with relevant employment legislation/HR policies resulting in negative impact on performance.</p>	<p>CR080 Failure to create a diverse and inclusive workforce</p>	<ul style="list-style-type: none"> • Diversity & inclusion action plan

HM Treasury Orange Book Risk Category	DSFRS Corporate Risks	Risk Mitigation
<p>Governance: Risks arising from unclear plans, priorities, authorities and accountabilities, and/or ineffective or disproportionate oversight of decision-making and/or performance.</p>	<p>CR081 Failure to operate appropriate trading company governance arrangements</p>	<ul style="list-style-type: none"> Review of governance arrangements.
13 medium risks - EB monitor quarterly		
<p>Safety: Risks arising from safety deficiencies or poorly designed or ineffective/inefficient hazard management resulting in non-compliance and/or harm and suffering to employees, contractors, service users or the public.</p>	<p>CR056 Failure to ensure that fleet and equipment is available and is fit for purpose.</p> <p>CR073 Failure to assure that staff read and understand risk critical messages and apply required changes</p>	<ul style="list-style-type: none"> Phase 1 equipment review completed. Phase 2 progressing. Procurement of new vehicles in progress: ALP, MRP 4x4. Risk critical messages issued with electronic acknowledgement. Operational assurance monitoring process.
<p>Governance: Risks arising from unclear plans, priorities, authorities and accountabilities, and/or ineffective or disproportionate oversight of decision-making and/or performance.</p>	<p>CR035: Failure to agree performance measures & inability to fully and immediately report against agreed measures which may reduce the ability to make informed decisions.</p>	<ul style="list-style-type: none"> InPhase performance, planning and risk management system.
<p>Information: Risks arising from a failure to produce robust, suitable and appropriate data/information and to exploit data/information to its full potential.</p>	<p>CR062: Failure to operate an effective Information Governance framework.</p>	<ul style="list-style-type: none"> MS365 rolled out. Development of records and document management system.
<p>People: Risks arising from ineffective leadership & engagement, suboptimal culture, inappropriate behaviours, the unavailability of sufficient capacity & capability, industrial action, and/or non-compliance with relevant employment legislation/HR policies resulting in negative impact on performance.</p>	<p>CR066 Failure to adequately plan and implement recruitment and promotion processes.</p> <p>CR069 People structure does not support the needs of the organisation.</p>	<ul style="list-style-type: none"> Workforce planning group. Workforce planning reports. Key elements of HR transformation plan implemented: HR business partners, Welfare capability, additional posts.

HM Treasury Orange Book Risk Category	DSFRS Corporate Risks	Risk Mitigation
	CR077 Industrial action, including withdrawal from voluntary agreements to do non-contractual working.	<ul style="list-style-type: none"> • Business continuity framework & plans. • Business continuity governance arrangements. • Desktop exercises and debrief reports.
<p>Reputational: Risks arising from adverse events, including ethical violations, a lack of sustainability, systemic or repeated failures or poor quality or a lack of innovation, leading to damages to reputation and or destruction of trust and relations.</p>	CR063 Failure to deliver Environmental Strategy and action plan	<ul style="list-style-type: none"> • Maintenance of environmental strategy.
<p>Security: Risks arising from a failure to prevent unauthorised and/or inappropriate access to the estate and information, including cyber security and non-compliance with General Data Protection Regulation requirements.</p>	<p>CR044 Cyber-attack on ICT services causes sustained ICT outage.</p> <p>CR065 Cyber-attack or accidental loss leads to data breach of sensitive operational and/or personal data.</p>	<ul style="list-style-type: none"> • Protective monitoring system implemented. • Business continuity plans and system resilience established. • MS365 rolled out. • Maintenance of Digital roadmap. • Protective monitoring system implemented. • Business continuity plans and system resilience established. • MS365 rolled out. • Maintenance of Digital roadmap.
<p>Financial: Risks arising from not managing finances in accordance with requirements and financial constraints resulting in poor returns from investments, failure to manage assets/liabilities or to obtain value for money from the resources deployed, and/or non-compliant financial reporting.</p>	CR050 Failure to agree and set a balanced budget in future years, further exacerbated by reduced council tax and business rates and inflation. Risk description changed 10 May 2022.	<ul style="list-style-type: none"> • Value for money assessment completed. • Benefits realisation monthly report. • Rolling efficiencies review.

HM Treasury Orange Book Risk Category	DSFRS Corporate Risks	Risk Mitigation
<p>Legal: Risks arising from a defective transaction, a claim being made (including a defence to a claim or a counterclaim) or some other legal event occurring that results in a liability or other loss, or a failure to take appropriate measures to meet legal or regulatory requirements or to protect assets and people (for example intellectual property).</p>	<p>CR075 Failure to assure that staff are complying with the requirements of the Health and Safety at Work Act 1974 and Management of Health & Safety Regulations and associated legislation.</p>	<ul style="list-style-type: none"> • Strategic Safety Committee. • Thematic Health & Safety risk register reporting to Strategic Safety Committee.
<p>Commercial: Risks arising from weaknesses in the management of commercial partnerships, supply chains and contractual requirements, resulting in poor performance, inefficiency, poor value for money, fraud, and/or failure to meet business requirements/objectives.</p>	<p>CR074 Supply chain disruption</p>	<ul style="list-style-type: none"> • Assessing status of projects / works and corresponding risk register. • Regular engagement with contractors to identify 'issues' at earliest opportunity. • Programme adjustment / consideration.
Four risks de-escalated		
<p>Technology: Risks arising from technology not delivering the expected services due to inadequate or deficient system/process development and performance or inadequate resilience.</p>	<p>CR037 Physical loss of ICT services causes sustained ICT outage. De-escalated March 2022 v41</p>	<ul style="list-style-type: none"> • Business continuity plans and system resilience established. • MS365 rolled out. • Maintenance of Digital roadmap.
<p>Safety: Risks arising from safety deficiencies or poorly designed or ineffective/inefficient hazard management resulting in non-compliance and/or harm and suffering to employees, contractors, service users or the public.</p>	<p>CR055 Failure to report and learn and take corrective action to prevent foreseeable accidents. De-escalated April 2022 v42</p>	<ul style="list-style-type: none"> • Safety Event Management System (SEMS). • Safe To interventions. • Occurrence review group.

HM Treasury Orange Book Risk Category	DSFRS Corporate Risks	Risk Mitigation
<p>People: Risks arising from ineffective leadership & engagement, suboptimal culture, inappropriate behaviours, the unavailability of sufficient capacity & capability, industrial action, and/or non-compliance with relevant employment legislation/HR policies resulting in negative impact on performance.</p>	<p>CR064 Failure to provide demonstrable consistent standards in firefighter competence. De-escalated June 2022 v44</p>	<ul style="list-style-type: none"> • Professional, Safe and High Performing' report; transformation of 6 themes: <ul style="list-style-type: none"> ○ Station based training ○ Setting standards ○ Audit & assessment ○ Central training/Training for Competence ○ Role Development ○ Service Support
Risk Categories with no current corporate risks		
<p>Operational: Risks arising from inadequate, poorly designed or ineffective/inefficient internal processes resulting in fraud, error, impaired customer service (quality and/or quantity of service), non-compliance and/or poor value for money</p>		
<p>Business Change/ Project / Programme: Risks that change programme and projects are not aligned with strategic priorities and do not successfully and safely deliver requirements and intended benefits to time cost and quality.</p>		
<p>Strategy: Risks arising from identifying and pursuing a strategy, which is poorly defined, is based on flawed or inaccurate data or fails to support the delivery of commitments, plans or objectives due to a changing macro-environment (e.g., political, economic, social, technological, environment and legislative change) and changing micro-environment (competing strategic perspectives)</p>		

Corporate Risk Register V48 11 November 2022

V49 Corporate Risk Register – border colour indicates net risk score – 18 corporate risks:

- 5 x high risks. Increase of 4 from previous report March 2022.

CR055 (SSC003) Failure to thoroughly investigate and learn from safety events and take corrective action to prevent foreseeable reoccurrences

CR070 (SSC002) Failure to operate an effective risk assessment framework.

CR079 Inability to assure ourselves that the HFS data created, held and reported on is correct

CR080 Failure to create a diverse and inclusive workforce

CR081 Failure to operate appropriate trading company governance arrangements

- 13 medium risks. Decrease of 3 from previous report March 2022.

CR035 (SSC011) Failure to agree performance measures & inability to fully & immediately report against agreed measures which may reduce the ability to make informed decisions

CR050 Failure to agree actions to set a balanced budget in future years, further exacerbated by reduced council tax and business rates and inflation.

CR062 Failure to operate an effective Information Governance framework.

CR065 Theft or accidental loss leads to data breach of sensitive operational and/or personal data

CR069 Structure and culture of HR function does not support the needs of the organisation

CR074 Supply chain disruption

CR077 Industrial action, including withdrawal from voluntary agreements to do non-contractual working.

CR044 Cyber-attack causes sustained business systems outage

CR056 Failure to ensure that fleet and equipment is available and is fit for purpose

CR063 Failure to deliver Environmental Strategy and action plan

CR066 Failure to adequately plan and implement recruitment and promotion processes

CR073 (SSC006) Failure to assure that staff read and understand risk critical messages and apply required changes

CR075 (SSC001) Failure to assure that staff are complying with the requirements of the HASAW Act 1974 and Management of H&S Regulations and associated legislation

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Agenda Item 6

REPORT REFERENCE NO.	AGC/22/17
MEETING	AUDIT AND GOVERNANCE COMMITTEE
DATE OF MEETING	29 NOVEMBER 2022
SUBJECT OF REPORT	HIS MAJESTY'S INSPECTORATE OF CONSTABULARY & FIRE & RESCUE SERVICES (HMICFRS) AREAS FOR IMPROVEMENT ACTION PLAN UPDATE
LEAD OFFICER	Deputy Chief Fire Officer
RECOMMENDATIONS	<i>That the Committee reviews progress in delivery of the action plan.</i>
EXECUTIVE SUMMARY	<p>On Wednesday 27th July 2022 HMICFRS published the Devon & Somerset Fire & Rescue Service (DSFRS) 2022 inspection report. The inspection report identified one Cause of Concern and 14 Areas for Improvement (AFIs). Of these AFIs, four have been linked to the Audit and Governance Committee.</p> <p>The paper appended to this report outlines the progress that has been made against the HMICFRS Areas for Improvement action plan during October 2022. The key highlights are that:</p> <ul style="list-style-type: none"> • Delivery of the Areas for Improvement action plan is on track.
RESOURCE IMPLICATIONS	Considered within the Action Plan where appropriate.
EQUALITY RISKS AND BENEFITS ANALYSIS	Considered within the Action Plan where appropriate.
APPENDICES	Appendix A: HMI Audit and Governance Committee Update
BACKGROUND PAPERS	None

HMICFRS ACTION PLAN – AUDIT AND GOVERNANCE COMMITTEE UPDATE

1. INTRODUCTION

On Wednesday 27th July 2022 HMICFRS published the DSFRS 2022 inspection report. The inspection report identified one Cause of Concern and 14 Areas for Improvement (AFIs).

This report provides an update on the Areas For Improvement action plan that has been produced following the inspection, which concluded in October 2021.

2. AREAS FOR IMPROVEMENT ACTION PLAN COMPLETION STATUS

Table 1 lists the Areas for Improvement linked to the Audit and Governance Committee and their individual implementation status.

Table 1:

Reference	Description	Target Completion Date	Status
HMI-1.1-202202	The service should make sure its integrated risk management plan includes clear outcomes that show the public how it is currently mitigating risk.	31/12/2023	In Progress (On Track)
HMI-1.3-202205	The service should make sure it has an effective quality assurance process, so staff carry out audits and fire safety checks to an appropriate standard.	30/09/2023	In Progress (On Track)
HMI-2.2-202207a	Prevention and Protection – The service should be aware of, and invest in, developments in technology and future innovation to help improve and sustain operational efficiency and effectiveness.	30/04/2025	In Progress (On Track)
HMI-2.2-202207b	Response – The service should be aware of, and invest in, developments in technology and future innovation to help improve and sustain operational efficiency and effectiveness.	31/10/2023	Not Started (On Track)

Table 2 below outlines the completion status of all actions designed to address the Areas for Improvement linked to the Audit and Governance Committee.

Table 2: Summary of progress against the 19 individual actions					
Areas For Improvement (Audit and Governance Committee)					
Not started (on track)	Not started (off track)	In progress (on track)	In progress (off track)	Completed	Closed
12	0	7	0	0	0

* Please note that 4 of the actions which have not yet started are the evidence and assurance required once all other actions have been completed.

Agenda Item 7

REPORT REFERENCE NO.	AGC/22/18
MEETING	AUDIT & PERFORMANCE REVIEW COMMITTEE
DATE OF MEETING	29 NOVEMBER 2022
SUBJECT OF REPORT	LOCAL PENSIONS BOARD ANNUAL REPORT 2021-22
LEAD OFFICER	Director of Governance & Digital Services
RECOMMENDATIONS	<i>That the Local Pensions Board Annual Report 2012-22, as appended to this report, be endorsed.</i>
EXECUTIVE SUMMARY	<p>The Local Pensions Board was established by the Devon & Somerset Fire & Rescue Authority in 2015 in compliance with the requirements of the Firefighters' Pension Scheme (Amendment)(Governance) Regulations. The role of the Board is to assist the Authority (as Scheme Manager) in ensuring the effective and efficient governance and administration of firefighters' pensions schemes. The Board is not, however, a decision making body. Day-to-day management and administration of the firefighters' pensions schemes functions are delegated to the Human Resources Manager (or equivalent post-holder).</p> <p>Nationally, a Scheme Advisory Board (SAB) exists to advise the Secretary of State on potential changes to the firefighters' pensions schemes and advise scheme administrators and local pensions boards on the effective and efficient administration of the schemes. The SAB advocates that, as a matter of good practice and assurance, Local Pensions Boards should produce an Annual Report on their activities for consideration by their respective scheme managers. The Authority has delegated responsibility for this to this Committee.</p> <p>The Local Pension Board annual report for 2021-2022 is now attached for consideration.</p>
RESOURCE IMPLICATIONS	Nil.
EQUALITY RISKS AND BENEFITS ANALYSIS (ERBA)	The contents of this report are considered compatible with existing equalities and human rights legislation.
APPENDICES	A. Local Pensions Board Annual Report 2021-22
LIST OF BACKGROUND PAPERS	Nil.

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Devon and Somerset Fire and Rescue Authority

Local Pension Board Annual Report 2021-22

1. Introduction

- 1.1. The purpose of this Annual Report is to provide information about the status of the Devon and Somerset Fire and Rescue Authority Local Pension Board for Scheme Members (employees and pensioners) and for the Scheme Manager (the Authority) together with a summary of issues considered in the relevant period (1 April 2021 – 31 March 2022).
- 1.2. In accordance with Section 5 and s.30 (1) of the Public Service Pensions Act 2013 and Regulation 4A of the Firefighters' Pension Scheme (Amendment) (Governance) Regulations 2015, the Devon and Somerset Fire and Rescue Authority Local Pension Board was established in February 2015 to provide advice on the effective and efficient administration and management of the various firefighter pension schemes.
- 1.3. The Report includes commentary on the following:
 - A summary of the work undertaken by the Local Pension Board during 2021-22
 - Detail of areas investigated and how these areas were dealt with
 - Any conflicts of interest and how these were managed
 - Any identified risks and other areas of potential concern
 - Any expenses and costs incurred by the Board
 - Gifts and hospitality received by members of the Board
 - Training for Board members

2. Membership and meetings of the Local Pension Board

- 2.1. During 2021-22, the Local Pension Board comprised of eight members as follows:

Scheme Manager Representatives:

- Mike Pearson - Chair (Director of Governance and Digital Services)
- Shayne Scott (Director of Finance)
- Councillor David Thomas
- Satnam Singh Rai (Independent Co-opted Member)

Scheme Member Representatives:

- Andy Hallam (resigned Dec 2021)
- Peter Redbourn (to June 2021) / Phill Gillbard (from July 2021)
- James Leslie
- Ben Redwood

2.2. In addition to the above, the following officers supported the Board and regularly attend Board meetings:

- Caroline Gourlay (HR Reward & Benefits Manager and Delegated Scheme Manager) until July 2021
- Zoe Smyth (HR Reward & Benefits Manager and Delegated Scheme Manager) from July 2021
- Mareena Anderson-Thorne (HR Pensions Officer) from March 2022
- Steve Yates (Democratic Services Manager)

2.3. In accordance with the Terms of Reference, the Board met on four occasions during 2021-22, meetings having taken place on:

- 23 Jun 2021.
- 15 Sep 2021 (inquorate meeting).
- 08 Dec 2021; and
- 22 Mar 2022.

3. Work undertaken by the Local Pension Board

3.1. During 2021-22 the following matters were undertaken/considered:

- Review of actions log
- Management of Risk Register
- Management of Work Programme
- Development of Training records and annual Training Plan
- Reviewed and updated the Self-Assessment using the Pension Regulator Tool
- Individual training using the Pension Regulator e-learning modules
- KPI Performance Measures (data collection and reporting)
- Completed the Scheme Advisory Board FRA Remedy Survey (Aug 21)
- Received regular updates from the Scheme Manager, Scheme Administrator, and the Scheme Advisory Board
- Reviewed arrangements for reporting potential breaches of the law
- Monitoring arrangements for dealing with 'Immediate Detriment' cases arising from the age discrimination ruling in the McCloud/Sargeant judgement

- LPB Annual report 2020-21

4. Identified risks and Board actions

DSFRS undertook regular review of the Risk register and kept an accurate action log to ensure risks were managed throughout the year. Main areas of concern are detailed below.

Description	Action
Court of Appeal ruling – McCloud/Sargeant (Age discrimination remedy)	<ul style="list-style-type: none"> • Scheme manager attended regular LGA coffee mornings and scheme updates. • Legal and tax advice was sought. • Pensions Officer appointed
Court of Appeal ruling – O'Brien/Matthews (On-call second options exercise)	<ul style="list-style-type: none"> • Scheme manager attended regular LGA coffee mornings and scheme updates. • Scheme manager ensured regular contact with WYPF to ensure data quality exercise can be undertaken prior to the second options exercise commencing. • Pensions Officer appointed
Cyber Attack	<ul style="list-style-type: none"> • DSFRS Business continuity plan reviewed • Cyber security training completed • WYPF asked to provide assurances of their business continuity and cyber-attack plans.

Further details of risks identified, and the action log can be found below.

- 4.1. Risks identified for 21-22 can be found [here](#).
- 4.2. Review of open actions can be found [here](#)

5. Statutory Breaches

5.1. No statutory breaches were reported to the Regulator during the period.

6. Devon and Somerset Fire and Rescue Service Website

6.1. Further information regarding the Local Pension Board can be found on the Service website:

<http://www.dsfire.gov.uk/AboutUs/Pensions/index.cfm?siteCategoryId=2&T1ID=193>

7. Scheme Membership

7.1. The scheme membership numbers are now included in the monthly reports from the Scheme Administrator. Membership numbers as of 31 March 2022, were:

Scheme Name	Active Members	Deferred Members	Pensioners	Beneficiaries	Preserved Refund	Leavers Options Pending
Devon and Somerset Fire (1992 Scheme)	40	58	926	154	1	0
Devon and Somerset Fire (2006 Scheme)	20	412	133	15	9	1
Devon and Somerset Fire (2006/RDS Scheme)	28	71	209	3	0	0
Devon and Somerset Fire (2015 Scheme)	1406	598	28	15	8	13
Devon and Somerset Fire (2015/RDS Scheme)	44	7	2	0	0	2

7.2. The Delegated Scheme Manager reports at each Board meeting details of FPS retirements and processing times. The WYPF Monthly report circulated monthly to the board details membership numbers.

8. Conflicts of Interest

8.1. Members of the Local Pension Board are required to declare any personal, prejudicial, or conflicts of interest. Board members are asked at each meeting to declare any conflicts that may have arisen.

8.2. There have been no declarations made by any Board members, advisor, or attendee at any meeting of the Board during the relevant period.

9. Expenses and Costs

- 9.1. Total Local Pension Board expenditure for 2021-22 was limited to the “co-optees” allowance of £500 per annum paid to the Independent Employer Representative in accordance with Regulation 9 of the Local Authorities (Members Allowances) (England) Regulations 2003 and the Authority’s Approved Scheme of Members Allowances made under those Regulations.

10. Gifts and Hospitality

- 10.1. No declarations of gifts or hospitality were made by members of the Board during the relevant period.

11. Knowledge and Understanding

- 11.1. Board members have completed e-learning modules on the Pension Regulator’s website. Details of each Board member’s training is published on the Service website.
- 11.2. Monthly updates from the scheme administrator, the West Yorkshire Pension Fund, and the LGA’s monthly Firefighters Pensions Schemes Bulletin are shared with Board members.
- 11.3. Completion of individual training needs analysis records are used to identify common topics of interest, which is now included on each meeting of the Board. Additional training sessions on subjects similarly derived from the training needs analysis records are also provided.

12. Legislative and advisory updates

- 12.1. In accordance with statutory requirements, members of the Board have been provided with regular legislative updates together with updates from the Pension Regulator and the Scheme Advisory Board. The following have been provided during 2021-22:
- TPR guidance on public service internal controls checklist.
 - Guidance on treatment of ‘Immediate Detriment’ cases arising from the age discrimination ruling in the McCloud/Sargeant judgement.
 - Guidance on treatment and implications of the Matthews/O’Brien case (Second options exercise)
 - An Introduction to Pensions Dashboards
 - Firefighters Pensions Schemes Bulletins No. 44 to 55 inclusive, setting out updates and news on a range of issues relating to Firefighters Pensions Schemes

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