

<b>REPORT REFERENCE NO.</b>	<b>AGC/23/17</b>
<b>MEETING</b>	<b>AUDIT &amp; GOVERNANCE COMMITTEE</b>
<b>DATE OF MEETING</b>	<b>29 SEPTEMBER 2023</b>
<b>SUBJECT OF REPORT</b>	<b>INTERNAL AUDIT FOLLOW UP REPORT</b>
<b>LEAD OFFICER</b>	<b>Director of Finance &amp; Corporate Services</b>
<b>RECOMMENDATIONS</b>	<i>That the Committee reviews the updates on progress in addressing the findings of audits with a limited assurance opinion and on implementing high and medium risk priority actions to consider whether there is sufficient assurance that appropriate action has been taken.</i>
<b>EXECUTIVE SUMMARY</b>	<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 action taken to address the findings of audits with a limited assurance opinion and provides a summary update on implementation of actions designed to address audit recommendations.</p> <p>Work is underway to develop a strategic action tracker that brings actions from different sources into one place and to ensure that cross reference is made from the Service's action trackers to the corporate risk register where appropriate.</p>
<b>RESOURCE IMPLICATIONS</b>	Nil.
<b>EQUALITY RISKS AND BENEFITS ANALYSIS</b>	Not applicable.
<b>APPENDICES</b>	Nil.
<b>BACKGROUND PAPERS</b>	<a href="#"><u>INTERNAL AUDIT 2022-23 PROGRESS REPORT NOVEMBER 2022</u></a>

## **1. INTRODUCTION**

- 1.1. The Internal Audit Plan is a significant source of assurance of the effectiveness of the internal control environment.
- 1.2. The outcomes of internal audits provide varying degrees of assurance, from significant and reasonable assurance to limited or no assurance. Where recommendations for improvements have been made within audit reports, action plans have been agreed with the management team.
- 1.3. The aim of this report is to update the Committee on progress in addressing these recommendations.

## **2. FOLLOW UP OF PROGRESS IN ADDRESSING INTERNAL AUDIT REPORTS WITH LIMITED ASSURANCE OPINIONS**

- 2.1 This report provides a summary update on progress in addressing the internal audit reports that were issued with limited assurance opinions and reported to Audit & Governance Committee since July 2022.

### ***Crewing Pool***

- 2.2 The Service's Crewing Pool had become an integrated part of improving operational capabilities. A group of staff intended for back up use were heavily relied upon and used a large amount of financial resources. There was a lack of assurance that the Crewing Pool process was adequately managed with reported incidences of colleagues taking advantage of the crewing pool perks and taking pumps off the run to go to other stations.
- 2.3 Update: Several risks identified in this audit were mitigated by the new Bank Staff Scheme which was rolled out in October 2022 and the use of crewing pool ceased. A one-year review of the Bank Staff Scheme is due for completion in September 2023.

### ***Application of Learning***

- 2.4 For the various sources of learning considered as part of this audit, designated resources and processes were in place that helped co-ordinate and monitor implementation of associated actions.
- 2.5 Resourcing levels were however cited as a potential issue for some teams, who were 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.
- 2.6 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 indicated they can close out any tactical learning activities without further escalation.

- 2.7 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.
- 2.8 Overall, whilst learning was identified, coordinated, assigned, implemented, tracked, and monitored, there were several areas where further improvements could be made to processes to ensure that the application of learning is consistent and more effective.
- 2.9 Update: The new Operational Assurance system mitigates the associated risks identified in this audit. An updated and modernised process aligned to the NFCC Operational Learning: Good Practice Guide and the Fire Standard for Operational Learning has been implemented with the introduction of the new Operational Assurance system and updated guidance.
- 2.10 The HMI Team have made good progress and actions relating to HMI have been completed. The HMI action plan is now tracked through SharpCloud with all actions relating to the Cause of Concern, Areas for Improvement and Additional Feedback monitored and updated monthly. The internal HMI process was reviewed as part of a recent audit 'Service Action on External Bodies Reports 2023-24'. The audit opinion was 'Reasonable Assurance' overall, with the processes on developing an action plan as part of the HMI process given a 'Substantial Assurance' opinion.
- 2.11 Actions related to the Grenfell action plan are due to be reviewed in September 2023 by the AM Response (Devon) working with Networked Fire Services Partnership and Protection colleagues.
- 2.12 The two year review process of all strategic actions contained in National Operational Guidance (NOG) is progressing on track and will be completed before the planned date of February 2024. Due to additional team commitments, the quarterly reviews have slipped, although strategic actions are monitored within the team and capability leads. This work will now be able to progress as the team become more familiar with SharpCloud and its capabilities.
- 2.13 A quarterly training meeting has been started by our neighbouring services to ensure we can all work towards aligning our training packages to NOG. Our current packages have a three yearly review, so will be aligned to NOG on each review of current packages. When new ones are created, they will be NOG aligned from the outset. Good progress is being made in managing training and sharing best practise/training packs.

#### ***Community Safety – Fire Prevention***

- 2.14 The team gained resource in 2019 with the introduction of ten additional home safety technicians. Whilst this supported the quantity of checks completed, there were continued management gaps highlighted in data quality review, risk-based escalation culture, action logs and process that limited the effectiveness of fire prevention.

- 2.15 The lack of accessibility of data and lack of skilled resource within the Prevention Team to analyse the Home Fire Safety data collected limited the ability of the team to be able to challenge and manage performance or to ensure that vulnerable people are re-visited.
- 2.16 Update: The secondment of a dedicated Business Analyst into the team has been extended for the remainder of the financial year. The team now has access to Power BI via the Strategic Analyst Team to help analyse data although is not linked to their systems and therefore current analysis is limited. This will be fully implemented when the new system, CFRMIS, is available. The Service is in the process of procuring this new system which should commence implementation in April 2024 with completion anticipated by September 2024. Portfolio Board approved the extension of the Management of Risk Information (MORI) project to enable the new system implementation. The Community Safety Committee continues to monitor performance.

### ***Personal Protective Equipment (PPE)***

- 2.17 Firefighters within the Service are provided with fit for purpose, personal use, operational PPE. However, the Service could not 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.
- 2.18 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.
- 2.19 Policies and procedures meet legislative requirements. However, there was a lack of assurance that they are read and understood by relevant members of staff.
- 2.20 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.
- 2.21 Update: A policy review has taken place, correcting any conflicting information. Work has begun to improve PPE training, specifically eLearning and ensuring that the Service can prove that training is in place; this is ongoing.
- 2.22 An update meeting is planned for 7 September 2023 to establish progress on logbook standardisation, task-based risk assessments, RA9 visits and eLearning training progress. Currently, these actions remain open.
- 2.23 An audit focussed on PPE contaminants is scheduled for later this year which will look at the related risks referred to in this audit, including PPE storage.

### ***Flexi Duty Rota***

- 2.24 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.

2.25 The audit concluded that the FDS, as operated within the Service, 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.

2.26 Update: Work to develop an interim FDO audit rota has commenced with a view to being implemented by the end of December 2023. This will operate until further work has been completed by the project team to deliver the final version of the FDO rota pattern.

### ***Control of working hours***

2.27 This audit found that there are processes and software in place to facilitate a controlled way of working, where hours worked can be monitored. These processes are not always utilised or are not used in the intended way.

2.28 Issues were raised in the 2022 audit of the Flexible Duty System regarding staff incorrectly filling out their time sheets, signing off their own time sheets or not getting them signed off at all. This audit found that there was a lack of knowledge amongst Line Managers surrounding what to look for, and how to check time sheets. There were also still incidences of staff not submitting their time sheets on time, sometimes missing several months.

2.29 A common theme through this audit was staff feeling as if the workload was too large to fit in to a 37-hour working week. Support staff are finding their calendars full of Teams meetings, without scheduled 'focus' times, and are fitting their written work into their own time. This is resulting in too much time off in lieu to carry over into the next 4 weeks and a negative impact on staff wellbeing. The culture surrounding hours worked within the Service requires improvement as it is widely accepted that to meet productivity expectations, they must work overtime.

2.30 Update: Actions to address the findings of this audit are not due until quarter 2 2024. The new Head of People Services is aware of all actions and a plan is in place to ensure that the deadlines will be met.

### ***Organisational Safeguarding Assurance***

2.31 Safer Recruitment is achieved through due diligence but the Service cannot currently assure itself that all areas are covered or be confident in organisational safeguarding as it is currently structured, due to changes in legislation and the requirement that enhanced Disclosure and Barring Service (DBS) checks are needed to cover more roles within the Service.

2.32 Significant improvement work is required to be undertaken in collaboration with People Services and supported by regular mandatory meetings for accountability and ownership.

2.33 To ensure that regulation is in place, the Service needs to review and maintain a record of concerns and follow safer recruitment procedures, including DBS checks. There is also a need to ensure that all staff are aware of their responsibilities by line managers updating and aligning job descriptions (some that have not been reviewed for years) to accommodate Safeguarding, and or, safeguarding tasks.

2.34 Update: This audit report was published July 2023 with no actions due until September 2023. An initial training package and competency framework has been developed and is ready for implementation. A further update on implementation will be provided in a subsequent update report.

### 3. **IMPLEMENTATION OF INTERNAL AUDIT RECOMMENDATIONS**

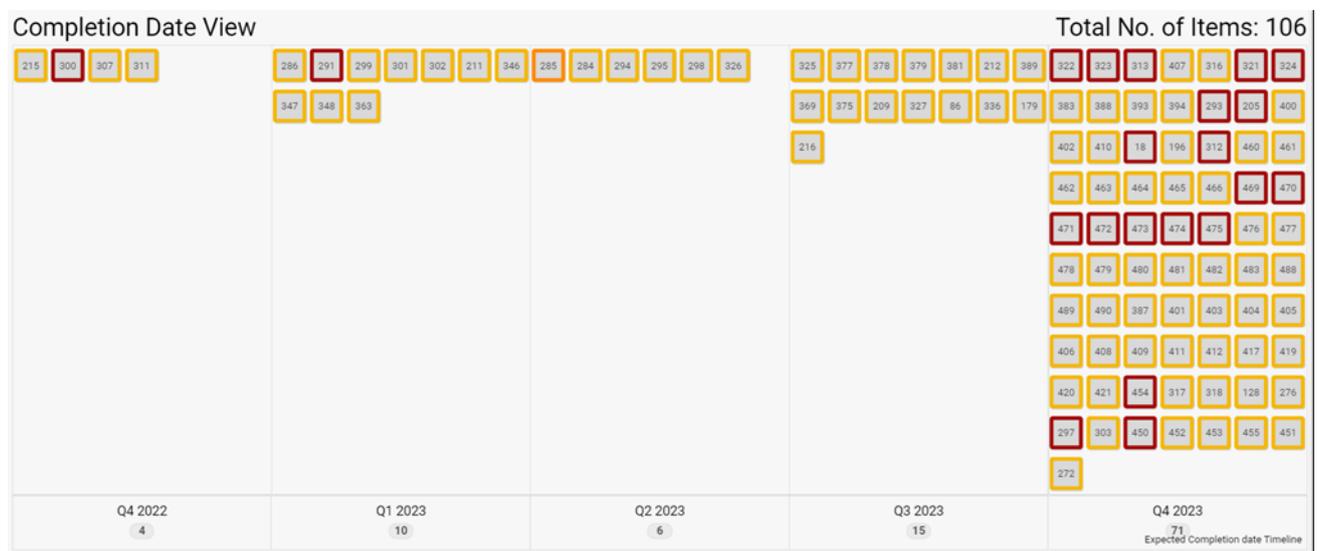
#### ***Action Tracker***

3.1 The Audit Tracker on SharpCloud records all recommendations and agreed actions arising from internal audit work.

3.2 Chart 1 presents the open high and medium risk priority actions. At 8 September 2023 there were 85 medium risk actions and 23 high risk priority actions open.

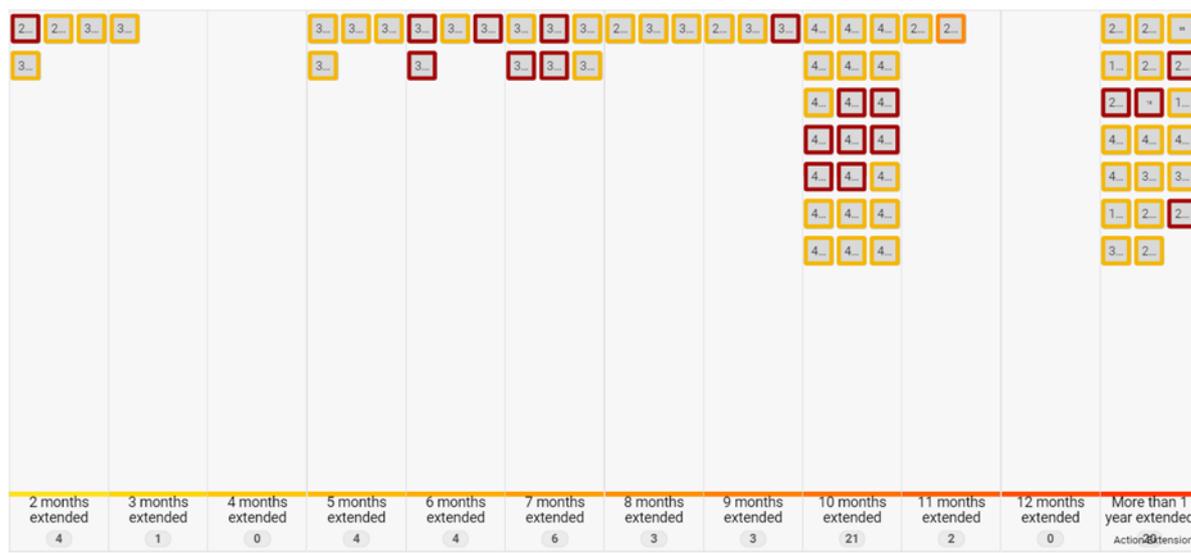
3.3 Work is underway to map the high priority actions to the corporate risk register.

Chart 1: Open actions timeline - High/Medium Risk Priority



3.4 Chart 2 below illustrates a summary of the actions that have had their initial planned implementation dates extended.

Chart 2: Extension of planned implementation dates.



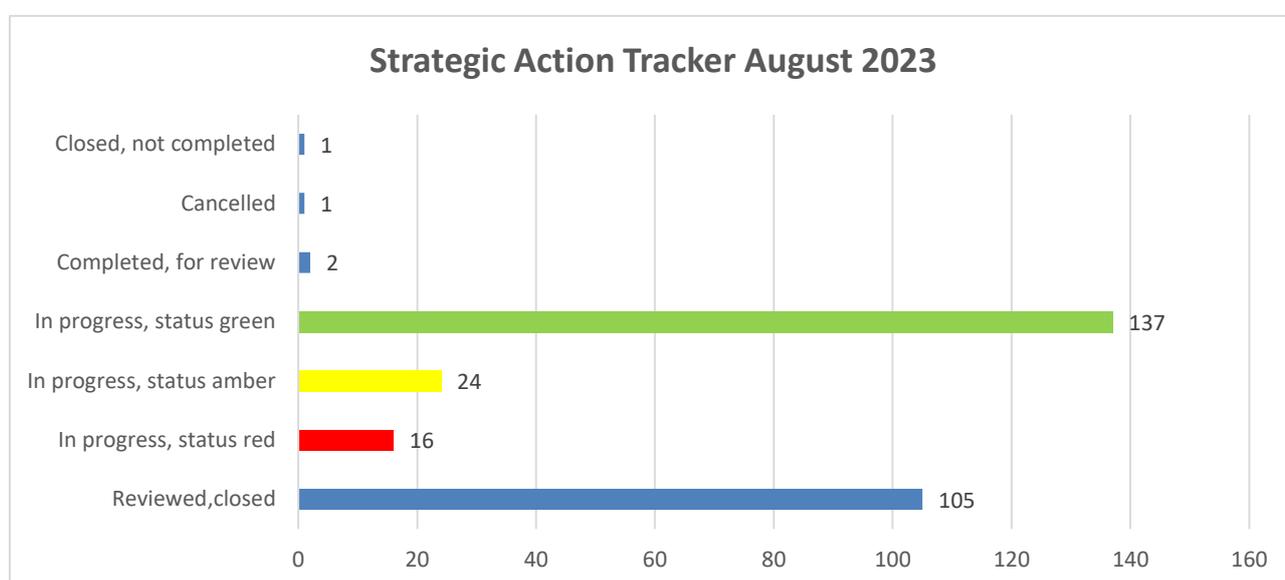
- 3.5 The following high risk actions have been extended by more than 12 months for the following reasons:
- 3.6 **Action 205 (Station Compliance Audit 2021-22)** - In light of any credible evidence of increased risk or in light of any case of legionnaires disease associated with Fire Appliance Operation, the Service should immediately review the Legionella written scheme of control.
- 3.7 Reason for extension – Consideration of ownership led to an extension which has now been addressed.
- 3.8 **Action 18** – An operational asset register needs to be developed and embedded to ensure all operational equipment is effectively recorded. This will enable the Service to effectively manage, track and test all operational equipment.
- 3.9 Reason for extension – This action has been open since 2014 due to various setbacks with phase 2 of the asset management project. Phase 2 has now been delivered with phase 3 due by the end of the year.
- 3.10 **Action 297 (Community Safety - Fire Prevention 2021-22)** - Dependency on the introduction of InPhase that will help support the ability to challenge data extraction through performance management KPIs. The Prevention Team should be able to directly extract important data to review and make decisions.
- 3.11 Reason for extension - The Community Safety team are still having problems extracting good quality data. The original planned solution, InPhase is no longer being progressed. The team is in the process of procuring a new system which is not expected to commence implementation until April 2024. Consideration of a mandate to initiate a business intelligence project to address this is underway.

- 3.12 **Action 293 (Community Safety – Fire Prevention 2021-22)** - It is important for data collected within the Home Safety App to be cleansed regularly for data accuracy.
- 3.13 Reason for extension – The challenges with use of the Home Safety App will be resolved via introduction of the new system which commences implementation from April 2024. In the meantime, there have been some improvements to the Home Fire Safety app in terms of efficiency and effectiveness and this is subject to ongoing work.
- 3.14 The following high-risk actions have been extended by 10 months:
- 3.15 **Actions 469, 470, 471, 472, 473, 474, 475 (Flexible Duty System Audit 2022)** - Implementation of these actions has been impacted by a delay in undertaking the flexi duty review due to competing priorities. Work to develop an interim FDO audit rota will commence September 2023 with a view to being implemented by the end of December 2023. This will operate until further work has been completed by the project team to deliver the final version of the FDO rota pattern.
- 3.16 The following high-risk action has been extended by 9 months:
- 3.17 **Action 312 (PPE Compliance Audit 2021-22)** - eLearning courses or video reference material should be created for PPE topics. Training register would be useful during induction process.
- 3.18 Reason for extension – The ownership of this action was initially assigned to one person, but it became clear during an update that it would need to be a collaborative effort with the action owner hosting, not producing, the training materials. The correct colleagues are now involved, and the action is ongoing.
- 3.19 The following high-risk actions have been extended by 7 months:
- 3.20 **Actions 313, 321, 324 (PPE Compliance Audit 2021-22)** - These actions all relate to the need for updated PPE training.
- 3.21 Reason for extension – The ownership of this action was initially assigned to one person, but it became clear during an update that it would need to be a collaborative effort with the action owner hosting, not producing, the training materials. The correct colleagues are now involved, and the actions are ongoing.

#### **4. STRATEGIC ACTION TRACKER**

- 4.1 Work is underway to develop a strategic action tracker that brings actions from different sources into one place and ensures that cross reference is made to the corporate risk register where appropriate.
- 4.2 The strategic action tracker was presented to Service Leadership Team (SLT) at the risk management meeting on 28 June 2023. The tracker includes strategic corporate risk actions and audit recommendations. The tracker is expected to evolve to include the Annual Statement of Assurance actions and actions from strategic meetings. Over the next six months SLT risk meetings will focus on evolving the tracker.

- 4.3 It is anticipated that by combining multiple data sources, further process efficiencies should be gained over the coming months with increased visibility and alignment of actions. The system being used to capture data is Lists which is existing software and at no additional cost. The approach brings together collaboration across corporate planning, service improvement, audit and risk management teams. It is hoped that this collaborative work will support improvements in planning, performance, risk and assurance going forwards.
- 4.4 The strategic action tracker was updated by SLT at the risk management meetings on 28 June, 28 July and 30 August 2023.
- 4.5 The chart below illustrates strategic action tracker status for 286 actions across seven status categories.



## **5. CONCLUSION AND RECOMMENDATIONS**

- 5.1 Progress in addressing the findings of audits with a limited assurance opinion will be submitted to Committee until there is sufficient assurance that appropriate action has been taken.
- 5.2 An update on delivery of high and medium risk priority audit actions will be provided to each Committee meeting together with an update on the strategic action tracker.
- 5.3 It is recommended that the Committee reviews the updates on progress in addressing the findings of audits with a limited assurance opinion and on implementing high and medium risk priority actions to consider whether there is sufficient assurance that appropriate action has been taken.

**SHAYNE SCOTT**  
**Director of Finance & Corporate Services**