

Internal Audit

Interim Progress Report
2023-24

**Devon and Somerset Fire and
Rescue Authority
Audit and Governance
Committee**

November 2023

Official



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Support, Assurance and Innovation

Introduction

Internal auditing is defined by the Public Sector Internal Audit Standards (PSIAS) which set out the requirements of a 'Board' and of 'senior management'. For the purposes of the internal audit activity within Devon and Somerset Fire and Rescue Authority the role of the 'Board' within the Standards is taken by the Authority's Audit and Governance Committee and 'senior management' is the Authority's Executive Board.

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.

This report sets out the progress that has been made against the approved Internal Audit Plan for 2023-24. The Internal Audit plan for 2023-24 was presented to the Audit and Governance Committee in March 2023.

The Public Sector Internal Audit Standards require the Head of Internal Audit to provide an annual report providing an opinion that can be used by the organisation to inform its governance statement.

This progress report provides a summary of work completed to date (Appendices 1 and 2) that will help to inform the annual assurance opinion which will be specified by one of the following descriptions.

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.	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.
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.	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.

Recommendations

That the Committee:

- reviews the progress made on work to date,
- considers any outcomes from work completed; and
- in turn whether they require any further assurances to be provided.

Customer Value

Conformance with Public Sector Internal Audit Standards (PSIAS)

PSIAS Conformance - Devon Audit Partnership conforms to the requirements of the PSIAS for its internal audit activity. The purpose, authority and responsibility of the internal audit activity is defined in our internal audit charter, consistent with the *Definition of Internal Auditing*, the *Code of Ethics* and the *Standards*. Our internal audit charter was approved by senior management and the Governance Committee in March 2023. This is supported through DAP self-assessment of conformance with Public Sector Internal Audit Standards & Local Government Application note.

The Institute of Internal Audit (IIA) are the key body involved in setting out the global standards for the profession which form the basis for the Public Sector Internal Audit Standards (PSIAS) and are undergoing review and revision. The proposed new standards which are likely to take effect in 2024 and this document helps clarity and raise awareness of the audit committee's governance roles and responsibilities in respect of this. [IIA Document – Draft Standards](#).

Quality Assessment - The Head of Devon Audit Partnership maintains a quality assessment process which includes review by audit managers of all audit work. The quality assessment process and improvement is supported by a development programme.

External Assessment - The PSIAS states that a quality assurance and improvement programme must be developed; the programme should be informed by both internal and external assessments.

An external assessment must be conducted at least once every five years by a suitably qualified, independent assessor. For DAP this was recently conducted at the end of 2021 by the Head of Southwest London Audit Partnership, and the Chief Internal Auditor of Orbis (a partnership organisation covering Brighton and Hove, East Sussex, and Surrey County Council).

The assessment result was that *“Based on the work carried out, it is our overall opinion that DAP **generally conforms*** with the Standards and the Code of Ethics”*. The report noted that *“As a result of our work, a small number of areas where partial conformance was identified. These were minor observations, none of which were significant enough to affect the overall opinion”*. DAP is actively addressing these improvement areas.

* **Generally Conforms** – This is the top rating and means that the internal audit service has a charter, policies and processes that are judged to be in conformance to the Standards

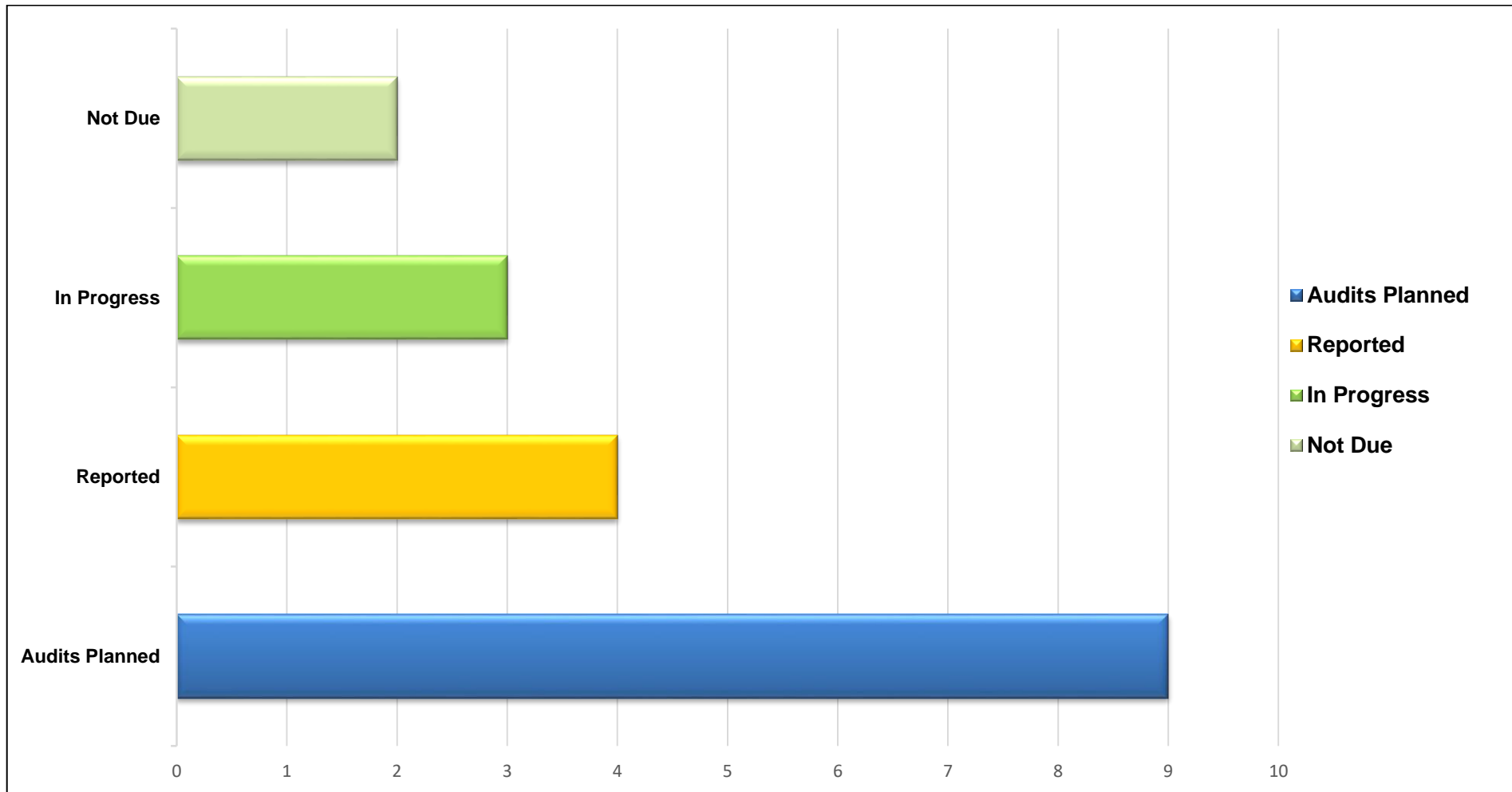
Improvement Programme – DAP maintains a rolling development plan of improvements to the service and customers. All recommendations of the external assessment of PSIAS and quality assurance were included in this development plan and have been completed. This will be further embedded with revision of our internal quality process through peer review. Our development plan is regularly updated, and a status report reported to the DAP Management Board.

Customer Service Excellence

DAP was successful in re-accreditation by G4S Assessment Services of the CSE standard during January 2023. This accreditation is a UK-wide quality mark which recognises organisations the prioritise customer service and are committed to continuous improvement.




We have issued client survey forms for our reports, and the results of the surveys returned were very good / positive. The overall result is very pleasing, with 96% being "satisfied" or better across our services. It is very pleasing to report that our clients continue to rate the overall usefulness of the audit and the helpfulness of our auditors highly.

Appendix 1 – Progress Chart for Internal Audit Reviews Planned in 2023-24




Time spent - We have used in the region of 41% of the 2023-24 planned days (as of October 2023) on starting, completing, and reporting on the Internal Audit Plan for 2023/24. This percentage of days also includes finalising 2022-23 work.


Appendix 2 – Summary of Reports and Findings for 2023-24

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/s is being made. Good Progress has continued.

The management response and direction of travel indicator is provided by the Director of Finance and Corporate Services whose team undertake review and reporting to Audit and Governance Committee of progress against audit recommendations.

This was previously reported to Members in September 2023 [REPORT REFERENCE NO \(dsfire.gov.uk\)](#)

Risk Area / Audit Entity	Assurance opinion		Direction of Travel Assurance
	Executive Summary / Residual Risk / Audit Comment / Management Response		
Medium-Term Financial Strategy / Financial Resilience Plans <i>Corporate Risk Register - CR050 Failure to agree actions to set a balanced budget in 24/25 and beyond, further exacerbated by reduced council tax and business rates and inflation.</i>	Status: Final Reasonable Assurance	<p>The Fire and Rescue Service along with the wider Public Sector face unprecedented financial challenges over the coming years. The Medium-Term Financial Plan (MTFP), along with associated documents such as the Reserves Strategy, Productivity and Efficiency Plan, and draft Target Operating Model, acknowledges these financial challenges. Together they provide a framework with which the Service aims to ensure the service is sustainable and efficient, whilst remaining effective in its core requirements to ensure prevention, protection, and response, within the community that it serves.</p> <p>Our review has confirmed that suitable processes are in place for developing and approving the MTFP, and that current plans and associated documents are in place. We confirmed that the Plan is aligned to many, but not all, of the requirements stipulated within the Fire & Rescue National Framework and CIPFA guidance.</p> <p>We understand that the Plan has been, and will be, subject to increased monitoring and reporting to senior management, which indicates awareness of the importance of the Plan and the need to tackle any future funding shortfalls as early as possible.</p> <p>Assumptions made within the Plan appear reasonable when compared with those of other FRS services.</p> <p>Management Response: MTFP progress is being reported to both Resources Committee and the Fire Authority meetings each quarter. Members are updated at the forums.</p>	

<p>Summary of Service Action on External Bodies Reports – HMICFRS</p> <p><i>Corporate Risk Register – N/A</i></p>	<p>Status: Final Reasonable Assurance</p>	<p>Our audit has considered two reports produced by the Inspectorate, namely: ‘Effectiveness, Efficiency, and People report - issued in July 2022’ and ‘Values and Culture - issued in March 2023’. Our results are based primarily on discussions with HMI Team members, with an independent analysis of data held in the SharpCloud system, and on copies of management reports provided by the HMI Team.</p> <p>Overall, our assessment is that the service has a good system in place and is using a well-suited software package to help with co-ordinating, recording, monitoring, and reporting of service actions. Having a distinct HMI Team ensures responsibilities are clearly established and that the officer can develop a degree of specialism in the work they undertake. We found updates on service actions are being reported relevant senior management and committee with sufficient regularity.</p> <p>There are however some areas where improvements can be made in respect of the actions, these will no doubt be familiar to management already as they tend to be areas that are already reported within the management monitoring reports. Examples include significant use of time extensions, actions which are off track, and to some degree ensuring that SharpCloud is updated with adequate levels of supporting evidence.</p> <p>Management Response: A lessons learned paper has been written, outlining the reasons for deadline extensions across all actions within the HMICFRS action plan. This paper will be presented at HMICFRS Governance Board on 8 November 2023. All paused actions have now been reviewed with the relevant Service Leadership Team lead and further review meeting dates scheduled. SharpCloud has been updated with the appropriate notes, evidence, and links for each closed improvement area.</p>	
<p>Cyber Governance – Cyber Assessment Framework (CAF) Self-Assessment</p> <p><i>Corporate Risk Register – CR044 Cyber-attack causes sustained business systems outage.</i></p>	<p>Status: Final Value Added</p>	<p>DAP provided operational support to the DSFRS Cyber Assessment Framework self-assessment, for submission by 6th October 2023 deadline.</p> <p>We undertook the assessment against specific non-technical aspects, providing an assessed level against each principle, based upon information received through interviews with staff; questionnaire responses; and evidential documents provided. We also made suggested improvements where necessary. In addition, we undertook a top-level review of the principles self-assessed by DSFRS, providing comments for discussion and consideration.</p> <p>Our ‘recommendations’ were fed back on the technical self-assessment principles completed by the Service. These were provided to the Service and discussed with the IT Security Officer during the assessment and review process. As this is a ‘self-assessment’ our ‘recommendations’ were not in the usual audit report format and the decision to include these in the self-assessment submission sits with the Service.</p> <p>We provided the Service with an Advice Note summarising the outcomes of our work and the outcomes of the CAF Self-Assessment.</p> <p>Management Response: The HMG Security Policy Framework which the Service must comply with, directs the Service to embed a security standard. ISO27001 is the world leading standard and recognised for its holistic approach to Security (technical, information, physical and personnel). The CAF will be mapped to ISO27001 and the National Cyber Security Centre Executive Board Toolkit which will help to reset the baseline control. This</p>	<p>N/A</p>

		<p>will help to identify gaps and ensure that one standard is driving the Service's work to improve compliance.</p>	
<p>CiPFA Counter Fraud Research Project</p> <p>(Note: this work is not included in the table on page 3 as it was provided without charge to the Service)</p> <p><i>Corporate Risk Register – N/A (although link to CR050 in terms of accurate financial reporting if financial fraud risks not mitigated)</i></p>	<p>Status: Final</p> <p>Value Added</p>	<p>As part of a team member's training, we undertook a critical analysis of the fraud risk management process and strategy, which included a guided 'self-assessment'.</p> <p>We found that progress in relation to fraud management was evident. However, there are areas where a formal structure is not in place. A key weakness is the lack of formal recording of fraud risks on both departmental and corporate risk registers, the lack of which results in the potential that not all fraud risks will be identified and subsequently managed. The control environment appears reasonable and is subject to appropriate review from assurance services, however there is not a dedicated Counter Fraud team integrated into the organisation. We made several recommendations to strengthen the fraud risk management framework and strategy.</p> <p>Management Response: The outcomes of the research project will be reviewed to determine appropriate actions to improve the Service's fraud management arrangements.</p>	<p>N/A</p>
<p>Productivity of the workforce and whole-time crews</p> <p><i>Corporate Risk Register – N/A</i></p>	<p>Status: Final</p> <p>Limited Assurance</p>	<p>At the time of the audit the area of productivity recording, monitoring, and reporting was undergoing substantial change. The service should be given credit for efforts taken to address the 2018-19 HMICFRS recommendation around productivity, although some actions such as the development and roll out of the template work patterns for day/night shifts (referred to in our introduction) do not appear to have had the intended impact or effect and were for the most part not utilised.</p> <p>Due to the state of change in relation to productivity recording and because historically the service has not had related robust data, there was limited relevant data that could be examined to support the audit. Instead, our work has involved discussions with officers to determine what productivity is understood to mean, and how it is recorded and measured. The findings and observations therefore are the result of opinions and views expressed by those included in our discussions.</p> <p>We found that the key issues which need to be addressed to produce data that has a high degree of confidence, are to ensure that accurate and reliable data is captured at source and used together with existing data sources to produce a full picture of wholetime crew activities, and then use this data for monitoring and reporting and to drive improvements in productivity. Efforts were already underway in this regard during the audit, and since the conclusion of our testing a new system has been introduced across all wholetime stations that should improve underlying data. As such, the issues reported here may already be addressed, but the report will still serve as a check to ensure that the issues identified at the outset of the implementation have been addressed by the new system.</p> <p>Management Response: Management action plan recently agreed to address the recommendations made.</p>	<p>N/A</p>

<p>Investigations</p> <p>(Note: this work is not included in the table on page 3 as it was additionally commissioned by the Service)</p> <p><i>Corporate Risk Register- N/A</i></p>	<p>Status: Ongoing</p> <p>Value Added</p>	<p>We were commissioned to support DSFRS in three human resources related investigations. This work is complete, and any relevant findings are being taking forward in accordance with relevant internal processes.</p> <p>Management Response: Using the offered resources and expertise of the Devon Audit Partnership in supporting internal investigations has provided additional capacity when required.</p>	<p>N/A</p>
<p>New People System - Live advice and quality assurance</p> <p><i>Corporate Risk Register- N/A</i></p>	<p>Status: Ongoing</p> <p>Value Added</p>	<p>Internal Audit have been attending the People Service’s Programme Board since June 2023, our participation contributes to ensuring that the project’s outcomes are being reached by following project implementation best practice.</p> <p>Internal Audit monitor the project’s activity through board papers, providing “trusted advisor” challenge and insight on decisions and actions, using our experience gained from our presence in similar projects where clients have implemented the MHR iTrent system.</p> <p>Management Response: The input into the People Service’s Programme Board has proven useful in terms of being a trusted advisor. In attendance at the meetings, DAP have provided insight into other implementations of a similar kind which has helped to steer various aspects of work.</p>	<p>N/A</p>
<p>Culture – To also include effectiveness of Grievance, Whistle Blow and Speak Up Procedures</p> <p><i>Corporate Risk Register - CR080 Failure to create a diverse and inclusive workforce.</i></p>	<p>Status: In Progress</p>	<p>This audit commenced in the week of 9th October. A further status update will be reported at the January 2024 Audit and Governance Committee meeting.</p>	
<p>Fire Contaminants and PPE</p> <p><i>Corporate Risk Register - CR055 (SSC003) Failure to thoroughly investigate and learn from safety events and take corrective action to prevent foreseeable reoccurrences.</i></p>	<p>Status: In Progress</p>	<p>This audit commenced in the week of 9th October. A further status update will be reported at the January 2024 Audit and Governance Committee meeting.</p>	

Information Governance Framework <i>Corporate Risk Register - CR062 Failure to operate an effective Information Governance framework.</i>	Status: Not yet Commenced		
Key financial systems including Journals <i>Corporate Risk Register – N/A (although link to CR050 in terms of accurate financial reporting)</i>	Status: Not yet Commenced		
Health and Safety	Status: Cancelled	This audit was cancelled at the request of the Service considering the previous recent audit activity in this area and given that the 'Fire Contaminants and PPE' audit is also in the 2023-24 audit plan. The days from this audit were transferred to the 'Information Governance Framework' audit to enable widening of the audit scope as also requested by the Service.	N/A

Appendix 3 – Contact and Confidentiality

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Devon Audit Partnership

The Devon Audit Partnership has been formed under a joint committee arrangement comprising of Plymouth, Torbay, Devon, Mid Devon, South Hams & West Devon, Torridge, North Devon councils and Devon & Somerset Fire and Rescue Service. We aim to be recognised as a high-quality internal audit service in the public sector. We collaborate with our partners by providing a professional internal audit service that will assist them in meeting their challenges, managing their risks, and achieving their goals. In conducting our work, we are required to comply with the Public Sector Internal Audit Standards along with other best practice and professional standards. The Partnership is committed to providing high quality, professional customer services to all; if you have any comments or suggestions on our service, processes or standards, the Head of Partnership would be pleased to receive them at tony.d.rose@devon.gov.uk

Confidentiality and Disclosure Clause

This report is protectively marked in accordance with the National Protective Marking Scheme. It is accepted that issues raised may well need to be discussed with other officers within the Council, the report itself should only be copied/circulated/disclosed to anyone outside of the organisation in line with the organisation's disclosure policies. This report is prepared for the organisation's use. We can take no responsibility to any third party for any reliance they might place upon it.

Official: Definition: The majority of information that is created or processed by the public sector. This includes routine business operations and services, some of which could have damaging consequences if lost, stolen, or published in the media, but are not subject to a heightened threat profile.