

Internal Audit

Annual Audit Report
2023-24

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

March 2024

Official



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Head of Devon Audit Partnership

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Auditing for achievement

Introduction

The Audit and Governance Committee, under its Terms of Reference is required to consider the Chief Internal Auditor's annual report, to review and approve the Internal Audit programme, and to monitor the progress and performance of Internal Audit.

The Accounts and Audit (Amendment) (England) Regulations 2015 (Updated 2021) introduced the requirement that all Authorities need to carry out an annual review of the effectiveness of their internal audit system and need to incorporate the results of that review into their Annual Governance Statement (AGS), published with the annual Statement of Accounts.

The Internal Audit plan for 2023/24 was presented and approved by the Audit and Governance Committee in March 2023.

The following report and appendices set out the background to audit service provision; any updates to the agreed plan; a review of work undertaken in 2023/24 and provides our opinion on the overall adequacy and effectiveness of the Authority's Internal Control Environment.

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 report provides that opinion.

Expectations of the Audit and Governance Committee from this annual report

Audit and Governance Committee members are requested to consider:

- the assurance statement within this report;
- the basis of our opinion and the completion of audit work against the plan;
- changes to the plan and the scope and ability of audit to complete the audit work;
- audit coverage and findings provided;
- customer satisfaction

In review of the above the Audit and Governance Committee are required to consider the assurance provided alongside that of the Senior Leadership Team, Corporate Risk Management and external assurance including that of the External Auditor as part of the Governance Framework (see appendix 4) and satisfy themselves from this assurance for signing the Annual Governance Statement.

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Overall Opinion Statement

Based on work performed during 2023-24 the Head of Internal Audit’s Opinion on the adequacy and effectiveness of the Authority’s internal control framework is one of “Reasonable Assurance”.

Our audit planning process is both risk based and agile, as such our resources, and consequently our annual report will inevitably focus upon higher risk areas.

This opinion statement provides Members with an indication of the direction of travel for their consideration for the Annual Governance Statement (see appendix 4).

The Authority’s internal audit plan for 2023-24 included specific assurance, risk, governance, and value-added reviews which, together with prior years audit work, provided a framework and background within which we assessed the Authority’s control environment.

The reviews in 2023-24 have informed the Head of Internal Audit’s Opinion. If significant weaknesses have been identified, these will need to be considered by the Authority in preparing its Annual Governance Statement as part of the 2023-24 Statement of Accounts. In carrying out reviews, Internal Audit assesses whether key, and other, controls are operating satisfactorily and an opinion on the adequacy of controls is provided to management as part of the audit report. All final audit reports include an action plan which identifies responsible officers, and target dates, to address control issues identified. Implementation of action plans rests with management, and these are monitored by Organisational Assurance.

This statement of opinion is underpinned by:

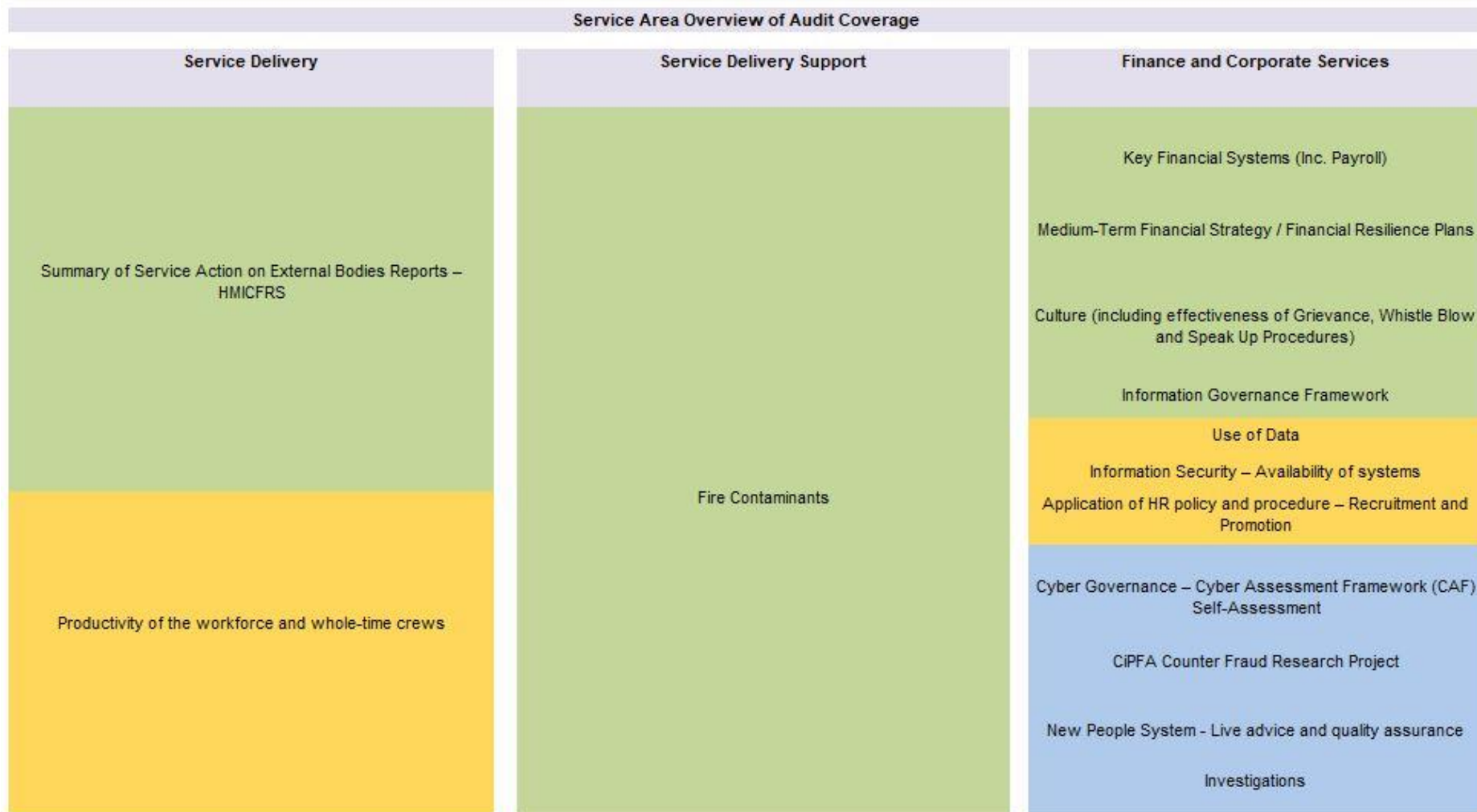
Internal Control Framework
The control environment comprises the policies, procedures and operational systems and processes in place to establish and monitor the achievement of the Authority’s objectives; facilitate policy and decision making; ensure economical, effective, and efficient use of resources, compliance with established policy, procedure, law, and regulation; and safeguard the Authority’s assets and interests from losses of all kinds. Core financial and administrative systems were reviewed by Internal Audit.

Where internal audit work has highlighted instances of non or part compliance, none are understood to have had a material impact on the Authority’s affairs.

<p>Risk Management The work in relation to the Cyber Assessment Framework self-assessment, Counter Fraud Risk Management research project both provided the Authority with information to support associated aspects of their risk management processes.</p> <p>The risk register is regularly reported to the Executive Board, allowing Members to assess the risk and to have awareness of current risk to inform decision making. The risk register is also provided, at intervals, to the Audit and Governance Committee.</p>	<p>Governance Arrangements Our work this year included review of the Information Governance Framework and the organisational culture, with Reasonable Assurance opinions provided in both areas.</p> <p>The Authority has an established Protective Security Group which both monitor compliance and provide strategic oversight.</p> <p>We are providing a quality assurance role to the implementation of the new People system, thereby supporting associated governance arrangements.</p>	<p>Performance Management Organisational Assurance monitor performance against Internal Audit recommendations made.</p> <p>Risk Management performance is also reported to Executive Board and Audit and Governance Committee.</p> <p>We reviewed Service Action on External Bodies Reports (HMICFRS), with a Reasonable assurance opinion provided.</p>
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Substantial Assurance	A sound system of governance, risk management and control exist across the organisation, with internal controls operating effectively and being consistently applied to support the achievement of strategic and operational objectives.	Limited Assurance	Significant gaps, weaknesses or non-compliance were identified across the organisation. Improvement is required to the system of governance, risk management and control to effectively manage risks and ensure that strategic and operational objectives can be achieved
Reasonable Assurance	There are generally sound systems of governance, risk management and control in place across the organisation. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of some of the strategic and operational objectives.	No Assurance	Immediate action is required to address fundamental control gaps, weaknesses or issues of non-compliance identified across the organisation. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of strategic and operational objectives.

Summary Assurance Opinions



Key: **Green** = Substantial or Reasonable




Amber = Limited

Red = No Assurance

Blue = Opportunity or Value Added

Appendix 1


Summary of audit 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/is being made. Good Progress has continued.



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Risk Area / Audit Entity	Audit Report		
	Assurance opinion	Executive Summary / Residual Risk / Audit Comment / Management Response	Direction of Travel Assurance


The following prior years audits were completed to final report status.

<p>Information Security – Availability of systems</p>	<p>Status: Final</p> <p>Limited Assurance</p>	<p>We acknowledge the significant work that the IT teams have undertaken in supporting the previous pandemic response requirements; migrating from a standard smaller scale home/remote working provision to a large-scale provision enabling the organisation to continue to operate, particularly given the ongoing development work and business as usual service delivery requirements. We noted several good practices, including development of technical solutions to support the infrastructure resilience and ability to recover, and manual processes that have been developed and embedded. We found several new practices being developed, which given the pace and scale of the increasing IT threat landscape, is expected.</p> <p>Although we do recognise the service the IT teams are providing, along with the ongoing development requirements, there are several areas that present risks to the Service's IT resilience and recovery should a significant security incident occur. These are by no means limited to IT Services themselves, and in some cases relate to broader corporate practices that could be strengthened. We have made a number of recommendations which we feel would support the Service in increasing its IT resilience and recovery abilities, notably; increasing cyber threat knowledge at Senior and Member level to support and inform decision making; establishing an IT Security Board; ring fencing IT budget for specific IT security; testing cyber response plans; establishing knowledge management practices to minimise the risk of knowledge silos; greater integration between IT operational risk management practices and Corporate risk management; establishing a formal threat identification, management and response framework, including reporting to all relevant parties; evaluating requirements for disaster recovery provision; full data / system restores programme to provide assurance in relation to the effectiveness of the backup processes and ability to restore; and the need to review the Services cyber insurance provision.</p> <p>We were pleased to see that the Protective Security Group has now been reinstated and that a cyber briefing has been delivered to the Executive Board and Senior Leadership Team. In addition, the investment in a dedicated IT Security Officer, who continues to develop several practices to strengthen the Service's IT resilience and response to emerging threats.</p>	
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Audit Report			
Risk Area / Audit Entity	Assurance opinion	Executive Summary / Residual Risk / Audit Comment / Management Response	Direction of Travel Assurance
		<p>Management response:</p> <p>The Cyber Assessment Framework (CAF) is in the process of being mapped to the ISO27001 standards. This will enable the Service to review, prioritise and address gaps in compliance. There is a workshop booked with Executive Board to focus on key areas and to provide clear directive in terms of principles in this area. On 20 February 2024, the Service undertook a review of Cyber Risk Management Practice by conducting a cyber-breach response simulation to test the adequacy of the Incident Response Team and understand the practical process that would follow in the event of a real word cyber incident. The outcome identified a good level of effectiveness with current plans and areas of improvement identified.</p>	
Use of Data	<p>Status: Final</p> <p>Limited Assurance</p>	<p>The audit has confirmed that there is a need to improve the Use of Data across the service. This appears to have been a known issue and there are several ongoing projects, for instance within the IDEAS, SAT and HMI teams, that, given time and resources, may help to alleviate some of the issues.</p> <p>Officers within key service areas have expressed concern over the data that they use to deliver services and whilst these views are to some degree anecdotal, we found repeating themes being raised which clearly form a consensus regarding the need to improve the use of data for service delivery. These services can have a life-or-death impact within the wider community. Data systems are often impeded by a distinct lack of transparency, with service areas unable to extract relatively straightforward management information.</p> <p>There is a reliance on specialist teams and in house developed dashboards, to provide an element of reporting functionality. Root causes for the issues highlighted by key officers are often not straightforward but could consist of multiple elements which may be partly technical, cultural, internal, or external.</p> <p>Management response:</p> <p>In December 2023 the Executive Board approved the future plans for digital, data and technology (DDaT) provision. The corporate risk CR084 Digital capability at risk due to lack of clarity of the future digital direction was de-escalated to the DDaT risk register.</p>	
Application of HR policy and procedure – Recruitment and Promotion	<p>Status: Final</p> <p>Limited Assurance</p>	<p>The People Services Policy and Guidance framework is under review and has been for some time. Whilst several documents have been newly created or updated, there is still a reasonable amount of work remaining to ensure the overall framework is fully updated and fit for purpose. This work includes documents which are directly related to recruitment and promotion.</p> <p>Overall, we have found that the service appears genuinely committed to principles such as diversity and inclusion within the workplace, however more work is needed to develop and embed these principles throughout the service and to improve the ability to monitor and report on progress.</p>	


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		<p>We understand that significant work is currently underway that in the medium term should help to improve recruitment and promotion, including the introduction of a new Human Resources system, and the development of new and updated policies and procedures. To ensure the appropriate values and principles within the framework are embedded, improvements to manager training will also need to be introduced.</p> <p>Management response: The creation of a new Recruitment policy and procedure is still in development with an anticipated completion date of April 2024. Significant resourcing issues has meant that this work has been delayed. A review of the viability of the new recruitment module in the new HR system has been undertaken. Due to several significant work arounds, process compromises and reporting concerns, the decision was made in late February 2024 to cease the development of the recruitment module and to extend the current system for a further period to enable appropriate consideration. Strategic workforce planning is ongoing and there is a structured approach to review key data enabling key decisions around workforce planning to take place. The group meets every other month to discuss key data, key concerns and any areas of focus as required.</p>	
2023-24 Audit Plan			
Summary of Service Action on External Bodies Reports – HMICFRS <i>Corporate Risk Register – N/A</i>	Status: Final Reasonable Assurance	<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 to 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>	


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		<p>Management Response: All actions have been completed. A lessons learned document has been produced, presented and shared with Service Leadership Team. Review of the process is ongoing and will continue ahead of the next inspection. The focus of HMICFRS Governance board continues to support driving closure of actions. The actions are all updated on the SharpCloud system.</p>	
<p>Medium-Term Financial Strategy / Financial Resilience Plans</p> <p><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></p>	<p>Status: Final Reasonable Assurance</p>	<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 reported to both Resources Committee and the Fire Authority. The medium term financial forecast is indicating significant budget pressures over the next five year period and robust plans must be made to meet the challenge. The Service is progressing well with change plans and will need to identify further benefits within the next year to ensure longer term financial sustainability. In addition, ongoing work will be undertaken to reduce costs through budget management, procurement, collaboration and efficiency reviews.</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</i></p>	<p>Status: Final Reasonable Assurance</p>	<p>Organisations culture within the wider Fire and Rescue service is an ongoing concern and has been brought into focus this year by His Majesty’s Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) report into Culture and Values.</p> <p>The current audit has confirmed that management at the most senior levels within Devon and Somerset Fire and Rescue Service have fully acknowledged that certain behaviours and actions are unacceptable and have demonstrated a desire for change, which has been communicated across and throughout the organisation.</p>	

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<i>diverse and inclusive workforce.</i>		<p>We have focussed primarily on reporting channels available to staff through which unacceptable behaviours and cultural issues can be reported. A suitable framework was found to be in place, and the number of options available to staff to report issues, including anonymously, have been increased.</p> <p>Further work is needed to embed and develop these processes further, and management need to ensure the momentum and commitment to change are maintained going forward.</p> <p>Management response: Some core actions have been completed whilst ongoing actions are in progress and on track.</p>	
<p>Fire Contaminants</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: Final</p> <p>Reasonable Assurance</p>	<p>From the evidence seen, our assurance level for Phase 1 of the project is 'Reasonable Assurance'. This is based on a review of governance arrangements, including available project documentation such as the Project Initiation Document, Full Business Case, Financial Appraisal, Highlight Reports, and a sample of Work Packages.</p> <p>Governance arrangements for the project appear robust and the project itself is following the standard project methodology employed by the service. A Project Board meets regularly and includes key stakeholders from across the service.</p> <p>At the time of testing, the project was passing through its approval stage and as such some of the documents reviewed changed during this time.</p> <p>The completion of the gap analysis document by the service provides them with a clear indication of where further work is needed to strengthen compliance with the UCLan recommendations, although it is noted that Phase 1 of the project is not intended to address longer term issues which may require changes to infrastructure or fleet. Recommendations relating to these longer term issues will form part of the output from Phase 2 of the current project.</p> <p>The Highlights Report taken to the Project Board meetings provides a good overview of the project and the 'Product Progress' section indicates, at a fairly high level, how well each activity is progressing. More detailed evidence of planned actions, in the form of Work Packages produced as a part of Phase 1, were seen at the end of the fieldwork. These show that SMART actions are being developed.</p> <p>We note that in the minutes available to us during testing, the Programme Board rejected the Project Board's proposals and Financial Appraisal and instead approved a fixed amount of £12,500 with which to deliver Phase 1. An area of contention discussed during this meeting related to Particulate Filtering Flash Hoods, and we understand that these will now be the subject of a separate exercise. The approved</p>	



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		<p>amount is likely to be sufficient for the Project Team to deliver much of what was originally planned as part of its 'budget' option, however as with any project there remains a level of uncertainty around both financial resources and the availability of officers in the wider service, who are likely to have competing priorities and so may struggle to provide adequate resources (hours) to take forward the relevant work streams.</p> <p>Management response:</p> <p>The project is on track to complete phase one by the end of March 2024. Scoping phase two is underway which runs until the end of December 2024. Monthly project highlight report updates are included in the Executive Board corporate risk report and reviewed quarterly by Strategic Safety Committee and updated on the Health and Safety Thematic risk register.</p>	
<p>Information Governance Framework</p> <p><i>Corporate Risk Register - CR062 Failure to operate an effective Information Governance framework.</i></p>	<p>Status: Final Reasonable Assurance</p>	<p>The audit has resulted in an overall assurance rating of 'Reasonable', although the areas of Information Security and Information Governance are 'Limited'. This conclusion follows discussions with key staff and analysis of a range of supporting evidence, relevant to the scope of the audit. There are several distinct strands to Information Governance, and our testing has covered all of these, to some degree.</p> <p>The IG Team includes staff and a manager with a good degree of knowledge and experience, with some team members specialising in areas such as Records Management and Information Security. The work of the team is largely process driven and these processes tend to be well established and documented.</p> <p>At the time of the audit, there was no overarching Information Governance Strategy which might pull together the various strands of IG and outline a clear direction for the service, ensuring it is aligned with the objectives of the Community Risk Management Plan (CRMP); this is due to be completed in the coming months.</p> <p>A draft retention policy is in place; however, the supporting framework is insufficient to ensure that all data is held in line with the policy.</p> <p>Whilst the roles and responsibilities relating to the Information Asset Register have been established, the Information Asset Register is not current and is therefore not a reliable document from which to manage information.</p> <p>Checks and balances are in place across the range of activities undertaken by the team, which help mitigate the risk of, for instance, releasing incorrect data, failing to meet statutory timescales, or failure to report and manage security incidents. We identified some areas for improvement and opportunities for efficiencies.</p>	


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		<p>The self-assessed Information Security management System maturity level indicates that the service is well below its longer-term maturity objective. We noted areas for improvement within the related Security Event Reporting framework, ISO27001 compliance, and Cyber Assessment Framework compliance, and have made related recommendations to support ongoing improvement.</p> <p>Management response: Information Governance Policies and procedures with a new overarching Information Governance Policy and strategy are currently in development. The Policy Management System and Policy Framework in place.</p>	
<p>Key financial systems (including Payroll) <i>Corporate Risk Register – N/A (although link to CR050 in terms of accurate financial reporting)</i></p>	<p>Status: Draft Reasonable Assurance</p>	<p>Many key processes and systems within the Finance and Payroll services remain largely the same this year, however, there have been recent changes to key positions within Payroll. Other changes which impact to some degree on day-to-day controls for Key Financial Systems are the ongoing development of the MHR system and introduction of additional modules, as well as changes in senior management at the Executive Board level. 2024-25 will present additional challenges with the departure of the current Director of Finance and Corporate Resources, and the ongoing procurement of a new financial systems suite to replace both Integra and FIMS. Support for Integra ends in March 2025, and the service hope to have the replacement system up and running a few months prior to this, to allow for a reasonable period of parallel running and testing.</p> <p>In following up on prior recommendations from last year, we note that many have been implemented, however in some instances these remain outstanding or only partially addressed. Where this is the case, we have included similar recommendations this year.</p> <p>For some areas of risk, management have indicated that they consider current controls to be within acceptable limits, for operational reasons. This includes for instance system administrators who also undertake day to day processes on the systems they administer. This weakens control to some degree due to the lack of separation of duties in particular, but is nonetheless a common occurrence across mid-size organisations and is seen as necessary due to team size.</p> <p>Other areas of potential weakness present opportunities for improvement or strengthening of controls. These include resolution of authorisation issues relating to Idhammar (stores) and the import of the data into Integra, authorisation of debtor credit notes, contract monitoring in relation to MHR, and payroll reconciliations.</p> <p>Management response: Management action plan is in the process of being agreed to address the recommendations made.</p>	N/A

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Audit Report			
Risk Area / Audit Entity	Assurance opinion	Executive Summary / Residual Risk / Audit Comment / Management Response	Direction of Travel Assurance
Productivity of the workforce and whole-time crews <i>Corporate Risk Register – N/A</i>	Status: Final Limited Assurance	<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 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: Work on the Wholetime Duty System (WDS) continues and a roadmap has been produced for future development. The Home Office has provided a clear definition for what should be considered as 'productive time' and this will be captured in the second version of the PowerBI dashboard reporting. Briefings have been completed with all wholetime watches, Operational Readiness Managers and Group Commanders. The HMI team are attending meetings with watches when requested to provide further information and guidance. The data produced by the activities log provides understanding of the baseline against which to measure the 3% improvement in productivity. As a result of data captured, improvements to processes are already being identified and acted upon.</p>	
Cyber Governance – Cyber Assessment Framework (CAF) Self-Assessment	Status: Final Value Added	<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>	

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<p><i>Corporate Risk Register – CR044 Cyber-attack causes sustained business systems outage.</i></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. At the November 2023 Audit and Governance Committee, Members asked that the CAF Self-Assessment and Internal Audit Advice Note be considered at a future meeting to be arranged by the Director of Finance and Corporate Services.</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 is in the process of being mapped to ISO27001. This will enable the Service to review, prioritise and address gaps in compliance. There is a workshop booked with Executive Board to focus on key areas and to provide clear directive in terms of principles in this area.</p>	
<p>CiPFA Counter Fraud Research Project</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 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 have been reviewed and an action plan developed to improve the Service's fraud management arrangements.</p>	
<p>Investigations</p> <p><i>Corporate Risk Register- N/A</i></p>	<p>Status: Complete 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>This is for information only and are not included as notifiable items for the Audit and Governance Committee.</p>	N/A

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		<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>New People System - Live advice and quality assurance</p> <p><i>Corporate Risk Register- N/A</i></p>	<p>Status: Ongoing</p> <p>Time allowed within the 2024-25 to continue this work.</p> <p>Value Added</p>	<p>We have provided an interim project assurance opinion as of March 2024 within a draft report that will be discussed at the Programme Board on 21st March 2024.</p> <p>We are of the opinion that at this stage the People Services Systems Project is progressing well, risks and issues are being handled appropriately within the established Board. Governance arrangements include cross representation, expected project documentation, risk management, and appropriate frequency of board meetings within the governance framework.</p> <p>We have provided a ‘Reasonable Assurance’ level based on our involvement and information we have examined for the People Services Systems project. We have not made any recommendations within this report as any advice and guidance is provided in real time in line with the project / programme timelines.</p> <p>The Finance project is in its early stages. To date DSFRS have gone to the market with a Prior Information Notice and received supplier system demonstrations. Work is ongoing to evaluate the demonstrations prior to a decision by the Board on the next stage of the procurement.</p> <p>Internal Audit will continue in its role on the Programme Board in 2024-25, providing advice, support and assurance on both project management and internal controls where advice is requested relating to the systems being implemented.</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>	N/A
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 2 - Professional Standards and Customer Service

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 have been undergoing review and revision. The proposed new standards will take effect in January 2025 and provide clarity and raise awareness of the audit committee's governance roles and responsibilities. [2024 Global Internal Audit Standards \(theiia.org\)](https://theiia.org)

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

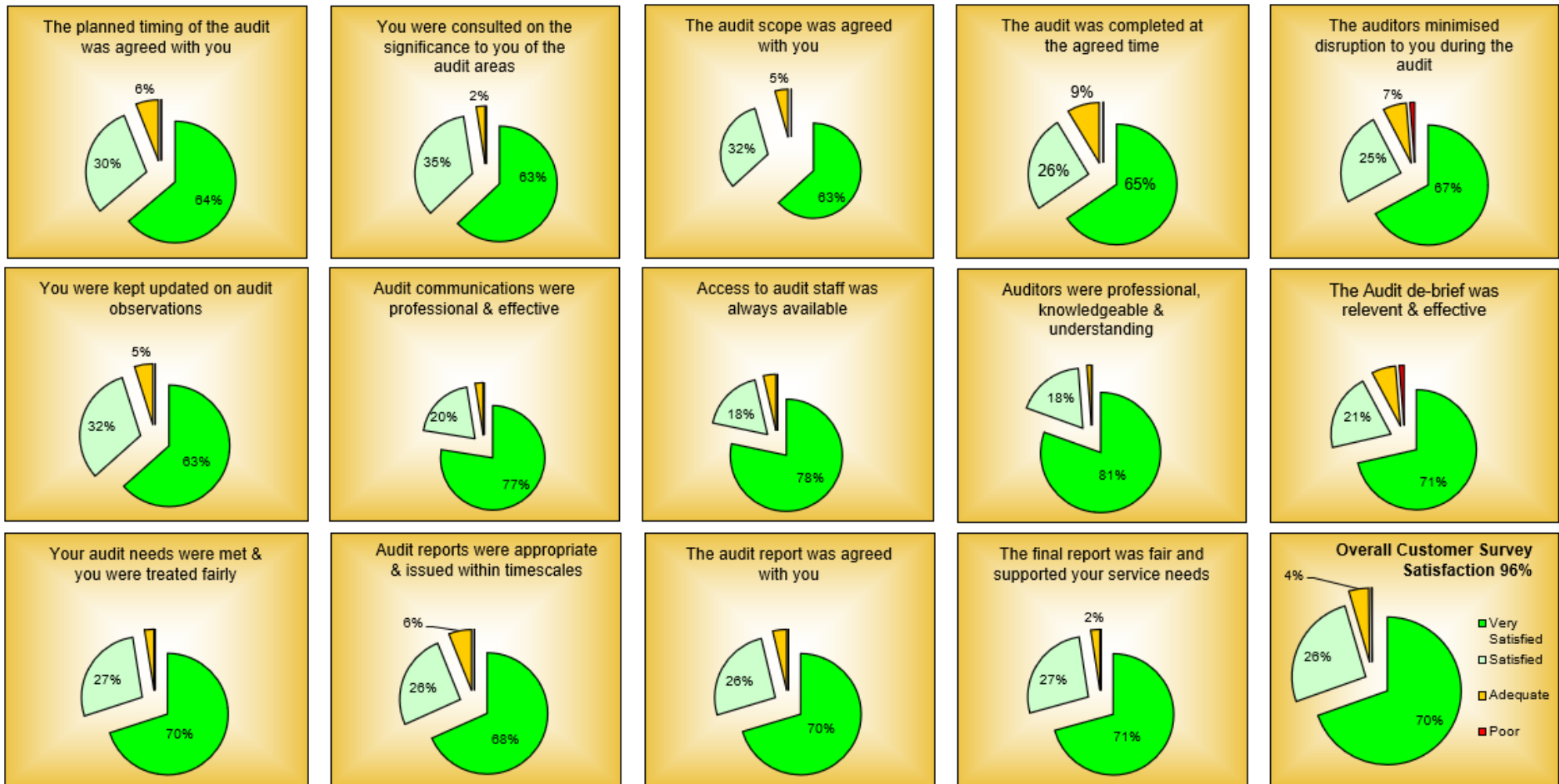
Improvement Programme – DAP maintains a rolling development plan of improvements to the service and customers. All recommendations of the external assessment of PSIAS and quality assurance are included in this development plan which is ongoing. Our development plan is regularly updated and links to our overall strategy, both of which are reported to the DAP Management Board and DAP Committee.

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 that prioritise customer service and are committed to continuous improvement.

During the year we have issued client survey forms for some of our reports, and the results of the surveys returned were very good / positive. The overall result is very pleasing, with near 96% being "satisfied" or better across our services (see page 14). 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.

Customer Survey Results April 2023 - March 2024



Appendix 3 – Audit Authority



Appendix 4 - Annual Governance Framework Assurance

The conclusions of this report provide the internal audit assurance on the internal control framework necessary for the Committee to consider when reviewing the Annual Governance Statement.

The Annual Governance Statement (AGS) provides assurance that

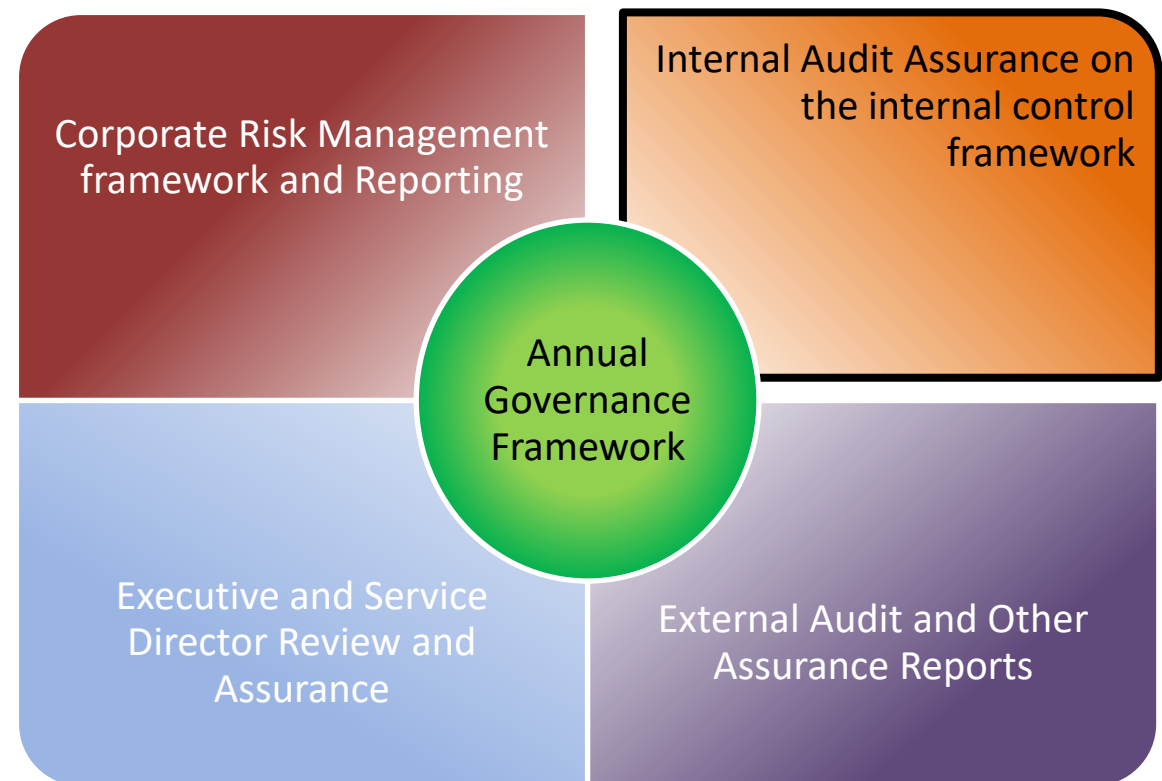
- the Authority's policies have been complied with in practice;
- high quality services are delivered efficiently and effectively;
- ethical standards are met;
- laws and regulations are complied with;
- processes are adhered to;
- performance statements are accurate.

The statement relates to the governance system as it is applied during the year for the accounts that it accompanies. It should:-

- be prepared by senior management and signed by the Chief Fire Officer and Chair of the Audit and Governance Committee;
- highlight significant events or developments in the year;
- acknowledge the responsibility on management to ensure good governance;
- indicate the level of assurance that systems and processes can provide;
- provide a narrative on the process that has been followed to ensure that the governance arrangements remain effective.

This will include comment upon;

- The Authority;
- Audit and Governance Committee;
- Risk Management;
- Internal Audit;
- Other reviews / assurance.



The AGS needs to be presented to, and approved by, the Audit and Governance Committee, and then signed by the Chair.

The Committee should satisfy themselves, from the assurances provided by Organisational Assurance, Executive Board and Internal Audit that the statement meets statutory requirements and that the management team endorse the content.

Appendix 5 - Basis for Opinion

The Chief Internal Auditor is required to provide the Authority with an opinion on the adequacy and effectiveness of its accounting records and its system of internal control in the Authority.

In giving our opinion, it should be noted that this assurance can never be absolute. The most that the internal audit service can do is to provide reasonable assurance, formed from risk-based reviews and sample testing, of the framework of governance, risk management and control.

This report compares the work carried out with the work that was planned through risk assessment; presents a summary of the audit work undertaken; includes an opinion on the adequacy and effectiveness of the Authority's internal control environment; and summarises the performance of the Internal Audit function against its performance measures and other criteria. The report outlines the level of assurance that we are able to provide, based on the internal audit work completed during the year. It gives:

- a statement on the effectiveness of the system of internal control in meeting the Authority's objectives;
- a comparison of internal audit activity during the year with that planned;
- a summary of the results of audit activity.

The extent to which the work has been affected by changes to the audit plan are shown in Appendix 1.

The overall audit assurance will have to be considered in light of this position.

In assessing the level of assurance to be given the following have been taken into account:

all audits completed during 2023-24, including those audits carried forward from 2022-23;

any follow up action taken in respect of audits from previous periods;

any significant recommendations not accepted by management and the consequent risks;

the quality of internal audit's performance;

the proportion of the Authority's audit need that has been covered to date;

the extent to which resource constraints may limit this ability to meet the full audit needs of the Authority;

any limitations that may have been placed on the scope of internal audit.

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Devon Audit Partnership	Confidentiality and Disclosure Clause
<p>The Devon Audit Partnership has been formed under a joint committee arrangement. We aim to be recognised as a high-quality internal audit service in the public sector. We work 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 carrying out our work we are required to comply with the Public Sector Internal Audit Standards along with other best practice and professional standards.</p> <p>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</p>	<p>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 Authority, the report itself should only be copied/circulated/disclosed to anyone outside of the organisation in line with the organisation's disclosure policies.</p> <p>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.</p>