

REPORT REFERENCE NO.	AGC/24/8
MEETING	AUDIT & GOVERNANCE COMMITTEE
DATE OF MEETING	26 MARCH 2024
SUBJECT OF REPORT	INTERNAL AUDIT FOLLOW UP REPORT
LEAD OFFICER	Director of Finance & Corporate Services (Treasurer)
RECOMMENDATIONS	<p><i>(a). That the Committee reviews the updates on progress in addressing the findings of internal audits with a limited assurance opinion;</i></p> <p><i>(b). On implementing high and medium priority risk actions the Committee considers whether there is sufficient assurance that appropriate action has been taken; and</i></p> <p><i>(c). That, subject to (a). and (b). above, the report be noted.</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 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>
RESOURCE IMPLICATIONS	Nil.
EQUALITY RISKS AND BENEFITS ANALYSIS	Not applicable.
APPENDICES	Nil.
BACKGROUND PAPERS	<u>INTERNAL AUDIT FOLLOW UP REPORT SEPTEMBER 2023.</u>

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.

Community Safety – Fire Prevention - March 2022

- 2.2 Key Findings: 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.
- 2.3 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. Linked to corporate red risk CR079 Inability to assure ourselves that the Home Fire Safety data created, held and reported on is correct.
- 2.4 Update: The Community Safety Committee continues to monitor performance. The challenges with use of the Home Fire 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 App in terms of efficiency and effectiveness and this is subject to ongoing work. A data cleanse was also completed in December 2023.

Personal Protective Equipment (PPE) – May 2022

- 2.5 Key Findings: 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.

- 2.6 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.
- 2.7 Policies and procedures meet legislative requirements. However, there was a lack of assurance that they are read and understood by relevant members of staff.
- 2.8 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.
- 2.9 Update: Structural PPE technical information for coat and trousers and Breathing Apparatus training manuals are in place. The Skills Dashboard includes the PPE helmet video and the Operational Assurance team monitor issues related to wearing of PPE at incidents.
- 2.10 Further eLearning training on the fit and use of structural and lightweight PPE has not yet been developed due to the need for the team to focus on development of HAZMAT training as a priority.

Flexi Duty Rota - May 2022

- 2.11 Key Findings: 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.
- 2.12 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.
- 2.13 Update: The Flexi Duty Officer rota is currently being reviewed with a view to implementing a revised rota in January 2025. The policy has been reviewed.

Crewing Pool – October 2022

- 2.14 Key Findings: 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 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 of the run to go to other stations.

2.15 Update: All actions completed. Prior to the audit, one year Crewing Pool costs for pre-arranged overtime were £238,000. At January 2024, nine month costs reduced to £65,000 generating savings of £173,000.

Application of Learning - October 2022

2.16 Key Findings: 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.

2.17 Resource 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 twenty areas against which Policy, Procedure and Guidance Team have to co-ordinate an assessment. In this instance the assessment period spread over a two-year period.

2.18 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.

2.19 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.

2.20 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.

2.21 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.

2.22 All actions relating to HMI have been completed. The HMI action plan is tracked through SharpCloud and updated monthly. The internal HMI process was reviewed as part of a separate 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. All actions related to this audit have also been completed.

2.23 The majority of actions related to the Grenfell action plan have been completed with the remainder transferring to the strategic action tracker for oversight.

- 2.24 The two year review process of all strategic actions contained in National Operational Guidance (NOG) is now complete with actions assessed and given a rating of either compliant, partially compliant or non-compliant. The next phase is to move those partially compliant and non-compliant actions to compliant; this is scheduled for the next 12 months.
- 2.25 Quarterly training team meetings started by our neighbouring services to ensure that we can all work towards aligning our training packages to NOG have commenced and there is a collaborative approach across the partnership with contacts now regularly working together. All training packages being reviewed are assessed against NOG training specifications to ensure they align moving forward. This process has been established as business as usual reviewing packages and creating new ones as necessary.

Control of working hours - January 2023

- 2.26 Key Findings: 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.
- 2.27 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.
- 2.28 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.
- 2.29 Update: The new Human Resources (HR) system introduced an improved mechanism for absence and leave recording in January 2024. This functionality enables managers to view and manage balances of any absences and time recording from February 2024.
- 2.30 Communication of the new time and absence recording process was issued to all staff via the Shout Out weekly communication to set expectations around time balance management and the policy around this. The flexitime policy is currently under review and is being updated to reflect the requirements in line with the new HR system. As the HR system gains more information, reporting will assist in undertaking a review of the effectiveness of the management of leave and absence.

Recruitment and promotion – March 2023

- 2.31 Key Findings: The People Services Policy and Guidance framework is under review and has been for some time. Whilst a number of 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.
- 2.32 Overall, the service appeared to be 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.
- 2.33 It was recognised 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.
- 2.34 Update: There have been successful updates and changes to the on-call recruitment process and this process has continued to run in 2023 and in to 2024. The process is slicker with appropriate numbers of candidates being recruited.
- 2.35 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.
- 2.36 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.
- 2.37 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.

Organisational Safeguarding Assurance – completed May/June 2022, final report June 2023

- 2.38 Key Findings: 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.

- 2.39 Significant improvement work is required to be undertaken in collaboration with People Services and supported by regular mandatory meetings for accountability and ownership.
- 2.40 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.
- 2.41 Update: Training package and competency framework developed and implemented December 2023. Over 80% of staff have successfully completed the training and provided feedback on levels of knowledge before and after the session. Next steps are to evaluate the feedback to inform the next phase of training. This will be an annual process.
- 2.42 A review of the future of the Strategic Safeguarding Board was undertaken by the Safeguarding Manager and stakeholder Service Leadership Team leads on 4 March 2024. The decision was made to refocus this forum into a Safeguarding Steering Group to focus attention on the work required to secure compliance. The Terms of Reference are now being reviewed and updated.
- 2.43 The Disclosure and Barring Service (DBS) has implemented operational changes based on new legislation that came into force in July 2023. This means that all fire service staff will be eligible for more rigorous standard DBS checks, where previously basic checks were completed. Basic checks provided information on unspent cautions and unspent convictions, whereas standard DBS checks also provide information on spent convictions, cautions, reprimands and final warnings. These checks will allow the Service to understand and mitigate the risk, to protect their colleagues and the public, and support high standards of integrity. In order to meet these requirements, the Service has:
- At the point of legislation changes in July 2023, HR implemented standard DBS checks for all new starters.
 - HR and Safeguarding team have identified roles that require enhanced DBS checks for staff who interact with people at risk or have access to critical information.
 - DBS check process review underway with timeline to undertake all staff standard DBS rechecks and to determine at what frequency the rechecks should be completed. The timeline to complete this is anticipated to be 18 months.

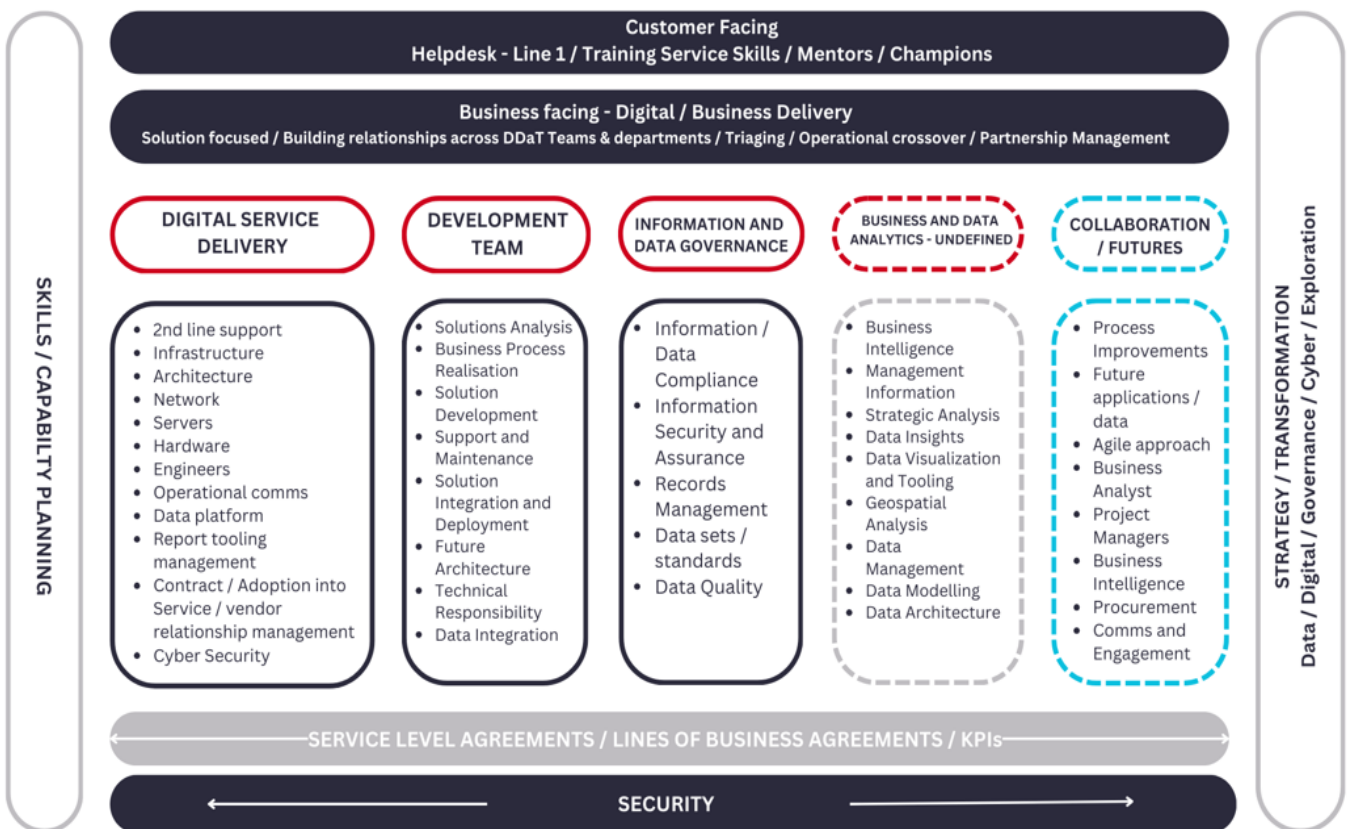
Information Security – Availability of Systems –completed May 2022, Final report September 2023

- 2.44 Key Findings: There are a number of 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. A number of recommendations were made to 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.
- 2.45 Update: The IT Health Check is an annual test of the Service's technical security controls. The latest test was completed in October 2023 and identified internal and external vulnerabilities, rated by high, medium and low risk. The Digital and Data service delivery team have closed the majority of the internal high and medium risks, with seven of the fifteen remaining high risks dependant on action from suppliers. The remaining eight actions relating to Office 2013 migration have been completed.
- 2.46 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 our compliance. High priority areas are being targeted first and actions are being put in place to mitigate these risks. Protective Security leads will now meet monthly to monitor and drive progress in these areas. 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.
- 2.47 The Home Office has set expectations for the fire sector, with a baseline to be achieved by 2025 and an enhanced baseline by 2028. The Service will be required to submit updates on progress to the Home Office. There will also be a requirement for a separate return for the Networked Fire Services Partnership and discussions are underway with partners to align the responses.
- 2.48 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. Cyber incidents require teamwork and collaboration, it is not down to one person or one team to resolve the matter, but hard work and support from all to ensure the Service is protected and continues to operate effective cyber control framework. The outcome identified a good level of effectiveness with current plans and areas of improvement identified.

Use of Data Audit - completed June 2022, final report September 2023

- 2.49 Key Findings: The audit confirmed that there is a need to improve the use of data across the service. Officers within key service areas expressed concern over the data that they use to deliver services and whilst these views were to some degree anecdotal, repeating themes were being raised which clearly form a consensus regarding the need to improve the use of data for service delivery. Data systems are often impeded by a distinct lack of transparency, with service areas unable to extract relatively straightforward management information. 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.
- 2.50 Update: 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. The plan is illustrated below;

DIGITAL, DATA AND TECHNOLOGY DEPARTMENT - FUNCTIONS



Productivity of the workforce and whole-time crews - November 2023

- 2.51 Key Findings: 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 are 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 testing, a new system has been introduced across all wholetime stations that should improve underlying data.
- 2.52 Update: 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.
- 2.53 Briefings have been completed with all wholetime watches, Operational Readiness Managers (ORMs) and Group Commanders (GCs). The HMI team are attending meetings with watches when requested to provide further information and guidance.
- 2.54 The data produced by the activities log now 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.

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 Work continues to map the high priority actions to the corporate risk register.
- 3.3 Chart 1 presents the open high and medium risk priority actions. At 22 February 2024 there are 176 medium risk actions and 47 high risk priority actions.

Chart 1: Open actions timeline - High/Medium Risk Priority – February 2024

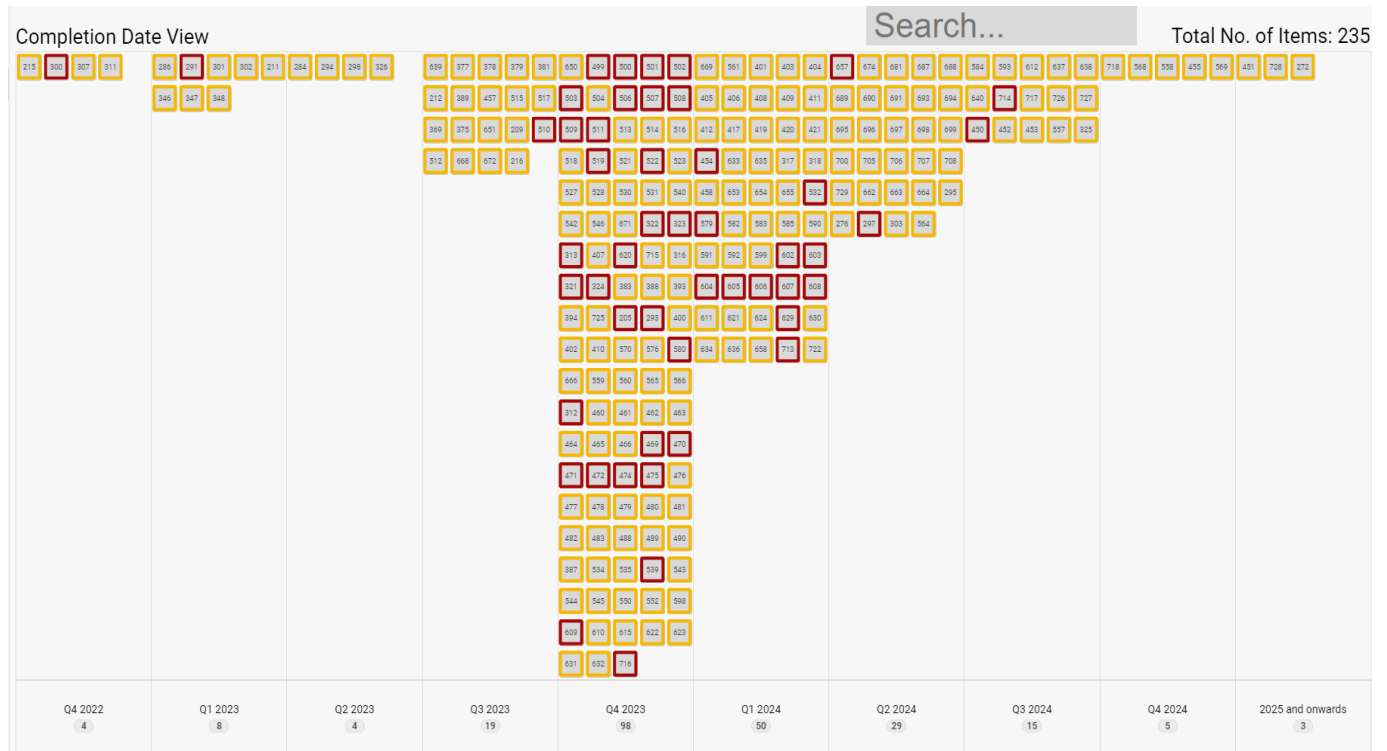
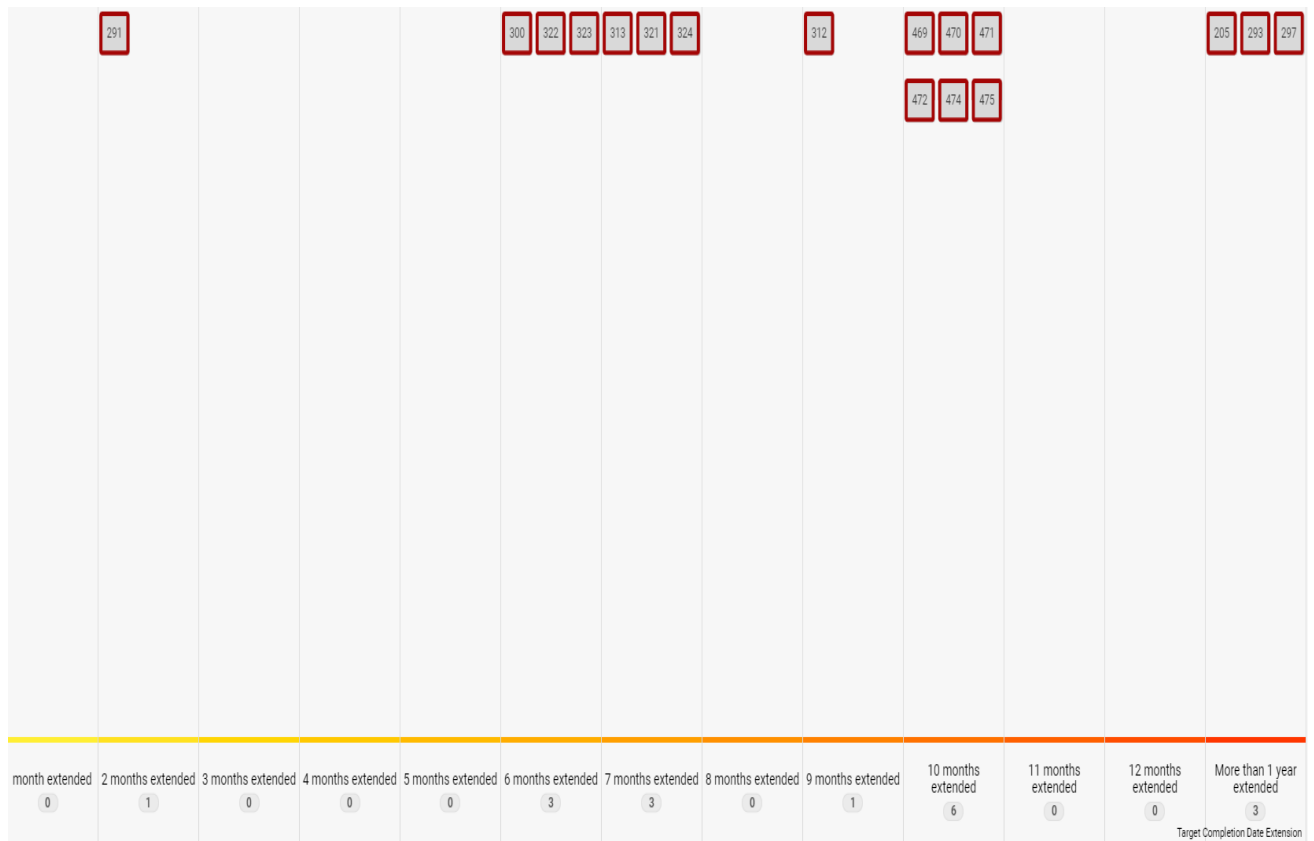


Chart 2: 13 actions that have had their initial planned implementation dates extended



- 3.4 The reasons for extension are detailed below.
- 3.5 The following high-risk actions have been extended by more than 7-9 months:
- 3.6 **312, 313, 321, 324 - Personal Protective Equipment (PPE) Compliance Audit 2021-22:** These actions relate to the need for updated PPE training and link to corporate amber risk CR056 Failure to ensure fleet and equipment is fit for purpose.
- 3.7 Reason for extension: Structural PPE technical information for coat and trousers and Breathing Apparatus training manuals are in place. The Skills Dashboard includes the PPE helmet video and the Operational Assurance team monitor issues related to wearing of PPE at incidents. Further eLearning training on the fit and use of structural and lightweight PPE has not yet been developed due to the need for the team to focus on development of HAZMAT training as a priority.
- 3.8 The following high-risk actions have been extended by more than 12 months:
- 3.9 **469, 470,471,472,474,475 - Flexible Duty System Audit 2022 –** Implementation of a flexi duty system with Governance arrangements that meet the National Joint Council for Local Authority Fire and Rescue Services Scheme of Conditions of Service also know as ‘Grey Book’.
- 3.10 Reason for extension: Addressing the audit recommendations relies upon the implementation of a revised Flexi Duty Officer rota. This is currently being reviewed with a view to implementing a revised rota in January 2025.

4. CONCLUSION AND RECOMMENDATIONS

- 4.1 Progress in addressing the findings of audits with a limited assurance opinion and on delivery of high and medium risk priority audit actions will be submitted to Committee until there is sufficient assurance that appropriate action has been taken.
- 4.2 It is recommended that the Committee reviews the updates on progress to consider whether there is sufficient assurance that appropriate action has been taken.

SHAYNE SCOTT
Director of Finance & Corporate Services (Treasurer)