REPORT REFERENCE NO.	AGC/24/21
MEETING	AUDIT AND GOVERNANCE COMMITTEE
DATE OF MEETING	29 NOVEMBER 2024
SUBJECT OF REPORT	INTERNAL AUDIT FOLLOW UP REPORT
LEAD OFFICER	ASSISTANT DIRECTOR, CORPORATE SERVICES
RECOMMENDATIONS	*(a). That the Committee considers whether there is sufficient assurance that appropriate action has been taken in the context of the broader priorities that departments are addressing; and* *(b). That, subject to (a). above, the report be noted.*
EXECUTIVE SUMMARY	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 action taken to address the findings of audits with a limited assurance opinion. The Application of Learning audit report has been approved for closure by the Executive Board because satisfactory assurance has been provided that the actions have been addressed. This audit will therefore be removed from future reporting. Good progress has been made to address the Organisational Safeguarding and Flexi Duty Officer audits. Where actions have been extended more than 12 months, challenges with capacity, competing priorities and system implementation are the predominant cause of slippage.
RESOURCE IMPLICATIONS	Nil.
EQUALITY RISKS AND BENEFITS ANALYSIS (ERBA)	Not applicable.
APPENDICES	A: Update on addressing limited assurance internal audit reports.
LIST OF BACKGROUND PAPERS	REPORT REFERENCE NO AGC/24/11 16 July 2024 REPORT REFERENCE NO AGC/24/8 26 March 2024

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 the recommendations made in the reports that provided an overall limited assurance audit opinion.

2.   FOLLOW UP OF PROGRESS

2.1   The Executive Board has approved the closure of the Application of Learning audit report, as satisfactory assurance has been provided that all audit recommendation actions have now been completed and the actions have been addressed. The final completed action was submission of the Grenfell Enquiry performance report to Executive Board in September 2024.

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

2.3   In June 2024, the previous internal audit limited assurance progress report raised concerns about overdue limited assurance actions. This has been an area of focus for action leads and the current report provides updates on both high and medium overdue actions for the limited assurance audits.

Table 1: Limited Assurance actions overview

	June 2024	October 2024	% change
Actions on track	58	97	67%
Actions overdue	97	8	-92%
Actions completed	122	172	41%
Total actions	277	277	N/A

2.4   There are a total of nine audits with high and medium priority risk actions. Table 2 overleaf presents the open high and medium risk priority actions for these audits. On the date of reporting, 25 October 2024, there were 58 medium risk actions and 26 high risk priority actions.

Table 2: High and Medium Priority Risk Actions

| Audit	Q4 2022	Q1 2024	Q2 2024	Q3 2024	Q4 2024	2025 and onwards	Total
Community Safety – Fire Prevention 2021-22 *(2 high, 6 medium)*	1				4	3	8
Control of Working Hours Audit 2022-23 *(1 high, 3 medium)*					2	2	4
*Flexible Duty System Audit 2022 *(6 high, 18 medium)*						24	24
Information Security - System Availability 2021-22 *(3 high, 8 medium)*		1			4	6	11
**Organisational Safeguarding 2022 *(8 high, 1 medium)*					7	2	9
Personal Protective Equipment Compliance Audit 2021-22 *(2 high, 2 medium)*						4	4
Productivity of Whole Time Crews 2023-24 *(3 medium)*					1	2	3
***Recruitment and Promotion Audit 2023 *(2 high, 3 medium)*					1	4	5
Use of Data 2021-22 *(2 high, 14 medium)*			1	2	7	6	16
Total	**1**	**1**	**1**	**2**	**26**	**53**	**84**

It is anticipated that all 24 actions will be completed in January 2025, subject to the publication of the Flexi Duty Officer Policy.

**It is anticipated that 6 high actions and 1 medium will be completed in November 2024, with the publication of the Recruitment Policy, and the remaining 2 high actions will be completed in January 2025.*

***3 medium actions are anticipated to close in January 2025, following the publication of the Recruitment Policy.*

2.5   There has been a 36% reduction in high and medium risk priority actions since the last report (132 in June 2024, 84 in October 2024).

Outstanding high and medium priority actions
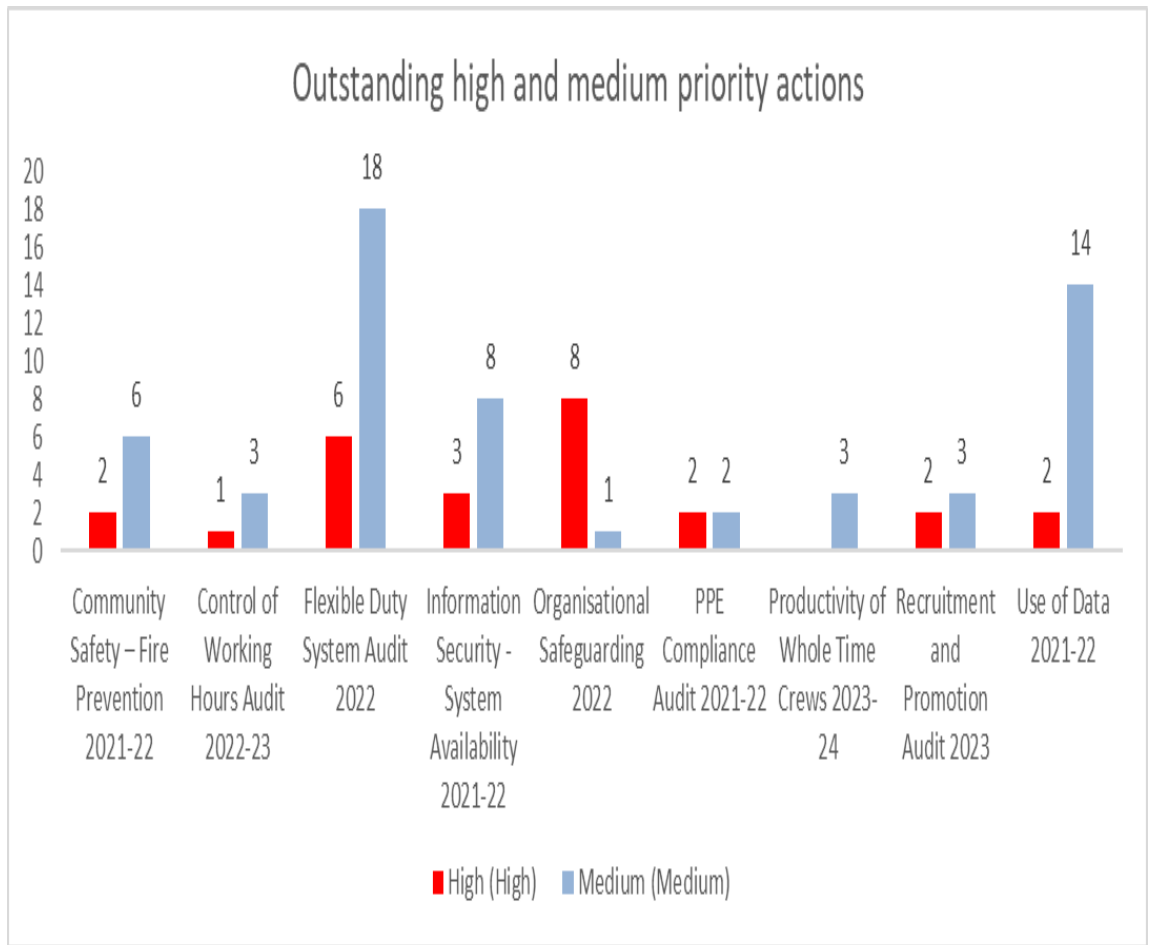
2.6   Table 3 below presents the high priority risk actions that have had their initial planned implementation dates extended. There has been a 16% reduction in extension of high priority actions since the last report (31 in June 2024, 26 in October 2024).

Table 3: High Priority Risk Action Extensions

Audit	7 months extended	10 months extended	11 months extended	12 months extended	More than 1 year extended	Total
Community Safety – Fire Prevention 2021-22					2	2
Control of Working Hours Audit 2022-23		1				1
Flexible Duty System Audit 2022					6	6
Information Security - System Availability 2021-22	1			1	1	3
Organisational Safeguarding 2022					8	8
Personal Protective Equipment Compliance Audit 2021-22					2	2
Recruitment and Promotion Audit 2023					2	2
Use of Data 2021-22		1	1			2
Total	**1**	**2**	**1**	**1**	**21**	**26**

2.7   A summary of progress in addressing the recommendations made in the internal audit reports issued with limited assurance opinions is detailed at Appendix A for those reports requiring further work.

3.   <u>CONCLUSION AND RECOMMENDATIONS</u>

3.1   Good progress has been made to address the Organisational Safeguarding and Flexi Duty Officer audits, and the Application of Learning audit has been closed.

3.2   Where actions have been extended more than 12 months, challenges with capacity, competing priorities and system implementation are the predominant cause of slippage.

3.3   Progress in addressing the findings of audits with a limited assurance opinion will be submitted to Extended Leadership Team and Audit & Governance Committee until there is sufficient assurance that appropriate action has been taken.

3.4   It is recommended that the Committee reviews the updates on progress to consider whether there is sufficient assurance that appropriate action is being taken to address the audit recommendations in the context of the broader priorities that departments are addressing.

MARIA PHILLIPS
Assistant Director, Corporate Services

Update on addressing limited assurance internal audit reports

Audit	Executive Summary	Updates October 2024	Assurance of Progress
Community Safety – Fire Prevention 2021/22	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. 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.	18 of the 28 actions completed. Performance management measures for productivity and quality are now managed as part of business as usual. A review has been undertaken of all management systems and processes to improve efficiency and effectiveness. The Digital, Data and Technology team (DDaT) is now providing data reporting requirements until the implementation of the CFRMIS system by April 2025. Prevention data is currently stored on the home safety application and a project is underway to ensure all data is transferred on to CFRMIS.	Timelines for delivery of Community Fire Risk Management Information System (CFRMIS) have been extended with delivery of Phase 2 hampered initially by lack of resources to support with requirements gathering, system design and process modelling. Two related high priority audit actions have been extended by more than 12 months to April 2025. A project manager has been allocated to this project.
Control of working hours 2022/23	This audit found that the processes and software in place to facilitate a controlled way of working, where hours worked can be monitored, are not always utilised or are not used in the intended way.	6 of the 10 actions completed. A new People Strategy was launched in October 2024, outlining the Service desire for a healthy and safe working environment. Flexi working policy already in place detailing expectations around lunch breaks and taking breaks from work.	Good progress has been made with over half of the actions closed. Implementation of the new HR system has been completed.

Audit	Executive Summary	Updates October 2024	Assurance of Progress
Control of working hours 2022/23 (Cont'd)	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. A common theme through this audit was staff feeling as if the workload was too large to fit into a 37-hour working week. This was 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, colleagues must work overtime.	A working group has been established to review ways of working, next meeting planned for November 2024. A clear message around flexible working will be developed. People Services produced a quarterly report for managers on individuals with more than one contract, reminding colleagues of their duty to comply with working time regulations and facilitating the ability to monitor these individuals. Actions in progress: • to update the secondary contract policies and procedures to ensure they reflect current regulations and to give clarity to managers, to include action to be taken where individuals exceed working hours; and • continue to work with operational colleagues to ensure that the new HR system has the ability to share data on working hours. ITrent Personal Performance and Development (PPD) system launched on 1 November 2024, this replaces the Microsoft Forms PPD process. Changes communicated to all staff, with instructional videos on how to use.	The People Services department have been working hard over the last 12 months on system implementation, policy reviews and recruiting additional resources to focus on priorities. The High priority risk action relating to monitoring of secondary contracts to make sure that working hours are not exceeded (which is also a HMICFRS area for improvement) has been extended 10 months.

Audit	Executive Summary	Updates October 2024	Assurance of Progress
Recruitment and promotion 2022/23	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. 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.	20 of the 25 actions completed. A guidance pack for recruitment managers is in place. Recruitment training is in the process of being developed for 2025. Following the recent publication of the Safeguarding policy, a new Recruitment policy is due for publication in November 2024. After reviewing the capability of the new system ITrent recruitment module, a decision was made to continue using the existing system for the foreseeable future.	Good progress has been made with 80% of actions closed. Delivery of the remaining actions has taken longer than originally anticipated due to challenges with capacity and issues with the development of the recruitment module of the new HR system. A decision was made to continue using the existing recruitment system for the foreseeable future. Two of the high priority audit actions have been extended by more than 12 months. Both actions are in progress - one relates to the new HR system implementation with a target date for completion of June 2025. The other action relates to the HR policy framework with a target completion date of March 2025.

Audit	Executive Summary	Updates October 2024	Assurance of Progress
Organisational Safeguarding Assurance 2021/22	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. Significant improvement work is required to be undertaken in collaboration with People Services and supported by regular mandatory meetings for accountability and ownership. 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.	23 of the 32 actions completed. On 18 October 2024 the Safeguarding policy was published and available for all staff to view. Safeguarding procedure document published 30 October 2024; this replaces guidance documents for safeguarding. This procedure document will be mandatory for all staff to follow. Safeguarding policy cites safer recruitment which is covered in more depth within the revised Recruitment policy which is currently out for consultation and anticipated for publication at the end of November 2024. There is now a Letter of Assurance process which the Safeguarding Manager administers. All Letter of Assurances are centralised and issued by the Safeguarding Manager, on behalf of the CFO and Head of People Services. By the end of November 2024, the Safeguarding Steering Group terms of reference will be finalised. The purpose is to govern Safeguarding, review data trends, case reviews, learn lessons to continuously improve processes and support collaboration between departments. The inaugural Safeguarding Steering Group meeting is planned for January 2025.	Good progress has been made in the publication of policies, safer recruitment process and establishment of the Letter of Assurance process. DBS Checks Policy has been integrated with the Safeguarding Policy as one document and updated. The People Services department recruited additional resource to implement the legislative changes related to DBS. A new safeguarding system is due to be implemented by December 2024. The Safeguarding Steering group agenda, delivery of training and developing standard operating procedures are the next areas of focus.

Audit	Executive Summary	Updates October 2024	Assurance of Progress
Organisational Safeguarding Assurance 2021/22 (Cont'd)		One action is related to new legislation around Disclosure and Barring Service (DBS) checks and is due for implementation by December 2025. From 6 July 2023, all new employees have undergone the correct level of DBS for the role that they are undertaking. For existing staff, the provided National Fire Chefs Council eligibility check indicates that 340 Standard and 1294 Enhanced DBS checks are required to be undertaken to be compliant with legislation and lead on best practice. A DBS Administrator has been recruited to assist this project. Wholetime stations and Control have been prioritised, due to their DBS check level changing from a Basic to Enhanced with/without Children's Barred list. One action has been extended by more than 12 months. Child Protection Online Monitoring System (CPOMS) safeguarding system implementation is on track to be launched by end of December 2024.	It is anticipated that 6 high actions and 1 medium will be completed in November 2024, with the publication of the Recruitment Policy, and the remaining 2 high actions will be completed in January 2025.

Audit	Executive Summary	Updates October 2024	Assurance of Progress
Information Security – Availability of Systems 2021/22	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 Service's cyber insurance provision.	35 of the 45 actions completed.

Of the 12 high priority actions, 9 are closed and 3 remain open.

Over the past 18 months many actions have been completed such as Executive Board cyber attack planning session, leading conversation sessions, cyber escape room sessions, more sophisticated phishing simulations and the release of a new DDaT SharePoint page with additional information and link to the response plan. This work will continue but is an area where significant work has been undertaken. In addition the Service is looking at other security measures to continue supporting this area. | Good progress has been made with 77% of the actions now closed.

The DDaT, Information Governance and Business Continuity teams have worked hard to develop the incident response plan and deliver many training events over the last 18 months. These continue to develop and enhance security measures.

One of the high priority audit actions has been extended by more than 12 months, due to challenges with competing priorities. However, this is now being addressed with a recruitment process underway. |

Audit	Executive Summary	Updates October 2024	Assurance of Progress
Use of Data 2021/22	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 was being used 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.	15 of the 31 actions completed. Work continues to address two high priority risk actions.

The DDaT department has completed a review of functions and roles across areas focused on Data. As a result, the Information and Data Governance Manager and Data and Insights Manager are working on a new Information and Data strategy. This will be worked up in conjunction with key stakeholders and Extended Leadership. There has been a lot of work completed with community safety teams to improve data and this will continue in the coming months.

The original scope of management of risk information (MORI) project to align all prevention, protection and operational risk to be located on one platform has not been realised. All operational risks are on MORI and all protection risks are recorded on CFRMIS. Prevention visit information is on the Prevention application and all prevention information is currently stored on sharepoint and excel spreadsheets. Following a gateway review on prevention, the information is to be migrated to CFRMIS by April 2025.

Two business analysts are undertaking a review of all management systems and processes in prevention. | Progress has been made but there is a significant amount of work to be undertaken, and this has to be achieved alongside many other competing priorities hence slippage in some areas. The two high priority audit actions have been extended by 10 and 11 months. |

Audit	Executive Summary	Updates October 2024	Assurance of Progress
Personal Protective Equipment (PPE) 2021/22	The Service could not fully assure itself that adequate training is provided in how to use, store, and maintain PPE in accordance with the PPE at Work Regulations 1992.

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.

Policies and procedures meet legislative requirements. However, there was a lack of assurance that they are read and understood by relevant members of staff.

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. | 10 of the 14 actions completed.

Risk assessment review completed and there is a project considering service wide sizing underway.

Two high priority actions remain in progress, relating to eLearning training and sizing of gas tight and flood suits, with anticipated completion in December 2024. | 71% of actions completed. The capacity of the Academy teams to develop training packages has impacted delivery of the actions.

Two high priority actions have been extended by more than 12 months. |

Audit	Executive Summary	Updates October 2024	Assurance of Progress
Flexi Duty Rota 2021/22	The audit concluded that the Flexi Duty Sysytem, 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.	1 of the 33 actions completed, 24 due for completion in January 2025. Improved rotas have been developed and implemented for use from January 2025. Information/data is now being drawn into a central repository for monitoring from the rotas, this includes breach alerts for minimum levels of crewing and specialisms. There is also a dashboard for each of the rotas displaying the number of 24 hours shifts completed by each officer and how much leave is being taken. The Policy, Procedure and Guidance team have re-written the current Flexi Duty Officer (FDO) Policy with clarity around the FDO requirements for completing an accurate timesheet. Vague language has been removed from the policy along with new content setting the rules. This policy will undergo consultation and be published in January 2025.	Six of the high priority actions have been extended by more than 12 months. Timelines have slipped because actions are reliant on implementation of a revised Flexi Duty Officer rota planned for January 2025. However, good progress has been made and it is anticipated that all 24 high and medium priority risk actions will be completed by January 2025, subject to the publication of the Flexi Duty Officer Policy and commencement of the rota. All six high priority actions refer to the publication of policy in January 2025. Once the policy has been published, these actions can be closed.

Audit	Executive Summary	Updates October 2024	Assurance of Progress
Productivity of Wholetime Crews 2023-24	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.	Of the 21 audit recommendations, 15 are closed. 6 are open of which 3 are medium and 3 low priorities. The Wholetime Duty System (WDS) Activities Log has been developed as an app which is hosted on SharePoint. Data is presented through a PowerBI dashboard and aligns directly to reporting for national data returns to ensure consistency. The output of this work supports understanding around whether crews are used effectively to support prevention, protection and response. Development of the application is anticipated to be completed by December 2024, with a period of up to six months post implementation evaluation to assure the process is operating as expected. DDaT are supporting Service Delivery by reviewing whether electronic devices are fit for purpose. Work has progressed to determine which of the paper-based systems could be digitised to reduce the admin burden on stations. Wholetime crews are trialling handheld devices to determine which of the processes can be digitised. A full review of all systems across the Service is being undertaken. Business Analysts will review and analyse the output to see if the Service can make improvements.	Good progress has been made. Two of the medium open actions are anticipated to be completed by 31 December 2024. The remaining medium action related to the mapping of the IT systems is expected to be completed in September 2025.