

REPORT REFERENCE NO.	APRC/17/16
MEETING	AUDIT & PERFORMANCE REVIEW COMMITTEE
DATE OF MEETING	12 SEPTEMBER 2017
SUBJECT OF REPORT	AUDIT & REVIEW 2017-18 PROGRESS REPORT
LEAD OFFICER	AREA MANAGER – ORGANISATIONAL ASSURANCE
RECOMMENDATIONS	<i>That the report be noted.</i>
EXECUTIVE SUMMARY	<p>Attached for consideration and discussion is the 2017 – 18 Quarter one Audit & Review report. This report sets out progress to date against the approved 2017-18 Internal Audit Plan, and updates on additional review work undertaken.</p> <p>The report provides assurance statements for the audits completed to date and records the progress against the approved Internal Audit Plan.</p> <p>Internal Audit activities across DSFRS are managed through a shared service agreement that sees Audit & Review and the Devon Audit Partnership (DAP) work together to deliver the Internal Audit Plan.</p> <p>The report provides an overview of the assurance tracking process and the current high priority recommendations that remain as ‘open’ on the assurance tracker.</p>
RESOURCE IMPLICATIONS	Nil.
EQUALITY RISKS AND BENEFITS ASSESSMENT (ERBA)	Not applicable.
APPENDICES	Nil.
LIST OF BACKGROUND PAPERS	<p>Audit & Review 2017-18 Plan</p> <p>Audit & Review Service Policy</p>

1. INTRODUCTION

- 1.1 The 2017/18 Internal Audit Plan was approved by this Committee at its meeting held on the 24 April 2017. The Plan sets out the combined scope of internal audit work to be completed by Audit & Review and the Devon Audit Partnership. The Audit Strategy for 2018/19 will be designed around new Service Performance Measures currently being developed.
- 1.2 Audit & Review and the Devon Audit Partnership are accountable for the delivery of the Plan and the policy includes the requirement to report progress to this Committee at least three times per year.
- 1.3 All Internal Audit reports, Plans and Service Policy are available on the intranet and can be accessed using the following link:
<http://intranet/Departments/SPRD/RiskandReview.asp>
- 1.4 The key objective of this report is to provide the Committee with a progress report against the Plan.
- 1.5 The report includes the assurance statements for the audits completed since the last meeting of the Committee.
- 1.6 The report also includes an overview of the assurance tracking process and the current high priority recommendations that remain as 'open' on the assurance tracker.

2. ASSURANCE STATEMENTS

- 2.1 One of the key roles of Internal Audit is to provide independent assurance as to how effectively risks are managed across the organisation.
- 2.2 The following assurance statements have been developed to evaluate and report audit conclusions:

★★★★ High Standard

The system and controls in place adequately mitigate exposure to the risks identified. The system is being adhered to and substantial reliance can be placed upon the procedures in place. Only minor recommendations aimed at further enhancing already sound procedures.

★★★ Good Standard

The systems and controls generally mitigate the risk identified but a few weaknesses have been identified and / or mitigating controls may not be fully applied. There are no significant matters arising from the audit and the recommendations made serve to strengthen what are mainly reliable procedures.

★★ Improvements Required

In our opinion there are a number of instances where controls and procedures do not adequately mitigate the risks identified. Existing procedures need to be improved in order to ensure that they are fully reliable. Recommendations have been made to ensure that organisational objectives are not put at risk.

★ Fundamental Weakness Identified

The risks identified are not being controlled and there is an increased likelihood that risks could occur. The matters arising from the audit are sufficiently significant to place doubt on the reliability of the procedures reviewed, to an extent that the objectives and/or resources of the Authority may be at risk, and the ability to deliver the service may be adversely affected. Implementation of the recommendations made is a priority.

3. PROGRESS AGAINST THE 2017-18 PLAN

3.1 The majority of the 2017-18 Internal Audit Plan has been assigned to Audit & Review Manager including ICT assurance.

Audit Area	Progress	Assurance Statement
Audit & Review		
EFQM review	Final report	★★★ Good Standard EFQM 4 star award achieved.
Information Security	Final report	★★★ Good Standard Information Assurance and Security analysis between DSFRS existing Information Security arrangements, and ISO27001:2013. Risk Management Accreditation Document Set (RMADS) baseline controls updated.
Information Governance of Network Fire Services Partnership (NFSP)	Final report	★★ Improvements Required Remedial action plan makes recommendation in respect of patching
ICT health check (NFSP – Capita)	Draft report	★★ Improvements Required ITHC completed in August 2017. Some patching issues identified and improvement to passwords required.
ICT health check (DSFRS)	Draft report	★★ Improvements Required Remediation plan being adopted.
Emergency Services Network (ESN)	Draft report	★★ Improvements Required Initial scoping completed for Code of Connection Gap Analysis.
General Data Protection Regulation (GDPR)	Final report	★★★ Good Standard. Action plan agreed to comply with GDPR by May 2018.
LGA self-assessment	Draft report	Prevention, Protection and Response self-assessment report drafted in preparation for LGA review quarter 3.
Diversity & Inclusion	Review ongoing	
Service Policies	Review ongoing	

Business Continuity Management	Review ongoing	
Devon Audit Partnership		
Business Safety - Enforcement Process	Scoping. To be completed by October 2017.	Allocated to Devon Audit Partnership.

Action Planning

3.2 All issues have been discussed with the Lead Officers and Audit & Review are pleased to report that suitable action plans have been agreed to improve the management of any risks identified.

3.3 All agreed actions are captured and monitored through the assurance tracking process (see paragraph below).

4. AUDIT & REVIEW RECOMMENDATIONS

4.1 The Audit & Review Assurance Tracking system records all recommendations and agreed actions coming out of key assurance activities. The system tracks recommendations at the following assurance levels:

- External Audit
- Annual Statement of Assurance
- Internal Audit (Audit & Review and Devon Audit Partnership)
- Operational Assurance
- EFQM
- ICT Health Checks

4.2 The Assurance Tracker is available to all employees through the Service Information Point (SIP).

4.3 On a monthly basis all outstanding High and High / Medium recommendations are reported to the Service Leadership Team (SLT) for review.

4.4 A quarterly update procedure has been embedded that sees the export and distribution of outstanding recommendations to service managers to provide an update. This has been aligned to the Corporate Planning process to ensure outstanding recommendations are reviewed alongside departmental plans.

4.5 The inclusion of additional assurance activity, such as EFQM and ICT health checks, has seen an overall increase in the total number of open actions. However, since July 2017, a 6% decrease has been seen in open 'High' or 'High / Medium' recommendations reduction to 68, with the majority located at the tactical rather than strategic level. As at August 2017, refer to illustrated Graph 1 below.

4.6 The overdue actions are largely linked to longer term project work that remain on-going and are monitored through the assurance tracking process.

4.7 Additionally, open actions have been superseded by changes to the service structure, digital transformation and other actions. Further work is ongoing to ensure that actions that have been superseded are documented and recorded as closed.

Open Audit Recommendations (High and High / Med) : 68



Graph 1: Open Audit recommendations

5. **CONCLUSION & RECOMMENDATIONS**

- 5.1 Based on the work completed to date in this year and knowledge from previous years, the systems in operation within Devon & Somerset Fire & Rescue Service continue to demonstrate a level of internal control.
- 5.2 Both Audit & Review and the Devon Audit Partnership would wish to use this report to thank all staff who have worked with them in delivering the audit programme and the willingness to positively engage in the audit process.
- 5.3 The progress made against the agreed Audit Plan will be reported back to this Committee at regular intervals.

SARAH ALLEN
Area manager – Organisational Assurance