REPORT REFERENCE NO.	**APRC/18/14**
MEETING	**AUDIT & PERFORMANCE REVIEW COMMITTEE**
DATE OF MEETING	**June 2018**
SUBJECT OF REPORT	**AUDIT & REVIEW 2018-19 PROGRESS REPORT**
LEAD OFFICER	**DIRECTOR OF SERVICE IMPROVEMENT**
RECOMMENDATIONS	*That the report be noted.*
EXECUTIVE SUMMARY	Attached for consideration and discussion is the 2018 – 19 Quarter one Audit & Review report. This report sets out progress to date against the approved 2018-19 Internal Audit Plan, and updates on additional review work undertaken.
	The report provides assurance statements for the audits completed to date and records the progress against the approved Internal Audit Plan.
	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. Additionally this includes an overview of key assurance providing activities completed by other teams who contribute to the audit plan, such as Information Assurance, Operational Assurance, and Organisational Safety Assurance.
	The report provides an overview of the assurance tracking process and the current high priority recommendations that remain as 'open' on the assurance tracker.
RESOURCE IMPLICATIONS	Nil.
EQUALITY RISKS AND BENEFITS ASSESSMENT (ERBA)	Not applicable.
APPENDICES	Nil.
LIST OF BACKGROUND PAPERS	Audit & Review 2018-19 Plan Audit & Review Service Policy

1. INTRODUCTION

1.1   The 2018/19 Internal Audit Plan was approved by this Committee at its meeting held on the 26 April 2018. The Plan sets out the combined scope of internal audit work to be completed by Audit & Review and the Devon Audit Partnership, and other assurance providing functions.

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 2018-19 PLAN

3.1 The 2018-19 Internal Audit Plan has been assigned to the Audit & Review Manager, the Information Assurance Manager, the IT Security Officer, the Operational Assurance Manager, the Organisational Safety Manager, and the Risk & Insurance Manager.

Assurance Area	Progress	Assurance statement / Update
Operational Assurance		
Operational assurance (OpA) process captures information from operational activities, enables the identification of trends through a graphical dashboard and manage the resultant actions with the organisation. Actions are assigned a rating of safety critical, area of concern or notable practice. Actions are assigned to local risk managers and monitored to ensure improvements implemented.		
Operational Assurance	Ongoing	Between April and July, 325 Incidents were monitored. 90 of these incidents identified learning points: • 18 safety critical • 107 area of concern • 2 notable practice Learning points have been referred to the relevant teams to action. Trend analysis carried out by the Op A department and incorporated into quarterly bulletin for organisational learning. Quarter 1 -120 response support visits completed by flexi officers on targeted themes, with 49 outstanding responses. These visits are to enhance learning identified through trend analysis, national learning and learning from other FRS.

Organisational Safety Assurance		
Organisational Safety Assurance	Ongoing	Key activities this quarter include testing of the new safety event reporting system to replace existing, NFCC self-assessment (see entry in "*Risk based audits*"), and revision of Health and Safety Service policy documents, as part of an ongoing review, to continue throughout 2018-19.
Information Assurance		
Data Protection / GDPR	Ongoing	The preparation for the launch of GDPR, and educating people within the service about their responsibilities, was a priority for April and May. Between April and July, there were 49 reported information security events. Of these, 1 event was confirmed to be a data breach, and was reported to the ICO accordingly.
Risk based audits		
NFCC H&S Assessment	In Progress	The first stage of self-assessment is complete, with a review of our process completed by Devon Audit Partnership (DAP). This will be used to inform stage two of the self-assessment (our Safety Management System) which is scheduled for completion by end of Q3 2018-19, with DAP providing an objective review (stage three) of our assessment in Q4, to enable an overall outcome to be determined.
Community Safety: Education activity audit	Draft report	★★ **Improvements Required**. Initial feedback provided to the Community Safety manager, and an action plan is being created to address the improvements identified.

National Fraud Initiative	Ongoing	New data is scheduled to be submitted in Q3 2018-19, to enable a new data-matching exercise to begin. No significant findings have been identified at DSFRS to date. This process is run every two years.
Service Policies	Ongoing	An ongoing review is underway to reduce the volume of service policy documents which are past their required review date. Currently 76% of policies have become past due for review.
Time off in lieu (TOIL) / Timesheet management review	Ongoing	An ongoing review is underway to understand the volumes of TOIL which are held across the service, and to ensure timesheet management is aligned to policy.
Training for Competence: Evaluation review	In progress	An objective review of the evaluation process which was used for the Training for Competence project pilot is underway, with draft report to be delivered during Q2. This will be helpful in shaping how project evaluations are completed in the future.
IT Security		
IT Health Check - Corporate	Ongoing	IT Department remediation progress for the 2017 plan has now ceased pending the 2018 testing, progress has been good within resource limitations especially with patching. A procurement exercise has been completed, with a Health Check provider confirmed and a contract awarded. Dates for this year's test are being confirmed.
IT Health Check - NFSP	Ongoing	Capita progress with remediation of the 2017 risks has been slow and incomplete but they have addressed the high risks. The 2018 health Check has been provisionally booked for the end of August, and Capita have requested greater involvement in the planning.

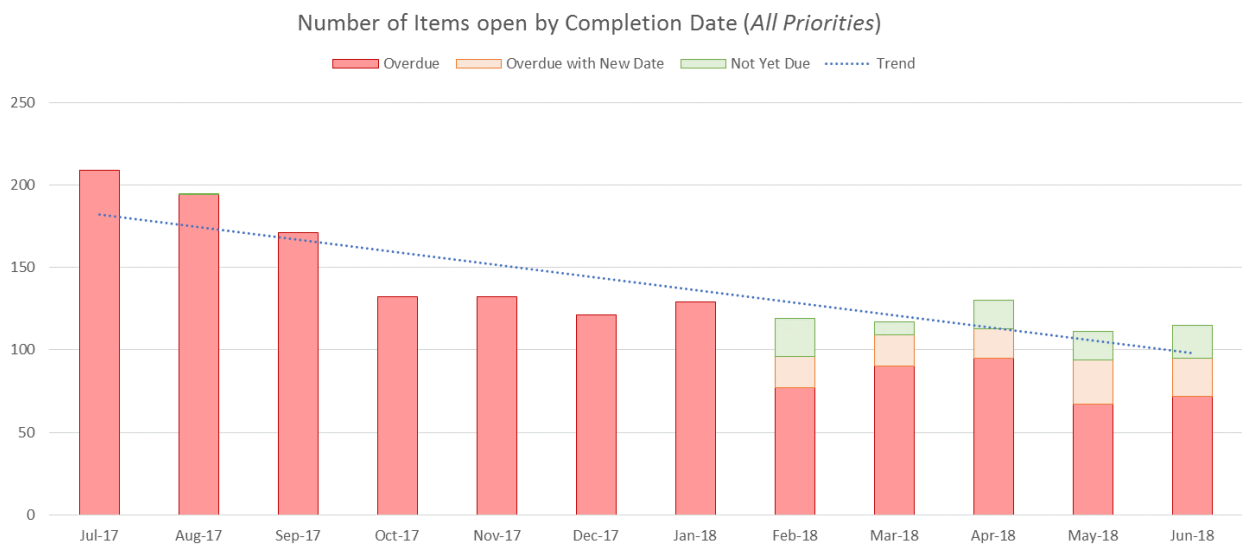|		
Code of Connection (Airwave/ESN)	Ongoing	The introduction of replacement Mobile Data Terminal hardware counts as a significant change under the Airwave Code of Connection. This requires a new submission accompanied by a specific Health Check. The Health Check is being arranged and dates will be confirmed for July/August 2018.
ISO 27001 Alignment	Ongoing	Good progress has been made in Q1 with gathering evidence of ISO27001 alignment. A review is underway with the aim of substantially reducing policies in favour of procedures, with expected completion by October 2018.

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), and where relevant, will be reflected in either department plans (if incremental improvement) or the Change & Improvement Plan (if strategic).
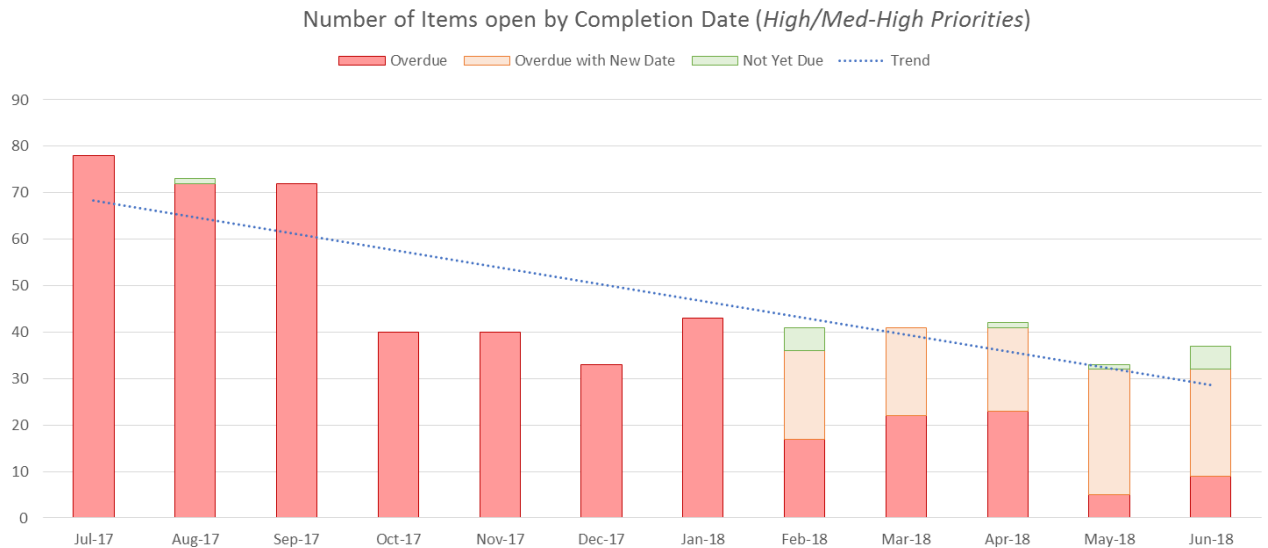
4.   <u>WHAT HAPPENS WITH AUDIT & REVIEW RECOMMENDATIONS</u>

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 reviews (including External audit)
- Annual Statement of Assurance
- Internal Audit (Audit & Review and Devon Audit Partnership)
- Operational Assurance
- EFQM
- Peer Review
- ICT Health Checks
- Safety Events
- Security Events

4.2   The Assurance Tracker is available to all employees through the Service Information Point (SIP) and will be made available to the public in the future to fall in line with the new draft Fire & Rescue National Framework document.

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, ICT health checks, safety and security events, has seen an overall increase in the total number of open actions. However, even with the additional assurance actions, over the last 12 months, a 56% decrease has been seen in open 'High' or 'High / Medium' recommendations to 37 (78 reported in July 2017), with the majority located at the tactical rather than strategic level. Updates are being focussed on the higher priority items, however the overall trend in all priority of open items, continues to decrease. As at June 2018, refer to illustrated Graph 1 and Graph 2 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.

Graph 1: Open recommendations (all priorities)

Number of Items open by Completion Date (*High/Med-High Priorities*)

Overdue   Overdue with New Date   Not Yet Due   .... Trend

Graph 2: Open recommendations (High/Med High priority)

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.

PETE BOND
Director of Service Improvement