

REPORT REFERENCE NO.	APRC/19/13
MEETING	AUDIT & PERFORMANCE REVIEW COMMITTEE
DATE OF MEETING	19 JULY 2019
SUBJECT OF REPORT	AUDIT & REVIEW 2019-20 PROGRESS REPORT
LEAD OFFICER	DIRECTOR OF SERVICE IMPROVEMENT
RECOMMENDATIONS	<i>That the report be noted.</i>
EXECUTIVE SUMMARY	<p>Attached for consideration and discussion is the 2019–20 Q1 Audit & Review report. This report sets out progress to date against the approved 2019-20 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. Additionally this includes an overview of key assurance activities completed by other teams who contribute to the audit plan, such as Information Assurance, Operational Assurance, and Safety Assurance.</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	<p>A. Internal Audit Planning Process</p> <p>B. Security Events</p>
LIST OF BACKGROUND PAPERS	<p>Audit & Review 2019-20 Plan</p> <p>Audit & Review Service Policy</p>

1. INTRODUCTION

- 1.1 The 2019-20 Internal Audit Plan was approved by this Committee at its meeting held on the 10th May 2019. 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. The Audit planning process is shown in Appendix A.
- 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 The key objective of this report is to provide the Committee with a progress report against the Plan.
- 1.4 The report includes the assurance statements for all audits completed during 2019-20.
- 1.5 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 2019-20 PLAN

- 3.1 The 2019-20 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.
- 3.2 To increase clarity on progress, audit phases have been added to Risk Based Audits.

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	This is an area requiring continuous ongoing review to ensure compliance and organisational improvement	<p>For the period 1st April 2019 – 30th June 2019; a total of 408 incidents were monitored.</p> <p>82 of these incidents identified learning, resulting in 144 learning points being submitted, broken down as such; Safety Critical = 2 (both vehicle related incidents) Area of Concern = 108 Notable Practice = 34</p> <p>Learning points have been referred to the relevant teams to action. Trend analysis carried out by the OpA Department and incorporated into quarterly bulletin for organisational learning.</p> <p>50 Programmed Officer Visits were completed by Flexi Officers on targeted themes. These visits are to enhance learning identified through trend analysis, national learning and learning from other FRS.</p>

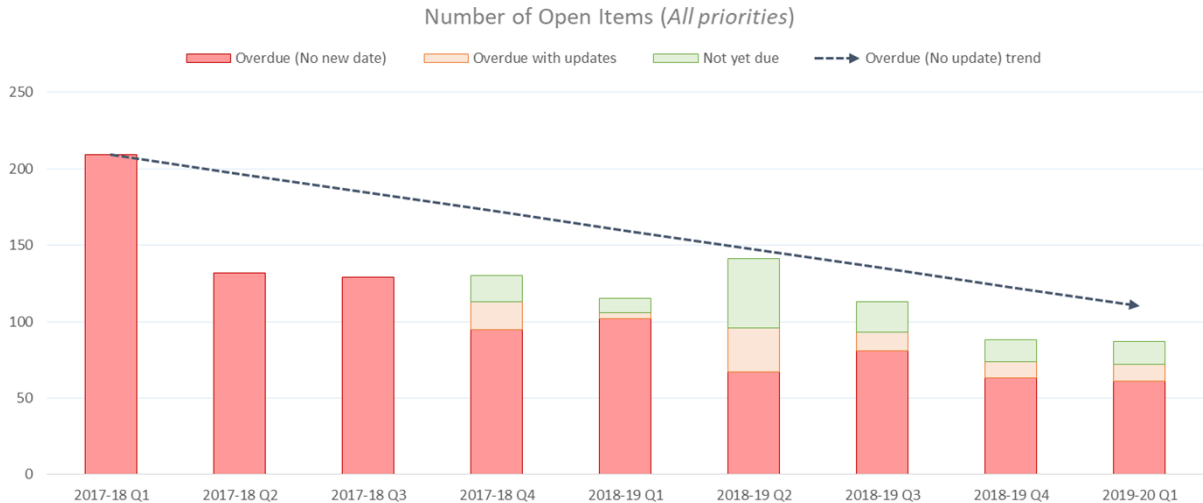
Data Protection / GDPR	This is an area requiring continuous ongoing review to ensure compliance and organisational improvement	A GDPR internal audit in 2018-19 identified a good standard of GDPR governance and improvements required for organisational compliance. Recommendations have been received and an action plan has been agreed.
ISO 27001 Alignment	Evidence / Information Gathering Phase	Good progress has been made in Q1 with gathering evidence for alignment against ISO27001.
National Fraud Initiative	In Progress	This is a mandatory initiative for public sector organisations, and is owned by the Cabinet Office. Within Q1 2019-20 148 (29%) of the 515 records returned, have been reviewed, and no fraudulent activity has been identified within these.
Cultural Audit (2018-19)	Complete	★★ Improvements Required The report has been finalised subsequent to the previous report. Further work will be completed during 2019-20 based on the outcome of this report, and “task and finish” groups are to be established to understand issues more thoroughly. Areas which will be looked into include empowerment, decision making, and Bullying & Harassment.
Fleet Review	In Progress	Further to the audit completed in 2018-19, Devon Audit Partnership have been asked to conduct the audit again, to help understand the effectiveness of the actions which have been taken since the previous report.
H&S Culture Audit	Planning phase	This audit is in the planning phase to understand the role that Health & Safety plays in the organisational culture, at all levels, in all areas.
Digital Transformation project process audit	Planning phase	This audit is in the planning phase to review the process that is being adopted for ICT developments, based on organisational requirements. Devon Audit Partnership will be completing the assessment on this.

Action Planning

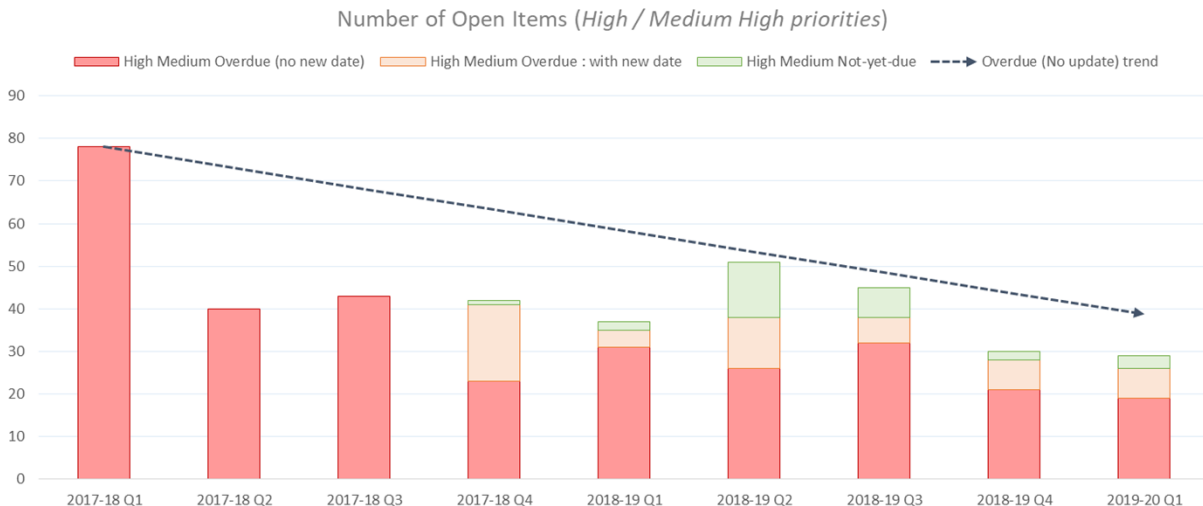
- 3.3 All issues have been discussed with the Lead Officers and Audit & Review are pleased to report that suitable action plans have been agreed to improve the management of any risks identified.
- 3.4 All agreed actions are captured and monitored through the assurance tracking process (see paragraph below), and where relevant, will be reflected in either department plans (if incremental improvement) or the Change & Improvement Plan (if strategic).

4. WHAT HAPPENS WITH 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 reviews (including External audit)
 - Annual Statement of Assurance
 - Internal Audit (Audit & Review and Devon Audit Partnership)
 - EFQM
 - Peer Review
 - ICT Health Checks
 - 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 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.
- 4.4 Updates are being focussed on the higher priority items, however, the overall trend in all priority of open items, continues to decrease. As at April 2019, refer to illustrated Graph 1 and Graph 2 overleaf.
- 4.5 The overdue actions are largely linked to longer term project work that remain on-going and are monitored through the assurance tracking process.
- 4.6 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)



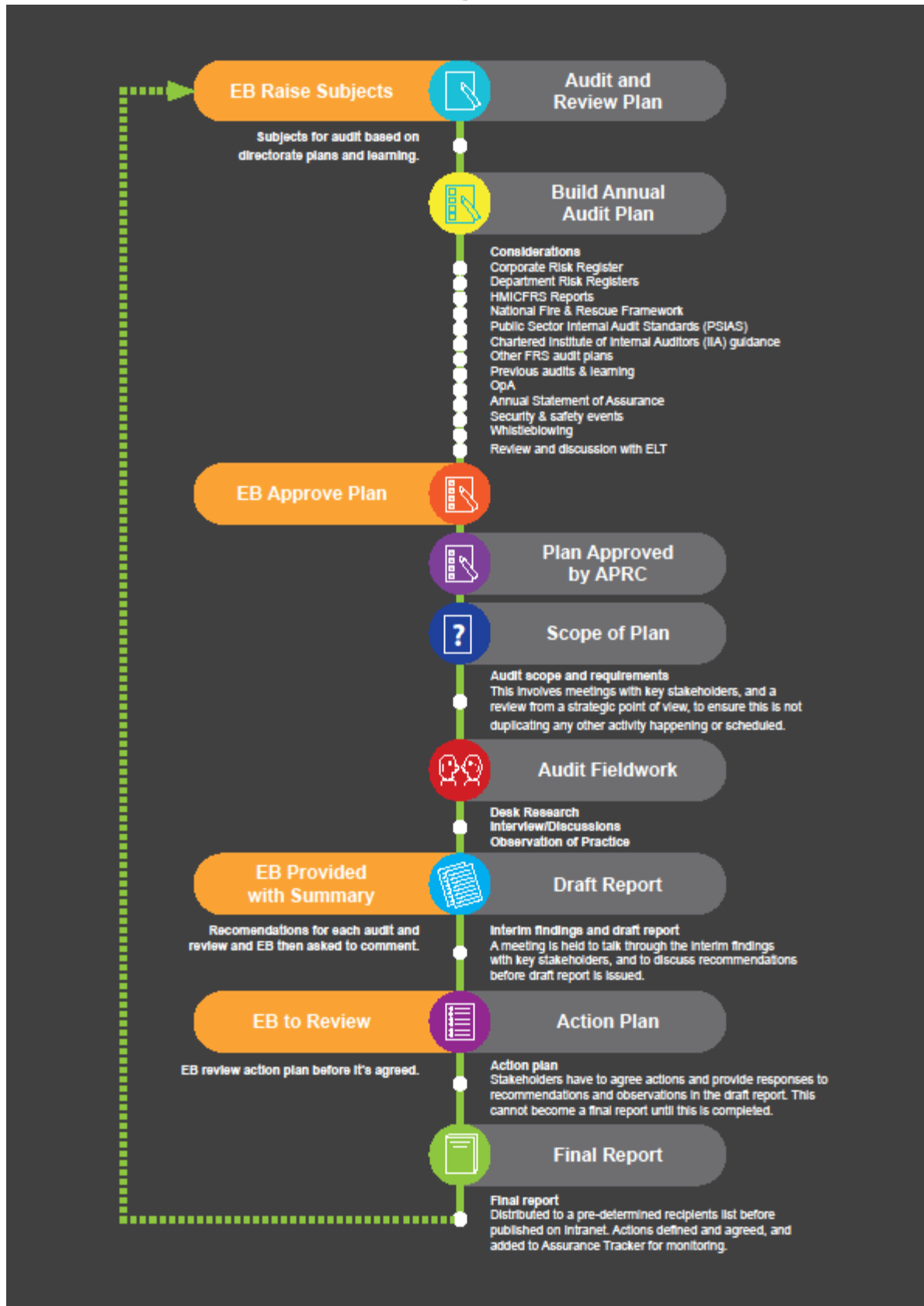
Graph 2: Open recommendations (High/Med High priority)

5. CONCLUSION & RECOMMENDATIONS

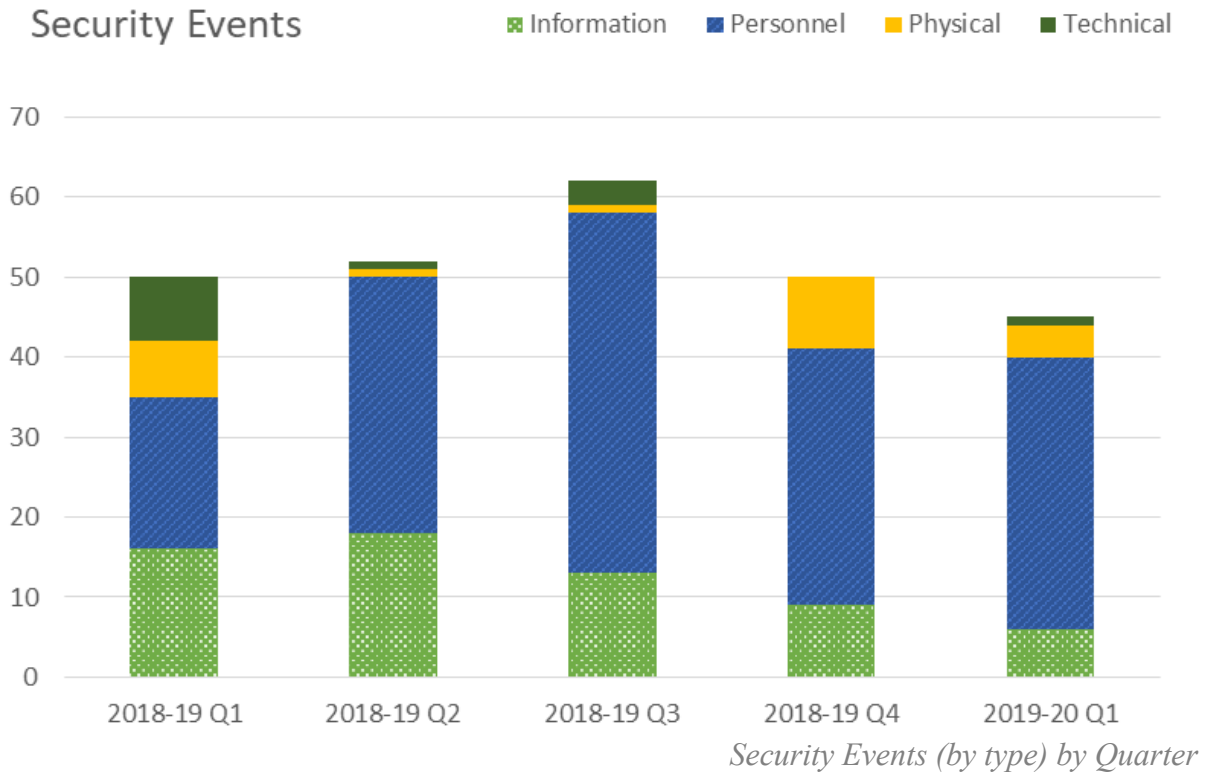
- 5.1 Based on the work completed to date in this year and knowledge from previous years, the systems in operation within Devon & Somerset Fire & Rescue Service continue to demonstrate a level of internal control.
- 5.2 Both Audit & Review and the Devon Audit Partnership would wish to use this report 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

Internal Audit Planning Process



Security Events



Our security event categories are aligned to HMG Security policy framework.

Information Security events include data breaches, emails sent to incorrect recipients, or information left on printers.

Personnel Security events include people not displaying appropriate ID cards on DSFRS sites, or losing alerters, or mobile telephones.

Physical Security events involve doors or windows being left open, or physical break-ins at premises.

Technical Security events are problems relating to our technical systems for managing information.