

REPORT REFERENCE NO.	AGC/21/6
MEETING	AUDIT & GOVERNANCE COMMITTEE
DATE OF MEETING	28 OCTOBER 2021
SUBJECT OF REPORT	INTERNAL AUDIT PROGRESS REPORT 2021-22 – QUARTER 2
LEAD OFFICER	Director of Governance & Digital Services
RECOMMENDATIONS	<i>That the Committee reviews and considers the outcomes of the work completed as set out in this report and indicates whether it requires any further assurance.</i>
EXECUTIVE SUMMARY	This report sets out the progress that has been made up to and including Quarter 2 of the current (2021-22) financial year against the approved Internal Audit Plan for that year.
RESOURCE IMPLICATIONS	Nil.
EQUALITY RISKS AND BENEFITS ANALYSIS	Not applicable
APPENDICES	A. Definitions of Audit Assurance Opinion Levels.
BACKGROUND PAPERS	Report APROC/21/3 (2021-22 Draft Internal Audit Plan) to the [then] Audit & Performance Review Committee meeting on 5 March 2021 (and the Minutes of that meeting).

1. INTRODUCTION

- 1.1. The 2021-22 internal audit plan was approved by the [then] Audit & Performance Review Committee on 5 March 2021. The Plan forms the principal work of the Internal Audit Service and is a significant source of assurance of the effectiveness of the internal control environment. The Plan sets out the combined scope of internal audit work to be completed by the Devon & Somerset Fire & Rescue Service Internal Audit team (“the team”) and the Devon Audit Partnership.
- 1.2. The team and the Devon Audit Partnership are accountable for the delivery of the Plan and the Internal Audit Charter includes the requirement to report progress to this Committee at least three times per year.
- 1.3. The aim of this report is to update the Committee on progress in delivery against the internal audit plan, recognising that this is in the context of the Service remaining in the Business Continuity Recovery phase. Remote working and Covid-19 restrictions at Service premises and stations have continued during this time.
- 1.4. The report presents a summary of audit work undertaken to date and the current stage of the audit work. Where an audit report has been issued, it includes an audit assurance opinion on the adequacy and effectiveness of the internal control environment. Definitions of Audit Assurance Opinion Levels and Recommendation Priority can be found at Appendix 1.
- 1.5. The team can confirm that there are no significant facts or matters that impact on its independence as auditors that it is required to, or wish to, draw to the attention of the Committee. The team has complied with the Internal Audit Charter and confirms that it is independent and able to express an objective opinion on all statements provided.
- 1.6. The opinions contained within this report are based on audit examination of restricted samples of transactions/records and discussions with officers responsible for the processes reviewed.


2. DELIVERY OF THE 2021-22 AUDIT PLAN

- 2.1. This report provides an update on audit work carried out against the work that has been planned for 2021-22. Any revisions to the plan are carried out in conjunction with relevant management personnel.
- 2.2. Due to a secondment, recruitment process and the introduction of a new Audit and Review Manager created a delay to the commencement of the annual audit plan resulting in no audits being completed within period 1. Fieldwork started within period 1 for the Light Fleet Support Audit and the final report was completed in period 2.
- 2.3. The chart overleaf provides an overview of plan completion. Delivery remains on track to deliver full completion of the 2021/22 plan.

	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH
Internal Resource							
Community Safety: Fire Prevention							
Light Fleet Support							
Station Compliance							
Fleet Management							
Working with Children & Young People							
Training: Fitness Testing							
PPE Audit							
Devon Audit Partnership							
Key Financial Systems							
Risk Management							
Use of Data							
Information Security: Availability of Systems							
Application of Learning (incl HMI & Grenfell)							

- 2.4. Table 1 below shows the detailed status of audits in progress or completed and their associated reported summaries. In addition to the planned work, consultancy and advice has continued to be provided where required.

Table 1

Audit Area and Assurance Summary	Audit Opinion	Direction of Travel
<p>Light Support Fleet - Final Report</p> <p>Whilst guidance exists and there is noted evidence of improved practice within Fleet and Procurement from the previous audit, there are significant inconsistencies in the approach taken between Officers in Charge and area office administration.</p> <p>Knowledge of procedures and consistency in application differ as perceptions are influenced by the high volume of policies available across four different departments potentially causing confusion rather than clarity.</p> <p>It is Audit's opinion that there is a lack of formal governance and control in place over area administrators to monitor Light Fleet Vehicle usage and Hired Car spend.</p> <p>A new 'Telematics' system is to be introduced to support transparency in fleet vehicle usage and a review of current vehicle usage policy required to support reduction in hired car spend.</p>	<p>Limited Assurance</p>	<p></p> <p>Progress has been made but further work is required</p>

Audit Area and Assurance Summary	Audit Opinion	Direction of Travel
Effective use of the Light Support Fleet is monitored by the Resources Committee.		
<p>Training: Fitness Testing Assurance - Draft Report</p> <p>An assurance report was commissioned as an initial review before a full audit is completed to ensure that all areas were reviewed and actions taken to be confident of full compliance before a further full audit and HMI inspection were completed. In the event, the HMI inspection was earlier than expected and the Service is now reviewing the need for a further audit.</p> <p>This initial assurance report identified evidence of improved practice within the Fitness team and the Service strategy since the HMI inspection in 2019, although there are still areas of potential inconsistencies in the approach taken. Whilst there has been significant improvement in the completion of fire fighter fitness testing, it is Audit's opinion that there remains a lack of resource for the Fitness Advisors to complete all levels of expectation in full when special measure tests and failed annual fitness tests also require completing in addition to planned annual and three yearly fitness tests.</p> <p>The Covid-19 pandemic has dramatically impacted the Service's ability to fully utilise its fitness policy and to evaluate its full impact in 2020. The current year is being used for consolidation, reflection and analysis to strengthen compliance and assurance in fire fighter fitness testing.</p>	<p>Limited Assurance</p>	<div data-bbox="1145 1077 1230 1151" data-label="Image"> </div> <p>Good progress since 2019 HMICFRS inspection and re-visit has been made and continues.</p>

Audit Area and Assurance Summary	Audit Opinion	Direction of Travel
<p>Governance of fitness testing shows improvement with regular review from the Executive Board after the Service recognised the gap and the risks from the areas of concern.</p> <p>Firefighter fitness assurance is monitored by the People Committee.</p>		
<p>Station Compliance: Legionella Management - Draft Report</p> <p>If the Service does not have adequate controls in place then there is a risk of non-compliance with statutory requirements and to the safety of staff.</p>	Not yet available	
<p>National Fraud Initiative - Review Phase</p> <p>This is a mandatory initiative for public sector organisations.</p>	Not Applicable	
<p>Personal Protective Equipment (PPE) Audit – In Progress</p> <p>(Carried over from 2020-21 Plan due to the impact of response to Covid-19)</p> <p>To establish compliance with PPE training, legislation and requirements. The aim initially will be to review internal systems and processes, involving initial requirements, procurement and fitting, concluding in how compliant the service is in regards training and refresher training of PPE use, with the understanding of identifying areas requiring improvement. This will act as a base audit to further develop proposed annual audits to cover other aspects of PPE use, such as legislation, contamination, replacement equipment and availability.</p>	Not yet available	

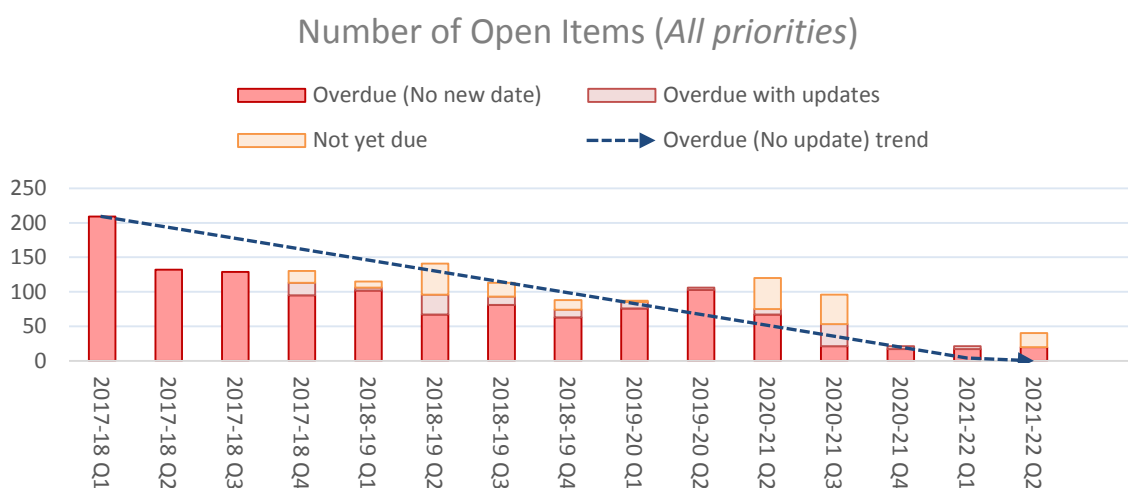
Table 2 – Audits not yet started

Audit Area	Rationale For Audit
INTERNAL RESOURCE: INTERNAL AUDIT & REVIEW MANAGER	
Community Safety: Fire Prevention	The Authority has a statutory responsibility under the Fire and Rescue Services Act 2004 to give fire safety advice and needs assurance that it is prioritising its prevention work to prevent fires and other emergencies from occurring.
Working with Children & Young People	Errors in this area could damage the reputation of the Service and could potentially breach the Service's legal obligations with regard to safeguarding. By reviewing the security checks that are currently undertaken, assurance can be provided that the Service is ensuring the safety of its people and the community that it serves.
Fleet Management	Availability of vehicles/ appliances that are fit for purpose forms part of risk CR056 on the Corporate Risk Register. Further to previous audit work in this area and implementation of the fleet strategy, assurance needs to be provided that improvements are being embedded.
DEVON AUDIT PARTNERSHIP	
Key Financial Systems (including Payroll)	This is a fixed part of the audit plan which is presented to the External Auditor on an annual basis.
Risk Management	<p>HMICFRS expressed concerns over some aspects of the risk management process.</p> <p>This audit will provide assurance on how well the Service's revised risk management framework has embedded.</p>
Use of Data	Wherever possible the Service's work should be data driven to determine how activity is prioritised to ensure that services are provided effectively and efficiently. This data should be readily available, accurate and up to date.
Information Security - Availability of systems	Information security is the foundation for high-scoring items on the Corporate Risk Register (CR037 & CR044). This is an area of increasing risk to all organisations, and with rapid increases in remote working and reliance on ICT, good security practices are essential.

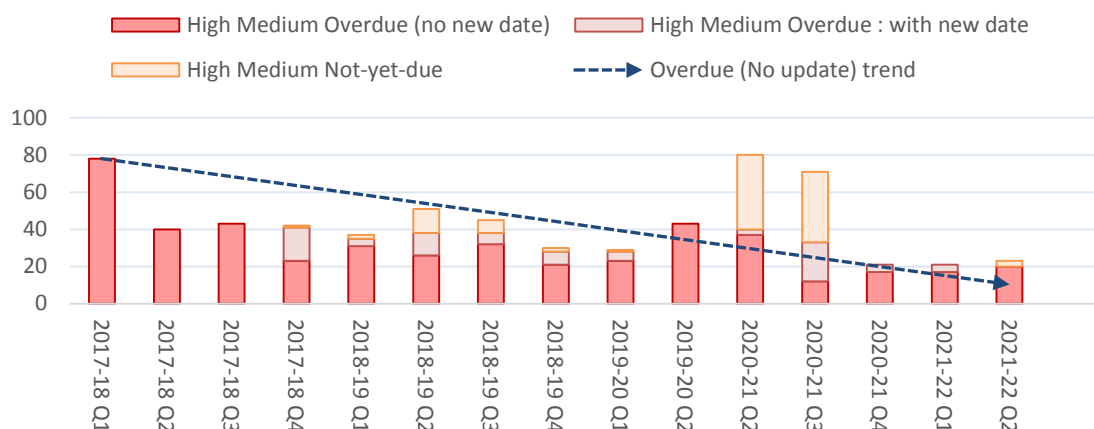
Audit Area	Rationale For Audit
Application of learning (including HMI and Grenfell)	There are risks associated to both not applying learning, and not being able to evidence that learning has been applied. Failure to apply learning can risk the safety of employees and the public, as well as risk non-compliance with updated regulations.

3. **ACTION TRACKING OF AUDIT AND REVIEW RECOMMENDATIONS**

- 3.1. The Audit Tracker records all recommendations and agreed actions arising from internal audit work. The Audit Tracker is available to all employees through the Intranet Service Information Point (SIP).
- 3.2. Updates are focussed on the higher priority items (such as those which are associated to high risks, or have deadlines provided by external bodies). Any overdue actions recorded are largely linked to longer term project work and introduction of new processes that remain ongoing. These are monitored through the assurance tracking process and no areas are identified as non-responsive.
- 3.3. Additionally, some open actions have been superseded by changes to the Service structure, digital transformation and other upgrade/changes. Work is ongoing to ensure that actions that have been superseded are documented and recorded as closed. This piece of work is expected to be completed by the end of 2021-22, with ongoing reviews completed on a regular basis.
- 3.4. The tables below and overleaf show the number of open items on the Assurance/Audit Tracker.



Number of Open Items (*High / Medium High priorities*)



4. **CONCLUSION AND RECOMMENDATIONS**

- 4.1. The team's opinion, based upon audit work completed and direct advice provided, is that improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the areas audited. Where recommendations for improvements have been made, action plans have been agreed with management.
- 4.2. It is important that the internal audit service seeks to add value whenever it can. Feedback obtained from those audited during the year to date consider that the team are able to add value by:
 - Providing objective and relevant assurance.
 - Contributing to the effectiveness and efficiency of the governance, risk management and internal control processes.
 - Input to changing processes resulting from the Covid Pandemic.
- 4.3. The team would like to express its thanks and appreciation to all those who provided support and assistance during the course of the audits. The team would also like to thank Devon Audit Partnership for all its efforts and commitment in working with the Service during the past year.
- 4.4. It is recommended that the Committee reviews and considers the outcomes of the work completed and whether they require any further assurance.
- 4.5. The progress made against the agreed Audit Plan will be reported back to this Committee at regular intervals.

MIKE PEARSON

Director of Governance & Digital Services

Appendix A to Report AGC/21/6




Definitions of Audit Assurance Opinion Levels

Assurance	Definition
Substantial Assurance	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.
Reasonable Assurance	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
Limited Assurance	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
No Assurance	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.

Devon & Somerset Fire and Rescue Service

The Service Internal Audit team aims to be recognised as a high-quality internal audit service in the public sector and Fire Service. The team works by providing a professional internal audit service that will assist departments in meeting their challenges, managing their risks and achieving their goals. In carrying out its work, the team is required to comply with the Public Sector Internal Audit Standards along with other best practice and professional standards. The team is committed to providing high quality, professional customer services to all; if you have any comments or suggestions on the team's service, processes or standards, the Audit Manager would be pleased to receive them at cweeks@dsfire.gov.uk

Direction of Travel Indicators

Indicator	Definitions
	No Progress has been made. The action plan is not being progressed at this time, actions remain outstanding.
	Progress has been made but further work is required. The action plan is being progressed though some actions are outside of agreed timescales or have stalled.
	Good Progress has/is being made. Good Progress has continued.