

REPORT REFERENCE NO.	AGC/22/10
MEETING	AUDIT & GOVERNANCE COMMITTEE
DATE OF MEETING	22 JULY 2022
SUBJECT OF REPORT	INTERNAL AUDIT 2022-23 PROGRESS REPORT – QUARTER 1
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 1 of the current (2022-23) financial year against the approved Internal Audit Plan for 2022-23 in addition to completion of the 2021-22 Internal Audit Plan.
RESOURCE IMPLICATIONS	Nil.
EQUALITY RISKS AND BENEFITS ANALYSIS	Not applicable
APPENDICES	A. Definitions of Audit Assurance Opinion Levels.
BACKGROUND PAPERS	Report APCR/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). Report AGC/22/1 to the Audit & Governance Committee on 7 March 2022 (and the Minutes of that meeting).

1. INTRODUCTION

- 1.1. The Internal Audit 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 2021-22 Internal Audit plan was approved by the [then] Audit & Performance Review Committee on 5 March 2021. The delivery of the 2021-22 plan was impacted in quarter 4 by Covid-19 related sickness for Internal Audit, DAP and Service colleagues and deferral of annual leave to quarter 4. This resulted in delay to completion for some audits impacting the start of the 2022-23 Internal Audit Plan which was approved by the Audit & Governance Committee on 7 March 2022.
- 1.3. 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.
- 1.4. The aim of this report is to update the Committee on progress in completing the 2021-22 Plan and delivery against the 2022-23 plan. This report therefore 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 A.
- 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 wishes to, draw to the attention of the Committee. The team 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 Table 1 below shows the detailed status of the audits in progress or completed and their associated reported summaries for the remainder of the 2021-22 Plan.

Table 1

AUDIT PLAN 2021-22		
Audit Area and Assurance Summary	Audit Opinion	Management Response
<p>Community Safety – Fire Prevention <i>Direction of travel: No previous reviews</i></p> <p>The team gained resource in 2019 with the introduction of ten additional home safety technicians. Whilst this has supported the quantity of checks completed, there are continued management gaps highlighted in data quality review, risk-based escalation culture, action logs and process that limit the effectiveness of fire prevention.</p> <p>The lack of accessibility of data and lack of skilled resource within the Prevention Team to analyse the Home Fire Safety data collected has limited the ability of the team to be able to challenge and manage performance or to ensure that vulnerable people are re-visited.</p> <p>The Community Safety Team is self-aware of many of the gaps identified in this audit, with many actions awaiting the introduction of Management of Risk Information (MORI) and reliant on the capacity of ICT to update the data management system that will support extraction of key data to align resource to risk. Implementation of the audit recommendations and the Prevention Team’s strategy are highly dependent on the capacity of the Strategic Analysis / data team to support with the introduction and continued use of MORI.</p>	<p>Limited Assurance</p>	<p>A data review has taken place with the aim of providing assurance that data submitted to external bodies is correct.</p> <p>Quality Assurance Manager appointed who is now working with the Business Analyst and the Strategic Analysis Team to resolve inaccuracies in data, to review what reports are required and to review data for external submission. Process improvements have been identified which will improve the ability to report on data for the HMICFRS 2022 Autumn submission.</p> <p>The Strategic Analysis Team is now providing Power BI performance management data for the Community Safety Team.</p> <p>The Community Safety Team is currently transitioning to a new structure and strategy which will need to be embedded and reviewed to understand capacity to deliver against risk.</p>

AUDIT PLAN 2021-22

Audit Area and Assurance Summary	Audit Opinion	Management Response
<p>Personal Protective Equipment (PPE)</p> <p><i>Direction of travel: No previous reviews</i></p> <p>Firefighters within the Service are provided with fit for purpose, personal use, operational PPE. However, the Service cannot fully assure itself that adequate training is provided in how to use, store, and maintain this PPE in accordance with the PPE at Work Regulations 1992.</p> <p>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.</p> <p>Policies and procedures meet legislative requirements. However, there is a lack of assurance that they are read and understood by relevant members of staff.</p> <p>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.</p> <p>Future PPE audits are proposed to be undertaken over the next few years to cover topics not included in the scope of this audit such as contaminants, shared use and specialty PPE.</p>	<p>Limited Assurance</p>	<p>Training material to be developed and processes established to ensure that all PPE training is recorded.</p> <p>Completion of PPE log books will be reviewed via the Operational Assurance Station Preparedness annual assessment and also form part of the Group Commanders' monthly performance meeting.</p> <p>Over the next 12 months, PPE storage will be reviewed via the Health & Safety Team premises audits and completion of RA9 risk assessments by local managers.</p>
<p>Fleet Management</p> <p><i>Direction of travel:</i> </p> <p>Further to previous audit work (2019) in this area and the implementation of the fleet strategy, assurance was needed</p>	<p>Reasonable Assurance</p>	<p>One review to be completed is that relating to Specialist vehicles. These vehicles are included in the fleet capital</p>

AUDIT PLAN 2021-22		
Audit Area and Assurance Summary	Audit Opinion	Management Response
<p>that improvements are being embedded. The audit found that good progress has been made, raising the level of assurance from 'Limited Assurance' to 'Reasonable Assurance'.</p> <p>With the implementation of a Fleet Service Plan, a Fleet and Equipment Strategy and a 10-year capital plan, the risk has decreased. The plans and strategies that are now in place look at short, medium, and long-term goals for the team and are set to become rolling projects with annual updates.</p> <p>The number of front-line vehicles has been reduced from 121 to 112, improving Fleet Management efficiency and saving the Service money.</p>		<p>replacement plan and the Fleet and Research & Development teams are well placed to progress this in accordance with the prioritisation plan for replacement of vehicles.</p> <p>The Community Risk Management Plan has indicated the need to undertake a separate review on specialist activities which may impact progress of these plans.</p>
<p>Flexi Duty Rota</p> <p><i>Direction of travel: No previous reviews</i></p> <p>In accordance with the Grey Book requirements, a Flexible Duty System (FDS) is in operation for officers at the Station Manager rank and above. Those utilising the Flexible Duty System undertake duties which can be split into two key types: Managerial duties - referred to as 'positive' hours and Standby duties - where the officer is on call to carry out managerial duties as necessary. Standby duties require a set number of 'positive' hours to be worked, primarily used to provide support to stations within Commands, for instance attending a drill night at a station during an on-call shift.</p> <p>The audit concluded that the FDS, as operated within DSFRS, 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</p>	<p>Limited Assurance</p>	<p>A full and complete review of the Flexi Duty Officer rota has been commissioned with a view to introducing a new policy, guidance and framework as well as a rota pattern for the rota.</p>

AUDIT PLAN 2021-22		
Audit Area and Assurance Summary	Audit Opinion	Management Response
<p>become the norm. There are potential risks to officer welfare and to the effective delivery of incident response.</p> <p>The output from the audit will help inform the planned internal project to review the FDS and provide some helpful pointers regarding inconsistencies and areas where improvements may be possible.</p>		
<p>Organisational Safeguarding Assurance</p> <p>Safeguarding responsibility currently sits within the Community Safety department and work carried out within the Prevention team's remit; this current process and operational structure offers little support to safeguarding the rest of the organisation.</p> <p>A full policy review has been recommended and the Service is awaiting appointment of a Safeguarding Manager.</p>	Draft Report	<p>A Strategic Safeguarding Board is being established with the first meeting planned for 8 September, chaired by the Deputy Chief Fire Officer. This meeting will consider the draft report recommendations in full and the management response to those recommendations.</p>
<p>Information Security – Availability of systems</p> <p>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.</p>	Draft Report	<p>Management responses are in the process of being collated.</p>
<p>Use of Data</p> <p>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.</p>	Draft Report	<p>Management responses are in the process of being collated.</p>

3. DELIVERY OF THE 2022-23 AUDIT PLAN

3.1 The delays in completion of the 2021-22 Audit Plan have created a delay to the commencement of the 2022-23 annual audit plan. The current status of the 2022-23 audit work in progress is as follows:

- Station-based Testing Regime - Terms of Reference completed and awaiting scope approval; fieldwork due to start in July.
- Crewing Pool - Terms of Reference, scope, objectives and audit programme completed; fieldwork due to start in July.
- Application of Learning - fieldwork has commenced and the draft report is proposed to be completed by the end of July 2022.

3.2 The chart overleaf provides an overview of the planned timeline for completion of the 2022-23 Internal Audit Plan.

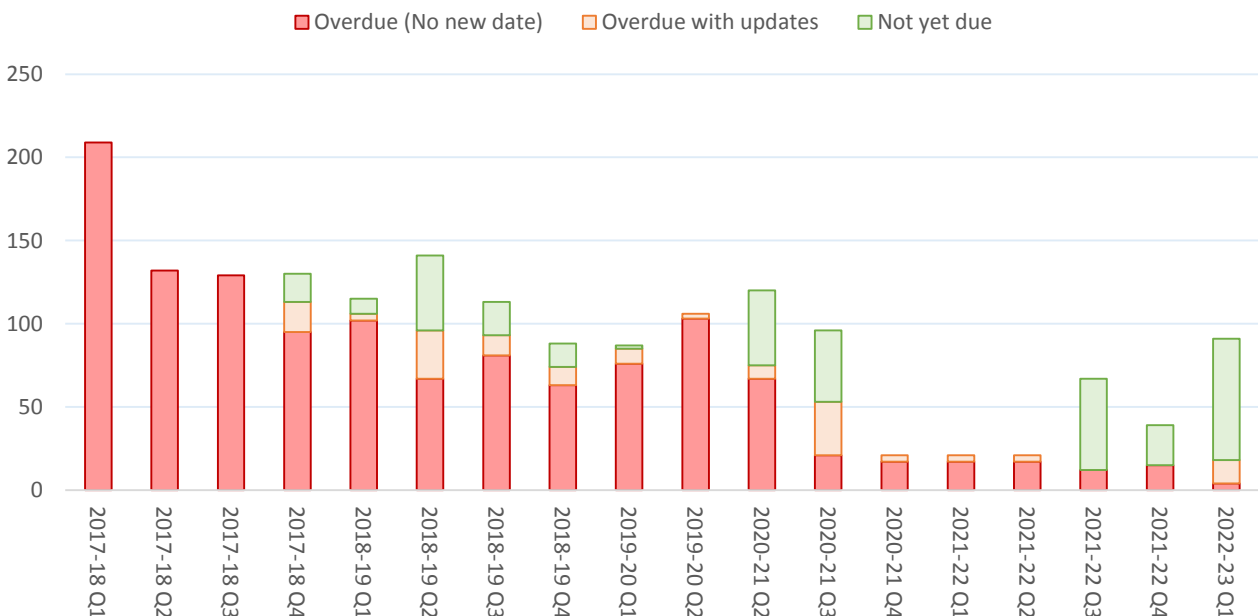
Audit	May	June	July	Aug	Sept	Q3	Q4
Crewing Pool		In Progress	In Progress	In Progress			
Station-Based Testing Regime		In Progress	In Progress	In Progress			
Station compliance - Environmental / waste management				Planned start date	Planned start date		
Review the operation of the critical messaging process				Planned start date	Planned start date		
Community Safety – Schools & Engagement					Planned start date	Planned start date	
Control of Working Hours					Planned start date	Planned start date	
Firefighter Fitness Training Review						Planned start date	
PPE Contaminants							Planned start date
Behavioural Risk							Planned start date
Support the Service's response to the HMI 2022 report findings							Planned start date
Application of HR policy and procedure							Planned start date
DAP – Application of Learning	In Progress	In Progress	In Progress				
DAP - Key Financial Systems (Inc. Payroll)						Planned start date	

 - In Progress  - Planned start date

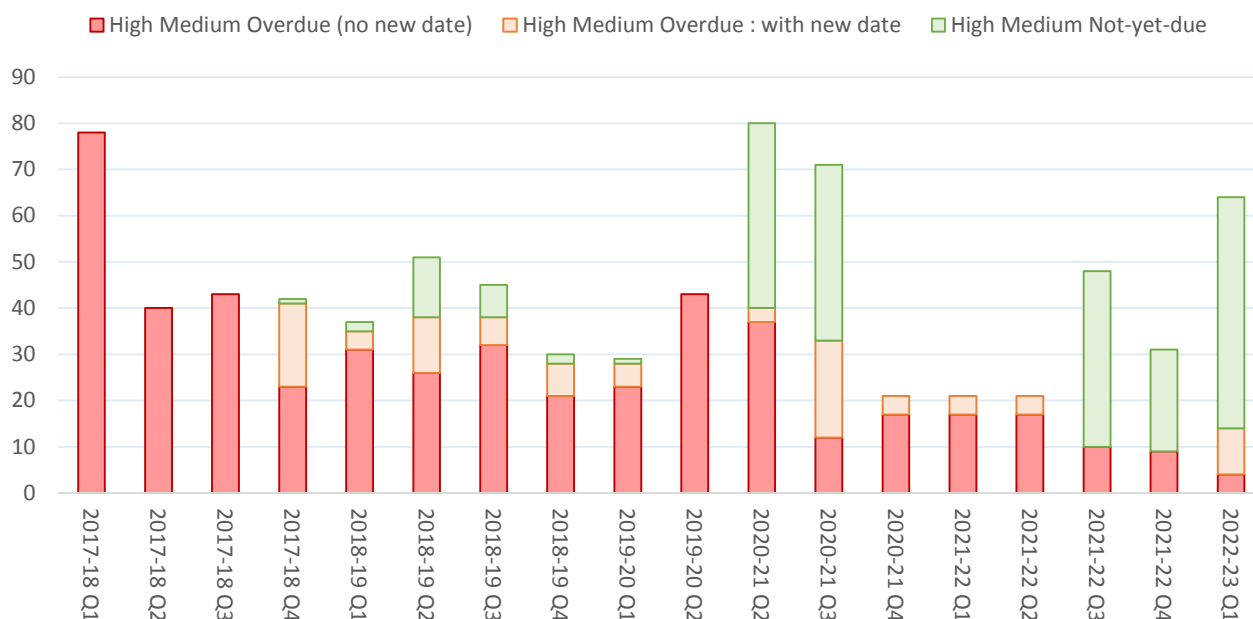
4. **ACTION TRACKING OF AUDIT AND REVIEW RECOMMENDATIONS**

- 4.1 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 Sharepoint.
- 4.2 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.
- 4.3 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 ongoing with reviews completed on a regular basis.
- 4.4 The tables below show the number of open items on the Assurance/Audit Tracker. There has been a substantial increase in the number of total actions due to the number of audits completed within quarter 4 2021-22 and quarter 1 2022-23.
- 4.5 The majority of actions are 'not yet due' and a decrease in overdue actions with no new date is noticeable. This has been driven by the regular review by the Internal Audit team.

Number of Open Items (*All priorities*)



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



5. **CONCLUSION AND RECOMMENDATIONS**

5.1 Where recommendations for improvements have been made, action plans have been agreed with management and regular reviews conducted.

5.2 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.

5.3 The team would like to express its thanks and appreciation to all those who provided support and assistance during the audits. The team would also like to thank Devon Audit Partnership for all its efforts and commitment in working with the Service.

5.4 It is recommended that the Committee reviews and considers the outcomes of the work completed and whether they require any further assurance.

5.5 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




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.