



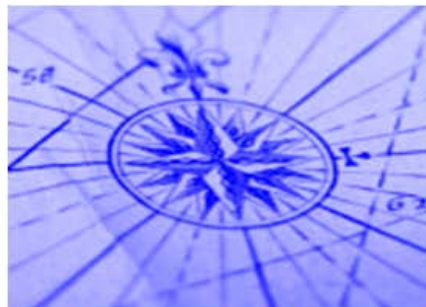
Dorset & Wiltshire Fire and Rescue Authority

Internal Audit Report for the Dorset & Wiltshire Fire and Rescue Service

2018-19 Block 3 & 4 - January 2019



Client Focused



Providing Guidance



Driving Forward



Clear Assurance

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Audit visit: April/May 2018

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This report summarises the outcome of work completed to date against the operational audit plan approved by the Dorset & Wiltshire Fire and Rescue Authority (the Authority), Finance & Governance (F&G) Committee and the Chief Fire Officer and incorporates cumulative data in support of internal audit performance and how our work during the year feeds in to our annual opinion.

The sequence and timing of individual reviews has been discussed and agreed with management to ensure the completion of all audits within the agreed Internal Audit Strategy 2018-19 in a timely manner. The scope for each review has been agreed with nominated managers and is intended to focus on the key risks to which that area of the organisation's activity is exposed and the associated controls which we would expect to be in place to ensure that risk is managed within the risk appetite approved by the Strategic Leadership Team (SLT). Our approach is to document and evaluate the adequacy of controls operating within the system. The key controls operated by management have been assessed against the controls we would expect to find in place if best practice in relation to the effective management of risk, the delivery of good governance and the attainment of management objectives is to be achieved. Where applicable, selected and targeted testing has been used to support the findings and conclusions reached.

The Executive summary which follows provides an assurance opinion which arises from the outcomes of the audits undertaken in this block of work and which have been discussed with senior management. The highlights emerging from each area subject to review are shown in the more detailed commentary that is then provided.

A summary of progress against the years planned operational activity is enclosed along with details of opinions and recommendations; this will provide assurance regarding delivery of the plan against the timetable established by the Finance, Governance & Audit Committee in March 2018.

We have performed our work in accordance with the principles of the Institute of Internal Auditors (IIA) International Professional Practice Framework (IPPF) and the Public Sector Internal Audit Standards (PSIAS) in so far as they are applicable to an assignment of this nature and you our client.

We therefore report by exception and only highlight those matters of significance that we believe merit acknowledgement in terms of good practice or undermine the system's control environment and which require attention by management.

If any matters require clarification prior to the meeting of the Finance & Governance Committee please do not hesitate to contact the Engagement Director, whose contact details appear on the contents page of this report.

The results of our visit to Dorset & Wiltshire Fire and Rescue Service (the Service) are summarised in this section of the report and are considered in relation to each area reviewed.

The extent of comment in relation to each audit area is restricted deliberately so as to highlight the significant issues that we believe need to be drawn to the attention of the Finance & Governance Committee and management. We provide an opinion in relation to each audit area that relates to the level of assurance that can be provided as evidenced within each review; and takes account of the issues identified and the recommendations made. The opinion is expressed in terms of the control framework for the area under review, as currently laid down and operated, and takes account of whether the risks material to the achievement of the organisation's objectives for this area are adequately managed and controlled. The opinion is therefore expressed as substantial, adequate or limited.

These are supported by a more detailed analysis of each review that is contained as an audit highlights summary which follows this executive summary.

Audit Area	Opinion	Recommendations				
		F	S	MA	Total	Agreed
1. Performance Monitoring	Substantial	0	1	1	2	2
2. Integrated Risk Management Planning	Adequate	0	2	2	4	3
3. Procurement (VFM)	Limited	0	8	0	8	8
4. Leadership Development	Substantial	0	0	4	4	4

Fundamental (F)

- The organisation is subject to levels of fundamental risk where immediate action should be taken to implement an agreed action plan.

Significant (S)

- Attention to be given to resolving the position as the organisation may be subject to significant risks.

Merits Attention (MA)

- Desirable improvements to be made to improve the control, risk management or governance framework or strengthen its effectiveness.

As part of our service to you as our client we will follow-up on those recommendations made during the periods which we are on-site and report assurance or otherwise regarding completion of management actions at the next Finance & Governance Committee meeting. Where follow-up is required to be undertaken within a more immediate timescale we will be pleased to arrange for this to be undertaken, whilst recognising that there may be implications on time allocation within the operational plan.

Performance Monitoring

Executive summary – Performance Monitoring

1.1 The Service has developed a Community Safety Plan (CSP) which contains those elements required under the National Framework in which key elements reflect Delivery in terms of identification of risk and the associated prevention and protection, response and collaboration arrangements as well as matters relating to Resilience and Governance.

1.2 We were also asked to benchmark the CSP against the CSP's of other Services. In this respect, we feel the Authority's document compares favourably with its peers in terms of setting out the vision, culture and priorities of the Service. We did however observe that others contained a broader range of evidenced information in terms of trend data, with perhaps a greater degree of graphics, which then allowed pictorial representation of fire risk, response and resilience issues. However, we recognise that the Service's Community Safety Plan is a public facing document and that a deliberate decision has been taken to focus on high level vision and priorities rather than contaminating the document with significant amounts of data.

1.3 The Services' CSP was strong in terms of defining expected outcomes although not all of these appear to be translated into SMART Corporate targets or a transparent hierarchy of supporting key performance indicators. We understand that this is a deliberate approach to avoid having a large number of corporate targets, and in many cases progress commentary against the desired outcomes is included within performance reporting through the respective priorities, Key Lines of Enquiry (KLOE) and actions/projects.

1.4 Since Combination a performance monitoring framework has been developed to provide a detailed set of performance reports based on the five recognised priorities within the CSP; with reports being delivered to quarterly meetings of the Finance and Governance Committee (with regard to Priority 4 and 5) and the four Local Performance and Scrutiny Committees (in respect of Priority 1, 2 and 3). Performance Data and interpretation of outcomes against the five Priorities is expressed in relation to KLOE based analysis. The analysis includes a wide range of performance data of both a quantitative and qualitative nature, some of which is aligned to the Corporate targets with other content reflecting more general operational detail of an 'informative' nature. Post combination the approach has helped to provide confidence regarding direction and progress.

1.5 Our work has only identified one omission regarding the performance data set which reflects reporting against the value for money savings target expressed in the Medium Term Financial Plan relating to a target of £6.907m.

1.6 Such performance analysis is therefore comprehensive but necessitates significant management time to compile, and as a consequence the quarterly reporting process, or half yearly to the Authority presents dated data to the Committee process.

Key control areas subject to review

1. Policies and procedures
2. Communication
3. Peer group analysis
4. Use of appropriate performance measures
5. Data use
6. Monitoring of progress
7. Annual assurance report

Performance Monitoring

Executive summary – Performance Monitoring

1.7 We believe that best practice performance monitoring across other sectors and published advice is now significantly based upon an agreed set of key performance indicators, presented in dashboard format and supported with a brief explanation of variations and proposed actions. Such information is then further both aligned to and supported by presentation of the risk register. Members may therefore wish to consider the future approach which best enables them to achieve their role for determining the policy direction of the FRS; setting a budget to fund delivery of that policy direction; and undertaking scrutiny to ensure that intended outcomes are being achieved economically, efficiently, effectively and in accordance with statutory requirements.

1.8 The Service is understood to be revising its future performance monitoring process which we feel should include movement towards a streamlined process in which corporate targets are underpinned by Community Safety, People and Support, Group and Station targets that reflect both strategic and operational aspirations. Such information presented in a readily digestible format would allow more timely reporting to Committees and Strategic Leadership Team and represent an aid to both governance and scrutiny.

Key control areas subject to review

1. Policies and procedures
2. Communication
3. Peer group analysis
4. Use of appropriate performance measures
5. Data use
6. Monitoring of progress
7. Annual assurance report

Integrated Risk Management Plan

Executive summary – Integrated Risk Management Plan

1.1 The Authority is required by the Fire and Rescue National Framework for England published in May 2018 (section 4.6) to prepare and publish an Integrated Risk Management Plan (IRMP) that focuses on demonstration of how prevention, protection and response activities will be used to prevent fires and incidents and mitigate the impact of identified risks on its communities, through authorities working either individually or collectively, in a way that makes best use of available resources; this is expected to be based upon up to date risk analyses including an assessment of all foreseeable fire and rescue related risks that could affect the area of the authority.

1.2 The National Framework also stipulates wider requirements in relation to consultation and communication regarding the strategy employed and timeframes for review.

1.3 Since combination the Service has continued to develop a series of systems which allow both strategic and station based assessment of fire risk, response times and resource needs based upon deployment of a series of software packages Pinpoint (Safe and Well), PORIS and CFRMIS (Site Specific Risk Assessment (SSRI) and Response data) and Community Mapping. Whilst use of the software is consistent, its application remains relative to local practice at a Group and Station level. We do not believe this represents a fundamental risk to the Service and the Community however it would be beneficial to document and provide training regarding the approved methods for the use of the combined software on a Service wide basis.

1.4 Whilst this audit did not necessarily focus on operational aspects of risk assessment, supporting processes regarding conduct of site assessments do underpin fire risk data as such represent a critical feature of current knowledge. Timely assessment and re-inspection of sites would represent useful KPI data for management, and we therefore recommend that SSRI completion could be used as a future measure of Station performance within any revision of the Performance Monitoring reporting framework. In this respect we also discussed whether the current target in relation to Safe and Well visits was SMART and whether target numbers, percentage of known households or completion times were more appropriate.

1.5 The Service has however embarked on a full review of those processes supporting the IRMP, which includes the development of evidenced based risk assessment software by the Communities Team and documented procedures to support its application across all software platforms. This is viewed as a significant development for the Service which will on completion and implementation allow production of enhanced risk mapping and trend analysis as well as support training needs at Group and Station levels and ensures consistent and efficient procedures are in place at an operational level.

Key control areas subject to review

1. Policy and procedures
2. Availability of data
3. Assessment of risk
4. Review of changes in risk environment
5. Use of trend and forecast data
6. Escalation of changes in operational risk assessment

Executive summary – Procurement (VFM)

1.1 Whilst the Service does not have a specific Procurement value for money strategy, it does have other high-level documentation including a Procurement Plan and VFM Framework supported by detailed guidance in place regarding approved purchasing procedures; these are contained in a variety of documents including Financial Regulations and Standing Orders, and also being supported by procedural documents which are accessible on-line in the form of detailed Ordering and Payment Procedures (FM1), Contracts and Procurement Procedure (FM8) and in diagrammatic format showing a Procurement Chart and Threshold Limits. Some further alignment of the documentation would be beneficial.

1.2 The guidance clearly distinguishes between procurement over £100,000 (as a single purchase) and that under £100,000 and includes appropriate reference to compliance with EU thresholds.

1.3 In relation to contracts over £100,000 we are confident that appropriate procurement arrangements are followed. However in relation to those under £100,000 we have identified areas of non-compliance with the guidance which undermines the Service's ability to evidence value for money or achieve appropriate use of resources. The particular concerns identified are:

- a) Requests for Procurement Forms (RPF) are not used.
- b) Copy documentation that should accompany the RFP form to advise the Procurement Team and demonstrate compliance with process (obtaining quotations) is not sent.
- c) As a result of b above the Contracts Database is not maintained as a complete record thereby allowing the Procurement Team to ensure contracts are compliant with legislation and ensure involvement when contract renewal is renegotiated or retendered.
- d) Analysis of spend has in the past been limited and therefore little central monitoring or control has been undertaken with regard to cumulative spend with regular suppliers; this results in local arrangements being made as opposed to long term more favourable contracts being considered and negotiated. The Procurement Team does however plan to use a spend analysis tool within NFCC to support this task in future.

1.4 Samples of suppliers receiving in excess of £100,000 per annum (in multiple purchases) were extracted and have shown that there are some instances of limited research and evidence to support best value. IT and Agency staff costs were shown to be of concern; in both cases supplier agreements and retrospective discounts could be achieved.

1.5. Authorisation limits are recorded within the procurement process which align with the formality of the tender process required, it is recommended that authorisation of a Purchase Order should specifically include responsibility for verification of due process to ensure value for money and that the Central Procurement Team have been involved on a timely basis within the process as required by procedures and have been advised of outcomes.

Key control areas subject to review

1. Policy and procedures
2. Authorisation
3. Use of Frameworks
4. Single tenders
5. Spend analysis and forward planning
6. Key performance indicators

Executive summary – Procurement (VFM)

1.6 Contract Standing Orders state that an Approved Suppliers List should be maintained; previous arrangements for management of building maintenance contractors have been maintained through use of a Dorset Council Framework (which has recently been retendered) and in Wiltshire use of long term relationships and contractors now winning tendered works. The Service therefore either needs to formalise arrangements for establishment of Approved Lists to reflect need in key areas of routine expenditure using the Procurement Team or make arrangements to use a system such as 'Construction Line' which could provide local contractors details able to support need within each location on an as needed basis.

1.7 Single tender waivers are used with the Authority being involved in cases where over £100,000 is involved. Below this limit approval rests with the Treasurer and Clerk & Monitoring Officer. The list of Single Tender waivers under £100,000 is available for inspection by Members.

1.8 Whilst evidence exists of compliance with requirements in relation to Single Tender waivers as a result of those issues reported above, there is no certainty that other items are not procured through a single supplier decision. We suggest that if the recommendation regarding the responsibilities for PO authorisation are agreed then greater assurance will be evidenced that single tender situations are being effectively managed.

1.9 The Procurement Team does have an E-learning tool which those with responsibility for procurement should be subject to. In addition, other training events are organised to encourage budget managers and those with procurement responsibility to attend. It is understood that attendance and engagement is inconsistent. Consequently and in the light of findings within this review we have recommended that in future compliance is made mandatory with those not undertaking agreed training on an annual basis prohibited from spending on the Service's behalf.

1.10 At present savings achieved through effective procurement have not been robustly tracked as part of performance data relating to the Procurement Team. We understand that in compliance with the NFCC Efficiency Savings Register the Service has captured and submitted data relating to 2016-17 and 2017-18, and is putting in place arrangements to capture future savings through its financial monitoring processes. Through increasing the capture of savings relating to the effectiveness of procurement, the Service will enhance the reputation of the Authority and its Procurement Team demonstrating commitment to the Corporate Target of 'Making Every Penny Count'.

1.11 The Procurement Plan 2018-2022 introduces the establishment of key performance indicators for the procurement function; these have not yet been reported upon in 2018-19. The Service should agree the mechanism for future reporting performance on a timely basis either as part of quarterly report to SLT/Finance and Governance Committee or within development of the Corporate Dashboard.

1.12 Those involved in procurement should be reminded within Training Programmes that failure to comply with Contract Standing Orders or instructions issued under them constitutes misconduct.

Key control areas subject to review

1. Policy and procedures
2. Authorisation
3. Use of Frameworks
4. Single tenders
5. Spend analysis and forward planning
6. Key performance indicators

Leadership and Development

Executive summary – Leadership and Development

1.1 The Service has committed to the development of its workforce within the Community Safety Plan 2018 – 2022 which confirms the objective to make sure that employees receive the right training and development to ensure they have the technical and personal skills required to undertake their role. It states that the Service will remain focused on identifying and nurturing talent through the leadership programme. Access to leadership development will be triggered by real work activity and 360-degree feedback.

1.2 Consequently, considerable progress has been made with regard to the development of a formal Leadership and Development programme, which is aligned with other established mechanisms relating to Performance Development and Appraisal, a Leadership Survey and eLearning. Additionally, a Coaching and Mentoring programme has been introduced, and whilst initial take up has been limited, it is planned to encourage more Line Managers to consider the benefit of participation in the programme as part of development processes.

1.3 The Leadership Development programme being delivered in partnership with the RNLI; is in its first year of delivery and is intended to be subject to review, with the use of key performance targets relating to progress, completion and achievement being monitored through the Service Delivery Plan process. As the programme is modular it would lend itself to academic recognition and whilst initial thoughts have been given to this approach it would be beneficial to pursue accreditation as this would provide employees with a dual benefit.

1.4 Promotion Board focus has been aligned with spotting future talent and now provides for individuals to apply for roles two roles above their existing role providing they can demonstrate relevant evidence with the intention of providing appropriate support to enable progression and achievement. If successful this initiative reflects real commitment to the overall objective set out in the Community Safety Plan regarding future leadership.

1.5 The 360 degree programme for Strategic Leadership Team, Heads of Department and Group Managers and Corporate equivalents was completed in May 2018, with outcomes being consistent in terms of strong performing areas reflecting Responsibility and Professionalism with less confidence being shown regarding Transformation and Support. It is anticipated that this intelligence will be considered in the development of the next Leadership Forum programme setting meeting on 31 January 2019 with a view to influencing content of both the Leadership Masterclass Programme and further training to Strategic and Middle Manager groups.

1.6 The Service therefore can be seen to have a number of initiatives either in place or in a development phase which jointly demonstrate its commitment to future leadership of the Service. Further plans are being considered to integrate involvement and success within the various programmes within the employee 'Workbook' referred to Development Pathway so that this becomes both a source of evidence of progression and an additional source of reference for use within Personal Review meetings.

Key control areas subject to review

1. Policies and procedures
2. Talent identification
3. Development of support programmes
4. Monitoring of progress
5. Feedback and review
6. Performance indicators, and
7. Management Information

Audit area	Performance Monitoring		
Management Objective:	The Community Safety Plan is considerate of the Service's landscape and aligned to the National Framework requirements for the delivery of an IRMP. Internal performance management arrangements ensure its delivery, how it is embedded within the Service and within Member reporting		
Responsible Officer:	Mick Stead (Director of Service Improvement) and Jill McCrae (Head of Strategic Planning and Corporate Assurance)		
Key risks for consideration:			
<ol style="list-style-type: none"> Community Safety Plan does not reflect National Framework requirements and is not therefore sufficient to fully represent the Service's landscape. Performance measures used to monitor service delivery and provide reports to Members don't match key deliverables in terms of values and priorities expressed in the Community Safety Plan. Reported figures are inaccurate and lead to misinformation regarding decision making. 			
Overall opinion:	Substantial	Adequacy of control framework:	Good
		Application of control:	Good

Main Recommendations	Priority	Management Response	Implementation Plan
1. Savings target The Service should formally report on the targets established within the Driving greater efficiencies - An overview of our current and future plans 2016 2020 report of £6.709m.	MA	This is included within quarterly reporting to Finance and Governance Committee as a percentage achieved. A more detailed analysis of efficiencies within the annual report.	Responsibility: Head of Finance and Treasurer Target date: September 2019

Audit highlights (i) (Cont.)

Main Recommendations	Priority	Management Response	Implementation Plan
<p>2. Future Performance Reporting As part of the review of future reporting the Service should consider moving towards a dashboard based approach in which a set of SMART hierarchical targets are established through the Service and against which timely reporting is delivered to the relevant strategic or operational management meeting on a monthly basis, with supporting narrative and alignment to the appropriate risk register.</p>	S	<p>From January 2019 Service officers and Authority Members will begin to work together to review performance reporting through a working group. The terms of reference of this group have been agreed by Members and consideration will be made to a dashboard approach as part of this work. The Service is required to undertake a procurement exercise during 2019-20 for the performance system, the specification for which will be aligned to the decisions and expectations of the officers and Members working groups.</p>	<p>Responsibility: Deputy Chief Fire Officer Target date: No Further Action</p>

Audit area	Integrated Risk Management Plan		
Management Objective:	The station action planning process is delivering a suitable and sufficient mechanism to integrate prevention, protection, response and resilience at a local level and provide assurance of the ongoing development of this process		
Responsible Officer:	Jim Mahoney (Director of Community Safety)		
Key risks for consideration:			
<ol style="list-style-type: none"> 1. Key components of community risk not explicitly specified in terms of Values and Priorities expressed in the Community Safety Plan 2018 to 2022 2. Reported positions are inaccurate and lead to misinformation regarding decision making 3. Lack of integration with differing risk management processes 			
Overall opinion:	Adequate	Adequacy of control framework:	Appropriate
		Application of control:	Appropriate

Main Recommendations	Priority	Management Response	Implementation Plan
<p>1. Development of evidenced based risk assessment</p> <p>The current initiative to develop enhanced risk assessment to provide evidence to support the IRMP should be implemented to an agreed timescale and used as a basis for provision of documented processes for integrated use of software and training at Group and Station level in order to ensure that consistent timely and accurate risk assessment is available to support the IRMP and resource allocation.</p>	S	<p>The Service has a strategic assessment of risk and a separate document detailing our approach to integrated risk management planning. The IRMP uses internal, partnership and commercially available data, e.g. Experian, to identify Prevention, Protection and Response risk. This risk is viewed holistically to ensure that strategic direction and policy mitigates risk in a highly calculated and considered manner. These documents are reviewed and published annually. At Area, Group and Station level station planning software coupled with robust performance management is in place to ensure that local integrated risk</p>	<p>Responsibility: ACFO Service Support</p> <p>Completed</p>

Audit highlights (i) (Cont.)

Main Recommendations	Priority	Management Response	Implementation Plan
	S	assessments are timely, current and accurate. Currently the Service is reviewing its approach to IRMP with NFSP partners in line with the NFCC workstream with a view to creating a clearer and more uniform IRMP methodology across the partnership.	
2. Use of PORIS/CFRMIS The Service should investigate whether prompts can be introduced to the review process to increase efficiency in relation to the conduct of SSRI's.	S	The Service will consider this as part of the current review of the use of PORIS.	Responsibility: ACFO Service Support Target date: 31 March 2019
3. SSRI reviews The Service should consider introducing a performance metric to demonstrate timely completion of SSRI reviews at Station and Group levels.	MA	TAs part of the performance monitoring arrangements pre-emptory reports are provided at a Station and Group levels to ensure that 100% of premises visits are undertaken ahead of pre-planned review dates. This is reviewed quarterly at minuted Area Management Team meetings.	Responsibility: ACFO Service Support Completed
4. Safe and Well Safe and Well visits are currently focused in terms relating to the Corporate Objective to focus 100% on households regarded as high priority, high risk vulnerable people – at an operational level the Service should consider introducing station and central team targets that relate to completion of visit following identification of household.	MA	<p>The Service is comfortable with the current approach, as culturally the decision has been made to move away from target setting and moving towards a more risk based approach which is linked to local priorities, as identified, through station action planning.</p> <p>The Service is working on a system that will measure the amount of time spent on prevention work which will be far more meaningful going forward.</p>	Responsibility: No action. Target date:

Audit area	Procurement (Value for Money)		
Management Objective:	Procurement supports the Authority’s stated priority to “Make every penny count” through demonstration that corporate recognition is given to the importance of being well managed and spending our budget wisely and maximising what we do with it.		
Responsible Officer:	Byron Standen (Director of Service Support, Temporary ACFO) and Clare McCullum (Procurement Manager)		
Key risks for consideration:			
<ol style="list-style-type: none"> 1. A Value for Money strategy does not exist leading to a position whereby demonstration that procurement reflects the need to be efficient, effective and economic cannot be supported. 2. Value for Money projects not effectively identified/specified 3. Failure to report accurately savings and additional costs 			
Overall opinion:	Limited	Adequacy of control framework:	Good
		Application of control:	Weak

Main Recommendations	Priority	Management Response	Implementation Plan
1. Authorisation The Service should ensure that officers approving purchase orders understand that authorisation includes verification that procurement procedures have been adhered to in every respect.	S	This requirement is already explicit in current procedures, and has been reinforced in training and awareness sessions for budget managers, service delivery teams and regular updates e.g. weekly bulletin.	Responsibility: ACFO Service Support Target date: Completed
2. Request for Procurement Forms Forms should be completed and sent to the Procurement Team in accordance with procedures in order that professional advice can be given and informed purchasing decisions made. Procurement should monitor and enforce compliance.	S	This requirement is already explicit in current procedures, and has been reinforced in training and awareness sessions for budget managers, service delivery teams and regular updates e.g. weekly bulletin.	Responsibility: ACFO Service Support Target date: 31 July 2019

Main Recommendations	Priority	Management Response	Implementation Plan
<p>3. Contracts register Following receipt of full procurement documentation the contracts register should be maintained in an accurate and timely manner in order to provide for review of legislative compliance and future efficient and effective procurement.</p>	S	The Service has undertaken a significant amount of work since Combination to bring together the contracts of the two former Services and create one fully populated Contracts Register. The vast majority of contracts are now included.	<p>Responsibility: ACFO Service Support</p> <p>Target date: Ongoing</p>
<p>4. Analysis of spend The Procurement Team should obtain, analyse and make best use of available data relating to on-going spend in order to determine where benefit can be obtained from formal tendering for common supplies and helping it to better anticipate and plan for future spending. This will help to ensure the Service delivers best value from its procurement activity.</p>	S	<p>We have recently started to make progress with using the NFCC Spend Analysis tool. This will come in line with our move to Category Management.</p> <p>The Spend Analysis tool, Contracts Register and Capital Plan will be used to inform future procurement activity.</p>	<p>Responsibility: ACFO Service Support</p> <p>Target date: 31 December 2019</p>
<p>5. Forecast procurement An emphasis should be placed on anticipating future spending in relation to repeat orders in order to support procurement that delivers best value.</p>	S	See response to point 4 above.	<p>Responsibility: ACFO Service Support</p> <p>Target date: 31 December 2019</p>
<p>6. Approved Suppliers list The Service should consider whether an Approved Suppliers list remains relevant or whether other arrangements provide for routine use of suppliers with regard to specific categories of expenditure such as routine and emergency maintenance.</p>	S	Section 18 of Contract Standing Orders makes provision for a “List of Contractors”. This section will be maintained, although we acknowledge that there are limited circumstances where it may apply. Current arrangements for routine and emergency maintenance will be reviewed.	<p>Responsibility: ACFO Service Support</p> <p>Target date: 31 July 2019</p>

Audit highlights (iii) (Cont.)

Main Recommendations	Priority	Management Response	Implementation Plan
<p>7. Savings target and record of achievements The Procurement Team should establish a mechanism for setting and monitoring procurement savings achieved through proactive action as a contribution to completing the NFCC Efficiency Savings Register.</p>	S	Agreed.	<p>Responsibility: ACFO Service Support Target date: 31 July 2019</p>
<p>8. Training The Service should make training for those who have responsibility for procurement mandatory, and this should be endorsed by Management.</p>	S	<p>Agreed. Has been included in training and awareness sessions for budget managers, service delivery teams and regular updates e.g. weekly bulletin. The Procurement Team ran training sessions, supported by an external provider, during November 2018 and 38 staff attended the sessions.</p>	<p>Responsibility: ACFO Service Support Target date: Ongoing</p>

Audit area	Leadership and Development		
Management Objective:	Leadership development programmes ensure that staff receive the right training and development to ensure they have the technical and personal skills required to undertake their role and contribute to the future development and success of the Service.		
Responsible Officer:	Jenny Long (Director of People Services)		
Key risks for consideration:			
<ol style="list-style-type: none"> The Service fails to identify those skills required of its future Leaders and as a result is poorly prepared for delivery of future objectives. Inadequate succession planning leads to a lack of suitable internal candidates and therefore additional recruitment costs. 			
Overall opinion:	Substantial	Adequacy of control framework:	Good
		Application of control:	Good

Main Recommendations	Priority	Management Response	Implementation Plan
1. Accreditation of Leadership Programme The Service should continue to consider the mutual benefits to the organisation and employees from accreditation of the programme.	MA	It is the intention to accredit the Leadership Development programmes.	Responsibility: Head of Operational Training Target date: 30 June 2019
2. Key Performance Indicators The Service should agree measures by which progress, completion and achievement of aspects of the Leadership Development programme can be beneficially included within the Service Delivery Plan.	MA	KPIs relating to the Leadership Development Programme will be set out in the Service Delivery Plan.	Responsibility: Head of Operational Training Target date: 31 March 2019

Main Recommendations	Priority	Management Response	Implementation Plan
<p>3. 360 degree review outcomes The Service should ensure that the Leadership Forum agrees an appropriate approach to providing additional support to those key groups recognising the need to improve skills regarding Transformation and Support categories.</p>	MA	The Leadership Forum programme will include development activities aimed at supporting the general themes identified in the 360 degree evaluation.	<p>Responsibility: Director of People Target date: Completed</p>
<p>4. Workbook The development of the Workbook should be encouraged as a mechanism for recording and review of progression and achievement by employees in support of Personal Review meetings and applications for promotion.</p>	MA	Workbooks are being rolled out to relevant staff. The promotion process is being revised with a view to rolling out the new process in 2020. At this time links can be made between the promotion process and the workbooks.	<p>Responsibility: Workforce Planning & Resourcing Manager Target date: 31 March 2020</p>

Operational plan summary 2018-19

F&G Committee meeting – July 2018			Audit visit undertaken May 2018		Recommendations made				
Block 1 Audits	Plan Days	Actual days	Client Contact	Progress				Total	Accepted
1. Fleet management	5	5.5	Ian Thomas	Final	0	0	4	4	4
2. On-call systems	5	4.5	Ian Jeary	Final	0	0	3	3	3
3. GDPR	3	2.5	Vikki Shearing	Final	0	1	1	2	2
4. Resilience	4	4.5	Seth Why	Final	0	0	4	4	4
5. Procedural alignment	3	3.5	Vikki Shearing	Final	0	0	0	0	0
Management	3	3.0							
Total	23	23.5			0	1	12	13	13

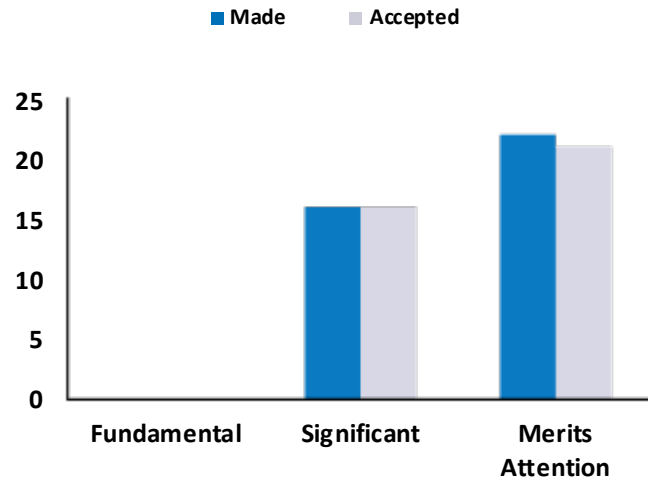
F&G Committee meeting – 20 September 2018			Audit visit scheduled – July 2018		Recommendations made				
Block 2 Audits	Plan Days	Actual days	Client Contact	Progress				Total	Accepted
6. Health and Wellbeing	3	3.5	Carol Swan Vicky Read	Brief	0	1	2	3	3
7. Energy	5	6.5	Ian Thomas	Brief	0	3	1	4	4
Management	1	1							
Total	9	11		Total	0	4	3	7	7

Operational plan summary 2018-19

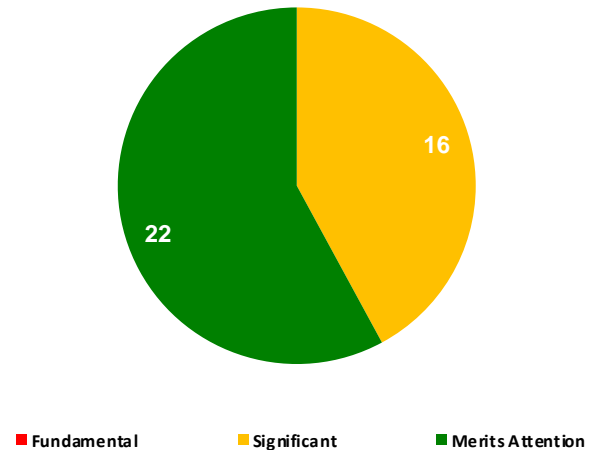
F&G Committee meeting - 7 December 2018			Audit visit undertaken October 2018		Recommendations made				
Block 3 Audits	Plan Days	Actual days	Client Contact	Progress				Total	Accepted
7. Performance management	4	6.0	Jill McCrae	Final	0	1	1	2	2
8. Integrated Risk Management Plan	4	6.5	Jim Mahoney	Final	0	2	2	4	3
9. VFM - Procurement	5	11.25	John Aldridge /Clare McCallum /Byron Standen	Final	0	8	0	8	8
Management	2	2.0							
Total	15	25.75			0	11	3	14	13
F&G Committee meeting - 7 March 2019			Audit visit scheduled - January 2019		Recommendations made				
Block 4 Audits	Plan Days	Actual days	Client Contact	Progress				Total	Accepted
10. Key Financial Controls	15	0.75	Ian Cotter	Postpone to 2019-20					
11. People Services – Leadership Development	2	2.25	Jenny Long	Final	0	0	4	4	4
Follow up	4	3.50							
Management	2	3.0							
Total	23	9.5		Total	0	0	4	4	4
TOTAL AUDIT DAYS 2018-19	70	69.75							

Performance indicators 2018-19

	Annual Plan	Actual
No. Audit Days	70	69.75
Draft report	10	3 days
Final report	5	1 day
Audit Fee	Within budget	



Plan			
	Plan %	Act %	Qualifications
Director	4	44	CPFA/IRM
Manager	16	12	CMIIA
Senior	40	44	FCCA
IT Specialist	10	-	CISA
Assistant	30	-	Pt qual



KEY FOR RECOMMENDATIONS (IN RELATION TO THE AREA REVIEWED)

Fundamental (F)	- The organisation is subject to levels of fundamental risk where immediate action should be taken to implement an agreed action plan.
Significant (S)	- Attention to be given to resolving the position as the organisation may be subject to significant risks.
Merits Attention (MA)	- Desirable improvements to be made to improve the control, risk management or governance framework or strengthen its effectiveness.

ADEQUACY & APPLICATION OF CONTROL

OVERALL OPINION (ASSURANCE)	FRAMEWORK OF CONTROL	APPLICATION OF CONTROL	EXPLANATION	TYPICAL INDICATORS
Substantial (Positive opinion)	Good	Good	The control framework is robust, well documented and consistently applied therefore managing the business critical risks to which the system is subject.	There are no fundamental or significant recommendations attributable to either the Framework or Application of Control.
Adequate (Positive opinion)	Good	Appropriate	As above however the audit identified areas of non-compliance which detract from the overall assurance which can be provided and expose areas of risk.	There are no fundamental recommendations surrounding the Framework of Control; coupled with no fundamental and no more than two significant recommendations attributable to the Application of those controls.
	Appropriate	Good	The control framework was generally considered sound but with areas of improvement identified to further manage the significant risk exposure; controls were consistently applied.	There are no fundamental recommendations attributable to the Framework of Control.
	Appropriate	Appropriate	As above however the audit identified areas of non-compliance which expose the organisation to increased levels of risk.	There are no fundamental recommendations attributable to the Framework and Application of Control.
Limited (Negative opinion)	Good / Appropriate	Weak	As above however the extent of non-compliance identified prevents the Framework of Control from achieving its objectives and suitably managing the risks to which the organisation is exposed.	There are more than two significant recommendations attributable to the Application of Controls.
	Weak	Good / Appropriate	The control framework despite being suitably applied is insufficient to manage the risks identified.	There are more than two significant recommendations attributable to the Framework of Controls.
	Weak	Weak	Both the Framework of Control and its Application are poorly implemented and therefore fail to mitigate the business critical risks to which the organisation is exposed.	There are fundamental recommendation(s) attributable to either or both the Framework and Application of Controls which if not resolved are likely to have an impact on the organisations sustainability.

The above is for guidance only; professional judgement is exercised in all instances.