Swindon Internal Audit Services

Fire Authority Combination

Readiness Review

Terms of Reference

October 2015

Background and objectives

Background

The Dorset and Wiltshire Fire and Rescue Authority (Combination Scheme) Order 2015 was laid before Parliament on 4 March 2015. This paved the way for the current Wiltshire and Swindon Fire Authority and the Dorset Fire Authority to become a new combined fire authority from 1 April 2016.

Throughout the process, External and Internal Auditors of both Authorities have worked to provide independent assurance that the transition to the new Authority is properly managed.

Previous reviews have appraised transition arrangements for the two Authorities, focussing on the robustness of the combination business case/transition planning.

KPMG (the External Auditors for both Dorset and Wiltshire Fire and Rescue Authorities) also completed a 'Stage 1 review of Transition arrangements'. This was an initial review that considered the overarching approach and progress achieved to date. This involved the understanding and assessment of project plans and assessments to support their value for money work. This will be reported to the Shadow Authority on 23 October.

Objectives

Senior officers have requested that a further (Stage 2) readiness to go live audit be carried out. External Audit and both Internal Auditors would contribute to the review. The review will focus on the risks associated with the arrangements for the following areas:

- Strategy and leadership
- People
- Finance
- IT and information management
- Programme management
- Policies and procedures

Audit approach

The key risk areas for the combination have been agreed by Joint Leadership Team. These areas have been allocated between the auditors as follows:

Area	Auditor
Strategy and leadership	KPMG
People	KPMG
Finance	Swindon Borough Council
ICT	Swindon Borough Council
Programme management	SWAP
Policies and procedures	SWAP

Key Lines of Enquiry for each of the risk areas above have been agreed between the Joint Leadership Team and the external and Internal Audit providers. These are listed in Appendix 1 and will form the areas for review in each of the risk areas identified.

It is envisaged that each auditor will produce their own report on the areas they have examined. These reports will then be summarised in a report for Joint Leadership Team in December 2015 and the Shadow Policy and Resources meeting in January 2016.

Contacts and timetable

Assistance required

All auditors will require assistance from you to ensure that the timetable and objectives of this assignment are met. In particular the auditors will require:

- Prompt agreement of the terms of reference
- Those officers that are required for interview to ensure their reasonable availability within the timescales agreed; and
- Access to the relevant records or documentation

In order to undertake this work the auditors may require meetings with the following staff: lead officer for each work stream; Clerk to Shadow Board, focus groups with staff and members, and other officers to be confirmed.

Auditor contacts

Key contacts for this review will be:

KPMG:

		Swindon Borough Council:	
Darren Gilbert	Engagement Lead	Nick Hobbs	Head of Internal Audit
Melanie Watson	Senior Manager	Simon Phillips	Principal Auditor
Alex McCabe	Manager	**South West Audit Partnership:**	
Martin Brooks	IT Audit Manager	David Hill	Director of Planning

Timetable

Work	Date
Agree terms of reference	w/c 9 October 2015
Fieldwork	November 2015
Draft report	1 December 2015
Final report	8 December for the Joint Leadership Team meeting on 17 December 2015
Presentation of final report to Members' seminar	14 January 2016

Appendix 1 – Proposed key lines of enquiry

Strategy and Leadership
(Lead: Melanie Watson - KPMG)

- Are key Members sufficiently engaged in the leadership of the combination programme

- Is senior management time effectively balanced between combination work and day to day leadership to ensure continuity of delivery as well as successful transition?

- Is there an effective communication plan in place that ensures staff and stakeholders remain engaged and motivated?

- Are current and future governance and decision-making arrangements clear and operating as intended?

- Is sufficient focus being placed on future values and culture of the new Authority and Service?

- Is risk management operating as intended and is there an emerging strategic risk register for the new Service?

People
(Lead: Melanie Watson - KPMG)

- Have relevant staff been sufficiently involved in plans and business area reviews?

- Are staff sufficiently clear about the reasons for the reasons for the combination?

- Do appropriate managers have an understanding about the transition process?

- Are arrangements for staff preparedness sufficient?

- Are sufficient HR resources in place to deal with potential increased activity during the change process?

- Do plans to change staffing satisfy the principles of speed, fairness and avoiding uncertainty?

Finance

(Lead: Simon Phillips – Swindon BC)

- Have financial management/governance structures been adequately defined, including at Committee level as well as individual Member and Officer Responsibilities?

- Have updated Financial Regulations, policies and Contract Standing Orders been drafted for the new Authority? Is training planned to communicate to staff and Members?

- Are Member and officer roles in relation to financial management clearly defined? Are officer roles in relation to finance confirmed in updated job descriptions?

- Have processes for on-going financial management been appropriately defined, e.g. coding structure, budget management, reporting arrangements?

- Is the plan to migrate finance systems and data robust and is it supported by robust project management arrangements?

- Are robust arrangements for closedown of the two authorities' accounts in place, including plans for the transfer and novation of assets and contracts sufficiently robust?

- Have arrangements for banking been defined and are there controls in place to ensure correct fund transfer into the new bank account?

- Has scenario planning and sensitivity analysis been used to inform financial planning and risk assessments

- Do proposed arrangements comply with statutory and regulatory requirements?

ICT

(Lead: Simon Phillips – Swindon BC)

- Have the future ICT needs of the new organisation been identified and planned for including the compatibility or suitability of existing systems?

- Have ICT risks in relation to the combination been identified and subject to appropriate mitigation where appropriate?

- How is information and ICT related policies and procedures from each organisation being aligned e.g. information security? Have Information Asset Owners been identified for the new Authority and are they aware of their responsibilities?

- Have ICT commitments and contracts been identified and considered in future plans?

- Are plans in place to ensure continuity of provision of GCSX/PSN services should this be required for the new Service?

- Are plans in place for how existing assets (hardware and software) and future assets of the two Services are going to be rationalised and managed? Where investment in ICT is required (including as part of the combination), have these costs been identified and factored into financial plans?

- Have incident management, disaster recovery and continuity plans been updated to support the new Service and ways of working?

- Are arrangements in place to register the new Authority with the Information Commissioners Office as a data controller?

Programme Management

(Lead: David Hill – SWAP)

- Are programme risks effectively managed and reported?

- Are the benefits of the greater collaboration arrangements clearly articulated and robustly tracked?

- Are decisions based on clear, reliable and up to date information?

- Are project interdependencies effectively identified and managed?

- Have the lessons learned from the merger of the Control Centre been applied to the wider combination? What impact has this had?

- Have any critical tasks/action/outcomes been identified and are these addressed through the project plan (and on track)?

- Development of arrangements to set, monitor and report on benefits realisation?

Policies and Procedures

(Lead: David Hill – SWAP)

- To ensure the identification and prioritisation of policies and procedures up until 1st April 2015 and beyond

- To review and ensure legal compliance of new policies and procedures