



**DORSET & WILTSHIRE  
FIRE AND RESCUE  
AUTHORITY**

**Item 09**

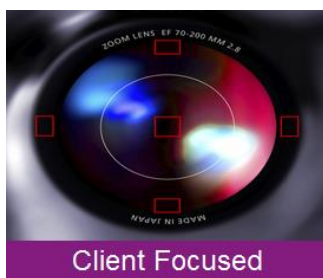
MEETING	Finance and Audit Committee															
DATE OF MEETING	6 <sup>th</sup> July 2016															
SUBJECT OF THE REPORT	Internal Audit Progress															
STATUS OF REPORT	For publication.															
PURPOSE OF REPORT	To provide assurance assessments and agreed actions following the quarter internal audits, in line with the Annual Internal Audit Plan (2016/17) (Appendix A).															
EXECUTIVE SUMMARY	<p>The five internal audits, required to be complete as part of the quarter 1 audits, have been undertaken. The five areas are noted below and the overall assurance statement for each provided:</p> <table border="0"> <tr> <td>1.</td> <td>Risk Management</td> <td>Adequate Assurance</td> </tr> <tr> <td>2.</td> <td>IT Migration</td> <td>Adequate Assurance</td> </tr> <tr> <td>3.</td> <td>Procurement</td> <td>Adequate Assurance</td> </tr> <tr> <td>4.</td> <td>HR Workforce Planning</td> <td>Substantial Assurance</td> </tr> <tr> <td>5.</td> <td>Information Governance</td> <td>Substantial Assurance</td> </tr> </table>	1.	Risk Management	Adequate Assurance	2.	IT Migration	Adequate Assurance	3.	Procurement	Adequate Assurance	4.	HR Workforce Planning	Substantial Assurance	5.	Information Governance	Substantial Assurance
1.	Risk Management	Adequate Assurance														
2.	IT Migration	Adequate Assurance														
3.	Procurement	Adequate Assurance														
4.	HR Workforce Planning	Substantial Assurance														
5.	Information Governance	Substantial Assurance														
RISK ASSESSMENT	This report provides the outcomes from Internal Audit work completed for quarter 1. Although a number of recommendations have been identified none of these are judged to represent a significant risk to the Authority's control environment.															
COMMUNITY IMPACT ASSESSMENT	None for the purposes of this report															
BUDGET IMPLICATIONS	None for the purposes of this report															
RECOMMENDATIONS	It is recommended that the Finance and Audit Committee notes the completion of the quarter 1 audits and the assurance and outcomes provided.															
BACKGROUND PAPERS	None for the purposes of this report															
APPENDICES	Appendix A – Annual Audit Plan 2016/17															
REPORT ORIGINATOR AND CONTACT	<p>Robin Pritchard (Gateway Assure) Email: robin.pritchard@gatewayassure.com</p>															



# Dorset and Wiltshire Fire & Rescue Services

## Internal Audit Report

### Block 1 2016/17



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### CONTACT DETAILS – MANAGEMENT TEAM

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This report has been prepared for our client and should not be disclosed to any third parties, including in response to requests for information under the Freedom of Information Act, without the prior written consent of Gateway Assure Ltd. Whilst every care has been taken to ensure that the information provided in this report is as accurate as possible, it is based upon the documentation reviewed and information provided to us during the course of our work. Thus, no guarantee or warranty can be given with regard to the advice and information contained herein. © 2016 Gateway Assure Ltd

# INTRODUCTION

## OPERATIONAL AUDIT PLAN

- 1.1 This report summarises the outcome of work completed to date against the operational audit plan (Appendix A), approved by the Authority 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.
- 1.2 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 2016/17; the current planned schedule is shown in Appendix C.
- 1.3 In brief the areas subject to audit on this occasion and the result of those audits are as follows:

Audit Area	Opinion	Recommendations			Total	Agreed
		F	S	MA		
Risk Management	Adequate	0	3	0	3	3
IT Migration	Adequate	0	2	0	2	2
Procurement	Adequate	0	1	1	2	2
HR – Workforce Planning	Substantial	0	0	1	1	1
Information Governance	Substantial	0	0	1	1	1

**Appendix E** provides a key for recommendations and an explanation of an F,S and MA assessment.

- 1.4 We would like to take this opportunity to thank all members of staff for their co-operation and assistance during the course of our visit.
- 1.5 The results of each audit are reported through the Executive Summary and agreed Action Plan contained within **Appendix A**. A Summary of Opinions and Recommendations is shown as **Appendix B** and progress against the Operational Plan is detailed at **Appendix C**.

## STANDARDS

- 1.6 We have performed our work in accordance with the principles of the Institute of Internal Auditors (IIA) International Professional Practice Framework (IPPF) 2013 and the Public Sector Internal Audit Standards (PSIAS) 2013 in so far as they are applicable to you our client. Our working papers are available for inspection.

## QUERIES

- 1.7 Should any recipient of this report have any queries over its interpretation or content they should contact the client engagement director either directly or through the client contact as appropriate and we shall be happy to discuss the assignments and provide any detail or explanations necessary.

## SCOPE & BACKGROUND

- 1.8 We have reviewed each area in accordance with the scope and objectives agreed with management prior to our visit. Appendix A provides detail of the scope of our work; our conclusions regarding the level of assurance that can be provided and where appropriate the agreed Action Plan to be implemented by management to remedy potential control weaknesses.
- 1.9 Our approach was to document and evaluate the adequacy of controls operating within each system. For each system the key controls operated by management were 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.

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

## AUDIT OBJECTIVE & OPINION

- 1.11 The objective of our audit was to evaluate the auditable area with a view to delivering reasonable assurance as to the adequacy of the design of the internal control system and its application in practice. The control system is put in place to ensure that risks to the achievement of the organisation's objectives are managed effectively.
- 1.12 Our opinion is based upon the control framework (as currently laid down and operated) and its ability to adequately manage and control those risks material to the achievement of the organisation's objectives for this area. We provide our opinion taking account of the issues identified in the Executive Summary and Action Plan.

## Overall Opinion

- 1.13 Each Executive Summary provides an overall assessment of our findings for each system reviewed and provides an opinion on the extent to which management may rely on the adequacy and application of the internal control system to manage and mitigate against risks material to the achievement of the organisation's objectives for each area.

## Conclusion on the Adequacy of Control Framework

- 1.14 Based on the evidence obtained, we conclude for each area upon the design of the system of control, and whether if complied with, it is sufficiently robust to provide assurance that the activities and procedures in place will achieve the objectives for the system.

## Conclusion on the Application of Controls

- 1.15 Based on the evidence obtained from our testing, we conclude for each area upon the application of established controls.

## VALUE FOR MONEY

- 1.16 Where value for money issues are identified as a result of our work the corresponding recommendation will be annotated with **VFM** in the bottom right hand corner. This is used to identify recommendations which have potential value for money implications for the organisation or which indicated instances of over control.

## PREVIOUS AUDIT RECOMMENDATIONS (FOLLOW UP)

- 1.17 Where a previously accepted audit recommendation remains outstanding at the time of our review and the original implementation date has passed the corresponding recommendation within Appendix A will be annotated with **PAR** in the bottom right hand corner.

# EXECUTIVE SUMMARY

## FINDINGS & CONCLUSIONS

- 2.1 The results of our visit to Dorset and Wiltshire Fire & Rescue Services (DWFRS) during week commencing 13 June 2016 are summarised in this section of the report and are considered in relation to each area reviewed.
- 2.2 The extent of comment in relation to each audit area is restricted deliberately so as to highlight the key issues that we believe need to be drawn to the attention of the Finance and Audit Committee and management and are supported by a more detailed analysis of each review that is contained as Appendix A to this report.

## Risk Management

- 2.3 DWFRS is developing Sytle as the basis for corporate reporting and is currently engaged in identifying the department level risks to the Service; this approach includes a review of the risks on the legacy department risk registers as well as identifying the new risks to the Service. The Services strategic risks, agreed by the shadow Fire Authority on the 14<sup>th</sup> January 2016, are already included on and managed via Sytle. Sytle has been developed aligned to the Services agreed risk management arrangements and its use will ensure a single methodology is employed across the merged authority. The purpose of this review was to provide assurance of the programme of work underway to develop the Service's risk management arrangements.
- 2.4 In support of this approach the DWFRS has established a robust and detailed Performance, Risk Management and Business Continuity Management Policy. The policy is clearly aligned with strategic and operational objectives and contains a robust framework for the management of risk. The Head of Democratic Services & Corporate Assurance has developed a programme of work to take this area forward during 2016/17.
- 2.5 DWFRS's risk appetite was agreed by the Authority at their meeting on the 14 January 2016 and is included as an appendix within the risk management procedure. This appetite matrix provides clear direction of the Service's risk appetite and indicates the level at which a risk becomes strategic. As part of the risk management procedure the risk appetite will be reviewed on an annual basis, this review is included within the programme of work.
- 2.6 The definition of DWFRS's risk appetite, as stated above, is captured as an appendix within the procedure. Those risks identified within the 'red' category are considered as strategic risk and are monitored by the Finance and Audit committee on behalf of the Authority and are associated with a risk score of higher than 15. The essence of an effective risk management system is that it ensures that matters are reported to strategic and operational meetings relevant to their significance, red reflecting issues of a nature which cannot be allowed to occur. At a level of 15, this allows for matters that reflect either a less than a major threat or have less than a 50% chance of recurring to be reported to the Authority, when by definition these are likely to be operational in nature. The risk scoring system defined within the Business Continuity Plan appropriately recognises the nature of a catastrophic risk to which recovery plans are associated.
- 2.7 It is suggested that when risk appetite is next reviewed that DWFRS should consider whether future risk reporting should be based on three levels of report, relevant to the significance of the threat and the 'live' risk, being:  
Level 1 – Risks 16 and above - Finance and Audit Committee

Level 2 – Risks 12 and above - Senior Leadership Team

Level 3 – Below 12 – Departmental meetings

Risk appetite would therefore be defined as “unacceptable risks which cannot be allowed to happen” as they threaten achievement of corporate objectives.

- 2.8 Access to Sycle is available to everyone; to support DWFRS to ensure that risk management is embedded organisation wide. Sycle is being developed to allow for risk owners to approve risks once reported; this will ensure that the risk system does not become overwhelmed with inappropriate risks.
- 2.9 The Business Continuity Plan contains a detailed basis for risk definition which is reflected in an analysis on a departmental basis of events that threaten achievement of corporate objectives in the form of a Critical Activities Matrix. This represents good practice as it informs thinking at an inherent level regarding what risk threats exist. The top level of activity risk has a definition of ‘catastrophic’ failure, with associated recovery plans in place to prevent disruption. At the next level ‘Major’ it is recorded that up to a 24hour disruption may be managed. The Head of Democratic Services & Corporate Assurance has developed a programme of work to take this area forward during 2016/17, this work has been confirmed within department planning and it has been agreed that the legacy plans from both organisations will be used in tandem to manage events until single arrangements are in place. This programme of work also includes the requirement for an exercise programme, which is identified within the DWFRS Business Continuity procedure. DWFRS have developed a significant events procedure to support the management of large scale events. The Head of Democratic Services & Corporate Assurance intends to ensure that this position is resolved within 2016/17 and confirms that the development of plans will be in line to their level of risk to DWFRS.
- 2.10 Taking account of the issues identified above where processes remain in development and the recommendations contained within Appendix A, in our opinion the control framework for the area under review, as currently laid down and operated, provides adequate assurance that risks material to the achievement of the organisation’s objectives for this area are managed and controlled.

Taking account of the issues identified above and the recommendations contained within Appendix A, in our opinion the control framework for the area under review, as currently laid down and operated, provides **adequate assurance** that risks material to the achievement of the organisation’s objectives for this area are adequately managed and controlled.

## IT Migration

- 2.11 DWFRS have successfully integrated the two legacy FRS networks and data centres (Wiltshire and Dorset) and provided the combined organisation with additional capabilities and resilience, e.g. disaster recovery.
- 2.12 A number of combination activities remain to be scheduled and undertaken for which details about the scale and complexity have not been reviewed due to time constraints. DWFRS are aware of these it is intended to create a control framework using the existing report and tracking capabilities within the ICT Job Management System.
- 2.13 Reporting and tracking of these remaining combination activities is being undertaken at a



departmental level, which could lead to a lack of co-ordination and progress visibility for senior management and therefore the Senior Leadership Group must maintain a watch on progress which will be visible through the risk management system.

- 2.14 Details about DWFRS's post combination configuration controls remain the subject of further follow-up clarification.
- 2.15 It was noted that penetration testing of the new communications infrastructure had already been undertaken and the higher RAG rated findings were going to be addressed in an action plan. As this is being separately managed with accredited providers, no further details were obtained for reporting as part of this audit to avoid duplication.

Taking account of the issues identified above and the recommendations contained within Appendix A, in our opinion the control framework for the area under review, as currently laid down and operated, provides **adequate assurance** that risks material to the achievement of the organisation's objectives for this area are adequately managed and controlled.

## Procurement

- 2.16 From April 2016 the new service has committed to bring both the old services together in terms of procurement by all using the EU Supply system. Processes have been put in place to bring all existing contracts into line under the new DWFRS banner, confirming the same terms and conditions in terms of warranties and service provided as with the old contracts. It is acknowledged that certain bespoke contracts which relate to specific areas within either of the old services, may take longer to change, until the expiry of the contract is reached. However these contracts are few and far between, with the vast majority of existing contracts completing the migration at the beginning of the financial year.
- 2.17 Since the combination of the new service the policies and procedures under the new DWFRS banner have been introduced. In respect of the procurement process there is a central procurement policy which includes a number of attachments covering all aspects of the process. These links have only recently gone "live" within the main policy, which has led to a number of occasions where a procurement form has not been completed in line with the set procedures. Current policy dictates that a copy of the procurement form should be provided to the procurement team, however current practices have not been embedded sufficiently for this to occur. We have suggested that the policies and procedures are embedded as soon as possible so that sufficient audit trail is in place, in line with policy, to support all procurement.
- 2.18 It was confirmed during our review that the main procurement policy included a significant number of linked documents which covered all the potential issues that would be encountered during the procurement process. Also included within these linked policies are the authority and delegation limits that have been set to ensure the appropriate people are authorising the correct items. In addition the linked procedures also highlight the number of quotes that are required for each of the procurements. All the additional documents were considered appropriate and relevant to the procurement process.
- 2.19 During our audit fieldwork a sample of 20 purchase orders were obtained and confirmed that they had been processed in the correct way within Agresso and for 5 of that sample the correct quotes and exemption status were included as appropriate. The testing confirmed that the Agresso system, which is mainly automated, processes the procurement in an efficient and appropriate manner. As mentioned above, however, when attempting to follow the purchase back to the quotes, the



supporting documentation was not uniformly kept readily available. As the system is embedded more fully, it is expected that quotes and procurement forms are copied to the procurement team ensuring that an audit trail is in place.

- 2.20 Prior to the commencement of the audit fieldwork we were informed by the procurement team that the Blue Light Procurement Database (BLPD) was not yet fully functioning at this time. It is understood that work on this system is being completed by the administrators to rectify any issues. Currently DWFRS are using an excel spreadsheet to identify all contracts and expiry dates as appropriate, which is to be published on the Service's website. We recommend that every effort is made to ensure that the excel spreadsheet is fully utilised during this transition period and all relevant information is included on the sheet.

Taking account of the issues identified above and the recommendations contained within Appendix A, in our opinion the control framework for the area under review, as currently laid down and operated, provides **adequate assurance** that risks material to the achievement of the organisation's objectives for this area are adequately managed and controlled.

## Human Resources Workforce Planning

- 2.21 Much of the re-organisation of the back office staff of the combined organisation has been completed, with circa 15 roles being currently recruited externally.
- 2.22 The workforce review relating to the front line (fire and rescue) resources remains to be carried out and will be impacted by government policy and direction, but there have been many uniformed staff changes put in place to align workforce requirements alongside corporate staff, the need to take account of retirements, project work and skill sets
- 2.23 The workforce planning system has been built using spreadsheets and required good knowledge about the grades, shifts and other practical working details to be used effectively. Financial and number forecasts are reconciled with Finance to ensure cross department data integrity.
- 2.24 The appraisal process (managed by People Development) has been suspended for twelve months, but managers are still encouraged to hold one to one meetings with their line staff on a regular basis; this is considered a critical feature of creating the one Service approach in which feedback from staff will be an integral part of changing and unifying culture, leading towards staff retention and continuity.
- 2.25 It is noted that two HR core systems remain in use and therefore combined HR reporting remains to be designed and deployed. This will be visited further during the Block 2 scope of internal audits where applications and data consolidation will be reviewed.

Taking account of the issues identified above and the recommendations contained within Appendix A, in our opinion the control framework for the area under review, as currently laid down and operated, provides **substantial assurance** that risks material to the achievement of the organisation's objectives for this area are adequately managed and controlled.

## Information Governance

- 2.26 Substantial progress has been made in putting in place the necessary information governance policies, procedures and processes for the newly combined organisation. Pragmatically where existing policies and procedures from Dorset and/or Wiltshire have been adequate in the interim period until new combined equivalents are developed, then these have been utilised.
- 2.27 DWFRS recognise that a number of combination activities remain to be completed and these are listed and tracked on a spreadsheet, which also establishes target completion dates. What the spreadsheet does not capture is the level of granularity at activity and resource level to establish if the target dates are realistic from a delivery and resourcing perspective.
- 2.28 Embedding the new and updated policies and procedures within the combined organisation will clearly need to be the source of continuing focus and training effort during 2016/17.

Taking account of the issues identified above and the recommendations contained within Appendix A, in our opinion the control framework for the area under review, as currently laid down and operated, provides **substantial assurance** that risks material to the achievement of the organisation's objectives for this area are adequately managed and controlled.

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## APPENDIX A1 – 01/17 RISK MANAGEMENT

<b>Management Objective:</b>	To establish the combined organisations strategic and organisational risk appetite within an agreed framework which is used to capture and classify (score) identified risks, and to identify and execute mitigating actions where they are available in a systematic way.		
<b>Responsible Officer:</b>	Jill McCrae - Head of Democratic Services & Corporate Assurance		
<b>Areas for consideration:</b>			
<ol style="list-style-type: none"> <li>1. Systematic identification and active management of strategic and operational risks does not occur</li> <li>2. Risks associated with incomplete or yet to be started activities are not established.</li> </ol>			
<b>Limitations to scope:</b> Our work does not provide any guarantee regarding the assessment of risk as shown within the risk management processes			
<b>Overall opinion:</b>	Adequate	<b>Adequacy of control framework:</b>	Adequate
		<b>Application of control:</b>	Adequate

Main Recommendations	Priority	Management Response	Implementation Plan
<p><b>1. Risk reporting to board – risk appetite</b> The Service should consider redefining risk appetite as ‘unacceptable risks which cannot be allowed to happen’ as they threaten achievement of corporate objectives this is in line with definitions within the Business Continuity Plan. As a consequence, Board level attention would then be focused on those risks reflecting a score of 16 or above.</p>	S	The risk appetite has been agreed for the Service for 2016 by SLT and the shadow Fire Authority. As part of the risk management procedure we will review this annually. The definitions used within the assessment of activities for business continuity is already aligned to the current risk appetite, taking account of the impact to the Service.	<p><b>Responsibility:</b> Head of Democratic Services &amp; Corporate Assurance</p> <p><b>Target date:</b> 31 March 2017</p>
<p><b>2. Completion of response plans</b> The development of emergency response plans and department business continuity plans should be programmed</p>	S	This is planned for within the business continuity work programme. hand and will be programmed in line with the work	<p><b>Responsibility:</b> Head of Democratic Services &amp;</p>

on a risk basis to conclude within 2016/17 as planned.		programme	Corporate Assurance <b>Target date:</b> 31 March 2017
<b>3. Testing of Recovery Plans</b> Annual testing of emergency response and business continuity plans in accordance with an agreed programme should be coordinated by the Assurance and Business Continuity team throughout each calendar year in order to avoid peak workloads developing and provide continuous assurance.	S	This work is highlighted within the work programme and will be discussed with heads of departments	<b>Responsibility:</b> Head of Democratic Services & Corporate Assurance  <b>Target date:</b> 31 March 2017

## APPENDIX A2 – 02/17 IT MIGRATION

<b>Management Objective:</b>	To ensure the combined force has migrated (transitioned) to a secure, reliable and resilient data centre and communications configuration capable of supporting its front line and back office operations. For clarity the scope includes: Network integration, Active directory (AD) migration, Telephony and Service resilience		
<b>Responsible Officer:</b>	Chris Donaldson – Head of ICT		
<b>Areas for consideration:</b>			
<ol style="list-style-type: none"> <li>1. Migration plan activities incomplete or activities missed from plan and no management reporting, governance and follow-up in place</li> <li>2. IT Infrastructure design and changes do not provide suitable resilience for front line and back office operations (two data centres</li> <li>3. – Potterne and Dorchester)</li> <li>4. Support activities and revised / new policies and procedures not embedded</li> <li>5. Software licence agreements do not cover the new combined entity</li> <li>6. None or incomplete plan for system (application) consolidation and process alignment</li> <li>7. ICT operations not accredited or aligned with operational best practice and DPA compliance as required</li> </ol>			
<b>Limitations to scope:</b> Information Systems Migration reflecting plans to standardise use of software is included separately as an audit in Block 2 2016/17			
<b>Overall opinion:</b>	Adequate	<b>Adequacy of control framework:</b>	Adequate
		<b>Application of control:</b>	Adequate

Main Recommendations	Priority	Management Response	Implementation Plan
<p><b>1. Scheduling and Reporting ICT Activities</b></p> <p>A number of activities remain to be undertaken from the combination, and additional scopes of work are emerging e.g. the penetration testing outcomes. Scheduling, tracking and reporting on these works are required to ensure priorities are assigned and deliveries are occurring to schedule.</p>	S	All of this work will be within the ICT Roadmap and be managed and documented through the ICT Job Management System. Overall progress will be reported through Cycle against the relevant Roadmap Themes	<p><b>Responsibility:</b> ICT Management Team</p> <p><b>Target date:</b> Full development of the Roadmap by September. For other work on-going as work is requested and scheduled</p>

<b>2. ICT Infrastructure Configuration Control</b> To control and protect IT, service formal configuration controls are required along with supporting policies and procedures covering testing and approval for changes	S	This falls within the remit of the new BRM post, which commences on the 4 <sup>th</sup> July. This post will manage the ICT Service Catalogue and deliver the ICT Change Management Process	<b>Responsibility:</b> ICT BRM  <b>Target date:</b> October 2016

## APPENDIX A3 – 03/17 PROCUREMENT

<b>Management Objective:</b>	To source and procure the wide range of capital and revenue equipment and items required by a fire and rescue service, ensuring that it achieves the best value for money (“make every penny count”) in line with its strategic aims: (this also involves extensive collaborative procurement particularly with other fire authorities in the south west region, and police authorities UK wide).		
<b>Responsible Officer:</b>	Clare McCallum – Procurement Manager		
<b>Areas of risk for consideration:</b>			
<ol style="list-style-type: none"> <li>1. Existing longer running contracts have not been transferred to the new FRS in an effective manner that continues service commitments</li> <li>2. Sourcing and procurement policies and procedures have been not been approved and embedded</li> <li>3. Strategic procurement is not scheduled to ensure equipment and contracts are replaced in good time</li> </ol>			
<b>Limitations to scope:</b>			
No limitations to scope identified from the brief.			
<b>Overall opinion:</b>	Adequate	<b>Adequacy of control framework:</b>	Adequate
		<b>Application of control:</b>	Adequate

Main Recommendations	Priority	Management Response	Implementation Plan
<p><b>1. Implementation of Policies and Procedures</b></p> <p>We recommend that all staff are reminded of the importance of adhering to the Policy and Procedures in respect of procurement, ensuring that quotes and procurement forms are copied to the procurement team.</p> <p>It is acknowledged that the links within the new policies have only just “gone live” so access to the forms will become easier and assist in this respect.</p>	S	<p>Weekly notices are to be introduced to be sent to all staff to remind them of the required actions to be taken for procurement.</p> <p>A request has been put forward for an e-learning tool to be introduced for at least the procurement managers to receive training in the process. Currently awaiting a response to see if funding will be granted.</p>	<p><b>Responsibility:</b> Clare McCallum</p> <p><b>Target date:</b> 31 August 2016</p>



<p><b>2. BLPD Exemption list</b></p> <p>We recommend that with the BLPD contracts list still requiring work to fix the issues within it, by Cheshire Police, staff fully understand the importance of populating the DWFRS spreadsheet as quickly and accurately as possible.</p>	<b>MA</b>	<p>The procurement team will continue to control and monitor the DWFRS spreadsheet while Cheshire Police address the issues.</p> <p>It is hoped that additional notes on the “Cycle” system highlighting the need to use the spreadsheet will be introduced to inform and remind all staff of their responsibilities.</p>	<p><b>Responsibility:</b> Clare McCallum</p> <p><b>Target date:</b> Dependant on Cheshire Police administration. DWFRS review 31 August 2016.</p>
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## APPENDIX A4 – 04/17 HUMAN RESOURCES WORFORCE PLANNING

<b>Management Objective:</b>	To ascertain whether the newly combined DWFRS is exhibiting any HR issues relating to its ability to continue to provide front line fire and rescue services, and support these activities with the necessary back office functions. A long term plan/view exists to ensure recruitment and training matches objectives of organisation.		
<b>Responsible Officer:</b>	Jane Staffiere – Head of Human Resources		
<b>Areas for consideration:</b>			
<ol style="list-style-type: none"> <li>1. The FRS has not evaluated its future human resource needs with regard to front line and back office support.</li> <li>2. Staff retention and continuity - at a granular level by function (front line and back office)</li> <li>3. Retirement scheduling and any increase in requests for early retirement are not considered as part of forward planning</li> <li>4. Cultural alignment between the two organisations staff post combination fails to achieve objectives of combination.</li> </ol>			
<b>Limitations to scope:</b> The forces formally combined on 1 April 2016, consequently the combined force is at the early stages for recording and reporting some of the above.			
<b>Overall opinion:</b>	Substantial	<b>Adequacy of control framework:</b>	Good
		<b>Application of control:</b>	Good

Main Recommendations	Priority	Management Response	Implementation Plan
<b>1. Workforce Planning Solution</b> The combined organisations workforce planning tools require inherent knowledge to be operated and are spreadsheet based. DWFRS could consider reducing reliance on inherent knowledge and consider sourcing a strategic workforce planning application.	<b>MA</b>	The Workforce planning arrangements meet the needs for the organisation and therefore this would not be a priority to the organisation.	<b>Responsibility:</b> No action required  <b>Target date:</b> Not applicable

## APPENDIX A5 – 05/17 INFORMATION GOVERNANCE.

<b>Management Objective:</b>	To ensure the newly combined forces obligations relating to the maintenance, protection (internal and external) and supply of information and data held within its range of computer systems and manual records are met, both now and into the future		
<b>Responsible Officer:</b>	Vikki Shearing – Head of Information and Comms		
<b>Areas for consideration:</b>			
<ol style="list-style-type: none"> <li>1. Physical and remote access to the combined FRS data centres and systems is not well defined and controlled</li> <li>2. Disaster recovery procedures in the face of severe operational issues fail</li> <li>3. External and internal attacks upon DWFRS systems cause loss of data or damage to reputation</li> <li>4. Hardware, firmware and system (e.g. applications) upgrading and patching</li> </ol>			
<b>Limitations to scope:</b> The review is intended to deliver reasonable assurance as to the adequacy of the design of the internal control system and its application in practice at an organisational level by management. The review considers processes and procedures in accordance with good practice principles. It is intended to assist in ensuring compliance with current legislation but will not confirm compliance with all aspects of the DPA. The review does not constitute or replace the need for organisations to seek legal advice when querying their legal responsibilities.			
<b>Overall opinion:</b>	Substantial	<b>Adequacy of control framework:</b>	Good
		<b>Application of control:</b>	Good

Main Recommendations	Priority	Management Response	Implementation Plan
<p><b>1. Scheduling Development of Policies &amp; Procedures</b></p> <p>To schedule, resource, monitor and report progress on the development and approval of the remaining combined organisation policies and procures, in more detail than the existing Excel spreadsheet.</p> <p>It is recommended that the scope of works activities also covers their embedding within the organisation to ensure</p>	<b>MA</b>	<p>a) Agreed to review priorities and consider the work required for each activity to ensure achievable timescales and adjust if needed.</p> <p>b) Focus on IAO's and Information Governance Group (IGG0 for embedding changes and continue to</p>	<p><b>Responsibility:</b> Information Manager</p> <p><b>Target date:</b> a) 31 July 2016 b) 31 October 2016</p>

adoption.		monitor at monthly department meetings and quarterly meetings (IGG).	
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## APPENDIX B – SUMMARY OF OPINIONS & RECOMMENDATIONS

Reports being considered at this Finance and Audit Committee meeting are shown in italics. The definitions with regard to the levels of assurance given and the classification of recommendations can be found in the Notes section at the end of this report.

Audit	Progress	Opinion	Recommendations Made				
			F	S	MA	Total	Agreed
<i>1. Risk Management</i>	<i>Draft Report</i>	<i>Adequate</i>	<i>0</i>	<i>3</i>	<i>0</i>	<i>3</i>	<i>3</i>
<i>2. IT Migration</i>	<i>Draft Report</i>	<i>Adequate</i>	<i>0</i>	<i>2</i>	<i>0</i>	<i>2</i>	<i>2</i>
<i>3. Procurement</i>	<i>Draft Report</i>	<i>Adequate</i>	<i>0</i>	<i>1</i>	<i>1</i>	<i>2</i>	<i>2</i>
<i>4. HR Workforce Planning</i>	<i>Draft Report</i>	<i>Substantial</i>	<i>0</i>	<i>0</i>	<i>1</i>	<i>1</i>	<i>1</i>
<i>5. Information Governance</i>	<i>Draft Report</i>	<i>Substantial</i>	<i>0</i>	<i>0</i>	<i>1</i>	<i>1</i>	<i>1</i>
6. Fixed Assets and Inventories	Draft brief being prepared						
7. Corporate Governance	Draft brief being prepared						
8. IT Migration Follow Up	Draft brief being prepared						
9. Health & Safety migration							
10. Absence management							
11. Complaints, whistleblowing, anti-fraud, corruption and bribery							
12. Key Financial Controls							
13.							
Follow up							
<b>Total</b>			<b>0</b>	<b>6</b>	<b>3</b>	<b>9</b>	<b>9</b>

At the moment there is nothing that impacts negatively upon our annual opinion.

## APPENDIX C – OPERATIONAL PLAN 2016/17

Block 1 Audits - Finance and Audit Committee – 6 July 2016	Plan Days	Actual Days	Progress
1. Risk Management	5	3.5	Further assurance report planned for Q4
2. IT Migration	5	5	
3. Procurement	5	6.5	
4. HR Workforce Planning	5	3	Further involvement through discussion during 2016/17
5. Information Governance	5	4	
Management	5	8	
<b>Total</b>	<b>30</b>	<b>30</b>	
Block 2 Audits - 21 September 2016	Plan Days	Actual Days	Progress
6. Fixed Assets and Inventory	5		
7. Corporate Governance	5		
8. Information Management System Migration	5		
Follow Up	1		
Management	2		
<b>Total</b>	<b>18</b>		
Block 3 Audits - 11 January 2017	Plan Days	Actual Days	Progress
9. Health & Safety Migration	5		
10. Absence Management	4		
11. Complaints, Whistleblowing , Anti-Fraud, Corruption and Bribery	3		
Management	1		
<b>Total</b>	<b>13</b>		
Block 4 Audits – 6 April 2017	Plan Days	Actual Days	Progress
12. Key Financial Controls	15		
13. Cultural alignment and development	10		
Follow Up	2		
Management	2		
<b>Total</b>	<b>29</b>		
<b>TOTAL AUDIT DAYS 2016/17</b>	<b>90</b>	<b>30</b>	

## APPENDIX D – PERFORMANCE INDICATORS YTD

### Report Turnaround

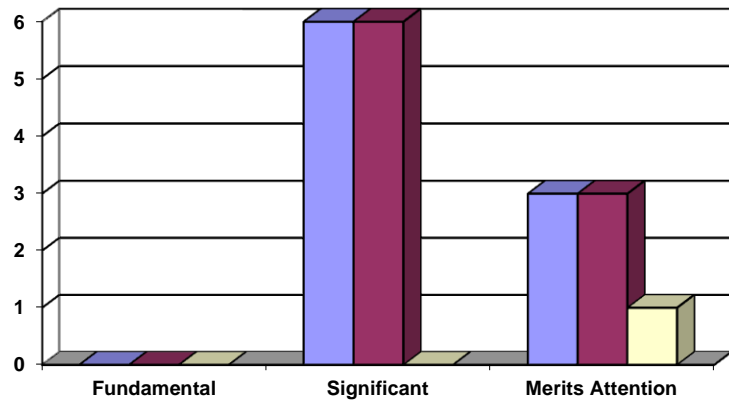
Performance Indicator	Target	Actual	Comments
Draft report turnaround (average working days)	10 days	2 days	
Final report turnaround (average working days)	5 days	x days	

### Resources

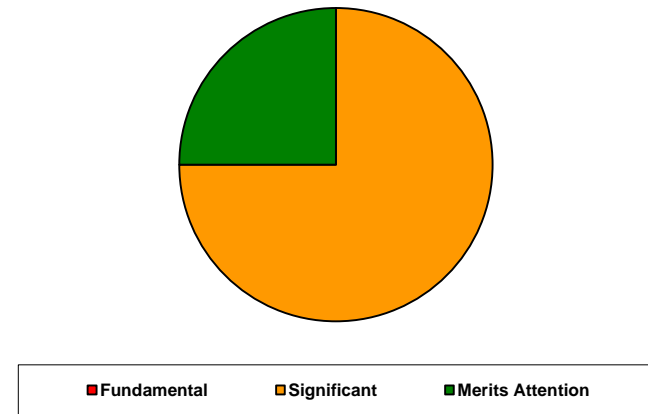
Performance Indicator	Annual	Actual	Comments
Number of Audit Days	90	30	On track
Audit Fee	Within Budget	Within Budget	On track
Director Input	10%	15%	
Manager Input	15%	20%	
IT Auditor Input	10%	0%	
Senior Auditor Input	35%	35%	
Auditor Input	30%	30%	

### Recommendations

#### Made, Accepted & Implemented



#### Analysis of Priority





## APPENDIX E – NOTES

### KEY FOR RECOMMENDATIONS (IN RELATION TO THE SYSTEM REVIEWED)

<b>Fundamental (F)</b>	- The organisation is subject to levels of fundamental risk where immediate action should be taken to implement an agreed action plan.
<b>Significant (S)</b>	- Attention to be given to resolving the position as the organisation may be subject to significant risks.
<b>Merits Attention (MA)</b>	- 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	Adequate	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.
	Adequate	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.
	Adequate	Adequate	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 / Adequate	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 / Adequate	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.
No (Negative opinion)	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.