



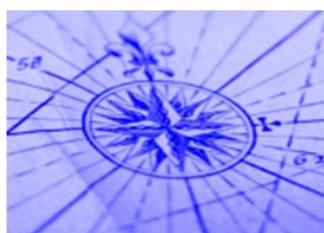
Dorset & Wiltshire Fire and Rescue Authority

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

Year ended 31 March 2018



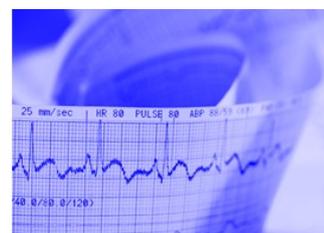
Client Focused



Providing Guidance



Driving Forward



Clear Assurance

CONTENTS

Section	Page
1. Introduction.....	1
2. Planned Coverage and Output.....	1
3. Management Action on Recommendations.....	1
4. Operational Assurance.....	1
5. Overall Assurance.....	2
6. Opinion.....	2
APPENDIX A – Summary of Audit Outcomes.....	4
APPENDIX B – Summary of Main Findings	5
APPENDIX C – Performance Indicators YTD.....	6

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1. INTRODUCTION

- 1.1 The purpose of internal audit is to provide the Authority, Finance, Governance & Audit Committee (now the Finance & Governance Committee), the Chief Fire Officer and management of the Dorset & Wiltshire Fire and Rescue Service with an independent and objective opinion on risk management, control and governance and their effectiveness in achieving the Authority's agreed objectives. Internal audit also has an independent and objective consultancy role to help management improve risk management, governance and control.
- 1.2 The results of our internal audit work form part of the framework of assurances that the Authority receives and should be used to assist the Authority prepare informed governance and internal control statements.
- 1.3 Internal audit work for the period from 1st April 2017 to 31st March 2018 was carried out in accordance with the Annual Audit Plan approved by the Authority and monitored by the former Finance, Governance & Audit Committee.
- 1.4 The plan was constructed in such a way as to allow a statement of the adequacy and effectiveness of the Authority's risk management, control and governance processes based upon the reviews undertaken as part of an Internal Audit Strategy covering three years.
- 1.5 Our risk-based methodology and working practices are compliant with the Public Sector Internal Audit Standards (PSIAS) 2013, the Institute of Internal Auditors (IIA) International Professional Practice Framework (IPPF) 2013 and specifically in relation to local government the CIPFA Code of Practice (COP) for Internal Audit in Local Government. These standards are adopted insofar as they are applicable to you as a client.

2. PLANNED COVERAGE & OUTPUT

- 2.1 The Authority agreed to an input of 80 days of internal audit coverage in the year.
- 2.2 The planned reviews, the number of days and the actual time against each are shown in Appendix A and shows that the plan was completed within the resources available.
- 2.3 Our audit assignments were undertaken over four visits, June 2017, August 2017, November 2017 and February 2018, as agreed with management and we are grateful for the co-operation which we received from those managers and staff that were involved with the audit process.

3. MANAGEMENT ACTION ON RECOMMENDATIONS

- 3.1 Based on the results of our follow up work, management responses and agreed implementation plans we believe that management have taken or planned appropriate and timely action to implement recommendations.
- 3.2 Appendix B provides a summary of key findings where the priority level for the suggested improvement activity is highlighted as 'significant' (attention should be given to resolving the position as the organisation may be subject to significant risks). We are assured that all four actions have been implemented by the Service.

4. OPERATIONAL ASSURANCE

- 4.1 The internal audit service reviewed a number of areas during the year:
 - Communications
 - ICT Management Systems
 - IT Health Check

- Business Case Management
- Strategic Workforce Planning
- Strategic Planning
- Key Financial Controls

4.2 From these examinations, taking into account the relative risk of the business areas, the internal audit service has formed the following conclusions (good, adequate or weak) regarding the policies, procedures and operations in place to:

- | | |
|---|----------|
| ▪ Establish and monitor the achievement of the Authority's objectives: | Good |
| ▪ Identify, assess and manage the risks to achieving the Authority's objectives: | Good |
| ▪ Advise on, formulate, and evaluate policy, within the responsibilities of the Chief Fire Officer: | Good |
| ▪ Ensure economical and efficient use of resources: | Adequate |
| ▪ Ensure compliance with the Authority's policies, procedures, law and regulations: | Good |
| ▪ Safeguard the Authority's assets and interests from losses of all kind including those from fraud, irregularity and corruption: | Good |
| ▪ Ensure the integrity and reliability of information, accounts and data, including internal and external reporting and accountability processes: | Adequate |

5. OVERALL ASSURANCE

5.1 As the internal audit service provider to the Dorset & Wiltshire Fire and Rescue Authority, we are required to provide the Authority and the Chief Fire Officer with a statement on the adequacy and effectiveness of the Authority's risk management, control and governance processes.

5.2 In giving an opinion, it should be noted that assurance can never be absolute. The most that the audit service can provide to the Authority is a reasonable assurance there are no major weaknesses in the Authority's risk management, control and governance processes.

5.3 In assessing the level of assurance to be given, the following have been taken into account:

- All audits undertaken during 2017/18;
- Any follow-up action taken in respect of audits from previous periods;
- Significant recommendations not accepted by management and the consequent risks;
- The effects of any significant changes in the Authority's objectives or systems;
- Matters arising from previous reports to the Authority;
- Any limitations which may have been placed on the scope of internal audit;
- The extent to which resources constraints may impinge on the Head of Internal Audit's ability to meet the full audit needs of the Authority;
- What proportion of the Authority's audit need has been covered to date; and
- The results of work performed by other assurance providers including the work of the financial statement auditors and inspection (if applicable).

5.4 At the date of issue of this report the Financial Statement Auditor's Final Audit Opinion and External Audit Management Letter for 2017/18 have not been published. We reserve the right to amend our annual opinion as a result of these further sources of assurance once issued.

6. OPINION

- 6.1 We are satisfied that sufficient internal audit work has been undertaken to allow us to draw a reasonable conclusion as to the adequacy and effectiveness (or inadequacy and ineffectiveness) of the Authority's risk management, control and governance processes.
- 6.2 Overall in our opinion, based upon the reviews performed during the year, the Dorset & Wiltshire Fire and Rescue Authority:
- has adequate and effective risk management;
 - has adequate and effective governance; and
 - has adequate and effective control processes.

APPENDIX A – SUMMARY OF AUDIT OUTCOMES

2017/18

Audit Area	Progress	Overall Opinion	Plan Days	Actual Days	Recommendations Made				
					F	S	MA	Total	Agreed
Block 1									
1. Communications	Final	Substantial	10	10	0	1	3	4	4
Block 2									
2. ICT Management Systems	Final	Substantial	10	10	0	1	2	3	3
3. IT Health Check	Final	Substantial	8	8	0	1	1	2	2
Block 3									
4. Business Case Management	Final	Substantial	8	7	0	1	2	3	3
5. Strategic Workforce Planning	Final	Substantial	8	9	0	0	2	2	2
Block 4									
6. Strategic Planning	Final	Substantial	6	5	0	0	1	1	1
7. Key Financial Controls	Final	Adequate	15	16	0	0	5	5	5
8. Follow Up	Final		5	4.5	-	-	-	-	-
Management									
Audit Management	-	-	10	11	-	-	-	-	-
TOTAL			80	80.5	0	4	16	20	20

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.

APPENDIX B – SUMMARY OF MAIN FINDINGS

Ref	Recommendation
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ICT MANAGEMENT SYSTEMS

RAG Indicator Guidance

The progress monthly reports for SLT use RAG indicators as a mechanism for visually reporting on progress of projects across the programme. Guidelines should be introduced regarding definitions of progress, as the reports are not system generated within Cycle.

Priority: Significant

IT HEALTH CHECK

IT Asset Inventory

Reconciliation of the asset inventory has identified that there are a small number of devices logged as “lost”. These devices should be investigated further to identify the reason for the loss and any potential security threat. Once verified as “lost”, the devices should be written off by the IT Manager and reported to the SLT as an information item on an annual basis.

Priority: Significant

COMMUNICATIONS

External Communication Policy

The Service considers implementing a specific external communications strategy into the Combined Communication policy.

Priority: Significant

BUSINESS CASE MANAGEMENT

Financial Sign off

A formal sign-off document is produced, which includes a pre-financial sign off confirming the case is viable and within budget prior to full SLT sign-off

Priority: Significant

APPENDIX C – PERFORMANCE INDICATORS YTD

Report Turnaround

Performance Indicator	Target	Actual	Comments
Draft report turnaround (average working days)	10 days	10 days	
Final report turnaround (average working days)	5 days	3 days	

Resources

Performance Indicator	Annual	Actual	Comments
Number of Audit Days	80	80.5	
Audit Fee	Budget	Within Budget	
Head of Internal Audit	10%	22%	
Manager Input	15%	0%	
IT Auditor Input	10%	0%	
Auditor Supervisor Input	35%	60%	
Auditor Input	30%	18%	

Recommendations

Made, Accepted & Implemented

Analysis of Priority

