

Dorset & Wiltshire Fire and Rescue Service

Report of Internal Audit Activity

Plan Progress 2019-20 Quarter 2

Internal Audit Plan Progress 2019-20 Quarter 2

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Internal Audit Plan Progress 2019-20 Quarter 2

Introduction

This report summarises the Internal Audit activity completed for Dorset & Wiltshire Fire and Rescue Service in Quarter 2 (2019-20) in line with the Annual Audit Plan approved by the Finance & Governance (F&G) Committee and the Chief Fire Officer in March 2019

The schedule provided in Appendix 1 contains a list of all Audits agreed in the Annual Audit Plan 2019-20.

We have provided a summary of activity which outlines our assurance opinion and the number and priority of any recommendations that we made in relation to the Audit work undertaken in Quarter 2. To assist the Committee in its monitoring and scrutiny role, a summary of each Audit (objective, risk, controls tested, findings and recommendations) has also been provided, the content of which has been discussed and agreed with the responsible Director.

The scope for each Audit is agreed in advance with nominated managers. This process intends to focus on the key risks to which that area of the Service's activity is exposed and the associated controls which we would expect to be in place to ensure that risk is managed.

The key controls have been assessed against those 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.

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.

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Summary

In Quarter 2 of 2019-20, the following Audits were completed in accordance with the Audit Plan:

Audit Name	Healthy Organisation Theme	Linked To	Status	Opinion	No of Recs	Priority of Recommendations		
						1	2	3
Medium Term Financial Plan (MFTP) & Capital Strategy	Asset Management Financial Management Performance Management Corporate Governance	Strategic Risk 0006 HMICFRS Efficiency Pillar Priority 4	Final	Substantial	0	-	-	-
Information and Communication Technology (ICT) Strategy	Asset Management Performance Management Financial Management Project Management	Strategic Risk 0006 Priority 4	Final	Adequate	2	-	2	-

Note: A workshop session, focussing on ICT risk was facilitated by Darren Roberts (SWAP ICT Audit Manager) on Monday 22nd July 2019 at DWFRS HQ. It was attended by the Director of Service Support, Head of ICT, Corporate Assurance Manager and on Microsoft Teams were the Operational Comms Manager and Infrastructure Manager. A summary report has been produced, noting areas for attention and several advisory comments. As this was not a formal audit, no opinion has been awarded, but it is hoped the team found it helpful as a mutual exchange of information on best practice and current ICT risk management.

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Assurance Definitions

Each completed Audit has been awarded an “Assurance opinion” rating. This opinion takes account of whether the risks material to the achievement of the organisation’s objectives for this area are adequately managed and controlled. The Assurance opinion ratings have been determined in accordance with the Internal Audit “Audit Framework Definitions” as detailed in the below:

Assurance Definitions	
None	The areas reviewed were found to be inadequately controlled. Risks are not well <u>managed</u> and systems require the introduction or improvement of internal controls to ensure the achievement of objectives.
Partial	In relation to the areas reviewed and the controls found to be in place, some key risks are not well <u>managed</u> and systems require the introduction or improvement of internal controls to ensure the achievement of objectives.
Adequate	Most of the areas reviewed were found to be adequately controlled. Generally, risks are well <u>managed</u> but some systems require the introduction or improvement of internal controls to ensure the achievement of objectives.
Substantial	The areas reviewed were found to be substantially controlled. Internal controls are in place and operating effectively and risks against the achievement of objectives are well managed.

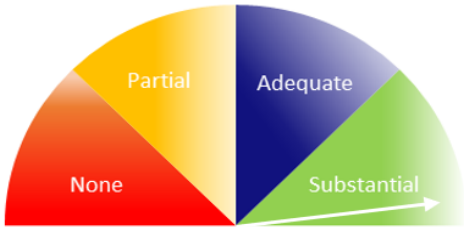
From our work In Quarter 2, we have made recommendations which seek to strengthen the Service’s controls. We highlight those matters of that we believe merit acknowledgement in terms of good practice or undermine the system’s control environment, and which require attention by management. All improvement actions are allocated a priority grading and have been agreed with the management teams in each area.

Categorisation of Recommendations	
In addition to the corporate risk assessment it is important that management know how important the recommendation is to their service. Each recommendation has been given a priority rating at service level with the following definitions:	
Priority 1	Findings that are fundamental to the integrity of the service’s business processes and require the immediate attention of management.
Priority 2	Important findings that need to be resolved by management.
Priority 3	Finding that requires attention.

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Medium Term Financial Plan (MTFP) & Capital Strategy Quarter 2 Audit

Executive Summary

Audit Opinion		Recommendation Summary	
	The areas reviewed were found to be substantially controlled. Internal controls are in place and operating effectively and risks against the achievement of objectives are well managed.	Priority	Number
		Priority 1	0
		Priority 2	0
		Priority 3	0
		Total	0

Audit Opinion:

Substantial assurance

Objectives:

To provide assurance to stakeholders that the MTFP and Capital Strategy processes demonstrate that the Authority is effectively planning financially in line with agreed corporate objectives.

Risk:

The MTFP and Capital Strategy fail to align with Corporate objectives, leading to financial loss, reputational damage and non-delivery of service.

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Medium Term Financial Plan (MTFP) & Capital Strategy Quarter 2 Audit

Controls tested:

- 1) An approved MTFP and Capital Strategy exist and seek to deliver Corporate priorities including value for money and efficiencies.
- 2) Stakeholders are engaged, Members and Officers aware of roles including review, scrutiny and challenge.
- 3) Impacts of current activity, Service developments, changes in demand and savings programmes are captured and the future years impact determined and recorded.

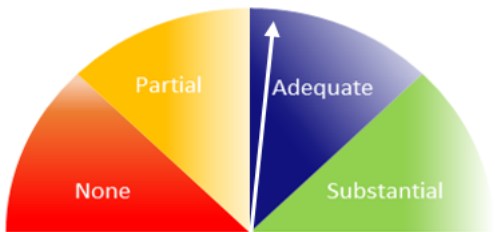
Areas of good practice:

- 1) Both the MTFP and the Capital Strategy have been subject to the appropriate level of approval and were adopted at the 12 February 2019 Dorset & Wiltshire Fire and Rescue Authority meeting.
- 2) There is strong evidence that stakeholders at the Strategic Leadership Team level are engaged in ongoing management and scrutiny of financial matters
- 3) There is a clear thread between both the MTFP and the Capital Strategy document and both the Community Safety Plan and the Service Delivery Plan

Summary of recommendations:

There are no recommendations.

Executive Summary

Audit Opinion		Recommendation Summary	
	<p>Most of the areas reviewed were found to be adequately controlled. Generally, risks are well managed but some systems require the introduction or improvement of internal controls to ensure the achievement of objectives.</p>	Priority	Number
		Priority 1	0
		Priority 2	2
		Priority 3	0
		Total	2

Audit opinion:

Adequate assurance

Objectives:

To seek assurance that the ICT strategy and its governance framework underpins the Authority’s Corporate objectives and strategic focus.

Risk:

Approach to the ICT Strategy fails to align with the ambitions of the corporate strategy resulting in the authority unable to meet its Corporate aims and objectives.

Controls tested:

- 1) The ICT Strategy has been developed, appropriately approved and is subject to review during its lifecycle.
- 2) The ICT Strategy aligns with the Corporate aims and objectives of the Authority.
- 3) The ICT Strategy is appropriate and realistic to deliver the operational requirements of the Authority.
- 4) The ICT Strategy is appropriate and realistic to deliver the project requirements of the Authority.

Areas of good practice:

- 1) Key outcomes and themes are identified at the top of the document and these generally align with the Strategic priorities are set out in both the Community Safety Plan and the Service Delivery Plan.
- 2) The need for a well-developed, approved ICT Roadmap is clearly understood by the new Head of ICT.

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Summary of recommendations:

Findings & Risk	Recommendation	Management Response	Officer Responsible/ Timescale	Rec Priority
<p>The latest version of the Roadmap was provided by ICT Management and covers the period 2019 to 2024. This document was last reviewed by the previous Head of ICT in December 2018 but has not been finished or approved. There are several outstanding items to be added and edited within the document, including details of how the desired outcomes will be delivered. The current document, therefore, does not adequately:</p> <ul style="list-style-type: none"> • Assess ICT Infrastructure capacity for delivery of operational services or projects • Appropriately identify the required business cases and capital investment across the full five-year period • Identify the resources required to deliver each project to demonstrate that business as usual can progress. <p>Risk: Objectives of the Roadmap are not sufficiently delivered due to a lack of final approval of resources and funding leading to misaligned or non-delivered imperative digital or ICT enabled projects.</p>	<p>We recommend that the Head of ICT ensures the Roadmap for 2019-24 is completed to ensure that current priorities are reflected accurately. This should include consultation with service user groups and capture the following:</p> <ul style="list-style-type: none"> ▪ Resources and financial profiling ▪ Commitments, dependencies, timescales ▪ Impacts to business as usual ▪ Alignment with underlying service planning 	<p>A review of the ICT strategy will take place to ensure it meets the wider business needs of the organisation and Service Plan. The recommendations made will be incorporated into the review before full sign off.</p>	<p>Head of ICT 31 December 2019</p>	2
	<p>We recommend that the Head of ICT ensures a draft version of the Roadmap is taken to SLT for consultation and subsequent approval should be ratified by the Service, then added to the staff intranet and well signposted in Corporate communications.</p>	<p>Following completion of the review SLT will be consulted on any significant changes in the ICT strategy direction, or finances. This will in turn be communicated to all staff through already created Corporate methods for sharing information.</p>	<p>Head of ICT 31 December 2019</p>	2

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Appendix 1 – 2019-20 Audit Plan and Performance

Audit Name	Healthy Organisation Theme	Linked To	Status	Opinion	No of Recs	Recommendations		
						1	2	3

2019-20

Q1 Planned and Reactive Maintenance	People and Asset Management Financial Management	Strategic Risk 0006 HMICFRS Efficiency Pillar Priority 4	Final	Adequate	3	-	1	2
Q1 Payroll	People and Asset Management Performance Management Financial Management	Strategic Risk 0006, 232 HMICFRS Efficiency Priority 4, 5	Final	Partial	7	-	5	2
Q2 Medium Term Financial Plan (MTFP) and Capital Strategy	Financial Management Performance Management	Strategic Risk 0006 HMICFRS Efficiency Pillar Priority 4	Final	Substantial	-	-	-	-
Q2 Information and Communication Technology (ICT) Strategy	Performance Management Information Management	Strategic Risk 0006 Priority 4	Final	Adequate	2	-	2	-
Q3 Business Continuity Planning	Performance Management Corporate Governance Risk Management People & Assets Management	HMICFRS – Effectiveness & Efficiency Pillars Priority 1, 2, 3, 4, 5	Planned to commence 30 Sept					
Q3 Multi-agency response arrangements/ Resilience	Performance Management Corporate Governance Risk Management People & Assets Management	HMICFRS – Effectiveness Pillar Priority 1, 2, 3, 4, 5	Planned to commence 30 Sept					

Internal Audit Plan Progress 2019-20 Quarter 2

Audit Name	Healthy Organisation Theme	Linked To	Status	Opinion	No of Recs	Recommendations		
						1	2	3
Q3 Recruitment and Workforce Planning	People & Asset Management Performance Management Financial Management	Strategic Risk 232 HMICFRS People Pillar Priority 5	Planned to commence 30 Sept					
Q4 Corporate Procurement Strategy	Commissioning & Procurement Financial Management	Strategic Risk 0006 HMICFRS Efficiency Pillar Priority 4	Planned to commence 06 Jan 2020					
Q4 Procurement Cards and Fuel Cards	Commissioning & Procurement Financial Management	Strategic Risk 0006 HMICFRS Efficiency Pillar	Planned to commence 06 Jan 2020					
Q4 Financial Management Systems	Financial Management	Strategic Risk 0006 HMICFRS Efficiency Pillar Priority 4	Planned to commence 06 Jan 2020					
Follow ups			Not Started					

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Appendix 1 – 2019-20 Audit Plan and Performance

The performance results for progress against the Internal Audit Plan for Quarter 2 of the 2019-20 Internal Audit Plan are as follows;

Performance Target	Average Performance	
	% of the Annual Plan	Number of Assignments
Audit Plan – Percentage Progress		
Final, Draft, Discussion, Removed	36%	4
In progress, Ongoing	-	-
Not yet started	64%	7
	100%	11

The completion of the plan is currently on target with follow up reviews being undertaken throughout the course of the year. As part of the Internal Audit Service and to review performance, SWAP will regularly ask the Service to complete a customer satisfaction questionnaire. At the time of preparing this report, two customer satisfaction reports had been issued to the Service and the feedback was, on average 100%.