Dorset & Wiltshire Fire and Rescue Service

Report of Internal Audit Activity

Plan Progress 2020-21 Quarter 4

Internal Audit ▪ Risk ▪ Special Investigations ▪ Consultancy

Contents

The contacts at SWAP in connection with this report are:

David Hill
Chief Executive
Tel: 020 8142 5030
david.hill@swapaudit.co.uk

Moya Moore
Assistant Director
Tel: 020 8142 5030
moya.moore@swapaudit.co.uk

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Internal Audit Plan Progress 2020-21 Quarter 4

Introduction

This report summarises the Internal Audit activity completed for Dorset & Wiltshire Fire and Rescue Service in Quarter 3 and Quarter 4 2020/21 in line with the Annual Audit Plan approved by the Finance & Audit (F&A) Committee and the Chief Fire Officer in March 2020.

The schedule provided in Appendix 1 contains a list of all Audits agreed in the Annual Audit Plan 2020-21.

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 Quarters 3 and 4.   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 Services 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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Internal Audit Plan Progress 2020-21 Quarter 4

Audit Summary

In Quarters 3 and 4 of 2020-21, 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
ICT Asset Management*	People & Asset Management Information Management	Strategic Risk 0006 HMICFRS Efficiency Pillar Priority 4	Final	Adequate	3	-	1	2
Project Management Framework (including business cases)	Performance Management Corporate Governance Programme & Project Management	Strategic Risk 0006 HMICFRS Efficiency Pillar Priority 4	Final	Substantial	1	-	-	1
People Development	People & Asset Management Performance Management	HMICFRS People Pillar Priority 5	Final	Substantial	-	-	-	-

*This was a Quarter 3 audit still in progress at the date of the last Finance and Audit Committee. It is included here for completeness as the audit was finalised in Quarter 4.

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SWAP INTERNAL AUDIT SERVICES
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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	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.
Partial	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
Adequate	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
Substantial	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.

From our work In Quarters 3 and 4, we have made recommendations which seek to strengthen the Services controls within each Audit area. 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 the appropriate area.

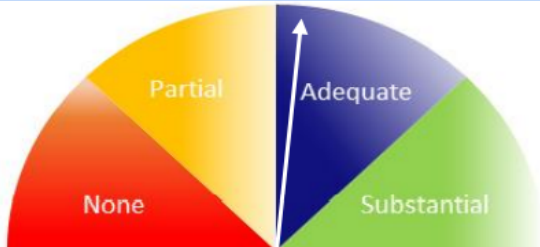| Categorisation of Recommendations	
In addition to the corporate risk assessment it is important that management know how important the recommendation is to their service. Each recommendation has been given a priority rating at service level with the following definitions:	
Priority 1	Findings that 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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ICT Asset Management Quarter 3 Audit

Executive Summary

Audit Opinion		Recommendation Summary	
		Priority	Number
Adequate		Priority 1	0
There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.		Priority 2	1
		Priority 3	2
		Total	**3**

Audit Opinion:

Adequate Assurance

Objectives:

To provide assurance that the Service has in place an effective ICT asset management system that protects assets and information, complies with regulations, and supports program delivery.

Risk:

ICT assets are not well-managed, leading to possible misuse, inability to support operational requirements, loss of or reduction in service delivery and financial loss.

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ICT Asset Management Quarter 3 Audit

Controls Tested:

1. There is an approved strategy for ICT asset management, including hardware and software.
2. Systems, inventories, and processes are in place to effectively manage ICT assets through their lifecycle.
3. Management can report on accurate, live asset information at any time.

The following control was subject to high-level review through discussion with the relevant officer, but has not been tested in detail:
4. Assets are updated effectively to reduce cyber risk. There are items of significance highlighted in the ICT Health Check (see below). Management and Members may wish to seek addition clarification and assurance around the remedial action being undertaken in these areas.

Areas of good practice:

1. There are documented procedures in place relating to the acquisition, relocation, and disposal of hardware assets. This position is likely to change following the roll out of the new scanning software. This was discussed with the Head of ICT who has planned a review in 2021.
2. There are strong controls in place for the acquisition of software and corporate procedures for change management.
3. Inventory user access was reviewed. There are a number of users with 'delete' access within the ICT Team, meaning they can remove a record from the inventory. These users were reviewed with the Head of ICT and found to be appropriate in relation to job role.

Areas to note:

1. ICT Strategy - There is no strategy specific to hardware and software, however the overarching ICT Strategy for 2019-24 was reviewed in the context of hardware and software inclusion. We found that there are strong links throughout the strategy to hardware and software. The strategy enables the investment for the technology, including hardware and software, to deliver documented projects within the four themes. It is however noted that the strategy needs reworking because of changes to the delivery of services since the current pandemic began. The Head of ICT has already made plans to revisit the Strategy next year and no immediate remedial action is recorded in this report.
2. Cyber Risk - The annual ICT Health Check is completed to the Public Sector Network standard and the Service is connected to the Emergency Services Network for critical communication services. We were provided with evidence that the annual ICT Health Check was completed in October 2020 and there is a list of actions resulting from the report produced. The Infrastructure Manager outlined their role in relation to the actions, which are being coordinated and managed by the Cyber Security Manager. The Service is also in the process of completing their Cyber Essential Accreditation.

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Summary of Recommendations:

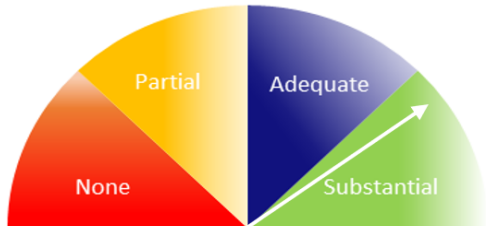| Findings & Risk	Recommendation	Management Response	Officer Responsible/ Timescale	Rec Priority
IT Hardware Assets The Service currently records its IT assets in a Notes database, although has just recently invested in software which can scan the network for hardware and software at any given time to collect live inventory data. An initial scan has taken place and once the findings that come out of this scan have been reviewed, we expect scheduling of regular reporting to be put into place. As part of the review, we identified several assets without an asset number. We queried this with the ICT Planning and Support Manager and found that these are likely to be old pre-combination issues. There is currently a risk that data is lost, misused or unsupported hardware and software is used, leading to possible loss of service, resulting in potential legal action, financial loss and reputational damage.	We would recommend that the Head of ICT undertakes the following actions: 1) Contact all staff asking them to return old hardware and advising them that they cannot connect to the network once the new software is enabled. 2) Once the new software is installed, complete an initial sweep of machines on the network and reconcile to the existing inventory 3) Ensure that the new software is configured so that only inventory items can connect to the network. 4) Agree on a whitelist of software, which is supported by the regular scanning of the inventory. 5) Agree on a schedule and then complete routine scanning of the network and reconciliation to the inventory.	We agree with the recommendation and have responded to each point as follows: 1) The scanning software will identify where software is being used as an old version or any hardware, then ICT will ensure it is updated (if whitelisted) or removed. Any old hardware to be returned would likely be unused so agree we need to actually pull this in and dispose. Management action is already underway. 2) This is already underway. The software is installed and we have run the initial report to identify what is on the network. We are now in the process of working through the report, prioritising to actions and removing/updating/whitelisting. This has probably crossed over the timing of this audit report as the report was being done whilst the software was being installed which was why we wanted to originally reschedule. 3) Software is only installed on authorised hardware that meets the security requirements. ICT configure what goes on the network along with comms support teams who deal with the MDTs/RITs. We will ensure though, that the Emco software configuration is consistent with the above. 4) Underway, as per point two above. 5) Part of the work in reviewing the first report is to agree a schedule and it to become part of business as usual work	Head of ICT 31 March 2021	2

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Findings & Risk	Recommendation	Management Response	Officer Responsible/ Timescale	Rec Priority
Access and Audit Trail There are a number of users with 'delete' access to the inventory system within the ICT Team, meaning they can remove a record from the inventory. Audit logs are not currently reviewed to highlight deleted items, so there is increased risk that deletions to inventory records go undetected, leading to potential loss of information, and/ or a distorted performance picture.	We would recommend that audit logs are reviewed for deleted items independently on an agreed schedule.	As a rule, we do not delete items, but in light of the finding, we have now implemented additional functionality in the system which allows for deleted job statuses to be reviewed. A report will now be run monthly to review deleted items by an independent resource.	**Complete** – will be reviewed monthly for first 6 months, then quarterly	3
Asset Management Procedures Documented procedures for software do not exist. Documented procedures would help to outline the expectations for staff and would ensure that assets are appropriately recorded and managed to end of life. There is currently a risk that staff may not be aware of current working practices and this could result in a lack of control over the security of assets or incomplete recording of information.	We would recommend that the Head of ICT looks to create procedures for software disposal, in consideration with the implementation of the new inventory scanning software.	Agreed and these will be drafted, using the same format as the hardware ones.	**Complete**	3

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Project Management Framework Quarter 4 Audit

Executive Summary

Audit Opinion		Summary of Actions	
		Priority	Number
	Substantial	**Priority 1**	**0**
	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.	**Priority 2**	**0**
		Priority 3	**1**
		Total	**1**

Audit Opinion:
Substantial Assurance

Objectives:
To provide assurance that a well-established and consistent approach to programme/project management is in place, which enables DWFRS to provide the necessary levels of scrutiny to assist with the successful completion of projects.

Risk:
Poor programme and project management may lead to the failure to deliver project objectives within the required timescales, resulting in potential financial loss and/or reputational damage to DWFRS.

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Project Management Framework Quarter 4 Audit

Controls Tested:

An approved framework for programme/project management is in place, which is consistently adhered to for all projects.
1) There is a central repository of all programmes/projects, to allow for necessary oversight and scrutiny.
2) Standard templates are in place for business cases, project initiation documents, and project plans, which ensure that projects align to the needs of DWFRS.
3) A consistent review and approval process is in place for potential projects.
4) Project risks and issues are recorded and tracked.
5) Training and guidance documents have been provided to support staff with the expected project management processes.
6) Progress of projects is reported to Senior Management and Members on a frequent basis.

Areas of good practice:

1) A procedure is in place to outline the project management framework, entitled the Service Improvement Procedure. The document is clear and simple to follow.
2) Training has been provided to key areas of staff who are likely to require use of the project management arrangements. Further training sessions have been booked throughout 2021.
3) A business case workbook is in place, which provides a step-by-step outline of the key areas which must be completed before commencing the project. This includes:
   • a project mandate,
   • a workflow matrix (determining the project management methodology, based upon statistical thresholds),
   • stakeholder mapping,
   • a logical framework (outlining benefits, objectives, and outputs of the project),
   • an options appraisal, including a preferred option,
   • business case approval summary
4) There is a central record for all projects, with Sycle used for this.
5) Project tasks, risk logs, and an issues register are recorded in Sycle, each with responsible officer assigned and tracking of completion.
6) A quality assurance process is being introduced by the Strategic Planning Team, to provide central oversight of the information held within Sycle.
7) The Service Delivery Team (SDT) also provide monitoring and oversight of projects, who review all business cases prior to a project commencing. For key projects, they also review project progress on a quarterly basis. Their role is reflected within their Terms of Reference.
8) Completion of a project evaluation template is part of the standard project closure. The document is taken to SDT for review and to help inform future projects.

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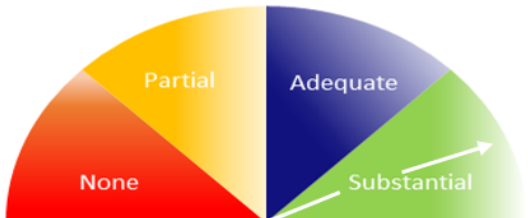
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Summary of Recommendations:

Findings & Risk	Recommendation	Management Response	Officer Responsible/ Timescale	Rec Priority
Risk Log not Fully Completed. There is a tab on Sycle for the recording of risks throughout the project's lifespan. The log in place for the Asset Management Software project was reviewed, which showed only one risk in place, with regards to Wi-Fi Protocols. However, within the most recent update documented in Sycle and the highlight report taken to SDT in December 2020, there were risks included in relation to delays in project completion and supplier management.	The Lead Officer for the Asset Management Software project should ensure that the risk log within Sycle is updated to include risks associated with delays in project delivery and supplier management.	Risks for the project have been reviewed and Sycle has been updated to reflect this. The quality assurance process in place will ensure, moving forward, that risks reported are aligned to those within Sycle. No further action is required.	**Complete**	3

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People Development Quarter 4 Audit

Executive Summary

Audit Opinion		Summary of Actions	
		Priority	Number
	Substantial	Priority 1	0
	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.	Priority 2	0
		Priority 3	0
		Total	0

Audit Opinion:
Substantial Assurance

Objectives:
To provide assurance that DWFRS can demonstrate a commitment to the development of staff through established, consistent, and fair people management arrangements. Assurance over the engagement work undertaken when developing the new 1:1 review system will also be provided.

Risk:
Inconsistent or poorly defined people development arrangements are in place, resulting in potential loss in key personnel and inability to achieve corporate priorities.

Summary of Recommendations:
There are no recommendations.

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People Development Quarter 4 Audit

Controls Tested:

1. An approved policy framework is in place to define people development across DWFRS.
2. The 1:1 review process includes best practice for such reviews, including: current performance, progression activities, health & wellbeing, training, and development.
3. The engagement activities used to inform the 1:1 review process are suitable and reasonably included input from all parts of DWFRS.
4. The success of the 1:1 review process is regularly tracked and reported upon.
5. There is a consistent means of requesting training and recording its completion.
6. A suitable corporate induction is in place for all new starters.

Areas of good practice:

1. Procedure documents are in place to define the 1:1 review process, which clearly set out the requirements for reviews and information on how to complete them.
2. Engagement activities prior to system go live were comprehensive. This included mapping of all stakeholders and their needs; use of a 1:1 and Promotions Stakeholder Group and the Leadership Consultancy Group to support creation; a communications plan; a pilot for system testing; and advertising of the new system. Mandatory training was provided to staff to outline the system, the expectations, and how to complete a review.
3. A bespoke system is in place for the reviews, enabling Departmental and central oversight of completion rates.
4. The 1:1 process includes questions on the following key areas: wellbeing; performance and behaviour; recognition; and development.
5. There is flexibility within the system, whereby staff are required to completed at least an annual review, however, can perform more regular 1:1 reviews against any of the four key areas as required.
6. Staff have been provided opportunities to feedback on the success of the revised system, with any areas of future development logged and tracked. The feedback received has identified high levels of satisfaction with the system.
7. Statistical information is being produced on a monthly basis to support the target of all staff completing at least one full 1:1 review by 30th June 2021 (12 months after launch).
8. There are links in place between the 1:1 review process and the Development Pathways and CPD procedure, corporate induction and probation processes, and links are currently being strengthened within the Coaching Procedure and the Mentoring Procedure.

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Appendix 1 – 2020-21 Audit Plan and Performance

Audit Name	Healthy Organisation Theme	Linked To	Status	Opinion	No of Recs	Recommendations 1	2	3
2020-21								
Q1 - Malpractice Management Controls	Performance Management Information Management People & Asset Management Corporate Governance	HMICFRS People Pillar Priority 5	Final	Adequate	3	-	-	3
Q1 - Critical Supplier Management	Commissioning & Procurement Financial Management	HMICFRS Efficiency Pillar Priority 4	Final	Substantial	1	-	-	1
Q1 - Asset Management Strategy	People & Asset Management Financial Management Performance Management	Strategic Risk 0006 HMICFRS Efficiency Pillar Priority 4	Final	Adequate	2	-	1	1
Q2 - Financial Resilience	Financial Management Performance Management	Strategic Risk 0006 HMICFRS Efficiency Pillar Priority 4	Final	Substantial	-	-	-	-
Q2 - Information security	Information Management Risk Management	Strategic Risk 301 Priority 4	Final	Adequate	1	-	-	1
Q2- Health and Wellbeing & fitness	People & Asset Management	HMICFRS People Pillar Priority 5	Final	Adequate	2	-	-	2
Q3 -Treasury Management	Financial Management	Strategic Risk 0006 HMICFRS Efficiency Pillar Priority 4	Final	Substantial	1	-	-	1

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Internal Audit Plan Progress 2020-21 Quarter 4

Audit Name	Healthy Organisation Theme	Linked To	Status	Opinion	No of Recs	Recommendations		
						1	2	3
Q3 - IT Asset Management	People & Asset Management Information Management	Strategic Risk 0006 Priority 4	Final	Adequate	3	-	1	2
Q4 - Project Management Framework (including business cases)	Performance Management Corporate Governance Programme & Project Management	Strategic Risk 0006 HMICFRS Efficiency Pillar Priority 4	Final	Substantial	1	-	-	1
Q4 - People Development	People & Asset Management Performance Management	HMICFRS People Pillar Priority 5	Final	Substantial	-	-	-	-

The performance results for progress against the internal audit plan at the end of Quarter 4 of the 2020-21 Internal Audit Plan are as follows:

Performance Target	Average Performance	
	% of the Annual Plan	Number of Assignments
Audit Plan – Percentage Progress • Complete • In progress, Ongoing • Not yet started	100% 0% 0% 100%	10 0 0 10

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