SWAP
INTERNAL AUDIT SERVICES
Assuring – Improving – Protecting

Dorset & Wiltshire Fire and Rescue Service

Report of Internal Audit Activity

Plan Progress 2021/22 Quarter 3

Internal Audit ▪ Risk ▪ Special Investigations ▪ Consultancy

Internal Audit Plan Progress 2021/22 Quarter 3

Contents

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Internal Audit Plan Progress 2021/22 Quarter 3

Introduction

This report summarises the Internal Audit activity completed for Dorset & Wiltshire Fire and Rescue Service in Quarter 3 2021/22 in line with the Annual Audit Plan approved by the Finance & Audit (F&A) Committee and the Chief Fire Officer in March 2021.

The schedule provided in Appendix 1 contains a list of all audits agreed in the Annual Audit Plan 2021/22.

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 3. 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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Internal Audit Plan Progress 2020/21 Quarter 3

Audit Summary

In Quarter 3 2021/22, 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
Leadership Development	People & Asset Management Performance Management	HMICFRS People Pillar Priority 5	Final	Substantial	-	-	-	-
Skills Management and Competency Recording	People & Asset Management Performance Management	HMICFRS People Pillar Priority 5	Final	Substantial	-	-	-	-

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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.

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. From our work In quarter 3, there were no recommendations made.
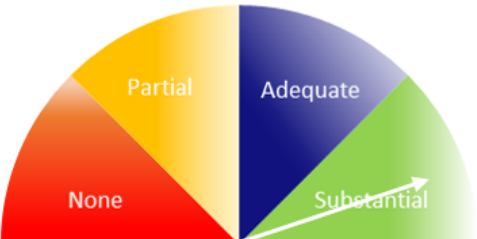
Categorisation of Recommendations	
In addition to the corporate risk assessment it is important that management know how important the recommendation is to their service. Each recommendation has been given a priority rating at service level with the following definitions:	
Priority 1	Findings that are 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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Leadership Development

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 has established, fair and well-defined arrangements in place to identify and develop potential leaders within the Service.

Risk:
Inconsistent or poorly defined leadership development arrangements are in place, resulting in potential lack of internal leadership skills, loss of key staff and inability to achieve corporate priorities.

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Leadership Development

Controls Tested:

The following areas of control were covered under the scope of this audit programme:

- There is a clear framework for leadership development in each service providing a summary of key duties and responsibilities across different roles, as well as the skills and competencies needed for each role.
- Clear development routes exist within job roles and service areas.
- Staff can access guidance, information and support with development where required.
- There is an appropriate induction process in place for staff who have completed a development pathway and attained a promotion.
- Appraisal and personal development review meetings are regularly held and there is a structured approach to ensure development needs are identified, provided, and made use of.
- Performance of the leadership development pathways and overall progress is appropriately measured, managed, and monitored to ensure achievement of the Service's objectives.
- The budget for leadership development is based on training and development needs.

Areas of good practice:

The following areas of good practice have been identified during this review:

- There is a suite of up-to-date procedural documentation and associated guidance covering the development pathways. These include the development pathways to leadership roles and cover the key duties and responsibilities of leaders. The development pathways framework of documentation covers all areas of the Service and are available to all employees on the Learning Hub which was re-launched in November 2020.
- Clear development routes exist through operational positions to managerial and leadership roles, which are outlined and supported by the role specific workbooks which are in place to support learners.
- The requirements outlined for completion of the development pathways are clearly defined and based on assessments of performance, enabling assessments against the pathways to evidence that a candidate has met all their development requirements.
- Staff are encouraged to discuss the ways in which they would like to develop as leaders with their line manager during their personal development reviews and 1:1s. Line managers will in turn nominate them for promotion, or otherwise ensure they are placed on an appropriate development pathway.
- The Learning and Development Manager provides support to line managers and other employees as required and monitors the completion of development pathways.

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- The options for leadership development within the Service are easily identifiable, are promoted, and the various messaging regarding routes to complete development pathways is clear and easy to follow.
- There are induction presentations delivered to staff who have completed a development pathway and been promoted into managerial roles internally, which are delivered by the Learning and Development Manager and the respective Group Manager during the first week of a new role. These inductions cover various aspects of the roles, to orientate the employee with their new duties and responsibilities.
- The Service operate a uniformed promotions process which captures a pool of employees who have completed a development pathway internally, and who are available for promotion when a role becomes available.
- There are no specific KPIs being monitored which link specifically to the development of leaders within the Service, however, there are more general development KPIs being captured through the quarterly Sycle performance management reporting process for the Senior Leadership Team.
- Feedback surveys are required following completion of a development pathway, to enable the Service to learn from this feedback and continually improve the pathways to leadership (and other) development. Recent surveys of this nature have returned positive results overall. Other feedback is also being gathered for development sessions as/when they are delivered, and the cumulative results from the feedback are discussed at Learning & Organisational Development (L&OD) team meetings.
- The budget holder for leadership development is the Learning and Organisational Development Area Manager, who undertakes regular monitoring of this budget. This year's budget for training and development is currently on track and was developed based on various factors, including the budget in previous years, an estimated amount of new and currently developing leaders.
- There is an amount set aside from reserves to support the recovery of leadership development from the Covid-19 pandemic, and the Service are also addressing efficiency savings wherever possible, such as through utilising the Government's levy for apprenticeships to support employee development.
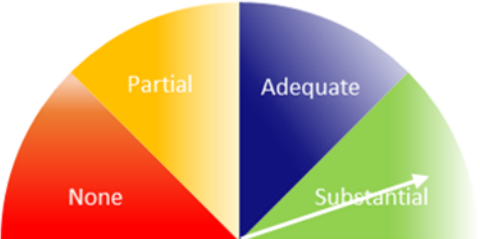
Summary of Recommendations:

No recommendations were identified during this review.

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Skills Management and Competency Recording

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 has established, clear and well-defined arrangements in place to ensure that staff within the Service have the required skills and competencies required of their roles, and to evidence compliance with national, legislative, and operational skill requirements.

Risk:
Inconsistent or poorly defined arrangements for the management of skills and the recording of competencies are in place, which could lead to inability to deliver safe and effective services, and/or inability to achieve corporate priorities.

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Skills Management and Competency Recording

Controls Tested:

The following areas of control were covered under the scope of this audit programme:

- There is a clear framework for skills management and competency recording across the service, covering national, legislative, and operational requirements.
- The expectations for employee skills and competencies within job roles and areas of responsibility are clear and well-defined.
- There are skills and competency records held for every employee, which are updated at regular intervals and can be used to inform wider workforce planning.
- Management use timely skills and competency gap analysis and take appropriate actions to develop the workforce, to ensure that the service retain the skills and competencies required to meet their national, legislative, and operational requirements.
- There are appropriate performance management, reporting and escalation procedures in place to address areas of risk in relation to meeting legislative competency and skill requirements.
- Financial assistance for vocational training is repaid should the employee leave the service or fail to complete a qualification.

Areas of good practice:

The following areas of good practice have been identified during this review:

- The framework for skills management and competency recording across the Service comprises the corporate objectives and actions outlined within the Service Delivery Plan 2021-22, the procedure document for operational competencies and operational licences and supporting internal procedures and guidance.
- Expectations for employee skills and competencies within job roles and areas of responsibility are clear and well-defined through the internal procedural guidance and skills matrices.
- Skills and competency records are created for each employee within the Gartan Expert system, which is accessible via the web to enable staff to update them at convenient intervals. The Service are also developing an application for this purpose, to make the system even more intuitive and easy for staff to use, removing some of the technical barriers to maintaining their records.
- Managers are required to analyse their team's competency and skill gaps on a regular basis, and there are effective processes in place to train and develop the workforce to ensure that operational licences are complete, and that additional skill requirements are maintained accordingly.

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- Operational Effectiveness Reviews are completed as a proactive means of identifying whether skills and competencies are being demonstrated in practice, the outputs from which feed into regular Training Response Coordination Group meetings to inform skill development and training plans.
- In addition to management monitoring their team's maintenance of core and additional skills, the onus is also put on operational employees to ensure that they keep their competencies and skill sets up to date.
- The Service's Workforce Planning Group discuss horizon scanning and development as part of their standing agenda, capturing changes and developments from across the Service which inform how they address upcoming and immediate skill and development gaps in terms of resource planning.
- The Service has various subject matter experts who partake in national and regional specialist forums, some of which are hosted by the NFCC and are themed around the National Operational Guidance for firefighters. Information garnered through attendance at these groups informs the Service's development of their workforce and training plans. Recently an exercise has been completed to review and better coordinate attendance at such forums, to ensure optimum benefit to the Service.
- The Service have KPIs in place covering training on the core subjects required by operational licences, and covering other skills and competencies needed to achieve the Service's own Maintenance of Skills requirements. The KPIs provide sufficient detail to determine the Service's achievement of key performance objectives related to skills and training, and performance against these is monitored regularly through management reporting and at Service Delivery Team meetings. Performance against the KPIs for skills and competencies is currently sitting at a comfortable level.
- The Service are held accountable for their performance in relation to their skills and training statistics quarterly, by Fire Authority Members at their regional Performance Scrutiny Committees.
- There are clearly defined opportunities for staff to apply for funding to support their development. Financial support granted by the Service will be covered by a learner's contract, covering the terms relevant to this funding. The learner's contract holds a learner to account for repaying their approved financial support should they leave the organisation either before the course is completed, or if they leave employment up to 24 months following completion of their qualification/course - with the amount repayable reducing incrementally over that time.

Summary of Recommendations:
No recommendations were identified during this review.

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Appendix 1 – 2021/22 Audit Plan and Performance

Audit Name	Healthy Organisation Theme	Linked To	Status	Opinion	No of Recs	Recommendations		
						1	2	3
Operational Obsolescence	People & Asset Management Financial Management	HMICFRS Efficiency Pillar Priority 4	Final	Adequate	5	-	-	5
Pensions Administration and Employer Contributions Review	Financial Management	HMICFRS Efficiency Pillar Priority 4, 5	Final	Adequate	4	-	2	2
General Ledger (Cash and Bank)	People & Asset Management Financial Management Performance Management	Strategic Risk 0006 HMICFRS Efficiency Pillar Priority 4	Final	Substantial	2	-	-	2
Corporate Performance Management Framework	Performance Management Corporate Governance Risk Management People & Assets Management	HMICFRS – Effectiveness & Efficiency Pillars Priority 4	Final	Substantial	-	-	-	-
Skills Management and Competency Recording	People & Asset Management Performance Management	HMICFRS People pillar Priority 5	Final	Substantial	-	-	-	-
Leadership Development	People & Asset Management Performance Management	HMICFRS People Pillar Priority 5	Final	Substantial	-	-	-	-
Strategic Planning and Stakeholder Engagement	Performance Management People & Assets Management Corporate Governance	HMICFRS Effectiveness and Efficiency Pillar Priority 1,2,3, 4	Not Started					
Fixed Assets and Inventories – Stock, Stores and Equipment	People & Asset Management	HMICFRS Efficiency Pillar Priority 4	Not Started					

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The performance results for progress against the internal audit plan for Quarter 3 of the 2021/22 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	75%	6
In progress, Ongoing	-	-
Not yet started	25%	2
	100%	8

The completion of the plan is currently on target with follow up reviews being undertaken throughout the course of the year.

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