



DORSET & WILTSHIRE
FIRE AND RESCUE



Dorset & Wiltshire Fire and Rescue Service

Report of Internal Audit Activity

Plan Progress 2022/23 Quarter 4

Internal Audit ■ Risk ■ Special Investigations ■ Consultancy

Internal Audit Plan Progress 2022/23 Quarter 4

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Internal Audit Plan Progress 2022/23 Quarter 4

Introduction

This report summarises the internal audit activity completed for Dorset & Wiltshire Fire and Rescue Service in Quarter 4 2022/23 in line with the Annual Audit Plan approved by the Finance & Audit (F&A) Committee and the Chief Fire Officer in March 2022.

The schedule provided in Appendix 1 contains a list of all audits agreed in the Annual Audit Plan 2022/23.

We have provided a summary of activity which outlines our assurance opinion and the number and priority of any actions that we made in relation to the audit work undertaken in Quarter 4. To assist the Committee in its monitoring and scrutiny role, a summary of each audit (objective, risk, controls tested, findings and actions) 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.

Internal Audit Plan Progress 2022/23 Quarter 4

Audit Summary

In Quarter 4 2022/23, 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
Corporate Procurement Plan	Commissioning & Procurement Financial Management	Strategic Risk 0006 HMICFRS Efficiency Pillar Priority 4	Final	Substantial	0	-	-	-
Energy Management	People & Asset Management Financial Management	HMICFRS Efficiency Pillar Priority 4	Final	Adequate	1	-	-	1

Assurance Definitions

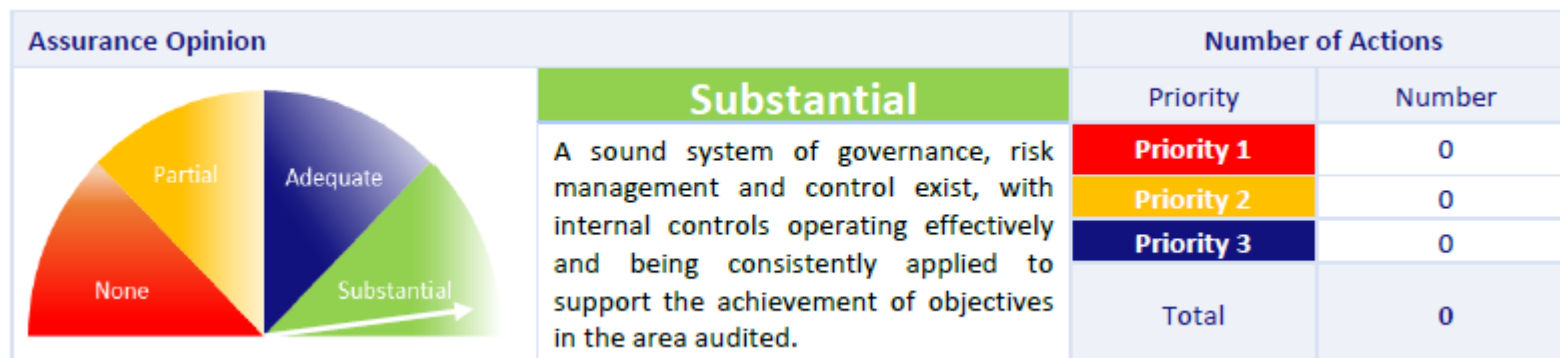
Each completed audit has been awarded an “assurance opinion” rating. This opinion takes account of whether the risks material to the achievement of the Services objectives for this area are adequately managed and controlled. The assurance opinion ratings have been determined in accordance with the internal 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 Quarter 4, we have made a recommendation which seeks to strengthen the Services controls within one of the audit areas. 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.

Corporate Procurement Plan



Audit Opinion:

Substantial Assurance

Objectives:

To provide assurances that the Service has efficient procurement arrangements in place to meet statutory requirements and that the Service is ensuring efficiencies and savings, through the use of frameworks and collaborative working.

Risk:

There are inefficient procurement arrangements in place which do not meet statutory requirements or value for money leading to legal challenge, reputational risk and/or financial risk.

Controls Tested:

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

- There is a robust Procurement Strategy in place which is supported by a robust, up-to-date and approved suite of Procurement Policy and Procedure that meet the requirements of statutory regulations.
- Policies and procedures include the need for segregation of duties for the letting of contracts, the requirement to declare conflicts of interest, and approval limits are set.
- A contract register is in place which is monitored and in line with relevant legislation.
- Appropriate contract management and monitoring arrangements are in place which includes the monitoring of payments to all contractors, to ensure compliance with contract rules.
- Waivers and exemptions are applied to contracts, where applicable.
- There is a formal training process to ensure that staff have the necessary skills.

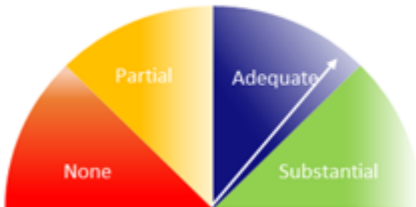
Areas of Good Practice:

- There is an approved Procurement Strategy in place which is readily available to staff with procurement and contracting responsibilities.
- Strategic objectives are in place to maximise opportunities for partnership working and joint procurement to reduce costs. Testing found that efficiencies and savings were being made through collaborative working.
- Segregation of duties are clearly set out within the procedures.
- There is adequate information available to staff, the Fire Authority, and suppliers to make them aware of their obligations to make declarations of interest.
- There are approved Contract Standing Orders in place which are reviewed on an on-going basis and included the expected information. These are available to staff on the intranet.
- There is effective guidance and training available to staff with procurement responsibilities.
- There is a contract register and governance processes in place to maintain the register and identify and monitor contracts.
- Testing found that details in the register matched the signed contracts sampled.
- There are adequate procedures in place outlining the process for issuing exemptions. Testing found that all the sampled exempt contracts met the criteria for exemption.

Summary of Recommendations:

Findings & Risk	Recommendation	Management Response	Officer Responsible/ Timescale	Rec Priority
No findings or recommendations were made following our review of corporate procurement processes.				

Energy Management

Assurance Opinion		Number of Actions	
	<p>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.</p>	Priority	Number
		Priority 1	-
		Priority 2	-
		Priority 3	1
		Total	1

Audit Opinion:

Adequate Assurance

Objectives:

To provide assurance that the Service has an effective Environmental Sustainability Strategy, which drives effective monitoring of energy consumption, with a clear drive to reduce the Services carbon footprint.

Risk:

The Service experiences reputational damage and potential financial loss, through failing to deliver on its requirements to take appropriate action to mitigate the threat of climate change and its associated impacts.

Energy Management

Controls Tested:

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

- The Service has outlined and approved its objectives surrounding carbon reduction and climate change within a strategy/plan, which align to national requirements.
- SMART targets have been developed through appropriate input and engagement from stakeholders (internal and external).
- There is a clear 'golden thread' for climate change and energy efficiency, ensuring commitment to the achievement of targets throughout the Service.
- Financial projections have been fully costed, established, and agreed to support the delivery of carbon reduction and energy efficiency objectives.
- Sufficient staff resources have been assigned to support the delivery of carbon reduction and energy efficiency objectives.
- Energy efficiency forms a key component within commissioning and procurement activities, including both planned and reactive maintenance.
- Governance, performance management and assurance mechanisms are in place to provide necessary oversight and scrutiny on the delivery of climate change and energy efficiency objectives.
- Training and awareness is provided to staff to support the delivery of climate change and energy efficiency objectives.

Areas of Good Practice:

- The Services objectives and visions for decarbonisation are clearly defined.
- Key staff have a sound understanding and extensive knowledge around environmental sustainability.
- Energy management is overseen via the Services performance management arrangements and is regularly updated and reported on through Cycle.
- Support mechanisms are in place to assist new members of staff with gaining knowledge on environmental sustainability, however the action outlined above is noted.
- There is involvement from external groups and committees, such as the Emergency Services Environmentally Sustainable Group, the Dorset Public Sector Decarbonisation Group, the Wiltshire Climate Group, and the National Fire Estates Group.
- There is a clear process in place for procurement, which includes considerations around energy management and sustainability.
- There is a process in place for project management, including the use of environmental impact assessments.

Additional Notes:

- Across the past year, work has been ongoing to revise the resource in place. The most recent update provided at the time of reporting was that support and investment had been agreed for three environmental posts. From January 2023 the Service has amended the Facilities & Environmental Manager role

from 0.3FTE to 1FTE, who continues to be supported by the Environmental Administrator role. The recruitment advert for the final post went live in January with interviews planned mid-February, in line with the planned environmental work.

- There is a clear golden thread in relation to energy management and sustainability, with targets in the Community Safety Plan which are underpinned by the Environmental Sustainability Strategy and supporting action plan. Whilst the current action plan has dates listed, these are currently listed as 'Year 1', 'Year 2', 'Year 3', rather than stating specific dates. It was advised that specific target dates would be provided and agreed with staff within their 121 sessions, however no physical workplan is in place. As no specific issues with progress against energy management and sustainability targets were noted within this review, it has not been deemed necessary to raise an action relating to this.
- Energy management and sustainability does not appear within the current Member training schedule, however the Head of Corporate Support advised that a new training schedule will be produced in 2023. Members will be able to suggest energy management and sustainability as an area of coverage, should this be required.

Summary of Recommendations:

Findings & Risk	Recommendation	Management Response	Officer Responsible/ Timescale	Rec Priority
<p>There is no formal energy management and sustainability training provided as part of the induction process for new starters.</p> <p>Whilst we are comfortable that there are processes in place to inform new starters on the Services position regarding energy management and sustainability, such as the Environmental Sustainability Strategy being available on the intranet, posters within stations, regular communications and Sustainability Champions in place, it was agreed that it would be beneficial to introduce a formal training programme as part of the standard new starter induction process. The Facilities and Environmental Manager is currently exploring options for this.</p>	<p>We recommend that a formal training programme for energy management and sustainability is produced and introduced into the new starter induction process.</p>	<p>An E-Learning package will be developed for new starters to complete as part of the induction programme.</p>	<p>Facilities and Environmental Manager</p> <p>31 July 2023</p>	3

Appendix 1 – 2022/23 Audit Plan and Performance

Audit Name	Healthy Organisation Theme	Linked To	Status	Opinion	No of Recs	Recommendations		
						1	2	3
Safeguarding Arrangements	People & Asset Management	HMICFRS Effectiveness and People Pillars Priority 1,2,3,5	Final	Substantial	2	-	-	2
Fixed Assets (Estates)	People & Asset Management	HMICFRS Efficiency Pillar Priority 4	Final	Substantial	1	-	-	1
Creditors & Debtors	Financial Management	Strategic Risk 0006 HMICFRS Efficiency Pillar Priority 4	Final	Substantial	0	-	-	-
Business Risk Management Arrangements	Performance Management Corporate Governance Risk Management	HMICFRS – Effectiveness & Efficiency Pillars Priority 1, 2, 3, 4, 5	Final	Substantial	1	-	-	1
Budget Preparation & Management	Financial Management Performance Management	Strategic Risk 0006 HMICFRS Efficiency Pillar Priority 4	Final	Substantial	0	-	-	-
Business Case Evaluation Process	Performance Management Corporate Governance Programme & Project Management Financial Management	Strategic Risk 0006 HMICFRS Efficiency Pillar Priority 4	Final	Substantial	0	-	-	-
Records Management	Information Management	HMICFRS Efficiency Pillar Priority 4	Final	Substantial	1	-	-	1
Corporate Procurement Plan	Commissioning & Procurement Financial Management	Strategic Risk 0006 HMICFRS Efficiency Pillar Priority 4	Final	Substantial	0	-	-	-

Audit Name	Healthy Organisation Theme	Linked To	Status	Opinion	No of Recs	Recommendations		
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Energy Management	People & Asset Management Financial Management	HMICFRS Efficiency Pillar Priority 4	Final	Adequate	1	-	-	1
Follow Ups	All	All						

The performance results for progress against the Internal Audit Plan for Quarter 4 of the 2022/23 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	100%	9
In progress, Ongoing	0%	0
Not yet started	0%	0
	100%	9

The 22/23 Internal Audit Plan is now complete.