Dorset & Wiltshire Fire and Rescue Service

Report of Internal Audit Activity

Plan Progress 2025/26 Quarter 2

Internal Audit ▪ Risk ▪ Special Investigations ▪ Consultancy

Unrestricted

Internal Audit Plan Progress 2025/26 Quarter 2

Contents

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Internal Audit Plan Progress 2025/26 Quarter 2

Introduction

This report summarises the Internal Audit activity completed for Dorset & Wiltshire Fire and Rescue Service in Quarter 2, 2025/26, in line with the Annual Audit Plan approved by the Finance & Audit (F&A) Committee and the Chief Fire Officer in February 2025.

The schedule provided in Appendix 1 contains a list of all Audits agreed in the Annual Audit Plan 2025/26.

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 2. 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) Global Internal Audit Standards (GIAS) and the UK Public Sector Application Note and the CIPFA Code of Practice for the Governance of Internal Audit in UK Local Government in so far as they are applicable to an assignment of this nature and you, our client.

Internal Audit Plan Progress 2025/26 Quarter 2

Audit Summary

In Quarter 2 2025/26, the following Audits were completed in accordance with the Audit Plan:

Audit Name	Healthy Organisation Theme	Linked To	Status	Opinion	No of Actions	Priority of Actions		
						1	2	3
Treasury/Reserves Management	Financial Management	Strategic Risk 0006 HMICFRS Efficiency Pillar Priority 4	Final	Substantial	1	-	-	1
People Development	People & Asset Management	Strategic Risk 598 HMICFRS People Pillar Priority 5	Final	Reasonable	4	-	3	1

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Page 3

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:

Audit Assurance Definitions

No	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.
Limited	Significant gaps, weaknesses or non-compliance identified. Improvement is required to the system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.
Reasonable	There is generally a 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 exist with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.

From our work we have raised actions 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.
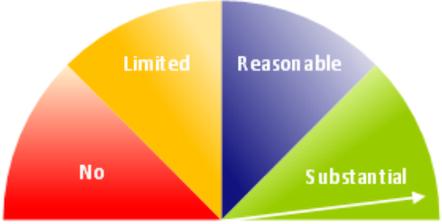
Categorisation of Actions

In addition to the corporate risk assessment, it is important that management know how important the action is to their service. Each action 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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Page 4

Treasury Management

Audit Objective	To provide assurance that key controls within Treasury Management are operating effectively and that opportunity for fraud and error is minimised.

Executive Summary

Assurance Opinion	Management Actions		Organisational Risk Assessment	Low
A sound system of governance, risk management and control, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.	Priority 1	0	Our audit work includes areas that we consider have a low organisational risk and potential impact. We believe the key audit conclusions and any resulting outcomes still merit attention but could be addressed by service management in their area of responsibility.	
	Priority 2	0		
	Priority 3	1		
	Total	1		

Key Conclusions

The following area for improvement was identified during out review:
- To enhance oversight of account reconciliations, introduce a simple tracker or checklist that records the reconciliation file name or period, reviewer name or initials, and date reviewed, supporting easier internal review and streamlining future audit testing.

The following key strengths were identified during our review:
- DWFRS has a clearly defined Treasury Management Strategy that aligns with CIPFA principles and is supported by detailed Treasury Management Practices (TMPs).
- Roles and responsibilities are clearly documented, with oversight provided by senior officers.
- Treasury activity is reported regularly to the Fire Authority and Finance & Audit Committee, ensuring effective governance and transparency.
- Daily cashflow forecasting is actively maintained and informs investment and borrowing decisions.
- Forecasts are reconciled to HSBCnet balances and linked to borrowing and investment records to ensure decisions align with available liquidity.

Audit Scope

We reviewed the following areas of control during this audit:

- An up-to-date and approved strategy is in place, setting out the approach to borrowing, investments, risk, and performance monitoring.
- Access to treasury systems and bank accounts is restricted to authorised staff only.
- There is clear separation between transaction initiation, approval, execution, and reconciliation.
- All bank transfers are subject to appropriate approval, including dual authorisation for electronic payments.
- Adequate insurance cover is in place for officers involved in treasury activities.
- Cash flow forecasts are maintained, regularly updated, and used to inform borrowing and investment decisions.
- Treasury transactions are accurately recorded and regularly reconciled to bank statements and the general

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Page 5

- Access to HSBCnet is restricted to authorised finance staff, with mutually exclusive permissions applied for transaction preparation and authorisation. - All bank transfers are subject to appropriate approval, demonstrated through dual control in HSBCnet and supporting email confirmation trails. - Transactions are accurately recorded and reconciled to both bank statements and the general ledger using structured templates. - Oversight of reconciliations is evidenced through signoffs and supporting email confirmations. - Segregation of duties is embedded and enforced through HSBCnet controls, which separate preparation and authorisation functions. - Investments and borrowing comply with the approved strategy, including limits, counterparties, and authorisation processes. - Treasury performance is monitored quarterly, with variances reviewed by senior finance staff. Insurance cover is in place, and no breaches or exceptions were identified during the audit period.	ledger. • All borrowing and investments comply with the approved strategy, including limits, counterparties, and authorisation requirements. • Treasury processes are clearly documented, with a full audit trail retained for all transactions. • Treasury performance, compliance, and risks are reported regularly to senior management and relevant committees.

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Page 6

Finding 1 – Reconciliation Oversight Tracking

Reconciliations are consistently reviewed, evidenced by annotations such as "Reviewed by SCH" and supported by email confirmations from the Head of Finance to the Senior Accounts Technician. This provides sufficient assurance that oversight is taking place routinely and appropriately. While the current practice is sound, there is no single summary or log that captures when each account reconciliation was reviewed and by whom.

Action

Introduce a simple monthly tracker or checklist to record:

- The reconciliation file name or period
- The reviewer's name or initials
- The date reviewed

This tracker once implemented should be maintained by the Senior Accounts Technician and reviewed by the Head of Finance. Success will be measured by the presence of a completed log for each monthly reconciliation cycle, providing a clear audit trail to support internal review, continuity during staff changes, and streamlined future audit testing.

Management Response:
Whilst management believe that the current approach is sufficient, they are happy to implement the recommended action to ensure it is documented in a single summary as requested. This will be completed in August 2025 and maintained in future.

Priority	3	SWAP Reference	6812
Responsible Officer		Head of Finance	
Timescale		31 August 2025	

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Page 7

People Development

Audit Objective	To provide assurance that DWFRS has an effective, integrated approach to people development that supports staff progression, aligns with leadership expectations, and is underpinned by consistent and connected processes.

Executive Summary

Assurance Opinion	Management Actions		Organisational Risk Assessment	Medium
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 1	0	Our audit work includes areas that we consider have a Medium organisational risk and potential significant impact. Both senior management and the Audit Committee should consider key audit conclusions and resulting outcomes.	
	Priority 2	3		
	Priority 3	1		
	Total	4		

Key Conclusions

The following areas for improvement were identified during our review:
- While each process (succession planning, 1:1 reviews, leadership development, and promotion decisions) is effective individually, they are not formally connected and currently operate in silos. Introducing light integration points (e.g., shared prompts, reference fields, or review checkpoints) would better align talent identification, development planning, and progression.
- There is no central mechanism to:
  - Link attendance to succession planning flags
  - Monitor development actions identified in SP or 1:1 reviews are followed up

  Implementing basic tracking and follow-up using existing systems or review cycles would improve visibility of impact   and support strategic workforce planning.

Audit Scope

We reviewed the following areas of control during this audit:

- Integration of Leadership Development, 1:1s, Promotions and Succession Planning (SP)
- Effectiveness and Consistency of the 1:1 Review Process
- Leadership Development Products and Their Role in Progression

	The following areas for improvement were identified during our review: • Promotion decisions are not informed by development planning or SP data, as this information is not recorded or referenced in application or panel assessment forms. • While some managers may informally consider this information, there is no formal prompt or requirement to do so, creating inconsistency across promotion processes. • Without this visibility, there is a risk that promotion decisions are not fully aligned with workforce planning or succession priorities.	• Promotion Processes and Fair Access to Progression Opportunities • Succession Planning Approach and Development Alignment

	The following key strengths were identified during our review:
	
	• DWFRS has a well-established and clearly documented framework for people development.
	• Policies and procedures for promotions, leadership development, 1:1 reviews, and succession planning are:
	    o Aligned with national standards (NFCC Leadership Framework), and
	    o Consistently applied across the organisation.
	• The promotion process demonstrates:
	    o Fairness and transparency, and
	    o Behavioural alignment through robust assessment tools and clear guidance.
	• High completion rates for 1:1 reviews and strong participation in leadership training reflect a positive development culture.	

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Page 9

Finding 1 – Integration Between Development Processes	Action
DWFRS has developed a strong and well-documented framework for people development, with defined processes in place for 1:1 review, leadership development, SP, and promotion. Each is supported by structured procedures, such as the ED 2 Uniformed Promotion Procedure, ED 12 Development Pathways and CPD Procedure, and the Succession Planning Guidance (March 2025) — and corresponding tools, including the 9-box grid for talent identification, career progression flowcharts, and a comprehensive suite of leadership development programmes. Despite this strong foundation, audit testing identified that these processes are not formally integrated in practice. There is currently no system-level prompt, data link, or structured mechanism to ensure that information from one process (e.g. SP risks or development needs) is actively used to inform another (e.g. leadership training allocation or promotion decisions). For example: • The 1:1 review template does not include a prompt to reference SP outputs or promotion readiness. • Leadership development attendance is prioritised based on SP indicators. • Promotion assessment forms do not include a reference to the candidate's development plan or 1:1 outcome. These observations were supported by feedback from interviews with the Leadership and Organisational Development Lead, HR Lead for Promotions and Succession and the Senior HR Officer, who confirmed that the four processes often operate in isolation, with linkages depending on individual manager discretion rather than embedded process.	A. Introduce a shared development prompt or field within the 1:1 review process to ensure managers record links to promotion readiness, SP flags, or leadership development activity. B. Provide existing training materials or written guidance to all line managers to support consistent use of the 1:1 process for development planning and linking outcomes to succession and promotion pathways. C. Progress will be measured by tracking completion of manager training and inclusion of the new prompt in all 1:1 templates. **Management Response:** The importance of an integrated workforce and succession planning process that links to our promotion and progression activities is recognised and fully supported. Since the launch of the 1:1 system in 2020 there was always an ambition that this would be the first stage in the development process. However, each of the key linked processes highlighted (promotion process and our leadership offering) have undergone further reviews/changes or did not have sustained funding to support the realisation of these plans. We are close to finalising the Crew and Watch Manager promotion processes and now have a sustainable approach to our leadership development that will enable this integration to begin to take shape. Detailed guidance documents are in place for all staff and line managers. This also includes 'How To' videos to ensure individuals get the best out of their 1:1 one to one. The accompanying procedure also enables a discussion to take place should the individual wish to be considered for future promotion opportunities. A key focus of our Digital Transformation programme is to move away from Lotus Notes to Office 365. The 1:1 process is a Notes based system and the ability to amend the current system is limited as we do not have Lotus Notes developers. A new 1:1 system is part of the programme of work, and this is due to be completed by the end of April 2026. This does

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Page 10

The current separation limits the organisation's ability to take a joined-up approach to workforce and leadership planning. Without structured integration, there is a risk that development needs are identified but not acted upon, or that succession risks are not addressed through coordinated development or promotion opportunities.

therefore impact on our ability to undertake some of the recommendations and associated delivery timescales.

As a result, the following response is proposed: -

A) Existing 1:1 Guidance Notes will be reviewed to ensure Managers include a discussion about promotion readiness that can be recorded with the 'Development' section of our current 1:1 process. This can be replicated in the new 1:1 system when built. The Guidance Notes will also reference any Leadership Development activities that the individual can access, ensuring this is also recorded on the Development Plan to ensure this is tracked and followed up.

B) We do not have the resources to undertake Manager Training sessions and therefore will need to rely on Managers taking time to familiarise themselves with the changes to the Guidance Notes and accompanying communications.
i) Once the Guidance Notes have been updated Managers will be made aware of this update, to enable them to refresh their knowledge and awareness.
ii) We will also ensure that they newly developed Management in Lifesaving makes reference to this.

C) Completion of this task will need to be confirmed through existing SDT reporting arrangements, with Managers responsible for undertaking spot checking of 1:1s undertaken within their teams/department. The Standards and Assurance Team could complete a quality assurance check of this work.

Priority	2	SWAP Reference	I#6802
Responsible Officer		HR BP & Employee Relations Manager	
Timescale		May 2026	

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Page 11

Finding 2 – Consistency and Quality of 1:1 Review Content	Action
The 1:1 review process is a key part of DWFRS's people development framework, supported by clear policy (ED 9 – 1:1 Review Procedure V2.0) and user guidance for staff and managers. These documents outline expectations for discussions on performance, wellbeing, development goals, and behaviours aligned to the Core Code of Ethics. Audit testing confirmed that 1:1 completion is well-monitored, with Q1 2025 data showing a strong compliance rate of 90%. The Collect system provides alerts, and People Partners follow up on outstanding reviews. This reflects positively on DWFRS's commitment to regular staff engagement. However, a review of 20 anonymised 1:1s (One to Ones for Audit – June 2025) showed variation in content quality. While some reviews included clear development actions and wellbeing discussions, others were brief, lacked follow-up, and made little or no reference to progression. This variation appears to stem from differing manager approaches. As confirmed by the Senior HR Officer, the People Team monitor completion of 1:1s but does not quality assure content unless concerns are raised. Without consistency checks or development prompts, there is a risk that 1:1s become transactional rather than developmental, limiting their value for progression and workforce planning.	Develop and roll out a short manager briefing and checklist to support consistent completion of 1:1 review. The checklist will focus on ensuring that discussions capture development goals, promotion interest, and behavioural feedback aligned with the Core Code of Ethics. The success of this action will be measured by: • Incorporation of the checklist into 1:1 guidance material, and • Managers will be accountable for ensuring the checklist is used consistently during 1:1 reviews, with compliance monitored through existing quarterly reporting mechanisms rather than direct oversight by HR People Partners. **Management Response:** 1) A review of the existing guidance can include the development of a checklist which can be added to the 1:1 guidance material. 2) Through existing reporting mechanisms, SDT meetings, Managers can confirm that they are using the checklists to support completion of 1:1 reviews. 3) With the introduction of a new Compliance and Investigation Team, consideration could be given to future monitoring and quality assurance by this team once fully established and embedded.

Priority	2	SWAP Reference	I#6801
Responsible Officer		HR BP & Employee Relations Manager	
Timescale		May 2026	

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Page 12

Finding 3 – Follow-Up of Succession Planning Actions	Action
DWFRS has a structured approach to succession planning. Departmental succession plans are completed using a consistent tool, including the 9-box grid and risk matrix, and are reviewed by People Partners as part of the annual workforce planning cycle. This supports the identification of high-potential staff, retirement risks, and critical roles. However, there is no formal mechanism to track whether development actions identified in these plans have been followed up. Once the plans are submitted, it is left to individual managers to progress development activity, and there is no checkpoint to confirm that actions have been implemented. As a result, there is a risk that staff identified as high-potential or in critical roles may not receive timely or targeted support, potentially impact future leadership capacity or creating gaps in key service areas.	A. Add a simple follow-up step to SP review checkpoints for managers to confirm whether identified development actions have been progressed or need further support. B. Include this follow-up step in the SP tool/template so managers can record the status of actions during reviews. C. Require managers to review and report on the follow-up status as part of the annual SP review cycle, with HR providing support only where escalation or oversight is needed. **Management Response:** The Department Succession Plans should be reviewed by the Manager on a six monthly basis, with the support of their HRPP. This should ensure that Managers keep actions under review. We can address these actions by building on our current Department Succession Planning process, with a few simple updates to help us keep better track of development actions: • update the guidance so managers are prompted to check on any development actions agreed previously and note any progress or support needed. • add a dropdown option in the existing SP toolkit so managers can record the status of those actions – for example completed, in progress, or not started. • Review who should be responsible for reporting, to make sure there's a clear and consistent way to check and report on progress as part of the annual SP cycle.

Priority	2	SWAP Reference	I#6798
Responsible Officer			Head of People Support
Timescale			January 2026

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Page 13

Finding 4 – Promotion Process Not Connected to Development Planning	Action
DWFRS's promotion process is well-structured, fair, and aligned with national frameworks such as the NFCC Leadership Framework. Clear guidance, standardised scoring tools, and behavioural assessment criteria support consistency and transparency across promotion decisions. As confirmed during the interview with the Strategic HR Lead for Promotions and Succession Planning, while some managers informally consider this information, it is not recorded or embedded in the process. This limits the service's ability to ensure promotion decisions are informed by prior development activity or aligned with succession and workforce planning.	A. Add a prompt to promotion application and panel assessment forms asking whether the candidate has a current development plan or is flagged for progression through SP. B. Ensure updated forms are used in all promotion processes (Crew Manager to Area Manager). C. Provide brief written guidance to promotion panel members on how to use this information when making decisions. **Management Response:** We can address these actions by making some straightforward updates to our promotion process: • Add a question to the promotion application and panel member guidance/forms asking if the candidate has a current development plan or is flagged for progression through succession planning • Ensure these updated forms which are used in all promotion processes, from Crew Manager to Area Manager • Ensure clear guidance is given to all panel members on how to use this information when making decisions through panel briefings and on any written guidance which exists

Priority	3	SWAP Reference	I#6799
Responsible Officer		Head of People Support	
Timescale		January 2026	

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Page 14

Audit Name	Healthy Organisation Theme	Linked To	Status	Opinion	No of Actions	Actions		
						1	2	3
Corporate Performance Management	Corporate Governance	HMICFRS Efficiency Pillar HMICFRS Effectiveness Pillar Priority 4	Final	Substantial	2	-	-	2
IT Asset Management	Information Management Procurement & Commissioning	Strategic Risk 301 HMICFRS Effectiveness Pillar Priority 4	Final	Reasonable	2	-	2	-
Treasury/Reserves Management	Financial Management	Strategic Risk 0006 HMICFRS Efficiency Pillar Priority 4	Final	Substantial	1	-	-	1
People Development	People & Asset Management	Strategic Risk 598 HMICFRS People Pillar Priority 5	Final	Reasonable	4	-	3	1
Culture Plan	People & Asset Management	Strategic Risk 598 HMICFRS People Pillar Priority 5	Q3					
Overtime (and secondary contract) Management	Corporate Governance Financial Management	Strategic Risk 0006 HMICFRS Efficiency Pillar Priority 4	Q3					
Procurement Process Evaluation	Corporate Governance Financial Management	Strategic Risk 0006 HMICFRS Efficiency Pillar Priority 4	Q4					
Pensions Administration	People and Asset Management	HMICFRS Efficiency Pillar Priority 4	Q4					
Follow Ups	All	All	-					

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Page 15

The performance results for progress against the internal audit plan for Quarter 2 of the 2025/26 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	50%	4
In progress, Ongoing	0%	0
Not yet started	50%	4
	100%	8

The completion of the plan is currently on target.

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Page 16