Mersey Internal Audit Agency

Internal Audit Progress Report

Performance and Overview Committee

(11th July 2018)

Cheshire Fire Authority / Fire & Rescue Service

CELEBRATING
25 YEARS
OF MIAA

Contents

1. Introduction

This progress report provides an update to the Performance and Overview Committee in respect of the assurances, key issues and progress made in respect of the 2017/18 Audit Plan. Comprehensive reports detailing findings, recommendations and agreed actions are provided to the organisation, and are available to Committee Members on request. In addition, a consolidated follow up position is reported on a periodic basis to the Performance and Overview Committee.

2. Key Messages for Committee Attention

Since the previous meeting of the Performance and Overview Committee we have completed the following reviews: -

- Station Management Framework – **Significant Assurance**

- Data Flow Audits: General Data Protection Regulation – **Advisory**

The table below identifies the key areas from that work and section 3 of the report provides details of the work in progress. Appendix A provides the categorisation of assurance levels and risk ratings and Appendix B confirms performance against plan for 2017/18.

Title	Assurance Level	Recommendations	
Station Management Framework	Significant	0 x Critical 0 x High	2 x Medium 0 x Low

Background: The review of the Station Management Framework (SMF) was conducted in accordance with the requirements of the 2017/18 Internal Audit Plan, as approved by Cheshire Fire Authority.

The SMF is intended to provide an overarching framework that will provide a clear view of the plans, strategies and policies required to provide an efficient safe and effective Service Delivery Department. An updated SMF policy is currently in development and will be implemented during 2018. In addition, a new Station Operational Performance and Assurance framework has been implemented to complement the SMF and provide a rigorous and independent assurance process for all fire stations.

The SMF provides a reference document to assist in managing performance and provides the tools required to develop an effective performance management culture. Responsibility for implementing the Framework is with the Head of Service Delivery whereas the Head of Operational Planning Assurance is responsible for reviewing the framework.

The SMF requires relevant managers working the Wholetime Duty System (WDS), Day Crewing Duty System (DCS), Nucleus Duty System (NDS), and On Call Firefighter Duty System (OCS) to undertake audits of compliance against specified standards on a periodic basis to ensure the stations are operating in accordance with the Framework. Therefore, it places a requirement on all staff to take responsibility for adhering to the specified standards and aims to embed a culture of rigour into all areas of station management and performance management.

Objective: To provide assurance on the effectiveness of the controls and processes in place at a local level for compliance with the Station Management Framework (SMF). It was agreed that the review would focus on four stations opened in 2017: -

- Powey Lane (Wholetime);

- Penketh (Wholetime);

- Lymm (Wholetime); and

- Alsager (On Call).

Summary: The Station Management Framework was introduced in 2009 and therefore is considered well embedded within the Service. The Framework clearly demonstrates all the key roles and responsibilities across the Service. At each of the four locations we visited as part of our testing it was confirmed that all had the relevant forms covering the relevant 'Daily', 'Weekly', 'Monthly', 'Quarterly' checks, and these were visible. The relevant standards were available to staff and from discussions with staff and from the testing completed it was found that the requirements to adhere to the Framework is well embedded and understood.

As part of the audit testing each of the four locations were visited and supporting evidence was reviewed across key elements of the Framework. Records were reviewed to evaluate overall compliance with the Station Management Framework. There was a significant sample size tested covering a three month period under review and therefore any gaps or discrepancies were considered pragmatically in line with the level of testing completed. Specific testing completed was as follows: -

Test 1

To review available evidence to demonstrate the level of compliance with the overarching requirements of the Station Manager Framework, which include completion of planned audits at the required intervals, the review and sign off process at a Station level, the escalation of any issues identified, completion of required local activities and oversight by the Head of Operational Policy and Assurance.

From the records reviewed this demonstrated full compliance with all but one of the requirements reviewed, relating to the completion of 'Monthly Peer Reviews'. Whilst the reviews had been completed and documented accordingly over the period tested, the inclusion of supporting evidence to demonstrate that recorded actions had been completed would further enhance this process and provide assurance to the Station Manager.

Test 2

MIAA reviewed the completion of daily, weekly and monthly SMF sheets during October, November and December 2017. Overall there was a high level of compliance across all four stations. However, some instances were noted where tasks were not evidenced as completed or signed off by supervision. Watch Managers should be reminded of need to review that all tasks are complete for each shift.

Test 3

A sample of 14 'Standards' within the Station Management Framework were selected and records were reviewed to ensure that the specific checks had been completed.

Overall from the records reviewed there was a strong level of compliance across the standards. This includes recording of station specific activities, retention of SMF documentation and all relevant incident information is recorded in the Station Handover Book where in place. There were some areas identified from testing, which should be highlighted to staff and consideration made to include in Quarterly visits / Watch Manager monthly Peer Reviews.

Key areas agreed for action (due to be completed by 31st July 2018):

Two medium risk recommendations to be actioned focussed on: -

Watch Manager Daily Sign off & Peer Reviews

- Crew and Watch Managers should be reminded of the need to ensure

actions from peer reviews are recorded as completed.

- As part of Quarterly Station Manager Audits, actions from previous Quarterly audits and monthly peer reviews should be confirmed as implemented.

- Watch Managers should be reminded of need to review SMF forms to ensure that all tasks are completed for each shift.

Compliance to Standards

- Areas noted at each station from this review where tests not fully completed should be included in Quarterly Station Manager audits and monthly Watch Manager audits.

It was agreed that these recommendations will be discussed at the next Station Managers group meeting to raise awareness and ensure that the matters are rectified on stations.

Executive/ Management Sponsor: Assistant Chief Fire Officer

Title	Assurance Level
Data Flow Audit: General Data Protection Regulation	Advisory

Background: The GDPR introduced from May 2018, significantly affects the way in which personal information should be processed by organisations. The new law introduced new rights for data subjects as well as enhancing existing rights. It also gives greater scope for the Information Commissioners Office (ICO) to undertaken enforcement action.

The new legislation introduced an obligation for organisations to keep a record of their processing activities. In order to create such a record and identify areas of processing which may not be compliant with the new legislation, the Service undertook a Data Flow Audit.

Objective: It was agreed that MIAA would provide advisory support on the Service's Data Flow Audit which was conducted at a departmental level. As part of the review it was agreed that MIAA would meet with Nominated Officers in order to undertake the audit. These meetings aimed to highlight:

- What work streams are undertaken within the department which involve

personal data.

- Why the processing is necessary and whether there is a valid legal basis to process personal information for this purpose.

- How personal information is processed including what the data subject is told about the processing.

- How long personal information is retained for.

- Whether personal information is shared.

- What security measures are in place to protect personal information.

Following these meetings, a report was sent to the relevant IAO (Information Asset Owners) detailing the findings from the audit as well as providing recommendations where necessary. This was aimed to be a preliminary advisory review and not a full and comprehensive audit.

Summary: The review included the following Departments: -

- Democratic Services / Executive Support;

- Human Resource

- Operational Policy and Assurance

- Youth Engagement

- Safety Central

- Service Delivery

Overall from the discussions held, Departmental representatives identified a valid legal basis to process personal information for their areas of work. Data subjects are informed about processing, although Privacy Notices will need to be revised to comply with the new GDPR requirements. In the majority of cases retention periods were recorded in the Service's policy, there is a need to cross check that all data held has a retention period on the Policy. Generally security measures are in place to protect personal information, but as an additional layer encrypted emails should be in place.

Key areas agreed for action:

- Adoption of encrypted email;

- To provide a layered approach with the new Privacy Notices, tailored to each

data subject group e.g. staff, cadets, Princes Trust, volunteers, public, etc; and

- To cross check that all data held has a retention period assigned on the Service's Policy.

Executive/ Management Sponsor: Director of Governance and Commissioning

3. Work in Progress

The following pieces of work are in progress and will be reported to the Committee following completion:

Work In progress
▪ **Combined Financial Systems** – To review key controls within procurement / tendering system. ***Draft Report. Findings and Assurance Level has been agreed, awaiting final management response to recommendations.***

Request for Audit Plan Changes

Service Management Team approval will be requested for any amendments to the original plan and this will be reported to the Performance and Overview Committee to facilitate the monitoring process. Since the last meeting of the Committee management requested some advisory support on the Service's Data Flow Audit which would review data processing activities in line with the GDPR requirements. It was agreed that the time would be used from the Bluelight Collaboration review as some support had already been provided on this area.

Appendix A: Assurance Definitions and Risk Classifications

Level of Assurance	Description
High	Our work found some low impact control weaknesses which, if addressed would improve overall control. However, these weaknesses do not affect key controls and are unlikely to impair the achievement of the objectives of the system. Therefore we can conclude that the key controls have been adequately designed and are operating effectively to deliver the objectives of the system, function or process.
Significant	There are some weaknesses in the design and/or operation of controls which could impair the achievement of the objectives of the system, function or process. However, either their impact would be minimal or they would be unlikely to occur.
Limited	There are weaknesses in the design and / or operation of controls which could have a significant impact on the achievement of the key system, function or process objectives but should not have a significant impact on the achievement of organisational objectives.
No	There are weaknesses in the design and/or operation of controls which [in aggregate] have a significant impact on the achievement of key system, function or process objectives and may put at risk the achievement of organisational objectives.

Risk Rating	Assessment Rationale
Critical	Control weakness that could have a significant impact upon, not only the system, function or process objectives but also the achievement of the organisation's objectives in relation to: • the efficient and effective use of resources • the safeguarding of assets • the preparation of reliable financial and operational information • compliance with laws and regulations.
High	Control weakness that has or is likely to have a significant impact upon the achievement of key system, function or process objectives. This weakness, whilst high impact for the system, function or process does not have a significant impact on the achievement of the overall organisation objectives.
Medium	Control weakness that: • has a low impact on the achievement of the key system, function or process objectives; • has exposed the system, function or process to a key risk, however the likelihood of this risk occurring is low.
Low	Control weakness that does not impact upon the achievement of key system, function or process objectives; however implementation of the recommendation would improve overall control.

Appendix B: Contract Performance

The primary measure of your internal auditor's performance is the outputs deriving from work undertaken. The plan has also been discussed with lead officers to determine the appropriate timing of individual work-streams to accommodate organisational priorities, availability, mandatory requirements and external audit views.

General Performance Indicators

The following provides some general performance indicator information to support the Committee in assessing the performance of Internal Audit.

Element	Status	Summary
Progress against plan	Green	Audit reviews are on track in terms of planned completion.
Timeliness	Green	Generally, reviews are progressing in line with planned delivery.
Qualified Staff	Green	MIAA Audit Staff consist of: • 65% Qualified (CCAB, IIA etc.) • 35% Part Qualified
Quality	Green	MIAA operate systems to ISO Quality Standards. Triennial review by External Audit was positive.

Overview of Output Delivery

REVIEW TITLE	PLANNED COMPLETION				ASSURANCE LEVEL	Commentary
	Sep	Nov	Feb	Jul	High / Significant / Limited / No	
FINANCE & RESOURCES						
National Fraud Initiative		●			**N/A**	Final Report Issued
Financial Systems				●	**Significant**	Draft Report
PERFORMANCE						
Partnership Arrangements	●				**Significant**	2016/17 Final Report

REVIEW TITLE	PLANNED COMPLETION				ASSURANCE LEVEL	Commentary
	Sep	Nov	Feb	Jul	High / Significant / Limited / No	
Station Management Framework				●	**Significant**	Final Report
OPERATIONAL COMPLIANCE						
Fire Safety Audits			●		**Significant**	Final Report
Business Continuity			●		**Significant**	Final Report
IT Review: Cyber Security						Part of Ongoing programme of work through 2018/19
HMICFRS Inspection						2018/19
Site Specific Risk Information	●				**Significant**	Final Report
GOVERNANCE, RISK AND LEGALITY						
GDPR				●		Final Report
Equality and Diversity Recruitment			●		**Significant**	Final Report
Local Code of Corporate Governance				●		Advisory Support – Completed
FOLLOW-UP AND CONTINGENCY						
Follow-up	●					See Follow Up Report
Contingency						

Key O = Planned   ● = In Progress / Complete

Appendix C: Critical/ High Risk Recommendations

There were no high or critical risk recommendations included within the reports.