



Internal Audit Progress Report Performance & Overview Committee (July 2022)

Cheshire Fire and Rescue Service

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Your Team

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Limitations

The matters raised in this report are only those which came to our attention during our internal audit work and are not necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required. Whilst every care has been taken to ensure that the information in this report is as accurate as possible, based on the information provided and documentation reviewed, no complete guarantee or warranty can be given with regards to the advice and information contained herein. Our work does not provide absolute assurance that material errors, loss or fraud do not exist.

Responsibility for a sound system of internal controls and the prevention and detection of fraud and other irregularities rests with management and work performed by internal audit should not be relied upon to identify all strengths and weaknesses in internal controls, nor relied upon to identify all circumstances of fraud or irregularity. Effective and timely implementation of our recommendations by management is important for the maintenance of a reliable internal control system.

Reports prepared by MIAA are prepared for your sole use and no responsibility is taken by MIAA or the auditors to any director or officer in their individual capacity. No responsibility to any third party is accepted as the report has not been prepared for, and is not intended for, any other purpose and a person who is not a party to the agreement for the provision of Internal Audit and shall not have any rights under the Contracts (Rights of Third Parties) Act 1999.

Public Sector Internal Audit Standards

Our work was completed in accordance with Public Sector Internal Audit Standards.

1 Introduction

This report provides an update to the Performance and Overview Committee in respect of the progress made against the Internal Audit Plan for 2021/22 and brings to your attention matters relevant to your responsibilities as members of the Committee.

This progress report provides a summary of Internal Audit activity and complies with the requirements of the Public Sector Internal Audit Standards.

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.

This progress report covers the period January 2022 to June 2022.

2 Key Messages for Performance and Overview Committee Attention

Since the last meeting of the Committee, there has been focus on the following areas:

2021/22 Audit Reviews

The following reviews have been issued and the 2021/22 plan is complete:

- Cyber – Organisational Controls (Limited Assurance)

Our review identified a number of areas where controls needed to be strengthened including overarching security framework (policies and procedures), management of third party risks, cyber training and the management of personal devices.

- Working Time Monitoring Arrangements (Moderate Assurance)

Overall, we confirmed that controls regarding data collection and validation were producing accurate data to the Working Time Group. However, the multiple systems and handoffs create an inherent risk of error and the process is time consuming and labour intensive.

- Operational Debrief and Learning (Moderate Assurance)

Cheshire Fire and Rescue are currently developing new structures and processes in relation to the management of debriefs and as such new arrangements have yet to be fully rolled out and developed. A high-level recommendation was raised in respect of shared learning.

	<p>The following reviews are in progress:</p> <ul style="list-style-type: none">• Business Continuity Planning <p>Refer to Appendix C for details of Key Areas from our Work and Actions to be Delivered.</p>
Follow Up	<p>Work is underway to evaluate the implementation status of prior year recommendations.</p>
Audit Plan Changes	<ul style="list-style-type: none">• The audit plan for 21/22 is complete and work is underway on the 22/23 plan.
Insights	<p>Briefings</p> <p>Our latest briefings/blogs are:</p> <ul style="list-style-type: none">• MIAA Review of the year 2021/22• Reframing Adult Social Care• Outlook for the public sector• Key NHS Publications – May 2022• Conflicts of Interest through the Audit Committee Lens <p>Audit Committee Chairs Webinars</p> <p>We are continuing to hold webinars with groups of NHS / Client Audit Committee Chairs focusing upon governance challenges and other key issues.</p> <p>Collaborative Masterclass Events - book via our website: www.miaa.nhs.uk</p> <ul style="list-style-type: none">• How can strengths based working lead to healthier and happier communities? – 7th July 2022 (9:15 am - 12:00) via Zoom.

Appendix A: Contract Performance

The Public Sector Internal Audit Standards (PSIAS) state that ‘The chief audit executive must deliver an annual internal audit opinion and report that can be used by the organisation to inform its governance statement.’

Audit Plan 2021/22

HOIA Opinion Area	Status	Assurance Level
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Core/ Mandated Assurances

Key Financial Controls	Complete	Substantial
National Fraud Initiative	Complete - Briefing issued May 21 and Dec 21	N/A

Risk Based Assurances

Risk Management Board	Qtr 1 - 4	N/A
Cyber – Organisational Controls	Complete	Limited
Working Time Monitoring Arrangements	Complete	Moderate
Operational Debrief and Learning	Complete	Moderate
Health and Wellbeing	Complete	Substantial
Blue Light Collaboration (Carry forward)	Complete	Limited

Follow Up

Qtr 1	Complete	N/A
Qtr 4	Complete	N/A

If due to circumstances beyond our control we are unable to achieve sufficient depth or coverage, we may need to caveat opinions and explain the impact of this and what will be done to retrieve the position in future.

Audit Plan 2022/23

HOIA Opinion Area	Status	Assurance Level
Core/ Mandated Assurances		
Key Financial Controls (including Reserves)	Q3	
Risk Based Assurances		
Risk Management Board	Qtr 1 - 4	N/A
Business Continuity	Fieldwork	
Blue Light Collaboration	Q2/3	
Microsoft 365 Delivery	Q2	
Follow Up		
Qtr 1	Fieldwork	N/A
Qtr 4	Q4	N/A

Appendix B: Performance Indicators

The primary measure of your internal auditor’s performance is the outputs deriving from work undertaken. The following provides performance indicator information to support the Committee in assessing the performance of Internal Audit.

Element	Reporting Regularity	Status	Summary
Delivery of the Head of Internal Audit Opinion (Progress against Plan)	Each Audit Committee	Green	There is ongoing engagement and communications regarding delivery of key reviews to support the Head of Internal Audit Opinion.
Issue a Client Satisfaction Questionnaire following completion of every audit.	Every Report	Green	
Percentage of recommendations which are implemented	Twice per year	Green	Follow up reports are provided twice per year.
Qualified Staff	Annual	Green	MIAA have a highly qualified and diverse workforce which includes 75% qualified staff. The Senior Team delivering the Internal Audit Service are CCAB/IIA qualified.
Quality	Annual	Green	MIAA operate systems to ISO Quality Standards. The External Quality Assessment, undertaken by CIPFA, provides assurance of MIAA’s compliance with the Public Sector Internal Audit Standards. MIAA conforms with the Public Sector Internal Audit Code of Ethics.

Appendix C: Key Areas from our Work and Actions to be Delivered

Report Title	Cyber – Organisational Controls			
Executive Sponsor	Director of Governance and Commissioning			
Objective	To assess the effectiveness of the current cyber control framework arrangements in place.			
Assurance Level	Limited Assurance			
Recommendations	0 x Critical	2 x High	3 x Medium	0 x Low
Summary	<p><i>Due to the sensitive and confidential nature of the findings a high-level summary is provided.</i></p> <p>The organisation did not have an approved set of policies and security reference framework outlining its unified approach to security. As a result, operational processes may not therefore align to industry standards, regulation, and best practice.</p> <p>Cybersecurity awareness training is key to enabling cyber awareness to become embedded and this needs to be taken forward as a priority.</p> <p>IT support is provided by the Joint Corporate IT service under the Blue Light Collaboration agreement. Regular performance meetings were in place however security arrangements in place for Fire Service third party service providers such as for a finance system and website provider, and estates systems such as CCTV may benefit from further clarity as these were not part of the Joint Corporate IT Service arrangement.</p>			
Key Areas Agreed for Action	<p>A number of areas were agreed to strengthen the control environment which are themed below.</p> <ul style="list-style-type: none"> • Third party and partner management • Positive cyber culture / training and awareness and Cyber security expertise • Governance structure and objectives and Risk Management • Cyber security threat reporting and Cyber security measures • Incident management 			

Key Risks Highlighted with No Agreed Action	N/A
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Report Title	Working Time Arrangements			
Executive Sponsor	Paul Binyon, Assistant Chief Fire Officer			
Objective	To provide assurance in respect of the current processes for working time arrangements data collection, to ensure there are adequate management controls and to identify potential areas for improvements in efficiency and service improvements.			
Assurance Level	Moderate Assurance			
Recommendations	0 x Critical	2 x High	2 x Medium	1 x Low
Summary	<p>The Service has appropriate policies in place to support the monitoring of working time arrangements. The current data collection process involves several separate systems to produce the reports required to then be merged into a master spreadsheet which is used to report to the Working Time Group. Overall, we confirmed that controls regarding data collection and validation were producing accurate data to the Working Time Group. However, the multiple systems and handoffs create an inherent risk of error and the process is time consuming and labour intensive. Longer term the Service should look for digital solutions to streamline and we have also raised a control risk in relation to the single point of failure for maintenance and knowledge of the master spreadsheet.</p> <p>Our review focused on the internal controls and monitoring arrangements within Cheshire Fire and Rescue Service. The Fire Service have also conducted an internal review of the Working Time Directive process. This is focusing on best practice of other fire services relating to working time monitoring and has also reviewed the use of the 'W code' within the Gartan rostering software platform and it's General Data Protection Regulation (GDPR) implications.</p> <p>Two high-risk recommendations have been raised due to the lack of formal actions of opt-out agreements, and the single point of failure regarding the 'master spreadsheet'.</p>			

Key Areas Agreed
for Action

- Ensure that formal actioning and reporting of opt-out agreements is in place within the Working Time Monitoring group, and ensure opt out agreements are reviewed on a consistent basis.
- Address the risk of the single point of failure and longer term consider how and where they can streamline and develop digital solutions to support.
- Fatigue management guidance states ‘discussions with those individuals who have exceeded 48 hours should be recorded on self-serve under ‘Working Time Discussions’. This should be implemented on a formal basis and be monitored by the working time group to ensure any 48-hour breaches are backed up by a completed self-serve ‘working time discussion’.
- The Fire Service should also ensure that the Working Time Group has mechanisms in place to monitor repeat working time breaches and develop fatigue management ‘triggers’ which outline what processes managers should take if repeat breaches are occurring.
- The Service should update policies and procedures to ensure that roles and responsibilities, reporting requirements and contracts are monitored and managed. These should include guidance on the reporting requirements for the Working Time Group as the current master spreadsheet macros are managed by 1 member of staff who is competent. If this member of staff leaves or is off for a period of time, there is an ongoing risk of working time monitoring being delayed and becoming inaccurate.

Key Risks
Highlighted with
No Agreed Action

N/A

Report Title	Operational Debrief and Learning			
Executive Sponsor	Steve Barnes, Head of Operational Policy and Assurance			
Objective	To review the systems and processes in place relating to operational debriefs and learning, providing assurance that controls are established and are operating effectively.			
Assurance Level	Moderate Assurance			
Recommendations	0 x Critical	1 x High	3 x Medium	0 x Low
Summary	<p>Cheshire Fire and Rescue are developing new structures and processes in relation to the management of debriefs.</p> <p>Guidance and direction is provided through National Operational Guidance (NOG) which provides strategic and tactical actions for Fire and Rescue Services to follow. The Fire Service have conducted an internal review and developed an Operational Assurance Plan, identifying the gaps in current processes and addressing best practice guidance issued by the National Operational Guidance (NOG). It is acknowledged that an Operational Assurance Plan has been developed for 2022 – 2026, however this is yet to be formally ratified.</p> <p>A high risk recommendation has been raised in relation to monitoring and reporting of lessons learnt. Although there is evidence to demonstrate that hot debriefs are conducted following an incident, the findings from these appears to be isolated and the wider learning, best practice and trend analysis doesn't appear to be demonstrated or easily extracted from the IRS/FireCore system.</p> <p>Whilst we recognise the positive steps taken by the Service, this work is ongoing and as such will require more time to be implemented and embedded. The recommendations raised in this review are designed to support the development of these systems and processes.</p>			
Key Areas Agreed for Action	<ul style="list-style-type: none"> In line with the developed Operational Assurance Plan, action should be taken to address how data relating to debriefs is recorded, monitored and extracted to ensure that cross learning can take place. It is acknowledged that the Service have developed a quarterly Operational Policy and Assurance Bulletin, to share learning and good practice updates, however this is yet to be formalised and issued. The Service should implement a more robust process for sharing of lessons learnt across and within all departments. 			

	<ul style="list-style-type: none">• The current Incident/Event Debriefing document should be reviewed to ensure it reflects up-to-date processes and procedures. This should be updated to reflect any changes made as a result of the implementation of the Operational Assurance Plan and communicated to all staff.• Review the training needs of all staff involved in the process and any training requirements with the implementation of the Operational Assurance Plan.• Develop a Terms of Reference for the Operational Learning Group. In line with the Operational Assurance Plan and best practice guidance, the Service should ensure that data relating to debriefs is gathered and any notable outcomes and actions are reported to the OLG and tracked.
Key Risks Highlighted with No Agreed Action	N/A