Mersey Internal Audit Agency

Internal Audit Progress Report

Performance and Overview Committee

(28th February 2018)

Cheshire Fire Authority / Fire & Rescue Service

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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: -

- Equality and Diversity: Recruitment – **Significant Assurance**

- Fire Safety Audits – **Significant Assurance**

- Business Continuity – **Significant Assurance**

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	
Equality and Diversity: Recruitment	Significant	0 x Critical 0 x High	0 x Medium 3 x Low

Background: The Equality Act 2010 introduced the Public Sector Equality Duty, also referred to as the General Equality Duty, which came into effect on the 6th of April 2011. This places additional specific duties on public bodies including Fire Authorities. The General Equality Duty has three aims. It requires public bodies, including the Authority, to have due regard to the need to: -

- Eliminate unlawful discrimination, harassment, victimisation and any other conduct prohibited by the Act;

- Advance equality of opportunity between people who share a protected characteristic and people who do not share it; and

- Foster good relations between people who share a protected characteristic and

people who do not share it.

The Act introduced the opportunity for employers to use positive action in the recruitment and promotion of staff. Positive Action refers to a range of measures and initiatives that employers can lawfully take to actively encourage individuals from under-represented groups to apply for employment.

The Authority had prior to this date carried out positive action where appropriate and permissible under previous legislation. Furthermore, the Equality, Diversity and Inclusion Strategy currently in place states that the Authority is committed to providing a comprehensive operational service that protects the communities and infrastructure of Cheshire.

Objective: To assess the Authority's recruitment processes and the steps taken to deliver on the key priorities within the Equality and Inclusion Strategy with regards to recruitment and retention of whole time firefighters and apprentices and to ensure they are in compliance with the Equality Act.

Summary: The Authority's Equality, Diversity and Inclusion Strategy 2017-2020 highlights the Service's commitment to equality, diversity and inclusion. The strategy is comprehensive and references the work on positive action. This is supported by a Talent Management Toolkit in place that covers all aspects of recruitment, retention and promotion and an Attraction Strategy that is designed to encourage engagement with under-represented groups and those with protected characteristics. The Attraction Strategy and Talent Management Toolkit cover a variety of key actions that were evidenced as having been satisfied or were in progress. A minor enhancement has been agreed to reference within the Attraction Strategy and Talent Management Toolkit to Positive Action and under-represented groups.

A range of awareness and engagement activities are in place and were evidenced as part of the review. This includes attendance at a number of events to raise awareness of the opportunities available and recruitment campaigns. The Authority also maintains a high profile at the various Pride Events across Cheshire and attend religious and cultural events.

In addition to attending external events, stations engage in positive action activities. This ranged from attending gyms to talk about being a firefighter to taking a fire engine to local carnivals. The Authority also held taster days at Service HQ, which were targeted at members of under-represented groups, to understand the work of a firefighter and the recruitment process. The recruitment pod is used at all taster days

to provide attendees with a taste of the practical tests. Fitness sessions have been introduced and potential applicants are invited to attend to demonstrate the physical tests, in particular the shoulder lifts that are required to be successfully passed with bespoke fitness regimes provided to assist with training. Expression of interest cards are collected at these events so that the Authority could keep in touch with potential applicants from under-represented groups.

The Equality & Diversity page on the internet can be easily accessed from the 'About Us' tab on the home page. It includes the contact details of the Equality & Inclusion Officer and provides links to the Equality Act, the Equality & Inclusion Strategy and provides an overview of Equality within the Authority. The Authority have designated representatives on the Equality Steering Group for LGBT, BME, women and disability, which meets quarterly. During 2017, the Authority achieved 8th place in the Stonewall top 100 Employers.

The Equality and Inclusion officer links closely with the Communication Team, and updates on social media were viewed during the review providing updates on recruitment campaigns, taster days and events.

The Service produce an annual Equality Monitoring Report which covers both employment and community engagement activity and outcomes during the year, which is received and considered by the Authority's Performance and Overview Committee. On review of the report there are a number of positive outcomes that were reported during 2016/17. There is a section within the report which provides conclusions and next steps. It is important that the Service ensures that there is a clear link between the next steps identified in this report and ensure this is clearly aligned in current work and engagement plans and activities and that this is monitored through the Equality Steering Group (ESG).

Overall, the Authority are demonstrating good processes with regards to promoting equality and diversity within the recruitment process. The evidence reviewed from recent campaigns demonstrate that that there are clearly a number of ongoing work streams. These support the work of the Equality and Inclusion Team to move forward and to assist with achieving the aims and key actions included within the Strategy and the Plan.

The Authority has a range of family friendly policies and procedures in place in particular; Maternity Policy, Paternity Scheme, Shared Parental Leave, Adoption and Valuing Equality and Inclusion. The policies support the Authority's attraction and

retention strategies.

Individuals on recruitment panels should be trained prior to carrying out the role. On the last recruitment undertaken, some of the panel members required training and this was provided. In order to ensure that all managers have received training, a mandatory face to face session for those involved in the recruitment process is planned in February 2018. The Service has identified a small number of officer's staff who will be required to take part in this training course, as a result of promotions and new starters.

The review has evidenced that updates on Equality, Diversity and Inclusion are presented to the Performance and Overview Committee on a six monthly basis. There is at least one update, usually in September covering the Annual Equality and Monitoring report, providing Members with the key issues identified from across the Authority. The Equality Steering Group (ESG) monitors the various work streams and action plans that are in place and actively monitors the Strategy and the data that feeds in to and supports the annual monitoring report. Internally, there are numerous quarterly breakfast briefings that are attended by relevant representatives and officers. The review identified clear ownership of action plans and are represented as a standing agenda item, reporting to the Equality Steering Group (ESG) on a regular basis.

Key areas agreed for action (due to be completed by March 2018):

Three low risk recommendations to be actioned focussed on: -

- Attraction Strategy and Talent Management Toolkit to be updated accordingly with reference to positive action and equality, diversity and inclusion;

- A meeting to evaluate 2017 positive action campaigns and to start planning future campaigns was held on 9 January 2018. This working group will now meet bi-monthly. Consideration was given as to how best link in actions arising with the next steps identified in the annual Equality Monitoring Report. Following this meeting, decisions are being taken in order to reflect actions arising in future plans and whether this is best monitored through the Equality Steering Group.

- In order to ensure that all managers have received training, a mandatory face to face session for those involved in the recruitment process is being run on 6th February 2018. The Service has identified only 8 officers and 2 green book members of staff who will be required to take part in this training course, as a

result of promotions and new starters.

Executive/ Management Sponsor: Director of Transformation / Equality and Inclusion Officer.

Title	Assurance Level	Recommendations	
Fire Safety Audits	Significant	0 x Critical 0 x High	0 x Medium 3 x Low

Background: Fire safety initiatives are conducted by CFRS, with the aim to develop safer business and community sectors. Advising and educating owners, managers and occupiers of business premises how to comply with fire safety regulations is a key component in this process. When the community becomes more aware of their legal obligations under the Regulatory Reform (Fire Safety) Order 2005, it should increase safety and require less enforcement from officers. Consequentially, this should result in fire protection officers having more time to focus on high risk premises and emergency situations.

The Chief Fire Officers Association (*CFOA*) Business Safety Strategy acknowledges that businesses need to be confident that Fire and Rescue Services can provide them with the right information and advice to support them in being compliant with fire safety legislation. In support of CFOA's Business Safety Strategy, CFRS works with the business sector through its Business Safety Team to promote a fire safe environment within all non-domestic premises, to ensure they are aware of their responsibilities under the Fire Safety Order; thus ensuring that people are as safe as possible when occupying or visiting non-domestic premises.

Fire safety audits are one of the key business safety initiatives ran by CFRS. The service prioritises fire safety audits to non-domestic premises that pose the greatest risk to life, property, economy, the environment and to the nation's heritage. Key performance indicators (KPIs) are embedded into the Service's Integrated Risk Management Plan (IRMP) and reported to Performance and Overview Committee. These are driven by the delivery of fire safety audits against the plan and the reduction in the number of fires in non-domestic premises.

Objective: To provide assurance that CFRS has a robust fire safety audit process, which supports the Service's vision to 'achieve safer business and community sectors where there are no preventable deaths or injuries in fires, where fire losses are

reduced to all time minimal levels, and businesses receive consistent and common advice, information and enforcement practices'.

Summary: CFRS has a range of policies, strategies and procedures in place which relate to fire safety audits. Overall, coverage and clarity of the associated documentation was good. A review of the policies identified that steps for each stage of a fire safety audit are defined with timescales in line with the Fire Safety Order (2005). Additionally, policy information was found to be consistent with and supported by the overarching 'Integrated Risk and Management Plan' and 'Community Fire Protection Strategy'.

Discussions with officers, and examination of the training schedules, indicated a clear commitment to ensure that staff are appropriately trained before undertaking a fire safety audit. Training requirements are defined through a national structure and courses are ran both by approved trainers, highlighting a consistency in approach. A review of a sample of training records found that they had the required evidence and documentation, supporting the completion of training.

Processes and controls for the identification of non-domestic premises were found to be robust. The Fire Safety Order (2005) states that the premises' responsible person has a duty to complete a fire risk assessment. Although the responsibility to identify all non-domestic premises does not sit with CFRS, it was observed that the organisation actively attempts to do so. This was evidenced to have been facilitated through consultation of building regulations, weekly planning lists and local knowledge of the area. Notifications of changes from these identification methods were found to have been managed and subsequently updated on a regular basis. A selection of changes were reviewed to assess that they were being updated within defined timescales. No issues were found, highlighting compliance with expected processes. Responsibility to record or authorise additions sits with each unitary performance area's (UPA) Station Manager, a restriction on user access rights ensured that this control was effective.

Due to the number of non-domestic premises within the service's remit, it is not feasible for CFRS to perform fire safety audits for each on a yearly basis. An intelligence led targeting strategy has been adopted to prioritise work plans for each area, using tools such as risk categorisation. Upon review, the strategy was found to align to the CFRS Enforcement Procedures and service's IRMP. Priorities and frequency of audits are determined in accordance with the fire authority systems, which are derived from a combination of each premise's relative risk score and FSEC (Fire Service Emergency Cover) category. Relative risk scores were found to have been determined

by a number weighted elements, which was consistent with the requirements listed in the Fire Safety Guidance Notes. A combination of automated fields and relative risk score calculator were found to act as a good control to maintain risk scoring consistency and error prevention.

On a local level, each Unitary Performance Area has its own planning database. A comparison of each area's database confirmed that the relative risk scores had been considered and the strategy had been implemented consistently across the areas. Internal timescales had been defined to inform best practice for the authorisation of Enforcement Notices. Sample testing highlighted that 4 out of the 20 Enforcement Notices had not received sign-off within the given timescale. It should be noted that the sample was taken over a period of 36 months and there has been significant work to improve this area. This was substantiated in the testing, whereby the 4 instances had occurred within the first 12 months of the period.

The review evidenced that statutory reporting requirements, to comply with the Regulatory Reform (Fire Safety) Order 2005, were found to have been completed consistently and be managed effectively (IRMP Returns, Prosecution Register and Enforcement Register). Performance reports to the P&O Committee were found to be accurate and consistent with recorded information. Data to drive the reports is ran directly from CFRMIS, which was highlighted as a good control for reporting consistency.

On a local level, performance was found to be scrutinised further at each area's Unitary Performance Group (UPG). Recommendations and actions were found to be assessed in line with the Unitary Performance Area Plans, before being passed to the Station Managers for implementation. National forums were found to exist for enabling wider sharing across the organisation and useful findings are shared between localities. Information from the forums, performance information and UPG are disseminated to each of CFRS's local teams by the Station Manager at a weekly meeting. Overall communication links between Station Managers and area teams were found to be well established. It has been recommended that going forward Fire Protection Policy Group will be attended by Watch Managers with the aim of increasing awareness in the Station Managers absence.

Key areas agreed for action (due to be completed by March 2018):

Three low risk recommendations to be actioned focused on:

- To consider additional reporting information supporting delivery of Fire Safety Audit in line with the principal focus of the fire safety audit targeting strategy. Current reported focuses will be reviewed and any alterations will be proposed to the next P&O Committee.

- Performance monitoring will continue to be carried out by Management for the authorisation of Enforcement Notices. Officers will be informed that once prepared, enforcement notices should be sent to an available manager to be approved as soon as possible.

- To ensure that key messages are being disseminated between management and officers on a consistent basis, information channels for sharing are being developed. Watch Manager will now attend the Fire Protection Policy Group, with the aim of increasing awareness in the Station Managers absence.

Executive/ Management Sponsor: Deputy Chief Fire Officer / Head of Protection & Organisational Performance

Title	Assurance Level	Recommendations	
Business Continuity	Significant	0 x Critical 0 x High	4 x Medium 1 x Low

Background: It is a requirement of the Civil Contingencies Act 2004 and the Fire and Rescue Services Act 2004 that Fire and Rescue Services (FRS) have appropriate business continuity (BC) arrangements in place, so that a required level of response can be maintained at all times.

Cheshire Fire and Rescue Service (CFRS) has a Crisis Management Plan (CMP) in place that provides guidance to the Crisis Management Team (CMT) on the actions that need to be taken to maintain critical service delivery should the plan be invoked.

The CFRS Business Continuity Guidance and Protocol Document provides a framework and advice for managers across all departments and functions within CFRS. This is aimed at developing Business Continuity Management (BCM) arrangements and plans within their own areas of work with the intention of ensuring the CFRS fulfils and discharges its statutory duties.

In 2017 CFRS undertook a significant business continuity exercise (Beagle) to test current business continuity arrangements. In October 2017 the Risk Management

Board (RMB) received an update of lessons learnt from the exercise.

Objective: To undertake an assessment of business continuity arrangements including business continuity plans and strategies, testing and learning from exercises, and assurances provided within the Service and to the Fire Authority.

Summary: CFRS has well established policies with reference to national guidance covering business continuity and crisis management. At the time of the review they are planned to be updated to reflect changes related to Blue Light Collaboration. Guidance is available on the CFRS website to businesses and the general public on business continuity and links to national business continuity organisations. The Prevention Department provides support in the event businesses and the general public request assistance in this area.

The focus of CFRS business continuity management in 2017 has been on the completion of a significant exercise to test and improve their business continuity arrangements involving representation from Cheshire Constabulary and to further embed Blue Light Collaboration. Exercise Beagle's objectives were to test the robustness of the Crisis Management Plan, to complete a gap analysis of the Business Continuity Management System with particular reference to the Blue Light Collaboration and to work closely together with colleagues from Cheshire Constabulary in order to raise and promote awareness of the Services procedures. The completion and testing of these arrangements demonstrates the importance the Service places in maintaining service delivery and the need to ensure that where issues arise from such exercises that required improvements are made accordingly.

CFRS have standard templates in place to record 'business impact assessments', 'loss of staff' and 'business continuity plans' which must be completed for departments and stations. The templates provide sufficient detail to assess key aspects of business continuity including contact details, stakeholders, risks to loss of staff and alternative location of stations. A record of the completion of business continuity documentation is maintained by the Operational Support Risk Research & Development Lead who also reviews documentation to ensure they are completed fully and appropriately and to identify any trends or risks that need to be considered across the Service.

Sample testing confirmed that business continuity plans, loss of staff forms, business impact assessments, for departments and stations had been completed. Although plans were evidenced as being completed, in a number of instances department, loss of staff and station business continuity plans were due for review. This is something

that is being progressed including developing a platform for assigned Business Continuity Champions to meet in order meet to discuss areas to further develop business continuity arrangements and developing a refreshed rolling programme of table top exercises.

Through Blue Light there are some services that have transferred over to Cheshire Constabulary. The Service have been working closely with the Constabulary to develop the arrangements for ongoing assurances including CFRS attendance at the Blue Light Collaboration Joint IT Steering Group and meetings with Cheshire Constabulary business continuity leads. Although CFRS and Cheshire Constabulary are developing a more integrated approach to ensure CFRS receive sufficient assurances on business continuity arrangements in the areas of collaboration, a workplan should be developed providing clarity on the timing and nature of assurances on business continuity in these areas.

Business continuity arrangements are reported within CFRS through updates to the Risk Management Board (RMB) and minutes of the RMB are received by the Fire Authority. In 2017 updates were provided to the RMB in March and in October; the October update included learning from Exercise Beagle. It has been recommended that reporting arrangements are enhanced to include lessons learned from joint working with partners, national reports and progress with planned local testing exercises. This is to be discussed at the Risk Management Board in March 2018.

Key areas agreed for action (due to be completed by April 2018):

Four Medium risk recommendations to be actioned focussed on: -

- Business Continuity Plans retained by CFRS will be reviewed, updated and monitored by the Operational Policy & Assurance Department (OPA).

- A three year schedule will be developed with Cheshire Constabulary to detail the timing and assurances from live incidents and table top business continuity plan tests. This will be established alongside developing agreeing a standardisation of approach, documentation and systems for business continuity with Cheshire Constabulary. Revised reporting arrangements will be taken to the Risk Management Board for approval in March 2018.

- An agreed schedule of regular meetings will be agreed between business continuity leads at CFRS and Cheshire Constabulary. CFRS and Cheshire Constabulary will work to develop standardisation in approach, documentation

and systems for business continuity. As part of this exercise a work plan and action log detailing actions will be developed. As part of developing a testing schedule CFRS will clarify with Cheshire Constabulary the nature and frequency of assurances for which they are the lead for. As part of the development of a standardisation of approach Business Impact Assessments will be reviewed and updated to reflect changes as a result of Blue Light Collaboration.

- Revised reporting arrangements will be taken to the Risk Management Board (RMB) for approval in March 2018 including references to lessons learned from joint working with CFOA, Cheshire Constabulary, national reports or guidance and progress against planned business continuity testing. An annual report will be reported to the RMB in October 2018.

One low recommendations to be actioned focussed on planned, quarterly Business Continuity Champion meetings should be held with agreed actions monitored to provide assurance they are completed.

Executive/ Management Sponsor: Deputy Chief Fire Officer / Operational Support, Risk, Research & Development Lead

3. Work in Progress

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

Work In progress

- **Station Management Framework** – To provide assurance on the effectiveness of the controls and processes in place at a local level for compliance with the Station Management Framework. *Draft Report*

- **Combined Financial Systems** – To review key controls within financial systems which will also include procurement / tendering. *Fieldwork*

Request for Audit Plan Changes

Policy Approval Group 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.   There are no proposed amendments to the audit plan.

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	May	High / Significant / Limited / No	
FINANCE & RESOURCES						
National Fraud Initiative		●			N/A	Final Report Issued
Financial Systems				●		Fieldwork - February
PERFORMANCE						
Partnership Arrangements	●				Significant	2016/17 Final Report

REVIEW TITLE	PLANNED COMPLETION				ASSURANCE LEVEL	Commentary
	Sep	Nov	Feb	May	High / Significant / Limited / No	
Station Management Framework				●		Draft Report
OPERATIONAL COMPLIANCE						
Fire Safety Audits			●		**Significant**	Final Report
Business Continuity			●		**Significant**	Final Report
IT Review				●		Fieldwork to commence February
HMICFRS Inspection				O		Planning
Site Specific Risk Information	●				**Significant**	Final Report
GOVERNANCE, RISK AND LEGALITY						
GDPR				O		Planning
Equality and Diversity Recruitment			●		**Significant**	Final Report
Local Code of Corporate Governance				O		Advisory Support – March
FOLLOW-UP AND CONTINGENCY						
Follow-up	●					See Follow Up Report
Contingency						

Key O = Planned   ● = In Progress / Complete

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Appendix C: Critical/ High Risk Recommendations

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