

# Internal Audit Progress Report Performance and Overview Committee (27<sup>th</sup> February 2019)

Cheshire Fire Authority / Fire & Rescue Service

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## 1. Introduction

This progress report provides an update to the Performance and Overview Committee in respect of the assurances, key issues and progress against the Internal Audit Plan for 2018/19. 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 Audit Committee Attention

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

- Operational Training – Substantial Assurance
- Safe and Well – Substantial Assurance
- Station Management Framework – Substantial Assurance

Our work in relation to Performance and Data Quality is undergoing internal quality assurance prior to draft report issue. Our financial systems work focusing on the User Acceptance Testing within Oracle Fusion as at December 2018 and February 2019 is complete. However as Cheshire Fire and Rescue Service are not joining the Multi Force Shared Service (MFSS) at this time this will no longer be reported to this committee.

The remaining work in relation to NFI data matching and Vehicle Fleet is at planning stage.

The table below identifies the key areas from our work and the actions to be delivered by management. Appendix A provides the categorisation of assurance levels and risk ratings and Appendix B confirms performance against plan. Details of High Level actions agreed are provided in Appendix C.

| Title   | Assurance Level | Recommendations          |                       |
|---|-----------------|--------------------------|-----------------------|
| Operational Training  | Substantial     | 0 x Critical<br>0 x High | 2 x Medium<br>1 x Low |
| <b>Management Sponsor: Stewart Forshaw, Head of Operational Policy and Assurance / Area Manager.</b>  |                 |                          |                       |
| <b>Objective:</b> To undertake a review of operational training, ensuring that training is appropriately determined, delivered and monitored. |                 |                          |                       |
| <b>Summary:</b>   |                 |                          |                       |

| Title  | Assurance Level | Recommendations |
|--|-----------------|-----------------|
| <p>In accordance with the Fire and Rescue Services Act 2007 and the Health and Safety at Work etc. Act 1974, training is clearly a high priority for CFRS. This was apparent from a review of relevant documentation and discussions with the Head of Operational Policy and Assurance / Area Manager, the Operational Training Manager, the Command Training Manager and Station Managers tasked with specific training related responsibilities. Although discussions indicated a range of oversight and monitoring activity, there is a lack of clarity over where strategic oversight takes place and how this is evidenced. This has been recognised and the Service plans to report training information to the Performance and Overview Committee.</p> <p>The Operational Training Strategy drives operational training and is supported by a number of underpinning training policies which were regularly reviewed. Contents of the new Fire and Rescue National Framework for England and recently-issued National Operational Guidance mean that it is timely to undertake a thorough review of the Strategy and recommendations have been made accordingly. The Annual Delivery plan was found to reflect the contents of the Operational Training Strategy, and our review of training for whole-time and on-call staff, including apprentices and those responsible for incident command, showed that records were accurate and training was delivered on a timely basis.</p> <p>A Transition Plan has been prepared as a result of the impact of the construction of the new training centre at Sadler Road on existing training facilities and a Station Manager is currently seconded to lead the planning and delivery process, reporting directly to the Area Manager, Operational Policy and Assurance Department. The plan encompasses planned actions and delivery dates. These were found to be largely adhered to and updated on a regular basis. There was evidence that actions indicated as being complete had occurred.</p> <p><b>Key areas agreed for action:</b></p> <p><b>Two medium level risk recommendations were agreed:</b></p> <p>A summarised report providing assurance in respect of Training Plan delivery will be presented at the Performance and Overview Committee annually in the future, with the 2018/19 report being the first.</p> <p>The Training Strategy will be re-drafted, and reviewed by the Service Management Team, ensuring that:</p> <ul style="list-style-type: none"><li>• The Names of Operational Policies are accurately reflected;</li><li>• There is reference to the need to align operational training policies to NOG based standard operating procedures;</li><li>• It is sufficiently specific regarding how compliance will be evidenced; and</li><li>• Continues to reflect the ethos and values of CFRS.</li></ul> |                 |                 |

| Title   | Assurance Level    | Recommendations                  |                               |
|---|--------------------|----------------------------------|-------------------------------|
| <p><b>One low level risk recommendation was agreed</b> in relation to the Breathing Apparatus Training Policy which will be updated to include the agreed practice of extension of a 3-month period for wearers who may have missed a refresher course following a professional assessment.</p>   |                    |                                  |                               |
| <p>Safe and Well: Process / Information Governance Review</p>   | <p>Substantial</p> | <p>0 x Critical<br/>0 x High</p> | <p>8 x Medium<br/>1 x Low</p> |
| <p><b>Management Sponsor: Nick Evans, Head of Prevention</b></p>  |                    |                                  |                               |
| <p><b>Objective:</b> To provide assurance on the effectiveness of the internal control arrangements and the Safe and Well systems and processes. Our work focused on compliance with the requirements of GDPR, whilst also considering the collecting, processing, storing and disposal of data obtained through Safe and Well visits.</p>  |                    |                                  |                               |
| <p><b>Summary:</b></p>  |                    |                                  |                               |
| <p>In December 2016, the Fire Authority, NHS England and the four Councils within Cheshire signed an agreement enabling CFRS to undertake free Safe and Well visits. The visits are targeted at those deemed to be the highest risk, namely people aged 65 and over and those being referred by partner agencies to CFRS because they are considered to be a particular risk.</p> |                    |                                  |                               |
| <p>The current Integrated Risk Management Plan (IRMP) states that CFRS have a target to deliver 40,000 Safe and Well visits in 2018/19, with visits undertaken by both operational fire fighters and the prevention team (advocates).</p>   |                    |                                  |                               |
| <p>The Safe and Well visits incorporate traditional Home Fire Safety checks including the fitting of smoke alarms and each of the additional services listed below are offered subject to householder consent.</p>  |                    |                                  |                               |
| <p><i>Safe and Well visit includes the following additional services:</i></p>   |                    |                                  |                               |
| <ul style="list-style-type: none"> <li>• Slips, trip and falls;</li> <li>• Smoking cessation;</li> <li>• Alcohol reduction;</li> <li>• Bowel Cancer Screening;</li> <li>• Fuel poverty; and</li> <li>• Atrial Fibrillation (except Warrington).</li> </ul>  |                    |                                  |                               |
| <p>There is possibility of additional two services being added in the future.</p>   |                    |                                  |                               |
| <p>The Safe and Well programme is a fantastic initiative delivering impressive results for the health and wellbeing of the local population. We acknowledge the hard work and commitment of all staff involved in the development and delivery of the programme, working in partnership with health and council colleagues.</p>   |                    |                                  |                               |

| Title  | Assurance Level | Recommendations |
|--|-----------------|-----------------|
| <p>Our review confirmed that the Safe and Well information was securely retained within the Cheshire Fire Rescue Management Information System (CFRMIS), with restrictions on access to data. Safe and Well users are informed via data privacy notices that their data may be retained on Police systems. Privacy statements also include details of how data will be shared and used on the internet.</p> <p>All details obtained during the Safe and Well visit are recorded on a tablet portable device, we confirmed the data security management arrangements in place and the restrictions on access and download controls.</p> <p>We have made a number of recommendations to strengthen the existing control arrangements in relation to compliance with updated GDPR requirements, data privacy and consent.</p> <p><b>Key areas agreed for action:</b></p> <p><b>Eight medium level risk</b> recommendations were agreed with management:</p> <ul style="list-style-type: none"><li>• Update of the statement within the Safe and Well Booklet to specifically signpost the relevant area of the website for Data Privacy.</li><li>• Seek confirmation from the current Business Intelligence Manager to ensure that any addresses that have refused Safe and Well visit are excluded for two years as documented in the Safe and Well Policy.</li><li>• To check the currency of CFRS's overarching policy and e-learning resources and where they are not Data Protection Act 2018 /GDPR compliant this will be updated as a priority. In addition there will be specific guidance for staff outlining all matters that are Safe and Well related.</li><li>• Review the wording within the Safe and Well booklet in relation to data retention.</li><li>• Ensure appropriate processes are put into place to ensure that records are removed when requested. Also ensuring that all associated records held by CFRS are removed.</li><li>• There is an SLA in place for the Information Governance department to meet annually with departmental /system owners to review their information governance arrangements. Shared Services Information Governance should develop the process, train Prevention Managers and staff and program the audits.</li><li>• Review the length of time that documents are being retained ensuring compliance with the CFRS policies and that of GDPR and also progress the development of an automated deletion tool.</li><li>• In relation to a Fire and Rescue Service Risk Assessment (FRSRA) undertaken during a safe and well visit the team will liaise with the Information Manager to review</li></ul> |                 |                 |

| Title   | Assurance Level    | Recommendations                  |                               |
|---|--------------------|----------------------------------|-------------------------------|
| <p>the process to ensure there is a record that we asked for/ were given consent or at least record the rationale for sharing without consent.</p> <p><b>One low level recommendation</b> was agreed in relation to update of the customer questionnaire to assist in obtaining confirmation of consent. namely:</p> <ul style="list-style-type: none"> <li>• Did you provide consent for the services received?</li> <li>• Were you provided with a copy of the data statement?</li> </ul> |                    |                                  |                               |
| <p>Station Management Framework (SMF)</p>   | <p>Substantial</p> | <p>0 x Critical<br/>0 x High</p> | <p>1 x Medium<br/>1 x Low</p> |
| <p><b>Management Sponsor: Steve Barnes, Head of Service Delivery</b></p>  |                    |                                  |                               |
| <p><b>Objective:</b> To provide assurance on the effectiveness of the controls and processes in place at a local level for compliance with the Station Management and Audit Framework.</p>  |                    |                                  |                               |
| <p>this review included a review of the effectiveness of controls in place at a sample of four stations:</p>  |                    |                                  |                               |
| <ul style="list-style-type: none"> <li>• Runcorn (WDS);</li> <li>• Northwich (DCS);</li> <li>• Birchwood (NDS); and,</li> <li>• Holmes Chapel (OCS).</li> </ul>   |                    |                                  |                               |
| <p><b>Summary:</b></p>  |                    |                                  |                               |
| <p><u>Roles and Responsibilities</u></p>  |                    |                                  |                               |
| <p>The Station Management Framework clearly demonstrates all of the key roles and responsibilities across the Service. The Framework states that the responsibilities for ensuring compliance with the Framework sits with all staff within the stations, from firefighters completing routine tasks, with oversight by Crew and Watch Managers, through to the Station Manager.</p>  |                    |                                  |                               |
| <p>Responsibility for the annual review of the Framework and assurance in respect of compliance and implementation sits with the Head of Service Delivery. At the time of our audit, the Framework had recently been updated with a last review date of October 2018 and a future review due date of October 2019.</p>  |                    |                                  |                               |
| <p>At each of the four stations we visited as part of our testing it was confirmed that all had the relevant and most up to date forms covering the 'daily', 'weekly', 'monthly' and 'quarterly' checks, and these were held on file. The standards were visible and made available to staff</p>  |                    |                                  |                               |

| Title   | Assurance Level | Recommendations |
|---|-----------------|-----------------|
| <p>and from our review we found that the requirement to adhere to the Framework and its supporting standards was well embedded at a Station level.</p>  |                 |                 |
| <p><u>Compliance with the SMF requirements</u></p>  |                 |                 |
| <p>As part of our audit testing, each of the four stations were visited and supporting evidence was reviewed across the key elements of the Framework. All visits were undertaken week commencing the 3<sup>rd</sup> of December 2018 and supporting records covered the period of 1<sup>st</sup> September 2018 to the date of the site visit.</p>   |                 |                 |
| <p>Audit review of available evidence to demonstrate the level of compliance with the overarching requirements of the SMF confirmed overall good levels of compliance with a limited number of partially compliant standards where there was a process in place but a significant number areas of non-compliance noted.</p>   |                 |                 |
| <p>We reviewed the completion of daily, weekly and monthly SMF sheets during September, October and November 2018. Overall, there was high level of compliance across all four stations. However, a number of instances were noted where tasks had not been evidenced as completed or signed off by the individual carrying out the checks. Watch Managers should be reminded of the need to review that all tasks are complete for each shift. In addition, it should be ensured that sign off is obtained by the Station Manager where applicable.</p>  |                 |                 |
| <p><u>Standards</u></p>   |                 |                 |
| <p>A sample of 13 'Standards' within the Station Management Framework were selected and records were reviewed to ensure that the specific checks have been carried out. Overall from the records reviewed there was a strong level of compliance across the standards. For example, this included recording of station specific activities, retention of SMF documentation and all relevant incident information is recorded in the Station Handover Book. There were some areas identified from testing that require improvement, and a low level risk recommendation was agreed with management to address.</p> |                 |                 |
| <p><b>Key areas agreed for action:</b></p>  |                 |                 |
| <p><b>One medium level risk</b> recommendation was agreed to remind Watch Managers of the need to review SMF sign off forms to ensure that all tasks have been fully completed and evidenced. These should be signed off on the same day of the checks being carried out.</p>   |                 |                 |
| <p><b>One low level risk</b> recommendation to develop an action plan to address the specific compliance issues has been taken forward by the Holmes Chapel, Birchwood and Runcorn stations. Assurance will be sought in February from the Station Managers that these issues have been addressed and compliance will be monitored long term.</p>   |                 |                 |

### 3. Work in Progress and Planned

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

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#### Work In progress

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- Risk Management Board attendance
- Performance and Data Quality – Internal Quality Assurance

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#### Work planned

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- National Fraud Initiative – Awaiting Match data
- Vehicle Fleet – Planning
- HMICFRS – Awaiting confirmation of audit support requirements

### 4. Request for Audit Plan Changes

It is recognised that we may need to update the audit plan during the year as different risks emerge. Any proposed changes to the plan are discussed with the Service Management Team 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 for consideration by the committee.

## Appendix A: Assurance Definitions and Risk Classifications

| Level of Assurance | Description   |
|--------------------|---|
| High               | There is a strong system of internal control which has been effectively designed to meet the system objectives, and that controls are consistently applied in all areas reviewed.                               |
| Substantial        | There is a good system of internal control designed to meet the system objectives, and that controls are generally being applied consistently.  |
| Moderate           | There is an adequate system of internal control, however, in some areas weaknesses in design and/or inconsistent application of controls puts the achievement of some aspects of the system objectives at risk. |
| Limited            | There is a compromised system of internal control as weaknesses in the design and/or inconsistent application of controls puts the achievement of the system objectives at risk.                                |
| No                 | There is an inadequate system of internal control as weaknesses in control, and/or consistent non-compliance with controls could/has resulted in failure to achieve the system 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: <ul style="list-style-type: none"> <li>the efficient and effective use of resources</li> <li>the safeguarding of assets</li> <li>the preparation of reliable financial and operational information</li> <li>compliance with laws and regulations.</li> </ul> |
| 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: <ul style="list-style-type: none"> <li>has a low impact on the achievement of the key system, function or process objectives;</li> <li>has exposed the system, function or process to a key risk, however the likelihood of this risk occurring is low.</li> </ul>  |
| 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 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: <ul style="list-style-type: none"> <li>• 65% Qualified (CCAB, IIA etc.)</li> <li>• 35% Part Qualified</li> </ul>   |
| Quality               | 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. |

## Overview of Output Delivery

| REVIEW TITLE   | PLANNED REPORTING TO P & O |     |     |       | ASSURANCE LEVEL | Commentary                         |
|--|----------------------------|-----|-----|-------|-----------------|------------------------------------|
|  | Sep                        | Nov | Feb | April |                 |                                    |
| <b>CORPORATE SERVICES</b>                                    |                            |     |     |       |                 |                                    |
| Financial Systems: Oracle Fusion                             |                            |     | ✓   |       | N/A             | Complete                           |
| Local Code of Corporate Governance                           |                            | ✓   |     | •     |                 | Working group attendance / support |
| National Fraud Initiative                                    |                            |     |     | •     |                 | Await data matches                 |
| <b>PROTECTION &amp; ORGANISATIONAL PERFORMANCE</b>           |                            |     |     |       |                 |                                    |
| Performance Reporting  |                            |     | •   |       |                 | QA Draft Report                    |
| HMICFRS  |                            |     |     | •     |                 | Call off Days                      |
| <b>SERVICE DELIVERY / OPERATIONAL POLICY &amp; ASSURANCE</b> |                            |     |     |       |                 |                                    |
| Operational Training   |                            | ✓   |     |       | Substantial     | Complete                           |
| Vehicle Fleet  |                            |     |     | •     |                 | Planning                           |
| Station Management Framework                                 |                            |     | ✓   |       |                 | Complete                           |
| <b>PREVENTION</b>  |                            |     |     |       |                 |                                    |
| Safe and Well  |                            | ✓   |     |       | Substantial     | Complete                           |
| <b>FOLLOW-UP AND CONTINGENCY</b>                             |                            |     |     |       |                 |                                    |
| Follow-up  | ✓                          |     |     |       |                 | Final Report                       |
| Contingency  |                            | ✓   |     | •     |                 | Risk Management Board              |

### Key

o = Planned • = In Progress

✓ = Complete

## Appendix C: Critical / High Risk Recommendations

There were no Critical or High Risk recommendations raised within any of the finalised report this period.