Internal Audit Progress Report Performance and Overview Committee (Nov 2019)

Cheshire Fire Authority / Fire & Rescue Service

MiAA

ASSURANCE

Contents

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 2019/20. 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:

- Volunteers Safety Central Review - Final Report

- HMICFRS – Phase 1 Gap analysis Complete

- Follow Up – Final Report (Separate Report)

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	
Volunteers Safety Central	Substantial	0 x Critical	2 x Medium
		0 x High	2 x Low

Management Sponsor: Nick Evans, Head of Prevention and Mark Shone, Centre Manager, Safety Central

Objective: To evaluate the systems and processes in place for the effective management of Volunteers providing support to Cheshire Fire and Rescue Service's Safety Central.

Summary:

Policies & Procedures

Safety Central adopts Cheshire Fire and Rescue Service's Volunteer Policy which sets out the principles and procedures for the appropriate, safe and ethical engagement of volunteers to support the delivery of Cheshire Fire and Rescue Service's volunteer activities. The Head of Prevention is responsible for the policy and our review confirmed this was last reviewed in November 2018, with a review date stated for November 2019.

Roles & Responsibilities

Title	Assurance Level	Recommendations

The responsibilities of volunteers were not explicitly outlined within the Volunteering Policy, however audit review of the volunteer agreements and volunteer handbook identified that the responsibilities and expected behaviours were detailed. The policy did not cover; confidentiality, data protection, or Health and Safety, however audit review confirmed confidentiality was covered within the volunteer agreements, and the volunteer training modules included data protection as well as health and safety training.

Volunteer Induction and Training

All new volunteers are provided with a programme of induction that familiarises them with the Safety Central's aims, objectives and values. This comprises awareness of core policies and procedures, together with training specific to the ranger role being undertaken. All Rangers must undertake the initial Ranger Academy – Modules 1 - 6. After Module 6, Rangers sign up to shadow an experienced Ranger until they feel confident to go it alone.

Modules 1 - 4 are delivered by the Safety Central team leader and completed in between the start of the application and the final clearance from the Volunteer Programme Manager. Our review confirmed that mandatory training for Safeguarding was planned for all Safety Central volunteer rangers for January and February 2020.

Our review highlighted that the Volunteer agreement stated that 'Staff and volunteers carrying out roles which involve substantial access to children will be required to read and understand the Safeguarding Children Policy and sign to say they have done so. The agreement goes on to state that 'This mandatory process will be distributed in the volunteer's induction'. Review of volunteer files confirmed that this was not in place on file and was also not part of the engagement checklist. However, Module 3 of the volunteers' training focuses on 'volunteering safely' and summarise the key points of both the Children's and Adults' Safeguarding Policies, rangers' responsibilities and procedures for reporting concerns. Completion of this module is logged by the Safety Central team leader. *(Medium Risk recommendation 1).*

Pre-placement Checks & Agreements

Our testing of Safety Central volunteer electronic files highlighted the following;

- Online or paper application forms were held on file in all instances.
- Copies of the initial interview notes and outcomes were held in all instances.
- At least 2 references for each application was held on file in all instances.
- 1 volunteer ranger did not have a signed agreement on file.
- 1 volunteer ranger did not have an engagement checklist on file.
- 3 volunteer rangers still had their photo ID on file, which management confirmed these should have been removed due to the introduction of GDPR.

Module training is currently not included within the electronic files. Tracking of module training is maintained on a separate spreadsheet held by the Safety Central team leader. This may result in inconsistent documentation as information is held on two different systems. Completion and dates of module training should be included on each electronic

Title	Assurance Level	Recommendations

file on the shared drive which can then be accessed by the Volunteer Programme Manager. **(Medium Risk Recommendation 1)**

Our review confirmed that DBS records and expiry dates were not held on file, and this was held centrally by the HR department for CFRS. Discussions with the Volunteer Programme Manager confirmed that DBS certificates could go out of date without this being highlighted in a timely manner, which would consequently result in active Volunteer rangers without a valid DBS certificate. We recommend that a formal communication plan is put in place between Safety Central and CFRS HR to ensure that the Volunteer Programme Manager is consistently updated by the HR department with upcoming expiry dates to ensure a pro-active response. **(Medium Risk Recommendation 2)**

Expenses

Our review confirmed that mileage, fares and out of pocket expenses incurred during volunteering activity is claimed using the appropriate volunteer expense form. Our review confirmed that a process is in place for setting up a new volunteer regarding expenses with rangers having to show and had witnessed their driving licence, car insurance and MoT before they can be paid expenses.

Our review confirmed that all completed expenses forms are signed off by Safety Central Centre Manager before being sent through to the finance department to be completed. The signature is cross-referenced with the authorised signatory list and sent through for payment. A ranger expenses log is also held by the Safety Central team leader for each month. This details the date of the expense sheet, the date it was signed and the amount claimed.

Volunteer Retention

As requested by management, we reviewed the processes in place for retention and engagement of volunteers. Retention of volunteers is critical to the success of safety central and a key aspect of retention is the evaluation of volunteers, and the recognition of their work achievements and contribution to the organisation.

Our review confirmed that annual appraisals were not in place for volunteer rangers. This offers a personalised evaluation that provides recognition of the volunteer value to the organisation, and one that reinforces the behaviours that team leaders want to see more of within the organisation. All appraisals should be formatted to provide objective and measurable feedback to help boost retention levels in Safety Central. **(Low Risk Recommendation 1)**

During discussions with Safety Central management, it was highlighted issues in retaining volunteers during the wait for a DBS application to be confirmed, due to the lengthy application process. Although enhanced checks may be necessary due to the nature of the role, CFRS should consider the introduction of online DBS applications which may significantly quicken the process. **(Low Risk Recommendation 2)**.

Title	Assurance Level	Recommendations

Volunteer Reporting

*A*t the time of the review, and due to the infancy of Safety Central and the volunteer programme, reporting mechanisms were not currently in place at Safety Central. However management confirmed that a Safety Central annual report was currently being drafted which will be submitted in September 2019.

Key areas agreed for action:

Two medium level risk recommendations were agreed:

- The file management system to be reviewed and updated as necessary to ensure all records are current and comply with GDPR.
- An additional check box for DBS checks has been added to the file management systems and work is underway with HR to review processes.

Two low level risk recommendation were also agreed:

- To agree a process in respect of appraisals and ensure these are two-way informal chats. Create a template of standard questions particularly around support, development and other issues.
- The DBS application process is a whole service issue. Work is currently being undertaken by HR Business Partner to look at other alternative DBS application processes including online mechanisms.

Title	Assurance Level	Recommendations
HMICFRS Action Plan – Phase 1	N/A	N/A

Management Sponsor: Lee Shears, Head of Protection and Organisational Performance

Objective: Phase 1 - To review the Action Plan put in place to address the HMICFRS Report to establish if there are any gaps.

Summary: We reviewed the internal Action Plan developed by Cheshire Fire and Rescue Service to address the HMICFRS inspection report findings and recommendations as part of a phase 1 review. Whilst we didn't find any glaring gaps in the actions identified to address the recommendations we made a couple of suggestions to improve the control arrangements:

- Each of the actions has an agreed deadline for implementation, but some don't have a definitive date and some note for example " Q4", they should all have a date agreed for implementation.
- Each area for improvement has a nominated lead but we also think that it would be beneficial if each underpinning action had a nominated lead who could be held to account for delivery.

Phase 2 of our review will focus on the implementation of the action plan and the evidence available to confirm the reported status.

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:

Work In progress

- National Fraud Initiative – Further work on payroll matches underway.

- IT Service Continuity Review – Draft Report

- Collaboration/ Partnerships - Fire and Rescue Indemnity Company (FRIC) – Fieldwork November 2019

- Financial Systems - Fieldwork November 2019

- Cost Savings Plans – Fieldwork November 2019

Work planned

- HMICFRS Action Plan – Phase 2 – Planning

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.

- Professional Standards – Given the delays to the development of national professional standards we recommend that this review is deferred until late 2020.

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: • 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 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	Amber	There have been some delays in delivery against plan for the Follow Up, Collaboration/ Partnerships and Cost Savings Plans reviews.
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. The External Quality Assessment, undertaken by CIPFA, provides assurance of MIAA's compliance with the Public Sector Internal Audit Standards.

Overview of Output Delivery (2019/20 Plan)

REVIEW TITLE	PLANNED REPORTING TO P & O				ASSURANCE LEVEL	Commentary
	Sep	**Nov**	**Feb**	**April**		
CORPORATE SERVICES						
Financial Systems			●			Fieldwork Nov 2019
Cost Savings Plans		●				Fieldwork Nov 2019
Risk Management Board	●	●	o	o	N/A	Ongoing
IT Service Continuity		●				Draft Report
National Fraud Initiative (Carry forward)		●				In progress – Interim briefing issued
PROTECTION & ORGANISATIONAL PERFORMANCE						
Professional Standards				●		Possible deferral to 2020
HMICFRS (Carry Forward)		●		●		Phase 1 complete Phase 2 Planning
SERVICE DELIVERY / OPERATIONAL POLICY & ASSURANCE						
Collaboration/ Partnerships		●				Fieldwork Nov 2019
PREVENTION						
Safety Central Volunteers	✓				Substantial	Final Report
FOLLOW-UP AND CONTINGENCY						
Follow-up	●	●			N/A	Complete
Contingency						

Key o = Planned ● = In Progress ✓ = Complete

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Appendix C: Critical / High Risk Recommendations

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