



**Hampshire  
& Isle of Wight**  
FIRE & RESCUE AUTHORITY

## **HIWFRA Standards and Governance Committee**

Purpose: Noted

Date: **11 March 2022**

Title: **INTERNAL AUDIT MANAGEMENT ACTIONS PROGRESS REPORT**

Report of Chief Fire Officer

### SUMMARY

1. The purpose of this paper is to provide the latest update on the management actions that have not been completed within their target date and their status. The Standards and Governance Committee has a key scrutiny role in monitoring the implementation of internal management actions.

### BACKGROUND

2. Internal audit is one of various assurance mechanisms that the Service utilises as part of our wider assurance programme. This programme includes internal and external assurance mechanisms – other external examples include from HMICFRS, OFSTED, and ISO certification testing.
3. In terms of internal audit, the HIWFRS Organisational Assurance team maintains a record of audits against the current Internal Audit Plan, noting whether they are in progress or have been completed. The respective managers are responsible for the delivery of actions that fall within their areas of responsibility.
4. Once a final audit report has been issued, the agreed management actions are recorded along with:
  - the priority of the recommendation;
  - the target date for implementation; and
  - the person responsible for the action.

5. The Organisational Assurance team will ask for confirmation and evidence that an action has been implemented, or if not, when it is expected to be. Any management actions that continue to remain outstanding are referred to the relevant Director. Our internal Integrated Performance and Assurance Group (IPAG) also provides an overview of outstanding recommendations, and they are also monitored regularly by the Director of Policy, Planning and Assurance and the Head of Performance.

## MANAGEMENT ACTIONS

6. The table below lists those recommendations that are currently outstanding beyond their agreed target date and if they are of medium (M) or high (H) priority. There is a brief commentary against each to explain the status and any mitigating factors.

<b>Internal Audit Management Actions</b>			
<b>Assurance over the competence of operational response capability</b>			
Operational staff with teaching or assessing rights to be able to capture training updates on the Competency Management System	End of September 2021, revised to end of March 2022	M	<p>This requirement was fed into the procurement specification for the Availability and Competency Management System project; and will therefore be completed when Gartan is implemented in March 2022.</p> <p>For more details on the wider range of assurance that was undertaken in this area, please refer to the <a href="#">paper</a> presented to the previous Committee on November 16<sup>th</sup>.</p>
<b>Prevention Referral Pathways</b>			
The 2022-25 Community Safety Plan will be signed off by Operations Management Board. The plan will be consulted on with key stakeholders and partners.	January 2022 revised to the end of March 2022	H	The updated Plan has been produced and will be taken to the Operations Management Board in March 2022. The plan will also be shared with the Hampshire Health and Wellbeing Board and the Hampshire Community Safety Strategy Group Meeting in March 2022.
Share the newly-developed risk heat map across the Service as part of launching new Group and Station Safe and Well activity based goals, which will be split by	January 2022, revised to end of March 2022	H	The HIWFRS AM Prevention and Protection is working with the Head of Communications and Insights, and the Head of Performance to develop and implement a communications plan. This will cover not just the updated visit

post-incident and other Safe & Well visits.			allocations for Groups and stations, and the new risk scores and map; but will also outline various other improvement activity and provide colleagues across the Service with wider context and information about our safe and well activity, for example, but not limited to, our alignment with the <a href="#">NFCC's person centred framework</a> .
Align risk rating of referrals (shaped by NFCC guidance). A methodology has been adopted that will create four levels of risk and time scales for delivery of Safe and Well visits.	November 2021 date revised to end of March 2022	H	This has been referred into the South East Regional Prevention Group to get a consensus across the region, with a response and agreement expected by the end of March 2022.
Improvements in systems and processes, QA framework and new electronic Safe & Well Form will address delays in closing jobs in CFRMIS. Interim process in place.	January 2022 revised to end of March 2022	H	Recruitment of new staff into Prevention will assist in delivering these items, with adverts out to recruit two crew managers from January 2022 - March 2022. There is also ongoing work with ICT to deliver a new electronic Safe and Well form, which will push data from CSOs and crews directly into CFRMIS (to then be reported on), that is set to be launched in June 2022.
Developing a Quality Assurance Framework to ensure delivery of prevention duties.	November 2021 date revised to end of March 2022	M	The Service is currently recruiting into the team to facilitate the ongoing management and delivery of a quality assurance framework for prevention activity. This has been delayed pending the selection of a suitable candidate which should be completed by the end March 2022.

## MANAGEMENT COMMENTARY

7. The number of open audit management actions is now 18 following the completion of the Referral Pathways audit which had a total of 19 actions in response to the 'limited' assurance opinion it was given. 11 of the Referral Pathways audit actions have been closed already and good progress is underway to address the other areas raised by the audit. Another audit, on the ICT project management, which has six management actions, has also recently been finalised.
  
8. We have observed a positive increase in the number of substantial and adequate audit opinions received between 2018/19 (100% audits reported as limited), 2019/20 (50% reported as limited, 50% adequate) to 55% reported as substantial and 36% as reasonable in 2020/21 with 9% (1 audit) reported as limited. So far this year (2021/22), we have had four completed fire-specific audits:
  - Prevention Referral Pathways audit, which was rated 'limited'.
  - Compliant Management of Fleet audit, which was rated 'reasonable' meaning there is a generally sound system of governance, risk management and control in place. This audit had five management actions that have all been completed.
  - The ICT project management audit, which was also rated 'reasonable' and has six management actions, which are not yet due.
  - The audit on Competency, Resourcing and Succession planning – Prevention and Protection, which again was rated 'reasonable'. This audit has three management actions, which are also not yet due.

An internal audit on our approach to business continuity, which includes a wide range of positive findings, is also set to be finalised imminently.

## ASSURANCE OVER THE PROACTIVE PAY CLAIMS ACTIONS

9. HIWFRS resourced a Project Lead from Fire and project team to engage with the Service to manage an informal 'Allowances and Expenses Entitlement check'. Within this, all staff were asked to confirm that any allowance(s) that they were in receipt of were correct and justified to the best of their knowledge; where an error was identified the record was corrected during an 'amnesty period' (three months). This amnesty commenced in October 2021 (with various communications to managers) and was completed at the end of December 2021 with changes to pay to be made for the March 2022 payroll. After this exercise, any allowance identified as being paid in error that should have been notified during the amnesty period will be subject to retrospective recovery action in

accordance with the standard recovery action procedure, together with any management action deemed appropriate.

10. Furthermore, the final outstanding proactive pay claims audit action has now been closed. Completion of this was dependent on the amnesty. The focus was on identifying the expectations and responsibilities of our managers in relation to the management and quality assurance of our financial controls. To ensure that allowances paid are properly authorised in line with policies, training is being provided, and guidance issued, by Finance and the finance team are also reminding budget holders to provide ongoing scrutiny of allowances. Additionally, a review of staff allowances is now regularly discussed at Operations Directorate management team meetings. The Allowances Project has a number of additional activities beyond what is outlined in this report and if members would like supplementary information this can be provided.

#### ASSURANCE OVER THE PREVENTION REFERRAL PATHWAY ACTIONS

11. The Prevention Referral Pathways audit focused on referrals from key stakeholders and partners to ensure that vulnerable members of the community are protected from fire risks. Internal auditors looked at the number of Safe and Well Visits made against the agreed targets in place and how those targets are calculated to ensure that they are focused on relevant risk factors.
12. The audit found some weaknesses in our risk management controls and in response a comprehensive action plan was put together consisting of 19 actions. 11 of these actions have already been completed with a further 8 to be completed by the end of March 2022. This is being tracked and monitored by the Assistant Director for Prevention and Protection, and progress is being reported to the Operations Management Board. The completed actions to date include, but are not limited to:
  - We have reviewed our Safe and Well delivery methodology; and plans are now in place to deliver these essential visits in a more effective and efficient way. This is through a better use of our whole-time resources, effectively deploying into higher-risk on-call areas. All delivery progress is being closely monitored, in order to provide the necessary quality assurance.
  - Various resources have been invested to address the number of open Safe and Well job cards.
  - A cross directorate exercise has been undertaken to map Safe and Well to simplify processes and systems, monitoring and reporting.
  - Data from a wide range of internal and external sources has been used to create new risk scores for Group and Stations, as well as a

'Heat Map' of risk and vulnerability in our communities across Hampshire and the Isle of Wight. This will enable us to more efficiently focus on those areas where our resources need to be more effectively deployed to deliver Safe and Well Visits.

- All our recruitment open days had a representation from, and presentation regarding, Prevention activity; during the latest Crew Manager promotion process, candidates had to present on a prevention based question; and the wholtime firefighter trainee course content includes prevention, and Safe and Well input.
- Live Power BI reports have been developed to show the number and source of referrals, with an ability to view this data by Group and station. The date the referral was received has also been added into the live Power BI reporting on Safe and Well visit activity. Our Power BI dashboard has also been amended to reflect the annual Service target for Safe and Well visits, and to include referral dates.

### SUPPORTING OUR SAFETY PLAN AND PRIORITIES

13. By ensuring the implementation of internal audit recommendations, we assist the Authority in improving its planning and performance management processes, and in complying with its governance arrangements. This in turn assists the Authority in achieving our *High Performance* and *Learning and Improving* Safety Plan priorities, and our vision to work smarter, be more efficient, and to make life safer for everyone in Hampshire and the Isle of Wight.

### COLLABORATION

14. The Southern Internal Audit Partnership provide internal audit on behalf of all partners within Shared Services and many other public service organisations.
15. Our internal audit procedure, which acts as an MoU and outlines how HIWFRS and SIAP collaborate, was revisited by HIWFRS and SIAP in 2021 light of the combined fire authority, and the relationship continues to be effective, as evidenced by the progress made with audit actions and our approach to risk-based audit planning.

### RESOURCE IMPLICATIONS

16. When agreeing management actions in response to an audit report, the cost of addressing the risk should be considered against the risk materialising. Implementing audit recommendations helps to ensure that

the Authority uses its resources efficiently, that key controls are in place and working, and opportunities to achieve value for money are taken.

17. The management of internal audit actions is within current resources.

### IMPACT ASSESSMENTS

18. Impact assessments have not been required for this report as the production of the report will not result in the implementation a new change activity, and/or introducing, or amending, a Service Policy.

### LEGAL IMPLICATIONS

19. There are no legal implications arising from this report.

### RISK ANALYSIS

20. Failure to implement internal audit recommendations leaves the Authority vulnerable to the consequences of the identified risks and weaknesses in control. Internal management of audit recommendations is an important process within the Authority's risk management arrangements. The updates on progress ensure that Members are fully aware of any problems associated with addressing the issues raised and the priority given to driving down or eliminating specific risks.

### EVALUATION

21. The evaluation of the progress the Service makes in completing internal audit management actions forms an important part of the Service's organisational assurance activity, provides a valuable measure of corporate health, and identifies learning across the Service. The Service's Organisational Assurance team regularly monitors progress in completing management actions, for example via reporting into the Service's Integrated Performance and Assurance Group (IPAG) and in regular discussions with our internal auditors, the Southern Internal Audit Partnership.

### CONCLUSION

22. Progress continues to be made in both completing the management actions from previous audits and progressing the current audit plan. Management actions will be undertaken in respect of the specific audits themselves and more widely in respect of internal control issues and how they are managed across the Service. As outlined in the MoU, management actions are owned by an Executive Sponsor and a COG lead, who work with their teams to ensure progress is made.

## RECOMMENDATION

23. That Hampshire and Isle of Wight Fire and Rescue Authority Standards and Governance Committee notes the progress made towards the implementation of the internal audit management actions and the delivery of the audit plan.

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