![Essex County Fire & Rescue Service logo]

Essex County Fire & Rescue Service

ESSEX POLICE, FIRE AND CRIME COMMISIONER FIRE AND RESCUE AUTHORITY

INTERNAL AUDIT REPORT

AUDIT COMMITTEE

6 DECEMBER 2023

MAKING ESSEX A SAFE PLACE TO LIVE, WORK AND TRAVEL

INTERNAL AUDIT REPORT

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MAKING ESSEX A SAFE PLACE TO WORK, LIVE AND TRAVEL

SECTION 1 – SUMMARY AND COMPLETED AUDITS

This summary shows the total amount of high and medium recommendations as well as how many have been completed or remain outstanding. Recommendations outside of their due date are highlighted in the last column. Detailed updates on outstanding and overdue recommendations are provided later sections.

Audit Report Title	Directorate	Total Recommendations		Completed Recommendations		Recommendations Outstanding		Recommendations outside of due date	
		High	Medium	High	Medium	High	Medium	High	Medium
23/24 On-call Payments/Processes	Chief Finance Officer	1	2	1	-	-	2	-	-
23/24 Post Grenfell Tower and Manchester Arena	Director of Operations	-	2	-	1	-	1	-	1
22/23 Efficiency and Cost Saving	Chief Finance Officer	-	1	-	-	-	1	-	1
22/23 FM Code and Overtime	Chief Finance Officer	1	1	1	1	-	-	-	-
22/23 Cyber Essentials	Director of Corporate Services	1	3	-	-	1	3	-	-
22/23 Follow-Up	Various	-	6	-	3	-	3	-	3
22/23 Emergency Response Driving	Director of People Services	-	3	-	2	-	1	-	1
21/22 Follow up	Various	-	2	-	2	-	-	-	-
22/23 Control Room	Director of Corporate Services	-	2	-	2	-	-	-	-
		3	22	2	11	1	11	-	6
		25		13		12		6	
		Percentage complete			52%	Percentage overdue			50%
		2	18	1	9	1	9	-	6
		20		10		10		6	
		Percentage complete			50%	Percentage overdue			60%

Highlights:

- **25** total actions tracked, up 5 from the previous period due to actions added from the On-Call Payments and Grenfell audits.
- **One audit report** completed in the period (see Section 2).
- 3 recommendations completed in the period.
- 12 recommendations are outstanding, and 6 recommendations are past their due date (50%).

SECTION 2 – COMPLETED AUDITS THIS PERIOD

The Culture and Behaviour internal audit completed in the period, providing **Reasonable Assurance** and the following recommendations:

Action	Findings	Response
Action 1 – Policies and Procedures Priority: **Medium** Due: **31 March 2024** Owner: Head of Employment Policy & Practice	The audit found that some Service policies are out of date. If policies are not reviewed and approved in a timely manner with evidence of approval retained, there is a risk that staff follow outdated guidance which is not in line with current practices and has not been ratified appropriately.	The Service will maintain evidence of the approval of policies and will document a frequency or date of next review for all Policies.
Staff Survey Results Priority: **Medium** Due: **Implemented** Owner: Director of People Services	The audit confirmed that a Staff Survey was conducted, but questions around culture showed little improvement compared to the previous survey. If improvement is not achieved regarding staff perceptions of organisational culture and values, there is a risk that the actions being taken by the organisation do not produce the desired impact which may lead to a perception that management are not responsive to issues raised through the staff survey despite the effort undertaken through the improvement plans implemented.	The Service will consider undertaking more regular communications to obtain staff views regarding the effectiveness of the action being taken to improve the organisational culture and values.

The above actions will be included in the tracker from the next update.

SECTION 3 – INFORMATION GOVERNANCE

The Data Protection audit is owned by the Information Governance (IG) team with the support of Essex County Council. Actions are reviewed on a periodic basis by the IG team, the last of which was conducted in July-2023. This review provided **Adequate Assurance** that system and processes are in place to ensure information governance is followed.

Completed recommendations are detailed below.

Information Governance Action Plan (Essex County Council)

	Total Recommendations			Completed Recommendations		
	Low	**Med**	**High**	**Low**	**Med**	**High**
Transparency & Accountability	-	2	-	-	2	-
Records Management	-	5	1	-	-	-
Risk & Assurance	-	2	1	-	1	-
Training & Awareness	-	3	3	-	-	-
TOTALS	**-**	**12**	**5**	**-**	**3**	**-**
LAST UPDATE	**-**	**12**	**5**	**-**	**-**	**-**

Completed Information Governance Actions:

Ref	Recommendation	Update
4	It is a legal requirement for a public body processing personal data to be entered into the register of Data Controller maintained by the ICO. You should understand which level you should be registered at and amend your registration should a change to processing operations result in a change of tier.	The ICO registration has been updated.
6	To fully meet the accountability principle, you must have an IG Strategy which sets out your ambitions, and the steps your organisation will take to deliver those ambitions.	The Information Governance Strategy was approved at the Information Governance Board (IGB).
29	A clear procedure should be in place to describe the different kinds of data sharing and what is in place to support compliance in each instance, e.g., Ad hoc sharing, sharing under contractual conditions, sharing supported by an information Sharing Protocol (ISP), sharing for investigations or proceedings.	The Data Sharing Procedure has been submitted for approval at IGB and included on the IG handbook

For further information, refer to the appendix – ECC Information Governance

MAKING ESSEX A SAFE PLACE TO WORK, LIVE AND TRAVEL

SECTION 4 – COMPLETED RECOMMENDATIONS (RSM)

Grenfell/Manchester Arena Review Action 1B	Owner: Senior Projects Manager, Collaboration	Original Due Date:	30/09/2023
		Actual Completion:	30/09/2023

Audit Recommendation:

We will establish an absence of change process whereby each time an implementation date is extended, the person responsible for delivery will give reason for the extension and the new expected delivery date.

If the extension is agreed by the Project Board, the decision will be recorded on the rolling decision log and the implementation date will be extended on MS Planner.

The new process will be as per Action 1A.

Update:

The process was agreed at Project Board in September and will apply to MAI2 recommendations for Fire. Due Dates on tasks are the next Project Board date. If the Target Completion date needs to be moved, then the AM will bring the change request to the Board for verification and agreement.

On Call Payments/Process Action 4 (High)	Owner: Chief Finance Officer	Original Due Date:	31/10/2023
		Actual Completion:	14/11/2023

Audit Recommendation:

The Service will review their back pay process, which ensures the correct hourly rates are used to ascertain pay owed and introduce an approval hierarchy for back pay which allocates the responsibility to the Chief Finance Officer to approve payments over a certain value.

This will be disseminated to all staff.

Update:

The Chief Finance Officer and Payroll team reviewed the back pay process, agreeing the above in effect from November 2023. This has been communicated to the unions.

Follow Up 2022/23 GDPR – Training (medium)	Owner: Head of Learning & Development	Original Due Date:	31/03/2023
		Actual Completion:	23/11/2023

Audit Recommendation:

There is a low completion rate of mandatory Data Protection training and incomplete training is not being chased by Learning and Development. We will target a 95% completion rate by March 2023.

Update:

The GDPR module has an ongoing completion rate of around 90%, which is very positive. To support this, mandatory training is tracked and chased by the Learning & Development and Human Resources Teams to mitigate the risk of non-completion. A report is circulated on completion to the Learning and Development team each month.

A review was conducted in October, which excluded new joiners and employees and individuals on long term sickness, resulting in an overall completion percentage of 93.3%. A target of 95% is very high to achieve – we have put in place measures to address the non-completion of mandatory data protection training, including the tracking of completion by the Learning & Development team. It is recommended by the Continuous Improvement Board that this action is closed as the tracking of mandatory training has become business as usual and has also been added to the Information Governance Board agenda going forward.

SECTION 5 – OUTSTANDING RECOMMENDATIONS

Cyber Essentials 3 Medium and 1 high recommendation	Owner: Head of ICT	Original Due Date:	31/12/2023
		Estimated to complete:	31/12/2023

Audit Recommendation:

Various actions:
- User Accounts and administrative accounts (3 actions relating to this).
- Office firewalls and internet gateways.

Update:

The internal audit actions have been re-prioritised due to capacity within the ICT team. The team are hopeful that these actions can be achieved before the December deadline. If it becomes clear that the deadline will not be achieved, this will be escalated to the Finance and Compliance Manager.

On Call Payments/Process Action 2 (Medium)	Owner: Assistant Director - HR	Original Due Date:	31/03/2024
		Estimated to complete:	31/03/2024

Audit Recommendation:

We will strengthen guidance around timely submission and authorisation of timesheets. This could include mandatory additional training for managers on PDR Pro.

Update:

The audit sponsor is putting plans in place to address this recommendation, there are no foreseen issues in completing this action. The sponsor has committed to engaging with their team in December for both Action 1 and 2.

On Call Payments/Process Action 1 (Medium)	Owner: Assistant Director - HR Area Manager – Response	Original Due Date:	31/03/2024
		Estimated to complete:	31/03/2024

Audit Recommendation:

The Service will review the CIVICA Pay Framework to provide more clear, concise guidance on areas such as admin time and the additional fitness hour, as well as acceptable levels of input of station maintenance for stations of different pump levels.

This will include roles and responsibilities regarding the inputting of detailed timesheets with the inclusion of appropriate rationale per claim to provide consistency in procedure across the Service.

Update:

The audit sponsor is putting plans in place to address this recommendation, there are no foreseen issues in completing this action. The sponsor has committed to engaging with their team in December for both Action 1 and 2.

SECTION 6 – OVERDUE RECOMMENDATIONS

Grenfell/Manchester Arena Review Action 4 (Medium)	Owner: Senior Projects Manager, Collaboration	Original Due Date:	30/09/2023
		Estimated to complete:	31/12/2023

Audit Recommendation:

We will ensure a BAU plan is provided for each recommendation on closure with information provided on the nature and regularity of, and person responsible for ongoing review.

Once transitioned to BAU (signed off as Complete Assured at Project Board) all recommendations will become control measures under the corporate risk in JCAD [SRR150034], with the Statement of Closure/BAU plan of how the Service will maintain compliance as the mitigation.

Update:

The action owner is meeting with the Risk Team to discuss how recommendations can be incorporated into our risk management software, JCAD. The aim is to get BAU plans for each recommendation loaded as a Control Measure with the AM /AD as the owner by the end of 2023.

Why Overdue:

The development of the BAU plans have been delayed but has since been completed and will be loaded onto JCAD by the end of the year.

Efficiency and Cost Saving Savings Initiatives (Medium)	Owner: Chief Finance Officer	Original Due Date:	31/07/2023
		Estimated to complete:	31/12/2023

Audit Recommendation:

There are discrepancies between the savings tracker and source documentation, and the auditors were unable to confirm whether savings initiatives are subject to challenge and review prior to being signed off. There is a lack of a validation process in place to determine the accuracy of savings.

Update:
- The savings tracker was subject to an in depth review by another member of the finance team. Work is ongoing to align the savings tracker to source documentation.
- The Productivity & Efficiency Board is fully established to provide governance of savings activities.
- The savings tracker is being updated for presentation at the Productivity & Efficiency Board, and as part of the 2024/25 budget build.

Why Overdue:
- There has been a delay due to the benefits manager leaving the Service. This role is currently being recruited.

Emergency Response Driving Driver Training Policy (Medium)	**Owner:** **Director of People Services**	**Original Due Date:**	**01/10/2022**
		Estimated to complete:	**31/12/2023**

Audit Recommendation:

Roles of staff responsible for compliance is not outlined in the Driving Training Policy. Some sections of the policy lack key information. We will ensure that the Driving Training Policy is updated and presented to SLT for approval in September 2022.

Update:

- The Policy has been incorporated into the Management of Operational Road Risk document; this is now being reviewed through Health & Safety.
- Following this review, the team will seek representative body engagement before implementation.

Why overdue:

- There are several areas which have required extensive stakeholder engagement.

Follow Up 2022/23 GDPR – Information Asset Register (medium)	**Owner:** **Information Governance Manager**	**Original Due Date:**	**30/06/2023**
		Estimated to complete:	**31/03/2024**

Audit Recommendation:

Information asset owners have not been performing periodic updates on their areas of the information asset register. Compliance with policies is not being actively monitored.

Update:

- Compliance with policies will be added to the Information Governance Board agenda from September 2023.
- Engagement with IAO's is also included on the September IG Board agenda so that a clear action plan can be put in place to address this action.

Why Overdue:

- This action is overdue due to the Information Governance Team focusing on ensuring that the IG Policies are developed and in place that will assist the IAO to be fully conversant with required expectations and deliverables. This will also assist with ensuring there is a consistent approach.
- A temporary resource will be taken on the Information Governance Team for a six month period – authority to recruit has been granted in November. This resource will be responsible for engaging with Information Asset Owners and updating the Information Asset Register.

Follow Up 2022/23 Business Continuity (medium)	Owner: Procurement Manager	Original Due Date:	30/06/2023
		Estimated to complete:	31/03/2024

Audit Recommendation:

If critical supplier business continuity plans are not maintained and reviewed by the Service, there is a risk that the Service may not have adequate oversight over business continuity arrangements. Supplier business continuity plans will be recorded for all critical suppliers.

Update:

We have prepared a list of Critical Suppliers, and a member of the Procurement team is contacting these suppliers to ensure we have BC plans recorded, this process is ongoing.

Initial reach out to suppliers has taken place and the plans that have been received are saved in Dream against the supplier record. This is an ongoing task. We are next looking at how we engage with those companies who did not respond. Further comms to suppliers will be sent out during November and December 2023. It is difficult to put an exact end date as we are reliant on suppliers sending us the information.

Why Overdue:

This action remains overdue because it relies on third parties providing business continuity plans.

Follow Up 2022/23 GDPR – Data Flows (medium)	Owner: Information Governance Manager / Head of Procurement	Original Due Date:	31/03/2023
		Estimated to complete:	31/03/2024

Audit Recommendation:

The contracts register has not been updated with information flows to suppliers. Supplier information security questionnaires are not consistently completed. We will ensure the Information Asset Register and Contracts Register are updated showing information flows.

Update:

There is a Data Protection Impact Assessment (DPIA) process for all new contracts which reviews the processing of personal data flows. Where there is a data sharing agreement, this is held on the contracts register. Procurement and Information Governance are reviewing historic contracts to ascertain if a DPIA is required, however, this is ongoing. In the Record of Processing Activities (ROPA), Information Governance hold a record of data being processed, but the review for completeness against the contracts register is ongoing.

Why Overdue:

All new contracts since 2022 have DPIA's in place. The review of historic DPIA's is expected to take a considerable amount of time and is reliant on working with multiple departments to complete. The temporary Information Governance resource will assist in delivering this action.

SECTION 7 – EXTERNAL AUDIT ACTIONS – (2021/22 AFR)

Assessment	Issue and risk	Recommendations	Response
Low	**Retrospective approval** The design of management's internal control around journal authorisation has been found to be deficient insofar as journals are approved after the journal has been posted to the ledger. As such this control can only detect and correct errors rather than prevent them from occurring. This is not a change from the prior year and has been the design of the control for several years.	Management should consider making journal authorisation a prospective control rather than a retrospective control. This is best practice and is often implemented by automated workflows in the accounting system.	It is not possible to implement prospective journal approvals in the current finance system. This will be considered as part of the new finance system where journals will be governed by in-system workflows.
Medium	**Delayed approval** Journals posted to the ledger should be approved within 1 week of them being posted as part of a weekly control. Our journals work identified that for 7 out of 33 journals tested, the journal was approved after this period. There is therefore non-compliance in the timeliness of journal authorisation.	Management should ensure all journals are approved within the 1 week timeframe. This will require management to put in place arrangements to ensure the control continues to operate when people take annual leave.	The Authority's control environment mitigates the risk of misstatement to the financial statements. Furthermore, the month end sign-off sheet monitors the approval of journals which we aim to approve by the end of the month. It should be noted that the new finance system has an approval workflow for journals, which will improve our approval controls.

Assessment	Issue and risk	Recommendations	Response
High	**Deleted journal transactions** As part of our work we identified that your system 'Dream' allows users to delete transactions. This is unusual as a typical accounting system doesn't allow users to delete transactions. If a transaction posted to the ledger contained an error, then a new transaction is posted to reverse the impact. In doing so, it retains an audit trail within the ledger. By allowing transactions to be deleted form the ledger, this audit trail is not kept intact. We have performed audit work on the listing of transactions deleted during the financial period. This has not identified any issues which we need to bring to your attention. Nonetheless, we are raising to you the control weakness in your system in that it allows users to delete transactions.	The Authority should perform a risk assessment over the journals control environment and put in place appropriate arrangements to mitigate or resolve the control risk present.	We have implemented a check on deleted journals each month from September 2023. It should be noted that we have changed user access within the system, which means that users can only delete journals prior to posting to the financial system - posted journals cannot be deleted.

Assessment	Issue and risk	Recommendations	Response
Medium	**Related Party Disclosure - Declarations** As part of our related party transactions testing, we noted that the Authority had not received a signed declaration from a Director that was in post as at 31 March 2022. Without a signed declaration, management had insufficient evidence to conclude that the related party transactions note in the accounts was complete. Following our challenge, in August 2022, management requested that the director returned a signed declaration form. This form confirmed that the director had no interests and therefore no adjustment was required to the financial statements.	The Authority should ensure they request and receive signed declarations from all individuals identified as related parties under IAS24.	Related party declarations are requested in advance of the financial year end - all related party declarations for the Service Leadership Team have been obtained for 2022/23.

Assessment	Issue and risk	Recommendations	Response
Low	**House sale agreements** As part of our testing of disposals, we selected 10 asset sales for testing. Management were unable to provide us with contractual sales agreements for 5 out of 10 of the samples. In order to obtain sufficient appropriate evidence, alternative procedures were performed. Management agreed to provide us with land registry information for each of the 5 assets to prove the legal right of ownership transferred during the accounting period. No issues were identified from this testing. Whilst we were able to obtain sufficient appropriate evidence that the accounts are free from material misstatement, the fact that the Authority did not have the contractual sale agreements in a control deficiency.	The Authority should ensure it obtains and retains key contractual information pertaining to asset sales.	This action was followed up with our legal team at Essex County Council - it is not always possible to obtain signed sales agreements, as these are not always retained by the purchaser's solicitors. We re-emphasised the importance of retaining this information and the legal team committed to reviewing all documentation held for 2022/23 onwards.