



**NOTTINGHAMSHIRE**  
**Fire & Rescue Service**  
*Creating Safer Communities*

Nottinghamshire and City of Nottingham  
Fire and Rescue Authority  
Finance and Resources Committee

# **INTERNAL AUDIT ANNUAL REPORT 2019/20**

Report of the Chief Fire Officer

**Date:** 15 January 2021

**Purpose of Report:**

To bring to the attention of Members the annual report prepared by the Authority's Internal Auditors, which includes the Internal Audit Plan for 2020/21 to 2022/23.

**Recommendations:**

That Members note the contents of this report.

## **CONTACT OFFICER**

**Name :** Becky Smeathers  
Head of Finance and Treasurer to the Fire Authority

**Tel :** (0115) 967 0880

**Email :** [becky.smeathers@notts-fire.gov.uk](mailto:becky.smeathers@notts-fire.gov.uk)

**Media Enquiries  
Contact :** Corporate Communications Team  
(0115) 967 0880 [corporatecomms@notts-fire.gov.uk](mailto:corporatecomms@notts-fire.gov.uk)

## 1. BACKGROUND

- 1.1 Nottinghamshire County Council has provided an Internal Audit service to the Fire and Rescue Authority since its formation in 1998. The Finance and Resources Committee receives the Internal Auditor's annual report in accordance with its role as an audit committee.
- 1.2 The annual report for 2019/20 is attached in full as Appendix A to this report. This report would normally have been considered by this Committee much earlier in the financial year but has been delayed due to the amendments to committee meeting timetables caused by Covid-19.
- 1.3 Under the provisions of the Code of Practice on Local Authority Accounting, the Authority is required to annually review its arrangements for the provision of Internal Audit and comment on that review. This report sets out the basis of that review and a draft statement on Internal Audit is included in the annual report (Sections 3 and 4).

## 2. REPORT

### NOTTINGHAMSHIRE COUNTY COUNCIL INTERNAL AUDITOR'S REPORT

- 2.1 The Internal Audit Annual Report for 2019/20 is attached at Appendix One. As part of their audit of the 2018/19 Statement of Accounts, the Authority's external auditors requested that the internal audit annual report be extended to cover the adequacy and effectiveness of the organisation's framework of governance, risk management. The annual report has therefore been extended to include the additional information. The report is divided up into four areas:
  - Overall audit summary and conclusion;
  - A summary of reports issued to 31 March 2020;
  - Internal Audit Plan for 2020/21 (Appendix A);
  - An assessment of risk management, corporate governance and internal control (Appendix B);
  - Revised risk assessment and Audit Universe for 2021/22 (Appendix C)
- 2.2 The Auditors have provided a view on the internal control environment and conclude that:

*“From the work carried out during the 2019/20 financial year, we have been able to satisfy ourselves that the overall level of internal control is satisfactory and provides a good basis for effective financial and resource management.”*
- 2.3 There were 6 audit reports finalised during the year and one draft report issued. Two reports were non formal reviews at management request and consequently did not contain assurance levels. The remaining 4 reports gave

overall assurance levels of substantial (Risk levels are low) or reasonable (risk levels are acceptable) and are appended to this report:

Report	Assurance Level	Appendix
Fuel Recharges to Nottinghamshire Police	Substantial	2
Capital Programme	Reasonable	3
ICT Service Desk – incident management	Reasonable	4
Cardiff Checks (2018/19 delayed audit)	Reasonable	5
GDPR Compliance	N/A	
Site and Information Security	N/A	

- 2.4 There was one outstanding audit from the 2019/20 plan which was the Cardiff Checks audit for 2019/20 which has been undertaken in 2020/21.
- 2.5 All audit recommendations are classified as either Priority 1, Priority 2 or low priority. The Priority 1 recommendations are subject to further compliance testing by internal audit to ensure they have been acted upon. Priority 2 recommendations are monitored internally.
- 2.6 Appendix A of the report shows the internal audit plan for 2020/21 and the draft plan for 2021/22 and 2021/22, which represents the Internal Audit strategy for the medium term period. The plan for 2020/21 has been agreed by the Head of Finance following consultation with the Strategic Leadership Team, but there is sufficient flexibility to amend the plan if circumstances require alternative work to be carried out by the Auditors in the year. The draft plan for the following two years will be considered by Officers before the start of each year to allow for changing areas of risk to be accommodated within future plans if required.

## REVIEW OF INTERNAL AUDIT

- 2.7 The requirement for an Authority to maintain an Internal Audit function is derived from local government legislation, including Section 112 of the Local Government Finance Act 1988 and the Accounts and Audit Regulations 2015 in that a relevant body must:

*“maintain an adequate and effective internal audit of its accounting records and of its system of internal control in accordance with the proper internal audit practices”*

- 2.8 The responsibility for ensuring an effective internal audit function rests with the Authority Treasurer as part of their Section 112 obligations.
- 2.9 The Authority views Internal Audit as an integral part of the corporate governance framework, particularly in so far as it relates to the system of Internal Control. Whilst it is acknowledged that Internal Control is a managerial responsibility, it is considered that Internal Audit can provide

managers with independent assurance that the system is working effectively and draw any deficiencies in the system to the attention of managers and elected members.

- 2.10 These assurances, however, can only be relied upon providing the internal audit service is adequate to meet the needs of the organisation and is provided professionally.
- 2.11 The Internal Audit Service of the Authority is provided under a Service Level Agreement with Nottinghamshire County Council and requires the Auditors to operate within the Public Sector Internal Audit Standards set down by the Chartered Institute of Public Finance and Accountancy (CIPFA). Operating to these standards will ensure that the Authority meets its obligations under statute.
- 2.12 There are regular reviews of audit plans and progress by senior managers and the audit team to monitor the work being carried out.
- 2.13 The External Auditors, in their general review of controls and as part of their specific annual audit, are required to comment on the adequacy or otherwise of Internal Audit. To date they have always been satisfied that the work of Internal Audit is sufficient for them to rely on their audit work and that the service is effective.

### **3. FINANCIAL IMPLICATIONS**

Indirect financial implications relating to policy, procedure updates and staff training are contained within the report.

### **4. HUMAN RESOURCES AND LEARNING AND DEVELOPMENT IMPLICATIONS**

There are no human resources or learning and development implications arising from this report.

### **5. EQUALITIES IMPLICATIONS**

An equality impact assessment has not been undertaken because this is a report relating to the Authority's performance rather than new or amended policy.

### **6. CRIME AND DISORDER IMPLICATIONS**

There are no crime and disorder implications arising from this report.

## **7. LEGAL IMPLICATIONS**

The contents of this report indicate compliance with statutory legislation and regulations relating to local authority finance and audit accounts and audit.

## **8. RISK MANAGEMENT IMPLICATIONS**

Internal Audit forms part of the wider system of internal control which deals entirely with the Authority's exposure to financial, and to some extent non-financial risk. Presenting the annual report to the Authority enables Members to see the work of internal audit and the contribution that they make to the overall system of internal control.

## **9. COLLABORATION IMPLICATIONS**

The Internal Audit service is provided by Nottinghamshire County Council. There may be opportunities for further collaborative procurement of Internal Audit services in the future.

## **10. RECOMMENDATIONS**

That Members note the contents of this report.

## **11. BACKGROUND PAPERS FOR INSPECTION (OTHER THAN PUBLISHED DOCUMENTS)**

- GDPR Compliance Review;
- Site and Information Security Review.

John Buckley  
**CHIEF FIRE OFFICER**

**Internal Audit Annual Report 2019/20 to the Chief Fire Officer**

**Part: Contents:**

- A Summary
- B Draft and final reports issued to 31/03/20

**Appendix:**

- A Plan for 2020/21
- B Assessment of risk management, corporate governance and internal control from key lines of enquiry (KLOEs)
- C Revised Risk Assessment and Audit Universe for 2021/22 onwards

## Part A - Summary

### Audit coverage

1.1. A summary coverage is:

Final reports	Draft reports	Uncompleted
6	1	0

The draft report above was issued on 2<sup>nd</sup> April 2020 as a final.

1.2. The overall level of assurance was:

Opinion	
Substantial	1
Reasonable	4
Limited	0
No Opinion/Policy reviews	2

1.3. More detail of audits completed is attached (Part B).

1.4. NRFS carried out follow-up work of 2018/19 recommendations to confirm that agreed actions for priority 1 and 2 recommendations are implemented. Internal Audit complemented this by testing priority 1 recommendations that management confirmed had been implemented. We also monitor the priority 2 recommendations to highlight to management any areas that have not been actioned.

1.5. Senior auditors completed the majority of audit work that was undertaken.

### Audit strategy and plan

2.1 We consulted upon the 3-year strategy and annual plan to be adopted for 2020/21 (see Appendix A).

### Annual Governance Statement

3.1. The Accounts and Audit Regulations 2011 require the Fire Authority to review the effectiveness of its system of internal control and publish an Annual Governance Statement to cover the effectiveness of the systems for governance and internal control. The Chartered Institute of Public Finance and Accountancy (CIPFA) and Society of Local Authority Chief Executives (SOLACE) issue guidance to Local Authorities from time to time to assist with compliance.

- 3.2. In order to satisfy the principles of effective risk management and internal control, the Authority needs to have in place effective risk management systems, including sound systems of internal control and an internal audit function. These arrangements need to ensure compliance with all applicable statutes and regulations and other relevant statements of best practice and need to ensure that public funds are properly safeguarded and are used economically, efficiently and effectively. Appendix B includes an overall assessment of assurance in the areas of risk management, governance and internal control based upon key lines of enquiry and supporting evidence provided. Information provided provides assurance that appropriate arrangements are in place and being complied with in the above areas.
- 3.3. The Chief Fire Officer and Head of Finance appoints Nottinghamshire County Council's Internal Audit Service. The Treasurer delegates the Authority for them to do so, the Treasurer being the Section 112 officer for the Fire Authority under the Local Government and Finance Act 1988. This provides management with an independent appraisal of these matters.
- 3.4. The scope and cyclical frequency of work carried out by Internal Audit during each financial year is mainly based on an assessment of (predominately) financial risk on all activities that form the responsibility of the Combined Fire Authority as outlined in Appendix A.
- 3.5. Internal Audit will be carrying out further consultation for the 2020-21 audit plan and have undertaken a separate exercise to refresh our approach, including consultation with other internal audit providers to identify and consider wider risks to the Fire Authority and reassess those risks. Our risk assessment of the revised areas is as set out in Appendix C and will form part of our planning discussion for future years.
- 3.6. The objective of the audits is to form an opinion on the adequacy of the systems of internal control put in place by management; to review efficiency, effectiveness and best value issues and to ensure that the assets of the Authority are properly safeguarded. Formal audit reporting procedures are in place to provide assurance to management where effective controls are being operated, and to make recommendations for change and improvement where control weaknesses are identified.
- 3.7. From the work carried out, we have been able to satisfy ourselves that the overall level of internal control is satisfactory and provides a good basis for effective financial and resource management.
- 3.8. The Chief Fire Officer and management have responded positively to all recommendations made in the reports that have been finalised.



## **Conclusion**

- 4.1. Based on the Internal Audit work completed during the year, we have concluded that the overall level of internal control is satisfactory.

Angela Wendels FCCA  
Senior Auditor

Philip Dent CPFA  
Audit Supervisor  
Internal Audit Service  
Nottinghamshire County Council  
31 March 2020

## Part B - Reports issued to 31/03/20

### Audit Opinion

In the areas examined, we have assessed the controls in place to determine their effectiveness in ensuring business objectives are met and risks are mitigated. The level of assurance provided following each audit is selected from the following table. Based upon the audits carried out in the year, we have assessed them against the assurance criteria and categorised them as follows:

Level of Assurance	Definition	Audits	Report Ref
<b>Limited assurance</b>	Risk levels are high	<b>N/a</b>	
<b>Reasonable assurance</b>	Risk levels are acceptable	<b>Cardiff Checks – 2018-19 Selection</b>	<b>2019-10</b>
		<b>Capital Programme – Development and Monitoring</b>	<b>2019-13</b>
		<b>ICT Service Desk – incident management</b>	<b>2019-14</b>
<b>Substantial assurance</b>	Risk levels are low	<b>Fuel Recharges to Notts Police</b>	<b>2019-15</b>
<b>Policy reviews</b>	Reviews at management request	<b>GDPR Compliance</b>	<b>2019-11</b>
		<b>Site and Information Security</b>	<b>2019-12</b>

### Audit Recommendations

A summary of the Priority 1 (P1) and Priority 2 (P2) recommendations for each of the audits issued is provided below:

Ref	Audit	P1	P2	Final/Draft	Summary of Action Agreed
<b>2019-10</b>	Cardiff Checks	<b>0</b>	<b>0</b>	Final	N/a
<b>2019-13</b>	Capital Programme	<b>0</b>	<b>3</b>	Final <sup>1</sup>	Collaboration arrangements with other Fire Authorities for procurement of common capital purchases. Earlier

<sup>1</sup> Draft report completed in March 2020, final report issued on 2/2/20

Ref	Audit	P1	P2	Final/ Draft	Summary of Action Agreed
					engagement of Procurement Officer in the business case stage of projects. Projects to be undertaken will be aligned to corporate objectives.
2019-14	ICT Service Desk	0	5	Final	Incident prioritisation process will be reviewed. System reporting will be carried out. Problem management processes will be monitored. Customer satisfaction surveys will be reviewed and acted upon. Staff training will be carried out.
2019-15	Fuel Depot Recharges	0	0	Final	N/a
2019-11	GDPR Compliance	4	0	Final	Revision of privacy notices. Review and closure of data breach incidents. Policy revisions of CCTV releases. Testing and monitoring of staff refresher training and contracts for GDPR updating.
2019-12	Site and Information Security	2	0	Final	Data security at shared facilities, clear desk processes.

Actions in relation to the above reports were agreed with management.

### **2019/20 Audits carried forward to complete during 2020/21**

The Cardiff Check audit for 2019-20 transactions has been carried forward into 2020/21.

### **Information and Advice**

In 2018 a new follow-up approach was adopted to obtain assurance that the actions proposed by management in response to Internal Audit's recommendations were being taken. This assurance was obtained in two phases, as set out below:

Priority rating of recommendation	Phase 1 Management assurance	Phase 2 Internal Audit Assurance
<b>Priority 1</b>	Assurance complied by Finance Team sought from management that all agreed actions have been taken.	Compliance testing scheduled to confirm all agreed actions relating to priority 1 recommendations are carried out consistently.
<b>Priority 2</b>		Assurance is sought from management that agreed actions have been taken and compliance testing is scheduled for selected actions.
<b>Low</b>		Low risk recommendations are no longer reported upon and no Internal Audit compliance testing is carried out

Phase 1 of the process was undertaken by the Fire Authority with reports presented to EDT by the Head of Finance. Additional testing was carried out between September and December 2019 by internal audit to confirm that agreed priority 1 (and selected priority 2) actions had been completed satisfactorily. A follow-up report was presented to EDT in January 2020. 59% of priority 1 recommendations had been implemented at that time with 73% of priority 2 recommendations also confirmed. A further report on progress, including the audits completed in 2019-20 will be presented to the Fire Authority at the end of 2020. Reporting arrangements recently changed meaning that all reports are now to be presented to the Senior Leadership Team (SLT).

## COMBINED FIRE AUTHORITY - INTERNAL AUDIT PLAN FOR 2020/21

SERVICE AREA	Assessed Risk (old model)	Audit Frequency (Years)	Year Last Audited	2020/21 Draft Plan	Planned Time-scale	2021/22 Proposed Draft Plan**	2022/23 Proposed Draft Plan **
Contingency (to be allocated)				10	T2-3	5	15
Anti-Fraud and Anti-Corruption Procedures	Medium	Requested	2015-16				10
Assets Management	Medium	4	2017/18				10
Capital	Medium	3	2019/20				
Cardiff Checks/Analytical Checks - 2019/20 & 2020/21 *	Medium	Annual	2018/19	10	T2		10
Collaboration with other Services	Med/High	Requested	-				
Computer/ICT	Med/High	2	2019/20			10	
Contract Management	Medium	3	2018/19				10
Corporate Governance	Medium	2	2018/19				10
Financial Management	High	2	2018/19			10	
Fuel - Depots	Med/High	Requested	2019/20				
GDPR Compliance	Medium	Requested	2019/20				
H&S Water Rescue - HSE	High	-	-	***			
H&S Working at Height - HSE	High	-	-	***			
Income and Debtors	Medium	3	2017/18			10	
Members/Officers Expenses and Allowances	Medium	3	2018/19				10
Partnerships	Medium	3	2018/19				
Payroll	Medium	3	2017/18				
Pensions (Compliance)	Med/High	2	2018/19			10	
Performance Management	Medium	Requested	-			10	

Policy Management	Medium	Requested	-			10	
Project Management	High	2	2017/18				
Property/Premises	Medium	3	2017/18	15	T2		
Purchase Cards	Medium	3	2016/17	10	T1-2		
Purchasing and Creditor Payments	Medium	3	2017/18	10	T1-2		
Redkite System - Training and Compliance Records	Med/High	Requested	2018/19				
Risk Management	Medium	3	2016/17				
Site and Information Security	Med/High	Requested	2019/20				
Transport	Medium	4	2015/16				
Travel Claims System	Medium	Requested	-			10	
Treasury Management	Medium	3	2017/18	10	T1		
Audit Action Tracking		Annual	2019/20	10	T1-3	10	10
Client Management				7	T1-3	7	7
<b>Total planned days for the year</b>				<b>82</b>		<b>92</b>	<b>92</b>

\* Please note - 2020-21 includes 10 days carried forward from 2019/20 for Cardiff Checks to be used in T1

T1 = Term 1 (April - July)

T2 = Term 2 (August - November)

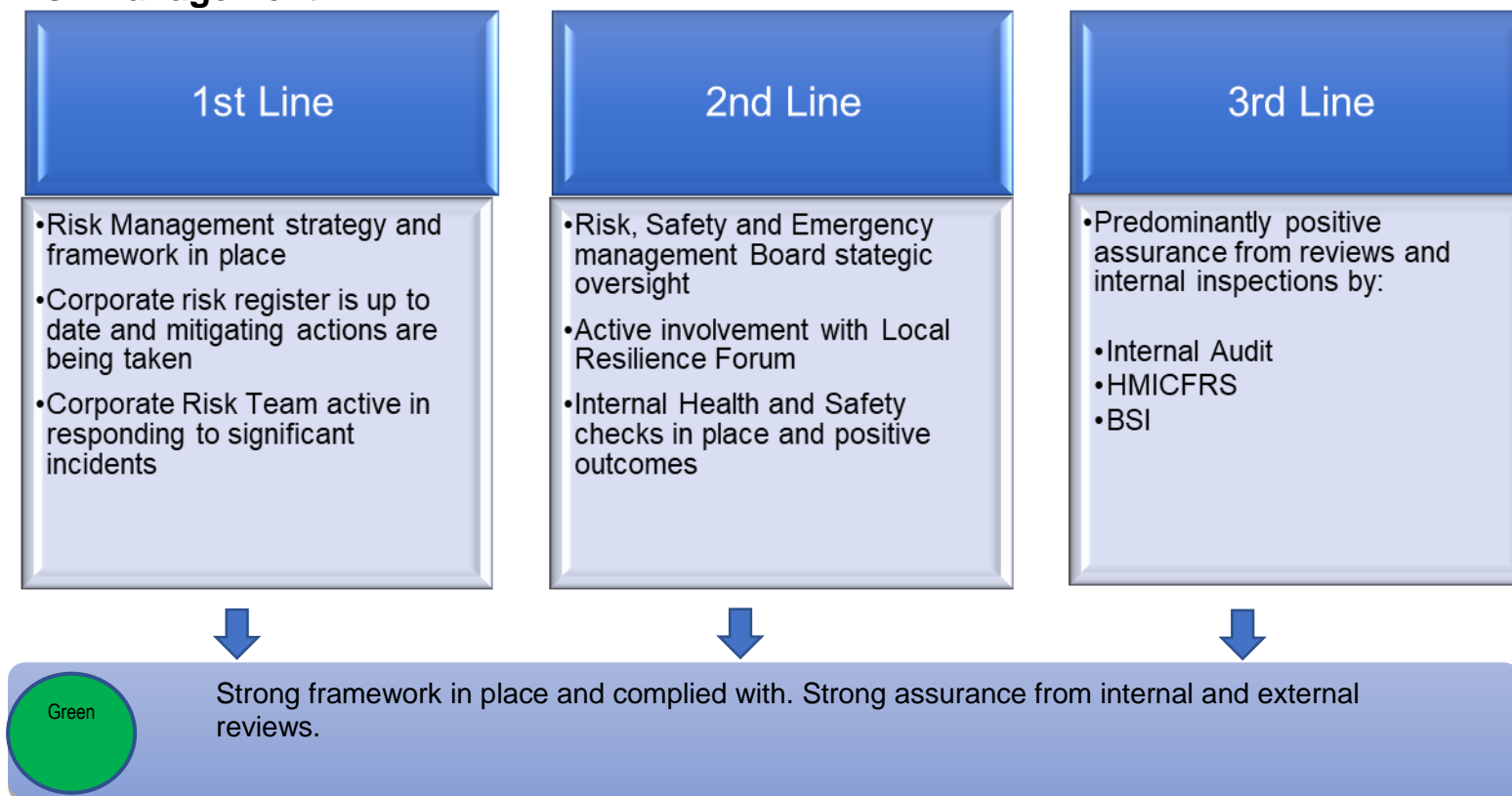
T3 = Term 3 (December - March)

\*\* Subject to annual discussion of Audit universe and risk reassessment - see also Appendix C

\*\*\* It has been determined that HSE will be asked to cover these audits so Internal Audit proposed time reduced for this year only

## Assurance Framework



### Risk Management



## Risk Management Assurance from KLOEs

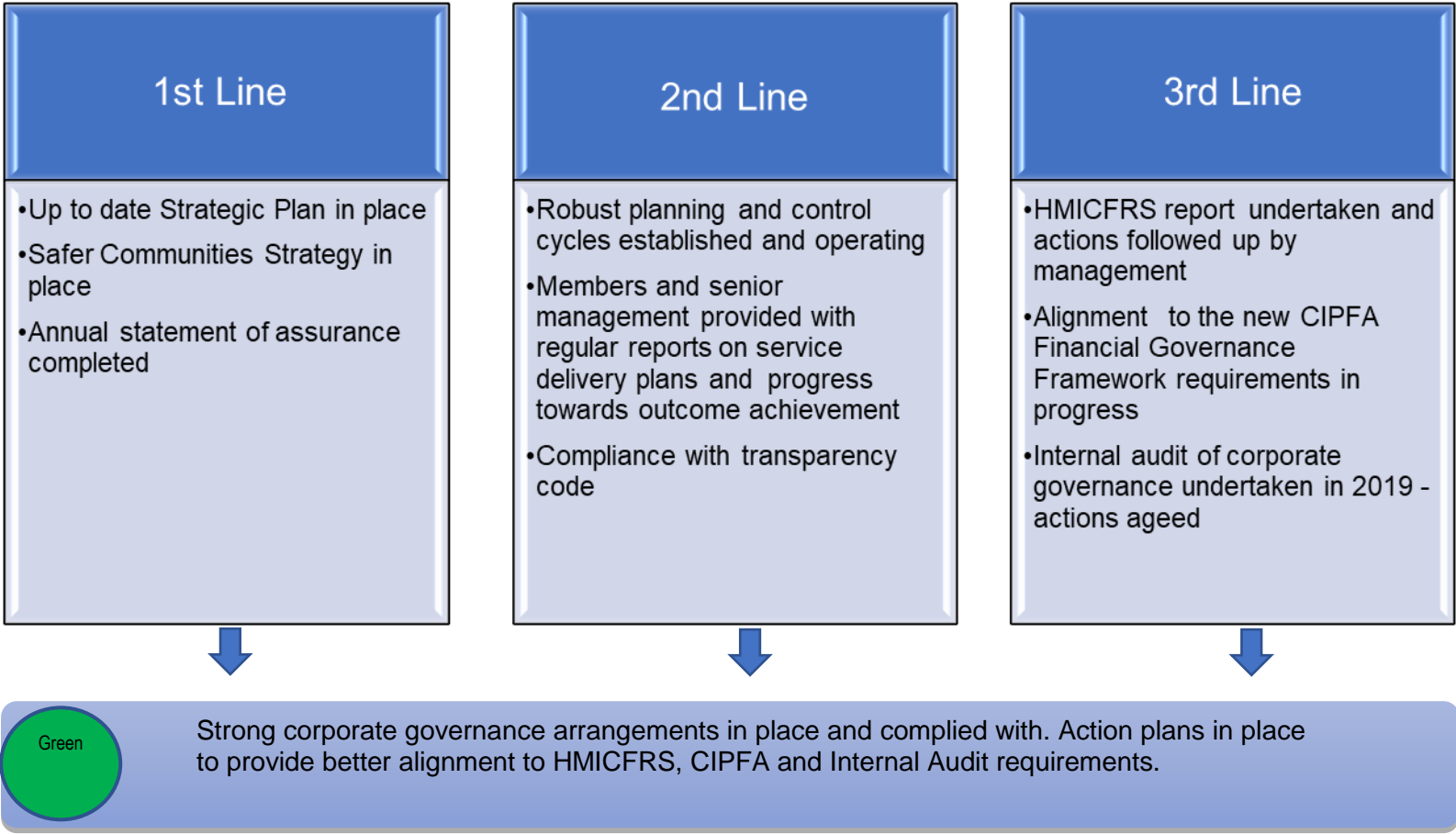
Risk management strategy & framework  
 Established risk appetite  
 Risk mitigation actions carried out  
 Exposure to significant risks is minimised  
 Prompt actions taken where risks materialise

National, regional and local horizon scanning  
 Risk registers maintained  
 Risk management informs key decision-making  
 Focus on high priority risks

1 <sup>st</sup> Line	2 <sup>nd</sup> Line	3 <sup>rd</sup> Line
<p> <b>Positive assurance</b></p> <ul style="list-style-type: none"> <li>➤ Risk Management Framework was in operation and complied with in 2019/20.</li> <li>➤ The Integrated Risk Management - Strategic Plan (IRMP) was approved by Members in February 2019 and refreshed in January 2020.</li> <li>➤ Appropriate insurance cover in place during 2019/20.</li> <li>➤ Corporate Risk Team active in responding to significant incidents.</li> <li>➤ Corporate risk register mitigations carried out.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Active participation in the Local Resilience Forum for Nottinghamshire – The Authority’s Corporate Risk Register details those risks that are significant enough to warrant management by a Principal Officer. Specific risk control measures implemented to reduce the likelihood and/or impact of a risk occurrence where possible.</li> <li>➤ An annual risk management action plan is produced and outcomes reported to the Fire Authority.</li> <li>➤ Additional governance and oversight over the key risks identified - monitored through the Finance and Resources Committee – 6 monthly - Last met to discuss in October 2019.</li> <li>➤ Notts Chief Fire Officer attends the National Fire Chiefs Council – which works to drive improvement and development across all fire authorities and he is a lead on Finance.</li> <li>➤ The Service employs a Risk and Assurance Manager and a Health and Safety Advisor who are members of the Institute of Occupational Safety and Health Practitioners (IOSH).</li> <li>➤ Reporting process and investigations carried out for all H&amp;S incidents with learning from operational incidents being facilitated by the Risk and Assurance Team.</li> <li>➤ Planned comprehensive risk analysis (Fire Cover Review) of the County to take place in 2021 – to make sure service addresses those risks. To feed into Strategic Plan to meet those risks when next amended in 2020-21 incorporates HMICFRS recommendations.</li> </ul>	<p> <b>Positive assurance</b></p> <ul style="list-style-type: none"> <li>➤ The IRMP is used by HMICFRS to assess the effectiveness and efficiency of the delivery of services. 25 areas of improvement identified and delegated to lead officers with clear milestones and expected outcomes.</li> <li>➤ Active part in Nottinghamshire’s Local Resilience Forum – sharing information and learning.</li> <li>➤ National Risk Register used to identify risks over the next 5 years.</li> </ul>





# Corporate Governance



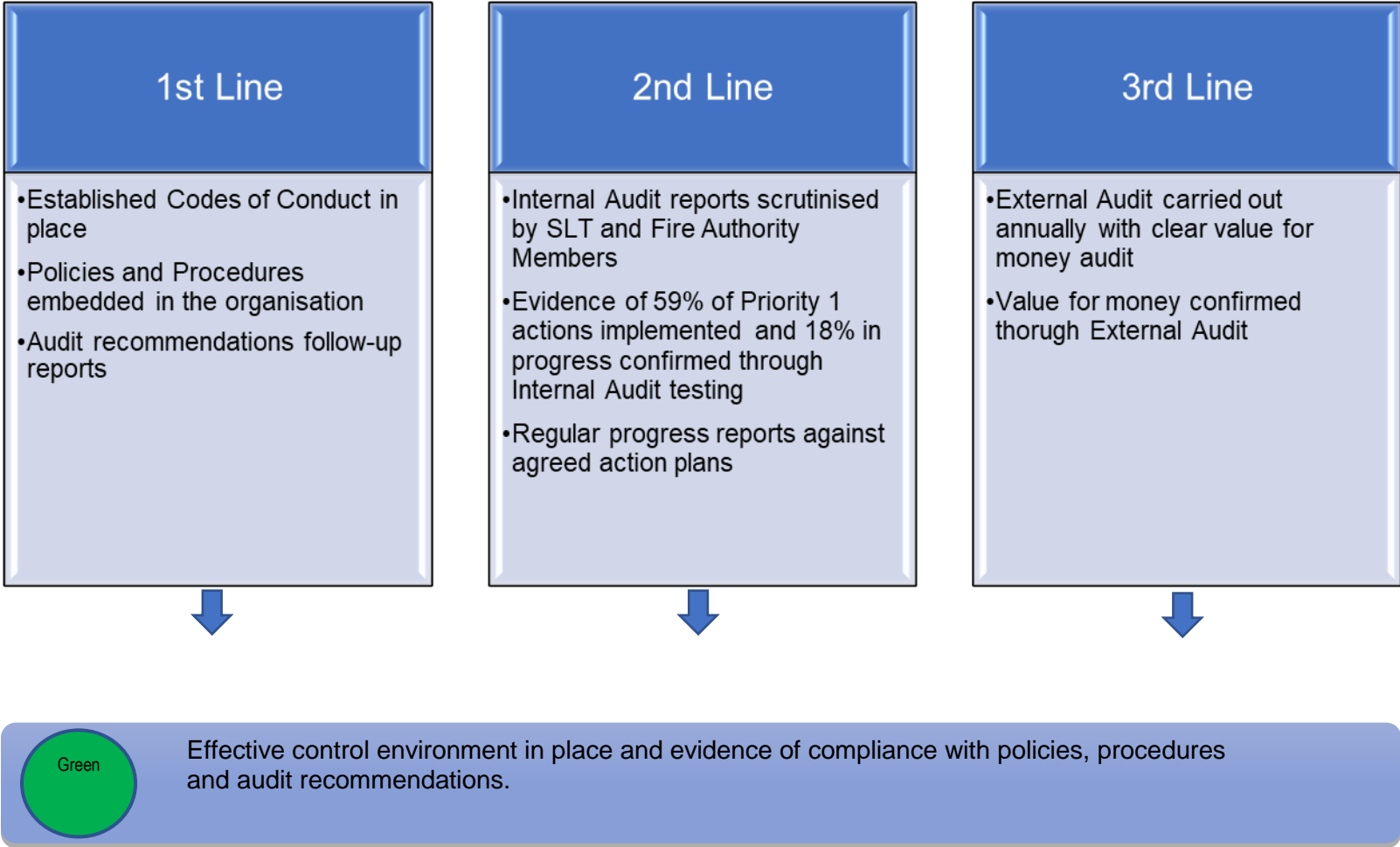
# Corporate Governance Assurance

Local Code on Corporate Governance  
Strategic Plan  
Annual statement of assurance reported

Corporate governance framework  
HMICFRS inspection regime  
Established Committee Structure

1 <sup>st</sup> Line	2 <sup>nd</sup> Line	3 <sup>rd</sup> Line
 <p><b>Positive assurance</b></p> <ul style="list-style-type: none"> <li>➤ Local Code on Corporate Governance in place</li> <li>➤ Strategic Plan – updated date – Feb 2020</li> <li>➤ Safer Communities Strategy – Jan 2020</li> <li>➤ Annual Action Plan and Medium Term Financial Strategy in place</li> <li>➤ Annual Statement of Assurance – 2018/19</li> <li>➤ Performance management framework established</li> </ul>	<ul style="list-style-type: none"> <li>➤ Corporate governance framework has been established – based upon CIPFA/Solace 2016 publication ‘Delivering Good Governance in Local Government’. This is monitored each year and reported to the Combined Fire Authority as part of the Annual Review of Governance and Annual Governance Statement.</li> <li>➤ Constitution and terms of reference for committees.</li> <li>➤ An annual Statement of Assurance is produced, outlining how the Authority has performed against its objectives and been led by their three strategic aims which set out to provide high quality services, offer strong governance and financial sustainability, and ensure that employees are engaged and motivated.</li> <li>➤ Performance is monitored to ensure value for money is achieved.</li> <li>➤ Risk plans include risks in relation to governance and finances.</li> <li>➤ Progress against actions set out in Strategic Plan are reviewed through the IRMP Programme and Performance Board and through Fire Authority Governance. Key updates are reported to the Fire Authority meetings. Meetings held monthly.</li> <li>➤ Safer Communities Strategy developed in line with HMICFRS recommendations – progress of strategy together with accompanying business plans to be monitored through Community Safety Committee.</li> <li>➤ Covid Risk included in Financial Strategy. – Becky actively monitoring and sitting on Local Resilience Forum – Finance Cell.</li> </ul>	 <p><b>Some areas of improvement identified with actions confirmed or in progress</b></p> <ul style="list-style-type: none"> <li>➤ HMICFRS report 7/25 actions implemented to date.</li> <li>➤ Action to progress report going to Policy and Strategy Committee – next meeting in July 2020.</li> <li>➤ Internal audit review of corporate governance undertaken in 2019 – 2/6 priority 2 recommendations implemented.</li> <li>➤ Equality Framework Assessment planned.</li> <li>➤ Collaborative framework established with other local Fire Authorities meets and learns from best practice in Finance.</li> <li>➤ Alignment to the new CIPFA Financial Governance Framework requirements in progress.</li> </ul>

# Internal Control Framework



# Internal Control Framework Assurance

Codes of Conduct established  
Counter fraud and corruption policy

Audit recommendations follow-up and monitoring  
External Assurance on VFM

1<sup>st</sup> Line

2<sup>nd</sup> Line

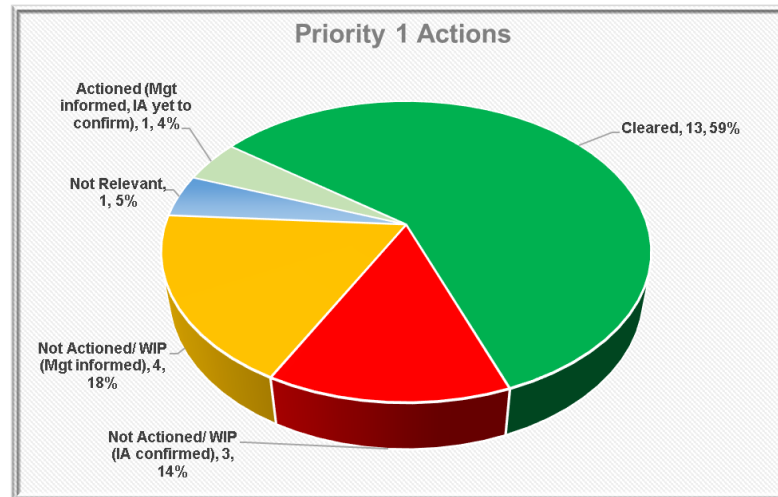
3<sup>rd</sup> Line



**Positive assurance**

- Employee and Members Codes of Conduct in place.
- Counter Fraud, Money Laundering and Corruption and Bribery Policy – reviewed and updated April 2018.
- Annual report of internal audits to Finance and Resources Committee.
- Bi-annual audit action follow-up reports to SLT.

- Audit reports annually go to SLT and F&R Committee for scrutiny.
- Effective counter fraud and anti-corruption arrangements are in place.
- Follow-up testing of actions carried out by Internal Audit in December 2019 provided the following assurance of priority 1 actions implemented:



- 73% of priority 2 actions confirmed as implemented – confirmed by internal audit in December 2019.
- Internal Audit action update report presented to SLT in January 2020.
- Fire Authority scrutiny in relation to the HMICFRS conducted through the committee structure with regular progress reports being presented to Members. Action plan for improvement based upon HMICFRS inspection report taken to the Fire Authority in September 2019.
- Internal Audit reports issued to external audit and Section 151 Officer for overview.



**Positive assurance**  
**Evidence showing actions in progress to address recent audit recommendation**

- External Assurance – Nothing of concern in governance.
- Clear value for money audit.

## Appendix C - Revised Risk Assessments

Process	Inherent Risk Score	Rating
Pensions	71.09	High
Business Continuity (NEW)	64.84	High
Cardiff Checks	61.72	High
Purchasing & Creditor Payments	61.72	High
ICT	60.16	High
VAT & Finance (NEW)	60.16	High
Corporate Governance	59.38	Medium
Partnerships/Collaboration	57.81	Medium
Treasury Management	56.25	Medium
Action Tracking	55.47	Medium
Contracts	55.47	Medium
Risk Management	55.47	Medium
Training Records (Redkite System)	54.69	Medium
Income & Debtors	53.91	Medium
Members & Officers Allowances	53.91	Medium
Payroll	53.91	Medium
People Management (NEW) incl Occ Health, Recruitment & Equality	53.91	Medium
Retained Fire Station Payment Processes	53.91	Medium
GDPR Compliance & Information Security	51.56	Medium
Assets - Redkite Management System	50.00	Medium
Process	Inherent Risk Score	Rating

<b>Ethical Principles (NEW)</b>	<b>50.00</b>	<b>Medium</b>
<b>Project Management</b>	<b>50.00</b>	<b>Medium</b>
<b>Transport</b>	<b>50.00</b>	<b>Medium</b>
<b>Capital</b>	<b>49.22</b>	<b>Medium</b>
<b>Financial Management</b>	<b>48.44</b>	<b>Medium</b>
<b>Site Security</b>	<b>46.09</b>	<b>Medium</b>
<b>Property &amp; Premises</b>	<b>44.29</b>	<b>Medium</b>
<b>Purchase Cards</b>	<b>42.19</b>	<b>Medium</b>
<b>Energy Management (NEW)</b>	<b>40.63</b>	<b>Medium</b>
<b>Anti-Fraud Procedures</b>	<b>38.28</b>	<b>Low</b>
<b>Policy Management</b>	<b>38.28</b>	<b>Low</b>
<b>Fuel - Depots</b>	<b>34.38</b>	<b>Low</b>
<b>Safeguarding (NEW)</b>	<b>25.00</b>	<b>Low</b>
<b>Use of Station Audits (NEW)</b>	<b>25.00</b>	<b>Low</b>

**Note**

**We aim to audit high risk areas every 2 years, medium risk every 3 years, and low risk not at all unless risk levels raised.**

To: Chief Fire Officer

**OFFICIAL SENSITIVE**

Subject: NFRS - Fuel Re-charges to Nottinghamshire Police

Date: February 2020

**1 Introduction**

- 1.1 We have audited the arrangements for the issuing and recharging of fuel from NFRS fuel depots to Nottinghamshire Police vehicles. NFRS has 14 fuel bunkers across the County which they opened up to the Police in June 2019 as part of their collaborative arrangements. Fuel is managed within the Merridale Fuel Management System (FMS).
- 1.2 The objective of the arrangement is to provide secure access to NFRS fuel bunkers across the County, and to accurately and promptly recharge these costs to the Police in accordance with the terms set out in the Collaboration Agreement in relation to a shared fuel arrangement Service Level Agreement (SLA). We have tested a sample of transactions for compliance with documented procedures and controls.

**2 Audit opinion**

- 2.1 In the areas examined, we assessed the controls to determine to what extent the risks are being mitigated.
- 2.2 In our opinion the level of assurance we can provide is: -

**SUBSTANTIAL ASSURANCE Risk levels are low****3 Risk areas examined**

- 3.1 During this audit we looked for controls to address the following key risks: -

<i>Risk title</i>	<i>Description</i>
Fuel Security	Inadequate system controls to prevent misappropriation of fuel.
Consumption of Fuel Recording	Inadequate procedures to accurately monitor the consumption of fuel.

<i>Risk title</i>	<i>Description</i>
Fuel and Other Recharges	Fuel recharges and other specified charges not requested accurately or promptly or insufficient information is provided to validate data.
Debt Recovery	No or inadequate monitoring that income is received.
Fuel Stocks and Contingency Arrangements	Inadequate stock levels to meet demand or failure to meet operational requirements.

3.2 The scale of the area reviewed is: -

<i>Metric</i>	<i>Actuals June - December 2019 (Excl VAT)</i>	<i>June 2019 – March 2020 estimated (Excl VAT)</i>	<i>2020-21 Estimate (Excl VAT)</i>
Reimbursement from the Police	£88,163	£133,000	£180,000 <sup>2</sup>

#### 4 Audit findings

4.1 Following our work, we consider the controls to be effective in the following risk areas: -

- **Fuel Security** – Controls are in place to ensure that access to fuel stocks is limited to authorised personnel only. Police staff accessing the site require a Cotag fob for entry through the access barrier, a fuel key to access the pumps, a Police warrant card to activate the fuel pump and odometer readings for the vehicle they are filling to ensure it is within the set parameters. The fuel keys issued to the Police are uniquely numbered and the Police individually assign them to their own vehicles.
- **Consumption of Fuel Recording** - The Merridale FMS records all the details required for accurate re-charging of fuel use. This information is maintained in the Cloud. Both the Fire Service and the Police have access to the transactional data in relation to Police usage, for monitoring and validation purposes. Fuel, cost, performance and exception reports are available from the system.
- **Fuel and Other Recharges** – The SLA clearly sets out the rules and procedures for recharging fuel. Our testing showed that system upgrade costs have been recovered from the Police. The FMS automatically calculates stock usage costs and supporting evidence showed that fuel costs entered into the FMS matched to corresponding delivery invoices. Our testing of transactions confirmed that accurate recharges had been made promptly and on a monthly basis.
- **Debt Recovery** – Income due from the Police is monitored in accordance with NFRS's debt management policies to ensure that full and prompt payment is received. Testing confirmed that all invoices had been paid within the agreed payment terms.
- **Fuel Stocks and Contingency Arrangements** – Fuel reorder levels have been reviewed and set in the system according to demand and usage trends. SLT have been made aware of risks of meeting demand at smaller sites and stock levels continue to be monitored to ensure adequate fuel can be maintained. Alternative arrangements are outlined in the National

<sup>2</sup> Estimate based upon average income over last 3 months, however, this could increase over the next year.



Emergency Plan – Fuel as part of the Local Resilience Forum. In addition, fuel cards may be used if there is a system failure or re-fuelling delay.

- 4.4 No recommendations are made, and no advisory actions were discussed during the audit.

**Audit conducted by: Angela Wendels  
Senior Auditor**

Audit supervised by: Philip Dent

**Audit Supervisor**

**Rob Disney, Group Manager Assurance**

<b>Internal Audit Report</b>
------------------------------

Report ref: 2019-13

**OFFICIAL SENSITIVE****To: Chief Fire Officer****Subject: NFRS - Capital Programme - Development and Monitoring****Date: April 2020****1 Introduction**

- 1.1 This audit reviews adequacy and sufficiency of system controls operating in the development, monitoring and progress reporting of the capital programme in the financial year 2019/2020. It takes into account strategic collaborative initiatives with other public bodies which are designed to improve economy, efficiency and effectiveness in service delivery. Capital programme items relate to the purchase of any single item or bundles of equipment that collectively exceed £35k and may include assets such as land, buildings, engineering plant and operational equipment.
- 1.2 The purpose of the system is to implement a capital programme that reflects and achieves the objectives of the approved Corporate Strategy and resultant tactical and operational plans.

**2 Audit opinion**

- 2.1 In the areas examined, we assessed the controls to determine to what extent the risks are being mitigated.
- 2.2 In our opinion the level of assurance we can provide is: -

**REASONABLE ASSURANCE      Risk levels are acceptable****3 Risk areas examined**

- 3.1 During this audit we looked for controls to address the following key risks: -

<i>Risk title</i>	<i>Description</i>
Governance: Programme Authorisation	The capital programme and projects within it may not be specified in detail, costed (including revenue impacts) or authorised.
Governance: Corporate Strategy	The projects within the Corporate Plan may not reflect the Fire Service's wider corporate strategy.
Treasury Management	The capital programme and projects within it may not be funded efficiently or effectively.

<i>Risk title</i>	<i>Description</i>
Project Management	The capital programme and projects within it may not be subject to budgetary control, may not achieve desired outcomes or may not be subject to post project evaluation.
Risk Management	Capital project risks and mitigating actions in relation to NFRS projects may not be recorded in the NFRS risk register.

3.2 The scale of the area reviewed is: -

Metric	2018-19	2019-20	2020-21
Capital Programme budget (£m)	£1.95m	£4.50m	£3.22m
No of projects	20	26	5

#### 4 Audit findings

4.1 We consider the controls to be effective in the following risk areas: -

- **Governance Programme Authorisation** - Capital programmes are authorised by the Executive Development Team (EDT) in consultation with SLT and approved by the Fire Authority. Finance and Resource Committee receives detailed information on capital programme slippage on a regular basis.
- **Governance Corporate Strategy** - Project team responsibilities and accountabilities are clearly defined for each project. EDT evaluate projects for alignment with strategy and receive regular updates on current project status, including those in development. Testing evidenced compliance with Public Sector Procurement Regulations.
- **Treasury Management** - Capital programme financing is planned and informed by independent advisers.
- **Capital Project Management** – The capital programme is monitored and reported in-year to SLT and the Fire Authority. Management is conducted through a standardised framework based on Prince 2 principles.
- **Risk Management** - Risks relating to collaborative projects are mitigated through the engagement of independent advisers and legal agreements. Other NFRS project risks are identified and managed at a local level.

4.2 There were some control weaknesses and some failures to comply with the standard controls, resulting in remaining risks. The attached Action Plan sets out these weaknesses, and our recommendations to address them.

4.3 A summary of the recommendations made, together with brief details of the related findings, is set out below: -

<i>Priority level</i>	<i>Number of Recommendations</i>	<i>Recommended action timescales</i>
Priority 1	0	Immediate
Priority 2	3	Within two months

#### Priority 2 areas:

- Collaboration with neighbouring fire and rescue services is evident however, there may be scope to increase the extent of this further.

- The input of the Procurement Officer is not always sought in the development of capital project business cases.
- Although generally comprehensive in their content, outline and full business cases presented for approval are not explicitly referenced back to strategic objectives or the annual action plan (an annual plan of activity informed by the corporate strategy).

4.4 No advisory actions were discussed during the audit.

**Audit conducted by: Ian Munro**

Senior Auditor

Audit supervised by: Angela Wendels

**Senior Auditor**

**Rob Disney, Group Manager Assurance**

Audit Finding	Recommendation	Management Response
<b>Priority 2 areas</b> (Highly desirable for effective internal control, should implement recommendations to improve existing control arrangements)		
<p><b>1. Capital Programme Development</b></p> <p>A number of capital equipment projects have presented opportunities for collaboration with neighbouring fire and rescue services. Where there are shared time-lines collaboration is actively pursued eg breathing apparatus communications equipment and the Agresso system upgrade. There have also been occasions where neighbouring fire and rescue services have been ahead of NFRS in the commissioning and procurement process and the opportunity for collaboration and potential cost savings foregone eg vehicle high pressure hose reel replacement.</p> <p><b>Risk:</b> Opportunities to achieve cost and procurement efficiencies may be foregone.</p>	<p>That proposed annual and medium term capital programmes should be shared between neighbouring fire and rescue services.</p>	<p><b>Response</b></p> <p>These will be circulated with Derbyshire and Leicestershire Fire going forward as these are our most likely collaboration partners.</p> <p><b>Date for implementation</b></p> <p>10 Year plan distributed 2 April 2020</p> <p><b>Officer responsible for implementation</b></p> <p>Head of Finance</p>
<p><b>2. Capital Project Timescales</b></p> <p>Two instances (light vehicle replacement and command support unit projects) were identified where the engagement of the Procurement Officer in the development of the initial project business case was not undertaken. However, earlier consultation at the business case proposal stage would have identified potential supply chain obstacles which later emerged and realistic timescales for procurement.</p> <p><b>Risk:</b> Programme timescales detailed in the project business case may be unrealistic.</p>	<p>The Procurement Officer should be consulted at the project business case stage to ensure that potential obstacles to procurement are identified and reflected in project timelines. Consequently the business case template should be amended to include a mandatory section for Procurement Officer comment.</p>	<p><b>Response</b></p> <p>Business Case Template will be amended to include a mandatory section for the Procurement section to complete.</p> <p><b>Date for implementation</b></p> <p>September 2020</p> <p><b>Officer responsible for implementation</b></p> <p>ICT Change and Projects Manager</p>

Audit Finding	Recommendation	Management Response
<p><b>3. Alignment with Corporate Strategy</b>  The Business case template required for approval of projects (capital or otherwise) does not incorporate a requirement to reference a proposed project to an NFRS strategic objective or an action in the annual action plan. Such a reference would ensure that projects are aligned to the organisation's key objectives.</p> <p><b>Risk:</b> Capital projects may not reflect organisational priorities.</p>	<p>Projects should be explicitly cross-referenced to corporate objectives and the annual action plan in both the outline and full business case presented for approval.</p>	<p><b>Response</b>  Business Case will be amended.</p> <p><b>Date for implementation</b>  September 2020</p> <p><b>Officer responsible for implementation</b>  Assistant Head of Finance / Head of Finance</p>

<b>Internal Audit Report</b>
------------------------------

Report ref: 2019-14

**To:** The Chief Fire Officer, Notts Fire and Rescue Service

**OFFICIAL SENSITIVE**

**Subject:** NFRS - ICT Service Desk

**Date:** February 2020

---

## 5 Introduction

- 1.1 We have audited the arrangements for the Fire and Rescue Service's ICT Service Desk. There are two service desk systems in operation:
- Manage Engine - used to manage incident reports, service requests and changes relating to ICT delivered services.
  - Spiceworks – tri-service portal used by operational staff to report problems such as mobilising issues, paging and other service related incidents, which are made available to other tri-service partners. NFRS related issues are automatically sent into Manage Engine for NFRS ICT to resolve.

The focus of this audit is the Manage Engine system as it is used by Service Desk staff to record and monitor incidents.

- 1.2 The purpose of the ICT Service Desk system is to provide an effective and standardised process for the management of incidents affecting the NFRS ICT infrastructure and to restore and maintain services with minimum disruption to business-critical services and end users.

We tested a sample of transactions for compliance with documented procedures and controls.

## 6 Audit opinion

- 6.1 In the areas examined, we assessed the controls to determine to what extent the risks are being mitigated.
- 6.2 In our opinion the level of assurance we can provide is: -



**REASONABLE ASSURANCE**      Risk levels are acceptable

## 7 Risk areas examined

7.1 During this audit we looked for controls to address the following key risks: -

<i>Risk title</i>	<i>Description</i>
Point of contact	To examine whether a single point of contact is available to users and is providing coordinated and/or efficient resolutions.
Service desk availability	To examine whether the service desk is available throughout normal operating hours and providing a timely service.
Training	To examine whether service desk is appropriately staffed and personnel are adequately trained or experienced.
Incident prioritisation	To check whether prioritisation regarding incident resolution is undertaken and managed in an efficient and effective manner.
Incident resolution	To examine whether there is satisfactory incident resolution to support business activity.
Service level agreements (SLAs)	To confirm the existence of adequate service level agreements in relation to fix times and other performance indicators.

## 8 Audit findings

8.1 Following our work we consider the controls to be effective in the following risk areas: -

- **Point of Contact** - Good arrangements are in place to provide end users with the means to contact the Service Desk to report issues and request changes and services. This includes telephone, end-user portal, email, or walk-in notifications.
- **Service Desk Availability** - The Service Desk is available to end users during normal office hours (8.30 – 16:45 Monday to Thursday and 8:30 to 16:15 on Fridays). Out of hours there is support available from a 3rd line engineer in respect of major incidents.
- **Training** - New starters are well supported by on the job training and the provision of detailed guidance literature.
- **Incident Prioritisation** - The process for categorising incidents according to priority is set out in the incident management process procedure No 2087.

8.2 There were some control weaknesses and some failures to comply with the standard controls, resulting in remaining risks. The attached Action Plan sets out these weaknesses, and our recommendations to address them.

8.3 A summary of the recommendations made, together with brief details of the related findings, is set out below: -



<i>Priority level</i>	<i>Number of Recommendations</i>	<i>Recommended action timescales</i>
Priority 1	0	Immediate
Priority 2	5	Within two months

**Priority 2 areas:**

- The definition and use of priority ratings for incidents is not practical for all incidents and is not accurately recorded in the system.
- The reporting facility within Manage Engine to monitor IT incidents and issues affecting service delivery is not currently being utilised.
- Reliance is currently placed upon manual records to identify wider system issues, rather than reports from the system.
- Customer satisfaction scores are of limited benefit due to erroneous scores and so are not reported upon or used to improve service delivery.
- ICT Help Desk staff are not yet adequately trained in running the performance reports in Manage Engine which are available following a recent upgrade.

**Audit conducted by: Paul Bellamy (ICT Auditor) and**

**Angela Wendels, Senior Auditor**

**Audit supervised by: Philip Dent**

**Audit Supervisor**

**Rob Disney, Group Manager Assurance**

Audit Finding	Recommendation	Management Response																		
<b>Priority 2 areas</b> (Highly desirable for effective internal control, should implement recommendations to improve existing control arrangements)																				
<p><b>1. Prioritising Incidents</b></p> <p>All incidents logged by the ICT Help Desk are assigned a priority based on their perceived impact and urgency of the incident. This then determines the target resolution timescale. Priority ratings are classified as one of the following:</p> <table border="1" data-bbox="113 562 668 916"> <thead> <tr> <th>Priority</th> <th>Target Response</th> <th>Target Resolution</th> </tr> </thead> <tbody> <tr> <td>P1 (critical)</td> <td>15 Minutes</td> <td>2 Hours</td> </tr> <tr> <td>P2 (major)</td> <td>1 Hour</td> <td>4 Hours</td> </tr> <tr> <td>P3 (high)</td> <td>4 Hours</td> <td>2 Days</td> </tr> <tr> <td>P4 (medium –</td> <td>1 Day</td> <td>10 Days</td> </tr> <tr> <td>P5 (low)</td> <td>1 Day</td> <td>1 Month</td> </tr> </tbody> </table> <p>The above priority settings are set out in the guidelines in Proc 2081 - ICT Service Card and the Incident Management Process Proc 2087.</p> <p>From a sample of 10 incidents, we noted that seven had a priority rating of P4 (default), one was a P1 and the other two were for information only. The speed of resolving the issues often did not correlate with the target timescales, indicating deficiencies in the process and possible inaccuracies in the prioritisation methodology.</p> <p>The Service Desk Manager indicated that priority ratings are not generally changed from the default P4 setting when logged.</p> <p><b>Risk:</b> Risks associated with incidents reported may not be correctly defined and prioritised by ICT staff.</p>	Priority	Target Response	Target Resolution	P1 (critical)	15 Minutes	2 Hours	P2 (major)	1 Hour	4 Hours	P3 (high)	4 Hours	2 Days	P4 (medium –	1 Day	10 Days	P5 (low)	1 Day	1 Month	<p>A review of the prioritisation definitions and timescales should be undertaken to ensure that they are practical for use.</p> <p>Staff should be adequately trained to ensure that the appropriate priority ratings are given to future incidents and are correctly recorded in the system.</p> <p>A review of cases currently awaiting action within the system should be undertaken to ensure that the appropriate priority ratings have been assigned.</p>	<p><b>Response</b></p> <ul style="list-style-type: none"> <li>- A review of the prioritisation definitions and timescales will be undertaken to ensure that they are practical for use.</li> <li>- Training needs concerning the prioritisation of incidents will be identified and addressed accordingly.</li> <li>- Pending jobs with the default priority setting will be reviewed and amended where necessary.</li> </ul> <p><b>Date for implementation</b> 1<sup>st</sup> June 2020</p> <p><b>Officer responsible for implementation</b> ICT Service Desk Manager</p>
Priority	Target Response	Target Resolution																		
P1 (critical)	15 Minutes	2 Hours																		
P2 (major)	1 Hour	4 Hours																		
P3 (high)	4 Hours	2 Days																		
P4 (medium –	1 Day	10 Days																		
P5 (low)	1 Day	1 Month																		

Audit Finding	Recommendation	Management Response
<p><b>2. System Reporting</b></p> <p>We were advised that the Team has taken on some new roles and responsibilities recently, but with reduced resources to manage the work load. The Head of ICT would like to identify the impact of this. Currently he has to manually review the jobs coming in, along with limited information from the system, however, better reporting is needed in order to accurately measure the following:</p> <ul style="list-style-type: none"> <li>• If the call count is going up</li> <li>• If staff are managing the work load (open/closed cases)</li> <li>• Analyse the reasons for increased number of incidents (eg common problems)</li> </ul> <p>During the Audit, we requested a report from the system of the dates and times of incident reports in the last 12 months to look at performance (fix times) against SLAs. It was not possible for the Service Desk Manager to generate this report yet and we could only review incidents on a case by case basis.</p> <p>We were advised that the system had recently been upgraded to address the reporting inadequacies and should now allow better performance reporting to be obtained, however, staff are not adequately trained in the system reporting as yet.</p> <p><b>Risk:</b> Failure to accurately analyse incident data and identify possible problems may impact on service delivery.</p>	<p>To enable service delivery to be monitored more effectively, management should devise a set of reports and frequency of reporting to meet operational requirements which are linked to key performance indicators (KPIs).</p> <p>The implementation of point 1 should enable better analysis of performance delivery against priority levels to be measured more accurately.</p>	<p><b>Response</b></p> <ul style="list-style-type: none"> <li>- The NFRS Service Desk solution (Zoho Manage Engine) has a suite of standard reports built in including a Dashboard view which shows KPIs.</li> </ul> <p>This includes:</p> <ul style="list-style-type: none"> <li>• Requests by Technician</li> <li>• Request Summary</li> <li>• Unassigned and Open Requests</li> <li>• Open Requests by Category</li> <li>• Requests Closed in Last 20 Days</li> <li>• Requests Received in Last 20 Days</li> </ul> <p>Information above can be obtained for the following time periods:</p> <ul style="list-style-type: none"> <li>• This Week</li> <li>• Last Week</li> <li>• This Month</li> <li>• Last Month</li> </ul> <ul style="list-style-type: none"> <li>- NFRS will review these reports and the dashboard to determine if this will meet our requirements.</li> </ul> <p><b>Date for implementation</b> 1<sup>st</sup> June 2020</p> <p><b>Officer responsible for implementation</b> ICT Service Desk Manager</p>

Audit Finding	Recommendation	Management Response
<p><b>3. Problem Management</b></p> <p>There is currently no formal procedure established to run off reports to identify common issues which may affect multiple users or may indicate a widespread problem which may require a general or specific system development resolution. This is due in part to the inadequacies outlined previously, but also due to inadequate categories set up and used within Manage Engine to analyse incidents. Reliance is currently placed upon recording of repeat incidents on a separate log once a common occurrence has been identified through the ICT Help Desk daily debrief.</p> <p><b>Risk:</b> Common or linked incidents may not be addressed systematically resulting in inefficiencies and failure to address the root cause of a problem.</p>	<p>The categories used to describe incidents should be reviewed and fully utilised to support better analysis and reporting of common issues.</p> <p>Once the capability to run reports by category has been established, regular monitoring of incidents should be undertaken and reported to management so that risks can be identified and resolved.</p>	<p><b>Response</b></p> <ul style="list-style-type: none"> <li>- NFRS ICT utilise categories to describe which team within the department will manage the request. Tickets are then organised by sub category (which describes the type of issue) and then finally by item (which describes the service catalogue item which is impacted by the incident or request). This arrangement is considered to be the most appropriate for the needs of the department and Service.</li> <li>- A new custom category report grouped by sub-category and item will be created to facilitate better management oversight of common issues for further investigation and service improvement.</li> </ul> <p><b>Date for implementation</b> 1<sup>st</sup> June 2020</p> <p><b>Officer responsible for implementation</b> ICT Service Desk Manager</p>

Audit Finding	Recommendation	Management Response
<p><b>4. Customer Satisfaction Surveys</b></p> <p>Once a job has been completed, the person reporting the issue receives an email to advise them that the issue has been resolved and closed. There is an online survey which records customer feedback, leading to a satisfaction score.</p> <p>Although, the system records customer satisfaction feedback from those who complete it, scores are not monitored as a performance measure. We are advised if the survey is opened but not completed, this gives a zero score which then misrepresents the performance figures.</p> <p><b>Risk:</b> Limited capability to monitor customer satisfaction and identify service improvement actions.</p>	<p>Customer satisfaction surveys should be monitored and reviewed to help identify potential issues so that service improvements can be made.</p> <p>The reason for nil scores should be investigated to determine if they are due to incomplete returns or problems which need to be addressed.</p> <p>This point also links into recommendation 2 above.</p>	<p><b>Response</b></p> <p>The customer satisfaction report system will be reviewed. Weekly reports will be run and any with low scores will be investigated.</p> <p><b>Date for implementation</b></p> <p>1<sup>st</sup> June 2020</p> <p><b>Officer responsible for implementation</b></p> <p>ICT Service Desk Manager</p>
<p><b>5. Staff Training</b></p> <p>A number of the points mentioned above relate to the inability to produce and monitor system reports. The Service Desk Manager and other staff have not received training to produce bespoke reports. However, we are advised that training provision has been sourced and is being arranged for March 2020.</p> <p><b>Risk:</b> If staff are not adequately trained in the production of system reports, this may hamper the ability to move forwards with other actions.</p>	<p>The provision of training should facilitate the reporting required for KPI monitoring and operational requirements.</p>	<p><b>Response</b></p> <p>Training arranged for members of department on 18-19 March 2020.</p> <p><b>Date for implementation</b></p> <p>31<sup>st</sup> March 2020.</p> <p><b>Officer responsible for implementation</b></p> <p>ICT Service Desk Manager</p>

**To: Chief Fire Officer****OFFICIAL SENSITIVE****Subject: NFRS - Cardiff Checks****Date: March 2020**

---

**9 Introduction**

- 1.1 As part of the audit programme, Internal Auditor carry out a Cardiff Checks audit each year. This audit is a comprehensive audit of all aspects of procurement and finance relating to a small number of transactions in the 2018/19 financial year.

An initial analytical review of non-payroll transactions was undertaken to provide an overview of areas of significant expenditure which was then broken down into transaction volumes and values across departments. An initial sample of 16 transactions (total value of £495k) was selected to include a range of originating departments, transaction types and values. Authorisation pathways in the Agresso financial system were reviewed for compliance with ordering and invoice payment rules. Eight items (total value of £239k) in the sample were further reviewed to establish whether they had been correctly procured, were valid transactions and that financial procedures had been complied with. Transaction samples are detailed in Appendix A.

- 1.2 The purpose of this report is to provide assurance that sampled transactions comply with NFRS processes and procedures. Internal Audit were assisted by the NFRS Finance Apprentice in the analysis and testing of transactions.

**10 Audit opinion**

- 10.1 In the areas examined, we assessed the controls to determine to what extent the risks are being mitigated.
- 10.2 In our opinion the level of assurance we can provide is: -

**REASONABLE ASSURANCE****Risk levels are acceptable**

## 11 Risk areas examined

11.1 During this audit we looked for controls to address the following key risks: -

<i>Risk title</i>	<i>Description</i>
Compliance with Financial Regulations	Transactions may be contrary to Financial regulations and not subject to approved processes.

11.2 The scale of the area reviewed is: -

<i>Metric</i>	<i>2018/19</i>
<i>Non pay expenditure</i>	<i>£10.4m</i>
<i>Sample value</i>	<i>£495k</i>
<i>Sample size</i>	<i>16</i>

## 12 Audit findings

12.1 Following our work, and with reference to other Internal Audit reviews and the work of the External Auditor, we consider the controls to be effective in the following risk areas: -

- Compliance with processes and procedures: Transactions sampled were found to be compliant with current processes and procedures. Some residual evidence regarding historical contracts is in the process of being provided by officers, however, it is not anticipated that this will impact upon the level of assurance provided above. In the unlikely event that a significant finding subsequently arises this will be brought to the attention of officers and members at the earliest opportunity.

12.2 No failures to comply with the standard controls were identified through our testing and there are no advisory actions or recommendations made.

**Audit conducted by: Rosie Martin (NFRS Finance Apprentice) and Ian Munro  
Senior Auditor**

**Audit supervised by: Angela Wendels  
Senior Auditor**

**Rob Disney, Group Manager Assurance**