Essex Fire Authority

Internal Audit Report (8.14/15)

DRAFT

Follow Up of Previous Internal Audit Recommendations

14 May 2015

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Responses received		Client sponsor	Glenn McGuiness, Deputy Director of Finance
Final report issued		Report distribution	Glenn McGuiness, Deputy Director of Finance

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1 Executive Summary

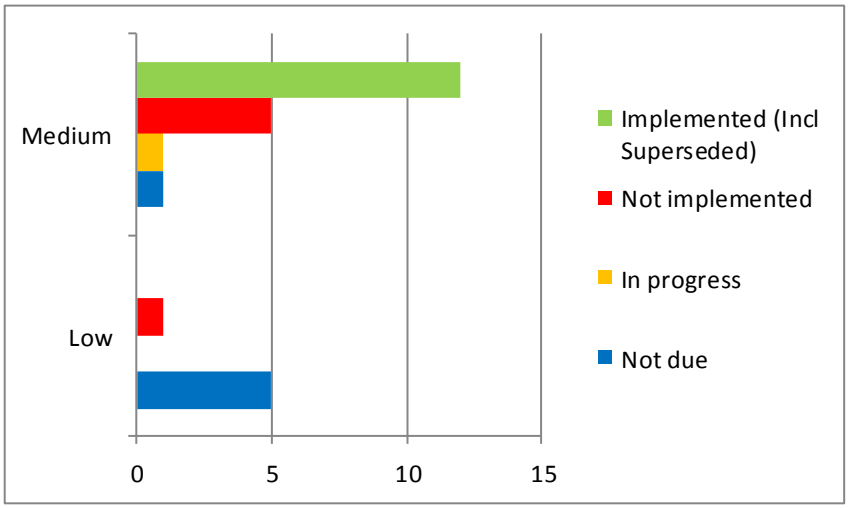
1.1 Introduction

As part of the approved internal audit periodic plan for 2014/15 we have undertaken a review to follow up progress made by the Essex Fire Service to implement previous internal audit recommendations. The audits considered as part of the follow up review were:

- Business Continuity
- Partnerships
- Safer Communities
- IT General Computer Controls
- Follow Up

1.2 Conclusion

Taking account those recommendation within these reports that were not due for completion at the time of our visit, and of the issues identified in the remainder of the report and in line with our definitions set out in Appendix A, in our opinion the organisation has demonstrated reasonable progress in implementing actions agreed to address internal audit recommendations.



We have reiterated the recommendations which have not yet been fully implemented.

1.3 Scope of the review

Limitations to the scope of the review:

The review only covers audit recommendations previously made and does not review the whole control framework of the areas listed above, therefore we are not providing assurance on the entire risk and control framework.

We have only reviewed those recommendations due for implementation at the time of the review.

We have ascertained the status of recommendations through discussion with management and review of the most recent recommendation tracking report presented to the Audit Committee.

Where the indication is that recommendations have been implemented, we have undertaken limited testing to confirm this.

Where testing has been undertaken, our samples have been selected over the period since actions were implemented or controls enhanced.

Our work does not provide any guarantee or absolute assurance against material and/or other errors, loss or fraud.

1.4 Recommendation Tracking

Recommendation tracking enhances an organisation's risk management and governance processes. It provides management with a method to record the implementation status of recommendations made by assurance providers, whilst allowing the Audit Committee to monitor actions taken by management.

Recommendation tracking is undertaken by Essex Fire Authority. However, we have identified each of the 7 recommendations that have been restated differ in status to that reported on the tracker by management. In four of these instances the Auditor was not supplied with sufficient evidence to conclude that the recommendation had been completed.

1.5 Data to Support our Findings

Implementation Status by Review	Number of recs agreed	Status of Recommendation					Confirmed as completed or no longer necessary (1)+(4)	Carried forward for follow up (2)+(3)+(5)
		Not due for implementation (5)	Implemented (1)	Implementation Ongoing (2)	Not Implemented (3)	Superseded (4)		
Business Continuity	2	0	0	1	1	0	0	2
Partnerships	9	0	8	0	1	0	8	1
Safer Communities	2	1	1	0	0	0	1	1
IT General Computer Controls	8	5	2	0	1	0	2	6
Follow Up	4	0	1	0	3	0	1	3
Implementation Status by Recommendations Category	**Number of recs agreed**	**Status of Recommendation**					**Confirmed as completed or no longer necessary (1)+(4)**	**Carried forward for follow up (2)+(3)+(5)**
		Not due for implementation (5)	**Implemented (1)**	**Implementation Ongoing (2)**	**Not Implemented (3)**	**Superseded (4)**		
High	0	0	0	0	0	0	0	0
Medium	17	1	12	1	5	0	12	7
Low	8	5	0	0	1	0	0	6
Totals	**25**	**6**	**12**	**1**	**6**	**0**	**12**	**13**

2 Findings, Recommendations and Actions

This report has been prepared by exception. Therefore, we have included in this section, only those recommendations graded as 2, 3 or 5.

Each recommendation followed up has been categorised in line with the following:

Status	Detail
1	The entire recommendation has been fully implemented.
2	The recommendation has been partly though not yet fully implemented.
3	The recommendation has not been implemented.
4	The recommendation has been superseded and is no longer applicable.
5	The agreed date for implementing the recommendation has not yet been reached.

2.1	BUSINESS CONTINUITY (2.13/14)			Status Reported to Audit Committee	FINDINGS		
Ref	Original Recommendation	Original Management Comment	Original Impl'n Date and Manager Responsible		Status	Comments / Implications / Recommendations	Updated Response
1a	All Business Continuity Plans should be submitted to the Risk and Business Continuity Team in a timely manner to enable a regular review. **(Medium)**	This is a perennial problem, somewhat worse this year. Department Managers will be debriefed on this Audit to inform them of the findings and recommendation. The SDB and the SMB will be asked to endorse the recommendation	1 April 2014 Risk & Business Continuity Manager. All Department Managers	1	2	We reviewed a report which was presented at Audit, Governance and Review Committee in January 2015. The report detailed that service business continuity plans are reviewed each year and contain the following; • Corporate and Departmental arrangements; • Crisis Management; • Industrial Action and Infection Diseases;	

2.1	BUSINESS CONTINUITY (2.13/14)			Status Reported to Audit Committee	FINDINGS		
Ref	Original Recommendation	Original Management Comment	Original Impl'n Date and Manager Responsible		Status	Comments / Implications / Recommendations	Updated Response
						• Fuel; and • Fire Stations. The report further detailed that the Risk & Business Continuity Department was working towards a visible and available business continuity management system via the intranet. This will ease the process of submitting plans to the Risk and Business Continuity Team in a timely manner. We therefore consider that adequate progress is being made to complete this recommendation and have not therefore re-iterated this.	
2	A planned schedule of Business Continuity testing should be established to ensure that the Business Continuity Plans are fit for purpose and teams are knowledgeable of their roles. **(Medium)**	A formal exercising and testing programme will be prepared and published.	31 January 2014 Risk & Business Continuity Manager	1	3	We were not provided with sufficient evidence at the time of review; and therefore we could not confirm that this has taken place. **Recommendation Restated.**	

2.2	PARTNERSHIPS (3.13/14)			Status Reported to Audit Committee	FINDINGS		
Ref	**Original Recommendation**	**Original Management Comment**	**Original Impl'n Date and Manager Responsible**		**Status**	**Comments / Implications / Recommendations**	**Updated Response**
4b	A signed agreement between all parties should be held by the Service for each partnership to provide assurance to the Service that all parties have agreed to their respective responsibilities. **(Medium)**	Agreed	Sept 2014 Partnership Manager	1	3	We reviewed a sample of 8 Partnerships from the Partnership Register. We found that the forms were completed to some extent for all 8 partnerships however we could not evidence that the Partnership agreements had been appropriately signed off. **Recommendation Restated**.	

2.4	IT GENERAL COMPUTER CONTROLS (6.13/14)			Status Reported to Audit Committee	FINDINGS		
Ref	**Original Recommendation**	**Original Management Comment**	**Original Impl'n Date and Manager Responsible**		**Status**	**Comments / Implications / Recommendations**	**Updated Response**
2a	Management should ensure that It policies are periodically reviewed, in particular the Information Technology Acceptable Use Policy, and all IT policy documents should identify the date for review and contain a review history. **(Low)**	This can be reviewed as part of ensuring the CoCo for Airwave etc. as part of the Control relocation project	December 2014 Jan Swanwick	1	3	Through discussion with the Head of ICT we established that the Information Technology Acceptable Use Policy had not been reviewed. **Recommendation Restated.**	

2.5	FOLLOW UP (9.13/14)			Status Reported to Audit Committee	FINDINGS		
Ref	**Original Recommendation**	**Original Management Comment**	**Original Impl'n Date and Manager Responsible**		**Status**	**Comments / Implications / Recommendations**	**Updated Response**
3.4	**PROPERTY MAINTENANCE (7.12/13)**						
3.4.2	**Recommendation Revised** The Services should review the process to record and monitor if repairs are completed within the required timescales. This could then be utilised to determine whether job sheets have been provided and use this as a basis to approve payments for repairs conducted by contractors. (Medium)	Significant investment has been agreed by the Authority for an integrated Property Software Solution that will cover the RAG assessment of works. There is also an interim measure in place on orders. 10% checks of work are now formalised the sample will be increased only to the extent that it is cost effective to do so. A new system will enable job sheet timeframes to be captured and monitored.	31st December 2014 Property Services Manager	1	3	We were not provided with sufficient evidence at the time of review; and therefore we could not confirm that this has taken place. **Recommendation Restated.**	
	Follow Up 11/12 (8.11/12)						

2.5	FOLLOW UP (9.13/14)			Status Reported to Audit Committee	FINDINGS		
Ref	**Original Recommendation**	**Original Management Comment**	**Original Impl'n Date and Manager Responsible**		**Status**	**Comments / Implications / Recommendations**	**Updated Response**
3.5.1	**Recommendation Restated** Reporting should be undertaken using the system Dream to monitor ordering patterns that may be indicative of disaggregated ordering practice. It is recommended these be run twice a year, unless major issues are uncovered. **(Medium)**	None	30th June 2014 Purchasing and Supplies Manager	1	3	We were not provided with sufficient evidence at the time of review; and therefore we could not confirm that this has taken place. **Recommendation Restated**.	
	EMPLOYEE TAXES (2.12/13)						
3.5.2	**Recommendation Restated** In addition to the work already undertaken, Essex Fire Authority should continue to recover the excess Class 1A NIC from HMRC. As there is likely to be tax and NIC due to HMRC on the payments discussed in 3.7 any overpayment can be set off against these sums. **(Medium)**	None	30th September 2014 Deputy Director of Finance	1	3	We were not provided with sufficient evidence at the time of review; and therefore we could not confirm that this has taken place. **Recommendation Restated.**	

Appendix A: Definitions for Progress Made

The following opinions are given on the progress made in implementing recommendations.

This opinion relates solely to the implementation of those recommendations followed up and not does not reflect an opinion on the entire control environment.

Progress in implementing recommendations	Overall number of recommendations fully implemented	Consideration of high recommendations	Consideration of medium recommendations	Consideration of low recommendations
Good	75% +	None outstanding	None outstanding	All low recommendations outstanding are in the process of being implemented
Reasonable	51 – 75%	None outstanding	75% of medium recommendations made are in the process of being implemented	75% of low recommendations made are in the process of being implemented
Little	30 – 50%	All high recommendations outstanding are in the process of being implemented	50% of medium recommendations made are in the process of being implemented	50% of low recommendations made are in the process of being implemented
Poor	< 30%	Unsatisfactory progress has been made to implement high recommendations	Unsatisfactory progress has been made to implement medium recommendations	Unsatisfactory progress has been made to implement low recommendations