

**NON-CONFIDENTIAL REPORT**

**EAST SUSSEX FIRE AND RESCUE SERVICE**

**Agenda Item No.**

**Meeting** Scrutiny & Audit Panel

**Date** 21 July 2022

**Title of Report** Internal Audit Annual Report and Opinion for the period 1 April 2021 to 31 March 2022

**By** Assistant Director Resources / Treasurer

**Lead Officer** Russell Banks, Orbis Chief Internal Auditor / Paul Fielding, Principal Auditor

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**Background Papers** Scrutiny & Audit Panel 29 April 2021 - Item 54 Internal Audit Strategy and Annual Audit Plan 2021-22

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**Appendices** 1. Annual Internal Audit Report and Opinion 2021/22

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**Implications (please tick ✓ and attach to report)**

*Any implications affecting this report should be noted within the final paragraphs of the report*

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|---|---|-------------------------------|--|
| <b>CORPORATE RISK</b>   | ✓ | <b>LEGAL</b>                  |  |
| <b>ENVIRONMENTAL</b>  |   | <b>POLICY</b>                 |  |
| <b>FINANCIAL</b>  |   | <b>POLITICAL</b>              |  |
| <b>HEALTH &amp; SAFETY</b>  |   | <b>OTHER (please specify)</b> |  |
| <b>HUMAN RESOURCES</b>  |   | <b>CORE BRIEF</b>             |  |
| <b>EQUALITY IMPACT ASSESSMENT</b> <i>For reports requiring an EIA, the appropriate template can be accessed in Word, via the Templates Key within the Shared tab or via this link <a href="file:///j:\msoffice\Templates\Shared\14_04%20Equality%20Impact%20Assessment.dot">file:///j:\msoffice\Templates\Shared\14_04%20Equality%20Impact%20Assessment.dot</a></i> |   |                               |  |

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**PURPOSE OF REPORT** To provide an Opinion on East Sussex Fire Authority's internal control environment and report on the work of Internal Audit for the period 1 April 2021 to 31 March 2022.

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**EXECUTIVE SUMMARY** On the basis of the audit work completed, the Orbis Chief Internal Auditor, as East Sussex Fire Authority's (ESFA) Head of Internal Audit, is able to provide reasonable assurance that the Fire Authority has in place an adequate and effective framework of governance, risk management and internal control for the period 1 April 2021 to 31 March 2022.

Individual reports on the systems evaluated by internal audit included agreed actions to enhance controls and management have drawn up action plans to implement these.

SLT's attention is drawn to the following:

- The following reports received a partial assurance opinion:
  - ⇒ Surveillance Cameras (reported in full to Scrutiny & Audit Panel 12 May 2022)
  - ⇒ HR / Payroll (draft will be reported in full to Scrutiny & Audit Panel November 2022)
- No reports received a minimal assurance opinion
- Reviews of Capital Programme Management and HR / Payroll were still draft report stage at the time of writing this report
- Planned audits of SAP Change Readiness, Insurance Arrangements and Major Projects – Firewatch and CRM were deferred to future years due primarily to changes in project timelines
- An additional review of Firewatch Application Controls was commissioned at the request of the Firewatch Project Board
- Information on the Internal Audit Service's performance compliance with the Public Sector Internal Audit Standards (PSIAS).

All key performance indicators for the Internal Audit Service have been met or exceeded during the year with the exception of the target to deliver 90% of the audit plan.

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## RECOMMENDATION

The Panel is recommended to:

- (i) note the Head of Internal Audit's opinion on the Fire Authority's internal control environment for 2021/22;
- (ii) Note that the review of HR / Payroll will be reported in full to the next meeting of this Panel;
- (iii) consider whether the Fire Authority's system for internal audit has proved effective during 2021/22

**EAST SUSSEX FIRE & RESCUE SERVICE**

**INTERNAL AUDIT ANNUAL REPORT AND  
OPINION 2021-2022**



**East Sussex**  
Fire & Rescue Service

## 1. Introduction

- 1.1 Orbis Internal Audit has provided the internal audit service to East Sussex Fire and Rescue Service (ESFRS) since 1 April 1997 and we are pleased to submit this annual report of our work for the year ended 31 March 2022. The purpose of this report is to give an opinion on the adequacy and effectiveness of the Fire Service's framework of internal control.

## 2. Internal Audit within East Sussex Fire & Rescue Service

- 2.1. On behalf of the Fire Service, it is a management responsibility to determine the extent of internal control in the Fire Service's systems, and it should not depend on internal audit as a substitute for effective controls.
- 2.2. The role of internal audit is to provide independent assurance that an organisation's risk management, governance and internal control processes are operating effectively.
- 2.3. Most of the work carried out by internal audit is in the form of risk-based audits which analyse and report upon the existence, operation, and effectiveness of internal controls within specified systems, both financial and otherwise. Where appropriate, all audit reports produced have included a management action plan where actions are agreed to enhance the level of control, together with an opinion on the systems reviewed.

## 3. Delivery of the Internal Audit Plan

- 3.1. In accordance with the 2021/22 annual audit plan, a programme of audits, based on an assessment of risk, was carried out across the Fire Service. As a result of internal resource pressures within the Fire Service and major projects both internally and at East Sussex County Council (see 'SAP Change Readiness' below), not progressing within timescales initially anticipated, several jobs from the audit plan were either postponed or cancelled in agreement with the Assistant Director, Resources and Treasurer and the Senior Leadership Team.
- 3.2. The following adjustments were made to the annual audit plan:
- SAP Change Readiness – this audit was to support/provide assurance to the Fire Service in relation to the project to change the Fire Service's Enterprise Resource Planning software (SAP); this project is being led by East Sussex County Council. This has been deferred to 2022/23 in line with the projects planned timescales.
  - Insurance Arrangements – this has been postponed due to delays in being able to recruit to the Risk & Insurance Officer post and a number of improvement actions within the Service that are currently underway.
  - Major Projects – FireWatch and CRM – this has been postponed due to delays in the project delivery and it was felt it would be better to review from a benefits realisation perspective once both projects are completed.

- FireWatch Application Control – this audit was added to the audit plan to provide assurance over the proposed changes to the FireWatch application as part of the wider FireWatch project.
  - Advice in relation to a whistleblowing complaint.
- 3.3. While the number of audits either postponed or cancelled resulted in a reduction of audit days provided from the originally agreed 2021/22 annual audit plan (79 days), we feel that the revised audit plan provided sufficient coverage to provide an opinion without any limitations.
- 3.4. The terms of reference, approach and audit objectives for each audit assignment have been discussed and agreed with the Assistant Director of Resources and Treasurer and other relevant senior officers, to whom internal audit reports are issued for consideration in the first instance, prior to wider consultation and consideration.

#### 4. Audit Opinion

- 4.1. **No assurance can ever be absolute; however, based on the internal audit work completed, I can provide reasonable assurance<sup>1</sup> that East Sussex Fire & Rescue Service has in place an adequate and effective framework of governance, risk management and internal control for the period 1 April 2021 to 31 March 2022.**

Russell Banks, Orbis Chief Internal Auditor

- 4.2. Where improvements to control or compliance are required, we are satisfied that appropriate action has been agreed by the relevant managers to ensure these improvements are made within reasonable timescales. The overall level of assurance given also takes into account:
- All audit work completed during 2021/22, planned and unplanned;
  - Management's response to audit findings;
  - Ongoing advice and liaison with management;
  - Effects of significant changes in the Fire Service's systems;
  - The extent of resources available to deliver the audit plan;
  - Quality of the internal audit service's performance.

- 4.3. While the full audit plan has not been completed, no limitations were placed on the scope of internal audit during 2021/22.

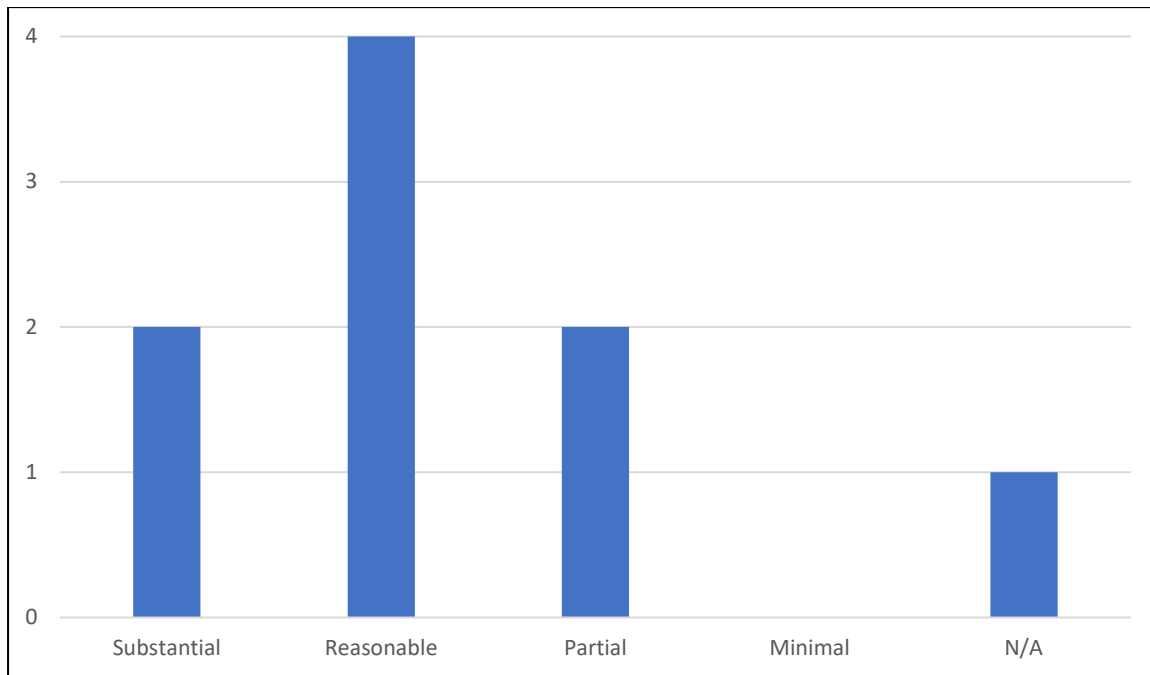
#### 5. Summary of Work and Key Findings

- 5.1. The following chart provides a summary of the outcomes from all audits completed to draft report stage during 2021/22 with standard audit opinions (including key

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<sup>1</sup> This opinion is based on the activities set out in paragraph 4.2. It is therefore important to emphasise that it is not possible or practicable to audit all activities of the Fire Service within a single year.

financial system work). An explanation of our assurance levels can be found in Appendix C below. Those audits in the below graph with the category 'N/A', apply to audit reviews where advice/assurance has been provided.



5.2. A summary of the main findings from completed reviews is included at Appendix A. Overall, the majority of audit opinions issued in the year were generally positive.

5.3. As per the above graph, there have been two partial assurance opinions issued during the year. These related to the audits of Surveillance Cameras and HR/Payroll. An action plan has been agreed for the former and is under discussion for the latter and we are satisfied that management are taking appropriate action to address the findings of these reviews. Follow-up audits will be undertaken in these areas during 2022/23 to assess the extent to which the agreed actions have been implemented.

## 6. Performance

6.1. It is the Fire Service's responsibility to maintain an effective internal audit service and the information set out below should provide a sufficient basis for making this determination.

6.2. Public Sector Internal Audit Standards (PSIAS) require the internal audit service to be reviewed annually against the Standards, supplemented with a full and independent external assessment at least every five years. The following paragraphs provide a summary of our performance during 2021/22, including the results of our most recent PSIAS independent external assessment, along with the year end results against our agreed targets.

## PSIAS

6.3. The Standards cover the following aspects of internal audit, all of which were independently assessed during 2018 by the South West Audit Partnership (SWAP) and subject to a refreshed self-assessment in 2021:

- Purpose, authority and responsibility;
- Independence and objectivity;
- Proficiency and due professional care;
- Quality assurance and improvement programme;
- Managing the internal audit activity;
- Nature of work;
- Engagement planning;
- Performing the engagement;
- Communicating results;
- Monitoring progress;
- Communicating the acceptance of risks.

6.4. The results of the SWAP review and our latest self-assessment found a high level of conformance with the Standards with only a small number of minor areas for improvement. Work has taken place to address these issues, none of which were considered significant, and these are subject to ongoing monitoring as part of our quality assurance and improvement plan.

## Key Service Targets

6.5. Results against our previously agreed service targets are set out in Appendix B, with a high level of overall performance. Due to operational pressures at both East Sussex Fire & Rescue Service and East Sussex County Council, the target of 90% of the audit plan completed to draft report stage by 31 March 2022 was not achieved, with a figure of 83.3% being completed. However, all audits have now been completed to at least draft report stage.

**SUMMARY OF INTERNAL AUDIT FINDINGS**  
**For the period of 1 April 2021 to 31 March 2022**

**Reporting to Fire Service Management and the Scrutiny and Audit Panel**

Where required, representatives from Internal Audit have attended Scrutiny and Audit Panel meetings and offered advice and assistance to management throughout the year. This includes regular liaison meetings with the Assistant Director of Resources and Treasurer and attendance at the Senior Leadership Team, along with the production of the annual report and opinion and annual strategy and audit plan for presentation to the Scrutiny and Audit Panel. Internal Audit has also met separately with the Chair of the Scrutiny and Audit Panel to discuss the Internal Audit Strategy and Plan.

**Audit of Key Financial Systems**

The Fire Service uses the main financial systems of East Sussex County Council. On a cyclical basis, we review the key controls within these systems as part of our programme of key financial system audits.

**Accounts Receivable**

The purpose of this audit was to provide assurance that controls are in place and operating effectively to ensure that:

- All income generating activities are identified and accurately raised to customers.
- A Customer account maintenance process is in place and operating effectively.
- Amendments to invoices are correct and authorised.
- Collection and debt recovery is managed efficiently and effectively, and resources are focused on areas of priority debt.
- Write-offs are processed accurately and correctly authorised.
- Payments are received and recorded against the correct debtor account in a timely manner.
- Reconciliations between the debtors system and the General Ledger are undertaken on a regular basis.

In completing our work, we were able to provide an opinion of **reasonable assurance** over the controls in place and no material processing errors were identified. We found that:

- The Accounts Receivable system was well controlled with invoices raised with a high-level of accuracy, and supported by adequate invoice requests;
- The creation and amendment of new customers is completed in line with the expected procedure, with segregation of duties enforced and appropriate approval controls in place; and
- The collection and recovery of debt is well managed. Suitable processes are in place to identify aged debts, with appropriate steps taken to recover overdue debts from customers.



In addition to the above areas of good practice, we found some opportunities to further improve the control environment, including that:

- A robust process is put in place to ensure that Finance are duly notified in the event that the Fire Service undertake a call in relation to a special service, to allow for an invoice to be raised; and
- An income collection manual note for the Fire Service is documented, which will provide guidance to officers in relation to financial procedures such as timeliness of invoices being raised, what constitutes proof of debt and payment methodologies (e.g. residual payments/instalments).

A formal action plan to address these areas was agreed with management.

### **HR/Payroll (currently at draft report)**

The purpose of this audit was to provide assurance that controls are in place and operating effectively to ensure that:

- Starters are properly approved, and pay is calculated and paid from the correct dates;
- Leavers are removed from the Payroll in a timely manner and paid correctly and accurately to the correct dates;
- Permanent variations to pay (including additional availability allowances / additional responsibility allowances) are properly approved, calculated and paid from the correct dates;
- Pay runs and BACS transmissions are correct and authorised;
- Payroll data is regularly reconciled to the General Ledger;
- Reconciliations of salary payments take place to ensure that employees are paid correctly;
- Temporary payments (including additional hours, expense claims and payment to casual staff) are correctly authorised prior to processing;
- Changes to data, including those processed through personnel change forms, are reviewed, accurately input, coded and authorised; and
- Overpayments are identified and recovered in a timely manner.

Overall, we found several issues in relation to compliance with processes and were only able to provide an opinion of **partial assurance** as a result.

Areas where weaknesses have been identified included:

- New starter records have not been appropriately maintained with evidence found to highlight a lack of sufficient records for new starters right to work, as well fitness to work, not being recorded within personnel files.
- Evidence of new starters being set up incorrectly within the HR/Payroll system, with a start date input which preceded the actual start date for the employee. Rather than correcting the input errors, manual 'workarounds' were initiated which involved putting

the member of staff onto unpaid leave within the payroll system to prevent an overpayment.

- Further evidence of incorrect entries onto the payroll system were identified in relation to changes in pay and position. Temporary adjustments were being processed as permanent, which increases the risk of overpayments being made when the member of staff reverts to their substantive post.
- The process for monitoring and recovery of overpayments requires improvement. Differing records of the total value and number of overpayments are being reported by different teams within the Fire Service, thus reducing oversight and impacting the ability to ensure full recovery.

Despite the weaknesses identified, there were, however, several areas where evidence was seen of effective control, including:

- There are appropriate separation of duties in place during the recruitment and onboarding process, to reduce the risk of fraud or error.
- There is a clearly defined leavers' process in place, with a sample demonstrating that leavers are removed from the payroll in a timely manner following the end of their employment.
- There are appropriate processes in place for making changes to standing payroll data, with a secondary check and separation of duties in place.
- BACS transmissions are run correctly and authorised appropriately.

Actions to address all the issues raised are currently being agreed with management as part of a comprehensive management action plan. A formal follow-up review will take place as part of the 2022/23 audit plan to assess the extent to which the agreed actions have been implemented.

### **Management of Capital Programme (currently at draft report)**

ESFRS operates a Medium-Term Financial Plan (MTFP) which outlines the strategy and expectations for a 5-year period. The capital programme represents anticipated capital financing requirements and expenditure over this period. The programme requires specific approval by the Fire Authority; in conjunction with the annual revenue budget, and it outlines the expenditure and the sources of funding. The ESFRS capital programme for 2019/20 to 2024/25 forecast a total of £29.163m capital investment, with £6.767m planned for 2021/22.

The purpose of the audit was to provide assurance that controls are in place to meet the following objectives:

- The Capital programme, strategy and plan have been formally documented, approved by Members and meets the priorities of the Council.
- The capital programme is affordable and capital financing is compliant with the requirements of the Prudential Code (CIPFA 2017)

- The capital programme monitoring arrangements are effective and timely in delivering stated outcomes.
- All funding due from the 3rd parties and capital grant providers is drawn down in a timely manner and the conditions of the grant provider are met.
- Capital receipts are received in a timely manner
- Capital activity is accurately reflected in the financial accounts.

In completing our work, we were able to provide an opinion of **substantial assurance** over the controls in place. We found that:

- The capital programme has been documented by the service and approved by members as part of budget papers; a copy has also been made available externally on the service's website. This, alongside the governance arrangements observed, were found to fall in line with the CIPFA Prudential Code.
- Timely updates on the content and financial aspects of the capital programme are provided to the Senior Leadership Team (SLT) and Policy & Resources Committee, allowing it to be subject to regular monitoring and challenge. Individual projects are reviewed by the strategic change board, SLT (quarterly), Operations Committee, and Estates Strategy Delivery board.
- Funding of the projects within the capital programme is identified by management through the planning process for the capital programme and reviewed/approved by SLT where applicable. Ongoing funding is also monitored through the monitoring reports and the Fire Service's budget monitoring processes.
- Processes are in place to support expenditure and receipts being assigned correctly. A clear definition in the statement of accounts as to what can be considered capital expenditure/income that also states the de minimis level for capitalisation. Alongside this, specific capital project codes are used for capital related expenditure, with receipts assigned to an asset before settling in the capital reserve.

Some low risk issues were identified as part of this audit, with a formal action plan to address these currently in discussion with management.

### **Prevention & Protection Strategy**

The ESFRS Prevention and Protection Strategy (2021-2026) seeks to address the improvements required as identified with Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) inspection outcome report following the 2019 inspection. The strategy provides an approach and framework to Prevention and Protection and supports the Integrated Risk Management Plan (IRMP) with its action plans linked to the Corporate Plan. Through Prevention and Protection activities, ESFRS aim to identify the highest risk people and premises and provide an appropriate response to reduce the risk to employees and the community, to the lowest level practicable.

The purpose of the audit was to provide assurance that controls are in place to meet the following objectives:

- Performance against the Prevention & Protection Strategy is quantifiably measured to ensure success and progress is maintained in line with strategic plans;
- Resources are allocated effectively to ensure that the highest risk areas are targeted appropriately;
- Vulnerable residents are identified at the earliest opportunity to ensure that interventions can take place to mitigate fire risk; and
- All intervention is evaluated to ensure that effective application takes place in line with the Prevention & Protection Strategy.

Overall, we were able to provide an opinion of **reasonable assurance**. We found that:

- A comprehensive thematic Prevention & Protection action plan, broadly aligned to the strategy's themes, was in place. This action plan was subject to tracking and monitoring and captured progress on the implementation of the overarching strategy.
- The new Risk Based Inspection Programme (RBIP) provides a more sophisticated and nuanced approach which will help lead to additional high-risk premises being assessed and appropriate interventions undertaken.
- Positive outputs of the new strategy were already being realised. The protection led workstream aimed at reducing the frequency and impact of unnecessary emergency responses (strategic theme 5), through increased awareness and engagement with key responsible stakeholders within the commercial sector, has allowed for the new response plans to take effect from April 2022.

Some areas for improvement were, however, identified, including the need to ensure that:

- All themes within the new Prevention & Protection Strategy are included as part of action plans; and
- The initiatives library in use within the Fire Service for Prevention and Protection activities is better utilised to allow opportunity for resources to develop and evolve through the feedback process.

Where weaknesses have been identified, a formal action plan to address these areas was agreed with management.

### **Post-Brexit Supply Chain Management**

The Brexit withdrawal agreement took effect on 31st January 2020 and provided a transition period until 31st December 2020, during which time the UK remained in the European Union (EU) single market. Following this transition period, it is important that organisations within the UK, including East Sussex Fire & Rescue Service, have robust supply chains in place in the event that they have been negatively impacted as a result of no longer being a member of the EU single market.

The purpose of this audit was to provide assurance that the Fire Service had robust and suitable supply chains in place, including arrangements for sufficient awareness of the

markets in which they operate, identifying key areas of risk across their supply chains and the Fire Service's resilience planning in the event a supply chain was to fail.

Overall, we were able to provide an opinion of **substantial assurance**. We found that:

- Appropriate processes are in place to ensure that procurement exercises have complied with relevant strategies and policies prior to their let. Evaluation exercises take place, which document the steps taken throughout the tender, any relevant decisions made and how they have complied with relevant procurement legislation, including EU/Post-Brexit requirements.
- Regular analysis of key commodities and suppliers have been taking place in the lead up to, and following, the post-Brexit transition period. This analysis has considered the overall resilience of the Fire Service, as well the potential impact from financial and business as usual perspectives. Procurement have been able to develop this analysis through a combination of consulting and involving key commodity leads and regular monitoring of market intelligence.
- Suitable business continuity arrangements are in place to mitigate the effects of a supply chain failure. The Procurement business continuity plan identifies a loss of a key supplier or service as one of the key risks for delivery and documents the necessary actions that would need to be taken in the event of a supply chain failure. In practice, Procurement and commodity leads have already enacted some mitigations to reduce the overall risk to the organisation, including a move away from a 'just in time' approach and, instead, looking to continually maintain suitable stock levels of key commodities.

### **Customer Service Management**

This review looked to assess the current arrangements in place over the customer service management process, including the handling of feedback, comments, suggestions, and complaints from a number of sources, such as post-fire reviews, business and home fire safety interactions, educational visits and social media interactions. In relation to the handling of complaints, we aimed to provide assurance over the controls in place to ensure complaints are dealt with in a timely manner and that relevant data is recorded and used for monitoring and performance improvement purposes. This included providing assurance that controls are in place to meet the following objectives:

- Comments, complaints and feedback are handled by an appropriate, independent, officer, reducing the risk of actual or perceived conflicts of interest materialising.
- The service responds to complaints within the pre-defined timescales, reducing the risk of further complaints or the involvement of the Local Government Ombudsman.
- There are sufficient processes in place to solicit, capture, record and report upon feedback and comments, enabling the Service to learn and improve its service and avoid repeating mistakes.
- Officers comply with appropriate legislation and organisational policy in relation to complaints and feedback, thus reducing the risk of unsuitable outcomes, reputational damage and regulatory fines.

In providing an opinion of **reasonable assurance**, we found that there are robust processes in place to collect feedback, including post incident surveys sent to selected members of the public following an incident attended by the Fire Service. There are appropriate governance arrangements with a single officer accountable for complaints and feedback within the service to provide oversight. Information in relation to feedback and complaints is easily accessible for members of the public, with a number of channels available including email, writing and telephone in order to share their views with the service or make a complaint.

In addition to the above areas of good practice, however, we identified some areas where controls could be further improved. In particular, through ensuring that:

- Training for officers with an involvement in the complaint investigation is refreshed, due to not being provided recently and potentially not reflecting current best practice. In addition to this, the Complaints Handling Manual Note is outdated, reducing its accuracy as a reference document during investigations.
- Processes are put in place to safeguard against potential conflicts of interest within the complaints handling process.

Actions to address all of the issues raised have been agreed with management as part of a comprehensive management action plan.

### **Surveillance Cameras**

The Protection of Freedoms Act 2012 (PoFA) introduced the regulation of public space surveillance cameras in England and Wales. As a result, a surveillance camera code of practice (SC Code) was issued by the Secretary of State through the Surveillance Camera Commissioner (now referred to as the Biometrics and Surveillance Camera Commissioner) to ensure that the use of cameras in public places is regulated and only used in pursuit of a specified purpose. Whilst the PoFA and SC Code are not specifically targeted at Fire and Rescue Services (rather, local authorities and the police are the focus), the code acknowledges that “many surveillance camera systems are operated by...other public authorities”, which are encouraged to adopt the code voluntarily. Therefore, the SC Code was used as an example of best practice for the purposes of this audit.

The objective of this audit was to review the effectiveness of the controls with regards to the deployment of surveillance camera systems in public spaces (including those on vehicles) and that any personal information captured is managed in accordance with data protection legislation. This was achieved through providing assurance that controls are in place to meet the following objectives:

- Deployment of surveillance camera systems in public spaces is effective, proportionate and transparent.
- The use of new and existing surveillance camera systems, and the handling and storage of any resulting data or images, complies with the Surveillance Camera Commissioner’s code of practice and meets the requirements of the Authority’s insurers.
- Personal information captured from surveillance camera systems is managed in accordance with the requirements of GDPR and the Data Protection Act.

Overall, we found a number of control weaknesses and were only able to provide an opinion of **partial assurance** as a result.

The governance arrangements surrounding surveillance cameras were found to be weak. There was no nominated single point of contact in relation to surveillance cameras, with responsibility being divided across service areas such as Engineering and Estates. Additionally, these roles and responsibilities were not formalised, with no policies or procedures currently in place around surveillance cameras.

This lack of policies and procedures also meant that there is no documentation covering important information such as retention periods of images and third-party access to images, to help ensure these are approached consistently and in line with the SC Code.

Statements (as required by the SC Code) in relation to the need for surveillance camera systems were found to be poor. In some instances, no such documentation (such as a Data Privacy Impact Assessment) setting out the objective of the system and legal bases for its deployment, was found. In other cases, documentation was outdated or incomplete. It was also noted that on vehicles with cameras, and at some buildings, no signage was present to advise individuals that CCTV is in place. Without this, individuals may not be aware they are being monitored, and cannot consent to this due to lack of transparency. Additionally, whilst a privacy policy is available to the public on the ESFRS website, this makes only brief reference to surveillance camera images, without in-depth information as to how these are used.

Over the course of this audit positive steps were taken towards implementing records of camera systems and individual cameras, with the development of records for both those on buildings and vehicles. This allows for easier facilitation of reviews of cameras and compliance with the Surveillance Camera Code of Practice going forward.

Actions to address all of the issues raised have been agreed with management as part of a comprehensive management action plan. A formal follow-up review will take place as part of the 2022/23 audit plan to assess the extent to which the agreed actions have been implemented.

### **FireWatch – Application Control**

FireWatch is a human resources Enterprise Resource Planning (ERP) system designed to support resource planning, response and prevention. It can also be utilised to manage assets and fleet and crucially is interfaced with the Capita Vision mobilising system. The Service began a phased implementation of FireWatch in 2012/13 and is currently in the process of implementing the self-service module and has also recently gone live with the Retained Pay Module.

The purpose of the audit was to provide assurance that controls are in place to meet the following objectives:

- System access is restricted to appropriately authorised individuals and the permissions provided to those users are in line with job functions.
- Data processed through interfaces is authorised, accurate, complete, securely processed and written to the appropriate file.
- Outputs produced by the system are complete, accurate, reliable, distributed on time and with confidentiality where appropriate.
- System updates and enhancements are performed in a consistent manner and subject to sufficient testing and authorisation before implementation.
- Appropriate support arrangements are in place to manage changes within the system.

In providing an opinion of **reasonable assurance**, we found that permissions within the system are assigned to users based upon Security Groups linked to their role within the Fire Service; where users would require additional permissions, over and above what would typically be needed, processes would deem that this request is subject to review and approval by the System Administrator. There are robust controls in place for changes made to the system; system developments were found to be subject to appropriate approval and sign-off, with the System Administrator being responsible for making the changes to the system. Suitable processes are in place for implementing system updates. The implementation is managed by the Fire Service's IT partner, Telent, with any testing of updates/patches handled by ESFRS.

In addition to the above areas of good practice, however, we identified some areas where controls could be further improved. In particular, through ensuring that:

- The System Administrator role within the system is developed to allow additional users access to the role in order to prevent a single point of failure, given that FireWatch is a 'mission critical' system; and
- Further strengthening access controls to the FireWatch system as part of system development roadmap.

Actions to address all of the issues raised have been agreed with management as part of a comprehensive management action plan.

### **Counter Fraud Training**

In order to support the overall control environment, we delivered two separate sessions on Fraud Awareness to around 100 officers across the Fire Service.

The bespoke training sessions covered officers understanding of fraud, their role in both preventing and detecting fraud, accompanied by real-life case studies, and how fraud can be reported. Both interactive sessions were well attended and received positive feedback from those officers in attendance.



## SUMMARY OF PERFORMANCE INDICATORS FOR 2021/22

| Aspect of Service                      | Orbis IA Performance Indicator  | Target        | RAG Score | Actual Performance   |
|--|---|---------------|-----------|--|
| Quality                                | Annual Audit Plan agreed by Scrutiny and Audit Panel  | June          | <b>G</b>  | 2021/22 Annual Audit Plan approved by Scrutiny and Audit Panel on 29 April 2021          |
|  | Annual Audit Report and Opinion   | July          | <b>G</b>  | 2020/21 Annual Report and Opinion approved by Scrutiny and Audit Panel on 22 July 2021   |
|  | Customer Satisfaction Levels  | 90% satisfied | <b>G</b>  | 100%   |
| Productivity and Process Efficiency    | Audit plan – completion to draft report stage by 31 March 2022  | 90%           | <b>A</b>  | 83.3% of revised plan to draft report stage  |
| Compliance with Professional Standards | Public Sector Internal Audit Standards  | Conforms      | <b>G</b>  | Highest available level of conformance confirmed through independent external assessment |
|  | Relevant legislation such as the Police and Criminal Evidence Act, Criminal Procedures and Investigations Act | Conforms      | <b>G</b>  | No evidence of non-compliance identified   |
| Outcomes and degree of influence       | Agreement to audit findings   | 95%           | <b>G</b>  | 100%   |
| Our staff                              | Professional Qualified/Accredited   | 80%           | <b>G</b>  | 91%  |

**Internal Audit Assurance Levels:**

**Substantial Assurance:** Controls are in place and are operating as expected to manage key risks to the achievement of system or service objectives.

**Reasonable Assurance:** Most controls are in place and are operating as expected to manage key risks to the achievement of system or service objectives.

**Partial Assurance:** There are weaknesses in the system of control and/or the level of non-compliance is such as to put the achievement of the system or service objectives at risk.

**Minimal Assurance:** Controls are generally weak or non-existent, leaving the system open to the risk of significant error or fraud. There is a high risk to the ability of the system/service to meet its objectives.