



ROYAL BERKSHIRE FIRE AUTHORITY

Internal Audit Progress Report

Audit and Governance Committee

28 September 2016

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1 INTRODUCTION

The internal audit plan for 2016/17 was approved by the Audit and Governance Committee in March 2016. This report provides a summary update on progress against that plan and details on upcoming audits.

We have issued one final report since the previous meeting relating to the following area:

- Emergency Services Mobile Communications Project Part 1

2 REPORTS CONSIDERED AT THIS AUDIT AND GOVERNANCE COMMITTEE

This table below informs the committee of the audit assignments that have been completed and the impacts of those findings since the last Audit and Governance Committee held. The Executive Summary and Key Findings of the assignments below are attached to this progress report.

The audit shown in bold below have been finalised since the previous meeting.

Assignments	Status	Opinion issued	Actions agreed		
			H	M	L
Emergency Services Mobile Communication Project Part 1	FINAL		-	-	5

2.1 Impact of findings to date

The Audit and Governance Committee should note that the assurances given in our audit assignments are included within our Annual Assurance report. In particular the Audit and Governance Committee should note that any negative assurance opinions will need to be noted in the annual report and may result in a qualified or negative annual opinion.

No common weaknesses have been identified within our reports so far for 2016/17. We have issued one final report to date which provided reasonable assurance and this will not therefore impact negatively on the Head of Internal Audit opinion.

Internal Audit Plan 2016/17 - Change Control:

Management have requested to delay the start of a number of the audits due to operational reasons. Management have also advised that the Emergency Services Mobile Communication Project Part 2 Follow Up review, originally scheduled for February 2017, is likely to be too early to add any value. This review is therefore likely to be pushed back into the 2017/18 plan.

3 LOOKING AHEAD - 2016/17

Assignment area	Timing per approved IA plan 2016/17	Status	Target Audit and Governance Committee per the IA Plan 2016/17
Sickness Absence Management	August 2016	Audit deferred to November 2016 at the request of Senior Management	Original September 2016 Revised date: December 2016
IT Systems	October 2016	Audit dates confirmed. Audit to commence 19/10/16	December 2016
Fire-fighter Pension Administration	October 2016	Audit dates with client for confirmation (17/10/16 proposed)	December 2016
Review of RMP Consultation	September 2016	Audit dates confirmed. Commences 12/09/16	December 2016
Risk Management and Governance	December 2016	Audit dates confirmed, Commences 12/12/16	March 2017
Key Financial Systems	January 2017	Audit dates with client for confirmation	March 2017
Emergency Services Mobile Communication Project Part 2 Follow Up	February 2017	Audit dates to be confirmed	March 2017
Leadership	TBC		TBC
Call off audit 1 – scope / area of focus TBC	TBC		TBC
Call off audit 2 – scope / area of focus TBC	TBC		TBC
Follow up			Throughout the Year

4 OTHER MATTERS

4.1 Information and briefings

We have issued one client briefings since the last Audit and Governance Committee which are also available for members.

- Emergency Services New Briefing – September

Published on 12 September 2016, this included briefings on the following topics:

- Police numbers and crime figures
- Proceeds of crime
- Police diversity
- Hate crime action plan
- What next for Fire reform?
- Fire and rescue national framework
- Joint Emergency Services Interoperability Principles
- Policing and Crime Bill update

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EMERGENCY SERVICES MOBILE COMMUNICATIONS PROJECT - EXECUTIVE SUMMARY

1.1 Background

Royal Berkshire Fire and Rescue Service (RBFRS) are in the early stages of a national project to update their mobile communications. The new Emergency Services Mobile Communication Project (ESMCP) is due to start the transition period nationally in January 2018 (which is when RBFRS are also due to be ready to start the transition), and the aim is for RBFRS to complete the transition by January 2019.

The new system will be based on the mobile telephony networks and will replace the current Airwaves system, which has been in operation nationally since 2000. One of the key drivers for change is cost, and the current system which is subsidised by the Government was deemed by the Department for Communities and Local Government to not be cost effective, as a result an alternative method was looked into.

The project commenced at RBFRS in May 2016 where a paper was presented to the Corporate Management Team (CMT), however due to issues outside of the control of RBFRS progress has been slow and there have already been slippages at a national level, which have been communicated to the Audit and Governance Committee. However, in anticipation of the slippages, an agreement has been reached with Airwaves to extend the current agreement with them into 2019, should the current project not be up and running by the end of 2018.

It was noted that currently a budget has not been agreed for the project internally, as the expenditure in relation to the project has not yet been quantified due to a lack of information and costings. The Area Manager - Head of Response has been assured that funding will be made available for the project internally.

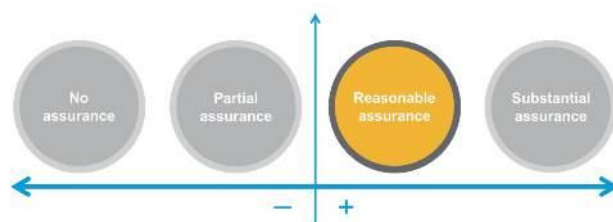
It should be noted that at the time of the audit, the project is still in its infancy, and based on guidance by the Department for Communities and Local Government and through national boards, RBFRS have put in place systems and processes to manage project risks to date. A further review of progress, to be conducted by RSM, is planned for Q4 2016/17.

1.2 Conclusion

Internal Audit Opinion:

Taking account of the issues identified, the Authority can take reasonable assurance that the controls upon which the organisation relies to manage this area are suitably designed, consistently applied.

However, we have identified issues that need to be addressed in order to ensure that the control framework is effective in managing this area.



1.3 Key findings

The key findings from this review are as follows:

We have identified five 'Low' priority issues requiring management actions, which can be found in sections 2 and 3. We also identified the following examples of sound design and application of and compliance with the control framework in operation:

- Roles and responsibilities in relation to the project have been defined within the Project Initiation Document (PID), which includes group membership, reporting structures and time frames. The project sponsor is ultimately the Chief Fire Officer, who confirmed RBFRS will be involved in the project to the Home Office. The Project Manager is the Area Manager - Head of Response.
- RBFRS have recognised that additional resources are required to ensure that the project continues to run to timetable, as a result the amount of time spent by the Project Co-ordinator has increased formally.
- A number of project committees have been set up internally and externally and work to an approved Terms of Reference. We reviewed the Terms of References, and confirmed they were in place and had been discharged for:
 - Integrated Risk Management Programme Board (IRMP),
 - South East Region Programme Board,
 - ESMCP South Central Control Lead Thames Valley and Hampshire; and
 - Internal Project Programme Group (Met once, ToR to be finalised).

Each region have been assigned a task, of which RBFRS have been assigned the lead for Thames Valley Control Services.

- A Project Management Tracker document has been developed which contains: Project Plan (developed from Home Office plans), Actions, Questions, Risks, Risk scoring matrix, Issues, Dependencies / Assumptions, Decisions and upcoming annual leave (key staff). We confirmed that the tracker document contained all key areas expected, and is subject to periodic review and update (except for the two weeks the co-ordinator was on leave, and an action has been raised in relation to this). The document is reviewed periodically by Senior Management.
- No financial payments in relation to the project have yet been paid, however we were advised that all payments will be made in line with the Service's Financial Regulations and Scheme of Delegation.
- A project risk register has been developed which mirrors the Corporate risk register, with action owners and review dates, which are subject to periodic review. It was noted that the new register has not yet been incorporated into the project tracker document, and a low priority management action has been agreed with regards to this.
- Periodic project related meetings take place, including the committees noted above and the Senior Management of RBFRS. We confirmed through review of agendas, reports and actions, that periodic updates of the project are provided accordingly and that the committees were discharging their responsibilities under the respective terms of reference. Where actions are developed, these are followed up at the following meeting, with a log of all actions maintained.
- Business Continuity arrangements for the current Airwaves system are in place and documented, however whilst it is implied that were there to be significant slippages the Airwaves agreement will be extended, this has not been formally documented.

1.4 Additional information to support our conclusion

Area	Control design*	Compliance with controls*	Agreed actions		
			Low	Medium	High
A Project Initiation Document (PID) has been developed highlighting the benefits of the ESMCP to the authority. This has been subject to review and approval and evidence of this has been retained.	0 (1)	1 (1)	1	0	0
Roles and responsibilities, including a project sponsor and project manager have been clearly defined to ensure sufficient resource, at the appropriate level, has been allocated to the project.	0 (2)	1 (2)	1	0	0
Clear project plans have been developed and have been subject to appropriate approval. All project plan deviations are subject to review and approval and are clearly communicated to the project team and Senior Management.	0 (2)	2 (2)	2	0	0
Business continuity arrangements have been developed and agreed, to be implemented in the event that the project does not go live in line with the agreed deadlines. These have been communicated to the project team.	1 (2)	0 (2)	1	0	0
Total			5	0	0

* Shows the number of controls not adequately designed or not complied with. The number in brackets represents the total number of controls reviewed in this area.

1.5 Additional feedback

We have also identified innovation or good practice that Royal Berkshire Fire and Rescue Service may wish to consider:

Good practice for further consideration

- It was noted that the Risk Management Policy does not require the risk register to document the current mitigating controls and movement in risk scores over a period of time. This was raised in RSM's review of Risk Management, and RBFRS are in the process of implementing these actions.

2 ACTION PLAN

Categorisation of internal audit findings

Priority	Definition
Low	There is scope for enhancing control or improving efficiency and quality.
Medium	Timely management attention is necessary. This is an internal control risk management issue that could lead to: Financial losses which could affect the effective function of a department, loss of controls or process being audited or possible reputational damage, negative publicity in local or regional media.
High	Immediate management attention is necessary. This is a serious internal control or risk management issue that may lead to: Substantial losses, violation of corporate strategies, policies or values, reputational damage, negative publicity in national or international media or adverse regulatory impact, such as loss of operating licences or material fines.

The table below sets out the actions agreed by management to address the findings:

Ref	Findings summary	Priority	Actions for management	Implementation date	Responsible owner
Area: A Project Initiation Document (PID) has been developed highlighting the benefits of the ESMCP to the authority. This has been subject to review and approval and evidence of this has been retained.					
1.1	The Project Initiation Document has not been formally approved by the Integrated Risk Management Programme Board.	Low	The PID will be presented to the IRMP Programme Board in September 2016 for their formal approval. The approval will be documented in the meeting minutes.	September 6 2016	Dave Myers
Area: Roles and responsibilities, including a project sponsor and project manager have been clearly defined to ensure sufficient resource, at the appropriate level, has been allocated to the project.					
2.1	The Terms of Reference for the Integrated Risk Management Programme Board are due for review.	Low	The ToR for the Integrated Risk Management Programme Board will be reviewed, updated and ratified appropriately.	September 6 2016	Simon Jefferies
Area: Clear project plans have been developed and have been subject to appropriate approval. All project plan deviations are subject to review and approval and are clearly communicated to the project team and Senior Management.					
3.1	At the time of the audit, due to annual leave, the project tracker document had not been maintained for a period of two weeks.	Low	A contingency process will be put in place, to ensure that where the Project Co-ordinator is absent for a period of time, another member of staff will be in a position to update the tracker document accordingly.	December 2016	Katie Mills

Ref	Findings summary	Priority	Actions for management	Implementation date	Responsible owner
			In the short term, any absence will be covered by fellow project team members following a briefing handover.		
3.2	The tracker document does not contain the latest risk register which complies with the Risk Management Policy, and one risk did not have a review / action date documented.	Low	<p>Whilst it was noted that risks are managed solely through the Corporate risk register, and included in the tracker for presentation.</p> <p>The project tracker will be updated with the new risk register format, and a review of action / review dates will be completed for all risks.</p>	October 2016	Angela Smith
<p>Area: Business continuity arrangements have been developed and agreed, to be implemented in the event that the project does not go live in line with the agreed deadlines. These have been communicated to the project team.</p>					
4.1	No formal, documented Project Business Continuity Plan is in place.	Low	The Project Business Continuity Plan will be formally documented and included within the PID for approval in September.	September 6 2016	Angela Smith