



# ROYAL BERKSHIRE FIRE AND RESCUE SERVICE

Annual internal audit report 2021/22

18 July 2022

This report is solely for the use of the persons to whom it is addressed.  
To the fullest extent permitted by law, RSM UK Risk Assurance Services LLP will accept no responsibility or liability in respect of this report to any other party.

**THE POWER OF BEING UNDERSTOOD**  
AUDIT | TAX | CONSULTING

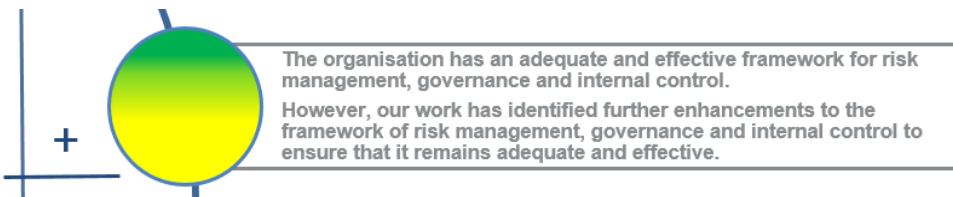


# THE ANNUAL INTERNAL AUDIT OPINION

This report provides an annual internal audit opinion, based upon and limited to the work performed, on the overall adequacy and effectiveness of the organisation's risk management, control and governance processes. The opinion should contribute to the organisation's annual governance reporting.

## The opinion

For the 12 months ended 31 March 2022, the head of internal audit opinion for Royal Berkshire Fire and Rescue Service is as follows:



Please see appendix A for the full range of annual opinions available to us in preparing this report and opinion.

---


*It remains management's responsibility to develop and maintain a sound system of risk management, internal control and governance, and for the prevention and detection of material errors, loss or fraud. The work of internal audit should not be a substitute for management responsibility around the design and effective operation of these systems.*

---

## Scope and limitations of our work

The formation of our opinion is achieved through a risk-based plan of work, agreed with management and approved by the audit committee, our opinion is subject to inherent limitations, as detailed below:

- internal audit has not reviewed all risks and assurances relating to the organisation;
- the opinion is substantially derived from the conduct of risk-based plans generated from a robust and organisation-led assurance framework. The assurance framework is one component that the board takes into account in making its annual governance statement (AGS);
- the opinion is based on the findings and conclusions from the work undertaken, the scope of which has been agreed with management / lead individual;
- where strong levels of control have been identified, there are still instances where these may not always be effective. This may be due to human error, incorrect management judgement, management override, controls being by-passed or a reduction in compliance;
- due to the limited scope of our audits, there may be weaknesses in the control system which we are not aware of, or which were not brought to our attention; and

- 
- our internal audit work for 2021/22 has continued to be undertaken through the operational disruptions caused by the Covid-19 pandemic. In undertaking our audit work, we recognise that there has been some impact on both the operations of the organisation and its risk profile; and our annual opinion should be read in this context.
  - Our planned internal audit work for 2021/22 has been subject to some postponement. Following requests, we pushed back the start date of the Cyber Essentials review which was in progress at the time of writing this report. We reserve the right to amend our opinion as this report is issued and finalised.

# FACTORS AND FINDINGS WHICH HAVE INFORMED OUR OPINION

## Performance Management (Hub Model) 1.21/22 (Reasonable Assurance)

Overall, our review has identified that Service had a well-designed control framework in place for managing performance at Hub-level. This is supported by the identification and approval of objectives within Station Plans and LSP's and we confirmed that these objectives were clearly linked to performance measures reviewed at the quarterly SPB. We found that performance management information reported was accurate as it could be traced back to source data.

However, we found that approved station level objectives were not specific or measurable and that the 2021/22 Service Plan objectives were not fully updated.

Additionally, we identified a number of instances of non-compliance with controls including action tracking and terms of reference review for the RSG, timely review of station plan objectives, timely updating of accountabilities for performance management and the timely sharing of meeting papers.

## Vetting and Pre-Employment Checks 2.21/22 (Reasonable Assurance)

Overall, our review found that there were effective controls and arrangements in place to ensure the completion of vetting and pre-employment checks when hiring staff. We identified that policy documents and other guidance materials had been prepared to define the key responsibilities and outline the expected processes relating to employment checks.

Sample testing confirmed job advertisements/profiles and conditional offers outlined the information required from candidates and checks to be completed, whilst we further confirmed checks had been undertaken prior to start dates. We found suitable training was provided to recruitment managers and HR staff, whilst also confirming access to personnel files was appropriately restricted.

We have, however, noted areas for improvement, namely in relation to the retaining of evidence to confirm qualifications have been checked and recording of DBS checks not requiring renewal. There was also no evidence within personnel files of qualifications being reviewed as part of the recruitment process for a sample of new starters. We also found there was no communication of whether volunteers requiring DBS checks were active or on a break from such activities.

## Review of Payroll Provider - Dataplan 3.21/22 (Substantial Assurance)

Our review has confirmed that Dataplan has robust controls in place to manage the payroll processes which our testing has demonstrated compliance with.

Our sample testing identified one exception which has resulted in one 'low' priority action being agreed with management. The action relates to the absence of version control on the Operational Guide to Royal Berkshire Fire Authority Payroll.

Firefighter Pension Administration (WYPF)  
4.21/22 (Substantial Assurance)

Our testing has confirmed that West Yorkshire Pension Fund had effective controls in place to manage pension administration processes and associated risks including the monitoring and recovery of overpayments on behalf of RBFRS.

VFM – Effectiveness of the Administration of Pension Arrangements by RBFRS 5.21/22  
(Substantial Assurance)

Overall, we have found that the processes and controls in place relating to the effectiveness of the management of pensions by RBFRS were generally well designed and complied with. Guidance was in place with sufficient guidance on the administration of pensions, adequate pension records were retained, and regular performance reporting was also in place.

We could see evidence that significant risks relating to pensions were being escalated to the corporate risk register and arrangements were in place to action any legislative changes or updated guidance that may be received relating to pensions.

However, we have identified issues in relation to the contract terms not being updated since inception, to account for any additional responsibilities or duties that have emerged and are being undertaken by HR, and the KPIs documented within the contract not being updated to account for these.

Additionally, we found that updates on pension risks are not being regularly documented within the Pension Board risk register, the Pension Board Terms of Reference has not been subject to regular review and approval, and updates on overdue actions within the Pensions Action Log were not being provided.

Key Financial Controls – Creditors 6.21/22  
(Substantial Assurance)

Royal Berkshire Fire and Rescue Service has a well-designed control framework in place with regards to payment of suppliers and changes to supplier details.

Staff are supported by local procedures which are consistent with working practice and clearly signal to staff where segregation of duties is necessary.

## Governance and Risk Management 7.21/22 (Substantial Assurance)

Overall, our review found that there were well-designed and consistently applied governance and risk management arrangements at the Service. Strategic plans and objectives are clearly set in the approved Corporate Plan and Annual Plan, there was a well-documented and applied governance structure in place to monitor performance against these objectives. The Organisational Risk Management Policy outlines the Service's risk management approach and has been communicated to staff. The CRR is consistently reviewed and actioned by the SLT, with highlights of the CRR shared with the Audit and Governance Committee and SPB.

We have, however, identified scope for improving efficiency and/or quality in relation to the clear documentation of responsibilities for review of the CRR, the recording of risk descriptions in line with Policy including linking strategic risks and objectives, ensuring that risk treatments are updated on the full risk register in a timely manner and assigning a refresher date for the risk management training.

A summary of internal audit work undertaken, and the resulting conclusions, is provided at appendix B.

## Topics judged relevant for consideration as part of the annual governance statement

Based on the work we have undertaken on the Authority's system on internal control, there are no audits currently that the Authority should consider as significant governance issues when completing their Annual Governance Statements (AGS).

## Cyber Security 8.21/22 (Advisory)

RBFRS completed a self-assessment questionnaire in March 2022. Based upon the evidence available at the time of our fieldwork, we found that 25 of the 50 requirements from the five Cyber Essentials control themes had evidence to support the self-assessment that controls were established.

Of the remaining 25 requirements within the scope of the assessment:

- 13 were self-assessed by RBFRS as implemented but not tested in our review due to lack of evidence provided;
- six were not started;
- five were not applicable; and
- issues were identified from our testing in the remaining case and a medium priority action agreed to address this issue.

# THE BASIS OF OUR INTERNAL AUDIT OPINION

As well as those headlines previously discussed, the following areas have helped to inform our opinion. A summary of internal audit work undertaken, and the resulting conclusions, is provided at appendix B.

## Acceptance of internal audit management actions

Management have agreed actions to address all of the findings reported by the internal audit service during 2021/22.

## Implementation of internal audit management actions

Where actions have been agreed by management, these have been monitored by management through the action tracking process in place. During the year progress has been reported to the audit and governance committee, with the validation of the action status confirmed by internal audit on where actions are followed up in similar audits.

Our follow up of the actions agreed to address previous years' internal audit findings shows that the organisation had made **good progress** in implementing the agreed actions.

Our internal audit work has identified that only one action from the prior year remains outstanding and relates to written succession plans for WYPF.

It was noted that whilst informal successional plans are in place, no succession plans have been documented due to upcoming substantial changes in the workforce structure pending a restructure, which are on-going with Bradford Council's HR Department (who is the administering authority of the WYPF).

## Working with other assurance providers

In forming our opinion we have not placed any direct reliance on other assurance providers.

# OUR PERFORMANCE

## Wider value adding delivery

In the year, we have provided to Royal Berkshire Fire and Rescue Service the following information:

Area of work	How has this added value?
Emergency Services – Sector Update: June 2021	<p>The briefing paper provides a useful source of insight into recent developments and publications affecting the sector and provided further insight into the following areas:</p> <ul style="list-style-type: none"> <li>• Cyber Crime;</li> <li>• Code of Ethics for fire and rescue services;</li> <li>• Home Secretary to strengthen Police and Crime Commissioner role; and</li> <li>• The annual assessment of fire and rescue services.</li> </ul>
Emergency Services – Sector Update: August 2021	<p>The briefing paper provides a useful source of insight into recent developments and publications affecting the sector and provided further insight into the following areas:</p> <ul style="list-style-type: none"> <li>• Climate change risk: A guide for Audit and Risk Assurance Committees;</li> <li>• Risk Appetite – it’s slippery;</li> <li>• Community Risk Management Planning; and</li> <li>• Fire Protection Learning Portal.</li> </ul>
Emergency Services – Sector Update: November 2021	<p>The briefing paper provides a useful source of insight into recent developments and publications affecting the sector and provided further insight into the following areas:</p> <ul style="list-style-type: none"> <li>• Cyber and information security;</li> <li>• ESG (Environmental, Social &amp; Governance); and</li> <li>• Protection Fire Standard.</li> </ul>
Emergency Services – Sector Update: March 2022	<p>The briefing paper provides a useful source of insight into recent developments and publications affecting the sector and provided further insight into the following areas:</p> <ul style="list-style-type: none"> <li>• RSM and CIPFA Public Procurement Webinar;</li> <li>• Strengthening resilience: lessons learnt from the impacts of the pandemic; and</li> </ul> <p>Analysis of non-fire incidents.</p>
Best Practice	Shared best practice across the sector through our work.
Sector Experience	We have also made suggestions throughout our audit reports based on our knowledge and experience in the emergency services sector to provide areas for consideration.



Briefings	Issued non-sector specific briefings to all of our clients.
Procurement	The organisation has been invited to our RSM and CIPFA Public Procurement Webinars. These are a series of procurement and contract management network webinars offering expert advice on EU and UK public sector procurement legislation and practice. These monthly webinars include an update on current developments in public procurement as well as a more detailed discussion on a selected topical area.

## Conflicts of interest

RSM has not undertaken any work or activity during 2021/22 that would lead us to declare any conflict of interest.

## Conformance with internal auditing standards

RSM affirms that our internal audit services are designed to conform to the Public Sector Internal Audit Standards (PSIAS).

Under PSIAS, internal audit services are required to have an external quality assessment every five years. Our risk assurance service line commissioned an external independent review of our internal audit services in 2021 to provide assurance whether our approach meets the requirements of the International Professional Practices Framework (IPPF), and the Internal Audit Code of Practice, as published by the Global Institute of Internal Auditors (IIA) and the Chartered IIA, on which PSIAS is based.

The external review concluded that RSM ‘generally conforms\* to the requirements of the IIA Standards’ and that ‘RSM IA also generally conforms with the other Professional Standards and the IIA Code of Ethics. There were no instances of non-conformance with any of the Professional Standards’.

\* The rating of ‘generally conforms’ is the highest rating that can be achieved, in line with the IIA’s EQA assessment model.

## Quality assurance and continual improvement

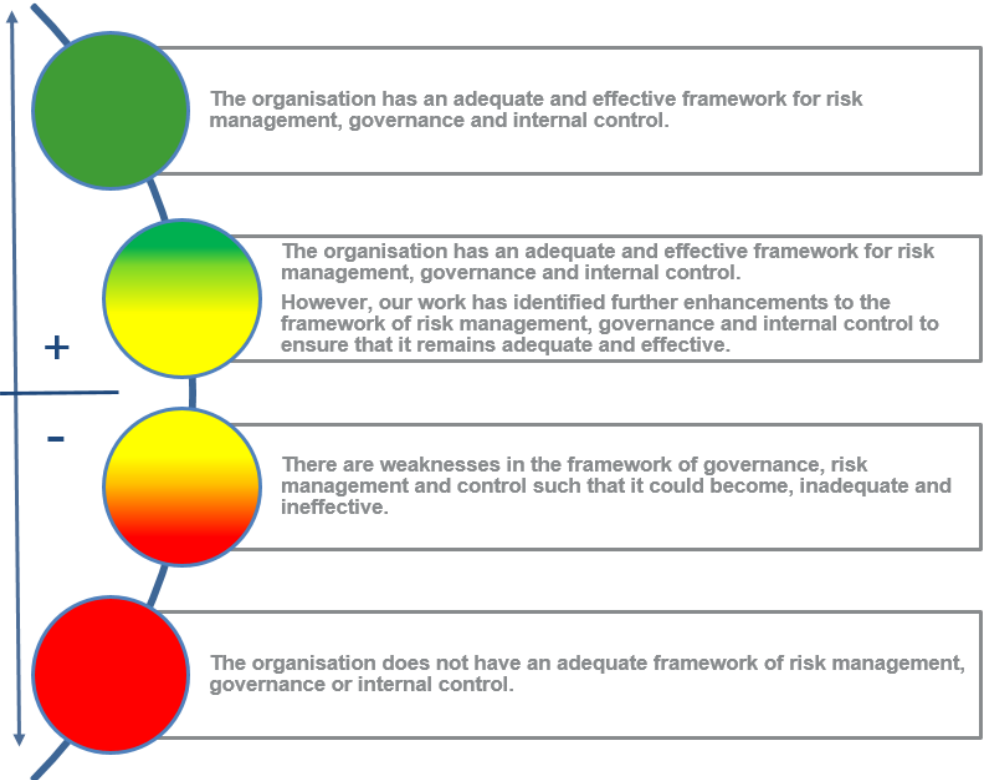
To ensure that RSM remains compliant with the PSIAS framework we have a dedicated internal Quality Assurance Team who undertake a programme of reviews to ensure the quality of our audit assignments. This is applicable to all Heads of Internal Audit, where a sample of their clients will be reviewed. Any findings from these reviews are used to inform the training needs of our audit teams.

Resulting from the programme in 2021/22, there are no areas which we believe warrant flagging to your attention as impacting on the quality of the service we provide to you.

In addition to this, any feedback we receive from our post assignment surveys, client feedback, appraisal processes and training needs assessments is also taken into consideration to continually improve the service we provide and inform any training requirements.

# APPENDIX A: ANNUAL OPINIONS

The following shows the full range of opinions available to us within our internal audit methodology to provide you with context regarding your annual internal audit opinion.

Annual opinions	Factors influencing our opinion
 <p>The organisation has an adequate and effective framework for risk management, governance and internal control.</p> <p>The organisation has an adequate and effective framework for risk management, governance and internal control. However, our work has identified further enhancements to the framework of risk management, governance and internal control to ensure that it remains adequate and effective.</p> <p>There are weaknesses in the framework of governance, risk management and control such that it could become, inadequate and ineffective.</p> <p>The organisation does not have an adequate framework of risk management, governance or internal control.</p>	<p>The factors which are considered when influencing our opinion are:</p> <ul style="list-style-type: none"> <li>• inherent risk in the area being audited;</li> <li>• limitations in the individual audit assignments;</li> <li>• the adequacy and effectiveness of the risk management and / or governance control framework;</li> <li>• the impact of weakness identified;</li> <li>• the level of risk exposure; and</li> <li>• the response to management actions raised and timeliness of actions taken.</li> </ul>

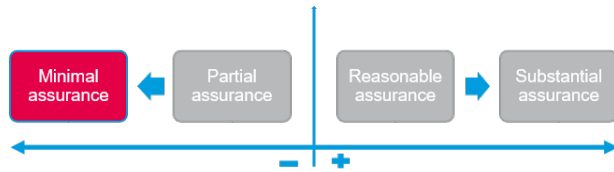
## APPENDIX B: SUMMARY OF INTERNAL AUDIT WORK COMPLETED 2021/22

All of the assurance levels and outcomes provided above should be considered in the context of the scope, and the limitation of scope, set out in the individual assignment report.

Assignment	Executive lead	Assurance level	Actions agreed		
			L	M	H
Performance Management (1.21/22)	Doug Buchanan – Assistant Chief Fire Officer	Reasonable Assurance [●]	9	1	0
Vetting and Pre-Employment Checks (2.21/22)	Becci Jefferies - Head of HR and Learning & Development	Reasonable Assurance [●]	2	1	0
Review of Payroll Provider – Dataplan (3.21/22)	Becci Jefferies - Head of HR and Learning & Development	Substantial Assurance [●]	1	0	0
Firefighter Pension Administration (WYPF) (4.21/22)	Becci Jefferies - Head of HR and Learning & Development	Substantial Assurance [●]	3	0	0
VFM – Effectiveness of the Administration of Pension Arrangements by RBFRS (5.21/22)	Conor Byrne - Head of Finance and Procurement	Substantial Assurance [●]	6	0	0
Key Financial Controls – Creditors (6.21/22)	Conor Byrne - Head of Finance and Procurement	Substantial Assurance [●]	1	0	0
Governance and Risk Management (7.21/22)	Katie Mills - Head of Corporate Services	Substantial Assurance [●]	5	0	0
Cyber Essentials – (8.21/22)	Tony Vincent - Head of Business Information and Systems	Advisory	0	1	0

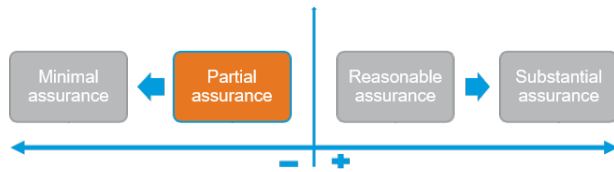
# APPENDIX C: OPINION CLASSIFICATION

We use the following levels of opinion classification within our internal audit reports, reflecting the level of assurance the board can take:



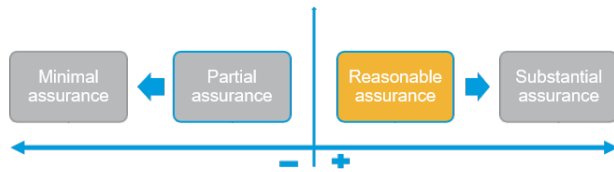
Taking account of the issues identified, the board cannot take assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied or effective.

Urgent action is needed to strengthen the control framework to manage the identified risk(s).



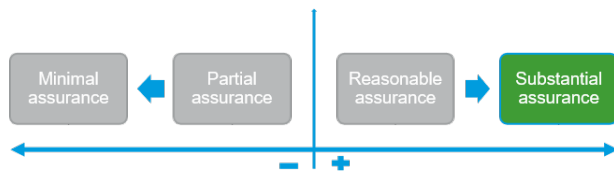
Taking account of the issues identified, the board can take partial assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied or effective.

Action is needed to strengthen the control framework to manage the identified risk(s).



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

However, we have identified issues that need to be addressed in order to ensure that the control framework is effective in managing the identified risk(s).



Taking account of the issues identified, the board can take substantial assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied and effective.

# YOUR INTERNAL AUDIT TEAM

**Name:** Dan Harris, Head of Internal Audit

**Email:** [daniel.harris@rsmuk.com](mailto:daniel.harris@rsmuk.com)

**Telephone:** 01908 687800

**Name:** Anna O'Keeffe, Senior Manager

**Email:** [Anna.O'Keeffe@rsmuk.com](mailto:Anna.O'Keeffe@rsmuk.com)

**Telephone:** 01908 687800

**rsmuk.com**

The matters raised in this report are only those which came to our attention during the course of our review and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Actions for improvements should be assessed by you for their full impact. This report, or our work, should not be taken as a substitute for management's responsibilities for the application of sound commercial practices. We emphasise that the responsibility for a sound system of internal controls rests with management and our work should not be relied upon to identify all strengths and weaknesses that may exist. Neither should our work be relied upon to identify all circumstances of fraud and irregularity should there be any.

Our report is prepared solely for the confidential use of Royal Berkshire Fire and Rescue Service, and solely for the purposes set out herein. This report should not therefore be regarded as suitable to be used or relied on by any other party wishing to acquire any rights from RSM UK Risk Assurance Services LLP for any purpose or in any context. Any third party which obtains access to this report or a copy and chooses to rely on it (or any part of it) will do so at its own risk. To the fullest extent permitted by law, RSM UK Risk Assurance Services LLP will accept no responsibility or liability in respect of this report to any other party and shall not be liable for any loss, damage or expense of whatsoever nature which is caused by any person's reliance on representations in this report.

This report is released to you on the basis that it shall not be copied, referred to or disclosed, in whole or in part (save as otherwise permitted by agreed written terms), without our prior written consent.

We have no responsibility to update this report for events and circumstances occurring after the date of this report.

RSM UK Risk Assurance Services LLP is a limited liability partnership registered in England and Wales no. OC389499 at 6th floor, 25 Farringdon Street, London EC4A 4AB.