



ROYAL BERKSHIRE FIRE & RESCUE SERVICE

Annual internal audit report 2023/24

4 July 2024

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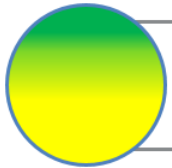


THE ANNUAL INTERNAL AUDIT OPINION

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 2024, the head of internal audit opinion for Royal Berkshire Fire & Rescue Service is as follows:



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.

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 and governance 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
- 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; and
- 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.

FACTORS AND FINDINGS WHICH HAVE INFORMED OUR OPINION

Based on the work we have undertaken on the systems of governance, risk management and internal control across the Service, our opinion on governance, risk management and control have been informed by the following:

Governance and Risk Management

We have undertaken a specific review of governance and risk management arrangements within 2023/24 which has been issued with a reasonable assurance (positive) opinion. In addition, throughout our audits, we have reviewed elements of the governance arrangements and frameworks in place which has helped inform our governance opinion.

Our internal audit plan is risk-based and has included a number of audits designed to allow the Authority to take assurance that controls covering some of the strategic risks are designed and operating effectively. Our risk management opinion has also been informed from our attendance at Audit and Governance Committee meetings, where risk management is a standing agenda item and where strategic and operational risks are discussed and constructively challenged. We have also used our cumulative knowledge of the risk management processes in place to inform our opinion.

Internal Control

During the year we completed eight reports, six of which were assurance based assignments and two were undertaken as advisory reviews. For the six assurance based reviews, we have concluded these reviews with a positive assurance opinion as follows:

- The following reviews all concluded with **Substantial** Assurance:
 - Firefighter Pension Administration (West Yorkshire Pension Fund - WYPF); and
 - Payroll Provider – Dataplan
- The following reviews all concluded with **Reasonable** Assurance:
 - Sickness Absence Management,
 - IT General Controls
 - Community Risk Management Plan; and
 - Governance and Risk Management

The details of the four reasonable assurance assignments are below:

[Community Risk Management Plan \(CRMP\) \(1.23/24\) – Reasonable Assurance](#)

Overall, we confirmed that controls were well-designed and operating effectively with regards to producing, approving and monitoring the CRMP, developing a consultation strategy, undertaking engagement activities with the public and staff, and governance over the CRMP. However, we found that there were several areas that required improvements such as the need to enhance and utilise the risk methodology to provide a more transparent approach to risk scoring the projects that form the overall CRMP.

We also noted that not all risk categories had been sighted by Senior Leadership Team (SLT) along with the associated costs and actions to be taken to mitigate identified risks. We also noted minor improvements were needed to develop policies and procedures to align with the National Fire Chiefs Council (NFCC) guidance and to reintroduce the CRMP project tracker to ensure all stages of the development and approval of the CRMP have associated owners and target dates assigned.

Sickness Absence Management (2.23/24) – Reasonable Assurance

Overall, we confirmed that controls were generally well-designed and were operating effectively, including the information provided in the Sickness Absence and Attendance Policy. We noted that the guidance provided to managers offered a comprehensive breakdown of each process to help ensure that standard procedures are followed consistently. We confirmed that the Employee Assistance Programme (EAP) was accessible to staff via the intranet, and a helpline was available 24 hours a day in case staff members could not access the portal, and Occupational Health (OH) was utilised by management to obtain professional support as required.

We did however identify several weaknesses in the compliance with controls relating to managers not completing the sickness absence training, Return to Work Forms not always being completed in full or retained on file and the breach of trigger points did not follow the standard escalation procedure documented in the Policy.

Risk Management (6.23/24) – Reasonable Assurance

Overall, our review found that there were well-designed and consistently applied controls regarding key areas of risk management and governance. We noted that there was an Organisational Risk Management Policy in place that outlined the Service's risk management approach including its risk appetite, the Corporate Risk Register (CRR) provided a clear picture of key risks facing the Service including treatments (controls) designed to mitigate them, and that SLT and the Audit and Governance Committee challenged and scrutinised the CRR. We also identified that the Service had a Corporate and Annual Plan in place alongside a Performance Management Framework to support the achievement of strategic objectives, minutes and papers from key governance forums displayed clear discussion and scrutiny in line with their respective Terms of Reference, and mechanisms were in place to support Member development.

We did however find that the Service could improve how it reported assurances received for its risk treatments. Specifically we could not identify the source of assurance and how the identified level of assurance had been concluded. We also found that the Service did not have the capability to accurately record the completion of organisational risk training. Finally, we noted that the Member Development Action Plan for 2023/24 was missing a Lead Officer/Member on one occasion however this was rectified at the time of our audit.

IT General Controls – 8.23/24

We found that the Service had clearly documented IT security related policies and procedures, roles and responsibilities with regards to the management of the network, including the use of third-party providers. Cyber security awareness training has been provided to all staff, and compliance of training is monitored.

Issues were however noted with regards to a lack of formal tracking of alerts raised by anti-virus solutions and the boundary firewall and the untimely actioning of leavers, which can lead to unauthorised access to systems and data. Further issues were also noted with regards to periodic review of firewall rules, logs and user access levels.

Since our last review in this area in 2022/23, considerable progress has been made which has reduced the management actions from four high, five medium and two low priority management actions, to one high, three medium and three low priority management actions. Whilst the process regarding starters and leavers still requires improvement to ensure that the control framework is consistently complied with, our testing suggested that for more recent leavers, the approved process was being followed, and we are therefore able to provide a reasonable assurance opinion.

The following reviews were undertaken as advisory reviews:

- General Data Protection Regulation (GDPR) Governance; and
- High Level Tax Process Review

Whilst not resulting in a formal opinion, a number of significant issues were identified within the review of General Data Protection Regulation (GDPR) Governance for which 17 management actions have been agreed. The key findings from this review related to the following areas; Personal Data Maps, Third Party Management, ICT Password Policy, Records Management, Training, Senior Management Awareness, Data Protection Policy, Privacy Notices, Personal Data Requests, Lawful Basis (including Consent Processes) and Data Breach Management

We did follow up the actions agreed to address previous years' internal audit findings (in the audits that were repeated this year) and this showed that the organisation had made progress in implementing the agreed actions. 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 system of internal control, we consider that the Authority should consider including the results of the significant issues from the advisory review on General Data Protection Regulation (GDPR) Governance within the Annual Governance Statement (AGS) any any actions already implemented to address the findings in this reievw. There are no other internal audits in 2023/24 where the Authority should consider recording significant governance issues when completing their Annual Governance Statement (AGS).

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 2023/24.

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 where actions are followed up in similar audits.

We did follow up the actions agreed to address previous years' internal audit findings (in the audits that were repeated this year) and this showed that the organisation had made progress in implementing the agreed actions.

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

The following has been provided throughout the year

Area of work	How has this added value?
Emergency Services News Briefings	In our regular news briefings, we drew attention to some of the key developments and publications in the sector, such as fire performance and effectiveness.
Emergency Services Risk Register Analysis	In seeking to understand the key risks faced by our emergency services clients, we examined the contents of 38 emergency services' strategic risk registers. 540 individual risks were analysed from across police and fire services. Key observations were provided to the Committee as part of our report.
Emergency Services Benchmarking of Internal Audit Actions	This paper provided a benchmark for our individual clients, allowing for self-assessment against all of our emergency services clients. At the assignment level, benchmarking provided: <ul style="list-style-type: none"> • a comparison against the numbers of actions agreed; • the assurance opinions provided across the sector in our client base; • a summary of the key areas where high internal audit management actions were agreed; and • a comparison of Head of Internal Audit (HOIA) opinions.
Best Practice	Shared best practice across the sector through our work.
The NED Network	The role of the Non-Executive Director is crucial. Whilst not typically involved in the day-to-day operations of a firm, they should be influencing policy, culture and accountability. RSM launched The NED network to help non-executive directors stay abreast of key issues, networking with peers and share ideas. Non-executive directors are invited to join free of charge. We have delivered an annual programme of events, along with supporting insights, articles and blogs designed specifically for our NED community.
Use of specialists	We have utilised specialists to support the delivery of the Internal Audit plan throughout 2023/24. Such as the use of specialist consultants in the Finance system pre-implementation review.
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.
RSM's Emerging Risk Radar	We provided our latest Emerging Risk Radar, which analyses the responses from board members and professional advisors in relation to emerging events or threats that could impact a business either negatively or positively.

Conflicts of interest

RSM has not undertaken any work or activity during 2023/24 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

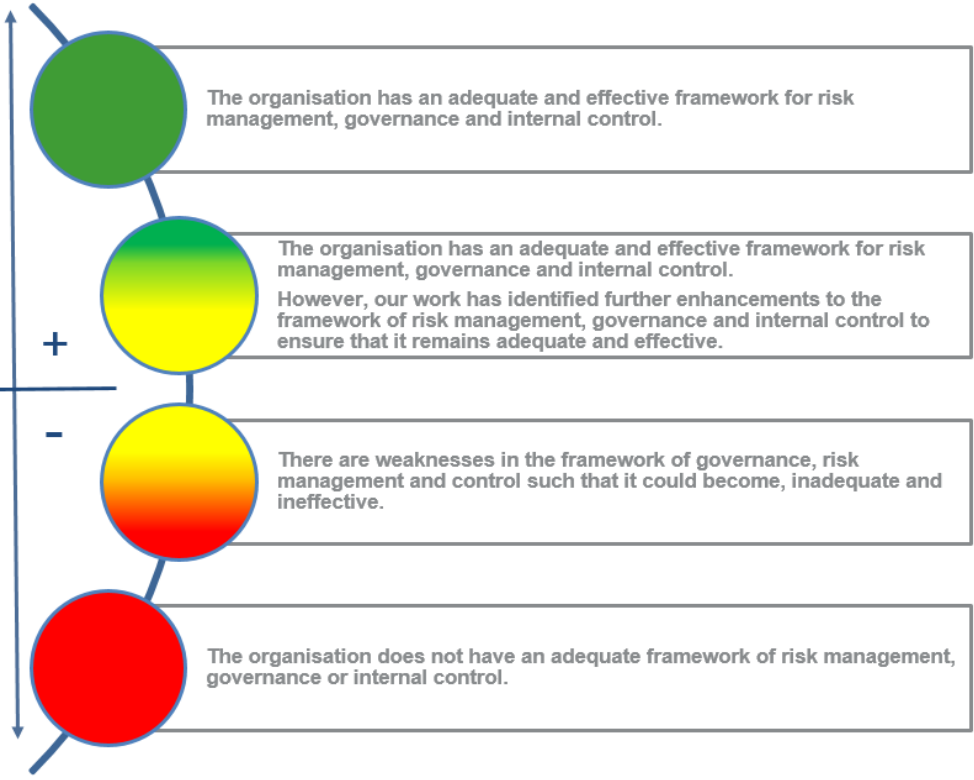
To ensure that RSM remains compliant with the PSIAS framework we have a dedicated internal Quality Assurance Team who undertake a programme of reviews to ensure the quality of our audit assignments. This is applicable to all Heads of Internal Audit, where a sample of their clients will be reviewed. Any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

Resulting from the programme in 2023/24, 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">• inherent risk in the area being audited;• limitations in the individual audit assignments;• the adequacy and effectiveness of the risk management and / or governance control framework;• the impact of weakness identified;• the level of risk exposure; and• the response to management actions raised and timeliness of actions taken.

APPENDIX B: SUMMARY OF INTERNAL AUDIT WORK COMPLETED 2023/24

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	Assurance level	Actions agreed		
		L	M	H
Community Risk Management Plan	Reasonable Assurance [●]	2	2	0
Risk Management and Governance	Reasonable Assurance [●]	1	2	0
Sickness Absence Management	Reasonable Assurance [●]	2	3	0
IT General Controls	Reasonable Assurance [●]	3	3	1
Payroll Provider – Dataplan	Substantial Assurance [●]	1	0	0
Firefighter Pension Administration (WYPF)	Substantial Assurance [●]	2	0	0
General Data Protection Regulation (GDPR) Governance	No opinion / Advisory [●]	5	7	5
High Level Tax Process Review	No opinion / Advisory [●]	0	0	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:

<p>The diagram shows four boxes representing assurance levels: Minimal assurance (red), Partial assurance (grey), Reasonable assurance (grey), and Substantial assurance (grey). A horizontal double-headed arrow is below the boxes, with a minus sign (-) on the left and a plus sign (+) on the right. A vertical line is positioned between Partial and Reasonable assurance.</p>	<p>Taking account of the issues identified, the board can take minimal assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied or effective.</p> <p>Urgent action is needed to strengthen the control framework to manage the identified risk(s).</p>
<p>The diagram shows four boxes representing assurance levels: Minimal assurance (grey), Partial assurance (orange), Reasonable assurance (grey), and Substantial assurance (grey). A horizontal double-headed arrow is below the boxes, with a minus sign (-) on the left and a plus sign (+) on the right. A vertical line is positioned between Partial and Reasonable assurance.</p>	<p>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.</p> <p>Action is needed to strengthen the control framework to manage the identified risk(s).</p>
<p>The diagram shows four boxes representing assurance levels: Minimal assurance (grey), Partial assurance (grey), Reasonable assurance (yellow), and Substantial assurance (grey). A horizontal double-headed arrow is below the boxes, with a minus sign (-) on the left and a plus sign (+) on the right. A vertical line is positioned between Partial and Reasonable assurance.</p>	<p>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.</p> <p>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).</p>
<p>The diagram shows four boxes representing assurance levels: Minimal assurance (grey), Partial assurance (grey), Reasonable assurance (grey), and Substantial assurance (green). A horizontal double-headed arrow is below the boxes, with a minus sign (-) on the left and a plus sign (+) on the right. A vertical line is positioned between Partial and Reasonable assurance.</p>	<p>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.</p>

YOUR INTERNAL AUDIT TEAM

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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 & 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.

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

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