

Action Plan to address the internal audit recommendations made in relation to the independent investigation of the Gloucestershire Fire and Rescue Service (GFRS)

Progress as at December 2018

	Recommendation	Progress to date	Internal Audits (IA) Role	Lead Officer(s)	Proposed Reporting Arrangements and Timescales
1	<p>GFRS Culture</p> <p>Due to the number of whistleblowing allegations raised around culture within GFRS it is recommended that:</p> <ul style="list-style-type: none"> • The current culture within the GFRS is reviewed to enable the understanding of leadership and employee behaviours, attitudes and beliefs; • This could be achieved by building upon and rejuvenating the outcomes of the Cultural Review of the service undertaken during 2016 and exploring options from bringing the findings up to date alongside the results of the 2018 Employee Engagement Survey; and • This needs to consider a wide range of concerns expressed, including confidence in leadership; ability to challenge; and progression within the service. 	<p>A new Chief Fire Officer (CFO) Wayne Bowcock has been appointed and is due to start in March 2019. Recruiting the right leader is a critical step in setting the right culture.</p> <p>The Scrutiny Task Group has held hearing sessions taking evidence from John Bonney, the independent adviser who undertook the earlier cultural review, the lead Cabinet member and acting CFO, as well as other officers, to gain greater understanding of the culture, the activities undertaken to date within GFRS and to consider early recommendations and what actions are needed going forward.</p>	N/A	Commissioning Director - Jon McGinty and Head of HR and OD - Mandy Quayle	Ongoing progress updates will be provided to the AGC.

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		<p>The Task Group are aiming to report in February at which point the new CFO will be in place and will work with Jon McGinty and Mandy Quayle to develop a structured plan to implement the recommendations.</p> <p>In the meantime senior officers in the Fire Service, supported by HR, are taking a number of actions to listen to managers and teams, to improve communication and enable a culture of open dialogue.</p>			
2	<p>Training</p> <p>To ensure that GFRS staff are made aware of the Council's Contract Standing Orders, Financial Regulations and Accounting Instructions, the provision of relevant (including financial management training) is provided.</p> <p>Consideration should also be given to introducing a county wide training programme that is not just restricted to GFRS which includes periodic refresher training.</p>	<p>A training programme has been delivered by Strategic Finance and Commercial Team to GFRS staff on 21st September and 13th November 2019. The training programme has also provided the opportunity to transfer knowledge, and encourage future collaborative working.</p>	N/A	Interim Chief Financial Officer (S151) Paul Blacker	Ongoing progress updates will be provided to the AGC.

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		<p>Finance and Commercial teams attended Support Services management team to deliver a similar training programme, with further sessions being arranged for the remaining service areas management teams, to be concluded by the end of April 2019.</p> <p>All budget managers and holders provided with financial management training before given SAP access.</p> <p>Annual refresher training programme will be provided.</p>			

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Internal Audit Reviews - GFRS					
3	<p>Governance (GFRS)</p> <p>To review the governance structure and arrangements that are currently in place within GFRS and in particular:</p> <ul style="list-style-type: none"> • Roles, responsibilities and accountabilities of members/senior managers in GCC and GFRS and the inter-relationship between the two (including the key support services relationships, e.g. Finance and HR to ensure compliance with GCC's Constitution); • Governance assurance frameworks, e.g. Annual Governance Statements (AGS) and Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) inspection framework; • GCC's Constitution - decision-making powers and schemes of delegation in relation to both operational and corporate decisions; and • Code of Conduct - Register of Interests and Gifts and Hospitality. 	<p>A Terms of Reference in respect of this review has been produced by IA and agreed with the Commissioning Director: Communities and Infrastructure – Nigel Riglar and the Commissioning Director – Jon McGinty</p>	<p>Governance Position Statement and Action Plan covering the first three bullet points finalised.</p> <p>Please refer to Attachment 1 to this report.</p>	<p>Commissioning Director - Jon McGinty</p>	<p>Ongoing progress updates will be provided to the AGC.</p>
			<p>Compliance testing is currently in progress.</p> <p>Complete by 31st March 2019.</p>	<p>Commissioning Director - Jon McGinty</p>	<p>Ongoing progress updates will be provided to the AGC.</p>

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4	<p>Fleet Management</p> <p>a) Disposal of vehicles To review the effectiveness of the governance arrangements, including the decision making processes, for the disposal and/or transfer of the GFRS's surplus vehicles, seeking advice from GCC as necessary.</p> <p>b) Commissioning of new vehicles To establish whether the purchases have been procured in accordance with GCC policies and Contract Standing Orders.</p> <p>c) Fleet maintenance and stores stock control To ascertain the adequacy of the fleet maintenance and stores stock control systems.</p>	<p>A Terms of Reference in respect of this review has been agreed with the Commissioning Director - Jon McGinty.</p> <p>A Terms of Reference in respect of this review has been agreed with the Commissioning Director - Jon McGinty.</p> <p>A Terms of Reference in respect of this review has been agreed with the Commissioning Director - Jon McGinty.</p>	<p>Compliance testing is currently in progress. Complete by 31st March 2019.</p> <p>Compliance testing is currently in progress. Complete by 31st March 2019.</p> <p>Compliance testing is currently in progress. Complete by 31st March 2019.</p>	<p>Commissioning Director Jon McGinty</p> <p>Commissioning Director Jon McGinty</p> <p>Commissioning Director Jon McGinty</p>	<p>Ongoing progress updates will be provided to the AGC.</p> <p>Ongoing progress updates will be provided to the AGC.</p> <p>Ongoing progress updates will be provided to the AGC.</p>

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	<p>d) Use of pool cars, personal and leased cars and fuel schemes</p> <p>To ensure compliance with the relevant terms and conditions e.g. Gold Book/Grey Book (GFRS specific terms and conditions), HMRC regulations and GFRS/GCC policies, in the context of best practice within the fire sector.</p> <p>This will include:</p> <ul style="list-style-type: none"> • Reviewing the use of fuel cards, bunker fuel and reimbursement schemes; and • Establish the adequacy of the systems for recording of private and official business mileage in line with the above regulations and Council policies. 	<p>A Terms of Reference in respect of this review will be agreed with the Commissioning Director - Jon McGinty.</p>	<p>Compliance testing will commence during Qtr. 4 2018/2019.</p>	<p>Commissioning Director Jon McGinty</p>	<p>Ongoing progress updates will be provided to the AGC.</p>

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5	<p>HR and Payroll</p> <p>To evaluate the effectiveness of the control procedures in place to ensure that all staff payments are appropriately authorised i.e. starters, movers, leavers and retained firefighters are paid the correct amounts, any variations to pay details are authorised and actioned correctly and in a timely manner (e.g. overtime, annual increments, re-grading, changes in hours worked, service benefits), and salary payments for leavers cease at the right time and in compliance with the relevant policies including Accounting Instruction No.13 (Payroll Procedures), and the relevant GFRS Terms and Conditions e.g. Gold Book.</p> <p>a) Recruitment, Progression and Retirement</p> <p>Ensure the recruitment, progression and retirement (pensions) processes within GFRS are in compliance with the Council/GFRS policies and procedures.</p>	<p>A Terms of Reference in respect of the Recruitment and Progression audits have been produced by IA and agreed with the Commissioning Director - Jon McGinty and Head of HR and OD – Mandy Quayle.</p>	<p>Compliance testing is currently in progress for the Recruitment and Progression audits.</p> <p>Compliance testing for the Retirement audit will commence during Qtr. 4 2018/2019. Complete by 31st March 2019.</p>	<p>Commissioning Director - Jon McGinty</p>	<p>Ongoing progress updates will be provided to the AGC.</p>

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	<p>b) Absence reporting procedures</p> <p>To ascertain the GFRS compliance with the Council's sickness, absence and attendance management and reporting procedures.</p>	<p>A Terms of Reference in respect of this review will be agreed with the Commissioning Director - Jon McGinty and Head of HR and OD – Mandy Quayle.</p>	<p>Compliance testing will commence during Qtr. 4 2018/2019.</p> <p>Complete by 31st March 2019</p>	<p>Commissioning Director - Jon McGinty</p>	<p>Ongoing progress updates will be provided to the AGC.</p>
	<p>c) Expenses and Service Benefits</p> <p>To establish compliance with Accounting Instruction No.8 (Travelling and Meal Expenditure), GCC policies such as Staff Travel Expenses and Use of Vehicles and service benefit entitlements (where applicable) such as subscriptions to professional bodies, medical, dental, optical and clothing expenses.</p>	<p>A Terms of Reference in respect of this review will be agreed with the Commissioning Director - Jon McGinty</p>	<p>Compliance testing will commence during Qtr. 4 2018/2019.</p> <p>Complete by 31st March 2019</p>	<p>Commissioning Director Jon McGinty</p>	<p>Ongoing progress updates will be provided to the AGC.</p>
	<p>d) Complaints/Grievances process</p> <p>To ascertain the process for receiving and recording complaints/grievances raised by staff and to ensure that they are dealt with in a consistent, fair and appropriate way.</p>	<p>A Terms of Reference in respect of this review will be produced by IA and agreed with the Commissioning Director - Jon McGinty, Head of HR and OD – Mandy Quayle and the Director: Strategy and Challenge – Jane Burns.</p>	<p>Compliance testing will commence during Qtr. 4 2018/2019.</p> <p>Complete by 31st March 2019</p>	<p>Commissioning Director Jon McGinty</p>	<p>Ongoing progress updates will be provided to the AGC.</p>

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6	<p>Procurement</p> <p>To evaluate the GFRS procurement system in place to ensure alignment with EU legislation, and for compliance with GCC and local policies and procedures (including Accounting Instruction No.1 Ordering, Receiving and Payment of Goods and Services, Contract Standing Orders and Financial Regulations).</p> <p>This audit will include the review of the use of the Council's procurement cards (P Cards) process by GFRS staff to ensure that goods and services purchased are in compliance with Council policies, value for money is achieved and where appropriate VAT is reclaimed on purchases made (Accounting Instruction No.16 (VAT)).</p>	<p>A Terms of Reference in respect of this review has been produced by IA and agreed with the Commissioning Director - Jon McGinty and Head of Commercial – Ian Mawdsley.</p>	<p>Compliance testing is due to commence in January 2019.</p>	<p>Commissioning Director - Jon McGinty</p>	<p>Ongoing progress updates will be provided to the AGC.</p>
7	<p>Capital Programme</p> <p>This review will seek to provide assurance that GFRS has a robust governance framework in place for management of the Capital Programme and is compliant with good practice requirements as published in CIPFA guidance and Accounting Instruction No.19 (Capital Programme).</p>	<p>A Terms of Reference in respect of this review will be produced by IA and agreed with the Commissioning Director - Jon McGinty and Interim Chief Financial Officer – Paul Blacker.</p>	<p>Compliance testing will commence during Qtr. 4 2018/2019.</p>	<p>Commissioning Director - Jon McGinty</p>	<p>Ongoing progress updates will be provided to the AGC.</p>

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8	<p>Income (including petty cash)</p> <p>The audit will seek to evaluate the effectiveness of the income and cash handling procedures; and compliance with Financial Regulations, Accounting Instructions No.2 (Income), No.3 (Security of Cash) and No.6 (Petty Cash Imprest Accounts).</p>	<p>A Terms of Reference in respect of this review has been produced by IA and agreed with the Commissioning Director - Jon McGinty and Interim Chief Financial Officer – Paul Blacker.</p>	<p>Compliance testing will commence during Qtr. 4 2018/2019.</p>	<p>Commissioning Director - Jon McGinty</p>	<p>Ongoing progress updates will be provided to the AGC.</p>
9	<p>Budget Setting and Budget Monitoring</p> <p>This review will seek to establish the effectiveness of the budget setting process and relevant control arrangements to provide assurance that an accurate and operationally reflective budget is set prior to the start of the financial year.</p> <p>In addition, the audit will also review the robustness of the budget monitoring system to ensure that forecasts submitted are accurate and reflect the actual and planned spend (Accounting Instruction No.14 (Budget Estimates and Monitoring Procedures)).</p>	<p>A Terms of Reference in respect of these two reviews has been produced by IA and agreed with the Commissioning Director - Jon McGinty and Interim Chief Financial Officer – Paul Blacker.</p>	<p>Compliance testing is currently in progress.</p> <p>Complete by 31st March 2019.</p>	<p>Commissioning Director - Jon McGinty</p>	<p>Ongoing progress updates will be provided to the AGC.</p>

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Internal Audit Reviews – Council wide					
10	<p>Council Wide Compliance Reviews</p> <p>In addition to the above, during the next 18 months, IA to undertake ‘pure compliance’ audits across the whole Council. These audits will review compliance with the Council’s key corporate policies (financial and non financial).</p>	<p>Discussion at the July 2018 AGC supported the approach of considering Council wide compliance audits in the event of any learning points arising from the GFRS reviews, together with any re-prioritisation of the 2018/19 Internal Audit plan as required.</p>	<p>In addition, internal audit activities to be developed as part of the risk based internal audit planning process 2019/20.</p>	<p>Interim Chief Financial Officer (S151) Paul Blacker</p>	<p>Risk Based Internal Audit Plan to be presented to the AGC in April 2019. Outcomes of audit activity presented to AGC as part of the quarterly Internal Audit progress reports during 2019/20.</p>
11	<p>Governance Assurance Statements</p> <p>To test the adequacy of the 2018/19 Directors and Heads of Service Governance Assurance Statements.</p>	<p>Discussion at the July 2018 AGC resulted in a request that IA undertake a review of the adequacy of the 2018/19 Directors and Heads of Service Governance Assurance Statements.</p>	<p>This audit activity to be incorporated into Quarter 1 of the 2019/20 Internal Audit Plan.</p>	<p>Interim Chief Financial Officer (S151) Paul Blacker</p>	<p>Outcomes to be presented to the AGC as part of the quarterly internal audit progress reports during 2019/20.</p>