

GFRS Internal Audit Follow Up – Progress Report

February 2021



Distribution

To: Gloucestershire County Council Audit and Governance Committee
GFRS Improvement Board

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Important

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1. Introduction

On 15th June 2018 a letter of complaint was sent by email to the Leader of the Council. There were three strands to the complaint; one concerned the sale of a Gloucestershire Fire and Rescue Service (GFRS) owned vehicle and the previous Chief Fire Officer's (CFO) involvement in the process. The other two concerns were regarding staffing issues. It was agreed that Internal Audit would investigate the sale of the vehicle and Human Resources (HR) would review the remaining two concerns.

Shortly after commencing the investigation, numerous whistleblowing allegations and Freedom of Information Requests (FOIs) in respect of other concerns relating to GFRS governance arrangements, procedures, systems and processes were received. As a result, following Internal Audit review, research, analysis and interviews with key stakeholders including relevant GFRS Officers, Internal Audit co-ordinated the findings and made a number of GFRS-specific and council-wide/cross-cutting recommendations to undertake detailed reviews/audits within each area to determine the level of risk. These reviews/audits were outlined in the Action Plan presented to the Audit and Governance Committee on 12th October 2018 and the last of the audit outcomes were presented to the Audit and Governance Committee on 11th October 2019.

Each published Internal Audit report contained an action plan detailing audit recommendations, agreed by management, for implementation. A total of 18 audits were undertaken which generated 118 individual audit recommendations (High Priority and Medium Priority). Eleven of the audits were given limited assurance opinions either for risk management, the control environment or both.

A summary of the 18 audits are included at **Appendix 1**. Definitions for Internal Audit assurance opinions and recommendation priorities are detailed at **Appendix 2**.

2. GFRS Improvement Board

Following discussions between the CFO, Assistant Chief Fire Officer (ACFO) and Gloucestershire County Council (GCC) Human Resources (HR) at the beginning of August 2019 the GFRS Improvement Board was established.

The remit of the Board includes the GFRS Internal Audit Action Plan outcomes and actions required from Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) inspection 2019/20. In addition, the Board's goal is to consider the wider picture of collective improvement for GFRS.

The main purpose, role and expectation of the Board as per the Board terms of reference is to:

- Maintain oversight to ensure that all the required improvements and quality assurances are achieved by Area Leads in a timely manner;
- Add weight and rigour towards achieving the required outcomes;

- Take an overview of Area Leads' actions (highlights and exceptions) and to address the findings;
- Support Area Leads by removing barriers where progress is hampered by elements outside of their control;
- Review the evidence, by way of Ratification Reports and supporting information supplied by Area Leads, which demonstrates that improvements are embedded within the organisation by the implementation of robust systems, processes, policies and procedures. This will all be reported and monitored through the development of a tracker system that both GFRS and GCC staff (including Internal Audit) will have access to; and
- Be answerable to and to report progress or otherwise to, the following committees for consideration, Scrutiny and ultimately, for final ratification: Gloucestershire Fire and Rescue Service Senior Leadership Team; and Audit and Governance Committee.

The GFRS Improvement Board membership is as follows:

- Cabinet Member for Public Protection, Parking and Libraries;
- Chief Fire Officer (Chair);
- Commissioning Director (GCC);
- Assistant Chief Fire Officers;
- Head of Planning, Performance and Improvement (GCC);
- GFRS Performance and Communications Manager;
- Interim Area Manager;
- Project Manager (GCC Planning, Performance and Improvement);
- GFRS Planning, Strategy and Performance Team members; and
- Additional attendees as called to the meetings (including Internal Audit, HMICFRS and wider GFRS representation).

GFRS Improvement Board meetings have been completed monthly since September 2019.

3. Audit Scope

ARA GFRS Action Plan follow up activity captures actions against Internal Audit recommendations only. HMICFRS recommendation review is excluded from the ARA work and will be monitored by the GFRS Improvement Board with oversight from HMICFRS.

The Internal Audit follow-up activity will review all High Priority recommendations from non-limited assurance reports and all High Priority and Medium Priority recommendations from limited assurance reports to ensure timely implementation of the agreed recommendations.

The audit follow-up approach has been agreed with GFRS to provide the necessary assurances to the GFRS Improvement Board, Gloucestershire County Council's Head of ARA and the Audit and Governance Committee. This includes:

- To enable efficiency and avoid duplication, ARA will place reliance, where possible, on the GFRS tracker system that is being used by the GFRS Improvement Board to monitor the implementation of the Internal Audit and HMICFRS recommendations;
- Relevant ARA auditors will attend relevant GFRS Improvement Board meetings where progress updates in terms of implementation of recommendations will be presented by GFRS Area Leads. Following additional audit testing and review of evidence, ARA auditors will update the GFRS tracker system within the agreed areas until such time as all the recommendations have been verified as implemented; and
- If new recommendations are made as part of the follow-up activity, these will be added to the tracker system in consultation with GFRS senior management and the same process will be applied to follow up the implementation of those recommendations.

To ensure consistency and management of expectations, ARA has ensured that the original GFRS Action Plan lead auditors have been allocated to deliver the Internal Audit follow up activity.

The CFO and the Head of ARA have agreed for updates as to progress to be presented to the Audit and Governance Committee twice a year (as a minimum) until all actions are confirmed by GFRS Improvement Board as implemented and the position has been verified (through review and testing) by Internal Audit.

This is the third GFRS Internal Audit Follow Up Progress Report to Audit and Governance Committee. The first report was presented to Audit and Governance Committee on 30th October 2020 (October 2020 position) and the second on 22nd January 2021 (December 2020 position).

4. Key Findings as at February 2021

Follow up process development

The ARA team have worked directly with the GFRS Performance and Improvement Manager and GFRS Planning, Strategy and Performance Team from quarter 4 2019/20 to ensure an appropriate process with accessible audit trail to enable Internal Audit follow up delivery.

GFRS audit trail is accessed via Microsoft Teams. This includes Board papers, the GFRS recommendation tracker and ratification reports with supporting audit documentation per Internal Audit recommendation.

The Board was attended by ARA initially in May 2020, to enable understanding of Board agenda content and approach.

From June 2020 onwards, relevant ARA auditors have attended Board meetings on a monthly basis and have been able to engage in discussions, challenge as appropriate and raise relevant queries. Internal Audit follow up activity on an individual recommendation basis also commenced from June 2020.

Each Board meeting attended by ARA was chaired by the CFO and followed a set agenda including updates from GFRS Area Leads regards specific audit recommendations. It was evident through the meetings that Board members actively queried and challenged the position on each presented recommendation, to ensure assurance provided by the GFRS Area Lead was appropriately evidenced to enable Board formal sign off.

ARA continues to work with the GFRS Performance and Improvement Manager to support further development regards Internal Audit access to audit trail and the audit trail content.

GFRS Improvement Board Recommendations Position Statement

As at February 2021, the Board has signed off 100 (85%) out of the 124 actions (from 118 audit recommendation) total as implemented. These are detailed in the below table:

	GFRS Improvement Board position as at February 2021
Total audit recommendations / actions	118 audit recommendations. 6 recommendations were split out by GFRS into an interim action and a medium term action, totalling 124 actions within the GFRS Improvement Board tracker. The 6 split recommendations were relevant to budget monitoring; budget setting; income and cash handling; disposals; and procurement cards.
Actions confirmed as implemented by the Board	100 (previously 91 as at December 2020)
Actions in progress	8 (previously 16 as at December 2020)
Actions in progress with the wider organisation (GCC)	16 (previously 17 as at December 2020)

The March 2021 Board meeting will review actions relevant to the GFRS Fleet – Disposal of vehicles audit recommendations. This captures 15 actions (resulting from 14 audit recommendations) and following Board confirmation of their implementation, will significantly reduce the number of actions marked as 'in progress'.

Internal Audit's Recommendations Position Statement

As at 26th February 2021, Internal Audit can confirm that in total:

- The 100 actions signed off by Board as implemented are relevant to 95 (81%) audit recommendations out of the 118 recommendation total;
- 12 (10%) recommendations do not require Internal Audit follow up due to being Medium Priority recommendations from non Limited assurance opinion GFRS Action Plan internal audit reports;
- 39 (33%) recommendations (previously 27 recommendations as at December 2020) have been verified by Internal Audit as implemented, with no further action required by GFRS Improvement Board. This includes all recommendations relevant to the GFRS Procurement Cards; GFRS HR and Payroll – Retirement; and the GFRS HR and Payroll – Staff Promotion, Progression and Movement internal audits;
- 2 interim actions (in line with December 2020) have been verified by Internal Audit as implemented, with the medium term action to be completed (in line with the management response to the relevant original review);
- As previously reported to Committee, 1 recommendation (GFRS Procurement recommendation 4) requires no further GFRS Improvement Board action, due to being a GCC corporate recommendation to be reviewed by ARA directly with the confirmed GCC lead officer and reported separately to Committee; and
- The ARA lead auditors continue to review and test recommendations marked by the Board as 'Awaiting Approval By Audit'. The goal per recommendation is to ensure that audit trail and testing confirm the recommendation and management response as actioned and embedded.

Appendix 3 details the GFRS audit recommendations verified as implemented by Internal Audit during the period January 2021 to February 2021.

GFRS Improvement Board outcomes / comments

The Board has now been in place for over a full year and continues to co-ordinate and progress the Internal Audit recommendations.

5. Conclusion/Position as at February 2021

Covid 19 has placed significant pressures on public services and has impacted (and continues to impact) the Council's and GFRS's priorities, objectives and risk environment. Even during this very challenging period, the Board continues to make positive progress and applies a strong drive to complete the implementation of the Internal Audit recommendations.

Internal Audit recognises the hard work that GFRS continues to place in addressing the audit recommendations in a timely manner, particularly prioritising and focusing on these actions during the pandemic, which has not been an easy task and demonstrates a strong commitment to driving good governance within GFRS.

A further Internal Audit Follow Up Progress Report is scheduled to be presented to the Audit and Governance Committee at the July 2021 meeting.

Appendix 1 – Original GFRS Internal Audit recommendations

GFRS Action Plan internal audits	Assurance Opinions***		Internal Audit recommendations raised*** (including number of recommendations for follow up by Internal Audit in brackets)			Date audit findings were reported to Audit and Governance Committee
	Risk Identification Maturity	Control Environment	High Priority	Medium Priority	Total	
GFRS - Gifts and Hospitality and Declarations of Interest	Limited	Limited	3 (3)	2 (2)	5 (5)	25 th April 2019
GFRS Budget Monitoring	Substantial	Satisfactory	4 (4)	0 (0)	4 (4)	25 th April 2019
GFRS Budget Setting	Substantial	Satisfactory	1 (1)	1 (0)	2 (1)	25 th April 2019
GFRS Capital programme	Satisfactory	Satisfactory	0 (0)	4 (0)	4 (0)	26 th July 2019
GFRS Fleet – Commissioning of new vehicles	Limited (with a few Satisfactory aspects)	Limited	4 (4)	3 (3)	7 (7)	26 th July 2019
GFRS Fleet – Disposal of vehicles	Limited	Limited	12 (12)	2 (2)	14 (14)	26 th July 2019
GFRS Fleet – Maintenance and Stores	Satisfactory	Limited	8 (8)	6 (6)	14 (14)	25 th April 2019

GFRS Action Plan internal audits	Assurance Opinions***		Internal Audit recommendations raised*** (including number of recommendations for follow up by Internal Audit in brackets)			Date audit findings were reported to Audit and Governance Committee
	Risk Identification Maturity	Control Environment	High Priority	Medium Priority	Total	
GFRS Fleet management – use of pool cars, personal and leased cars and fuel schemes	Limited	Limited	5 (5)	0 (0)	5 (5)	11 th October 2019
GFRS Governance	N/A	N/A	3 (3)	1 (0)	4 (3)	25 th January 2019
GFRS HR and Payroll – Absence reporting procedures	Satisfactory	Satisfactory	3 (3)	0 (0)	3 (3)	26 th July 2019
GFRS HR and Payroll – Expenses and service benefits	Limited	Limited	11 (11)	4 (4)	15 (15)	11 th October 2019
GFRS HR and Payroll – Staff Promotion, Progression and Movement	Limited	Limited	5 (5)	1 (1)	6 (6)	25 th April 2019
GFRS HR and Payroll – Recruitment	Satisfactory	Limited	3 (3)	0 (0)	3 (3)	25 th April 2019
GFRS HR and Payroll – Retirement	Satisfactory	Satisfactory	2 (2)	1 (0)	3 (2)	25 th April 2019
GFRS Income and cash handling	Satisfactory	Satisfactory	3 (3)	5 (0)	8 (3)	26 th July 2019
GFRS Procurement	Limited	Limited	7 (7)	1 (1)	8 (8)	26 th July 2019

GFRS Action Plan internal audits	Assurance Opinions***		Internal Audit recommendations raised*** (including number of recommendations for follow up by Internal Audit in brackets)			Date audit findings were reported to Audit and Governance Committee
	Risk Identification Maturity	Control Environment	High Priority	Medium Priority	Total	
GFRS Procurement Cards	Limited	Limited	7 (7)	1 (1)	8 (8)	25 th April 2019
Syrian Refugee Grant	Satisfactory	Limited	4 (4)	1 (1)	5 (5)	11 th October 2019
			Total	85 (85)	33 (21)	118 (106)

***See [Appendix 2](#) for the internal audit assurance opinion and recommendation definitions.

Appendix 2 – Internal Audit assurance opinion and recommendation definitions

ARA Internal Audit assurance opinion definitions:

Assurance Levels	Risk Identification Maturity	Control Environment
Substantial	<p>Risk Managed Service area fully aware of the risks relating to the area under review and the impact that these may have on service delivery, other services, finance, reputation, legal, the environment, client/customer/partners, and staff. All key risks are accurately reported and monitored in line with the Corporate Risk Management Strategy.</p>	<ul style="list-style-type: none"> • System Adequacy – Robust framework of controls ensures that there is a high likelihood of objectives being achieved • Control Application – Controls are applied continuously or with minor lapses
Satisfactory	<p>Risk Aware Service area have an awareness of the risks relating to the area under review and the impact that these may have on service delivery, other services, finance, reputation, legal, the environment, client/customer/partners, and staff. However some key risks are not being accurately reported and monitored in line with the Corporate Risk Management Strategy.</p>	<ul style="list-style-type: none"> • System Adequacy – Sufficient framework of key controls for objectives to be achieved but, control framework could be stronger • Control Application – Controls are applied but with some lapses
Limited	<p>Risk Naïve Due to an absence of accurate and regular reporting and monitoring of the key risks in line with the Corporate Risk Management Strategy, the Service area has not demonstrated an adequate awareness of the risks relating to the area under review and the impact that these may have on service delivery, other services, finance, reputation, legal, the environment, client/customer/partners and staff.</p>	<ul style="list-style-type: none"> • System Adequacy – Risk of objectives not being achieved due to the absence of key internal controls • Control Application – Significant breakdown in the application of control

ARA Internal Audit recommendation priority definitions:

Priority	Description
High	Critical/Major risk exposure which materially impact on the assets, reputation, service delivery and objectives of the organisation.
Medium	Moderate risk exposure that impacts on the assets, reputation, service delivery and objectives of the organisation.

Appendix 3 – Recommendations verified as implemented by Internal Audit during the period January 2021 to February 2021

GFRS Action Plan internal audit	Recommendation reference and priority	Management's response	Internal Audit review outcomes
<p>Limited Assurance</p> <p>GFRS Fleet Maintenance and Stores</p>	<p>High priority</p> <p>5. A yearly stock take should be undertaken to ensure the accuracy of the stock files reflect the stocks held by Fleet as per Accounting Instruction No.4 i.e. The inventory must be checked once a year as per the procedure.</p>	<p>An action plan will be put in place to address the findings and ensure that GFRS Fleet Management has full understanding and oversight of compliance with the required policy, procedure and regulations.</p> <p>(GFRS have grouped recommendations 5,6 and 7 on GFRS Fleet Maintenance and Stores together, due to them being relevant to the fleet stock take)</p>	<p>Recommendation implemented.</p> <p>Internal Audit reviewed the ratification report completed by GFRS. This evidences the recommendation as achieved due to the implementation of a yearly stock take. Accounting Instruction 4 states that a yearly stock take must be undertaken of an inventory. GFRS Fleet are aligned to this having undertaken and evidenced a Fleet stock take as at 23rd April 2020, with the next yearly stock take to be completed in April 2021.</p> <p>Evidence of expected stock compared to actual counted stock levels could be seen within the ratification report supporting evidence folder to support that the 23rd April 2020 stock take was undertaken. Audit trail relevant to the GFRS Workshop Supervisor and Workshop Manager were also available to confirm both that the input of the amended stock files was to be completed on Tranman and that completion had occurred.</p>

GFRS Action Plan internal audit	Recommendation reference and priority	Management's response	Internal Audit review outcomes
<p>Limited Assurance</p> <p>GFRS Fleet – Maintenance and Stores</p>	<p>High priority</p> <p>6. Full print out of expected stock levels from Tranman should be compared to actual stock identified. Physical evidence of stock check should be retained with the date, name, and signature of individual who undertook the check as proof of stock check being undertaken as per Accounting Instruction No.4.</p>	<p>An action plan will be put in place to address the findings and ensure that GFRS Fleet Management has full understanding and oversight of compliance with the required policy, procedure and regulations.</p> <p>(GFRS have grouped recommendations 5,6 and 7 on GFRS Fleet Maintenance and Stores together, due to them being relevant to the fleet stock take)</p>	<p>Recommendation implemented.</p> <p>The recommendation has been met through the combined evidence provided by GFRS for recommendations 5, 6 and 7 on GFRS Fleet Maintenance and Stores. The April 2020 GFRS Fleet yearly stock take evidence showed that a print out of the expected stock had been used during the stock take and actual stock levels had been hand written on the document to reconcile and correct the various stock levels of items held by GFRS Fleet. In line with Accounting Instruction 4 requirements, this had then been signed by the individual undertaking the stocktake with a date also recorded on the print out ready for input onto the stock system.</p>
<p>Limited Assurance</p> <p>GFRS Fleet – Maintenance and Stores</p>	<p>Medium priority</p> <p>7. Fleet management should ensure a separation of duty between staff undertaking the stock take and staff responsible for maintaining stock files, to ensure that no single individual is entirely responsible for stock records and control.</p>	<p>An action plan will be put in place to address the findings and ensure that GFRS Fleet Management has full understanding and oversight of compliance with the required policy, procedure and regulations.</p> <p>(GFRS have grouped recommendations 5,6 and 7 on GFRS Fleet Maintenance and Stores together, due to them being relevant to the fleet stock take)</p>	<p>Recommendation implemented.</p> <p>Information reviewed by Internal Audit evidenced that there was segregation of duty between the individual completing the April 2020 GFRS Fleet yearly stock take and the individual who maintains the GFRS Fleet stock files (including input and update of stock records into the Tranman system). Verbal assurance has been provided that the segregation of duty is to be maintained for future GFRS Fleet annual stock takes.</p>

GFRS Action Plan internal audit	Recommendation reference and priority	Management's response	Internal Audit review outcomes
<p>Limited Assurance</p> <p>GFRS Fleet – Maintenance and Stores</p>	<p>Medium priority</p> <p>12. GFRS should ensure that applicable warranties are more formally recorded and monitored via Tranman to prevent unnecessary costs being incurred by GFRS.</p>	<p>An action plan will be put in place to address the findings and ensure that GFRS Fleet Management has full understanding and oversight of compliance with the required policy, procedure and regulations.</p>	<p>Recommendation implemented.</p> <p>Verbal assurance and evidence provided by GFRS for 20/21 confirmed that Tranman is now used to record warranty expiration dates, through the relevant field within the vehicle details. This is then managed and monitored by the GFRS Workshop Manager to ensure that in the month prior to the warranty, expiring vehicles are brought into the workshop for inspection to identify any faults that may require manufacturer attention.</p> <p>The above control was confirmed through audit walkthrough testing of one vehicle as at February 2021. Tranman screenshots demonstrated the information for the sampled GFRS fleet vehicle being added to the new Tranman system with the warranty date included. Reviewed audit trail also confirmed the Tranman system has the functionality to prompt the system user with a banner message reminding the member of staff that the vehicle is still under warranty if applicable. GFRS were also able to provide a spreadsheet of the current vehicles that are under manufacture warranty, demonstrating that they are managed and monitored.</p>

GFRS Action Plan internal audit	Recommendation reference and priority	Management's response	Internal Audit review outcomes
<p>Limited Assurance</p> <p>GFRS Fleet – Maintenance and Stores</p>	<p>Medium priority</p> <p>14. To maintain separations of duty and reduce any potential impropriety, fleet management should ensure that Tranman access is restricted to management, to protect the integrity of the stock files, job sheets and vehicle information within the system.</p>	<p>An action plan will be put in place to address the findings and ensure that GFRS Fleet Management has full understanding and oversight of compliance with the required policy, procedure and regulations.</p>	<p>Recommendation implemented.</p> <p>Audit review of the relevant evidence for GFRS Fleet Maintenance and Stores recommendation 4 (verified by Internal Audit as implemented) confirmed that the Workshop Manager, Workshop Supervisor, Administrator for Logistics and Resources, Fleet Management Administrator and the Service Delivery Support Administrator for fleet have all had training on the use of the new Tranman system. The Workshop Manager also confirmed that to ensure segregation of duty, workshop staff have no access to the system and are unable to amend stock files, input or change job cards.</p> <p>Evidence was received from the Workshop Manager in the form of a screenshot of user log ins confirming which staff had access to the Tranman system as at February 2021. This confirmed that access was restricted to the relevant individuals within workshop management only.</p>
<p>Satisfactory Assurance</p> <p>GFRS HR and Payroll – Absence reporting</p>	<p>High priority</p> <p>2. GFRS management should ensure that where support staff has access to SAP, the system should be used to record all</p>	<p>All departments to align with the respective leave policy including recording processes. This will include SAP training for line managers.</p>	<p>Recommendation implemented.</p> <p>The Ratification Report stated that links to SAP guidance on Staffnet, including how to book leave, would be included in GFRS's</p>

GFRS Action Plan internal audit	Recommendation reference and priority	Management's response	Internal Audit review outcomes
procedures	absences including, sickness, TOIL and leave.		<p>Managers Guidance Green Book. The updated policy, 'SP003 Section 04-4', was provided to Internal Audit as evidence that this action had been completed.</p> <p>Evidence reviewed by Internal Audit confirmed that up date to GFRS managers occurred in March 2020. In addition, reference to the updated policy was included in the bi-weekly briefing for policy updates that was sent to all staff on 30th November 2020 and within a further December 2020 communication, to ensure officer awareness.</p> <p>In line with confirmation from the BSC SAP team (and separate review of the process within the GCC Sickness Absence Recording internal audit reported to Audit and Governance Committee in July 2020), Managers are not allocated their SAP MSS licence until they have completed the correct SAP training. Any sickness not recorded should be picked up at the GFRS monthly sickness monitoring meetings with managers. An email was sent to Managers to in November 2020 reminding them about the need to record sickness on SAP.</p>

GFRS Action Plan internal audit	Recommendation reference and priority	Management's response	Internal Audit review outcomes
			Audit testing of SAP absence records on SAP for the ICT team and Fire Safety Officers for the period 1 st April 2019 to 31 st March 2020 confirmed that annual leave was recorded for all individuals, as well as TOIL, family care leave and sickness where relevant.
<p>Limited Assurance</p> <p>GFRS HR and Payroll – Staff Promotion, Progression and Movement</p>	<p>High priority</p> <p>2. A GFRS temporary appointments policy should be produced and approved by the SLT, in consultation with GCC's HR section, taking into account any requirements of the NJC Gold and Grey Books. The policy should include, but not be exclusive to:</p> <ul style="list-style-type: none"> • The process for appointing to a temporary position; • Maximum length of time a temporary appointment should last; • Whether temporary appointments should be subject to regular review, the format of the reviews and the intervals between reviews; and • Any impact the temporary appointment will have on pay and conditions. <p>Where any new HR policies are written or existing ones revised, this should always</p>	<p>Head of POD and GCC HR section to produce appointments and progression policy.</p>	<p>Recommendation implemented.</p> <p>An interim Promotions & Progression Policy has been produced by GFRS in consultation with HR. The promotions process will now involve recruiting a number of individuals who will then go into a 'talent pool' and the posts for future temporary or permanent promotions will be filled from these individuals in the pool.</p> <p>Audit review of the policy confirms that it covers all the areas highlighted by the audit recommendation. Evidence reviewed also confirms HR consultation.</p> <p>The proposed policy was presented to the Strategic Leadership Team (SLT) on 28th September 2020 and SLT minutes confirm the SLT decision to adopt the process, subject to any amendments pending implementation of the full Development and Promotions Policy.</p>

GFRS Action Plan internal audit	Recommendation reference and priority	Management's response	Internal Audit review outcomes
	be undertaken in consultation with GCC's HR section.		<p>The SLT minutes also confirm that the Head of HR and a HR Business Partner sit on SLT and were present at SLT, which approved the policy to be issued as a pilot for three months during which time staff consultation would take place.</p> <p>Once the results of the consultation are known, and any necessary changes made, it will go to the Policy Approval Group (PAG) for final approval. If there are any major changes to the policy proposed it will also go back to SLT.</p> <p>During the consultation period (up to February 2021 and at the point of audit review) two recruitment processes had taken place – for Area Managers and Group Managers. Audit testing confirmed that the new process was followed for both recruitment processes. Evidence was provided to support the recruitment processes and included scoresheets for application shortlisting and final scores as well as interview questions. The Workforce Planning Group met in January 2021 and ratified the interview panel's decisions. A copy of the minutes has been provided as evidence.</p>

GFRS Action Plan internal audit	Recommendation reference and priority	Management's response	Internal Audit review outcomes
			<p>The policy provides a clearly documented process and the process are monitored and decisions made ratified by the Workforce Planning Group, which is independent of the interview panel. It is accepted that there will still be a need for some temporary posts, but the number of such posts is now being monitored on a monthly basis by the Workforce Planning Group, which includes both GFRS and GCC HR staff.</p>
<p>Limited Assurance</p> <p>GFRS HR and Payroll – Staff Promotion, Progression and Movement</p>	<p>High priority</p> <p>3. A review of all current temporary appointments should be undertaken, to establish the reason for the appointments, the length of time that they have been temporary, whether there are regular reviews undertaken and whether there is still a need for the post to be temporary or whether it should be made permanent.</p> <p>This process to be documented to evidence decisions made.</p>	<p>Agreed. Review current temporary appointments.</p>	<p>Recommendation implemented.</p> <p>Evidence reviewed by audit has confirmed that an initial review of all GFRS temporary posts was completed in quarter 3 2019/20, alongside a wider recruitment process in between October 2019 and May 2020 to fill any temporary posts on a permanent basis where possible. This exercise resulted in 27 substantive appointments, in addition to six external appointments.</p> <p>Audit testing was completed on four individuals who had moved from a temporary post to permanent during this period. It is noted that paperwork could not be located to confirm the decision making process (due to documentation only being held for six months), although</p>

GFRS Action Plan internal audit	Recommendation reference and priority	Management's response	Internal Audit review outcomes
			<p>letters/evidence confirming the appointments were viewed.</p> <p>In addition to the above, GFRS have actioned a new KPI to monitor and manage the number of GFRS temporary positions. The information is provided by HR and is reviewed by the GFRS Workforce Planning Group on a monthly basis.</p> <p>This recommendation overlaps with GFRS HR and Payroll – Staff Promotion, Progression and Movement Recommendation 2, which covers a new Temporary Appointment process and policy that requires all promotions to temporary posts to follow the same process and will be clearly evidenced.</p>
<p>Limited Assurance</p> <p>GFRS HR and Payroll – Staff Promotion, Progression and Movement</p>	<p>Medium priority</p> <p>5. Transfer request forms should be correctly completed and approved, to confirm that the request has been supported by the individual's line manager.</p>	<p>Process reviewed to include the correct authorisations and communicated to all line managers.</p>	<p>Recommendation implemented.</p> <p>The transfer request cycle currently occurs once per year. Audit review of the five 2020 transfer requests identified that all had a letter confirming the final decision that the request had been agreed. However one transfer form could not be located and the remaining forms had areas of non completion.</p> <p>GFRS has acknowledged that transfer</p>

GFRS Action Plan internal audit	Recommendation reference and priority	Management's response	Internal Audit review outcomes
			<p>forms were not fully completed and retained in line with process in 2020. Internal Audit was advised that a consultation meeting had taken place in August 2020 and attended by relevant parties to discuss and approve the transfers; however minutes of the meeting were not taken. The outcome of the meeting was ultimately the transfer approval letter.</p> <p>To prevent this going forward, for the 2021 and future transfer approach an additional process has been agreed by GFRS, which (where actioned for the 2021 transfer request cycle) will provide a second check on all transfer forms to ensure that they have been fully completed and authorised. The completed forms will be stored centrally under the control of the Station Manager-Response and it has been agreed that this individual will complete an independent check to ensure the forms are complete, prior to their agreement and filing (alongside the action log). The form and guidance notes have been amended to highlight this updated process. The recommendation has been signed off as implemented by audit, based on the updated form and guidance notes.</p>

GFRS Action Plan internal audit	Recommendation reference and priority	Management's response	Internal Audit review outcomes
<p>Limited Assurance</p> <p>GFRS Procurement</p>	<p>High priority</p> <p>1. All GFRS officers involved in the tendering, procurement, ordering and payment of goods / expenditure should be made fully aware of The European public contracts directive, the Council's Contract Standing Orders, Commercial Services 'How to procure at GCC' guidance and provided with further procurement training by Commercial Services.</p> <p>A review of procurement roles and responsibilities at GFRS should be undertaken by the Principal Officers to establish whether there should be a 'subject matter expert' for general contracts, which could provide dedicated support for GFRS officers. In addition this role could enhance the 'first line of defence' by providing further 'checks and balances' and supporting the second line of defence.</p>	<p>Training requirements will be reviewed and commissioned accordingly.</p>	<p>Recommendation implemented.</p> <p>There are two levels of procurement training that have been determined and given by GCC Commercial Services to GFRS officers, with specific GFRS officers identified for training based on their role - Part one training for 43 GFRS officers and Part two training for 11 GFRS Officers.</p> <p>Part one and two training was delivered during July to September 2020 to 39 officers for Part one and nine officers for Part two. A random sample of six officers who received the Part one training and four officers who received the Part two training was selected by Internal Audit to confirm there was documentary signed evidence from them confirming completion of the training. The results of the test were satisfactory. As at 2nd February 2021 all identified officers have now received the Part one training and only one officer remains outstanding for the Part two training, which is due to be delivered by 2020/21 year end.</p> <p>Going forward it is the responsibility of GFRS managers to identify new GFRS starters that require procurement training</p>

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			<p>to make a request to their GCC Business Partner for the appropriate training to take place and be completed.</p> <p>GFRS have determined that a dedicated GFRS Procurement Officer position was required and an appropriate job profile has been created. As at January 2021, the GFRS Business, Planning, Strategy and Performance Team Officer provided assurance that the GFRS Head of Logistics and Resources and GCC Commercial Services are working closely together regarding this requirement and are currently awaiting APR (Approval To Recruit form) approval before placing the job advertisement.</p>
<p>Limited Assurance</p> <p>GFRS Procurement</p>	<p>High priority</p> <p>5. All GFRS budget holders should be reminded of the updated version of Accounting Instruction No. 1 (AI1) and Shopper guidance in particular relating to confirming that expenditure is coded to the correct general ledger account, expenditure is appropriate and business legitimate.</p>	<p>Budget holder training is underway and will continue. Monitoring and controls will be established to ensure second line of defence and effective compliance.</p>	<p>Recommendation implemented.</p> <p>AI1 has been updated within 2019/20 by GCC Strategic Finance and the new version of the document is available to all staff via the GCC intranet. The Finance and Compliance Manager sent an email to the GFRS Financial Monitoring Group (FMG) advising them that AI1 had been updated and provided a link to these instructions for them to read and be familiar with.</p>

GFRS Action Plan internal audit	Recommendation reference and priority	Management's response	Internal Audit review outcomes
			<p>The Finance and Compliance Manager has undertaken monthly sample (20 per month) checks on GFRS expenditure commencing October 2020 to ensure that officers are now correctly coding expenditure to the correct cost centre and account code, confirming expenditure is appropriate and business legitimate. Documentary evidence of the compliance checks for October and November 2020 was provided to Internal Audit by the Finance and Compliance Manager confirming the implementation of the recommendation.</p> <p>Based on discussion with the Finance and Compliance Manager, it is understood that the sample checks will be completed on a monthly basis over an initial six month period. The regularity of the checks will then be reviewed and potentially adjusted, based on the testing outcomes for the period.</p>
<p>Limited Assurance</p> <p>GFRS Procurement</p>	<p>Medium priority</p> <p>8. GFRS should review the use of retrospective purchase orders and for the future reduce these to a minimum.</p>	<p>Agreed. These will be reviewed.</p>	<p>Recommendation implemented.</p> <p>Following review of the original ratification report, a number of audit queries were progressed with the recommendation lead contact and GFRS Improvement Board. These were resolved and confirmed:</p>

GFRS Action Plan internal audit	Recommendation reference and priority	Management's response	Internal Audit review outcomes
			<p>1. December 2020 Improvement Board confirmed an acceptable level / benchmark for retrospective purchase orders and confirmed 2019/20 retro levels were an improvement compared to the original audit findings.</p> <p>2. In January 2021, the GFRS Finance and Compliance Manager confirmed the process that she was now following to ensure implementation of the recommendation:</p> <ul style="list-style-type: none"> - Utilising a monthly report of expenditure (excluding payroll) from SAP to highlight any retrospective (retro) orders, with discussion with the shopper to determine rationale and whether appropriate (with action as required); -Request has been entered through the BSC helpdesk for a monthly report of orders so it can be determined what the level of retro orders are against the total number of orders. This monthly check will determine whether GFRS are reducing retro numbers and enable benchmark against the acceptable percentage level; -The allocated Shopper supervisor for GFRS will continue to send regular communications to shoppers about the need to use appropriate SAP ordering procedures and avoid raising retro orders.

GFRS Action Plan internal audit	Recommendation reference and priority	Management's response	Internal Audit review outcomes
			<p>Audit review of the November and December 2020 expenditure reports used by the GFRS Finance and Compliance Manager to check for correct coding, cost centre and legitimate expenditure confirmed that retro orders were considered as part of the monthly review.</p> <p>The GFRS Finance and Compliance Manager also confirmed that following implementation of the Syrian Refugee Internal Audit recommendations the number of retrospective purchase orders has reduced significantly. This is in line with Internal Audit follow up testing and outcomes on Syrian Refugee Grant recommendation 4 (verified by Internal Audit as implemented).</p>