

# GFRS Internal Audit Follow Up – Progress Report

July 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 15<sup>th</sup> 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 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 12<sup>th</sup> October 2018 and the last of the audit outcomes being presented on 11<sup>th</sup> 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 included 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 was 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 was 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 was 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 were completed monthly between September 2019 and May 2021. The GFRS Improvement Board activity concluded in May 2021, following Board confirmation that all ARA audit recommendations had been actioned and/or were being appropriately progressed.

The future route for improvement plan and audit findings is currently in discussion between the GFRS Board membership contacts, with the GFRS Project Management Office (PMO) being considered as a potential option.

### 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;
- ARA 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 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 progress updates 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 fourth GFRS Internal Audit Follow Up Progress Report to Audit and Governance Committee. The first report was presented to Audit and Governance Committee on 30<sup>th</sup> October 2020 (October 2020 position); the second on 22<sup>nd</sup> January 2021 (December 2020 position); and the third on 25<sup>th</sup> March 2021 (February 2021 position).

## 4. Key Findings as at June 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 four 2019/20 to ensure an appropriate process with accessible audit trail to enable Internal Audit follow up delivery.

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

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

From June 2020 up to May 2021, ARA 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 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 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.

### GFRS Improvement Board Recommendations Position Statement

As at the final GFRS Improvement Board meeting in May 2021, the Board has signed off all (100%) of the 124 actions (from 118 audit recommendations) total as implemented and/or as being progressed through an appropriate route. These are detailed in the below table:

	<b>GFRS Improvement Board position as at May 2021</b>
Total audit recommendations / actions	<p>118 audit recommendations.</p> <p>Six recommendations were split out by GFRS into an interim action and a medium term action, totalling 124 actions within the GFRS Improvement Board tracker.</p> <p>The six split recommendations were relevant to budget monitoring, budget setting, income and cash handling, disposals and procurement cards.</p>

	<b>GFRS Improvement Board position as at May 2021</b>
Actions confirmed as implemented by the Board	122 (previously 100 as at February 2021)
Actions in progress with the PMO	One (previously eight as at February 2021) - GFRS Procurement recommendation 7
Actions in progress and being delivered by the wider organisation (GCC)	One (previously 16 as at February 2021) - GFRS Procurement recommendation 4

### **Internal Audit's Recommendations Position Statement**

As at 30<sup>th</sup> June 2021, Internal Audit can confirm that in total:

- The 122 actions signed off by Board as implemented are relevant to 116 (98%) Internal 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.
- 57 (48%) recommendations (previously 39 recommendations as at February 2021) have been verified by Internal Audit as implemented, with no further action required by GFRS Improvement Board. This includes all recommendations relevant to the following GFRS internal audits:
  - Procurement Cards;
  - HR and Payroll – Retirement;
  - HR and Payroll – Staff Promotion, Progression and Movement;
  - HR and Payroll – Absence Reporting Procedures;
  - Budget Monitoring;
  - Budget Setting; and
  - Gifts and Hospitality and Declarations of Interest.
- As previously reported to Committee, one 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. See **Appendix 4**.

- One recommendation (GFRS Procurement recommendation 7) is being directly progressed by the GFRS PMO. See **Appendix 4**.
- ARA continues to review and test recommendations marked by the Board as 'Awaiting Approval By Audit'. The goal per recommendation is to ensure that the audit trail and testing confirm the recommendation and the management response as actioned and embedded.

**Appendix 1** includes a summary of the GFRS audits and confirmation of the number of recommendations verified as implemented by Internal Audit to date.

**Appendix 3** details the GFRS audit recommendations verified as implemented by Internal Audit during the period March 2021 to June 2021.

**Appendix 4** confirms the two recommendations in progress as at June 2021.

### **GFRS Improvement Board outcomes / comments**

GFRS Improvement Board meetings and activity concluded in May 2021. Once the future route for improvement plan and audit findings is confirmed, the approach will be fully supported by ARA (as required).

## **5. Conclusion/Position as at June 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 has made positive progress and applied a strong drive to complete the implementation of the Internal Audit recommendations.

Internal Audit recognises the hard work that GFRS has placed in addressing the recommendations, 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.

As at May 2021, the GFRS Improvement Board confirmed that all ARA recommendations have been actioned and/or are being progressed through an appropriate route – which is a commendable achievement.

ARA continue to work with key contacts to review and test the final batch of recommendations, to provide assurance (verification) that they have been actioned and embedded. A final Internal Audit Follow Up Progress Report is scheduled to be presented to the Audit and Governance Committee at the January 2022 meeting to conclude the audit follow up activity.



## Appendix 1 – Original GFRS Internal Audit recommendations

GFRS Action Plan internal audits	Assurance Opinions***		Internal Audit recommendations raised*** (including the total number requiring Internal Audit follow up (N) and the number verified by Internal Audit (N) as at June 2021)			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) <b>(3)</b>	2 (2) <b>(2)</b>	5 (5) <b>(5) – audit verification complete</b>	25 <sup>th</sup> April 2019
GFRS Budget Monitoring	Substantial	Satisfactory	4 (4) <b>(4)</b>	0 (0) <b>(0)</b>	4 (4) <b>(4) – audit verification complete</b>	25 <sup>th</sup> April 2019
GFRS Budget Setting	Substantial	Satisfactory	1 (1) <b>(1)</b>	1 (0) <b>(0)</b>	2 (1) <b>(1) – audit verification complete</b>	25 <sup>th</sup> April 2019
GFRS Capital programme	Satisfactory	Satisfactory	0 (0) <b>(0)</b>	4 (0) <b>(0)</b>	4 (0) <b>(0) – audit verification not required</b>	26 <sup>th</sup> July 2019
GFRS Fleet – Commissioning of new vehicles	Limited (with a few Satisfactory aspects)	Limited	4 (4) <b>(3)</b>	3 (3) <b>(2)</b>	7 (7) <b>(5) – audit follow up in progress</b>	26 <sup>th</sup> July 2019
GFRS Fleet – Disposal of vehicles	Limited	Limited	12 (12) <b>(0)</b>	2 (2) <b>(0)</b>	14 (14) <b>(0) – audit follow up in progress</b>	26 <sup>th</sup> July 2019

GFRS Action Plan internal audits	Assurance Opinions***		Internal Audit recommendations raised*** (including the total number requiring Internal Audit follow up (N) and the number verified by Internal Audit (N) as at June 2021)			Date audit findings were reported to Audit and Governance Committee
	Risk Identification Maturity	Control Environment	High Priority	Medium Priority	Total	
GFRS Fleet – Maintenance and Stores	Satisfactory	Limited	8 (8) <b>(7)</b>	6 (6) <b>(4)</b>	14 (14) <b>(11) – audit follow up in progress</b>	25 <sup>th</sup> April 2019
GFRS Fleet management – use of pool cars, personal and leased cars and fuel schemes	Limited	Limited	5 (5) <b>(0)</b>	0 (0) <b>(0)</b>	5 (5) <b>(0) – audit follow up in progress</b>	11 <sup>th</sup> October 2019
GFRS Governance	N/A	N/A	3 (3) <b>(0)</b>	1 (0) <b>(0)</b>	4 (3) <b>(0) – audit follow up in progress</b>	25 <sup>th</sup> January 2019
GFRS HR and Payroll – Absence reporting procedures	Satisfactory	Satisfactory	3 (3) <b>(3)</b>	0 (0) <b>(0)</b>	3 (3) <b>(3) – audit verification complete</b>	26 <sup>th</sup> July 2019
GFRS HR and Payroll – Expenses and service benefits	Limited	Limited	11 (11) <b>(0)</b>	4 (4) <b>(1)</b>	15 (15) <b>(1) – audit follow up in progress</b>	11 <sup>th</sup> October 2019
GFRS HR and Payroll – Staff Promotion, Progression and Movement	Limited	Limited	5 (5) <b>(5)</b>	1 (1) <b>(1)</b>	6 (6) <b>(6) – audit verification complete</b>	25 <sup>th</sup> April 2019

GFRS Action Plan internal audits	Assurance Opinions***		Internal Audit recommendations raised*** (including the total number requiring Internal Audit follow up (N) and the number verified by Internal Audit (N) as at June 2021)			Date audit findings were reported to Audit and Governance Committee
	Risk Identification Maturity	Control Environment	High Priority	Medium Priority	Total	
GFRS HR and Payroll – Recruitment	Satisfactory	Limited	3 (3) (2)	0 (0) (0)	3 (3) (2) – audit follow up in progress	25 <sup>th</sup> April 2019
GFRS HR and Payroll – Retirement	Satisfactory	Satisfactory	2 (2) (2)	1 (0) (0)	3 (2) (2) – audit verification complete	25 <sup>th</sup> April 2019
GFRS Income and cash handling	Satisfactory	Satisfactory	3 (3) (1)	5 (0) (0)	8 (3) (1) – audit follow up in progress	26 <sup>th</sup> July 2019
GFRS Procurement	Limited	Limited	7 (7) (5)	1 (1) (1)	8 (8) (6) – audit follow up in progress	26 <sup>th</sup> July 2019
GFRS Procurement Cards	Limited	Limited	7 (7) (7)	1 (1) (1)	8 (8) (8) – audit verification complete	25 <sup>th</sup> April 2019
Syrian Refugee Grant	Satisfactory	Limited	4 (4) (1)	1 (1) (1)	5 (5) (2) – audit follow up in progress	11 <sup>th</sup> October 2019
<b>Total</b>			<b>85 (85) (44)</b>	<b>33 (21) (13)</b>	<b>118 (106) (57)</b>	

\*\*\*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
<b>Substantial</b>	<p><b>Risk Managed</b> 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"> <li>• System Adequacy – Robust framework of controls ensures that there is a high likelihood of objectives being achieved</li> <li>• Control Application – Controls are applied continuously or with minor lapses</li> </ul>
<b>Satisfactory</b>	<p><b>Risk Aware</b> 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"> <li>• System Adequacy – Sufficient framework of key controls for objectives to be achieved but, control framework could be stronger</li> <li>• Control Application – Controls are applied but with some lapses</li> </ul>
<b>Limited</b>	<p><b>Risk Naïve</b> 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"> <li>• System Adequacy – Risk of objectives not being achieved due to the absence of key internal controls</li> <li>• Control Application – Significant breakdown in the application of control</li> </ul>

ARA Internal Audit recommendation priority definitions:

Priority	Description
<b>High</b>	Critical/Major risk exposure which materially impact on the assets, reputation, service delivery and objectives of the organisation.
<b>Medium</b>	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 March 2021 to June 2021

GFRS Action Plan internal audit	Recommendation reference and priority	Management's response	Internal Audit review outcomes
<p>Satisfactory Assurance</p> <p>GFRS Budget Monitoring</p>	<p>High priority</p> <p>1. Given the significance of financial guidance available to support budget monitoring, it is essential that the GCC guidance is reviewed and updated to ensure it is consistent and does not conflict with any other guidance, including Accounting Instructions and any bespoke GFRS guidance.</p>	<p>Out of date financial guidance has been removed, Accounting Instructions are currently being revised and financial guidance updated to ensure it is consistent with the SAP BW – Integrated Planned solution (BW-IP) financial management training.</p>	<p><b>Recommendation implemented.</b></p> <p>The three parts of the management response are detailed below, together with the ARA follow-up review position based on reviewed audit trail:</p> <ol style="list-style-type: none"> <li>1) Out of date financial guidance – Strategic Finance has taken action to ensure that the out-of-date information has been removed from Staffnet;</li> <li>2) Accounting Instructions (AI) 14 – AI14 has now been amended in line with requirements and the latest version of AI14 (May 2021) has been uploaded to Staffnet; and</li> <li>3) Financial guidance updated to ensure it is consistent with BW-IP financial management training – Staffnet now includes detailed BW-IP information within the 'Budget' page on Staffnet which is up to date, although this is an ongoing process as the documents are subject to review on a periodic basis as systems change. GFRS developed a bespoke SAP forecasting guide which was in addition to the larger BW-IP user guide that was developed by GCC. The Finance Manager</li> </ol>

GFRS Action Plan internal audit	Recommendation reference and priority	Management's response	Internal Audit review outcomes
			<p>confirmed that the GFRS summarised guidance is in line with the GCC BW-IP User Guide and reflects the basics of the training provided. The Finance Manager also confirmed that the budget management process adopted by GFRS is sufficiently robust and accurate.</p>
<p>Satisfactory Assurance</p> <p>GFRS Budget Monitoring</p>	<p>High priority</p> <p>3. For the purposes of integration, openness, transparency, challenge and support, consideration should be given to adopting a consistent approach to financial support by Strategic Finance staff to all BMs and BHs across all service areas within Communities and Infrastructure. This may require an analysis of the role of the GFRS Finance lead and the rest of the finance staff that are based at Waterwells to determine appropriate reporting lines, attendance requirements at GCC Budget Overview meetings and whether any of the GFRS finance roles could be performed by the staff already in post within GCC/Strategic Finance, as with other service areas within Communities and Infrastructure.</p> <p>In the interim, GFRS Budget Managers (BMs) and Budget Holders (BHs) should</p>	<p>Interim action (previously verified as implemented by Internal Audit).</p> <p>Medium term action</p> <p>Undertake a review of the corporate support arrangements for GFRS to implement a Business Partnering model that ensures compliance to GCC financial regulations/policies whilst providing comprehensive support and advice to senior managers and budget managers within GFRS.</p>	<p><b>Recommendation implemented.</b></p> <p>The medium term position and goal were reviewed by the Board, CFO and the Finance Director to ensure the needs of all parties were considered.</p> <p>Full integration of the Finance team at GFRS and Strategic Finance was considered, but not agreed. As part of this, the CFO confirmed that It was important to maintain the tighter management control which GFRS had as a result of the work of the GFRS Business Partner. An example of this was the Finance Management Group (managed by the GFRS Business Partner) which meets on a regular basis and comprises budget holders and managers, helping them to track their budget spends and keeping them on target.</p> <p>The audit trail confirms the following areas</p>

GFRS Action Plan internal audit	Recommendation reference and priority	Management's response	Internal Audit review outcomes
	<p>be made aware that they can access financial support directly from their allocated Senior Finance Officer, Finance Manager and Business Partner within Strategic Finance.</p>		<p>have been actioned: The Strategic Finance organisation chart makes reference to the four Business Partners reporting to GCC's Finance Director and with an identified Business Partner for GFRS and Regulatory Services. The Finance Director and the four Business Partners (making up the Finance Management Team) meet on a fortnightly basis. In addition, quarterly meetings take place between the Chief Fire Officer (CFO), the Finance Director and the GFRS Business Partners.</p> <p>The GFRS Business Partner role is integral to the regular Strategic Finance meetings and training. The post consistently reports to the Finance Director on the revenue &amp; capital position and meets regularly with the CFO and Finance Director.</p> <p>The above position was confirmed as appropriate by the CFO, Finance Director and Board.</p>
<p>Satisfactory Assurance</p> <p>GFRS Budget Setting</p>	<p>High priority</p> <p>1. For the purposes of integration, openness, transparency and challenge, consideration should be given to adopting a consistent approach to budget setting by Strategic Finance staff across all service</p>	<p>Interim action (previously verified as implemented by Internal Audit).</p> <p>Medium term action Undertake a review of the corporate support arrangements for GFRS to implement a Business Partnering model</p>	<p><b>Recommendation implemented.</b></p> <p>Further content as stated above for GFRS Budget Monitoring recommendation 3.</p>

GFRS Action Plan internal audit	Recommendation reference and priority	Management's response	Internal Audit review outcomes
	<p>areas within Communities and Infrastructure.</p> <p>This may require an analysis of the role of the GFRS HoF and the rest of the finance staff that are based at Waterwells to determine appropriate reporting lines and whether any of their finance functions should be performed by the staff already in post in Strategic Finance, as with other service areas within Communities and Infrastructure.</p>	<p>that ensures compliance to GCC financial regulations/policies whilst providing comprehensive support and advice to senior managers and budget managers within GFRS.</p>	
<p>Limited Assurance</p> <p>GFRS Fleet – Commissioning of new vehicles</p>	<p>High priority</p> <p>1. Records relating to tender submissions and evaluations should be stored in an agreed central archive within GFRS to enable review of such documentation to be undertaken and to evidence appropriate procedures and regulations have been followed.</p>	<p>All documentation relating to tender processes should be maintained within an electronic e-tendering system and / or ProContract for reference and audit purposes.</p>	<p><b>Recommendation implemented.</b></p> <p>GCC Strategic Procurement has worked closely with GFRS Officers to ensure that tenders and contracts are managed through ProContract and that historic contracts are also uploaded.</p> <p>This process has been aided with the identification of supplier expenditure over £15,000 and the resultant creation of a master spreadsheet which is updated weekly and discussed with GFRS management and Strategic Procurement.</p> <p>It is reported that GFRS has been fully compliant using ProContract since September 2019. Internal Audit checks</p>



GFRS Action Plan internal audit	Recommendation reference and priority	Management's response	Internal Audit review outcomes
			<p>against fleet and capital purchases since this time were undertaken to ensure all purchases were recorded on ProContract. This identified that the purchase of two Peugeot vehicles in May/June 2020 was not recorded, although this would appear to have been an oversight (possibly due to the timing of the purchase at the beginning of the pandemic) and this has now been rectified (this will not be flagged by ARA on other recommendations). Work to upload historic purchases/contracts relating to past fleet acquisitions is not yet complete but is being worked on at the point of audit follow up.</p> <p>The evidenced continued joint working between GFRS &amp; Strategic Procurement and the planned appointment of a Senior Procurement Officer within GFRS, also provides assurance that procurement rules and regulations should continue to be followed going forward.</p>

GFRS Action Plan internal audit	Recommendation reference and priority	Management's response	Internal Audit review outcomes
<p>Limited Assurance</p> <p>GFRS Fleet – Commissioning of new vehicles</p>	<p>High priority</p> <p>2. The Scheme of Delegation within the Constitution must be followed in respect of CFO decisions with financial implications over £250,000.</p>	<p>The new CFO will ensure that GCC policy, process and constitution are followed to drive and ensure compliance with the Local Government Transparency Code.</p>	<p><b>Recommendation implemented.</b></p> <p>A list of GFRS capital spend 2018/19 to 2020/21 was obtained by Internal Audit from Strategic Finance. This identified payments over £250,000 and which required an Executive Decision to be made by the CFO. One contract for the bulk replacement of firefighter Personal Protective Equipment (PPE) fell into this category and an Executive Decision paper was completed for this purchase (verified by audit). The Executive Decision in respect of the purchase of 16 response officer vehicles was also verified. Both reviewed contracts also appear on ProContract.</p> <p>The collaborative working approach between Strategic Procurement and GFRS (as referred to within wider GFRS vehicle acquisition and procurement recommendation audit review outcomes) will also support the continued delivery of this recommendation.</p>
<p>Limited Assurance</p> <p>GFRS Fleet – Commissioning of new vehicles</p>	<p>High priority</p> <p>3. The contract details for all contracts over £5,000 must be added to ProContract to ensure data transparency rules for local</p>	<p>The new CFO will ensure that GCC policy, process and constitution are followed to drive and ensure compliance with the Local Government Transparency Code. Training for all budget holders in the use of</p>	<p><b>Recommendation implemented.</b></p> <p>As per the ARA comments under GFRS Procurement recommendations 2 and 3 there has been collaboration between</p>

GFRS Action Plan internal audit	Recommendation reference and priority	Management's response	Internal Audit review outcomes
	authorities are adhered to.	ProContract will be delivered.	Strategic Procurement and GFRS to ensure that Council policy and procedures in respect of procurement are followed (including ensuring that contracts over £5k are added to ProContract). This has been supported by wider actions, including officer training - such as budget holders have received at least part 1 of ProContract procurement training and it has been agreed by the Improvement Board that re-training will take place once a new Senior procurement Officer has been appointed.
<p>Limited Assurance</p> <p>GFRS Fleet – Commissioning of new vehicles</p>	<p>Medium priority</p> <p>5. The lowest price should be accepted subject to evaluation criteria ensuring other factors / options are taken into account.</p>	<p>Corporate services will be consulted on the evaluation criteria for all capital procurement exercises. The tender evaluations will be recorded within an electronic e-tendering system and / or ProContract for reference and audit purposes. This will hold the decision rationale where the lowest price has not been chosen.</p>	<p><b>Recommendation implemented.</b></p> <p>Verbal assurance and audit trail provided by GFRS has confirmed that GFRS are working closely with Strategic Procurement to ensure Contract Standing Orders and Financial Regulations are followed.</p> <p>From Internal Audit's review and tracing of capital expenditure, it can be shown that ProContract is being used to record GFRS contracts placed since 2019. Most of the capital purchases made since 2019 have been purchased using existing frameworks, for example the Crown Commercial Service has been used for all light vehicle fleet purchases, with discounts</p>

GFRS Action Plan internal audit	Recommendation reference and priority	Management's response	Internal Audit review outcomes
			of up to 30% being achieved on manufacturers' list price.
<p>Limited Assurance</p> <p>GFRS Fleet – Commissioning of new vehicles</p>	<p>Medium priority</p> <p>7. All new vehicle purchases are treated as capital expenditure.</p>	<p>The CFO will ensure that GCC policy, process and constitution are followed to drive and ensure compliance with the Local Government Transparency Code.</p>	<p><b>Recommendation implemented.</b></p> <p>Audit review included comparison of the current GFRS Fleet list and the GFRS capital purchases list provided by Strategic Finance. The review / reconciliation of data confirmed that GFRS fleet purchased since 2018 have been correctly treated as capital within the accounts.</p>
<p>Limited Assurance</p> <p>GFRS Fleet Maintenance and Stores</p>	<p>High priority</p> <p>8. Vehicle reassignments outside of the “normal” arrangements around the county fire stations that are required for operational effectiveness should be formally documented (including the rationale), approved by the relevant officer and retained by GFRS.</p> <p>GFRS must ensure that if vehicles are to be reassigned outside of the service that risk assessments are carried out to ensure that all GFRS / GCC liabilities and risks are protected / managed.</p>	<p>An action plan will be put in place to address the findings and ensure that Fleet Management has full understanding and oversight of compliance with the required policy, procedure and regulations.</p>	<p><b>Recommendation implemented.</b></p> <p>‘Service Policy 05 Fleet Management’ and supporting documents have been updated, approved by GFRS SLT in March 2021 and rolled out to officers (e.g. via the GFRS intranet and staff communications). Internal Audit reviewed the updated policy which contains section 3d specifically addressing loan vehicles. This includes who within GFRS needs to be aware and approve of the loan of a vehicle, in this instance SLT as well as a Loan Vehicle Procedure (LVP) that has to be completed and signed off by the CFO prior to the loan of the vehicle. The LVP document is designed to gather all the relevant information pertaining to a potential loan of a vehicle including:</p>

GFRS Action Plan internal audit	Recommendation reference and priority	Management's response	Internal Audit review outcomes
			<ul style="list-style-type: none"> <li>- The organisation requesting a vehicle,</li> <li>- The reason why the loan is justified,</li> <li>- Record of all kit that may be loaned alongside the vehicle,</li> <li>- Where the vehicle will be located for the period of the loan,</li> <li>- Maintenance arrangements for the vehicle,</li> <li>- Insurance considerations, and</li> <li>- Pre and Post loan inspections of the vehicle to identify damage.</li> </ul> <p>The updated fleet policy alongside the LVP document meet the original audit recommendation in ensuring that should a loan of a vehicle be required, a procedure template is completed to collate all relevant and key information pertaining to the loan, with the CFO and SLT involved in the decision making and authorisation process.</p> <p>Internal Audit walkthrough/sample testing of the new approach has not been completed, due to there being a zero population for March 21 and April 21. Loan vehicles are a low volume activity and in line with the policy 'must only be considered in extreme circumstances such as an emergency situation'.</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>10. Fleet should comply with Driver and Vehicle Standards Agency (DVSA) regulations regarding safety inspections that state; “If a vehicle has been off the road for a period longer than the planned maintenance inspections, it should be given a full safety inspection prior to being brought back into use. A note must be placed on the vehicle maintenance file to show the vehicle has been off the road.”</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><b>Recommendation implemented.</b></p> <p>The original audit recommendation was specific to Statutory Off Road Notification (SORN) vehicles. The GFRS Fleet policy confirms the requirement for processes to be compliant with DVSA requirements.</p> <p>GFRS have confirmed through review and progression of recommendation GFRS Fleet – Maintenance and Stores 9 (as reviewed by Internal Audit) that no vehicles SORN in the last year have been subject to reintegration into the GFRS fleet. This position is supported by the GFRS fleet disposals register as at March 2021, which shows vehicles that were SORN since July 2019 up to March 2021 have all been subsequently sold and therefore not eligible to be reintegrated into the GFRS fleet as reserve or front line appliances.</p>
<p>Limited Assurance</p> <p>GFRS - Gifts and Hospitality and Declarations of Interest</p>	<p>Medium priority</p> <p>1. Consideration should be given to nominating a specific person that is responsible for regularly (e.g. quarterly) reminding staff of GCC's Gifts and Hospitality arrangements (including declined offers) and that where any offers are received, permission is sought from the</p>	<p>CFO's Personal Assistant (PA) to be asked to ensure that the Senior Leadership Team (SLT) agenda contains quarterly reminders.</p>	<p><b>Recommendation implemented.</b></p> <p>There has been a change of PA to CFO. Hand over and training notes on the new procedures were provided, where it was confirmed it will continue to be the role of the CFO's PA to issue reminders.</p> <p>Evidence has been seen to support that</p>

GFRS Action Plan internal audit	Recommendation reference and priority	Management's response	Internal Audit review outcomes
	<p>CFO or nominated officer and countersigned by the Monitoring Officer (MO) before the offers are accepted.</p> <p>Where the offer is made to the CFO, approval must be sought from the Council's Chief Executive before being countersigned by the MO.</p>		<p>reminders have been set up. Internal Audit was provided with copies of emails that have been issued to remind staff of the rules and reference is made to Staffnet.</p> <p>The new processes have been documented to ensure that process and controls can continue to be followed in the event staff changes. The new process clearly documents approval requirements e.g. that CFO Gifts &amp; Hospitality offers (accepted or declined) need to be sent to GCC's Chief Executive for sign off.</p>
<p>Limited Assurance</p> <p>GFRS - Gifts and Hospitality and Declarations of Interest</p>	<p>Medium priority</p> <p>2. All managers, and where appointed, the relevant nominated person responsible for maintaining the Gifts and Hospitality register, should ensure that they are familiar with the rules around gifts and hospitality.</p>	<p>Staff awareness sessions to be held. To be arranged by the CFO's PA through existing meeting structures.</p>	<p><b>Recommendation implemented.</b></p> <p>Gifts and Hospitality awareness training has been provided to relevant parties. Evidence was seen in the form of completed declined and accepted gifts and hospitality registers to support that staff are recording both accepted and declined offers. Please see the comments made against GFRS - Gifts and Hospitality and Declarations of Interest recommendation 3 regards wider audit testing, confirming reviewed registers compliance with policy.</p>
<p>Limited Assurance</p> <p>GFRS - Gifts and Hospitality and</p>	<p>High priority</p> <p>3. All returned gifts and hospitality forms should be forwarded to the CFO's PA for</p>	<p>Refresher training to be arranged for CFO's PA re policy, and develop appropriate recording and reporting arrangements.</p>	<p><b>Recommendation implemented.</b></p> <p>Training notes available to ensure consistency and continuity of approach.</p>

GFRS Action Plan internal audit	Recommendation reference and priority	Management's response	Internal Audit review outcomes
Declarations of Interest	<p>retention and for offers accepted or declined to be entered onto the Gifts and Hospitality register.</p> <p>The register should be kept up to date at all times, and should include all offers of gifts and hospitality whether accepted or declined.</p>		<p>This includes links to the appropriate documents/forms/emails. Training has been provided to SLT. Training will also be recorded at PDRs as training events.</p> <p>2019 and 2020 Registers were reviewed by Internal Audit. These had been completed and were up to date. The registers were completed in compliance with policy.</p> <p>The review identified that the declined register included gifts that had been offered to the station as a whole such as box of biscuits or free low value items such as when under the rules they could be kept. Whilst this is not an issue, it was unclear whether this is just a general misunderstanding of the rules or more of a decision not to accept anything going forward to avoid any allegations of accepting goods for personal gain.</p> <p>As at 8<sup>th</sup> February 2021 the registers for 2021 still require updating. Assurance was provided to Internal Audit that the updates were in progress. An updated copy of the 2021 registers will be requested for Internal Audit review in June 2021.</p>



GFRS Action Plan internal audit	Recommendation reference and priority	Management's response	Internal Audit review outcomes
<p>Limited Assurance</p> <p>GFRS - Gifts and Hospitality and Declarations of Interest</p>	<p>High priority</p> <p>5. The induction process for all GCC staff (including GFRS) should specifically highlight the requirement within the Code of Conduct for all staff (including senior officers) to declare any personal interests, financial or non-financial, where “they could reasonably be deemed to potentially conflict with any work undertaken by employees in the course of their duties”.</p> <p>At GFRS a named post holder/s should be responsible for regularly (<del>e.g.</del> annually) reminding staff to complete a declaration of interest form, potentially even if it is a nil return. Where an interest has been declared, the form should be forwarded to the line manager for review before being sent to GCC's Monitoring Officer for countersignature and retention.</p>	<p>CFO's PA to maintain a declaration of interest register and to enter on to SLT agenda for review 6 monthly.</p> <p>Monitoring Officer to request annual updated records from each directorate.</p>	<p><b>Recommendation implemented.</b></p> <p>The Council induction workbook (completion is a mandatory requirement of Council probation periods) includes a requirement re. declarations of interest. The induction workbook (last reviewed and updated in June 2021) includes the following statement – ‘I know how to register interests which may conflict with my work’ (this then links to the Staffnet register of interests page).</p> <p>Annual GFRS declaration of interest reminder to be issued in November. Last reminder confirmed as issued November 2020.</p> <p>Internal Audit cross checked the information provided by GFRS (as reviewed by SLT) with the information held by the Monitoring Officer for the period 2019 to November 2020 (inclusive) and no issues were identified. Internal Audit also advised the PA to the CFO that staff should be made aware of the need to complete a declaration of interest at the point when circumstances change and not wait for the annual reminder.</p>

GFRS Action Plan internal audit	Recommendation reference and priority	Management's response	Internal Audit review outcomes
<p>Satisfactory Assurance</p> <p>GFRS HR and Payroll – Absence reporting procedures</p>	<p>High priority</p> <p>1. The Chief Executive and CFO, in consultation with HR, to develop and agree a Service Policy in relation to leave for Gold Book officers, similar to existing GFRS Service Policies 003 (Section 22) and 11 (Section 2A).</p> <p>The policy should be agreed by the appropriate approving body.</p>	<p>Leave policy to be updated to include aligning Gold Book leave process to that for other staff.</p>	<p><b>Recommendation implemented.</b></p> <p>In order to avoid the Principal Officers (POs) writing and agreeing their own terms and conditions, it was recommended that a new policy regarding their leave should be developed and agreed in consultation with the Chief Executive (as the CFO's line manager) and HR, who should have oversight of all employee related policies.</p> <p>Rather than a new policy being written the existing policies SP011 Section 2A and SP003 Section 22 were amended to include the number of days leave allocated to the POs, as well as the process for taking the leave. Audit review of the updated policies confirmed the required content was present.</p> <p>Email confirmation was received from the Chief Executive and the HR Business Partner confirming that they were satisfied with the amended policies. An email from the Deputy CFO also confirmed that the GFRS Policy Approval Group (PAG) had agreed the amendment, prior to the updated policies being rolled out within GFRS.</p>

GFRS Action Plan internal audit	Recommendation reference and priority	Management's response	Internal Audit review outcomes
<p>Satisfactory Assurance</p> <p>GFRS Income and cash handling</p>	<p>High priority</p> <p>1. Accounting Instruction 3 (Security of Cash) and 6 (Petty Cash Imprest) to be reviewed and updated to include working hyperlinks and up-to-date guidance.</p>	<p>Strategic Finance has already redrafted Accounting Instruction 6, but accepts that Accounting Instruction 3 (security of cash) which is related is outdated. This will be redrafted and reviewed and aligned with Accounting Instruction 6 (Petty Cash). Accounting Instruction 6 has been published on Staffnet Person Responsible.</p>	<p><b>Recommendation implemented.</b></p> <p>Audit review has confirmed that Accounting Instruction 3 and 6 have both been updated and are available on Staffnet. Recommendation confirmed as implemented.</p>
<p>Limited Assurance</p> <p>GFRS Procurement</p>	<p>High priority</p> <p>2. A review of all supplier expenditure for 2014-15 to date by type and supplier should be undertaken, with support from Commercial Services, to establish the existence of formal contracts with suppliers and to:</p> <ul style="list-style-type: none"> <li>- Confirm that the contracts are still current, appropriate and in accordance with the Council's and GFRS requirements;</li> <li>- Consult Legal Services to ensure that the contracts are appropriate, cover all liabilities and legally binding; and</li> <li>- Record details of the contracts on ProContract to confirm visibility, monitoring and publication on the ProContract contracts register to ensure the Council complies with the Local Government Transparency Code.</li> </ul>	<p>There is limited value in looking at retrospective spend and we would not be able to alter existing contracts. The review will focus on supplier expenditure to date in 2019-20. However, ProContract should be up to date as the single point of fact and reviewed to inform planning ahead of contract expiry.</p>	<p><b>Recommendation implemented.</b></p> <p>A review of supplier expenditure with a value of £15,000 and over was undertaken by GCC Strategic Procurement and GFRS officers, that identified GFRS contracts that were due to expire or be procured in the financial year 2020-21 and beyond. A 'master' spreadsheet was created in May 2020 and is regularly (weekly) maintained / updated by GCC Strategic Procurement. Weekly the GCC Senior Commercial Officer sends a copy of the updated 'master' spreadsheet to the GFRS Head of Logistics and Resources, which is then discussed between them. The 'master' spreadsheet is also sent to the GFRS SLT monthly for review.</p> <p>Assurance was provided by GFRS that the above process will continue when the permanent GFRS Senior Procurement</p>

GFRS Action Plan internal audit	Recommendation reference and priority	Management's response	Internal Audit review outcomes
			<p>Officer is appointed.</p> <p>The GFRS Head of Logistics and Resources provided Internal Audit with email assurance that since Autumn 2019 GCC Strategic Procurement and a dedicated GFRS procurement resource plus stakeholders have been identifying GFRS service contracts for which they had no information and to populate the 'master' spreadsheet.</p> <p>In addition the GFRS Head of Logistics and Resources advised Internal Audit that the GCC Senior Commercial Officer has been managing the majority of GFRS procurements for over a year and that GCC Senior Commercial Officer has assured they are compliantly processed and published. There are as at 22<sup>nd</sup> January 2021 72 identified GFRS contracts recorded on the 'master' spreadsheet in different phases of procurement, which are being managed by GCC Strategic Procurement and GFRS.</p> <p>In addition the GCC Senior Commercial Officer assisted GFRS Fleet Workshop team with publishing low level contracts (under £15,000) on ProContract , although</p>

GFRS Action Plan internal audit	Recommendation reference and priority	Management's response	Internal Audit review outcomes
			<p>this will be a responsibility for the service area in the future. 42 suppliers' expenditure were identified, documented on a separate spreadsheet and reviewed in detail. The review highlighted 10 suppliers should have been recorded on ProContract (now done), two suppliers expenditure was over £15,000 (one was confirmed as procured compliantly and the other not but due to Covid-19 the expenditure to date is unlikely to reach £15,000) and the remaining were all under £5,000 (mainly due to the impact of Covid-19).</p> <p>Planning and forecasting of expenditure / contracts for the future is still to be developed and completed as well as the formulation of the GFRS Procurement Strategy. The GCC Senior Commercial Officer is working with the GFRS ICT Manager on a number of small procurement projects.</p> <p>In summary, the assurance and audit trail has been provided to confirm that GCC Strategic Procurement is working with GFRS to ensure that existing contracts are correctly recorded on the Corporate Contracts Register; and that (where appropriate) procurement has or will be</p>

GFRS Action Plan internal audit	Recommendation reference and priority	Management's response	Internal Audit review outcomes
			<p>completed for identified expenditure that requires a contract to be let in accordance with GCC and UK procurement policies. This work should now be considered as business as usual.</p> <p>In addition, wider audit testing (e.g. on GFRS Fleet – Commissioning of new vehicles) also confirms/supports this recommendation as implemented.</p>
<p>Limited Assurance</p> <p>GFRS Procurement</p>	<p>High Priority</p> <p>3. As part of the same review above GFRS officers should, with support from Commercial Services, establish all cases where a quotation or tendering exercise should now be undertaken to ensure future compliance with the Council's Standing Orders and EU contract regulations.</p>	<p>Agreed.</p> <p>As above the focus will be on procurement to date in 2019-20.</p>	<p><b>Recommendation implemented.</b></p> <p>Further content as stated above for GFRS Procurement recommendation 2.</p>

## Appendix 4 – Recommendations confirmed as in progress as at June 2021

As at the final GFRS Improvement Board meeting, two recommendations only were confirmed as in progress through an appropriate route. The below table details the recommendations, their progression route and the position as at June 2021.

GFRS Action Plan internal audit	Recommendation reference and priority	Management's response	Position as at June 2021
Limited Assurance  GFRS Procurement	High priority  4. A review of the second line of defence role and responsibilities should be undertaken to establish whether the Council's current procurement oversight, challenge, support and monitoring function(s) is adequate to achieve the principles and application of an effective and robust three lines of defence model. The results of this review should then be implemented.	For below OJEU threshold, a review will be undertaken and recommendations made on improving controls. Discussions have already taken place between Finance, Commercial and BSC on this. The sourcing pool principle will be reviewed and updated and appropriate training given to staff.	Recommendation progressed and escalated by GFRS Improvement Board, due to being a GCC corporate action.  Recommendation action ownership re-allocated to the GCC Assistant Director of Strategic Procurement as at December 2020.  To be reviewed by ARA directly with the confirmed GCC lead officer, monitored and reported separately to Audit and Governance Committee.
Limited Assurance  GFRS Procurement	High priority  7. A full review of the provision of uniforms and clothing (excluding PPE clothing) should be undertaken to establish whether the current arrangements remain appropriate and achieve best use of public money. In particular the review should focus on the number of items of clothing, type of clothing, arrangements for their issue and whether non operational support staff should receive paid uniforms / clothing	Guidance on executive decision-making is clear. GRFS will consult as necessary. A review of the standards of dress policy within GFRS will be undertaken with appropriate consultation and oversight.	The GFRS Improvement Board agreed an update to the management response as at October 2020: <i>'Acknowledging all requirements of the Recommendation, following completion of a wider-ranging piece of work relating to the culture of the Service (which GFRS is obliged to carry out as a result of an inspection by HMICFRS subsequent to the internal audit), clarity around the executive decision-making in respect of the standards of dress policy will be provided.'</i>

GFRS Action Plan internal audit	Recommendation reference and priority	Management's response	Position as at June 2021
	<p data-bbox="405 260 517 284">/ shoes.</p> <p data-bbox="405 336 936 520">The most appropriate decision making process / body should be considered in consultation with the Monitoring Officer, Head of Human Resources and Head of Legal Services.</p> <p data-bbox="405 572 958 756">A local scheme of arrangement for uniforms and clothing following the above review should be developed, documented, subject to appropriate approval and implemented.</p>		<p data-bbox="1588 260 2157 715"><i>Full and due consideration will be given to the uniform being fit for purpose for the role being undertaken, with rationale explained in the 'to be updated' Standards of Dress Policy. Full attention will be paid to ensuring value for money for the tax payer, and this will be referenced in the updated Policy. The wider-ranging work around the culture of the Service is expected to complete once full consultation has been completed and the outcomes are prepared for reporting to HMICFRS.'</i></p> <p data-bbox="1588 767 2157 912">Responsibility for implementing the recommendation is now to be taken on by the Project Management Office (PMO) and is in progress.</p>