



Cambridgeshire Fire Authority

Internal Audit Progress Report

4 October 2023

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1 Key messages

This report below provides a summary update on progress against each plan and summarises the results of our work to date. The reports finalised since the last Committee are highlighted in **bold** below.

Progress against the internal audit plan 2023/24

Assignment and Executive Lead	Status	Actions agreed			Opinion Issued
		L	M	H	
2022/23					
Systems Ownership	Final	2	3	0	Reasonable Assurance
2023/24					
Estates Utilisation	Final	1	3	1	Partial Assurance
Medium Term Financial Planning	Final	6	0	0	Substantial Assurance
Contaminants and staff health and safety	In progress				
Key Financial Controls - Implementation of New Finance System	To commence 9 February 2023				
Procurement	To commence 4 December 2023				
Culture	To commence 18 March 2023				
Follow Up	To commence 26 March 2023				



Appendix A – Other matters

Head of Internal Audit Opinion

The Overview and Scrutiny Committee should note that the assurances given in our audit assignments are included within our Annual Assurance report. The Committee should note that any negative assurance opinions will need to be noted in the annual report and may result in a qualified or negative annual opinion.

Changes to the audit plan

There have been no changes to the audit plan.

Information and briefings

Since the last Audit and Standards Committee, we have issued our:

- Quarterly Emergency Services client briefings – May and August 2023
- Emerging Risk Radar

Quality assurance and continual improvement

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

The Quality Assurance Team is made up of; the Head of the Quality Assurance Department (FCA qualified) and an Associate Director (FCCA qualified), with support from other team members across the department.

This is in addition to any feedback we receive from our post assignment surveys, client feedback, appraisal processes and training needs assessments.



Appendix B – Executive summaries and action plans (High and Medium only) from finalised reports

EXECUTIVE SUMMARY – SYSTEM OWNERSHIP

Why we completed this audit

We have undertaken a review of Systems Ownership as part of the approved 2022/23 Internal Audit Plan to allow the Authority to take assurance over the design and robustness of processes in place to support staff competence and proficiency in key systems. The objective of the review was to consider user competence and proficiency in respect of twelve key systems (CADCORP, CFRMIS, Dream, Gartan Availability, Gartan Roster, Gazetteer, IRS, Miquet, RAM, ResourceLink, Tensor, TRaCS) to ensure that the Authority is achieving the value and benefits of these systems.

A Service Desk is in place for which the services are outlined in the Information and Communications Technology (ICT) Services Catalogue. In the catalogue the Incidents Matrix is outlined which details the priority wise tickets and Service Level Agreement (SLA) for each type. It further outlines the services provided by the ICT team including the Service Desk and defines the performance measures and timescales in which users can expect services to be delivered.

As part of the review, we conducted a survey to ascertain staff members perceived competence in ICT digitalised systems as well as staff perceptions on barriers to using key systems, sufficiency of training in place and their awareness of digital champions. A summary of the results from the 56 respondents that participated in the survey has been presented in Appendix A of this report.

Conclusion

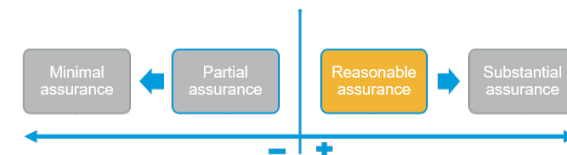
Our review provides reasonable assurance over the ownership of key systems. The review highlighted a robust Service Desk facility in place which manages incident management as well as the escalation of issues. We found through review that there is a power application in place which ensures the ownership is identified and formally accepted by system owners.

We further found that performance metrics were clearly defined and tracked in monthly meetings. However, areas for improvement were identified including the training and assesment of skills and that key systems procedural documents needed further attention.

Internal audit opinion:

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

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



Key findings

We identified the following weaknesses resulting in the agreement of three medium priority management actions. We also agreed a further two low priority management actions, details of which can be found in section 2 of this report.



Procedure and Guidance Documents

We sought to obtain system procedures and found that only three (Dream, tensor and TRaCS) out of the 12 key systems utilised had procedures available. The remaining nine systems did not have supporting policies or procedures. We conducted a systems user survey to obtain feedback on the current systems used by staff. We found through review of the results that 19 out of 56 users (34 per cent) who responded stated 'Strongly Disagree' and 'Disagree' in regard to procedures and guidance being provided for the key systems they used. If there are no procedures and guidance documents in place there is a risk of inefficient usage of systems as well as incorrect data entry. **(Medium)**



Assessment of Skills

We were advised by the Head of ICT and OHU that there had been no formal or informal assessments of staff skills with regard to the use of key systems. Review of the survey questionnaire results showed that 33 percent of the population did not agree to being competent in using the systems. One of the users who answered agreed to the question of being competent in using the key system noted 'Competent but mostly through trial and error and self-teaching'. If there is no formal risk assessment in place there is a risk of training needs not being identified at the right level. **(Medium)**



Training

We obtained the online training available for four of the systems, Dream, IRS, Miquet and TRaCS and found that online modules were maintained for training. For the remaining systems including the CADCORP, CFRMIS and Gartan we were advised that training was provided within the team. We obtained the dates of face-to-face training provided by the Application Support Officer in 2022 and found that training had been conducted 22 times, however no details on the training content was provided. If sufficient training is not provided to users there is a risk of errors and ineffective use of the system. **(Medium)**

We noted the following controls to be adequately designed and operating effectively:



Escalation and Incident Management

We found that the Authority has a Service Desk in place which is used for all incident management. The Service Desk is the main point of contact for the escalation of systems issues (tickets) for rectification. It can be reached through a helpline as well as an email which is shared with all users. We obtained the ICT Services Catalogue which outlines the services that the ICT Shared Service provides to Cambridgeshire and Peterborough Fire Authority including incident management, provisioning, and maintenance.

We confirmed there is an Incidents Matrix within the Catalogue which details the priority of tickets and the SLA for each type. It further outlines the services provided by the ICT team including the Service Desk and defines the performance measures and timescales in which users can expect services to be delivered.



Power Application and System Ownership

The Authority has a Power Application in place which is used to track all key applications. When a new system is identified for implementation consideration is given to whether the system is a critical requirement or not. A key application is defined as any application essential to operations or business.

We reviewed the Power Application and found that all key systems including CADCORP, CFRMIS, Dream, Gartan Availability, Gartan Roster, Gazetteer, IRS, Miquet, RAM, ResourceLink, Tensor, TRaCS were tracked in the Power Application, and each application had a system owner assigned. System ownership is approved within each of the systems by the owners appointed to ensure ownership is formally accepted. We were advised by the Head of ICT and OHU that champions were not identified in the Authority as the Service Desk was utilised as the main point of contact for all concerns highlighted. It was considered by the Head of ICT and OHU, that further the use of champions would not be operationally sound for the Authority due to its small field units. We have not raised an action in this regard.



KPI and Performance Management

An ICT Services Catalogue is in place which outlines the services that the ICT Shared Service provides to Cambridgeshire and Peterborough Fire Authority including incident management, provisioning, and maintenance and includes the SLA for responding to issues raised.

We obtained the monthly reporting for ICT for August, September, and October 2022. The KPI reports that it included the number of incidents raised and closed, incidents ageing, resolution, and management. Further a service request breakdown was also a part of the KPI report in place.

We found through review that ITSM was used as a tracking tool for all service desk queries. We found that staff had access to the service desk tickets and once the ticket was raised it would be assigned to an Application Support Officer who would complete the actions required and close the ticket within system. Survey results showed that 78 per cent of the users were aware of how to seek support in case of any system queries/ errors with responses including 'A good support network' is in place.



Data Accuracy

A deep dive in three key systems showed that system administrators are in place for key systems who are part of the application group. We reviewed CFRMIS (data for risk related work), Miquet (asset management) and Tensor (door control access) for verification of data accuracies and found that in addition to system administrators, data administrators are also allocated to some systems which are part of the operational team and work closely with the application group. Review confirmed that reports are produced and scrutinised to ensure data accuracy and data anomalies are identified and rectified as part of the data validation process prior to inclusion on the dashboard created for reporting purposes.

DETAILED FINDINGS AND ACTIONS

This report has been prepared by exception. Therefore, we have included in this section, only those areas of weakness in control or examples of lapses in control identified from our testing and not the outcome of all internal audit testing undertaken.

Procedure and Guidance Documents		Assessment:		
Control	Procedures and guidance documents are available for key systems and accessible for departments which use the system.	Design	x	
		Compliance	N/A	
Findings / Implications	Review of key systems procedures were only available for systems shared by the system providers. There are no specific procedures in place. We therefore sought to obtain the procedures and found that only three (Dream, tensor and TRaCS) out of 12 key systems had procedures available for them. We conducted a survey of 56 users of the 12 systems and sought to obtain feedback on the current systems used. We found that 19 users (34 per cent) had responded 'Strongly Disagree' and 'Disagree' to the question of procedures and guidance being provided for the systems that they used. One comment noted 'CFRMIS / TRaCS have had some documents sent a while back, but even those are limited. Most of the learning of these systems is done by trial and error or asking other users'. If sufficient guidance and procedure documents are not available there is a risk of error in application usage which may impact upon effective working and service response. We found through review that the guidance notes for three out of 12 systems were available for users at the respective locations. We confirmed that TRaCS guidance was available in the system itself and for Dream and Tensor the guidance notes were available on SharePoint.			
Management Action 1	The Service will ensure where appropriate sufficient procedures and documents are available for key systems in place. This could include Frequently Asked Questions for similar issues raised with the Service Desk.	Name/Title Application Support Group Manager	Date Ongoing	Priority Medium
Response – The Service is not resourced to develop and maintain user guides for third party systems. We rely wholly on the provision of documentation from suppliers. Where this is not available and additional assistance is required by staff, then the Application Support Group (ASG) will provide training on request. Where a trend for assistance can be identified, a FAQ document will be produced by ASG. However, not all systems will require this. This will become a business-as-usual activity, with documents generated as required, and therefore we cannot commit to an implementation date.				

Skills Assessment		Assessment:	
Control	No assessments had been conducted to ascertain the level of staff skills for key systems.	Design	×
		Compliance	N/A
Findings / Implications	<p>We were advised by the Head of ICT and OHU that there had been no formal or informal assessments of staff skills with regard to key systems.</p> <p>Review of the survey questionnaire showed that 33 percent of the population did not agree to being competent in using the systems. One of the users agreeing to the question of being competent in using the key system noted 'Competent but mostly through trial and error and self-teaching'.</p> <p>If there is no assessment in place there is a risk of training needs not being identified in a timely manner and further errors and delays in key systems usage.</p>		
Management Action 3	The Authority will ensure that where a training need is identified or a member of staff requests training, this will be provided through the appropriate means.	Name/Title Head of ICT and OHU	Date Ongoing
		Priority	Medium
<p>Response – The ASG is not resourced to provide a full-time training and assessment function. The ASG role is far broader than just training provision. Where staff members or their line manager identifies a training gap, training can easily be requested from ASG to assist in closing the identified gap. The Service also relies on super users / experienced members of staff throughout the Service to assist users when learning systems. Unfortunately, many systems are used by dedicated members of staff on a Watch rather than all staff members, which will obviously result in a reduction of confidence in system usage by those that don't use the systems on a regular basis. Individuals and their line managers have a responsibility to request training if they don't feel adequately trained, and the ASG will always look to meet these training requests.</p>			

Training		Assessment:		
Control	Online training for four systems is available on a learning platform. Face to face training is provided on an ad-hoc basis for operational staff.	Design		×
	However, no training record is maintained to demonstrate completion.	Compliance		N/A
Findings / Implications	We obtained the online training content available for the four systems, Dream, IRS, Miquet and TRaCS and found that online modules were maintained for training of these systems.			
	We were advised that no training records are maintained to ensure sufficient training has been provided and documented. This is further supported by the survey results where 38 per cent of the population disagreed to sufficient training being provided on key systems in order for them to perform their roles. In one instance a survey response informed us that 'Most of the systems we were told just have a go you'll get the hang of it'. Another user had stated 'Training has been by trial and error or asking other users. I can get by doing what I need to, but training on systems doesn't exist from what I have experienced personally.'			
	If sufficient training is not provided to users there is a risk of errors and ineffective use of the system.			
Management Action 4	Training records will be maintained based on the assessments performed and will ensure that training is conducted on a regular basis to fill the assessed gap.	Name/Title	Date	Priority
		Application Support Group Manager	Immediate	Medium
Response – Training will always be provided on request where an individual or manager identifies a training gap. This will continue to be the case. Additionally, where a new system is introduced, additional training for all staff will be provided as part of the system implementation. We agree that records for training undertaken by ASG are currently lacking, and the Application Support Group Manager will implement a more robust process for tracking training undertaken by ASG. This will take immediate effect, although the process and location that training records are kept may change.				

EXECUTIVE SUMMARY - ESTATES UTILISATION

Background

We have undertaken a review of Cambridgeshire Fire and Rescue Service's (CFRS) Estates Utilisation as part of the approved 2023/24 Internal Audit Plan. In this audit we reviewed the controls in place that monitor the use of estate to ensure CFRS is getting value for money and investing in the most appropriate areas. The organisation has an Estates Strategy which has been reviewed, is in date and aligns with the vision of the organisation. The strategy has a property service structure chart showing the reporting lines, but it does not include roles and responsibilities of the officers within the property service and does not detail responsibility with regards to the management of estate utilisation.

There are 26 fire stations within the CFRS estate including on call fire stations, and whole-time fire stations. The organisation has data on various usage elements of the 26 locations including call centre data and room booking, but a central record regarding the whole utilisation of the estate is not maintained. As no data is collated regarding the utilisation of the stations, relevant information is not presented through the governance structure including the Authority. We reviewed the current structure and found that it does not clearly state who is responsible for monitoring the utilisation of the estate.

At the time of the audit as no analysis had been undertaken on the data collected by CFRS with regards to aspects of estates utilisation, analysis was undertaken on the call log data as part of the audit. We were provided data on the number of calls received by each of the stations in the last 12 months and what the total budget for the stations was. This data was used to calculate the cost of calls per station. We identified some stations that were costing in excess of £3,000 and some that were costing as low as £613 per call. Whilst the location and nature of the station can vary based on requirement, this data along with other utilisation information could be used by the service to make decisions for budget savings or prioritising the capital programme. This analysis is included in Appendix A of this report.

Conclusion

Overall, we found that the organisation could not demonstrate that there is a clear process in place to capture the utilisation data for their estates. The Estates Strategy details the roles and responsibilities of the property service but does not state the roles and responsibilities for monitoring estates utilisation. A number of figures that could be used to help determine utilisation are collated, for example the number of calls received by the stations, total budgets for each of the stations, and the capital spend that has been used and which has been planned for this financial year, however the data is not currently considered alongside other relevant analysis to understand the utilisation of the stations.

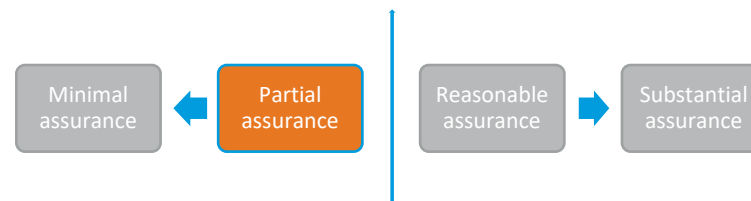
While the service has tried to diversify with regards to utilisation by introducing the remote working space programme, we noted that there is currently limited liaising with the wider community to try and increase utilisation of stations where appropriate. This could in part be due to a lack of awareness around actual utilisation due to the lack of analysis.

Without data and analysis regarding utilisation it is challenging to form a well-supported argument for disposing of under-utilised stations. We noted no decisions had been made recently regarding disposals (although wider community factors can play into these decisions). We have identified a number of areas where the organisation could seek further analysis considering factors like location, necessity of the fire station within that location, which will demonstrate transparency in the processes if savings need to be identified within the service.

Internal audit opinion:

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

Action is needed to strengthen the control framework to manage the identified risks.



Key findings

We identified the following weaknesses, resulting in the agreement of one high, three medium, and one low priority management actions which have been listed in Section 2



Roles and Responsibilities:

Though a structure is present for the property service department, we confirmed that it does not give any details with regards to roles and responsibilities. We were informed by the organisation that none of the team members are currently responsible for managing the utilisation of the estates. If the roles and responsibilities along with expectations with regards to the management of the utilisation of the estates have not been clearly defined, there is a risk that these tasks are not carried out by relevant staff members resulting in a lack of collation and awareness of performance. **(Medium)**



Cost base for estates:

We confirmed that budgets for each of the fire stations are collated and separately monitored, however the organisation does not have utilisation data that is compiled, analysed and reviewed regularly for each of the stations. Some simple utilisation analysis was carried out as part of this audit and include in appendix A. If analysis of the utilisation is not carried out, the organisation may not be able to spot potential areas where efficient savings could be made, as well as where investments should be focused, which could result in underperformance and financial damage to the authority. **(Medium)**



Identification of Utilisation:

We were informed prior to the audit that the organisation does not actively engage in identifying ways to utilise the locations in order to maximise their potential usage. If the assets are not used efficiently, the organisation will face high financial value for less than potential reward. **(High)**



Liaising with Wider Community:

We noted that the organisation has a fire break course that is run for school children. This course is aimed to promote a culture of safety and teamwork and citizenship. There are no other wider community initiatives that were currently being rolled out to maximise the utilisation of the buildings. This could result in the service not maximising its potential, which could lead to risk of a loss of potential earnings, however the business case and costings would need to be clearly identified to enhance any offering to ensure this is the right decision for the Service.
(Medium)



Decisions for under utilised assets:

We confirmed through the review of the Chief Fire Officers report that this proposed some budget savings including possible redundancies and station closure. We were not given access to the parameters that were used to determine the stations identified for closure and therefore cannot comment on whether utilisation was considered, however as identified in previous testing, station utilisation did not appear to be effectively monitored and therefore it is likely this was not taken into account in its full capacity when these proposals were drawn up. As closure of fire stations can impact the wider community, it is even more important that there are strong financials and utilisation figures to support any proposed closure, showing how the resources could be better spent.

We confirmed through the review of the Fire Authority meeting minutes in November 2022 that they had requested more information on the budget saving proposals, which would be reviewed at the Overview and Scrutiny Committee. This had not taken place at the time of the audit and therefore no disposal decisions had been made.



Reporting on Estates Utilisation:

We were informed by the Property Service Manager that they report property related items to the Property and Asset Board. However, they do not report on the utilisation of various locations within the estate as that falls outside the remit of their work.

We reviewed meeting minutes for the Property Asset Board and confirmed that the utilisation data is not reported to the Board. The issues reported are more focussed towards upkeep and issues arising at the various locations and what has been done to overcome the issues.

We noted the following controls to be adequately designed and operating effectively:



Estates Strategy:

We reviewed the strategy which had been reviewed in line with the five-year plan and found this to be in date. The next review of the strategy will be when the plan is reviewed. We also reviewed the Estate Strategy in conjunction with the vision statement of the organisation and can confirm that the strategy is aligned to the organisation's vision.



Locations across the estate:

We confirmed that a record of locations is held, which lists the stations identifying if they are full time fire stations, on-call fire stations or the Headquarters. The service also has the information about the fire stations along with the map on their website.

2. DETAILED FINDINGS AND ACTIONS

This report has been prepared by exception Therefore, we have included in this section, only those areas of weakness in control or examples of lapses in control identified from our testing and not the outcome of all internal audit testing undertaken.

Area: Roles and Responsibilities				
Control	<p>All locations within the organisation are centrally managed. The property service is clear about the roles of its staff from Director level to the operational level, with a structure chart of the Property Team being maintained. We noted that there are four engineers who are managed by the Property Maintenance Manager. They carry out the day-to-day maintenance calls from the estates.</p> <p>The strategic overview of the service is under the Property and Estates Manager while the Deputy Chief Officer deals with more Estate wide matters. In addition, the Property Asset Board has oversight of the property area.</p> <p>Consideration of utilisation is currently not part of the role of the Property Team.</p>	Assessment:		
		Design	x	
		Compliance	N/A	
Findings / Implications	<p>Though a structure is present, we confirmed through the review of the Estates Strategy that it does not give any information of roles and responsibilities for the property service, and this is not included in another document. If the roles are not clear, there is a risk that staff members are not aware of, or understand, their and other roles and responsibilities, leading to reduced productivity.</p> <p>We were informed by the organisation that none of the team members are responsible for checking the utilisation of the estates. The team actively ensures that the costs of utilities is kept to a minimum and find efficiencies where they can. Without utilisation data being collated, analysed and reviewed the organisation will not know the extent to which each location is being used, which could lead to inappropriate investment and financial damage, particularly where costly locations are being maintained where they are no longer sustainable.</p>			
Management Action 1	The organisation will ensure that the Estates Strategy, or linked document, clearly states the roles and responsibilities of the officers, particularly in respect of utilisation of the estates.	Responsible Owner: Deputy Chief Executive	Date: 31/03/2024	Priority: Medium

Area: Cost base for the Estates

Control	The organisation captures data for each of their stations for some aspects including room bookings, desk booking, site users etc, but none of the data is collated to check the utilisation of the various locations within the estate.	Assessment:		
		Design	x	
		Compliance		N/A
Findings / Implications	<p>The organisation maintains a single record which captures all locations across the estates identifying each location as a wholtime fire station or an on-call fire station, however there is no utilisation data that is captured for any of the fire stations or target utilisation rates identified (locally or centrally). The organisation will not know if the locations are being utilised to their maximum if targets for utilisation for each location is not captured.</p> <p>We obtained the incidents report for each of the locations for the past 12 months and the total budgets for each location for 2023-24 and sought to analyse this to provide one utilisation metric. We calculated the average cost incurred per call for each of the stations, as well as the cost of call per staff cost, and cost of call per remainder of the budget including utilities, maintenance etc. We confirmed through the analysis of the budgets that most of the cost is staff related.</p> <p>The analysis highlighted that calls cost vary significantly from station to station. The highest cost of a call out per total budget was £3,834.84 and lowest was £613.12. We confirmed through the analysis that out of the 26 stations, there were eight fire stations where the cost of a call per total budget exceeds £2000. The analysis also highlighted fire stations where each call cost was below £1000. Please see appendix A for the full analysis of all the stations (including information on current / planned capital spends).</p> <p>We were informed by CFRS, that they do not maintain any direct data for the analysis of utilisation of each of the properties within the estate as it falls outside the remit of the property service currently. If analysis of the utilisation is not carried out, the organisation would not be able to spot potential areas where efficient savings could be made, resulting in potential financial damage to the authority. Furthermore, if relevant utilisation data is not maintained in a central location, comparison of sites will not be able to be undertaken which could benefit the service in making informed cost cutting / investment decisions.</p>			
Management Action 3	<p>The organisation will identify the estates utilisation matrix to be used and ensure that they maintain utilisation data for all stations (costs and activities / usage) centrally. This will include target utilisation data to help aid in improvements and to allow action plans to be created.</p> <p>Actual and target utilisation data will be reviewed on a regular basis to identify those stations which are underutilised / underperforming.</p>	Responsible Owner: Deputy Chief Executive	Date: 31/03.2024	Priority: High

Area: Cost base for the Estates

Reporting of this information to an appropriate forum will be introduced to allow scrutiny and challenge regarding the efficient use of estates.

Management Action 4

The organisation will undertake a one-off exercise, to identify areas where potential savings could be achieved in the coming years as well as to prioritise capital works where necessary.

Responsible Owner: Deputy Chief Executive

Date: 31/03/2024

Priority:
Medium

Area: Identification of Utilisation

Control

The organisation do not currently identify, record or report on utilisation data for their stations. Data compiled is generally kept in isolation and not considered along other data sources to assess utilisation.

Assessment:

Design

×

Compliance

N/A

Findings / Implications

We were informed that the organisation does not compile and analyse relevant utilisation data for its sites and therefore it is not possible to identify underutilisation or prohibitively costly sites allowing for targeted investment / changes to ensure the organisation is obtaining value for money and maximising the return on it's assets.

Management Action

Please see Management Action 3

Area: Liaising with Wider Community

Control

The organisation has set up a Committee Engagement Forum, which has been established to hear the communities' views on topics that will be discussed.

The organisation also has the Firebreak exercise, which is run for children, aimed to promote a culture of safety and teamwork and citizenship. No other engagement is undertaken to increase utilisation of the fire stations.

Assessment:

Design

×

Compliance

N/A

Area: Liaising with Wider Community

Findings / Implications	There are currently limited processes for liaising with the wider community and partners in respect of effective utilisation of the estate, particularly for those locations where utilisation is poor. As such, there is limited opportunity to improve the utilisation of the estate, resulting in a negative financial impact.
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Management Action 5	The organisation will explore how it increases liaison with the wider community and partners to increase utilisation of the estate (taking into account the costs, restrictions including health and safety, and security of equipment).	Responsible Owner: AC Head of Service Delivery	Date: 31/03/2024	Priority: Medium
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Area: Decisions for Under utilised Assets

Control	Site reviews are undertaken on a rolling basis, and a paper was taken to the Fire Authority regarding closing stations in November 2022, however, the Fire Authority are apprehensive of these decision given the wider implications across the community. Without the approval of the Fire Authority (Board made of elected Councillors), no actions can be taken as regards the closure of fire stations.	Assessment:	
		Design	x
		Compliance	N/A

Findings / Implications	<p>We were informed that the organisation does not review utilisation of the assets in any detail.</p> <p>We confirmed through review of the Chief Fire Officers report that this proposed some budget savings including possible redundancies and station closure. We were not given access to the parameters that were used to determine the stations identified for closure and therefore cannot comment on whether utilisation was considered, however as identified in previous testing, station utilisation did not appear to be effectively monitored and therefore it is likely this was not taken into account in it's full capacity when these proposals were drawn up. As closure of fire stations is a contentious issue, it is even more important that there are strong financials and utilisation figures to support any proposed closure, showing how the resources could be better spent or to evidence decision making.</p> <p>We confirmed through review of the Fire Authority meeting minutes in November 2022 that they had requested more information on the budget saving proposals, which would be reviewed at the Overview and Scrutiny Committee. This had not taken place at the time of the audit and therefore no disposal decisions had been made.</p>
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Management Action	Please see Management Action 3
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Area: Reporting of Estate Utilisation

Control	<p>The Property Asset Group receive quarterly updates on property, however they do not receive any reports regarding utilisation as this information is not currently compiled.</p> <p>Any governance action needs to be taken to the Fire Authority for agreement.</p>	<p>Assessment:</p> <p>Design ×</p> <p>Compliance N/A</p>
Findings / Implications	<p>We were informed by the property service that they report property related items to the Property and Asset Board. However, they do not report the utilisation of various locations within the estate as that falls outside the remit of their work.</p> <p>We reviewed meeting minutes for the Property Asset Board and confirmed that the utilisation data is not reported to the Board. The issues are more focussed on the upkeep and issues arising at the various locations and what has been done to overcome the issues.</p> <p>We were provided with the Business Continuity report that was presented by the Chief Fire Officer to the Fire Authority in November 2022. The report stressed the need for further savings to be identified within the service considering budget constraints faced by the authority. As per the report, to maintain a balanced budget, the authority potentially needed a saving of £1.1m by April 2023. The report also gives a summary of savings made from 2011 to date. As part of the savings identified, a proposal was put forward for four on-call stations to be closed and a few posts lost as a result. The Fire Authority however needed additional information for these savings.</p> <p>If utilisation is not collated and reported to relevant forums (including those with decision making powers), then it will not be subject to appropriate discussion and scrutiny and these forums will not be fully informed with it comes to making relevant decisions.</p>	
Management Action	Please see Management Action 3	

APPENDIX A: DATA ANALYTICS

The following is a summary of findings from our analytical work which we have discussed with management and management will take forward as part of the consideration of Utilisation data, analysis and reporting.

Sample	Station	Total budget £	Call outs last 12 months	Cost per call out £		Salary cost £	Cost per call (staff salaries) £		Other costs £	Cost per call as per other elements e.g., utilities £	Budget book Capital Spend £	Year	Reasons for the capital spend
1	Manea	141,889.00	37	3834.84		121770.00	3291.08		20,119.00	543.75	60,000.00	2023/24	Station Modernisation
2	Thornley	151,363.00	39	3881.10		133480.00	3422.56		17,883.00	458.53	30,000.00	2023/24	Station Modernisation
3	Kimbolton	123,732.00	52	2379.46		107220.00	2061.92		16,512.00	317.53	50,000.00	2021/22	Station modernisation
4	Sawtry	108,785.00	74	1470.06		94880.00	1282.16		13,905.00	187.90			
5	Yaxley	174,022.00	78	2231.05		143790.00	1843.46		30,232.00	387.58			
6	Linton	152,549.00	83	1837.93		134460.00	1620.00		18,089.00	217.93	60,000.00	2023/24	Station Modernisation
7	Burwell	141,799.00	88	1611.37		111860.00	1271.13		29,939.00	340.21			

Sample	Station	Total budget £	Call outs last 12 months	Cost per call out £		Salary cost £	Cost per call (staff salaries) £		Other costs £	Cost per call as per other elements e.g.. utilities £	Budget book Capital Spend £	Year	Reasons for the capital spend
8	Gamlingay	141,951.00	112	1267.41		128020.00	1143.03		13,931.00	124.38	100000 + 70,000.00	2020/21 and 2021/22	Station refurbishment and modernisation
9	Sutton	108,693.00	115	945.15		94780.00	824.17		13,913.00	120.98			
10	Cambourne	94,372.00	126	748.98		52360.00	415.55		42,012.00	333.42	40,000.00	2021/22	Provision of on-call facilities
11	Littleport	131,648.00	128	1028.50		118150.00	923.04		13,498.00	105.45			
12	Cottenham	167,196.00	137	1220.40		153890.00	1123.28		13,306.00	97.12			
13	Whittlesey	126,970.00	148	857.90		108650.00	734.12		18,320.00	123.78			
14	Soham	121,153.00	151	802.33		102380.00	678.01		18,773.00	124.32			
15	Chatteris	233,843.00	170	1375.54		207590.00	1221.11		26,253.00	154.42			
16	Ramsey	153,704.00	179	858.68		130030.00	726.42		23,674.00	132.25	70,000.00	2023/24	Station Modernisation

Sample	Station	Total budget £	Call outs last 12 months	Cost per call out £		Salary cost £	Cost per call (staff salaries) £		Other costs £	Cost per call as per other elements e.g.. utilities £	Budget book Capital Spend £	Year	Reasons for the capital spend
17	Sawston	159,299.00	203	784.72		144270.00	710.68		15,029.00	74.03	50,000.00	2021/22	Station Modernisation
18	St Ives	127,528.00	208	613.11		80190.00	385.52		47,338.00	227.58			
19	Ely	573,081.00	246	2329.59		531929.00	2162.31		41,152.00	167.28	200000 + 300,000.00	2020/21 and 2022/23	Station refurbishment and upgrade
20	St Neots	675,929.00	292	2314.82		626646.00	2146.04		49,283.00	168.77	150000 and 250,000	2020/21 and 2021/22	Station refurbishment and modernisation/ upgrade
21	March	297,672.00	368	808.89		265670.00	721.92		32,002.00	86.96	50,000.00	2023/24	Station Modernisation
22	Wisbech	977,293.00	509	1920.02		867203.00	1703.73		110,090.00	216.28			
23	Huntingdon	1,682,003.00	658	2556.23		1,606,950.00	2442.17		75,053.00	114.06	5,952,000.00	2021/22	New Training Centre and Huntingdon Fire Station
24	Stanground	1,738,825.00	844	2060.21		1,679,080.00	1989.43		59,745.00	70.78	200,000.00 + 350,000	2021/22 and 2023/24	Station refurbishment and upgrade

Sample	Station	Total budget £	Call outs last 12 months	Cost per call out £		Salary cost £	Cost per call (staff salaries) £		Other costs £	Cost per call as per other elements e.g.. utilities £	Budget book Capital Spend £	Year	Reasons for the capital spend
25	Dogsthorpe	1,810,971.00	1805	1003.30		1680840.00	931.21		130,131.00	72.09			
26	Cambridge	3,623,556.00	2053	1765.00		3318710.00	1616.51		304,846.00	148.48	20,000.00	2023/24	Appliance bay floor

EXECUTIVE SUMMARY – MEDIUM TERM FINANCIAL PLANNING

Why we completed this audit

We have undertaken a review of Medium-Term Financial Planning as part of our annual internal audit plan for 2023/24. The objective of this review was to provide assurance over the planning framework in place to develop the Medium-Term Financial Plan (MTFP). This included a review of the documented Finance Regulations in place relating to the financial planning process including the MTFP, its review, and its assumptions, the extent of scenario planning or sensitivity analysis undertaken in producing the plan and the level of oversight by Senior Officers and governance forums with respect to the MTFP, including its assumptions, and its ongoing delivery.

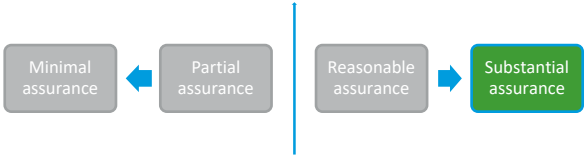
The Financial Controller typically commences putting together the annual budget and MTFP toward the end of September each year. The process involved compiling a fresh workbook and populating with historical data, and meeting budget holders face to face, over Teams, or via email to discuss their respective areas. In 2023/24, the organisation took a zero-based budgeting approach. Once an initial draft has been produced, it is reviewed in conjunction with the Section 151 Officer, with a secondary review in December once most of the required information from external parties has been received. Final approval of the budget and MTFP takes place through the Fire Authority meeting in February each year.

Conclusion

We confirmed that the organisation has a robust medium-term financial plan in place that has been developed through appropriate collaboration with stakeholders, and has been formally approved through the Fire Authority and Policy and Resources Committee. A sensitivity analysis is completed as part of the planning process. This is generally robust, although we have highlighted a low priority area where the process could be improved. There was adequate evidence of ongoing challenge and scrutiny of delivery of financial plans through both the Fire Authority and the Policy and Resources Committee. We have identified additional low priority findings relating to formal review of Financial Regulations and terms of reference, and the maintenance of audit trails in relation to identified savings. We also identified six low priority findings to improve the control framework.

Internal audit opinion:

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



Key findings

We noted the following controls to be adequately designed and operating effectively:



Policies and Procedures

While we have noted a low priority finding that the Authority's Financial Regulations require evidence of formal review, we did confirm through review of the document, that it contained adequate detail with respect to long-term financial planning, with a requirement to establish a minimum three-year financial plan linked to the organisation's strategic objectives.



Development and Approval of Medium-Term Financial Plan

We obtained the Budget Book 2023/24 report as presented to the Fire Authority in February 2023. Through review of the document, we confirmed it included an appropriate medium-term financial plan spanning the period 2023/24 to 2026/27, in line with the requirements of the Financial Regulations. We confirmed through inspection of the Fire Authority minutes of February 2023 that the Authority had formally approved the medium-term plan as part of the Budget Book.

We additionally sought to confirm through inspection of supporting evidence that there had been an adequate level of budget holder involvement in the development of the budget and MTFP. Through inspection of commentary incorporated in the supporting Excel worksheets, email communications between the Finance Manager, and diarised budget holder meetings, we confirmed that budget holders had been appropriately involved in the development of the budget and MTFP. We noted the initial review by the Section 151 Officer prior to review by the Authority takes place as an informal meeting with the Finance Manager. We confirmed this meeting was diarised in the Finance Manager's calendar. In addition, we agreed a sample of five larger budget lines as reported in the Budget Book 2023/24 back to the working spreadsheet, without exception.



Sensitivity Analysis

While we have noted a low priority finding relating to an area where sensitivity analysis could be improved, we did confirm through inspection that a budget sensitivity spreadsheet had been maintained and completed by the Finance Manager. The document analysed sensitivity to different inflation rate, Council Tax increase, and pay cost assumptions.



Governance

Through review of Fire Authority Meeting papers for November 2022, and February and June 2023, we confirmed there was an adequate level of financial reporting, and of challenge and scrutiny of the reported information. Through review of Policy and Resources Committee Meeting papers for December 2022 and January 2023, we confirmed there was an adequate level of financial reporting, and of challenge and scrutiny of the reported information.

We identified six low priority findings which are included in the detailed findings section below.



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

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

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

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

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