



Cambridgeshire and Peterborough Fire Authority

Annual internal audit report 2022/23

22 September 2023

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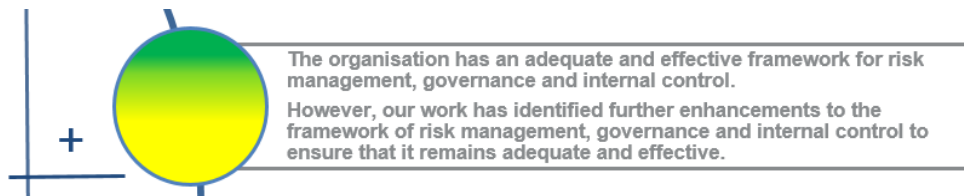
To the fullest extent permitted by law, RSM UK Risk Assurance Services LLP will accept no responsibility or liability in respect of this report to any other party.

THE ANNUAL INTERNAL AUDIT OPINION

This report provides an annual internal audit opinion, based upon and limited to the work performed, on the overall adequacy and effectiveness of the organisation's risk management, control and governance processes. The opinion should contribute to the organisation's annual governance reporting.

The opinion

For the 12 months ended 31 March 2023, the head of internal audit opinion for Cambridgeshire and Peterborough Fire Authority is as follows:



Please see appendix A for the full range of annual opinions available to us in preparing this report and opinion.

It remains management's responsibility to develop and maintain a sound system of risk management, internal control and governance, and for the prevention and detection of material errors, loss or fraud. The work of internal audit should not be a substitute for management responsibility around the design and effective operation of these systems.

Scope and limitations of our work

The formation of our opinion is achieved through a risk-based plan of work, agreed with management and approved by the Overview and Scrutiny Committee, our opinion is subject to inherent limitations, as detailed below:

- internal audit has not reviewed all risks and assurances relating to the organisation;
- the opinion is substantially derived from the conduct of risk-based plans generated from a robust and organisation-led risk register. The risk register is one component that the board takes into account in making its annual governance statement (AGS);
- the opinion is based on the findings and conclusions from the work undertaken, the scope of which has been agreed with management;
- where strong levels of control have been identified, there are still instances where these may not always be effective. This may be due to human error, incorrect management judgement, management override, controls being by-passed or a reduction in compliance;
- due to the limited scope of our audits, there may be weaknesses in the control system which we are not aware of, or which were not brought to our attention.

FACTORS AND FINDINGS WHICH HAVE INFORMED OUR OPINION

Overview

Our Governance opinion has been informed specifically through our continued attendance at Overview and Scrutiny Committee, as well as elements of our audits which reviewed reporting arrangements (for example System Ownership Governance, Key Financial Controls and Debrief Following Complex Incidents).

Our Risk Management opinion has been informed by our reviews of Risk Management and Integrated Risk Management Planning Framework, alongside our risk-based approach to individual assignments and attendance at the Overview and Scrutiny Committee.

During the year we have completed seven assurance assignments, from which the Authority could take positive assurance for six (three substantial assurance and three reasonable assurance) these being:

- Debrief Following Complex Incidents – Reasonable Assurance
- Key Financial Controls – General Ledger and Budgetary Control – Reasonable Assurance
- Governance - Substantial Assurance
- System Ownership Governance - Reasonable Assurance
- Integrated Risk Management Planning Framework – Substantial Assurance
- Risk Management - Substantial Assurance

For the remaining Recruitment review the Authority could take Partial Assurance (negative opinion). Our review identified that whilst there was a Recruitment and Selection Policy in place which had been subject to review, at the time of the audit this had not been formally ratified. Furthermore we also confirmed that a procedure and toolkits for the On-Call Fire Fighters and Support Staff were in place however these had not been subject to review. Testing on a sample of 10 vacancies to test compliance with the policy identified a number of areas of non-compliance with the recruitment process including instances where records were completed after the candidates had started their post. We were not provided with any recruitment training records at the time of the audit therefore we were unable to provide assurance that staff who were involved in the recruitment process had been adequately trained.

We also undertook an advisory review of General Data Protection Regulation (GDPR) Governance designed to assess the current control framework in place and to evaluate opportunities for future areas of controls development, based on the evidence presented to us. This took into account both ICO guidance and relevant best practice identified at other similar organisations, providing a high-level framework of actions, where applicable. Actions have been agreed with management to address the areas identified.

The follow up review concluded that the organisation had made **reasonable progress** in implementing previously agreed management actions (see below).

A summary of internal audit work undertaken, and the resulting conclusions, is provided at appendix B.

Topics judged relevant for consideration as part of the annual governance statement

Based on the work we have undertaken on the Authority's system on internal control, we consider there are no significant issues which should be considered by the Authority to be flagged as significant control issues when drafting the Annual Governance Statement (AGS).

THE BASIS OF OUR INTERNAL AUDIT OPINION

As well as those headlines previously discussed, the following areas have helped to inform our opinion. A summary of internal audit work undertaken, and the resulting conclusions, is provided at appendix B.

Acceptance of internal audit management actions

Management have agreed actions to address all of the findings reported by the internal audit service during 2022/23.

Implementation of internal audit management actions

Our follow up of the actions agreed to address previous years' internal audit findings shows that the organisation had made reasonable progress in implementing the agreed actions. Of the 16 management actions followed up, we were able to confirm that eight had been fully implemented. In the remaining eight instances, four actions had been partially but not fully implemented and four actions had not been fully implemented. We have restated five medium priority management actions and agreed revised low priority management actions for three of the four actions which have been partly implemented. Findings are detailed in section two of this report.

Working with other assurance providers

In forming our opinion we have not placed any direct reliance on other assurance providers.

OUR PERFORMANCE

Wider value adding delivery

Area of work	How has this added value?
Emergency Services – Sector Update: June 2022	<p>The briefing paper provides a useful source of insight into recent developments and publications affecting the sector and provided further insight into the following areas:</p> <ul style="list-style-type: none"> • Data management fire standard consultation; • Fire Standard is launched; • Reforming fire and rescue services; and • The Fire Risk Assessment Prioritisation Tool.
Emergency Services – Sector Update: September 2022	<p>The briefing paper provides a useful source of insight into recent developments and publications affecting the sector and provided further insight into the following areas:</p> <ul style="list-style-type: none"> • Fire and Rescue Service inspections 2021/22; • Fire standards implementation sessions; and • Fire and rescue incidents statistics.
Emergency Services – Sector Update: December 2022	<p>The briefing paper provides a useful source of insight into recent developments and publications affecting the sector and provided further insight into the following areas:</p> <ul style="list-style-type: none"> • Economic and Social Value of the UK Fire and Rescue Services Methodology; • Early Intervention Implementation Framework launched; and • Fire Standards Board launches new standard.
Emergency Services – Sector Update: March 2023	<p>The briefing paper provides a useful source of insight into recent developments and publications affecting the sector and provided further insight into the following areas:</p> <ul style="list-style-type: none"> • State of Fire and Rescue: The Annual Assessment of Fire and Rescue Services in England 2022; • Fire and rescue services inspection programme and framework; • Fire Safety (England) Regulations 2022; • Firefighters far more likely to die from cancer and heart attacks than public; and • The Fire Standards Board open consultations on two Standard.
Best Practice	Shared best practice across the sector through our work.
Briefings and Publications	Issued non-sector specific briefings throughout the year to the, including in relation to Emergency Services Internal Audit Benchmarking.
Use of specialists	We have utilised specialists to support the delivery of the Internal Audit plan throughout 2022/23. This includes the use of GDAP specialists.

Conflicts of interest

RSM has not undertaken any work or activity during 2022/23 that would lead us to declare any conflict of interest.

Conformance with internal auditing standards

RSM affirms that our internal audit services are designed to conform to the Public Sector Internal Audit Standards (PSIAS).

Under PSIAS, internal audit services are required to have an external quality assessment every five years. Our risk assurance service line commissioned an external independent review of our internal audit services in 2021 to provide assurance whether our approach meets the requirements of the International Professional Practices Framework (IPPF), and the Internal Audit Code of Practice, as published by the Global Institute of Internal Auditors (IIA) and the Chartered IIA, on which PSIAS is based.

The external review concluded that RSM 'generally conforms*' to the requirements of the IIA Standards' and that 'RSM IA also generally conforms with the other Professional Standards and the IIA Code of Ethics. There were no instances of non-conformance with any of the Professional Standards'.

* The rating of 'generally conforms' is the highest rating that can be achieved, in line with the IIA's EQA assessment model.

Quality assurance and continual improvement

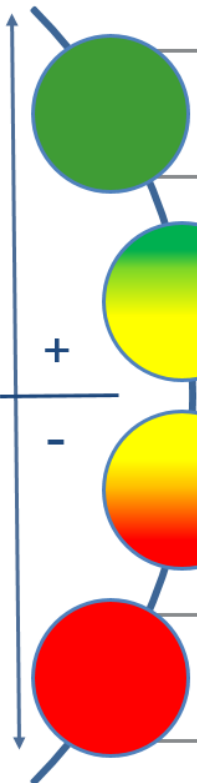
To ensure that RSM remains compliant with the PSIAS framework we have a dedicated internal Quality Assurance Team who undertake a programme of reviews to ensure the quality of our audit assignments. This is applicable to all Heads of Internal Audit, where a sample of their clients will be reviewed. Any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

Resulting from the programme in 2022/23, there are no areas which we believe warrant flagging to your attention as impacting on the quality of the service we provide to you.

In addition to this, any feedback we receive from our post assignment surveys, client feedback, appraisal processes and training needs assessments is also taken into consideration to continually improve the service we provide and inform any training requirements.

APPENDIX A: ANNUAL OPINIONS

The following shows the full range of opinions available to us within our internal audit methodology to provide you with context regarding your annual internal audit opinion.

Annual opinions	Factors influencing our opinion
 <p>The organisation has an adequate and effective framework for risk management, governance and internal control.</p>	<p>The factors which are considered when influencing our opinion are:</p> <ul style="list-style-type: none">• inherent risk in the area being audited;• limitations in the individual audit assignments;• the adequacy and effectiveness of the risk management and / or governance control framework;• the impact of weakness identified;• the level of risk exposure; and• the response to management actions raised and timeliness of actions taken.
<p>The organisation has an adequate and effective framework for risk management, governance and internal control. However, our work has identified further enhancements to the framework of risk management, governance and internal control to ensure that it remains adequate and effective.</p>	
<p>There are weaknesses in the framework of governance, risk management and control such that it could become, inadequate and ineffective.</p>	
<p>The organisation does not have an adequate framework of risk management, governance or internal control.</p>	

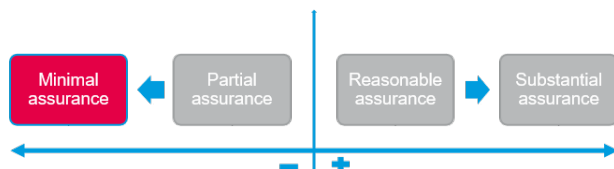
APPENDIX B: SUMMARY OF INTERNAL AUDIT WORK COMPLETED 2022/23

All of the assurance levels and outcomes provided above should be considered in the context of the scope, and the limitation of scope, set out in the individual assignment report.

Assignment	Assurance level	Actions agreed		
		L	M	H
Risk Management	Substantial Assurance [●]	1	0	0
Debrief Following Complex Incidents	Reasonable Assurance [●]	0	2	0
General Data Protection Regulation (GDPR) Governance	Advisory [●]	7	8	1
Key Financial Controls – General Ledger and Budgetary Control	Reasonable Assurance [●]	0	1	0
Integrated Risk Management Planning Framework	Substantial Assurance [●]	2	0	0
Governance	Substantial Assurance [●]	2	1	0
System Ownership Governance	Reasonable Assurance [●]	2	3	0
Follow Up	Reasonable Progress [●]	4	5	0
Recruitment	Partial Assurance [●]	5	1	3

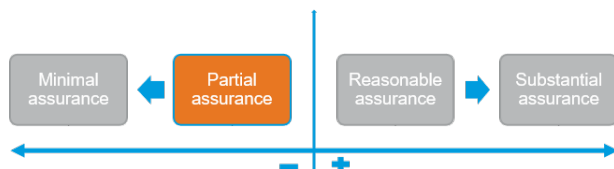
APPENDIX C: OPINION CLASSIFICATION

We use the following levels of opinion classification within our internal audit reports, reflecting the level of assurance the board can take:



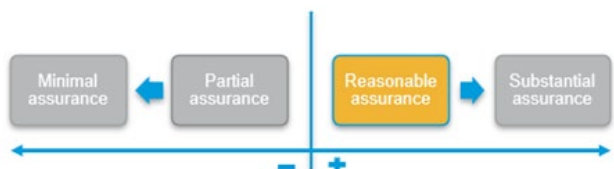
Taking account of the issues identified, the authority cannot take assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied or effective.

Urgent action is needed to strengthen the control framework to manage the identified risk(s).



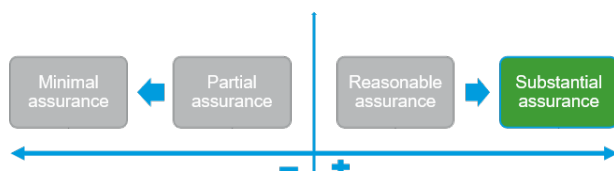
Taking account of the issues identified, the authority can take partial assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied or effective.

Action is needed to strengthen the control framework to manage the identified risk(s).



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).



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.

YOUR INTERNAL AUDIT TEAM

Suzanne Rowlett, Head of Internal Audit

suzanne.rowlett@rsmuk.com

+44 (0)7720 508148

Louise Davies, Manager

Louise.davies@rsmuk.com

+44 (0)7720 508146

rsmuk.com

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 and Peterborough 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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