



Humberside Fire and Rescue Service

Summary Internal Controls Assurance (SICA) Report

May 2024

Final



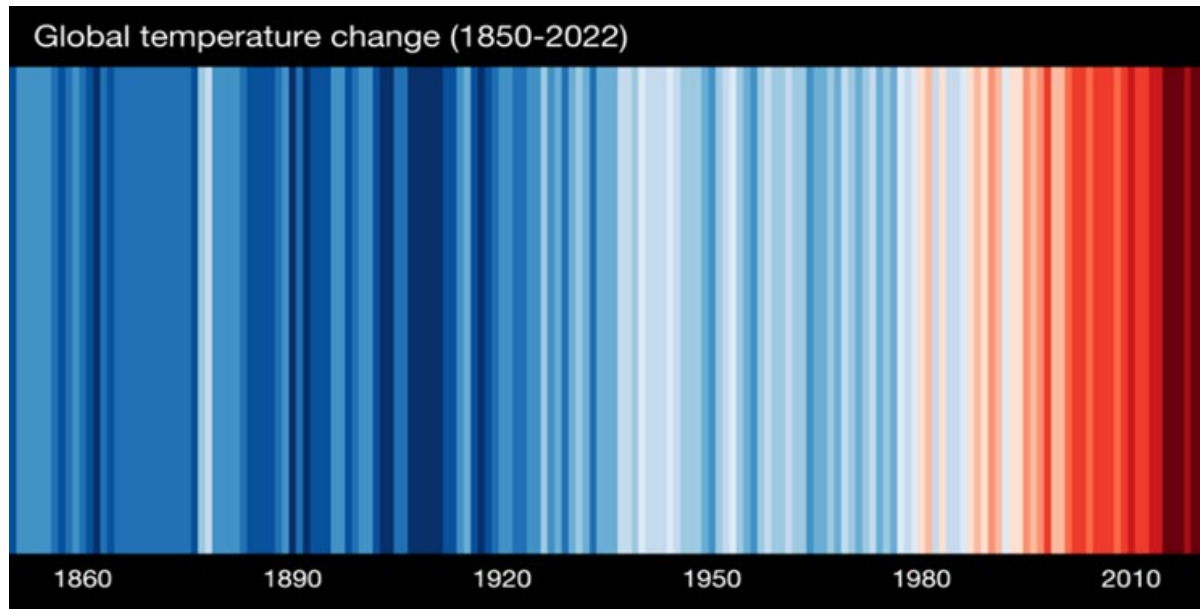
Summary Internal Controls Assurance

Introduction

1. This summary controls assurance report provides the Governance, Audit and Scrutiny Committee with an update on the emerging governance, risk and internal control related issues and the progress of our work at Humberside Fire and Rescue Service as at 28th May 2024.

Global Temperature Change

2. The scientific evidence is clear that the impacts of global warming are having an effect on our weather globally and locally and these impacts may result in a disruption to the services that we deliver. These climatic changes may also result in increased demand for our services and so we need to be prepared for these predicted changes. Extreme weather events are likely to be more frequent and more intense and we are all suffering the impacts of climate change in our daily lives, right here in the UK. 2023 was the warmest year on record globally, with average temperatures 1.48° C above pre-industrial levels. That is very nearly at the point (1.5°C) at which the United Nations believe that some regions and ecosystems will face an existential challenge. All the indicators suggest that the upward trend in temperatures is set to continue until at least the end of the century. Here in the UK, rising temperatures are leading to higher incidence of hypothermia, heart attack, respiratory failure and drownings as people struggle to escape the heat. Higher temperatures are accompanied by greater rainfall and flooding as warmer air holds more water than colder air.



We are advising our clients on their approach to making changes that address both mitigation and adaptation. Mitigation is about reducing the likelihood of climate change through cutting our Greenhouse Gas (GHG) emissions and living within very strict net-zero (or better) limits. Adaptation is about changing the way that we work and live; to accommodate the - already inevitable – effects of climate change. Adaptation involves revising public services to reflect an increase in demand for housing that keeps us cool in summer as well as warm in winter. Our clients face particular adaptation challenges as they work to keep people safe, through measures including improved housing (for both heating and cooling), information about climate risks, places of refuge, healthcare provision at all levels, public order safety, flood defences, firefighting and public transport to name but a few.

At TIAA we are working with our clients to prepare and review climate risk assessments; prepare and review action plans for mitigation and adaptation in the face of identified risks; raise awareness of climate risks across all service areas; and begin to tackle wider implications, such as air pollution and biodiversity.

Poor air quality is the largest environmental risk to public health in the UK, and it is immediate and localised. Sources of air pollutants that affect our health are typically the same sources of greenhouse gases, including burning fossil fuels for transport and heating in the domestic properties.

Working together can help to tackle wider issues outside of the direct control of any individual organisation, working collaboratively to deliver climate change action and address the UK carbon reduction targets to achieve lasting change.

Audits completed since the last SICA report to the Audit Committee

3. The table below sets out details of audits finalised since the previous meeting of the Audit Committee.

Audits completed since previous SICA report

Review	Evaluation	Key Dates			Number of Recommendations			
		Draft issued	Responses Received	Final issued	1	2	3	OEM
Key Financial Controls 2023/24	Reasonable	21/03/2024	27/03/2024	03/04/2024	0	3	1	0
Follow Up 2023/24	N/A	02/04/2024	22/04/2024	30/04/2024	-	-	-	-

4. There are no issues arising from these findings which would require the annual Head of Audit Opinion to be qualified.

Progress against the 2024/2025 Annual Plan

5. Our progress against the Annual Plan for 2024/25 is set out in Appendix A.

Changes to the Annual Plan 2024/25

6. There have been no changes to the approved plan.

Progress in actioning priority 1 & 2 recommendations

7. We have made no Priority 1 recommendations (i.e. fundamental control issue on which action should be taken immediately) since the previous SICA.

Frauds/Irregularities

8. We have not been advised of any frauds or irregularities in the period since the last SICA report was issued.

Other Matters

9. We have issued a number of briefing notes and fraud digests, shown in Appendix B, since the previous SICA report.

Responsibility/Disclaimer

10. This report has been prepared solely for management's use and must not be recited or referred to in whole or in part to third parties without our prior written consent. The matters raised in this report not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose. TIAA neither owes nor accepts any duty of care to any other party who may receive this report and specifically disclaims any liability for loss, damage or expense of whatsoever nature, which is caused by their reliance on our report.

Appendix A: Progress against Annual Plan

System	Planned Quarter	Current Status	Comments
Management of Statutory Building and Licensing Consultations	1	Confirmed 1 st July 2024	
Application and Management of Disciplinary Procedures	1	Draft report issued 22 nd May 2024	
Firefighter Development Pathway (FFDP)	1	Confirmed 15 th July 2024	
Staff Forums and EDI Steering Group	1	Draft report issued 22 nd May 2024	
Application and Management of Tactical Plans	2	Confirmed 17 th June 2024	
Training Records	2	Confirmed 29 th May 2024	
Follow-up (Mid-year)	2	Confirmed 20 th August 2024	
Contingency	4	Provisional date 10 th February 2025	
Key Financial Controls	4	Confirmed 3 rd February 2025	
ICT Management Controls	4	Start date to be agreed	
Year-End Follow Up	4	Confirmed 17 th March 2025	

KEY:

	To commence		Site work commenced		Draft report issued		Final report issued
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Appendix B: Briefings on Developments in Governance, Risk and Control

TIAA produce regular briefing notes to summarise new developments in Governance, Risk, Control, Counter Fraud and Security Management which may have an impact on our clients. These are shared with clients and made available through our Online Client Portal. A summary list of those briefings issued in the last three months which may be of relevance to Humberside Fire and Rescue Service is given below:

Summary of recent Client Briefings and Alerts

Date Issued	Sector	Briefing Type	Subject	Web Link	TIAA Comments
26 MARCH 2024	All	Client Briefing Note	Procurement Act 2023	Transforming Public Procurement - GOV.UK (www.gov.uk) Procurement Act 2023: short guides - GOV.UK (www.gov.uk)	<p>The Procurement Bill, which will reform the existing Procurement Rules, received Royal Assent in October 2023. In early 2024 secondary legislation (regulations) will be laid to bring some elements of the Bill and the wider regime into effect.</p> <p>The Procurement Act is expected to be implemented in October 2024 following at least six months notice.</p> <p>We share the key points.</p>
26 MARCH 2024	All	TIAA Article	As Featured In The Saturday Telegraph – What Gives Your Board Confidence In Your Internal Investigations Ability?	As featured in the Saturday Telegraph - what gives your Board confidence in your internal investigations ability? - TIAA	<p>Does your business need help with HR Investigations? Our latest article in the Saturday Telegraph highlights the importance of having a specialist team handle these complex and sensitive matters.</p>
15 MARCH 2024	All	Security Alert	Serious Organised Crime Theft Warning – Purses & Wallets	Serious organised crime theft warning – purses & wallets - TIAA	<p>An organised group of thieves, specialising in the theft of purses, wallets and the subsequent fraudulent use of stolen credit cards have been operating in the southwest and elsewhere in the UK in recent months.</p> <p>The offenders dress smartly and often wear an NHS/Council style lanyard.</p> <p>We provide key advice.</p>
13 MARCH 2024	All	Anti-Crime Alert	Action Fraud Launches Holiday Fraud Campaign	Action Fraud launches holiday fraud campaign - TIAA	<p>Action Fraud has launched a crucial campaign to combat holiday fraud. As the holiday season approaches, scammers are on the prowl. Read our key advice.</p>



Internal Audit

FINAL

Humberside Fire & Rescue Service

Assurance Review of Key Financial Controls

2023/24

April 2024

Executive Summary

OVERALL ASSESSMENT

ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

Financial Constraints Around National Grant Funding.

KEY STRATEGIC FINDINGS

- The Constitution, together with Scheme of Delegation, defines the process and rules for the administration of the Service’s financial matters.
- Testing identified some weaknesses in control in relation to debt write-offs and the approval of one BACS payment.
- Appropriate segregation of duties is in place for payroll arrangements. This includes additional checks to authorise the payroll before payment is made.
- A number of requisitions were approved by officers who, according to the Scheme of Delegation, should not have approved. Whilst reasonable reasons were provided, these exceptions have not been set out in the Scheme of Delegation.

GOOD PRACTICE IDENTIFIED

- When invoices are received from suppliers, members of the Finance Team check the invoices against the details on the APTOS system for completeness.

SCOPE

The review assessed the adequacy and effectiveness of the internal controls in place for managing the following key financial systems. Creditor Payments; Payroll; Treasury Management; Debtors; General Ledger; and Pensions.

ACTION POINTS

Urgent	Important	Routine	Operational
0	3	1	0

Assurance - Key Findings and Management Action Plan (MAP)

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	Directed	<p>A sample of six BACs payment runs made between April 2023 and December 2023 was reviewed. Five payment runs in the sample were found to have been suitably approved in line with the Authority's Scheme of Delegation.</p> <p>Testing found that in one instance, the BACs payment of £160,675 was approved by the Head of Procurement instead of the Head of Finance. Management confirmed that both officers are at the same delegated approval level. The Scheme of Delegation, however, does not refer to the Head of Procurement approving BACs payments.</p>	All BACs payments be approved in line with the Authority's Scheme of Delegation.	2	<i>The scheme of delegation will be updated to include the Head of Procurement as an approver.</i>	30/06/24	Head of Finance

PRIORITY GRADINGS

1 **URGENT** Fundamental control issue on which action should be taken immediately.

2 **IMPORTANT** Control issue on which action should be taken at the earliest opportunity.

3 **ROUTINE** Control issue on which action should be taken.

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
3	Directed	Testing identified there had been one write-off in the year 2023/2024 The total amount written off was £1,366.14. Whilst this was written off by the S.151 Officer as directed by the Constitution, there was a lack of supporting documentation to confirm this was completed in consultation with the Chief Executive/Chief Fire Officer as detailed within the Constitution. Management stated that the agreement was a verbal conversation between the Executive Director and the Chief Executive/Chief Fire Officer. This matter was raised in the previous year's internal audit, however, a formal recommendation was not made as the amount was not material.	The process for write-offs as detailed/stated within the Constitution be strictly adhered to, including that a record is maintained to evidence that a discussion with the Chief Fire Officer has taken place.	2	<i>The write-off process will be updated to evidence that discussions have taken place with the Chief Fire Officer when looking to write-off a debt.</i>	30/06/2024	Head of Finance
4	Directed	A review of payroll data confirmed there are 1,201 persons recorded. This includes 24 elected and independent members not recorded in the HR System. A review of HR records confirmed a total of 1,150 employees. Testing identified a difference of 27 further employees between both records. Management confirmed that they relate mainly to contingency fire crew and casual posts where the contracts have not been finalised on the Fire Watch system but are on the Payroll System.	A review of employees and their post numbers on the Payroll and HR system be undertaken and this be reconciled periodically.	2	<i>Work is currently on-going in relation to reviewing employees and post numbers on the HR system. This will be reconciled to the payroll system on an annual basis.</i>	31/12/2024	Head of Finance

PRIORITY GRADINGS

1 **URGENT** Fundamental control issue on which action should be taken immediately.

2 **IMPORTANT** Control issue on which action should be taken at the earliest opportunity.

3 **ROUTINE** Control issue on which action should be taken.

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
2	Directed	<p>A review of nine creditor payments (purchase orders and non-purchase orders) was undertaken. Six purchase orders and one non-purchase order were found to have been appropriately approved in line with the delegated authority levels. In relation to the other two purchase orders, there was one instance where a requisition was raised and approved by the same person who raised the requisition.</p> <p>In addition, there were five requisitions approved outside of the Scheme of Delegation. Management provided reasonable reasons why these had occurred with one being for resilience purposes and had stated that authorisations had been provided to these officers to approve expenditure at a higher level. There was however a lack of supporting documentation to confirm this. Testing also identified instances where the invoice received differed to the requisition raised. Management confirmed this was due to price changes. There were no instances where this took the approver over their limit. Management further confirmed that as part of the checks carried out when invoices are received from suppliers, they are checked against the invoice on the system and where there are discrepancies, these are included in the mismatch list and investigated with the relevant officer before further processing.</p>	All orders be approved in line with the Scheme of Delegation. Where there are exceptions to the rules, this be clearly stated within the Scheme of Delegation.	3	<i>Scheme of delegation to be updated to show the exceptions.</i>	30/06/24	Head of Finance

PRIORITY GRADINGS

1 URGENT Fundamental control issue on which action should be taken immediately.

2 IMPORTANT Control issue on which action should be taken at the earliest opportunity.

3 ROUTINE Control issue on which action should be taken.

Operational - Effectiveness Matter (OEM) Action Plan

Ref	Risk Area	Finding	Suggested Action	Management Comments
No Operational Effectiveness Matters were identified.				

ADVISORY NOTE

Operational Effectiveness Matters need to be considered as part of management review of procedures.

Findings



Directed Risk:

Failure to properly direct the service to ensure compliance with the requirements of the organisation.

Ref	Expected Key Risk Mitigation	Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
GF	Governance Framework There is a documented process instruction which accords with the relevant regulatory guidance, Financial Instructions and Scheme of Delegation.	In place	-	-
RM	Risk Mitigation The documented process aligns with the mitigating arrangements set out in the corporate risk register.	In place	-	-
C	Compliance Compliance with statutory, regulatory and policy requirements is demonstrated, with action taken in cases of identified non-compliance.	Partially in place	1, 2, 3 & 4	-

Other Findings



Part 4, Section D of the Constitution of the Humberside Fire Authority (HFA), last reviewed in September 2023, clearly defines the process and applicable rules for the administration of HFA's financial matters/affairs. Key areas /rules covered within the sections applicable to the scope of this audit include, Rule 2- General Financial Rules, Rule 31-Payment of Invoices and Claims; Rule-34-Treasury Management, Rule 38-Write Offs, Rule 41- Salaries, Wages and Pensions and Rule 30- Orders for Work, Goods and Services. The Scheme of Delegation, which details the approval limits for all officers at various levels within the service and revised in October 2023, supports the Constitution.



Rule 2- General Financial Rules, Rule 3- Responsibility of the S.151 Officer and Rule 4-Responsibility of the Chief Fire Officer & Chief Executive, details clearly the responsibilities of relevant staff i.e. the S.151 Officer, in relation to the financial management requirements of HFA. The rules state what the requirements are and who is responsible for preparing, authorising, and acting on them.



The risk that there may be a constraint in National Grant Funding and Precept increase capping over the forthcoming Comprehensive Spending Review period, which will reduce the level of funding available to the Authority, has been listed as a financial risk/strategic risk within the Strategic Directorate Risk Register. This was confirmed to be the only financial risk present within the Strategic Risk Register. Mitigating controls listed include updating of the Medium-term resource strategy (MTRS) with the latest information and Scenario planning undertaken to provide mitigations for any reduction in funding.

Other Findings



The Governance, Audit and Scrutiny (GAS) Committee reviews the annual statement of accounts to provide assurance that they comply with relevant requirements before approval by the HFA. The GAS Committee also provides independent and high-level focus on the reporting arrangements that underpin financial standards, ensuring that efficient and effective assurance arrangements are in place.



Payroll is outsourced through the East Riding of Yorkshire Council. A Service Level Agreement (SLA) is in place, dated 1st April 2021 between both parties detailing the provision of the payroll service. The Council invoices HFA quarterly in arrears for the services and invoices are paid within 21 days of receipt. In relation to how payroll is processed, there are various forms in place to request any necessary changes. Where there are actions or changes to be made, for example a new starter, this is recorded on the relevant form and sent to the Payroll Bureau for action. Transmission of payroll data between the Payroll Bureau and HFA is carried out securely. A sample of three quarterly invoices confirmed these had been paid and approved by the appropriate delegated authority. In one case, it was identified the payment for the invoice was made within 22 days of the date of the invoice. Management confirmed the payment was made within 21 days of receiving the invoice, however, the day the invoice was received was different from the date of the invoice.



A sample of ten starters and ten leavers relating to payroll were sampled. The following was identified.

- All the new starters were paid according to their annual salary/equivalent rate with appropriate authorisations held to support setting up the new starters on the payroll system. There were three cases where the new starters started before the cut-off date but were paid not paid until the following month. Discussions with HR confirmed in one case, documents were received late, hence pay being processed in the following month and in two cases pay was processed once training was completed. This was a condition of employment.
 - For all new starters in the sample, the annual salary information held within the payroll record/spreadsheet agreed to the salary details on the HR Database.
- For leavers, testing identified accurate calculation of the final payment for all leavers. Two leavers were paid a month after resignation, these payments related to holiday payments owed being paid and payment received in arrears for work already undertaken.



A sample of six payroll runs from July 2023 until December 2023 was tested. Testing showed appropriate variance checks and authorisations were carried out on payment of salaries prior to release.



A sample of four recent amendments to salaries/changes to payroll was selected for testing. Testing identified all four employees had their pay calculated correctly, taking into account the amendment. For each employee in the sample all payments were processed accurately with the appropriate authorisations held.

In addition, two employees were tested in relation to the allowance that they receive. For one of the two employees tested, appropriate authorisations were in place to confirm the allowance received. In the second case, there were no authorisations held. Management confirmed this is a long-standing allowance. Testing confirmed that HR provide payroll with a list of employees who are eligible for all allowances. Where there are any changes to be made to the allowances received, HR will inform payroll.



A sample of five debtor invoices was reviewed. These invoices were raised in by the Finance Team following an initial request from the relevant personnel. Four of the invoices were confirmed to have been paid, although only one was paid within 30 days. In relation to the remaining, the procedure for debt chasing and collection was followed through appropriately. The fifth invoice remains unpaid, and statements and reminder emails/letters are being sent to the customer. It was also noted that there was a delay in raising an invoice from the day it was requested via Job cards. Management confirmed that these invoices are raised a month in arrears due to the time delay between the work being carried out and passing the job cards through to finance to raise the invoices. It was also confirmed that the job cards are sent in bulk and not individually.

Other Findings

A review of the aged debtor's summary report confirmed total outstanding debt owed to HFA to be £148,696 at the time of the audit. A review of five outstanding debts was undertaken. Testing confirmed, these had been robustly chased in line with the debt recovery procedures. Four of the debts have been paid. In relation to the remaining one, this is still being chased with a recent statement sent to the debtor in March 2024.



HFA has three bank accounts. As at 7th March 2024, the bank balances were as follows, Business Reserve Account £49,568.54, LMA £376.86 and Business Current £0.00. The total number of investments as at the time of the audit was £10,860,376.86.



A Treasury Management Strategy Statement (TMSS) for the period 2023/24 was approved by the Authority on 10th March 2023. Link Group Treasury Solutions act as Treasury Management Advisors to the Authority. Two main areas were covered in the TMSS, which are Capital Issues (the Minimum Revenue Provision (MRP) Policy) and Treasury Management Issues (the current treasury position, debt rescheduling and prospects for interest rates). Reporting requirements on treasury management activities are also detailed within the TMSS. This requires the Authority to receive and approve, as a minimum, three main reports each year incorporating a variety of policies, actual balances, and estimates.

A review of the December 2023 Treasury Management Mid-Year Update report presented to the Authority was undertaken. This confirmed HFA's temporary investments totalled £21.6m as of 30th September 2023 and the Authority's rate of return had exceeded the benchmark return provided by Link Asset Services. In terms of borrowing, it was further confirmed that the Authority had not taken any short-term borrowings in the first six months of the year and is unlikely to undertake any short-term borrowing in the second half of the financial year. In terms of long-term borrowing, the Authority's level of borrowing was £17.2m as of 30th September 2023 with an average rate of interest payable at 3.13%. An expected £545k of interest is projected to be payable on external debt for 2023/24. External debt is £21.8m below the agreed authorised limit for 2023/24 and the maturity structure for both borrowing and investments remain within the approved upper and lower limits. Members were requested to consider the treasury management activities undertaken during the first half of the 2023/24 financial year. A review of the meeting minutes confirmed Members received and approved the report. There were no issues identified.



The Authority currently administers two types of pension schemes. They are the 2015 Firefighters Pension Scheme and the Local Government Pension Scheme. Testing of five employees from each of the pension schemes administered was undertaken. This confirmed the monthly contributions had been accurately paid.



Delivery Risk:

Failure to deliver the service in an effective manner which meets the requirements of the organisation.

Ref	Expected Key Risk Mitigation	Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
PM	Performance Monitoring There are agreed KPIs for the process which align with the business plan requirements and are independently monitored, with corrective action taken in a timely manner.	In place	-	-
S	Sustainability The impact on the organisation's sustainability agenda has been considered.	Out of scope	-	-
R	Resilience Good practice to respond to business interruption events and to enhance the economic, effective and efficient delivery is adopted.	In place	-	-

Other Findings



The Finance Team maintains a KPI spreadsheet for payroll following the measures being agreed by the Payroll Bureau and HFA. The KPIs are detailed within the Service Level Agreement (SLA) in place and are monitored and reported monthly. There are eight KPIs in total and these are:

- 1) No. of Transactions.
- 2) No. of Emergency Payment - attributable to Payroll.
- 3) No. of Emergency Payment - attributable to HFRS.
- 4) Pay Awards (Total).
- 5) Pay Awards (Processed).
- 6) No of P60's.
- 7) No. of overpayment invoices raise - attributable to Payroll and
- 8) No. of overpayment invoices raise - attributable to HFRS.

The KPI spreadsheet shows that, the number of transactions in February 2024 totalled 990, the number of emergency payments attributable to HFRS was three and the number of overpayment invoices raised attributable to the HFRS was two. Year to date, a total of 10,916 transactions have been made, one emergency payment made attributable to payroll, 52 emergency payments made attributable to HFRS, four pay awards processed), 971 P60's and 32 over payment invoices raised attributable to HFRS. The Head of Finance confirmed that quarterly meetings are held with the Payroll Bureau to discuss service delivery and performance.

Other Findings



HFA is required to publish the percentage of its invoices paid within 30 days, on an annual basis, and all interest liable, under late payment legislation. A review of the information provided during the audit confirmed that the percentage of valid and undisputed invoices paid within 30 days in accordance with Regulation 113 was 97.9% for the year ended 2022/23. The amount of interest paid to suppliers due to a breach of the requirement of the Regulation 113 was zero for the same year.



The Finance Team monitors payment of invoices monthly through set KPIs. A review of the KPI spreadsheet for 2023/24 confirmed all invoices were paid within 30 days from the date/day the invoice was received into the Finance Team. 417 (89.10) % invoices were paid within 30 days from the date of the invoice and 51 (10.90%) invoices were paid outside of 30 days from the date of the invoice.



From the beginning of the 2023/24 financial year, it was confirmed that the reporting requirements on treasury management changed so that, in addition to the three reports that are presented to the Authority, there would also be quarterly updates of the Prudential Indicators as part of the Management Accounts based on periods ending 30th June and 31st December. These updates were presented to the Authority in September 2023 and February 2024 respectively.

Scope and Limitations of the Review

- The definition of the type of review, the limitations and the responsibilities of management in regard to this review are set out in the Annual Plan. As set out in the Audit Charter, substantive testing is only carried out where this has been agreed with management and unless explicitly shown in the scope no such work has been performed.

Disclaimer

- The matters raised in this report are only those that came to the attention of the auditor during the course of the review, and are not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. This report has been prepared solely for management's use and must not be recited or referred to in whole or in part to third parties without our prior written consent. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose. TIAA neither owes nor accepts any duty of care to any other party who may receive this report and specifically disclaims any liability for loss, damage or expense of whatsoever nature, which is caused by their reliance on our report.

Effectiveness of arrangements

- The definitions of the effectiveness of arrangements are set out below. These are based solely upon the audit work performed, assume business as usual, and do not necessarily cover management override or exceptional circumstances.

In place	The control arrangements in place mitigate the risk from arising.
Partially in place	The control arrangements in place only partially mitigate the risk from arising.
Not in place	The control arrangements in place do not effectively mitigate the risk from arising.

Assurance Assessment

- The definitions of the assurance assessments are:

Substantial Assurance	There is a robust system of internal controls operating effectively to ensure that risks are managed and process objectives achieved.
Reasonable Assurance	The system of internal controls is generally adequate and operating effectively but some improvements are required to ensure that risks are managed and process objectives achieved.
Limited Assurance	The system of internal controls is generally inadequate or not operating effectively and significant improvements are required to ensure that risks are managed and process objectives achieved.
No Assurance	There is a fundamental breakdown or absence of core internal controls requiring immediate action.

Acknowledgement

- We would like to thank staff for their co-operation and assistance during the course of our work.

Release of Report

- The table below sets out the history of this report.

Stage	Issued	Response Received
Audit Planning Memorandum:	31 st July 2023	7 th August 2023
Draft Report:	21 st March 2024	27 th March 2024
Final Report:	3 rd April 2024	

AUDIT PLANNING MEMORANDUM

Appendix B

Client:	Humberside Fire & Rescue		
Review:	Key Financial Controls		
Type of Review:	Assurance	Audit Lead:	Ade Kosoko

Outline scope (per Annual Plan):	The review will assess the adequacy and effectiveness of the internal controls in place for managing the following key financial systems. Creditor Payments; Payroll; Treasury Management; Debtors; General Ledger; and Pensions.
Detailed scope will consider:	<p>The review will set out to provide assurance to the Governance, Audit and Scrutiny Committee that Humberside Fire and Rescue has robust controls in relation to key financial controls:</p> <ul style="list-style-type: none"> • Policies and procedures are up to date and clearly define processes for key financial controls. • The Authority has considered the risks associated with financial controls and appropriate mitigating controls are identified and operated. • Performance is monitored in sufficient detail to senior management and the Authority, allowing for appropriate challenge. <p>Procedures direct compliance with regulatory obligations in relation to financial operations.</p>

Planned Start Date:	04/03/2024	Exit Meeting Date:	15/03/2024	Exit Meeting to be held with:	Shaun Edwards (Deputy Section 151 Officer, David Lofthouse (Head of Finance), Sarah Keyes (Finance Officer) Amie Brown (Finance Officer and Jamie Morris (Head of Corporate Assurance)
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SELF ASSESSMENT RESPONSE

Matters over the previous 12 months relating to activity to be reviewed	Y/N (if Y then please provide brief details separately)
Has there been any reduction in the effectiveness of the internal controls due to staff absences through sickness and/or vacancies etc?	N
Have there been any breakdowns in the internal controls resulting in disciplinary action or similar?	N
Have there been any significant changes to the process?	N
Are there any particular matters/periods of time you would like the review to consider?	N



Internal Audit

FINAL

Humberside Fire and Rescue

Year-End Follow Up Review

2023/24

April 2024

Executive Summary

Introduction

1. This follow up review by TIAA established the management action that has been taken in respect of the recommendations arising from the internal audit reviews listed below at Humberside Fire and Rescue. The review was carried out in March 2024.

Review	Year	Date Presented to Governance, Audit and Scrutiny Committee
Mid-Year Follow Up Review	2023/24	November 2023
Bullying, Harassment and Discrimination	2023/24	November 2023
Effectiveness of Systems	2023/24	November 2023
Mobile Data Terminals Performance	2023/24	November 2023
Service Absolutes	2023/24	November 2023
Enforcement Powers and Priorities	2023/24	January 2024

Key Findings & Action Points

2. The follow up review considered whether the management action taken addresses the control issues that gave rise to the recommendations. The implementation of these recommendations can only provide reasonable and not absolute assurance against misstatement or loss. From the work carried out the following evaluations of the progress of the management actions taken to date have been identified.

Evaluation	Number of Recommendations
Implemented	17
Outstanding	13
Considered but not Implemented	-
Not Implemented	-

3. Of the 15 recommendations outstanding at the mid-year follow up, 12 remain incomplete.

Scope and Limitations of the Review

4. The review considered the progress made in implementing the recommendations made in the previous internal audit reports and established the extent to which management has taken the necessary actions to address the control issues that gave rise to the internal audit recommendations.
5. The responsibility for a sound system of internal controls rests with management and work performed by internal audit should not be relied upon to identify all strengths and weaknesses that may exist. Neither should internal audit work be relied upon to identify all circumstances of fraud or irregularity, should there be any, although the audit procedures have been designed so that any material irregularity has a reasonable probability of discovery. Even sound systems of internal control may not be proof against collusive fraud.
6. For the purposes of this review reliance was placed on management to provide internal audit with full access to staff and to accounting records and transactions and to ensure the authenticity of these documents.

Disclaimer

7. The matters raised in this report are only those that came to the attention of the auditor during the course of our work and are not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. This report has been prepared solely for management's use and must not be recited or referred to in whole or in part to third parties without our prior written consent. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose. TIAA neither owes nor accepts any duty of care to any other party who may receive this report and specifically disclaims any liability for loss, damage or expense of whatsoever nature, which is caused by their reliance on our report.

Release of Report

8. The table below sets out the history of this report.

Date draft report issued:	2nd April 2024
Date management responses rec'd:	22 nd April 2024
Date final report issued:	30 th April 2024

Executive Summary

Follow Up

9. Management representations were obtained on the action taken to address the recommendations and limited testing has been carried out to confirm these management representations. The following matters were identified in considering the recommendations that have not been fully implemented:
10. **Mid-Year Follow Up**

Audit title	Fleet Management	Audit year	2019/20	Priority	3
Recommendation	Performance goals and RAG rating tolerances be agreed and incorporated into the KPI reporting arrangements.				
Initial management response	ESFM Board to agree performance thresholds for RAG rating.				
Responsible Officer/s	Head of Fleet and Estates	Original date	31/12/2019	Revised date(s)	30/06/2021 31/12/2022 31/03/2023 30/09/2023
Latest Update	<p><u>April 2023</u> The project is still not been implemented. This is due to major IT problems surrounding the security of the new system from the Humberside Police side. Their ICT Team and Civica are continuing to work up a solution but the go-live date has now moved to be the earliest July 2023. Once this work is completed and the system goes live, the KPI's mentioned in the internal audit will be negotiated, agreed and implemented.</p> <p><u>August 2023</u> Revised date not yet due.</p> <p><u>March 2024</u> The project has not been implemented. Major IT problems still surround the security of the new joint venture/system from a Humberside Police perspective. Their ICT Team and Civica are continuing to look for a solution, but the go-live date has now moved to be the earliest August 2024, since, once the solution is reached, a period of user acceptance tests will have to be undertaken before a go live date is reached. Once this work is completed and the system goes live, the KPI's mentioned in the internal audit will be negotiated, agreed, and implemented.</p>				
New implementation date	31/08/2024	Status	Outstanding	Implementation is in progress but the original target date has not been met.	

Audit title	Data Quality – Risk Information	Audit year	2021/22	Priority	3
Recommendation	Work be continued to identify, obtain and validate the external Risk data from external sources, for all categories of information that are assessed as still of value to be retained for crew safety.				
Initial management response	<p>Work to validate and sanitise operational risk data sets is ongoing utilising Service Delivery frontline staff. This work has the aim of validating the existing risks we hold and recovering the data backlog from a recently discovered ICT (mail server) system failure.</p> <p>The introduction of a new ICT system (Chameleon) will both streamline risk administration processes and maintain validations correctly. This opportunity is being utilised to align datasets with those recommended by National Operational Guidance. Beta version Roll out commencing December 2021.</p>				
Responsible Officer/s	GM Control/WM Operational Risk	Original implementation date	01/12/2021	Revised implementation date(s)	31/03/2023
Latest Update	<p><u>April 2023</u></p> <p>This is related to the upgrade of the CFRMIS system, which was delayed due to the cyber incident and subsequent organisational changes designed to add resilience to the process, including through Emergency Preparedness taking responsibility for the operational side of the subject. As part of this work, Emergency Preparedness are currently reviewing the policy, process and all the data that is recorded on MDTs for crews.</p> <p><u>August 2023</u></p> <p>Revised date not yet due.</p> <p><u>March 2024</u></p> <p>As part of this work, Emergency Preparedness are currently reviewing processes and re-writing policy guidance notes. Risk and Intelligence are writing the overarching policy and are validating and cleansing all the data that is recorded in CFRMIS and on MDTs for crews. Control is removing all risk information from Vision as part of a new process that has been put in place to use Intellimap and MDTs to view CFRMIS data which will be the single version of risk data. This work is expected to be completed by the end of May 2024.</p>				
New implementation date	31/05/2024	Status	Outstanding	Implementation is in progress but the original target date has not been met.	

Audit title	Data Quality – Risk Information	Audit year	2021/22	Priority	3
Recommendation	All NOG requirements relating to SSRIs be incorporated into the new Chameleon system when this goes live, so that the Service is fully compliant with the latest guidance.				
Initial management response	The opportunity of the new ICT system (Chameleon) will fulfil National Operational Guidance Standards requirements including new SSRI forms to enhance risk information systems on Bodies of Water, Flooding, Sites of Special Scientific Interest, Transport, Tunnels and Underground Structures, Utilities and Fuel and Wildfires.				
Responsible Officer/s	GM Control/WM Operational Risk	Original implementation date	01/04/2022	Revised implementation date(s)	31/03/2023
Latest Update	<p><u>April 2023</u> The required functionality should be obtained through the new Ops Intel version of CFRMIS. This is currently on hold pending a review by Emergency Preparedness into Operational Risk Information.</p> <p><u>August 2023</u> Revised date not yet due.</p> <p><u>March 2024</u> Civica has agreed to bring forward work on the operational risk module. They have also agreed to install already built screens that are being used in Merseyside, which will save some time and reduce workload. The Service is awaiting a cost estimation for this. It is likely that this work will run from June to October 2024. NOG elements essential to SSRIs have been highlighted and will be built into the SSRI form.</p>				
New implementation date	31/10/2024	Status	Outstanding	Implementation is in progress but the original target date has not been met.	

Audit title	Data Quality – Risk Information	Audit year	2021/22	Priority	3
Recommendation	The remaining outdated Public Safety Risk data items (Z4s) be reviewed as soon as possible and either confirmed as valid or removed as no longer relevant.				
Initial management response	Public Safety Teams (Service Delivery) are working through the out-of-date risk lists. Other areas of recovery work are ongoing through Control (working through Customer Contact Records) to release capacity for the Public Safety Team to concentrate on reviewing Z4 Public Safety risk data (domestic and other risk).				
Responsible Officer/s	SM Control/WM Operational Risk/Head of Prevention	Original implementation date	01/04/2022	Revised implementation date(s)	31/03/2023
Latest Update	<p><u>April 2023</u> The process is being reviewed in order to reduce the volume of data being captured and validated. There is a delay in that the data has some incorrect fields on the dashboard and is not currently downloadable. Part of the solution will be incorporated into the new CFRMIS and its workflows and so the Service is waiting for this to be progressed. The Service will be making some of this a system led workflow rather than a manual process, particularly for some of the older data.</p> <p><u>August 2023</u> Revised date not yet due.</p> <p><u>March 2024</u> Some of the work is related to the CFRMIS upgrade. After the cyber incident, the workflows that managed revalidation were broken. Digital Services have not re-established them due to the work being done on the upgrade. R&I team are currently working on all of the outstanding validations to ensure they are all up to date. Some re-validation requirements will be removed after the data cleansing that is happening on the wider operational risk data. This is expected to be completed by the end of May 2024.</p>				
New implementation date	31/05/2024	Status	Outstanding	Implementation is in progress but the original target date has not been met.	

Audit title	Collaboration Activity	Audit year	2022/23	Priority	2
Recommendation	A partnership agreement be put in place for each collaboration, detailing the expectations of HFRS and of any outside bodies. The level of detail of such agreements may vary and should be proportionate to the scale, cost and strategic importance of each collaboration.				
Initial management response	Review and revision of the current agreements, align to the new risk management processes and policy.				
Responsible Officer/s	Hof Corporate Assurance	Original implementation date	30/06/23	Revised implementation date(s)	31/10/2023
Latest Update	<p><u>August 2023</u> Up to date, signed agreements for all collaborations are to be obtained.</p> <p><u>March 2024</u> This work is ongoing.</p>				
New implementation date	30/04/2024	Status	Outstanding	Implementation is in progress, but the original target date has not been met.	

Audit title	Collaboration Activity	Audit year	2022/23	Priority	2
Recommendation	Evaluations be completed for all collaboration activities across the Service, in particular where none has been completed over the past year. It may be advisable to wait until a policy and updated evaluation form have been developed before taking this action.				
Initial management response	Introduction of new revised and consistent approach to evaluation included into the service improvement framework.				
Responsible Officer/s	Hof Corporate Assurance	Original implementation date	30/06/23	Revised implementation date(s)	31/12/2023
Latest Update	<p><u>August 2023</u> Up to date evaluations for all collaborations are to be undertaken.</p> <p><u>March 2024</u> This work is ongoing.</p>				
New implementation date	30/04/2024	Status	Outstanding	Implementation is in progress, but the original target date has not been met.	

Audit title	Equality Impact Assessments	Audit year	2022/23	Priority	2
Recommendation	Information, guidance and good practice be disseminated to demonstrate the full range of circumstances when an EIA should be undertaken, to ensure that these are completed according to the approved policy guidance.				
Initial management response	Agree with findings. Further IAG will be provided.				
Responsible Officer/s	Lou Marritt, L&D Manager	Original implementation date	31/12/22	Revised implementation date(s)	31/08/2024
Latest Update	<p><u>August 2023</u> Training for target groups remains to be completed.</p> <p><u>March 2024</u> OD section currently undergoing re-organisation and some processes may change. Implementation date to remain as August 2024.</p>				
New implementation date		Status	Outstanding	Implementation is in progress, but the original target date has not been met.	

Audit title	Firewatch	Audit year	2022/23	Priority	2
Recommendation	The opportunity arising from data input staff moving into the HR function be utilised to pinpoint the root cause(s) of inaccurate data entry. These should then be addressed through appropriate measures, such as additional support and supervision, targeted training, provision of procedural documentation on fundamental tasks, increased use of system prompts or reminders, and/or performance management of staff.				
Initial management response	The Firewatch establishment data was cleansed in 2020 and the process involved all of the HR team, Service Support and SMs. A tracker was introduced to monitor the progress of people forms, whereby all people forms were entered onto the tracker. People forms were revised to provide more detail and a bespoke Establishment form was created. There is an historic backlog of People forms due, in part, to the introduction of FSR. Now that two Service Support members have moved into HR, the appropriate focus and priority will be given to this area of work. Further training for the admin staff within the HR team is being provided to ensure consistency with data entry and to ensure there is no single point of failure.				
Responsible Officer/s	Head of HR	Original implementation date	Monitoring of the data is ongoing and all training completed by the end of 2022.	Revised implementation date(s)	28/02/2024
Latest Update	<p><u>August 2023</u></p> <p>The original action is not possible due to leavers and a full-time member of staff relocating. Recruitment is ongoing for a replacement. New member of staff will undertake intensive data cleanse. User List to be reviewed and restricted. Further training will be delivered when system upgrades to Version 7.8. and the new member of staff is in post. Data cleanse to completed by the end February 2024.</p> <p><u>March 2024</u></p> <p>Implementation date changed in line with other recommendations.</p>				
New implementation date	30/04/2024	Status	Outstanding	Implementation is in progress, but the original target date has not been met.	

Audit title	Firewatch	Audit year	2022/23	Priority	2
Recommendation	An assessment be made of the available modules, add-ons and updates for Firewatch and any associated costs, opportunities and operational impacts. A timeline be established for any items identified for adoption.				
Initial management response	A demonstration from Infographics regarding the scope of Firewatch is due to take place (to SLT) in October – after which time decisions will be taken as to how much of Firewatch functionality will be adopted. The outcome of this meeting will determine the Service’s next steps with regard to Firewatch and any other IT systems. Consideration of a project team may be required.				
Responsible Officer/s	SLT/Heads of HR	Original implementation date	April 2023	Revised implementation date(s)	30/04/2024
Latest Update	<p><u>August 2023</u></p> <p>Project now in place. The Project Lead is the Head of HR. Project Team to include new admin member. Anticipated completion April 2024.</p> <p><u>March 2024</u></p> <p>This remains ongoing.</p>				

New implementation date		Status	Outstanding	Implementation is in progress, but the original target date has not been met.
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Audit title	Firewatch	Audit year	2022/23	Priority	2
Recommendation	A plan be developed to move away from using substantial HR resources for duplicate data entry and parallel monitoring of the HFRS establishment, and towards robust procedures for ensuring the integrity of Firewatch as the primary data source.				
Initial management response	HR are in the process of creating a central online system together with Finance that will negate the need to have the tracker in future.				
Responsible Officer/s	ICT/Finance/HR	Original implementation date	Ongoing - Review at April 2023.	Revised implementation date(s)	30/04/2024
Latest Update	<p><u>August 2023</u> Tracker will remain live until data cleanse completed, user groups reviewed and relevant staff trained on version 7.8.</p> <p><u>March 2024</u> This remains ongoing.</p>				
New implementation date		Status	Outstanding	Implementation is in progress, but the original target date has not been met.	

Audit title	Firewatch	Audit year	2022/23	Priority	2
Recommendation	A schedule of data cleansing routines be established to proactively identify and address known issues with Firewatch data, before these impact on other business processes and reports.				
Initial management response	The HR Service Partners cross reference all establishment data for each District and cross reference with the HR admin team who are carrying out the inputting of the data. Any anomalies raised are rectified at this stage.				
Responsible Officer/s	HR	Original implementation date	Ongoing	Revised implementation date(s)	28/02/2024
Latest Update	<p><u>August 2023</u> The tracker will remain live until the data cleanse has been completed, user groups reviewed and relevant staff trained on version 7.8.</p> <p><u>March 2024</u> The implementation date has been changed in line with other recommendations.</p>				
New implementation date	30/04/2024	Status	Outstanding	Implementation is in progress, but the original target date has not been met.	

Audit title	ICT GDPR	Audit year	2022/23	Priority	2		
Recommendation	It be ensured that Corporate Assurance are involved with any projects and initiatives where personal data is involved.						
Initial management response	<ol style="list-style-type: none"> 1. Challenge HoF to identify instances of personal data being shared. 2. If not already existing, complete an ISA. 3. CA to continue to identify processing activities for which a DPIA is appropriate. 4. Work with HoF and the DPO to ensure an assessment is completed. 5. Map data flows. 6. Continue 'communications' promoting data protection. 						
Responsible Officer/s	IGO/HoF and IGO/HoF	Original date	implementation	31/12/22 to 30/06/23	Revised date(s)	implementation	31/12/2024
Latest Update	<u>August 2023</u> Plan and information for IAO is to be completed by 31/12/24. <u>March 2024</u> This remains ongoing.						
New implementation date		Status	Outstanding		Implementation is in progress, but the original target date has not been met.		

11. **Effectiveness of Systems**

Audit title	Effectiveness of Systems	Audit year	2023/24	Priority	2		
Recommendation	A review of the actions log be undertaken to ensure all recommendations are allocated a responsible owner, and to ensure all relevant fields are populated for effective monitoring. It also be ensured that there are progress updates recorded for actions/ recommendations that have been allocated.						
Initial management response	Review of the action log, against the recommended areas, managed through the Service Improvement Plan process to track and monitor completion.						
Responsible Officer/s	Head of Operational Learning	Original date	implementation	30/11/2023	Revised date(s)	implementation	
Latest Update	<u>March 2024</u> The OL action log is currently undergoing a full review and rationalisation of outstanding actions. All remaining actions will be uploaded to the new AMS system and allocated to the responsible person. Moving forward, progress on actions completed will be managed by the Organisational Learning Board and Sub Board. Onboarding to AMS began last week; the Service is expecting to have all departments enrolled in the system by the end of March.						
New implementation date	31/03/2024	Status	Outstanding		Implementation is in progress, but the original target date has not been met.		

12. The following recommendations have been implemented.

Audit Title	Recommendation	Priority	Responsible Officer	Due Date
National Operational Guidance Project (Phases 3 and 4)	The planned changes to base Operational Assurance activity around the requirements of NOG be fully implemented. The results of this work be monitored to ascertain whether NOG has become fully embedded into operational activity.	2	GM Meeke	30/09/2023
Quality Assurance – Prevention and Protection	The outstanding areas of the Prevention and Protection Quality Assurance Frameworks be brought into operation as soon as possible once staffing allows and any necessary tools have been fully developed.	2	Head of Protection	01/12/2022
Secondary Contracts	Managers in areas of the Service known to employ firefighters in a secondary employment relationship be reminded to discuss the interaction between the two roles, and the staff member's responsibilities to the primary position. This should happen both at the beginning of the contract and periodically thereafter, in particular if the demands of the secondary contract change. A request should also be made to any arms-length organisation connected to HFRS (e.g. HFR Solutions) to follow an equivalent approach.	3	Head of HR	31/03/2023
Bullying, Harassment and Discrimination	It be ensured that reported complaints are dealt with in a more timely manner to minimise potential stress to all those involved.	2	Head of HR	01/09/2023
Bullying, Harassment and Discrimination	The Senior Leadership Team be provided with regular updates on bullying, harassment and discrimination cases including actions taken and outcomes incorporating external complaints to the service, including any trends.	2	Head of HR	01/09/2023
Bullying, Harassment and Discrimination	Training for the Freedom to Speak Up Guardian be undertaken and completed as soon as it is practicable to ensure consistency is delivered and to ensure the Freedom to Speak Up Guardian understands speaking up and its importance in creating an environment in which people are supported to deliver their best.	2	Head of Occupational Health	31/08/2023
Bullying, Harassment and Discrimination	The Exit Feedback Form be strengthened to include bullying, harassment, and discrimination as specific examples of workplace issues that are the reason for leaving.	3	Head of HR	03/08/2023
Enforcement Powers and Priorities	It be ensured that where a Prohibition or Alteration Notice is issued, the inspector responsible produces a significant events notification in line with the AIDE MEMOIR Protection SDG 1.8 Enforcement, Alterations and Prohibition notices considerations.	3	Head of Protection	27/11/2023
Mobile Data Terminals Performance	It be ensured Management undertake a detailed review of the connectivity issues regularly faced by operational crews in a bid to provide appropriate lasting solutions.	2	Head of Digital Services	31/10/23

Audit Title	Recommendation	Priority	Responsible Officer	Due Date
Mobile Data Terminals Performance	A formal training programme providing practical guidance on how to use Mobile Data Terminals be developed for all operational staff / responding crews to ensure consistency on how the system is operated.	2	Head of Digital Services	31/12/2023
Mobile Data Terminals Performance	Fire crew members/ responding crew be encouraged and reminded to report and log all defects/ issues/faults/ errors experienced when using the Mobile Data Terminals.	2	Head of Digital Services and District Managers	31/10/2023
Mobile Data Terminals Performance	Important risk information/ supporting document be uploaded onto the Mobile Data Terminals by the relevant staff in accordance with the Operational Risk Management SSRI Policy. This be regularly monitored by Management to ensure this is strictly adhered to.	2	District Managers	30/09/2023
Mobile Data Terminals Performance	All applications/ functionalities built into the Mobile Data Terminals be regularly tested to fix any issues that may slow down the performance and to also ensure they are working effectively.	2	Head of Digital Services and District Managers	31/12/2023
Mobile Data Terminals Performance	The Senior Leadership Team be regularly updated by way of a formal report on the overall performance of MDTs. This should include providing information on defects logged, issues experienced by end users, upgrades completed, and any changes made to enhance the MDTs performance in line with an adopted frequency.	2	Head of Digital Services	01/04/2024
Mobile Data Terminals Performance	The Strategic Risk Register be updated to reflect appropriate mitigating controls in relation to the risk of MDT failing.	3	Head of Digital Services	31/10/2023
Mobile Data Terminals Performance	Changes made to enhance the performance of the MDTs be regularly communicated with fire crew members/ responding crews so that they are aware.	3	Head of Digital Services	30/09/2023
Service Absolutes	It be ensured that up to date Heat Maps are displayed in prominent positions within stations.	3	District Station Managers	31/10/2023