

# INTERNAL AUDIT PROGRESS REPORT

## REPORT OF THE CHIEF FIRE OFFICER

**For Information**

### 1. PURPOSE OF REPORT

- 1.1 To apprise Members of the progress of the approved Internal Audit Programmes.

### 2. RECOMMENDATIONS

- 2.1 That Members note the progress made against the 2023/24, 2024/25 and 2025/26 Internal Audit Plans.
- 2.2 That Members consider whether it is necessary to report to the Fire Authority on any concerns raised.

### 3. BACKGROUND

- 3.1 Under the Accounts and Audit Regulations (2015), the Fire Authority is responsible for ensuring an adequate and effective internal audit function is in place.
- 3.2 At the Audit and Governance meetings on 24<sup>th</sup> February 2023, 23<sup>rd</sup> February 2024 and 21<sup>st</sup> February 2025, Members adopted the Internal Audit Plans for 2023/24, 2024/25 and 2025/26, respectively. The audits are carried out by Hartlepool Borough Council as part of the Service Level Agreement, with regular reports provided to Members throughout the year.

### 4. 2023/24 AUDIT SUMMARY

- 4.1 Members have previously received details of the outcome of all reports within the 2023/24 programme. Two improvement actions remain outstanding from the 2023/24 audit programme relating to Value Added Tax, with an extended due date for completion of 31 March 2026.

### 5. 2024/25 AUDIT PROGRESS SUMMARY

- 5.1 Members have previously received details of the outcome of all reports within the 2024/25 programme. Five improvement actions that were outstanding from the 2024/25 audit programme relating to our Stores audit have been completed.

**6. 2025/26 AUDIT PROGRESS SUMMARY**

6.1 Progress against the identified internal audit inspections to date is detailed in the following sections:

- 15 Audits identified within the approved Audit Programme for 2025/26. From the approved programme, nine audits have been completed during Quarter Three April to December 2025. Further audits are currently in progress.

6.2 The following table provides a summary of progress and outcomes against each of the audits in the 2025/26 programme:

<b>Audit</b>	<b>Status</b>	<b>Outcome</b>	<b>Improvement Actions</b>
25/26 01: Advice and Support			
25/26 02: CFA Budgetary Control			
25/26 03: CFA Cash Bank Recs	Complete	Satisfactory Assurance	Final report received with no actions identified.
25/26 04: Creditors			
25/26 05: CFA Debtors	Complete	Satisfactory Assurance	Final report received with no actions identified.
25/26 06: CFA Loans and Investments	Complete	Satisfactory Assurance	Final report received with no actions identified.
25/26 07: CFA Main Accounting			
25/26 08: National Fraud Initiative			
25/26 09: CFA Officers Expenses	Complete	Satisfactory Assurance	Final report received with no actions identified.
25/26 10: CFA Payroll	Complete	Satisfactory Assurance	Final report received with no actions identified.
25/26 11: CFA Pensions			
25/26 12: On Call Firefighter Claims	Complete	Satisfactory Assurance	Final report received with no actions identified.
25/26 13: Secondary Employment / Working Time Regulations	Complete	No Assurance	4 Category 2 (amber) actions and 1 category 1 (Red)
25/26 14: CFA Stores	Complete	Satisfactory Assurance	Final report received with no actions identified.
25/26 15: CFA VAT	Complete	Satisfactory Assurance	Final report received with no actions identified.

6.3 The following section provides a summary of the key findings from the audits and progress against the identified improvement actions:

Audit Item	Issue	Actions	Due Date	Status	Progress
25/26 Secondary Employment / Working Time Regulations  Employees do not seek approval for secondary employment leading to non-compliance with policy/procedure resulting in conflicts of interest and negative impact of employees' performance.	Testing of approved applications found the decision in writing to the employee was given over the 14 working days as per the policy.	Review the timeframes for processing secondary employment requests as part of the policy review and reinforce these requirements within HR processes.	31/03/2026		
25/26 Secondary Employment / Working Time Regulations  Employees do not seek approval for secondary employment leading to non-compliance with policy/procedure resulting in conflicts of interest and negative impact of employees' performance.	The Secondary Employment Policy/Procedure states 'The Head of HR will maintain the secondary employment register of all applications and determinations, which will be reported to ELT annually..'. There is no evidence of the register being reported to ELT.	Review the ELT reporting processes for the secondary employment policy as part of the policy review. Incorporate relevant management information on secondary employment requests into quarterly ELT People & Culture meetings. Provide a link to the full list and include an update on new requests.	31/03/2026		
25/26 Secondary Employment / Working Time Regulations  Employees do not seek approval for secondary	The auditor reviewed the data in this year's NFI 'pay to pay' results which indicated staff with possible	Although the policy is not scheduled for review until 2027, we will bring the review forward to ensure	31/03/2026		

employment leading to non-compliance with policy/procedure resulting in conflicts of interest and negative impact of employees' performance.	secondary employment. The staff identified were not on the Secondary Employment Register.	alignment with the elements of this action plan, particularly strengthening the section on the Working Time Directive. Once the policy review is complete, we will launch an internal communications campaign to advise all staff that any secondary employment must be formally requested. An amnesty period will be provided for these initial submissions. Additionally, we will develop a HR process to issue annual reminders and communications regarding this requirement. HR will also receive details of employees identified through the NFI review, enabling cross referencing against submitted requests.			
25/26 Secondary Employment / Working Time Regulations  Employees do not complete a Working Time Directive 'Opt Out' form leading to employees	A report provided to audit shows 14 employees had completed 'opt out' forms for WTD.  The Brigade does not monitor the number of	Implement refinements to Fire Service Rota and Softworks to enable reporting on hours worked and flagging instances that exceed the	30/06/2026		

total working time hours exceeding the limit as set in regulations resulting in penalty fines.	hours worked by employees both with dual contracts and external secondary employment. Therefore, the Brigade are unaware of any employees working over the limit and may not request employees to complete an 'opt out' form or reduce working hours. A report could not be obtained to show all employees who have exceeded the maximum working time directives. Therefore, no testing could be carried out to ensure employees are opting out as per legislation.	Working Time Directive. Review onboarding processes to ensure Working Time Directive requirements are clearly communicated, including a mechanism for employees to opt out where applicable. Develop HR processes to issue annual reminders and communications regarding Working Time Directive compliance and opt out and back in options.			
25/26 Secondary Employment / Working Time Regulations  Monitoring is not undertaken of working time regulations leading to employees working over the maximum weekly hours resulting in non-compliance with statutory regulations.	The Brigade do not monitor hours worked for its employees and those who have dual contracts, on call staff and those with external secondary employment to ensure all employees comply with legislation or complete an 'Opt Out' form.	Implement refinements to Fire Service Rota and Softworks to enable reporting on hours worked across multiple contracts and flag breaches of the Working Time Directive. Work with other fire services via the NFCC working group to develop a HR process for monitoring dual and secondary	30/06/2026		

		external contracts. Explore Power BI capabilities to enhance reporting and data presentation.			

**ACTION REQUIRED**

- Members to note the progress against the Internal Audit Programme for 2023/24, 2024/25 and 2025/26, and the associated outcomes of the audits.

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