

## 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. All identified improvement actions are now complete for this period.

#### 5. 2024/25 AUDIT PROGRESS SUMMARY

- 5.1 Members have previously received details of the outcome of all reports within the 2024/25 programme. All identified improvement actions are now complete for this period.

**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, fourteen audits were completed to 31<sup>st</sup> March 2026, with the remaining outstanding audit at the fieldwork stage.

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: CFA Budgetary Control	Complete	Satisfactory Assurance	1 Category 2 (Amber) action
25/26 02: CFA Cash Bank Recs	Complete	Satisfactory Assurance	Final report received with no actions identified.
25/26 03: Creditors	Complete	Satisfactory Assurance	1 Category 2 (Amber) action
25/26 04: CFA Debtors	Complete	Satisfactory Assurance	Final report received with no action plan.
25/26 05: Employee Registers of Interest/Gifts and Hospitalities	Complete	Satisfactory Assurance	Final report received with no action plan.
25/26 06: CFA Loans and Investments	Complete	Satisfactory Assurance	Final report received with no action plan.
25/26 07: CFA Main Accounting	Complete	Satisfactory Assurance	Final report received with no action plan.
25/26 08: National Fraud Initiative	Fieldwork	In Progress	Audit in the fieldwork stage.
25/26 09: CFA Officers Expenses	Complete	Satisfactory Assurance	Final report received with no action plan.
25/26 10: CFA Payroll	Complete	Satisfactory Assurance	Final report received with no action plan.
25/26 11: CFA On Call Firefighter Claims	Complete	Satisfactory Assurance	Final report received with no action plan.
25/26 12: CFA Stores	Complete	Satisfactory Assurance	Final report received with no action plan.
25/26 13: CFA VAT	Complete	Satisfactory Assurance	Final report received with no action plan.
25/26 14: Secondary Employment/Working Time Regulations	Complete	No Assurance	4 Category 2 (Amber) actions and 1 Category 1 (Red)
25/26 15: Budgetary Control	Complete	Satisfactory Assurance	Final report received with no action plan.

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

**25/26 01: CFA Budgetary Control Audit:**

Audit Item	Issue	Actions	Due Date	Status
<b>25/26 CFA Budgetary Control</b>  An Efficiency and Productivity Plan is not established and embedded into the Authority's monitoring arrangements leading to failure to identify and achieve desired efficiency targets and increase in productivity, resulting in failure to achieve desired targets and non-compliance with the requirements of the Fire and Rescue National Framework for England.	<p>Arrangements to identify organisation wide efficiency savings / productivity targets for 2026/27 and future years should be established so that they can be incorporated into budget setting working papers to enable effective monitoring in order to reduce the risk of failure to achieve expected results and aid future submissions to the Home Office.</p> <p>Future submissions should be signed off by the Treasurer.</p>	<p>The Brigade has recently appointed an Assistant Director Governance &amp; Assurance; part of their remit is to define and embed robust processes across the Brigade.</p> <p>ACFO SPPR, ADG&amp;A and Head of Finance &amp; Procurement have agreed the parameters for capturing efficiency and productivity forecasts and actuals. An effective method of capturing the data into one central process, linking decision making activities, project expectations and deliverables, and budget setting and outturn position, will be developed with implementation for the new financial year (April 2026).</p>	31/05/2026	Complete

**25/26 03: Creditors Audit:**

Audit Item	Issue	Actions	Due Date	Status
<b>25/26 CFA Creditors - Payments</b>  Appropriate checks are not made and / or procedures in place are not followed leading to invalid or fraudulent payments made resulting in financial loss and inability to effectively monitor budgets and overall financial position.	<p>Testing of a sample of 20 invoice payments found 6 had not been paid within terms, of the 6, 4 were received by the Authority late. The remaining 2 were paid late by 1 day and 25 days</p>	<p>Where invoices are received up to 5 days late from companies, finance staff will continue to process without a query log as there should be sufficient time to complete. However, beyond 5 days these will be marked into query, processed then released from query at payment.</p> <p>Existing tools will be utilised more fully: running the unprocessed invoice list to chase</p>	28/02/2026	Complete

		<p>invoices currently in the system but not yet paid. Better narrative is required on the returns to enable appropriate follow-up, communication with the finance staff required. Invoices in query report, will be checked and relevant releases requested from HBC before the payment run to ensure payments are picked up asap.</p> <p>All finance staff will be reminded of these processes.</p>		
--	--	--	--	--

**25/26 14: Secondary Employment/Working Time Regulations Audit:**

<b>Audit Item</b>	<b>Issue</b>	<b>Actions</b>	<b>Due Date</b>	<b>Status</b>
<b>25/26 Secondary Employment / Working Time Regulations</b>  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.	31/05/2026	Complete
<b>25/26 Secondary Employment / Working Time Regulations</b>  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.	31/05/2026	Complete

<p><b>25/26 Secondary Employment / Working Time Regulations</b></p> <p>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.</p>	<p>The auditor reviewed the data in this year's NFI 'pay to pay' results which indicated staff with possible secondary employment. The staff identified were not on the Secondary Employment Register.</p>	<p>Although the policy is not scheduled for review until 2027, we will bring the review forward to ensure alignment with the elements of this action plan, particularly strengthening the section on the Working Time Directive.</p> <p>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.</p> <p>Additionally, we will develop a HR process to issue annual reminders and communications regarding this requirement.</p> <p>HR will also receive details of employees identified through the NFI review, enabling cross referencing against submitted requests.</p>	<p>31/05/2026</p>	<p>Complete</p>
<p><b>25/26 Secondary Employment / Working Time Regulations</b></p> <p>Employees do not complete a Working Time Directive 'Opt Out' form leading to employees total working time hours exceeding the limit as set in regulations resulting in penalty fines.</p>	<p>A report provided to audit shows 32 employees had completed 'opt out' forms for WTD.</p> <p>The Brigade does not monitor the number of 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.</p>	<p>Implement refinements to Fire Service Rota and Softworks to enable reporting on hours worked and flagging instances that exceed the Working Time Directive.</p> <p>Review onboarding processes to ensure Working Time Directive requirements are clearly communicated, including a mechanism for employees to opt out where applicable.</p> <p>Develop HR processes to issue annual reminders and communications regarding Working Time Directive compliance and</p>	<p>30/06/2026</p>	<p>Not Due</p>

	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.	opt out and back in options.		
<b>25/26 Secondary Employment / Working Time Regulations</b>  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 external contracts. Explore Power BI capabilities to enhance reporting and data presentation.	30/08/2026	Not Due

**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.

**SIMON WEASTELL**

Interim Chief Fire Officer

**KRISTINE WARD**

ACFO - Director of Strategic Planning, People &amp; Resources

**LEE BROWN**

Temporary ACFO - Director of Service Delivery