

**Summary of work undertaken supporting the HoIAS opinion 2016-17**

<b>Category</b>	<b>Audit Title</b>	<b>Proposed audit scope, i.e. confirm risks are managed to ensure that.....</b>	<b>Summary recommendations</b>	<b>Opinion</b>
Governance	Payroll provision	The robustness of option planning and decision making regarding any future arrangements.(Precise coverage subject to project timetables/approach)	<p>Whilst future options and decisions were not progressed, Internal Audit Service took part in discussions with the current payroll provider and a number of processing improvements were identified.</p> <p>Also a review of cases where exceptions to standard terms and conditions have been applied in order to ensure a consistent and justified approach had been applied. (To be covered within the variations work as part of key financial systems coverage)</p>	N/A
Governance and internal control	Brigade Management's conditions of service, policies and procedures	Compliance with the appropriate policies and procedures	<p>Review policies and procedures to ensure that they are current and fit for purpose <b>(HI)</b></p> <p>Implement changes to a number of internal control measures <b>(HI)</b></p>	Specially Requested review

<b>Category</b>	<b>Audit Title</b>	<b>Proposed audit scope, i.e. confirm risks are managed to ensure that.....</b>	<b>Summary recommendations</b>	<b>Opinion</b>
Risk Management	Risk Management Framework	Continuous improvement in the risk management framework  Follow up on recommendations from 2015-16 audit	Roll out training on service procedure  Consider adding other risks	Substantial
Risk Management	Counter fraud arrangements	Review progress against improvement plan following assessment against the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption	Review the Whistle Blowing Policy  Annually review the effectiveness of the CFA's whistleblowing arrangements. Report any findings to an appropriate governance stream.	Substantial
Risk Management	Procurement	The approach to commissioning and procurement  Arrangements for monitoring the use of suppliers and detecting and addressing off-contract purchasing, and for any large scale tender processes  Maximising collaboration opportunities	Information gathered but work straddles two financial years – see progress report 17/18	N/A

Category	Audit Title	Proposed audit scope, i.e. confirm risks are managed to ensure that.....	Summary recommendations	Opinion
Risk Management	Fire-fighter Pensions	Preparation for the impact on LFRS staff of: - <ol style="list-style-type: none"> <li>1. early production of annual benefit statements</li> <li>2. guaranteed minimum pension checking</li> </ol>	Advisory/Consultancy  Re (1) Pensions Board briefed 26 Sept and re (2) SMT informed Jan 17 no major issues to report to date	N/A

Category	Audit Title	Proposed audit scope, i.e. confirm risks are managed to ensure that.....	Summary recommendations	Opinion
Internal Control	Key financial systems (*)	<ol style="list-style-type: none"> <li>1. Reconciliations, feeds and transfers of balances</li> <li>2. Payroll – starters, leavers and variations</li> <li>3. Payables</li> <li>4. Receivables including debt recovery</li> <li>5. Treasury management – not covered as part of the review as this is now undertaken by Leicester City Council and so assurance to be obtained from this organisation.</li> </ol> <p>Coverage also includes:</p> <p>Pensions starters, leavers and variations and pension contribution bandings from the Fire-fighter Pensions audit – see 17/14 above</p>	<p>Two pieces of work:</p> <p>In respect of:</p> <ul style="list-style-type: none"> <li>• Debtors</li> <li>• Creditors</li> <li>• Payroll Feeds &amp;</li> <li>• Suspense</li> <li>• Reconciliations</li> </ul> <p>No issues were raised &amp; no recommendations made.</p> <p>Recommendations in respect of starters &amp; leavers (pensions &amp; payroll) predominantly covered:</p> <ul style="list-style-type: none"> <li>- Actions to address overpayments and incorrect pension deductions &amp; associated clarity of instruction</li> <li>- Improvements to approval processes for non-recovery of overpayments</li> <li>- Improvements in respect of the increments process</li> </ul>	Substantial

			Note: Whilst there were errors found, these were non material in value and most had already been recovered – hence the substantial opinion	
Internal Control	ICT controls (*)	Robustness & integrity of the ICT infrastructure & associated applications that either directly or indirectly contribute to the production of the financial statements or associated management decision making.	<p>Recommendations in respect of</p> <ul style="list-style-type: none"> <li>- Governance of IT risks and issues</li> <li>- Review of ICT Strategy/Associated Policies</li> <li>- Mobile Device Security</li> <li>- IT Health Checks.</li> <li>- Restore of backups</li> <li>- A DR Policy and process</li> <li>- ICT Business Impact Analysis</li> <li>- Prompt removal of leavers on the network</li> <li>- Monitoring of privilege user accounts</li> <li>- Change control process</li> </ul>	Substantial
Internal control	National Fraud Initiative	Co-ordination of data download and investigation of subsequent data matches	Internal Audit Service co-ordinated the investigating of NFI 'matches'. Filtering tools were used to direct audit resources towards 'NFI recommended' matches. Investigations are now complete. One duplicate payment had been made (£500) which has been reported to LFRS for recovery.	N/A

Category	Audit Title	Proposed audit scope, i.e. confirm risks are managed to ensure that.....	Summary recommendations	Opinion
Internal Control	Fire-fighter Pensions (*)	<ol style="list-style-type: none"> <li>1. Pension calculations</li> <li>2. Starters, leavers and variations to pay and dependents pension requirements</li> <li>3. Contribution banding</li> <li>4. Pensions increases</li> </ol>	<ol style="list-style-type: none"> <li>1. Final issued</li> <li>2 &amp; 3 are addressed in the Key financial systems report (see elsewhere)</li> <li>4. not applicable - no pensions increase in 16/17</li> </ol>	Substantial

*(\*) Refers to audits required by the former external auditor in their annual assessment of the likelihood of material misstatement in the Authority's financial accounts.*

**Work not undertaken**

<b>Category</b>	<b>Audit Title</b>	<b>Proposed audit scope, i.e. confirm risks are managed to ensure that.....</b>	<b>Reason</b>
Governance	Financial System re-procurement	The robustness of option planning and decision making regarding upgrading, adding functionality to or changing the Finance System.(Precise coverage subject to project timetables/approach)	Postponed for 16/17 as long term decisions have not taken place yet.
Governance	Partnerships	The new constitutional arrangements support partnerships  Collaborative working projects and arrangements with other 'blue light' services	Job included purely as an additional option in the 17/18 plan
Governance	Integrated Risk Management Plan	The robustness of planning, implementing and monitoring achievement of the MTFS requirements.	Assurance partially obtained from 'lines of defence' challenge within the organisation Testing of performance management (i.e. the monitoring) to be covered within the 17/18 plan.

Category	Audit Title	Proposed audit scope, i.e. confirm risks are managed to ensure that.....	Reason
Governance	Fire-fighter Pensions	Review of the roles and responsibilities across LFRS, Payroll, the scheme Manager, the Pensions Administrator and the Local Pensions Scheme Board	Roles and responsibilities were mapped – Treasurer was in the process of taking forward the only potential recommendation – being the potential deployment of a tri service subject matter expert.
Risk Management	Insurance arrangements	Utilising the benefits of the Fire and Rescue Indemnity Company (FRIC) <ul style="list-style-type: none"> <li>• Improving risk profiling to align to insurance cover</li> <li>• The effectiveness of the claims handling process</li> </ul>	Deferred into 17/18 as associated governance arrangements were still under review