

Appendix – Progress against the Internal Audit Plan 2016-17 at 28th February 2017

Audits marked () may be utilised by the external auditor in their annual assessment of the likelihood of material misstatement in the Authority's financial accounts so the detailed scope will be subject to the External Auditor's (EA's) approach*

ToE – terms of engagement

Completed work previously reported

<u>No.</u>	<u>Category</u>	<u>Auditable area</u>	<u>Potential assurance requirements....</u>	<u>Position at 28/02</u>	<u>Summary recommendations</u>	<u>Opinion</u>
17/2	Governance	Payroll provision	The robustness of option planning and decision making regarding any future arrangements. <i>(Precise coverage subject to project timetables/approach)</i>	Work completed 30/9 regarding exploring efficiencies in current arrangements	A number of processing improvements were identified. 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. <i>(To be covered within the variations work as part of key financial systems coverage – see 17/9)</i>	N/A

<u>No.</u>	<u>Category</u>	<u>Auditable area</u>	<u>Potential assurance requirements....</u>	<u>Position at 28/02</u>	<u>Summary recommendations</u>	<u>Opinion</u>
17/5 (a)	Risk Management	Risk Management Framework	Continuous improvement in the risk management framework Part A = follow up on recommendations from 2015-16 audit	Final issued 16/9	Roll out training on service procedure Consider adding other risks	Substantial
17/7	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	Final issued 8/11	Review the Whistle Blowing Policy Annually review the effectiveness of the CFA's whistleblowing arrangements. Report any findings to an appropriate governance stream.	Substantial
17/15	Governance and internal control	Brigade Management's conditions of service, policies and procedures	Compliance with the appropriate policies and procedures	Final issued 8/9	Review policies and procedures to ensure that they are current and fit for purpose Implement changes to a number of internal control measures	N/A

Completed work this period

No.	Category	Auditable area	Potential assurance requirements....	Position at 28/02	Summary recommendations	Opinion
17/11	Internal control	National Fraud Initiative	Co-ordination of data download and investigation of subsequent data matches	Potential matches have been given to the service to investigate	N/A	N/A
17/13	Risk Management	Fire-fighter Pensions	Preparation for the impact on LFRS staff of: - 1. early production of annual benefit statements 2. guaranteed minimum pension checking	Advisory/Consultancy work completed	Re (1) Pensions Board briefed 26 Sept and re (2) SMT informed Jan 17 no major issues to report to date	N/A
17/14	Internal Control	Fire-fighter Pensions (*)	1. Pension calculations 2. Starters, leavers and variations to pay and dependents pension requirements 3. Contribution banding 4. Pensions increases	1. Final issued 2 & 3 are addressed in the Key financial systems report 17/9 below 4. not applicable - no pensions increase in 16/17	1. None	1. Full Assurance

Work in progress

No.	Category	Auditable area	Potential assurance requirements....	Position at 28/02	Summary recommendations	Opinion
17/8	Risk Management	Procurement	<p>The approach to commissioning and procurement</p> <p>Arrangements for monitoring the use of suppliers and detecting and addressing off-contract purchasing, and for any large scale tender processes</p> <p>Maximising collaboration opportunities</p>	Work nearing completion concentrating on controls over potential 'off contract' spends using transparency agenda data.		

No.	Category	Auditable area	Potential assurance requirements....	Position at 28/02	Summary recommendations	Opinion
17/9	Internal Control	Key financial systems (*)	<ol style="list-style-type: none"> 1. Reconciliations, feeds and transfers of balances 2. Payroll – starters, leavers and variations 3. Payables 4. Receivables including debt recovery 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. <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>Testing completed – currently being reviewed by the Audit Manager</p> <p>Note this work can only be undertaken in the final quarter due to the periods sampled.</p>		

No.	Category	Auditable area	Potential assurance requirements....	Position at 28/02	Summary recommendations	Opinion
17/10	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.	ToE agreed and testing currently being undertaken Note this work can only be undertaken in the final month due to the periods sampled.		
17/12	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	Advisory work is nearing completion	N/A	N/A

Deferred Jobs:

No.	Category	Auditable area	Potential assurance requirements....	Position at 28/02	Summary recommendations	Opinion
17/1	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 and the November upgrade will be subject to the standard in-house post implementation review in the final quarter.	N/A	N/A
17/3	Governance	Partnerships	The new constitutional arrangements support partnerships Collaborative working projects and arrangements with other 'blue light' services	Job included as an additional option in the 17/18 plan as it was not timely to complete this piece of work in 16/17 due to the evolving nature of the Braunstone Blues project.	N/A	N/A

No.	Category	Auditable area	Potential assurance requirements....	Position at 28/02	Summary recommendations	Opinion
17/4	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 (in respect of planning and implementing). Testing of performance management (i.e. the monitoring) to be covered within the 17/18 plan.	N/A	N/A
17/6	Risk Management	Insurance arrangements	Utilising the benefits of the Fire and Rescue Indemnity Company (FRIC) <ul style="list-style-type: none"> • Improving risk profiling to align to insurance cover • The effectiveness of the claims handling process 	Deferred into 17/18 as associated governance arrangements were still under review	N/A	N/A