

Appendix – Progress against the Internal Audit Plan 2016-17

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 EA's approach*

ToE – terms of engagement

Work in progress

No.	Category	Auditable area	Potential assurance requirements....	Position at 26/8	Summary recommendations	Opinion
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	Draft issued	<ul style="list-style-type: none"> • 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	Draft imminent		

17/3	Governance	Partnerships	<p>The new constitutional arrangements support partnerships</p> <p>Collaborative working projects and arrangements with other 'blue light' services</p>	<p>Indicative scope agreed.</p> <p>Devising ToE.</p>		
17/4	Governance	Integrated Risk Management Plan	<p>The robustness of planning, implementing and monitoring achievement of the MTFS requirements.</p>	<p>Indicative scope agreed.</p> <p>Devising ToE.</p>		
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>	<p>Work underway with initial concentration on controls over off contract spend</p>		

17/11	Internal control	National Fraud Initiative	Co-ordination of data download and investigation of subsequent data matches	Ongoing. Specification requirements given to Fire due for submission to the Cabinet Office by 10th October. Note: payments to members are a dataset.		
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Work not yet started

No.	Category	Auditable area	Potential assurance requirements....	Position at 26/8	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. <i>(Precise coverage subject to project timetables/approach)</i>	Audit delayed awaiting strategic direction		
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>	Audit delayed awaiting strategic direction. However, exploring efficiencies in current arrangements		

17/6	Risk Management	Insurance arrangements	Utilising the benefits of the Fire and Rescue Insurance Consortium (FRIC) <ul style="list-style-type: none"> Improving risk profiling to align to insurance cover The effectiveness of the claims handling process 	Audit delayed awaiting strategic direction		
17/9	Internal Control	Key financial systems (*)	<ol style="list-style-type: none"> Reconciliations, feeds and transfers of balances Payroll – starters, leavers and variations Payables Receivables including debt recovery Treasury management 	<p>1&2 ToE issued but work will be undertaken in the last quarter</p> <p>3-5 Scope to be confirmed</p>		
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.	Not due until the final quarter		

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	Not yet started		
17/13	Risk Management	Fire-fighter Pensions	Preparation for the impact on LFRS staff of: - <ul style="list-style-type: none"> - early production of annual benefit statements - guaranteed minimum pension checking 	Awaiting instruction on the scope of the audits		
17/14	Internal Control	Fire-fighter Pensions (*)	<ol style="list-style-type: none"> 1. Pension calculations 2. Starters, leavers and variations to pay and dependents pension requirements 3. Contribution banding 4. Pensions increases 	<ol style="list-style-type: none"> 1. ToE agreed but awaiting cases to audit 2&3 ToE issued. Work will be undertaken in the last quarter 4. Cancelled – no increase in 2016-17 		

Additional work

<u>No.</u>	<u>Category</u>	<u>Auditable area</u>	<u>Potential assurance requirements....</u>	<u>Position at 26/8</u>	<u>Summary recommendations</u>	<u>Opinion</u>
17/15	Governance and internal control	Brigade Management's conditions of service, policies and procedures	Compliance with the appropriate policies and procedures	Draft issued		