

**Appendix – Progress against the Internal Audit Plan 2016-17 at 31<sup>st</sup> October 2016**

*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**

<b><u>No.</u></b>	<b><u>Category</u></b>	<b><u>Auditable area</u></b>	<b><u>Potential assurance requirements....</u></b>	<b><u>Position at 31/10</u></b>	<b><u>Summary recommendations</u></b>	<b><u>Opinion</u></b>
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

No.	Category	Auditable area	Potential assurance requirements....	Position at 31/10	Summary recommendations	Opinion
17/5 (a)	Risk Management	Risk Management Framework	<p>Continuous improvement in the risk management framework</p> <p>Part A = follow up on recommendations from 2015-16 audit</p>	Final issued 16/9	<p>Roll out training on service procedure</p> <p>Consider adding other risks</p>	Substantial
17/7	Risk Management	Counter fraud arrangements	<p>Review progress against improvement plan following assessment against the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption</p>	Final issued 8/11	<p>Review the Whistle Blowing Policy</p> <p>Annually review the effectiveness of the CFA's whistleblowing arrangements. Report any findings to an appropriate governance stream.</p>	Substantial

No.	Category	Auditable area	Potential assurance requirements....	Position at 31/10	Summary recommendations	Opinion
17/11	Internal control	National Fraud Initiative	Co-ordination of data download and investigation of subsequent data matches	Submitted data to the Cabinet Office for the October deadline.  Starting 1/17 any potential matches will need to be investigated.	N/A	N/A
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

**Work in progress**

No.	Category	Auditable area	Potential assurance requirements....	Position at 31/10	Summary recommendations	Opinion
17/3	Governance	Partnerships	The new constitutional arrangements support partnerships  Collaborative working projects and arrangements with other 'blue light' services	Indicative scope agreed.  Devising ToE.		
17/4	Governance	Integrated Risk Management Plan	The robustness of planning, implementing and monitoring achievement of the MTFS requirements.	Indicative scope agreed.  Devising ToE.		

No.	Category	Auditable area	Potential assurance requirements....	Position at 31/10	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>	<p>Work underway. Initially concentrating on controls over 'off contract' spend using transparency agenda data.</p> <p>Currently awaiting contracts database list of all approved suppliers and the associated contract(s)</p>		

No.	Category	Auditable area	Potential assurance requirements....	Position at 31/10	Summary recommendations	Opinion
17/9	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</li> </ol>	<p>1&amp;2 ToE issued but work is <b>required to be undertaken in the last quarter</b> with the exception of payroll variations where work is in progress (see 17/2)</p> <p>3-5 Scope still 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 <b>until the final quarter</b> , however, work has commenced in respect of the initial risk assessment that informs the scope of this work.		

**Work not yet started**

No.	Category	Auditable area	Potential assurance requirements....	Position at 31/10	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>	Likely to be postponed for 16/17 as long term decisions have not taken place yet and the November upgrade will be subject to the standard internal post implementation review in the final quarter.		

No.	Category	Auditable area	Potential assurance requirements....	Position at 31/10	Summary recommendations	Opinion
17/6	Risk Management	Insurance arrangements	Utilising the benefits of the Fire and Rescue Insurance Consortium (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>	Audit delayed awaiting strategic direction		
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"> <li>- early production of annual benefit statements</li> <li>- guaranteed minimum pension checking</li> </ul>	Awaiting agreement on the scope of the audits		



No.	Category	Auditable area	Potential assurance requirements....	Position at 31/10	Summary recommendations	Opinion
17/14	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>	<p>1. ToE agreed but awaiting cases to audit – currently no cases.</p> <p>2&amp;3 ToE issued. <b>Work required to be undertaken in the last quarter</b></p> <p>4. Cancelled – no increase in 2016-17</p>		