

Appendix 1 – Progress against the Internal Audit Plan 2024-25 as at 5 November 2024

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

HI – high importance recommendation

Institute of Internal Auditors definitions: -

- The first line of defence – functions that own and manage risk
- The second line of defence – functions that oversee or specialise in risk management, compliance
- The third line of defence – functions that provide independent assurance, including internal audit.

Work completed (to at least draft report issued stage or complete for the financial year)

No.	Category	Auditable area	Potential assurance requirements....	Position at 05/11	Summary of High Importance recommendations	Opinion
25/1	Various	Completion of any residual work on 23/24 audits	Completion of any residual work on 23/24 audits	<p>All four reports finalised as follows:</p> <p>Key Financial Systems Recs & Balances</p> <p>Key Financials Payroll</p> <p>Key Financials Pensions</p> <p>Key Financials ICT Controls</p>	<p>N/A</p> <p>N/A</p> <p>N/A</p> <p>N/A</p>	<p>Substantial</p> <p>Substantial</p> <p>Substantial</p> <p>Substantial</p>

No.	Category	Auditable area	Potential assurance requirements....	Position at 05/11	Summary of High Importance recommendations	Opinion
25/2	Governance	ICT System and Process Connectivity	<p>A high-level review to ensure that all key ICT systems and processes within the service and/or outsourced by the service are able to seamlessly connect/communicate where required/desired.</p> <p><i>Note: This work commenced in 23/24 but will continue into 24/25</i></p>	Final Report Issued	N/A	Substantial
25/8	Internal Control	Contract Procedure Rules and associated Policies and Processes	<p>Further follow up of key areas that previously resulted in partial assurance reporting. To allow timely reporting to committee this coverage will be split into four parts to include:</p> <ul style="list-style-type: none"> Centrally held signed contracts 	Whilst the audit report is finalised, the outstanding recommendations below all remain. Whilst the Area Manager's report on Contract Procedure Rules refers to procurement training aiming to be delivered within January 2025, Internal Audit (IA) will need to be assured	<p>Centrally Held Signed Contracts</p> <p>Training</p> <p>Monitoring of training/ compliance</p> <p>Periodic Benchmarking</p>	Partial

			<p>(due April 2024)</p> <ul style="list-style-type: none"> • Training for all staff with authority to procure goods or services/in a procurement (due March 2024) • Monitoring and reporting training levels to management for further action where required (due September 2024) • Periodic benchmarking/market testing for value for money if purchasing multi-items from a single supplier (due December 2024) 	<p>that the updated 'procurement processes' detailed in the report covers key areas such as the procurement pipeline, the blue light database and the associated processing through Agresso.</p> <p>Similarly, IA will need to be assured that the compliance monitoring incorporates ensuring training has been completed and that periodic benchmarking takes place.</p> <p>Additionally, when IA recently re-checked the contracts database, a further two expired contracts remained on there when they should have been removed/updated and others that IA had pointed out needed incorporating had not been.</p>		
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25/10	Risk Management	Addressing Implications of Pensions Judgements:	<p>To provide assurances to management that:</p> <ol style="list-style-type: none"> 1. accurate salary information is provided to the Scheme Administrator for the production of Remedial Service Statement; 2. Salary and service data is being collated for RDS firefighters eligible for the 2nd option exercise <p><i>(Relates to Sargeant/McCloud Age Discrimination Remedy & Matthews 2nd Option Data Collection)</i></p>	Draft Report Issued	TBC	TBC

Work in progress

No.	Category	Auditable area	Potential assurance requirements....	Position at 05/11	Summary of High Importance Recommendations	Opinion
25/3	Internal Control	Key Financial Systems – Reconciliations and Balances	Key reconciliations and other agreed in scope processes are undertaken accurately and promptly. <i>(Note, where applicable this will include follow up of any recommendations in the Auditor's Annual Report).</i>	Terms of Engagement issued – work cannot be started until December 2024	N/A	N/A
25/4	Internal Control	Key Financials Payroll	Payroll Starters, leavers, and variations to pay are valid and accurately accounted for	Terms of Engagement issued – work cannot be started until December 2024	N/A	N/A
25/5	Internal Control	Key Financials Pensions	To provide assurance regarding operational processes for Fire Fighter Pensions. Topic area(s) will be risk assessed and then selected from the	Terms of Engagement issued – work cannot be started until December 2024	N/A	N/A

			<p>following:</p> <ul style="list-style-type: none"> • Starters, leavers, and variations to pension are accurately accounted for in respect of pensionable adjustments required. • Contribution banding, pensions increases, and dependants' pension requirements are correctly applied. • To review the validity and accuracy of calculations with regard to payments for new pensions and lump sums 			
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No.	Category	Auditable area	Potential assurance requirements....	Position at 05/11	Summary of High Importance Recommendations	Opinion
25/6	Internal Control	ICT Controls	Robustness and integrity of the ICT infrastructure and associated applications that either directly or indirectly contribute to the production of the financial statements or associated management decision making	Terms of Engagement issued – work cannot be started until December 2024	N/A	N/A

No.	Category	Auditable area	Potential assurance requirements....	Position at 05/11	Summary of High Importance Recommendations	Opinion
25/7	Internal Control	Counter Fraud: National Fraud Initiative	Ensure relevant data is extracted at 30 September 2024, uploaded in October 2024 and assessment of output reports commenced in Feb 2025 with the overall objective of results being correctly interpreted and investigated on a risk-assessed basis and have due regard for a segregation of duties (report of resultant findings in Q1/2 of 25/26)	<p>The reports were produced at the appropriate time despite changes in roles and responsibilities within the finance function.</p> <p>Matches are expected to be released late Dec/early Jan (i.e. slightly earlier than normal)</p> <p>The on-going nature of the work means this will always be classed as 'work in progress' until 31 March 25</p>	TBC	TBC

No.	Category	Auditable area	Potential assurance requirements....	Position at 05/11	Summary of High Importance Recommendations	Opinion
25/9	Governance	Procurement	Policies and procedures in place have due regard for legislative requirements and timeliness and appropriateness of decision making (Key focus being Transforming Public Procurement requirements and associated governance and training)	<p>This remains work in progress due to delayed go live dates. However, due to the significance of the work, an overview update of the current position has been provided below:</p> <p><u>National Issues:</u></p> <ul style="list-style-type: none"> • The implementation of the Procurement Act 2023 requirements is delayed until 24/2/25. • There are delays at the Cabinet Office resulting in templates for some notices still needing to be released. 	TBC	TBC

				<p>Additionally, the central digital platform is still to be operational.</p> <ul style="list-style-type: none"> • Ministry of Housing, Communities and Local Government consultation in respect of revising the National Planning Policy Framework ended recently (on 4/11/24). <p><u>Local Actions:</u></p> <ul style="list-style-type: none"> • Leicestershire County Council (LCC) are providing support and changes to Contract Procedure Rules (CPR's) will largely align with LCC amendments. • The LCC Head of Procurement and Supply Chain 		
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				<p>Management is also offering support for any large / technical procurements.</p> <ul style="list-style-type: none"> • The CPR's are in the process of being finalised prior to the need for them to be approved in a timely manner. • The Service are still developing the training aspect, and seeking advice from others in terms of the level of detail required for all staff. <p>Compared to the concerns raised by IA some months ago, this is now giving some assurance that the risks will be mitigated.</p> <p>Again, IA work is likely to continue until</p>		
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				<p>the end of the financial year.</p> <p>Note: A Service Led report on this subject is on the agenda for this Committee covering:</p> <p>Awareness & Training</p> <p>Policy & Procedure Review &</p> <p>Monitoring & Compliance</p>		
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No.	Category	Auditable area	Potential assurance requirements....	Position at 05/11	Summary of High Importance Recommendations	Opinion
25/12	Various	Contingency - Emerging Issues Financial Monitoring	Emerging issues affecting the service e.g. New Legislation, further follow up of areas identified through National Fraud Initiative work, Major Projects, Whistleblowing, Ad hoc advice etc	<ul style="list-style-type: none"> • Significant amount of work completed, however currently work remains in progress due to timing of deadlines for financial monitoring reports for committee reports resulting in delays to being able to test. 	N/A	N/A

Audits not started

No.	Category	Auditable area	Potential assurance requirements....	Position at 05/11	Summary of High Importance Recommendations	Opinion
25/11	Governance	People Plan	Actions detailed within the people plan are implemented in accordance with timetable to move the service forward in implementing the people strategy.	Not started	N/A	N/A

Areas of the original plan that will not be undertaken and associated rationale/associated substitute job(s)

None currently

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