

Appendix 1 – Progress against the Internal Audit Plan 2022-23 at 28 June 2023

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
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- 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 28/06	Summary recommendations	Opinion
23/01	Various	Completion of any residual work on 21/22 audits	Completion of any residual work on 21/22 audits	Final Reports Issued	All three prior year reports issued	2 x Substantial 1 x Partial
23/02	Governance	Safeguarding	An audit of policies and procedures, ensuring pre-engagement checks and actual engagement actions/activities are robust and appropriate	Final Report Issued	<p>Review some specific service procedure documents.</p> <p>Monitor completion of mandatory training</p> <p>Auto renewal of DBS checks</p> <p>Performance indicators for assurance</p>	Substantial Assurance

					<p>visits</p> <p>Minuting of meetings,</p> <p>Addressing HMI observations &</p> <p>Cover for key roles</p>	
23/03	Risk Management	Fire Protection	The engagement approach, audit effectiveness and post audit evaluation, particularly focusing on the Risk Based Inspection Programme (RBIP)	Final Report Issued	<p>Update of specific policies and procedures,</p> <p>Evaluation of:</p> <p>the Risk Based Inspection Programme,</p> <p>fire protection social media posts and</p> <p>business engagement sessions.</p>	Substantial Assurance

23/04	Internal Control	Key Financial Systems – Reconciliations and Balances	<p>Key reconciliations and other agreed in scope processes are undertaken accurately and promptly</p> <p><i>(Note, where applicable this will include follow up of any material internal control weaknesses defined in the International Standard on Auditing (ISA260) report).</i></p>	<p>Final Report Issued</p> <p><i>Note: Testing could not commence until quarter 4 to allow enough testing periods from the current financial year in order to provide a representative 22/23 sample.</i></p>	<p>Further investigation of variances</p> <p>Adequate cover for reconciliation roles</p> <p>Pursue vendor for assistance with a minor known reporting error.</p> <p>Payroll provider adjustment of HMRC payments to reflect manual adjustments.</p> <p>Reconciliation of childcare vouchers to third party payments,</p>	Substantial Assurance
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23/05	Internal Control	Key Financials Payroll	Payroll Starters, leavers, and variations to pay are valid and accurately accounted for	<p>Final Report Issued</p> <p><i>Note: Testing could not commence until quarter 4 to allow enough testing periods from the current financial year in order to provide a representative 22/23 sample.</i></p>	<p>Streamlining of processes</p> <p>Correction of two errors in respect of pension contributions/ associated ongoing assurance</p> <p>Performance monitoring of the payroll provider</p>	Substantial Assurance
23/06	Internal Control	Key Financials Pensions	<p>To provide assurance regarding operational processes for Fire Fighter Pensions. Topic area(s) will be risk assessed and then selected from the following:</p> <ul style="list-style-type: none"> Starters, leavers, and variations to pension are accurately accounted for in respect of pensionable adjustments required. 	<p>Final Report Issued</p> <p><i>Note: Testing could not commence until quarter 4 to allow enough testing periods from the current financial year in order to provide a representative 22/23 sample.</i></p>	<p>Assurance that the payroll provider undertakes appropriate and timely action in respect of mortality screening matches.</p>	Substantial Assurance

			<ul style="list-style-type: none"> • Contribution banding, pensions increases and dependants' pension requirements are correctly applied. <p>To review the validity and accuracy of calculations with regard to payments for new pensions and lump sums</p>			
23/07	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	<p>Final Report Issued</p> <p><i>Note: Testing could not commence until quarter 4 to allow enough testing periods from the current financial year in order to provide a representative 22/23 sample.</i></p>	<p>Recommendations made in the following areas:</p> <p>Potential Cyber Security Accreditations</p> <p>Cyber incident management processes</p> <p>Server redundancy</p> <p>Back-up solution upgrade</p>	Partial Assurance

					<p>Privileged Access Policy and password controls</p> <p>In addition, two high importance recommendations were repeated in respect of disaster recovery strategy and testing</p>	
23/08	Internal Control	Counter Fraud: National Fraud Initiative	Ensure relevant data is extracted at 30 September 2022, uploaded in October 2022 and assessment of output reports commenced in Feb 2023 with the overall objective of results being correctly interpreted and investigated and have due regard for a segregation of duties.	<p>Analysis stage complete.</p> <p>Output reports have been distributed and work will continue into 2023/24 to ensure output is adequately investigated and signed off and any risk mitigating actions required are considered.</p>	N/A	N/A

23/10	Internal Control	Human Resources	Recruitment and retention processes and activities, to specifically incorporate any 'positive actions' work in trying to achieve a workforce reflective of our communities. The audit will also review the leavers process and any associated in exit interviews	<p>Final Report Issued.</p> <p><i>This work was always due to commence in the final quarter after the current recruitment campaign has been completed.</i></p>	<p>Review, update, remove, consolidate some of the polices.</p> <p>Improved capture of lessons learnt from recruitment processes.</p> <p>Ways to further improve Positive Action initiatives in respect of equality, diversity and inclusion and also suggestions to improve the induction processes and the leaver survey process.</p>	Substantial Assurance
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23/11	Internal Control	Counter Fraud: Bank Mandate Fraud	Policies and procedures surrounding the amendment of bank accounts are robust	Final Report Issued.	<p>More detailed procedure notes</p> <p>Better trail of supplier bank details checks made and type of change made</p> <p>Production of an independent report of bank account changes made – HI rec</p> <p>Explore account payee validation options</p>	Partial Assurance
23/12	Various	Contingency - Emerging Issues	Emerging issues affecting the service e.g. Climate Change, New Legislation, Residual Brexit Issues, Forge Health etc	Ad-hoc advice issued in respect of gifts and hospitality and declarations of interests returns, amendment of bank account procedures and queries from the external	N/A	N/A

				auditor. Contributions to the Monitoring Officer's annual Governance Update report		
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Work deferred into 23/24

No.	Category	Auditable area	Potential assurance requirements....	Position at 28/06	Summary recommendations	Opinion
23/09	Internal Control	Contract Procedure Rules and associated Policies and Processes	<p>Follow up of partial assurance report</p> <p>Note the degree of detailed testing required for this specific audit means this cannot be absorbed from the allocation of time further below</p>	<p>Work in progress but was temporarily delayed whilst any revised roles and responsibilities for implementing the various actions of the previous audit report were clarified.</p> <p>The work commenced in the first quarter of the of the 23/24 audit plan and will be concluded in quarter 2.</p>	N/A	N/A

Audits not started

None

Areas of the original plan that will not be undertaken and associated rationale

Contract Procedure Rules and associated Policies and Processes – deferred into 2023/24 as agreed at the previous committee

Potential Substitute Audits

None

Progress against the Internal Audit Plan 2023-24 at 28 June 2023

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

No.	Category	Auditable area	Potential assurance requirements....	Position at 28/06	Summary recommendations	Opinion
24/01	Various	Completion of any residual work on 22/23 audits	Completion of any residual work on 22/23 audits	All 8 Final Reports issued as follows: Safeguarding Fire Protection HR Recruitment & Retention Key Financial Systems Recs & Balances Key Financials Payroll Key Financials Pensions Key Financials ICT Controls *1 Bank Mandate Fraud *1	All prior year reports issued	6 x Substantial and 2 x partial (see *1)
24/7	Internal Control	Counter Fraud: National Fraud Initiative	<ul style="list-style-type: none"> Ensure relevant output reports are assessed with the overall objective of results being correctly interpreted and investigated with due regard for a segregation of duties. 	Draft Report currently being finalised that closes off all work undertaken during the for the 22/23 National Fraud Exercise.	N/A	N/A

24/8	Internal Control	Contract Procedure Rules and associated Policies and Processes	Further follow up of key areas that previously resulted in partial assurance reporting	Draft report currently being reviewed	N/A	N/A
24/11	Various	Contingency - Emerging Issues				
		Counter Fraud VAT Numbers	Data Analytics check that supplier VAT numbers are valid	Draft report currently being finalised	N/A	N/A
		Advice	Contributions to reports on mobilisation and governance update including providing additional controls in the revised Anti-Fraud and Corruption policy and procedure	Complete	N/A	N/A

Work in progress

No.	Category	Auditable area	Potential assurance requirements....	Position at 28/06	Summary recommendations	Opinion
24/3	Internal Control	Key Financial Systems – Reconciliations and Balances	<ul style="list-style-type: none"> Key reconciliations and other agreed in scope processes are undertaken accurately and promptly <p>(Note, where applicable this will include follow up of any recommendations in the Auditor’s Annual Report).</p>	<p>Terms of engagement being compiled in order to start testing in a timely manner in late Q3</p> <p><i>Note: Testing could not be completed until quarter 4 to allow enough testing periods from the current financial year in order to provide a representative 23/24 sample.</i></p>	N/A	N/A
24/4	Internal Control	Key Financials Payroll	<ul style="list-style-type: none"> Payroll Starters, leavers, and variations to pay are valid and accurately accounted for 	<p>Terms of engagement being compiled in order to start testing in a timely manner in late Q3</p> <p><i>Note: Testing could not be completed until quarter 4 to allow enough testing periods from the current financial year in order to</i></p>	N/A	N/A

				<i>provide a representative 23/24 sample.</i>		
24/5	Internal Control	Key Financials Pensions	<p>To provide assurance regarding operational processes for Fire Fighter Pensions. Topic area(s) will be risk assessed and then selected from the 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 	<p>Terms of engagement being compiled in order to start testing in a timely manner in late Q3</p> <p><i>Note: Testing could not be completed until quarter 4 to allow enough testing periods from the current financial year in order to provide a representative 23/24 sample.</i></p>	N/A	N/A

			calculations with regard to payments for new pensions and lump sums			
24/6	Internal Control	ICT Controls	<ul style="list-style-type: none"> 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 	<p>Terms of engagement being compiled in order to start testing in a timely manner in late Q3, however updates regarding the DR Strategy and testing will be undertaken in an on-going timely manner in order to report back to each committee.</p> <p><i>Note: Testing could not be completed until quarter 4 to allow enough testing periods from the current financial year in order to provide a representative 23/24 sample.</i></p>	N/A	N/A
24/9	Internal Control	Human Resources – Recruitment and onboarding processes	<ul style="list-style-type: none"> Recruitment and onboarding processes is robust and maximises system-based efficiencies and 	Terms of engagement compiled and awaiting sign off	N/A	N/A

			minimises the need for manual intervention.			
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Audits not started

No.	Category	Auditable area	Potential assurance requirements....	Position at 28/06	Summary recommendations	Opinion
24/2	Governance	ICT System and Process Connectivity	<ul style="list-style-type: none"> 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 	Timing to be agreed	N/A	N/A

Areas of the original plan that will not be undertaken and associated rationale

No.	Category	Auditable area	Potential assurance requirements....	Position at 28/06	Summary recommendations	Opinion
24/10	Internal Control	Learning and Development	<ul style="list-style-type: none"> Mandatory learning and development requirements are identified, addressed and evidenced within a satisfactory period for all new starters and refresher training is undertaken and evidenced in a timely manner for all existing employees. 	<p>Requested to be postponed by client</p> <p><i>(Due to a service restructure which has seen the roles and responsibilities for the function move Directorate. To give the new managers the opportunity to embed within the function, it has been agreed that the audit be deferred for a period of time')</i></p>	N/A	N/A

Potential Substitute Audits

No.	Category	Auditable area	Potential assurance requirements....	Position at 28/06	Summary recommendations	Opinion
24/12	Internal Control	Risk Based Inspection Programme (RBIP)	Risk Based Inspection Programme is robust and targets the correct high-risk buildings within its remit.	To be scoped once approved	N/A	N/A

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