

Appendix 1 – Progress against the Internal Audit Plan 2019-20 at 31st January 2020

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)

No.	Category	Auditable area	Potential assurance requirements....	Position at 31/01	Summary recommendations	Opinion
20/1	Governance	General Data Protection Regulation/Data Protection Act Compliance	<ul style="list-style-type: none"> Control measures defined in the Corporate Risk Register have been/will be implemented in a timely manner <p>Areas being: GDPR Compliance Project, Vulnerable persons Case management software, Automated document and records management software and process.</p>	Final Report Issued	<ul style="list-style-type: none"> Consider a post implementation review Continued staff training Information Governance solution. Data Protection Impact Assessments Completion of outstanding tasks Completion of remaining Fair Processing Notices Data Protection Clauses within contracts Embedding of technical controls within systems to ensure compliance. Subject Access Request logging and associated performance indicators. Appointment of a Data Protection Officer 	Substantial Assurance

20/6 A	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><i>(Note: We will test to provide assurance in respect of prior year findings in the first quarter of 19/20 in addition to the work in the final quarter).</i></p>	Final Report Issued	<ul style="list-style-type: none"> • LFRS staff should summarise the continuing errors (including assessing proportionality and materiality) in order to discuss at the next contractual compliance meeting with EMSS. • Dependent on proportionality and materiality, consideration should be given to more regular contract compliance meetings <p><i>Note: A time virement was approved to allow further testing to be completed in quarter 4. (See job 20/6B below)</i></p>	Partial Assurance
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20/6 B	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><i>(Note: We will test to provide assurance in respect of prior year findings in the first quarter of 19/20 in addition to the work in the final quarter).</i></p>	Final Report Issued	<p>Remains partial due to the number of instances of error.</p> <p>Recommendations relate to:</p> <ul style="list-style-type: none"> • Recovery of overpayments identified • Agreeing the pension contribution rates of active members to substantive pay. <p>Note: The contract has now been awarded to a new payroll provider with an anticipated live implementation by the Summer 2020</p>	Partial Assurance
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20/7	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 calculations with regard to payments for new pensions and lump sums 	Final Report Issued	No recommendations – only one non-material error found	Substantial
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20/9	Internal Control	National Fraud Initiative	<ul style="list-style-type: none"> To ensure that matches identified as part of the 2018/19 NFI submission have all been adequately investigated and concluded and action taken where appropriate. 	Draft report produced	N/A – Responses now received from client. Final report to be issued once the responses are cleared.	N/A
N/A	Governance	Ad-hoc Advice	<ul style="list-style-type: none"> Advice issued in respect of an Acceptable Usage Policy 	Advice Issued	<p>Advice issued covered constraints and practices that a user must agree to for areas such as email, intranet (including personal use), use of storage devices, mobile & flexible working and access control.</p> <p>Advice also issued in relation to System Governance Policies and Procedures.</p>	N/A

Work in progress

No.	Category	Auditable area	Potential assurance requirements....	Position at 31/01	Summary recommendations	Opinion
20/2	Risk Management	Risk Management	<ul style="list-style-type: none"> • Risk Management procedures at an operational level (within Team Plans) are sufficiently robust 	Terms of engagement issued (work due quarter 4)	N/A	N/A
20/4	Risk Management	Contract Procedure Rules	<ul style="list-style-type: none"> • The revised Contract Procedure Rules (approved by the Combined Fire Authority on 12 December 2018) are being complied with. <p><i>(Note: If relevant this audit will also address any outstanding areas from a previous partial assurance procurement audit)</i></p>	Terms of Engagement issued (work due quarter 4)	N/A	N/A

20/5	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><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>Terms of Engagement issued. (Testing due in quarter 4)</p> <p><i>Note: Work cannot commence until quarter 4 to allow enough testing periods from the current financial year in order to provide a representative 19/20 sample.</i></p>	N/A	N/A
20/8	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>Testing currently being undertaken</p> <p><i>Note: Work could not commence until quarter 4 to allow enough testing periods from the current financial year in order to provide a representative 19/20 sample.</i></p>	N/A	N/A

20/11A	Governance	Emerging Issues - Contract Compliance	<ul style="list-style-type: none"> To ensure key areas of the contract are complied with and adequate monitoring and remedial action takes place 	<ul style="list-style-type: none"> Work scoped and will straddle two financial years 	N/A	N/A
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Areas of the original plan that will not be undertaken and associated rationale

No.	Category	Auditable area	Potential assurance requirements....	Position at 30/10	Rationale	Opinion
20/3	Risk Management	HMICFRS Audit	<ul style="list-style-type: none"> To ensure that work is being undertaken to address areas identified internally as needing additional actions as part of the initial assessment process (this work to be undertaken prior to Tranche 2 results being made public in June 2019) 	Not started as the results were known to the service at a very early stage and therefore a re-scoping and re timetabling of any audit work will be partially dependent on the report tabled as a separate agenda item at this meeting.	Senior Management, Committee Scrutiny and Her Majesty's Inspectorate fulfilling first, second and third lines of defence respectively.	N/A

20/10	Internal Control	HMICFRS Audit – Key Assurance Areas	<ul style="list-style-type: none"> • Assurance that key activities and processes are operating correctly and in accordance with best practice. • Area(s) of assurance will be in respect of a selection from the following: <ul style="list-style-type: none"> • Fire Prevention and Detection Activities • Learning from Incidents • Joint Emergency Services Interoperability Principles • Competency based training and associated reporting • Talent Management & Promotion Processes 	Not started as the results were known to the service at a very early stage and therefore a re-scoping and re timetabling of any audit work will be partially dependent on the report tabled as a separate agenda item at this meeting.	Senior Management, Committee Scrutiny and Her Majesty's Inspectorate fulfilling first, second and third lines of defence respectively.	N/A
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