

Annex 2 – Summary of work undertaken supporting the HoIAS opinion 2018-19

Audits marked () may be utilised by the external auditor in their annual assessment of the likelihood of material misstatement in the Authority's financial statements. Position as at 24 June 2019. **Bold font represents updates since 25 February 2019***

No.	Category	Auditable area	Potential assurance requirements....	Position	Summary recommendations	Assurance
19/1	Governance	Performance Monitoring	<ul style="list-style-type: none"> High importance recommendations from the 17/18 internal audit report have been addressed in a timely manner Work will focus on testing that the Corporate and Integrated Risk Management Plan (IRMP) 2016-2020 has been reviewed and reporting of progress against it has been established 	Final Report Issued	<p>High importance recommendations lifted.</p> <p>Approval of LFRS 'Our Plan 2018-2021' through the CFA.</p> <p>Standardise planning templates for all Departmental plans</p> <p>Ensure consistency in SMT reporting to align with each Priority and related outcome.</p> <p>Strengthen reporting to: -</p> <ul style="list-style-type: none"> Senior Management Team by Area Managers to clearly demonstrate progress against the five priority outcomes. Corporate Governance Committee of progress v LFRS 'Our Plan 2018-21. 	Revised to Substantial

19/2	Governance	Declaration of Interests/Gifts and Hospitality	<ul style="list-style-type: none"> • High importance recommendations from the 17/18 internal audit report have been addressed in a timely manner • Work will focus on testing of ownership, update, publication of policies and compliance with requirements and associated authorisation. 	Final Issued	<p>High importance recommendations lifted.</p> <p>Two minor improvements to policy.</p> <p>Cases found as part of the NFI exercise to be concluded by the Service</p> <p>Decisions required in respect of any publishing desires for transparency purposes.</p> <p>Decisions required in respect of the degree of Committee oversight desired.</p>	Revised to Substantial
19/3	Governance	General Data Protection Regulation (GDPR)	<ul style="list-style-type: none"> • Readiness for compliance 	Final Issued	<p>Budget information in project documentation</p> <p>Lessons learned</p> <p>Communications plan</p> <p>E-learning training</p> <p>Robust Asset Register</p> <p>Retention Schedules</p> <p>Contract clauses</p> <p>Policy Updates</p>	Substantial

19/4	Risk Mgt	HMICFRS Readiness Audit	<ul style="list-style-type: none"> • Readiness to comply with Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) inspection process 	Final Report Issued	<ul style="list-style-type: none"> • Red and Amber graded elements of the dashboard should be assigned to appropriate personnel • Improve resilience in areas internally identified as a weakness • Two recommendations in respect of governance re progress v action plan monitoring and reporting 	Reasonable
19/5	Risk Mgt	Procurement	<ul style="list-style-type: none"> • High importance recommendations from the 17/18 internal audit report have been addressed in a timely manner • Work will focus on testing revised Governance, value for money, approved suppliers and valid contracts. 	Final Issued	<p>High importance recommendations lifted.</p> <p>Work completed:</p> <ul style="list-style-type: none"> • Rules and policy addressed • Ownership and training addressed • An up to date contracts register published • Procurement Officer devolved budget training delivered • valid contracts in place 	Revised to substantial

19/6	Internal Control	Key financial systems (*)	<ul style="list-style-type: none"> • Financial management including areas such as reconciliation procedures, suspense accounts, journals, bank reconciliation • Payables • Receivables including debt recovery • Treasury management 	Final Issued.	<p>The correct bank balance figure to use when reconciling the Investment Account.</p> <p>To remind staff of their responsibilities in relation to the prompt approval of invoices through Agresso</p>	Substantial
19/7	Internal Control	Key Financials Payroll (*)	<ul style="list-style-type: none"> • Payroll Starters, leavers and variations to pay are valid and accurately accounted for 	Final Issued	<p>The 'Partial Assurance' rating predominantly focused around the number of instances of errors found in relation to the payroll processing by the payroll provider, with the following recommendations resulting:</p> <p>Hold high level discussions with the payroll provider regarding the issues encountered (relating to both pay and pension) and to seek assurances that remedial action required will be taken to minimise the risk of future errors. continued over</p>	Partial

					<p>Consider increasing the frequency of internal checking to identify potential salary errors on a more regular basis</p> <p>Consider undertaking an audit of contribution rates.</p>	
19/8	Internal Control	Key Financials Pensions (*)	<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 dependents pension requirements are correctly applied. 	Final Issued	To discuss with Pension Administration if details of contributions deducted can be omitted for pension scheme membership where they are not subsequently used for pension benefit calculations.	Substantial

19/9	Internal Control	ICT controls (*)	<ul style="list-style-type: none"> • High importance recommendations from the 17/18 internal audit report have been addressed in a timely manner • 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 	Final issued	<p>One 17-18 high importance recommendation addressed. The second is partially implemented but would be addressed through a new IT Service Desk Management Tool. To be f/u in 19-20 audit coverage.</p> <p>Recommendations from 18-19:</p> <ul style="list-style-type: none"> • Key ICT Policies should be reviewed and updated where relevant • The machine room gas suppression system requires a re-test following a leak and work undertaken to rectify it. • Five recommendations from the Penetration Tests have yet to be actioned • A Business Impact Assessment should be undertaken to help inform the Service Continuity Plan, and aligned to DR arrangements • User accounts should be reviewed where they have not been logged into for a significant period. 	Substantial
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19/10	Internal Control	National Fraud Initiative	<ul style="list-style-type: none"> To ensure that requisite data is submitted in a timely manner and matches from data submitted in 18/19 have been issued for investigation 	Complete	<p>Reports covering deceased persons, payroll matches, and pensions matches were released on 31 January and these have been passed to the respective service to review (Pensions Section or LFRS Finance / Administration, as appropriate).</p> <p>Reports covering where creditors and Companies House directorship matches have been delayed by the Cabinet Office, but these will also be promptly passed to the service to review once received.</p> <p><i>Note: Though complete to date, is will always be work in progress in 18/19 as the work straddles two financial years (18/19 & 19/20)</i></p>	N/A
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19/11	Governance	Fire-fighter Pensions – Roles & Responsibilities	<ul style="list-style-type: none"> • High importance recommendations from the 17/18 internal audit report have been addressed in a timely manner • Work will focus on testing roles and responsibilities and associated training 	Final Issued	<p>High importance recommendation lifted.</p> <p>Recommendations are:</p> <ul style="list-style-type: none"> • Continued atomisation of business processes • Continuous training of all staff involved in the process • Continuous review of documentation to ensure it remains fit for purpose • 	Revised to Substantial
19/12	Internal Control	Fire-fighter Pensions – Pensions Calculations	<ul style="list-style-type: none"> • To review the validity and accuracy of calculations with regards to payments for new pensions and lump sums 	Final Issued.	N/A – No recommendations made	Full