

Appendix 1 – Progress against the Internal Audit Plan 2023-24 at 8 November 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
- 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 08/11	Summary of High Importance recommendations	Opinion
24/1	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 	Final Report Issued closing off all work undertaken during the for the 22/23 National Fraud Exercise.	N/A	N/A

			due regard for a segregation of duties.			
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	Final Report Issued	<p>Overall partial opinion – recs are:</p> <ul style="list-style-type: none"> • Signed digital copies of all contracts are centrally held • Training for all staff with authority to procure goods or services/in a procurement role (existing staff and as part of induction for new starters) • Monitor and report training levels to management for further action where required 	Partial Assurance

					<ul style="list-style-type: none"> • Periodic benchmarking/ market testing for value for money if purchasing multi-items from a single supplier with no contract. 	
24/11	Various	Contingency - Emerging Issues				
		Counter Fraud VAT Numbers	Data Analytics check that supplier VAT numbers are valid	Final report issued	N/A	Substantial
		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
			Assist the Monitoring Officer in planning the			

			<p>appointment of Independent Members of the Corporate Governance Committee</p> <p>Training for Independent Members</p> <p>Follow up of High Importance Recommendations</p>	<p>On-Going</p> <p>On-Going</p>		
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Work in progress

No.	Category	Auditable area	Potential assurance requirements....	Position at 08/11	Summary of High Importance 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><i>(Note, where applicable this will include follow up of any recommendations in the Auditor’s Annual Report).</i></p>	<p>Terms of engagement being compiled in order to start testing in a timely manner in late Q3</p> <p>Requirements of LFRS in-house team currently being assessed in preparation</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>Testing phase only due to</p>	N/A	N/A

				<p>start in December</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>		
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 	<p>Terms of engagement being compiled in order to start testing in a timely manner in late Q3</p> <p>Requirements of LFRS in-house team currently being assessed in preparation</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

			<p>dependants' pension requirements are correctly applied.</p> <ul style="list-style-type: none"> To review the validity and accuracy of 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>Requirements of LFRS in-house team currently being assessed in preparation</p> <p><i>Note: Testing could not be completed until quarter 4 to</i></p>	N/A	N/A

				<i>allow enough testing periods from the current financial year in order to provide a representative 23/24 sample.</i>		
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 minimises the need for manual intervention. 	Testing nearing completion – slight delay due to the recruitment campaign by the service.	N/A	N/A
24/10 b	Internal Control	Risk Based Inspection Programme (RBIP)	<ul style="list-style-type: none"> Risk Based Inspection Programme is robust and targets the correct high-risk buildings within its remit. 	At testing stage	N/A	N/A
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 	Scoping has commenced	N/A	N/A

			and/or outsourced by the service are able to seamlessly connect/communicate where required/desired			
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Audits not started

None

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

No.	Category	Auditable area	Potential assurance requirements....	Position at 08/11	Summary recommendations	Opinion
24/10 a	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 	Committee approval on 13 July 2023 to replace this audit with the Risk Based Inspection Programme Audit detailed above <i>(Due to a service restructure which has seen the roles and</i>	N/A	N/A

			<p>training is undertaken and evidenced in a timely manner for all existing employees.</p>	<p><i>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>		
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