

Appendix 1 – Progress against the Internal Audit Plan 2018-19 at 28th August 2018

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 28/08	Summary recommendations	Opinion
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. 	Revised Draft Issued	<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>	Substantial

					<p>Robust Asset Register</p> <p>Retention Schedules</p> <p>Contract clauses</p> <p>Policy Updates</p>	
19/5	Risk Mgmt	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. 	Draft Issued	Awaiting client responses	
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 	Draft Issued		Substantial

			<ul style="list-style-type: none">• Work will focus on testing roles and responsibilities and associated training			
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Work in progress

No.	Category	Auditable area	Potential assurance requirements....	Position at 28/08	Summary recommendations	Opinion
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 	<p>Testing undertaken – report being compiled</p> <p>From the work undertaken the Head of Internal Audit is satisfied that the high importance recommendation has been addressed.</p> <p>Further work will be undertaken when appropriate to ensure the planning framework has been embedded adequately.</p>	N/A	N/A
19/6	Internal Control	Key financial systems (*)	<ul style="list-style-type: none"> Financial management including areas such as 	Terms of engagement and scope agreed with a view to work commencing in the	N/A	N/A

			<p>reconciliation procedures, suspense accounts, journals, bank reconciliation</p> <ul style="list-style-type: none"> • Payables • Receivables including debt recovery • Treasury management 	final quarter in order to meet required sample sizes		
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 	Terms of engagement and scope agreed with a view to work commencing in the final quarter in order to meet required sample sizes	N/A	N/A
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 	Terms of engagement and scope agreed with a view to work commencing in the final quarter in order to meet required sample sizes	N/A	N/A

			increases and dependents pension requirements are correctly applied.			
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 	<p>All draft report specification requirements issued to the service.</p> <p>Deadlines confirmed with service.</p> <p>Finalised details to be issued once made public.</p> <p>Reports to be sent by the service to the Cabinet Office in October 2018</p>	N/A	N/A
19/12	Internal Control	Fire-fighter Pensions – Pensions Calculations	<ul style="list-style-type: none"> To review the validity and accuracy of calculations with regard to payments for new pensions and lump sums 	Terms of engagement and scope agreed with a view to work commencing in the final quarter in order to meet required sample sizes	N/A	N/A

Jobs not started

No.	Category	Auditable area	Potential assurance requirements....	Position at 28/08	Summary recommendations	Opinion
19/4	Risk Management	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 	Not started per service		
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 	Not started – job cannot commence until final quarter due to sample sizes required	N/A	N/A

			indirectly contribute to the production of the financial statements or associated management decision making			
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Areas of the original plan that will not be undertaken and associated rationale

None as at 28 August 2018

Potential Substitute Jobs

<u>No.</u>	<u>Category</u>	<u>Auditable area</u>	<u>Potential assurance requirements....</u>	<u>Position at 28/08</u>	<u>Summary recommendations</u>	<u>Opinion</u>
N/A	Governance	Constitution	<ul style="list-style-type: none"> Revisions to the Constitution are appropriately applied at an operational level – likely to focus on any changes to local budget monitoring 	N/A - Only ever a potential substitute job – included here for completeness and transparency	N/A	N/A

N/A	Governance	ICT Modernisation	<ul style="list-style-type: none"> Projects (selected from sample) are appropriately managed 	N/A - Only ever a potential substitute job – included here for completeness and transparency	N/A	N/A
N/A	Risk Management	Vehicle Fleet Tax Compliance	<ul style="list-style-type: none"> Independent consultancy advice has been correctly followed 	N/A - Only ever a potential substitute job – included here for completeness and transparency	N/A	N/A