

Appendix 1 – Progress against the Internal Audit Plan 2020-21 at 26th August 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 26/08	Summary recommendations	Opinion
21/5	Governance	Payroll Replacement	<ul style="list-style-type: none"> To provide on-going advice throughout the project lifecycle especially data migration plans 	Final Report Issued	Areas raised and areas for future consideration: <ul style="list-style-type: none"> Need for review of 'As is' processes Issue with Segregation of Duties identified – resolved at the close of the audit (e.g. an officer had HR input rights and Authoriser rights) Need for documenting of User Acceptance Testing Need for documenting of Project meetings Update and sign off of the Business Continuity Plan General Ledger interface file issue (resolved at the close of the audit) Process to be developed on maintaining consistency between information on Firewatch and ITrent in relation to Occupancy Post 	N/A

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Work in progress

No.	Category	Auditable area	Potential assurance requirements....	Position at 26/08	Summary recommendations	Opinion
21/2	Risk Management	Contract Compliance – Systel - Fire Control Mobilising System	<ul style="list-style-type: none"> Robust contract management and compliance is in place to mitigate risk to an acceptable level 	<ul style="list-style-type: none"> Work started in 19/20 – Will need further discussions with Interim Chief Fire & Rescue Officer re approach dependent on the current status of the contract 	N/A	N/A
21/3	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 material internal control weaknesses defined in the International Standard on Auditing (ISA260) report).</i></p>	<p>Draft Terms of Engagement currently being produced for Client for agreement and will incorporate follow up of partial assurance in 19/20.</p> <p><i>Note: Work cannot commence until November 2020 to allow enough testing periods from the current financial year</i></p>	N/A	N/A

				<i>in order to provide a representative 20/21 sample.</i>		
21/4	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>Draft Terms of Engagement currently being produced for Client for agreement and will include follow up of partial assurance issues identified previously in 19/20 with the new payroll provider.</p> <p><i>Note: Work cannot commence until November 2020 to allow enough testing periods from the current financial year in order to provide a representative 20/21 sample.</i></p>	N/A	N/A
21/7	Governance	Pensions Replacement	<ul style="list-style-type: none"> • To provide on-going advice through the project lifecycle especially data migration plans 	<p>Work completed to date has involved reviewing:</p> <ul style="list-style-type: none"> • Project Initiation Document (PID) 	N/A	N/A

				<ul style="list-style-type: none"> • Data Questionnaire (review document and provide wording for the audit section) • Data <u>Transfer</u> Questionnaire • Risks and Issues log • Project Plan • Stakeholder Analysis document <p>In addition, advice re retention of Project Board minutes and evidence of testing undertaken</p>		
21/8	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>Draft Terms of Engagement sent to Client for agreement</p> <p>Note: Work cannot commence until November 2020 to allow enough testing periods from the current financial year in order to provide a representative 20/21 sample.</p>	N/A	N/A

21/9	Internal Control	National Fraud Initiative	<ul style="list-style-type: none"> To ensure that data requirements and matches identified as part of the 2020/21 NFI submission have all been adequately investigated and concluded and action taken where appropriate. 	<p>Details and specifications for each required report have been discussed with the client together with associated delivery deadlines (end of September 2020) and the fact that some of the reports will be required from the new payroll provider.</p> <p>Once this part of the work is complete (i.e. reports successfully delivered to the Cabinet Office for data matching purposes) there will be a lull in activity until matched reports are received back in February 2021.</p>	N/A	N/A
N/A	Various	High Importance Recs	<ul style="list-style-type: none"> Follow up testing of any high importance recommendations within our 19/20 coverage (and any in year high importance 	<p><u>Key ICT Controls</u></p> <p>On-going advice has been given in respect of the implementation of the Service Desk</p>	N/A	N/A

			<p>recommendations during 20/21) to ensure they have been addressed in a timely manner in order to mitigate risk to an acceptable level.</p>	<p>Management tool (addressing the high importance recommendation in respect of change control).</p> <p>Note this recommendation was due for implementation in August 2020 but the go live date for the project has been delayed until September 2020 due to competing COVID related priorities.</p> <p><u>Key Controls Payroll</u></p> <p>Follow up of partial assurance to be part of our 20/21 testing (ref 21/4).</p> <p><u>Key Financials</u></p> <p>Follow up of partial assurance to be part of our 20/21 testing (ref</p>		
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				<p>21/4).</p> <p><u>Contract Procedure Rules</u></p> <p>The date of follow up for this partial assurance report is still to be agreed with the client and therefore the committee will be updated at the November meeting of this Committee.</p>		
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Jobs not started

No.	Category	Auditable area	Potential assurance requirements....	Position at 26/08	Summary recommendations	Opinion
21/1	Governance	Workshop Services	<ul style="list-style-type: none"> • Work undertaken delivers value for money and is undertaken by suitably qualified staff. 	Deferred to allow further discussions re potential COVID-19 effects on this audit	N/A	N/A

21/6	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 	<p>Draft Terms of Engagement deliberately NOT produced yet as scope will be dependent on the outcome of the Pensions replacement project.</p> <p>Note: Work cannot commence until January 2020 both to allow enough testing periods from the current financial year in order to provide a representative 21/21 sample and to be undertaken in conjunction with the new providers.</p>		
21/10		Emerging Issues	<ul style="list-style-type: none"> • Emerging issues affecting the service e.g. Brexit, Climate Change, Grenfell, 	<p>Approach will be dependent on further discussions with the Interim Chief Fire &</p>		

			Legislation/Taxation Changes (e.g. blue light personal use) etc	Rescue Officer.		
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Areas of the original plan that will not be undertaken and associated rationale

None specified as yet

Potential Substitute Jobs

None specified as yet