

## Appendix 1 – Progress against the Internal Audit Plan 2020-21 at 30<sup>th</sup> October 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 30/10	Summary recommendations	Opinion
21 /5	Governance	Payroll Replacement	<ul style="list-style-type: none"> <li>To provide on-going advice throughout the project lifecycle especially data migration plans</li> </ul>	Final Report Issued	<p>Areas raised and areas for future consideration:</p> <ul style="list-style-type: none"> <li>Need for review of 'As is' processes</li> <li>Issue with Segregation of Duties identified – resolved at the close of the audit (e.g. an officer had HR input rights and Authoriser rights)</li> <li>Need for documenting of User Acceptance Testing</li> <li>Need for documenting of Project meetings</li> <li>Update and sign off of the Business Continuity Plan</li> <li>General Ledger interface file issue (resolved at the close of the audit)</li> <li>Process to be developed on maintaining consistency between information on Firewatch and ITrent in</li> </ul>	Not Applicable

					relation to Occupancy Post Reference Numbers	
21 /10		<b>Emerging Issues</b>	<p><b>Emerging issues</b></p> <p>As agreed at September 2020 Committee, time was used for the following audit:</p> <p><u><b>Covid-19 IT Assurance</b></u></p> <ul style="list-style-type: none"> <li>• Remote Access and Security</li> <li>• Network Performance and Capacity Management</li> <li>• Access Management</li> <li>• Cyber Security Risks</li> <li>• Patching</li> <li>• Collaboration Tools</li> <li>• Asset Management</li> <li>• Change Control</li> </ul>	<p><b>Draft advisory report with client for feedback with no significant issues identified to date</b></p>	Not Applicable	Not Applicable

			<ul style="list-style-type: none"><li>•IT expenditure monitoring</li></ul>			
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Work in progress

No.	Category	Auditable area	Potential assurance requirements....	Position at 30/10	Summary recommendations	Opinion
21 /2	Risk Management	Contract Compliance – Systel - Fire Control Mobilising System	<ul style="list-style-type: none"> <li>Robust contract management and compliance is in place to mitigate risk to an acceptable level</li> </ul>	<ul style="list-style-type: none"> <li>Work started in 19/20 – <b>Further discussions requested</b> with Interim Chief Fire &amp; Rescue Officer re approach (dependent on the current status of the contract)</li> </ul>	Not Applicable	Not Applicable
21 /3	Internal Control	Key Financial Systems – Reconciliations and Balances (*)	<ul style="list-style-type: none"> <li>Key reconciliations and other agreed in scope processes are undertaken accurately and promptly</li> </ul> <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><b>Testing in November</b></p> <p><b>Terms of Engagement agreed with Client and will incorporate follow up of partial assurance in 19/20.</b></p> <p><i>Note: Work could not commence until November 2020 to allow enough testing periods from the</i></p>	Not Applicable	Not Applicable

				<i>current financial year in order to provide a representative 20/21 sample.</i>		
21 /4	Internal Control	Key Financials Payroll (*)	<ul style="list-style-type: none"> <li>• Payroll Starters, leavers and variations to pay are valid and accurately accounted for</li> </ul>	<p><b>Testing in November</b></p> <p><b>Terms of Engagement agreed with Client and will incorporate follow up of partial assurance issues identified previously in 19/20 with the new payroll provider.</b></p> <p><i>Note: Work could not commence until at least November 2020 to allow enough testing periods from the current financial year in order to provide a representative 20/21 sample.</i></p>	Not Applicable	Not Applicable
21 /6	Internal Control	Key Financials Pensions (*)	To provide assurance regarding operational processes for Fire Fighter Pensions. Topic area(s)	Draft Terms of Engagement sent to Client for agreement.		

			<p>will be risk assessed and then selected from the following:</p> <ul style="list-style-type: none"> <li>• Starters, leavers and variations to pension are accurately accounted for in respect of pensionable adjustments required.</li> <li>• Contribution banding, pensions increases, and dependants' pension requirements are correctly applied.</li> <li>• To review the validity and accuracy of calculations with regard to payments for new pensions and lump sums</li> </ul>	<p>Note: Work cannot commence until February 2021 both to allow enough testing periods from the current financial year in order to provide a representative 20/21 sample and to enable the work to be undertaken in conjunction with the new providers.</p>		
21 /7	Governance	Pensions Replacement	<ul style="list-style-type: none"> <li>• To provide on-going advice through the project lifecycle especially data migration plans</li> </ul>	<p>Work completed to date has involved reviewing:</p> <ul style="list-style-type: none"> <li>• Project Initiation Document (PID)</li> <li>• Data Questionnaire (<i>review document</i>)</li> </ul>	Not Applicable	Not Applicable

				<p><i>and provide wording for the audit section)</i></p> <ul style="list-style-type: none"> <li>• Data <u>Transfer</u> Questionnaire</li> <li>• Risks and Issues log</li> <li>• Project Plan</li> <li>• Stakeholder Analysis document</li> </ul> <p>In addition, advice issued re retention of Project Board minutes and evidence of testing undertaken</p> <p><b>The next stage of the work will cover:</b></p> <ul style="list-style-type: none"> <li>• <b>Data migration,</b></li> <li>• <b>User Acceptance Testing plan</b></li> <li>• <b>Test strategy</b></li> <li>• <b>Sample testing</b></li> <li>• <b>Interfaces and reporting development,</b></li> <li>• <b>Business continuity arrangements and</b></li> </ul>		
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				<ul style="list-style-type: none"> <li>• <b>Security/access docs.</b></li> </ul>		
21 /8	Internal Control	ICT controls (*)	<ul style="list-style-type: none"> <li>• 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</li> </ul>	<p><b>At testing stage.</b></p> <p>Note: Work could not commence until November 2020 to allow enough testing periods from the current financial year in order to provide a representative 20/21 sample.</p>	Not Applicable	Not Applicable
21 /9	Internal Control	National Fraud Initiative	<ul style="list-style-type: none"> <li>• 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.</li> </ul>	<p><b>The client has successfully uploaded all relevant data sets to the NFI web portal. Creditors data was uploaded directly, whilst Pensions and Payroll data was uploaded by the relevant agency (Leicestershire County Council and Warwickshire County</b></p>	Not Applicable	Not Applicable

				<p><b>Council respectively).</b></p> <p><b>Subject to the uploaded data passing NFI data quality checks, no further activity is anticipated until matched reports are received back in February 2021.</b></p>		
N/ A	Various	High Importance Recs	<ul style="list-style-type: none"> <li>Follow up testing of any high importance recommendations within our 19/20 coverage (and any in year high importance recommendations during 20/21) to ensure they have been addressed in a timely manner in order to mitigate risk to an acceptable level.</li> </ul>	<p><b><u>Key ICT Controls</u></b></p> <p><b>A walk through of the new Service Desk Management System (live from September) has been undertaken as part of our COVID related IT assurance work.</b></p> <p><b>The ability to successfully manage changes through the application (which corresponds with the remaining high</b></p>	Not Applicable	Not Applicable

				<p><b>importance recommendation) will be tested as part of our Key ICT controls coverage (ref 21/ 8).</b></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 21/ 4).</p> <p><u>Contract Procedure Rules</u></p> <p><b>As agreed by this Committee in September, due to the longer lead time for remedial action, this partial assurance report will not be</b></p>		
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				followed up until March 2021.		
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**Jobs not started**

No.	Category	Auditable area	Potential assurance requirements....	Position at 30 October	Summary recommendations	Opinion
21 /1	Governance	Workshop Services	<ul style="list-style-type: none"> <li>• Work undertaken delivers value for money and is undertaken by suitably qualified staff.</li> </ul>	Deferred to allow further discussions re potential COVID-19 effects on this audit	Not Applicable	Not Applicable

**Areas of the original plan that will not be undertaken and associated rationale**

None specified as yet

**Potential Substitute Jobs**

None specified as yet