

Appendix 1 – Progress against the Internal Audit Plan 2018-19 at 6th November 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 06/11	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. 	Final 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	<p>Report remains in draft format'</p> <p>Work completed:</p> <ul style="list-style-type: none"> • Rules and policy addressed • Ownership and training addressed <p>Work in progress:</p> <ul style="list-style-type: none"> • Review spend and any associated contracts • Ensure existing contracts are all signed • Publish an up to date contracts register 	
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 	Draft Issued	High importance recommendation lifted.	Revised to Substantial

			<p>in a timely manner</p> <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 06/11	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>As stated previously From the work undertaken the Head of Internal Audit Service is satisfied that the high importance recommendation has been addressed.</p> <p>A further two areas are currently being tested in order to complete our coverage. It has not been possible to undertake this subsequent testing until now because it required a representative sample over a period of time to be able to test.</p>	N/A	N/A

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 	Evidence pack of readiness work undertaken is currently being reviews and a draft report being compiled		
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 	<p>Terms of engagement and scope agreed with client.</p> <p>Reports requested from LFRS Officers and testing commenced.</p>	N/A	N/A
19/7	Internal Control	Key Financials Payroll (*)	<ul style="list-style-type: none"> • Payroll Starters, leavers and variations to pay are 	Terms of engagement and scope agreed.	N/A	N/A

			valid and accurately accounted for	Testing commenced		
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. 	<p>Terms of engagement and scope agreed.</p> <p>Testing nearing completion</p>	N/A	N/A
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 	<p>One high importance recommendation from previous audit has been addressed and the second one is work in progress and currently will adhere to implementation date.</p> <p>Terms of Engagement approved and risk</p>	N/A	N/A

			associated applications that either directly or indirectly contribute to the production of the financial statements or associated management decision making	assessment of areas to address currently being completed. Some areas of testing completed		
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 	<ul style="list-style-type: none"> Required data sets (reports) were produced and issued to the Cabinet Office in adherence with the October deadline The next stage is the receipt and subsequent issue of matches/potential matches in Jan 2019 onwards. 	N/A	N/A
19/12	Internal Control	Fire-fighter Pensions – Pensions	<ul style="list-style-type: none"> To review the validity and accuracy of 	Terms of engagement and scope agreed.	N/A	N/A

		Calculations	calculations with regard to payments for new pensions and lump sums	Work has not commenced purely because there have been no calculations to audit.		
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Jobs not started

N/A All jobs either complete or work in progress

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

None as at 6 November 2018

Potential Substitute Jobs

<u>No.</u>	<u>Category</u>	<u>Auditable area</u>	<u>Potential assurance requirements....</u>	<u>Position at 06/11</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
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