

## **Report of the Head of Internal Audit Shared Service**

### **Internal Audit Draft Audit Plan 2017/18**

#### **Purpose of report**

To provide the Committee with the Draft Audit Plan for 2017/18.

---

#### **Recommendation**

**The Treasurer recommends that the 2017/18 Draft Internal Audit Plan be approved.**

#### **Introduction and Background**

1. The Authority is responsible for maintaining or procuring an adequate and effective internal audit of the activities of the Authority under the Accounts and Audit (England) Regulations 2015. This includes considering, where appropriate, the need for controls to prevent and detect fraudulent activity. These should also be reviewed to ensure that they are effective. This duty has been delegated to the Treasurer, and, Internal Audit is provided by Worcestershire Internal Audit Shared Service (WIASS) in which Hereford and Worcester Fire and Rescue Authority is a Partner. Management is responsible for the system of internal control and should set in place policies and procedures to ensure that the system is functioning correctly.

#### **Objectives of Internal Audit**

2. The CIPFA Code of Practice for Internal Audit in Local Government in the United Kingdom defines internal audit as: "an assurance function that primarily provides an independent and objective opinion to the organisation on the control environment comprising risk management, control and governance by evaluating its effectiveness to achieving the organisation's objectives. It objectively examines, evaluates and reports on the adequacy of the control environment as a contribution to the proper, economic and effective use of resource". WIASS is committed to satisfying/achieving the requirement of the CIPFA Code of Practice for Internal Audit and conforms to the Public Sector Internal Audit Standards.

#### **Aims of Internal Audit**

3. The objectives of WIASS are to:
  - Examine, evaluate and report on the adequacy and effectiveness of internal control and risk management across the Fire Service and recommend arrangements to address weaknesses as appropriate;

- Examine, evaluate and report on arrangements to ensure compliance with legislation and the Fire Service's objectives, policies and procedures;
  - Examine, evaluate and report on procedures that the Fire Service's assets and interests are adequately protected and effectively managed;
  - Undertake independent investigations into allegations of fraud and irregularity in accordance with Fire Service's policies and procedures and relevant legislation; and,
  - Advise upon the control and risk implications of new systems or other organisational changes.
4. Internal audit will work with external audit to avoid duplication of effort, provide adequate coverage for the 2017/18 financial year so that an internal audit opinion can be reached, and, support External Audit by carrying out reviews in support of the accounts opinion work.

### **Audit Planning**

5. To provide audit coverage for 2017/18 an audit operational programme to be delivered by WIASS was discussed and agreed with the Treasurer and the Senior Management Board and will be provided to External Audit. The audit programme provides a total audit provision of 111 audit days; 91 operational and 20 management days. As the audits and follow up reviews are completed summary update reports will be brought before Committee along with an extract of the 'high' priority recommendations. Full reports will be provided to the Chairperson of the Committee for perusal on request.
6. The Internal Audit Plan for 2017/18, which is included at Appendix 1, is a risk based plan which takes into account the adequacy of the Authority's risk management, performance management and other assurance processes. It has been based upon the Annual Plan, the risk priorities per the corporate risk register as well as upon an independent risk assessment of the audit universe by Internal Audit. The Internal Audit Plan for 2017/18 has been agreed with the Fire and Rescue Service Section 151 Officer and Treasurer and was placed before Senior Management Board for discussion on the 14<sup>th</sup> March 2017.
7. Appendix 1 provides the Committee with a breakdown of the draft 2017/18 internal audit plan.
8. Appendix 2 provides the Committee with an over view and comparison of the audits delivered over the past 5 ½ years.

### **Conclusion/Summary**

9. Operational progress against the Internal Audit Plan for 2017/18 will be closely monitored by the Head of Internal Audit Shared Service and will be reported to the Audit Committee on a quarterly basis. For information, any 'high' priority recommendations will also be included.

## Corporate Considerations:

<b>Resource Implications</b> (identify any financial, legal, property or human resources issues)	There are financial implications that require consideration as the Authority is a partner in the Internal Audit Shared Service however these are not fully detailed in this report as the Treasurer is appraised of the position on a regular basis during the Partner Board meetings.
<b>Strategic Policy Links</b> (identify how proposals link in with current priorities and policy framework and if they do not, identify any potential implications).	None. There are legal issues e.g. Collaborative Agreement that require consideration but are not fully detailed in this report as they are contained within the Agreement.
<b>Risk Management / Health &amp; Safety</b> (identify any risks, the proposed control measures and risk evaluation scores).	Yes, whole report.
<b>Consultation</b> (identify any public or other consultation that has been carried out on this matter)	N/A – no policy change is recommended
<b>Equalities</b> (has an Equalities Impact Assessment been completed? If not, why not?)	N/A

## Supporting Information

Appendix 1 - 2017/18 Draft Internal Audit Plan

Appendix 2 - Summary of audit coverage

## Contact Officer

Contact Officer

Name: Andy Bromage  
Head of Internal Audit Shared Service - Worcestershire Internal Audit Shared Service  
Tel: 01905 722051  
E Mail: [andy.bromage@worcester.gov.uk](mailto:andy.bromage@worcester.gov.uk)

# APPENDIX 1

## FIRE & RESCUE SERVICE

### WORCESTERSHIRE INTERNAL AUDIT SHARED SERVICE

#### DRAFT INTERNAL AUDIT PLAN FOR THE FIRE & RESCUE SERVICE 2017/18

Audit Area	Proposed review	Planned days 2017/18	Provisional Audit Quarter
<b>Accountancy &amp; Finance Systems</b>			
Main Ledger (incl. Budgetary Control & Bank Rec)	Limited Scope	5	Q3
Creditors	Full	8	Q3
Debtors	Limited Scope	4	Q3
Payroll & Pensions (incl. GARTAN)	Full	13	Q3
Capital Programme (Fleet)	Full	8	Q2
<b>SUB TOTAL</b>		<b>38</b>	
<b>Corporate Governance (incl Health &amp; Safety arrangements)</b>			
Corporate Governance (Business continuity, resilience & emergency planning)	Full	9	Q2
ICT Audit	Full	8	Q4
Risk Management	Limited Scope	5	Q1
<b>System / Management Arrangements</b>			
Partnership Working (Governance Arrangements)	Full	6	Q2
Training (Baseline & Core skill delivery)	Full	8	Q1
Transformational Planning	Critical Friend	9	Q1
Procurement /Contracts	Full	8	Q4
<b>SUB TOTAL</b>		<b>53</b>	
<b>General</b>			
Follow up Reviews		7	Q1 to Q4 inclusive
Advice, Guidance, Consultation, Investigations		3	Q1 to Q4 inclusive
Audit Cttee Support		5	Q1 to Q4 inclusive
Reports & Meetings		5	Q1 to Q4 inclusive
<b>SUB TOTAL</b>		<b>20</b>	
<b>TOTAL CHARGEABLE</b>		<b>111</b>	

## Appendix 2

### Summary of audits delivered since WIASS became responsible for the internal audit delivery:

Audit Review	Year Undertaken						
	Handover year from County	Contractual delivery to H&WFRS by WIASS				WIASS Partnership Delivery	
Payroll & Pensions	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Debtors	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Creditors	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Petty Cash Imprest / Floats		2012/13			2015/16		
Main Ledger incl. Budgets & Budgetary Control	2011/12 (Not Main Ledger)	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Property & Asset Management		2012/13				2016/17 (Client Side)	
Capital Programme			2013/14				2017/18
Follow up	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Risk Management Arrangements		2012/13	2013/14	2014/15	2015/16		2017/18
Business Continuity ( <i>incl. in Corporate Governance for 2017/18</i> )		2012/13					(2017/18)
Corporate Governance / Management (different areas each year)		2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Procurement / Contracts		2012/13					2017/18
Members Allowances ( <i>incl. in Payroll</i> )		2012/13					
Computer Audit		2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Community Safety			2013/14				
Urban Search and Rescue			2013/14				
Operational Logistics incl. Fleet ( <i>fleet covered as part of Capital Programme for 2017/18</i> )			2013/14				(2017/18)
Stores					2015/16		
Transformational Planning (20/20 Plan)				2014/15			2017/18
Building Maintenance				2014/15			
Equality and Diversity				2014/15			
Operations				2014/15			
Human Resources					2015/16		
Training Centre (Droitwich)						2016/17	2017/18
Technical Fire Safety						2016/17	
Fees and Charges						2016/17	
VAT						2016/17	
Safeguarding						2016/17	
Partnership Working							2017/18