

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

### **Internal Audit Plan 2023/24**

#### **Purpose of report**

1. To provide the Committee with the 2023/24 Audit Plan Revision.
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#### **Recommendation**

***The Treasurer recommends that the 2023/24 Internal Audit Plan Revision is noted.***

#### **Introduction and Background**

2. 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 2018. 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. 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 systems function correctly.

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

3. 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**

4. 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.
5. Internal audit will work with external audit to avoid duplication of effort, provide adequate coverage for the 2023/24 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**

6. Due to the continuing changing environment any plan must be seen a framework for Internal Audit work for the forthcoming year. There is a need for flexibility in the plan to reflect changing demands and potential risks. To ensure audit resource is deployed effectively the plan is reviewed and updated periodically to address such challenges and to complement national initiatives.
7. The Draft 2023/24 Internal Audit Plan was approved before Committee on the 18<sup>th</sup> January 2023. Following consideration by the Strategic Leadership Board on the 21<sup>st</sup> February 2023 there were a couple of revisions agreed. These have been considered by The Treasurer and the Chief Internal Auditor and are shown at Appendix 1 for information.

### **Conclusion/Summary**

8. The operational progress of the revised 2023/24 Internal Audit plan will be closely monitored. The Head of Internal Audit Shared Service will report the position to the Audit and Standards Committee in the Progress Report along with any exceptions identified during follow up work. For information, all 'high' priority recommendations will be reported.

## Corporate Considerations

<p><b>Resource Implications</b> (identify any financial, legal, property or human resources issues)</p>	<p>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.</p>
<p><b>Strategic Policy Links &amp; Core Code of Ethics</b> (Identify how proposals link with current priorities &amp; policy framework and align to the Core Code of Ethics)</p>	<p>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. The outline plan is formulated to link to potential risks associated with the Community Risk Management Plan 2021 – 2025.</p>
<p><b>Risk Management / Health &amp; Safety</b> (identify any risks, the proposed control measures and risk evaluation scores).</p>	<p>The whole report is associated with potential risk.</p>
<p><b>Consultation</b> (identify any public or other consultation that has been carried out on this matter)</p>	<p>N/A – no policy change is recommended</p>
<p><b>Equalities</b> (has an Equalities Impact Assessment been completed? If not, why not?)</p>	<p>N/A</p>
<p><b>Data Protection Impact Assessment</b> (where personal data is processed a DPIA must be completed to ensure compliant handling)</p>	<p>N/A</p>

## Supporting Information

Appendix 1 – Revised 2023/24 Internal Audit Plan

**FIRE & RESCUE SERVICE**  
**REVISED INTERNAL AUDIT PLAN FOR 2023/24**

<b>Audit Area</b>	<b>Source</b>	<b>Planned days 2023/24</b>	<b>Service</b>	<b>Comment/Outline Scoping</b>	<b>Strategy link</b>	<b>Indicative Quarter</b>
<b>Accountancy &amp; Finance Systems</b>						
Main Ledger (inc. Budgetary Control & Bank Rec)	Fundamental to HWFRS CRMP delivery	<b>7</b>	Finance	Full Audit	Resourcing for the Future	Q3
Creditors (a/c's payable)	Fundamental to HWFRS CRMP delivery	<b>8</b>	Finance	Full Audit	Resourcing for the Future	Q3
Debtors (a/c's receivable)	Fundamental to HWFRS CRMP delivery	<b>5</b>	Finance	Full Audit	Resourcing for the Future	Q3
Payroll & Pensions inc. GARTAN	Fundamental to HWFRS CRMP delivery	<b>12</b>	Service Support	Full Audit	Resourcing for the Future	Q3

<b>SUB TOTAL</b>		<b>32</b>					
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<b>Audit Area</b>	<b>Source</b>	<b>Planned days 2023/24</b>	<b>Service</b>	<b>Comment/Outline Scoping</b>	<b>Strategy link</b>	<b>Indicative Quarter</b>
<b>Corporate Governance</b>						
<i>New training system – LEO</i>  REPLACED WITH Culture, Whistleblowing & Ethics	Fundamental to HWFRS CRMP delivery	<b>12</b>	Service Support	Implementation of recommendations of the 2022/23 audit - hybrid review	Fire & Rescue Authority	Q1 / 2
Business Continuity Plans	Fundamental to HWFRS CRMP delivery	<b>11</b>	Service Support	Linked to those relevant areas of the risk register (including emerging industrial action)	Fire & Rescue Authority	Q2
His Majesty Inspectorate – Action Plan	Fundamental to HWFRS CRMP delivery	<b>11</b>	Protection	Areas of improvement	Fire & Rescue Authority	Q1
<b>SUB TOTAL</b>		<b>34</b>				
<b>System / Management Arrangements</b>						
<i>Performance and Information Plan</i>  REMOVED	Fundamental to HWFRS CRMP delivery		Service Support	Progress against the aims and objectives	Fire & Rescue Authority	Critical Friend Q1

Declaration of Interests & Hospitality	Good governance	3		Service Support	Process and registration transparency	Fire & Rescue Authority	Q1
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Audit Area	Source	Planned days 2023/24		Service	Comment/Outline Scoping	Strategy link	Indicative Quarter
Procurement	Fundamental to HWFRS CRMP delivery	9		Service Support	Contract Management to ensure value for Money	Fire & Rescue Authority	Q1 / 2
Follow up Reviews	Good Governance	7					Q1 to Q4
<b>SUB TOTAL</b>		<b>19</b>					
Advice, Guidance, Consultation, Investigations	Support	5					Q1 to Q4
Audit Cttee support, reports and meetings	Support	11					Q1 to Q4
Contingency		10					
<b>SUB TOTAL</b>		<b>26</b>					
<b>TOTAL CHARGEABLE</b>		<b>111</b>					