

To: CMT

From: Kevin Lloyd, MIAA

Date: 31<sup>st</sup> January 2018

Re: **Internal Audit Planning – 2018/19**

## 1. Introduction

In accordance with Public Sector Internal Audit Standards, the Director of Internal Audit (HoIA) is required to provide an annual opinion, based upon and limited to the work performed, on the overall adequacy and effectiveness of the organisation's risk management, control and governance processes (i.e. the organisation's system of internal control). This is achieved through a risk-based plan of work, agreed with management and the Governance, Audit and Scrutiny (GAS) Committee and approved by the Fire Authority.

The Director of Internal Audit Opinion contributes to the assurances available to the Accountable Officer and the Authority which underpin their own assessment of the effectiveness of the organisation's system of internal control and in the completion of your Annual Governance Statement (AGS).

This briefing sets out the initial risk assessment undertaken to develop your Internal Audit Plan for 2018/19.

## 2. Approach

Appendix A sets out the audit reviews completed from 2014/15 and also includes the areas identified for 2018/19 (based on our risk assessment last year) when the audit plan was approved by the Authority in April 2017. We have now conducted a further initial risk assessment and Appendix B provides the areas for consideration within the Internal Audit Plan following this. As part of our initial risk assessment we have reviewed the Integrated Risk Management Plan and other key documents, previous internal audit coverage and assurance, discussions held with colleagues and also considered key developments for the Service. The initial plan also incorporates those mandatory / core system assurances that are undertaken on an annual basis (for example, Financial Systems, Cyber Security that will need to be provided. Based on the days available, there will not be sufficient time to complete all assignments included, therefore priority areas will need to be agreed.

It is important that the risk assessment is a continuous process throughout the year and the plan will remain flexible to allow for response to emerging challenges, not least those reflective of the operating environment, transformation and partnership working.

### 3. Conclusion

The purpose of this paper is to consider the proposed coverage identified in Appendix A/B and provide feedback on priorities within the outline provided or any other suggested areas for inclusion to the assurances you require in 2018/19. Following discussion at CMT, the plan will then be revised and priorities agreed, including timescales for each review with management. The plan will then be reported to the Governance and Scrutiny Committee and then to the Authority for approval.



## Appendix A HFA Audit Plan Strategy 2014/15 – 2018/19 (Extract)

This provides a summary of the reviews completed since 2014/15 and furthermore provides the potential areas of coverage that were agreed as part of our risk assessment in 2017/18 (approved by the Authority in April 2017).

### CORE AUDIT PLAN

2014/15    2015/16    2016/17    2017/18    2018/19

<b>FINANCE &amp; RESOURCES</b>					
Combined Financial Systems	✓	✓	✓	✓	✓
Fees and Charges/Trading Arrangements		✓			
Savings Plan Delivery	✓		✓		
Capital Programme Management			✓		
Procurement		✓			✓
Workforce			✓		✓
Counter Fraud Arrangements			✓		
<b>PERFORMANCE</b>					
Performance Management/Data Quality/Data Sharing	✓			✓	
Strategic Planning			✓		
Value for money/service improvement			✓		
Partnerships		✓			
Business / Community Safety	✓				✓
<b>OPERATIONAL COMPLIANCE</b>					
IT Infrastructure	✓			✓	
IT Critical Applications		✓			
Mobile computing	✓			✓	
Business Continuity			✓		
Training		✓		✓	
Operational Reviews (stations/fleet /equipment etc)	✓	✓			✓
<b>GOVERNANCE, RISK &amp; LEGALITY</b>					
Risk Management & Assurance Framework			✓		✓
Change Readiness		✓			
Organisational Learning & Engagement				✓	
Governance /Legal Compliance	✓				
<b>FOLLOW UP &amp; CONTINGENCY</b>					
Follow-up		✓	✓	✓	✓
<b>AUDIT COMMITTEE, PLANNING &amp; MANAGEMENT</b>					
Planning liaison and management & meetings		✓	✓	✓	✓

## Appendix B: Potential Areas 2018/19

	<b>Audit Title</b>	<b>Rationale</b>	<b>Approach / Overall Objective</b>
1	Intelligence and Data Analysis	Part of IRMP & periodic assurance	To focus on Data Quality, extraction, checking and reporting processes. Could include one or more of the following (as an example): - <ul style="list-style-type: none"> <li>• CFRMIS</li> <li>• Public Safety</li> <li>• Business Safety</li> <li>• On Call Availability</li> </ul>
2	Information Technology	To build ongoing time/assurance in respect of phishing exercises  Core Assurance Review	A quarterly programme of phishing exercises over the next 12 months.
3	Information Governance - GDPR	Key Development from 2018/19  This will depend on outcome following 2017/18 review.	The review could look at current progress against GDPR requirements. This will depend on the assurances in place within the Service on compliance with this
4	Public Safety Inclusion Strategy	Key element of IRMP – no previous coverage from MIAA	We could consider looking at this area on a cyclical basis i.e. one year look at safe and well/community, then to review business safety audit process in line with the Strategy.
5	Fire Fighter Safety	Site Specific Risk Information – As part of cyclical coverage. No previous coverage from MIAA	To review the processes for recording managing, updating and sharing of Site Specific Risk Information
6	Responding Effectively	East Coast and Hertforshshire Control Room Project – Go Live Date for Humber, Jan 2018  Key development for 2018/19	This review (depending on how this develops) could assess the governance arrangements, performance information available / delivery of KPIs and oversight

7	Absence Management	Updates have been provided to HFA on progress with action plan.	To provide assurance that actions are now embedded in day to day activities.
8	HMICFRS	Key development for 18/19	Could provide assurance support or 'call of time' to provide advice / support on either high level or specific themes in advance of any formal inspection.
9	Education / Development Centre - Princes Trust / Cadet Schemes	IRMP & Part of Cyclical Coverage	To review processes for delivery, to consider VFM, and any safeguarding arrangements.
10	Combined Financial Systems	Core Assurance Review	Cyclical Review of Financial Systems.



