



REPORT OF THE HEAD OF INTERNAL AUDIT

1. Purpose of Report

- 1.1 To consider the performance of Internal Audit for 2023/2024, areas of work undertaken and the internal audit opinion regarding the adequacy of the overall system of internal control within the Tyne and Wear Fire and Rescue Authority.

2. Description of Decision

- 2.1 The Governance Committee is asked to consider and note the Internal Audit Annual Report.

3. Key Performance Indicators

- 3.1 The Internal Audit service measures its performance in terms of Efficiency, Quality and Client Satisfaction. Performance during the year is shown in Appendix 1. Where possible, performance specifically relating to the Fire and Rescue Authority is included. All KPIs for 2023/24 were achieved.

4. Summary of Internal Audit Work

- 4.1 The findings of the 2023/24 audits have been taken together with the findings of audits from the previous two years to form an opinion on each of the identified key risk areas, and an opinion on the adequacy of the overall system of internal control for the Authority. The detailed analysis of these opinions is provided at Appendix 2.



- 4.2 As a result of the audits carried out, a number of actions have been agreed to improve internal control. The numbers of actions agreed are shown below:

Categorisation of Risk	Definition	Number of Actions
High	A fundamental control weakness which presents material risk to the audited body and requires immediate attention by senior management.	0
Significant	There is a control issue which could have a significant impact on the achievement of the aims and objectives of the organisation, or which presents a significant risk to the organisation's reputation. Prompt management action is required to remedy the situation.	0
Medium	There is a control weakness within the system, which presents material risk to the area or service being audited, and management attention is required to remedy the situation within a reasonable period.	9
Low	There is a minor control weakness or non-compliance within the system and proportional remedial action is required within an appropriate timescale.	3

- 4.3 The work undertaken did not identify any matters material to the overall internal control environment of the Authority.
- 4.4 It should be noted that one audit originally planned to be complete in 2023/24 related to a review of how the areas for improvement highlighted within the latest His Majesty's Inspectorate of Constabulary and Fire and Rescue Services report (2021) and subsequent actions, in relation to human resource management, have been addressed. At the request of the Finance Director, this audit was not complete in 2023/24 and has been rolled forward and included in the Internal Audit Plan for 2024/25.

5. Compliance with the Public Sector Internal Audit Standards

- 5.1 Internal Audit continues to comply with the Public Sector Internal Audit Standards through the standards being built into audit working practices. This was confirmed in April 2024, following an independent review of Internal Audit by the Head of Internal Audit at Northumberland County Council.



6. Conclusions

- 6.1 This report provides assurance that sufficient audit work was completed within the year to enable an opinion on the Authority's internal control environment, with no high or significant risk issues being identified.
- 6.2 Using the cumulative knowledge and experience of the systems and controls in place, including the results of previous audit work and the work undertaken within 2023/24, it is considered that overall, the Authority continues to have a good internal control environment.

Background Papers

Internal Audit Plan 2023/2024 - Governance Committee 6th March 2023.

Appendix 1

Internal Audit - Overall Objectives, Key Performance Indicators (KPI's) and Targets for 2023/24			
Efficiency and Effectiveness			
Objectives	KPI's	Targets	Progress
1) To ensure the service provided is effective and efficient.	1) Complete sufficient audit work to provide an opinion on the key risk areas identified.	1) All key risk areas covered over a 3-year period	1) Achieved
	2) Percentage of draft reports issued within 15 days of the end of fieldwork.	2) 90%	2) Achieved (100%)
	3) Percentage of audits completed by the target date (from scoping meeting to issue of draft report).	3) 85%	3) Achieved (100%)
Quality			
Objectives	KPI's	Targets	Progress
1) To maintain an effective system of Quality Assurance.	1) Opinion of External Auditor	1) Satisfactory opinion	1) Achieved
2) To ensure recommendations made by the service are agreed and implemented.	2) Percentage of agreed high, significant, and medium risk internal audit recommendations which are implemented.	2) 100% for high and significant. 90% for medium risk	2) High and significant – No such actions (N/A) Medium – Achieved (96%)
Client Satisfaction			
Objectives	KPI's	Targets	Progress
1) To ensure that clients are satisfied with the service and consider it to be good quality.	1) Results of Post Audit Questionnaires	1) Overall average score of better than 1.5 (where 1=Good and 4=Poor)	1) Achieved (Average score for last 12 months is 1.0)
	2) Results of other Questionnaires	2) Results classed as 'Good'	2) None undertaken
	3) Number of Complaints / Compliments	3) No target – actual numbers will be reported	3) No compliments or complaints received

Internal Audit Coverage

Key Risk Area	Audits undertaken 2023/24	2021/22 Audit Opinion / Assurance	2022/23 Audit Opinion / Assurance	2023/24 Audit Opinion / Assurance	Overall Opinion from Previous 3 years work
Corporate Governance	No audit work planned.	Corporate Governance Arrangements - Substantial			Substantial
Service / Business Planning, IRMP	No audit work planned.		Use of Emergency Vehicles - Substantial		Substantial
Financial Management	Financial transaction testing on payroll and accounts payable.	Financial Transactions Testing on Payroll and Accounts Payable – Substantial Reserves Strategy – Substantial	Financial Transaction Testing – Payroll and Accounts Payable - Substantial	Financial Transaction Testing – Payroll and Accounts Payable – Substantial	Substantial
Risk Management	Health and Safety Arrangements.		Use of Emergency Vehicles - Substantial Fire Safety - Substantial	Health and Safety Arrangements - Substantial	Substantial
Procurement and Contract Management	Contract management arrangements for the new fire station.			Contract Management Arrangements for the new Fire Station - Substantial	Substantial

Appendix 2

Key Risk Area	Audits undertaken 2023/24	2021/22 Audit Opinion / Assurance	2022/23 Audit Opinion / Assurance	2023/24 Audit Opinion / Assurance	Overall Opinion from Previous 3 years work
Human Resource Management	Health and Safety Arrangements.			Health and Safety Arrangements - Substantial	Substantial
Asset Management	Contract management arrangements for the new fire station.			Contract Management Arrangements for the new Fire Station - Substantial	Substantial
ICT	Cyber Security Arrangements.			Cyber Security Arrangements - Substantial	Substantial
Fraud and Corruption	Financial transaction testing on payroll and accounts payable.	Financial Transactions Testing on Payroll and Accounts Payable - Substantial	Financial Transaction Testing – Payroll and Accounts Payable - Substantial	Financial Transaction Testing – Payroll and Accounts Payable – Substantial	Substantial
Information Governance	Compliance with the General Data Protection Regulation.	Compliance with General Data Protection Regulation - Substantial	Compliance with General Data Protection and Regulation – Substantial	Compliance with the General Data Protection Regulation - Substantial	Substantial
Business Continuity & Contingency Planning	No audit work planned.		Business Continuity Arrangements - Substantial		Substantial

Appendix 2

Key Risk Area	Audits undertaken 2023/24	2021/22 Audit Opinion / Assurance	2022/23 Audit Opinion / Assurance	2023/24 Audit Opinion / Assurance	Overall Opinion from Previous 3 years work
Performance Management	No audit work planned.	Performance Management Arrangements – Substantial			Substantial
Payroll	Financial Transaction Testing on Payroll.	Transaction Testing on Payroll - Substantial	Transaction Testing on Payroll - Substantial	Transaction Testing – Payroll – Substantial	Substantial
Partnership Working	No audit work planned.		Partnership Arrangements – Substantial		Substantial
Project Management	No audit work planned.	Project management arrangements - Substantial			Substantial

