



SUBJECT: INTERNAL AUDIT PROGRESS REPORT – 2023/2024

REPORT OF THE HEAD OF INTERNAL AUDIT

1. Purpose of Report

- 1.1 This report sets out the performance of Internal Audit up to September 2023, areas of work undertaken, and the internal audit opinion regarding the adequacy of the overall system of internal control within the Authority.

2. Key Performance Indicators

- 2.1 Performance against the agreed KPIs to date is shown in Appendix 1. KPI's are currently on target in all areas.

3. Summary of Internal Audit Work

- 3.1 Six audit areas are included in the 2023/24 plan.
- 3.2 To date one audit has been completed, this audit is in relation to contract management arrangements for the new fire station. One further audit relating to health and safety arrangements is currently underway.
- 3.3 The remaining planned audits are scheduled to be completed by the end of the financial year, as follows:
- Financial Management – Financial transaction testing.
 - Human Resource Management – Inspectorate report actions.
 - ICT – Cyber security arrangements.
 - Information Governance – Compliance with General Data Protection Regulation.
- 3.4 The current overall opinion against each risk area, based on the last three years' audit work is shown in Appendix 2. As can be seen the position remains very positive.
- 3.5 It is anticipated that the agreed plan will be delivered in full by the year end.

4. Conclusions

- 4.1 This report provides information regarding progress against the planned audit work for the year and performance targets.
- 4.2 It remains the opinion of Internal Audit that, overall, throughout the Authority, there continues to be an adequate system of internal control.

5. Recommendations

- 5.1 Members are asked to consider the report.

Background Papers

Internal Audit Plan for 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 (98%)
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	2020/21 Audit Opinion / Assurance	2021/22 Audit Opinion / Assurance	2022/23 Audit Opinion / Assurance	2023/24 Audit Opinion / Assurance	Scope of planned audits 2023/24	Overall Opinion from Previous 3 years work
Corporate Governance		Corporate Governance Arrangements - Substantial				Substantial
Service / Business Planning, IRMP			Use of Emergency Vehicles - Substantial			Substantial
Financial Management	Financial Transaction Testing – Payroll and Accounts Payable - Substantial Business Development/Income Generation - Substantial	Financial Transaction Testing – Payroll and Accounts Payable - Substantial Reserves Strategy - Substantial	Financial Transaction Testing – Payroll and Accounts Payable - Substantial	Financial Transaction Testing – Payroll and Accounts Payable	Audit work will involve testing of a sample of transactions relating to Payroll and Accounts Payable.	Substantial
Risk Management			Use of Emergency Vehicles - Substantial Fire Safety – Substantial	Health and Safety Arrangements	The audit will review the arrangements in place within the Service to manage risks around health and safety.	Substantial

Appendix 2

Key Risk Area	2020/21 Audit Opinion / Assurance	2021/22 Audit Opinion / Assurance	2022/23 Audit Opinion / Assurance	2023/24 Audit Opinion / Assurance	Scope of planned audits 2023/24	Overall Opinion from Previous 3 years work
Procurement and Contract Management	Contract Management Arrangements - Moderate			Contract Management Arrangements for the new Fire Station – Substantial	Audit work will examine the contract management arrangements in place for the construction of the new fire station.	Substantial
Human Resource Management	Workforce Planning - Substantial			Health and Safety Arrangements Inspectorate Report Actions	The audit will review the arrangements in place within the Service to manage risks around health and safety. The audit will review how the action points highlighted within the latest inspectorate report in relation to human resource management have been addressed.	Substantial
Asset Management	Contract Management Arrangements - Moderate			Contract Management Arrangements for the new Fire Station – Substantial	Audit work will examine the contract management arrangements in place for the construction of the new fire station.	Substantial
ICT	ICT Systems Developments - Substantial			Cyber Security Arrangements	The audit will review the cyber security arrangements in place within the Service.	Substantial

Appendix 2

Key Risk Area	2020/21 Audit Opinion / Assurance	2021/22 Audit Opinion / Assurance	2022/23 Audit Opinion / Assurance	2023/24 Audit Opinion / Assurance	Scope of planned audits 2023/24	Overall Opinion from Previous 3 years work
Fraud and Corruption	Financial Transactions Testing on Payroll and Accounts Payable – Substantial	Financial Transactions Testing on Payroll and Accounts Payable – Substantial	Financial Transactions Testing on Payroll and Accounts Payable - Substantial	Financial Transactions Testing on Payroll and Accounts Payable	Audit work will involve testing of a sample of transactions relating to Payroll and Accounts Payable.	Substantial
Information Governance	Compliance with General Data Protection Regulation - Substantial	Compliance with General Data Protection Regulation - Moderate	Compliance with General Data Protection Regulation - Moderate	Compliance with General Data Protection Regulation	The audit will review the results of the Service's Data Protection Officer's assurance work.	Moderate
Business Continuity & Contingency Planning			Business Continuity Arrangements - Substantial			Substantial
Performance Management		Performance management arrangements - Substantial				Substantial
Payroll	Transaction Testing – Payroll - Substantial	Transaction Testing – Payroll - Substantial	Transaction Testing – Payroll - Substantial	Transaction Testing – Payroll	Financial transaction testing on payroll	Substantial
Partnership Working			Partnership Arrangements – Substantial			Substantial

Appendix 2

Key Risk Area	2020/21 Audit Opinion / Assurance	2021/22 Audit Opinion / Assurance	2022/23 Audit Opinion / Assurance	2023/24 Audit Opinion / Assurance	Scope of planned audits 2023/24	Overall Opinion from Previous 3 years work
Project Management		Project Management Arrangements - Substantial				Substantial