TYNE AND WEAR FIRE AND RESCUE AUTHORITY   Item No. 4

MEETING: GOVERNANCE COMMITTEE 31ST OCTOBER 2022

SUBJECT: INTERNAL AUDIT PROGRESS REPORT – 2022/2023

REPORT OF THE HEAD OF INTERNAL AUDIT

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1.   Purpose of Report

1.1   This report sets out the performance of Internal Audit up to October 2022, 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 2022/23 plan.

3.2   To date one audit has been completed, this audit is in relation to Business Continuity Arrangements. Two further audits relating to Partnership Arrangements and Financial Management (counter fraud/transaction testing) are currently underway.

3.3   The remaining planned audits are scheduled to be completed by the end of the financial year, as follows:

- Service/Business Planning – Use of Emergency Vehicles;
- IRMP – Fire Safety;
- 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 Operational Plan for 2022/2023
Governance Committee, 7th March 2022

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Internal Audit - Overall Objectives, Key Performance Indicators (KPI's) and Targets for 2022/23			
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 – Achieved (100%) 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	2019/20 Audit Opinion / Assurance	2020/21 Audit Opinion / Assurance	2021/22 Audit Opinion / Assurance	2022/23 Audit Opinion / Assurance	Scope of planned audits 2022/23	Overall Opinion from Previous 3 years work
Corporate Governance	Procurement - Substantial		Corporate Governance Arrangements - Substantial			Substantial
Service / Business Planning, IRMP	IRMP - Substantial			Use of Emergency Vehicles	A review of the arrangements in place to provide both the required mandatory driver training and vehicle maintenance.	Substantial
Financial Management	Financial Transactions Testing on Payroll and Accounts Payable - Substantial	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	Financial transaction testing on payroll and accounts payable.	Substantial
Risk Management	IRMP - Substantial			Use of Emergency Vehicles Fire Safety	A review of the arrangements in place to provide both the required mandatory driver training and vehicle maintenance. A review of the arrangements in place to ensure the new legislative requirements regarding fire safety are met by the Service and are appropriately reflected within the IRMP.	Substantial

Key Risk Area	2019/20 Audit Opinion / Assurance	2020/21 Audit Opinion / Assurance	2021/22 Audit Opinion / Assurance	2022/23 Audit Opinion / Assurance	Scope of planned audits 2022/23	Overall Opinion from Previous 3 years work
Procurement and Contract Management	Review of the contract management arrangements for a sample of key contracts – Substantial Procurement – Substantial	Contract Management Arrangements - Moderate				Substantial
Human Resource Management	Managerial Assessment Programme - Substantial	Workforce Planning - Substantial				Substantial
Asset Management	Asset Management - Substantial	Contract Management Arrangements - Moderate				Substantial
ICT		ICT Systems Developments - Substantial				Substantial
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	Financial transaction testing on payroll and accounts payable.	Substantial
Information Governance	Compliance with General Data	Compliance with General Data	Compliance with General Data	Compliance with General Data	Review the results of the Service's Data Protection Officer's assurance work.	Substantial

Key Risk Area	2019/20 Audit Opinion / Assurance	2020/21 Audit Opinion / Assurance	2021/22 Audit Opinion / Assurance	2022/23 Audit Opinion / Assurance	Scope of planned audits 2022/23	Overall Opinion from Previous 3 years work
	Protection Regulation - Substantial	Protection Regulation - Substantial	Protection Regulation - Moderate	Protection Regulation		
Business Continuity & Contingency Planning	Business Continuity Planning - Substantial			Business Continuity Arrangements - Substantial	Review of the Business Continuity Arrangements in place within the Service specifically in relation to the event of a loss of ICT provision, including service operational vehicles.	Substantial
Performance Management			Performance management arrangements - Substantial			Substantial
Payroll	Financial Transactions Testing on Payroll - Substantial	Transaction Testing – Payroll - Substantial	Transaction Testing – Payroll - Substantial	Transaction Testing – Payroll	Financial transaction testing on payroll	Substantial
Partnership Working	Review of the contract management arrangements for a sample of key contracts – Substantial			Partnership Arrangements	A review of the arrangements in place to manage partnership working within the service.	Substantial
Project Management			Project Management Arrangements - Moderate			Moderate