



**TYNE AND WEAR FIRE AND RESCUE AUTHORITY**

**Item No 5**

**MEETING: GOVERNANCE COMMITTEE 25 SEPTEMBER 2017**

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**SUBJECT: INTERNAL AUDIT PROGRESS REPORT**

**REPORT OF THE HEAD OF INTERNAL AUDIT**

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**1. Introduction**

- 1.1 This report sets out the performance of Internal Audit up to August 2017, areas of work undertaken, and the internal audit opinion regarding the adequacy of the overall system of internal control within the Authority.

**2. Description of Decision**

- 2.1 The Governance Committee is asked to consider the report.

**3. Key Performance Indicators**

- 3.1 Performance against the agreed KPIs to date is shown in Appendix 1. All but one of the KPI's are on target, although this is not of concern at this point in the year.

**4. Summary of Internal Audit Work**

- 4.1 Six audits are included in the 2017/18 plan.
- 4.2 To date the fieldwork has been completed for the audit of Partnership Arrangements and the report is being drafted ready for discussion with officers. An audit of the Authority's financial management arrangements is also currently nearing completion.
- 4.3 The remaining planned audits are scheduled as follows:
- Human Resource Management – planned for quarter 3;
  - ICT – planned for quarter 3;
  - Performance Management – planned for quarter 3;

- Project Management – planned for quarter 4.
- 4.4 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 is very positive.
- 4.5 It is anticipated that the agreed plan will be delivered in full by the year end.

## **5. Conclusions**

- 5.1 This report provides information regarding progress against the planned audit work for the year and performance targets.
- 5.2 It remains the opinion of Internal Audit that, overall throughout the Authority, there continues to be an adequate system of internal control with no significant issues being raised.

## **6. Recommendations**

- 6.1 Members are asked to consider the report.

## **Background Papers**

Internal Audit Operational Plan for 2017/2018  
Governance Committee, 27th March 2017

Internal Audit - Overall Objectives, Key Performance Indicators (KPI's) and Targets for 2015/16			
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	On target
	2) Percentage of draft reports issued within 15 days of the end of fieldwork.	2) 90%	No audits yet complete
	3) Percentage of audits completed by the target date (from scoping meeting to issue of draft report).	3) 82%	No audits yet complete
	4) Cost per £m Turnover	Lower than average within CIPFA Benchmarking Club	On target - £388 v £527 average
Quality			
Objectives	KPI's	Targets	Progress
1) To maintain an effective system of Quality Assurance.	1) Opinion of External Auditor	1) Satisfactory opinion	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	High and significant – N/A Medium – on target at 100%
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)	On target – current average score is 1.2
	2) Results of other Questionnaires	2) Results classed as 'Good'	None carried out
	3) Number of Complaints / Compliments	3) No target – actual numbers will be reported	None in year to date

## Internal Audit Coverage

Key Risk Area	Planned Audits	Level of Assurance from audits undertaken 2017/18	Level of Assurance from Previous 3 years work
Corporate Governance	No audit work planned.	n/a	Substantial
Service / Business Planning, IRMP	Review of the arrangements in place for workforce planning within the Service.		Substantial
Financial Management	Financial Transactions Testing on Payroll and Accounts Payable.		Substantial
Risk Management	No audit work planned.	n/a	Substantial
Procurement and Contract Management	Review of the arrangements in place for partnership working with Impeller and the Police.		Substantial
Human Resource Management	Review of the arrangements in place for workforce planning within the Service.		Substantial
Asset Management	No audit work planned.	n/a	Substantial
ICT	Review of work undertaken for the implementation of General Data Protection Regulations.		Substantial
Fraud and Corruption	Financial Transactions Testing on Payroll and Accounts Payable.		Substantial
Information Governance	Review of work undertaken for the implementation of General Data Protection Regulations.		Substantial
Business Continuity and Contingency Planning	No audit work planned.	n/a	Substantial
Performance Management	Review of process for gathering performance data and reporting on performance		Substantial
Payroll	Financial Transaction Testing on Payroll.		Substantial
Partnership Working	Review of the arrangements in place for partnership working with Impeller and the Police.		Substantial
Project Management	Review of project management arrangements for a sample project.		Substantial