



Tyne and Wear Fire and Rescue Authority

Internal Audit Plan for 2020/21

1. Introduction

- 1.1 This document sets out the proposed Internal Audit Plan and key performance measures for 2020/21.

2. Development of the Plan

- 2.1 In developing the coverage of internal audit work it is appropriate to cover the key risk areas of the business over a period of years. The frequency and scope of the work is driven by an assessment of risk in consultation with the Chief Fire Officer and the Strategic Finance Manager. The Operational Plan sets out the work scheduled for the next financial year.
- 2.2 As specific areas of concern or irregularity may require investigation as and when they arise, a small contingency is made for this work.
- 2.3 Where individual audits cannot be undertaken as originally planned (e.g. service no longer provided), attempts will be made to replace the audit with a suitable replacement in consultation with the Strategic Finance Manager. Where these changes are agreed this shall be considered a variation to this plan for the purposes of performance reporting.
- 2.4 In addition, unforeseen work can arise due to new areas of service or increased risk which is appropriate to prompt internal audit work in the year. Therefore, in order to allow some flexibility, a small contingency is made to enable such work to be undertaken without adversely affecting the delivery of the planned audit work.
- 2.5 Time has also been allocated for the provision of advice and guidance.
- 2.6 Within the plan, provision has been made to carry out follow up work to monitor the implementation of previously agreed recommendations (except for those classed as low risk).

3. Planned Audit Work for 2020/21

- 3.1 The following audits are planned.
- 3.1.1 Human Resource Management (17 days, planned for quarter 1)
This audit will review the workforce planning lifecycle to ensure that the maximum level of operational capacity is available at all times.

- 3.1.2 Business Development/Income Generation (12 days, planned for quarter 1)
Audit work will examine the process followed following the liquidation of Impeller Assurance and Resilience Limited and the plans in place within the Service to generate income.
- 3.1.3 Procurement and Contract Management (10 days, planned for quarter 2)
The audit will review the arrangements in place for managing the contracts in place for PFI buildings.
- 3.1.4 Information Governance (5 days, planned for quarter 3)
The audit will review the results of the Service's Data Protection Officer's assurance work.
- 3.1.5 Fraud and Corruption (10 days, planned for quarter 3)
Audit work will involve testing of a sample of transactions relating to Payroll and Accounts Payable.
- 3.1.6 ICT (10 days, planned for quarter 4)
This audit will review the Service's arrangements for in house software development and the development lifecycle.
- 3.2 Each audit is linked to the appropriate key risk area(s) to identify the audit work that will inform the opinion in relation to each key risk area. Appendix 1 to this report shows all of the key risk areas and those audits that contribute towards the opinion on each area. It should be noted that some audits contribute towards the opinion of more than one key risk area and some key risk areas rely on a number of audits.
- 3.3 In addition to the above, audit work is also undertaken on the Lead Authority's key financial systems, which are used by the Fire and Rescue Authority. Systems planned to be audited include:
- Accounts Payable;
 - Accounts Receivable / Periodic Income;
 - Payroll.

4. Reporting Protocols

- 4.1 At the conclusion of each individual audit a draft report and, if necessary, a proposed action plan will be forwarded to the appropriate manager. Once agreement has been reached, a final report (including any agreed action plan) will be forwarded to the Chief Fire Officer. Where audits highlight issues, which need to be brought to the attention of the Strategic Finance Officer they will be raised as and when necessary.

- 4.2 The Chief Fire Officer and Governance Committee will be updated on progress against the audit plan approximately half way through the year.
- 4.3 An Annual Report will be prepared for the Governance Committee, in order to give assurance, or otherwise, to Members regarding the Authority's system of internal control.

5. Performance Management

- 5.1 All work undertaken will be in accordance with the internal audit service's policies and procedures, which are compliant with the Public Sector Internal Audit Standards, as confirmed in an independent review by the external auditor in December 2018.
- 5.2 The Key Performance Indicators which will be used to measure the performance of the service throughout the year are shown in Appendix 2.

6. Variations to Audit Plan

- 6.1 In order to allow some flexibility in the work Internal Audit undertaken, as stated earlier a contingency is made to enable unforeseen requests to be responded to without adversely affecting the delivery of the planned audit work. However, if the contingency has been exhausted an assessment will be carried out to determine whether requests for additional work should be undertaken, based on the impact upon the delivery of the plan and the risks associated with the work requested.