

# Buckinghamshire & Milton Keynes Fire Authority



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| <b>MEETING</b>                | Overview and Audit Committee   |
| <b>DATE OF MEETING</b>        | 11 March 2015  |
| <b>OFFICER</b>                | Maggie Gibb, Internal Audit Manager<br>David Sutherland, Acting Director of Finance & Assets   |
| <b>LEAD MEMBER</b>            | Councillor David Watson  |
| <b>SUBJECT OF THE REPORT</b>  | <b>Internal Audit Report: Update of progress of the Annual Audit Plan</b>  |
| <b>EXECUTIVE SUMMARY</b>      | <p>The purpose of this paper is to update members of the Overview and Audit Committee on the progress of the annual Internal Audit Plan since the last meeting.</p> <p>Work is progressing according to plan on 2014/15 audits with two at a final report stage and two at a draft report stage.</p> <p>Work is progressing on the remaining Q4 audits, with timings agreed with the senior management team.</p> <p>As requested by the Committee at a previous meeting, the status of implementation of recommendations is now detailed in a separate report.</p> |
| <b>ACTION</b>                 | Information.   |
| <b>RECOMMENDATIONS</b>        | That members note the progress on the Annual Internal Audit Plan.  |
| <b>RISK MANAGEMENT</b>        | There are no risk implications arising from this report.   |
| <b>FINANCIAL IMPLICATIONS</b> | The audit work is contained within the 2014-15 budget.   |
| <b>LEGAL IMPLICATIONS</b>     | There are no legal implications arising from this report.  |
| <b>HEALTH AND SAFETY</b>      | There are no health and safety implications arising from this report.  |
| <b>EQUALITY AND DIVERSITY</b> | There are no equality and diversity implications arising from this report.   |
| <b>USE OF RESOURCES</b>       | <b>Communication and progress monitoring</b><br>All audits, follow up reports and further updates will be  |

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|   | submitted to this committee.   |
| <b>PROVENANCE SECTION<br/>&amp;<br/>BACKGROUND PAPERS</b> | Internal Audit Plan 2014/15<br>Internal Audit reports taken to Overview and Audit Committee            |
| <b>APPENDICES</b>   | Annex A: Progress against the 2014/15 annual Audit Plan, including timings of the planned work         |
| <b>TIME REQUIRED</b>                                      | 5 minutes.   |
| <b>REPORT ORIGINATOR<br/>AND CONTACT</b>                  | Maggie Gibb – Internal Audit Manager<br><a href="mailto:mgibb@buckscc.gov.uk">mgibb@buckscc.gov.uk</a> |

**ANNEX A:****Progress against the annual Audit Plan with a schedule of proposed work still to be undertaken**

| <b>Auditable Area</b>   | <b>Key Audit Objectives</b>  | <b>Day Budget (Timing)</b> | <b>Status</b>   | <b>O&amp;A Report Date</b> |
|-------------------------|--|----------------------------|---|----------------------------|
| Core Financial Controls | To fulfil our statutory responsibilities, we will undertake work to provide assurance over key controls within the financial governance framework. Key systems that will be tested include: <ul style="list-style-type: none"> <li>o Budget Setting/Monitoring</li> <li>o Procure to Pay</li> <li>o Payroll &amp; Pensions</li> <li>o Debtors</li> <li>o Capital</li> <li>o Financial Regulations</li> <li>o General Ledger</li> <li>o Reconciliations</li> <li>o Treasury Management</li> <li>o Asset Management</li> </ul> This review will include a follow up of the 2014/15 audit report. | 30 days (Q4)               | Draft Report<br><br>Overall opinion: <b>SUBSTANTIAL</b> | June 2015                  |
| Risk Management         | To ensure that the Fire Authority has in place a robust risk management system and that the approach to corporate risk management is co-ordinated to enable effective identification, mitigation and monitoring of key risks.  | 5 days (Q1)                | Final Report<br><br>Overall opinion: <b>SUBSTANTIAL</b> | December 2014              |
| Control Centre          | This audit will review the project for the Control Centre operation, in partnership with Thames Valley. The audit will be conducted throughout the year, giving assurance at various stages as the project progresses.   | 5 days (Q3)                | Planning (delayed to Q4)                                | June 2015                  |
| ICT Strategy            | Internal Audit will continue to review the implementation of the ICT Strategy to provide independent assurance over the controls put in place by Senior Management. This audit will cover Data Quality and Information Governance. This will include a follow up of the 2013/14 audit.   | 10 days (Q2)               | Fieldwork in progress                                   | June 2015                  |
| Corporate Governance    | To provide assurance over the Authority's governance framework and to ensure that controls are operating effectively in practice and in accordance with the CIPFA SOLACE guide. This audit will include a brief review of the revised Partnership Framework.   | 10 days (Q1)               | Final Report<br><br>Overall opinion: <b>REASONABLE</b>  | March 2015                 |
| HR People Management    | This audit will focus on the systems of control in place within the HR service over managing staff. This will include an analysis of costs and employee numbers to identify efficiencies.  | 5 days (Q2)                | Fieldwork in progress                                   | June 2015                  |

Internal Audit Report: Update of progress of the Annual Audit Plan

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| Accommodation and Housing Allowances | This audit will focus on the controls in place for the payment and allocation of housing and accommodation allowances.   | 5 days (Q3)     | Draft Report<br>Overall opinion: <b>REASONABLE</b> | June 2015 |
| Contingency                          | A contingency has been included within the audit plan to provide flexibility and in recognition of an expected but as yet unspecified need. If the days remain as at the beginning of Q4 then they will be used to review some key Governance areas such as Project Management and Contract Management, with the agreement of the Director of Finance and Assets.<br><br>5 days of contingency allocated to Corporate Governance audit to cover wider scope.             | 10 days         |  |           |
| <b>Follow Up</b>                     |  |                 |  |           |
| Follow Up - general                  | To ensure all 2012/13 and 2013/14 medium and high recommendations of significant nature are implemented, in addition to recommendations still outstanding from previous years.   | 10 days         | Follow Up  | Various   |
| <b>Audit Management</b>              |  |                 |  |           |
| Corporate Work                       | A proportion of the total audit resource is made available for 'corporate work'. Corporate work is non-audit specific activity which still 'adds value' or fulfils our statutory duties. Examples of this type of work include attendance and reporting to Management and Committee, and audit strategy and planning work. This also includes developing the Audit Plan, writing the Annual Report and undertaking the annual Review of Effectiveness of Internal Audit. | 10 days         | N/a  | N/a       |
| <b>Total</b>                         |  | <b>100 days</b> |  |           |