

Internal Audit Plan from 2023/24

Report of the Treasurer

For further information about this report please contact James Walton, Treasurer, on 01743 258915 or Joanne Coadey, Head of Finance on 01743 260215.

1 Executive Summary

This report informs the Committee of the proposed internal audit plan for 2023/24.

2 Recommendations

The Committee is asked to approve the audit plan proposed for 2023/24.

3 Background

The Treasurer is legally required to maintain sound and proper financial management on behalf of the Fire Authority. This includes a responsibility for maintaining internal audit.

Provision of an Internal Audit Annual Plan satisfies both the Public Sector Internal Audit Standards (PSIAS) and the Accounts and Audit Regulations 2015, part 2 which sets out the requirements on all relevant authorities in relation to internal control, including requirements in respect of accounting records, internal audit and review of the system of internal control.

Specifically:

‘A relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.’

4 Provision of Internal Audit Services

The provision of internal audit services for the Fire Authority was transferred to Worcester Internal Audit Shared Service (WIASS) on 1 April 2022. The Authority entered into a one-year contract with WIASS, in order to assess the approach and outcomes of the shared service.

The initial year's plan was put together by WIASS following a review of the Service's governance and risk arrangements. Regular meetings have been held with Andy Bromage and Helen Tiffney to monitor completion of the first year's audits and it is pleasing to report that both parties have found the experience positive.

An annual report on internal audit will be brought by WIASS to the Committee in July.

5 Internal Audit Plan 2023/24

Following a successful first year, the Authority will enter into a further 1-year contract with WIASS for internal audit services. The Authority will then commence discussions with WIASS about entering the Shared Services arrangement as a partner, and work collaboratively and efficiently with others in the region, including our Alliance partners, Hereford & Worcester.

The proposed plan for 2023/24 is appended to the report and has been discussed with the Service's senior managers, to ensure that audit days are used in areas that cover potential risks and add value.

6 Financial Implications

Costs for the internal audit provision are already included within the revenue budget.

7 Legal Comment

Under the Accounts and Audit Regulations 2015, there are legal obligations on the Treasurer to maintain sound and proper financial management on behalf of the Authority. This report provides compliance with that obligation by putting in place arrangements for an effective internal audit arrangement.

8 Equality Impact Assessment

There are no equality or diversity implications arising from this report. An e-EQIA is not, therefore, required.

9 Appendix

There are no appendices attached to this report.

10 Background Papers

There are no background papers associated with this report.



Shropshire & Wrekin Fire and Rescue Authority Outline Plan 2023/24

Approach:

- Risk based
 - Key documents used e.g. CRMP, annual plan, Audit Committee papers, risk registers.
- Consideration of the 3 lines of defence
- More emphasis on the 2nd line of defence i.e. Service level governance
- Extend coverage in Yr 2 based on risk
- Follow up budget included to seek confirmation of action from Yr1 reviews
- There is a minimal contingency/consultancy budget included
- Total days are slightly above the discussion threshold so not to compromise coverage
- Outline Draft Plan below for discussion

2023/24 Suggested scoping:

Leave Risk Management as well embedded place this on a two/ three year cycle.

Core Financials - No point in undertaking a debtor's review. Light touch against Cr's and Main ledger. Overall risk is low.

Payroll - 2023/24 gave an assurance on top level controls but further drill down required.

2023/24

- **Payroll** - Suggest looking at controls undertaken within Finance on On-call pay variances (Turnout, attendance, disturbance etc.) This is well controlled at the moment and will always need some intervention

but at some point will need to accept some risk. Suggest looking at where they are on this and if SWFRS have reached a tolerable level. When will it become over controlled? Reporting -is this robust enough?

OSP/SSP/SMP - sickness reporting process as this has led to some over/underpayments.

Look at all over/underpayments to see if controls outside of payroll/finance can aid with reducing this.

Ground level testing on expense/overtime claims

- **Business Continuity** in light of potential Cyber Attacks/black outs etc, Fire Control is one of the major risks along with all the ICT on the engines that give details to help aid the safety of the crew. Can the Authority survive without ICT for a prolonged time? Are plans in place that will address this?
- **Procurement & projects** – Contract and project Management – Is the Authority effectively managing its contracts? What risks are faced with increasing costs, etc, regarding projects? Are SWFRS over-extending themselves when it comes to projects and what contingency is there if costs start to run away?
- **Stores** – stock in, stock out control. Robust controls in place across the service regarding supply chains? Are inventory and controls sufficient?
- **Fleet maintenance** – process and controls in place to ensure planned and reactive maintenance is managed?
- **Community engagement and safety** - Smoke alarm visits, advice, community talks, etc, all back on track?

**SHROPSHIRE & WREKIN FIRE & RESCUE AUTHORITY
DRAFT INTERNAL AUDIT PLAN FOR 2023/24**

Audit Area	Source	Planned days 2023/24		Service	Comment/ Potential Outline Scoping	Strategy link	Indicative Quarter
Accountancy & Finance Systems							
Main Ledger (inc Budgetary Control & Bank Rec)	Fundamental to S&WFRS CRMP delivery	1		Finance	Reconciliation undertaken and up to date	Annual Plan	Q3
Creditors (a/c's payable)	Fundamental to S&WFRS CRMP delivery	4		Finance	Light Touch	Annual Plan	Q3
Payroll & Pensions	Fundamental to S&WFRS CRMP delivery	8		Service Support	Focused audit e.g. SSP, SMP, OSP over and under payments	Annual Plan	Q3
SUB TOTAL		13					
Corporate Governance							
Business Continuity	Fundamental to S&WFRS CRMP delivery	7		Service Support	Business delivery without ICT systems?	Annual Plan	Q2
Community Engagement and Safety	Fundamental to S&WFRS CRMP delivery	6		Service Support	Process of capture, raw data credibility, reporting accuracy, management use	Annual Plan	Q1
SUB TOTAL		13					

Audit Area	Source	Planned days 2023/24		Service	Comment/ Potential Outline Scoping	Strategy link	Indicative Quarter
System / Management Arrangements							
Procurement & Projects	Fundamental to S&WFRS CRMP delivery	8		Service Support	Management including contract management	Annual Plan	Q2
Fleet Maintenance	Fundamental to S&WFRS CRMP delivery	7		Service Support	Logging, planned and reactive	Annual Plan	Q1
Stores	Fundamental to S&WFRS CRMP delivery	7		Service Support	Stock Control and process	Annual Plan	Q4
SUB TOTAL		22					
Support							
Follow up Reviews	Good governance	1					Q1-Q4
Advice, Guidance, Consultation, Contingency.	Support	1					
Audit Cttee support, annual planning and management liaison	Support	5					Q1-Q4
SUB TOTAL		7					
TOTAL CHARGEABLE		55					