

REPORT REFERENCE NO.	APRC/17/1
MEETING	AUDIT & PERFORMANCE REVIEW COMMITTEE
DATE OF MEETING	18 JANUARY 2017
SUBJECT OF REPORT	AUDIT & REVIEW 2016-17 PROGRESS REPORT
LEAD OFFICER	Audit and Review Manager
RECOMMENDATIONS	<i>That the report be noted.</i>
EXECUTIVE SUMMARY	<p>This report sets out progress to date against the approved 2016-17 Internal Audit Plan.</p> <p>Internal Audit activities across the Service are managed through a shared service agreement that sees the Audit & Review Team and the Devon Audit Partnership (DAP) work together to deliver the Internal Audit Plan.</p> <p>The report also provides the results from the Service's self-assessment and the assurance statements for the audits completed since the last meeting of the Committee in September 2016.</p>
RESOURCE IMPLICATIONS	Nil.
EQUALITY RISKS AND BENEFITS ASSESSMENT (ERBA)	Not applicable.
APPENDICES	None
LIST OF BACKGROUND PAPERS	<p>Audit & Review 2016-17 Plan</p> <p>Audit & Review Service Policy</p>

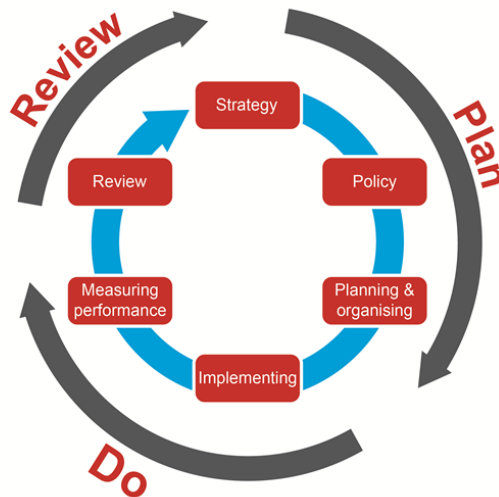
1. **INTRODUCTION**

- 1.1 The 2016/17 Internal Audit Plan was approved by the Audit & Performance Review Committee at its meeting held on the 11 April 2016. The Plan sets out the combined scope of internal audit work to be completed by the Audit & Review Team and the Devon Audit Partnership.
- 1.2 The Audit & Review Team and the Devon Audit Partnership are accountable for the delivery of the Plan and the policy includes the requirement to report progress to this Committee at least three times per year.
- 1.3 This report provides the results from the Service's self-assessment and the assurance statements for the audits completed since the last meeting of the Committee in September 2016.

2. **PROGRESS AGAINST THE 2016-17 PLAN**

Control Self-Assessment Framework

- 2.1 The majority of the 2016-17 Internal Audit Plan has been assigned to the development and roll out of an organisational Control Self-Assessment Framework.
- 2.2 The Audit & Review Team is pleased to report that the Organisational Control Self-Assessment Framework and supporting self-assessment tool have now been designed and rolled out.
- 2.3 The framework has been aligned to the principals of the EFQM Excellence Model, the HSG65 model and importantly the organisations own Plan, Do, Review Model. The framework has been designed to support managers embed a consistent control framework within their service area.



- 2.4 A meeting has been held with the Authority's External Auditors, Grant Thornton, in November 2016 to review the self-assessment framework and Internal Audit strategy.

DSFRS Organisational Control Self-Assessment Results

- 2.5 The Control Self-Assessment has been completed with Senior Managers from across the organisation. The Organisational Assurance Team held facilitated workshops to enable managers to self-assess against a series of control questions and/or statements.

- 2.6 The results have been analysed by sub section, allowing each of the 20 sub sections to be ranked according to their overall assurance score and presented in a Service Management Assurance Dashboard.
- 2.7 The results from the self-assessment have been collated into an action plan that has fed into the corporate planning process. Agreed management actions will be monitored through the Service's Assurance tracking process alongside the outcomes of External Audits, Internal Audits, EFQM assessments and Peer Reviews.
- 2.8 The results from the self-assessment will also be used to inform the strategic and annual Internal Audit planning process.

Key Financial Audit Work

- 2.9 The Devon Audit Partnership (DAP) leads on the key financial audit work. The following progress has been made against the 2016-17 Internal Audit Plan:

Audit Area	Progress/Assurance
Budgetary Management	Final Report issued – High Standard The risks associated with the budgetary control systems and processes of the Fire Service were found to be well controlled. The budget holders are responsible for the budget setting and subsequent monitoring with challenge and support being provided by the Executive Board and the Finance Team.
Payroll	Scheduled for completion in Quarter 4
Pensions	Scheduled for completion in Quarter 4

ICT Audit Work (carried forward from 2015-16)

- 2.10 DAP lead on the ICT audit work. The following audit was carried forward from the 2015-16 Internal Audit Plan:

Audit Area	Progress / Assurance
2015-16 Business Continuity Management	Final Report issued – Improvements Required A generally sound framework was found to be in place. However, some key improvements were found to be required in relation to the annual maintenance cycle, the configuration of the Service's SharePoint platform and the level of engagement by and with the ICT Department. Firstly, the business continuity plans of all departments should be updated. This will enable a prioritised recovery schedule for all systems to be discussed and agreed with the Service's ICT Department.

Audit Area	Progress / Assurance
	Once the above action has been implemented, the ICT Department should complete its business continuity plan to bring it into line with the rest of the Service.

2.11 All agreed actions are captured and monitored through the assurance tracking process.

3. **AUDIT & REVIEW RECOMMENDATIONS**

3.1 The Audit & Review Team has designed and rolled out an Assurance Tracking system for managing all recommendations and agreed actions coming out of key assurance activities. The system tracks recommendations at the following assurance levels:

- External Audit
- Annual Statement of Assurance
- Internal Audit (Audit & Review and Devon Audit Partnership)
- Operational Assurance

3.2 The Assurance Tracker has been made available to all employees through the Service Information Point (SIP).

3.3 On a monthly basis all outstanding High and High / Medium recommendations are reported to the Service Leadership Team (SLT) for review.

3.4 A quarterly update procedure has been embedded that sees the export and distribution of outstanding recommendations to service managers to provide an update. This has been aligned to the Corporate Planning process to ensure outstanding recommendations are reviewed alongside departmental plans.

3.5 As at December 2016, the Assurance Tracker has 25 open 'High' or 'High / Medium' Internal Audit recommendations, including the actions recorded on the Annual Statement of Assurance.

4. **CONCLUSION & RECOMMENDATIONS**

4.1 Based on the work completed to date in 2016/17 and knowledge from previous years, the systems in operation within Devon & Somerset Fire & Rescue Service continue to demonstrate a good level of internal control.

4.2 Both the Audit & Review Team and the Devon Audit Partnership would wish to use this report to thank all staff who have worked with them in delivering the audit programme and the willingness to positively engage in the audit process.

4.3 The progress made against the agreed Audit Plan will be reported back to this Committee at regular intervals.

PAUL HODGSON
Audit & Review Manager