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| REPORT REFERENCE NO. | APRC/21/3 |
| MEETING | AUDIT & PERFORMANCE REVIEW COMMITTEE |
| DATE OF MEETING | 5 MARCH 2021 |
| SUBJECT OF REPORT | 2021-22 DRAFT INTERNAL AUDIT PLAN |
| LEAD OFFICER | DIRECTOR OF GOVERNANCE AND DIGITAL SERVICES |
| RECOMMENDATIONS | <i>That the 2021-22 Draft Internal Audit Plan be approved.</i> |
| EXECUTIVE SUMMARY | <p>The aim of Internal Audit is to provide independent and objective assurance that the Service's risk management, governance and internal control processes are operating effectively.</p> <p>The planned programme of work to achieve this aim is set out in the annual Internal Audit Plan.</p> <p>The draft 2021-22 Internal Audit Plan is now presented to the Audit & Performance Review Committee for approval.</p> <p>The report sets out that an additional 50 days of Devon Audit Partnership (DAP) resource would be used to deliver the Audit Plan. The proposed areas of audit for DAP either require expertise that is not available internally or ensure maintenance of auditor independence and objectivity for the area subject to audit.</p> |
| RESOURCE IMPLICATIONS | The additional 50 days DAP resource can be met from within the 2021-22 planned budget. |
| EQUALITY RISKS AND BENEFITS ASSESSMENT | The contents of this report are considered compatible with existing human rights and equalities legislation. |
| APPENDICES | Nil. |
| BACKGROUND PAPERS | Nil. |

1. **INTRODUCTION**

- 1.1. The aim of Internal Audit is to provide independent and objective assurance that the Service's risk management, governance and internal control processes are operating effectively.
- 1.2. The planned programme of work to achieve this aim is set out in the annual Internal Audit Plan.
- 1.3. The 2021-22 Internal Audit Plan is presented to the Audit & Performance Review Committee (APRC) for approval.

2. **2021-22 INTERNAL AUDIT PLAN**

- 2.1 The work to develop the 2021-22 Internal Audit plan has been undertaken by the Audit and Review Manager with reference to the key strategic documents of the Service, the Corporate Risk Register and discussion with Heads of Departments and the Service Executive Board.
- 2.2 The outcome of this review proposes the inclusion of the following audits in the 2021-22 Internal Audit plan:

Internal resource: Internal Audit and Review Manager

| Audit | Rationale | Number of Days |
|-----------------------------------|---|-----------------------|
| Community Safety: Fire Prevention | The Authority has a statutory responsibility under the Fire and Rescue Services Act 2004 to give fire safety advice and needs assurance that it is prioritising its prevention work to prevent fires and other emergencies from occurring. | 20 |
| Light Support Fleet | The light support fleet is not managed centrally and is an area of high expenditure. The Service needs to ensure that processes are effective and efficient in order to demonstrate value for money in the use of this fleet and ensure that the impact of changes to ways of working in response to Covid-19 is considered going forwards. | 25 |
| Station compliance | If the Service does not have adequate controls in place then there is a risk that some stations may not be complying with statutory requirements, for example with regard to legionella, gas and electrical safety testing and management of asbestos. | 20 |
| Fleet Management | Availability of vehicles/appliances that are fit for purpose forms part of risk CR056 on the corporate risk register. Further to previous audit work in this area and implementation of the fleet strategy, assurance needs to be provided that improvements are being embedded. | 20 |

| Audit | Rationale | Number of Days |
|--|--|-----------------------|
| Working with Children and Young People | Errors in this area could damage the reputation of the Service and could potentially breach the Service's legal obligations with regard to safeguarding. By reviewing the security checks that are currently undertaken, assurance can be provided that the Service is ensuring the safety of its people and the community that it serves. | 20 |
| Training: Fitness Testing | Her Majesty's Inspectorate of Constabularies and Fire and Rescue Services (HMICFRS) reported a Cause for Concern that the Service 'cannot assure itself that operational members of staff meet the minimum fitness requirements to perform their role.' Whilst Service progress in this area is currently subject to re-inspection by HMICFRS, it will be important to provide assurance that equality impacts have been considered and reflected within Service policy and that process changes have been embedded. | 10 |
| TOTAL DAYS | | 115 |

2.4 Standard internal resource is 200 days for one full time post holder minus the time required to complete the Annual Statement of Assurance, routine reporting, annual Audit Planning, managing the outsourced contract with Devon Audit Partnership (DAP) and managing the follow up of audit actions via the Assurance Tracker.

2.5 Outsourced resource: Devon Audit Partnership (DAP)

| Audit | Rationale | Number of Days |
|--------------------------------------|---|-----------------------|
| Key Financial Systems (inc. Payroll) | This is a fixed part of the audit plan which is presented to the External Auditor on an annual basis. | 32 |
| Risk Management | HMICFRS expressed concerns over some aspects of the risk management process. This audit will provide assurance on how well the Service's revised risk management framework has embedded. | 15 |
| Use of Data | Wherever possible the Service's work should be data driven to determine how activity is prioritised to ensure that services are provided effectively and efficiently. This data should be readily available, accurate and up to date. | 25 |

| Audit | Rationale | Number of Days |
|--|---|-----------------------|
| Information Security - Availability of systems | Information security is the foundation for high-scoring items on the Corporate Risk Register (CR037 & CR044). This is an area of increasing risk to all organisations, and with rapid increases in remote working and reliance on ICT, good security practices are essential. | 20 |
| Application of learning (including HMI and Grenfell) | There are risks associated to both not applying learning, and not being able to evidence that learning has been applied. Failure to apply learning can risk the safety of employees and the public, as well as risk non-compliance with updated regulations. | 25 |
| TOTAL DAYS | | 117 |

2.6 In previous years approval has been given for 67 days per annum of DAP audit resource. The additional 50 days at a day rate of £272.70 would incur an additional cost of £13,635. The proposed areas of audit for DAP either require expertise that is not available internally or ensure maintenance of auditor independence and objectivity for the area subject to audit. This additional cost can be contained within existing budget provision.

2.7 If resource allows, or work is re-prioritised for other reasons during the year, then it is proposed that a 20 day audit of Operational Training is also undertaken. This would focus on an efficiency audit of Academy processes or a review of the training for competence model.

NEXT STEPS

3.1. The Corporate Assurance Manager will work to ensure that the agreed internal audit plan is resourced and delivery is planned and scheduled in accordance with risk levels and the operational exigencies of the Service.

MIKE PEARSON

Director of Governance & Digital Services