



Buckinghamshire & Milton Keynes Fire Authority

Meeting and date: Overview and Audit Committee, 10 November 2021

Report title: Internal Audit Report – Update on the 2021/22 Annual Audit Plan

Lead Member: Councillor David Carroll

Report sponsor: Mark Hemming – Director of Finance and Assets

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Action: Noting

Recommendations: That Members note the progress on the Annual Internal Audit Plan

Executive summary: The purpose of this paper is to update Members on the progress of the annual Internal Audit Plan since the last meeting.

Work has progressed according to the 2021/22 plan, and regular discussions have been held with the Director of Finance and Assets to monitor progress.

The fieldwork for the HR People Management Audit has been completed and the quality assurance review is being undertaken before the draft report is issued.

The Blue Light Hub – Post Project Evaluation audit is currently in progress

Terms of references for the Programme Management Audit have been agreed and fieldwork will commence in October/ November.

The Core Financial Controls, Procurement, Asset Management System - Process Mapping and HR/Payroll – Process mapping audits currently at the planning stage.

The final reports will be presented to Members at the next Overview and Audit Committee meeting.

Financial implications: The audit work is contained within the 2021/22 budget.

Risk management: There are no risk implications arising from this report.

Legal implications: There are no legal implications arising from this report.

Privacy and security implications: There are no privacy and security implications arising from this report.

Duty to collaborate: Not applicable.

Health and safety implications: There are no health and safety implications arising from this report.

Environmental implications: There are no environmental implications arising from this report.

Equality, diversity, and inclusion implications: There are no equality and diversity implications arising from this report.

Consultation and communication: Not applicable.

Background papers:

Appendix	Title	Protective Marking
A	Progress against the 2021/22 Internal Audit Plan	Not applicable

Appendix A – Internal Audit Plan 2021/22

Auditable Area	Key Audit Objectives	No. Days Budget	Comments
Core Financial Controls	<p>To fulfil our statutory responsibilities, we will undertake work to provide assurance over key controls within the financial governance framework, which consists of the following key systems; Financial Control/ Monitoring, Procure to Pay, Payroll, Debtors, Capital, Financial Regulations, General Ledger, Reconciliations and Treasury Management. The assurance opinion for the Core Financials Controls audit has been Substantial for more than five years. Therefore, to ensure that our work continues to add value and focus on key risk areas, we will be taking the following approach in our evaluation of the key systems:</p> <ul style="list-style-type: none"> • An assessment of the controls in place for each key system will be undertaken through walkthroughs. These walkthroughs will give assurance that controls are still operating as expected and, where exceptions are identified from the walkthrough, substantive testing will be undertaken. • Using IDEA (data analytics software) we will perform tests of all data in the high-volume activities (i.e. journals, invoice payments, payroll) to identify duplicates or anomalies that may need further investigation. • All audit findings from the 20/21 review will be followed up to ensure that actions have been fully implemented. 	10 days	Planning in-progress fieldwork scheduled for January.
HR/Payroll – Process Mapping	Due to the process weaknesses in HR/Payroll identified in the 20/21 Core Financial Controls audit, end-to-end process mapping will be undertaken in this area, followed by substantive testing of the key payroll controls to ensure that control weaknesses have been addressed.	20 days	Planning in-progress fieldwork scheduled for January.
HR People Management	<p>The audit evaluated the following areas:</p> <ul style="list-style-type: none"> - Policies and Procedures - System Access, Data Security and Information Integrity - Starters, Leavers and Movers - Recruitment Management - Compliance - Performance and Monitoring 	10 days	Reporting stage
Asset Management System – Process Mapping	An end-to-end process map of the system will be developed that will clarify key controls and the interdependencies of the process with other teams. This exercise is being undertaken to help address some of the key issues that were identified in the 20/21 Asset Management System audit.	10 days	Planning in-progress fieldwork scheduled for November/ December.
Procurement	The objective of this audit is to provide assurance that there are adequate and effective controls in place for the procurement of goods of services. This review will include ensuring compliance with standing orders and legislative requirements	10 days	Planning stage – Q3/4
Programme Management	The objective of this audit is to provide assurance that there are adequate arrangements in place that ensure achievement of the programme goals, effective management and reporting of the progress and risks for all programmes being delivered across the Authority.	10 days	Scope agreed, audit will commence in October.
Blue Light Hub – Post Project Evaluation	<p>The audit evaluated the following areas:</p> <ul style="list-style-type: none"> - Governance Framework - Implementation Strategy and Project Delivery - Monitoring Arrangements - End of contract agreements - Lessons Learned 	10 days	Fieldwork in-progress
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.	10 days	N/A
Follow-Up General	To ensure all outstanding medium and high recommendations raised in previous audits are implemented.	10 days	On-going
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
Total		110 days	