



Buckinghamshire & Milton Keynes Fire Authority

Meeting and date: Overview and Audit Committee - 9 November 2022

Report title: Internal Audit Report – Update on the 2022/23 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 approved 2022/23 plan, and regular discussions have been held with the Director of Finance and Assets to monitor progress.

The fieldwork for the HR/ Payroll Process Mapping review has been completed and the quality assurance review is being undertaken before the draft report is issued.

The Pensions Administration audit fieldwork has been completed and the quality assurance review is being undertaken before the draft report is issued.

Terms of references for the Business Continuity and Risk Management audit are currently being drafted, and fieldwork will commence in November.

The Inspection and Operational Plan Assurance review is scheduled for December.

The Core Financial Controls audit will be undertaken in quarter four.

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 2022/23 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 2022/23 Internal Audit Plan	Not applicable

Appendix A – Internal Audit Plan 2022/23

Auditable Area	Key Audit Objectives	Days Budget (Timing)	Risk Assessed	Status Update
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:</p> <ul style="list-style-type: none"> • Financial Control/Monitoring • Procure to Pay • Debtors • Capital • Financial Regulations • General Ledger • Reconciliations • Treasury Management <p>All audit findings from the 21/22 review will be followed-up to ensure that actions have been fully implemented.</p>	30 days	High	Audit scheduled for Quarter 4.
HR/Payroll – Process Mapping	<p>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. This audit was planned for FY21/22 however, was deferred due to new staff being recruited into the Payroll Team during the year. Work is planned for Q1 as the new officers will have settled into their roles.</p>	15 days	High	Fieldwork complete, quality assurance review in progress.
Business Continuity and Risk Management	<p>The Authority's objective for the system is to ensure that the Fire and Rescue Service have plans in place to manage incidents and emergencies that may have an adverse effect on service delivery. The scope will cover the Business Continuity Policy, guidance and risk management processes and IT Disaster Recovery planning to ensure the Service also has associated continuity plans covering critical areas. The audit will involve discussion with the officers and staff who are responsible for the management of the risk controls as well as compliance testing to identify whether the controls in place to minimise the risks are operating effectively.</p>	15 days	High	Audit being scoped, fieldwork commencing in November.
Pensions Administration	<p>The main objective of the Pension function is to ensure that the correct employer and employee contributions are received; retirees are paid the right amount at the right time, and the pension fund is managed effectively and in line with legislative requirements.</p>	10 days	High	Fieldwork complete, quality assurance review in progress
Inspection and Operational Improvement Plan Assurance	<p>To provide assurance on the improvement plan and ensure that agreed actions are being implemented and agreed timescales are achievable.</p>	10 days	High	Audit being scoped, fieldwork planned for December.
Contingency	<p>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.</p>	10 days	N/A	
Follow-Up General	<p>To ensure all outstanding medium and high recommendations raised in previous audits are implemented.</p>	10 days	Various	
Corporate Work	<p>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.</p>	10 days	N/A	
Total		110 days		