North Yorkshire Police, Fire and Crime Commissioner
Fire and Rescue Service

Internal Audit Progress Report 2019/20

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Head of Internal Audit: Max Thomas

Date: 17 March 2020

Background

1   The work of internal audit is governed by the Accounts and Audit Regulations 2015 and the Public Sector Internal Audit Standards (PSIAS). In accordance with the PSIAS, the Head of Internal Audit is required to report progress against the internal audit plan and to identify any emerging issues which need to be brought to the attention of the Audit Committee.

2   The Audit Committee approved the 2019/20 Internal Audit plan on 21 May 2019. This report summarises the progress made to date in delivering that agreed programme of work.

Internal Audit work completed

3   Since the last Committee in November 2019 we have completed two internal audit reports on Revenue and Capital Budgeting and Purchase Orders to final report stage. One draft report on the Tranman Supplies and Stores system has also been issued.

4   Further information on the audit work completed is included in **Appendix A.** Separate to this report are full copies of the final reports issued since the last committee.

Audit Opinions

5   For most reports we provide an overall opinion on the framework of governance, risk management and control under review. The opinion is based on an assessment of the risks associated with any weaknesses in controls identified. We also apply a priority to all actions agreed with management. Details of the definitions used are included in **Appendix B**.

Follow up of previous audit findings

6   It is important that agreed actions are regularly and formally followed up. This helps to provide assurance to management and members that control weaknesses have been properly addressed. We follow up agreed actions either as part of our ongoing audit work, or by separate review, after the agreed deadlines for actions have passed.

7   Overall there are no significant issues we need to report to the Committee.

Changes to the Internal Audit plan

8   At the last committee we explained we had agreed with management an additional audit covering the Mobile Data Terminal Replacement Project. Work on this audit is ongoing and we expect it to be finished and a report issued in draft in March 2020. We have agreed an additional 10 days to the plan for this work. The total planned number of audit days for 2019/20 is now 75 days.

Stuart Cutts,
Assistant Director – Audit Assurance
The Veritau Group

17 March 2020

Table of audit assignments

Audit	Status	Assurance Level	Audit Committee
<u>Financial Systems audits</u>			
Revenue and Capital Budgeting	**Final Report**	**Reasonable Assurance**	**March 2020**
Purchase Orders	**Final Report**	**Substantial Assurance**	March 2020
<u>Governance and Regularity audits</u>			
Tranman system (Supplies and Stores)	**Draft Report**	-	-
Discipline and Grievance	**Final Report**	**Substantial Assurance**	**November 2019**
Procurement	In Progress	-	-
<u>Additional work</u>			
Mobile Data Terminal Replacement Project	In Progress	-	-
<u>Information Governance</u>			
Data Protection Officer – compliance checks	-	-	-
Follow up	Ongoing		

Audit Opinions and Priorities for Actions

Audit Opinions	
Audit work is based on sampling transactions to test the operation of systems. It cannot guarantee the elimination of fraud or error. Our opinion is based on the risks we identify at the time of the audit.	
Our overall audit opinion is based on 5 grades of opinion, as set out below.	
Opinion	**Assessment of internal control**
High Assurance	Overall, very good management of risk. An effective control environment appears to be in operation.
Substantial Assurance	Overall, good management of risk with few weaknesses identified. An effective control environment is in operation but there is scope for further improvement in the areas identified.
Reasonable Assurance	Overall, satisfactory management of risk with a number of weaknesses identified. An acceptable control environment is in operation but there are a number of improvements that could be made.
Limited Assurance	Overall, poor management of risk with significant control weaknesses in key areas and major improvements required before an effective control environment will be in operation.
No Assurance	Overall, there is a fundamental failure in control and risks are not being effectively managed. A number of key areas require substantial improvement to protect the system from error and abuse.

Priorities for Actions	
Priority 1	A fundamental system weakness, which presents unacceptable risk to the system objectives and requires urgent attention by management
Priority 2	A significant system weakness, whose impact or frequency presents risks to the system objectives, which needs to be addressed by management.
Priority 3	The system objectives are not exposed to significant risk, but the issue merits attention by management.