Staffordshire Commissioner Fire and Rescue Authority
2019/20 INTERNAL AUDIT PLAN

27th March 2019
Report to the Ethics, Transparency and Audit Panel

Our Mission
To enhance and protect organisational value by providing risk-based and objective assurance, advice and insight.

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1.   Introduction

This report summarises the proposed work of Internal Audit for 2019/20. The aim is to give an overview of areas to be covered during the year and to provide an opportunity to comment on the proposed coverage.

The audit plan has been developed to allow sufficient flexibility to respond to change which will happen during the year. Whilst every effort is made to deliver the plan as shown, there will always be the need to respond to emerging risks and changing circumstances. The plan is therefore a statement of intent – our liaison meetings with senior management will ensure that it is reviewed regularly. Any major revisions are reported to future meetings of the Ethics, Transparency & Audit Panel (ETAP).

Internal Audit is a statutory service required by the Accounts and Audit Regulations 2015. It is also a key source of independent assurance for management, designed to add value and improve how the Fire Service operates. The results of our work feed into the Service's Annual Governance Statement.

The work is performed in conformance with the UK Public Sector Internal Audit Standards (PSIAS). These require that the scope of Internal Audit covers the whole range of the Authority's activities, seeking to provide an annual internal audit opinion on the governance, risk and internal control environment of the Fire Service, which has been established to:

- Achieve strategic objectives.
- Ensure effective and efficient operational systems and programmes.
- Safeguard assets and interests of all kinds.
- Ensure the reliability and integrity of financial and operational information.
- Ensure economic, efficient and effective use of resources.
- Ensure compliance with established policies, procedures, laws, regulations and contracts.

2.   Our Internal Audit Strategy

Our Internal Audit Strategy has been developed to take into account management's assessment of risk. This is obtained from the contents of the Strategic Risk Register, External Audit considerations, other internal assurance providers (i.e. Health & Safety and Information Governance) and conversations with the Director of Finance, Assets and Resources and the Financial Services Manager to discuss potential changes/areas of concern, including consideration of fraud risks within their area of control.

Risk Assessment Process

We use our own risk assessment against each activity assessing their materiality, sensitivity, significance and stability – ranking each area as high, medium or low risk. This allows each possible area to be prioritised based on risk, which then determines whether or not it will be included in the audit plan. A copy of the risk assessment methodology is included in Appendix 1.

The plan has been constructed to ensure that it delivers against the PSIAS and the requirement to produce an annual Head of Internal Audit opinion.

The annual risk-based plan is produced based on the following key principles:

- Assurance reviews with a high risk (i.e. >60%) ranking should be completed. It should be noted that each year there are a number of high risk areas which will not be included within the plan since they have or will be evaluated by other bodies or are covered by the Fire Service's own internal management review and scrutiny processes. Internal Audit will seek to place reliance on the outcome of these reviews. The details of such areas are highlighted in Appendix 3. Consequently, all other high-risk areas will be evaluated.
- Fundamental financial systems should be completed irrespective of risk score.
- An initial contingency allocation of up to 5 days should be made.
- An allocation will be made to undertake pro-active counter fraud work.
- A programme of compliance audits as approved by the Director of Finance, Assets and Resources/Treasurer may be competed across the two Service Delivery Groups of Staffordshire Fire & Rescue Service.

The work of Internal Audit will continue to correlate with that of Grant Thornton, the Authority's External Auditor and respond to developments facing the Authority.

Fraud Risks

As part of our counter fraud work, Internal Audit produces a fraud risk assessment for the Fire Service which is updated as part of our annual audit planning processes. This is used to ensure that audit coverage covers key fraud risks. It is also used to identify potential local proactive work to be undertaken in the year and will play a key role in our identifying potential areas for testing during our anticipated data analytics work in 2019/20.

Following the latest fraud risk assessment, the top 5 fraud risks areas identified are also shown below along with any audit work to address the risks.

Inherent Risk	Audit Coverage in 2019/20
Financial Reporting – Expenditure & Revenue Recognition	
Deliberate incorrect treatment of income and expenditure leading to material misstatement in the reported revenue position (to disguise misappropriation)	Planned review of Financial ledger & Bank 2019/20
Payroll & Pensions	
Creation of "Ghost Employees"	Planned review of Firewatch in 19/20
Unauthorised Payroll Adjustments	Planned review of Payroll System in 19/20
External "hijacking" of pay	Planned review of Pensions Payroll and Administration in 19/20
Falsifying timesheets/ overtime claims.	Fraud and Corruption checklists to be completed as part of the planned Payroll and Pensions systems work
Leaver fails to notify SFRS that payments continue after date of leaving	Continued participation in biennial NFI data matching exercise. 2018 data matching Exercise underway
Creation of "Ghost Pensioners"	
Pension continues after Death.	
Procurement /Contracts	
Cartel operations by Contractors (Price Fixing)	
Business case/specification favours one supplier	
Improper award of contract (Collusion/ Favouritism / not offering best value / not disclosing personal/conflicts in interests)	Scope of work to be considered as part of data analytical work to be completed in 2019/20
Contracts not delivered properly/Weak verification procedures for completed work	
Contract Cost over-runs	
Bribery	

Inherent Risk	Audit Coverage in 2019/20
Recruitment / Selection / Attendance	
Identity Fraud	Continued participation in biennial NFI data matching exercise 2018.
Qualification Fraud	
False References provided	
Non-disclosure of a criminal record	
Favouritism /conflict of personal /conflicts of interest at interview	
No right to work in the UK	
Appointment of unauthorised employees	
Employees working whilst sick	
Creditor	
SFRS is invoiced for goods or services not received (could involve collusion of Contractors and SFRS Staff).	Continued participation in biennial NFI data matching exercise 2018. Scope of work to be considered as part of data analytical work to be completed in 2019/20
SFRS is invoiced for goods and services for personal gain.	
Fictitious vendors set up and subsequent payments made.	
False invoices are created/ duplication of invoices to generate payment.	
Inflated invoices submitted by vendors.	
3Holding bills/improper coding of bills to disguise misappropriation.	

3. Proposed Internal Audit Plan 2019/20

The Internal Audit Plan is comprised of 3 components; general audits (including ICT audits), counter fraud work and management time. A breakdown of each of these components, including risk scores, numbers of days allocated, and proposed start date is shown in the following tables.

Overview

Key highlights to note within the proposed 2019/20 Internal Audit Plan are:

- Continued emphasis on key financial systems particularly given the new firefighter pensions administration and payroll provider.
- Linkage with the Service's assurance framework as part of the annual audit planning process
- The section continues to provide counter fraud activities including raising fraud awareness via the publication of the fraudwatch newsletter.
- Greater emphasis on utilising data and data analytical software for counter fraud activities.
- GDPR compliance will be assessed during each applicable audit.
- Cyber assurance will be provided in the form of the Patch Management audit.

General Audit Plan

The scope of each of the general and ICT audits can be found in appendix 2.

Audit Name	Days	Risk Score	Risk Rating	Risk Movement	Proposed Start Date
General Audits					
Police – Fire Collaboration	13	84.2	H	↑	Sep 2019
Fire Fighters Pensions Administration & Payroll	10	71.7	H	↑	Nov 2019
Budgetary Control, Financial Monitoring & Reporting	9	70.0	H	↑	Aug 2019
Financial Ledger & Bank	8	67.5	H	↓	Feb 2020
Payroll Processing Procedures	12	67.1	H	↓	Jan 2020
Insurance Arrangements	7	64.2	H	↑	Q1
Subtotal	**59**				
ICT Audits					
Firewatch – Application Audit	10	77.1	H	↑	Q1
Cybersecurity- Patch Management	5	70.8	H	←→	Q1
Subtotal	**15**				
Total	**74**				

Counter Fraud Audit Plan 2019/20

We propose to allocate resources to our counter fraud work as per the details in the table below. This provides a robust response to Central Government's expectations for tackling fraud and corruption. This demonstrates the Service's continued commitment to ensuring good governance and fighting fraud locally. This year, a greater emphasis will be placed on the use of data analytics, which is discussed in section 6.

Audit Name	Days	Proposed Start Date
Anti-Fraud Culture		
Produce the annual Fraudwatch Publication	1	Q4
Detection		
National Fraud Initiative 2018 - provide advice, management, coordination and investigation of potential data matches received back from the Cabinet Office.	1	Throughout year
Development and undertaking of Data Analytics	8	Ongoing from Q2
Prevention		
Update of the Fraud Risk Assessment	Included in management time	Q4
Completion of the following Fraud and Corruption Checklists; Payroll, Pensions and Bank.	Included in audit time allocation	Throughout year
Investigations		
Separate time allocations will be agreed with the Director of Finance, Assets & Resources as the need arises for any investigatory work.	-	Throughout year
Total	**10**	

Management Time

In order to effectively and efficiently manage the Internal Audit service provided to SFRS, a number of days have been allocated to assist audit management.

Area	Days	Detail
Management and Reporting	9	This will include: • Annual Audit Planning including update of assurance framework; • Fraud Risk Assessment • Preparation of reports to ETAP, including progress reports and annual outturn report • Attendance at ETAP • Attendance at Finance Panel when required • Liaison with SFRS Management • Liaison with external audit when required
Recommendation Tracking & Reporting	2	To provide assurance on action taken to address recommendations previously agreed by management.
Contingency	3	In order to adopt a flexible approach in allocating internal audit resources to accommodate any unforeseen audit needs, it is necessary to provide a number of contingency days.
Total	**14**	

4.   Resources

The total resource requirement for Staffordshire Fire Authority in 2019/20 is 98 days. This is consistent with the level of resource delivered in 2018/19.

The delivery model for the Internal Audit Service is mixed – a combination of in-house staff and external staff via the Framework and troughs in demand and to buy in specialist resources as required. This allows the section to be flexible and respond to peaks and troughs in demand and to buy in specialist resources as required.

The ICT audit work will be provided by an external computer audit specialist procured off the Framework Contract in 2019/20.
There are sufficient resources available to deliver the audit plans as detailed in Appendix 2. This helps to ensure that the Fire Service meets the requirements of the Accounts and Audit Regulations for maintaining an adequate and effective internal audit function and governance, risk and internal control environment.

Fees

The provisional daily rate for Internal Audit Services in 2019/20 is £340, an increase of £10 per day (3%). The increase is necessary due to increases in pay and non-pay costs. This equates to a charge of £28,220 in 2019/20 for management, general systems and counter fraud audit work, calculated as follows: (83 days @ £340 = £28,220). The remaining 15 days of the Audit Plan are for computer audit which will be recharged at cost to the Authority (estimated cost - 15 days @ £350 = £5,250). The total cost to the Fire Service is £33, 470.

5.   Reporting and Liaison

During 2019/20, SFRS and ETAP can expect Internal Audit to provide a number of reports during the year:
- Progress reports against the audit plan to each ETAP meeting;
- An annual audit plan and Audit charter;
- An outturn report at year end detailing the outcome of our work during the year, this includes the Head of Audit opinion; and
- A report for each audit completed.

Further to this, Internal Audit will also liaise with SFRS Management to discuss any emerging risks that may require our input. We will also attend the Fire Finance Panel when required.

The management time as identified in the audit plan includes sufficient resource to meet the above.

6.   Use of Data – Data Analytics

As more processes are digitalised, the amount of data that is being generated by the organisation grows larger each year and the tools and technologies to turn that data into useful information continue to advance. As an internal audit service, we have recognised the need to harness those tools and technologies and have started to use Council data to provide greater levels of assurance over controls while improving the efficiency with which we do so. The effective use of data in audit work is also a requirement of the Public Sector Internal Audit Standards (PSIAS):

1220.A2
"In exercising due professional care, Internal Auditors must consider the use of technology-based audit and other data analysis techniques"

Analytics is the single most powerful booster of internal audit efficiency and effectiveness available over recent years. The use of data in the audit process assist in pursuing the following objectives:

- **Improved efficiency** – recognising that vast quantities of digital data can be processed and analysed in a fraction of the time required by more traditional methods;

- **Enhanced assurance** – the use of this vast processing power to analyse data can deliver far greater levels of assurance about the effectiveness of internal controls than is possible through traditional sampling techniques;

- **Strengthened monitoring** – data analytics may be deployed to put in place continuous controls monitoring in core systems, ensuring any issues of concern are brought to management attention promptly and routinely; and

- **Provide valuable insight** – as digital data continues to pervade Council systems, ever more possibilities become available to analyse, compare and correlate data to provide valuable and insightful audit findings.

Improved use of data creates the following benefits for internal audit and the Council as a whole:

- Enhanced detection of fraud and error through 100% sampling, targeted sampling with focus on higher risk transactions and/or increased sample sizes.
- Audit efficiencies gained through the use of analytical tools to verify that controls are operating effectively instead of manual inspection
- Improved control environment as weaknesses are identified expediently and resolutions sought.
- Increased auditor awareness of data usage and analytic opportunities assist the internal audit service to consider the risk of failing to maximise the use of available data in all audits for management monitoring and business insights.
- Increased use of Council held data will help the internal audit service identify changing risk profiles and inform the annual audit planning process.

During 2019/20, Internal Audit will work with the Fire Service to identify key data systems and establish process to analysis this data. It is envisaged that time allocated to this year's audit plan will assist with the development of the tests and processes required to analys the identified data. This will allow our data analytic work to be more efficient and effective in following years, meaning that the number of days required will be reduced whilst the amount of data analysed will increase.

While the main objective of data analytics is to detect and deter fraud, it is anticipated it will produce information for auditors to consider that will enhance the reliability of audit opinions and potentially influencing scopes of future audits. Once implemented in full, data analytics will be a cost-effective tool contributing to the Fire Service's future Internal Audit and Counter Fraud Plans.

Progress made on data analytical work for the Council will be reported to ETAP in Internal Audits Progress Reports.

7.   Annual Audit Opinion Methodology

At the end of the year, our audit work will be categorised across the following four categories
- Systems audits (governance, financial, IT and other high-risk areas);
- Counter Fraud &Corruption;
- Compliance audits – if applicable;
- Special Investigations.

The outcome of work in these categories will be used to form the overall annual audit opinion given by the Head of Audit on the Fire Service's control environment.

It is considered that each separate category of audit work should continue to be assessed against a benchmark of at least 90% of the total number of audits being awarded an opinion of at least "satisfactory" within each category. For reasons of simplicity, it is considered that each category should attract equal weighting and a simple pass/fail assessment used to differentiate the overall opinion between "Substantial, Satisfactory and Limited" as illustrated below

Overall Opinion Level	No. of categories achieving the 90% benchmark
Substantial Assurance	4 out of the 4 categories
Satisfactory Assurance	3 out of the 4 categories
Limited Assurance	2 and below out of the 4 categories

The special investigations category will consist of two elements: firstly, financial loss and secondly an evaluation of the control environment. The proposed percentage allocations are detailed below:

Special Investigations		Evaluation of Control Environment	
£0 – below £50,000 loss	50%	Procurement/ Contract issues	10%
£50,000- £100,000 loss	40%	Cash/Asset Management arrangements	10%
£100,000- £150,000 loss	30%	Payment Mechanisms	10%
£150,000 - £250,000 loss	20%	Payroll/Expenses	10%
Above £250,000 loss	10%	Income	10%

8.   Performance & Quality Assurance & Improvement Framework

Internal Audit Standards

Internal Audit within Staffordshire County Council operates in conformance with standards of best practice applicable to internal audit – in particular the UK Public Sector Internal Audit Standards and the CIPFA Local Government Application Note. The Internal Audit team offer a wide depth of knowledge and experience gained across different organisations. We promote excellence and quality through our audit processes, application of the Quality Assurance and Improvement Framework (Appendix 4) and the training and development programme for staff.

The Quality Assurance and Improvement Framework includes all aspects of the Internal Audit Activity – including governance, professional practice and communication.

The Internal Audit Charter sets out the role, responsibilities and authority of the Internal Audit Service within the Fire Service. This was initially approved in March 2015 and any amendments to its contents are endorsed by ETAP annually.

Internal Audit remains sufficiently independent of the activities that it audits to enable auditors to perform their duties in such a way that allows them to make impartial and effective professional judgements and recommendations.

Performance Monitoring

The Section use several ways to monitor performance, respond to feedback and identify ways in which to improve the service provided. Evidence of the quality of our audits is gained through feedback from auditees and the results of supervision and quality assurance undertaken as part of our audit process.

The current performance measures are set out below:

Performance Indicator	Target
Reports issued to draft report stage:	
• Assurance Reports	90%
• Compliance Reports	90%
Average score for Quality Questionnaires from clients is equal to or exceeds the good standard:	
• Assurance Reports	90%
• Compliance Reports	90%

Our performance against the above measures are reported to ETAP in the annual outturn report.

Independence and Objectivity

We are not aware of any relationships that may affect the independence and objectivity of the Internal Audit team at Staffordshire County Council.

9.   Appendix 1

Planning Risk Assessment Methodology

1. **Impact X 2**
   Overall impact of the system under review, on the Organisation in terms of complexity, span of operation, number of transactions, number of staff involved in the process
   1 = Local, Routine function, minimal number of adhoc transactions, less than £100,000 budget. Involves less than 5 members of staff
   2 = Section based function, limited number of weekly transactions, up to £250,000 budget. Low numbers of staff involved
   3 = Departmental function, routine processes with relative small numbers of daily transactions, Up to £1m budget. Moderate numbers of staff involved
   4 = Significant Directorate based function, significant numbers of daily transactions, Up to £5m budget. Significant numbers of staff involved at Directorate level
   5 = Cross Cutting across the Fire Service as a whole, Complex system, extensive number   of   daily transactions, over £5m budget. Substantial No. of staff involved organizational wide

2. **Business Risk X2**
   a) *Links to Corporate Plan 2017-2020/Political sensitivity*
      1=No links to Corporate Plan/ and/or no political sensitivity
      2 =No links to Corporate Plan / and/or minimal political sensitivity
      3=Indirect links with Corporate Plan/ and/or low level of political sensitivity
      4=Direct links with Corporate Plan/ and/or medium level of political sensitivity
      5=Direct links with Corporate Plan/ and/or high level of political sensitivity
   b) *Non-financial impact e.g. reputation*
      This risk indicator should be scored between 1 and 5 as per 2a above
   c) Impact of any authority-wide decisions or regulatory/Statutory changes
      Score between :-
      1 = No impact on systems as a result of the decision/change) and
      5 = Likely to be significant impact on systems as a result of the decision/change

3. **Audit Experience**
   a) **IA Experience** - Score between 1 (regular audits with no significant findings, 3 (regular audits with many significant findings) and 5 (no audit work completed in the last 2 years)
   b) **EA Experience** – This risk indicator should be scored between 1 and 5. From liaison with External Audit, consider their previous experience of the area being considered. Use range of scores at 3a above.

4. **Other Assurance Assessment**
   a) *Risk Management Function*
      Score between 1 (no significant findings) and 5 (continual significant problems)
   b) *Self-Assessment Assurance*
      Score between 1 (No significant findings or weaknesses in controls) and 5 (Continual significant problems or weaknesses in controls)

5. **Fraud**
   a) *Past experience or occurrence of fraud/irregularity*
      Score between 1 (no knowledge/experience of fraudulent activity/irregularity) and
      5 (repeated occurrence of fraud/irregularity or experience of fraud/irregularity with significant financial value
   b) *Standard of Internal Control including scope for intentional manipulation of the system and vulnerability to fraud*
      Score between 1 (excellent standard of internal control with no known significant re-organisations or system changes; little known scope for intentional manipulation) and 5 (known or suspected to be very unsound controls resulting in significant scope for intentional manipulation.)

6. **Time Since Previous Audit**
   1 =Audit carried out last year
   2 =Audit carried out 2 years ago
   3 =Audit carried out 3 years ago
   4 =Audit carried out 4 years ago
   5 =Audit carried out 5 years ago or more or where there has been no previous audit coverage

10. Appendix 2

Indicative scope of audits in the 2019/20 Internal Audit Plan

Audit Name	Indicative Scope
General Audits	
Insurance Arrangements	To review the current insurance arrangements and provision after a number of changes, including provider, in this area. The review should assist the Fire Service with future options and decisions for cover in the coming years.
Financial Ledger & Bank (Integra – NML)	To review the operation of key controls within the NML and Bank modules of Integra and identify any potential fraud and corruption issues. Fraud & Corruption checklist will also be completed
Fire Fighters Pensions Administration and Payroll	To keep under review the systems and processes in place relating to the administration and payment of firefighter pensions since the transfer of the functions from Staffordshire County Council (SCC) in April 2018 to Bradford City Council. A full systems audit review will be carried out due to the new service provider. Fraud & Corruption checklist for pensions will be completed.
Budgetary Control, Financial Monitoring & Reporting	Audit requested by management to provide assurance to the Staffordshire Commissioner that sound budgetary controls are in place. To review the revenue budgetary control arrangements in place at SFRS. Scope to include the budget setting, monitoring and reporting processes.
Payroll Processing Procedures	To provide ongoing assurance that the key payroll controls present within the new payroll system are operating correctly. The fraud and corruption checklist for payroll in 2019/20 will also be completed as part of the review.
Police – Fire Collaboration	A further scoping meeting will be required in year to develop the detailed scope of this review when more details are known. However, it is initially envisaged that the review could look into the process, procedures and benefits of any collaboration work to ensure that it is done in the right way, sufficient governance is in place and also the details around the decisions that were made, and how they were made. Further consideration could be given into how the Chief Fire Officer gets the same level of assurance prior to the 1st Aug 2018. Any results from a review of the Tranche1 moves should be fed into Tranche 2.
ICT Audits	
Cybersecurity- Patch Management	Following several high-profile cyber-attacks nationally during 17/18 which took advantage of unpatched devices, this audit will aim to provide assurance that a robust patch management procedure is in place to prevent the exploitation of known vulnerabilities in software and operating systems.
Firewatch – Application Audit	Requested by Management to provide assurance over access, security and integrity of data. Management have raised concerns over the reporting of the system and the audit will review the reporting functions of the system. Firewatch is also being upgraded to v7.6 during 2019.

11. Appendix 3

High rated risk scores not included in the Internal Audit Plan

Sub Heading	Risk Score	Risk Rating	Rationale/Alternative Sources of Assurance
Health & Safety arrangements	76.25	H	In 2019/20, reliance will be placed on the LGA Operational Assurance Peer review carried out during 2017 where positive assurance was provided. SFRS do not have any concern in this area. Health & Safety reports are delivered to the Service Delivery Group.
Management of the Capital Programme inc Capital Schemes	76.25	H	Past audit work gave substantial assurance to the system and application of controls. This area continues to be kept under review by the Financial Services Team and progress against the capital programme is regularly reported to the Strategic Governance Board and the Capital Review Group. Reliance will be placed on these internal scrutiny arrangements during 2019/20.
Risk Management processes including controls assurance	74.17	H	The audit in 2015/16 gave substantial assurance over the system of control. This area was also touched upon as part of the Business Continuity Management audit review carried out in 2017/18. This area is kept under review by the Risk Management Group in year and therefore reliance will be placed on the internal scrutiny arrangements in place. To be considered for review during 2020-21
Creditor Payments & VAT	73.33	H	New procure to pay processes have been implemented as a result of the new Financial system, Integra in September 2017 and the audit review of the implementation of Integra highlighted no concerns in this area. Reliance will be placed on this work in 2019/20. Reliance is also placed on our continued participation in the NFI data matching exercise (the latest of which is 2018). Creditor payments is to be considered as part of our 2019/20 data analytics work.
Retained Firefighters - Compensation Payments	71.67	H	The audit in 2015/16 gave substantial assurance over the system of control. Management continue to keep this area under review. Reliance will be placed on these internal scrutiny arrangements during 2019/20.
Asset Management – PFI Contracts /Facilities Management	71.25	H	Reliance will be placed on the internal scrutiny arrangements in place and the recently completed home office review in 2017.

Protective Security	69.17	H	A number of audits have given assurance over this area in the past: • 16/17 Protective Security – Satisfactory Assurance • 17/18 Cyber Crime – Satisfactory Assurance • 18/19 - GDPR – Preparedness – Substantial Assurance • 18/19 Cybersecurity Preparedness and Response Effectiveness – Awaiting Opinion Further to this, the 19/20 Cyber audit will also offer some assurance in this area. In addition, as an enhancement to our current audit processes, GDPR compliance will be assessed during each applicable audit (where personal data is being processed)
Personnel System	68.75	H	Audits in 2013/14 and 2014/15 have given substantial assurance over the system and application of controls. 2019/20 will include a Firewatch application review.
Performance Management Framework.	67.92	H	Performance of the SFRS is kept under regular scrutiny by the Fire Performance and Assurance Board. Work was carried out in 2013/14 and substantial assurance was given over the system and application of controls. Reliance will be placed on past audit work as well as the current internal scrutiny arrangements in place.
Integra - System Security	67.50	H	Covered as part of the 2018/19 audit plan where a satisfactory assurance opinion was awarded. Reliance will be placed on this past audit work in 2019/20.
Project Management	66.25	H	Covered as part of the 2018/19 audit plan which focused on the transformation fund where a substantial assurance opinion was awarded. A number of other audits during the past 2 years have also included some form of project management/governance as part of their scope. Reliance will be also placed on this past audit work.
Procurement/Contracts	65.42	H	This area was last audited in 2016/17 and satisfactory assurance was awarded. Procurement activity was reviewed as part of the counter fraud plan 2018/19 where a substantial assurance opinion was awarded. Reliance will be placed on the outcomes of these reviews.
Business Continuity Arrangements	65.00	H	This area was covered in 2017/18 where a substantial audit opinion was awarded. Reliance will continue to be placed on this audit review.
Fleet Management - Workshop	64.58	H	Reliance will be placed on the audit work carried out in 2017/18 where a substantial audit opinion was awarded.
Training & Development	63.80	H	This area was subject to an internal review in 2017. Management will place reliance on this work during 2019/20.

Corporate, Regulatory & Ethical Framework	63.75	H	In the spring of 2018, Staffordshire Fire and Rescue Service (SFRS) was one of three services to take part in a pilot inspection which was undertaken by HMIC FRS to assess and report on the efficiency and effectiveness of the fire service and to promote improvement. In respect of the governance arrangements, the inspection reviewed organisational effectiveness (how well it promotes its values and culture, trains its staff and ensures they have the necessary skills, ensures fairness and diversity for the workforce and develops leadership and service capabilities). A full review is due to undertaken during 2019 by HMIC FRS and reliance will be placed on the outcome of this review.
Climate Change	63.75	H	This area is subject to Senior Management Scrutiny and reliance will be placed on the organisation's own internal scrutiny arrangements in place.
Efficiency Strategy	62.50	H	This area was audited during 2018/19, at the time of completing this plan, an assurance opinion for this work was not available. Reliance will be placed on this previous audit review.
Personal Protective Equipment	62.08	H	Included in the scope of the 2018/19 Procurement of Desirable Goods review where a substantial audit opinion was awarded. Reliance will be placed on this previous audit review.
Fuel	60.42	H	Not covered in 2019/20 but will be considered as part of the data analytics work to be undertaken during the year.
Treasury Management	60.42	H	Reliance placed on the regular audits carried out at Staffordshire County Council (same systems used).

12. Appendix 4

Quality Assurance and Improvement Programme

Quality Assurance
Quality outcomes/process designed to deliver a consistently high-quality audit service to our clients – fit for purpose/ meets client expectations/conforms to PSIAS.

Quality Improvement Plan
CIA reporting to ETAP on the outcome of the quality assurance and improvement review, together with the improvement action plan and any significant areas of non-conformance to PSIAS included in the Annual Report and where applicable the Annual Governance Statement.

Ongoing Monitoring
Quality checks and oversight are undertaken throughout the audit review, ensuring that processes and practice are consistently applied and working well.

Role of the CIA -
- To develop and maintain the Quality Assurance Improvement (QAIP) and resultant action plan.
- Focus on evaluating conformance with the Internal Audit Charter.
- Arrange an External Assessment in-conjunction with ETAP

Role of the Audit Managers
- Obtain on-going assurance that the audit planning, fieldwork conducted and reporting/communication results adheres to audit standard practice (as defined in the audit manual).
- Undertake audit supervision and review. The extent of supervision needed will depend on the proficiency and experience of the internal auditors and the complexity of the review.

Role of Individual Auditors
- Conduct all audit reviews in accordance with the requirements contained in the audit manual and PSIAS.
- Behave at all times in accordance with the PSIAS Code of Ethics and Code of Conduct.
- Promote the standards and their use throughout the Internal Audit Activity.
- Actively seek feedback for all reviews undertaken.
- Demonstrable commitment to delivering quality services

Service Plan/Challenges 2019/20 (Fire Specific)
- To exploit the use of IT, data and Computer Assisted Audit Techniques (CAATS) to expand the level of assurance provided to senior management across its operations in the most cost efficient and effective way.
- To explore alternative computerised audit management and working papers systems on the market with a view to procuring a new system during 2019/20 and embedding it within our audit processes.
- To continue to provide senior management with on-going comfort over the implementation of past audit recommendations to provide on-going assurance that internal controls are being continually improved.
- To raise the profile of the counter fraud work plan across the Fire Service, publicising the results from our data analytical work completed in 2019/20.
- To ensure that Internal Audit continues to enhance and develop its operations to maintain its status within the Service as a competent, professional and respected Internal Audit function which conforms to the PSIAS and LGAN.
- To implement an integrated data driven approach to our audit process including not only the use of data analytics within our audit work but also revisions made to our audit planning document to capture the data that service areas are using, where it comes from and how it is used and the development and use of a GDPR checklist to be completed as part of each applicable audit review in 2019/20.