



CAMBRIDGESHIRE AND PETERBOROUGH FIRE AUTHORITY

Internal Audit Strategy 2024/25

Presented at the Overview and Scrutiny Committee meeting of: 22 April 2024

This report is solely for the use of the persons to whom it is addressed.

To the fullest extent permitted by law, RSM UK Risk Assurance Services LLP will accept no responsibility or liability in respect of this report to any other party.

EXECUTIVE SUMMARY

Our Internal Audit Plan for 2024/25 is presented for consideration by the Overview and Scrutiny Committee. During the year, we will continue to work with management and hold regular meetings to deliver an internal audit programme which remains flexible and 'agile' to ensure it meets your needs.

The key points to note from our plan are:



2024/25 Internal Audit priorities: Internal audit activity for 2024/25 is based on analysing your corporate objectives and risk profile as well as other factors affecting you in the year ahead, including changes within the sector. Our detailed plan for 2024/25 is included at Section 1.



Level of Resource: The level of resource required to deliver the plan is £40,131 in line with the tender submission. We have also carried forward our review of Culture from the 2023/24 plan, at a cost of £5,985. We will continue with our approach of introducing the use of technology when undertaking our operational audits. We continue to embrace more ways of using technology to undertake our audit work including; the use of 4questionnaires, MS Teams meetings, secure web portals for audit data sharing (Huddle) and data analytics technology. This strengthens our sampling and focus our audit testing. Refer to Appendix A.



Core Assurance: In addition to our core audit areas, we have focused our coverage on key risks to the organisation such as **Control Room, Succession Planning, and IT Assets.**



'Agile' approach: Our approach to working with you has always been one where we will respond to your changing assurance needs. By employing 'agile' or a 'flexible' approach to our service delivery, we are able to change the focus of audits / audit delivery; keeping you informed of these changes in our progress papers to the Overview and Scrutiny Committee during the year.

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Our approach to developing your internal audit plan is based on analysing your corporate objectives and risk profile as well as other, factors affecting Cambridgeshire and Peterborough Fire Authority in the year ahead, including changes within the sector.

We have evaluated your risk management processes and consider that we can place reliance on your risk registers / assurance framework to inform the internal audit strategy. We have used various sources of information (see Figure A below) and discussed priorities for internal audit coverage with senior management.

Audit Approach

- Key Controls Compliance
- Risk
- Advisory
- Data Analytics

Audit Strategy

REVIEW AND RESEARCH TOGETHER

ON-GOING ANALYSIS THROUGH ENGAGEMENT WITH MANAGEMENT AND THE AUDIT COMMITTEE

2. INTERNAL AUDIT PLAN 2024/25

The table below shows each of the reviews that we propose to undertake as part of the internal audit plan for 2024/25. The table details the strategic priorities which may warrant internal audit coverage. This review of your risks allows us to ensure that the proposed plan will meet the organisation's assurance needs for the forthcoming and future years. As well as assignments designed to provide assurance or advisory input around specific risks, the strategy also includes: follow up of actions and an audit management allocation.

	Audit approach	Fee	Proposed timing	Proposed Overview and scrutiny committee
Strategic Priority: People				
Succession Planning and Talent Management Not only can succession planning be motivating for employees and a way to prepare and safeguard the organisation against any unforeseen and sudden changes in resources, it is also a method through which to manage employees' competencies in a manner which allows for easy identification of other skills already present in employees. We will consider whether a formal process to identify business critical roles and develop supporting succession plans, especially where a single point of failure is identified; has been undertaken. As part of this we will review what succession planning policies / processes are in place, how this is mapped out and communicated to staff. This will also consider the transparency of management recruitment. We will also consider how succession planning is linked to the appraisal process and L&D activities. We will as part of this review include the action taken by the Service in response to the HMICFRS Inspection results in this area. <i>Risk: There is a risk that we do not have robust succession plans in place leading to the skills and resources potentially not being available to deliver the legislative duties or meet the Services objectives and/or priorities</i>	Risk based	£5,800	Q3	Q3
Culture (c/f from 2023/24) This review will consider the systems and processes the organisation has in place to ensure ethical behaviours are followed and to ensure that diversity and inclusion standards are maintained across the organisation. We will use an E-questionnaire and issue to staff to obtain wide feedback on the operation of systems and processes.	Risk Based	£5,985	Q4	Q4
Strategic Priority: Operational Excellence				
Asset and Fleet Management There are currently significant changes being made in this area. A review of the processes in place to provide assurance over how proactively the organisation manages the fleet.	Risk based	£5,600	Q1	Q2

	Audit approach	Fee	Proposed timing	Proposed Overview and scrutiny committee
<i>Risk: Failure to adequately manage fleet and assets</i>				
Control System	Risk based	£5,600	Q3	Q4
A post implementation review of the the new Control System to consider how effectiveness of the implementation is being measured and the identification of any lessons learnt for future projects.				
<i>Risk: There is a risk that we do not implement the system properly and therefore do achieve the required benefits</i>				
Strategic Priority :Value for Money				
IT Assets	Risk based	£2,900	Q1	Q2
From the receipt of IT asset goods and the associated recording on the asset register, through to return upon leaving. This will include the processes in place to establish:				
<ul style="list-style-type: none"> • Whether a complete and accurate list of purchased IT assets exists. • Whether these are sufficient controls to ensure IT assets are effectively tracked and returned when employment ceases, particularly how they systematically identify IT assets that have been allocated to a leaver as part of the leavers process and the processes for ensuring these have been returned by the last day of employment. • There is a periodic spot check of assets held to ensure the asset register remains up to date and to identify any missing assets. 				
This review will be undertaken in conjunction with Bedfordshire Fire and Rescue Authority.				
<i>Risk: There is a risk that we do not effectively utilise our IT assets</i>				
Medium Term Financial Plan	Risk based	£5,600	Q1	Q2
Review of robustness of the medium term financial planning including a review of the assumptions that feed into the plan to ensure these have a sound and documented basis, link to the strategy of the organisation and are supported by robust financial business continuity arrangements. As part of this we will also consider the governance arrangements around the process.				
<i>Risk: There is a risk that we are unable to maintain financial stability to deliver the organisations objectives</i>				

	Audit approach	Fee	Proposed timing	Proposed Overview and scrutiny committee
Key Financial Controls To review the key controls within the finance system which produce the management accounts and Authority financial management information. The specific areas to be reviewed will be agreed with management prior to the start of the audit.	System based	£4,200	Q3	Q3
Other Internal Audit Activity				
Follow Up To meet internal auditing standards, and to provide assurance on action taken to address recommendations previously agreed by management.		£2,100	Q4	Q4
Management This will include: <ul style="list-style-type: none"> • Preparation for, and attendance at, overview and scrutiny committee • Regular liaison and progress updates • Liaison with external audit and other assurance providers 		£5,231	Throughout the year	Q4
Audit Strategy and Annual Report This will include: <ul style="list-style-type: none"> • Internal Audit Needs Assessment • Preparation of the annual internal audit opinion 		£3,100	Q4	Q4

A detailed planning process will be completed for each review, and the final scope will be documented in an Assignment Planning Sheet. This will be issued to the key stakeholders for each review.

2.1 Working with other assurance providers

The Overview and Scrutiny Committee is reminded that internal audit is only one source of assurance and through the delivery of our plan we will not, and do not, seek to cover all risks and processes within the organisation.

We will however continue to work closely with other assurance providers, such as external audit and HMICFRS to ensure that duplication is minimised, and a suitable breadth of assurance obtained.

APPENDIX A) YOUR INTERNAL AUDIT SERVICE

Your internal audit service is provided by RSM UK Risk Assurance Services LLP. The team will be led by Suzanne Rowlett as your Head of Internal Audit, supported by Louise Davies as your client manager.

Fees

Our fee to deliver the plan is £46,116 (excluding VAT). This includes £5,985 carried forward from the 2023/24 plan for the review of Culture.

Core team

The delivery of the 2024/25 audit plan will be based around a core team. However, we will complement the team with additional specialist skills where required.

Conformance with internal auditing standards

RSM affirms that our internal audit services are designed to conform to the Public Sector Internal Audit Standards (PSIAS).

Under PSIAS, internal audit services are required to have an external quality assessment every five years. Our risk assurance service line commissioned an external independent review of our internal audit services in 2021 to provide assurance whether our approach meets the requirements of the International Professional Practices Framework (IPPF), and the Internal Audit Code of Practice, as published by the Global Institute of Internal Auditors (IIA) and the Chartered IIA, on which PSIAS is based.

The external review concluded that RSM 'generally conforms*' to the requirements of the IIA Standards' and that 'RSM IA also generally conforms with the other Professional Standards and the IIA Code of Ethics. There were no instances of non-conformance with any of the Professional Standards'.

*The rating of 'generally conforms' is the highest rating that can be achieved, in line with the IIA's EQA assessment model.

Conflicts of interest

We are not aware of any relationships that may affect the independence and objectivity of the team, and which are required to be disclosed under internal auditing standards.

Corporate responsibility

At RSM we believe it is our responsibility to positively impact on our society and the environment. We have three pillars of corporate responsibility: environment, charity and community. For more details on RSM's commitment visit our website: [Corporate responsibility | RSM UK](#).

APPENDIX B) INTERNAL AUDIT STRATEGY 2024/25

The table below shows an overview of the audit coverage to be provided through RSM's delivery of the internal audit strategy. This has been derived from the process outlined in Section 1 above, as well as our own view of the risks facing the sector as a whole.

Assurance Provided		2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	Red - Minimal Assurance / Poor Progress						
	Amber/red - Partial Assurance / Little Progress						
	Amber/green - Reasonable Assurance / Reasonable Progress						
	Green - Substantial Assurance / Good Progress						
	Advisory / AUP						
	IDEA						
Audit Area							
Integrated Risk Management Planning Framework							
Budgetary Control & Efficiency Savings Plan			Included in IRMP audit		To be included in IRMP audit		
Medium Term Financial Planning							✓
Procurement						✓	
Cyber Security		Note: We will not be undertaking a review of Cyber Security as we have been advised that the organisation receives its own assurances in this area.					
Capital Projects – Training Centre							
Training Centre Resourcing							
Sickness Absence Management							

Assurance Provided	
	Red - Minimal Assurance / Poor Progress
	Amber/red - Partial Assurance / Little Progress
	Amber/green - Reasonable Assurance / Reasonable Progress
	Green - Substantial Assurance / Good Progress
	Advisory / AUP
	IDEA

Audit Area

	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Human Resources <i>*Potential Recruitment and Talent and Performance for 2025/26</i>						
Asset and Fleet Management System						
Debrief Following Complex Incidents						
CFMIS – Collection and Update of Risk Information						
System Ownership						
Risk Management						
Governance						
Key Financial Controls						
Estates & Property Maintenance						
Health and Safety						

Assurance Provided	
	Red - Minimal Assurance / Poor Progress
	Amber/red - Partial Assurance / Little Progress
	Amber/green - Reasonable Assurance / Reasonable Progress
	Green - Substantial Assurance / Good Progress
	Advisory / AUP
	IDEA

2019/20

2020/21

2021/22

2022/23

2023/24

2024/25

Audit Area

Fleet Management (Policies and procedures – Advisory)

Shared Services

General Data Protection Regulation (GDPR)

Culture

Brexit Preparedness

Succession Planning

Control System

IT Assets

✓

✓

✓

✓

APPENDIX C) INTERNAL AUDIT CHARTER

Need for the charter

This charter establishes the purpose, authority and responsibilities for the internal audit service for Cambridgeshire and Peterborough Fire Authority. The establishment of a charter is a requirement of the Public Sector Internal Audit Standards (PSIAS) and approval of the charter is the responsibility of the overview and scrutiny committee.

The internal audit service is provided by RSM UK Risk Assurance Services LLP (“RSM”).

We plan and perform our internal audit work with a view to reviewing and evaluating the risk management, control and governance arrangements that the organisation has in place, focusing in particular on how these arrangements help you to achieve its objectives. The internal audit function is required to comply with the mandatory elements of the Institute of Internal Auditors (IIA) International Professional Practices Framework (IPPF) as follows:

- Core principles for the professional practice of internal auditing;
- Definition of internal auditing;
- Code of ethics; and
- The Standards.

Mission of internal audit

As set out in the PSIAS, the mission articulates what internal audit aspires to accomplish within an organisation. Its place in the IPPF is deliberate, demonstrating how practitioners should leverage the entire framework to facilitate their ability to achieve the mission.

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

Independence and ethics

To provide for the independence of internal audit, its personnel report directly to the Director, Suzanne Rowlett (acting as your head of internal audit). The independence of RSM is assured by the internal audit service reporting to the chief executive, with further reporting lines to the Deputy Chief Executive.

The head of internal audit has unrestricted access to the chair of overview and scrutiny committee to whom all significant concerns relating to the adequacy and effectiveness of risk management activities, internal control and governance are reported.

Conflicts of interest may arise where RSM provides services other than internal audit to Cambridgeshire and Peterborough Fire Authority. Steps will be taken to avoid or manage transparently and openly such conflicts of interest so that there is no real or perceived threat or impairment to independence in providing the internal audit service. If a potential conflict arises through the provision of other services, disclosure will be reported to the overview and scrutiny committee. The nature of the disclosure will depend upon the potential impairment and it is important that our role does not appear to be compromised in reporting the matter to the overview and scrutiny committee. Equally we do not want the organisation to be deprived of wider RSM expertise and will therefore raise awareness without compromising our independence.

Responsibilities

In providing your outsourced internal audit service, RSM has a responsibility to:

- Develop a flexible and risk based internal audit strategy with more detailed annual audit plans. The plan will be submitted to the overview and scrutiny committee for review and approval each year before work commences on delivery of that plan.
- Implement the internal audit plan as approved, including any additional tasks requested by management and the overview and scrutiny committee.
- Ensure the internal audit team consists of professional audit staff with sufficient knowledge, skills, and experience.
- Establish a quality assurance and improvement program to ensure the quality and effective operation of internal audit activities.
- Perform advisory activities where appropriate, beyond internal audit's assurance services, to assist management in meeting its objectives.
- Bring a systematic disciplined approach to evaluate and report on the effectiveness of risk management, internal control and governance processes.
- Highlight control weaknesses and required associated improvements together with corrective action recommended to management based on an acceptable and practicable timeframe.
- Undertake follow up reviews to ensure management has implemented agreed internal control improvements within specified and agreed timeframes.
- Report regularly to the overview and scrutiny committee to demonstrate the performance of the internal audit service.

For clarity, we have included the definition of 'internal audit', 'senior management' and 'board'.

- Internal audit – a department, division, team of consultant, or other practitioner (s) that provides independent, objective assurance and consulting services designed to add value and improve an organisation's operations. The internal audit activity helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management and control processes.
- Senior management who are the team of individuals at the highest level of organisational management who have the day-to-day responsibilities for managing the organisation.

- Board of directors - The highest level governing body charged with the responsibility to direct and/or oversee the organisation's activities and hold organisational management accountable. Furthermore, "board" may refer to a committee or another body to which the governing body has delegated certain functions (eg an overview and scrutiny committee).

Client care standards

In delivering our services we require full cooperation from key stakeholders and relevant business areas to ensure a smooth delivery of the plan. We proposed the following KPIs for monitoring the delivery of the internal audit service:

- Discussions with senior staff at the client take place to confirm the scope six weeks before the agreed audit start date.
- Key information such as: the draft assignment planning sheet are issued by RSM to the key auditee six weeks before the agreed start date.
- The lead auditor to contact the client to confirm logistical arrangements at least 15 working days before the commencement of the audit fieldwork to confirm practical arrangements, appointments, debrief date etc.
- Fieldwork takes place on agreed dates with key issues flagged up immediately.
- A debrief meeting will be held with audit sponsor at the end of fieldwork or within a reasonable time frame.
- Draft reports will be issued within 10 working days of the debrief meeting and will be issued by RSM to the agreed distribution list / Huddle.
- Management responses to the draft report should be submitted to RSM.
- Within three working days of receipt of client responses the final report will be issued by RSM to the assignment sponsor and any other agreed recipients of the report.

Authority

The internal audit team is authorised to:

- Have unrestricted access to all functions, records, property and personnel which it considers necessary to fulfil its function.
- Have full and free access to the overview and scrutiny committee.
- Allocate resources, set timeframes, define review areas, develop scopes of work and apply techniques to accomplish the overall internal audit objectives.
- Obtain the required assistance from personnel within the organisation where audits will be performed, including other specialised services from within or outside the organisation.

The head of internal audit and internal audit staff are not authorised to:

- Perform any operational duties associated with the organisation.
- Initiate or approve accounting transactions on behalf of the organisation.
- Direct the activities of any employee not employed by RSM unless specifically seconded to internal audit.

Reporting

An assignment report will be issued following each internal audit assignment. The report will be issued in draft for comment by management, and then issued as a final report to management, with the executive summary being provided to the overview and scrutiny committee. The final report will contain an action plan agreed with management to address any weaknesses identified by internal audit.

The internal audit service will issue progress reports to the overview and scrutiny committee and management summarising outcomes of audit activities, including follow up reviews.

As your internal audit provider, the assignment opinions that RSM provides the organisation during the year are part of the framework of assurances that assist the board in taking decisions and managing its risks.

As the provider of the internal audit service we are required to provide an annual opinion on the adequacy and effectiveness of the organisation's governance, risk management and control arrangements. In giving our opinion it should be noted that assurance can never be absolute. The most that the internal audit service can provide to the board is a reasonable assurance that there are no major weaknesses in risk management, governance and control processes. The annual opinion will be provided to the organisation by RSM UK Risk Assurance Services LLP at the financial year end. The results of internal audit reviews, and the annual opinion, should be used by management and the Board to inform the organisation's annual governance statement.

Data protection

Internal audit files need to include sufficient, reliable, relevant and useful evidence in order to support our findings and conclusions. Personal data is not shared with unauthorised persons unless there is a valid and lawful requirement to do so. We are authorised as providers of internal audit services to our clients (through the firm's terms of business and our engagement letter) to have access to all necessary documentation from our clients needed to carry out our duties.

Quality Assurance and Improvement

As your external service provider of internal audit services, we have the responsibility for maintaining an effective internal audit activity. Under the standards, internal audit services are required to have an external quality assessment every five years. In addition to this, we also have in place an internal quality assurance and improvement programme, led by a dedicated team who undertake these reviews. This ensures continuous improvement of our internal audit services.

Any areas which we believe warrant bringing to your attention, which may have the potential to have an impact on the quality of the service we provide to you, will be raised in our progress reports to the overview and scrutiny committee.

Fraud

The overview and scrutiny committee recognises that management is responsible for controls to reasonably prevent and detect fraud. Furthermore, the overview and scrutiny committee recognises that internal audit is not responsible for identifying fraud; however internal audit will be aware of the risk of fraud when planning and undertaking any assignments.

Approval of the internal audit charter

By approving this document, the internal audit strategy, the overview and scrutiny committee is also approving the internal audit charter.

FOR FURTHER INFORMATION CONTACT

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The matters raised in this report are only those which came to our attention during the course of our review and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Actions for improvements should be assessed by you for their full impact. This report, or our work, should not be taken as a substitute for management's responsibilities for the application of sound commercial practices. We emphasise that the responsibility for a sound system of internal controls rests with management and our work should not be relied upon to identify all strengths and weaknesses that may exist. Neither should our work be relied upon to identify all circumstances of fraud and irregularity should there be any.

Our report is prepared solely for the confidential use of Cambridgeshire and Peterborough Fire Authority, and solely for the purposes set out herein. This report should not therefore be regarded as suitable to be used or relied on by any other party wishing to acquire any rights from RSM UK Risk Assurance Services LLP for any purpose or in any context. Any third party which obtains access to this report or a copy and chooses to rely on it (or any part of it) will do so at its own risk. To the fullest extent permitted by law, RSM UK Risk Assurance Services LLP will accept no responsibility or liability in respect of this report to any other party and shall not be liable for any loss, damage or expense of whatsoever nature which is caused by any person's reliance on representations in this report.

This report is released to you on the basis that it shall not be copied, referred to or disclosed, in whole or in part (save as otherwise permitted by agreed written terms), without our prior written consent.

We have no responsibility to update this report for events and circumstances occurring after the date of this report.

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