



CAMBRIDGESHIRE AND PETERBOROUGH FIRE AUTHORITY

Internal Audit Plan 2022 - 2023

Presented at the Overview and Scrutiny Committee meeting of: 21 April 2022

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 2022/23 is presented for consideration by the Overview and Scrutiny Committee.

The key points to note from our plan are:



2022/23 Internal Audit priorities: Internal audit activity for 2022/23 is based on analysing your service priorities and risk profile as well as other factors affecting you in the year ahead, including changes within the sector. Our detailed plan for 2022/23 is included at Section 1.



Level of Resource: The level of resource required to deliver the plan is consistent with 2022/23 and our day rates are in line with the submission. We will continue with our approach of using technology when undertaking our operational audits. During 2022/23 we embraced 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 will continue to strengthen 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 **Integrated Risk Management Planning Framework, Debrief following Complex Incidents, System Ownership and ICCS and Mobilising System.**

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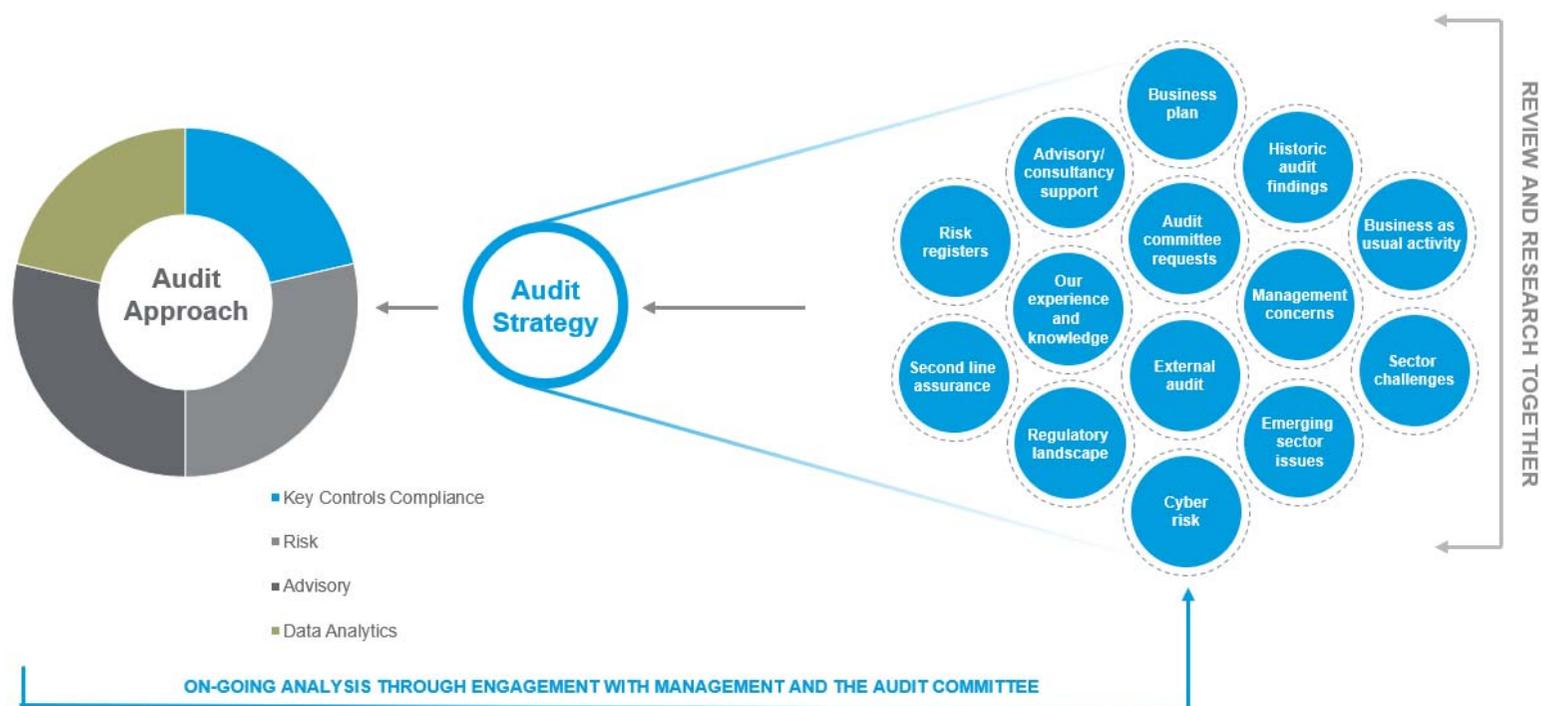
1. YOUR INTERNAL AUDIT PLAN 2022/23

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

Risk management processes

We have evaluated your risk management processes and consider that we can place reliance on your risk registers 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 the Deputy Chief Executive and the Finance Manager.

Figure A: Audit considerations – sources considered when developing the Internal Audit Strategy.



Based on our understanding of the organisation, the information provided to us by stakeholders, and the regulatory requirements, we have developed an annual internal plan for the coming year and a high level strategic plan (see Section 2 and Appendix B for full details).

2. INTERNAL AUDIT PLAN 2022/23

The table below shows each of the reviews that we propose to undertake as part of the internal audit plan for 2022/23. The table details the corporate risks 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 time to follow up actions and an audit management allocation.

	Audit approach	Fee	Proposed timing
Strategic objective: Operational Excellence			
<p>Integrated Risk Management Planning Framework</p> <p>Review of the Integrated Risk Management Planning Framework and Service reporting structure to approve and monitor the Plan. As part of our audit we will assess the clarity of the framework and reporting structure to ensure roles and responsibilities have been defined and are being effectively discharged through the Service reporting structure. In addition, we will include the link between the Integrated Risk Management Plan and budgetary control, budget setting and budget monitoring for the Service including savings plans.</p> <p>Risk: There is a risk that Government funding is insufficient to meet the new demands meaning that performance improvements are not sustained, new initiatives cannot be taken forward.</p>	Risk	£4,100	Q3
<p>Debrief Following Complex Incidents</p> <p>The Service has made improvements to the structured debrief process following complex incidents, our review will focus on the arrangements that have been put in place to debrief incidents, learn lessons and act on lessons learnt included updating processes and share knowledge.</p>	Risk	£3,400	Q1
<p>System Ownership</p> <p>A review into the ownership of systems across the Services, this will include:</p> <ul style="list-style-type: none"> • The Services Identification of the key systems, • Allocation of senior level ownership of the systems, including where responsibility changes, • Deep dive into a sample of systems across system owners to establish their understanding of the systems they are responsible for, how they ensure the accuracy of information contained within the systems and where how they assess the adequacy and accuracy of the outputs produced from the system. 	Risk	£3,400	Q2

	Audit approach	Fee	Proposed timing
Risk Management Review of the risk management arrangements including review of the risk management strategy, risk register, reporting and monitoring of risks through the governance structure.	Risk	£2,800	Q2
Governance Review of the governance arrangements in place within the Fire Authority. This will include whether groups within the governance structure are effectively discharging their duties.	Risk	£2,800	Q3
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.	Systems	£4,000	Q3
GDPR We will review compliance with the GDPR requirements. Specific areas for coverage to be agreed at the time of detailed scoping.	Advisory	£4,340	Q1
ICCS and Mobilising System This review will focus on the post implementation phase of ICCS and Mobilising System after it goes live assessing how it has been embedded following roll out and reviewing staff usage of the systems.	Risk	£4,300	Q4
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.	Follow up	£1,800	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 		£4,890	Ongoing

	Audit approach	Fee	Proposed timing
Audit Strategy/Annual Report		£3,000	Ongoing
This will include:			
<ul style="list-style-type: none"> • Internal Audit Needs Assessment / Strategic and Annual Internal Audit Plans • Preparation of the annual internal audit opinion 			

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 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 Manager.

Core team

The delivery of the 2022/23 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' 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.

The risk assurance service line has in place a quality assurance and improvement programme to ensure continuous improvement of our internal audit services. Resulting from the programme, there are no areas which we believe warrant flagging to your attention as impacting on the quality of the service we provide to you.

Conflicts of interest

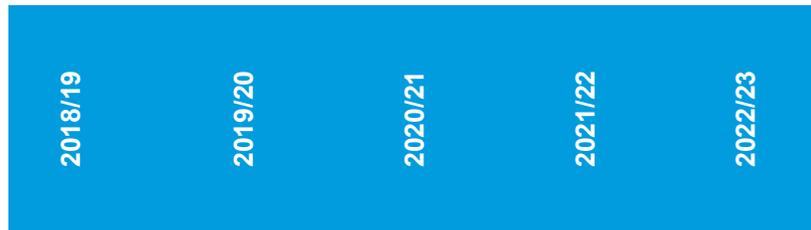
We are not aware of any relationships that may affect the independence and objectivity of the team, and which are required to be disclosed under internal auditing standards.

APPENDIX B: INTERNAL AUDIT STRATEGY 2021/22 – 2022/23

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						
	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		2018/19	2019/20	2020/21	2021/22	2022/23
Integrated Risk Management Planning Framework			Substantial			✓
Budgetary Control & Efficiency Savings Plan			Included in IRMP audit			To be included in IRMP audit
ICCS & Mobs Implementation						✓
Procurement				Reasonable		
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						✓

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	2018/19	2019/20	2020/21	2021/22	2022/23
Training Centre Resourcing				✓	
Sickness Absence Management				Partial	
Human Resources	Substantial	Partial		Substantial <small>Wellbeing Strategy</small>	
Asset and Fleet Management System	Partial			Partial	
Debrief Following Complex Incidents		Reasonable			✓
CFMIS – Collection and Update of Risk Information		Partial		✓	
System Ownership		Reasonable			✓
Risk Management	Reasonable		Reasonable		✓
Governance	Substantial		Reasonable		✓

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	2018/19	2019/20	2020/21	2021/22	2022/23
Key Financial Controls	Substantial	Substantial	Reasonable	Substantial	✓
Estates & Property Maintenance					
Fleet Management (Policies and procedures – Advisory)			Advisory		
Shared Services					
General Data Protection Regulation (GDPR)		Advisory			✓
Insurance Pool					
Brexit Preparedness		Advisory			
Follow Up	Reasonable	Reasonable Partial	Reasonable Partial	✓	✓

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 PSIAS encompass 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 Fire Officer, 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 'Authority'.

- 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.

- Authority - The highest level governing body charged with the responsibility to direct and/or oversee the organisation's activities and hold organisational management accountable. Furthermore, "Authority" 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.



We continue to closely monitor and implement official guidelines from the Government and health organisations in respect of Covid-19. All our staff must adhere to the relevant RSM Policies, including limiting time on site and completing the relevant approvals prior to any site visit.

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 Authority 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 Authority 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 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 Authority 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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