

Report to	Audit Committee
Report no	AC/2017/07/10
Date	10/07/17
Lead Officer	Head of Audit and Procurement Services
Contact Officer	Mike Halstead (01492 576210)
Subject	Summary of Internal Audit Activity 2016/17 and Draft Internal Audit Plan 2017/18



PURPOSE OF REPORT

- 1 To provide a summary of Internal Audit work for 2016/17 and assurance on the whole system of internal control, including the adequacy of risk management and corporate governance arrangements.
- 2 To provide the Internal Audit Needs Assessment and Draft Internal Audit Plan for 2017/18.

EXECUTIVE SUMMARY

- 3 The report identifies that 45 days of Internal Audit work was performed during 2016/17 as compared to a planned allocation of 50 days; it was agreed with senior management that the planned audit of the *Retained Firefighters Modified Pension Scheme* would be of little benefit at this time. As a result 5 days audit work will be carried forward into 2017/18.
- 4 The audit reviews provided a level of assurance upon the adequacy of the systems of internal control in place and 13 recommendations were made to address some minor weaknesses. A formal follow up process is in place to ensure that the recommendations are implemented within agreed timescales.
- 5 In accordance with the Public Sector Internal Audit Standards, a risk based annual plan for 2017/18 has been drafted in consultation with senior management, with the available audit resource increased to 55 days.

RECOMMENDATIONS

- 6 It is recommended that the Summary of Internal Audit activity 2016/17 is noted and the Needs Assessment and Draft Internal Audit Plan for 2017/18 be approved.

BACKGROUND

- 7 Under the terms of The Accounts and Audit (Wales) Regulations 2014, Fire Authorities have a statutory responsibility to maintain “an adequate and effective system of internal audit.”
- 8 The Internal Audit function is carried out on behalf of the Fire Authority by Conwy County Borough Council and is an independent appraisal function for the review of the activities of the Fire and Rescue Authority as a service to all levels of management.
- 9 The North Wales Fire and Rescue Authority (NWFRA) Financial Regulations state that a report shall be submitted under the auspices of the NWFRA as regards the audit plan for the coming financial year and a report of performance against the original plan for the previous financial year.
- 10 Responsibility for determining the content of the audit plan lies with the Chief Fire Officer and the internal audit providers. The plan should be prepared in consultation with the External Auditor.

INFORMATION

- 11 Internal audit work can be broadly divided into four categories:
 - (a) **Regularity Audits**, which are designed to ensure that:-
 - All income due to the NWFRA is properly collected, receipted, safeguarded, banked and recorded.
 - All payments made are correctly authorised, within budget and in accordance with NWFRA Standing Orders and Financial Regulations.
 - All staff have been properly appointed and are paid in accordance with the terms and conditions of their appointment.
 - Value for money is obtained for goods and services purchased.
 - Property and other assets are properly recorded and safeguarded.
 - (b) **Systems Audits** are designed to ensure that all systems and procedures in operation include adequate controls within them to prevent fraud or other irregularities, e.g. at least two people should be involved in all transactions.
 - (c) **Information and Communications Technology Audit**. This is used to test the integrity of computerised systems in operation and also, by the interrogation of computer systems to help detect fraud and irregularities.

(d) **Contract Audit** which includes the financial appraisal of prospective contractors, an examination of controls in operation to ensure compliance with Contract Standing Orders and an examination of a sample of current and completed contracts including verification of final accounts.

- 12 A report is prepared following each internal audit and will:-
- State the purpose, scope, findings and conclusions of the audit.
 - Make recommendations to address any weaknesses identified.
 - Include an action plan to monitor and assist in the implementation of the recommendations.
 - Provide for a follow up to be carried out within a reasonable period of issuing the final report.

Review of 2016/17 Activity

- 13 During 2016/17, 45 audit days were provided, as compared to a planned allocation of 50 days as indicated in the strategic audit plan. The audit of the Retained Firefighter's Modified Pension Scheme was not performed in the year; since the Scheme had actually been implemented in 2015 and the 2016/17 audit of Pensions (Data Quality) had reviewed aspects of the Scheme's implementation, it was agreed with the Authority's Head of Finance that the risk to the Authority was low and there would be little benefit in performing any further work in this area. It was agreed with the Deputy Chief Fire Officer that 5 days audit work will be carried forward into 2017/18, increasing the audit resource in 2017/18 to 55 days.
- 14 The 2016/17 planned Cyber Security audit is currently work in progress; Conwy's Senior Auditor (IT) was on a period of long term sickness absence during March and April 2017, which has resulted in the completion of the audit being delayed. The results of the Cyber Security audit will be reported to the next meeting of the Audit Committee in September 2017.
- 15 Three audits were completed or are work in progress during the year covering:
- **Pensions (Data Quality)** - A review was undertaken upon the accuracy and completeness of Firefighter pension data.
 - **Attendance Management** – A review was undertaken to ensure attendance is managed in accordance with a clear, well communicated policy, performance is monitored and reported, short and long term sickness absence is properly and consistently

managed and periodic medicals, health fitness reviews, ill health retirements and modified duties are managed in accordance with the policy.

- **Cyber Security** - A review was undertaken to provide management with an independent assessment relating to the effectiveness of cybercrime prevention, detection and incident management processes, policies, procedures and governance activities.
- 16 A schedule giving an audit opinion of the adequacy and effectiveness of internal control processes and a summary of the key messages in respect of all the audit assignments undertaken during 2016/17 is attached at Appendix A. The outcome of each audit and the evaluation of the adequacy of the internal control environment is based on the number of recommendations and their risk rating. It is evident that generally the audits were assessed as providing positive levels of assurance that internal controls are operating effectively and risks are appropriately managed.
- 17 To address the weaknesses identified during the audit reviews 13 recommendations have been made.
- 18 Action plans setting out the agreed response to the audit recommendations were issued with the audit reports and these have been returned from Fire and Rescue Authority management, completed with the action to be taken to ensure implementation of the recommendations. Management have agreed to implement all the audit recommendations.
- 19 To comply with CIPFA's Public Sector Internal Audit Standards 2013 a formal follow up process is in operation within the Section to confirm that the recommendations made in Internal Audit reports have been implemented by management within agreed timescales. A follow up audit will normally take place six months after the issue of the final report. A schedule of the follow up audits conducted during the period 1 April 2016 to 31 March 2017 is attached at Appendix B. It demonstrates the number of recommendations accepted and subsequently implemented by management in each area and reveals changes that impact on the original audit opinion. Further follow up work will be performed in those areas where a significant number of recommendations remain outstanding.
- 20 A summary of audit activity is attached at Appendix C and shows the planned allocation of audit resources in terms of man days over departments and services and compares actual work done for 2016/17 with the plan. It is evident that the audit of the Retained Firefighter's Modified Pension Scheme was not performed in the year; since the

Scheme had actually been implemented in 2015 and the 2016/17 audit of Pensions (Data Quality) had reviewed aspects of the Scheme's implementation, it was agreed with the Authority's Head of Finance that the risk to the Authority was low and there would be little benefit in performing any further work in this area.

Audit Opinion

- 21 Based upon the work undertaken during 2016/17, the Internal Audit opinion of the systems of internal control established by management to effectively manage identified risks is satisfactory.

Needs Assessment and Draft Audit Plan 2017/18

- 22 The Draft Annual Plan for 2017/18 is attached at Appendix D; the available audit resource has been increased to 55 days as a result of 5 days being carried forward from 2016/17. The purpose of the annual audit plan is to:-
- establish audit priorities in conjunction with Fire and Rescue Authority Management based upon a risk based approach of determining the audit needs of the Authority at the start of each year.
 - determine the resources needed to carry out the required audit duties.
 - formalise audit tasks.
 - review the audit work of the previous year.
- 23 The audit plan is designed to act as a guide only. Changes in circumstances or other unforeseen events may result in deviations from the plan. The plan for 2017/18 has been prepared following consultation with Fire and Rescue Authority Management. The plan also includes time to follow up recommendations from previous audits.
- 24 The Internal Audit Needs Assessment is attached at Appendix E. The Assessment, which incorporates a risk analysis, is designed to cover all auditable aspects of NWFRA activity and will be utilised, in consultation with management, to facilitate the risk-based approach to determining the audit needs of the Authority at the start of each year.

IMPLICATIONS

Wellbeing Objectives	This report links to NWFRA's long-term well-being objective which is "To facilitate high quality, responsive and better integrated fire and rescue services so that prevention activity and emergency response can continue to be available when and where required, affordably, equitably and on the basis of risk."
Budget	N/A
Legal	N/A
Staffing	N/A
Equalities/Human Rights/ Welsh Language	N/A
Risks	The Authority's systems of internal control, risk management and corporate governance arrangements may not be operating effectively to ensure objectives are achieved.

NORTH WALES FIRE AND RESCUE AUTHORITY

APPENDIX A

Internal Audit Section – 2016/17 Annual Summary of Recommendations and Audit Opinions

	Auditable Area	Audit Findings and Key Messages	Critical	Major	Moderate	Minor	Total	Agreed by Mgmt	Audit Opinion
1	Attendance Management	<p>The Service has a clear, well communicated attendance management policy, with an issue date of April 2014 (SAPPO Section 7 Order 4). A revised <i>Attendance Management Policy</i> came into effect in July 2016, which made a number of revisions to the original policy, due primarily to changes in legislation. However, it was identified that the Policy has not thus far been approved by the Executive Group.</p> <p>It was confirmed that HR keep track of the levels of sickness across the Service; it is monitored by short term and long term sickness, by occupational groups, by causes of sickness and the overall cost. Detailed sickness absence reports are provided to the Health Management Panel and Locality Meetings on a 6 weekly basis and Overview reports are produced for the Executive Group. However, the Service does not at the start of each year set sickness absence estimates / targets for each occupational group to enable performance to be measured and improved; the performance target and actual data should be reported to senior management and Members.</p> <p>It was confirmed in relation to short term sickness absence that it is generally being managed in accordance with the Policy; Service Control is promptly notified of non-attendance and a Sickness Absence form is emailed to HR and line manager, if still absent on the 8th day the employee has received a medical certificate from their GP and medical certificates run continuously for the entire period of absence. Control were notified when the employee intended to return to work, a <i>booking fit form</i> promptly completed and a return to work interview was arranged with the results recorded on a Self-Certification form (Parts B and C). All sickness absence paperwork must be received by HR within 10 days and it was confirmed that Senior HR Advisors monitor the prompt receipt of medical certificates and self-certification forms and issue reminders to watch managers to promptly submit paperwork. However, an instance was identified of the late receipt of a medical certificate and significant delays of between 10 days and 2 months were identified in the receipt of self-certification forms from Stations, in the majority of cases reviewed.</p> <p>The Service has determined a threshold by calculating employee's attendance by implementing defined trigger points to manage attendance. It is acknowledged that individual circumstances are taken into consideration, the merits of each case are different and</p>	0	0	2	2	4	4	Satisfactory

		<p>adjustments made in instances where employees fall under the remit of the Equality Act. However, there were instances identified of non-compliance with the policy; 2 employees hit a stage 1 trigger and despite reminders from HR, the responsible WM had not provided any paperwork to record if any action was taken. In addition, although an employee had hit a Stage 4 trigger there was no paperwork on file to record the meetings that took place and the outcomes. It is considered that watch managers would benefit from additional training upon the use of triggers to manage sickness absence and the requirement for paperwork to be properly completed and promptly submitted to HR.</p> <p>It was confirmed in relation to long term absence, where the employee was absent from work for over 28 days, they were referred to Occupational Health, a Physician's report was promptly received by HR and the case was considered appropriately by the Health Management Panel.</p> <p>It was confirmed that periodic medicals are undertaken on a 3 yearly basis for those under 50 years of age and on an annual basis for those over 50 years of age (new Attendance Management policy has amended the requirement for annual medicals to over 60 years of age); there is currently a backlog with occupational health appointments which were due in the last 3 or 4 months (primarily due to retained recruitment, asbestos medicals and the changes to the policy ie. 3 yearly medicals up to 60). However, the Attendance Management Assistant is monitoring the situation and ensuring that appointments are arranged prior to the end of the year. It was confirmed that a record is maintained of employees assessed as <i>Unfit for Duty</i> and it was confirmed that these cases are dealt with appropriately. To ensure that Operational employees maintain the required physical standards to complete their duties safely and effectively, every employee with an operational commitment is required to undertake routine health and fitness assessments, dependent on the type of role they perform. The SAPPO Section 7 Order 34 <i>Health and Fitness Procedures</i> provides detailed guidance and the HR and Fitness Advisor maintains comprehensive records of the health and fitness checks performed and those checks that are overdue.</p> <p>It was identified that 6 employees were ill-health retired during 2015/16; the written opinion of an independent qualified medical practitioner had been obtained in each case and the retirement approved by the Health Management Panel. In relation to employees that were put on modified duties it was confirmed that it had been on the advice of an occupational health physician, a modified duties information sheet and risk assessment had been completed and the case reviewed by the Health Management Panel. It was confirmed that employees that have not had any absence in a 12 month period are credited with an</p>							
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		additional 1 days leave, providing an application is made within 3 months of the qualifying date; a register is maintained of applications and it was identified that 18 applications were properly declined in 2015 due to the employee having had some sickness absence in the year.							
4	Pensions (Data Quality)	<p>Although the audit has provided a Satisfactory level of assurance upon the quality of firefighter pension data, it is considered that Conwy payroll officers would benefit from some training upon each of the three pension schemes; FPS 1992, NFPS 2007 and the FPS 2015. The Head of Finance has delivered a training presentation to the Members of the Local Pension Board and has offered to provide the training to the payroll officers, which would provide a level of assurance that the schemes are being managed in accordance with legislation.</p> <p>It was confirmed that new starters are provided with guidance upon the benefits of FPS 2015 and in accordance with legislation they are auto-enrolled into the Scheme with the option for them to 'Opt Out' by informing Dyfed Pensions in writing. However, it was identified that 7 Retained Firefighters that commenced duties in April 2015 were not auto-enrolled into FPS 2015. In accordance with legislation these firefighters must be enrolled to enable them to decide whether to remain in or 'opt-out' of the Scheme. It is acknowledged that information is available on the Dyfed Pensions' website upon transfers of previous pension rights into the Scheme and the payment of death grants. However, it is considered that HR should provide new starters with a pensions information pack, which not only provides information upon the option to 'opt out', but also information on the transfer of previous pension benefits (<i>Declaration of Previous Benefits Form</i>) and the nomination forms; <i>Death Grant Expression of Wish</i> and the <i>Dependent Partner for Survivor's Pension</i>.</p> <p>It was confirmed that generally the record keeping is of a good standard. However, some variances were identified between firefighter pension data held on Workforce and the data held on ITrent. The variances between the Workforce and ITrent firefighter records (addresses, date of births and NI number) have been provided to HR and Conwy Payroll and enquiries should be made and the Systems amended with the up to date and accurate data. Conwy payroll must ensure that Dyfed Pensions are subsequently informed of the accurate data records.</p> <p>Contributions are deducted from firefighters' pay correctly, using</p>	0	0	4	5	9	9	Satisfactory

		<p>the correct contribution rate to deduct from pensionable earnings; firefighters are enrolled in the correct scheme, with the exception of a Retained Watch Manager, currently enrolled in FPS 2007, who is unprotected and should have been transferred into FPS 2015. It was confirmed that those firefighters whose tapered protection ended in 2015/16 have correctly transferred into FPS 2015. However, it is considered that to improve the system, the transitional protection, <u>tapered end dates</u>, should be input into iTrent (Consolidated Pension Details) to ensure all transfers to FPS 2015 are made on a timely basis.</p> <p>It was identified that the year-end pension reports issued by Conwy Payroll to Dyfed Pensions in April 2015 were incomplete and omitted 102 wholetime and 47 retained firefighters. Dyfed Pensions' validation checks identified the error and amended reports were submitted by Conwy at the end of May. It is important that robust data validation checks are performed by Conwy Payroll upon the year end reports, prior to the data being submitted to Dyfed Pensions, to ensure that they are complete and accurate. The year-end pension reports submitted to Dyfed Pensions should be transmitted using an encrypted channel ie. Egress Secure Email Software.</p> <p>It was confirmed that Dyfed Pensions perform robust validation checks upon the year end pension reports to ensure they are complete and accurate; and the management of the fund is periodically audited by Carmarthenshire Internal Audit Services.</p>							
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3	Cyber Security	The 2016/17 planned Cyber Security audit is currently work in progress; Conwy's Senior Auditor (IT) was on a period of long term sickness absence during March and April 2017, which has resulted in the completion of the audit being delayed. The results of the Cyber Security audit will be reported to the next meeting of the Audit Committee in September 2017.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
									High	0
									Satisfactory	2
									Limited	0
									No Assurance	0

NORTH WALES FIRE AND RESCUE AUTHORITY
Schedule of Follow up Audits 2016/17

	Description	Auditor	Audit Date	Follow up Due Date	Follow up Date	No. Recs	Recs Outstanding	Revised Audit Opinion
1	Payroll - Amendments to Pay	KVW	Nov-15	Apr-16	May-16	3	0	High Assurance
2	Planned Maintenance and Minor Works	KVW	Jan-16	Jan-17	Jan-17	5	0	High Assurance
3	Pensions - Data Quality	KVW	May-16	Nov-16	Feb-17	7	1	High Assurance

North Wales Fire and Rescue Authority
CONWY COUNTY BOROUGH COUNCIL
Summary of Internal Audit Activity 2016/17

	Department / Service	Planned Days 2016/17	Actual Days 2016/17
1	Pensions (Data Quality)	6	9
2	Attendance Management	11	11.5
3	Cyber Security	11	12.5
4	Pensions – Retained Modified Scheme	10	-
5	Audit Follow ups: <ul style="list-style-type: none"> • Payroll – Amendments to Pay • Planned Maintenance and Minor Works • Pensions (Data Quality) 	5	7
6	NWFRA Planning and Reporting (Including Annual Statement of Assurance and Needs Assessment)	5	5
7	Contingency Reserve	2	0
	TOTAL DAYS	50	45
	Days Allocated 2016/17		50
	Actual Days 2016/17		45
	Total Days C/F to 2017/18		5

North Wales Fire and Rescue Authority APPENDIX D
Draft Internal Audit Annual Plan 2017/18

Needs Ass't Ref	Audit Review	Comments	Days	Planned Timing
Risk Area – Financial and Fraud Risks				
28	Main Financial Systems - Creditors	The ordering and payment for works, goods and services through Conwy's P2P System to ensure appropriate levels of internal control.	11	Jan 18
25 and 28	Retained Fire Stations (Denbighshire)	Payment of salaries and allowances to firefighters on the retained duty system, the safeguarding of assets and maintenance of station and appliance inventory records, the recording of all journeys / refuelling in vehicle log books and the annual audit of Welfare Funds.	11	Sept 17
27	National Fraud Initiative (NFI)	NFI is a comprehensive and thorough 'data matching' exercise organized by the Cabinet Office in partnership with the Wales Audit Office (WAO).	7	Aug 17
Risk Area – Information Management and Technology				
32	Cyber Security (Part 2)	The objective of the review is to provide management with an independent assessment relating to the effectiveness of cybercrime prevention, detection and incident management processes, policies, procedures and governance activities.	12	Feb 18
Other Audit Work				
-	Audit Planning, Annual Report and Management	Provision for time required for management element of contract.	5	Ongoing
-	Follow up of Previous Recommendations	Following up recommendations made in 2016/17 – <ul style="list-style-type: none"> • Attendance Management • Cyber Security (Part 1) 	7	Ongoing
-	Contingency Reserve	For unplanned work identified during the year and liaison/advice as required.	2	
Total Days Required for Audit Work			55	
Total Days Allocated 2017/18			50	
Totals Days b/f from 2016/17			5	
Total Days Available 2017/18			55	

NORTH WALES FIRE AND RESCUE AUTHORITY
Internal Audit Needs Assessment 2017/18

APPENDIX E

	Main System and Subsystem	Potential Areas for Audit	Risk Assessment	2017/18 Days	Comments
Risk Area – Strategic Management and Governance					
1	Corporate Governance	Legal Compliance Arrangements; Policy and Decision Making; Scheme of Delegation; Codes of Conduct - Officers; Codes of Conduct - Members; Training and Awareness; Chief Officers Pay; Standing Orders and Financial Regulations; Anti-fraud and Whistle-blowing; Environmental Policy.	A		<p>The Authority has established a Local Code of Governance, which is used as the standard to measure the Authority's performance against in a self-assessment carried out at the end of each year to form the Annual Governance Statement (AGS). KPMG confirmed that the Authority was up to date with new legislation and appropriate processes and procedures in place.</p> <p>Corporate Governance Audit 2013/14 – High Assurance</p> <p>Corporate Governance Follow up – November 2015 – Of the 11 recommendations made in the audit report issued in May 2014; 4 recommendations were fully implemented, 5 considered to be work in progress, 1 partially implemented and the recommendation regarding the establishment of a Sustainability and Environmental Strategy is currently outstanding.</p>
2	Service Planning	Corporate Planning; IRMP; BVPP; Service Unit Plans; CPA Improvement Plan; Modernisation; Consultation; Risk Assessment;	B		WAO Annual Improvement Report 2014/15.

		Resourcing and Financial Approval; Improvement Co-ordinating Unit			
3	Performance Management	Roles and Responsibilities; Target Setting; Data Collection; Data Quality Control; Reporting; Use of Management Information to support Service Improvement.	A		WAO Annual Improvement Report 2015/16. 'Assessment of Performance Audit' WAO Annual 'Improvement Plan' Audit.
4	Risk Management, Emergency Planning and Business Continuity	Policy and Framework; Roles and Responsibilities; Training; Corporate Risk Register; Integration with Management Processes ; Monitoring and Assurance Mechanisms; Reporting; Emergency Planning; Risk Assessment; Business Continuity; Urban Search and Rescue; Compliance with CCA 2004; Working with Partner Agencies and Local Businesses; Resilience Forums; Mobile Conference Facilities;	A		WAO Annual Improvement Report 2014/15. Use of Resources – <i>'The Authority has Managed the delivery of efficiencies whilst sustaining safe levels of Service but the reduction in Corporate capacity is likely to slow the pace of future change.'</i> Corporate Governance Audit performed in 2013/14 included an assessment and recommendations with regard to risk management and Corporate Risk Register – High Assurance.
5	Equalities and Diversity	Compliance with Legislation; Policy, Practice and Procedure; Responsibilities; Awareness and Training; Performance Management.	C		WAO Annual Improvement Report 2015/16. Welsh Language Commissioner's review of the Authority's Welsh Language Scheme.

Risk Area – Operational Service Delivery

6	Control Room Operations Incident Response and management	Compliance with Key Risk Mitigation; Mobilisation Procedures; Incident Response Prioritisation; Monitoring and Measuring Performance; Staffing and Resources; Training; Incident Command System.	C		
7	Hoax Call Procedures	Policy and Procedure; Recording and Monitoring; Education; Communication.	C		
8	Community Fire Safety and Arson Task Force	Communication; Education; Resourcing Risk Profiling; Working with Business, LEAs, CYPT, YOT, other FRSS Sprinklers project; Smoke Alarms; Home Fire Safety Checks; Community Safety Events; Vehicle Recovery.	C		<p>WAO Annual Improvement Report 2015/16 – ‘Review of Fire Safety arrangements’ – The detailed report contained two proposals for improvement for implementation at a national level.</p> <p>A review of Community Fire Safety’s partnership working was undertaken during 2010/11. The Audit opinion was Adequate. Follow up audit performed July 2012 – revised audit opinion - Satisfactory.</p> <p>HFSC audit performed in 2014/15 – Audit Opinion - Satisfactory</p> <p>HFSC Follow up (November 15) Revised Opinion – High Assurance: 10 recommendations were made in the audit report issued in January 2015; 5 recommendations have been fully implemented, 4 are partially implemented and the recommendation regarding the submission of the Annual Report to the Executive Group for scrutiny and approval</p>

					is currently outstanding. Rhyl Community Fire Station 2014/15 – Audit Opinion – Satisfactory RCFS Follow up (November 15) Of the 11 recommendations made in the audit report issued in March 2015; 8 recommendations have been fully implemented, 1 is considered to be work in progress, 1 is partially implemented and the recommendation regarding the production of an Annual Report is currently outstanding.
9	Inspection and Investigations	Compliance with Policy; Inspections Programme; Online assessments; Compliance with building control; Issue of licences/certificates; Income from inspections and Licences.	C		Income from inspections and licences covered as part of Income audit preformed in 2013/14.
10	Partnership Working	Partnership Governance; Risk Assessment; Crime and Disorder Reduction; Local Strategic Partnership; Local Area Agreements; LEAs and others.	B		A review was undertaken during 2010/11 of the Authority's (CFS) partnership working evaluating the governance arrangements and the adequacy of the internal controls incorporated within each system, identifying any control weaknesses and areas of potential risk. The Audit opinion was Adequate. Follow up audit performed July 2012 – revised audit opinion - Satisfactory. HFSC audit performed in 2014/15 – Audit Opinion – Satisfactory Follow up November 2015 – Revised Audit Opinion – High Assurance

Risk Area – People Management					
11	Health and Safety	Compliance with Legislation; Policy, Practice, Procedure; Responsibilities Awareness and Training Performance Management Incident Monitoring and Reporting; Insurance (Public and Employers liability)	B		
12	Managing Attendance (uniformed and non uniformed)	Compliance with Policy; Reporting and recording absence; Performance Information.	C		Special Investigation undertaken during 2011/12 of Time off in Lieu and other HR issues. Attendance Management audit report issued December 2016 – Satisfactory Assurance (4 recommendations)
13	Staff Training and Development (uniformed and non uniformed)	Implementation of IPDS; Skills Assessment; Development Portfolios; Personal Development Reviews; Performance Appraisal; Training Facilities; Joint Training Schemes; Succession Planning; Leadership Development (Service Improvement); Value Centred Training.	C		WAO performance work performed 2011/12 – Themed Study – HR and workforce planning.

14	Recruitment and Selection	Compliance with Recruitment Policies and Procedures; Equalities and inclusion; Pre-employment checks; Performance Management.	C		Pre-employment checks eg. References, CTB checks covered as part of Starters and Leavers audit 2014/15 – Audit Opinion - Satisfactory. Follow up 2015/16 – High Assurance
Risk Area – Project Management					
15	Project Management	Special Projects Unit; Roles and Responsibilities; Project Prioritisation; Risk Assessment; Compliance with Prince 2; Training in Project Management; Monitoring and Delivery; Financing.	B		The Head of Facilities and Logistics Management Department for North Wales Police Authority proposed that the Final Account at Rhyl Community Fire Station be assessed for any irregularities. As part of the 2011/12 audit plan Conwy's Internal Audit Service performed a review of this contract. Audit Opinion – Satisfactory
Risk Area – Financial and Fraud Risks					
16	Financial Planning and Budgetary Control	Funding Arrangements Resource Allocation Medium Term Financial Planning Budget setting and approval Financial delegations Budget Monitoring Financial Forecasting/Reporting	A		WAO Annual Improvement Report 2015/16. 'Financial Resilience Assessment' – The review found that the Authority's arrangements for achieving financial resilience were sound.
17	Payroll	Starters, Leavers, Amendments; Payment Control; Certification; Accuracy; Monitoring; Reporting.	A	11	Payroll CAATS Audit 2008/09 - Audit Opinion was Good. Retained Pay - Review of new electronic FIN 8 procedures undertaken during 2011/12 – Audit Opinion - Satisfactory. Payroll Amendments to Pay audit 2015/16 - Audit Opinion was Satisfactory; Follow up performed May 2016 revised audit opinion to High Assurance. Payroll Starters and Leavers audit performed in 2014/15 – Audit Opinion -

					<p>Satisfactory. Payroll Starters and Leavers Follow up – April 2015. Of the 7 recommendations made in the audit report issued in July 2014; all 7 recommendations have been implemented.</p>
18	Employee and Members Allowances	Claims, authorisation and processing in relation to: Travel and Subsistence; Long Service Awards; Residential Allowances;	D		<p>Internal Audit Review of Members Allowances 2005/06. Audit Opinion was Good. Employee Allowances included in Payroll amendments to Pay audit 2008/09.</p>
19	Pensions	Notification to Administering Authority; Verification of Changes; Unfunded Charges.	C		<p>WAO Annual Improvement Report 2014/15.</p> <p>Internal Audit Review – Pensions (Data Quality) - May 2016 Satisfactory Assurance (9 Recommendations)</p> <p>Follow up Feb 2017 – High Assurance</p>
20	Procurement and Purchasing	Procurement Strategy; Efficiency and Value for Money; E Procurement; Compliance with Financial regulations and Contract Standing Orders; Purchasing and Payment Procedures; Credit Card Expenditure; Cash Expenditure.	B		<p>WAO Annual Improvement Report 2014/15.</p> <p>Creditors audit performed 2012/13 – High Assurance.</p> <p>NWFRS NFI – Planned Maintenance and Minor Works – Audit Performed 2015/16 – Limited Assurance Follow up December 16 – revised opinion – High Assurance</p>

21	Capital Strategy and Accounting	Strategy and Programme Setting/Approval; Monitoring; Capitalisation/ Authorisation of Expenditure ; Prudential Borrowing; Fixed Asset Management and Accounting; Fixed Asset Register; Asset Valuation/Depreciation; Insurance; PFI Schemes incl VAT.	A		WAO Annual Improvement Report 2015/16.
22	Fleet Management and Fuel	Procurement/Leasing; Management and Strategic Alignment; Maintenance and Inspection; Fuel Issues and Usage; Disposal; Insurance.	C		Fuel Management audit performed 2014/15. Audit Opinion - Satisfactory Fuel Management Follow up – October 2015. Of the 7 recommendations made in the audit report issued in November 2014; 1 recommendation has been implemented, 1 is partially implemented and 5 are subject to ongoing work.
23	Income Collection and Banking	Receipt of Funds; Grant Income; Precept Income: Collection and Accounting Procedures; Miscellaneous Income; Compliance with Charging Policy; Inspection Certificate Income; Cash Security and Banking; Insurance.	C		Income audit performed 2013/14 – High Assurance.

24	Stores	Stock Control, Valuation and Recording; Purchasing and Receipt; Security of Stores; Security of IT System; Issue and Returns Procedures; Insurance.	D		Stores audit performed 2012/13 – High Assurance
25	Equipment Security and Inventory	Inventory Level; Recording and Reviewing; Marking of Equipment; Loan of Equipment; Physical Security of Location; Insurance.	C		Equipment Security and Inventory Audit Review 2007/08. Included in Retained Stations audits 2009/10 – 2013/14.
26	Utility Costs and Service Contracts	Tendering and Value for Money; Monitoring Energy Costs; Compliance with Financial Regulations.	C		
27	National Fraud Initiative	Payroll Download; Creditors Download; Investigation of Output from National Matching Exercise.	B	7	NFI data matching of payroll and creditors data to be conducted every 2 years. NFI work performed 2015/16 – High Assurance
28	Main Financial Systems <ul style="list-style-type: none"> • Payroll • Creditors • Debtors • Treasury Management • Accounting System • Anti Fraud 	Completeness, Accuracy and Validity of Transactions; Correct Accounting; Monitoring and Reporting; Efficiency; Value for Money; Documentation of Systems; Compliance with Financial Regulations and Procedures.	A	11	Covered by Audit of CCBC Systems on an annual basis. Creditors audit performed 2012/13 – High Assurance

Risk Area – Reputation and Public Confidence					
29	Complaints Procedures	Policy, Procedure, Best Practice; Compliance; Monitoring and Reporting; Service Improvement; Compensation.	C		
30	Corporate Communications	Communications Strategy; Marketing and Media; Responsibilities; Incident monitoring.	C		
Risk Area – Information Management and Technology					
31	IT Strategy and Management	Strategy Development and Resourcing; Policies and Management Framework; Internet and Email Control; Responsibilities; ICT Procurement and Development; Insurance.	C		The audit assessed the degree of control over the key risks for accessing information on the organisation's IT systems and will specifically review the following areas for compliance with ISO 27000 information security standards. <ul style="list-style-type: none"> • User access control • Computer access control • Application access control • Monitoring system access and use • Access control over personal information
32	Network Management	Security and Control; Physical and Logical Security; Back Up and Disaster Recovery; Performance; Hardware, Media, Topology; Security and Control: Management Support: Communications Software; Wireless Connections.	C	12	Network Management audit undertaken 2008/09. Audit Opinion - Satisfactory. Audit of IT Security undertaken in 2010/11. Audit Opinion - Satisfactory. Cyber Security (Part 1) audit performed 2016/17. Cyber Security (Part 2) audit scheduled for 2017/18.

33	Telecomms (non control room)	Security and Control; Physical and Logical Security; Back Up and Disaster Recovery.	C		
34	E Government	Strategy; Resourcing; Initiatives; Performance.	C		<p>E Government Audit 2009/10 - The aim of the audit was to determine the degree of control over risks for the following:</p> <ul style="list-style-type: none"> e-Government vision Collaborative working, e.g. between authorities Customer requirements Funding Technical solutions Capacity – people and skills Business processes <p>Focus is on strategic controls over the key risks threatening the e-Government vision/programme.</p> <p>Audit Opinion – Good</p>
35	Control Room IT	Cell Phones; Radio System; Call Out System; Physical Security; Back Up and Disaster Recovery; Performance Monitoring.	C		
36	Data Protection / Freedom of Information	Compliance with Legislation; Staff Awareness; Information requests; Monitoring and Performance.	C		<p>Data Protection Audit 2009/10 - to determine whether activities involving the processing of personal data are carried out in accordance with the Authority's data protection policies and procedures, and whether this processing meets the requirements of the Data Protection Act 1998. Audit Opinion – Satisfactory.</p>

					Follow up Nov 2010 – High Assurance Freedom of Information audit 2010/11 - to ensure compliance with the statutory requirements of the Freedom of Information (Fol) Act 2000. Audit Opinion – Satisfactory Follow up Sept 2011 – High Assurance
Risk Area – Other Systems					
37	Canteen Operation	Agreement and Monitoring; Food Hygiene and cleanliness; Staff Training; Income Collection and Banking; Ordering Procedures.	C		
38	Welfare Funds	Written procedures; Welfare Fund Records; Bank Reconciliations; Independent Audits.	C		Welfare Funds audit undertaken 2008/09. Audit Opinion was Unsatisfactory. Follow up undertaken 2009/10 – Audit Opinion – Adequate.
Risk Area – Other Audit Work					
	Audit Planning, Annual Report and Management			5	
	Follow up of Previous Recommendations			7	
	Contingency Reserve			2	
			Total 2017/18 Coverage	55	
<p>Risk Assessments – The Needs Assessment documents each project and allocates a risk rating in respect of each auditable area, based on the completion of a risk matrix held on the Internal Audit Section’s Apace Audit Planning and Control System. The risk assessment dictates the degree of risk and the subsequent frequency of each audit. Where an area has not been recently reviewed by either Internal Audit or WAO a ‘C’ risk rating is allocated until such time as an audit review is performed and an informed opinion can be made. The current risk ratings are as follows:</p> <ul style="list-style-type: none"> • Risk Rating A - High Risk Requiring an Annual Review • Risk Rating B - High Risk Requiring a review every 2 years • Risk Rating C - Medium Risk Requiring a review every 3 years • Risk Rating D - Low Risk Requiring a review every 4 years 					