



Internal Audit Directorate

Scottish Fire and Rescue Service

Proposed Internal Audit Plan 17/18



Internal Audit Directorate

“Providing professional, independent and objective assurance and consulting services.”

Sharon Fairweather, Director of Internal Audit

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**The Scottish
Government**
Riaghaltas na h-Alba

Paper no: C/ARAC/07-17

Meeting date: 29 March 2017

Agenda item: 6b

Purpose: For comment and approval.

Title: SCOTTISH FIRE AND RESCUE SERVICE: PROPOSED INTERNAL AUDIT PLAN 2017/18

Key Messages: • Planned Internal Audit Programme for 2017/18 comprises 8 main reviews.

Action Required: • The Committee is invited to consider the proposed Internal Audit Plan and offer any comments on the paper.

Scottish Fire and Rescue Service Audit Risk and Assurance Committee

Internal Audit Planning Proposals 2017/18

1. This paper provides members with an update on the development of the 2017/18 Internal Audit Plan and invites comments on the emerging proposals.
2. Internal Audit plans are developed from a range of information sources. This enables us to provide an effective and efficient audit service by concentrating our resources on key activities which link to the organisation’s purpose, objectives and risks.



3. In developing our proposals we have met with the Chief Officer and the Director of Finance and Contractual Services, who in turn consulted with the Scottish Fire and Rescue Service Audit and Risk Committee (SFRS ARAC) Chair. We have also consulted with the HM Fire Service Inspectorate Chief Inspector and external auditors of SFRS, to ensure our respective plans avoid duplication and add maximum value. Our proposed Plan is shown in the attached annex 1 and is designed to be sufficient to enable us to provide a balanced, evidence based assurance opinion. It will incorporate a contingency element to allow us to respond to requests for advisory work on developing/changing systems. We will also be conducting a full programme of follow ups to reviews that were on the 16/17 plan to assess the implementation of agreed recommendations. To facilitate Members’ consideration of the extent to which our work focuses on SFRS’s key risks, we have indicated, where possible, how the proposed areas are linked to the developing SFRS Corporate Risk Register.

4. The resulting plan for SFRS comprises of eight main reviews, as set out in **Annex 1**. Follow up audits will be completed on the main reviews completed in the 2016/17 along with outstanding recommendations from reviews undertaken previously. We have also set aside an element of contingency which will allow us to cater for unexpected activity, undertake ad hoc or special reviews as required. Members will wish to note the change in audit year from 1 April – 31 March.
5. **Annex 2** sets out other areas identified through our planning work which are likely to appear in future audit plans. This list will be revisited and discussed with SFRS management and Committee members as part of our annual planning process.
6. Following consideration of the Plan by the Committee, appropriate managers will be consulted about the broad timetable for the reviews in their areas of responsibility. We will be seeking to schedule our work evenly throughout the period, so that each of the summer, autumn, winter and spring meetings of the Committee considers at least one main review report. A full Terms of Reference will be agreed in advance of each review, following preliminary visits to business areas to discuss the risks and controls present in more detail.
7. Our service will be provided in accordance with the UK Public Sector Internal Audit Standards, the IAD Charter and Strategy (revisions approved by the Scottish Government Assurance and Audit Committee on 2 March 2017 - copies separately tabled for information) and with the Memorandum of Understanding between IAD and SFRS. Our fees will continue to be charged in accordance with the principle of full cost recovery and are expected to be broadly in line with those charged in previous years.

Conclusion

8. Members are invited to offer any comments on the paper and approve the proposed Plan.

Jim Montgomery	Gary Gibb
Senior Internal Audit Manager	Internal Audit Manager

INTERNAL AUDIT PROPOSED PLAN: 2017/18

1. Main Reviews

Proposed Review	Proposed Coverage	Related Risk Register Entry	Proposed timing
Fuel Management	Governance and monitoring arrangements Business planning and risk management arrangements. Financial management arrangements, including the setting and monitoring of budgets, payment procedures and delegated financial responsibilities.	Inability to accurately forecast expenditure	Quarter 3
I-Trent Payments and Allowances for Retained Duty System (RDS)	Business planning and risk management arrangements. Governance and monitoring arrangements Financial management arrangements, including the setting and monitoring of budgets, payment procedures and delegated financial responsibilities.	Failure to have in place appropriate financial planning arrangements	Quarter 3
ICT Security of SFRS systems	Business Continuity / Disaster recovery arrangements. Addressing insider threat	Breach of cyber security Failure to prevent insider threats to the organisation	Quarter 2

NOT PROTECTIVELY MARKED

Proposed Review	Proposed Coverage	Related Risk Register Entry	Proposed timing
	Monitoring and reporting arrangements.		
SFRS Recruitment and Induction	Business planning and risk management arrangements. Governance and monitoring arrangements Financial management arrangements, including the setting and monitoring of budgets, payment procedures and delegated financial responsibilities.	Inability to recruit and retain sufficient staff with appropriate skills	Quarter 1
SFRS Income arrangements including invoice raising and receipting processes	Invoice raising and receipting processes Monitoring and reporting procedures. Debt recovery arrangements	Failure to have in place appropriate financial planning arrangements	Quarter 4
SFRS Fire Fighter Training Programme	Business planning and risk management arrangements Monitoring and reporting arrangements	Failure to develop and embed core competence standards and operational skills standards consistently across the Service	Quarter 1
Corporate Responsibility arrangements (including Health, Safety and Welfare)	Compliance with Health, Safety and Welfare Legislation Monitoring and reporting arrangements	Failure to ensure compliance with Health, Safety and Welfare Legislation Failure to implement HSW arrangements that maintains the safety of employees and demonstrates legal compliance	Quarter 2
Stakeholder Engagement	Identification and engagement of stakeholders	Failure to develop suitable consultation and engagement processes informing	Quarter 4

NOT PROTECTIVELY MARKED

Proposed Review	Proposed Coverage	Related Risk Register Entry	Proposed timing
	Stakeholder communication	effective decision making Failure to engage with and communicate with relevant stakeholders, including employees	

Indicative Areas for Review in 2018/19
Service Transformation
Procurement Card Management and Monitoring Arrangements
Fraud response arrangements