

# ROYAL BERKSHIRE FIRE AND RESCUE SERVICE

## Internal Audit Progress Report

**4 November 2019**

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# Introduction

The internal audit plan for 2019/20 was approved by the Audit & Governance Committee at the 11<sup>th</sup> March 2019 meeting. This report provides an update on progress against that plan and summarises the results of our work to date.

## Reports

### 1.1 Summary of final reports being presented to this committee

This section summarises the reports that have been finalised since the last meeting.

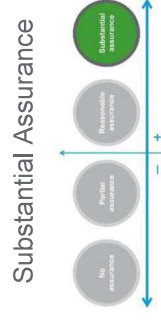
Assignment	Opinion issued	Actions agreed	
	L	M	H

#### Financial Planning and Long Term Budgeting:

From our review, it was noted that RBFRA has controls in place for its long and medium-term financial forecasts and budgets, which are supported by timely management information and oversight by those charged with governance to enable these areas to operate effectively.

Financial planning and budget processes were found to be well established, with long and medium term detailed financial plans in place and effective oversight processes operating.

It was noted during the review management had identified that by 2020/21, RBFRA are potentially facing a recurring deficit of c£420k due to uncertainties in relation to funding and increased costs, however two areas of potential savings (Wargrave Fire Station c£168k and a further budget bid for fire protection of £200k (currently in the MTFP) may not go ahead in 2020/21. (£400k of additional expenditure in this area has already been built into the base budget in 2018/19 and 2019/20).



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## 1.2 Themes arising from control observations

Theme*	Low	Medium	High
Planning	0	0	0
Policies and / or procedures	0	1	0
Non-compliance with policies / procedures	0	0	0
Design of the control framework	1	0	0
Training / awareness for staff	0	0	0
Management or performance information	0	0	0
Lack of segregation of duties	0	0	0
Poor record keeping	0	0	0
Governance weaknesses	0	0	0
Information technology	0	0	0
<b>Total</b>	<b>1</b>	<b>1</b>	<b>0</b>

\* The themes arising above relate to the finalised 2019/20 reports only

# Appendix A – Progress against the internal audit plan 2019/2020

Assignment and Executive Lead	Status / Opinion issued				Actions agreed	Target Audit Committee (as per IA plan 2019/2020 / change control*)	Actual (Planned) Audit Committee		
	No assurance	Partial assurance	Reasonable assurance	Substantial assurance				L	M
<b>Business Continuity and Emergency Planning 1. 19/20</b> Paul Binyon, Area Manager Response and Resilience					0	1	0	July 2019	September 2019
<b>Financial Planning and Long Term Budgeting 2. 19/20</b> Head of Finance and Procurement Deputy Head of Finance and Procurement					1	0	0	July 2019	November 2019
<b>Risk Management &amp; Governance</b> Head of Corporate Services	Audit commenced w/c 21 October 2019				TBC	TBC	TBC	July 2019	March 2020
<b>Firefighter Pension Administration</b> Head of Human Resources and Learning and Development	Audit planned for w/c 4 <sup>th</sup> November 2019				TBC	TBC	TBC	March 2020	March 2020
<b>Data Plan</b> Head of Human Resources and Learning and Development	Audit planned for w/c 11 <sup>th</sup> November 2019				TBC	TBC	TBC	July 2019	March 2020

Assignment and Executive Lead	Status / Opinion issued	Actions agreed	Target Audit Committee (as per IA plan 2019/2020 / change control*)	Actual (Planned) Audit Committee
		L M H		
<b>Key Financial Controls</b>				
Head of Finance and Procurement	Audit planned for w/c 13 <sup>th</sup> January 2020	TBC TBC TBC	November 2019	March 2020
Deputy Head of Finance and Procurement				
<b>IT Systems</b>				
Head of Business Information and Systems	Audit planned for w/c 27 <sup>th</sup> January 2020	TBC TBC TBC	July 2019	March 2020
<b>Call off audits 1*</b>	TBC	TBC TBC TBC	TBC	TBC
<b>Call off audits 2*</b>	TBC	TBC TBC TBC	TBC	TBC
<b>Call off audits 3*</b>	TBC	TBC TBC TBC	TBC	TBC

\* please note we need the thoughts of the Audit and Governance Committee on the 3 remaining call off audits for 2019/20 and any suggested areas of coverage.



# Appendix B – Other matters

## Changes to the audit plan

There have been a number of changes to the audit plan that was brought to the March 2019 Audit & Governance Meeting:

Note	Auditable area	Reason for change
1	General: Internal Audit start dates.	At the request of management and as demonstrated in Appendix A, a number of audits have been deferred by management to have a later start date, which has impacted on the dates that these will / have been presented to the Audit & Governance meeting.



## Quality assurance and continual improvement

To ensure that RSM remains compliant with the IIA standards and the financial services recommendations for Internal Audit we have a dedicated internal Quality Assurance Team who undertake a programme of reviews to ensure the quality of our audit assignments. This is applicable to all Heads of Internal Audit, where a sample of their clients will be reviewed. Any findings from these reviews being used to inform the training needs of our audit teams.

The Quality Assurance Team is made up of: the Head of the Quality Assurance Department (FCA qualified) and an Associate Director (FCCA qualified), with support from other team members across the department.

This is in addition to any feedback we receive from our post assignment surveys, client feedback, appraisal processes and training needs assessments.

### Post assignment surveys

We are committed to delivering an excellent client experience every time we work with you. Your feedback helps us to improve the quality of the service we deliver to you. Currently, following the completion of each product we deliver we attached a brief survey for the client lead to complete.

We would like to give you the opportunity to consider how frequently you receive these feedback requests; and whether the current format works. Options available are:

- After each review (current option).
- Monthly / quarterly / annual feedback request.
- Executive lead only, or executive lead and key team members.



## Appendix C - Key performance indicators (kpis)

Delivery				Quality			
	Target	Actual	Notes (ref)		Target	Actual	Notes (ref)
Audits commenced in line with original timescales	Yes	Yes	1	Conformance with PSIAS and IIA Standards	Yes	Yes	
Draft reports issued within 10 days of debrief meeting	100%	11 days	2	Liaison with external audit to allow, where appropriate and required, the external auditor to place reliance on the work of internal audit	Yes	Yes	
Management responses received within 10 days of draft report	100%	15 days		Response time for all general enquiries for assistance	2 working days	100%	
Final report issued within 3 days of management response	100%	0 days		Response for emergencies and potential fraud	1 working days	N/A	

### Notes

1. See appendix A & B, where audit timings have been amended at the request of management.
2. To date two reports (Business Continuity & Emergency Planning and Financial Planning & Long Term Budgeting) have been issued in draft and Final, where the draft reports were issued in 5 and 17 working days after the debrief date.



## For more 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.

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