

Lancashire Combined Fire Authority

**Internal Audit Service monitoring report: period ended
10 June 2022**

1 Purpose of this report

1.1 The Internal Audit Plan for 2022/23 was approved by the Audit Committee in March 2022. This report details the progress to date in undertaking the agreed coverage.

2 Internal audit work undertaken

2.1 To date, no days have been spent this financial year on completion of the 2022/23 plan, and no individual assignments have been scheduled for completion to date. The table at section 3 below provides a summary of the assignments that comprise the 2022/23 audit plan alongside planned audit dates for key audit deliverables.

2.2 Time spent between 1 April 2022 and 10 June 2022 in completing assignments from the 2021/22 audit programme, has been accounted for within the 2021/22 Annual Report of the Head of Internal Audit.

Use of this report

2.3 This report has been prepared solely for the use of Lancashire Combined Fire Authority and it would therefore not be appropriate for it or extracts from it to be made available to third parties other than the external auditors. We accept no responsibility to any third party who may receive this report, in whole or in part, for any reliance that they may place on it and, in particular, we expect the external auditors to determine for themselves the extent to which they choose to utilise our work.

3 Proposed Audit dates

Audit review	Days	Fieldwork Start date w/c	Draft report issued w/c	Final report issued w/c	Audit Committee date
Overall governance, risk management and control arrangements	3	An overall opinion on the adequacy and effectiveness of governance, risk management and control arrangements will be reported in the 2022/23 Annual Report of the Head of Internal Audit.			July 23
Recruitment	12	5/12/22	19/12/22	2/1/23	March 23
Carbon Management Arrangements	12	6/3/23	27/3/23	10/4/23	July 23
Accounts payable	8	13/2/23	6/3/23	13/3/23	March 23
Accounts receivable	5	13/2/23	6/3/23	13/3/23	March 23
General ledger	5	13/2/23	6/3/23	13/3/23	March 23

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Audit review	Days	Fieldwork Start date w/c	Draft report issued w/c	Final report issued w/c	Audit Committee date
HR/ Payroll	9	24/10/22	14/11/22	21/11/22	March 23
Pensions administration	1	N/A	N/A	N/A	July 23
Treasury management	4	24/10/22	21/11/22	28/11/22	March 23
Training, Learning and Development follow up	1	January 23			March 23
Management of on call provision follow up	1	October 22			November 22
Management activity	8	Progresses throughout the course of the year			All
National Fraud Initiative	1	Data specifications will be issued to participating bodies at the end of July; data is extracted and uploaded to the NFI web application during October and November; matches will be issued from the end of January 23.			March 23
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Audit assurance levels and residual risks

Appendix 1

The assurance we can provide over any area of control falls into one of four categories as follows:

Substantial assurance: the framework of control is adequately designed and/ or effectively operated overall.

Moderate assurance: the framework of control is adequately designed and/ or effectively operated overall, but some action is required to enhance aspects of it and/ or ensure that it is effectively operated throughout the service, system or process.

Limited assurance: there are some significant weaknesses in the design and/ or operation of the framework of control that put the achievement of the service, system or process' objectives at risk.

No assurance: there are some fundamental weaknesses in the design and/ or operation of the framework of control that could result in failure to achieve the service, system or process' objectives.

We categorise the issues we raise in the context of the residual risk to which the service is exposed. The actions are therefore defined as 'extreme', 'high', 'medium' or 'low' in relation to the residual risk they are designed to address and fall into the following categories:

Extreme residual risk: critical and urgent in that failure to address the risk could lead to one or more of the following: catastrophic loss of services, loss of life, significant environmental damage or significant financial loss, with related national press coverage and substantial damage to reputation. *Remedial action must be taken immediately.*

High residual risk: critical in that failure to address the issue or progress the work would lead to one or more of the following: failure to achieve organisational objectives, significant disruption to business or to service users, significant financial loss, inefficient use of resources, failure to comply with law or regulations, or damage to reputation. *Remedial action must be taken urgently.*

Medium residual risk: failure to address the issue or progress the work could impact on operational objectives and should be of concern to senior management. *Prompt specific action should be taken.*

Low residual risk: matters that individually have no major impact on achieving the service's objectives, but where combined with others could give cause for concern. *Specific remedial action is desirable.*