



**DORSET & WILTSHIRE
FIRE AND RESCUE
AUTHORITY**

Item 5

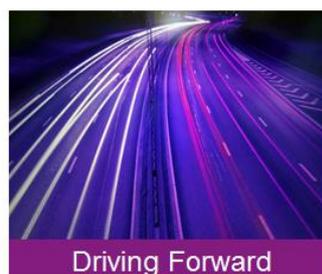
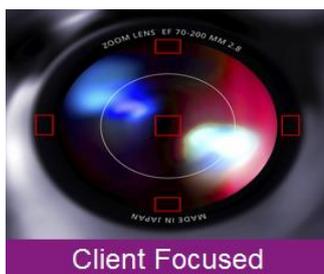
MEETING	Finance and Audit Committee						
DATE OF MEETING	21 st September 2016						
SUBJECT OF THE REPORT	Internal Audit Progress Report (Quarter 2 – July-Sept)						
STATUS OF REPORT	For open publication						
PURPOSE OF REPORT	To provide assurance assessments and agreed actions in line with the Annual Internal Audit Plan (2016/17)						
EXECUTIVE SUMMARY	<p>Three internal audits have been undertaken covering:</p> <table border="0"> <tr> <td>1. Fixed Assets and Inventories</td> <td>Adequate Assurance</td> </tr> <tr> <td>2. Corporate Governance</td> <td>Substantial Assurance</td> </tr> <tr> <td>3. Complaints, Whistle Blowing, Anti-Fraud, Corruption and Bribery</td> <td>Substantial Assurance</td> </tr> </table>	1. Fixed Assets and Inventories	Adequate Assurance	2. Corporate Governance	Substantial Assurance	3. Complaints, Whistle Blowing, Anti-Fraud, Corruption and Bribery	Substantial Assurance
1. Fixed Assets and Inventories	Adequate Assurance						
2. Corporate Governance	Substantial Assurance						
3. Complaints, Whistle Blowing, Anti-Fraud, Corruption and Bribery	Substantial Assurance						
RISK ASSESSMENT	This report provides the outcomes from the internal audit work completed for quarter 2. Although a number of recommendations have been identified none are judged to represent a significant risk to the Authority’s control environment.						
COMMUNITY IMPACT ASSESSMENT	None for the purposes of this report						
BUDGET IMPLICATIONS	None for the purposes of this report						
RECOMMENDATIONS	It is recommended that the Finance and Audit Committee notes the completion of the quarter 2 audits and the assurance and outcomes provided.						
BACKGROUND PAPERS	None for the purposes of this report						
APPENDICES	None						
REPORT ORIGINATOR AND CONTACT	Robin Pritchard (Gateway Assure) Tel: 01952 740403 Email: robin.pritchard@gatewayassure.com						



Dorset and Wiltshire Fire & Rescue Services

Internal Audit Report

Block 2 2016/17



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CONTACT DETAILS – MANAGEMENT TEAM

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INTRODUCTION

OPERATIONAL AUDIT PLAN

- 1.1 This report summarises the outcome of work completed to date against the operational audit plan approved by the Authority and the Chief Fire Officer and incorporates cumulative data in support of internal audit performance and how our work during the year feeds in to our annual opinion.
- 1.2 The sequence and timing of individual reviews has been discussed and agreed with management to ensure the completion of all audits within the agreed Internal Audit Strategy 2016/17; the current planned schedule is shown in Appendix C.
- 1.3 In brief the areas subject to audit on this occasion and the result of those audits are as follows:

Audit Area	Opinion	Recommendations				
		F	S	MA	Total	Agreed
Fixed Assets and Inventories	Adequate	0	1	2	3	3
Corporate Governance	Substantial	0	3	3	6	6
Complaints, Whistleblowing, Anti-fraud, corruption and Bribery.	Substantial	0	0	2	2	2

- 1.4 We would like to take this opportunity to thank all members of staff for their co-operation and assistance during the course of our visit.
- 1.5 The results of each audit are reported through the Executive Summary and agreed Action Plan contained within **Appendix A**. A Summary of Opinions and Recommendations is shown as **Appendix B** and progress against the Operational Plan is detailed at **Appendix C**.

STANDARDS

- 1.6 We have performed our work in accordance with the principles of the Institute of Internal Auditors (IIA) International Professional Practice Framework (IPPF) 2013 and the Public Sector Internal Audit Standards (PSIAS) 2013 in so far as they are applicable to you our client. Our working papers are available for inspection.

QUERIES

- 1.7 Should any recipient of this report have any queries over its interpretation or content they should contact the client engagement director either directly or through the client contact as appropriate and we shall be happy to discuss the assignments and provide any detail or explanations necessary.

SCOPE & BACKGROUND

- 1.8 We have reviewed each area in accordance with the scope and objectives agreed with management prior to our visit. Appendix A provides detail of the scope of our work; our conclusions regarding the level of assurance that can be provided and where appropriate the agreed Action Plan to be implemented by management to remedy potential control weaknesses.
- 1.9 Our approach was to document and evaluate the adequacy of controls operating within each system. For each system the key controls operated by management were assessed against the controls we would expect to find in place if best practice in relation to the effective management of risk, the delivery of good governance and the attainment of management objectives is to be achieved. Where applicable, selected and targeted testing has been used to support the findings and conclusions reached.
- 1.10 We report by exception and only highlight those matters that we believe merit acknowledgement in terms of good practice or undermine a system's control environment and which require attention by

management.

AUDIT OBJECTIVE & OPINION

- 1.11 The objective of our audit was to evaluate the auditable area with a view to delivering reasonable assurance as to the adequacy of the design of the internal control system and its application in practice. The control system is put in place to ensure that risks to the achievement of the organisation's objectives are managed effectively.
- 1.12 Our opinion is based upon the control framework (as currently laid down and operated) and its ability to adequately manage and control those risks material to the achievement of the organisation's objectives for this area. We provide our opinion taking account of the issues identified in the Executive Summary and Action Plan.

Overall Opinion

- 1.13 Each Executive Summary provides an overall assessment of our findings for each system reviewed and provides an opinion on the extent to which management may rely on the adequacy and application of the internal control system to manage and mitigate against risks material to the achievement of the organisation's objectives for each area.

Conclusion on the Adequacy of Control Framework

- 1.14 Based on the evidence obtained, we conclude for each area upon the design of the system of control, and whether if complied with, it is sufficiently robust to provide assurance that the activities and procedures in place will achieve the objectives for the system.

Conclusion on the Application of Controls

- 1.15 Based on the evidence obtained from our testing, we conclude for each area upon the application of established controls.

VALUE FOR MONEY

- 1.16 Where value for money issues are identified as a result of our work the corresponding recommendation will be annotated with **VFM** in the bottom right hand corner. This is used to identify recommendations which have potential value for money implications for the organisation or which indicated instances of over control.

PREVIOUS AUDIT RECOMMENDATIONS (FOLLOW UP)

- 1.17 Where a previously accepted audit recommendation remains outstanding at the time of our review and the original implementation date has passed the corresponding recommendation within Appendix A will be annotated with **PAR** in the bottom right hand corner.

EXECUTIVE SUMMARY

FINDINGS & CONCLUSIONS

- 2.1 The results of our visit to Dorset and Wiltshire Fire & Rescue Services (DWFRS, also referred to as the Authority and Service) are summarised in this section of the report and are considered in relation to each area reviewed.
- 2.2 The extent of comment in relation to each audit area is restricted deliberately so as to highlight the key issues that we believe need to be drawn to the attention of the Audit and Risk Committee and management and are supported by a more detailed analysis of each review that is contained as Appendix A to this report.

Fixed Assets and Inventories

- 2.3 Both the Dorset and Wiltshire services currently run their own specific systems for the control of their fixed assets and equipment: Dorset using the MiQuest system for both and Wiltshire using Tranman for the vehicles and Redkite for the equipment. Although different systems both link the equipment and the respective vehicles to the same location. There is also a fixed asset property list which identifies all the stations and property owned by the new combined Service.
- 2.4 It was confirmed through discussion with the Head of Assets for the Service that a new global control system was to be introduced using the Institute of Assets Management policy PAS55.1 2008 as a template for compliance. Whilst it is acknowledged that some areas of this plan can be implemented quite quickly, such as the introduction of a new joint policy, which has been completed, other aspects of the “merger” on an operational level are going to be more difficult. A timeline for the completion of the plan has been put in place of three years, but we would recommend that a more detailed sectional set of deadlines are introduced to focus the efforts to combine the two systems in a timely manner.
- 2.5 When assets are purchased in both Dorset and Wiltshire, a birth certificate is created which details the asset and identifies all the different equipment elements that relate to that asset, and example being the purchase of a pump vehicle and all the different equipment elements that need to be on that vehicle are linked, either by MiQuest or Redkite to the specific vehicle location. In addition for each asset an inspection log is created which automatically updates schedules to identify when an inspection is to be carried out on each item, including servicing of vehicles.
- 2.6 The current criteria for an asset to be included on an asset register is that it is of significant value or a requirement for it to be inspected for safety reasons. The requirement to inspect an asset for safety reasons does not mean it is of significant financial value, but there is a strategic need to ensure the asset is fit for purpose. We have recommended that a minimum capitalisation value be established for assets which do not require a formalised safety inspection.
- 2.7 It was confirmed that all stock items are also included in the asset system where applicable. The asset information is also shared with the Finance team who depreciate the assets in line with the accounting policy.
- 2.8 The condition of all the assets is regularly undertaken by the Service. On a weekly basis each station reviews all the equipment which it holds and is attached to the specific appliances located at that station. It was confirmed that all the equipment is reviewed and monitored to ensure it remains fit for purpose and further undergoes a more detailed testing scenario during its formal planned maintenance.
- 2.9 Management information is prepared comparing performance in each of the two areas of Dorset

and Wiltshire and highlighting any performance differences. This report is constantly evolving as the most appropriate management information is being identified and standardised.

- 2.10 It is acknowledged that prior to the combining of the two separate Fire and Rescue Services into DWFRS, they were undertaking control of their assets using two different systems. Both systems provide adequate control over the assets. The current issue facing the Service is to combine all of the assets onto a single system capable of meeting the combined Services information and operational control requirements.

Taking account of the issues identified above and the recommendations contained within Appendix A, in our opinion the control framework for the area under review, as currently laid down and operated, provides **adequate assurance** that risks material to the achievement of the organisation's objectives for this area are adequately managed and controlled.

Corporate Governance

- 2.11 The Authority adopts the CIPFA/SOLACE Framework: Delivering Good Governance in Local Government as the basis for establishing its governance arrangements. A baseline assessment against the six standards contained within the framework has been undertaken and as a result established an action plan containing 18 areas to be addressed that are being pursued. We have not attempted to review the full extent of the self-assessment which is more extensive than the brief for this audit but have in areas of overlap considered the Authority's assessment.
- 2.12 The Authority is due to commence a review of governance arrangements following merger and we have considered the implications of this in our review. Along with reviewing the current arrangements, we understand that consideration is to be given to reducing the number of Board members. A consequence of any reduction in Members will inevitably be the need for refocused reporting within any new committee structure in order to ensure that member and officer time is used efficiently and effectively.
- 2.13 The Authority has in place a robust structure of sub-committees which support the Board, each has defined terms of reference and conducts its business in accordance with best practice. We have made a number of observations which we feel are worthy of consideration by the Authority in order to both reflect the remit of the sub-committees and provide focus to agendas. These are summarised as:
- The terms of reference for the Policy and Resources Committee and Finance and Audit Committee may need further clarification regarding who takes the lead on monitoring of financial performance. We feel that this role sits more naturally with Policy and Resources Committee, although it is common in other sectors for the Board itself to consider key financial issues of both a strategic and operational nature. It is however best practice for the "Audit" Committee to have oversight of both Governance statements and Accounting Policies relating to the Annual Report and Accounts process. This maybe an issue to be considered by Members as part of the forth-coming governance review.
 - With the above matters in mind it may be advantageous to rename the current Finance and Audit Committee as either the Audit and Scrutiny Committee or the Audit and Risk Committee; both terms are consistent with practice elsewhere in local government.
 - The terms of reference for the committees should be extended to develop and include wider aspects of their respective roles which might focus on aims, objectives, membership, meetings, responsibilities, reporting and where relevant alignment with the scheme of delegation.
- 2.14 The Authority has sought to identify Member skills through each nominating Authority with partial

success. Undertaking a skills audit of Members is an essential aspect of both devising appropriate training schemes as well as providing information regarding skills gaps that may exist. In the latter case, information gained may be used to encourage local authorities to nominate those whom it is considered can make the most significant contributions to the DWFRS Board bearing in mind its future business plans. The knowledge will also assist DWFRS in placing the appropriate Members on the most relevant committees.

- 2.15 It is considered good practice for committees to undertake self-assessment of their performance on an annual basis; we understand that this is not presently planned to be undertaken at the Authority although the governance review is a very useful mechanism given the freshness of the current arrangements. Industry templates are available for this purpose.
- 2.16 In support of this it is increasingly common for Boards in the public sector to introduce appraisal schemes, whether of a formal or informal nature. Whilst we recognise that this does place an additional burden on the Chairman's time it does provide for an opportunity to raise issues, discuss development needs and where relevant discuss performance issues and as such we feel would be a valuable addition to the governance arrangements within the new Authority.
- 2.17 The Authority has in place various arrangements for declaring and managing 'Conflicts of Interest' and related issues concerning the approval of secondary employment. We feel that these should be brought together in a combined policy document, which also contains the introduction of a central register of approvals, so that where the consequences of potential conflicts do emerge these are transparent and can be appropriately handled.

Taking account of the issues identified above and the recommendations contained within Appendix A, in our opinion the control framework for the area under review, as currently laid down and operated, provides **substantial assurance** that risks material to the achievement of the organisation's objectives for this area are adequately managed and controlled.

Complaints, Whistleblowing, Anti-Fraud, Corruption and Bribery

- 2.18 For all of the areas within this review, both of the individual Fire and Rescue Services had established policies and procedures. There is a systematic approach to selecting the most appropriate policies and procedures from each organisation and adopting these as the new combined Services standard.
- 2.19 It was confirmed that currently there were no cases of anti-fraud or bribery in progress. At the time of the review we were informed that one case of whistleblowing was currently being processed and is being assessed by the monitoring officer.
- 2.20 During our audit fieldwork it was identified that the number of complaints received by the Service did not exceed more than five in a month. It was further acknowledged that some of these complaints are resolved at source with station managers addressing any issues before the requirement to formalise the process. By allocating the complaint to the most appropriate officer to address the issue from its receipt, this avoids potential problems that can occur during internal transfers, e.g. inappropriate allocation, delayed response and even its loss.
- 2.21 Due to the number of complaints which are received by the Service it is easy at the present time to address each complaint on its merits. We have recommended that on receipt of a complaint an assessment of the seriousness of the complaint is made by the receiving party and a prioritisation category assigned to it. This will allow the more serious complaints to be addressed as a priority.

- 2.22 Discussions with the Head of Information and Communications confirmed that currently there were still two separate systems in place for the addressing of the complaints. It has been decided that the system used by the previous Dorset Fire and Rescue Service which uses an electronic automated system was to be rolled out within the combined Authority. It was noted that the roll out remains to be completed and is recommended that this is a priority activity for the Service.
- 2.23 The reporting and monitoring of the information included within the complaints, whistleblowing and anti-bribery areas are included within reports completed on a six monthly cycle at the appropriate committee. All staff members are reminded of their responsibility through a number of different media, from induction to notifications within the weekly updates.

Taking account of the issues identified above and the recommendations contained within Appendix A, in our opinion the control framework for the area under review, as currently laid down and operated, provides **substantial assurance** that risks material to the achievement of the organisation's objectives for this area are adequately managed and controlled.

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APPENDIX A1 – 06/17 FIXED ASSETS & INVENTORIES

Management Objective:	Fixed Assets and Inventories are identified, recorded and accounted for within an accounting policy that provides for financial reporting and security of assets (focus in 2016/17 on integration of asset and inventory record systems)		
Responsible Officer:	Pete Barrow – Head of Assets		
Risk areas for consideration:			
<ol style="list-style-type: none"> 1. Fixed Assets and inventory items are not controlled and monitored leading to the Service not being aware of the assets they hold and the condition of such assets. 2. With the combining of the assets from both Services duplication of assets exist within each area. 			
Limitations to scope: A limited sample check will be undertaken of the fixed asset and stock inventories held for the Service. The remainder of the audit will assess the process and appropriateness of the combination of assets for the new combined Service ensuring value for money and efficiency has been achieved in the area.			
Overall opinion:	Adequate	Adequacy of control framework:	Adequate
		Application of control:	Adequate

Main Recommendations	Priority	Management Response	Implementation Plan
<p>1. Fixed Asset Policy</p> <p>We recommend that a detailed documented plan is introduced to ensure that the new PAS55.1 2008 Standard from the Institute of Management in respect of Fixed Assets is implemented within the 3 year timeline.</p>	S	<p>PAS 55-1:2008 contains a range of requirements and these have been used as the tasks to be completed to embed the Standard across all five Assets functions (Estates, Fleet, Equipment, Supplies and Water + Foam). The tasks have already been prioritised into a three year programme of work and have been allocated to appropriate management roles through Cycle. The next stage is to produce a more detailed project plan as described in the recommendation. This work has</p>	<p>Responsibility: Head of Assets</p> <p>Target date: March 2017</p>

		<p>been delayed by the need to prioritise other risk critical work, in particular the need to maintain legal compliance. The Department has faced a significant challenge caused by the need to recruit and train staff to fill vacancies. The work required to recruit and train 18 new members of staff has been significant, as has the disruption caused by 18 vacancies in a Department of 50 staff. The situation with regard to this recommendation is further complicated by the fact that two of the senior management roles required to develop the plan are currently, or will soon be, vacant. I hope the staff situation will be largely resolved by the end of the year and at this point a more detailed project plan will be developed.</p>	
<p>2. Capitalisation Limits</p> <p>We recommend that a minimum capitalisation limit is introduced to ensure all significant value items are included within the asset registers, and not just relying on the requirement of an inspection. It is acknowledged that a number of lesser valued items do require inclusion on the registers due to the inspection requirement and these should override the capitalisation requirement.</p>	MA	<p>There has been an informal capitalisation limit in place for a number of years. This will be firmed up in consultation with finance.</p>	<p>Responsibility: Head of Assets</p> <p>Target date: March 2017</p>
<p>3. Performance Management</p> <p>We recommend that consideration be given to the presentation of the performance management information including the KPIs. As the information is of strategic importance the presentation should be tailored to the specific audience.</p>	MA	<p>Sycle is able to present information in a number of ways including dashboards. The plan is to develop a range of dashboards for particular audiences so</p>	<p>Responsibility: Head of Assets</p> <p>Target date: March 2017</p>

		information can presented in an intuitive and informative manner tailored to the particular audience.	
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APPENDIX A2 – 07/17 CORPORATE GOVERNANCE

Management Objective:	The Board, and the way it discharges its responsibilities, committees, delegated authority, and planning, complies with regulations, and accountability expectations.		
Responsible Officer:	Derek James – Director of Corporate Services		
Areas of risk for consideration:			
<ol style="list-style-type: none"> 1. Governance processes do not reflect good practice, failing to support the organisation in the delivery of its strategic aims and leaving DWFRS open to criticism by stakeholders. 2. Cultures and values defined within the Corporate Governance statements are not embedded in the organisation 			
Limitations to scope: Our work does not provide any guarantee against material errors, loss or fraud or provide an absolute assurance that material error, loss or fraud does not exist. The review will only cover those areas of risk stated above and will not seek to verify the current position relating to governance.			
Overall opinion:	Substantial	Adequacy of control framework:	Good
		Application of control:	Good

Main Recommendations	Priority	Management Response	Implementation Plan
1. Terms of reference for sub-committees As part of the governance review the Authority should consider the allocated responsibilities of its sub-committees and ensure that these meet the future governance needs of the Authority.	MA	This will be considered as part of the Governance Review to be commenced in September	Responsibility: Chair of Governance Working Group Target date: December 2016
2. Terms of reference Existing terms of reference should be extended to provide further details on what is expected from each Committee particularly in terms of directing its formal cycle of business.	MA	This will be considered as part of the Governance Review to be commenced in September	Responsibility: Chair of Governance Working Group Target date: December 2016

<p>3. Committee self-assessment The Authority should consider introducing annual self-assessment processes for each committee.</p>	MA	This will be considered as part of the Governance Review to be commenced in September	<p>Responsibility: Chair of Governance Working Group</p> <p>Target date: December 2016</p>
<p>4. Member skills audit The Authority should complete the process of identifying member skills as a means of determining future training needs and board appointments.</p>	S	In progress	<p>Responsibility: Head of Democratic Services and Corporate Assurance</p> <p>Target date: December 2016</p>
<p>5. Member appraisals The Authority should consider the introduction of an annual system of appraisal and development for members.</p>	S	This will be considered as part of the Governance Review to be commenced in September	<p>Responsibility: Chair of Governance Working Group</p> <p>Target date: December 2016</p> <p>N.B. Members may wish to consider previous arrangements that operated prior to Combination.</p>
<p>6. Conflicts of Interest/Secondary working The Authority should introduce a combined policy regarding the approval and recording of conflicts of interest and secondary working.</p>	S	Agreed and to be actioned	<p>Responsibility: Head of Democratic Services and Corporate Assurance</p> <p>Target date: December 2016</p>

APPENDIX A3 – 11/17 COMPLAINTS, WHISTLEBLOWING, ANTI-FRAUD, CORRUPTION and BRIBERY

Management Objective:	Management of complaints and whistle blowing from stakeholders provides intelligent information to management regarding issues that might have a detrimental impact on the brand, the delivery of services or achievement of corporate objectives. Processes and procedures are defined and embedded to protect DWFRS from fraud, corruption and bribery		
Responsible Officer:	Vikki Shearing – Head of Information and Communications		
Risk areas for consideration:			
<ol style="list-style-type: none"> 1. Complaints and whistle blowing procedures are not sufficiently documented or promoted to support stakeholders in registering valid issues. 2. Monitoring of reported incidents fails to deliver timely and accurate information to the appropriate level of management leading to potential litigation, negative publicity and loss of reputation 3. Fraud, corruption and / or bribery damages the combined organisations reputation / brand and leads to economic detriment for DWFRS 			
Limitations to scope:			
No limitations to scope identified from the brief.			
Overall opinion:	Substantial	Adequacy of control framework:	Good
		Application of control:	Good

Main Recommendations	Priority	Management Response	Implementation Plan
1. Complaint Prioritisation We recommend that DWFRS consider introducing a prioritisation scale for the complaints received to allow more serious complaints to be addressed as a priority.	MA	All complaints are allocated to an officer to handle within 3 working days regardless of priority. It is rarely an issue for these timescales to be met. However, we will introduce this priority rating as a means of alerting the officer of the potential significance/impact of a complaint. Development work with ICT is programmed for May 2017	Responsibility: Lisa Smith Target date: May 2017

<p>2. Team Training</p> <p>We recommend that training in the processes, procedures and systems of the adopted Dorset FRS complaints approach is undertaken as soon as possible to establish a single, consistent and quality approach is established throughout the combined Authority</p>	<p>MA</p>	<p>One single system is used by the central Information Management team. Ex-Dorset officers receive automated alerts about complaints and can input their own investigation details directly. At this stage, ex-Wiltshire Officers who are allocated a complaint are notified manually and are being supported by the team for inputting their investigations/outcomes. Once the Service has migrated to a single domain this will no longer be necessary. Training for all Officers against the procedure, process and system will be provided at this stage, and once further development work is completed by ICT.</p>	<p>Responsibility: Lisa Smith</p> <p>Target date: May 2017</p>
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APPENDIX B – SUMMARY OF OPINIONS & RECOMMENDATIONS

Reports being considered at this Finance and Audit Committee meeting are shown in italics. The definitions with regard to the levels of assurance given and the classification of recommendations can be found in the Notes section at the end of this report.

Audit	Progress	Opinion	Recommendations Made				
			F	S	MA	Total	Agreed
1. Risk Management	Final Report	Adequate	0	3	0	3	3
2. IT Migration	Final Report	Adequate	0	2	0	2	2
3. Procurement	Final Report	Adequate	0	1	1	2	2
4. HR Workforce Planning	Final Report	Substantial	0	0	1	1	1
5. Information Governance	Final Report	Substantial	0	0	1	1	1
6. Fixed Assets and Inventories	Draft Report	Adequate	0	1	2	3	3
7. Corporate Governance	Draft Report	Substantial	0	3	3	6	6
8. IT Migration Follow Up	Planning						
9. Health & Safety Migration	Planning						
10. Absence management	Planning						
11. Complaints, whistleblowing, anti-fraud, corruption and bribery	Draft Report	Adequate	0	0	2	2	2
12. Key Financial Controls	Planning						
13. Cultural Alignment and Development							
Total				10	11	21	21

At the moment there is nothing that impacts negatively upon our annual opinion.

APPENDIX C – OPERATIONAL PLAN 2016/17

Block 1 Audits - Finance and Audit Committee – 6 July 2016	Plan Days	Actual Days	Progress
1. Risk Management	5	3.5	Complete. Further assurance report planned for Q4
2. IT Migration	5	5	Complete.
3. Procurement	5	6.5	Complete.
4. HR Improvement Plan	5	3	Complete. Further involvement through discussion during 2016/17
5. Information Governance Management	5	4	Complete.
	5	8	
Total	30	30	
Block 2 Audits - 21 September 2016	Plan Days	Actual Days	Progress
6. Fixed Assets and Inventory	5	6	Complete.
7. Corporate Governance	5	4.5	Complete.
11.Complaints, Whistleblowing, Anti-Fraud, Corruption, and Bribery	3	3	Complete. (note audit 11 was originally planned for block 3 but moved to block 2 and swapped with audit 8 Information Management Systems)
Follow Up Management	1		Review meeting dates set with Officers.
	2	2	
Total	16	14.5	
Block 3 Audits - 11 January 2017	Plan Days	Actual Days	Progress
9. Health and Safety Migration	5		Scope date and audit dates booked with Officers.
10.Absence Management	4		Scope date and audit dates booked with Officers.
8. Information Management Systems Management	5	0.5	Scope date and audit dates booked with Officers.
	1		
Total	15	0.5	
Block 4 Audits – 6 April 2017	Plan Days	Actual Days	Progress
12.Key Financial Controls	15		Scope date and audit dates booked with Officers.
13.Cultural Alignment and Development	10		Scope date and audit dates booked with Officers.
Follow Up Management	2		Review meeting dates set with Officers.
	2		
Total	29		
TOTAL AUDIT DAYS 2015/16	90	45	

APPENDIX D – PERFORMANCE INDICATORS YTD

Report Turnaround

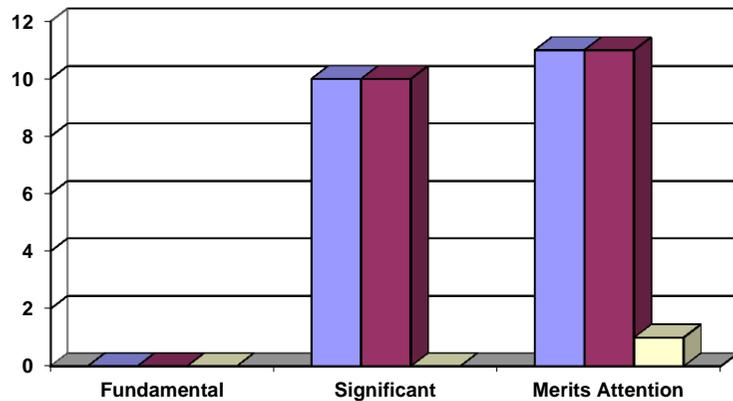
Performance Indicator	Target	Actual	Comments
Draft report turnaround (average working days)	10 days	2 days	
Final report turnaround (average working days)	5 days	days	

Resources

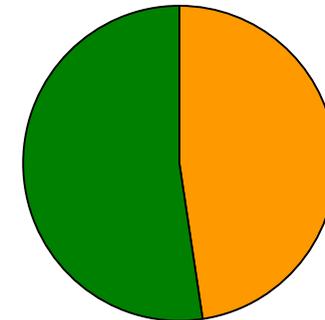
Performance Indicator	Annual	Actual	Comments
Number of Audit Days	96	45	On track
Audit Fee	Within Budget	Within Budget	On track
Director Input	10%	15%	
Manager Input	15%	20%	
IT Auditor Input	10%	0%	
Senior Auditor Input	35%	35%	
Auditor Input	30%	30%	

Recommendations

Made, Accepted & Implemented



Analysis of Priority



APPENDIX E – NOTES

KEY FOR RECOMMENDATIONS (IN RELATION TO THE SYSTEM REVIEWED)

Fundamental (F)	- The organisation is subject to levels of fundamental risk where immediate action should be taken to implement an agreed action plan.
Significant (S)	- Attention to be given to resolving the position as the organisation may be subject to significant risks.
Merits Attention (MA)	- Desirable improvements to be made to improve the control, risk management or governance framework or strengthen its effectiveness.

ADEQUACY & APPLICATION OF CONTROL

OVERALL OPINION (ASSURANCE)	FRAMEWORK OF CONTROL	APPLICATION OF CONTROL	EXPLANATION	TYPICAL INDICATORS
Substantial (Positive opinion)	Good	Good	The control framework is robust, well documented and consistently applied therefore managing the business critical risks to which the system is subject.	There are no fundamental or significant recommendations attributable to either the Framework or Application of Control.
Adequate (Positive opinion)	Good	Adequate	As above however the audit identified areas of non-compliance which detract from the overall assurance which can be provided and expose areas of risk.	There are no fundamental recommendations surrounding the Framework of Control; coupled with no fundamental and no more than two significant recommendations attributable to the Application of those controls.
	Adequate	Good	The control framework was generally considered sound but with areas of improvement identified to further manage the significant risk exposure; controls were consistently applied.	There are no fundamental recommendations attributable to the Framework of Control.
	Adequate	Adequate	As above however the audit identified areas of non-compliance which expose the organisation to increased levels of risk.	There are no fundamental recommendations attributable to the Framework and Application of Control.
Limited (Negative opinion)	Good / Adequate	Weak	As above however the extent of non-compliance identified prevents the Framework of Control from achieving its objectives and suitably managing the risks to which the organisation is exposed.	There are more than two significant recommendations attributable to the Application of Controls.
	Weak	Good / Adequate	The control framework despite being suitably applied is insufficient to manage the risks identified.	There are more than two significant recommendations attributable to the Framework of Controls.
No (Negative opinion)	Weak	Weak	Both the Framework of Control and its Application are poorly implemented and therefore fail to mitigate the business critical risks to which the organisation is exposed.	There are fundamental recommendation(s) attributable to either or both the Framework and Application of Controls which if not resolved are likely to have an impact on the organisations sustainability.

The above is for guidance only; professional judgement is exercised in all instances.