



OFFICIAL

# Internal Audit Quarterly Report

## Audit Committee

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Date: 30 July 2021

Agenda Item:

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Submitted By: Chief Finance and Procurement Officer

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<b>Purpose</b>	To present the Internal Audit report April to June 2021
<b>Recommendations</b>	That Members note the content of the report
<b>Summary</b>	To provide a summary of the audit activity for the period April to June 2021 and to report the findings to the Committee

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Local Government (Access to information) Act 1972

Exemption Category: None

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Background papers open to inspection: None

Annexes: Quarterly report April – June 2021

## 1 Introduction

1.1 This Committee has the responsibility for monitoring the work of internal audit. In order to facilitate this, Internal Audit provide a quarterly report of its progress which includes a summary of the work completed and an assessment of the level of assurance provided by the systems examined. This report covers the period from April to June 2021.

On completion of each audit the Auditors provide an assessment of the level of assurance that the control systems in place provide. There are four rankings as detailed below:-

Substantial assurance  
Adequate assurance  
Limited assurance  
No assurance

This report includes a detailed explanation of action which has been taken on any audits which are ranked as providing either limited assurance or no assurance.

## 2 Audit Work

This report contains an update on the remaining audits from the 2020/21 revised audit plan which were completed in the first quarter of 2021/22, plus details of new audit work from the current 2021/22 audit plan.

In the period April to June, four audits have been completed and three are in progress, all of which received a positive assurance opinion.

## 3 Financial Implications

There are no financial implications associated with this report

## 4 Legal Implications

The Monitoring Officer has considered this report and has no observations to make at the time of submission of this report but may provide legal advice at the committee meeting and/or respond to any requests by Members for legal advice made at the meeting.

## 5 Human Resource and Diversity Implications

5.1 There are no human resource or diversity implications with this report.

## 6 Equality Impact Assessment

Are the recommendations within this report subject to Equality Impact Assessment as outlined in the EIA guidance? ( <a href="#">EIA guidance and form 2020 form.docx (westyorksfire.gov.uk)</a> )	No

**7 Health, Safety and Wellbeing Implications**

There are no health, safety or wellbeing implications with this report.

**8 Environmental Implications**

There are no environmental implications with this report.

**9 Your Fire and Rescue Service Priorities**

The provision of internal audit satisfies all the fire and rescue service priorities.

**10 Conclusions**

That members note the internal quarterly review report.



# INTERNAL AUDIT QUARTERLY REPORT

2021/22

April to June 2021

Simon Straker: Audit Manager

## ABOUT THIS REPORT

This report contains information about the work of the Authority's Internal Audit provided by Kirklees Council. The 2021/22 Audit Plan was approved by this Committee at the start of the year covering a variety of areas enabling an annual opinion to be formed on the Authority's governance, risk management and internal control arrangements.

For ease of reference the audits are categorised as follows:

1. Summary
2. Major and Special Investigations
3. Key Financial Systems
4. Other Financial Systems & Risks
5. Locations and Departments
6. Business Risks & Controls
7. Follow Up Audits
8. Recommendation Implementation
9. Advice, Consultancy & Other Work
10. Audit Plan Delivery

Investigation summaries may be included as a separate appendix depending upon the findings.

When reports have been agreed and finalised with the Director concerned and an Action Plan drawn up to implement any improvements, the findings are shown in the text. Incomplete audits are shown as Work in Progress together with the status reached: these will be reported in detail in a subsequent report once finalised.

Good practice suggests that the Authority's management and the Audit Committee should receive an audit opinion reached at the time of an audit based upon the management of risk concerning the activity and the operation of financial and other controls. At the first meeting of the Audit Committee, Members resolved to adopt an arrangement relating to the level of assurance that each audit provides.

As agreed with the Audit Committee, the report has been expanded to include details of the key recommendations applicable to each audit that does not result in a formal follow up visit and the action taken by management regarding their implementation. The final section of the report concerns Audit Plan delivery.

It is the practice of Internal Audit to undertake follow up audits to ensure that agreed actions have been undertaken. Any audits that produce less than "adequate assurance" will be followed up, together with a sample of the remainder and a new opinion will be expressed about the level of assurance that can be derived from action taken by management to address the weaknesses identified.

### 1. SUMMARY

This report contains an update on the remaining items from last year's revised Plan completed this quarter, plus details of new work from the current 2021/22 Audit Plan.

Ten of the revised audits were completed by the end of March 2021 and the outcomes were reported during last year. Details of the outcome of the remainder are shown below. Overall, each one has produced a positive assurance opinion.

Whilst work has commenced on the current Plan approved at the last meeting, the focus of this quarter has been on ensuring completion of last year's revised one as agreed with the Chief Finance & Procurement Officer.

**2. SPECIAL INVESTIGATIONS & REVIEWS**

None during this time.

**3. KEY FINANCIAL SYSTEMS & RISKS**

None during this time.

**4. OTHER FINANCIAL SYSTEMS & RISKS**

System	Findings	Audit Opinion
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## Director of Service Support

### Mobile Devices – Procurement

The overall management and administration of mobile devices is operating to a satisfactory standard and since the previous audit, asset management has been implemented via Microsoft Intune software and device selection and tariffs have been standardised across the Authority.

A 3 year contract for over 800 SIM only mobile devices was awarded to Virgin Media Business with EE as the provider in January 2020 as part of the Crown Commercial Services Public Sector Network Call Off framework contract. The new contract charges were considerably more competitive than the previous ones.

Migration from the previous provider Vodafone to EE was delayed due to the pandemic and did not start until November 2020 and essentially a period of double cost has ensued since. It was decided to retain existing numbers, therefore these were ported from one provider to the other. As such, the management and monitoring of devices and connections remains work in progress but it was anticipated to be fully complete by July 2021. Retrieval of devices was also affected, although the devices themselves were remotely cleansed by the previous mobile device management software in May 2021. Once the transition is complete and initial issues are resolved the contract options and asset management software will provide a more efficient and managed process.

Audit findings noted that EE bills still had charges for a small number of employees who had left the Authority. This was being pursued by the contract manager.

Standard devices for users have been purchased to replace the handsets rented from the previous supplier. As assets of the Authority, these devices should be recorded in an inventory as per the Financial Procedure Rules. At the time of the audit this had not been applied as there was no stock record of the devices procured.

Individual users are responsible for setting up their asset on CLM Intune to register the device and number which then enrolls the user in the device management software, allowing monitoring of the device usage for security purposes. This configures the device to follow WYFRS compliance requirements and allows access to approved applications only. Any deviation from standard must be approved by the Change Management Board. At the time of the audit 355 mobile phones, circa 70%, had been registered. It was noted that the telephone numbers were not always recorded. This may be due to the functionality of CLM Intune or user input and is being investigated.

Adequate Assurance

Stores	Audit in Progress	
<b>Chief Employment Services Officer / Chief Finance &amp; Procurement Officer</b>		
Pensions Administration	Pension administration is operating to a good standard with comprehensive documentation held between the Authority and the West Yorkshire Pension Fund. Employee and employer contributions were found to be accurate. Comprehensive financial records are maintained by the Finance Team to support the financial transactions between the Authority and the Pension Fund.	Substantial Assurance
HR & Rostering Systems Implementation	Audit in Progress	

**5. LOCATION & DEPARTMENT AUDITS**

None during this period.

**6. BUSINESS RISK AUDITS**

This category of audits reflects the Audit Strategy to incorporate coverage of the controls and management actions to respond to the key risks to the Authority’s objectives as codified in the Corporate Risk Matrix.



**Director of Service Delivery**

<p>Implementation of Grenfell Inquiry Phase 1 Recommendations</p>	<p>A dedicated project team was set up to develop and deliver the WYFRS Grenfell Programme, the remit being to consider the recommendations from the Inquiry Phase 1 report (and other recent residential building fire incidents ) and develop an action plan to address areas requiring improvement. Monitoring progress on the delivery of the Programme’s extensive action plan was found to be robust with regular reporting to both senior management and Members. The Programme status is currently being reported as being ‘on track’ with an estimated 30% of tasks showing as complete against the project timeline. 77% of objectives (10 of the 13) are recorded as either being complete or on track.</p> <p>The audit reviewed the arrangements for managing the risk associated with failure to implement the Inquiry recommendations and can provide assurance that these are operating in accordance with the stated mitigating controls as documented on the Authority’s Risk Matrix. Sample audit checks have validated action taken as documented in the Action Plan.</p> <p>There were no recommendations resulting from this audit review.</p>	<p><b>Substantial Assurance</b></p>
<p>Faulty Respiratory Personal Protection Equipment Risk</p>	<p>Audit in Progress</p>	

**Director of Service Support**

<p>Implementation of HMICFRS Inspection Recommendations</p>	<p>Clearly the original Good rating overall and in each pillar provided a strong base from which to seek to make further improvements identified during the Inspection.</p> <p>A sound methodology has been established to monitor and report progress and prepare the evidence base ahead of the next Inspection.</p> <p>Based on the Action Plan, monitoring and evidence provided, it is clear that even during the pandemic a considerable amount of work has been undertaken accordingly, albeit that overall this is still a work in progress given the nature and timing of some of the changes planned.</p> <p>Sufficient evidence was provided to support the assessments made of the Completed and On Schedule Areas. Actions on the three Areas that were Behind Schedule remain to be completed and / or embedded, in part related to the effect of the pandemic on training and awareness raising. The most significant remaining challenge is to determine and evidence the best means of engagement with all communities in the county to assess an overall risk profile.</p>	<p>Substantial Assurance</p>
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**7. FOLLOW UP AUDITS**

Any audits that result in a less than adequate assurance opinion are followed up usually within six months, depending upon the timescale for implementing the agreed recommendations. Additionally, a sample of other audits is followed up periodically too.

**8. REVIEW OF KEY RECOMMENDATIONS & EXTENSIONS OF TIME TO IMPLEMENT**

No key recommendations were outstanding.

**9. ADVICE, CONSULTANCY & OTHER WORK**

None this period.

**10 AUDIT PLAN DELIVERY 2021/22**

<b>Performance Indicators</b>	<b>19/20 Actual</b>	<b>20/21 Revised Actual</b>	<b>21/22 Target</b>	<b>21/22 Actual</b>
Audits completed within the planned time allowance	80%	80%	90%	67%
Draft reports issued within 10 days of fieldwork completion	90%	90%	90%	67%
Client satisfaction in post audit questionnaires	90%	90%	90%	n/a
Chargeable audit days	130*	110*	160	15
QA compliance sample checks – percentage pass	100	100	100	100%
Planned Audits Completed	10	15	13	1
Planned Audits in Progress				3
Planned Audit Deferred				0
Planned Audits Postponed				0
Unplanned Work Completed				0
Unplanned Work in Progress				0

\*Shortfall from 160 refunded, 80 days in total.



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# Risk Management Strategy Group - update

## Audit Committee

Date: 30 July 2021

Agenda Item:

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Submitted By: Director of Service Delivery

<b>Purpose</b>	To report risk management activity and developments reported to Risk Management Strategy Group (RMSG) in June 2021 and highlight any future risks or risk related areas.
<b>Recommendations</b>	That the Audit Committee note the report
<b>Summary</b>	The overall responsibility of the RMSG is to maintain the Authority's risk management capabilities and to develop strategies to effectively manage new and existing risks. The RMSG meet on a quarterly basis and the group is chaired by the Deputy Chief Fire Officer/Director of Service Delivery. The RMSG is one element that supports the Authority's Code of Corporate Governance in terms of risk management and internal control.

Local Government (Access to information) Act 1972

Exemption Category: None

Contact Officer:

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Background papers open to inspection: Risk Management Strategy and Policy

Annexes: None

## 1 Introduction

- 1.1 The Authority's Risk Management Strategy and Policy provides a clear and defined strategy to enable risk management objectives to be met.
- 1.2 The Risk Management Strategy Group (RMSG) has the responsibility of maintaining the Authority's risk management capabilities and developing strategies to effectively manage new and existing risks. The group meet every three months at which time a summary of risk reviews that have occurred in the past three months is provided by each risk owner.
- 1.3 The group is also responsible for sharing and promoting experience of risk management and strategies across the Authority.

## 2 Information

- 2.1 The Risk Management Strategy Group last met in June 2021. The Audit Manager from Kirklees Council also attends RMSG meetings and provides an update on recent internal audit activity.
- 2.2 Below is a summary of key areas:
- Between the March 2021 and June 2021 RMSG meetings, 29 risks have been reviewed by their respective owners.
  - The risk 'Ineffective response and recovery to the Coronavirus COVID-19 pandemic leading to and impacting on staff, absence levels, health/safety/wellbeing, service delivery, the public/community, partners, finance, reputation and legal issues' is reviewed every three months. The current risk score is 12.
  - The score relating to the risk 'NFSW1.S – Negligent fire safety work with possible damage to reputation and litigation' has decreased from 9 (high) to 6 (medium).
- 2.3 There are currently 53 risks split between the following categories. The table below shows movement over the past 12 months.

Risk Factor Score	September 2020	December 2020	March 2021	June 2021
Very High (15-25)	6	6	6	6
High (9-14)	22	22	22	21
Medium (4-8)	22	22	21	22
Low (1-3)	4	4	4	4
Total number of risks	54	54	53	53

The 6 'very high' risks remain the same as March 2021:

LRGG1.S - Loss or reduction in government grant.

WAFL1.S - Wide area flooding and swift water rescue.

MTAE1.S - Responding to a marauding terrorist attack event.

DSYS1.S - Inability to continue/deliver duty systems.

PLOS1.S - Temporary loss of personnel (e.g. flu, industrial action) resulting in reduced levels of service.

CYBS1.S - A digital attack or an unauthorised attempt to access WYFRS systems that impacts on the integrity, confidentiality, or availability of systems and / or the information within them.

### **3 Financial Implications**

3.1 There are no significant financial implications associated with this report.

### **4 Legal Implications**

4.1 The Monitoring Officer has considered this report and has no observations to make at the time of submission of this report but may provide legal advice at the committee meeting and/or respond to any requests by Members for legal advice made at the meeting.

### **5 Human Resource and Diversity Implications**

5.1 There are no significant human resources and diversity implications associated with this report.

### **6 Equality Impact Assessment**

Are the recommendations within this report subject to Equality Impact Assessment as outlined in the EIA guidance? ( <a href="#">EIA guidance and form 2020 form.docx (westyorksfire.gov.uk)</a> )	No
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### **7 Health, Safety and Wellbeing Implications**

7.1 There are no health, safety and wellbeing implications associated with this report.

### **8 Environmental Implications**

8.1 There are no significant environmental implications associated with this report.

## **9 Your Fire and Rescue Service Priorities**

9.1 This report supports the following priorities which have been identified in the 'Your Fire & Rescue Service 2020-2023' plan.

- Reduce the risks to the communities of West Yorkshire
- We will continue to develop ways of working which improve the safety & effectiveness of our firefighters