

## INTERNAL AUDIT PROGRESS REPORT

### REPORT OF THE CHIEF FIRE OFFICER

**For Information**

#### 1. PURPOSE OF REPORT

- 1.1 To apprise Members of the progress of the 2022/23 Internal Audit Programme.

#### 2. RECOMMENDATIONS

- 2.1 That Members note the progress made in the 2022/23 Internal Audit Plan.
- 2.2 That Members consider whether it is necessary to report to the Fire Authority on any concerns raised.

#### 3. BACKGROUND

- 3.1 Under the Accounts and Audit Regulations (2006), the Fire Authority is responsible for ensuring an adequate and effective internal audit.
- 3.2 At the Audit and Governance meeting on 25 February 2022, Members adopted the Internal Audit Plan for 2022/23. The audits are carried out by Hartlepool Borough Council and cover over 100 days.

#### 4. 2022/23 AUDIT SUMMARY

Progress to date includes;

- 14 Audits in the approved 2022/23 Audit Programme;
- 2 (14%) of audits have been completed and signed off;
- 1 Audit not part of agreed programme but supports core work and relate to HBC activities completed and signed off;
- 3 (21%) of audits underway, the remaining 9 (64%) are to commence;
- No category 1 (the most serious) recommendation identified;
- No audit identified as Inadequate Assurance.

The following table provides a summary of progress and outcomes against each of the audits in the 2022/23 programme.

AUDITS	Status	OUTCOME	ACTION
Asset Management Systems	To Commence		
Budget Holder Responsibilities and Support Arrangements	To Commence		
Cash/Bank Reconciliations	To Commence		
Creditors	In Progress		
Data Quality – GDPR Compliance	To Commence		
Debtors	Complete	Satisfactory Assurance	No Actions
National Fraud Initiative	In Progress		
Officers Expenses	To Commence		
Payroll	In Progress		
Pensions	To Commence		
Procurement Contract Procedure Rules Compliance	To Commence		
Retained Firefighter Claims	Completed	Satisfactory Assurance	No actions
Stores	To Commence		
Value Added Tax	To Commence		
Treasury Management	Completed	Satisfactory Assurance	No actions

The following section provides a summary of the key findings from each of the completed audits.

DEBTORS	
<b>Audit Status: Completed</b> <b>Satisfactory Assurance</b>	<b>No actions</b>
<p><b>Opinion</b> The overall opinion is that the risks identified are well controlled.</p> <ul style="list-style-type: none"> <li>Financial Procedure Rules (FPRs) are set out in the Authority's Constitution which is available to staff via the organisation's website. Departmental procedure notes which detail debtor processes to be followed are also in place and available to all relevant staff involved in the debtor process.</li> <li>Adequate procedures are in place regarding the creation of new debtor accounts and also for account amendments that are undertaken.</li> <li>Processes are in place to ensure debts are raised accurately and promptly.</li> <li>Fees and charges are reviewed and approved annually.</li> </ul>	

- Processes are in place to ensure debts are correctly cancelled and are accurately and promptly processed.
- Processes are in place to ensure payments are correctly accounted for and are accurately and promptly posted to the correct account.
- Processes are in place to ensure appropriate recovery action is taken at the relevant recovery stage of the debt.
- Information Governance arrangements in place appear to comply with Data Protection requirements.

**Action Plan**

No Issues identified

**RETAINED FIREFIGHTER CLAIMS****Audit Status: Completed**  
**Satisfactory Assurance****No actions****Opinion**

The overall opinion is that the risks identified are well controlled.

- Effective arrangements are in place to ensure that payments for retained duty work activity are valid and in accordance with current agreed rates.
- Effective arrangements are in place to ensure that payments for retained duty work are appropriately checked for accuracy and authorised appropriately.

**Action Plan**

No Issues identified

**TREASURY MANAGEMENT****Audit Status: Completed**  
**Satisfactory Assurance****No actions****Opinion**

The overall opinion is that the risks identified are well controlled

- Effective arrangements are in place to keep up to date with legislative / regulatory requirements.
- Treasury Management risks are effectively managed within the Authority's risk appetite and in line with suggested schedules within the CIPFA Treasury Management Code of Practice.
- Performance monitoring reports are presented to Members in accordance with the CIPFA Treasury Management Code of Practice.
- Full records of CFA Treasury Management decisions, and of the processes and practices applied in reaching those decisions are maintained.
- The Authority undertakes only those Treasury Management activities detailed on the CIPFA guidance and within approved limits and parameters approved by Members.
- Treasury Management activities are structured and managed in a fully integrated manner, with clearly defined responsibilities in place.

- Treasury Management performance reports are presented to Members to ensure that there is effective monitoring of the implementation of Strategy and treasury management function.
- The Authority effectively accounts for its Treasury Management activities and clearly defines accounting practices and standards in the annual statement of accounts.
- Arrangements in place for managing cash balances to ensure that the Authority has sufficient funds to deliver business / service objectives whilst ensuring that it is not exposed to unnecessary financial exposure.
- All staff involved in the Treasury Management function are fully equipped to undertake the duties and responsibilities allocated.
- Treasury Management activities are undertaken with openness, transparency, honesty, integrity and accountability and consistent with the Authority's overall objectives.
- Formal arrangements are in place to ensure that all Treasury Management transactions are properly authorised, controlled and recorded.
- Appropriate levels of valid fidelity insurance are maintained by HBC Insurance Services.
- Arrangements for granting access to Treasury Management Systems enforce segregation of tasks and ensure that access is restricted to appropriate personnel.

**Action Plan**

No Issues identified

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