INTERNAL AUDIT PROGRESS REPORT

REPORT OF THE CHIEF FIRE OFFICER

For Information

1. PURPOSE OF REPORT

1.1 To apprise Members of the progress made on the outstanding 2018/19 audits and current 2019/20 Internal Audit Programme.

2. RECOMMENDATIONS

2.1 That Members note the Audit position of the 2018/19 audits.

2.2 That Members note the progress made to date in the 2019/20 Internal Audit Plan.

2.3 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 22 February 2019, Members adopted the Internal Audit Plan for 2019/20. The audits are carried out by Hartlepool Borough Council and covered over 100 days.

4. AUDIT SUMMARY

OUTSTANDING 18/19 AUDITS	RESP OFFICER	AUDIT STATUS	ACTION	COMMENTS
Information/Data Management	D Richards	Satisfactory Assurance	5 actions completed	
Procurement – Purchase/Fuel Cards	C Cordiner	Satisfactory Assurance	1 action outstanding	Audit completed

2019/20 AUDITS	RESP OFFICER	AUDIT STATUS	ACTION	COMMENTS
Budgetary Control	G Fowler			Planned Q4
Cash / Bank Reconciliation	G Fowler			Planned Q4
Creditors	G Fowler	In progress		Draft report received
Debtors	G Fowler			Planned Q4
Fraud Awareness	G Fowler			Planned Q4
Health and Safety	S Wilson	In progress		Commenced Q3
Information / Data Management inc GDPR	D Richards			To commence Q3
National Fraud Initiative	G Fowler	In progress		Ongoing work undertaken at HBC
Officers Expenses	G Fowler			Planned Q4
Payroll	G Fowler	In Progress		Commenced Q2
Pensions	G Fowler	In Progress		Commenced Q2
Procurement	G Fowler			Planned Q4
Retained firefighter Claims	G Fowler			Planned Q4
VAT	G Fowler			Planned Q4 in conjunction with HBC audit
Full Time Fire Stations (Middlesbrough)	G Fowler			To commence Q3

AUDIT STATUS

In progress
Completed
Undertaken behind schedule
To commence

5. 2018/19 OUTSTANDING COMPLETED AUDITS

INFORMATION/DATA MANAGEMENT	
Audit Status: Completed Satisfactory Assurance	**Actions: all completed**

The overall opinion is that **Satisfactory Assurance** can be provided that the risks identified are well controlled.

Scope
An internal audit review has been undertaken of the Information /Data Management arrangements for implementing the General Data Protection Regulation (GDPR). GDPR is EU legislation that came into force on 25th May 2018, alongside the Data Protection Act 2018 it legislates on data protection for all organisations within the UK.

Action Plan

ISS.5 Processer Contracts
Finding
The contract review for compliance with GDPR is ongoing therefore no specific testing has been undertaken during the audit. It may be appropriate to risk assess contracts to focus resources on those with the higher risks.

Recommendation
Contracts are all reviewed and actions taken to ensure compliance with GDPR and Data Protection legislation and ICO Guidance.

Action – Contract register has been reviewed and those contracts which require GDPR compliance have been identified with suitable DPA agreements between CFA/Suppliers are being put in place. All suppliers identified that are off contract have been written to seeking confirmation of acceptance to CFA T&C's.

PROCUREMENT – PURCHASE FUEL CARDS	
Audit Status: Completed Satisfactory Assurance	**Actions: 1 action outstanding**

The overall opinion is that **Satisfactory Assurance** can be provided that the risks identified are well controlled.

Scope

An audit of the CFA Purchase Card process was undertaken as part of the Internal Audit Sections review of Procurement in accordance with the 2018/19 Internal Audit Plan. Purchase cards are only available to management staff and the procurement team.

Opinion

This opinion is based on the result of work done completed in the following areas:

- policy and procedures
- permitted usage
- restrictions on types of purchases
- application process
- card distribution and safe custody of cards
- transaction process
- reconciliation of statements
- authorisation controls.

Action Plan

ISS.1 Fuel Cards
Finding
There are no processes or procedures in place for the use and monitoring of fuel cards. Each time a fuel card is used a receipt is given to the officer, not all receipts are sent to the budget holder to enable a reconciliation to be completed to ensure payment values are collect.

Recommendation
A procedure note should be established which should contain sufficient detail on the process that is to be followed for both use and payment and monitoring. This should be given to all relevant staff to sign, read and understand. A reconciliation should be completed for every fuel invoice to ensure spend is accurate.

Action - completion due 30 September 2019
The contract with the fuel card company is being reviewed, which includes proposed improvements to the process of hard copy receipts issued to stations and their return to Technical Hub to reconcile with the invoice.

IAN HAYTON
CHIEF FIRE OFFICER

KAREN WINTER
DIRECTOR OF CORPORATE SERVICES