



Providing Support to Health and Social Care

INTERNAL AUDIT UNIT

NORTHERN IRELAND FIRE AND RESCUE SERVICE (NIFRS)

INTERNAL AUDIT STRATEGY INCORPORATING THE INTERNAL AUDIT PLAN 2020/21 TO 2022/23

APPROVED BY THE AUDIT, RISK AND GOVERNANCE
COMMITTEE IN JUNE 2020

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INTERNAL AUDIT STRATEGY

PURPOSE OF THE AUDIT STRATEGY

The purpose of the audit strategy is to put in place a strategic approach that will allow the Head of Internal Audit (HIA) to manage the Internal Audit Unit in a way that will facilitate:

- The provision to the Accounting Officer of an overall opinion each year on the organisation's risk management, control and governance, to support the preparation of the Governance Statement.
- Audit of the organisation's risk management, control and governance through periodic audit plans in a way that affords suitable priority to the organisation's objectives and risks.
- Improvement of the organisation's risk management, control and governance by providing line management with recommendations arising from audit work.
- The identification of audit resources which "are appropriate, sufficient and effectively deployed to achieve the approved plan" as defined in the Public Sector Internal Audit Standards (PSIAS) (2030 – Resource Management).
- Effective co-operation with external auditors and other review bodies functioning in the organisation.
- Provision of both assurance and consultancy services by internal audit.

ANNUAL AUDIT RESEARCH AND PLANNING

To develop the Audit Strategy and three year Audit Plan, the HIA and Sector Heads gain a thorough understanding of the following fundamentals:

- The organisation's objectives and performance targets.
- The organisations risk analysis procedures including the risk priorities of the organisation.
- An understanding of the risk implications and dependencies.
- The processes by which the Accounting Officer gains his/her overall assurance about risk management, control and governance
- The current response to risks (the risk or control framework) in place.
- The senior management structures and roles and the consequent organisational structures.
- The priorities of the Board.

This knowledge is gained through discussion with Senior Management, knowledge from previous audit assignments (including Risk Management) and review of key documents during the audit planning period, including: the Corporate Risk Register and Critical Risk Register.

Risk analysis belongs to management, and in particular to the Accounting Officer; they, not Internal Audit, are accountable for the economy, efficiency and effectiveness of risk management, control and governance. Internal Audit is content with management's risk assessment arrangements within the organisation and the audit strategy and audit plan is/will be therefore based on the organisation's assessment of risk and assurance needs (as per the Corporate Risk Register and Critical Risk Register). The linkage between the audit plan and the organisation's Objectives, Corporate Risk Register and Critical Risk Register will be clearly stated in the Audit Plan.

DETERMINING AUDIT COVERAGE

The HIA is responsible for developing a risk-based plan, taking into account the organisation's risk management framework. The coverage of this plan must be adequate to enable the HIA to provide

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the Accounting Officer with an objective evaluation of, and opinion on, the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control.

Audit coverage is planned to ensure activity adds value to the organisation and therefore takes account of the organisations objectives, risks and existing sources of assurance. The input of Senior Management and the Audit, Risk and Governance Committee into the audit plan is essential to help gauge the audit coverage and assurance required.

It is not necessary to audit every aspect of risk, control and governance every year. The following factors are considered when identifying audit areas and the frequency of audit:

1. Whether there are high-risk, core or mandated areas that need to be covered annually to deliver the assurance required.
2. Coverage of a range of risks that the organisation has identified as key to the achievement of its objectives.
3. Adequate range of non-key risks to demonstrate sufficient comprehensiveness of the opinion.
4. Cross cutting risks and inter-departmental systems.
5. Previous Internal Audit reports, External Audit reports and reports from other clients/sectors.
6. Significant change in processes (as changing processes can be inherently more risky than established processes).
7. Identified new or developing processes or systems (as these too can be more risky and identification of weaknesses at an early stage is beneficial and economical).
8. Value for money (as required per 2210 of PSIAS)

ASSURANCE REQUIRED BY THE ORGANISATION

Internal Audit is required to provide "positive"¹ and "reasonable"² assurance. –

In the event that for some exceptional reason, Internal Audit is unable to provide this either at assignment level or overall assurance level or if the Accounting Officer and Audit, Risk and Governance Committee request a lesser assurance, the implications of this will be discussed, recorded and explained in any opinions provided by the HIA.

¹ The opinion is positively stated:

- It is supported by sufficient reliable and relevant evidence to facilitate a confident assertion of the state of the organisation's risk, control and governance.
 - It states what is considered to be the condition of the organisation's risk, control and governance, encompassing commentary on both strengths and weaknesses.
 - It does not rely on stating that the auditors have failed to see evidence of weaknesses.
- (HM Treasury Good Practice Guide: Audit Strategy 2010)

² The opinion is reasonable:

- In the sense of the likelihood of events taking place beyond the intended effects of the control system.
 - It advises that the assurance is not absolute.
 - It advises that the opinion is based on the likelihood of control to constrain risk to management's risk appetite.
 - In the sense of interpretation of the evidence.
 - Another suitably trained person would arrive at a similar conclusion based on the persuasiveness of the evidence collected.
- (HM Treasury Good Practice Guide: Audit Strategy 2010)

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AUDIT DAYS AVAILABLE

The Service Level Agreement with BSO includes provision of 340 internal audit days – see update below. These annual audit days are allocated between individual planned assignments, management time, follow up time and contingency.

A budgeted number of audit days is allocated to each planned audit assignment. These budgets are based on historic experience of how long audit work takes and on discussions with Management regarding the scale of each audit area. Sufficient time is budgeted to allow the work to be done professionally and for proper acquisition and evaluation of evidence.

Management Time is an allocation of time required for the management of the audit service to the organisation including high level quality assurance and preparation for and attendance at Audit, Risk and Governance Committee, annual audit planning, liaison with the client and the organisation of the audit assignments, etc. Key reports provided as a result of Management Time are the Annual Audit Plan; HIA Annual Report and Assurance Statement, HIA Mid-Year Assurance Statement and Interim Progress Reports to the Audit, Risk and Governance Committees and Management.

In line with the PSIAS, a follow-up process has been established to monitor and ensure that management actions have been effectively implemented or that senior management has accepted the risk of not taking action. Follow up is conducted at Mid-Year and Year End to provide the Audit, Risk and Governance Committee with assurance regarding management's response to Internal Audit's findings and recommendations.

Provision in the Audit Plan for contingency days is included to accommodate audit assignments or extended audit work in planned areas which could not have reasonably been foreseen. This allows flexibility to respond to management and Audit, Risk and Governance Committee requests in order to meet specific client needs during the course of the financial year.

Impact of Covid 19 on 2020/21 Audit Plan:

The routine Internal Audit Plan for Quarter 1 2020/21 has been stood down and Internal Audit instead offered to support each client organisation in whatever way best met their specific needs during Q1 (largely advisory work) – NIFRS did not call on Internal Audit to conduct any work in Q1 however Internal Audit have suggested 2 assignments to utilise the available audit days in Quarter 1. This annual plan has been developed on the assumption that three quarters of the annual audit days will be delivered in quarter 2-4, delivering assurance assignments. The 2020/21 Internal Audit plan will be kept under review during 2020/21 to ensure it remains flexible and relevant in the current pandemic situation.

OTHER ASSURANCE PROVIDERS AND STAKEHOLDERS

A variety of assurance sources, as detailed in the Assurance Framework, are operational within the organisation. These include Management assurance and External Audit.

BSO Internal Audit does not plan to rely on assurances provided by other assurance providers, to deliver the Audit Plan. However where other assurance sources are relevant to the scope of individual planned audit assignments, assurance provider findings will be considered as part of the audit assignment. Other assurance sources must be considered by BSO Internal Audit when conducting Controls Assurance Verifications and Assurance Framework audits.

BSO Internal Audit work with External Audit (The Northern Ireland Audit Office (NIAO) and its appointed representatives) to ensure the effective coverage of systems and to avoid duplication of resources. Regular contact is maintained with External Audit and once a year a meeting is held to discuss audit coverage with a view to facilitating, where possible and appropriate, any External Audit testing requirements into planned audit assignments. BSO Internal Audit also takes account of External Audit findings when developing the Internal Audit Plan.

External Audit has access to Internal Audit files and final internal audit reports as part of their audit process. BSO Internal Audit welcome External Audit views on the work of Internal Audit during this process.

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BSO Counter Fraud and Probity Services are responsible for formal investigation of cases of potential or suspected fraud in NIFRS. The Head of Internal Audit meets with the Head of Counter Fraud and Probity Services on a regular basis.

In accordance with DAO (DFP) 01/10 "Internal Audit Arrangements – Relationships between Departments and Arm's Length Bodies" (February 2010), Internal Audit meets with representatives from the organisation's Sponsor Branch within DoH annually, to discuss shared assurance requirements.

REPORTING ARRANGEMENTS

Internal Audit assurance assignment reports will be written in a consistent format with the following main elements:

- Introduction
- Scope of Assignment
- Level of Assurance – (this will be one of the three standard assurance levels used across the public sector – Satisfactory, Limited, and Unacceptable).
- Executive Summary
- Summary of Audit Findings and Recommendations
- Detailed Findings and Prioritised Recommendations

The format of consultancy/ad hoc non-assurance assignment reports may differ from above and will be tailored to the specific work being conducted.

Exit meetings will be held for all audit assignments with nominated senior officers and draft reports will be issued and agreed with relevant Directors and Senior Management. If management reject a key finding which is clearly supported by appropriate audit evidence and the recommendation, which if implemented, would mitigate the risk is not accepted, Internal Audit will discuss this with the relevant Director and if necessary, the Chief Fire and Rescue Officer. If the matter remains unresolved, the Rejected recommendations will be highlighted to the Audit, Risk and Governance Committee for their view.

All final assignment audit reports will be issued to the Chief Fire and Rescue Officer of the organisation and copied to the Director of Finance and ICT and other relevant Directors. Progress reports will be presented at each Audit, Risk and Governance meeting. The HIA's annual audit opinion will be included in an Annual Report and issued ahead of the draft financial accounts submission date each year.

Key Performance Indicators include:

- 100% delivery of Annual Audit Plans by HIA Annual Report submission deadline;
- 85% of draft audit reports to be issued within 4 weeks of leaving site;
- 75% of reports finalised within 5 weeks of issue (and within 1 week of receiving management comments);
- Less than 5% of reports significantly amended between draft report and final report stage.

The HIA will report performance against targets in the Head of Internal Audit Annual Report.

In line with PSIAS, the Head of Internal Audit will report to Audit, Risk and Governance Committee. This will include presenting: the Internal Audit Strategy and Charter for approval; the draft Internal Audit Plan to the Committee for approval; a progress report at each Audit, Risk and Governance Committee meeting highlighting the status of the work performed against the annual internal audit plan to date and a summary of each individual report finalised since the last Audit, Risk and Governance Committee meeting; the executive summary and the detailed findings associated with Priority One and Two recommendations; and the Head of Internal Audit's Annual Report (including annual opinion).

BSO Internal Audit will follow up and report on the implementation of accepted outstanding priority 1 and 2 recommendations, at mid year and year end. Results of this follow up will be reported to the

INTERNAL AUDIT STRATEGY AND AUDIT PLAN 2020/21 TO 2022/23 NORTHERN IRELAND FIRE AND RESCUE SERVICE

Audit, Risk and Governance Committee and any significant weaknesses that have not been actioned will be highlighted to the Committee.

Under PSIAS, the Head of Internal Audit is also required to have effective communication with, and have free and unfettered access to, the Chief Fire and Rescue Officer when required.

STAFFING

The professional skill set of the BSO Internal Audit Unit consists of a number of professionally qualified and part qualified accountants, several fully qualified members of the Institute of Internal Auditors (IIA), together with trainee accountants and auditors.

Internal Audit staff are organised in audit teams, based in four offices across Northern Ireland. Each Audit Manager reports to a one of two Sector Heads. Sector Heads report directly to the Head of Internal Audit.

The Head of Internal Audit considers that she has sufficient staff, including the correct mix of staff, available to deliver this programme of work.

All Internal Audit staff have an annual performance appraisal based on the Knowledge and Skills Framework (KSF) and a Personal Development Plan.

BSO Internal Audit have an in-house specialist IT audit capability. BSO Internal Audit utilise a Computer Aided Audit Technique (CAAT) software package IDEA, with the aim automating and more fully interrogating data on systems.

QUALITY ASSURANCE

The Unit's Quality Assurance and Improvement Programme (QAIP) is documented in the Internal Audit Manual. A variety of internal and external quality assurance measures are in place within the Unit and these are as listed below:

- **Supervision of Staff** – All audit assignments are led by an Audit Supervisor or Lead Auditor and throughout the assignment, they are responsible for monitoring the quality of fieldwork undertaken by the team.
- **Internal Tiered Review** - All audit files and reports are subject to appropriate quality assurance through a tiered review process involving Audit Managers, Sector Heads and final inspection by the HIA.
- **Management Meetings** - Monthly IA Management Team Meetings enable regular and ongoing monitoring and evaluation of the IA unit's performance in addition to facilitating the identification and resolution of common service quality issues.
- **Annual PSIAS Compliance Internal Review** - An annual internal review / self assessment of the BSO IA unit's compliance with PSIAS is undertaken in quarter 4 each year by the unit's Quality Assurance & Development Manager, findings are documented and an Action Plan prepared and implemented. This review facilitates evaluation of the IA unit's conformance with the Definition of Internal Auditing, the Code of Ethics and the Standards. The results are summarised in the HIA's Annual Report.
- **PSIAS External Assessment** - In accordance with PSIAS, the BSO IA unit will undergo an external assessment once every five years. Results of the assessment will be communicated to BSO Director of Finance, clients Management and Audit Committees. The Unit most recently had an external assessment in February/March 2019.
- **Review by External Audit** - External Audit (The Northern Ireland Audit Office (NIAO) and its sub-contracted representatives) view the work of BSO Internal Audit when performing their audit of HSC organisations.
- **Quality Accreditations** - ISO 9001:2008 accreditation is in place across all four offices of the BSO IA Service. This regional accreditation entails a system of internal quality audits to be performed routinely within the Service, with findings, discrepancies and observations reported and corrective action agreed and implemented. This accreditation also involves external review on an annual basis by ISO 9001:2008 appointed assessor.

INTERNAL AUDIT PLAN

Based on this audit strategy, the Internal Audit Plan 2020/21 to 2022/23 has been developed - See Page 7. A three year plan allows Internal Audit to develop a planning framework for the medium term. However, the Internal Audit plan is reviewed and refreshed annually in line with the organisation's risks and assurance needs. The annual plan for 2020/21 is included on Page 20 for ease of reference.

INTERNAL AUDIT PLAN 2020/21 TO 2022/23

AUDIT PLAN SECTION INTRODUCTION

The format of this Internal Audit Plan has been developed, in line with the Internal Audit Standards, to ensure that BSO Internal Audit can efficiently and effectively provide NIFRS with an objective evaluation of, and opinion on, the effectiveness of the NIFRS's risk management, control and governance. The proposed Audit Plan for 2020/21 to 2022/23 is split into four sections: 1. Finance Audits; 2. Corporate Risk-Based Audits; 3. Governance Audits; and 4. Management Time, Follow Up and Contingency.

Planning

March to June 2020:

Internal Audit met with the Chief Fire and Rescue Officer (Interim), the Director of Finance and the Head of Planning, Performance and Governance to discuss the organisation's risks and develop the audit plan. The audit plan is risk-based and informed by the NIFRS's Corporate Risk Register, Directorate Risk Registers and Assurance Framework.

In accordance with DAO (DFP) 01/10 "Internal Audit Arrangements – Relationships between Departments and Arm's Length Bodies" (February 2010), Internal Audit usually meet with representatives from the Sponsor Branch within DOH, to discuss shared assurance requirements. Due to the current situation, this meeting did not take place at the start of 2020/21 however, following audit committee approval, Internal Audit will share the proposed plan with the Sponsor Branch and a meeting will be held if required. Internal Audit regularly liaise with External Audit to ensure the effective coverage of systems and avoid duplication of resources.

The plan is structured as follows:

Finance Audits: A description of the risk associated with each financial assignment has been agreed with Management and this risk will form the basis of the assignment audit plan. Although Internal Audit do not have responsibility for the prevention or detection of fraud, we are alert in all our work to risks and exposures that could allow fraud. Where a fraud risk exists in an audit area, this is indicated with an asterisk (*) in the risk description section. Where a planned financial assignment links to a risk on the Corporate Risk Register (CRR)/Directorate Risk Register (DRR), this is clearly stated on the plan.

Corporate Risk Audits: Internal Audit and NIFRS Management have identified corporate risk audit assignments that will provide a source of assurance against the Strategic Objectives and Areas of Risk documented by NIFRS in its Corporate Risk Register (CRR)/ Directorate Risk Register (DRR) dated March 2020, thus integrating the Internal Audit plan with NIFRS's own risk assessment process and assurance framework. *Note - although this section of the plan is titled 'corporate risk audits', the whole audit plan is based on the corporate risks as far as possible.*

Governance Audits: The Governance section of the Internal Audit Plan is also closely linked to the identified corporate risks and assurance needs of the organisation. Where possible, linkage to the organisation's business objectives is stated in the audit plan.

This three-year internal audit plan will be reviewed annually to ensure it remains flexible and responsive to NIFRS's emerging risks and audit needs. In addition, the 2020/21 Internal Audit plan will be kept under review during 2020/21 to ensure it remains flexible and relevant in the current pandemic situation.

Each Audit Assignment is linked to NIFRS's strategic objectives.

AUDIT PLAN SECTION 1 – FINANCE AUDITS

PROPOSED INTERNAL AUDIT ASSIGNMENT	INHERENT RISK/ LINK TO NIFRS's CORPORATE RISK REGISTER (CRR)/DIRECTORATE RISK REGISTERS (DRR):	LEAD DIRECTORATE/ KEY OUTCOME	AUDIT DAYS		
			2020/21	2021/22	2022/23
Payroll (including covid-19 spend and pensions in 2020/21) <i>To include elements of central payroll processing and operational elements eg rotationally</i>	* Inaccurate payments made to staff. DRR20: There are a number of vacancies within both Finance and IT Branches of the Directorate, which combined with aging systems and reliance on agency staff impact on the delivery of core daily business and limit capacity to support the corporate transformation agenda. We are reliant on aged systems that may no longer be fit-for-purpose or no longer supported by the Supplier or BSO. Some elements of the infrastructure are not fit-for-purpose to deliver a modern Fire & Rescue Service.	Finance 5. Financial Management	30	15	30
Non Pay Expenditure (including covid-19 spend in 2020/21)	* Inadequate control over non pay expenditure may lead to inaccurate, duplicate or bogus payments being made. DRR20: There are a number of vacancies within both Finance and IT Branches of the Directorate, which combined with aging systems and reliance on agency staff impact on the delivery of core daily business and limit capacity to support the corporate transformation agenda. We are reliant on aged systems that may no longer be fit-for-purpose or no longer supported by the Supplier or BSO. Some elements of the infrastructure are not fit-for-purpose to deliver a modern Fire & rescue Service.	Finance 5. Financial Management	20		20
Bank and Cash (including petty cash)	* Theft of loss of monies	Finance 5. Financial Management	15		
Pension processing (to include governance processes) <i>Note: this may be an audit of BSO processes, on behalf of NIFRS. Unacceptable assurance in 2016/17</i>	* Inaccurate payments made to staff. DRR20: 'A robust, efficient and compliant Pensions service cannot be achieved until the new Pensions Software is implemented.	Finance 5. Financial Management		30	

AUDIT PLAN SECTION 1 – FINANCE AUDITS

PROPOSED INTERNAL AUDIT ASSIGNMENT	INHERENT RISK/ LINK TO NIFRS's CORPORATE RISK REGISTER (CRR)/DIRECTORATE RISK REGISTERS (DRR):	LEAD DIRECTORATE/ KEY OUTCOME	AUDIT DAYS		
			2020/21	2021/22	2022/23
Budgetary Control	<p>* Ineffective budgetary control may lead to increased budgetary pressure and risk ability to breakeven.</p> <p>CRR20: The failure to live within CRL/RRL limit (target - greater of 0.25% or £20k) opens up the possibility of qualified annual accounts and non-achievement of Departmental KPIs.</p> <p>Budget and service delivery model not aligned - this could impact on the delivery of core organisational objectives. This may result in reduced operational cover; delays in responding to operational incidents; have a negative impact on both public and firefighter safety; and affect morale, retention and employee relations.</p>	<p>Finance/All</p> <p>5. Financial Management</p>			15
General Ledger	<p>* Lack of control over the general ledger may lead to inaccurate financial reporting.</p>	<p>Finance</p> <p>5. Financial Management</p>			Include in 23/24 plan
Travel and Subsistence (including overseas travel)	<p>* Inaccurate payments made to staff.</p>	<p>Finance/All</p> <p>5. Financial Management</p>			25
Procurement and Management of Contracts (including governance and management of business cases and post project evaluations)	<p>* Lack of control in purchase process could lead to poor value for money. Ineffective monitoring of contracts may mean that non-delivery of service is not detected or inaccurate payments are made.</p> <p>DRR20: Failure to have compliant routes in place to buy both goods/ services which impacts on service delivery Staff internally fail to understand the procurement rules and processes along with the time required to put contracts in place which leads to inability to procure critical goods/services when required.</p> <p>DRR20: Risk in managing capital and revenue expenditure due to absence</p>	<p>Finance</p> <p>5. Financial Management</p>		30	

AUDIT PLAN SECTION 1 – FINANCE AUDITS

PROPOSED INTERNAL AUDIT ASSIGNMENT	INHERENT RISK/ LINK TO NIFRS's CORPORATE RISK REGISTER (CRR)/DIRECTORATE RISK REGISTERS (DRR):	LEAD DIRECTORATE/ KEY OUTCOME	AUDIT DAYS		
			2020/21	2021/22	2022/23
	of financial reports to manage capital and revenue expenditure and delays in gaining approval for business cases, impacting on the ability to spend within the financial year.				
Management of Capital Expenditure and general Estates Contracts Management	* Lack of control in purchase process could lead to poor value for money. Ineffective monitoring of contracts may mean that non-delivery of service is not detected or inaccurate payments are made. DRR20: Lack of any financial information to permit management of the budget for FES. Therefore there is potential for over/under spends. There is also the risk of exceeding limits for BAU due to incorrect coding structures. Inability to provide sufficient contracts in a timely manner to permit effective service delivery. Increased risk of issues escalating quickly due to lack of live data.	Service Support 5. Financial Management			Include in 23/24 plan
Insurance and Claims Management <i>(last audit 17/18)</i>	* Lack of control in purchase process could lead to poor value for money. Review of claims management processes including recording, monitoring, settling and applying learning from claims. Also include value for money consideration when reviewing settlements/other decisions. Include adherence with DoH circular re: Controls over legal and litigation payments.	Transformation, Performance and Governance 4. Governance & Performance			15
Management of Fuel Usage <i>(last audit 17/18)</i>	* Theft, loss or inappropriate use of fuel	Service Support 6. Asset Management		20	
TOTAL FINANCE AUDIT DAYS			65	95	105

AUDIT PLAN SECTION 2 – CORPORATE RISK-BASED AUDITS

PROPOSED INTERNAL AUDIT ASSIGNMENT	PROPOSED SCOPE OF ASSIGNMENT	LINK TO NIFRS'S CORPORATE RISK REGISTER (CRR)/DIRECTORATE RISK REGISTERS (DRR):		AUDIT DAYS		
			LEAD DIRECTORATE /OUTCOME	2020/21	2021/22	2022/23
Information Governance	<p>Review of Information Governance arrangements and processes within NIFRS. Include consideration of compliance with Information Governance controls assurance requirements and GDPR compliance. Also include compliance with Good Management Good Records requirements.</p> <p><i>Limited assurance in 2014/15 and 2017/18</i></p>	<p>DRR20: A review of GDPR requirements and Information Management processes has highlighted specific gaps in the management of information governance within NIFRS. These gaps require a significant resource investment in terms of personnel and IT systems.</p>	<p>Transformation, Performance and Governance</p> <p>4. Governance & Performance</p>	30		
Asset Management including Stores / Stock Management	<p><i>Review of asset management processes within NIFRS.</i></p> <p><i>Limited assurance in 2016/17</i></p> <p>Review of Store/stock management processes.</p> <p><i>Limited assurance in 2014/15 and 2019/20</i></p>	<p>DRR20: Failure to effectively manage organisational assets. Increased liability due to lack of asset management of vehicles and equipment.</p> <p>CRR20: NIFRS may fail to comply with Section 5(2)(a) & (b) of the Fire & Rescue Services (Northern Ireland) Order 2016 which states that the Board will: -Secure the provision of personnel, services and equipment; and -Secure the provision of training for personnel</p>	<p>Service Support</p> <p>6. Asset Management</p>		55	

AUDIT PLAN SECTION 2 – CORPORATE RISK-BASED AUDITS

PROPOSED INTERNAL AUDIT ASSIGNMENT	PROPOSED SCOPE OF ASSIGNMENT	LINK TO NIFRS'S CORPORATE RISK REGISTER (CRR)/DIRECTORATE RISK REGISTERS (DRR):		AUDIT DAYS		
			LEAD DIRECTORATE /OUTCOME	2020/21	2021/22	2022/23
Management and maintenance of fleet & equipment	Review of adequacy of processes around management and maintenance of fleet & equipment. <i>Limited assurance in 2019/20</i>	CRR20: NIFRS may fail to comply with Section 5(2)(a) & (b) of the Fire & Rescue Services (Northern Ireland) Order 2016 which states that the Board will: -Secure the provision of personnel, services and equipment; and -Secure the provision of training for personnel	Service Support 6. Asset Management			50
Recruitment and staffing stability	To consider the robustness of recruitment processes, workforce planning, vacancies and use of agency staff.	CRR20: NIFRS may fail to comply with Section 5(2)(a) & (b) of the Fire & Rescue Services (Northern Ireland) Order 2016 which states that the Board will secure the provision of personnel. Budget and service delivery model not aligned – this could impact on the delivery of core organisational objectives. This may result in reduced operational cover; delays in responding to operational incidents; have a negative impact on both public and firefighter safety; and affect morale, retention and employee relations. DRR20: Pay levels and reputational issues may impact on NIFRS' ability to recruit and retain skilled support staff.	Human Resources/ Service Support 3. People			25

AUDIT PLAN SECTION 2 – CORPORATE RISK-BASED AUDITS

PROPOSED INTERNAL AUDIT ASSIGNMENT	PROPOSED SCOPE OF ASSIGNMENT	LINK TO NIFRS'S CORPORATE RISK REGISTER (CRR)/DIRECTORATE RISK REGISTERS (DRR):		AUDIT DAYS		
			LEAD DIRECTORATE /OUTCOME	2020/21	2021/22	2022/23
IT Audit – Cyber Security	Scope of IT audit to be confirmed.	DRR20: There is risk of a cyber-security incident which may result in NIFRS information, systems, and infrastructure becoming unreliable, not accessible (temporarily or permanently) or compromised by unauthorised 3 rd parties potentially causing significant business disruption and reputational damage. 'There are a number of ways in which systems and data can be accessed, or data shared, that increases vulnerability to 'attack' both internally and externally	Finance 6. Asset Management	20		
Station visits	Compliance with NIFRS procedures/ policies at Stations/districts. <i>To include communication and R3/R6 on call in 20/21</i>	There are a number of relevant Corporate Risks in this area; including those relating to statutory responsibilities, assets, ICT, estates, service delivery.	Service Delivery 2. Community Risk Management; 3. People; 4. Governance & Performance; 5. Financial Management; & 6. Asset Management		20	

AUDIT PLAN SECTION 2 – CORPORATE RISK-BASED AUDITS

PROPOSED INTERNAL AUDIT ASSIGNMENT	PROPOSED SCOPE OF ASSIGNMENT	LINK TO NIFRS'S CORPORATE RISK REGISTER (CRR)/DIRECTORATE RISK REGISTERS (DRR):		AUDIT DAYS		
			LEAD DIRECTORATE /OUTCOME	2020/21	2021/22	2022/23
Training	21/22: Operational mandatory training 22/23: Organisational Development & LMS	CRR20: NIFRS only has 15 Auditing officers to enforce Fire Safety compliance whereas in 2010 NIFRS had 42 Auditing Officers. This will impact on the ability of NIFRS to meet their statutory duty under Fire Services Order. DRR20: 'Lack of single point entry training system limits ability to efficiently and effectively monitor training provided. A number of personnel have no CFFT training and are therefore not competent to manage compartment fires. Personnel are not suitably trained due to a Backlog in CFFT training.	Service Support 2. Community Risk Management; & 3. People		20	30
Governance of Transformation Programme	Review of governance arrangements around the transformation programme	DRR20: Ineffective structure and resourcing levels may impact on longer-term service delivery. Successful and timely implementation of revised Service Delivery Modelling strategies. Insufficient resources in Transformation Projects will impact on NIFRS' ability to deliver transformational change.	Transformation, Performance & Governance 1. Transformation	15		
RCI Project (Risk Critical Information)	Review of operation of RCI.	DRR20: IT issues impacting on the delivery of projects RCI and also supporting Emergency Planning (CAG). Potential breach of Health and Safety duty through a failure to provide adequate risk information to crews at emergency incidents.	Service Delivery 2. Community Risk Management			To be considered for inclusion in plan

AUDIT PLAN SECTION 2 – CORPORATE RISK-BASED AUDITS

PROPOSED INTERNAL AUDIT ASSIGNMENT	PROPOSED SCOPE OF ASSIGNMENT	LINK TO NIFRS'S CORPORATE RISK REGISTER (CRR)/DIRECTORATE RISK REGISTERS (DRR):		AUDIT DAYS		
			LEAD DIRECTORATE /OUTCOME	2020/21	2021/22	2022/23
Service Delivery	Review of National Operational Guidance (NOG) process.	DRR20: Failure to align existing NIFRS Standard Operating Guidance with National Operational Guidance could result in an impact on firefighter and community safety, resulting in an associated increase in exposure to corporate risk through a breach of Health and Safety statutory duty.	Service Delivery 2. Community Risk Management & 3. People	20		
TOTAL CORPORATE RISK-BASED AUDIT DAYS				85	95	105

AUDIT PLAN SECTION 3 – GOVERNANCE AUDITS

PROPOSED INTERNAL AUDIT ASSIGNMENT	PROPOSED SCOPE OF ASSIGNMENT	LINK TO NIFRS'S CORPORATE RISK REGISTER (CRR):		AUDIT DAYS		
		AREA OF RISK	LEAD DIRECTORATE/OUTCOME	2020/21	2021/22	2022/23
Quarter 1 Advisory/Covid specific assurance Work	Advisory work guided by NIFRS. IA suggest: 1. Developing appropriate proportionate assurance processes post controls assurance standards. 2. Assurance assignment re Governance during Covid-19, including Business Continuity	No covid-19 related risk on risk register as yet DRR20: Organisational Risk for NIFRS in regard to the potential loss of service delivery through outdated Business Continuity Procedures and the failure to recover.	ALL 4. Governance & Performance	60		
Risk Management	Review risk identification, management and reporting processes.	All .	Transformation, Performance and Governance 4. Governance & Performance	10		10
Governance	Review of governance processes/structures within NIFRS.	DRR20: External accountability and related dependencies require significant administration and in-year changes to reporting requirements may result in incorrect submissions being made. NIFRS structures and job descriptions were developed a number of years ago and may not be fit for purpose to support service delivery model. People management issues in terms of Grievance, Discipline, Dignity and Attendance Management. Skills deficits in terms of people management.	Transformation, Performance and Governance/Human Resources 3. People & 4. Governance & Performance		20	

AUDIT PLAN SECTION 3 – GOVERNANCE AUDITS

PROPOSED INTERNAL AUDIT ASSIGNMENT	PROPOSED SCOPE OF ASSIGNMENT	LINK TO NIFRS'S CORPORATE RISK REGISTER (CRR):		AUDIT DAYS		
		AREA OF RISK	LEAD DIRECTORATE/OU TCOME	2020/21	2021/22	2022/23
Absence Management	To ensure that NIFRS are appropriately adhering to absence management policies and procedures.	No specific risk in register however NIFRS are not meeting target absence rate.	Human Resources / All		25	
Board Effectiveness	Independently consider Board Effectiveness, including review of the Board's own self-assessment.	No specific risk on the risk register.	Transformation, Performance and Governance 4. Governance & Performance	15		
Performance Management 20/21: Call response (postponed from 2019/20) 22/23: Planning and Performance Management	20/21: Review performance management in respect of call responses including from initial call to response. Consider the systems used, accuracy of source data, performance reporting and accountability.	DRR20: Failure to effectively Mobilise NIFRS Resources. Limitations in the Organisational Performance Management culture and issues with an aged ICT platform means that performance management activities are limited and not as effective as may be required.	Service Support 2. Community Risk Management & 4. Governance & Performance	20		20
Substantive Follow Up of 19/20 Specific Review report	Review of implementation of recommendations in the 19/20 Specific Review report.	No specific link to the risk registers.	Transformation, Performance and Governance All	15		

AUDIT PLAN SECTION 3 – GOVERNANCE AUDITS

PROPOSED INTERNAL AUDIT ASSIGNMENT	PROPOSED SCOPE OF ASSIGNMENT	LINK TO NIFRS'S CORPORATE RISK REGISTER (CRR):		AUDIT DAYS		
		AREA OF RISK	LEAD DIRECTORATE/OU TCOME	2020/21	2021/22	2022/23
Discipline, Grievance, Complaints, Whistleblowing and Fraud Processes	To review the processes and timelines around investigating discipline, grievance, complaints, whistleblowing and fraud cases.	DRR20: People management issues in terms of Grievance, Discipline, Dignity and Attendance Management. Skills deficits in terms of people management.	Transformation, Performance and Governance 4. Governance & Performance		30	
Capability Assurance	Review of management of capability assurance (high volume pumps and HASMAT).	No specific link to Risk Register	Service Delivery 2. Community Risk Management			15
Operational Communication & Management of Related Projects	Review of operational communication management, including licensing, pagers and radios).	No specific link to Risk Register	Service Support 6. Asset Management			To be considered for inclusion in plan
TOTAL GOVERNANCE DAYS				120	75	45

AUDIT PLAN SECTION 4 – MANAGEMENT, FOLLOW UP REVIEW AND CONTINGENCY

AREA	NARRATIVE	AUDIT DAYS		
		2017/18	2018/19	2019/20
Management Time (approximately 10%)	In providing an internal audit service an allocation of time is required for the management of the contract incorporating preparation and attendance at Audit, Risk and Governance Committee; completion of risk assessment and planning; liaison with the client and organisation of the audit assignments. Key reports will be provided to support this; Annual Report and Assurance Statement, Mid Year Assurance Statement, Annual Audit Plan and Interim progress Reports to the Audit, Risk and Governance Committee and Management.	30	30	30
Follow Up Review	In line with the Public Sector Internal Audit Standards, follow up will be conducted to provide the Audit, Risk and Governance Committee with assurance regarding management's response to Internal Audit's findings and recommendations.	35	35	35
Contingency	In line with best practice, contingency days have been included in the plan to accommodate audit assignments or extended audit work in planned areas which could not have been reasonably foreseen. This allows flexibility to respond to management and Audit, Risk and Governance Committee requests in order to meet specific client needs during the course of the financial year.	5	10	20
TOTAL MANAGEMENT, FOLLOW UP AND CONTINGENCY DAYS		70	75	85
TOTAL AUDIT DAYS		340	340	340

INTERNAL AUDIT ANNUAL PLAN 2020/21

PROPOSED INTERNAL AUDIT ASSIGNMENT	LEAD DIRECTORATE/ STRATEGIC OUTCOMES	AUDIT DAYS
FINANCE AUDITS:		
Payroll (including covid-19 spend and pensions in 2020/21)	Finance 5. Financial Management	30
Non Pay Expenditure (including covid-19 spend in 2020/21)	Finance 5. Financial Management	20
Bank & Cash (including petty cash)	Finance 5. Financial Management	15
CORPORATE RISK:		
Information Governance	Transformation, Performance and Governance 4. Governance and Performance	30
IT Audit – Cyber Security	Finance 6. Asset Management	20
Governance of Transformation Programme	Transformation, Performance & Governance 1. Service Transformation	15
NOG Processes	Service Delivery 2. Community Risk Management	20
GOVERNANCE:		
Quarter 1 Advisory/Covid specific assurance Work	ALL 2. Community Risk Management, 3. People & 4. Governance and Performance	60
Risk Management	Transformation, Performance and Governance 4. Governance and Performance	10
Board Effectiveness	Transformation, Performance and Governance 4. Governance and Performance	15
Performance Management - Call response (postponed from 2019/20) Management	Service Support 2. Community Risk Management	20
Substantive Follow Up of 19/20 Specific Review report	Transformation, Performance and Governance All	15
OTHER AUDIT TIME		
Management Time		30
Follow up		35
Contingency		5
TOTAL AUDIT DAYS		340