

**TAYSIDE FIRE AND RESCUE BOARD****Performance Monitoring Sub-Committee – 29 November 2010****INTERNAL AUDIT PLAN FOR 2010/11****Report by the Chief Internal Auditor****ABSTRACT**

This report presents the proposed internal audit plan for the remainder of the financial year 2010/11.

**1. RECOMMENDATION**

- 1.1 The Performance Monitoring Sub-Committee is asked to consider and approve the proposed internal audit plan for 2010/11.

**2. BACKGROUND**

- 2.1 CIPFA's 'Code of Practice for Internal Audit in Local Government in the United Kingdom' ('the Code') requires that "the Head of Internal Audit should prepare a risk-based internal audit plan ...". The Code also requires that the "audit plan should be fixed for a period of no longer than one year".
- 2.2 The Internal Audit Service provided by Perth & Kinross Council is arranged via a Service Level Agreement, which is agreed between the Council's Chief Internal Auditor and the Head of Corporate Services at Tayside Fire & Rescue.
- 2.3 This plan presented to the Performance Monitoring Sub-Committee is for the period December 2010 to March 2011 and therefore covers a period of 4 months. Subsequent plans will be presented to Audit Sub-Committee covering complete financial years.
- 2.4 In order to fulfil the requirements of the Code, a detailed exercise reviewing the 'audit universe' (which includes all significant activities and systems that contribute to the achievement of the Board's objectives) including a review of relevant Service documentation; the analysis of risks; and reports submitted to Tayside Fire & Rescue's Board and its Sub-Committee has been undertaken. Consultation has also taken place with the Head of Corporate Services regarding Internal Audit coverage for the remainder of 2010/11.
- 2.5 Each potential audit subject contained in the audit universe is assigned a priority rating which derives from an assessment of four factors:
- (i) the significance of the activity or system in relation to the Board's objectives;
  - (ii) the likely consequences of a failure of control, whether in financial, legal, health & safety, reputational or other ways;
  - (iii) the degree of change in the activity or system, whether legislative, managerial or in other ways;
  - (iv) the assessed strength of the internal controls in place, where known.

- 2.6 The priority ratings are assigned independently by internal audit; however, the process benefits greatly from the information provided by Tayside Fire & Rescue during consultation.
- 2.7 Each audit assignment has been assessed with regard to the indicative scope and has been assigned an appropriate level of resource in order to deliver the assignment.

### **3. PROPOSALS**

- 3.1 The number of days allocated for the remainder of 2010/11 for Tayside Fire & Rescue is 35 days, which is consistent with the allocation contained in a previous Service Level Agreement, and equates to a maximum of 3 audits. This represents the 'core' audit plan for Tayside Fire & Rescue and is in addition to other direct audit work including any other ad-hoc audit assignments which may arise during the period.
- 3.2 Appendix A shows the assignments which are proposed to be undertaken during the remainder of 2010/11. It highlights the areas to be audited, along with the indicative scope of the assignment. The number of audit days attributable to each audit has been estimated and is included here for information.
- 3.3 It is not the purpose of this part of the planning process to specify the content of each audit in detail, but the high-level indicative scope has been captured to indicate the areas which will be subject to review. This will minimise the time taken in the detailed scoping of assignments at a future date.
- 3.4 The planned work will take place from December 2010 to March 2011. in order to re-align the Internal audit year with the financial year and will then have the benefit of contributing to the development of Tayside Fire & Rescue's year end governance arrangements for 2010/11.
- 3.5 The responsibility for implementing and maintaining the appropriate controls in each area rests with management. The purpose of the internal audit process is to provide independent assurance to the Board that these controls are appropriate and effective. The aim of the prioritisation process described above is to ensure that this assurance is directed to those areas where it is of most benefit in supporting the delivery of the Board's objectives.
- 3.6 Achievement of the audit plan is dependent on the availability of the forecast financial and staffing resources and the co-operation of management.

### **4. CONSULTATION**

- 4.1 There has been consultation with Tayside Fire & Rescue's Head of Corporate Services and Treasurer during the audit planning process.

### **5. RESOURCE IMPLICATIONS**

- 5.1 There are no resource implications arising from this report.

## 6. EQUALITIES ASSESSMENT

- 6.1 The Council's Corporate Equalities Assessment Framework requires an assessment of functions, policies, procedures or strategies in relation to race, gender and disability and other relevant equality categories. This supports the Council's legal requirement to comply with the duty to assess and consult on relevant new policies to ensure there is no adverse impact on any community group or employees.
- 6.2 The function, policy, procedure or strategy presented in this report was considered under the Corporate Equalities Assessment Framework and the determination was made that the items summarised in this report do not require further assessment as they do not have an impact on people's wellbeing

## 7. STRATEGIC ENVIRONMENTAL ASSESSMENT

- 7.1 Strategic Environmental Assessment (SEA) is a legal requirement under the Environmental Assessment (Scotland) Act 2005 that applies to all qualifying plans, programmes and strategies, including policies (PPS).
- 7.2 However, no action is required as the Act does not apply to the matters presented in this report. This is because the Committee are requested to note the contents of the report only and the Committee are not being requested to approve, adopt or agree to an action or to set the framework for future decisions.

## 8. CONCLUSION

- 8.1 This report presents the proposed internal audit plan for 2010/11.

**J CLARK**  
**Chief Internal Auditor**

**Note:** No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to any material extent in preparing the above report.

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**Appendix A – The Audit Universe, Priority Ratings and the 2010/11 Plan for December 2010 to March 2011**

**Internal Audit Assignments:**

Service	Title	Indicative Scope	Internal Audit Priority rating	Total days
Risk Management	Risk Management	Review of controls over the process for the Integrated Risk Management Plan.	High	15
Corporate Services	Creditors	Review of controls within the creditors system.	High	15
Corporate Services	Partnership Working	Review the partnership register to ensure that Tayside Fire & Rescue is managing its relationships effectively.	Medium	5
Total days				35

