



Scottish Fire & Rescue Service Internal Audit Plan 2021/22

March 2021



Scottish Fire & Rescue Service

Internal Audit Plan 2021/22

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Introduction

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, internal control and governance processes.

Section 3 – Definition of Internal Auditing, Public Sector Internal Audit Standards

Our internal audit plan is designed to provide the Scottish Fire & Rescue Services (SFRS), through the Audit & Risk Assurance Committee, with the assurance it needs to prepare an annual Governance Statement that complies with best practice in corporate governance. We also aim to contribute to the continuous improvement of governance, risk management and internal control processes through the implementation of this plan.

Azet's internal audit methodology complies fully with the Public Sector Internal Audit Standards (PSIAS), which cover the mandatory elements of the Chartered Institute of Internal Auditors' International Professional Practices Framework.

The PSIAS require the Chief Internal Auditor to produce a risk-based plan, which takes into account SFRS's risk management framework, its strategic objectives and priorities and the views of senior managers and the Audit & Risk Assurance Committee. The objective of audit planning is to direct audit resources in the most efficient manner to provide sufficient assurance that key risks are being managed effectively and value for money is being achieved.

This document addresses these requirements by setting out an internal audit plan for the year 2021/22.

Audit & Risk Assurance Committee action

In order to develop the plan, we have held discussions with the Strategic Leadership Team (SLT) and have incorporated their feedback into this draft.

We now ask the Audit & Risk Assurance Committee to review and approve the proposed Internal Audit Plan for 2021/22.

Internal audit approach

Supporting the Governance Statement

Our Internal Audit Plan is designed to provide SFRS, through the Audit & Risk Assurance Committee, with the assurance it needs to prepare an annual Governance Statement that complies with best practice in corporate governance. We also aim to contribute to the improvement of governance, risk management and internal control processes by using a systematic and disciplined evaluation approach.

Risk based internal auditing

Our methodology links internal audit activity to the organisation's risk management framework. The main benefit to SFRS is a strategic, targeted internal audit function that focuses on the key risk areas and provides maximum value for money.

By focussing on the key risk areas, internal audit should be able to conclude that:

- Management has identified, assessed and responded to SFRS's key risks;
- The responses to risks are effective but not excessive;
- Where residual risk is unacceptably high, further action is being taken;
- Risk management processes, including the effectiveness of responses, are being monitored by management to ensure they continue to operate effectively; and
- Risks, responses and actions are being properly classified and reported.

We have reviewed SFRS's risk management arrangements and have confirmed that they are sufficiently robust for us to place reliance on the risk register as one source of the information we use to inform our audit needs assessment.

Audit needs assessment

Our internal audit plans are based on an assessment of audit need. "Audit need" represents the assurance required by the Audit & Risk Assurance Committee from internal audit that the control systems established to manage and mitigate the key inherent risks are adequate and operating effectively. The objective of the audit needs assessment is therefore to identify these key controls systems and determine the internal audit resource required to provide assurance on their effectiveness.

Our audit needs assessment involved the following activities:

- Reviewing SFRS's risk register,
- Reviewing SFRS's strategic and operational plans and objectives,
- Reviewing previous internal audit reports,
- Reviewing external audit reports and plans,
- Reviewing SFRS's website and internal policies and procedures,
- Utilising our experience at similar organisations, and
- Discussions with senior management and the Audit & Risk Assurance Committee.

Best value

Our work helps SFRS to determine whether services are providing best value. Every report includes an assessment of value for money; i.e. whether the controls identified to mitigate risks are working efficiently and effectively. Where we identify opportunities for improving value for money, we raise these with management and include them in the report action plan.

Liaison with external audit

We seek to complement the areas being covered by SFRS's external auditors, Deloitte. We welcome comments on the internal audit plan from Deloitte at any time and we will formally discuss the plan with Deloitte on at least an annual basis. This will help us to target our work in the most effective manner, avoiding duplication of effort and maximising the use of total audit resource.

Delivering the internal audit plan

Internal Audit team – indicative staff mix

Grade	2021/22 Input (days)	Grade mix (%)
Partner / Director	15	10%
Senior Manager	32	21%
Auditors	103	69%
Total	150	100%

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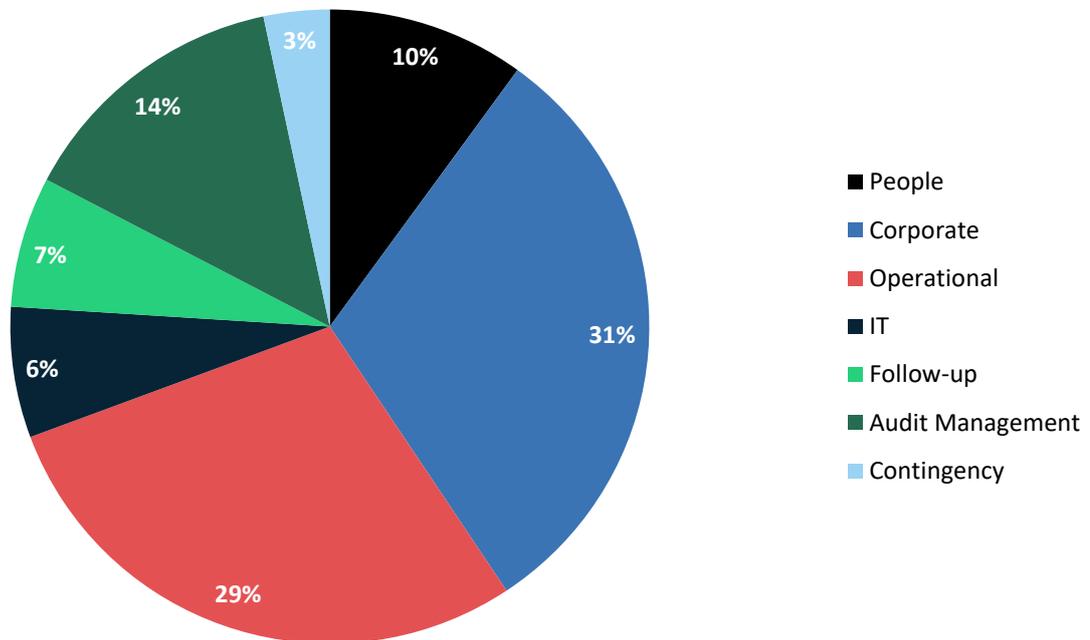
Proposed Internal Audit Plan

Appendix 1 presents the internal audit plan for 2020/21 to 2021/22. The Internal Audit plan is based on our risk and audit needs assessment as at March 2021.

Internal audit is only one source of assurance for the Audit & Risk Assurance Committee. Assurance on the management of risk is provided from a number of other sources, including the senior management team, external audit and the risk management framework itself.

The table below demonstrates how the internal audit days for 2021/22 are allocated across each area of the audit universe.

Allocation of audit days



Links to Strategic Risks

Below we have demonstrated the link between each area of the audit universe and SFRS's strategic risk areas. In italics we have stated the corresponding audit assignments.

Link to Strategic Risk Area

People

5. Ability to have in place a suitably skilled, trained and motivated workforce that is well supported both physically and mentally. (*Learning & Development*)

Corporate

1. Ability to improve the safety and well-being of people throughout Scotland through the delivery of our services. (*Programme Office*)

3. Ability to collaborate effectively with partners and communities, to enhance service delivery and best value. (*Programme Office*)

4. Ability to ensure legal and regulatory compliance. (*Fire Safety Enforcement*)

8. Ability to anticipate and adapt to a changing environment through innovation and improved performance. (*Environmental Sustainability*)

Operational

1. Ability to improve the safety and well-being of people throughout Scotland through the delivery of our services. (*Workforce Planning – RDS Firefighters*)

5. Ability to have in place a suitably skilled, trained and motivated workforce that is well supported both physically and mentally. (*Remote Working*)

6. Ability to have in operational use the necessary assets, equipment, supplies and services to enable the smooth running of the organisation, that exploit available technologies and deliver public value. (*Remote Working*)

7. Ability to deliver a high quality, sustainable service within the funding envelope. (*Remote Working*)

9. While Covid-19 remains a threat to health, the ability of SFRS to protect staff, partners and the public while meeting service delivery demands. (*Remote Working*)

IT

6. Ability to have in operational use the necessary assets, equipment, supplies and services to enable the smooth running of the organisation, that exploit available technologies and deliver public value. (*ICT and Data Security Follow Up*)

Appendix 1 – Internal Audit Plan 2020-21 to 2021-22

Audit area	2020/21	2021/22	Audit objectives
A. Financial systems			
A.1 Financial Systems Health Check	15		To ensure there are appropriate financial controls in place which ensure completeness and integrity, and that there are for effective arrangements for producing management information.
A.2 Procurement and Tendering	12		To ensure procedures in place at the SFRS for procuring good and services are effectively communicated, monitored and comply with best practice and the Procurement Reform (Scotland) Act 2014.
A.3 Expenses Policy	12		To ensure that all expenses are managed in an appropriate, effective and efficient manner.
Subtotal A:	39	0	
B. People			
B.1 Learning & Development		15	<p>To ensure that there are appropriate controls over leadership training. This will include:</p> <ul style="list-style-type: none"> ensuring eligible staff are identified for the leadership programme so they are developed to their full potential; ensuring that there are effective and cost efficient methods of training delivery; ensuring feedback is obtained on the effectiveness of the training given; and that there are appropriate management information and reporting arrangements in place.
Subtotal B:	0	15	

C. Corporate			
C.1 Implementation of SFRS Corporate Governance structure, Strategy and Reporting	15		To ensure the SFRS is aligning its corporate governance structure to facilitate monitoring and reporting of the achievements of strategic aims and implementing an integrated assurance plan.
C.2 Risk Management Review	20		To ensure overall understanding of risk management and effective arrangements for identification of risks, challenge, review and reporting.
C.3 Fire safety enforcement		14	To ensure SFRS has effective arrangements in place to deliver its statutory Fire Safety Enforcement duties under Part 3 of the Fire (Scotland) Act 2005. This should include national and local management arrangements, resource and performance management arrangements.
C.4 Programme Office		20	<p>To ensure there are effective controls over the Change Portfolio and the programmes and projects are being effectively managed, in line with the Scottish Government's Programme and Project Management Principles. This will include:</p> <ul style="list-style-type: none"> • controls to ensure the approach to managing programmes and projects is proportionate, effective and consistent with recognised good practice; • that appropriate business cases have been developed; • that objectives are identified, recorded and evaluated; • that the programme secures and maintains management commitment to the selected approach; and • that the programme records and monitors the benefits it will deliver.
C.5 Environmental Sustainability		12	To ensure there is an Environmental Strategy and Environmental Policy that has been communicated to all staff; that the Environmental Strategy is aligned to relevant Scottish Government legislation including the Climate Change (Emissions Reduction Targets) (Scotland) Act 2019; to ensure implementation progress is considered as part of the monitoring process and that overall progress against the strategy is being regularly monitored and reported to senior management.

Subtotal C:	35	46	
D. Operational			
D.1 Estates Asset Management and Maintenance	10		To ensure controls are in place to identify the requirements for capital expenditure and to monitor expenditure and the maintenance of assets under management.
D.2 Operational Equipment	10		To ensure there are effective controls in place to confirm equipment in operational use is fit for purpose e.g maintenance and inspection arrangements, user engagement.
D.3 Workforce Planning – RDS Firefighters		18	To ensure there are appropriate controls in place over workforce planning in relation to Retained Duty System (RDS) firefighters.
D.4 Remote Working		25	To ensure SFRS has appropriate arrangements in place to facilitate remote working including security controls over access to systems and records, management and authorisation controls, communication arrangements, ensuring staff have appropriate equipment and support to carry out their duties remotely and to ensure consideration is given to staff wellbeing i.e. staff working in isolation do not suffer from lack of inclusion.
Subtotal D:	20	43	
E. I.T.			
E.1 ICT and Data Security	20		To ensure there are robust controls over internal and external security of the SFRS network and for identifying and resolving threats to the network and cyber security.
E.2 ICT and Data Security Follow Up		10	To ensure that actions identified in the 2020/21 audit have been addressed in line with agreed timescales and that network access for privileged users and leavers is controlled, managed and supported by appropriate policies.
Subtotal E:	20	10	
F. Compliance and regularity			
F.1 Follow-up	10	10	To confirm that management actions have been implemented as agreed.
Subtotal F:	10	10	

G. Management/Contingency

G.1 Audit needs assessment / annual plan preparation	-	5	In year one of our appointment audit needs assessment was undertaken in advance of commencement of audit activity.
G.2 Audit & Risk Assurance Committee planning and attendance	8	8	
G.3 Annual and internal audit progress reports, meetings with management	8	8	
G.4 Contingency	5	5	
Subtotal G:	26	26	
TOTAL	145	150	

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