

SOUTH YORKSHIRE FIRE & RESCUE AUTHORITY

Meeting	AUDIT AND GOVERNANCE COMMITTEE
Meeting Date	11 MARCH 2024
Report of	INTERNAL AUDIT (RSM UK RISK ASSURANCE SERVICES LLP)
Report Sponsor(s)	CLERK TO THE AUTHORITY
Subject	INTERNAL AUDIT STRATEGY 2024/25 – 2026/27

EXECUTIVE SUMMARY

This report contains the Internal Audit Strategy for 2024/25 – 2026/27, for the review and challenge of Members. This paper contains a detailed one-year plan for 2024/25, and a suggested three-year rolling strategy. This strategy will be revisited each year to ensure it remains current and reflects the risk profile of the organisation.

This report briefly describes the rationale and process for setting the plan, that it is based on a risk assessment process, historical data and consultation.

The consideration and agreement of the audit plan is one of the key responsibilities of the Audit and Governance Committee.

RECOMMENDATION(S)

- Approve the content of the Internal Audit Strategy 2024/25 – 2026/27, whilst acknowledging the need to maintain flexibility.

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Main Report

BACKGROUND

Background

1. One of the key aspects of the organisation and operation of Internal Audit is the preparation and delivery of an annual plan. The plan seeks to ensure an appropriate deployment of available internal audit resources across the Authority taking into account known risks, organisational developments, projects and initiatives, which all support the fundamental need to assess the adequacy and effectiveness of the internal risk, control and governance environment and ultimately inform the Head of Internal Audit's opinion for inclusion in the Annual Governance Statement (AGS).
2. Internal audit activity for 2024/25 is based on analysing your corporate objectives, risk profile and assurance framework as well as other factors affecting you in the year ahead, including changes within the sector.
3. Internal audit should be seen as a 'critical friend' rather than an 'inspector', and as such the risks proposed for internal audit scrutiny have been selected in conjunction with SYFR. The internal audit priorities have been discussed with a wide range of key staff from the Executive Team.

Internal Audit Plan 2024/25

4. Our Internal Audit Plan for 2024/25 is presented for approval by the Audit and Governance Committee. We have also included an indicative three-year strategy of audit coverage each year until 2026/27, however this will be formally revisited each year to ensure any new risks are captured.
5. The delivery of the 2024/25 audit plan will be based around a core team; however, we will complement the team with additional specialist skills where required.
6. Community Risk Management Plan (4.23/24) – Our audit resulted in a substantial assurance opinion being provided with one medium priority action being agreed.
7. Our daily rates have been inflated in line with inflation.
8. Our internal audit coverage is split into risk-based audits and core assurance. Risk-based audits have clear links to the strategic risks of SYFR and are designed to provide assurance that the controls in place to mitigate those risks have been designed adequately and are operating effectively.
9. In 2024/25, the risk-based audits proposed are:
 - a. Performance Data
 - b. Specialism Review
 - c. Inclusion, diversity and culture leadership
10. The proposed core assurance audits in 2023/24 are:
 - a. Organisational Development/Training
 - b. Estates Departmental Review
 - c. Risk Management
 - d. Core Financial Systems
 - e. Internal Service Governance
 - f. Digital Transformation
11. Each year, we also reserve an allocation of resource to follow up the actions agreed by management to address the risks previously identified by internal audit.

12. The internal audit resource budget also includes an allocation for the management of the contract, including planning, quality assurance, routine catch ups with management, and preparation for, and attendance at Audit and Governance Committee meetings.
13. Whilst indicative days have been allocated to each area of audit activity to determine the overall coverage capacity, these are confirmed through the detailed scoping undertaken with management when the audit work is planned to be undertaken. Equally, the flexibility within the Plan also extends to when work will be undertaken during the year, including the possibility of deferring work to the following financial year. All proposed changes to the Plan or when work will be undertaken will be discussed and agreed with management and reported within the Internal Audit Progress reports to the Committee.
14. In preparing our Internal Audit Plan for 2024/25 we have worked closely with management to produce an audit programme which remains flexible.
15. As part of the delivery of the 2024/25 Internal Audit Plan, RSM commit to delivering a high quality and effective service, which will include periodic attendance at relevant senior management team meetings to report on progress against planned work. Monitoring and reporting against the agreed internal audit plan will take place at each meeting of the Audit and Governance Committee.
16. RSM affirms that our internal audit services are designed to conform to the Public Sector Internal Audit Standards (PSIAS).

Under PSIAS, internal audit services are required to have an external quality assessment every five years. Our risk assurance service line commissioned an external independent review of our internal audit services in 2021 to provide assurance whether our approach meets the requirements of the International Professional Practices Framework (IPPF), and the Internal Audit Code of Practice, as published by the Global Institute of Internal Auditors (IIA) and the Chartered IIA, on which PSIAS is based.

The external review concluded that RSM ‘generally conforms* to the requirements of the IIA Standards’ and that ‘RSM IA also generally conforms with the other Professional Standards and the IIA Code of Ethics. There were no instances of non-conformance with any of the Professional Standards’.

*The rating of ‘generally conforms’ is the highest rating that can be achieved, in line with the IIA’s EQA assessment model.

CONTRIBUTION TO OUR ASPIRATIONS (tick all that apply)

- Be a great place to work-** we will create the right culture, values and behaviours to make this a brilliant place to work that is inclusive for all
- Put people first-** we will spend money carefully, use our resources wisely and collaborate with others to provide the best deal to the communities we serve
- Strive to be the best in everything we do-** we will work with others, make the most of technology and develop leaders to become the very best at what we can be

CONTRIBUTION TO SERVICE IMPROVEMENT

(tick all that apply to your report and add supporting information for each in the box below)

- [HMICFRS Inspection Framework e.g. Diagnostic area and/ or diagnostic questions](#)
- [SYFR Inspection report Areas for Improvement \(AFIs\)](#)
- [Fit for the Future Improvement Objectives](#)
- [Professional Standards for Fire & Rescue Services in England](#)
- [SYFR Service Plan 2023-24 Priorities](#)
- [SYFR Community Risk Management Plan 2021-24](#)

OPPORTUNITIES FOR COLLABORATION (tick relevant box)

- Yes
- No

If you have ticked 'Yes' please provide brief details in the box below and include the third party/parties it would involve:

CORPORATE RISK ASSESSMENT AND BUSINESS CONTINUITY IMPLICATIONS (add information relevant to your report)

17.

EQUALITY ANALYSIS COMPLETED (tick relevant box)

- Yes

If you have ticked 'Yes' please complete the below comment boxes providing details as follows:

Summary of any Adverse Impacts Identified:	Key Mitigating Actions Proposed and Agreed:

- No
- N/A

If you have ticked 'No' or 'N/A' please complete the comments box below providing details of why an EA is not required/is outstanding:

HEALTH AND SAFETY RISK ASSESSMENT COMPLETED (tick relevant box)

- Yes
- No
- N/A

If you have ticked 'No' or 'N/A' please complete the comments box below providing details of why a Health and Safety Risk Assessment is not required/is outstanding:

SCHEME OF DELEGATION

- 18. Under the South Yorkshire Fire and Rescue Authority [Scheme of Delegation](#) a decision *is required / *has been approved at Service level.

Delegated Power Yes
 No

If yes, please complete the comments box indicating under which delegated power.

Example

A: Asset Management

A1: Property Management

IMPLICATIONS

19. Consider whether this report has any of the following implications and if so, address them below: Diversity, Financial, Asset Management, Environmental and Sustainability, Fleet, Communications, ICT, Health and Safety, Data Protection, Collaboration, Legal and Industrial Relations implications have been considered in compiling this report.

List of background documents		
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