

Risk Management Group Internal Audit Progress Monitoring Report

Report of the Chief Fire Officer

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1 Purpose of Report

This report provides an update on the monitoring of recommendations made by Internal Audit, which is undertaken by the Risk Management Group (RMG). It specifically covers details about the progress made against outstanding recommendations.

2 Recommendations

Members are asked to note:

- a) The progress made against the outstanding recommendations; and
- b) That the RMG will continue to monitor progress against all recommendations, reporting to this Committee on a regular basis.

3 Background

'Internal Audit' is a tool, available to senior management and Members. It provides an independent judgement on the level of confidence they can have that the policies and procedures in place to control various aspects of the Service, which are considered to be higher risk, for example finance, are operating in a way that reduces those risks.

It, therefore, follows that any recommendations made by the Authority's Internal Auditors, as a result of the audits they have been directed to undertake, should be implemented in an appropriate and timely manner.

Recognising that each potential deficiency identified in the Service's procedures is likely to result in a different level of risk exposure, Internal Audit rates each of their recommendations to assist the Service in deciding the priority for any remedial work. These categories are shown below:

Fundamental

Immediate action is required to address major control weaknesses that could lead to material loss.

Significant

Action is needed to address a control weakness, where systems might be working but errors may go undetected.

Requires Attention

Action is needed to improve existing controls or improve efficiencies.

In March 2008, this Committee agreed a process for dealing with recommendations that fall out of these audits, to ensure that officers are dealing with all matters effectively.

- The Committee considers directly any **“Fundamental”** recommendations; and
- **“Significant”** and **“Requiring Attention”** recommendations are considered initially by the RMG and any delays or failures in implementing these recommendations are brought to the Committee.

This process has been used by the RMG since it was initially agreed. Members will be pleased to note that there have been no 'Fundamental' recommendations, since this monitoring process was implemented. The Service now operates a robust internal system of checking and challenging with those officers having responsibility for each of the recommendations. This has built on the work reported to this Committee previously.

4 Outstanding Recommendations

As of September 2014 the Service now has:

- **31 “Significant”** and
- **44 “Requires Attention”**

recommendations outstanding.

Out of a total of 75 'significant' and 'requires attention' recommendations, 38 are from previous audits, with 37 new recommendations having been made.

The recommendations can be broken down into the following departmental areas:

Departmental Area	Number of recommendations rated 'Significant'	Number of recommendations rated 'requires attention'
Finance	6	19
Finance / Operations	0	1
Planning and Performance / Finance	0	1
HR	10	10
Finance / Resources	0	1
Resources	0	7
Corporate Support	0	2
Planning and Performance	0	1
IT	15	2
TOTAL	31	44

It is worthy of note that, even though activities to address recommendations may be put in place with immediate effect, it is normal for them to remain “live” for a period of time to allow Internal Audit to verify that new processes are fully embedded.

The RMG is committed to ensuring that these and future recommendations are addressed in a prompt and timely manner to ensure that associated risks are mitigated as soon as possible.

5 Financial Implications

There are no financial implications arising from this report.

6 Legal Comment

There are no legal implications arising from this report.

7 Initial Impact Assessment

This report contains merely statements of fact / historical data. An Initial Impact Assessment is not, therefore, required.

8 Equality Impact Assessment

There are no equality or diversity implications arising from this report. An Equality Impact Assessment is not, therefore, required.

9 Appendices

There are no appendices attached to this report.

10 Background Papers

There are no background papers associated with this report.