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. 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 Risk Management Group and any delays or failures in implementing these recommendations are brought to the Committee.

This process has been used by the Risk Management Group since it was initially agreed and 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, who have responsibility for each of the recommendations. This has built on the work reported to this Committee previously.

4   Outstanding Recommendations

As previously reported in June 2016, the Service had 38 recommendations outstanding. As of December 2016 the Service has a total of 53 recommendations outstanding, of which:

- **39 are Requires Attention (RA)**
- **14 are Significant**

A number of audits have been completed in 2016/17. These include:

- Budget Preparation and Control (Zero recommendations)
- Creditors System (13 new, 2 carried over)
- Purchasing Cards (8 new)
- Recommendations follow up (3 carried over)
- Firefighters Pension Account (4 carried over)
- Microsoft SharePoint Migration (4 new)

The recommendations contained within the IT Audit Follow Up 2015/16, Payroll System 2015/16 and Risk Management and Business Continuity Audit 2015/16 are due to be reviewed in forthcoming planned audits.

The recommendations within these audits make up 21 of the total (53) recommendations and may be reduced significantly once audited.

The recommendations are spread across the departments listed, in the following numbers:

Departmental Area	Requires Attention	Significant	Total
Finance	22	6	28
Finance and Technical Services	2	0	2
Human Resources	4	0	4
Technical Services	2	0	2
Planning and Performance	5	0	5
ICT	4	8	12
Total	**39**	**14**	**53**

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 Risk Management Group 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.