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# **External Audit** **Statement of** **Audit Progress**

**Shropshire & Wrekin Fire and Rescue Authority**

**November 2011**

**Audit 2010/11**

**The Audit Commission is an independent watchdog, driving economy, efficiency and effectiveness in local public services to deliver better outcomes for everyone.**

**Our work across local government, health, housing, community safety and fire and rescue services means that we have a unique perspective. We promote value for money for taxpayers, auditing the £200 billion spent by 11,000 local public bodies.**

**As a force for improvement, we work in partnership to assess local public services and make practical recommendations for promoting a better quality of life for local people.**

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# Audit update

## Introduction

**1** The purpose of this paper is to provide the Audit and Performance Management Committee with a report on progress in delivering our responsibilities as the Authority's external auditor. This update also seeks to highlight key emerging national issues and developments which may be of interest to members of the Committee.

**2** At the end of this update there are a number of questions which the Committee may wish to consider in order to ensure that it is receiving sufficient assurance on the emerging issues.

## Audit coverage and inputs

### Opinion Audit for 2010/11

**3** The presentation of your Annual Audit Letter finalises the delivery of your 2010/11 Audit Plan. We were able to issue our opinion and VFM conclusion in line with the required deadlines and there are no outstanding areas of work.

### Opinion Audit for 2011/12

**4** We continually revisit our planning throughout the financial year to update our assessment of the key risks facing the Authority. We continue to meet on a quarterly basis with the Chief Fire Officer and Head of Finance, and in between with the Head of Finance to monitor delivery of the audit.

**5** We will update our understanding of the control environment over the coming months and also the financial environment which informs our assessment of your overall financial resilience. We have also kept abreast of developments within the directions from DCLG in relation to Fire & Rescue and there are no changes to the significant risks we consider are facing your Authority. As agreed in 2010/11 we will revisit your overall IT arrangements now that the St Michael Street project is nearing completion.

### Working with Internal Audit

**6** We continue to work with Internal Audit and have liaised briefly since the last meeting. Our discussions with Internal Audit confirm an efficient approach for the forthcoming audit year.

## Conclusion

**7** We are on target to deliver the audit plan for 2010/11 as set out in appendix 1.

# Other matters of interest

## National Reports

8 There have been no National Reports relating to Fire & Rescue released since the last Audit & Performance Management Committee.

## Other information

### Update on the Audit Commission

9 We have previously advised the Audit Committee on the procurement exercise to outsource the Audit Commission's in-house audit practice. Thirteen firms recently completed the pre-qualification stage and have been formally invited to tender for the work. These tenders need to be submitted by 16 December 2011 and the Audit Commission's Board expects to approve the contract awards in the week commencing 20 February 2012. Please contact Grant Patterson, your Engagement Lead, if you would like to discuss this further.

### Fighting Fraud Together

10 In October 2011, thirty-seven organisations joined forces today to launch 'Fighting Fraud Together', a new strategy that aims to reduce fraud - a crime estimated to cost the UK £38 billion every year. The organisations involved include the NHS, the Charity Commission, the Department for Communities and Local Government, HM Revenues and Customs and the Association of Chief Police Officers. It is the first time that government, industry, voluntary groups and law enforcement agencies have joined together on such a large scale to sign a joint commitment to tackle fraud. All thirty-seven partners that have signed up to the 'Fighting Fraud Together' strategy which will contribute to and be accountable for its success.

11 The strategy and its accompanying action plan place a strong emphasis on preventing fraud through greater fraud awareness and self protection, combined with stronger government and industry prevention systems and controls. Examples of the new initiatives include the following.

- Preventing fraud: Industry and the public sector will develop their intelligence-sharing capabilities to prevent fraud attacks;
- Increasing awareness and reporting: A new research tool will help all sectors provide more targeted prevention advice to the public, particularly vulnerable people, and develop a better understanding of small businesses' vulnerability to fraud and the support they need; and
- A more effective enforcement response: Greater intelligence capabilities of the National Fraud Intelligence Bureau will disrupt fraudsters' activities and rapidly close down the channels through which they operate and launder money.

# Key considerations

**12** There are no items for consideration by the Audit & Performance Management Committee for this meeting as all matters of interest were for information only.

Emily Mayne  
Audit Manager

November 2011

## Appendix 1 2010/11 programme

Programme	Progress	Main Conclusion/Findings	Deadline for draft report	Audit Committee meeting
<b>Audit Plan</b>				
Initial Fee Letter 2010/11	Now reported to the Chair of Audit Committee	The indicative fee was agreed by the Chief Fire Officer in April 2010.	February 2011	March 2011
Audit Opinion Plan 2010/11	Completed	This has been agreed with the Treasurer.	February 2011	March 2011
<b>Opinion</b>				
Interim work on arrangements to support the opinion	Completed	Initial work was undertaken on your key financial systems. No significant weaknesses were identified and control weaknesses have been reported to Those Charged with Governance.	Report through Statements of Audit Progress	N/A
Annual Governance Report	Completed	We have issued an unqualified opinion on your financial statements.	September 2011	September 2011
<b>VFM conclusion</b>				
Assessment of the Council's performance against the Value for Money criteria informing the VFM conclusion	Completed	We have issued an unqualified VFM conclusion.	September 2011	September 2011
<b>Annual Audit Letter</b>				
Annual Audit Letter 2010/11	Completed	The letter has been written summarising the Authority's performance in 2010/11.	October 2011	November 2011

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