

## Internal Audit Plan 2013/14

### Report of the Treasurer

For further information about this report please contact Rachel Musson, Treasurer, on 01743 252007 or Joanne Coadey, Head of Finance, on 01743 260215.

#### 1 Purpose of Report

This report reviews the programme of audit work for the period 2013/14 and recommends that the Fire Authority approve changes to the programme, as set out in the report.

#### 2 Recommendations

The Committee is asked to recommend that the Fire Authority:

- a) Approve the programme of audits for 2013/14, as set out in the report; and
- b) Note the proposed programme of audits for years 2014/15 to 2015/16.

#### 3 Background

The Treasurer is legally required to maintain sound and proper financial management on behalf of the Fire Authority. This includes a responsibility for maintaining internal audit. Internal audit, provided by Shropshire Council since the Fire Authority was established, is based on a programme of audits over a four-year period, which began in April 2012.

#### 4 Approach to the Audit Programme

Prior to the start of the four-year period, each audit area was reviewed, and risk assessed, by attaching factors and weightings to each area. Some areas are required by the Audit Commission to be audited every year, as they are fundamental to sound financial management; these include Payroll and Accounting.

The audit programme was brought to the Committee in March 2012, and, rather than approving the four years contained within the programme, the planned audits for 2012/13 were approved, and provisional plans put in place for the following three years.

A review of the following years' audits was then scheduled, prior to the start of each year. This was put in place to ensure that the audits are still timely and appropriate, and add value to the service area concerned.

## 5 Audit Plan for 2013/14

The proposed audits for 2013/14 are shown in the table below. These have been reviewed by officers, and any changes proposed are also shown in the table.

<b>Audit</b>	<b>Days</b>	<b>Proposed Days</b>	<b>Comments</b>
Payroll system	6	6	
Budget preparation and control	2	2	
Capital budgeting and accounting	1	1	
Computer services	5	5	
Purchasing and procurement	2	2	
Creditors system	5	5	
Partnerships	4	2	This audit is likely to last 2 days, with the remaining days available for further audits as they arise
Technical services – assets	2	2	
Contingency	0	2	
<b>Total days</b>	<b>27</b>	<b>27</b>	

## 6 Audit Plans for 2014/15 and 2015/16

Currently, the proposed plans for the last two years of the programme are unchanged, and can be noted in the appendix to the report.

## 7 Financial Implications

There are no direct financial implications arising from this report.

## **8 Legal Comment**

Under the Accounts and Audit Regulations 2011, there are legal obligations on the Treasurer to maintain sound and proper financial management on behalf of the Authority. This report provides compliance with that obligation by putting in place arrangements for an effective internal audit arrangement.

## **9 Equality Impact Assessment**

Officers have considered the Service's Brigade Order on Equality Impact Assessments (Personnel 5 Part 2) and have decided that there are no discriminatory practices or differential impacts upon specific groups arising from this report. An Initial Equality Impact Assessment has not, therefore, been completed.

## **10 Appendix**

Strategic Audit Plan for  
Shropshire Fire and Rescue Service 2012/13 to 2015/16

## **11 Background Papers**

There are no background papers associated with this report.

**Shropshire Council Audit Services  
Strategic Audit Plan for Shropshire Fire and Rescue Service 2012/13 to 2015/16**

Audit Area	Days	Risk Score	Audit Priority	Audit Frequency	PROVISIONAL				Totals
					2012/13	2013/14	2014/15	2015/16	
General Ledger Maintenance and Accounts		DA		AC	DA	DA	DA	DA	
Payroll system -to include enhanced coverage for personnel in one year	6	82	Medium Low	Annual	6	6	8	6	26
Budget Preparation and Control	2	77	Medium Low	Judgemental	0	2	0	2	4
Capital Budgeting and Accounting	4	76	Medium Low	1/3	1	1	5	1	8
Computer Services	10	74			15	5	5	5	30
Income Collection and Sundry Debtors	4	74	Medium Low	1/3	4	0	0	4	8
Purchasing Cards	2	71	Medium Low	1/3	2	0	0	0	2
Purchasing / Procurement	2	71	Medium Low	1/3	0	2	2	2	6
Creditors System	5	69	Low	1/3	0	5	0	0	5
Banking Arrangements	3	69	Low	AC/Annual	AC	AC	4	AC	4
Partnerships	4	56	De Minimis	1/3	0	4	0	0	4
Technical Services - Assets	7	68	Low	Agreed	0	2	2	3	7
Members' Allowances	1	52	De Minimis	0	0	0	1	0	1
Information Transparency (DP/FOI)	3	49	De Minimis		3	0	0	0	3
Data Quality	5	45	De Minimis	One off	0	0	0	0	0
Health and Safety	5	42	De Minimis	1/3	0	0	0	0	0
Miscellaneous - travel and subsistence (to include in payroll audit)	1	38	De Minimis	1/4	0	0	1	0	1
Insurance	1	36	De Minimis	1/3	0	0	1	0	1
Miscellaneous – firefighters' pension account	3	33	De Minimis	One off	0	0	0	0	0
Fire Funding and Statistics	2	30	De Minimis	0					0
					<b>31</b>	<b>27</b>	<b>29</b>	<b>23</b>	<b>110</b>

Audit Area	Days	Risk Score	Audit Priority	Audit Frequency	PROVISIONAL				Totals
					2012/13	2013/14	2014/15	2015/16	
National Fraud Initiative	1			Annual	1	1	1	1	4
Risk Management and Business Continuity Arrangements	2		High		2	2	2	6	12
Corporate Governance (to inform Annual Governance Statement)	2		High		2	2	2	2	8
Review of Annual Governance Statement	1		High		1	1	1	1	4
Fraud and Corruption	2		High		2	2	2	2	8
Reporting and liaising with client	2				2	2	2	2	8
Audit Planning and Needs Assessment	2				2	2	2	2	8
Audit Committee	6				6	6	6	6	24
Recommendation follow up	2				2	2	2	2	8
Top up testing for Audit Commission	2		High		2	2	2	2	8
					<b>53</b>	<b>49</b>	<b>51</b>	<b>49</b>	<b>202</b>