Shropshire and Wrekin Fire and Rescue Authority
Audit and Performance Management Committee
10 March 2011

Risk Management Group
Internal Audit Progress Monitoring Report

Report of the Chief Fire Officer

For further information about this report please contact Paul Raymond,
Chief Fire Officer, on 01743 260201 or Martin Timmis, Head of Operations and Risk,
on 01743 260285.

1   Purpose of Report

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

2   Recommendations

Members are asked to:

a)   Note the progress that has been made against the outstanding
recommendations; and

b)   Note that the Risk Management Group will continue to monitor progress
against all recommendations, reporting progress to this Committee on a
regular basis.

3   Background

'Internal Audit' provides Senior Management and Members with an
independent judgement about the level of confidence they can have that the
policies and procedures they have put in place to control various aspects of
the Service, considered higher risk (e.g. finance), are operating in a way that
reduces those risks.

Any recommendations made by our Internal Auditors, as a result of the audits
we have directed them to undertake, should, therefore, be implemented in an
appropriate and timely manner.

Recognising that each potential deficiency identified in our 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:

i)   **Fundamental** - Immediate action is required to address major control weaknesses that could lead to material loss;

ii)   **Significant** - Action needed to address a substantial control weakness where systems might be working but errors may go undetected;

iii)   **Requires Attention** - Action 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.

o   The Committee would consider directly any **'Fundamental'** recommendations; and

o   **'Significant'** and **'Requiring Attention'** recommendations would be considered initially by the Risk Management Group (RMG) and any delays or failures in implementing these recommendations would be brought to the Committee.

This process has been used by the RMG since it was initially agreed. Members should 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, who have responsibility for each of the recommendations, and during the past six months more progress has been made in progressing recommendations.

4   Outstanding Significant Recommendations (pre 2010/11)

Following the work carried out and reported on in September 2010, and pertaining to those audits carried out prior to 2010/11, 10 significant recommendations remained outstanding.

Four of these related to the use of mobile telephones, and, whilst there are some control measures in place to reduce the risks associated with them, and the Service believes the issue to be less significant, a new draft Brigade Order has been produced, which is currently subject to consultation. Once agreed by appropriate officers, all four recommendations will be addressed, using the protocols outlined in the Order. Given the high priority issues facing the ICT Department at the present time, this work will not manifest substantial evidence, including formally signed agreements, inventories and usage policies until summer 2011.

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The two significant recommendations from the 2009/10 Income and Debtors audit have been completed. The amended Brigade Order on charging for Special Services has been produced and is now being utilised, and forms provided to finance department in a timely manner. Arrears recovery procedures are now followed.

The four remaining significant recommendations related to the 2009/10 Payroll audit. These have all been completed and evidence of this is available, and was considered by auditors in February 2011.

In summary, 4 significant recommendations remain outstanding from this period, although they are partially complete.

5 Outstanding Significant Recommendations (2010/11)

It is now considered appropriate to provide information to Members on the seven significant recommendations received in 2010/11.

One requiring a revision to the Code of Corporate Governance is completed.

Two related to Business Continuity Planning, specifically the requirement to have electronic battle boxes available to managers on the Service IT network. Network issues have delayed completion of this work, however, the Operations and Risk Manager has provided information to managers in electronic format (CD) as an interim solution, pending improvements to the network. It is anticipated that these will be wholly satisfied by September 2011.

One recommendation relating to Health and Safety is completed.

Three further significant recommendations related to Creditors. These have all been completed, primarily through the distribution of amended guidance to officers at Service Performance Group in October 2010.

In summary, two significant recommendations remain outstanding for this period, although they are partially complete.

6 Recommendations Requiring Attention

In the five-year period 2005/06 to 2009/10 there were also 55 "requires attention" recommendations. Of these, 48 have been implemented. Of those remaining, two, relating to business continuity, (approval by Service Performance Group and Training), will be completed in April 2011 by way of Service Performance Group. One regarding risk assessments for equipment is subject to ongoing deliberations by the Deputy Chief Fire Officer. Four relating to Retained Duty System firefighter payments are being considered as part of the reassessment of the "retained availability system", a part of the new Command and Control arrangements for the Service.

In summary 7 minor matters requiring attention remain outstanding.

All new recommendations arising from 2011/12 audits will be reported upon in the next regular report.

7 Financial Implications

There are no direct financial implications arising from this report.

8 Legal Comment

There are no direct legal implications arising from this report.

9 Equality Impact Assessment

This report records progress against various recommendations made by Internal Audit and, therefore, has no direct impact on people. It has been assessed against the Service's Brigade Order on Equality Impact Assessments (Personnel 5 Part 2) and this has shown 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 Appendices

There are no appendices attached to this report.

11 Background Papers

There are no background papers associated with this report.