

## 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 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 about 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' 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 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 our Internal Auditors, as a result of the audits we have directed them to undertake, should 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 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 would consider directly any “**Fundamental**” recommendations; and
- “**Significant**” and “**Requiring Attention**” recommendations are 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 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, and during the past six months considerable progress has been made in progressing recommendations. This has built on the work reported to this Committee previously.

## 4 Outstanding Recommendations

As at 16 February 2012 the Service has **21 “Significant”** recommendations outstanding. Whilst the total has increased from 15, as a result of new recommendations arising from the Payroll, Travel and Subsistence Audit 2011/12 and Purchasing and Procurement Audit 2011/12, significant progress is being made in addressing the original outstanding recommendations. Our internal auditor will be visiting the Service on 29 February 2012, when it is anticipated that several of the recommendations, specifically related to business continuity planning, mobile telephones and health and safety from before 2011/12 will be “signed off”.

The six new recommendations from 2011/12 are also being progressed: four relating to the Purchasing and Procurement Audit 2011/12 are completed and ready for sign off.

There are currently a total of 56 recommendations which “require attention”, originating before 2011/12 and a further 11 have been identified as a result of 2011/12 audits. The Service is now able to provide the Internal Auditor with evidence to support the closure of approximately 50 of these recommendations. This will mean that 17 “requiring attention” will remain in place following the visit by our internal auditor.

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, often in excess of twelve months, to allow Internal Audit to verify that new processes are fully embedded. This gives rise to the apparent static number of outstanding recommendations.

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 direct financial implications arising from this report.

## **6 Legal Comment**

There are no legal implications arising from this report.

## **7 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.

## **8 Appendix**

There are no appendices attached to this report.

## **9 Background Papers**

There are no background papers associated with this report.