

SHROPSHIRE COUNCIL AUDIT SERVICES

FINAL INTERNAL AUDIT REPORT

CORPORATE GOVERNANCE (TO INFORM AGS) 2012/13

Assurance Level	Good
------------------------	-------------

Customer	Shropshire Fire and Rescue Service
-----------------	---

Distribution	Sharon Lloyd – Corporate Services Manager
---------------------	--

Auditors	Kathy Hall
-----------------	-------------------

Fieldwork dates	April 2012
Debrief meeting	29 August 2012
Draft report issued	29 August 2012
Responses received	29 August 2012
Final report issued	29 August 2012
Protective marking	

Introduction and Background

1. As part of the approved internal audit plan for 2012/13 we have undertaken a review of the Code of Corporate Governance.
2. This audit has been conducted in accordance with CIPFA's Code of Practice for Internal Audit in Local Government which is the standard adopted by Audit Services.
3. We would like to express our thanks to the officers who assisted during the course of the audit.

Scope of the Audit

4. The scope, incorporating the objectives of the audit, was agreed with key contacts at the commencement of the audit.

To review the Code of Corporate Governance and collate evidence to support the statements within the code.

5. Audit work was undertaken to give assurance on the extent to which the following management control objectives are being achieved:
 - To assess the degree to which previous recommendations have been implemented.
 - Principle 1
Focussing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area
 - Principle 2
Members and Officers working together to achieve a common purpose with clearly defined functions and roles
 - Principle 3
Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour
 - Principle 4
Taking informed and transparent decisions which are subject to effective scrutiny and managing risk
 - Principle 5
Developing the capacity and capability of members and officers to be effective

- Principle 6
Engaging with local people and other stakeholders to ensure robust public accountability

6. The audit was delivered on time and budget.

Audit Opinion

7. An opinion is given on the effectiveness of the control environment which indicates the level of assurance that can be taken based upon our testing and evaluation of the system. This opinion will be reported to the Audit Committee and will inform the Annual Governance Statement which is included in the Annual Statement of Accounts. There are four levels of assurance; Good, Reasonable, Limited and Unsatisfactory.

As a result of the evaluation and testing of the controls that are in place in the areas examined, from audit work undertaken we are able to give the following assurance opinion:

Good	There is a sound system of control in place which is designed to address relevant risks, with controls being consistently applied.
-------------	--

8. Responsibility for the maintenance of a sound system of internal control rests with management. The audit process is designed so that any material weaknesses in internal control have a reasonable chance of discovery through sample testing, it cannot guarantee or give absolute assurance against all material weaknesses, the overriding of management controls, collusion, instances of fraud or irregularity.

9. Audit recommendations are rated Fundamental, Significant, Requires Attention or Best Practice according to their level of priority. The following table summarises the number of recommendations made in each category:

Total	Fundamental	Significant	Requires Attention	Best Practice
0	0	0	0	0

10. Our review did not identify any exceptions.

11. We reviewed the previous recommendations made at the last audit which were accepted by management, the results of which are shown in the following table:

Number of recommendations accepted by management at the last audit	2
Recommendations implemented	2
Recommendations partially implemented	0
Recommendations superseded	0
Recommendations not actioned	0

Excellent progress has been made in the implementation of previous recommendations.

Audit Approach

12. The approach adopted for this audit included:
 - Follow up of previous recommendations.
 - Collation of evidence to support a sample of statements made within the code and examination for compliance.

13. Internal Audit report only by exception; and no recommendations have arisen from this review. A more detailed report covering all of the work undertaken can be provided on request, but this is only available in a working paper note format.

14. In accordance with CIPFA's Code of Practice for Internal Audit in Local Government, recommendations will be followed up to evaluate the adequacy of management action that has been taken to address the identified control weaknesses.

Ceri Pilawski
Audit Services Manager