

SHROPSHIRE COUNCIL

AUDIT SERVICES

INTERNAL AUDIT REPORT

SHROPSHIRE FIRE AND RESCUE – COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE 2011/12

Assurance Level	Good
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Customer	Shropshire Fire and Rescue Service
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Distribution	Corporate Services Manager
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Auditors	Kathy Hall
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Fieldwork dates	August-September 2011
Debrief meeting	1.9.11
Draft report issued	5.9.11
Responses received	5.9.11
Final report issued	5.9.11
Protective marking	

Introduction and Background

1. As part of the approved internal audit plan for 2011/12 we have undertaken a review of compliance with 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. The overall objective of the audit was to examine areas of the Code to ensure that evidence is available to demonstrate compliance.

Audit Opinion

5. An opinion is given on the effectiveness of the control environment and 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.
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6. 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.
7. Recommendations have been made to address these findings. These are rated Fundamental, Significant, Requires Attention or Best Practice according to their level of priority. Details are included in the Action Plan attached at **Appendix 2**. The following table summarises the number of recommendations made in each category:

Total	Fundamental	Significant	Requires Attention	Best Practice
2	0	0	1	1

These recommendations will serve to address the risks identified and confirm compliance.

8. Our review of arrangements identified there were no areas where assurance cannot be given.
9. The audit work identified no significant issues.
10. 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

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

Audit Approach

11. The approach adopted for this audit included:
 - Examination of the Code;
 - Collection and examination of evidence to support the statements made in the Code;
 - Follow up of previous recommendations.
12. Internal Audit report only by exception; the attached report at **Appendix 1** identifies only those areas where control evaluation and audit testing revealed control weaknesses and or errors. Recommendations to improve controls or enhance existing practice are detailed against each exception and the associated risk, and are also included in the Action Plan at **Appendix 2**. 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.
13. 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

APPENDIX 1

INTERNAL AUDIT EXCEPTION REPORT FOR SHROPSHIRE FIRE AND RESCUE – COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE 2011/12



Fundamental	Significant	Requires Attention	Best Practice
Immediate action required to address major control weakness that, if not addressed, could lead to material loss.	A recommendation to address a significant control weakness where the system may be working but errors may go undetected.	A recommendation aimed at improving the existing control environment or improving efficiency.	Suggested action which aims to improve best value, quality or efficiency.

Audit Ref	Finding/ Observation	Implications/Risks	Rec No.	Rec. Rating	Recommendation
1.3.1 2.3.4	As part of the audit review, the web site was accessed to evidence that statements made within the Code could be substantiated. In a small number of instances, it was found that some information on the web site is out of date, especially in relation to references to the revised strategic aims. Details of these have been provided to the Corporate Services Manager.	Best practice		Best practice.	Before the Code is presented to Members for approval, references to previous strategic aims on the web site should be updated.
3.1.3	Whilst there is no requirement for Members to declare business interests annually, this is good practice, and is reflected in the Code at 3.1.3. Examination of the Registers of business Interests identified that, in some cases, members have not re-signed the declarations within the last 12-18 months.	Whilst members are aware of the requirement to declare any business interests as and when they arise, failure to remind members of this on an annual basis may result in some declarations being overlooked which could result in embarrassment to the authority and to individual members.		Requires Attention	The practice of ensuring that all members sign a Declaration of Interests form at least once a year should be reinstated.

**ACTION PLAN FOR SHROPSHIRE FIRE AND RESCUE –
COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE 2011/12**

Rec No	Rec Ref	Recommendation	Rec Rating	Accepted Yes/No/Partially	Management Response	Lead Officer	Date to be Actioned
1.		Before the Code is presented to Members for approval, references to previous strategic aims on the web site should be updated.	Best practice.	Yes	Where these have been pointed out by Audit Services, the changes have already been made. Officers will also ensure that any further references to previous strategic aims are removed, as they are noticed.	Web Services Officer & Performance Improvement Officer	As soon as possible
2.		The practice of ensuring that all members sign a Declaration of Interests form at least once a year should be reinstated.	Requires Attention	Yes			Forms to be sent out within 1 month and annually thereafter

This form should be signed by the named responsible officer and the manager of the service area.

<p>Responsible Officer:</p> <p>Signed:</p>  <p>Job Title: Corporate Services Manager Date: 5th September 2011 Please Print Name: Sharon Lloyd</p>	<p>Service Area Manager:</p> <p>Signed:</p>  <p>Job Title: Corporate Services Manager Date: 5th September 2011 Please Print Name: Sharon Lloyd</p>
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