

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. It gives specific 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

In March 2008, the Committee agreed a process for dealing with recommendations that fall out of the audits undertaken by Internal Audit, to ensure that officers are dealing with all matters effectively.

Recommendations made by Internal Audit are classified as being:

Fundamental

Immediate action is required to address major control weaknesses that could lead to material loss; or

Significant

Action is needed to address a substantial control weakness where systems might be working but errors may go undetected; or

Requires Attention

Action is needed to improve existing controls or improve efficiencies.

The Committee agreed it would consider directly any “fundamental” recommendations. “Significant” and “Requiring Attention” recommendations would be considered initially by the Risk Management Group (RMG) and any delays or failures in implementing recommendations would be brought to the Committee. This process has been used by the RMG since it was initially agreed by this Committee.

Members should note that there have been no ‘Fundamental’ recommendations since this monitoring process was implemented.

4 Outstanding Recommendations

In the previous report to this committee (Report 12, 10 September 2009), Members noted that Internal Audit’s Annual Summary Report gave some details about a number of recommendations from the 2005 and 2006 audits of the Service that, at the time of their last inspection of those areas, had not been fully implemented. The appendix to this report gives a summary of the latest position with each one of these recommendations, obtained from the relevant officers.

The RMG will continue to monitor these, and all other recommendations, with progress being reported to this Committee, as appropriate.

5 Financial Implications

There are no direct financial implications arising from this report.

6 Legal Comment

There are no direct legal implications arising from this report.

7 Equality Impact Assessment

This report simply reports 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

Progress against 'outstanding' recommendations

9 Background Papers

Shropshire and Wrekin Fire and Rescue Authority Audit and Performance Management Committee

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Implications of all of the following have been considered and, where they are significant (i.e. marked with an asterisk), the implications are detailed within the report itself.

Balanced Score Card		Integrated Risk Management Planning	
Business Continuity Planning		Legal	
Capacity		Member Involvement	*
Civil Contingencies Act		National Framework	
Comprehensive Performance Assessment		Operational Assurance	
Efficiency Savings		Retained	
Environmental		Risk and Insurance	*
Financial		Staff	
Fire Control/Fire Link		Strategic Planning	
Information, Communications and Technology		West Midlands Regional Management Board	
Freedom of Information / Data Protection / Environmental Information		Equality Impact Assessment	

Progress against 'outstanding' recommendations

CREDITORS 2005/06	Classification Rating	Progress
1. All official orders exceeding £5,000 should be countersigned by a countersigning officer to ensure that appropriate tender or quotation procedures have been followed.	Significant	Implemented
DEBTORS 2005/06	Classification Rating	Progress
1. A system of version control numbers should be introduced to make it possible to identify the most up to date procedure notes.	Requires Attention	Implemented
FRAUD AND CORRUPTION 2006/07	Classification Rating	Progress
1. Personnel should make arrangements for xxxx to repay the incorrectly paid Retained Payments as soon as possible, once he returns to work.	Requires Attention	Implemented
PERSONNEL 2005/06	Classification Rating	Progress
1. A procedure should be produced which sets out the steps that should be followed for the recruitment of non-uniformed staff once the national policy has been completed.	Requires Attention	A Brigade Order on Recruitment procedures has been drafted and was issued for consultation at the end of Oct 09.
2. The Brigade Orders should provide guidance on how many people should be present on an interview panel. This may vary depending on the grade of the post being recruited.	Requires Attention	Draft Brigade Order on Recruitment provides guidance on numbers on interview panels (Interview Section 3).Comments were provided on recommendation follow up stating "not required" BO will provide guidance.

PERSONNEL 2005/06	Classification Rating	Progress
3. Consideration should be given to introducing a standard summary sheet for all non-uniformed recruitment which records the results of interviews so that it is obvious who the successful candidate is.	Requires Attention	Draft Brigade Order on Recruitment provides guidance on marking process (Interview Section 3).
4. The induction process should be finalised and implemented at the earliest opportunity.	Significant	A pilot package has been developed and used for recent induction. This will be formally rolled out through the Brigade Order discussed above.
5. The SWFA website should be updated to ensure the most up to date Brigade Orders are included. In particular, the following Orders should be replaced, if appropriate, by more up to date versions: HR Brigade Order 6 'Pay and Allowances', including sections 1,2 and 3.	Requires Attention	An initial inspection of the website has not identified any Brigade Orders that are not current. With particular regard to the Brigade Orders listed as evidence for this recommendation, the Orders presented on the website, are the most current versions. However, a review of the process that ensures the website remains current will be undertaken as resources allow.
STORES 2005/06	Classification Rating	Progress
1. The sheets provided with Images at Work invoices detailing all orders per station should be retained on file in the Stores department, preferably with the original orders to provide an audit trail	Requires Attention	The management of stores department orders is now carried out electronically. This change to the processes has overcome this issue.
2. Images at Work invoices should be verified to requisitions on a sample basis, for example one or two stations each month. This check should be evidenced by initialling and dating those documents examined.	Requires Attention	Implemented.

FSS AND STATISTICS 2006/07	Classification Rating	Progress
1. The reconciliation of precepts received should be added to the closedown timetable.	Requires attention	Implemented. This is now part of the annual closedown process, with this year's closedown completed during September.
MISCELLANEOUS 2006/07	Classification Rating	Progress
1. Guidance on the disposal of assets should be made accessible to all staff through the Brigade Orders	Requires attention	Implemented.
2. Brigade Orders Technical should be reviewed to ensure that they are up to date, including the inventories of vehicles and equipment, to provide assurance to those reading the Brigade Orders that they are regularly reviewed and are thus up to date	Requires Attention	Appliance inventories will be included in the Asset Management System (due for completion in April 2010) and, as a consequence, it is proposed that they will be removed from Brigade Orders.
3. In order to comply with Brigade Orders, an inventory of office furniture and equipment should be compiled. However, the requirement may wish to be reconsidered in which case, Brigade Orders should be updated to reflect any decisions made.	Requires Attention	The potential risk here is considered to be the theft of furniture by persons external, rather than internal, to the organisation. The main control for this risk is building security, not an inventory list. It is not considered necessary for a change to be made to the Brigade Order. The recommendation therefore no longer applies.
4. Sets of social club accounts for Telford since 2005 should be secured immediately. In the event that these are not forthcoming, the responsible officers should be formally required to explain the unavailability of the records. Further action should be taken if necessary to gain assurance that these accounts are maintained.	Significant	Implemented.

MISCELLANEOUS 2006/07	Classification Rating	Progress
5. A formal contract should be formulated and entered into between the Service and the PR Consultant.	Significant	Implemented.
6. Contracts for all consultants employed by the Fire Service should be reviewed to ensure that they are current and that they appropriately reflect the terms and conditions of the consultancy service provided.	Significant	Implemented
PROCUREMENT 2006/07	Classification Rating	Progress
1. All major contracts should be entered in the Contract Register. An up to date summary list should be maintained of all contracts and reviewed by the Principal Accountant on a regular basis. (Superseded by Creditors 07/08)	Significant	Signatories were to be reminded, but this is an area where exceptions sometimes occur, and a review of the process, to ensure a practical procedure is introduced, will be undertaken. Likely to be completed by March 2010.
2. Budget holders should follow the correct procedure for the ordering of goods, ensuring an official requisition is raised for goods ordered. Stationery orders should be authorised by the relevant budget holder and retained as confirmation of the requisition. (Superseded by Creditors 07/08)	Significant	Instructions are set out in the Budget Book, which is distributed to all Budget Holders and Delegated Officers. The Resources Manager has also issued a Procurement Guide. This is an area where exceptions sometimes occur, particularly with telephoned orders. The potential re-occurrence of this issue is reducing as electronic ordering is progressing across the service.

PROCUREMENT 2006/07	Classification Rating	Progress
3. As per the procurement policy, suppliers with a cumulative spend of £5,000 and six or more orders in a year should be subject to review by the Head of Resources. This could help identify areas where a corporate procurement arrangement may produce savings.	Significant	A national review is looking into this area. Awaiting the outcomes from this review, for local consideration.
VEHICLE FLEET 2006/07	Classification Rating	Progress
1. The use of TRACE to regularly monitor fuel usage per vehicle to be considered, particularly as fleet is growing in terms of light vehicles. Budgeted fuel costs represent 25% of direct budgeted transport costs in 06/07.	Significant.	<i>TRACE is not appropriate for this use and other energy monitoring systems are being considered.</i> Superseded - as TRACE has been determined as unsuitable for this, other systems are being considered. As this is on going, the recommendation no longer applies.
2. Consideration should be given to employing a clerical assistant to input job sheet data to TRACE. Alternative systems could be investigated for feasibility such as capturing the data electronically thus reducing the need for high volume manual input.	Requires Attention	A restructure of the management of Workshops has been proposed, following a Best Value Review, and will be progressed when appropriate.
3. A procedure manual for the TRACE system to be drawn up.	Requires Attention	This recommendation has not yet been fully implemented, however, as extensive training has been given, the rating of this recommendation was downgraded from 'significant' to 'Requires Attention'. Although there is a technical manual for the TRACE software, a more practical, user friendly version will be developed. This is likely to be completed by March 2010.



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