

Internal Audit 2007/08

Report of the Treasurer

For further information about this report please contact Keith Dixon, Treasurer, on 01743 260202.

1 Purpose of Report

This report sets out progress to date with the current year's audit programme. It also seeks approval to a process for handling specific audit recommendations.

2 Recommendations

The Committee is asked to

- a) Note the current progress in completing the 2007/08 Internal Audit programme, as appended; and
- b) Approve the process for dealing with internal audit recommendations.

3 2007/08 Audit

The current status as at 22 February 2008 is set out in the appendix. It should be noted that some days have been switched to "Fraud and Corruption" work, because performance in earlier years for Fire FSS and statistics showed that time could be better spent elsewhere. Also work on Payroll audits had covered the key areas that were anticipated to be examined in the Personnel audit.

Work to date on the Fraud and Corruption audit has not, so far, revealed any major issue and some time can also be used to undertake the additional work on partnerships.

Progress to date is, therefore, satisfactory with no fundamental issues emerging so far, and with most, if not all, work likely to be completed by 31 March 2008.



4 Audit Committee and Internal Audit Reports

In previous years the Committee has received progress reports on detailed audit recommendations, and has also received the Auditor's Annual Summary Audit Report, giving an overall audit opinion and assurance.

Your officers and the Risk Management Group have been giving thought as to how detailed recommendations can be dealt with by the Committee that would:

- Encompass all issues, whether financial or not;
- Address the key issues;
- Ensure that issues are speedily and effectively dealt with; but
- Avoid excessive detail.

Audit recommendations are categorised as:

- **Fundamental**
Immediate action required to address major control weaknesses that, if not addressed, could lead to material loss to the Authority
- **Significant**
A recommendation to address a substantial control weakness, when the system may be working but errors may go undetected
- **Requires Attention**
A recommendation aimed at improving the existing control environment or improving efficiency.

5 Proposed Way Forward

The Risk Management Group felt that all "Fundamental" issues should be considered by the Committee. "Significant" and "Requires Attention" matters were numerous and often detailed and might best be considered initially by the Risk Management Group. If there were delays or failure in implementing any recommendation, then these should be brought to the attention of the Committee.

Such an approach would produce clear lines of reporting. In particular, it would pick up any recurring problems and matters that were the subject of audit follow-up reports from earlier years.

The Committee is asked to consider this approach and approve it as a way forward, subject to any amendment or qualification.

The Committee would, of course, continue to receive annual or exception reports from the Auditor.

6 Financial Implications

There are no direct financial implications arising from this report.



7 Legal Comment

There are no direct legal implications arising from this report.

8 Equality Impact Assessment

Officers have considered the Service's Brigade Order on Equality Impact Assessments (Personnel 5 Part 2) and have decided 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.

9 Appendix

Shropshire Fire and Rescue Service
Systems Audit Position Statement 2007/08

10 Background Papers

There are no background papers associated with this report.

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	*



**Systems Audit Position Statement 2007/08
Shropshire Fire and Rescue Service**

Area	Revised Plan	Auditor	Month		Recommendations		
					F	S	RA
Partnerships Replaces Freedom of Information and Data Protection	4	KH	Sept	Draft report issued 4.2.08 Met with Deputy CFO on 20.02.08 and small amount of further work requested.			
Audit Needs Assessment plus planning/reporting /briefings	7	KH GT KH		To Audit Committee 22.11.07	-	-	-
Top up Testing (additional Audit Commission requirement)	2	KW MS	Late Feb/early March				
Recommendation follow-up	1	KW	Feb				

Key

F = Fundamental

S = Significant

RA = Requires Attention

Note:

- i 1 day earmarked for National Fraud Initiative is not shown, as it will be undertaken following receipt of the National Data.
- ii 4 days were set aside for Freedom of Information and Data Protection Audits. The Audit for 2006/07 was completed in 2007 and it was decided to use the four days on an audit of partnerships, given their high profile and importance in Use of Resources examination.