

WEST MIDLANDS FIRE SERVICE

Internal Audit Progress Report as at 1 September 2021

Audit and Risk Committee – 27 September 2021



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1. Introduction

The purpose of this report is to bring the Audit and Risk Committee up to date with the progress made against the delivery of the 2021/22 Internal Audit plan.

The information included in this progress report will feed into and inform our overall opinion in our Internal Audit annual report issued at the year end.

Where appropriate each report we issue during the year is given an overall opinion based on the following criteria:

No Assurance	Limited	Reasonable	Substantial
Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.

This is based upon the number and type of recommendations we make in each report. Each recommendation is categorised in line with the following:

Priority rating for issues identified		
Fundamental action is imperative to ensure that the objectives for the area under review are met.	Significant requires action to avoid exposure to significant risks in achieving the objectives for the area under review.	Merits attention action is advised to enhance risk mitigation, or control and operational efficiency.

2. Summary of work in progress as at 1 September 2021

Auditable Area	ANA Rating	Suggested/Agreed Actions					Level of Assurance
		Fundamental	Significant	Merits attention	Total	Number accepted	
Complete and reported for first time:							
Data Protection	High	0	1	1	2	2	Substantial
Management of Fuel	Medium	0	3	1	4	Draft	Reasonable
In progress:							
Environmental Protection Targets	Medium						
To be started:							
Risk Management	High						
Governance	High						
Workforce Planning	Medium						
IT	High						
Payroll	KFS						
Accounts Receivable	KFS						
Accounts Payable	KFS						

Auditable Area	ANA Rating	Suggested/Agreed Actions					Level of Assurance
		Fundamental	Significant	Merits attention	Total	Number accepted	
Fixed Asset Accounting/Asset Planning	KFS						
Budgetary Control	KFS						

Key: KFS = Key Financial System
 ANA = Audit Needs Assessment
 Draft = Draft report issued to client and awaiting formal response
 NA = Not Applicable

3. Issues Arising

Data Protection

A review was undertaken to provide assurance that the necessary safeguards were in place to ensure the appropriate use of personal and corporate information. Our review of five subject access requests (SARs) in order to ensure they had been processed within the designated timescales, highlighted that in three cases, there was no documentary to enable the timescales to be confirmed.

The Authority is currently assessing an automated tool which has the capability to provide a case management functionality and audit trail. As such, the implementation of such a tool should address this issue.

Management of Fuel

A review was undertaken to provide assurance on compliance with established controls over ordering, receipt and dispensing of fuel at a sample of five stations. The review identified issues of significance which related to:

- Examples were found of fuel orders being placed when the storage tanks were below the specified re-order level.
- Written records relating to fuel deliveries and issues were not always maintained in accordance with the relevant standing order and therefore, not all information was recorded and there were arithmetical errors in the fuel balance figures.
- The issues identified above do increase the risk that fuel levels are not accurately monitored.

This report is at draft stage and we are awaiting a management response to the issues raised.

4. **Other Activities**

Advice and Guidance

We provide on-going advice and guidance to the authority to assist with the continuous improvement of the overall control environment.

CIPFA – Audit Committee Updates

We continue to present the regular CIPFA Audit Committee Updates to the Audit and Risk Committee.

Internal Audit Plan 2021/22

We submitted the Internal Audit annual plan for 2021/22 to the committee for approval at the March 2021 meeting.

Internal Audit Annual Report 2020/21

We presented the Internal Audit annual report for 2020/21 to the committee for comment and approval at the June 2021 meeting.

Counter Fraud

We continue to lead on the Cabinet Office's National Fraud Initiative and their other associated fraud related activity (such as the Annual Fraud Survey), on behalf of the authority and to provide the main point of contact for any investigations into potential fraudulent activity.

5. **Service Quality Questionnaire (SQQ) Feedback**

Feedback to be provided when completed SQQs are received.