

**WEST MIDLANDS FIRE AND RESCUE AUTHORITY**

**AUDIT AND RISK COMMITTEE**

**25 SEPTEMBER 2023**

1. **INTERNAL AUDIT – PROGRESS REPORT**

Report of the Audit Services Manager [Sandwell MBC].

RECOMMENDED that:

The Internal Audit Progress Report be noted.

2. **PURPOSE OF REPORT.**

To ask the Committee to note the issues raised from the work undertaken by Internal Audit so far in the current financial year.

3. **BACKGROUND**

The Internal Audit Progress Report contains details of the matters arising from internal audit work undertaken so far in the current year. The purpose of the report is to bring the Committee up to date with the progress made against the delivery of the 2023/24 Internal Audit Plan. The information included in the progress report will feed into, and inform, the overall opinion in the Internal Audit Annual Report issued at the year end.

It summarises the audit work undertaken in a tabular format, and includes:

- The areas subject to review (Auditable Area).
- The level of risk to the Authority assigned to each auditable area (high, medium or low).
- The number and type of recommendations made as a result of each audit review.
- The number of recommendations accepted by management.
- The level of assurance given to each system under review.
- Details of any key issues arising from the above.

#### 4. **EQUALITY IMPACT ASSESSMENT**

In preparing this report an initial Equality Impact Assessment is not required and has not been carried out. The matters contained in this report will not lead to and/or do not relate to a policy change.

#### 5. **LEGAL IMPLICATIONS**

The Accounts and Audit Regulations Act states that a relevant body must “maintain an adequate and effective system of internal audit of its accounting records and of its system of internal control in accordance with the proper internal audit practices”.

#### 6. **FINANCIAL IMPLICATIONS**

There are no direct financial implications arising from this report.

### **BACKGROUND PAPERS**

None

Peter Farrow  
Audit Services Manager, Sandwell MBC

WEST MIDLANDS FIRE SERVICE

Internal Audit Progress Report as at 31 August 2023  
Audit and Risk Committee – 25 September 2023



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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 2023/24 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		
<b>Fundamental</b> action is imperative to ensure that the objectives for the area under review are met.	<b>Significant</b> requires action to avoid exposure to significant risks in achieving the objectives for the area under review.	<b>Merits attention</b> action is advised to enhance risk mitigation, or control and operational efficiency.

## 2 Summary of work in progress as at 31 August 2023

Auditable Area	ANA Rating	Suggested/Agreed Actions					Level of Assurance
		Fundamental	Significant	Merits attention	Total	Number accepted	
<b>Completed and reported for first time:</b>							
Partnerships	Medium	0	6	0	6	6	Limited
Data Protection	High	0	0	0	0	0	Substantial
<b>In progress:</b>							
Fixed Asset Accounting/Asset Planning	KFS						
<b>To be started:</b>							
Risk Management	High						
Governance	High						
Accounts Payable	KFS						
Payroll	KFS						
Accounts Receivable	KFS						
Budgetary Control	KFS						
Absence Management	Medium						
IT	High						

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

#### Partnerships

An audit was undertaken to review and assess the partnership governance and monitoring processes, and to provide assurance on how well they were embedded within the Authority.

A key function of the Partnership Team is the provision of strategic support to identify, implement and manage appropriate partnerships. This was managed by the introduction of the Partnership and Governance Arrangements and Framework Guidance and Toolkit which were introduced in 2016/2017.

Since the previous audit review in this area the partnership activity has reduced significantly over the past 12-18 months due to both the Covid pandemic and a reduction in the funding available for partnership activities.

Of those partnership arrangements that remained, we did identify a number of key issues relating to:

- The Partnerships Governance Arrangements and Framework Guidance /Toolkit documents had not been updated since 2017 and therefore may not reflect current working practices or guidance.
- It was agreed at the time of our last review that quarterly performance checks would be formally undertaken and documented. However, there was no real clear evidence of this on a routine basis for the period reviewed. As such, it was not explicit whether the expected outcomes of projects were being achieved and recognised as so.
- For one of the projects we reviewed, there appeared to be an inadequate initial set up, or ongoing monitoring arrangements, due to the lack of a formally agreed memorandum of understanding being established at the outset of the project.
- For the same project there was also a lack of a formally agreed guidance and output requirements from the outset for the funding received for the project.
- For another project, the memorandum of understanding was not signed/endorsed by an appropriate officer from the Fire Service evidencing the formal acceptance of the terms and conditions for the project.
- The memorandum of understanding for a further project was not signed/endorsed by all parties to the project to evidence their formal acceptance of the terms and conditions for the project.

An action plan has been produced by the Authority to address these matters and the implementation of them will be confirmed during a follow-up exercise to be undertaken as part of the internal audit plan for 2024/25.

#### Data Protection

The objective of our review was to assess how well the Authority was meeting its requirements relevant to the General Data Protection Regulations (GDPR). We did not identify any issues of significance.

In our previous review of this area, we noted that at the time assurance could not be provided that subject access requests were being responded to within specified deadlines, and errors had been noted in monthly monitoring reports presented to the Strategic Enabling Team (SET) detailing the number of Subject Access Requests (SARs) and Freedom of Information Requests (FOIs) received by the Authority, and how many had been responded to within a specified time frame. As part of our current review, we followed-up these matters and were pleased to confirm that they had been addressed, with

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automated processing now in place to ensure requests are dealt with on a timely basis and the Strategic Enabling Team making use of Power Bi dashboards to provide access to relevant information and statistics enabling effective monitoring to be undertaken.

## **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 2023/24**

We submitted the Internal Audit annual plan for 2023/24 to the committee for approval at the March 2023 meeting.

### **Internal Audit Annual Report 2022/23**

We presented the Internal Audit annual report for 2022/23 to the committee for comment and approval at the June 2023 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.