

Internal Audit Progress Report as at 30 September 2014

Audit Committee – 13 October 2014

WEST MIDLANDS FIRE SERVICE



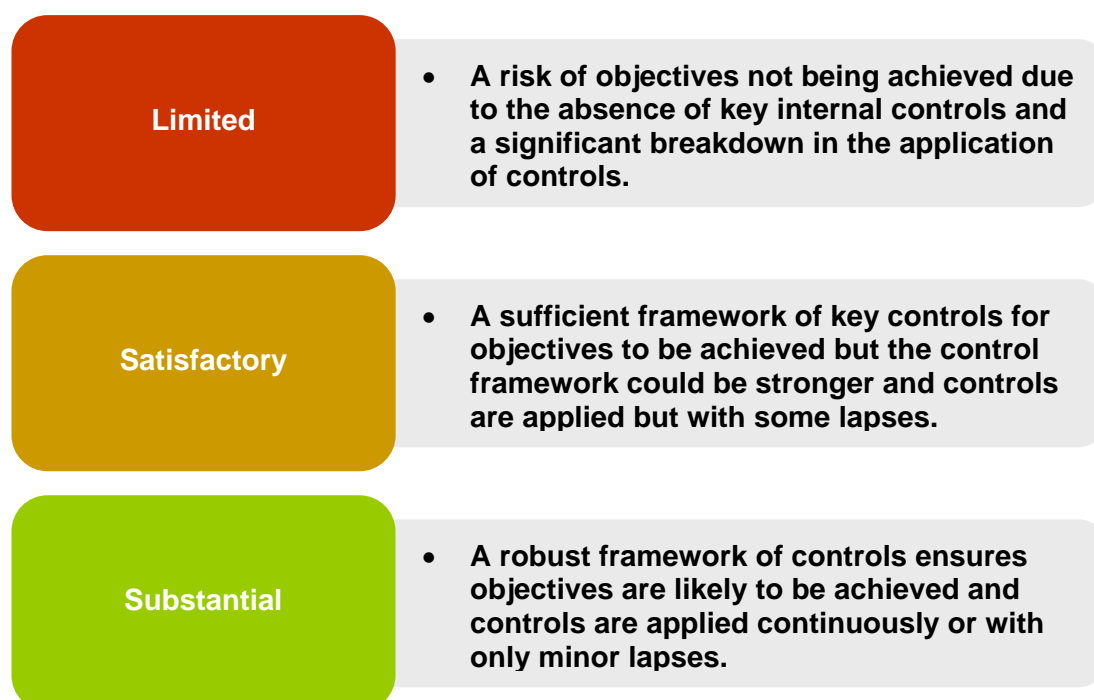
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1 Introduction

The purpose of this report is to bring the Audit Committee up to date with the progress made against the delivery of the 2014/15 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:



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 completed and in progress as at 30 September 2014

Auditable Area	ANA Rating	Suggested/Agreed Actions					Level of Assurance
		Fundamental	Significant	Merits attention	Total	Number accepted	
Completed:							
Pension Certification	-	-	-	-	-	-	Substantial
Fire Stations - Management of Fuel	Medium	-	6	1	7	draft	Satisfactory
In progress:							
Budgetary Control	KFS						
Accounts Receivable	KFS						
Accounts Payable	KFS						
Payroll/Pensions	KFS						

Key:	KFS	Key financial system.
	Draft	Awaiting response to draft report.

3 Key issues arising for the period to 30 September 2014

Pension Certification

An audit was undertaken to assist with the provision of assurance on the accuracy of the 2013/14 return to the Local Government Pension Scheme. All of testing proved satisfactory.

Fire Stations – Management of Fuel

The procedures for the management of fuel are contained within Standing Order 9/1. A review of adherence to these procedures was undertaken. We noted a number of issues including:

- The fuel gauge at a station was insufficiently calibrated to give an accurate reading, preventing the effective monitoring of stock.
- There were non-compliances with procedures which meant that:
 - The identification of discrepancies between physical and book stock levels was not always possible.
 - Fuel was being ordered when the stock was below the specified re-order level.
 - Water tests were not being consistently undertaken and therefore, there was a risk of contaminated fuel not being identified.
 - Fuel issues were not always being recorded correctly and therefore, undermining the transparency of the issue process.

Audit Committee – Knowledge and Skills Framework

We are still awaiting a number of returns from Members of the Audit Committee. Once these have been received, the results will be collated and reported back to the Audit Committee, and the last stage of the three stage self-assessment process (evaluating the effectiveness of the Audit Committee) will be undertaken.

The Three Lines of Defence Model

Guidance has been provided on the three lines of defence assurance model, for consideration in the progress reports on organisational assurance.

National Fraud Initiative (NFI)

We have begun the collection of data process as part of the latest Audit Committee's National Fraud Initiative – data matching exercise. Once the data has been submitted, matched (where appropriate) and returned, we will investigate further such cases using a risk based approach.

4 Service Quality Questionnaire Feedback

The evaluation of Audit Services, based on feedback received so far is:

Overall Satisfaction with Audit Services	Average Score
	4.3

Scores range between 1 = Poor and 5 = very good. We have a target of achieving on average a score of **4 = good**.