


Draft Internal Audit Progress Report to November

Audit and Performance Management Committee - 9 January 2012

WEST MIDLANDS FIRE SERVICE

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Sandwell Audit Services are pleased to be making a positive contribution to saving our rare and endangered species from extinction by sponsoring Nanga the Snow Leopard who is based at Dudley Zoo as part of the European Species Survival Programme. Snow leopards are found in the high mountains of Central Asia, specifically the Himalayas. They are powerful, agile animals, unfortunately they are also an endangered species as they live in a harsh and dangerous environment and are illegally hunted. The total population of the snow leopard is now in hundreds rather than thousands.

1 Introduction

The purpose of this report is to bring the Audit and Performance Management Committee up to date with the progress made against the delivery of the 2011/12 Internal Audit Plan and the completion of work from the 2010/11 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:

	Level	System Adequacy	Control Application
(positive opinions)	Substantial Assurance	Robust framework of controls ensures objectives are likely to be achieved.	Controls are applied continuously or with minor lapses.
	Satisfactory Assurance	Sufficient framework of key controls for objectives to be achieved but, control framework could be stronger.	Controls are applied but with some lapses.
(negative opinion)	Limited Assurance	Risk of objectives not being achieved due to the absence of key internal controls.	Significant breakdown in the application of controls.

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

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 advised to enhance control or improve operational efficiency.

2 Summary of Work Completed as at November 2011

Key:	KFS	Key Financial System
	AR	Awaiting Response

Auditable Area	ANA Rating	Recommendations					Level of Assurance
		Fundamental	Significant	Merits attention	Total	Number accepted	
Completed:							
• Fixed Assets Accounting 2010/11	KFS	0	0	2	2	2	Substantial
• Capital Grant Declaration 2010/11	-	0	0	0	0	0	NA
• Environment Audit	Medium	0	3	10	13	AR	Satisfactory
• Bank Account Reconciliations	Medium	0	0	1		1	Substantial
Underway:							
• Governance	High						
• Home Safety Visits	Medium						
• Fire Stations – Management of Fuel	Medium						
• Risk Management	High						
• Asset Register/Inventory System	Medium						
• Accounts Payable	KFS						

3 Key Issues Arising for the Period

Environment Audit

A review was undertaken to assess the progress being made in improving the culture surrounding environmental policies at stations and to assess the degree of corporate commitment towards environmental strategy.

We recommended that the Corporate Board consider if station commanders should be made responsible for monitoring compliance of their station in line with the aims of the environmental strategy and whether future environmental training needed to be made mandatory for station commanders and/or environmental champions.

In order to further demonstrate corporate commitment of the Service to reducing its impact on the environment, we recommended consideration be given to requiring all reports to the Fire Authority to include a paragraph detailing the results from the consideration of any environmental implications.

Bank Account Reconciliations

A review was undertaken on the regular reconciliations undertaken to ensure control over bank accounts held centrally and at fire stations. We found that all systems were operating satisfactorily.

4 Service Quality Questionnaires (SQQ's)

The table below shows SQQ's received so far in 2011/12.

	Average Score
Fixed Assets Accounting	4
Bank Account Reconciliations	4.1
Overall Satisfaction with Audit Services	4.05

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