

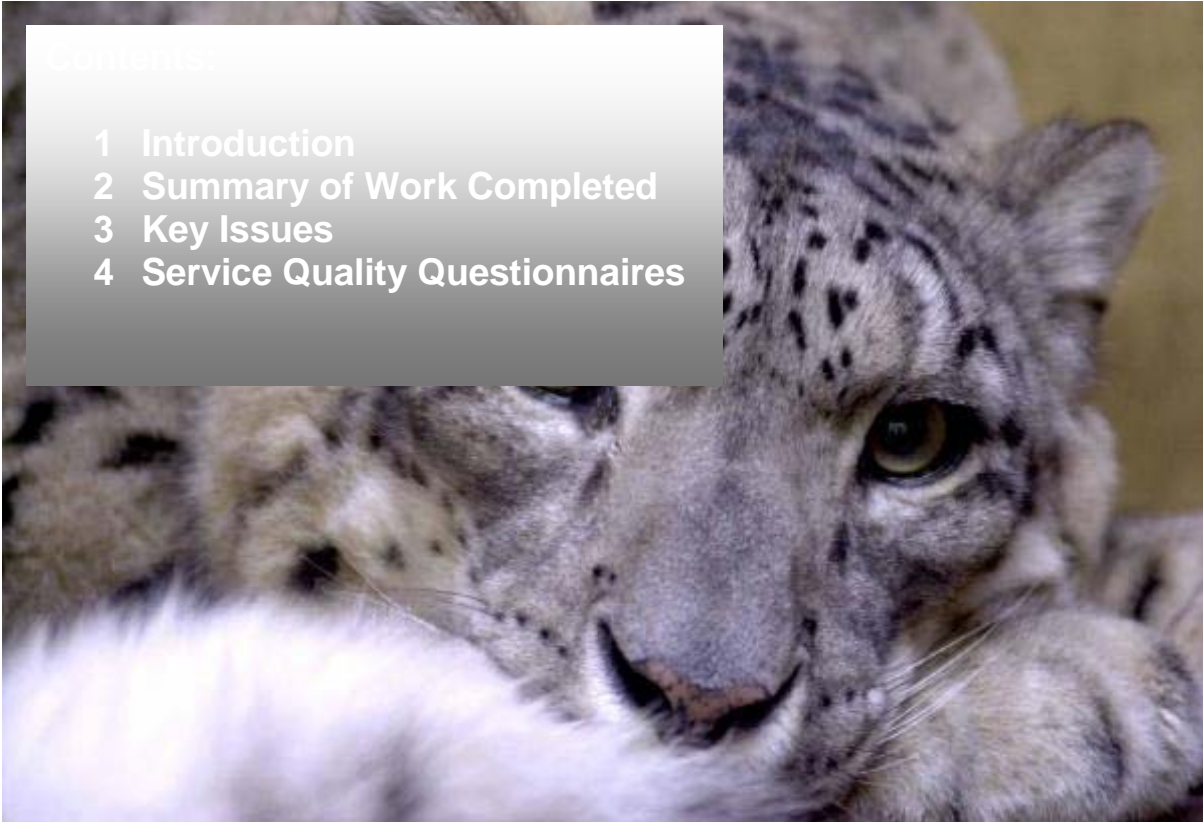
Internal Audit Progress Report to August 2012

Audit Committee – 15 October 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 Committee up to date with the progress made against the delivery of the 2012/13 Internal Audit Plan and the final completion of work from the previous 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:

Limited	<ul style="list-style-type: none"> a risk of objectives not being achieved due to the absence of key internal controls and a significant breakdown in the application of controls
Satisfactory	<ul style="list-style-type: none"> a sufficient framework of key controls for objectives to be achieved but the control framework could be stronger and controls are applied but with some lapses
Substantial	<ul style="list-style-type: none"> a robust framework of controls ensures objectives are likely to be achieved and controls are applied continuously or with only minor lapses

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 as at August 2012

Key: KFS Key Financial System

Auditable Area	ANA Rating	Recommendations					Level of Assurance
		Fundamental	Significant	Merits attention	Total	Number accepted	
Completed:							
• Follow-up 2011/12	-	0	1	0	1	2	NA
• Fixed Asset Accounting 2011/12	KFS	0	1	1	2	2	Substantial
• Capital Grant Declaration 2011/12	-	-	-	-	-	-	-
Underway:							
• Asset Register/Inventory System	Medium	-	-	-	-	-	-
• Performance Management	Medium	-	-	-	-	-	-
• Workforce Planning	Medium	-	-	-	-	-	-
• Business Continuity Plan	Medium	-	-	-	-	-	-

3 Key Issues Arising for the Period

Fixed Assets Accounting 2011/12

We performed a review of the accounting systems for Fixed Assets in accordance with the Key Financial Systems programme as agreed with the External Auditors. We noted a continued delay in the finalisation of the Vehicle Replacement due to an on-going review of vehicle requirements. In addition difficulties were experienced with asset identification due to asset numbers not being universally recorded. Overall substantial assurance was given.

Capital Grant Declaration 2011/12

Work was carried out to ensure that funding conditions had been complied with in respect of Capital Grant Funding of £4.1m.

4 Service Quality Questionnaires (SQQ's)

The table below shows SQQ's received so far in 2012/13.

	Average Score
Fixed Assets Accounting 2011/12	4.1
Overall Satisfaction with Audit Services	4.1

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