

Internal Audit Progress Report to February 2013

Audit Committee – 25 March 2013

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 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 February 2013

Key:	KFS	Key Financial System
	*	Awaiting response

Auditable Area	ANA Rating	Recommendations					Level of Assurance
		Fundamental	Significant	Merits attention	Total	Number accepted	
Completed:							
• Asset Register/Inventory System	Medium	-	3	4	7	7	Satisfactory
• Performance Management	Medium	-	1	1	2	2	Substantial
• Workforce Planning	Medium	-	-	1	1	1	Substantial
• Business Continuity Plan	Medium	-	3	3	6	6	Satisfactory
• Fixed Asset Accounting 2012/13	KFS	-	-	2	2	2	Substantial
• LGPS Declaration	-	-	-	-	-	-	NA
• Risk Management Update	High	-	-	-	-	-	NA
• Accounts Receivable	KFS	-	-	-	-	-	Substantial
Underway:							
• Payroll/Pensions	KFS	-	-	-	-	-	-
• Procurement	Medium	-	-	-	-	-	-
• Accounts Payable	KFS	-	-	-	-	-	-
• Governance	High	-	-	-	-	-	-
• IT Audit	High	-	-	-	-	-	-
• Follow-up	-	-	-	-	-	-	-

3 Key issues arising for the latest period

Fixed Asset Accounting 2012/13

An audit of Fixed Asset Accounting was undertaken as part of the approved Internal Audit Periodic Plan for 2012/13. Planned capital expenditure for 2011/12 as approved by the Fire Authority at its meeting on 14/02/2011 was £3.625M. A recommendation was made in respect of the use of asset numbers - it has been agreed that this will be addressed as part of the compilation of the latest asset register.

LGPS Pension Certificate 2011/12

An audit was undertaken to assist with the provision of assurance on the accuracy of the 2011/12 return to the Local Government Pension Scheme. All tests proved satisfactory and the Director of Resources was recommended to certify the return. (Note it was agreed that this audit should be substituted for the Fixed Asset Planning Audit with the Director of Resources).

Risk Management Update

A follow-up review was undertaken to assess progress on the implementation of recommendations made in the 2011/12 audit. The draft report was still under discussion as at the time of writing, however our review suggests that good progress has been made in the implementation of previously agreed actions.

4 Service Quality Questionnaires (SQQ's)

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

	Average Score
Fixed Assets Accounting	4.1
Work Force Planning	4.4
Asset Register/ Inventory System	4
Performance Management	4
Overall Satisfaction with Audit Services	4.11

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