

WEST MIDLANDS FIRE AND RESCUE AUTHORITY

AUDIT COMMITTEE

8th JUNE 2009

1. **BENCHMARKING THE FIRE AUTHORITY AGAINST CIPFA'S RED BOOK 2 – MANAGING THE RISK OF FRAUD**

Report of the Audit Services Manager

RECOMMENDED

That the attached Audit Report and action plan be noted.

2. **PURPOSE OF REPORT.**

- 2.1 To ask the Committee to note the issues raised from benchmarking of the Fire Authority against CIPFA's Red Book 2

3. **BACKGROUND**

- 3.1 In December 2008 The Audit Committee undertook a self-assessment exercise predominantly based around a checklist provided in CIPFA's Toolkit for Local Authority Audit Committees. This asked the following:

- Has the Audit Committee (with delegated responsibility) or the full council adopted "Managing the Risk of Fraud – Actions to Counter Fraud and Corruption"? and
- Does the Audit Committee ensure that the "Actions to Counter Fraud and Corruption" are being implemented?

It was identified that this had not been formally undertaken. Therefore, a requirement to compare the Authority to the requirements of this guidance was included in the Action Plan resulting from the committee's self assessment exercise.

- 3.2 CIPFA's Red Book 2 – managing the risk of fraud, is a comprehensive document listing actions that CIPFA's Better Governance Forum believe an organisation need to have in place to effectively counter fraud and corruption.

3.3 In total the Red Book 2 asks 53 questions under five specific headings, these being:

- Adopting the right strategy
- Accurately identifying the risks
- Creating and maintaining a strong structure
- Taking action to tackle the problem
- Defining success

3.4 The attached report lists the questions asked and the current situation at the Fire Authority, along with a list of actions required to either further enhance the existing control or to put in place a procedure/process that covers the question asked.

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.

Peter Farrow
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