

Internal Audit Progress Report @ 30 November 2015 Audit Committee – 18 January 2016



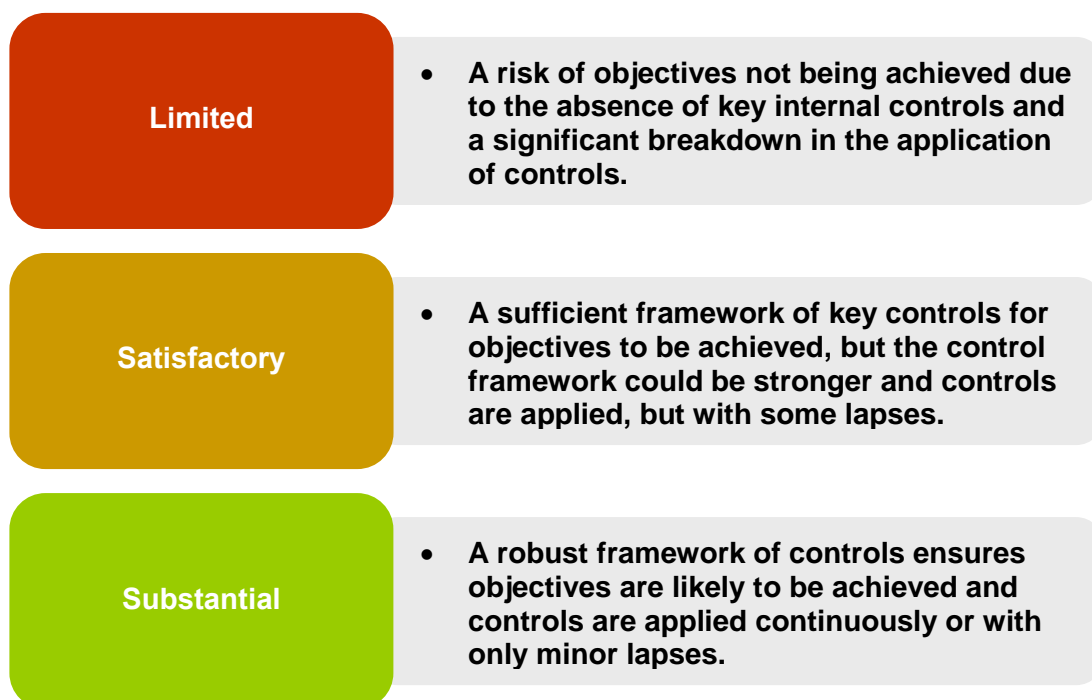
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1 Introduction

The purpose of this report is to bring the Audit Committee up to date with the progress made against the delivery of the 2015/16 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 @ 30 November 2015

Auditable Area	ANA Rating	Suggested/Agreed Actions				Number accepted	Level of Assurance
		Fundamental	Significant	Merits attention	Total		
Completed:							
Pension Certification	-	-	-	-	-	-	Substantial
Budgetary Control	KFS	-	-	-	-	-	Substantial
Procurement	High	-	-	-	-	-	Substantial
Accounts Receivable	KFS	-	-	-	-	-	Substantial
Fixed Asset Accounting/Asset Planning	KFS	-	-	-	-	-	Substantial
In progress:							
Accounts Payable	KFS						
National Fraud Initiative	-						

Key:

KFS = Key Financial System

3 Issues arising

Accounts Receivable

A review of the accounts receivable system was undertaken to ensure that an effective system was in place for raising invoices and managing debtors. This included the integrity and reliability of charging information recorded in the accounts, the collection of payments and the process to monitor and report the debtor position.

Fixed Asset Accounting/Asset Planning

An audit of fixed asset accounting was undertaken in respect of planned capital expenditure. The review was undertaken to provide assurance that an appropriate process was in place to maintain details of fixed assets and to record them correctly in the accounts.

Procurement

A review of the procurement process was undertaken to provide assurance over the control of non-contract spend within the Fire Authority. It was established that:

- There was a clear strategy in place which enabled contracts to be procured in accordance with contract and procedure rules and on a timely basis.
- The sections within the Fire Authority were utilising the contracts in place.
- Non-contract spend was well controlled.

4 Other Activities

Audit Committee – Self Assessment of Good Practice and Effectiveness

The Audit Committee commenced a self-assessment of good practice and effectiveness exercise, based on the model provided by the Chartered Institute of Public Finance and Accountancy (CIPFA) in their Audit Committees – Practical Guidance for Local Authorities 2013 Edition. Internal Audit is facilitating this exercise.

5 Service quality questionnaire feedback

No feedback has been received so far:

Overall Satisfaction with Audit Services	Average Score
	4.6

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