

WEST MIDLANDS FIRE AND RESCUE AUTHORITY

AUDIT COMMITTEE

12TH OCTOBER 2009

1. **REVISION OF INTERNAL AUDIT PLAN 2009/10**

Report of the Audit Services & Risk Management Manager
[Sandwell MBC].

RECOMMENDED

That the Audit Committee agree to the revision of the Internal Audit Annual Plan.

2. **PURPOSE OF REPORT.**

- 2.1 To ask the Committee to approve revision to the current year Internal Audit plan, to comply with the External Audit recommendation on the scope of key financial system work.

3. **BACKGROUND**

- 3.1 At the Authority meeting on 21st September, members were presented with the Annual Governance Report. In the report at point 16, it was recommended that a full audit is carried out on all key financial systems each year.
- 3.2 Previously, in agreement with the Audit Commission, Internal Audit completed bi-annual full audits for key financial systems, with inter years being subject to a high level audit with reduced sample sizes.
- 3.3 However, the Audit Commission have now suggested that they would prefer full annual audits of all of the key financial systems to be undertaken. Therefore, in order to comply with this recommendation, and to avoid the Authority incurring additional audit fees, it is proposed that Internal Audit revise the current year plan as indicated overleaf:

- Defer the audit 'Fire Stations – Management of Cash' to future years,
- Utilise the remainder of the audit contingency allowance, and
- Add the following audits to the current Audit Plan: 'Creditors Transaction Testing' and 'Pensions Payroll'

3.4 These amendments should not impact upon internal audits ability to provide a year end audit opinion on the overall adequacy and effectiveness of the internal control processes. However, should any work be required which is not planned, further amendment to the plan would be necessary, since there will be no contingency allowance available. This will be agreed with the Director of Finance and Procurement and reported to this committee as necessary.

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.

BACKGROUND PAPERS

Audit Commission Annual Governance Report

Peter Farrow
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