

Hereford & Worcester Fire and Rescue Authority

Audit and Standards Committee

18 January 2016

Report of the Internal Auditor

7. Internal Audit Monitoring Report 2015/16

Purpose of report

1. To provide the Committee with a progress update on the 2015/16 plan delivery.
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Recommendation

The Treasurer recommends that the report is noted.

Introduction and Background

2. The Authority is responsible for maintaining or procuring an adequate and effective internal audit of the activities of the Authority under the Accounts and Audit (England) Regulations 2015. This includes considering, where appropriate, the need for controls to prevent and detect fraudulent activity. These should also be reviewed to ensure that they are effective. This duty has been delegated to the Treasurer and Internal Audit is provided by Worcestershire Internal Audit Shared Service (WIASS). Management is responsible for the system of internal control and should set in place policies and procedures to ensure that the system is functioning correctly.

Objectives of Internal Audit

3. The Public Sector Internal Audit Standards 2013 defines internal audit as: “an independent, objective assurance and consulting activity designed to add value and improve an organisation’s operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes”. WIASS is committed to conforming to the requirements of the Public Sector Internal Audit Standards.

Aims of Internal Audit

4. The objectives of WIASS are to:

- Examine, evaluate and report on the adequacy and effectiveness of internal control and risk management across the Fire Service and recommend arrangements to address weaknesses as appropriate;
- Examine, evaluate and report on arrangements to ensure compliance with legislation and the Fire Service's objectives, policies and procedures;
- Examine, evaluate and report on procedures that the Fire Service's assets and interests are adequately protected and effectively managed;
- Undertake independent investigations into allegations of fraud and irregularity in accordance with Fire Service's policies and procedures and relevant legislation; and
- Advise upon the control and risk implications of new systems or other organisational changes.

5. Internal audit has worked with external audit to try and avoid duplication of effort, provide adequate coverage for the 2015/16 financial year so that an internal audit opinion can be reached and support external audit by carrying out reviews in support of the accounts opinion work.

Audit Planning

6. To provide audit coverage for 2015/16, an audit operational programme to be delivered by WIASS was discussed and agreed with the Authority's Section 151 Officer and Treasurer as well as Senior Management Board and was brought before Committee in September for consideration. The audit programme provides a total audit provision of 111 audit days; 92 operational and 19 management days.

Audit Delivery

7. 2015/16 audits commenced after the Committee had agreed the 2015/16 plan at the 28th September 2015 Committee.

8. To assist the Committee to consider assurance on the areas of work undertaken, an overall assurance level is given to each audit area based on a predetermined scale. Also, the findings are prioritised into 'high', 'medium' and 'low' within audit reports with all 'high' priority recommendations being reported before committee.

2015/16 Audits:

9. During quarter three five audits were delivered and are now nearing completion with the draft reports issued. The audits included Payroll and Pensions, Creditors, Debtors, Main Ledger and Budgetary Control and Imprest account/cash float.
10. The summary results of these audits will be reported to the next Committee, however, it can be reported in the interim that there are no 'high' priority recommendations resulting from the work that has been completed.

Conclusion/Summary

11. The Internal Audit Plan for 2015/16 is progressing well and outcomes and assurance will be reported to the next Committee.
12. The H&WFRS and WIASS are continuing to work together to achieve internal audit partnership status for the H&WFRS.

Corporate Considerations

Resource Implications (identify any financial, legal, property or human resources issues)	There are financial issues that require consideration as there is a contract in place but not fully detailed in this report.
Strategic Policy Links (identify how proposals link in with current priorities and policy framework and if they do)	None There are legal issues e.g. contractual and procurement that require consideration but are not fully detailed in this report as they are contained within the contract.

not, identify any potential implications).	
Risk Management / Health & Safety (identify any risks, the proposed control measures and risk evaluation scores).	Yes, whole report.
Consultation (identify any public or other consultation that has been carried out on this matter)	N/A – no policy change is recommended
Equalities (has an Equalities Impact Assessment been completed? If not, why not?)	N/A

Supporting Information

Appendix 1 – ‘High’ priority recommendations for completed audits including definitions

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Appendix 1

‘High’ Priority Recommendations reported

As audit work is continuing in regard to the 2015/16 audit programme outline findings so far indicate there are no ‘high’ priority recommendations to report.