

**TAYSIDE FIRE AND RESCUE BOARD****Performance Monitoring Sub-Committee – 29 June 2009****INTERNAL AUDIT UPDATE AND FOLLOW-UP****Report by the Chief Internal Auditor****ABSTRACT**

This report presents a summary of Internal Audit's work for 2008/09 including the follow-up of previously agreed action plans.

**1. RECOMMENDATION(S)**

The Performance Monitoring Sub-Committee is asked to:

- (i) note the progress of Internal Audit's work against the plan for 2008/09 and the current position in respect of outstanding agreed actions arising from previous internal audit work;
- (ii) consider the most appropriate action to be taken to progress the agreed action plans, taking into account the recorded audit opinions.

**2. BACKGROUND**

CIPFA's 'Code of Practice for Internal Audit in Local Government in the United Kingdom' ("the Code") requires that the Chief Internal Auditor presents interim reports on the progress with planned audit work.

Appendix A shows a summary of the status of Internal Audit's current assignments against the 2008/09 plan, as at June 2009. Actual and planned issue dates are shown in the third column and the status of each audit is highlighted in the fourth column.

The audit of Rank to Role was cancelled during the year as this is no longer considered to be a current risk to TFRB. These resources were allocated to the audit of Assets & Inventories. Progress with the audit of inventories has been delayed by operational issues within TFRB and a report will be issued in due course. The report under discussion relates to Assets only and a separate report has been issued on other matters arising which have come to light during this review.

The Code places upon management the responsibility for ensuring that the agreed actions arising from audit reports are implemented. It is the duty of the Chief Internal Auditor to seek assurance that the actions have been completed and to put in place 'escalation procedures' where this does not appear to have been the case. To assist the Sub-Committee, Appendix B

provides information on those actions that have not been implemented in accordance with the agreed timetable or where there is insufficient information on the current situation.

Appendix B records the agreed implementation dates (with revisions where relevant) along with management's explanations. It also notes Internal Audit's opinions on the adequacy of the actions being taken, taking into account the current circumstances and the nature of the underlying risks.

### **3. PROPOSALS**

It is recommended that the Performance Monitoring Sub-Committee notes the timetable for the delivery of the 2008/09 audit plan and that it seeks assurance that there are clear and achievable action plans for completing the agreed actions arising from previous audit work.

### **4. CONSULTATION**

The Head of Corporate Services has been consulted in the preparation of this report.

### **5. RESOURCE IMPLICATIONS**

There are no resource implications arising from this report.

### **6. CONCLUSION**

This report presents a summary of Internal Audit's work for 2008/09 against the annual plan, including the follow up of previously agreed action plans.

**K WOOLARD**  
**Chief Internal Auditor**

**Note:** No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to any material extent in preparing the above report.

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## INTERNAL AUDIT UPDATE

## Schedule Of Planned Audits With Issue Dates For 2008/09

Audit Number	Audit Title	Actual (Planned) Issue Date	Comments
08/049	Payroll	Mar 2009	
08/050	Pensions	Mar 2009	Joint report with 08/049 above
08/051	Insurance	Mar 2009	
08/052	Single Status	June 2009	
08/053	Rank To Role	Not applicable	Cancelled
08/054	Assets And Inventories	(June 2009)	In discussion with management 08/054b "Matters Arising" issued June 2009
08/055	Information Security	(June 2009)	In discussion with management



**Appendix B - Internal Audit Follow-up  
Tayside Fire and Rescue Board  
(Reporting for All dates on or before : April 2009)**

Action Plan	Dates	Status/Explanation
<p>07/069 - Procurement TFRB</p> <p>Action Point 1</p> <p>Importance: Medium</p> <p>The Procurement Strategy 2006-2009 will be updated following appointment of a Procurement Manager.</p> <p>(J Iannetta, Head of Corporate Services)</p>	<p>Dec 2008</p> <p>June 2009</p>	<p>A draft Procurement Strategy has been drawn up. It is to be put before the June Management Team for ratification and adoption.</p> <p>Internal Audit Opinion: Satisfactory</p>
<p>07/069 - Procurement TFRB</p> <p>Action Point 2</p> <p>Importance: Medium</p> <p>A revised Action Plan, outlining the initiatives which will require to be pursued to realise the benefits of the Boards Procurement Strategy, will be produced following appointment of a Procurement Manager.</p> <p>(J Iannetta, Head of Corporate Services)</p>	<p>Mar 2009</p> <p>June 2009</p>	<p>The revised Action Plan is attached to the Procurement Strategy and will be placed before the June Management Team for adoption.</p> <p>Internal Audit Opinion: Satisfactory</p>
<p>07/069 - Procurement TFRB</p> <p>Action Point 3</p> <p>Importance: Medium</p> <p>Procurement policies and procedures will be reviewed, redrafted, issued to staff, and training given as necessary,</p>	<p>Mar 2009</p> <p>June 2009</p>	<p>This point forms part of the Action Plan and is currently in progress.</p> <p>Internal Audit Opinion: Satisfactory</p>

Action Plan	Dates	Status/Explanation
<p>following appointment of the Procurement Manager.</p> <p>(J Iannetta, Head of Corporate Services)</p>		
<p>07/069 - Procurement TFRB</p> <p>Action Point 6</p> <p>Importance: Medium</p> <p>Consideration is currently being given to upgrading the current electronic stock system to incorporate a flagging facility to indicate when stock levels are low in order to ensure that adequate stocks are maintained.</p> <p>(S Edgar, Head of Technical Services)</p>	<p>Dec 2008</p> <p>Mar 2010</p>	<p>A new asset management system should be fully implemented by March 2010. The low-stock electronic flag is intended to be an integral part of this system.</p> <p>Internal Audit Opinion: Accepted</p>
<p>07/069 - Procurement TFRB</p> <p>Action Point 7</p> <p>Importance: Medium</p> <p>Consideration is presently being given to the implementation of the Government Procurement Card, which will address the present shortcomings in ensuring that all stores replenishment orders are properly authorised.</p> <p>(L Robertson, Procurement Manager)</p>	<p>Oct 2008</p> <p>Jan 2009</p> <p>June 2009</p>	<p>The Procurement Manager has applied for Government Procurement Cards (GPCs) and these will be piloted for a period of time. The pilot is expected to commence in June once GPCs have been received and following staff training. Pilot to commence June 2009.</p> <p>Internal Audit Opinion: Satisfactory</p>
<p>08/049, 08/050 - Payroll and Pensions</p>	<p>Mar 2009</p> <p>Aug 2009</p>	<p>Discussion is currently ongoing with Dundee City Council to collaboratively</p>

Action Plan	Dates	Status/Explanation
<p>Action Point 2</p> <p>Importance: Medium</p> <p>TFRB contacted Dundee City Council on 27 November 2008 requesting that a new report be produced which details the information required to allow the checking and reconciliation of headcount. This report is currently being developed. Once developed, the report will be reconciled by Finance Section staff with supporting documentary evidence.</p> <p>(A Milne, Finance Coordinator)</p>		<p>develop a report which will satisfy the control requirements. The target date for implementation is August 2009.</p> <p>Internal Audit Opinion: Satisfactory</p>
<p>08/051 - Insurance</p> <p>Action Point 4</p> <p>Importance: High</p> <p>3 - TFRB will continue to work with Dundee City Council to ensure that all outstanding claims are cleared as soon as possible</p> <p>(A Milne, Finance Coordinator)</p>	<p>Mar 2009</p> <p>Mar 2010</p>	<p>Work has been ongoing between TFRB, Dundee City Council Insurance Section and the Insurers themselves on the follow up of aged claims. This is a slow process but has met with considerable success and is still ongoing. In April 2009 a number of old claims were successfully completed and £3k in settlement cheques received. By September 2009, all aged insurance claims pre 01/04/07 will either be settled or written off. Those raised after 1 April 2007 and before 31 March 2009 will continue to be followed up with a view to settling them or writing them off by 31 March 2010.</p> <p>Internal Audit Opinion: Satisfactory</p>

