

Report of the Scrutiny and Performance Committee meeting held on 31st May 2007

Present: Councillors: B. Boddington, R Butcher, M Collins, S Giles, G Murphy,
M Smith.

Apologies: Councillors G Harper, R Moss-Eccardt.

**This report contains items considered by the Committee which are submitted to
the Fire Authority for information.**

1. ELECTION OF CHAIRMAN

Councillor Mark Collins was elected as Chairman of the Committee for 2007/08

2. ELECTION OF VICE-CHAIRMAN

Councillor Mandy Smith was elected as Vice-Chairman of the Committee for
2007/8

3. ANNUAL INTERNAL AUDIT REPORT 2006/07

The Committee has noted the Annual Internal Audit Report 2006/7, which
includes a comparison of Planned and Actual Audit Coverage and definitions of
assurance opinions and a summary of the main areas of focus and issues
arising.

The report summarized audits in the following areas and where appropriate
referred to the levels of audit assurance in each of the areas of activity:

- Corporate governance and risk management (Substantial Assurance)
- Key financial systems and controls (Substantial Assurance)
- Payroll and employee expenses (Moderate Assurance)
- Property repairs and maintenance
- Insurance
- Procurement (Substantial Assurance)
- Information Security Management System (Moderate Assurance)

The Committee has queried why the current level insured under the property insurance company was £36 million when the total property portfolio of the Authority as set in the Property Asset Register was only £17 million.

Subsequent to the meeting the Treasurer has advised that the insurable value is based upon historic valuations taken at the time of the insurance contract being awarded. These valuations have been uplifted in accordance with advice from the insurers to ensure all costs associated with buildings and contents is covered in the event of a claim. These values will be re-assessed when the new insurance contract begins on the 1st April 2008.

4. REVIEW OF INTERNAL AUDIT EFFECTIVENESS 2006/07

The Committee received a report from the Treasurer of the Authority on a review of the effectiveness of the internal audit function and on the proposed approach for monitoring the function in the future.

The Committee noted that Regulation 6 of the Accounts and Audit Regulations 2003 required the Fire Authority, as a public body, to conduct a review at least once a year of the effectiveness of its system of internal audit.

Key measures of effectiveness suggested were designed to measure outputs and outcomes, as well as the timeliness of the audit processes. Members received an appendix setting out the key measures required and the effectiveness review for CFRS for 2006/07, an extract of the appendix is included below

Performance Criteria	Performance Achieved
Completion of the proposed annual audit plan for 2006/07	100 % Complete
Final Reports issued within 2 weeks of management comments	100% Complete
90 % of audit recommendations accepted	Achieved. All recommendations had been accepted
90% of high risk recommendations to be implemented within 12 months	As at 17 May, 11 of 17 (65%) high risk recommendations had been implemented, with plans in place to implement all others by September 2007.
75% of all recommendations implemented within 12 months	Of all 50 recommendations, 44 (88%) had been implemented to date.

The Committee noted:

- The Authority's internal audit function has recently been re-tendered and that this process included an element of review.
- Tribal Business Assurance have been appointed as CFRS's internal auditors from 1 April 2007 and are subject to their own independent service review that is shared with clients.
- A detailed summary of progress against all the key measures of effectiveness would be made to the Committee in September 2007.

5. STATEMENT OF INTERNAL CONTROL (SIC) 2006/07

The Committee received a report from the Treasurer to the Fire Authority on the Statement of Internal Control (SIC) for 2006/07.

The Fire Authority is required as a public body by Regulation 4 of the Accounts and Audit Regulation 2003 to conduct a review at least once a year of the effectiveness of its system of internal control and publish an annual SIC with its Financial statements. The review demonstrated how the organization currently ensured its objectives and obligations were met. The senior management team had ownership and collective responsibility of the SIC.

The Committee has noted the SIC, a copy of which is included in the Authority's Accounts for 2006/07.

6. ANNUAL INTERNAL AUDIT PLAN 2007/08 - 2009/10.

The Committee received a report on the medium term Internal Audit Plan 2007/08 to 2009/10.

Since 1 April 2007 the Internal Audit Services have been provided by Tribal Business Assurance on a contractual basis to the Fire Authority.

The Internal Audit Plan provides for a rolling review of Cambridgeshire Fire & Rescue Service's systems of internal control. It allows for 63 days of internal audit during each financial year. Tribal Business Assurance is satisfied that this will provide adequate coverage to enable an annual opinion to be provided on the effectiveness of the internal control framework in the Internal Audit Annual Report.

The Committee has noted the Annual Internal Audit Plan and agreed that the timing of audits in the Plan be finalised in consultation with the Chairman of the Committee and reported to the next meeting of the Committee in September.

CHAIRMAN

BIBLIOGRAPHY

Source Documents	Location	Contact
Agenda, reports and minutes of the Scrutiny & Performance Committee – 31/05/07	Hinchingsbrooke Cottage Brampton Road Huntingdon	Michael Brown 01480 444572 michael.brown@cambsfire.gov.uk