

NORTH WALES FIRE AND RESCUE AUTHORITY

APPENDIX A

Internal Audit Services – 2018/19 Annual Summary of Recommendations and Audit Opinions

	Auditable Area	Key Messages & Recommendations for Improvement	Critical	Major	Modera-te	Minor	Total	Audit Opinion
1	Creditors (Proactis P2P System)	<ol style="list-style-type: none"> 1) The Authority's Financial Regulations and Contract Standing Orders should be updated and amended to provide appropriate advice & guidance to officers. 2) The Service should produce detailed written procedures for staff, providing step by step guidance upon the ordering and receipt of works, goods & services. 3) The Service should establish an independent list of officers authorised to input & approve orders and any only made upon written instruction from the Fire Service. 4) Arrangements should be made for all authorised signatories, who are engaged in contractual or purchasing decisions, to declare any links or personal interests that they may have with suppliers and/or contractors. 5) A vendor 'housekeeping' exercise should be performed to ensure that all multiple vendor names and references on the AS400 System are legitimate; any duplicate vendor names and references should be made 'inactive'. 6) All officers responsible for the procurement of goods & services should be reminded that orders should be raised prior to the receipt of the invoice, except in exceptional circumstances. 7) The Service should run a report on a monthly basis showing orders raised, which have not been matched with the associated invoice; further enquiries should then be made to confirm whether the goods have been received or if the respective order requires cancellation. 8) A VAT number validation report should be run after each NWFRS payment run, listing all new vendor VAT numbers. This will allow a check to be performed with the European Commission's online database to verify that it is a bona fide VAT number. 9) Senior Management should be issued with a report on a 6 monthly basis identifying the Service's performance in respect of making payments within the 30 days performance indicator. 	0	0	1	8	9	HIGH

2	NWFRS Income & Debtors	<ol style="list-style-type: none"> 1) Invoices relating to the VAT element of a secondment was found to be outstanding ; if agreement cannot be reached the Service should consider whether the officer secondment should cease. 2) Any exceptions to the policy with regard to disposals of fire appliances e.g. sale to a 'trusted partner' should be documented in a risk analysis and approved by the Executive Group. 3) Service Control should be requested to cease providing the facility to pass emergency calls to Fire & Rescue Control to customers with outstanding debts. 4) The Finance Officer should check the Special Service Call System on a monthly basis to ensure that all chargeable services are invoiced promptly. 5) Facilities should ensure that the costs incurred at the 13 Joint Sites are calculated as soon as possible after the year end to allow the debtor invoices to be promptly raised. 6) The Finance Section should maintain a schedule of the income that is due for the 13 joint sites. 7) An annual schedule of aerial site rental agreements should be agreed; this will facilitate a reconciliation between the income due from aerial site rental and the actual income received. 	0	0	3	4	7	HIGH
3	NWFRS Purchase Cards	<ol style="list-style-type: none"> 1) The Barclaycard Procedures need to be reviewed and updated to ensure they provide guidance in a number of key areas. 2) The Barclaycard credit limits as recorded on the register should be checked to the Barclaycard System to ensure they are up to date and correct. 3) A <i>Barclaycard Agreement Form</i> should be signed by all cardholders upon receipt of a Barclaycard. 4) The <i>Cancelled Cardholder Details</i> register should record the cancellation of all cards, including those that have been lost/stolen & those cancelled due to fraudulent activity. 5) A <i>Return of Barclaycard</i> form should be completed by the Finance Officer upon the receipt of cancelled cards. 6) Cardholders must ensure that expenditure logs & receipts are promptly submitted to the Finance Officer to ensure robust checks can be made on a timely basis. 7) Cardholders must be reminded to ensure that receipts are submitted to support all expenditure. Valid VAT receipts must be provided for Vatable purchases to allow it to be claimed back. Cardholders must also be reminded there should be no personal benefit eg. retail cardholder 	0	0	6	6	12	Satisfactory

		<p>points, from purchases made on behalf of the Service.</p> <p>8) Since any suspicious or fraudulent activity on cards must be reported to Barclaycard within 28 days it is important that cardholders submit their expenditure logs & receipts promptly to the Finance Officer to ensure robust checks can be made on a timely basis.</p> <p>9) Barclaycards should not be utilised to pay for officer's subsistence; a receipt should be obtained, a subsistence claim completed, properly approved and submitted for payment through Payroll. In emergency situations, when a card payment is made for subsistence, the expenditure log should record the level of information that is required in a Subsistence Claim ie. location & time out of office to ensure that it's in compliance with the Reimbursement of Expenses Policy.</p> <p>10) Cardholders must be reminded that they must comply with the Reimbursement of Expenses Policy; expenditure in excess of limits must be promptly reimbursed when the expenditure log is submitted & expenditure on alcoholic beverages is not permitted.</p> <p>11) Cardholders must ensure that the cash balance recorded on the expenditure log is correct. All cardholders must complete a year end statement identifying the cash in hand for reconciliation with the records and cardholders who are owed cash by the Service should withdraw the cash as soon as possible and not carry forward debit balances.</p> <p>12) The Service should consider ceasing or strictly restricting the number of cardholders with the facility to withdraw cash.</p>						
4	<p>Special Investigation – Unauthorised User Activity on the Local IT Network</p>	<p>Contents Restricted</p>	N/A	N/A	N/A	N/A	N/A	N/A
<p>* Follow up audits are scheduled for 2019/20 to ensure the satisfactory Implementation of the recommendations.</p>								2
								1
								0
								0

APPENDIX B

NORTH WALES FIRE AND RESCUE AUTHORITY

Schedule of Follow up Audits 2018/19

	Description	Auditor	Audit Date	Follow up Date	No. Recs	Recs Outstanding	Revised Audit Opinion
1	NWFRS Whistleblowing Procedures	KVW	April 2018	March 2019	12	4 (3 WIP)	HIGH

**North Wales Fire and Rescue Authority
Summary of Internal Audit Activity 2018/19**

	Department / Service	Planned Days 2018/19	Actual Days 2018/19
1	Main Financial Systems - Creditors	10	13
2	Main Financial Systems – Income & Debtors	9	13
3	Main Financial Systems – Purchase Cards	0	12
4	Special Investigation – Data Breach	0	8
5	Retained Fire Stations (Ynys Mon & Gwynedd)	10	0
6	Cyber Security (Part 2)	12	0
7	Audit Follow ups: <ul style="list-style-type: none"> • Whistleblowing Policy & Procedures 	7	3
8	NWFRA Planning & Reporting (Including Annual Report & Strategic Plan)	5	6
9	Contingency Reserve	2	0
	TOTAL DAYS	55	55
	Days Allocated 2018/19		55
	Actual Days 2018/19		55
	Total Days C/F to 2019/20		0