

# LEICESTERSHIRE

## FIRE and RESCUE SERVICE

Status of Report: Public Agenda Item: 8

Meeting: Overview and Scrutiny Committee  
Date: 19<sup>th</sup> November 2014  
Subject: Internal Audit Report – Duplicate Payments  
Report by: The Treasurer  
Author: Adam Stretton (Head of Finance)  
For: Discussion

### 1. Purpose

Under the Combined Fire Authority's (CFA's) Financial Procedure Rules the Treasurer (the Director of Finance and Corporate Services) is responsible for arranging a continuous internal audit of the CFA's accounts. This report brings to the attention of the Overview and Scrutiny Committee an Internal Audit report on Duplicate Payments based upon the 2014/15 Annual Internal Audit Plan.

### 2. Executive Summary

Based on the answers provided during the audit and the testing undertaken, **substantial assurance** was given that the internal controls in place to reduce exposure to those agreed risks currently material to the system's objectives were adequate and being managed effectively. The three recommendations made against the earlier 2013/14 audit for Duplicate Payments require management action.

### 3. Report Detail

3.1 All Internal Audit reports are prepared on an exception basis. Where items have not been reported on, based on the sample examined, the CFA can draw confidence that controls are operating satisfactorily. The full list of testing undertaken within each Audit can be supplied on request.

#### **Duplicate Payments**

3.2 An initial data-matching exercise to identify duplicate payments based on 2012/13 data was undertaken as part of the 2013/14 Internal Audit Plan. This work has subsequently been replicated using 2013/14 data and is reported here. This included payments made direct through the Agresso system and those made by Procurement and Credit Cards and payments made by Direct Debit.

3.3 Internal Audit considered the overall control objective was to provide assurance to management that there are procedures in place to prevent duplicate payments

where at all possible, but also to detect and take corrective action if any have been made.

- 3.4 The Internal Audit data matching work established that no duplicate payments were made.
- 3.5 Full details of the audit can be found in **the Appendix**. Based on the answers provided during the audit and the testing undertaken, **substantial assurance** can be given that the internal controls in place to reduce exposure to those agreed risks currently material to the system's objectives are adequate and being managed effectively. There are three recommendations that were made as part of the 2013/14 Internal Audit Plan work. These were reported to the Committee on the 3<sup>rd</sup> September 2014. None of these recommendations had a "high importance" rating signifying a particularly serious control weakness has been identified.
- 3.6 The recommendations focussed on the potential for invoices to be paid both in Agresso and directly via the bank either by direct debit, credit card or electronic transfer. The Agresso Steering Group has identified a solution that is now being implemented and that also assists in meeting the new requirements of the Transparency Code.

#### **4. Report Implications / Impact**

##### ***Legal (including crime and disorder)***

None.

##### **4.2 *Financial (including value for money, benefits and efficiencies)***

These are included in the main body of the report.

##### **4.3 *Risk (including corporate and operational, health and safety and any impact on the continuity of service delivery)***

Internal Audit provides reassurance that effective internal control procedures are in place. Internal Audit reports are used to inform the Treasurer and the Chief Fire and Rescue Officer of the detailed findings of the audit and highlight actions that are required to safeguard the CFA's interests.

##### **4.4 *Staff, Service Users and Stakeholders (including the Equality Impact Assessment)***

None.

##### **4.5 *Environmental***

None.

##### **4.6 *Impact upon Our Plan Objectives***

The CFA's Strategic Objective 4 is the attainment of efficiency and the provision of a value for money service. The provision of internal audit assists both effective and efficient management and good corporate governance. It also externally validates the CFA's progress in this area.

**5. Recommendations**

The Overview and Scrutiny Committee is asked to note the report.

**6. Background Papers**

- a) Internal Audit Plan 2014/15 (Overview and Scrutiny Committee Report - 26<sup>th</sup> March 2014)
- b) Internal Audit Reports (Overview and Scrutiny Committee Reports - 3<sup>rd</sup> September 2014)

**7. Appendix**

Duplicate Payments