

SHROPSHIRE COUNCIL AUDIT SERVICES

FINAL INTERNAL AUDIT REPORT

FOLLOW UP OF PREVIOUS RECOMMENDATIONS 2013/14

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|------------------------|-------------|
| Assurance Level | Good |
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| Customer | West Mercia Energy |
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| Distribution | Nigel Evans – Director |
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| Auditors | Kathy Hall |
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| Fieldwork dates | 24 January 2014 |
| Debrief meeting | Not required |
| Draft report issued | Not required |
| Responses received | Not required |
| Final report issued | 29 January 2014 |

Introduction and Background

1. As part of the approved internal audit plan for 2013/14 we have undertaken a review of previous recommendations.
2. This audit has been conducted in accordance with the Public Sector Internal Audit Standards developed jointly by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Chartered Institute of Internal Auditors (CIIA).
3. We would like to express our thanks to the Director who assisted during the course of the audit.

Scope of the Audit

4. The scope, incorporating the objectives of the audit, was agreed with key contacts at the commencement of the audit.
To assess the degree to which recommendations made in the 2012/13 follow up audit have been implemented. All other recommendations made in 2012/13 have been followed up as part of each relevant audit in 2013/14.
5. Audit work was undertaken to give assurance on the extent to which the following management control objectives are being achieved:
 - Recommendations made in the 2012/13 recommendation follow up audit have been satisfactorily implemented.
6. The audit was delivered on time and budget.

Audit Opinion

7. An opinion is given on the effectiveness of the control environment which indicates the level of assurance that can be taken based upon our testing and evaluation of the system. This opinion will be reported to the Joint Committee and will inform the Annual Governance Statement which is included in the Annual Statement of Accounts. There are four levels of assurance; Good, Reasonable, Limited and Unsatisfactory.

As a result of the evaluation and testing of the controls that are in place in the areas examined, from audit work undertaken we are able to give the following assurance opinion:

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| Good | There is a sound system of control in place which is designed to address relevant risks, with controls being consistently applied. |
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8. Responsibility for the maintenance of a sound system of internal control rests with management. The audit process is designed so that any material weaknesses in internal control have a reasonable chance of discovery through sample testing, it cannot guarantee or give absolute assurance against all material weaknesses, the overriding of management controls, collusion, instances of fraud or irregularity.

9. We reviewed the previous recommendations made at the last audit which were accepted by management, the results of which are shown in the following table:

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| Number of recommendations accepted by management at the last audit | 5 |
| Recommendations implemented | 5 |

Excellent progress has been made in the implementation of previous recommendations.

Ceri Pilawski
Audit Services Manager