



# INTERNAL AUDIT REPORT

M-038-D  
FINAL

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## OVERALL AUDIT OPINION

*This audit report contains an opinion on the overall level of assurance that can be given on the internal control environment / systems. It will be one of four levels:*

**Substantial** - *There is a sound system of control and governance in place to achieve the system objectives, controls are being consistently applied and the relevant risks to the service are well managed.*

**Adequate** - *The control environment / systems are operating effectively to ensure that the majority of relevant risks are managed. Slight improvements need to be made in order to provide substantial assurance that all of the objectives of the system are met.*

**Limited** - *Weaknesses and / or non-compliance with procedures are placing system objectives at risk. Heads of Service should consider whether they should refer to this assessment in their annual assurance statement on internal controls together with any actions agreed and / or taken to improve the system.*

**Little/None** - *There are control weaknesses and / or non-compliance with basic controls that are so significant the relevant risks are not being managed at all. The system is open to significant error or abuse. In light of this assessment, Heads of Service should review their risk register and refer to this assessment in their annual assurance statement on internal controls together with any actions agreed and / or taken to improve the system.*



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<b>Portfolio:</b>	Merseyside Fire and Rescue Service.	<b>Service Area:</b>	General Ledger
<b>Distribution:</b>	Ian Cummins, Simon Purcell, Mike Rea	<b>Auditor:</b>	Elisabeth Harris
<b>Date:</b>	4 December 2008	<b>Audit Manager:</b>	Melanie Dexter
<b>Subject:</b>	MFRS – General Ledger		

## EXECUTIVE SUMMARY

An audit of the general ledger has been completed as part of the agreed 2008/09 plan of audit work for the Merseyside Fire and Rescue Service (MF&RS).

The main objective of the audit was to review relevant risks to the system, with particular focus on the journal process and system access, and assess the controls in place to manage them, in order to form an opinion on whether the controls are working effectively.

Internal Audit can provide **substantial** assurance on the work undertaken and identified a system that is operating effectively to ensure that the majority of relevant risks are managed.

The only issue identified during the audit was that the correct procedure for journals was not being followed at all times. On two occasions the preparation date of the journals had not been noted on the journal sheet by the initiating officer. It was therefore not possible to determine whether the journal had been processed in a timely manner.

Our findings and recommendation relating to the audit undertaken are shown in the table attached.



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## Findings and Recommendations

Ref	Findings	Implications	Recommendation	Priority	Response & by Whom	Implementation Date
1	Two of the journals from the sample of twenty tested did not detail the date that they were prepared.	An audit trail is not available.	All journals should detail the date they were prepared.	◆	Simon Purcell	Immediately (Already implemented signatures missed) All staff will be reminded of the need to date all journals when prepared to ensure that a sound audit trail is maintained.

Priority ★★ ★ Essential / Strategic ★★ High ★ Medium / Operational

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