



INTERNAL AUDIT REPORT

M-031-D
Final

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Similarly, this audit report, or extracts from it, should not be included in, or appended to, any committee report, nor should it be quoted as a background paper to any committee report without firstly consulting the Lead Audit Manager.

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 Business Units 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 Business Units 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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Service:	MFRS	Service Area:	Asset Management
Distribution:	Kieran Timmins Ed Franklin Dave Martin Mark Platt	Auditor:	Keri Etherington
Date:	19 December 2008	Audit Manager:	Melanie Dexter
Subject:	Asset Management		

EXECUTIVE SUMMARY

An audit of asset management 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 was to review the capital programme in the areas of ICT, vehicles and estates. A review on the adequacy of replacement strategies was also performed, together with an assessment of the procedures between the departments and Finance.

Internal Audit can provide **adequate** assurance on the system. The service has a comprehensive capital replacement programme which is continually reviewed. However, some important related documentation is out of date, which could have an adverse effect on the continued successful execution of the programme. We acknowledge that steps are being taken to address these issues.

Our findings and recommendations relating to the audit undertaken are shown in the table attached. A small number of recommendations have been made to enhance the control environment.



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Findings and Recommendations

Ref	Findings	Implications	Recommendation	Priority	Response & by Whom	Implementation Date
1	Our testing found that the Asset Management Plan (AMP) is out of date and is therefore not in alignment with the Capital Programme. However, we acknowledge that work is planned to address this issue.	A lack of routine property maintenance. Failure to undertake essential repairs to property. Incomplete maintenance of buildings. Risks to the health and safety of Fire Service personnel and the public.	The work to up date the Asset Management Plan should be completed as soon as possible in order to bring the plan in line with the capital programme. The document should then be subject to regular updates to ensure that it remains in alignment with the capital programme.	★★	Mark Platt The AMP is being updated and is hoped to be completed in early 2009 to take into account the PFI Project and LLAR stations etc. Estates Department are preparing a planned preventative maintenance programme which will be implemented early 2009.	Early 2009 (Jan/Feb)
2	The Transport Policy was produced in 2002 and there is no evidence of it having been updated since then.	Unavailability of vehicles resulting in the Authority being unable to provide an adequate service. Failure to forecast demand/usage adequately which	The Transport Policy should be updated as soon as possible.	★	Dave Martin The transport policy is still an accepted and sustainable appliance replacement strategy (subject to financial provision). We are at present	April 2009

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



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Ref	Findings	Implications	Recommendation	Priority	Response & by Whom	Implementation Date
		require repair/replacement			<p>conducting a review of the ancillary fleet and its usage. When completed we will amend the transport policy in relation to asset replacement, plus the implications and plan of action to comply with the current MORR.</p> <p>Don't agree that our present policy could result in the Authority being deficient in appliances and not providing the service as the vehicles are maintained to a high standard no matter how old. Even if we had to slip past the normal replacement period due to financial or commercial availability we would still maintain the</p>	

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



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Ref	Findings	Implications	Recommendation	Priority	Response & by Whom	Implementation Date
					emergency vehicle availability	

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