

MERSEYSIDE FIRE AND RESCUE AUTHORITY			
MEETING OF THE:	AUDIT SUB COMMITTEE		
DATE:	26 MAY 2015	REPORT NO:	CFO/055/14
PRESENTING OFFICER	KIERAN TIMMINS		
RESPONSIBLE OFFICER:	KIERAN TIMMINS	REPORT AUTHOR:	IAN CUMMINS
OFFICERS CONSULTED:	STRATEGIC MANAGEMENT GROUP		
TITLE OF REPORT:	ANNUAL YEAR-END INTERNAL AUDIT REPORT FOR 2014/15		

APPENDICES:	APPENDIX A: ANNUAL INTERNAL AUDIT REPORT 2014/15 – MERSEYSIDE FIRE & RESCUE AUTHORITY
	APPENDIX B: COMPLETED 2014/15 INTERNAL AUDIT REPORTS

Purpose of Report

1. To present to Members the Annual Year End Internal Audit report for 2014/15.

Recommendation

2. That Members note the contents of the reports attached at Appendix A and B.

Introduction and Background

3. Internal Audit is an independent appraisal function established by the management of an organisation for the review of the internal control system as a service to the organisation. It objectively examines, evaluates and reports on the adequacy of internal control as a contribution to the proper economic, efficient and effective use of resources (Source: Code of Practice for Internal Audit in Local Government).
4. The Authority has a statutory duty to ensure that it maintains an adequate and effective system of Internal Audit of its accounting records and control systems (Accounts and Audit Regulations 2011).
5. In order to fulfil these functions the Authority has carried out a competitive tendering exercise in 2004, 2008 and 2011 in which each of the five Merseyside District Councils and others, were invited to bid to provide Internal Audit services for the Authority. The contract was awarded to Liverpool City Council's Internal Audit Service on all occasions. Although the contract expired

on 31st March 2015, the Authority has agreed to continue to buy-in Internal Audit service's from the City Council for a further three years from April 2015.

6. Each year Internal Audit submit a plan for their work following consultation with the Deputy Chief Executive and other key officers. This plan is set based upon an assessment of risks, previous findings and the relationship with External Audit work. The 2014/15 plan was considered by the Audit Sub Committee on 29^h May, 2014 (CFO/056/14).
7. The Internal Audit outturn report for 2014/15 is attached as Appendix A. On the basis of the reviews undertaken Internal Audit have concluded that ***“it is our opinion that we can provide Substantial Assurance that the system of internal control in place at Merseyside Fire & Rescue Service for the year ended 31st March 2014 accords with proper practice. The 2014/15 fundamental systems audits have shown a substantial level of compliance and none of the audits have identified weaknesses that have required a corporate impact assessment of Major or Moderate. Based on the audit work carried out in 2014/15 we are not aware of any significant control weaknesses within the Service which impact on the Annual Governance Statement”***
8. Appendix A provides a brief overview of the key findings of each audit. Details of audit work and copies of the audit reports are reported on a regular basis to members via audit progress reports to the Audit Sub Committee.
9. During 2014/15 Internal Audit have completed ten reviews of major systems with a further four audits at the review or draft stage. All of the completed audit reviews found a high level of assurance in the current system of control and governance and that any potential corporate risk to the Authority was negligible.

Equality and Diversity Implications

10. There are no Equality or Diversity Implications contained within this report.

Staff Implications

11. There are no staff implications contained within this report.

Legal Implications

12. The Authority has a statutory duty to ensure that it maintains an adequate and effective system of Internal Audit of its accounting records and control systems. (Accounts and Audit Regulations 2011).

Financial Implications & Value for Money

13. The cost of the Internal Audit Service from Liverpool City Council in 2014/15 was £35,500. The Authority had made adequate budget provision in 2014/15 to pay for these audit services.

Risk Management, Health & Safety, and Environmental Implications

14. None contained within this report.

Contribution to Our Mission: *Safer Stronger Communities – Safe Effective Firefighters*

15. The Authority is committed to ensuring strong internal control processes are in place to ensure all information and services delivered are transparent and fair and all audit requirements are adhered to. The Authority continues to strive to maintain the highest level of standards and commitment to the community it serves.

BACKGROUND PAPERS

CFO/056/14 Annual Internal Audit Plan 2014/15” Audit Sub-Committee 29/05/14

Account & Audit Regulations 2011

Code of Practice for Internal Audit in Local Government, CIPFA 2003

GLOSSARY OF TERMS
