

<b>MERSEYSIDE FIRE AND RESCUE AUTHORITY</b>			
<b>MEETING OF THE:</b>	<b>AUDIT SUB-COMMITTEE</b>		
<b>DATE:</b>	<b>9 JUNE 2016</b>	<b>REPORT NO:</b>	<b>CFO/037/16</b>
<b>PRESENTING OFFICER</b>	<b>IAN CUMMINS, TREASURER</b>		
<b>RESPONSIBLE OFFICER:</b>	<b>IAN CUMMINS</b>	<b>REPORT AUTHOR:</b>	<b>IAN CUMMINS</b>
<b>OFFICERS CONSULTED:</b>	<b>SMG</b>		
<b>TITLE OF REPORT:</b>	<b>2016/17 INTERNAL AUDIT PLAN</b>		

<b>APPENDICES:</b>	<b>APPENDIX A: 2015/16 – 2017/18 AUDIT PLAN</b>
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### **Purpose of Report**

1. To notify Members of the proposed Internal Audit plan for 2016/2017 and to seek comments from Members on the plan.

### **Recommendation**

2. That Members;
  - a. consider any comments or opinions they might have on the proposed audit plan, and
  - b. approve the 2016/17 Internal Audit Plan

### **Introduction and Background**

3. Internal Audit – Definition;

*“Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation’s operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.”*

*(Source: Public Sector Internal Audit Standards).*

4. In order to fulfil its statutory functions the Authority has contracted with Liverpool City Council’s Internal Audit Service.
5. The Authority has utilised the services of the City Council’s Internal Audit Service since 1986 and agreed to continue with them for at least the next three years (report CFO/114/14 16<sup>th</sup> December 2014, Authority meeting).
6. Each year Internal Audit submit a work plan following consultation with the Strategic Management Group, Treasurer, Head of Finance and other key

officers. This plan is set based upon an assessment of risks, previous findings and the relationship with External Audit work. The two main strategic areas of work are:

- a. A review of fundamental financial systems and processes, and
  - b. Specific project reviews requested by the Service.
7. This Sub-Committee approved in report CFO/039/15 the 2015/16 internal audit plan that included the draft proposals for 2016/17 & 2017/18. The current updated plan is attached as Appendix A to this report and Members are asked to approve the 2016/17 plan. The 2016/17 plan includes two reviews deferred from 2015/16, ICT applications and Joint Working Devolution. The total audit days available has increased by 13 days to 125 as a consequence of the re-phasing of the 2015/16 work.
8. Arrangements have been set in place for monitoring progress against the plan on an ongoing basis and for closely managing any ad hoc work requirements during the year.

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#### **Equality and Diversity Implications**

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9. There are no Equality or Diversity implications contained within this report.

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#### **Staff Implications**

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10. There are no direct staffing implications contained within this report.

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#### **Legal Implications**

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11. 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 2015).

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#### **Financial Implications & Value for Money**

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12. The annual cost of the audit is £35,500 and is contained within the approved budget for audit services.

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#### **Risk Management, Health & Safety, and Environmental Implications**

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13. There are no Risk Management, Health & Safety, and Environmental Implications contained within this report.

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

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14. Internal Audit assists in the evaluation and enhancement of sound internal control arrangements that contribute towards ensuring the Authority's mission and approved policies and plans continue to drive decision making within the service.

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**BACKGROUND PAPERS**

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**CFO/039/15** "2015/16 INTERNAL AUDIT PLAN" Audit Sub-Committee 26<sup>th</sup> May, 2015.

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**GLOSSARY OF TERMS**

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