

MERSEYSIDE FIRE AND RESCUE AUTHORITY			
MEETING OF THE:	AUDIT COMMITTEE		
DATE:	06 JUNE 2024	REPORT NO:	CFO/31/24
PRESENTING OFFICER	DIRECTOR OF FINANCE AND PROCUREMENT, MIKE REA		
RESPONSIBLE OFFICER:	MIKE REA	REPORT AUTHOR:	MIKE REA
OFFICERS CONSULTED:	STRATEGIC LEADERSHIP TEAM		
TITLE OF REPORT:	2023/24 ANNUAL YEAR-END INTERNAL AUDIT REPORT		

APPENDICES:	APPENDIX A:	2023/2024 ANNUAL INTERNAL AUDIT REPORT
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Purpose of Report

1. To present to Members the Annual Year End Internal Audit report for 2023/24.

Recommendation

2. It is recommended that Members note the contents of the Internal Audit Report for 2023/2024.

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 2015).
5. In order to fulfil these functions, the Authority buy-in Internal Audit services from Liverpool City Council. Each year Internal Audit submit a plan for their work following consultation with the Director of Finance and Procurement, and other key officers. This plan is set based upon an assessment of risks, previous findings and the relationship with External Audit work. The 2023/24 plan was considered by the Audit Committee on 24 May 2023 (CFO/019/23).

6. The Annual Internal Audit report and opinion for 2023/24 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 MFRS accords with proper practice. This opinion is based on the individual assurance levels we have provided for each of the audit reviews undertaken during the year and includes consideration of the wider sources of assurance provided to the Authority..... Based on the audit work carried out in 2023/24 we are not aware of any significant control weaknesses, which impact on the Annual Governance Statement

7. During the year, Internal Audit have completed twelve audits, two of these are in draft and a further two are work in progress. No significant issues were identified in the course of the fundamental systems audits. The audit coverage during the year has provided sufficient evidence that controls in place to govern the core financial systems are sound and that they are substantially adhered to. No significant control weaknesses were identified and a strong control environment continues to be maintained. The vehicle fuel card audit identified that the service instruction could benefit from a review and a few minor additions to enhance clarity and the control environment.

Appendix A provides more details on the audit reviews. The tables below summarises the audit reviews and findings:

Audit Title	Control Environment	Compliance	Corporate Impact
General Ledger	Substantial	Substantial	Minor
Medium Term Financial Plan			
Debtors			
Treasury management			
Budgetary Control			
Creditors	Substantial	Good	Draft
Payroll	WIP	WIP	WIP

Audit Title	Control Environment	Compliance	Corporate Impact
Vehicle fuel cards	Substantial	Good	Minor
Foreign, Commonwealth & Development Office Grant Funding	Substantial	Substantial	Minor
Bullying, harassment, discrimination processes	Draft	Draft	Draft
Enforcement powers	Draft	Draft	Draft
Flexi Duty Provided Vehicles	WIP	WIP	WIP

8. Copies of any audit report can be made available to any Member of the Committee should they wish to review the contents and recommendations in greater detail.

Equality and Diversity Implications

9. There are no equality or diversity implications arising from this report.

Staff Implications

10. There are no staff implications arising from this report.

Legal Implications

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 s.5(1)).

Financial Implications & Value for Money

12. The cost of the Internal Audit Service from Liverpool City Council in 2023/24 was £40,500. The Authority had made adequate budget provision in 2023/24 to pay for these audit services.

Risk Management and Health & Safety Implications

13. There are no risk management and health & safety implications arising from the report.

Environmental Implications

14. There are no environmental implications arising from this report.

Contribution to Our Vision: To be the best Fire & Rescue Service in the UK.

Our Purpose: Here to serve, Here to protect, Here to keep you safe.

15. The Authority is committed to ensuring strong internal control processes are in place to ensure that all information and services delivered are transparent and fair and all audit requirements are adhered to.

BACKGROUND PAPERS

CFO/019/23 2023/24 Internal Audit Plan, Audit Committee 24th May 2023.

Accounts & Audit (England) Regulations 2015

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

GLOSSARY OF TERMS

CIPFA Chartered Institute of **P**ublic **F**inance and **A**ccountancy

AUTHORITY Merseyside Fire & Rescue Authority

PSIAS Public **S**ervice Internal **A**udit **S**tandards