

MERSEYSIDE FIRE AND RESCUE AUTHORITY			
MEETING OF THE:	AUDIT COMMITTEE		
DATE:	26 JUNE 2025	REPORT NO:	DFP/06/2526
PRESENTING OFFICER	DIRECTOR OF FINANCE AND PROCUREMENT, MIKE REA		
RESPONSIBLE OFFICER:	DIRECTOR OF FINANCE AND PROCUREMENT, MIKE REA	REPORT AUTHOR:	DIRECTOR OF FINANCE AND PROCUREMENT, MIKE REA
OFFICERS CONSULTED:	STRATEGIC LEADERSHIP TEAM		
TITLE OF REPORT:	2024/25 ANNUAL YEAR-END INTERNAL AUDIT REPORT AND OPINION		

APPENDICES:	APPENDIX A: 2024/2025 ANNUAL INTERNAL AUDIT REPORT AND OPINION
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Purpose of Report

1. To present to Members the Annual Internal Audit Report and Opinion for 2024/25.

Recommendation

2. It is recommended that Members note the contents of the Internal Audit report for 2024/2025.

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 2024/25 plan was considered by the Audit Committee on 6 June, 2024 (CFO/32/24).

6. The Annual Internal Audit report and opinion for 2024/25 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 2024/25 we are not aware of any significant control weaknesses, which impact on the Annual Governance Statement.

7. During the year Internal Audit have completed nine audits. 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.

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

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

Audit Title	Control Environment	Compliance	Corporate Impact
Expenses	Good	Good	Minor
Procurement Governance and Compliance	Good	Good	Minor

8. An advisory review of the arrangements to recover costs for training courses and use of the training facilities at the Training and Development Academy by external organisations was completed. Advice was given on what costs to include and how the costing schedule should be laid out. Further work on this will be completed in 2025/26.

9. 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

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 2015 s.5(1)).

Financial Implications & Value for Money

13. The cost of the Internal Audit Service from Liverpool City Council in 2024/25 was £40,375. The Authority had made adequate budget provision in 2024/25 to pay for these audit services.

Risk Management and Health & Safety Implications

14. There are no risk management and health & safety implications contained within the report.

Environmental Implications

15. There are no environmental implications contained within 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.

16. 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.

BACKGROUND PAPERS

CFO/32/24 2024/25 Internal Audit Plan, Audit Committee 6th June 2024.

Accounts & Audit (England) Regulations 2015

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

GLOSSARY OF TERMS

CAATS	Computer Assisted Audit Techniques
CAE	Chief Audit Executive
CIPFA	Chartered Institute of Public Finance and Accountancy
CSO'S	Contract Standing Orders
EQA	External Quality Assessment
GIAS	Global Internal Audit Standards
HMICFRS	His Majesty's Inspectorate of Constabulary and Fire & Rescue Services
LCC	Liverpool City Council
MFRA	Merseyside Fire & Rescue Authority
MFRS	Merseyside Fire & Rescue Service
PSIAS	Public Service Internal Audit Standards
QAIP	Quality Assurance & Improvement Programme