

Merseyside Fire & Rescue Service Internal Audit Progress Report

Internal Audit Service

January 2026



Contents

1	Introduction	2
2	Internal Audit Plan.....	2
3	Internal Audit Activity.....	3
4	Internal Audit Performance	4
	Appendix 1: Summary of Planned Work.....	5
	Appendix 2: Recommendation Age Analysis.....	7
	Appendix 3: Assurance and Ratings Definitions.....	8

The matters raised in this report are the ones that came to our attention during our internal audit work. While every care has been taken to make sure the information is as accurate as possible, internal audit has only been able to base these findings on the information and documentation provided. Consequently, no complete guarantee can be given that this report is necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be needed. This report was produced solely for the use and benefit of Mersey Fire and Rescue Service. Liverpool City Council accepts no responsibility and disclaims all liability to any third party who purports to use or rely for any reason whatsoever on the report, its contents, conclusions, any extract, reinterpretation, amendment and/or modification.

1 Introduction

The Accounts and Audit Regulations require relevant authorities to undertake an effective internal audit to evaluate the effectiveness of their risk management, control and governance processes, considering the internal audit standards.

This progress report forms part of the framework of assurances that is received by the Audit Committee and is used to help inform Internal Audit's Annual Opinion, the Annual Governance Statement and to assist the Audit Committee in discharging its remit to consider reports on Internal Audit's performance during the year.

Internal audit's professional responsibilities as internal auditors were set out within Public Sector Internal Audit Standards (PSIAS). With effect from 1 April 2025, the new standards are the Global Internal Audit Standards (GIAS) in the UK Public Sector (PS).

2 Internal Audit Plan

The [2025/26 Internal Audit Plan](#) was approved by the Audit Committee in June 2025.

2.1 Audit Plan Flexibility

Internal Audit has an important role in providing critical assurance and helping to advise senior management and the Audit Committee on a changing governance, risk and control landscape.

To comply with the standards and to respond to the changing landscape, Internal Audit needs to be able to adapt and be proactive, prepared, and informed as to regulatory and Government announcements that could affect the Merseyside Fire & Rescue Service's (MFRS) business.

As such, the Internal Audit Plan is a flexible document which will be reviewed and amended throughout the year to ensure its content reflects new and emerging risks and priorities.

2.2 Audit Plan Amendments

No amendments have been made to the plan during the reporting period.

2.3 Audit Plan Progress

The table below provides an update in relation to the position with 2025/26 work:

Table 1: 2025/26 Internal Audit Plan Progress

Planned	Completed	Draft / In Review	Ongoing	Scoping
12	3	1	2	6

3 Internal Audit Activity

3.1 Internal Audit Period

This progress report covers all activity undertaken by Internal Audit for the period 1 June 2025 to 31 January 2026.

3.2 Internal Audit Outcomes

3.2.1 Internal Audit Reviews

Based on the work completed during the period, the main points can be summarised as follows:

- Three internal audit reports were finalised
- No reports had reduced assurance
- No recommendations were made

The audit findings of each review, together with recommendations for action and the management response are set out in our detailed reports. A summary of the reports issued during the period is detailed at **Appendix 1**, plus a summary of ongoing work.

3.2.2 Follow Up

Internal Audit follow up on progress made by services with the implementation of recommendations.

During the reporting period 22 recommendations have been marked as closed.

An age analysis of recommendations is detailed at **Appendix 2**.

The Internal Audit team have not completed any detailed follow up work during the reporting period.

4 Internal Audit Performance

Compliance with Standards

Internal Audit employ a risk-based approach in planning and conducting audit assignments, in accordance with the standards

Conflicts of Interest

There have been no instances during the period which have impacted on Internal Audit's independence

Internal Audit Quality Assurance

To ensure the quality of the work performed, Internal Audit have a programme of quality measures which includes:

- Supervision of staff conducting audit work.
- Review of files of working papers and reports by managers.
- Regular networking with professional / technical bodies and peers

Appendix 1: Summary of Planned Work

Work Completed

The following table provides a summary of the planned work completed in the reporting period

Audit	Summary Findings	Opinion	Recommendations		
			E/S	H	M
Medium Term Financial Plan (MTFP)	Controls tested were found to be operating effectively. The MTFP was approved by members, forecasts and assumptions underpinning the plan are accurate and it supports the delivery of key aims and priorities. The plan is monitored and updated when required and there was an appropriate level of reserves.	Substantial	-	-	-
Foreign, Commonwealth & Development Office Grant	This audit related to the use of the UK Emergency Deployments Team 2 grant funding during 2024/25 provided to MFRS by the Foreign, Commonwealth & Development Office. We reviewed the financial records, documentation, compliance with MFRS Contract Standing Orders and ensured that expenditure was in accordance with the Accountable Grant Arrangement. No issues were identified. Robust processes are in place to ensure compliance with the requirements as set out by the Foreign, Commonwealth & Development Office.	Substantial	-	-	-
International Search and Rescue (ISAR) Cash Management	There are comprehensive procedures for managing UK ISAR cash, which are readily available to relevant officers. These include appropriate arrangements for secure storage of the cash, for signing cash in and out and for documenting amounts signed in/out, and for recording expenditure when cash is withdrawn. Regular reconciliations are performed, including independent reconciliations completed by the Finance team.	Substantial	-	-	-

Work in Progress

The following table provides an update on work to be completed

Drafting	Ongoing	Scoping
<ul style="list-style-type: none"> • Stores 	<ul style="list-style-type: none"> • Budgetary Control • Business Continuity 	<ul style="list-style-type: none"> • Training and Development Academy • Payroll • Creditors • Treasury Management • Debtors • General Ledger

Appendix 2: Recommendation Age Analysis

The following table shows the change in the age analysis of outstanding recommendations during the reporting period

Priority	June 2025					January 2026				
	Not due	<6m	6-12m	>12m	Total	Not due	<6m	6-12m	>12m	Total
Essential / Strategic				3	3					0
High	2	6	4	3	15			3	1	4
Medium	2	2		4	8					0
Total	4	8	4	10	26	0	0	3	1	4

Appendix 3: Assurance and Ratings Definitions

Overall Assurance Opinion	Definition
Substantial	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the areas audited.
Reasonable	There is generally a sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
Limited	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
No	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.

Overall Assurance Opinion	Definition
Essential / Strategic	Absence or failure of fundamental control where there is no compensating control, failure or absence of a control which would probably result in a direct risk of serious injury to staff, customers or third parties, any illegal operation, any failure to comply with regulatory requirements, any national reputation impact
High	A weakness in fundamental control, absence or failure of key controls e.g. orders not authorised, no review of bank reconciliation, failure or absence of a control which would possibly result in a direct risk of serious injury to staff, customers or third parties, widespread non-compliance with policy, absence of procedure notes, absence of clear organisation policy, any local reputation impact
Medium	General weakening of the control environment, failure or absence of a control which would possibly result in an indirect risk of serious injury, localised failure of a control which would possibly result in a direct risk of serious injury to staff, customers or third parties, localised non-compliance with policy, procedure notes not updated, other actions which will improve operational efficiency