

<b>MERSEYSIDE FIRE AND RESCUE AUTHORITY</b>			
<b>MEETING OF THE:</b>	<b>AUDIT COMMITTEE</b>		
<b>DATE:</b>	<b>30 JUNE 2026</b>	<b>REPORT NO:</b>	<b>DFP/04/2627</b>
<b>PRESENTING OFFICER</b>	<b>DIRECTOR OF FINANCE AND PROCUREMENT, MIKE REA</b>		
<b>RESPONSIBLE OFFICER:</b>	<b>DIRECTOR OF FINANCE AND PROCUREMENT, MIKE REA</b>	<b>REPORT AUTHOR:</b>	<b>DIRECTOR OF FINANCE AND PROCUREMENT, MIKE REA</b>
<b>OFFICERS CONSULTED:</b>	<b>STRATEGIC LEADERSHIP TEAM (SLT), HEAD OF INTERNAL AUDIT, CAROL MCDONNELL</b>		
<b>TITLE OF REPORT:</b>	<b>2025/26 ANNUAL YEAR-END INTERNAL AUDIT REPORT AND CONCLUSION</b>		

<b>APPENDICES:</b>	<b>APPENDIX A: 2025/26 ANNUAL INTERNAL AUDIT REPORT AND CONCLUSION</b>
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### **Purpose of Report**

1. To present to Members the Annual Internal Audit Report and Conclusion for 2025/26.

### **Recommendation**

2. It is recommended that Members note the contents of the 2025/26 Annual Internal Audit Report and Conclusion.

### **Introduction and Background**

3. Internal Audit provides independent and objective assurance on the adequacy and effectiveness of the Authority's internal control environment.
4. The Authority is required, under the Accounts and Audit Regulations 2015, to maintain an adequate and effective system of Internal Audit.
5. This requirement is delivered through a service arrangement with Liverpool City Council's Internal Audit Service. The 2025/26 Internal Audit Plan was approved by the Audit Committee on 26 June 2025 (DFP/07/2526) and was developed based on risk assessment and previous audit findings.
6. The Annual Internal Audit Report and Conclusion for 2025/26 is attached as Appendix A. The Chief Audit Executive overall conclusion based on the work completed in 2025/26:

*Is that MFRS has a generally sound system of governance, risk management and internal control, which is operating effectively in most areas and supports the achievement of the Authority's objectives.*

*Therefore, based on the Internal Audit work undertaken in compliance with Global Internal Audit Standards in the UK Public Sector in 2025/26, we can provide Substantial assurance, with improvement required in control consistency and operational application.*

7. During the year, Internal Audit have completed eight 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 summarises the audit reviews and findings:

<b>Audit Title</b>	<b>Audit Opinion</b>
Medium Term Financial Plan	Substantial
General Ledger	Substantial
Treasury Management	Substantial
Budgetary Control	Substantial
Accounts Receivable	Ongoing
Accounts Payable	Ongoing
Payroll	Ongoing

<b>Audit Title</b>	<b>Audit Opinion</b>
Business Continuity - Review the Authority's business continuity arrangements	Reasonable
Training and Development Academy – Review procedures for recovering costs	Ongoing
Stores - Review Stock Inventory Management Process	Reasonable
Foreign, Commonwealth & Development Office – Grant Funding Assurance	Substantial
ISAR Cash Management – Review cash management process	Substantial

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 contained within this report.

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**Staff Implications**

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10. There are no staff 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 s.5(1)).

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**Financial Implications & Value for Money**

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12. The estimated cost of the Internal Audit Service from Liverpool City Council in 2025/26 is £45,125. The Authority had made adequate budget provision in 2025/26 to pay for these audit services.

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**Risk Management and Health & Safety Implications**

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

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**Environmental Implications**

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14. There are no environmental implications contained within this report.

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

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

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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.

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**BACKGROUND PAPERS**

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**DFP/07/25/26** 2025/26 Internal Audit Plan, Audit Committee 26<sup>th</sup> June 2025.

Accounts & Audit (England) Regulations 2015

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

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**GLOSSARY OF TERMS**

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**CAATS** Computer **A**ssisted **A**udit **T**echniques

**CAE** Chief **A**udit **E**xecutive

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

<b>CSO'S</b>	<b>Contract Standing Orders</b>
<b>EQA</b>	<b>External Quality Assessment</b>
<b>GIAS</b>	<b>Global Internal Audit Standards</b>
<b>HMICFRS</b>	<b>His Majesty's Inspectorate of Constabulary and Fire &amp; Rescue Services</b>
<b>LCC</b>	<b>Liverpool City Council</b>
<b>MFRA</b>	<b>Merseyside Fire &amp; Rescue Authority</b>
<b>MFRS</b>	<b>Merseyside Fire &amp; Rescue Service</b>
<b>PSIAS</b>	<b>Public Service Internal Audit Standards</b>
<b>QAIP</b>	<b>Quality Assurance &amp; Improvement Programme</b>