

MERSEYSIDE FIRE AND RESCUE AUTHORITY			
MEETING OF THE:	AUDIT COMMITTEE		
DATE:	14 FEBRUARY 2019	REPORT NO:	CFO/005/19
PRESENTING OFFICER	DIRECTOR OF FINANCE		
RESPONSIBLE OFFICER:	IAN CUMMINS	REPORT AUTHOR:	IAN CUMMINS
OFFICERS CONSULTED:	STRATEGIC LEADERSHIP GROUP		
TITLE OF REPORT:	INTERNAL AUDIT PROGRESS REPORT – APRIL TO DECEMBER 2018		
APPENDICES:	APPENDIX A:	INTERNAL AUDIT PROGRESS REPORT – APRIL TO DECEMBER	

Purpose of Report

1. To inform Members of the work of Internal Audit for the period April to December 2018.

Recommendation

2. That Members note the contents of this report

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. 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). In order to fulfil these 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. Each year Internal Audit submit a plan for their work following consultation with the Director of Finance, Strategic Leadership

Team (SLT) and other key officers. This plan is set based upon an assessment of risks, previous findings and the relationship with External Audit work. Members of the Audit and Scrutiny Committee approved the 2018/19 plan at their meeting on 7th June 2018, CFO/026/18.

6. The audit plan is flexible and will be regularly reviewed to ensure it can respond to emerging risks. The 2018/19 plan's allocation of audit resources is summarised as follows:

Proposed work	2018-19 Audit days
Fundamental systems	40
Strategic Reviews / Client directed / Ad hoc reviews	45
Contingency	14
Follow up reviews	5
Audit management	8
Total audit days	112

7. 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.
8. This progress report covers the period from April to December 2018. The Internal Audit Progress report is attached to this report as Appendix A. In summary most of the planned audit work has yet to be undertaken. Work on the fundamental systems is carried out at the end of the financial year to fit in with the reliance external audit can place on the key financial systems. The timing of the strategic reviews reflects the point in the year when these initiatives will have progressed sufficiently to allow audit to examine what has been achieved to date.
9. Members of the Audit Committee will receive a report after the year-end on actual performance against the audit plan.

Equality and Diversity Implications

10. None contained within this report.

Staff Implications

11. None 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).

Financial Implications & Value for Money

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

Risk Management, Health & Safety, and Environmental Implications

14. None contained within this report.

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

15. 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.

BACKGROUND PAPERS

CFO/026/18 "2018/19 Internal Audit Plan" Audit and Scrutiny Committee 7th June 2018.

GLOSSARY OF TERMS
