



**Wednesday,
25 January 2023
10.00 am**

**Meeting of
Audit Committee
Clemonds Hey,
Winsford
CW7 2UA**

Contact Officer:
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Democratic Services

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Cheshire Fire Authority

Notes for Members of the Public

Attendance at Meetings

The Cheshire Fire Authority welcomes and encourages members of the public to be at its meetings and Committees. You are requested to remain quiet whilst the meeting is taking place and to enter and leave the meeting room as quickly and quietly as possible.

All meetings of the Authority are held at the Training Centre, Sadler Road, Winsford. If you plan to attend please report first to the Reception Desk where you will be asked to sign in and will be given a visitors pass. You should return your pass to the Reception Desk when you leave the building. There are some car parking spaces available on site for visitors at the front of the building. Please do not park in spaces reserved for Fire Service personnel.

If you feel there might be particular problems with access to the building or car parking please contact the Reception Desk at Sadler Road Winsford Tel (01606) 868700.

Access to Information

Copies of the Agenda will be available at the meeting. A copy can also be obtained from the contact officer named on the front of the Agenda. Alternatively, the Agenda and individual reports are available on the Authority's website (www.cheshirefire.gov.uk)

The Agenda is usually divided into two parts. Most business is dealt with in the first part which is open to the public. On some occasions some business may need to be considered in the second part of the agenda, in private session. There are limited reasons which allow this to take place, e.g. as confidential information is being considered about an individual, or commercial information is being discussed.

This agenda is available in large print, Braille, audio CD or in community languages upon request by contacting; Telephone: 01606868414 or email: equalities@cheshirefire.gov.uk

Recording of Meetings

The Authority audio records its meetings. Please contact Democratic Services for a copy of the recording via DemocraticServices@cheshirefire.gov.uk. The recordings are not kept indefinitely.

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MEETING OF THE AUDIT COMMITTEE

WEDNESDAY, 25 JANUARY 2023

Time : 10.00 am

Fire Conference Room - Fire Service HQ, Clemonds Hey, Winsford, Cheshire, CW7 2UA

AGENDA

Part 1 - Business to be discussed in public

1a Recording of Meeting

Members are reminded that this meeting will be audio-recorded.

1b Apologies for Absence

1c Declarations of Members' Interests

Members are reminded to disclose any interests that are relevant to any item on the Agenda.

1d Minutes of the Audit Committee

To confirm as a correct record the Minutes of the meeting of the Audit Committee held on Wednesday 16th November 2022.

(Pages 5 - 8)

1e Appointment of External Auditor

To note:

Members may recall that the Authority opted into the national auditor appointment arrangements run by Public Sector Audit Appointments (PSSA).

PSAA has now concluded the process to secure an external auditor for the Authority and confirmed the decision earlier this month. Mazars LLP will be the Authority's external auditor from 2023-24 to 2027-28 (5 years).

Grant Thornton will complete the audit of the accounts for 2022-23 with Mazars taking over after that.

ITEMS REQUIRING DISCUSSION / DECISION

2 Internal Audit - Progress Report Quarter 3 2022-23

(Pages 9 - 16)

3 Internal Audit Report - Financial Controls Review

(Pages 17 - 28)

Date of next meeting: Wednesday 19th April 2023

Items on forward plan:

- Internal Audit Annual Report 2022-23
- Head of Internal Audit Opinion 2022-23
- Internal Audit Annual Plan 2023-24
- External Audit Annual Plan 2023-24



MINUTES OF THE MEETING OF THE AUDIT COMMITTEE held on Wednesday, 16 November 2022 at Lecture Theatre - Training Centre, Sadler Road, Winsford, Cheshire CW7 2FQ at 10.30 am

PRESENT: Councillors Nick Mannion (Chair), Rachel Bailey, Brian Gallagher and Independent Audit Committee Member Suzanne Horrill

1 INTRODUCTIONS AND APOLOGIES

The Chair welcomed attendees to the meeting and introductions were made. It was noted that apologies were received from Councillor James Nicholas. Paul Vaughan, Treasurer was also unable to attend.

2 PURPOSE OF THE COMMITTEE

The Chair lead the discussion on the purpose of the Audit Committee. He highlighted the responsibilities of the Committee that were agreed by the Governance and Constitution Committee which was attached to the agenda pack.

The Committee discussed adding responsibility for risk management to the Committee. It was agreed that the Chartered Institute of Public Finance Accounting guidance would be brought to the meeting to discuss responsibilities further. Officers would consider the responsibilities of the current Committee arrangements and report back to the Governance and Constitution Committee with recommendations for proposals/options.

RESOLVED: That

[1] the Committee consider the guidance issued by Chartered Institute of Public Finance Accounting at its next meetings; and

[2] officers submit a report reviewing the responsibilities of existing Committee arrangements and provide proposals/option to the Governance and Constitution Committee at its next meeting.

3 INTERNAL AUDIT - ROLE, ANNUAL PLAN AND UPDATE

The Internal Auditor introduced the item which enabled the Committee to discuss the role of internal audit, the Internal Audit Charter and the Service's Internal Audit Plan.

A Member requested that further training be provided to Members to allow them to gain a deeper understanding of internal audit and the governance arrangements for this function within the Service. Officers were asked to arrange a training session to be delivered by the internal auditor.

RESOLVED: That

[1] the internal auditor to liaise with officers to provide specific internal audit training for Members of the Audit Committee.

4 EXTERNAL AUDIT - ROLE, ANNUAL PLAN AND UPDATE

The External Auditor introduced the item which enabled Members to discuss the role of external audit, the Service's external audit plan and the Audit Findings Report. She explained the various statutory requirements that applied to the Service, and the recommendations made within the Audit Findings Report.

The External Auditor confirmed that the external audit opinion would be provided once the accounts were signed off by the Service.

A Member queried the recommendation contained within the Audit Findings Report for buildings to be remeasured. The External Auditor explained that this was standard practice for the sector and the Service had plans to remeasure buildings on a 5-year rolling basis which aligned with the fire station modernisation programme.

The Independent Audit Committee Member raised concerns about the delays with the work of the property valuer. The External Auditor advised that this was due to the property valuer having reduced capacity and it was suggested that the timeframes for work completion could be reviewed next year.

5 FUTURE WORK PROGRAMME OF THE COMMITTEE

The Director of Governance introduced the item which allowed the Committee to consider the future work programme.

The External Auditor advised that the current dates included in the work programme did not align adequately with external audit timescales. It was agreed that officers would liaise with the External Auditor to find a suitable programme and inform the Committee of any changes to meeting dates.

RESOLVED: That

[1] officers and the auditors amend the work programme and committee meeting dates to better align with reporting requirements.

6 TRAINING AND DEVELOPMENT FOR COMMITTEE MEMBERS

The Director of Governance introduced the item which was intended to enable the Committee to consider training and development requirements to assist Members with their role.

A Member raised concerns that the local elections in May could impact the membership of the Audit Committee. A mechanism was needed to ensure adequate training was provided to new members. Ideally, Members of the Audit Committee needed continue to sit on the Committee for the duration of their tenure on the Fire Authority.

7 INTERNAL AUDIT REPORT - BUSINESS CONTINUITY PLANNING REVIEW

The Internal Auditor introduced the report on Business Continuity Planning for consideration of the Committee. She explained that the review into business continuity planning formed part of the Annual Internal Audit Plan for 2022-23. The overall internal audit opinion for the review provided substantial assurance.

The Independent Audit Committee Member expressed concern with the timeframe associated with recommendations rated as a medium risk. The Internal Auditor explained the timeframes noted in the report were in line with the management processes of the Joint Corporate Services and were appropriate considering other operational pressures.

RESOLVED: That

[1] the Internal Audit Report – Business Continuity Planning Review be noted.

8 INTERNAL AUDIT - PROGRESS REPORT QUARTER 2 2022-23

The Internal Auditor introduced the report which enabled the Committee to consider the progress for quarter two against the Annual Internal Audit Plan for 2022-23.

She advised that there had been requests to defer the Blue Light Collaboration review and the Microsoft 365 project delivery review. She expressed concern with the deferral requests as this meant that there was a risk that insufficient audit work would be completed in time to provide an internal audit opinion. The Committee noted the need to resolve this situation as a matter of urgency and agreed that officers should liaise with internal audit to determine whether the reviews planned could go ahead or whether new areas were needed. This would need to be determined quickly.

RESOLVED: That

[1] the Internal Audit Progress Report Quarter 2 2022-23 be noted; and

[2] officers liaise with internal audit colleagues to determine the way forward with delivery of the rest of the programme of audits to be completed during 2022-23 to inform the internal audit opinion.

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Internal Audit Progress Report Audit Committee (January 2023)

Cheshire Fire and Rescue Service

Contents

1 Introduction

2 Key Messages for Performance and Overview Committee Attention

Appendix A: Contract Performance

Appendix B: Performance Indicators

Your Team

Name	Role	Contact Details
Anne-marie Harrop	Engagement Lead	Anne-marie.harrop@miaa.nhs.uk 07920 150313

Limitations

The matters raised in this report are only those which came to our attention during our internal audit work and are not necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required. Whilst every care has been taken to ensure that the information in this report is as accurate as possible, based on the information provided and documentation reviewed, no complete guarantee or warranty can be given with regards to the advice and information contained herein. Our work does not provide absolute assurance that material errors, loss or fraud do not exist.

Responsibility for a sound system of internal controls and the prevention and detection of fraud and other irregularities rests with management and work performed by internal audit should not be relied upon to identify all strengths and weaknesses in internal controls, nor relied upon to identify all circumstances of fraud or irregularity. Effective and timely implementation of our recommendations by management is important for the maintenance of a reliable internal control system.

Reports prepared by MIAA are prepared for your sole use and no responsibility is taken by MIAA or the auditors to any director or officer in their individual capacity. No responsibility to any third party is accepted as the report has not been prepared for, and is not intended for,

any other purpose and a person who is not a party to the agreement for the provision of Internal Audit and shall not have any rights under the Contracts (Rights of Third Parties) Act 1999.

Public Sector Internal Audit Standards

Our work was completed in accordance with Public Sector Internal Audit Standards.

1 Introduction

This report provides an update to the Audit Committee in respect of the progress made against the Internal Audit Plan for 2022/23 and brings to your attention matters relevant to your responsibilities as members of the Committee.

This progress report provides a summary of Internal Audit activity and complies with the requirements of the Public Sector Internal Audit Standards.

Comprehensive reports detailing findings, recommendations and agreed actions are provided to the organisation, and are available to Committee Members on request. In addition, a consolidated follow up position is reported on a periodic basis to the Audit Committee.

This progress report covers the period October 2022 to December 2022.

2 Key Messages for Audit Committee Attention

Since the last meeting of the Committee, there has been focus on the following areas:

2021/22 Audit Reviews	<p>The following report has been finalised:</p> <ul style="list-style-type: none"> • Key Financial Controls & Reserves review. <p>The following reviews are in progress:</p> <ul style="list-style-type: none"> • Station Management Framework – Fieldwork Commences 23/1/23 • Microsoft 365 (M365) Project Rollout – Fieldwork Commences 17/1/23
Follow Up	<p>An update on progress in taking forward prior year audit recommendations was provided to the committee in June 2022.</p>
Audit Plan Changes	<p>After the last Audit Committee meeting discussion we agreed the following :</p> <ul style="list-style-type: none"> • Blue Light Collaboration – We agreed to a change to the audit plan and this review has now been replaced by a Station Management Framework audit across 4 sites. • Microsoft 365 delivery – This review has now been agreed.
Insights	<p>Audit Committee Chairs Webinars</p>

We are continuing to hold webinars with groups of NHS / Client Audit Committee Chairs focusing upon governance challenges and other key issues.

Collaborative Masterclass Events

- [Leading for Social Justice and Health Equality \(2nd February 2023\)](#)

Events are free for MIAA clients to book a place visit our website www.miaa.nhs.uk and click on events.

Appendix A: Contract Performance

The Public Sector Internal Audit Standards (PSIAS) state that ‘The chief audit executive must deliver an annual internal audit opinion and report that can be used by the organisation to inform its governance statement.’

Audit Plan 2022/23

HOIA Opinion Area	Status	Assurance Level
Core/ Mandated Assurances		
Key Financial Controls (including Reserves)	Complete	High
Risk Based Assurances		
Risk Management Board	Q 1 - 4	N/A
Business Continuity	Complete	Significant
Station Management Framework	In progress	
Microsoft 365 Delivery	In progress	
Follow Up		
Qtr 1	Complete	N/A
Qtr 4	Q4	N/A

Appendix B: Performance Indicators

The primary measure of your internal auditor’s performance is the outputs deriving from work undertaken. The following provides performance indicator information to support the Committee in assessing the performance of Internal Audit.

Element	Reporting Regularity	Status	Summary
Delivery of the Head of Internal Audit Opinion (Progress against Plan)	Each Audit Committee	Green	There is ongoing engagement and communications regarding delivery of key reviews to support the Head of Internal Audit Opinion.
Issue a Client Satisfaction Questionnaire following completion of every audit.	Every Report	Green	No issues reported
Percentage of recommendations which are implemented	Twice per year	Green	Follow up reports are provided twice per year.
Qualified Staff	Annual	Green	MIAA have a highly qualified and diverse workforce which includes 75% qualified staff. The Senior Team delivering the Internal Audit Service are CCAB/IIA qualified.
Quality	Annual	Green	MIAA operate systems to ISO Quality Standards. The External Quality Assessment, undertaken by CIPFA, provides assurance of MIAA’s compliance with the Public Sector Internal Audit Standards. MIAA conforms with the Public Sector Internal Audit Code of Ethics.

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Key Financial Controls Review (including Reserves)

Assignment Report 2022/23 (Final)

Cheshire Fire and Rescue

Report Ref: 302CFRS_2223_003

Date of Issue: 19 December 2022

Contents

- 1 Executive Summary
- 2 Engagement Objectives and Scope

[Appendix A: Assurance Definitions and Risk Classifications](#)

Public Sector Internal Audit Standards

Our work was completed in accordance with Public Sector Internal Audit Standards and conforms with the International Standards for the Professional Practice of Internal Auditing.

Key Dates

Report Stage	Date
Discussion Document Issued	19/12/2022
Discussion Meeting	19/12/2022
Final Draft Report Issued	19/12/2022
Client Approval Received	19/12/2022
Final Report Issued	19/12/2022

Report Distribution

Name	Title
Alex Waller	Chief Fire Officer
Paul Vaughan	Treasurer
Wendy Bebbington	Head of Finance - Cheshire Constabulary and Cheshire Fire and Rescue Service
Andrew Leadbetter	Director of Governance and Commissioning
Louise Willis	Performance, Planning and Risk Manager

Audit Team

Name	Contact Details	
Ann Ellis	Ann.Ellis@miaa.nhs.uk	07469378328
Anne-marie Harrop	Anne-marie.Harrop@miaa.nhs.uk	07920150313

Acknowledgement and Further Information

MIAA would like to thank all staff for their co-operation and assistance in completing this review. This report has been prepared as commissioned by the organisation, and is for your sole use. If you have any queries regarding this review please contact the Audit Manager. To discuss any other issues then please contact the Director. MIAA would be grateful if you could complete a short survey using the link below to provide us with valuable feedback to support us in continuing to provide the best service to you.

https://www.surveymonkey.com/r/MIAA_Client_Feedback_Survey

1 Executive Summary

1.1 Objective

As part of the Internal Audit Plan for 2022/23, the Fire Authority have approved a review of the combined financial systems.

This audit focuses on the key controls within financial systems and involves review of the most significant controls within: General Ledger, Accounts Payable, Accounts Receivable, Treasury Management, and Budgetary Control. This review also included an evaluation of the management, use and control of Reserves.

1.2 Opinion

High Assurance	There is a strong system of internal control which has been effectively designed to meet the system objectives, and that controls are consistently applied in all areas reviewed.
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1.3 Key Findings

Overall, our review identified that controls were effectively designed and operating effectively on a consistent basis.

The following provides a summary of the key themes.

Sub Objective	Key Themes
General Ledger	<p>Areas of good practice:</p> <ul style="list-style-type: none"> Balance sheet control account reconciliation are completed on a monthly basis. Completion of each reconciliation is recorded on an annual tracker that is maintained by the Finance team, demonstrating when each reconciliation was completed and signed off. This clearly shows the status of each control account reconciliation. Audit testing of a sample of control account reconciliations (payroll, sales ledger and purchase ledger) for July, August and September 2022 identified that adequate segregation of duties was in place between the preparer and approver. All accounts reviewed were adequately reconciled to the general ledger and trial balance. All reconciliations were completed in a timely manner. Audit testing of a sample of 20 journals between July – September 2022 identified that in all instances, adequate segregation of duties was in place between the person preparing and approving the journal.

Sub Objective	Key Themes
	<ul style="list-style-type: none"> Audit review identified some instances whereby journals were approved after they were posted. However, this issue has been raised previously by MIAA and the Fire Service do not accept this is a risk having confirmed that sufficient compensating controls are in place as only Finance staff have the ability to post journals.
Accounts Payable	<p>Areas of good practice:</p> <ul style="list-style-type: none"> Our review confirmed that approval limits are built into the finance system Agresso. A review of the approval limits (from a report generated from the system dated 28th October 2022) confirmed that they were in line with budget responsibilities included within the Financial Regulations (these were subject to review and approval by the Cheshire Fire Authority in December 2022). The Financial Regulations do not detail any specific approval limits for each role, therefore we were unable to test this. Audit testing of a sample of 10 purchase orders (PO) confirmed that there was adequate segregation of duties between the person requesting and authorising a purchase order. All orders reviewed were approved appropriately by a member of management. MIAA review of the invoice payment process highlighted payments are processed online through BACS. A payment report is run and checked by 2 senior members of Finance staff, prior to payment processing. A clear audit trail to support the payment run is retained. MIAA testing highlighted that amendment to supplier details is controlled through the Finance team, on request from suppliers. A log is maintained to evidence all changes and updates to details made. A procedure to support the process is also in place. It was noted that there have been no amendments made since April 2022.
Accounts Receivable	<p>Areas of good practice:</p> <ul style="list-style-type: none"> Evidence was in place to demonstrate that the Fire Service actively chase outstanding debt. Audit review of a sample of aged debtors over 3 months found that there was adequate evidence to demonstrate follow-up to recover. Our testing on a sample of debtor invoices confirmed there is sufficient back up for the debt in terms of a valid Purchase

Sub Objective	Key Themes
	<p>Order and supporting backing information. Appropriate segregation of duties was also in place.</p> <ul style="list-style-type: none"> • Testing of the 2 credit notes raised by the Fire Service since April 2022 identified that the reasons had been clearly stated which related to a pension fund interest recalculation. We confirmed that independent authorisation for the 2 credit notes was evidenced. • Discussions with key staff at the time of the review identified that there have been no debt write-offs for the year to date.
Treasury Management	<p>Areas of good practice:</p> <ul style="list-style-type: none"> • Audit review of the current bank mandate in place identified there have been changes in signatories in the past 12 months. Our review confirmed these were appropriate with the changes confirmed as the following: <ul style="list-style-type: none"> - Change in personnel for the Chief Fire Officer; and, - Change in personnel for the Treasurer. • Evidence was in place to demonstrate that the financial forecast outturn, including short term cash flow statement is reported on a quarterly basis to the Performance and Overview Committee. • Our review of the bank account control accounts (with Natwest) for July, August and September 2022 confirmed that adequate segregation of duties were in place between the preparer and approver. Each reconciliation had been undertaken in a timely manner and reconciled to the General Ledger and Trial Balance.
Budgetary Control	<p>Areas of good practice:</p> <ul style="list-style-type: none"> • Our review confirmed that the draft 2022/23 Budget was approved by the Cheshire Fire Authority in February 2022. Along with this, the Council Tax precept and Medium-Term Financial Plan 2022-27 was presented and subsequently approved. • Budget holders are provided with budget monitoring reports on a monthly basis. These reports clearly illustrate total budget for the year, budget to date, actual figures to date and any variances for each cost centre. • During the review it was noted that the Heads of Department noted and agreed their own department revenue budget as

Sub Objective	Key Themes
	part of a Service Management Team meeting held in July 2022.
Reserves	<p>Areas of good practice:</p> <ul style="list-style-type: none"> • A Reserves Strategy 2022 – 2027 is in place which was presented to the Cheshire Fire Authority in February 2022 (as an appendix to the draft 2022/23 Budget). This includes details of the reserves held and their proposed usage over the next 5 years. We confirmed that the Reserves Strategy is aligned to the annual budget, Medium-Term Financial Plan 2022-27 and Capital Strategy. Our review identified that the Reserves Strategy is reviewed and approved on an annual basis. • The Reserve Strategy sets out the purpose for each of the reserves including those which are Earmarked Revenue reserves (usable), General reserves (usable) and Capital reserves (which supports the Capital Strategy) and their proposed usage. • Evidence was in place to demonstrate that movements in revenue reserves are presented on a quarterly basis for approval to the Performance and Overview Committee as part of the quarterly Finance Report. • It was noted that movements to and from capital reserves are undertaken at the end of the financial year.

1.4 Recommendation Summary

The table below summarises the prioritisation of recommendations in respect of this review.

Critical	High	Medium	Low	Total
0	0	0	0	0

2 Engagement Objectives and Scope (Terms of Reference)

2.1 Objective

The overall objective of the review was to provide assurance that the organisations key financial controls are appropriately designed and operating effectively in practice.

2.2 Scope

The review focused on the key controls within the areas below to support the achievement of the Service's key financial duties and to minimise the risk of error, misappropriation and fraud.

General Ledger

Control and Suspense Accounts

Journals

Processes to support Financial Reporting

User Access Levels

System Back-Up and Recovery

Budgetary Control

Budget Setting

Approval of Annual Budget

Budget Holder Structure/Scheme of Delegation

Budget Reporting

Accounts Payable

Purchase Order System Controls

Non-Purchase Order Payments

Goods Received Not Invoiced (GRNI) Monitoring and Reporting

BACS Payment Run Controls

Supplier Bank Detail Changes

Accounts Receivable

Raising of Debtors Accounts

Use of Credit Notes

Credit Control

Aged Debt Reporting and Analysis

Write-off of Debts

Treasury Management

Cash Flow Reporting

Control of Bank Accounts

Urgent Payment Processes

Bank Reconciliations

Reserves

Reserves Strategy and procedures

Management use and control of reserves

The controls reviewed related to the 2022-23 financial year to date.

Appendix A: Assurance Definitions and Risk Classifications

Level of Assurance	Description
High	There is a strong system of internal control which has been effectively designed to meet the system objectives, and that controls are consistently applied in all areas reviewed.
Substantial	There is a good system of internal control designed to meet the system objectives, and that controls are generally being applied consistently.
Moderate	There is an adequate system of internal control, however, in some areas weaknesses in design and/or inconsistent application of controls puts the achievement of some aspects of the system objectives at risk.
Limited	There is a compromised system of internal control as weaknesses in the design and/or inconsistent application of controls puts the achievement of the system objectives at risk.
No	There is an inadequate system of internal control as weaknesses in control, and/or consistent non-compliance with controls could/has resulted in failure to achieve the system objectives.

Risk Rating	Assessment Rationale
Critical	Control weakness that could have a significant impact upon, not only the system, function or process objectives but also the achievement of the organisation's objectives in relation to: <ul style="list-style-type: none"> • the efficient and effective use of resources • the safeguarding of assets • the preparation of reliable financial and operational information • compliance with laws and regulations.
High	Control weakness that has or could have a significant impact upon the achievement of key system, function or process objectives. This weakness, whilst high impact for the system, function or process does not have a significant impact on the achievement of the overall organisation objectives.
Medium	Control weakness that: <ul style="list-style-type: none"> • has a low impact on the achievement of the key system, function or process objectives; • has exposed the system, function or process to a key risk, however the likelihood of this risk occurring is low.
Low	Control weakness that does not impact upon the achievement of key system, function or process objectives; however implementation of the recommendation would improve overall control.

Limitations

The matters raised in this report are only those which came to our attention during our internal audit work and are not necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required. Whilst every care has been taken to ensure that the information in this report is as accurate as possible, based on the information provided and documentation reviewed, no complete guarantee or warranty can be given with regards to the advice and information contained herein. Our work does not provide absolute assurance that material errors, loss or fraud do not exist.

Responsibility for a sound system of internal controls and the prevention and detection of fraud and other irregularities rests with management and work performed by internal audit should not be relied upon to identify all strengths and weaknesses in internal controls, nor relied upon to identify all circumstances of fraud or irregularity. Effective and timely implementation of our recommendations by management is important for the maintenance of a reliable internal control system.

Reports prepared by MIAA are prepared for your sole use and no responsibility is taken by MIAA or the auditors to any director or officer in their individual capacity. No responsibility to any third party is accepted as the report has not been prepared for, and is not intended for, any other purpose and a person who is not a party to the agreement for the provision of Internal Audit and shall not have any rights under the Contracts (Rights of Third Parties) Act 1999.

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