

## **Mersey Internal Audit Agency**

Internal Audit Plan 2017/18  
(Including Strategic Plan 2016-2019)  
Cheshire Fire Authority (26<sup>th</sup> April 2017)

# Contents

1. Your Plan on a Page
2. Your 3 Year Strategic Internal Audit Plan

Appendix A: Your 2017/18 Detailed Operational Plan

Appendix B: Your Team



# 1. Your Plan on a Page

This plan describes how your plan has been developed and how MIAA will deliver your internal audit services in 2017/18.

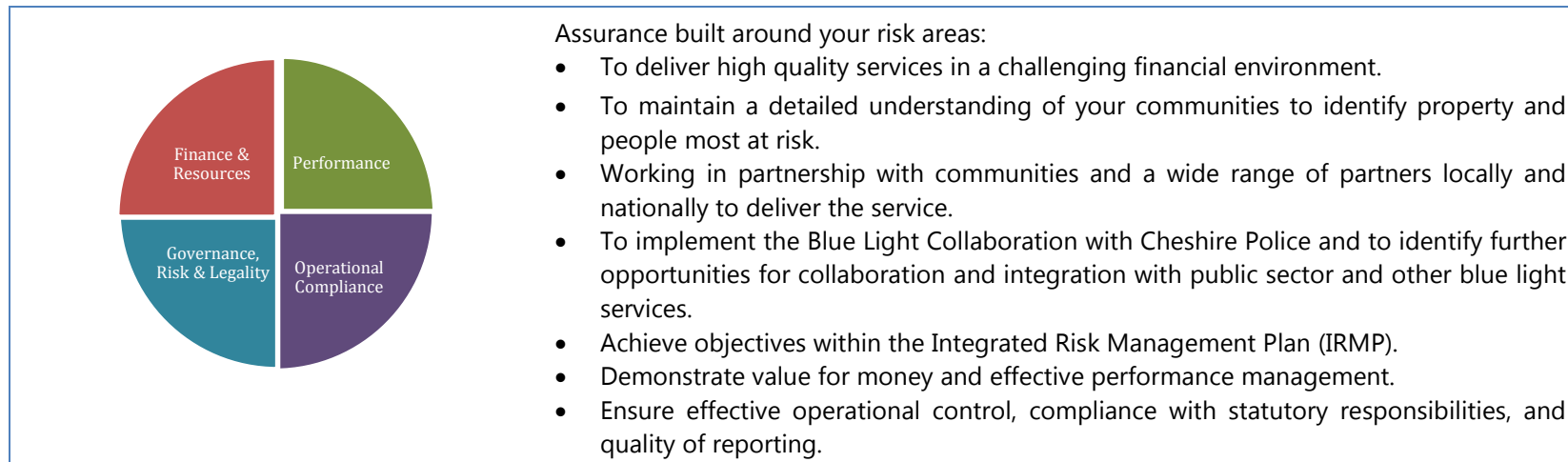


## 2. Your 3 Year Strategic Internal Audit Plan

The Internal Audit Plan approach ensures that you are provided with a comprehensive service that can support the Authority in discharging their governance responsibilities. The Internal Audit Plan has been developed following a comprehensive risk assessment aligned to your strategic objectives. Our approach fully complies with the Public Sector Internal Audit Standards. During the establishment of the plan and through the prioritisation of coverage, we consider the audit resource requirements. Any impact on the integrity of the plan, including those relating to resources, will be brought to the attention of the Authority.

### 2.1 Risk Assessment

A key focus of the risk assessment is understanding your vision and ensuring that the internal audit plan contributes to your objectives. This in turn ensures that the assurances provided are built around your risks. The high level risk assessment of the Authority is provided below.



## 2.2 Strategic Internal Audit Plan Coverage

This section sets out the proposed strategic 3 year Internal Audit Plan which is based on the full risk assessment and prioritises coverage on a combination of risk rating, organisational impact and recognition of the Authority's wider assurance mechanisms. The risk source references the utilisation of your Corporate Risk Register, IRMP and other key documents, discussions with key officers, along with our knowledge and experience of the challenges facing the sector. The Strategic Internal Audit Plan is subject to risk assessment each year, or more frequently as the need arises.

A detailed operational plan for 2017/18 demonstrating the risk source in relation to each output is provided in Appendix A.

CORE AUDIT PLAN OUTPUTS	2016/17	2017/18	2018/19	Risk Source
<b>FINANCE &amp; RESOURCES</b>				
Combined Financial Systems / Ledger Migration	✓	✓	✓	IRMP / Audit Risk Assessment
National Fraud Initiative	✓		✓	Audit Risk Assessment / Management Request
Insurance Arrangements	✓			Audit Risk Assessment / Management Discussions
<b>PERFORMANCE</b>				
Apprenticeship Schemes			✓	IRMP
ERP2 Safe and Well Action Plan			✓	IRMP
Station Management Framework	✓	✓		IRMP
On Call Availability	✓			IRMP
Partnership Arrangements	✓			IRMP
Safety Centre			✓	IRMP
<b>OPERATIONAL COMPLIANCE</b>				
Business Continuity		✓		Audit Risk Assessment
IT Critical Applications	✓		✓	Audit Risk Assessment

CORE AUDIT PLAN OUTPUTS	2016/17	2017/18	2018/19	Risk Source
Pilot Inspection Exercise		✓		Management Discussions / Audit Risk Assessment
Site Risk Information / Prevention Protection or Business Audits	✓	✓	✓	IRMP
<b>GOVERNANCE, RISK &amp; LEGALITY</b>				
Risk Maturity: Departmental / Station Level			✓	Audit Risk Assessment
Bluelight Collaboration		✓		
Equality and Diversity: Recruitment		✓		IRMP / Audit Risk Assessment
Local Code of Corporate Governance	✓	✓	✓	Audit Risk Assessment / Management Request
<b>FOLLOW UP &amp; CONTINGENCY</b>				
Follow-up	✓	✓	✓	✓
Contingency	✓	✓	✓	✓
<b>COMMITTEE, PLANNING &amp; MANAGEMENT</b>				
Planning liaison and management	✓	✓	✓	✓
Reporting and meetings	✓	✓	✓	✓

We will continuously update our understanding of the risks facing the Authority through National insights, our regular liaison meetings with staff and keeping an oversight of Authority and Committee agendas. We recognise that we may need to update the audit plan during the year as different risks emerge, and we will naturally keep you informed about any proposed changes to the plan. Any changes will be discussed with management, approved through the Policy Approval Group and reported to the Performance and Overview Committee.

## Appendix A: 2017/18 Detailed Operational Plan

The 2017/18 Operational plan is provided below, and includes the Executive Director lead and proposed timing of each assignment. The assignments will reflect review and consideration of your Corporate Risk Register, Integrated Risk Management Plan and other key documents, discussions with key officers, along with our knowledge and experience of the challenges facing the sector.

CORE AUDIT PLAN OUTPUTS	Executive Director Lead	Proposed Timing
<b>FINANCE &amp; RESOURCES</b>		
<b>Combined Financial Systems</b> - To provide support and assurance on the migration of the financial ledger as part of Blue Light Collaboration.	<i>Head of Finance</i>	<b>Q3-4</b>
<b>PERFORMANCE</b>		
<b>Station Management Framework</b> – A review of the processes and controls in place at a local level to ensure standards, routines and risk critical activities required to ensure well managed operational sites are in place and in compliance with the Framework. Specific areas to be risk assessed and agreed with management.	<i>Head of Service Delivery</i>	<b>Q2</b>
<b>OPERATIONAL COMPLIANCE</b>		
<b>Business Continuity</b> – To undertake a baseline assessment of current arrangements against best practice and to assess the robustness of the business continuity arrangements in place.	<i>Head of Operational Policy and Assurance</i>	<b>Q2</b>
<b>Pilot Inspection Exercise</b> – CFRS take part in an Operational Fire Peer Challenge every three years undertaken by a peer group. Cheshire first undertook this challenge in 2012 and were due to commence the 2nd assessment in February 2016. The Government (Home Office) are proposing to pilot a new scheme for 2017 and as such it is proposed that MIAA will support management in evaluating the evidence in place to support this assessment.	<i>Head of Protection</i>	<b>Q4</b>
<b>Site Risk Information / Prevention Protection or Business Audits (Cyclical Reviews)</b> –	<i>Head of Protection</i>	<b>Q1</b>
<b>Business Audits</b> – To provide assurance that they are being completed, managed, reported in line with the organisational strategy.		
<b>GOVERNANCE, RISK &amp; LEGALITY</b>		
<b>Bluelight Collaboration:</b> Over the past two years the Authority has been working on a blue light collaboration programme with the two other emergency services responsible for protecting the communities of Cheshire East, Cheshire West and Chester, Halton and	<i>Head of Legal and Democratic Services</i>	<b>Q3</b>

CORE AUDIT PLAN OUTPUTS	Executive Director Lead	Proposed Timing
<p>Warrington. The main element of this is a major project with Cheshire Constabulary to bring together each organisation's support services into a single team and establish a new joint headquarters at the police's current site at Clemonds Hey near Winsford.</p> <p>The review will provide assurance around governance, including decision-making, information exchange, risk mapping/sharing, handling of conflicts, holding of assets and service levels and performance. In addition, It will look at the practical arrangements in place helping the organisations to move through programme delivery to fully functioning joint teams.</p>		
<p><b><u>Equality and Diversity: Recruitment and Retention</u></b> - The Equality Act 2010 introduced the Public Sector Equality Duty, also referred to as the General Equality Duty, which came into effect on the 5<sup>th</sup> of April 2011. The General Equality Duty has three aims. It requires public bodies, including the Constabulary, to have due regard to the need to: -</p> <ul style="list-style-type: none"> <li>• Eliminate unlawful discrimination, harassment, victimisation and any other conduct prohibited by the Act</li> <li>• Advance equality of opportunity between people who share a protected characteristic and people who do not share it</li> <li>• Foster good relations between people who share a protected characteristic and people who do not share it.</li> </ul> <p>The Service must publish a set of measurable Equality Objectives every four years. These are currently set out in the Equalities and Inclusion Action Plan 2014 – 2016 and the Corporate Equalities and Inclusion Strategy 2014 – 2016. The objective of this review will be to review the Authority's strategy and processes to demonstrate compliance with the Equality Act and the steps taken to deliver on these key objectives.</p>	<b>Head of People and Development</b>	<b>Q1</b>
<p><b><u>Local Code of Corporate Governance</u></b> – The Code of Corporate Governance in Local Government provides an overall framework that is intended to be followed as best practice for developing and maintaining a local code of governance. The Framework defines the principles that should underpin the governance of each local government body and provides a structure to help individual authorities with their own approach to governance.</p> <p>In accordance with guidance, the Authority maintains a Local Code of Corporate Governance including a 'Framework' that provides a structure of monitoring compliance and assurance under the key principles of the code and the publication of an Annual Governance Statement (AGS) to report on compliance. The focus of the review will be to undertake an independent review of the Authority's Local Code of Corporate Governance framework and supporting evidence in order to determine whether it is compliant to the National Framework.</p>	<b>Head of Legal and Democratic Services</b>	<b>Q4</b>



CORE AUDIT PLAN OUTPUTS	Executive Director Lead	Proposed Timing
<b>FOLLOW UP &amp; CONTINGENCY</b>		
<b>Follow-up</b> – This will be conducted throughout the year to provide the Authority and Performance & Overview Committee with assurance regarding management’s implementation of agreed actions.	<b>Head of Legal and Democratic Services</b>	Throughout the Year
<b>Contingency</b> – This element of the plan allows the flexibility to respond to management requests in order to meet specific client needs during the course of the financial year.		Throughout the Year
<b>COMMITTEE, PLANNING &amp; MANAGEMENT</b>		
In providing an internal audit service an allocation of time is required for the management of the contract:		Throughout the Year
<ul style="list-style-type: none"> <li>▪ <b>Planning liaison and management</b> - Incorporating preparation and attendance at Performance &amp; Overview Committee, Risk Management Committee; completion of risk assessment and planning; liaison with the client and organisation of the audit reviews.</li> </ul>		
<ul style="list-style-type: none"> <li>▪ <b>Reporting and meetings</b> - Key reports will be provided to support this, such as the Director of Audit Opinion and Annual Report, Annual Plan and Interim Update Reports.</li> </ul>		

Following agreement of the plan a schedule of the timing for the audit reviews will be provided in the Internal Audit Progress Report. Liaison with your External Auditors will take place to ensure maximum benefit is derived from your total audit resource.



## Appendix B: Your Team

In the delivery of our range of services we maintain a balance between having consistency in the staff working on your contract whilst introducing new staff with experience of working in other organisations. We have found this to be a very effective method of operating which has enabled our staff to develop familiarity and experience of your financial systems and the specific issues you face and has provided your staff with recognised points of contact with whom they can discuss audit issues.



**Tim Crowley**  
**(CPFA)**

Director

Tel: 07768 131789

[tim.crowley@miaa.nhs.uk](mailto:tim.crowley@miaa.nhs.uk)

Tim has worked in senior audit, assurance and governance roles in the health sector for over 30 years. As Director of MIAA he leads an organization with a national reputation for the delivery of audit and assurance services to the NHS. In particular, he has a track record of achievements in the areas of standard setting and development; assurance design; and board engagement on audit and assurance matters. Tim is an active member of the Public Sector Internal Audit Standards Board, leading the work on professional standard setting.



**Steve Connor**  
**(CPFA, MBA)**

Commercial Director

Tel: 07768 131785

[steve.connor@miaa.nhs.uk](mailto:steve.connor@miaa.nhs.uk)

Steve has overall responsibility for MIAA business development along with the delivery, performance and resource management across all of MIAA's clients. This includes keeping MIAA at the forefront in terms of Internal Audit practice and supporting NHS organisations and their Audit Committees in all aspects of Audit and Governance.





**Karan Wheatcroft**  
**(CPFA)**

Operations Director

Tel: 07887 855462

[karan.wheatcroft@miaa.nhs.uk](mailto:karan.wheatcroft@miaa.nhs.uk)

Karan has significant experience of managing the delivery and development of internal audit and assurance services. During her many years of experience of NHS Internal Audit she has built important relationships and systems knowledge across health care organisations, including primary and secondary care, former Strategic Health Authority and third sector providers.



**Kevin Lloyd**  
**(CPFA)**

Assistant Director

Tel: 0161-743-2029 / 07585 401639

[Kevin.lloyd@miaa.nhs.uk](mailto:Kevin.lloyd@miaa.nhs.uk)

A specialist in the delivery of internal audit services Kevin has 15 years of experience in delivering internal audit and assurance to the public sector. Kevin has specialised in leading audit teams on an extensive range of risk based internal audits special investigations.

Kevin will be your lead engagement contact ensuring strong relationships and understanding of the organisation and leading the team to meet your needs.



**Michael Nulty**  
**(CPFA)**

Audit Manager

Tel: 0161 743 2028

[michael.nulty@miaa.nhs.uk](mailto:michael.nulty@miaa.nhs.uk)

Michael has over 11 years of experience of working in the public sector in both Internal and External Audit.

Michael has worked for MIAA for over 6 years and has excellent experience on leading on a range of audit and advisory assignments across CCG's, Foundation and Community Trusts. As the CCG's Internal Audit Manager, Michael is a key contact for the audit contract.



**Tony Cobain****(CIIA/ QiCA)**

Head of IM&amp;T

Tel: 07770971006

[Tony.cobain@miaa.nhs.uk](mailto:Tony.cobain@miaa.nhs.uk)

Tony has undertaken major IM&T consultancy and secondment assignments at a national and regional level. He is co-author of the NHS Information Security Code of Practice and has worked as part of the development team for the security elements of the NHS Information Governance Toolkit.

He has led and personally undertaken significant assignments relating to:

- the merger and transfer of services to shared IT services
- service management and governance including compliance with relevant ISO and standards
- security management including compliance with ISO 27001
- vulnerability assessment and penetration testing.

He has also served on the Board of the City of Liverpool College, where he was Chair of the Audit committee and led on the development and implementation of new governance structures.

**Dave Orme****(CISA)**

Senior IM&amp;T Manager

Tel: 07917 156425

[david.orme@miaa.nhs.uk](mailto:david.orme@miaa.nhs.uk)

Dave has significant cross sector experience, initially in mainframe operations, technical management and operational roles, and then within internal computer audit, providing technical support, consultancy, data analysis and technical auditing. Dave has strong knowledge of NHS Information systems, providing advice and guidance on security best practice and using this to develop risk based audit plans.

