

Mersey Internal Audit Agency

Internal Audit Progress Report
Performance and Overview Committee
(28th June 2017)

Cheshire Fire Authority / Fire & Rescue Service



25

CELEBRATING
25 YEARS
OF MIAA

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1. Introduction

This progress report provides an update to the Performance and Overview Committee in respect of the assurances, key issues and progress made in respect of the 2016/17 Audit Plan. 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 Performance and Overview Committee.

2. Key Messages for Committee Attention

Section 3 of the report provides details of the work in progress. Appendix A provides the categorisation of assurance levels and risk ratings and Appendix B confirms performance against plan for 2016/17. Details of High Level actions are provided in Appendix C.

3. Work in Progress

The following pieces of work are in progress and will be reported to the Committee following completion:

Work In progress

- **Site Specific Risk Information (SSRI)** – To provide assurance that the Service has an effective process in place to gather, store and disseminate Site Specific Risk Information (SSRI). ***Draft Report Issued, awaiting agreement and sign off.***
- **Partnership Arrangements** – To assess the effectiveness of the arrangements in place to manage prevention partnerships to achieve the best outcomes and that the reporting routes through the Authority are clear. ***Draft Report Issued and assurance level agreed, awaiting agreement and sign off of recommendations***

Request for Audit Plan Changes

Policy Approval Group approval will be requested for any amendments to the original plan and this will be reported to the Performance and Overview Committee to facilitate the monitoring process. There are no proposed amendments to the audit plan.



Appendix A: Assurance Definitions and Risk Classifications

Level of Assurance	Description
High	Our work found some low impact control weaknesses which, if addressed would improve overall control. However, these weaknesses do not affect key controls and are unlikely to impair the achievement of the objectives of the system. Therefore we can conclude that the key controls have been adequately designed and are operating effectively to deliver the objectives of the system, function or process.
Significant	There are some weaknesses in the design and/or operation of controls which could impair the achievement of the objectives of the system, function or process. However, either their impact would be minimal or they would be unlikely to occur.
Limited	There are weaknesses in the design and / or operation of controls which could have a significant impact on the achievement of the key system, function or process objectives but should not have a significant impact on the achievement of organisational objectives.
No	There are weaknesses in the design and/or operation of controls which [in aggregate] have a significant impact on the achievement of key system, function or process objectives and may put at risk the achievement of organisational 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 is likely to 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.



Appendix B: Contract Performance

The primary measure of your internal auditor's performance is the outputs deriving from work undertaken. The plan has also been discussed with lead officers to determine the appropriate timing of individual work-streams to accommodate organisational priorities, availability, mandatory requirements and external audit views.

General Performance Indicators

The following provides some general performance indicator information to support the Committee in assessing the performance of Internal Audit.

Element	Status	Summary
Progress against plan	Green	Audit reviews are on track in terms of planned completion.
Timeliness	Green	Generally, reviews are progressing in line with planned delivery.
Qualified Staff	Green	MIAA Audit Staff consist of: <ul style="list-style-type: none"> • 65% Qualified (CCAB, IIA etc.) • 35% Part Qualified
Quality	Green	MIAA operate systems to ISO Quality Standards. Triennial review by External Audit was positive.

Overview of Output Delivery

REVIEW TITLE	PLANNED COMPLETION				ASSURANCE LEVEL	Commentary
	Aug	Nov	Mar	Jun	High / Significant / Limited / No	
FINANCE & RESOURCES						
Counter Fraud Arrangements				•		Providing Support on National Fraud Initiative
Financial Systems			•		High / Significant	Final Reports Issued
Insurance Arrangements		•			Significant	Final Report issued
PERFORMANCE						

REVIEW TITLE	PLANNED COMPLETION				ASSURANCE LEVEL	Commentary
	Aug	Nov	Mar	Jun	High / Significant / Limited / No	
On Call Availability			●		Significant	Final Report Issued
Partnership Arrangements				●	Significant	Draft Report
OPERATIONAL COMPLIANCE						
IT Critical Applications				○		Management request for deferral to 2017/18
Site Specific Risk Information			●			Draft Report – awaiting management response
Station Management Framework			●		Significant	Final Report Issued
GOVERNANCE, RISK AND LEGALITY						
ALARM Benchmarking		●				Complete
Statement of Assurance				●		Advisory Support
FOLLOW-UP AND CONTINGENCY						
Follow-up		●				See Follow Up Report
Contingency			●			ALARM Benchmarking

Key ○ = Planned ● = In Progress / Complete



Appendix C: Critical/ High Risk Recommendations

There were no high or critical risk recommendations included within the reports.

