

Internal Audit Progress Report Performance and Overview Committee (28th November 2018)

Cheshire Fire Authority / Fire & Rescue Service

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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 against the Internal Audit Plan for 2018/19. 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 Audit Committee Attention

Since the previous meeting of the Performance and Overview Committee we have two reviews at Draft report stage which have been discussed with key leads but are awaiting sign off and others at planning stage.

Appendix A provides the categorisation of assurance levels and risk ratings and Appendix B confirms performance against plan. Details of High Level actions agreed with the management are provided in Appendix C.

3. Work in Progress and Planned

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

Work In progress

- Operational Training – Draft Report
- Safe and Well – Draft Report
- Local Code of Corporate Governance – working group attendance
- Risk Management Board attendance

Work planned

- Performance and Data Quality – Scoping meeting scheduled 8/11/18
- Station Management Framework - Scoping meeting scheduled 13/11/18
- Financial Systems/ Oracle Fusion – Planning
- National Fraud Initiative – Q4 delivery
- Vehicle Fleet – Q4 delivery

4. Request for Audit Plan Changes

It is recognised that we may need to update the audit plan during the year as different risks emerge. Any proposed changes to the plan are discussed with the Service Management Team 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 for consideration by the committee.

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 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 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. The External Quality Assessment, undertaken by CIPFA, provides assurance of MIAA’s compliance with the Public Sector Internal Audit Standards.

Overview of Output Delivery

REVIEW TITLE	PLANNED REPORTING TO P & O				ASSURANCE LEVEL	Commentary
	Sep	Nov	Feb	Jul		
CORPORATE SERVICES						
Financial Systems: Oracle Fusion			•	o		Planning
Local Code of Corporate Governance		•	o	o		Working group attendance
National Fraud Initiative				•		
PROTECTION & ORGANISATIONAL PERFORMANCE						
Performance Reporting			•			Scoping meeting 8/11/18
HMICFRS						Call off Days
SERVICE DELIVERY / OPERATIONAL POLICY & ASSURANCE						
Operational Training		•				Draft Report
Vehicle Fleet				o		
Station Management Framework			•			Scoping meeting 13/11/18
PREVENTION						
Safe and Well		•				Draft report
FOLLOW-UP AND CONTINGENCY						
Follow-up	✓					Final Report
Contingency		•				Risk Management Board

Key

o = Planned • = In Progress

✓ = Complete

Appendix C: Critical / High Risk Recommendations

There were no Critical or High Risk recommendations raised within any of the finalised report this period.