

CHESHIRE FIRE AUTHORITY

MEETING OF: PERFORMANCE AND OVERVIEW COMMITTEE
DATE: 25 NOVEMBER 2020
REPORT OF: DIRECTOR OF GOVERNANCE AND COMMISSIONING
AUTHOR: LOUISE WILLIS/CHRIS ASTALL

SUBJECT: INTERNAL AUDIT PROGRESS REPORT –
QUARTER TWO, 2020-21 AND FOLLOW-UP
REPORT

Purpose of Report

1. To present to Members, Internal Audit Q2 progress report

Recommended: That Members

- [1] Note the information in the report and appendices
- [2] Highlight any specific audit findings for which they would like to hear more about.

Background

2. Internal audit is an assurance function that provides an independent opinion to the Authority on the organisation's control environment. Internal audit services are provided by Mersey Internal Audit Agency (MIAA).
3. Recommendations made by MIAA are presented formally in a report to relevant senior officers. Each recommendation is prioritised as Critical, High, Medium, or Low to reflect the assessment of risk. It is a management responsibility to respond to the recommendations and identify actions that can be taken to mitigate or reduce the risk.
4. Terms of reference and final audit reports are reviewed by senior officers and significant risks that are identified may be referred to the Risk Management Board. The Performance and Overview Committee receives quarterly updates for the purpose of monitoring and scrutiny of progress.
5. Delivery of recommendations are monitored and tracked on the Service's Cheshire Planning System.

Information

Internal Audit Progress Report Quarter 2

6. The progress report is attached to this report at **Appendix 1**. The audit activity for this quarter is summarised below:-
- Payroll Review - **Final Report**
 - Pensions Review – **Draft Report**
 - Risk Management Arrangements – **Terms of Reference issued**
 - Financial Systems – **Terms of Reference issued**
 - Estates Management – **Planning**
 - Collaboration and Partnerships - **Planning**

Follow-Up Report

7. The follow up report 2019-20 was presented to this Committee in November 2019 and updated in February 2020 for Service Management Team. A refreshed Follow-Up report is attached at **Appendix 2**.
8. A summary of all agreed Internal Audit recommendations due for implementation were followed up during October 2020 and good progress is being made. Of the 16 recommendations reviewed at this time:
- 12 evidenced as implemented.
 - 1 evidenced as partially implemented.
 - 2 were superseded as systems have changed.
 - 1 was not implemented following further review.
9. More can be found in section 4 of the Follow-Up Report.

Financial Implications

10. Internal audit is an outsourced service funded from base budget. Any additional financial implications arising from internal audit recommendation are assessed individually as part of the management response to final audit reports.

Legal Implications

11. Legal implications are considered when audit reports are presented to senior managers.

Equality and Diversity Implications

12. There are no differential impacts on any particular section of the community arising from this report.

Environmental Implications

13. There are no specific impacts on the environment arising from this report.

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BACKGROUND PAPERS: Information provided by Mersey Internal Audit Agency
(MIAA)

Appendix 1 – Internal Audit Progress Report
Appendix 2 –Follow-Up Report