

# Internal Audit Progress Report Performance and Overview Committee (Feb 2021)

Cheshire Fire Authority / Fire & Rescue Service

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## 1. Introduction

This progress report provides an update to the Committee in respect of the assurances, key issues and progress against the Internal Audit Plan for 20/21 and to support the Head of Internal Audit Opinion.

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. Head of Internal Audit Opinion Delivery

We are continuing to engage with clients on a regular basis on the risks and issues they are facing and the assurances needed for year end commitments. The focus remains on the delivery of the Head of Internal Audit Opinion (HOIAO) – refer to Appendix B2.

To deliver the HOIAO, we will form our opinion based on an assessment of:

- The organisation's Risk Management and Assurance Framework;
- Core and mandated reviews, including follow up; and
- A range of individual risk based assurance reviews reported in the year.

*If, however, due to circumstances beyond our control we are unable to achieve sufficient depth or coverage, we may need to caveat opinions and explain the impact of this and what will be done to retrieve the position in future.*

This is in accordance with the guidance issued by the Internal Audit Standards Advisory Board (May 2020) regarding conformance with the Public Sector Internal Audit Standards (PSIAS) during the coronavirus pandemic and was summarised in our Qtr 1 and Qtr 2 Committee progress reports. All our work continues to be delivered in full compliance with the PSIAS.

## 3. Compliance with Public Sector Internal Audit Standards

MIAA has recently been assessed against the requirements of the Public Sector Internal Audit Standards, an external quality assessment process which is required to be undertaken every 5 years.

The assessment was completed by an assessor from the Chartered Institute of Public Finance and Accountancy (CIPFA) and involved review of key documents and processes and interviews with a range of staff and a sample of key stakeholders (supplemented by a survey of wider key stakeholders).

We were assessed as being fully compliant with all standards, with the overall conclusion that ***“It is our opinion that MIAA fully conforms to the requirements of the Public Sector Internal Audit Standards”***.

The full report has been shared with the Director of Governance and Commissioning and is available on request to all members.

#### 4. Key Messages for Performance and Overview Committee Attention

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

<b>Plan Delivery</b>	The impact on the organisation of COVID-19 has required us to review your internal audit risk assessment and plan for 2020/21 on a regular basis, in liaison with yourselves. We will continue to communicate with you on a regular basis to ensure the focus remains on the delivery of your Head of Internal Audit Opinion.
<b>20/21 Plan Reviews</b>	<p>Since the previous meeting the following reviews have been finalised:</p> <ul style="list-style-type: none"> <li>• Pensions - Substantial Assurance</li> <li>• Financial Systems – High Assurance</li> <li>• Risk Management – High Assurance</li> </ul> <p>The reviews below are currently in progress:</p> <ul style="list-style-type: none"> <li>• Collaboration / Partnerships ( Draft Report)</li> <li>• Follow Up ( Fieldwork)</li> </ul>
<b>Follow Up Position</b>	We have continued to work alongside the organisation to ensure that prior year audit recommendations are taken forward.
<b>Request for Audit Plan Changes</b>	<p>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 will be reported to the Committee.</p> <p>In light of Covid19 and potential HMICFRS inspection our audit on Estates will be deferred to 21/22 audit plan.</p>

<p><b>Audit Chairs Webinar</b></p>	<p>We are continuing to hold webinars with client Audit Committee Chairs focusing upon governance challenges and other key issues.</p>
<p><b>Events:</b> <i>Events in 2020 are being held as webinars</i> <i>Please speak to your Engagement Manager for further details or go to:</i> <a href="https://www.miaa.nhs.uk/events">https://www.miaa.nhs.uk/events</a></p>	<p>MIAA along with 5 partner organisations organise leadership and development events throughout the year which are free to our clients.</p> <p><b><u>Collaborative Masterclass</u></b></p> <ul style="list-style-type: none"> <li>• Strengthening collaborative relationships with others (22<sup>nd</sup> January 2021)</li> <li>• What have we learnt about mental health during the pandemic? (5<sup>th</sup> March 2021)</li> <li>• Inspiring you and your organisation to greater health and wellbeing (26<sup>th</sup> March 2021)</li> </ul> <p><b><u>Quality Improvement Network (QIN)</u></b></p> <ul style="list-style-type: none"> <li>• Personalised Care (3<sup>rd</sup> February 2021)</li> </ul> <p>Developing a system and culture of Quality Improvement (3<sup>rd</sup> March 2021)</p>

## 5. Key areas from our work and actions to be delivered

The table below identifies the key areas from our work and the actions to be delivered by management. Appendix A provides the categorisation of assurance levels

Title	Assurance Level	Recommendations	
Pensions	Substantial	0 x Critical 0 x High	1 x Medium 2 x Low
<p><b>Objective:</b> To provide assurance over the effectiveness of the systems and processes in place for pensions.</p> <p><b>Summary:</b></p> <p><b>Policies and Procedures</b></p> <p>Audit review of the Retirement Policy in place at Cheshire Fire and Rescue Service (CFRS), identified that roles and responsibilities of Employees, Line Managers and the HR Resourcing and Payroll Teams in relation to retirement processes, including pensions, have been clearly detailed.</p>			

Title	Assurance Level	Recommendations
<p>CFRS have a suite of policies to support their Retirement Policy, which includes those covering attendance management, redundancy, ill health and injury. Audit review of the supporting policies identified that 3 of 9 were overdue for review. <b>(Low Risk)</b></p> <p><b>Roles &amp; Responsibilities</b></p> <p>Day to day pensions processing is currently undertaken predominantly by the HR Business Support Advisor, Senior Payroll Officer and Payroll Assistant.</p> <p>The Payroll and Pensions Lead, which is a post that is split between Police and Fire, has been a vacant position since December 2019. This post has been recruited to and at the time of our audit the individual was awaiting a start date. As the post has been vacant for a significant period, and knowledge and expertise in this specialist area was lost when the post holder left, this put additional pressure on the remaining members of the team.</p> <p>Following this vacancy arising, the organisation recognised the need for additional succession planning to be considered. In response to this, an additional post has been created to support the resilience of the team. This is the role of Pensions Coordinator which has been recruited to and the individual is awaiting a start date. In addition, the Payroll Assistant post which is currently staffed through an agency is intended to go out to advert soon. Additional training has also been requested from the pension provider in relation to Year End processes that, in previous years, had been undertaken by another pension provider.</p> <p><b>Pension Provider</b></p> <p>Operational Staff Pension Schemes (e.g. Firefighters' Pension Scheme 1992, Modified Firefighters' Pension Scheme 2006 and the new Firefighters' Pension Scheme 2015) are administered by the XPS Group, an outsourced pension provider. Discussion with CFRS Officers confirmed that XPS Group produce calculations and process pensions payments upon receipt of documentation and authorisation from CFRS. Evidence of regular correspondence between XPS and CFRS through XPS' website was demonstrated.</p> <p>Quarterly meetings are held between XPS Group and the local Police and Fire services (including CFRS). Audit review of meeting minutes confirmed that key personnel from CFRS and XPS Group attend regularly and evidence discussion of updates to regulations, XPS Group's performance against their KPIs and any issues.</p> <p>The Pension Scheme for Support Staff (i.e. the Local Government Pension Scheme) is administered by the Cheshire Pension Fund (CPF). CFRS is responsible for notifying CPF of the individuals' retirement and ensuring that a completed retirement pack and leavers form is sent to CPF. No information is received by CFRS in relation to lump sum payments.</p> <p><b>Pension Eligibility and Calculations</b></p> <p>Testing undertaken on a sample of 10 pensions from a list of recent retirees identified CFRS have a Leavers Form in place which is a checklist to confirm that the required checks and controls have been completed. There were 2 instances where the CFRS Leavers Form had</p>		

Title	Assurance Level	Recommendations
<p>not been completed and retained on file, and a further 2 instances where the CFRS Leavers Form had been retained on file, however, had not been completed in full. In addition to the CFRS Leavers Form, copies of forms which have been completed and submitted to the pension providers should also be retained as supporting documentation. Testing identified one instance where the completed form had not been retained <b>(Medium Risk)</b>.</p> <p>Testing also identified one instance where the request had not been completed in a timely manner. Discussion with CFRS Officers confirmed that this was due to the timing of the notification.</p> <p>CFRS have been working with their pension provider to ensure that all members entitled to a split pension had been paid accordingly. This comprised of a comprehensive exercise where 352 retirees were reviewed to highlight any errors/omissions in respect of offering split pensions where members were eligible. The exercise identified 3 out of 352 cases where a split pension had been overlooked which have now been rectified. As part of the exercise, the leaver's process and associated forms had been reviewed but following the resignation of the previous incumbent, these have not been upheld and other checks and balances have evolved. Whilst there have been no recent cases where split pension eligibility has been overlooked, audit review of the supporting documentation for the sample selected determined that the information on the forms does not makes it clear that eligibility for split pensions had been considered and/or discounted. <b>(Low Risk)</b></p> <p>Reconciliations of Firefighters' Pension Schemes have been completed on a monthly basis by the finance team. Audit testing of the reconciliations for September confirmed that pension data had been accurately reconciled to the ledger. CFRS' reconciliation process included comparison of the previous month's data and review of the changes, requesting clarification from the pension provider when required.</p> <p>Audit testing of the monthly pensions data for September confirmed that all elements had been correctly coded, including those to be paid from the pension fund and those from the Income and Expenditure Statement.</p>		
<p><b>Governance and Reporting</b></p> <p>There is a Local Pension Board in place for the Cheshire Fire Authority's Firefighters Pension Scheme. Audit review of the Terms of Reference for this group confirmed that the role of the Pension Board is to assist scheme managers in securing compliance with pension regulation and ensuring the effective governance and administration of the Firefighters' Pension Schemes. Membership of the Board include pension member representatives and employer representatives who are expected to meet approximately four times per year.</p> <p>Audit review of the minutes available for the last year confirmed that the Pension board met twice, once in November 2019 and again in August 2020. In addition to the required membership, additional officers were in attendance at both meetings, along with a representative of the organisation's pension provider who provides a report detailing</p>		

Title	Assurance Level	Recommendations	
<p>performance and KPIs. Minutes recorded the training needs of Board Members. This followed online pensions training which had been provided for Board Members in July 2020.</p> <p>There is a Strategic Risk Register in place at CFRS which highlights key risks the organisation. In relation to Pensions, this includes the McCloud/Sergeant Pension Liabilities Case, increase to employers' contributions to firefighters' pensions and pension administration. The most recent update of the risk register was shared with the Risk Management Board in October 2020.</p> <p>In addition, the valuation of the pension fund net liability has been deemed to be a significant risk and is subject to an annual external audit. Assurances are reported directly to the Fire Authority.</p> <p><b>Key areas agreed for action (due to be complete by March 2021):</b></p> <p>One medium risk recommendation was agreed</p> <ul style="list-style-type: none"> <li>• Ensure that supporting documentation is retained for each retirement request received. This should include a completed checklist and any forms submitted to pension providers.</li> </ul> <p>Two low risk recommendations were agreed</p> <ul style="list-style-type: none"> <li>• Ensure that all police are reviewed</li> <li>• The forms and leavers checklist put in place by the previous incumbent should be revisited and updated. This will promote more consistent and clearer recording of split pension eligibility and will improve upon the previous work undertaken by the service to place heightened emphasis on split pension calculations and eligibility.</li> </ul> <p><b>Executive/ Management Sponsor:</b> Andrea Harvey, Director of Transformation</p>	High	0 x Critical 0 x High	0 x Medium 0 x Low
<p><b>Financial Systems</b></p> <p><b>Objective:</b> To provide assurance that the most significant key controls in the areas detailed in the scope below are appropriately designed and operating effectively in practice. The review focused on the key controls within:</p> <ul style="list-style-type: none"> <li>• General Ledger</li> <li>• Accounts Payable</li> <li>• Accounts Receivable</li> <li>• Treasury Management</li> </ul> <p><b>Summary:</b></p> <p><b>General Ledger</b></p>			



Title	Assurance Level	Recommendations
<p>Balance sheet control account reconciliations are completed on a monthly basis. Completion is recorded on a reconciliation tracker which shows the status of each control account.</p> <p>Audit testing of a sample of control account reconciliations (Sales, Purchases and Bank) for the periods M4 – M6, identified that adequate segregation of duties was in place between the persons preparing and authorising. All accounts reviewed were adequately reconciled to the general ledger and trial balance. All reconciliations were completed in a timely manner.</p> <p>Audit review of journals identified that segregated approval is not required within the system. A paper copy of the journal is retained to evidence who prepared and authorised. Audit testing of a sample of 20 journals between the periods July – September 2020 identified that in all instances adequate segregation of duties was in place between the person preparing and authorising the journal.</p> <p>Audit review identified instances whereby journals were approved after they were posted. This issue was raised as part of the 2019/20 review, however management confirmed that they were content with the compensating controls that only Finance staff have the ability to post journals.</p>		
<p><b>Accounts Payable</b></p> <p>The authorised signatory list is built into the finance system, Agresso. Audit testing on a sample of 5 signatories identified that the limits delegated were consistent with the Scheme of Delegation.</p> <p>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 by a member of management within the delegated limit.</p> <p>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.</p> <p>MIAA testing highlighted that amendment to supplier details is controlled through the Fire Service Finance Department, on request from suppliers. A log is maintained to evidence all changes and updates to details made. Evidence is in place to support the amendment to supplier details. A procedure to support the process is in place.</p>		
<p><b>Accounts Receivable</b></p> <p>Evidence was in place to demonstrate that the Fire Service actively chase outstanding debt. Audit review of a sample of aged debt found that there was adequate evidence to demonstrate follow-up to recover. Audit review identified that as at 30th September 2020 total aged debt = £259,157.43 of which £110,437.24 was current debt and therefore not yet due.</p>		

Title	Assurance Level	Recommendations	
<p>Discussions with key staff at the time of the review identified that there have been no debt write-offs for the year to date.</p> <p><b>Treasury Management</b></p> <p>Evidence was in place to demonstrate that the financial forecast outturn, including cash flow is regularly reported to the Performance and Overview Committee.</p> <p>Audit review of the current bank mandate in place identified there have been no changes in signatories since MIAA review in November 2019.</p> <p><b>Follow up of 2019/20 recommendations</b></p> <p>3 recommendations were raised as part of the 2019/20 of which 1 was accepted. Management confirmed that they were content with the compensating controls in place to support the recommendations not accepted.</p> <p>Audit testing undertaken as part of the 2020/21 review identified that recommendation agreed has been implemented.</p> <p><b>Executive/ Management Sponsor:</b> Wendy Bebbington, Head of Finance</p>			
<p>Risk Management</p>	<p>High</p>	<p>0 x Critical 0 x High</p>	<p>0 x Medium 2 x Low</p>
<p><b>Objective:</b> The overall objective of the review was to evaluate the effectiveness of the risk management systems and processes.</p>			
<p><b>Summary:</b></p>			
<p><b>Risk Management Strategy/Policy</b></p>			
<p>An overarching Risk Management Policy is in place dated May 2020. Risk Scoring guidance and Practitioner guidance supplement the Policy and are embedded within the document.</p>			
<p>Our evaluation of the policy and procedural guidance found them to be comprehensive, we have however recommended some minor enhancements (<b>Low Risk</b>).</p>			
<p>The policy and guidance are accessible via the CFRS website, Cheshire Planning System and as a corporate document.</p>			
<p><b>Roles and Responsibilities</b></p>			
<p>Roles and responsibilities in relation to risk are noted within a high-level summary table in Appendix 1 of the Risk Management Policy.</p>			
<p>Overall responsibility for risk management sits with the Fire Authority. The Authority has developed a Risk Management Board (RMB) to support in the discharge of its duties in relation to risk and two Member Champions are appointed to sit on the RMB.</p>			

Title	Assurance Level	Recommendations
<p>The Joint Corporate Service Planning and Performance staff provide an active support role in risk management for both Police and Fire which includes training, risk review meetings with Heads of Department oversight and coordination of the risk registers and maintenance of the Strategic Risk Register.</p> <p>CFRS have also created Departmental Joint Business Continuity, Risk &amp; Information Champions. These individuals receive additional training and operationally support the promotion and implementation of effective business processes for business continuity, information governance and risk.</p> <p><b>Training</b></p> <p>The approach to risk management training is not noted within the Risk Management Policy and we have recommended that this is updated, see recommendation one.</p> <p>Both Fire Authority and Risk Management Board member training forms part of the Member Development Programme. The last training session was supported by MIAA on 4/9/19 for the municipal year 2019/20. A further session is scheduled for February 2021.</p> <p>Training Needs Analysis is circulated by the Learning &amp; Development (L &amp; D) Team annually and any member of staff can request training where available from internal courses or other training delivered externally. Risk Management Training for Heads of Department and staff can be requested through L &amp; D if it is required for the role.</p> <p>Training is delivered by the Joint Corporate Services Planning and Performance Team and is usually linked in with training on the Cheshire Planning System and associated risk registers.</p> <p>During 2019/20 the Joint Corporate Service Planning and Performance Team have undertaken ad hoc training as requested for Prevention and Operational Policy and Assurance Teams. Further training for the Prevention Team is scheduled for 2021.</p> <p>For 2021/22 the Joint Corporate Team are exploring with L &amp; D the possibility of combining risk training for Fire and Police staff and particularly for those that have identified a need in relation to their role. Discussions confirmed that training records for Informal training were not always maintained but will be going forward.</p> <p><b>Consistent Risk Management processes</b></p> <p>The policy and procedural guidance set out the standard approach to be adopted across CFRS. The Risk Management Practitioner guidance provides very detailed and thorough guidance for staff.</p> <p>All CFRS risk registers are recorded on the Cheshire Planning System which is an online tool that supports the recording of risk, progress history, control measures, mitigating actions etc. The system also supports risk reporting and excel risk registers are a standard report fed directly from the system.</p>		

Title	Assurance Level	Recommendations
<p>Risks are scored according to their impact and likelihood and the risk scoring methodology document offers a detailed explanation for users.</p> <p>MIAA reviewed a sample of risk registers including:</p> <ul style="list-style-type: none"><li>• Protection and Organisational Performance</li><li>• Finance</li><li>• IT</li><li>• Service Delivery</li></ul> <p>We confirmed that all had last been subject to review and update in September 2020 and a further review had either taken place or was scheduled in December 2020. All risks had an appropriate risk owner and were scored according to the standard methodology.</p> <p>Analysis found that a small number of risks should be updated to reflect :</p> <ul style="list-style-type: none"><li>• The risk register template had confusing terminology over the use of “target risk” when in reality the column should reflect the current risk score – after controls applied. On one of the registers an extra column had been added for Target Risk Rate to avoid this confusion.</li><li>• Action column target dates are not noted on actions required.</li><li>• The origin of the risk was not always noted but the date of origin was noted (<b>Low Risk</b>)</li></ul> <p>We confirmed that a consistent approach is in place and there are effective controls to monitor and review risk registers through regular meetings with the Joint Corporate Services Planning and Performance Team.</p> <p>The Practitioner guidance confirms that risks scored 15 and above should be considered for escalation to the Strategic Risk Register. The escalation process allows for review by the Head of Department initially and then escalated risks are considered at the next Risk Management Board. As the Risk Management Board only meets twice per year this does not delay the escalation process but the RMB check and challenge may be undertaken sometime after the escalation.</p> <p>At the time of our review the Strategic Risk Register contained eight risks including one related to the impact of Covid19 on business operations.</p> <p>In terms of de-escalation or closure of risk, an audit trail is maintained on the Cheshire Planning System and any decisions taken by the risk owner are subject to check and challenge by the corporate team.</p> <p>Risks in relation to Covid19 had been considered within the risk registers reviewed.</p> <p><b>Risk Reviews</b></p> <p>Risks are formally reviewed on a quarterly basis, in practice it often happens more regularly and this is clear in the procedural guidance with an expectation on Heads of Department and risk champions in supporting and driving this process.</p>		

Title	Assurance Level	Recommendations
<p>Quarterly reviews are also driven by the Joint Corporate Planning and Performance Team and a central log is maintained by the team to manage risk review meetings and governance reporting.</p> <p>The corporate team have a check and challenge role at the quarterly meetings with Heads of Departments where risks are reviewed and any decisions to escalate / de-escalate are taken. Risk Maps are also used to present a one page pictorial summary of risk across CFRS.</p> <p>The operational performance and governance reporting framework additionally provides an opportunity for departmental risk review at Programme and operational board level as well as quarterly review at Service Management Team.</p> <p>Our analysis of risk registers confirmed that risk review controls are operating as designed and risks were up to date.</p> <p><b>Governance Arrangements</b></p> <p>There are a number of operational meetings at which risks are reviewed and considered, these include Performance and Programme Board, service meetings, budget meetings and Service Management Team.</p> <p>Regular updates to the Performance &amp; Overview (P &amp; O) Committee on Programmes and Performance highlight any areas of concern or risk. The July 2020 committee meeting also received the Risk Management Annual Report following its approval at RMB.</p> <p>Assurances in respect of risk are additionally received by the External and Internal Auditors through their delivery of annual audit plans.</p> <p>The annual Statement of Assurance and the Annual Governance Statement summarising the systems of internal control including risk management were presented to the October 2020 Fire Authority.</p> <p><b>Risk Management Board</b></p> <p>The RMB Terms of Reference (last reviewed in March 2020) state that it is responsible for ensuring that the organisation manages risk effectively through the development and implementation of a comprehensive Corporate Risk Management Framework.</p> <ul style="list-style-type: none"><li>• RMB will identify, assess and monitor corporate risks and ensure they are managed in line with the Corporate Risk Management Framework. This group has a critical 'check and challenge' role to ensure that identified risks are based on sound risk information and are adequately evaluated.</li><li>• RMB will review any high priority Internal Audit recommendations in the context of risk to the organisation, and assess specific risks that may be escalated from Heads of Department or the Service Management Team.</li><li>• RMB will undertake annual reviews of the Service Crisis Management Plan.</li></ul>		

Title	Assurance Level	Recommendations
<p>The RMB plays a key role in the review of strategic risk and those escalating up through the organisation. At RMB risks are scrutinised and there are regular deep dives into any areas of concern. Assurances and updates are provided by the lead risk owner to the RMB at their request.</p> <p>MIAA are invited to attend RMB and therefore have first-hand experience of its operation and the breadth of discussion therein. Attendance additionally allows MIAA to have a watching brief on risk management and the performance of RMB against their terms of reference.</p> <p>A Risk Management Annual Report was presented to the RMB in March 2020 and this will be a standard agenda item annually going forward.</p> <p>RMB minutes and the Risk Management Annual report are also reported into the Fire Authority.</p> <p><b>Key areas agreed for action (due to be complete by July 2021):</b></p> <p>Two low risk recommendations were agreed:</p> <ul style="list-style-type: none"><li>• Minor updates to the Policy and Practitioner guidance.</li><li>• Update the risk register to reflect the current and target risk score, the origin of the risk alongside the origin date and the target dates for actions against which progress can be measured.</li></ul> <p><b>Executive/ Management Sponsor:</b> Andrew Leadbetter, Director of Governance and Commissioning</p>		

## 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"> <li>the efficient and effective use of resources</li> <li>the safeguarding of assets</li> <li>the preparation of reliable financial and operational information</li> <li>compliance with laws and regulations.</li> </ul>
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"> <li>has a low impact on the achievement of the key system, function or process objectives;</li> <li>has exposed the system, function or process to a key risk, however the likelihood of this risk occurring is low.</li> </ul>
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	Progress is on track
Timeliness	Green	No issues at present – Watching brief due to Covid19 impacts on ways of working and organisational response.
Qualified Staff	Green	MIAA Audit Staff consist of: <ul style="list-style-type: none"> <li>• 65% Qualified (CCAB, IIA etc.)</li> <li>• 35% Part Qualified</li> </ul>
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. Our five year re assessment was completed in September 2020.



## Overview of Output Delivery

REVIEW TITLE	PLANNED REPORTING TO P & O				ASSURANCE LEVEL	Commentary
	Sep	Nov	Feb	June		
<b>CORPORATE SERVICES</b>						
Financial Systems			✓		High	Complete
National Fraud Initiative (Carry forward)	✓				N/A	Briefing and Staff notices issued.
<b>PROTECTION &amp; ORGANISATIONAL PERFORMANCE</b>						
Risk Management			✓		High	Complete
Risk Management Board		✓		o	N/A	
<b>SERVICE DELIVERY / OPERATIONAL POLICY &amp; ASSURANCE</b>						
Collaboration/ Partnerships			•			Draft Report
Estates Management					N/A	Deferred to 21/22 audit plan
<b>PEOPLE</b>						
Payroll		✓			Substantial	Complete
Pensions ( Carry forward 2019/20)			✓		Substantial	Complete
<b>FOLLOW-UP AND CONTINGENCY</b>						
Follow-up		✓		•		Phase 1 Complete Phase 2 In progress
Contingency						

### Key

o = Planned , • = In Progress , ✓ = Complete