

CHESHIRE FIRE AUTHORITY

MEETING OF: PERFORMANCE & OVERVIEW COMMITTEE
DATE: 24 AUGUST 2016
REPORT OF: CHIEF FIRE OFFICER AND CHIEF EXECUTIVE
AUTHOR: CHRIS ASTALL

SUBJECT: QUARTERLY INTERNAL AUDIT PLAN – Quarter 4 (2015/16) & Quarter 1 (2016/17) PROGRESS REPORT

Purpose of Report

1. To provide Members with an update on:
 - Report Q4 progress made in respect of the 2015-16 internal audit plan
 - Report Q1 progress made in respect of the 2016-17 internal audit plan.

Attached, as **Appendix 1**, is a progress report prepared by Mersey Internal Audit Agency (MIAA) who will attend the meeting.

Recommended: That

- [1] Members of the Performance & Overview Committee review and note the attached report; and
- [2] Members highlight any specific audit findings for which they would like further detail.

Background

2. Internal auditing is an assurance function that primarily provides an independent and objective opinion to the Authority on the organisation's control environment.
3. Findings and recommendations made by MIAA during the course of an audit are presented formally in a report to the relevant Heads of Department. Each recommendation is prioritised as Critical, High, Medium, or Low to reflect the assessment of risk associated with any identified control weakness. It is a management responsibility to respond to the recommendations and identify actions that can be taken to address any issues.
4. Each Terms of Reference (ToR) and audit reports are reviewed by senior officers and any substantial risks identified may be referred to the Risk Management Board (RMB) if considered necessary.

5. The Performance & Overview Committee receives updates on a quarterly basis for the purpose of monitoring and scrutiny of progress against the annual audit plan and notable findings from audits undertaken during the course of the year.
6. All recommendations are populated on the Service's Cheshire Planning System (CPS) for monitoring and tracking delivery, progress in implementing the improvement actions and are reviewed during the year by PAG and independently assessed by MIAA during an annual 'follow-up' audit which is undertaken in Quarter 4.

Information

6. In April 2015 management of the internal audit process was transferred to Planning, Performance & Communications (PP&C) who facilitate delivery of the ongoing action plans and presentation of audit reports.

Reviews completed since last report to P&O Committee

7. Since the previous meeting of the Performance and Overview Committee the following reviews have been completed by MIAA, all of which received Significant Assurance:
 - Capital Programme
 - Combined Financial Systems
 - Fire Cadet Groups
 - Local Code of Corporate Governance
 - NW Joint Control Centre
 - Operational Training
 - Princes Trust

Work in Progress 2016-17

8. There has been substantial activity aligned to the 2016-17 audit plan with the following Terms of Reference (ToRs) developed. The fieldwork will commence during Q2 in line with the internal audit plan:
 - **Insurance Arrangements** – assess the effectiveness of the revised insurance arrangements in place at the Authority.
 - **On Call Availability** – to assess the effectiveness of the On Call Availability arrangements in place at the Authority.

Request for audit plan Changes

9. The contingency element of the audit plan allows the flexibility to respond to any changes in our risk profile throughout the financial year. There have been no requests for change during Quarter 1 reporting period.

Financial Implications

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

Legal Implications

11. There are no specific legal implications arising from this report.

Equality & 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.

Appendix 1 – Internal Audit Progress Report Q4 (2015/16) & Q1 (2016/17)