

Report to	Audit Committee
Date	18 March 2024
Lead Officer	Helen MacArthur, Assistant Chief Fire Officer Finance and Resources
Contact Officer	Angharad Ellis (MIAA)
Subject	Internal Audit Update



PURPOSE OF REPORT

- 1 The purpose of this report is to provide to Members an update of the work undertaken by North Wales Fire and Rescue Authority (the Authority)'s internal audit providers, MIAA, for the for the period 1 December 2023 to 29 February 2024.

EXECUTIVE SUMMARY

- 2 The Authority is required to put arrangements in place for the audit of systems of control. MIAA was appointed in June 2023 to provide internal audit services to the Authority.
- 3 The report contained within Appendix 1 provides an overview of the work undertaken during the 2023/24 financial year against the agreed internal audit plan. The report confirms the findings of reviews undertaken during the period 1 December 2023 to 29 February 2024.
- 4 The detailed reports relating to the reviews finalised are set out within appendices 2-5 and provide assurance on the existence and operation of key controls. Recommendations for further improvement have been agreed including timescales for implementation.

RECOMMENDATIONS

- 5 It is recommended that Members:
 - i) **Note the work undertaken by MIAA during 2023/24; and**
 - ii) **Note the work finalised between 1 December 2023 to 29 February 2024, including the agreed recommendations for further improvement.**

BACKGROUND

- 6 The Accounts and Audit (Wales) Regulations 2014 (the Regulations) require the Authority to make proper and effective arrangements for systems of internal control. This includes the arrangements for the management of risk and adequate and effective financial management.
- 7 The Regulations also require an adequate and effective internal audit of the systems of internal control, the findings of which must be reported to Members of the Authority. The Authority is required to approve the Statement of Internal Control annually.
- 8 The Authority appointed MIAA as its internal auditor at the Audit Committee meeting of the 18 June 2023. The Audit Plan was approved by the Audit Committee at its meeting of 18 September 2023.

INFORMATION

- 9 The report contained within Appendix 1 provides an overview of the work undertaken during 2023/24 and confirms that in the reporting period the following reviews were finalised:
 - Key Financial Transaction Processing Controls
 - National Fraud Initiative (NFI)
 - Risk Management arrangements
- 10 The detailed reports are provided within appendices 2-4 and outline the areas subject to review and the key findings. The reviews have also highlighted recommendations for further work and improvement which have been agreed.

IMPLICATIONS

Wellbeing Objectives	The operation of financial systems that are properly controlled supports the delivery of the well-being objectives and longer-term sustainability of services.
Budget	Assurance on the existence and operation of internal controls supports the effective budget setting process.
Legal	An effective internal audit arrangement is a requirement of the Accounts and Audit (Wales) 2014 Regulations
Staffing	The review of key financial systems including payroll provide assurance that controls are present and that payments are in accordance with agreed policies and procedures.
Equalities/ Human Rights/ Welsh Language	The engagement lead with MIAA is bi-lingual and reports will be subject to normal translation processes.
Risks	<p>The Statement of Assurance is submitted in compliance with the Accounts & Audit Regulations and the Public Sector Internal Audit Standards. Without such assurance from the Members would be unaware of the adequacy & effectiveness of the corporate governance, risk management & internal control arrangements and its associated ability to achieve its objectives.</p> <p>Any significant issues or weaknesses identified by Internal Audit would not be considered in the preparation of the Annual Governance Statement.</p>