

Report to	Audit Committee
Date	18 December 2023
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 outline to Members with an update of the work undertaken by the Authority's internal audit providers, MIAA.

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 to 30 November 2023 and the work planned for the remainder of the financial year.

RECOMMENDATIONS

- 4 It is recommended that Members:
 - i. Note the work undertaken by MIAA to 30 November 2023 and note the reviews planned for the remainder of the financial year.

BACKGROUND

- 5 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.
- 6 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.

- 7 The Authority appointed MIAA as its internal auditor at the Audit Committee meeting of the 18th June 2023. The Audit Plan was approved by the Audit Committee at its meeting of 18th September 2023.

INFORMATION

- 8 The report contained within Appendix 1 provides an overview of the work undertaken to 30 November 2023. This confirms that the review of the Authority's arrangements for the management of payroll and absence management has completed. The payroll system is a core financial system and transactions account for over 70% of expenditure. The detailed audit report will be reported separately.
- 9 The report also outlines that work is ongoing in relation to the National Fraud Initiative (NFI). MIAA has provided support in reviewing potential data matches to provide assurance on the Authority's underpinning arrangements.
- 10 The work of MIAA will also focus on other risk areas including the Authority's arrangements for the management of cyber security and a review of the Authority's key financial systems.

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 an 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>