Internal Audit Progress Report Audit Committee (June 2025)

North Wales Fire and Rescue Service

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Contents

Public Sector Internal Audit Standards

Our work was completed in accordance with Public Sector Internal Audit Standards and conforms with the International Standards for the Professional Practice of Internal Auditing.

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Executive Summary

This report provides an update to the Audit Committee in respect of the progress made in against the Internal Audit Plan for 2025/26 and brings to your attention matters relevant to your responsibilities as members of the Audit Committee.

This progress report provides a summary of Internal Audit activity and complies with the requirements of the Public Sector Internal Audit Standards.

Comprehensive reports detailing findings, recommendations and agreed actions are provided to the organisation, and are included within the Audit Committee papers. In addition, a consolidated follow up position is reported on a periodic basis to the Audit Committee.

This progress report covers the period 1st March to 31st May 2025.

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2024/25 Audit Reviews
The following reviews have been finalised: • Risk Management (Limited Assurance) At the time of the review, a formal Risk Management Strategy for the Service was in the process of being drafted.   A review of the risk register identified that the format of the risk register has been enhanced. However, we found that the risk register had not been consistently completed for risks across both the Strategic and Operational Risk Registers. In addition, most of the risks included within the risk register did not have progress updates recorded. Although some risk assessment training has been provided, the training provision should be rolled out further. In addition, risk management training needs should be clearly identified for all staff and the arrangements for monitoring compliance should be agreed. As at the time of the review, the Strategic Risk Committee has met twice since it was implemented to provide review and oversight of the Strategic and Operational Risk Registers across the Service. However, documentation should be enhanced to evidence the discussion, challenge, scrutiny and debate of risks at the Strategic Risk Committee meetings. Any issues that require escalation should then be reported to the Senior Leadership Team (SLT). Refer to Appendix C for details of Key Areas and Actions to be Delivered

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2025/26 Audit Reviews

The following reviews are in progress:

- Equipment Asset Management (Fieldwork)
- National Fraud Initiative (In progress)
- Attendance at Budget Scrutiny meetings (when required)

Follow Up

A summary of the current status of all follow-up activity is included as a separate report.

Audit Plan Changes

Audit Committee approval will be requested for any amendments to the original plan and highlighted separately below to facilitate the monitoring process.

- It has been requested by the Assistant Chief Fire Officer that the timing of the Business Planning review be changed to Quarter 2 2025/26 and that the Equipment Asset Management review be brought forward to Quarter 1 2025/26.

Added Value

Briefings

Our latest briefings/blogs/podcasts are:

- [MIAA Blog - Insights from the 2024 NHS Staff Survey](#)

- [Key NHS Publications - March 2025](#)

- [Summary of NHS Planning Guidance](#)

- [Key NHS Publications - February 2025](#)

- [24/25 MIAA Checklist Series - Local Safety Standards for Invasive Procedures (LocSSIPs)](#)

- [Key NHS Publications - January 2025](#)

- MIAA's Assurance Director, Louise Cobain contributed to HFMA's latest briefing: [The value of internal audit | HFMA](#)

- 24/25 MIAA Insight – Wellbeing Reviews Benchmarking

- [Key NHS Publications - November 2024](#)

- [24/25 MIAA Insight - EU Artificial Intelligence Act and its wider implications](#)

Events

- [Climate Change and the Public Sector – Placing sustainability at the core to deliver better services and support a healthier population](#) (21st May 2025): Climate change poses a major threat to our health and wellbeing, as well as our planet. The environment is changing, that change is accelerating, and this has direct and immediate consequences for the delivery of health and social care services, and above all those people who receive care and support.

- [Psychological safety as an enabler to innovation, engagement and productivity](#) (10th July 2025): We will hear from experts in the field and consider how the leaders role is essential in role modelling this approach. This means considering our own bias', ways of working and willingness to embrace uncertainty and change.

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Appendix A: Contract Performance

The Public Sector Internal Audit Standards (PSIAS) state that 'The chief audit executive must deliver an annual internal audit opinion and report that can be used by the organisation to inform its governance statement.'

Below sets outs the overview of delivery for your Head of Internal Audit Opinion for 2024/25:

HOIA Opinion Area	TOR Agreed	Status	Assurance Level	Audit Committee Reporting
Risk Management	✔	Completed	Limited	June 2025
Training Strategy Implementation Plan	✔	Completed	Substantial	December 2024
Key Financial Transactional Processing Controls	✔	Completed	Substantial	December 2024
Procurement	✔	Completed	Substantial	September 2024
National Fraud Initiative (Data matches released)	N/A	Briefing note issued	N/A	March 2025
Budget Scrutiny meetings	N/A	Completed	N/A	N/A
Follow Up				
Q1	N/A	Completed	N/A	June 2024

HOIA Opinion Area	TOR Agreed	Status	Assurance Level	Audit Committee Reporting
Q4	N/A	Completed	N/A	June 2025

If 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.

The table summarises the delivery of your Head of Internal Audit Opinion for 2025/26:

HOIA Opinion Area	TOR Agreed	Status	Assurance Level	Audit Committee Reporting
Risk Management – Core Controls		Q4 delivery		June 2026
National Fraud Initiative	N/A	In progress		September 2025
Key Financial Systems		Q3 delivery		December 2025
Business Planning		Q2 delivery		December 2025
Equipment Asset Management	✔️	Fieldwork		September 2025
Attendance at Budget Scrutiny meetings	N/A	As required		N/A
Follow Up				
Q1	N/A	Completed	N/A	June 2025
Q4	N/A	Q4 delivery		June 2026

Appendix B: Performance Indicators

The primary measure of your internal auditor's performance is the outputs deriving from work undertaken. The following provides performance indicator information to support the Committee in assessing the performance of Internal Audit.

Element	Reporting Regularity	Status	Summary
Delivery of the Head of Internal Audit Opinion (Progress against Plan)	Each Audit Committee	Green	No issues to report
Issue a Client Satisfaction Questionnaire following completion of every audit.	Every Final report includes a questionnaire for client feedback	Green	
Percentage of recommendations raised which are agreed	Each Audit Committee	Green	
Percentage of recommendations which are implemented	Follow Up will be reported twice per year	Green	
Qualified Staff	Annual	Green	MIAA have a highly qualified and diverse workforce which includes 75% qualified staff.
Quality	Annual	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. MIAA conforms with the Public Sector Internal Audit Code of Ethics.

Appendix C: Key Areas from our Work and Actions to be Delivered

Report Title	Risk Management			
Executive Sponsor	Assistant Chief Fire Officer			
Objective	To evaluate the effectiveness of the risk management systems and processes.			
Recommendations	0 x Critical	4 x High	0 x Medium	1 x Low
Summary	- The Deputy Chief Fire Officer has been assigned (detailed in the draft Risk Management Strategy) as the Executive Lead and Senior Risk Owner (SRO) for risk management within the Service. - The Service has recently reviewed and agreed it's risk appetite statement which has been linked to the strategic objectives. This was updated and approved in December 2024 by the Strategic Risk Committee and Fire and Rescue Authority (FRA) Executive Panel. - A Strategic Risk Register has been developed and has been shared on a dedicated Teams channel where all members of the Senior Leadership Team (SLT) and designated risk managers have access. - MIAA review of current corporate risks register (as at March 2025) highlighted that the format has been updated and enhanced to include the scoring of risks (gross, residual and target), details of current controls in place to mitigate the identified risks, assurances in place and the responsible risk owner. - The Corporate Planning and Performance Manager and Head of Training have developed and delivered some risk management training. - Formal training has been recently introduced using an external provider. Face to face training (rolled out from January 2025) started with members of SLT (Level 3). The Service has also used "Learnpro" (an online training tool) for the facilitation of other training and we were informed that this will be explored for the delivery of Risk Management training. Training attendance for the SLT members has been monitored to identify instances of non-attendance so that full			

	training compliance can be achieved. At the time of the review, Level 4 training for members of the FRA was in the process of being arranged. • A Corporate risk report is produced by the Strategic Risk Committee (SRC) on a quarterly basis and is shared with the Executive team. This focuses on the overall risk position of the Service. The report also includes risks rated high and very high by Department. • The Strategic Risk Register (SRR) was recently reviewed by the SRC in February 2025 which includes all risks scoring 15 and above. • MIAA review of the December 2024 meeting papers for the FRA Executive Panel confirmed that an update in relation to Strategic Risk Management had been provided. This included an update on the development of the risk management processes, an outline of the draft Risk Appetite Statement, and an overview Strategic Risk Register.
Key Areas Agreed for Action	• At the time of the review, a formal Risk Management Strategy for the Service was in the process of being drafted. (High Risk) • A review of the risk register (dated March 2025) identified that the format of the risk register had not been consistently completed for risks across both the Strategic and Operational Risk Registers e.g. current controls, assurances in place, gaps in control/assurances and action plans. In addition, most of the risks included within the risk register did not have progress updates recorded (this was also the case for 4 out of 6 risks in the Strategic Risk Register). (High Risk) • A review of SRC papers identified that the meetings were not minuted. Therefore, we could not confirm the discussions taken place and the level challenge, scrutiny and debate in relation to risks. In addition, from a review of recent meeting minutes from SLT we could not confirm that issues in relation to risk management have been appropriately escalated from the SRC e.g. lack of progress updates and actions taken to address the identified risks. (High Risk) • The Service does not have a formal Training Needs Analysis (TNA) for Risk Management. Although our review identified that some face to face training has been provided to members of SLT (Level 3), the training provision should be rolled out to Levels 1, 2 and 4. The arrangements for monitoring compliance should also be agreed. (High Risk) • At the time of the review, the Terms of Reference for the SRC was in draft and required formal agreement by SLT. (Low Risk)

Appendix D: 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: • the efficient and effective use of resources • the safeguarding of assets • the preparation of reliable financial and operational information • compliance with laws and regulations.
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: • has a low impact on the achievement of the key system, function or process objectives; • has exposed the system, function or process to a key risk, however the likelihood of this risk occurring is low.
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.

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Limitations

The matters raised in this report are only those which came to our attention during our internal audit work and are not necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required. Whilst every care has been taken to ensure that the information in this report is as accurate as possible, based on the information provided and documentation reviewed, no complete guarantee or warranty can be given with regards to the advice and information contained herein. Our work does not provide absolute assurance that material errors, loss or fraud do not exist.

Responsibility for a sound system of internal controls and the prevention and detection of fraud and other irregularities rests with management and work performed by internal audit should not be relied upon to identify all strengths and weaknesses in internal controls, nor relied upon to identify all circumstances of fraud or irregularity. Effective and timely implementation of our recommendations by management is important for the maintenance of a reliable internal control system.

Reports prepared by MIAA are prepared for your sole use and no responsibility is taken by MIAA or the auditors to any director or officer in their individual capacity. No responsibility to any third party is accepted as the report has not been prepared for, and is not intended for, any other purpose and a person who is not a party to the agreement for the provision of Internal Audit and shall not have any rights under the Contracts (Rights of Third Parties) Act 1999.

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