



STAFFORDSHIRE COMMISSIONER FIRE AND RESCUE AUTHORITY

DRAFT Annual internal audit report for the 12 months ending 31 March 2025

29 May 2025

This report is solely for the use of the persons to whom it is addressed.

To the fullest extent permitted by law, RSM UK Risk Assurance Services LLP will accept no responsibility or liability in respect of this report to any other party.

CONTENTS

The Annual Internal Audit Opinion 3

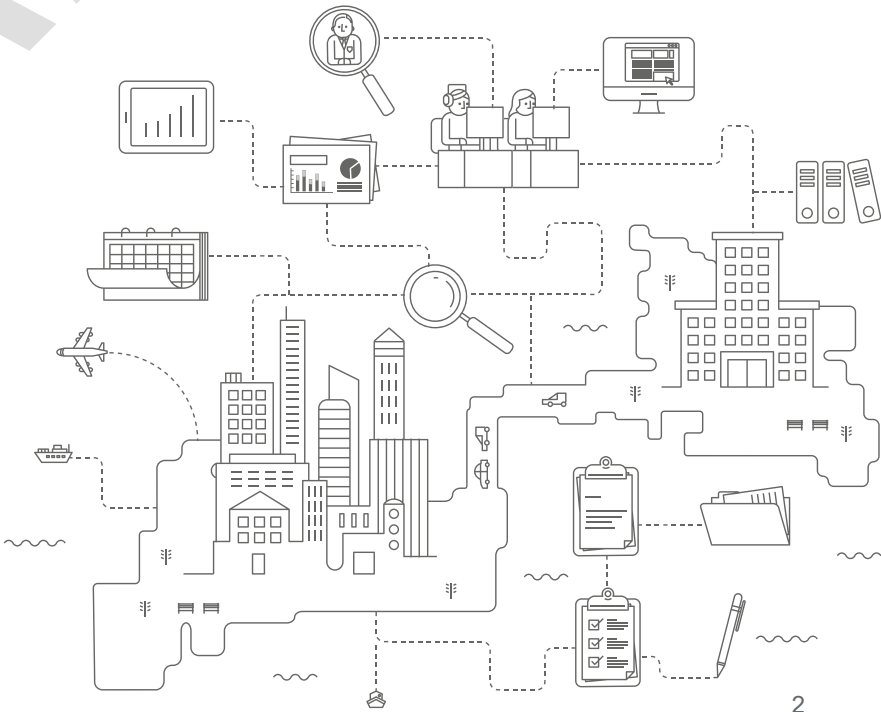
1 Scope and limitations of our work 5

2 Factors and findings which have informed our opinion 7

Appendix A: Summary of internal audit work completed 13

Appendix B: Opinion classification 14

For further information contact 15



THE ANNUAL INTERNAL AUDIT OPINION

The DRAFT annual internal audit opinion is based upon, and limited to, the work performed on the overall adequacy and effectiveness of the organisation's risk management, control and governance processes. For the 12 months ending 31 March 2025 the head of internal audit opinion for the Staffordshire Commissioner Fire and Rescue Authority is:

Annual opinion

Factors influencing our opinion



The organisation does not have an adequate framework of governance, risk management or internal control.



There are weaknesses in the framework of governance, risk management and internal control such that it could become inadequate and ineffective.



The organisation has an adequate and effective framework for risk management, governance and internal control.

However, our work has identified further enhancements to the framework of risk management, governance and internal control to ensure that it remains adequate and effective.



The organisation has an adequate and effective framework for risk management, governance and internal control.

The factors which are considered when influencing our opinion are:

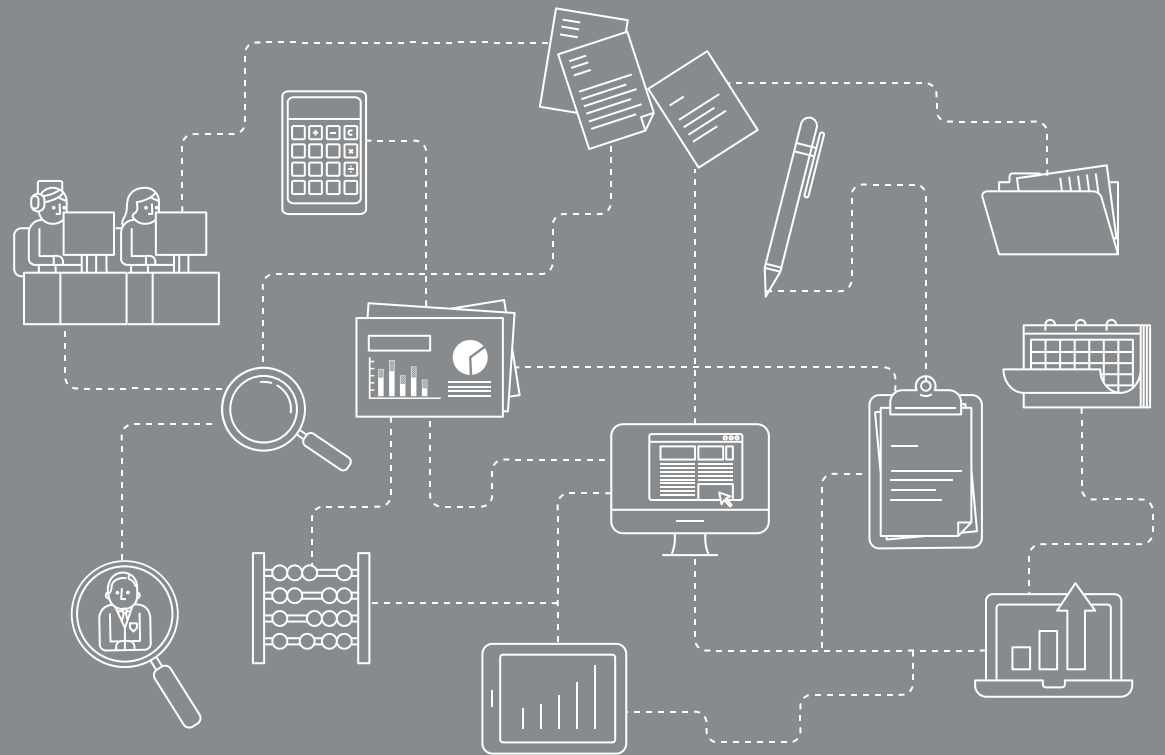
- inherent risk in the area being audited;
- limitations in the individual audit assignments;
- the adequacy and effectiveness of the risk management and / or governance control framework;
- the impact of weaknesses identified;
- the level of risk exposure; and
- the response to management actions and timeliness of actions taken.



It remains management's responsibility to develop and maintain a sound system of risk management, internal control, governance, and for the prevention and detection of errors, loss or fraud. The work of internal audit is not and should not be seen as a substitute for management responsibility around the design and effective operation of these systems.

Scope and Limitations

01



1 SCOPE AND LIMITATIONS OF OUR WORK

The formation of our draft opinion is achieved through a risk-based plan of work, agreed with management and approved by the Ethics Transparency and Audit Panel (ETAP), our opinion is subject to inherent limitations, as detailed below.



- Internal audit has not reviewed all risks and assurances relating to the organisation.
- The opinion is substantially derived from the conduct of risk-based plans generated from a robust and organisation-led assurance framework. The assurance framework is one component that the authority takes into account in making its annual governance statement (AGS).
- The opinion is based on the findings and conclusions of the agreed work which was limited to the area under review and agreed with management.
- Where strong levels of control have been identified, there are still instances where these may not always be effective. This may be due to human error, incorrect management judgement, management override, controls being by-passed or a reduction in compliance.
- Due to the limited scope of our audits, there may be weaknesses in the control system which we are not aware of, or which were not brought to our attention.
- The matters highlighted in this report represent only the issues we encountered during our work. It is not an exhaustive list of all weaknesses or potential improvements. Management remains responsible for maintaining a robust system of internal controls, and our work should not be the sole basis for identifying all strengths and weaknesses.
- This report is prepared solely for the use of the Authority, the Fire and Rescue Service and ETAP.

Informing Our Opinion

02



2 FACTORS AND FINDINGS WHICH HAVE INFORMED OUR OPINION

A summary of internal audit work undertaken, and the resulting conclusions, is provided at appendix B.

Governance	Risk	Internal Control
<p>Our Governance opinion has been informed specifically through our continued attendance at ETAP alongside the governance and reporting aspects of the following audits for which the organisation could take positive assurance:</p> <ul style="list-style-type: none">• Capital Framework,• Key Financial Controls,• HR - Absence Management,• Protection Activity; and• Procurement	<p>Our Risk Management opinion has been informed by our risk-based approach to individual assignments, and the fact that our internal audit plan is risk-based and linked/driven by a number of strategic and operational risks.</p> <p>We have also attended all ETAP meetings throughout the year where we have seen updates provided by management on the strategic risk register to ETAP. These updates provide assurance to the ETAP on how risks are identified, documented and managed and allow the ETAP the opportunity to ask questions, challenge and seek assurance.</p> <p>The opinions has also been based on our cumulative knowledge of the risk management arrangements in place, and those operating in 2024/25.</p>	<p>Our Internal Control opinion has been informed by the six assurance reports completed throughout the year. Of these the Authority could take substantial assurance for three reviews, reasonable assurance for two reviews and partial assurance for one review. In addition, the Sustainability Strategy audit was carried out in an advisory capacity and agreed a total of 27 management actions.</p> <p>For the review where partial assurance could be taken, this was in relation to IT Controls – Third Party. All management actions have been agreed with management, with action owners and implementation dates agreed, although these have yet to be followed up.</p> <p>Our follow up review identified that reasonable progress (positive opinion) had been made to implement previously agreed management actions.</p> <p>Further details on individual reviews are provided at Appendix A.</p>

As well as the headline findings discussed above, the following areas have helped to inform our opinion. A summary of internal audit work undertaken, and the resulting conclusions, is provided at appendix A.



Acceptance of internal audit management actions

Management have agreed actions to address the findings reported by the internal audit service during 2024/25.



Implementation of internal audit management actions

Where actions have been agreed by management, these have been monitored by management through the action tracking process in place.

Our follow up of the actions agreed to address previous years' internal audit findings shows that the organisation had made **reasonable progress** in implementing the agreed actions.



Working with other assurance providers

In forming our opinion we have not placed any direct reliance on other assurance providers.

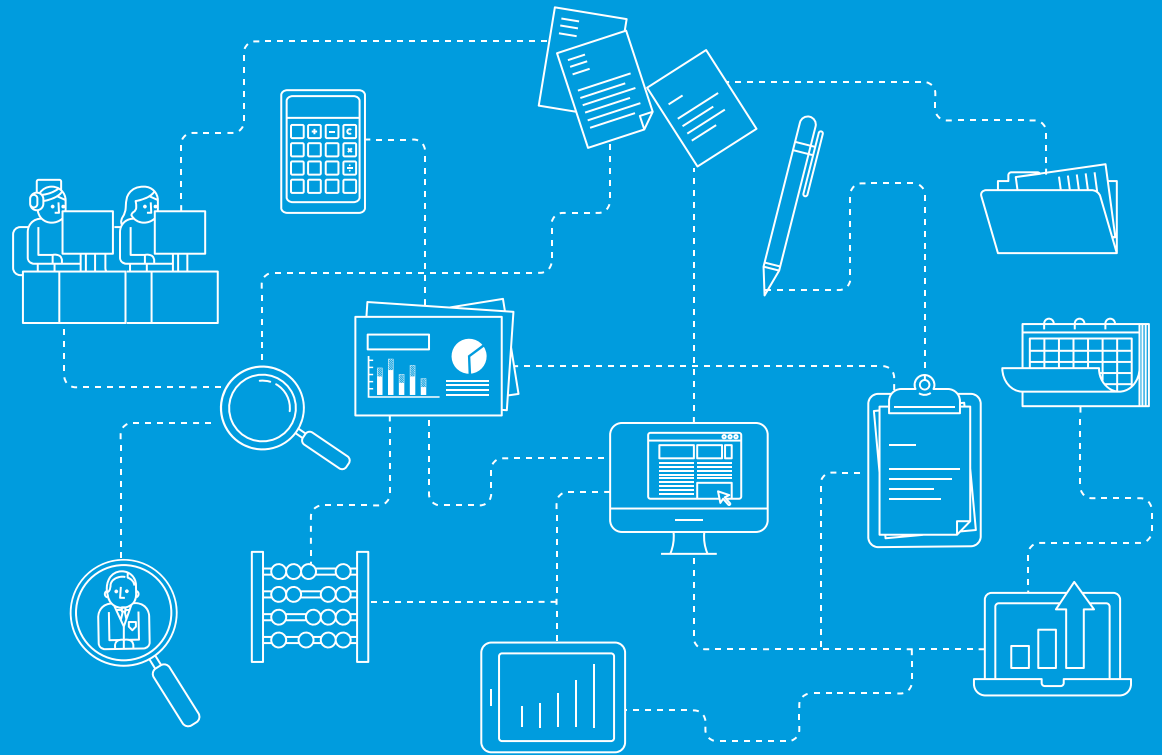


Topics judged relevant for consideration as part of the annual governance statement

From the results of our internal audit work completed during 2024/25, the Authority should consider the issues identified partial assurance report on the 'IT Controls – Third Party' and the issues identified in the Sustainability Strategy (advisory review) for inclusion within the annual governance statement, along with any action already taken or planned to address the issues identified.

Our Performance

03



3.1 Wider value adding delivery

The following has been provided throughout the year

Area of work	How has this added value?
Issue of Emergency Services and general briefings	In our regular news briefings, we drew attention to some of the key developments and publications in the sector, such as the annual assessment of fire and rescue services in England, new internal governance and assurance fire standard, the Fire Standards Board's new fire standards and the new fire and rescue service inspection programme starting in June 2025.
Emergency Services benchmarking of internal audit findings 2023/24	<p>This paper provided a benchmark for our individual clients, allowing for self-assessment against all of our emergency services clients. At the assignment level, benchmarking provided:</p> <ul style="list-style-type: none">• a comparison against the numbers of actions agreed;• the assurance opinions provided across the sector in our client base;• a summary of the key areas where high internal audit management actions were agreed; and• a comparison of Head of Internal Audit (HOIA) opinions.
Emergency Services Risk Register Analysis	Analysis of the risk facing the fire and rescue services across the country to enable the organisation to compare and benchmark your risks and identify any potential gaps in risk identification.
The NED work	The role of the Non-Executive Director is crucial. Whilst not typically involved in the day-to-day operations of a firm, they should be influencing policy, culture and accountability. RSM launched The NED network to help non-executive directors stay abreast of key issues, networking with peers and share ideas. Non-executive directors are invited to join free of charge. We have delivered an annual programme of events, along with supporting insights, articles and blogs designed specifically for our NED community.
Sector Experience	We have also made suggestions throughout our audit reports based on our knowledge and experience in the emergency services sector to provide areas for consideration.
Emerging Risk Radar	The emerging risk radar is based on 129 survey responses from board members and professional advisors from across all industries and highlights key emerging risks and emerging risk considerations
Attendance at ETAP	We have attended every ETAP throughout the year to present our papers and contribute to the wider agenda items as required.

3.2 Conflicts of interest

RSM has not undertaken any work or activity during 2024/25 that would lead us to declare any conflict of interest. Internal audit remains independent and there have been no threats to our independence when delivering the audit plan during 2024/25.

3.3 Conformance with internal auditing standards

RSM affirms that our internal audit services are designed to conform to the Public Sector Internal Audit Standards (PSIAS) and the Global Internal Audit Standards.

Under PSIAS, internal audit services are required to have an external quality assessment every five years. Our risk assurance service line commissioned an external independent review of our internal audit services in 2021 to provide assurance whether our approach meets the requirements of the International Professional Practices Framework (IPPF), and the Internal Audit Code of Practice, as published by the Global Institute of Internal Auditors (IIA) and the Chartered IIA, on which PSIAS is based.

The external review concluded that RSM 'generally conforms*' to the requirements of the IIA Standards' and that 'RSM IA also generally conforms with the other Professional Standards and the IIA Code of Ethics. There were no instances of non-conformance with any of the Professional Standards'.

* The rating of 'generally conforms' is the highest rating that can be achieved, in line with the IIA's EQA assessment model.

3.5 Quality assurance and continual improvement

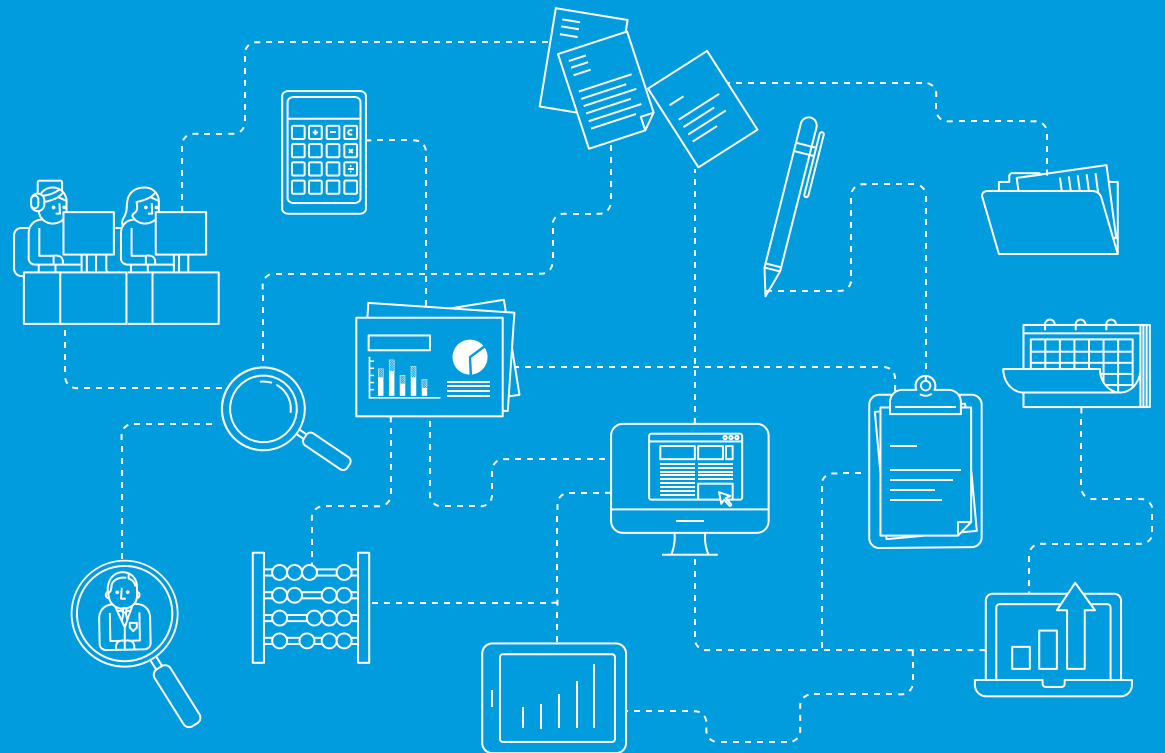
To ensure that RSM remains compliant with the PSIAS framework we have a dedicated internal Quality Assurance Team who undertake a programme of reviews to ensure the quality of our audit assignments. This is applicable to all Heads of Internal Audit, where a sample of their clients will be reviewed. Any findings from these reviews are used to inform the training needs of our audit teams.

As part of the Quality Assessment and Improvement Programme, none of your files were selected for Internal Quality Monitoring programme during 2024/25. From the results of the reviews undertaken across our client base, there are no areas which we believe warrant flagging to your attention as impacting on the quality of the service we provide to you.

In addition to this, any feedback we receive from our post assignment surveys, client feedback, appraisal processes and training needs assessments is also taken into consideration to continually improve the service we provide and inform any training requirements.

Appendices

04



APPENDIX A: SUMMARY OF INTERNAL AUDIT WORK COMPLETED

All of the assurance levels and outcomes provided below should be considered in the context of the scope, and the limitation of scope, set out in the individual assignment report.

Assignment	Executive lead	Status / Opinion issued	Actions agreed		
			L	M	H
IT Controls - Third Party	Glynn Luznyj	Partial Assurance	2	4	2
Protection Activity	Glynn Luznyj	Reasonable Assurance	1	2	0
Key Financial Controls	David Greensmith	Reasonable Assurance	7	2	0
Procurement	David Greensmith	Substantial Assurance	1	1	0
HR - Absence Management	Glynn Luznyj	Substantial Assurance	1	1	0
Capital Framework	David Greensmith	Substantial Assurance	0	1	0
Sustainability Strategy	David Greensmith	Advisory	4	14	9
Follow Up	David Greensmith	Reasonable Progress	3	3	0
Totals			19	28	11

APPENDIX B: OPINION CLASSIFICATION

We use the following levels of opinion classification within our internal audit reports, reflecting the level of assurance the Authority can take:



Minimal Assurance

Taking account of the issues identified, the board cannot take assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied or effective.

Urgent action is needed to strengthen the control framework to manage the identified risk(s).



Partial Assurance

Taking account of the issues identified, the board can take partial assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied or effective.

Action is needed to strengthen the control framework to manage the identified risk(s).



Reasonable Assurance

Taking account of the issues identified, the board can take reasonable assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied and effective.

However, we have identified issues that need to be addressed in order to ensure that the control framework is effective in managing the identified risk(s).



Substantial Assurance

Taking account of the issues identified, the board can take substantial assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied and effective.

- | +

FOR FURTHER INFORMATION CONTACT



Dan Harris, Partner and Head of Internal Audit

Email: daniel.harris@rsmuk.com

Telephone: 07792 948767



Louise Davies, Manager

Email: louise.davies@rsmuk.com

Telephone: 07720 508146

rsmuk.com

The matters raised in this report are only those which came to our attention during the course of our review and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Actions for improvements should be assessed by you for their full impact. This report, or our work, should not be taken as a substitute for management's responsibilities for the application of sound commercial practices. We emphasise that the responsibility for a sound system of internal controls rests with management and our work should not be relied upon to identify all strengths and weaknesses that may exist. Neither should our work be relied upon to identify all circumstances of fraud and irregularity should there be any.

Our report is prepared solely for the confidential use of Staffordshire Commissioner Fire & Rescue Authority, and solely for the purposes set out herein. This report should not therefore be regarded as suitable to be used or relied on by any other party wishing to acquire any rights from RSM UK Risk Assurance Services LLP for any purpose or in any context. Any third party which obtains access to this report or a copy and chooses to rely on it (or any part of it) will do so at its own risk. To the fullest extent permitted by law, RSM UK Risk Assurance Services LLP will accept no responsibility or liability in respect of this report to any other party and shall not be liable for any loss, damage or expense of whatsoever nature which is caused by any person's reliance on representations in this report.

This report is released to you on the basis that it shall not be copied, referred to or disclosed, in whole or in part (save as otherwise permitted by agreed written terms), without our prior written consent.

We have no responsibility to update this report for events and circumstances occurring after the date of this report.

RSM UK Risk Assurance Services LLP is a limited liability partnership registered in England and Wales no. OC389499 at 6th floor, 25 Farringdon Street, London EC4A 4AB.