Southern Internal
Audit Partnership

Assurance through excellence
and innovation

Hampshire & Isle of Wight Fire & Rescue Authority: Standards and Governance Committee

Internal Audit Progress Report 2021-2022 & 2022-23

November 2022

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1. Role of Internal Audit

The requirement for an internal audit function in local government is detailed within the Accounts and Audit (England) Regulations 2015, which states that a relevant body must:

> *'Undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.'*

The standards for 'proper practices' are laid down in the Public Sector Internal Audit Standards [the Standards – updated 2017].

The role of internal audit is best summarised through its definition within the Standards, as an:

> *'Independent, objective assurance and consulting activity designed to add value and improve an organisations' operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes'.*

Hampshire and Isle of Wight Fire and Rescue Authority is responsible for establishing and maintaining appropriate risk management processes, control systems, accounting records and governance arrangements. Internal audit plays a vital role in advising the Hampshire and Isle of Wight Fire and Rescue Authority that these arrangements are in place and operating effectively.

The Hampshire and Isle of Wright Fire and Rescue Service's response to internal audit activity should lead to the strengthening of the control environment and, therefore, contribute to the achievement of the organisation's objectives.
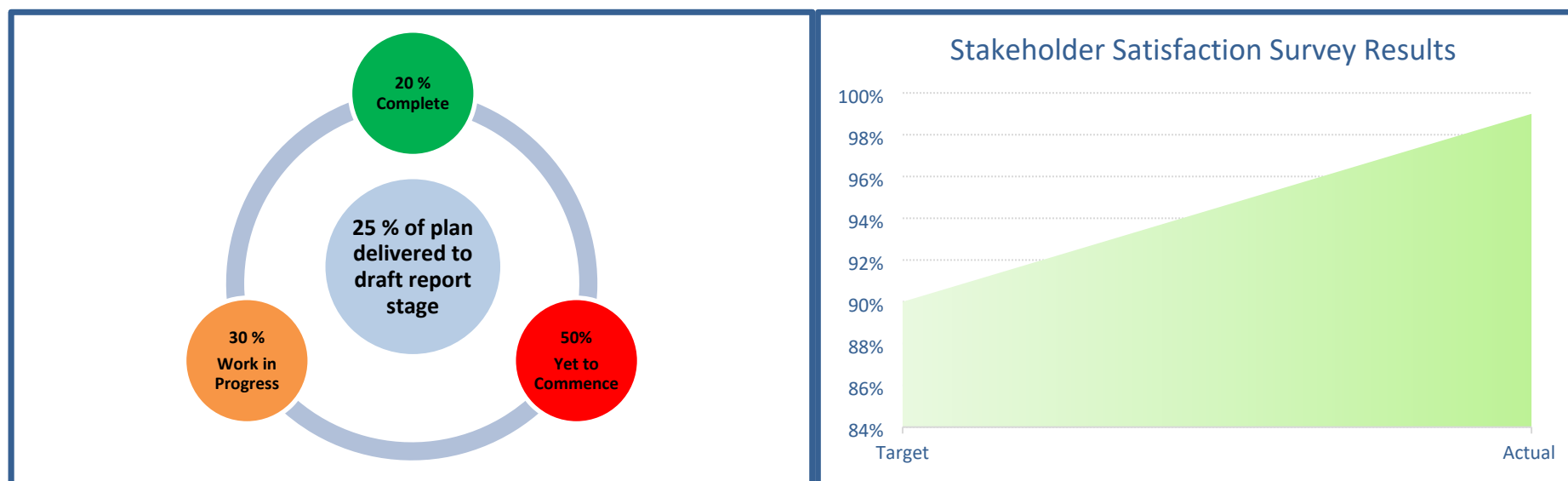
2. Purpose of report

In accordance with proper internal audit practices (Public Sector Internal Audit Standards), and the Internal Audit Charter the Chief Internal Auditor is required to provide a written status report to 'Senior Management' and 'the Board', summarising:

- The status of 'live' internal audit reports;

- an update on progress against the annual audit plan;

- a summary of internal audit performance, planning and resourcing issues; and

- a summary of significant issues that impact on the Chief Internal Auditor's annual opinion.

Internal audit reviews culminate in an opinion on the assurance that can be placed on the effectiveness of the framework of risk management, control and governance designed to support the achievement of management objectives of the service area under review. The assurance opinions are categorised as follows:

Substantial	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.
Reasonable	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
Limited	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
No	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.

3. Performance dashboard

20 %
Complete

25 % of plan
delivered to
draft report
stage

30 %
Work in
Progress

50%
Yet to
Commence

Stakeholder Satisfaction Survey Results

Target

Actual

Compliance with Public Sector Internal Audit Standards

An External Quality Assessment of the Southern Internal Audit Partnership was undertaken by the Institute of Internal Auditors (IIA) in September 2020. The report concluded:

'*The mandatory elements of the IPPF include the Definition of Internal Auditing, Code of Ethics, Core Principles and International Standards. There are 64 fundamental principles to achieve with 118 points of recommended practice. We assess against the principles. It is our view that the Southern Internal Audit Partnership conforms to all 64 of these principles. We have also reviewed SIAP conformance with the Public Sector Internal Audit Standards (PSIAS) and Local Government Application Note (LGAN). We are pleased to report that SIAP conform with all relevant, associated elements.*'

4. Analysis of 'Live' audit reviews

Audit Review	Report Date	Audit Sponsor	Assurance Opinion	Total Management Action(s)*	Not Yet Due*	Complete*	Overdue		
							L	M	H
Assurance of the Competence of Operational Response Capability**	27.07.21	D of O	Limited	8 (4)	0 (0)	8 (4)			
Referral Pathways	16.11.21	D of O	Limited	19 (10)	0 (0)	17 (9)		1	1
ICT Project Management	14.02.22	D of CS	Reasonable	6 (0)	0 (0)	6 (0)			
Prevention and Protection	24.02.22	D of O	Reasonable	3 (0)	0 (0)	2 (0)		1	
ICT Patch Management**	17.03.22	D of CS	Reasonable	7 (0)	0 (0)	7 (0)			
General Data Protection Regulations (GDPR) and Data Protection Compliance	31.03.22	D of CS	Limited	9 (5)	1 (1)	8 (4)			
ICT Change Management	08.04.22	D of CS	Reasonable	4 (0)	2 (0)	2 (0)			
Risk Management	08.06.22	D of PP&A	Reasonable	7 (0)	5 (0)	2 (0)			
Data Quality	17.06.22	D of PP&A	Limited	6 (1)	4 (1)	2 (0)			
DBS Checks	22.06.22	D of P&OD	Limited	8 (2)	0 (0)	8 (2)			
Pay Claims (Recurring Allowances)	11.07.22	D of P&OD	Reasonable	1 (0)	1 (0)	0 (0)			
IT User Access	22.07.22	D of CS	Reasonable	6 (0)	5 (0)	1 (0)			
Property and facilities – statutory compliance works	08.08.22	D of CS	Reasonable	5 (1)	0 (0)	5 (1)			
Impact Assessments	08.08.22	DCFO	Reasonable	4 (1)	1 (1)	3 (0)			
Modern Slavery	15.09.22	DCFO	Reasonable	9 (0)	6 (0)	3 (0)			
Total				102 (24)	25 (3)	74 (20)	0	2	1

*Total number of actions (total number of high priority actions)

** Audits where all actions have been cleared since our last report.

5. Executive Summaries of reports published concluding a 'Limited' or 'No' assurance opinion

There have been no limited or no assurance reports issued since our last report to Committee.

6. Planning & Resourcing

The internal audit plan for 2022/23 was approved by the Standards and Governance Committee on 11 March 2022.

The audit plan remains fluid to provide a responsive service that reacts to the changing needs of the Authority. Progress against the plan is detailed within section 7.

7. Rolling Work Programme

Audit Review	Sponsor	Scoping	Audit Outline	Fieldwork	Draft Report	Final Report	Assurance Opinion	Comment
Fire Audit Plan 2021/22								
IT User Access	D of CS	✓	✓	✓	✓	✓	Reasonable	
Fire Audit Plan 2022/23								
Modern Slavery - Assurance	DCFO	✓	✓	✓	✓	✓	Reasonable	
Impact Assessments	DCFO	✓	✓	✓	✓	✓	Reasonable	
Property and facilities – statutory compliance works	D of CS	✓	✓	✓	✓	✓	Reasonable	
Continuing professional development payments	D of P&OD	✓	✓	✓	✓			Q2 Draft issued 20.10.22
Assurance over the competence of operational response capability – detailed follow-up	D of O	✓	✓	✓				Q2
Purchasing Cards (P-Card)	DCFO	✓	✓					Q3
Cyber security controls	D of CS							Q3

Audit Review	Sponsor	Scoping	Audit Outline	Fieldwork	Draft Report	Final Report	Assurance Opinion	Comment
Health and Safety – reporting and assurance	DCFO							Q4
ICT networks and communications	D of CS							Q4
ICT systems, applications, and governance	D of CS							Q4
Follow Up	Various							Q4
NFI	DCFO	N/A	N/A	✓				Q1-4
Shared Services Audit Plan 2022/23	These are Shared Service audits with no direct Hampshire and Isle of Wight Fire and Rescue Service Audit Owner and Exec Sponsor; however overarching accountability for HIWFRS Shared Services activity sits with the HIWFRS DCFO, Director of Policy, Planning and Assurance and the Head of Partnerships and External Relationships							
PCI DSS		N/A	N/A	✓	N/A	✓	N/A	Submission complete
Banking		✓	✓	✓				Q2
Recruitment - Contracts								Q3
Pay Review and Award Process		✓						Q3
TUPE								Q3
Budget Planning								Q3
Shared Services Reporting from Concerto to Partners (Property Services)								Q3
Treasury Management								Q4

	Audit Sponsors		
CFO	Chief Fire Officer	H of ICT	Head of ICT
DCFO	Deputy Chief Fire Officer	H of OA	Head of Operational Assets
D of O	Director of Operations	H of G&BS	Head of Governance and Business Support
D of CS	Director of Corporate Services	H of P&F	Head of Property and Facilities
D of PP&A	Director of Policy, Planning and Assurance (the Deputy Chief Fire Officer, DCFO)	SFBP	Senior Finance Business Partner
D of P&OD	Director of People and Organisational Development	HR BP	HR Business Partner
AD (Pr&Pr)	Assistant Director (Prevention and Protection)	N/A	Not applicable
AD (P&P)	Assistant Director (Policy and Planning)		
H of F	Head of Finance		
H of P	Head of Performance		

8. Adjustment to the Internal Audit Plan

There have been the following amendments to the plan:

Plan Variations for 2022/23	
Removed from the plan	Reason
Sickness Absence Management	Removed at client request due to HMICFRS's focus on sickness management and the ongoing development request into the Shared Services Partnership on grey book sickness recording which is at scoping stage.
Added to the plan	Reason