Southern Internal Audit Partnership

Assurance through excellence and innovation

Hampshire & Isle of Wight Fire & Rescue Authority

Annual Internal Audit Report & Opinion 2022-2023

Prepared by: Karen Shaw, Deputy Head of Partnership

July 2023

Contents

1. Role of Internal Audit

Hampshire & Isle of Wight Fire & Rescue Authority (the Authority) is required by the Accounts and Audit (England) Regulations 2015, to

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

In fulfilling this requirement, the Authority should have regard to the Public Sector Internal Audit Standards (PSIAS), as the internal audit standards set for local government. In addition, the Statement on the Role of the Head of Internal Audit in Public Service Organisations issued by CIPFA sets out best practice and should be used to assess arrangements to drive up audit quality and governance arrangements.

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 organisation's 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'.

The 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 Authority that these arrangements are in place and operating effectively.

The Authority'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. Internal Audit Approach

To enable effective outcomes, internal audit provides a combination of assurance and consulting activities. Assurance work involves assessing how well the systems and processes are designed and working, with consulting activities available to help to improve those systems and processes where necessary. A full range of internal audit services is provided in forming the annual opinion.

As the Chief Internal Auditor, I review the approach to each audit, considering the following key points:

- Level of assurance required.
- Significance of the objectives under review to the organisation's success.
- Risks inherent in the achievement of objectives.
- Level of confidence required that controls are well designed and operating as intended.

All formal internal audit assignments will result in a published report. The primary purpose of the audit report is to provide an independent and objective opinion to the Authority on the framework of internal control, risk management and governance in operation and to stimulate improvement.

The Southern Internal Audit Partnership (SIAP) maintain an agile approach to audit, seeking to maximise efficiencies and effectiveness in balancing the time and resource commitments of our clients, with the necessity to provide comprehensive, compliant and value adding assurance.

Working practices have been reviewed, modified and agreed with all partners following the impact and lessons learned from the COVID-19 pandemic and as a result we have sought to optimise the use of virtual technologies to communicate with key contacts and in completion of our fieldwork. However, the need for site visits to complete elements of testing continues to be assessed and agreed on a case-by-case basis.

Shared Services - International Standard on Assurance Engagements (ISAE 3402)

The Authority has entered into a range of shared services with Hampshire County Council and Hampshire Police. The Integrated Business Centre (IBC) is a shared service function hosted by Hampshire County Council, delivering transactional processing and business support services to a growing number of public sector bodies.

ISAE 3402 provides an international assurance standard allowing public bodies to issue a report for use by user organisations and their auditors (user auditors) on the controls at a service organisation that are likely to impact or be a part of the user organisation's system of internal control over financial reporting enabling them to inform both their annual governance statement and the annual audit opinion.

In 2022-23 Hampshire County Council commissioned a Service Organisation Controls (SOC) Type 2 Report under International Standard on Assurance Engagement (ISAE) 3402. Assurance against the international standard was provided by Ernst & Young.

The scope of the review incorporated coverage of General Ledger, Order to Cash, Purchase to Pay, Cash & Bank, HR and Payroll, and IT General Controls. In forming their 'Opinion' the auditors (Ernst & Young) concluded:

'In our opinion, in all material respects:

> *a. The Description fairly presents the finance, HR and IT shared services system as designed and implemented throughout the period 1 April 2022 to 31 December 2022.*
>
> *b. The controls related to the Control Objectives stated in the Description were suitably designed throughout the period from 1 April 2022 to 31 December 2022 to provide reasonable assurance that the Control Objectives would be achieved if the controls operated effectively throughout the period 1 April 2022 to 31 December 2022 and if subservice organisations and user entities applied the complementary controls assumed in the design of Integrated Business Centre's controls throughout the period 1 April 2022 to 31 December 2022; and*
>
> *c. The controls tested, which were those necessary to provide reasonable assurance that the Control Objectives stated in the Description were achieved, operated effectively throughout the period 1 April 2022 to 31 December 2022 if complementary subservice organisation*

and user entity controls assumed in the design of Integrated Business Centre's controls operated effectively throughout the period 1 April 2022 to 31 December 2022.'

To complement the ISAE 3402 Type 2 report a further letter of assurance was provided by the Director of Corporate Operations to confirm for the period 1 January 2023 to 31 March 2023:

- *"There have been no significant changes to the processes and controls set out in the report.*
- *There have been no instances in which the design of existing controls was not effective due to changes to the environment in which the System operates, data, personnel, or other factors.*
- *There have been no instances in which controls did not operate as designed due to changes in the environment, data, personnel, availability of resources or other factors.*
- *There have been no instances in which the Company has failed to achieve the related control objectives; and*
- *There are no reasons why we believe the Management Statement would not still be valid."*

In forming my opinion, I place reliance on the assurance provided under ISAE3402 and we do not seek to duplicate this work. However, we continue to review areas of the Shared Services falling outside the scope of the ISAE3402 engagement as appropriate, through a shared internal audit plan with Hampshire County Council and Hampshire Police. The results of this work are also reflected in my opinion.

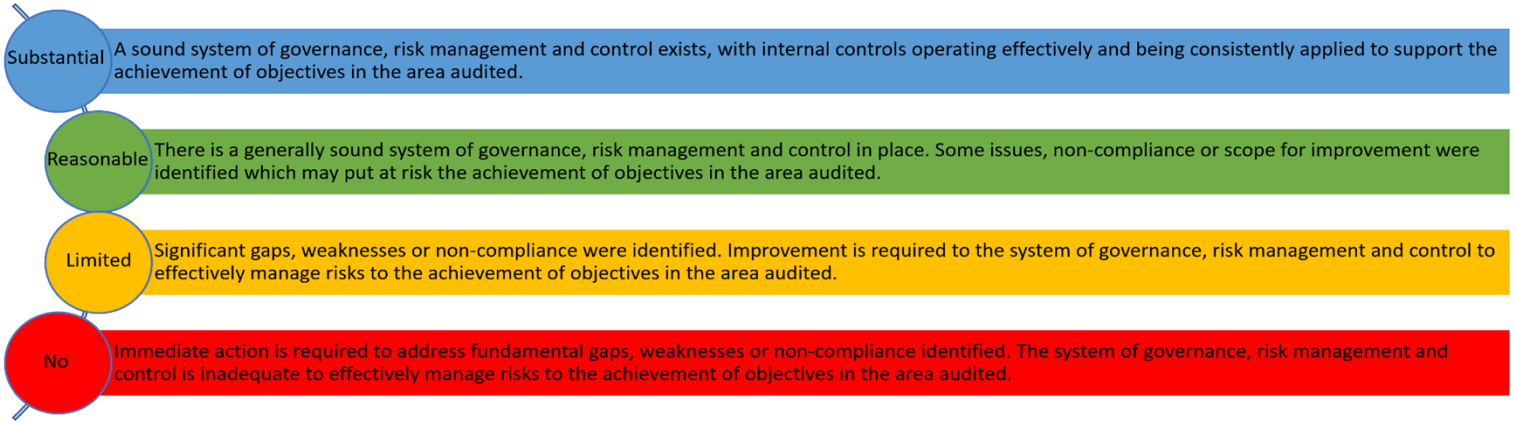
3. Internal Audit Coverage

The annual internal audit plan was prepared to take account of the characteristics and relative risks of the Authority's activities and to support the preparation of the Annual Governance Statement. Work has been planned and performed to obtain sufficient evidence to provide reasonable assurance that the internal control system is operating effectively.

The 2022-23 internal audit plan was considered by the Standards and Governance Committee in February 2022. It was informed by internal audit's own assessment of risk and materiality in addition to consultation with management to ensure it aligned to key risks facing the

organisation. The plan has remained fluid throughout the year to maintain an effective focus and ensure that it continues to provide assurance, as required, over new or emerging challenges and risks that management need to consider, manage, and mitigate. Changes made to the plan were agreed with Officers and reported in detail to the Standards and Governance Committee in the internal audit progress reports which were reviewed at each meeting.

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:



4. Internal Audit Opinion

As Chief Internal Auditor, I am responsible for the delivery of an annual audit opinion and report that can be used by the Authority to inform the annual governance statement. The annual opinion concludes on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control.

In giving this opinion, assurance can never be absolute and therefore, only reasonable assurance can be provided that there are no major weaknesses in the processes reviewed. In assessing the level of assurance to be given, I have based my opinion on:

- written reports on all internal audit work completed during the course of the year (assurance & consultancy);
- results of any follow up exercises undertaken in respect of previous years' internal audit work;
- the results of work of other review bodies where appropriate;
- the extent of resources available to deliver the internal audit work;
- the quality and performance of the internal audit service and the extent of compliance with the Standards; and
- the proportion of the Authority's audit need that has been covered within the period.

We enjoy an open and honest working relationship with the Authority. Our planning discussions and risk-based approach to internal audit ensure that the internal audit plan includes areas of significance raised by management to ensure that ongoing organisational improvements can be achieved. I feel that the maturity of this relationship and the Authority's effective use of internal audit has assisted in identifying and putting in place action to mitigate weaknesses impacting on organisational governance, risk and control over the 2022-23 financial year.

Annual Internal Audit Opinion 2022-23

I am satisfied that sufficient assurance work has been carried out to allow me to form a reasonable conclusion on the adequacy and effectiveness of the internal control environment.

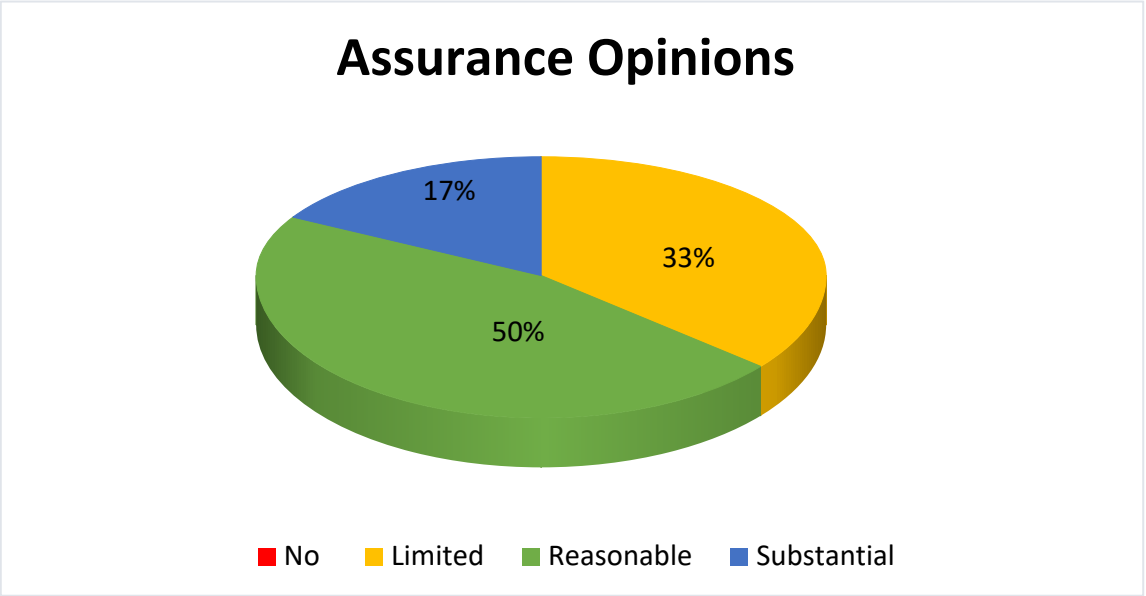
In my opinion frameworks of governance, risk management and management control are **reasonable** and audit testing has demonstrated controls to be working in practice.

Where weaknesses have been identified through internal audit review, we have worked with management to agree appropriate corrective actions and a timescale for improvement.

5. Governance, Risk Management & Control – Overview & Key Observations

Assurance opinions for 2022-23 reviews

The findings from our reviews have been reported to the Standards and Governance Committee throughout the year and a summary of the assurance opinions is outlined below.



Governance

Governance arrangements are considered during the planning and scoping of each review and in most cases, the scope of our work includes overview of:

- the governance structure in place, including respective roles, responsibilities and reporting arrangements;

- relevant policies and procedures to ensure that they are in line with requirements, regularly reviewed, approved and appropriately publicised and accessible to officers and staff.

In addition, during 2022-23 we undertook a review of the use of impact assessments to identify whether there are any adverse impacts resulting from proposed change to inform decision making, which concluded with a reasonable assurance opinion.

Based on the work completed during the year and observations through our attendance at a variety of management and governance meetings, in our opinion the governance frameworks in place across the Authority are robust, fit for purpose and subject to regular review. There is also appropriate reporting to the Standards and Governance Committee to provide the opportunity for independent consideration and challenge relating to the Annual Governance Statement.

Risk management

We last reviewed risk management arrangements in 2021-22, resulting is a reasonable assurance opinion and this confirmed that risk management arrangements are sound, documented and embedded within the Authority. A number of suggestions were made to further enhance the Risk Management Policy and guidance and given that the risk management system was still relatively new at the time of our review, work was ongoing to ensure full details are captured for each risk. The Service have confirmed that all agreed actions arising from this review have now been completed.

In accordance with the constitution, the Standards and Governance Committee play a key role in receiving and reviewing the Organisational Risk Register. This has been supported throughout the year through the Committee's overview of the Risk Register which now features as a regular agenda item throughout the year.

The risk register is a key document that is taken into account during the development of our risk based internal audit plan, with the planned reviews mapped to the risk register. The information in the risk register is taken into consideration when scoping each review in detail to ensure that our work is appropriately focussed.

Control update

In general, internal audit work found there to be a sound control environment in place across the majority of review areas included in the 2022-23 plan, that were working effectively to support the delivery of corporate objectives.

As indicated above, however, our planning discussions and risk-based approach to internal audit ensure that the internal audit plan includes areas of significance and concern raised by management to ensure that ongoing organisational improvements can be achieved. It is, therefore, unlikely for all areas to achieve substantial or reasonable assurance ratings. Whilst four reviews resulted in a limited assurance opinion during the year, these related to specific issues rather than a general failure of governance and control and we identified opportunities to strengthen the control framework and / or to improve compliance with existing controls.

We generally found officers and staff to be well aware of the importance of effective control frameworks and compliance, and also open to our suggestion for improvements or enhancements where needed. A summary of the scope and findings of these review is outlined in Annex 1 on page 14.

Management actions agreed as a result of each review are monitored to completion to ensure that the identified risks and issues are addressed and at the time of writing good progress had been made in implementing the actions agreed following these reviews, as also outlined in Annex 1.

Management actions

Where our work identified risks that we considered fell outside the parameters acceptable to the Authority, we agreed appropriate corrective actions and a timescale for improvement with the responsible managers.

Progress is reported to the Standards and Governance Committee throughout the year through the quarterly internal audit progress reports and management reports. This generally shows good progress in addressing the issues raised in a timely manner, and where actions are overdue, details are provided by management. At the time of writing there were four overdue actions. We also carried out follow up work during the year to assess the progress made in delivering actions arising from our previous reviews of referral pathways, risk management and data quality. This confirmed that all agreed actions relating to risk management and data quality had been completed, with two ongoing overdue actions relating to referral pathways for which revised target dates have been set.

6. Anti-Fraud and Corruption

The Authority is committed to the highest possible standards of openness, probity and accountability and recognises that the public need to have confidence in those responsible for the delivery of services. A fraudulent or corrupt act can impact on public confidence and damage reputation and image. Policies and strategies are in place setting out the approach and commitment to the prevention and detection of fraud or corruption. Arrangements are also in place to enable staff to report any concerns.

National Fraud Initiative (NFI) - The NFI is a statutory exercise facilitated by the Cabinet Office that matches electronic data within and between public and private sector bodies to prevent and detect fraud. Public sector bodies are required to submit data to the National Fraud Initiative on a regular basis (every two years). The latest NFI data upload was carried out in October 2022. Potential matches will continue to be reviewed by the Authority throughout 2023-24 and we are not aware of any significant issues arising to date.

No significant issues relating to fraud or corruption have been brought to my attention during 2022-23 that would impact on the system of governance, risk management or control.

7. Quality Assurance and Improvement

The Public Sector Internal Audit Standards require the Head of the Southern Internal Audit Partnership to develop and maintain a Quality Assurance and Improvement Programme (QAIP) to enable the internal audit service to be assessed against the Standards and the Local Government Application Note (LGAN) for conformance.

The QAIP must include provision for both internal and external assessments: internal assessments are both on-going and periodic and external assessment must be undertaken at least once every five years. In addition to evaluating compliance with the Standards, the QAIP also assesses the efficiency and effectiveness of the internal audit activity, identifying areas for improvement.

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

In considering all sources of evidence the external assessment team 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.'

8. Disclosure of Non-Conformance

In accordance with Public Sector Internal Audit Standard 1312 [External Assessments], I can confirm through endorsement from the Institute of Internal Auditors that:

'the Southern Internal Audit Partnership conforms to the Definition of Internal Auditing; the Code of Ethics; and the Standards'.

There are no disclosures of Non-Conformance to report.

9. Quality Control

Our aim is to provide a service that remains responsive to the needs of the Authority and maintains consistently high standards. In complementing the QAIP this was achieved in 2022-23 through the following internal processes:

- On-going liaison with management to ascertain the risk management, control and governance arrangements, key to corporate success.
- On-going development of a constructive working relationship with the External Auditors to maintain a cooperative assurance approach.
- A tailored audit approach using a defined methodology and assignment control documentation.
- Review and quality control of all internal audit work by professional qualified senior staff members.
- A self-assessment against the IPPF, PSIAS & LGAN.

10. Internal Audit Performance

The following performance indicators are maintained to monitor effective service delivery:

Performance Indicator	Target	Actual
Percentage of internal audit plan delivered *(to draft report)*	95%	83%
Positive customer survey response		
- Hampshire & IOW Fire & Rescue Authority	90%	100%
- SIAP – all Partners	90%	99%
Public Sector Internal Audit Standards	Compliant	Compliant

Customer satisfaction is an assessment of responses to questionnaires issued to a wide range of stakeholders including members, senior officers and key contacts involved in the audit process (survey date March 2023).

11. Acknowledgement

I would like to take this opportunity to thank all those staff throughout the Authority with whom we have made contact in the year. Our relationship has been positive, and management were responsive to the comments we made both informally and through our formal reporting.

Karen Shaw
Deputy Head of Southern Internal Audit Partnership
July 2023

Annex 1

Summary of Audit Reviews Completed 2022-23

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.

Review area	Summary
IBC Banking (Shared Services – note 1)	The purpose of the audit was to ensure allocations for income are applied completely, accurately and in a timely manner, and that bulk transactions, such as e-payments and direct debits are cleared effectively. The audit identified that there is a good control framework in place which is operating effectively.
Treasury Management (Shared services – note 1)	The purpose of the audit was to ensure the effective management of investments and cash flows, money market and capital market transactions, ensuring the relevant codes are complied with. We found that Treasury management arrangements are formalised through effective strategies, policies and procedures; investment and borrowing decisions are documented and approved, and related transactions are recorded, monitored and accounted for; and that management information monitoring treasury management against objectives is reported to senior management, members and clients.

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.

Review area	Summary
Modern Slavery - Assurance	To be compliant with Section 54 of The Modern Slavery Act 2015 (The Act), the Authority has set out a Modern Slavery statement that outlines the actions taken to understand, prevent and address all modern slavery risks within its services (directly provided and commissioned) and supply chains. This review sought to assess that the organisation's direction on Modern Slavery is clearly documented and supported by training, processes, and procedures; that assurance is received from Shared Services to confirm that appropriate due diligence is undertaken on procurement; the Service undertakes due

	diligence and in line with procedures for local procurement activity; and that data is available to support oversight and monitor compliance with legal requirements. We found that although there is an approved Modern Slavery Statement in place, which is published on the HIWFRS website, this is not on the Home Office Register which is a minimum legal requirement set by the Home Office. There are defined pathways that outline the processes on how to identify and raise Modern Slavery concerns. Expectations for training are also clearly defined and testing showed that this was up to date for level 2-4 training. Level 1 training is mandatory for all staff, and we found that this had not been completed for three out of 10 staff in our sample, nor is completion monitored. There is evidence that due diligence and a Modern Slavery declaration is completed by prospective suppliers during the procurement process. In addition, all staff holding a procurement card are required to complete mandatory training as part of the application process which includes Modern Slavery implications to raise awareness, however purchase card holders surveyed where found not to be confident with the Modern Slavery procedures and requirements. HIWFRS have confirmed that all management actions agreed following this review have been completed.
Impact Assessments	HIWFRS are required to undertake impact assessments to ensure, and evidence, compliance with a variety of legislation and regulation, including the Environment Protection Act, Equality Act, General Data Protection Regulation, and the Health and Safety at Work Act 1974. The impact assessment process enables Change Leads and Policy, Procedure or Guidance (PPG) Owners to identify whether there are any adverse impacts resulting from their proposed change, and/ or new or revised PPG documents. This review focused on the governance framework and roles and responsibilities in place within HIWFRS for the management of the impact assessment process to ensure that statutory obligations are met and that impact assessments are completed when required. We also reviewed the policies, procedures, and guidance available to staff to assist in completing an impact assessment. Testing identified that there are generally effective controls in place with clear procedures in place to support the completion of impact assessments which links to the policy or procedure approval process. Role and responsibilities are generally clear and change management training has been launched to promote awareness of the process. The status of completion of impact assessments is also closely monitored. Observations were raised regarding clarity of the role and expectations of the department experts and the assigned deputy in stage two of the process; consistently capturing and recording mitigating actions for identified risks; and ensuring that the process has been fully completed before publishing the impact assessment. HIWFRS have confirmed that all management actions agreed following this review have been completed.

Property and facilities – statutory compliance works	The Shared Services Term Maintenance Contract (TMC) Team completes some statutory certification works on behalf of HIWFRS Property and Facilities Department including gas safety checks, electrical tests and inspections. The Property and Facilities Department at HIWFRS are responsible for monitoring the delivery of the statutory checks. The statutory checks and inspections are a key aspect of ensuring the health and safety of HIWFRS premises and staff. The audit reviewed arrangements and processes in place to ensure that the statutory certification works are completed by the due dates. The scope of the review included assessing whether there is clarity over the respective roles and responsibilities of the Shared Services TMC Partnership and HIWFRS, and the arrangements in place for HIWFRS to gain assurance and evidence that all required checks are identified, assigned and completed in line with legislative timeframes. Internal compliance statistical reporting and monitoring arrangements were also reviewed to ensure they are robust and enable any issues to be identified quickly for remedial action. In general, good controls were fund to be in place, however the agreement in place had not been reviewed since it was last approved in 2014. The compliance tracker in place appeared to be comprehensive and clear, however, despite being monitored daily by the Compliance Manager, audit testing identified instances of inaccurate data. There was, however, ongoing work in progress to bring the records up to date. Although our testing showed that the relevant paperwork, for a sample of statutory checks, had been correctly completed and submitted in a timely manner, there are ongoing issues with missing documentation, or it not being uploaded to the system, which was impacting on the Service's compliance tracking and overdue reporting. HIWFRS have confirmed that all management actions agreed following this review have been completed.
Cyber security controls	The purpose of the audit was to carry out a high-level review of the mitigations in place for the risks identified in the ICT risk register, where agreed to be in scope for this review. We found that the JCAD risk management tool used by managers clearly identifies the roles and responsibilities for the management of cyber security risk. All the organisation-level risks are owned either by the Director of Corporate Services or by the Head of ICT, and ICT level risks are owned by the Head of ICT, with mitigation actions assigned to the Cyber Security Manager, or any other relevant ICT manager depending on the risk. We found that mitigations were generally in place for the identified risks with observation raised to tighten or improve control or compliance in specific areas. HIWFRS have confirmed that all agreed management actions due at the time of writing have been completed, with further action pending.

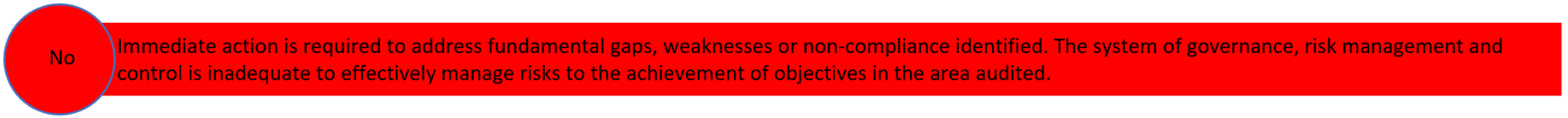
Pay review and award process - (Shared Services - note 1)	The purpose of the audit was to ensure that there are defined protocols in place for applying agreed pay awards, ensuring these provide clarity on the process and are sufficiently robust to support the integrity and accuracy of updated pay scales, amounts payable, and any backdated payments due to employees. We tested the arrangements in place for four pay awards across varying award types and found a generally sound system of control in place with clarity over roles and responsibilities, process, required timescales and quality assurance arrangements. Observations were raised to further enhance the quality assurance process, ensure consistency in documenting target and completion dates, and approval frameworks in project plans.
ICT systems and governance (draft report)	The purpose of the audit was to assess the governance and management of three cloud-hosted, business-critical ICT systems managed by the Systems Team. Software applications developed and managed in-house by the Development Team were out of scope, as per agreement with the Head of ICT. We found a generally sound system of governance, risk management and control to be in place, with a number of observations made to tighten controls or address compliance issues.

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.

Review area	Summary
Continuing professional development payments	HIWFRS reward eligible Grey Book employees for their continual professional development (CPD) with an annual CPD payment. The CPD scheme is designed to recognise and reward competent Grey Book employees (Wholetime, On-call and Control) who can demonstrate CPD at a 'competent' level. Eligibility for the payment is discussed as part of the personal development review (PDR) process each year and documented by the line manager, who will then approve and process the CPD payment. The CPD payment is a retrospective payment, payable between April to July, based on the eligibility criteria having been met in the previous financial year. The audit focused on CPD payments for eligible Grey Book employees, sample testing CPD payments made to verify that payments are only made to those who have met the requirements of the scheme. Whilst there is a procedure document in place for the CPD payments process, which is subject to regular reviews, we identified some gaps in the documented procedures. In addition, the Performance Development and Maintenance of Competence procedures did not reference the CPD Payments process, and the PDR assessment form did not provide a section to evidence discussions about the CPD payment process and eligibility. Sample testing found instances where

	payments were made to individuals before they met the 5 years continuous service threshold and line mangers were not always able to evidence eligibility, with some assessments being completed after the CPD payment date. We also identified errors in payments made to part-time employees as well as varying degrees of oversight in place across the Service. HIWFRS have confirmed that all management actions agreed following this review have been completed.
Assurance over the competence of operational response capability – detailed follow-up	This audit was a follow up from a previous limited assurance report and aimed to assess whether operational personnel are suitably competent in carrying out their roles. The review concentrated on ensuring that operational competency training, in particular for firefighters and Level 1 Incident Commanders, is completed in accordance with requirements and is being appropriately monitored and quality assured by Crew Managers, Watch Managers and Station Commanders. We assessed whether training is correctly recorded within Gartan to allow accurate monitoring by senior management. At the time of review, configuration of the training records in Gartan hampered the Service's ability to reliably monitor the completion of required training. The Gartan Expert Matrix, which was requested by management to assist in monitoring competencies more efficiently, was undergoing testing at the time of our work and review of the draft Gartan Expert Matrix found that it presented competencies tailored to each station's requirements, and clearly highlighted completed, due, overdue and not assessed competencies. Our discussions with key staff across the Service identified that the training matrix is expected to significantly improve the ease with which competencies can be monitored, with a RAG system to provide a high-level view of the training status. Discussions confirmed a lack of clarity regarding roles and responsibilities for inputting, booking and monitoring training, and the impact of this and lack of clear monitoring reports were reflected in our testing results with some expired competencies identified. At the time of writing HIWFRS have confirmed that all actions that had reached their due date for action were complete with one remaining action pending.
Purchasing Cards (P-Card)	The purpose of the audit was to ensure that purchasing cards are managed in line with Hampshire & Isle of Wight Fire & Rescue Service's policies and procedures. The system used to review and approve transactions is provided through RBS as part of the Shared Services arrangements with Hampshire County Council and Hampshire & Isle of Wight Police and guidance on the system for HIWFRS users and approvers is also provided as part of the Shared Services arrangements. We found that cards are authorised and are only held by current employees, with regular monitoring reporting to management on compliance. Policies and guidance are in place, although testing found anomalies with some transactions such as split payments to circumvent transaction limits, and missing VAT receipts. We also found that receipts are being stored in various ways and held for inconsistent periods, which are not always in line with agreed retention periods. We also found non compliance with the requirements for cardholders to review and ensure accurate recording of all transactions and for authorisers to approve all transactions each month. Although there is a process in place for suspending accounts after 3 months on non-compliance, or periods of inactivity, accounts can be reinstated and we found

	examples of accounts being suspended twice or non-compliance in multiple rather than consecutive months. At the time of writing HIWFRS have confirmed that all actions that had reached their due date for action were complete with further actions pending.
TUPE (Shared services – note 1)	The purpose of the audit was to assess the processes in place to ensure a smooth transition for employees being transferred into partner organisations. We found that although the high-level process, roles and responsibilities for partner and IBC teams is documented, there are no documented procedures outlining the detailed requirements for completing the TUPE process. Although testing of recent TUPEs found that the employees had been transferred in on time with the correct positions set up, there were some issues and delays experienced during the process, which highlighted an over reliance on the OM and eStore Manager, the need for further training and awareness within the wider team and more detailed documentation of the process as outlined above. The process would also benefit from improved reporting to senior managers to ensure that delays and issues are resolved promptly.



Review area	Summary
None	

Note 1) These are Shared Service audits with no direct HIWFRS involvement, however overarching accountability for HIWFRS Shared Services activity sits with the DCFO, Director of Policy, Planning and Assurance and the Head of Partnerships and External Relationships.

Note 2) The following reviews remained in progress at the end of the year:

- Analytical risk assessments
- ICT networks and communications
- Budget planning (Shared services – note 1)