



**Southern Internal
Audit Partnership**

Assurance through excellence
and innovation

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

Internal Audit Progress Report 2023-24

March 2024

1.	Role of Internal Audit	3
2.	Purpose of report	4
3.	Performance dashboard	5
4.	Analysis of 'Live' audit reviews	6
5.	Executive summaries 'Limited' and 'No' assurance opinions	7
6.	Planning and resourcing	8
7.	Rolling work programme	9
8.	Adjustments to the Plan	11

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 & Isle of Wight Fire & 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 & Isle of Wight Fire & Rescue Authority that these arrangements are in place and operating effectively.

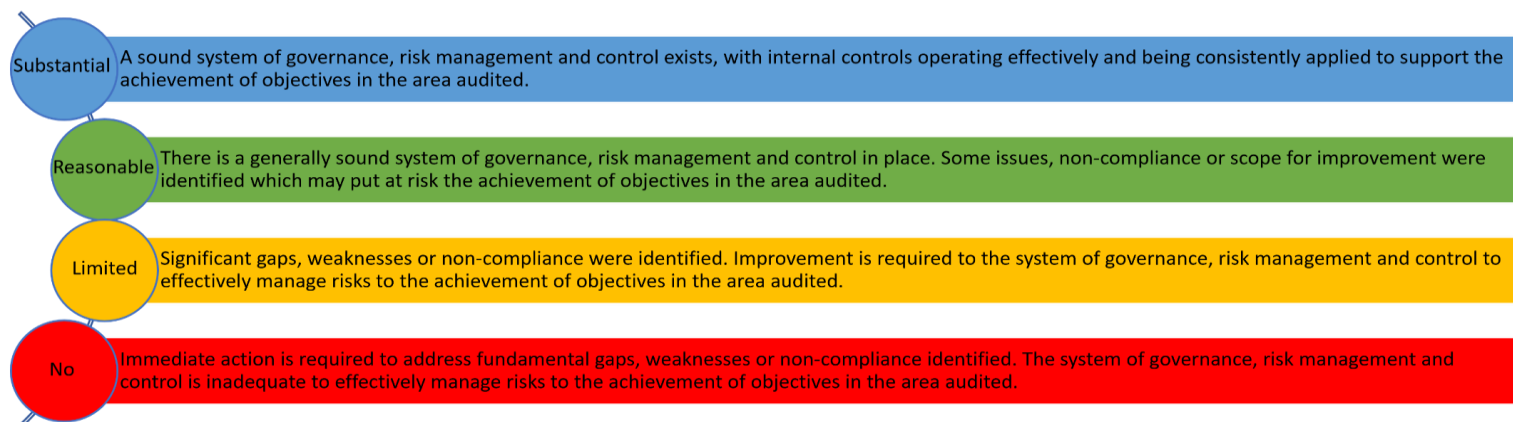
The Hampshire & Isle of Wight Fire & Rescue Service’s response to internal audit activity should lead to the strengthening of the control environment and, therefore, contribute to the achievement of the organisation’s objectives.

2. Purpose of report

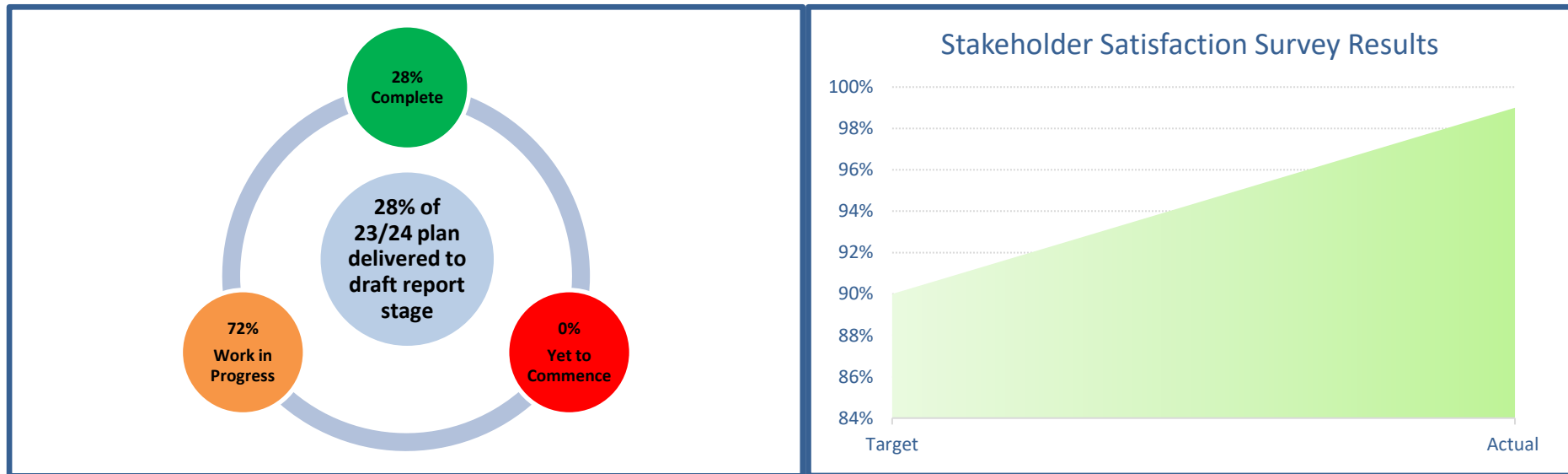
In accordance with proper internal audit practices (Public Sector Internal Audit Standards), and the Internal Audit Charter, the Chief Internal Auditor is required to provide a written status report to ‘Senior Management’ and ‘the Board’, summarising:

- 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:



3. Performance dashboard



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
Referral Pathways**	16.11.21	D of O	Limited	19 (10)	0 (0)	19 (10)			
Prevention and Protection**	24.02.22	D of O	Reasonable	3 (0)	0 (0)	3 (0)			
Pay Claims (Recurring Allowances) **	11.07.22	D of P&OD	Reasonable	1 (0)	0 (0)	1 (0)			
Assurance over the competence of operational response capability **	09.02.23	D of O	Limited	7 (6)	0 (0)	7 (6)			
Purchasing Cards**	29.03.23	DFO	Limited	7 (6)	0 (0)	7 (6)			
Cyber security controls	05.05.23	D of CS	Reasonable	11 (3)	2(0)	9 (3)			
ICT systems and governance**	31.07.23	D of CS	Reasonable	12 (2)	0(0)	12 (2)			
Analytical Risk Assessments	24.10.23	D of O	Limited	6 (0)	6 (0)	0 (0)			
ICT Major Incident Management	16.11.23	D of CS	Reasonable	12 (5)	1 (0)	11 (5)			
Benefits Management	15.02.24	DCFO	Limited	4 (0)	4 (0)	0(0)			
Total				82 (32)	13 (0)	69 (32)	0	0	0

*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 has been one final report published concluding a ‘limited’ or ‘no’ assurance opinions since our last progress report.

Audit Review	Audit Sponsor	Assurance opinion	Management Actions		
Benefits Realisation	Head of Governance and Assurance	 Limited	 Low - 0	 Medium - 4	 High - 0

Summary of key observations:

The purpose of the audit was to assess the governance, control and assurance mechanisms around Benefits Management, with due consideration given to the Change Management Framework, Directorate Plans and Safety Plan.

Guidance documents are in place. Change proposals are completed and linked to Service priorities, and benefits realisation plans are established for agreed proposals. Support is provided by the Change Analyst to Change Leads to enable tracking and reporting.

The limited opinion is due to baseline data not being available at the start of the activities/projects, no specific benefits monitoring throughout the lifecycle of the activities/projects and no evidence that evaluations have been carried out recently. During the close of audit meeting, we were told that the Service is in the process of revising the Change Management Framework to streamline it, transitioning to a self-service model. We understand that the framework will be supported by a suite of documents which Directors and Managers will use to oversee their change programmes and that the Governance and Assurance Team will assess compliance with the updated framework and offer necessary support. These developments have been taken into account in the management actions and associated target dates.

6. Planning & Resourcing

The internal audit plan was approved by the Standards and Governance Committee on 22 March 2023.

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

2022/23

Audit Review	Sponsor	Scoping	Terms of Ref	Fieldwork	Draft Report	Final Report	Assurance Opinion	Comment
HIWFRA Audit Plan 2022/23								
Analytical Risk Assessments	D of O	✓	✓	✓	✓	24.10.23	Limited	

2023/24

Audit Review	Sponsor	Scoping	Terms of Ref	Fieldwork	Draft Report	Final Report	Assurance Opinion	Quarter	Comment
HIWFRA Audit Plan 2023/24									
Benefits Management	DCFO	✓	✓	✓	✓	15.02.24	Limited	Q1	
ICT Major Incident Management (ITIL based)	D of CS	✓	✓	✓	✓	16.11.23	Reasonable	Q2	
ICT Assurance Mapping and Coverage Analysis Based on ITIL 4 Practices	D of CS	✓	✓	✓	✓	14.02.24	N/A	Q3	
Long-term sickness absence management and restricted duties	D of P&OD	✓	✓	✓				Q3	Testing underway. Close meeting booked 25 March
Overtime	DCO	✓	✓	✓				Q3	Testing underway. Close meeting booked 26 March
Contaminants	D of CS	✓	✓	✓				Q3	Testing underway
Health and Safety Training	DCFO	✓	✓	✓				Q3	Testing underway
Financial management – capital expenditure	CFO	✓	✓					Q4	ToR issued 5 March
Unwanted Fire Signals	D of O	✓	✓					Q4	ToR issued 5 March

Audit Review	Sponsor	Scoping	Terms of Ref	Fieldwork	Draft Report	Final Report	Assurance Opinion	Quarter	Comment
Business Inspection and Use of Enforcement Powers	D of O	✓						Q4	Scoping meeting 31 Jan
NFI	DCFO	N/A	N/A	✓				Q1-4	
Follow up	Various	✓	✓	✓				Q4	Testing underway
Shared Services Audit Plan 2023/24	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								
Procurement		✓						Q4	
PCI DSS		N/A	N/A	✓	N/A	✓	N/A	Q1-2	

Audit Sponsors

CO	Chief 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)	H of G&A	Head of Governance and Assurance
D of P&OD	Director of People and Organisational Development	SFBP	Senior Finance Business Partner
CFO	Chief Finance Officer	HR BP	HR Business Partner
AD (Pr&Pr)	Assistant Director (Prevention and Protection)	H of P	Head of Performance
AD (P&P)	Assistant Director (Policy and Planning)	N/A	Not applicable

8. Adjustment to the Internal Audit Plan

There have been the following amendments to the plan:

Plan Variations for 2023/24	
Removed from the plan	Reason
Provided Vehicles	A Q2 audit, removed from the plan in July 2023 as HMRC has given notice that they will be undertaking an inspection on provided vehicles. Audit needs will be assessed following the outcome of the inspection.
Shared Services - Restructures	Deferred until 2024/25 due to changes made to the process in December 2023.
Added to the plan	Reason
False Alarms	Incorporated into the plan following findings from an HMICFRS inspection, resulting in additional assurance required in Q4.
Business Inspection and Use of Enforcement Powers	Incorporated into the plan following findings from an HMICFRS inspection, resulting in additional assurance required in Q4.