

# Internal Audit Plan

2018-19

Hampshire Fire and Rescue Authority



HAMPSHIRE  
**FIRE AND  
RESCUE**  
SERVICE

# Southern Internal Audit Partnership

Assurance through excellence  
and innovation

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## Introduction

The role of internal audit is that of 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 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 Hampshire Fire and Rescue Authority that these arrangements are in place and operating effectively.

Hampshire Fire and Rescue 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.

The aim of internal audit's work programme is to provide independent and objective assurance to management, in relation to the business, activities, systems or processes under review that:

- the framework of internal control, risk management and governance is appropriate and operating effectively; and
- risk to the achievement of the organisation's objectives is identified, assessed and managed to a defined acceptable level.

The internal audit plan provides the mechanism through which the Chief Internal Auditor can ensure most appropriate use of internal audit resources to provide a clear statement of assurance on risk management, internal control and governance arrangements.

Internal Audit focus should be proportionate and appropriately aligned. The plan will remain fluid and subject to on-going review and amendment, in consultation with the relevant Directors and Audit Sponsors, to ensure it continues to reflect the needs of the Organisation. Amendments to the plan will be identified through the Southern Internal Audit Partnership's continued contact and liaison with those responsible for the governance of Hampshire Fire and Rescue Authority and reported to the Standards and Governance Committee through regular progress reports.

## Your Internal Audit Team

Your internal audit service is provided by the Southern Internal Audit Partnership. The team will be led by Karen Shaw, Deputy Head of Southern Internal Audit Partnership, supported by Liz Foster, Audit Manager.

### Conformance with internal auditing standards

The Southern Internal Audit Partnership service is designed to conform to the Public Sector Internal Audit Standards (PSIAS). Under the PSIAS there is a requirement for audit services to have an external quality assessment every five years. In September 2015 the Institute of Internal Auditors were commissioned to complete an external quality assessment of the Southern Internal Audit Partnership against the PSIAS, Local Government Application Note and the International Professional Practices Framework.

In selecting the Institute of Internal Auditors (IIA) a conscious effort was taken to ensure the external assessment was undertaken by the most credible source. As the authors of the Standards and the leading Internal Audit authority nationally and internationally the IIA were excellently positioned to undertake the external assessment.

In considering all sources of evidence the external assessment team concluded:

*'It is our view that the Southern Internal Audit Partnership (SIAP) service generally conforms to all of these principles. This performance is within the top decile of EQA reviews we have performed. This is a notable achievement given the breadth of these Standards and the operational environment faced by SIAP.'*

*There are no instances across these standards where we determined a standard below "generally conforms", and 4 instances where the standard is assessed as "not applicable" due to the nature of SIAP's remit.'*

### Conflicts of Interest

We are not aware of any relationships that may affect the independence and objectivity of the team, and which are required to be disclosed under internal auditing standards.

### Organisation Risk

Hampshire Fire and Rescue Authority are currently reviewing their framework and approach to risk management. The strategic risks assessed by the organisation are a key focus of our planning for the year to ensure the internal audit plan meets the organisation's assurance needs and contributes to the achievement of their objectives. We will monitor the strategic risk register closely over the course of the year to ensure our plan remains agile to the rapidly changing landscape.

## Developing the internal audit plan 2018/19

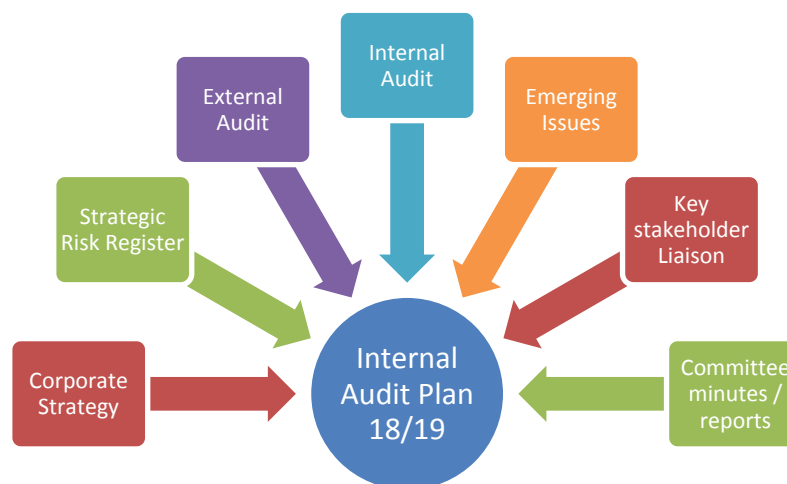
We have used various sources of information and discussed priorities for internal audit with the following people/groups:

- Geoff Howsego, Director of Professional Services
- Rob Carr, Head of Finance
- Nicki Whitehouse, Head of Knowledge Management
- Senior Management Team

Based on these conversations with key stakeholders, review of key corporate documents and our understanding of the organisation the Southern Internal Audit Partnership have developed an annual audit plan for the coming year.

Hampshire Fire and Rescue Authority are reminded that internal audit is only one source of assurance and through the delivery of our plan we will not, and do not seek to cover all risks and processes within the organisation.

We will however continue to work closely with other assurance providers to ensure that duplication is minimised and a suitable breadth of assurance is obtained.



## Internal Audit Plan 2018-19

Audit	Audit sponsor	Scope	Link to Strategic Risk Register	Proposed Timing
<b>HFRS audit plan</b>				
General Data Protection Regulation (GDPR)	Director of Professional Services (H of KM and H of ICT)	Arrangements for and compliance with General Data Protection Regulations (GDPR) legislation.	STR04	Q1
Contract management	Director of Finance	Arrangements for contract management within HFRS, including shared services partners.		Q4
Resource management	Director of Human Resources (HR Business Partner)	To review the controls in place for resource management including workforce development and training.	STR01	Q2
Data quality	Director of Professional Services (H of KM)	To review processes in place to maintain accurate and timely data (incl. Data Transparency)	STR04	Q1
Proactive fraud work	Director of Professional Services (H of KM)	Annual - 2018/19 scope to focus on expense claims		Q2
NFI	Director of Professional Services (H of KM)	Annual statutory requirement – upload year		Q3
FireWatch	Director of Professional Services (H of KM)	Follow up of prior year concerns. Focus on capture of training records.		Q4
Business continuity/Disaster Recovery	Director of Professional Services (H of ICT)	To review the arrangements in place for IT business continuity/disaster recovery.	STR02	Q2
Networks and communications	Director of Professional Services (H of ICT)	To cover the management and security of the IT network.	STR03	Q3

Audit	Audit sponsor	Scope	Link to Strategic Risk Register	Proposed Timing
IT Strategy, management and governance (to include infrastructure, security and accesses)	Director of Professional Services (H of ICT)	To cover the overall IT strategy, management and governance of the IT systems and department.	STR03	Q3
<b>TOTAL DAYS</b>			<b>185</b>	
	Note – this includes a contribution of 35 days to the Shared Services plan			

### Shared Services Internal Audit Plan 2018-19

Audit	Risk	Scope
<b>Shared Service audit plan</b>		
<b>Financial Systems</b>		
Payroll		
Order to cash (OTC)		
Purchase to pay (P2P)		Coverage to meet external audit / regulatory requirements
Debt Collection		
Treasury Management		

Audit	Risk	Scope
<b>Governance &amp; IT</b>		
Governance arrangements	Governance arrangements continue to evolve and will do so further with the pending introduction of new partners.	Review of changes / continued effectiveness since the last audit in 2015/16.
User Access Management	User access is not appropriately controlled enabling unauthorised access to data and potential issues with regard segregation of duties.	Review access permissions against roles and ensure effective management for starts / leavers.
<b>HR</b>		
Recruitment	Recruitment processes are not sufficiently robust and timely to meet needs of the recruiting organisation.	Emphasis on changes to recruitment processes scheduled in February / March 2018 designed to streamline the process for non safeguarding roles. To include internal recruitment.
Workforce Development	Uncoordinated and inefficient approach to development needs.	To review governance and controls around commissioning (emphasis on training).
Ill Health Retirement & Death in Service	Processes are not sufficiently robust to ensure accurate and timely processing.	To review the revised processes in place to manage ill health retirement and death in service.
Sick pay	Inaccurate and untimely submission and processing of sickness data .	To review data input and data accuracy relating to sickness and reduction to half / zero pay.



Audit	Risk	Scope
IR35	Non compliance with recent legislative changes.	To review compliance with IR35 legislation.
Occupational Health	Untimely outcomes and lack of joined up approach between managers, HR & OH with a lack of focus on business outcomes.	To commission a clinical audit of the service to maintain patient confidentiality and expert input.
<b>Procurement</b>		
Category management	Ineffective approach and management of product / service categories	Review of procurement categories each year on rotation.
Procurement (General)	Non compliance with EU Regulations and Contract Procedure Rules.	To review procurement processes (£100k +).
<b>Other</b>		
Master Data Team	Ineffective change control	Robustness of controls and compliance for changes made by the master data team.
Contingency		On-boarding of up to three new partners.
Management	Planning, liaison, reporting, action tracking, external audit liaison, advice	
<b>Total Days</b>		<b>370</b>
Note – this includes a contribution of 35 days from the HFRS plan		