

Internal Audit Plan

2017-18

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 2017/18

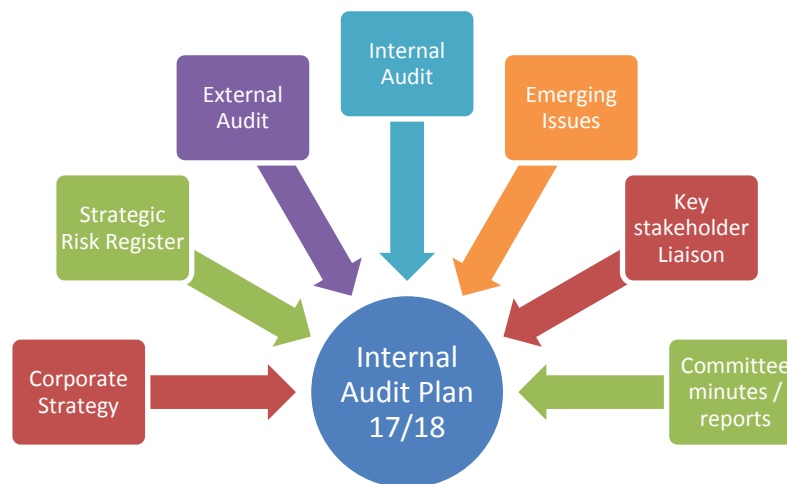
We have used various sources of information and discussed priorities for internal audit with the following people/groups:

- 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 2017-18

Audit	Audit sponsor	Risk	Scope	Link to Strategic Risk Register	Proposed Timing
HFRS audit plan					
Implementation of savings plan	Director of Finance	Ineffective planning and monitoring of savings plans resulting in failure to meet strategic objectives.	Shorter review to consider progress on this, after wider Service Delivery Redesign audit in 2016/17.		Q3
Information management/security	Director of Professional	Lack of, or non-compliance with, appropriate information management	To review the information management strategy of HFRS, including electronic and manual		Q1

Audit	Audit sponsor	Risk	Scope	Link to Strategic Risk Register	Proposed Timing
	Services (H of KM and H of ICT)	processes resulting in data breaches, fines and reputational risk.	data.		
Safeguarding	Director of Community Safety and Resilience (H of Community Safety)	Inappropriate processes in place to safeguard staff and the public resulting in reputational risk.	To consider both the safeguarding role of firefighters and also controls around safeguarding issues relating to firefighters.		Q1
Workforce development	Director of Human Resources (HR Business Partner)	Ineffectual planning of workforce requirements resulting in a workforce that is not fit for purpose.	To review the controls in place for workforce development and planning.		Q2
Fleet maintenance centre	Director of Professional Services(H of Physical Assets)	Ineffective processes in place for maintaining the fleet of vehicles resulting in additional expense and/or the failure to carry out core business functions.	General review of Fleet Maintenance function due to changes in staffing, processes and partners.		Q2

Audit	Audit sponsor	Risk	Scope	Link to Strategic Risk Register	Proposed Timing
IT Strategy, management and governance	Director of Professional Services (H of ICT)	Inappropriate arrangements in place for the provision of IT services leading to financial, reputational and business failure risk.	New arrangements are in place for IT and this review will consider these arrangements along with the security of the infrastructure. To include infrastructure, security and accesses.		Q2
Contingency days – from 2016/17 – audit to be selected	TBC	To be confirmed.	To be confirmed		TBC
National Fraud Initiative (NFI)	Director of Professional Services (H of KM)	National initiative which the organisation is statutorily obliged to undertake.	To facilitate NFI.		N/A
Pro-active fraud	Director of Professional Services (H of KM)	Ineffective procedures to detect / mitigate fraud and irregularity or to promote a zero tolerance culture.	Annual - scope to be agreed.		Q2
TOTAL DAYS	Includes time for Annual Report, planning, progress reports, liaison and advice and contribution towards the Shared Services Audit Plan. Days include 20 days carried forward from 2016/17.			205	

Additional areas for consideration if days become available:
Procurement cards
Capital accounting
Employer pension responsibilities
Strategy, planning, performance and quality
Business Continuity
Use of volunteers
Networked control
Procurement (depending on outcome of 16/17 audits)

Shared Services Internal Audit Plan 2017-18

Audit	Risk	Scope
Financial Systems		
Payroll		
Payroll support		
Order to cash (OTC)		
Purchase to pay (P2P)		
Main Accounting System (SAP)		
Treasury management		
		Coverage to meet external audit / regulatory requirements

Audit	Risk	Scope
Debt Collection BACS		
Governance & IT		
Governance arrangements	Non - compliance with legislative requirements and lack of robust governance arrangements to support the management of information.	Follow up of the 2016/17 review of Information Governance.
Change Control	Uncontrolled / untested system change requests resulting in error or omission	Review of a sample of automated and manual change controls to ensure robust implementation and ongoing effectiveness
Statutory Checks	Non compliance with legislative requirements and safeguarding of staff and visitors	Review of processes in place to monitor and complete statutory health checks i.e. fire, legionella, asbestos etc.
HR		
Recruitment	Recruitment processes are not sufficiently robust and timely to meet recruitment needs or adequately safeguard the recruiting organisation.	Focus on the refined recruitment practices implemented in Q4 of 2016/17
Procurement		
Category management	Ineffective approach and management of product / service categories	Review of procurement categories each year on rotation.
Contract management	Ineffective management of contract performance and delivery	New contract(s) being procured in partnership with HCC, OPCC and HFRS. To review post procurement/ transitioning/ embedding.

Audit	Risk	Scope
Other		
ICT Contingency		
Management	Planning, liaison, reporting, action tracking, external audit liaison, advice	
Total Days		385 Including fire plan contribution of 35 days