

Internal Audit Progress Report

March 2020

Hampshire Fire and Rescue Authority:
Standards and Governance Committee



Southern Internal Audit Partnership

Assurance through excellence
and innovation

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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, updated in 2017, [the Standards].

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 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.

2. Purpose of report

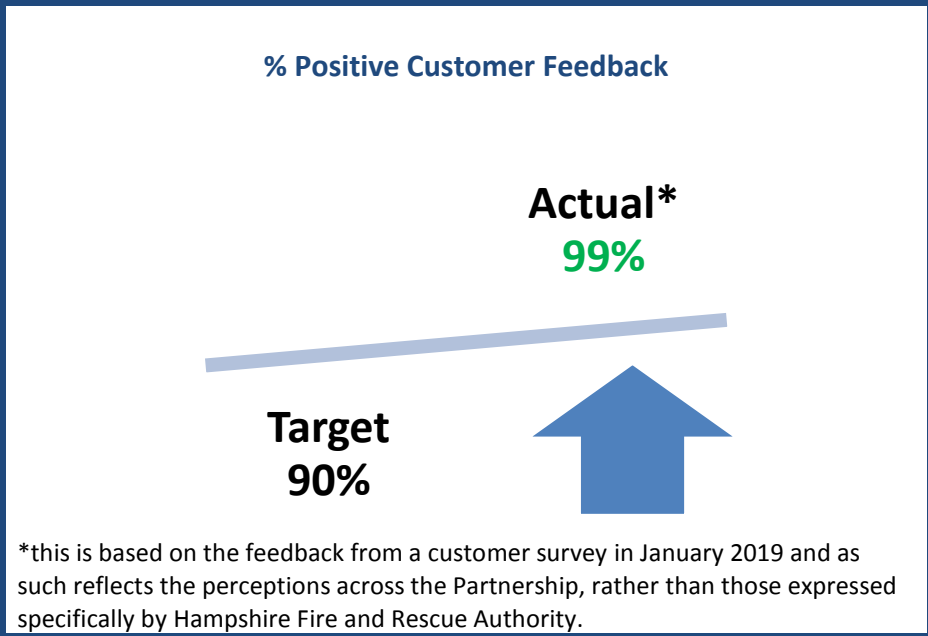
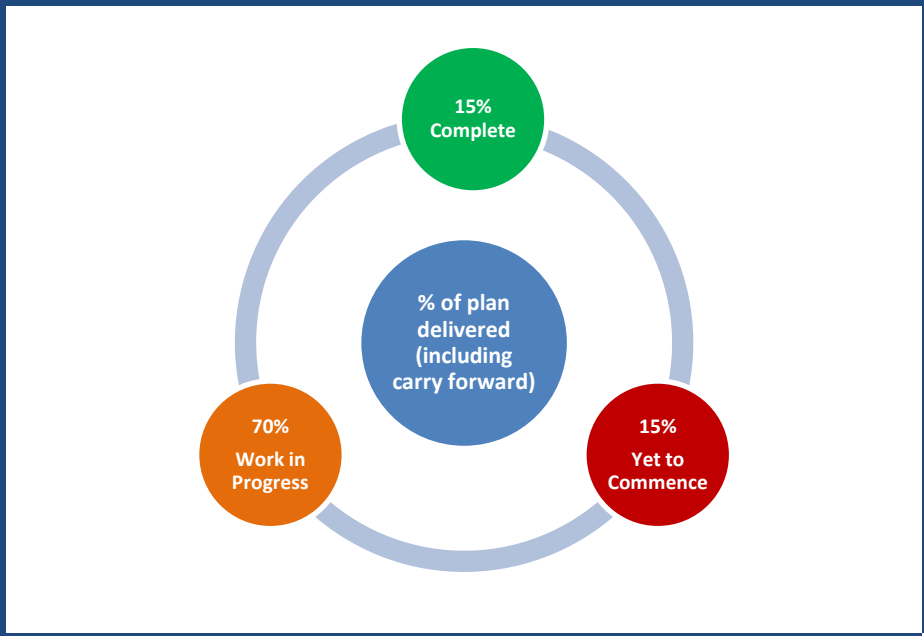
In accordance with proper internal audit practices (Public Sector Internal Audit Standards) and the Internal Audit Charter, the Chief Internal Auditor is required to provide a written status report to Senior Management and the Board, summarising:


- 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. Assurance opinions are categorised as follows:

Substantial	A sound framework of internal control is in place and operating effectively. No risks to the achievement of system objectives have been identified.
Adequate	Basically a sound framework of internal control with opportunities to improve controls and / or compliance with the control framework. No significant risks to the achievement of system objectives have been identified.
Limited	Significant weakness identified in the framework of internal control and / or compliance with the control framework which could place the achievement of system objectives at risk.
No	Fundamental weaknesses identified in the framework of internal control or the framework is ineffective or absent with significant risk to the achievement of system objectives.

3. Performance dashboard



Compliance with Public Sector Internal Audit Standards / Local Government Application Note	
	<p>An External Quality Assessment of the Southern Internal Audit Partnership was undertaken by the Institute of Internal Auditors (IIA) in September 2015. The report concluded:</p>

*'It is our view that the Southern Internal Audit Partnership 'generally conforms' (top grading) to **all** of the principles contained within the International Professional Practice Framework (IPPF); Public Sector Internal Audit Standards (PSIAS); and the Local Government Application Note (LAGN).*

4. Status of 'Live' Reports and reports closed since our last progress report

Audit Review	Report Date	Audit Owner	Exec Sponsor	Assurance Opinion	Management Actions ('High Priority')				
					Reported	Not Accepted	Pending	Cleared	Overdue
2015/16									
Business Continuity	7.6.16	H of P&P	DCFO	Limited	12 (3)	0 (0)	0 (0)	7 (3)	5 (0)
2017/18									
Safeguarding	15.06.18	A D of O	D of O	Limited	17 (11)	0 (0)	0 (0)	15 (9)	2 (2)
CIPFA Counter Fraud Assessment	02.04.19	FBP	CFO	N/A	4 (2)	0 (0)	0 (0)	4 (2)	0 (0)
2018/19									
Contract Management	10.01.19	SRM	D of CS	Limited	9 (3)	0 (0)	0 (0)	9 (3)	0 (0)
Business Continuity (IT)	21.01.19	H of ICT	D of CS	Limited	10 (8)	0 (0)	0 (0)	10 (8)	0 (0)
Resource Management	16.05.19	H of P&OD	CFO	Limited	13 (8)	0 (0)	1(0)	11 (8)	1 (0)
Pay Claims	16.05.19	H of F	CFO	Limited	17 (0)	0 (0)	0 (0)	4 (0)	13 (0)

Audit Review	Report Date	Audit Owner	Exec Sponsor	Assurance Opinion	Management Actions ('High Priority')				
					Reported	Not Accepted	Pending	Cleared	Overdue
Cyber Security	23.05.19	H of ICT	D of CS	Limited	9 (8)	0 (0)	0 (0)	9 (8)	0 (0)
IT Strategy	23.05.19	H of ICT	D of CS	Limited	7 (4)	0 (0)	0 (0)	7 (4)	0 (0)
Data Quality – IT Asset Management Data	28.05.19	H of ICT	D of CS	Limited	10 (0)	0 (0)	0(0)	10 (0)	0 (0)
GDPR	14.06.19	G & CM	D of CS	Limited	5 (3)	0 (0)	0 (0)	5 (3)	0 (0)
Health and Safety	30.08.19	H&S Mgr	D of P&P	Adequate	2 (0)	0 (0)	0 (0)	2 (0)	0 (0)

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

No reports with a limited opinion have been issued since our last progress report.

6. Planning & Resourcing

The internal audit plan for 2019/20 was approved by the Hampshire Fire and Rescue Service Executive Group and the Standards and Governance Committee in June 2019.

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

There has been one variation to the plan with the addition of a review of Academy Quality Assurance Processes.

7. Rolling Work Programme

Audit Review	Audit Owner	Exec Sponsor	Scoping	Audit Outline Issued	Fieldwork	Draft Report Issued	Final Report Issued	Assurance Opinion	Tracker (✓ on schedule ↻ Delay)	Comment
Shared Services audit plan 2018/19										
ICT – User Access Management										This review has been superseded by assurances acquired through the ISAE 3402.
Sick Pay			✓	✓	✓	✓	25.06.19	HRFS - Limited		
Commercial Waste Contract Management			✓	✓	✓	✓	31.10.19	Limited		

Audit Review	Audit Owner	Exec Sponsor	Scoping	Audit Outline Issued	Fieldwork	Draft Report Issued	Final Report Issued	Assurance Opinion	Tracker (✓ on schedule ⌚ Delay)	Comment
Fire Audit Plan 2019/20										
Local Management of Shared Service Processes	SRM	D of CS	✓							Q4
Risk Management	H of P&P	D of P&P	✓	✓						Testing March 2020
Disaster Recovery and Business Continuity	H of P&P	D of P&P	✓	✓	✓	✓	16.01.20	Position Statement		
Health and Safety	H&S Mgr	D of P&P	✓	✓	✓	✓	30.08.19	Adequate		
Procurement Processes	SRM/FBP	H of F	✓	✓	✓	✓				Draft issued 20.01.20
Academy Training	H Of A & OD	H of P&OD	✓	✓	✓	✓				Draft issued 13.02.20
Proactive Fraud	H of P&OD	H of F	✓							Briefing sessions being

Audit Review	Audit Owner	Exec Sponsor	Scoping	Audit Outline Issued	Fieldwork	Draft Report Issued	Final Report Issued	Assurance Opinion	Tracker (✓ on schedule ⌚ Delay)	Comment
										arranged for March / April 2020
Special Investigation	H of P&OD	H of F	✓	✓	✓	✓	5.12.19			
National Fraud Initiative	N/a	H of F	N/A	N/A	✓					
IT Disaster Recovery and Business Continuity	H of ICT	D of CS	✓							
IT Follow Up	H of ICT	D of CS								Q4
Follow up - general										Q4
Shared Services Audit Plan 2019/20										
Governance Arrangements			✓							
IR35			✓							
Disclosure and Barring Service			✓	✓	✓					

Audit Review	Audit Owner	Exec Sponsor	Scoping	Audit Outline Issued	Fieldwork	Draft Report Issued	Final Report Issued	Assurance Opinion	Tracker (✓ on schedule ⌚ Delay)	Comment
Success Factors			✓	✓	✓					
Treasury Management			✓	✓	✓	✓	12.02.20	Substantial		
Master Data Team			✓	✓						
Payroll-pensions admin			✓	✓						
Procurement			✓	✓						
Building term contract management			✓	✓	✓					

Key to abbreviations:	
CFO	Chief Fire Officer
DCFO	Deputy Chief Fire Officer

H of F	Head of Finance
D of CS	Director of Corporate Services
D of P&P	Director of Policy and Planning
H of P&OD	Head of People and Organisational Development
D of P&A	Director of Performance and Assurance
D of O	Director of Operations
A D of O	Assistant Director of Operations - Prevention, Protection, Response, Blue light collaboration
H of P	Head of Performance
FBP	Finance Business Partner
G&CM	Governance and Compliance Manager
H of ICT	Head of ICT
H&S Mgr	Health and Safety Manager
H of P&P	Head of Policy & Planning
SRM	Strategic Relationship Manager
H Of A & OD	Head of Academy and Organisational Development
N/A	Not applicable