



**HAMPSHIRE
FIRE AND
RESCUE
AUTHORITY**

Standards and Governance Committee

Purpose: Approval

Date: 23 July 2020

Title: **Annual Internal Audit Report and Opinion 2019/20**

Report of the Chief Internal Auditor

SUMMARY

1. The purpose of this paper is to provide the Standards and Governance Committee with my opinion, as Chief Internal Auditor for Hampshire Fire and Rescue Authority, on the adequacy and effectiveness of the Authority's framework of risk management, internal control and governance operated for the year ending 31 March 2020.

BACKGROUND

2. In accordance with proper internal audit practices, the Chief Internal Auditor is required to provide a written report reviewing the effectiveness of the system of internal control and this provides evidence to support the production and review of the Annual Governance Statement.
3. The Annual Report for 2019/20 (attached at Appendix A) provides the Chief Internal Auditor's opinion on the system of internal control and summarises audit work from which that opinion is derived for the year ending 31 March 2020.
4. The Standards and Governance Committee's attention is drawn to the following points:
 - Internal audit was compliant with the Public Sector Internal Audit Standards (PSIAS) in 2019/20.
 - The revised internal audit plan for 2019/20 has been substantially delivered.
 - Whilst recognising that there remains ongoing work in some areas to strengthen and embed control, in my opinion I can give 'adequate assurance' over Hampshire Fire and Rescue Authority's framework of governance, risk management and management control from audit testing undertaken during the year.
 - Where internal audit work identified areas where management controls could be improved or where systems and laid down

procedures were not fully followed, appropriate corrective actions and a timescale for improvement were agreed with the responsible managers. Over the last 12 months we have seen a significant reduction in the number of open and overdue actions, further demonstrating the Authority's commitment to improving the overall framework of control.

SUPPORTING OUR SERVICE PLAN AND PRIORITIES

5. The Internal Audit annual report and opinion is designed to validate the assurance and control framework which exists in the Authority and across the Service. Secure management processes including risk and performance management are important in ensuring that the Authority's plans are achieved.

RESOURCE IMPLICATIONS

6. The 2019/20 plan was prepared on the basis of audit need and agreed with senior managers and endorsed by Hampshire Fire and Rescue Authority, following comprehensive risk assessment. The cost is reflected in the Authority's budget.
7. The audit plan has remained fluid to enable us to react to the changing needs of Hampshire Fire and Rescue Authority.

ENVIRONMENTAL AND SUSTAINABILITY IMPACT ASSESSMENT

8. Proposals have no environmental or sustainability impacts.

LEGAL IMPLICATIONS

9. There are no legal implications arising from this report.

EQUALITY IMPACT ASSESSMENT

10. The proposals in this report are considered compatible with the provisions of the equality and human rights legislation.

EVALUATION

11. Internal audit activity provides the Authority with an assurance mechanism to evaluate the effectiveness of the Service's risk management, control and governance processes.

RISK ANALYSIS

12. The risk-based approach to internal audit planning and reviews aims to ensure that internal audit resource focuses on key business risks and as such the key risks have been discussed to inform the planning process and ensure that key risks are reflected in planned work.

CONCLUSION

13. The appendix outlines the internal audit opinion for 2019/20 and the key issues arising.

RECOMMENDATION

14. That the Standards and Governance Committee accepts the Chief Internal Auditor's annual report and opinion statement for 2019/20.

APPENDICES ATTACHED

- Internal Audit Annual Report and Opinion 2019/20.

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