



**HAMPSHIRE
FIRE AND
RESCUE
AUTHORITY**

Purpose: Decision

Date **15 September 2017**

Title **INTERNAL AUDIT ANNUAL REPORT AND OPINION 2016/17**

Report of the Chief Internal Auditor

EXECUTIVE 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 2017.

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 2016/17 (attached at Appendix 1) 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 2017.
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 2016/17;
 - The revised internal audit plan for 2016/17 has been delivered;
 - Hampshire Fire and Rescue Authority's framework of governance, risk management and management control is considered to be adequate and audit testing has demonstrated controls to be working in practice; and;
 - 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.

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 2016/17 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 was reflected in the Authority's budget.

ENVIRONMENTAL AND SUSTAINABILITY IMPACT ASSESSMENT

7. Proposals have no environmental or sustainability impacts.

LEGAL IMPLICATIONS

8. There are no legal implications as a result of this report.

PEOPLE IMPACT ASSESSMENT

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

RISK ANALYSIS

10. 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 Authority's risk register has been used to inform the planning process and ensure that key risks are reflected in planned work.

RECOMMENDATION

11. That the Committee accepts the Chief Internal Auditor's annual report and opinion statement for 2016/17

APPENDICES ATTACHED

12. Appendix 1 – Internal Audit Annual Report and Opinion 2016/17

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