

Internal Audit Strategy and Plan - 2022-23
Hampshire & Isle of Wight Fire & Rescue Authority



**Hampshire
& Isle of Wight**
FIRE & RESCUE AUTHORITY

**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 & Isle of Wight Fire & Rescue Authority (HIWFRA) 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 HIWFRA that these arrangements are in place and operating effectively.

HIWFRA'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 HIWFRA 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 Beverly Davies, 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 2020, 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:

'The mandatory elements of the IPPF include the Definition of Internal Auditing, Code of Ethics, Core Principles and International Standards. There are 64 fundamental principles to achieve with 118 points of recommended practice. We assess against the principles. It is our view that the Southern Internal Audit Partnership conforms to all 64 of these principles. We have also reviewed SIAP conformance with the Public Sector Internal Audit Standards (PSIAS) and Local Government Application Note (LGAN). We are pleased to report that SIAP conform with all relevant, associated elements.'

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

HIWFRA now has a clear 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 objectives. We will monitor the Service's Risk Register developments closely over the course of the year to ensure our plan remains agile to the rapidly changing landscape.

Developing the internal audit plan 2022/23

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

- Catherine Edgecombe, Finance Director
- DCFO Shantha Dickinson - Director of Policy, Planning and Assurance
- ACFO Stew Adamson – Director of Operations
- Matt Robertson – Director of Corporate Services
- Tony Oliver – Head of ICT
- Molly Rowland – Head of People and Organisational Development
- Alex Quick, Head of Performance (who has also engaged more widely across the Service, including other members of the Executive and Chief Officer's Groups (COG), to feed into these discussions)
- Sam Fairman – Organisational Assurance Manager

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.

HIWFRA 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.



Shared Services

Services provided under the shared service arrangements with Hampshire County Council, Hampshire Constabulary and the Police and Crime Commissioner for Hampshire continue to be reviewed via a joint internal audit plan that provides assurance to all parties to avoid duplication of effort, however changes to this approach took effect from 2019/20 for some areas as outlined below. All four organisations contribute audit days to this plan. An internal audit protocol for this work has been agreed with partner and shared services management.

Shared Services - International Standard on Assurance Engagements No. 3402

ISAE 3402 has been developed to provide an international assurance standard for allowing public bodies to issue a report for use by user organisations and their auditors (user auditors) on the controls at a service organisation that are likely to impact or be a part of the user organisation's system of internal control over financial reporting.

The Integrated Business Centre (IBC) is a shared service function hosted by Hampshire County Council, delivering transactional processing and business support services to a growing number of public sector bodies. Such services include general ledger; Order to Cash; Purchase and Payables; Cash & Bank; Payroll; and Information Systems.

Due to the significance of the business processes provided on behalf of partner organisations it is appropriate for Hampshire County Council to provide assurance on its service through compliance with such international standard requirements.

Historically the Southern Internal Audit Partnership provided assurance to partnering organisations through their audit coverage and subsequent year end assurance on the framework of governance, risk and control. Assurance against the international standard is now provided by Ernst & Young.

The SIAP will continue to provide assurance to the HIWFRA and partner organisations for those systems and process outside of the scope of the ISAE 3402 through the shared internal audit plan outlined below and subsequent annual report and opinion. At the time of writing this report the shared services internal audit plan is still being developed and will be reported through regular progress reports in due course.

HIWFRA Internal Audit Plan 2022-23

Audit	Audit sponsor	Scope	Link to Strategic Risk Register	Proposed Timing	Indicative days
HIWFRA audit plan					
Modern Slavery - assurance	Exec Sponsor: Shantha Dickinson COG Lead: Katie Eason	This audit will provide assurance on the controls and activity outlined in the HIWFRS Modern Slavery Statement, with a particular focus on safeguarding and procurement/supply chain activity.		Q1	10
Impact assessments	Exec Sponsor: Shantha Dickinson COG Lead: Alex Quick	This audit will review the controls and governance around impact assessments, with a focus – through some case study examples – on compliance with the Service’s impact assessment procedure.		Q1	10
CPD payments	Exec Sponsor: Molly Rowland COG Lead: Annie Pratt	This audit will focus on the controls and governance around refreshed CPD payments processes.		Q2	10

Audit	Audit sponsor	Scope	Link to Strategic Risk Register	Proposed Timing	Indicative days
Assurance over the competence of operational response capability – detailed follow-up	Exec Sponsor: Stew Adamson COG Lead: Dan Tasker	This audit will provide a detailed follow-up, including another sample review exercise, of the assurance over the competence of operational response capability. It will review progress against the 2021/22 report's management actions and assess the controls in and around the new Gartan availability and competency management system.	8	Q2	15
Sickness absence management	Exec Sponsor: Molly Rowland COG Lead: Sarah Hughes	This audit will focus on the governance and controls around sickness absence management and occupational health referrals; with a particular focus on how the new sickness processes (as a result of the Gartan implementation) are operating.	7	Q3	12
Purchasing Cards (P-Card)	Exec Sponsor: Shantha Dickinson COG Lead: Katie Eason	This audit will focus on the risk management controls for the issuing, use and management of P-Cards. This has been an area of consistent concern raised by the IBC regarding HIWFRS non-compliance with approval deadlines.		Q3	10
Cyber security controls	Exec Sponsor: Matt Robertson COG Lead: Tony Oliver	This audit will test the control framework in relation to ICT cyber security, and risk management of this area, such as within the Corporate Services and Organisational Risk Registers.	3	Q3	12

Audit	Audit sponsor	Scope	Link to Strategic Risk Register	Proposed Timing	Indicative days
Health and Safety – reporting and assurance	Exec Sponsor: Shantha Dickinson COG Lead: AM Policy and Risk	This audit will focus on the controls and assurance provided by the Service’s new internal Health & Safety platform. It will focus on the extent to which the new platform supports continuous health and safety improvements by providing robust reporting mechanisms, supporting investigations and enabling timely and compliant RIDDOR reporting.	6,2,7	Q4	12
ICT networks and communications	Exec Sponsor: Matt Robertson COG Lead: Tony Oliver	This audit will have a specific focus on the governance, controls and systems capacity for data, as well as supplier management in this area.		Q4	12
ICT systems, applications and governance	Exec Sponsor: Matt Robertson COG Lead: Tony Oliver	This audit will focus on system support to users, systems access governance, management of systems interfaces, and supplier governance and performance management in this area.		Q4	12
NFI	Exec Sponsor: Shantha Dickinson	Statutory requirement for data matching.		Q1-4	3
Follow up	Various	To assess progress in implementing management actions for reviews carried out during 2021/22.		Q4	5

Audit	Audit sponsor	Scope	Link to Strategic Risk Register	Proposed Timing	Indicative days
Other audit activities		This includes preparation of the audit plan, annual internal audit report, advice and attending management and committee meetings.		Q1-4	24
Contribution to Shared Services Plan (see below)					20
TOTAL DAYS (average annual plan to date is 185 days) (21/22 plan was 200 days)					167

Shared Services Internal Audit Plan 20221-23

The Shared Services aspects of the Internal Audit Plan are yet to be confirmed and are agreed separately through Shared Services governance mechanisms. Progress against the audit plan, including the Shared Services aspects of the plan, will, however, be provided through the regular progress updates to the Standards and Governance Committee.