

Internal Audit Progress Report 2021/22

March 2022

Hampshire and Isle of Wight Fire and Rescue Authority: Standards and Governance
Committee



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

**Southern Internal
Audit Partnership**

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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 [the Standards – updated 2017].

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 and Isle of Wight 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 the Hampshire and Isle of Wight Fire and Rescue Authority that these arrangements are in place and operating effectively.

The Hampshire and Isle of Wright Fire and Rescue Service’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

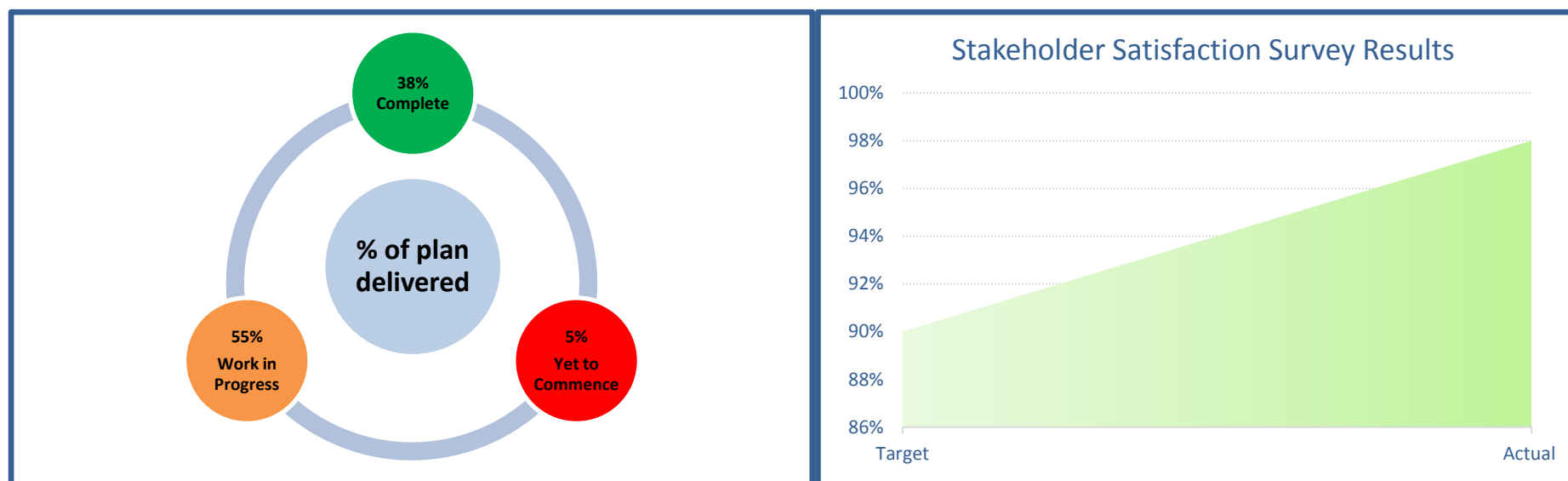
In accordance with proper internal audit practices (Public Sector Internal Audit Standards), and the Internal Audit Charter the Chief Internal Auditor is required to provide a written status report to ‘Senior Management’ and ‘the Board’, summarising:

- 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. The assurance opinions are categorised as follows:

Substantial	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.
Reasonable	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
Limited	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
No	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.

3. Performance dashboard



Compliance with Public Sector Internal Audit Standards

An External Quality Assessment of the Southern Internal Audit Partnership was undertaken by the Institute of Internal Auditors (IIA) in September 2020. The report 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.'

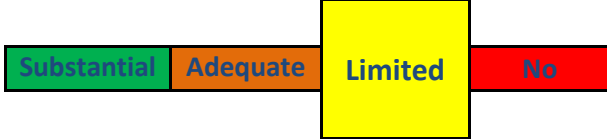
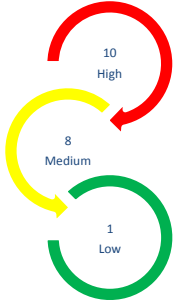
4. Analysis of 'Live' audit reviews

Audit Review	Report Date	Audit Sponsor	Assurance Opinion	Total Management Action(s)*	Not Yet Due*	Complete*	Overdue		
							L	M	H
Pay Claims	16.05.19	H of F	Limited	17 (0)	0 (0)	17 (0)**			
Assurance of the Competence of Operational Response Capability	27.07.21	D of O	Limited	8 (4)	0 (0)	7 (4)		1	
Referral Pathways	16.11.21	D of O	Limited	19 (10)	3 (1)	11 (5)		1	4
Compliant Management of Fleet	02.12.21	D of CS	Reasonable	5 (0)	0 (0)	5 (0)**			
ICT Project Management	14.02.22	D of CS	Reasonable	6 (1)	6 (1)	0 (0)			
Prevention and Protection	24.02.22	D of O	Reasonable	3 (0)	3 (0)	0 (0)			
Total				58 (15)	12 (2)	40 (9)	0	2	4

*Total number of actions (total number of high priority actions)

** Audits where all actions have been cleared since our last report.

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

Safe and Well Visits - Referral Pathways		
<p>Audit Sponsor: Director of Operations</p> <p>Key Contacts: Assistant Director – Prevention and Protection</p>	<p>Assurance opinion:</p> 	<p>Management Actions:</p> 
<p>Summary of key observations:</p> <p>Safe and Well Visits are a person-centred home visit carried out by both Operational and non-Operational staff, as well as volunteers. The visit involves the systematic identification of, and response to, health, wellbeing and home security issues in addition to focussing on fire risk reduction. This review focused on referrals from key stakeholders and partners to ensure that vulnerable members of the community are protected from fire risks. We looked at the number of Safe and Well Visits made against the agreed targets in place and also how those targets are calculated to ensure that they are focused on relevant risk factors. We acknowledge that a number of key areas covered by this audit, e.g. monitoring of referral data and risk mapping, are currently the subject of ongoing work within HIWFRS.</p> <p>Our review found that procedures and guidance are in place to support the conduct of safe and well visits. A Multi-Agency Fire Safety Framework also provides all frontline staff with guidance to support effective management of fire risks within the home with the aim to ensure that fire safety risk management is embedded into partner working practices. A post incident procedure is also in place to ensure that appropriate support is provided to a vulnerable person following an incident and that any lessons learned are identified, recorded and shared with partner agencies to ensure that corrective action is taken as needed. Management information relating to Safe and Well visits is available through Power BI and returns are submitted to the Home Office and HMICFRS in line with their requirements.</p> <p>However, our review also highlighted the following issues where controls need to be strengthened to secure the desired outcomes and management actions have been agreed to manage the risks going forwards:</p>		

- The total service target for completed Safe and Well Visits is just under 20,000 per year. Review of data found that this target will not be met with approximately 10,000 visits expected to be completed this year.
- Prior to July 2021, there was no live data monitoring by the service of where Safe and Well referrals originated from, but this information was scrutinised periodically as it formed part of regular HMICFRS data returns and analyst reporting for stations and groups. A live PowerBI report that refreshes hourly, has now been created which provides this information. There are currently plans in place to review and analyse this data with the aim of increasing referrals and, as a result, visits undertaken.
- Targets for the number of completed Safe and Well Visits are in place by area. However, these are not currently related to risk factors and in some cases are not therefore realistic. As a result, a risk mapping methodology is being developed incorporating various data sets including, but not limited to, data on incidents, demographics, health and lifestyle information. Once this process has been completed, this data will be used to review and amend the area targets as appropriate, to ensure that targets are related to risk and this will also help to ensure that targets can be met. Work is currently being undertaken to categorise a vulnerable person's risk level and agree timescales for the completion of a visit from the referral date for each category. The current expectation is that all visits are completed within 30 days of referral. The risk mapping process is well underway and will be completed imminently, however, the delivery and embedding of the methodology will be key to ensuring targets are met and the most vulnerable are protected, and therefore ongoing senior management oversight will be required to ensure this is achieved.
- Testing of a sample of 25 completed Safe and Well Visits identified a number of non-compliances around the time taken to complete the visit from referral, lack of evidence of completed visit forms and the delay in closing down completed jobs on the system. Monitoring arrangements to identify such non-compliances are currently insufficient.
- There are a significant number of open jobs on the system which date back as far as January 2020. Without contacting each vulnerable person individually, it is not possible to determine whether a visit has taken place or is still awaited.
- The Community Safety Strategy was not signed-off prior to publication and the supporting Prevention Delivery Plan is incomplete.

6. Planning & Resourcing

The internal audit plan for 2021-22 was presented to Executive Group and the Hampshire & Isle of Wight Fire & Rescue Authority (Shadow Authority), 10 February 2021.

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

7. Rolling Work Programme

Audit Review	Sponsor	Scoping	Audit Outline	Fieldwork	Draft Report	Final Report	Assurance Opinion	Comment
Fire Audit Plan 2020/21 – carry forward								
ICT Contract Management	D of CS	✓	✓	✓	✓	✓	Reasonable	
Shared Services Audit Plan 2020/21 – carry forward	These are Shared Service audits with no direct Hampshire and Isle of Wight Fire and Rescue Service Audit Owner and Exec Sponsor; however overarching accountability for HIWFRS Shared Services activity sits with the DCFO, Director of Policy, Planning and Assurance and the Head of Partnerships and External Relationships							
Casual Staff	Shared Services	✓	✓	✓	✓	✓	Reasonable	
Fire Audit Plan 2021/22								
Referral Pathways	D of O	✓	✓	✓	✓	✓	Limited	
Compliant Management of Fleet	D of CS	✓	✓	✓	✓	✓	Reasonable	
Cyber Security – Patch Management	D of CS	✓	✓	✓	✓			Q1
Prevention and Protection – Competency, Resourcing and Succession Planning	D of O	✓	✓	✓	✓	✓	Reasonable	
GDPR and Data Protection Compliance	D of CS	✓	✓	✓				Q2 close meeting booked 10.03.22
ICT Project Management	D of CS	✓	✓	✓	✓	✓	Reasonable	
Business Continuity	D of PP&A	✓	✓	✓	✓			Q3 draft final issued 15.02.22
IT Change Management	D of CS	✓	✓	✓				Q3
Data Quality	D of PP&A	✓	✓	✓				Q3
DBS Checks	D of P&OD	✓	✓	✓				Q3
IT User Access	D of CS	✓	✓					Q4
Risk Management	D of PP&A	✓	✓					Q4
Pay Claims	D of P&OD	✓	✓					Q4 testing set up for March

Audit Review	Sponsor	Scoping	Audit Outline	Fieldwork	Draft Report	Final Report	Assurance Opinion	Comment
NFI	D of PP&A	N/A	N/A	✓				Q1-4
Follow Up work	Various	N/A						Q4 planned for March
Shared Services Audit Plan 2021/22 – carry forward	These are Shared Service audits with no direct Hampshire and Isle of Wight Fire and Rescue Service Audit Owner and Exec Sponsor; however overarching accountability for HIWFRS Shared Services activity sits with the HIWFRS DCFO, Director of Policy, Planning and Assurance and the Head of Partnerships and External Relationships							
Recruitment (Success Factors)	Shared Services	✓	✓	✓	✓	✓	Reasonable	
Procurement (General)	Shared Services	✓	✓	✓	✓	✓	Substantial	
Cleaning Contract Management	Shared Services	✓	✓	✓				Close of audit held, Q1
Procurement Cards	Shared Services	✓	✓	✓	✓	✓	Reasonable	Q2
PCI DSS	Shared Services	✓	✓	✓	N/A	✓	Not applicable	Submission to WorldPay on 01.10.21
Pre-Employment Checks	Shared Services	✓	✓					Q4

Audit Sponsors			
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CFO	Chief Fire Officer	H of ICT	Head of ICT
DCFO	Deputy Chief Fire Officer	H of OA	Head of Operational Assets
D of O	Director of Operations	H of G&BS	Head of Governance and Business Support
D of CS	Director of Corporate Services	H of P&F	Head of Property and Facilities
D of PP&A	Director of Policy, Planning and Assurance (the Deputy Chief Fire Officer, DCFO)	SFBP	Senior Finance Business Partner
D of P&OD	Director of People and Organisational Development	HR BP	HR Business Partner
AD (Pr&Pr)	Assistant Director (Prevention and Protection)	N/A	Not applicable
AD (P&P)	Assistant Director (Policy and Planning)		
H of F	Head of Finance		
H of P	Head of Performance		

8. Adjustment to the Internal Audit Plan

There have been the following amendments to the plan:

Plan Variations for 2021/22	
Removed from the plan	Reason
Compliance Review of CPD Payments	Removed at client request for it to happen at a later date (as part of the 2022/23 plan)
Property and Facilities – Statutory Compliance Works	Removed at client request and included in 2022/23 audit plan
Added to the plan	Reason
Compliance Review of CPD Payments	Initially added at the client request, but subsequently requested to move this to the 2022/23 audit plan (as stated above).