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**Southern Internal  
Audit Partnership**

Assurance through excellence  
and innovation

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**Hampshire & Isle of Wight Fire & Rescue Authority: Standards and Governance Committee  
Internal Audit Progress Report 2022-23**

**March 2023**

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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

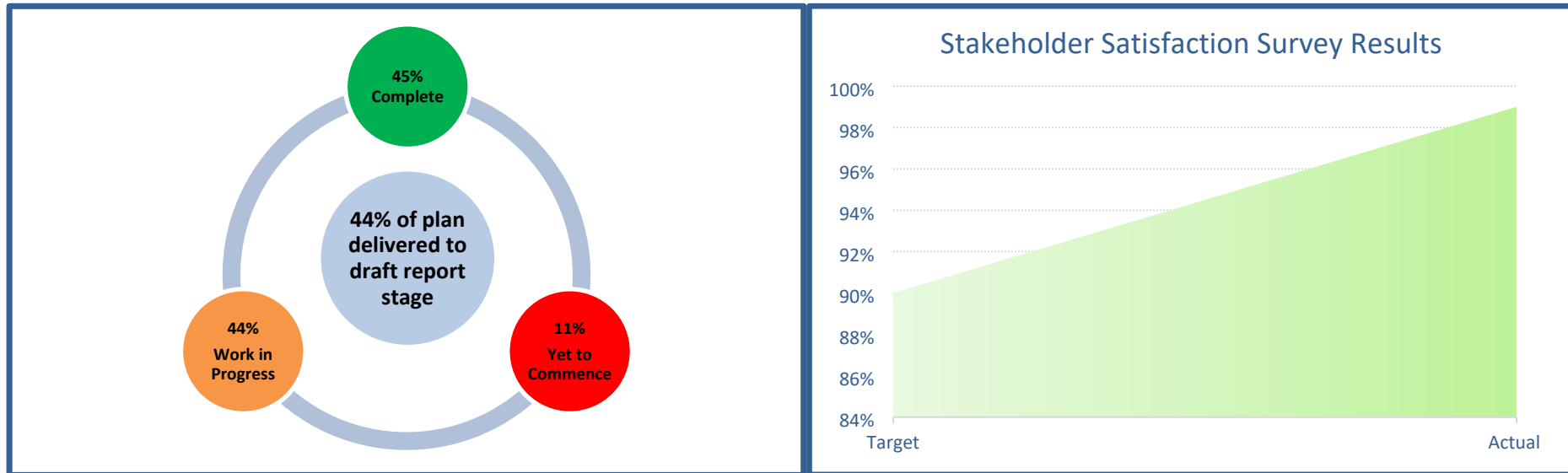
In accordance with proper internal audit practices (Public Sector Internal Audit Standards), and the Internal Audit Charter the Chief Internal Auditor is required to provide a written status report to ‘Senior Management’ and ‘the Board’, summarising:

- 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:

<b>Substantial</b>	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.
<b>Reasonable</b>	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.
<b>Limited</b>	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.
<b>No</b>	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
Referral Pathways	16.11.21	D of O	Limited	19 (10)	0 (0)	19 (10)			
Prevention and Protection	24.02.22	D of O	Reasonable	3 (0)	0 (0)	2 (0)		1	
General Data Protection Regulations (GDPR) and Data Protection Compliance	31.03.22	D of CS	Limited	9 (5)	1 (1)	8 (4)			
ICT Change Management	08.04.22	D of CS	Reasonable	4 (0)	2 (0)	2 (0)			
Risk Management**	08.06.22	D of PP&A	Reasonable	7 (0)	0 (0)	7 (0)			
Data Quality**	17.06.22	D of PP&A	Limited	6 (1)	0 (0)	6 (1)			
Pay Claims (Recurring Allowances)	11.07.22	D of P&OD	Reasonable	1 (0)	0 (0)	0 (0)	1		
IT User Access**	22.07.22	D of CS	Reasonable	6 (0)	0 (0)	6 (0)			
Impact Assessments	08.08.22	DCFO	Reasonable	4 (1)	1 (1)	3 (0)			
Modern Slavery	15.09.22	DCFO	Reasonable	9 (0)	2 (0)	7 (0)			
Continuing Professional Development	24.11.22	D of P&OD	Limited	11 (4)	11 (4)	0 (0)			
Assurance over the competence of operational response capability	09.02.23	D of O	Limited	7 (6)	7 (6)	0 (0)			
<b>Total</b>				<b>86 (27)</b>	<b>24 (12)</b>	<b>60 (15)</b>	<b>1</b>	<b>1</b>	

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

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



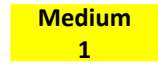

## 5. Executive Summaries of reports published concluding a ‘Limited’ or ‘No’ assurance opinion

There have been two new final reports published concluding a “limited” assurance opinion since our last progress report.

Continuing Professional Development				
Audit Sponsor	Assurance opinion	Management Actions		
Director of People & Organisational Development	 Limited	 Low 0	 Medium 7	 High 4
<p>HIWFRS reward eligible Grey Book employees for their continual professional development (CPD) with an annual CPD payment. The CPD scheme is designed to recognise and reward competent Grey Book employees (Wholetime, On-call and Control) who can demonstrate CPD at a ‘competent’ level. Eligibility for the payment is discussed as part of the personal development review (PDR) process each year and documented by the line manager, who will then approve and process the CPD payment. The CPD payment is a retrospective payment, payable between April to July, based on the eligibility criteria having been met in the previous financial year.</p> <p><b>Summary of key observations:</b></p> <ul style="list-style-type: none"> <li>• Whilst there is a procedure document in place for the CPD payments process, which is subject to regular reviews, the following gaps in the procedures were noted:             <ul style="list-style-type: none"> <li>○ Expectations for how eligibility for the CPD payment should be documented.</li> <li>○ Confirmation of whether a PDR assessment forms part of the CPD eligibility assessment.</li> <li>○ Confirmation of whether the PDR assessment should be completed prior to a payment being submitted to the IBC.</li> <li>○ The responsibility of each line manager for assessing competency where an employee has multiple contracts.</li> <li>○ Exemptions to eligibility criteria e.g. Fire Control are not expected to pass a fitness test.</li> </ul> </li> <li>• The PDR and Maintenance of Competence procedures do not reference the CPD Payments process, and the PDR assessment form does not provide a section to evidence discussions about the CPD payment process and eligibility.</li> <li>• Testing has confirmed that of the 60 Grey Book employees that have/ will reach five years continuous service in 2022, 21 received a CPD payment that was either not pro-rated or they were not eligible for as they did not meet eligibility until after 1 April 2022. From an additional sample of 27 Grey Book employees that will reach five years continuous service from 2023, four received a CPD payment for 2021/2022.</li> </ul>				

- Whilst discussions with line managers confirmed that the firefighters in the sample tested were all in receipt of competent pay, that they were not subject to formal proceedings under the Capability or Disciplinary procedures, and they had passed the Service fitness test, there was no evidence to confirm that this had been considered prior to authorising the CPD payments. Of 24 PDR assessments provided as evidence for meeting the CPD eligibility requirement, 17 were completed after the CPD payment date.
- Testing of 15 Wholetime Grey Book employees that received a CPD payment for 2021/22 and who work less than 42 hours has confirmed that seven payments did not match the payment calculated based on the hours recorded on SAP.
- Whilst the Head of Response has undertaken some dip sampling of PDR assessment completion, the levels of oversight from the Group Commanders on the CPD payments made is varied and they do not undertake any dip sampling of whether individuals have met the eligibility criteria or whether a PDR assessment has been completed. A PDR app has been launched which will provide regular reporting to the Ops Performance Board on PDR assessment completion however this does not confirm CPD payment eligibility.

**Assurance over the competence of operational response capability**

Audit Sponsor	Assurance opinion	Management Actions		
Director of Operations				

This audit was a follow up from a previous limited assurance report and aimed to assess whether operational personnel are suitably competent in carrying out their roles. The review concentrated on ensuring that operational competency training, in particular for firefighters and Level 1 Incident Commanders, is completed in accordance with requirements and is being appropriately monitored and quality assured by Crew Managers, Watch Managers and Station Commanders. We assessed whether training is correctly recorded within Gartan to allow accurate monitoring by senior management.

**Summary of key observations:**

- The Learning and Development Station Manager told us that ‘high level’ monitoring of competencies is being carried out on an ad hoc basis to flag and address issues, although no evidence of this was provided. Data is also regularly reported by the Analyst Team, analysed by Senior Management, and presented during the Ops Performance Board meeting. However, the report is limited to only showing completed but expired competency figures for analysis. This is because all competencies are currently applied to all roles in Gartan and there is an ambiguous category of ‘not taken’ competencies showing in Gartan. ‘Not taken’ competencies could mean that they are not applicable to the role or are needed but have never been completed. The Gartan Expert Matrix, which was requested by management to assist in monitoring competencies more efficiently, is currently undergoing a testing trial. Review of



the draft Gartan Expert Matrix found that it presents competencies tailored to each station's requirements, and clearly highlights completed, due, overdue and not assessed competencies. Our discussions with key staff across the Service identified that the training matrix is expected to significantly improve the ease with which competencies can be monitored. A RAG system will be used to provide a high-level view of the training status. In addition, the Service are working to use an API to flow Gartan Expert data 'live' into the Power BI reporting application via the data warehouse to further improve the monitoring reports. The aim is to launch the Gartan Expert Matrix before the end of 2022, and this will be key to addressing the issues raised in this report. As this work is already progressing, no further observation was made.

- Our testing confirmed that roles and responsibilities are unclear and stations are unsure about who is expected to carry out the inputting, booking and monitoring of training. Whilst we were advised by Learning and Development that there is an expectation for personal accountability for maintaining competence through up-to-date training, in practice we found that staff are not monitoring their own records.
- The impact of the lack of clarity around roles and responsibilities and the lack of clear monitoring information was reflected in our testing results. 14 competencies were tested across the six stations which included on call and retained staff and we found that whilst key safety critical competencies such as Fitness Workplace Assessment were in date, for the remaining competencies tested across Workplace Assessments (WA) and Breathing Apparatus (BA) we found expired competencies in each station of between 2% and 20% of staff.
- Due to the current system configuration, each station reported that whilst they are fully aware of the specific training required for their roles, monitoring of completion of the training has become difficult. Audit testing highlighted that there are significant variations in how each station carries out monitoring of competencies as there is no standardised process to follow.
- It was acknowledged by L&D, the Area Manager, Response and operational staff interviewed that the initial training provided on the use of the Gartan system did not meet needs as it was not role based. As a consequence, the Learning and Development Station Manager visited stations to offer additional training and support. In addition, online guidance and resources are available to all staff on SharePoint, including training videos, bite size and full training packages, as well as short videos, covering easy to use step by step guides for specific staff groups. However, despite this, discussions with our sample of staff across a number of sites identified a lack of knowledge and understanding on how to navigate and use Gartan effectively.

## **6. Planning & Resourcing**

The internal audit plan for 2022/23 was approved by the Standards and Governance Committee on 11 March 2022.

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
<b>Fire Audit Plan 2021/22</b>								
IT User Access	D of CS	✓	✓	✓	✓	✓	Reasonable	
<b>Fire Audit Plan 2022/23</b>								
Modern Slavery - Assurance	DCFO	✓	✓	✓	✓	✓	Reasonable	
Impact Assessments	DCFO	✓	✓	✓	✓	✓	Reasonable	
Property and facilities – statutory compliance works	D of CS	✓	✓	✓	✓	✓	Reasonable	
Continuing professional development payments	D of P&OD	✓	✓	✓	✓	✓	Limited	
Assurance over the competence of operational response capability – detailed follow-up	D of O	✓	✓	✓	✓	✓	Limited	
Purchasing Cards (P-Card)	DCFO	✓	✓	✓				Q3 Review stage
								Q3
Cyber security controls	D of CS	✓	✓	✓				Detailed scoping 15.12.22 – testing January
Analytical Risk Assessments	D of O	✓						Q4 Variation in
ICT networks and communications	D of CS	✓						Q4
ICT systems, applications, and governance	D of CS	✓						Q4
Follow Up	Various							Q4
NFI	DCFO	N/A	N/A	✓	N/A	N/A	N/A	Q1-4
<b>Shared Services Audit Plan 2022/23</b>	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							

Audit Review	Sponsor	Scoping	Audit Outline	Fieldwork	Draft Report	Final Report	Assurance Opinion	Comment
	HIWFRS DCFO, Director of Policy, Planning and Assurance and the Head of Partnerships and External Relationships							
PCI DSS		N/A	N/A	✓	N/A	✓	N/A	Submission complete
Banking		✓	✓	✓	✓	✓	Substantial	
Pay Review and Award Process		✓	✓	✓				Q3
TUPE		✓	✓	✓				Q3
Budget Planning								Q3/4
Treasury Management		✓	✓					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:

<b>Plan Variations for 2022/23</b>	
<b>Removed from the plan</b>	<b>Reason</b>
<b>Sickness Absence Management</b>	Removed at client request due to HMICFRS's focus on sickness management and the ongoing development request into the Shared Services Partnership on grey book sickness recording which is at scoping stage.
<b>Health and Safety – Reporting and Assurance</b>	Removed at client request due to late delivery of the new Health and Safety Platform reporting and moved to next year's plan.
<b>Shared Services Reporting from Concerto to Partners (Property Services)</b>	Deferred to 2023/24 due to ongoing work to develop Concerto reporting.
<b>Shared Services – Recruitment - contracts</b>	Deferred to 2023/24 due to critical work around the pay award and other essential projects.
<b>Added to the plan</b>	<b>Reason</b>
<b>Analytical Risk Assessments</b>	Brought forward to replace Health and Safety.