



**HAMPSHIRE  
FIRE AND  
RESCUE  
AUTHORITY**

## **Standards & Governance Committee**

Purpose: Noted

Date: 17 November 2020

Title: **INTERNAL AUDIT PROGRESS REPORT 2020/21**

### **Report of the Chief Internal Auditor**

#### SUMMARY

1. The purpose of this paper is to provide the Standards and Governance Committee with:
  - an overview of internal audit work completed in accordance with the approved audit plans;
  - an overview of the status of 'live' reports;
  - the outcomes of the recent External Quality Assessment of the Southern Internal Audit Partnership.

#### BACKGROUND

2. 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'.*

3. In accordance with proper internal audit practices and the Internal Audit Charter, the Chief Internal Auditor is required to provide a written status report to the Standards and Governance Committee, summarising:
  - the status of 'live' internal audit reports;
  - an update on progress against the annual audit plans;
  - 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.
4. The report attached at Appendix A summarises the activities of internal audit for the period ending October 2020.

#### IMPACT OF COVID-19

5. As reported in July 2020, although the challenges presented by Covid-19 have slowed our progress, due in part to the request to delay any reviews impacting on operational staff, we have continued to work remotely. The plan remains under review in our regular liaison meetings with officers to ensure it remains appropriate and relevant and to assess changes that are needed to the timing of reviews or to incorporate new risks areas arising from Covid-19. As a result of these discussions, a focused review of Risk Assessments relating to Covid-19 has been completed, resulting in a substantial assurance opinion.

#### EXTERNAL QUALITY ASSESSMENT

6. During September 2020, the Institute of Internal Auditors undertook an External Quality Assessment of the Southern Internal Audit Partnership which considered our conformance with the International Professional Practices Framework, Public Sector Internal Audit Standards and the Local Government Application Note. This was a significant undertaking and involved interviews and surveys with a wide range of stakeholders, including Audit Committee Chairs, Chief Executives and S151 Officers from across our Partners and clients, in addition to review of our policies, procedures and practices. The final report from the IIA is attached as Appendix B and concludes that we conform with all aspects of the IPPF, PSIAS and LGAN and have been assessed against their 'internal audit maturity matrix' as:

**Excellent** in our:

- Reflection of the Standards
- Focus on performance, risk and adding value
- Quality Assurance and Improvement Programme

**Good** in our:

- Operating with efficiency
- Coordinating and maximising assurance.

#### SUPPORTING OUR SAFETY PLAN AND PRIORITIES

7. The Internal Audit Plan 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

8. The 2020/21 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.
9. The audit plan will remain fluid to enable us to react to the changing needs of Hampshire Fire and Rescue Authority.

### IMPACT ASSESSMENTS

10. Impact assessments have not been required for this report as the production of the report will not result in the implementation of a new change activity, and/or introducing, or amending, a Service Policy.

### LEGAL IMPLICATIONS

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

### OPTIONS

12. The options are that the progress in delivering the internal audit plan for 2020/21 and the outcomes to date are noted, or not noted, by Hampshire Fire and Rescue Authority Standards and Governance Committee.

### EVALUATION

13. 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

14. 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.

## CONCLUSION

15. The appendices outline the progress made in delivering the internal audit plan for 2020/21 and the issues arising to date; as well as the outcomes of the recent External Quality Assessment of SIAP.

## RECOMMENDATION

16. That the progress in delivering the internal audit plan for 2020/21 and the outcomes to date be noted by Hampshire Fire and Rescue Authority Standards and Governance Committee.
17. That the outcomes of the External Quality Assessment of SIAP, and the assurance that provides over the quality of internal audit work be noted by Hampshire Fire and Rescue Authority Standards and Governance Committee.

## APPENDICES ATTACHED

Appendix A: Internal Audit Progress Report 2020/21.

Appendix B: External Quality Assessment (EQA) Report for: Southern Internal Audit Partnership

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