

Internal Audit Progress Report 2021/22

November 2021

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

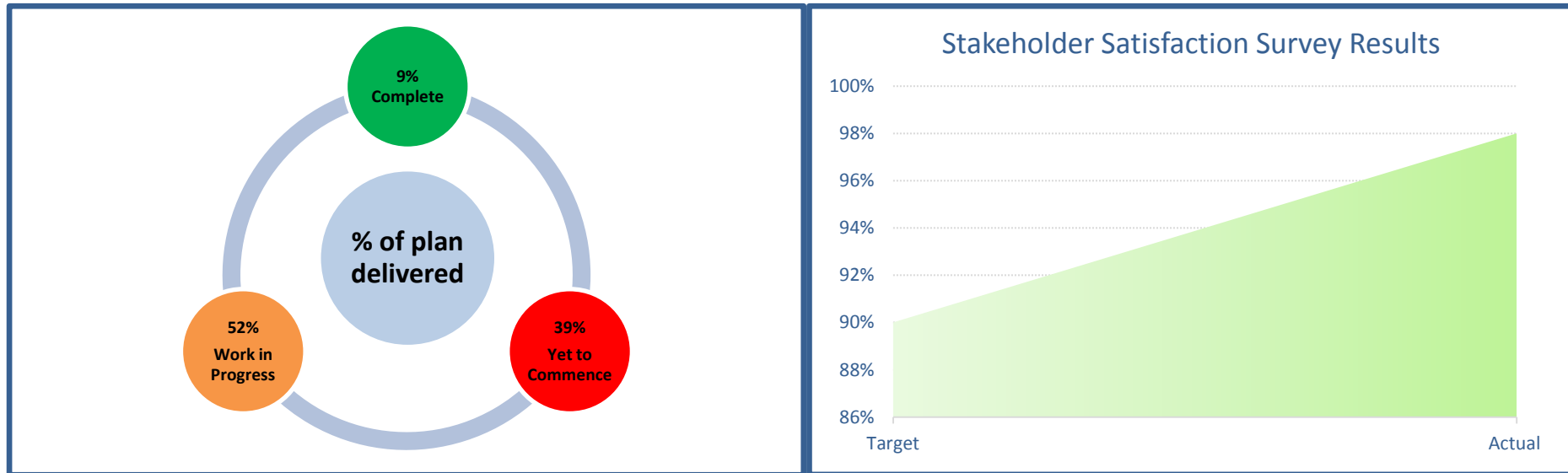
In accordance with proper internal audit practices (Public Sector Internal Audit Standards), and the Internal Audit Charter the Chief Internal Auditor is required to provide a written status report to ‘Senior Management’ and ‘the Board’, summarising:

- 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)	15 (0)		2	
Assurance of the Competence of Operational Response Capability	27.07.21	D of O	Limited	8 (4)	0 (0)	7 (4)		1	
ICT Contract Management**	24.08.21	D of CS	Reasonable	6 (0)	0 (0)	6 (0)			
Total				31 (4)	2 (0)	26 (4)	0	3	0

*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 no new limited reports since our annual report was presented in July.

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	✓	✓	✓	✓			Q1
Compliant Management of Fleet	D of CS	✓	✓	✓	✓			Q1 Draft report issued 2.11.21
Cyber Security – Patch Management	D of CS	✓	✓	✓				Q1 Testing delayed due to client staff absence.
Maintenance of Competency – Prevention and Protection	D of O	✓	✓	✓				Q2
GDPR and Data Protection Compliance	D of CS	✓	✓	✓				Q2
ICT Project Management	D of CS	✓	✓	✓				Q2 close of audit 04.11.21
Risk Management	D of PP&A							Q4
Business Continuity	D of PP&A	✓						Q3
IT Change Management	D of CS	✓						Q3
Data Quality	D of PP&A							Q3 Scoping booked for 11.11.21
DBS Checks	D of P&OD							Q3 Scoping booked for 3.11.21
IT User Access	D of CS							Q4

Audit Review	Sponsor	Scoping	Audit Outline	Fieldwork	Draft Report	Final Report	Assurance Opinion	Comment
Property and Facilities – Statutory Compliance Works	D of CS							Q4
Proactive Pay Claims and fraud work	D of P&OD							Q4
NFI	D of PP&A	N/A	N/A	✓				Q1-4
Follow Up work	Various							Q4
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	✓	✓	✓	✓			Q1
Procurement (General)	Shared Services	✓	✓	✓	✓	✓	Substantial	Q1
Cleaning Contract Management	Shared Services	✓	✓	✓				Q1
Pay Review and Award Process	Shared Services							Q4
Procurement Cards	Shared Services	✓	✓	✓				Q2
PCI DSS	Shared Services	✓	✓	✓		✓	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 A &	Head of Academy and Organisational Development
D of O	Director of Operations	H of P&P	Head of Policy & Planning
D of CS	Director of Corporate Services	H of OA	Head of Operational Assets
D of PP&A	Director of Policy, Planning and Assurance (the Deputy Chief Fire Officer, DCFO)	H of G&BS	Head of Governance and Business Support
D of P&OD	Director of People and Organisational Development	H of P&F	Head of Property and Facilities
AD (Pr&Pr)	Assistant Director (Prevention and Protection)	SFBP	Senior Finance Business Partner
AD (P&P)	Assistant Director (Policy and Planning)	HR BP	HR Business Partner
H of F	Head of Finance	N/A	Not applicable
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).
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).