

## Standards & Governance Committee



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

Purpose: Approval

Date: 29 July 2022

Title: **INTERNAL AUDIT ANNUAL REPORT & OPINION 2021-22**

### Report of the Chief Internal Auditor

#### SUMMARY

1. The purpose of this paper is to provide the Standards and Governance Committee with my opinion, as Chief Internal Auditor for Hampshire & Isle of Wight Fire & Rescue Authority (HIWFRA), on the adequacy and effectiveness of the Authority's framework of risk management, internal control and governance operated for the year ending 31 March 2022.

#### BACKGROUND

2. Under the Accounts and Audit (England) Regulations 2015, the HIWFRA are responsible for establishing and maintaining appropriate risk management processes, control systems, accounting records and governance arrangements.
3. Internal audit plays a vital role in advising the HIWFRA that these arrangements are in place and operating effectively.
4. In accordance with proper internal audit practices, the Chief Internal Auditor is required to provide a written report reviewing the effectiveness of the systems of internal control operated by the HIWFRA and this provides evidence to support the production and review of the Annual Governance Statement.
5. The Annual Report for 2021-22 provides the Chief Internal Auditor's opinion on the systems of internal control and summarises audit work from which that opinion is derived for the year ending 31st March 2022.
6. The Standards and Governance Committee's attention is drawn to the following points:
  - Internal audit was compliant with the Public Sector Internal Audit Standards (PSIAS) in 2021-22.

- The revised internal audit plan for 2021-22 has been delivered.
- HIWFRA's framework of governance, risk management and management control is considered to be reasonable and audit testing has demonstrated controls to be working in practice.
- Where internal audit work identified areas where management controls could be improved or where systems and laid down procedures were not fully followed, appropriate corrective actions and a timescale for improvement were agreed with the responsible managers. The number of open and overdue actions has reduced significantly over the last few years demonstrating the Authority's commitment to improving the overall framework of control. At the time of writing there were only two overdue management actions.

### 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 2021-22 plan was prepared on the basis of audit need and agreed with senior managers and endorsed by HIWFRA Standards and Governance Committee, following comprehensive risk assessment. The cost is reflected in the Authority's budget.

### IMPACT ASSESSMENTS

9. 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

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

### OPTIONS

11. The options are that the Chief Internal Auditor's annual report and opinion for 2021-22 is accepted, or not accepted, by HIWFRA Standards and Governance Committee.

## EVALUATION

12. 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

13. 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

14. The appendix outlines the internal audit opinion for 2021-22 and the key issues arising. We have provided a rating of 'reasonable' assurance – the same opinion as in 2020-21 – reflecting that 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 and management actions have been agreed to address these issues.

## RECOMMENDATION

15. That the Hampshire and Isle of Wight Fire and Rescue Authority Standards and Governance Committee accepts the Chief Internal Auditor's annual report & opinion statement for 2021-22.

## APPENDICES ATTACHED

Appendix A: Internal Audit Annual Report & Opinion 2021-22.

Appendix B: Exempt Appendix – Cleaning Contract Management.

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