



**Southern Internal
Audit Partnership**

Assurance through excellence
and innovation

Hampshire & Isle of Wight Fire & Rescue Authority: Standards and Governance Committee
Internal Audit Progress Report 2021-2022 & 2022-23

July 2022

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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 Wight 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

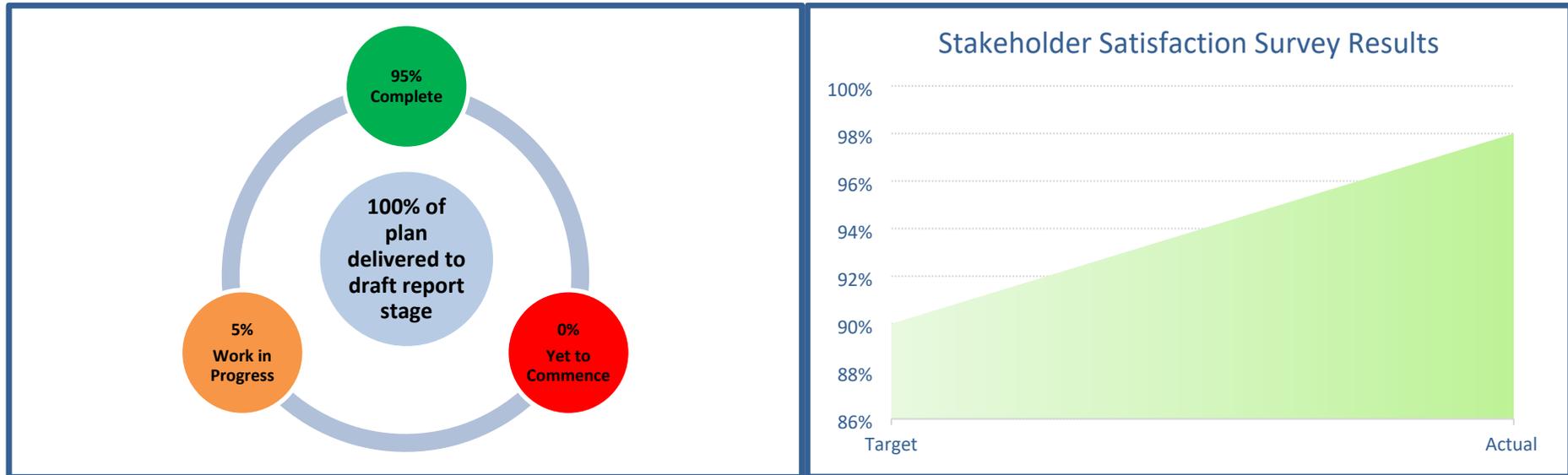
In accordance with proper internal audit practices (Public Sector Internal Audit Standards), and the Internal Audit Charter the Chief Internal Auditor is required to provide a written status report to ‘Senior Management’ and ‘the Board’, summarising:

- 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.'

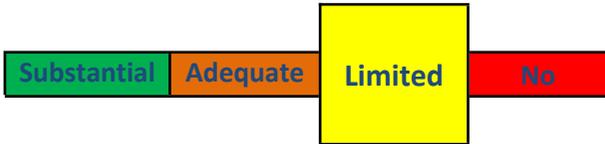
4. Analysis of 'Live' audit reviews

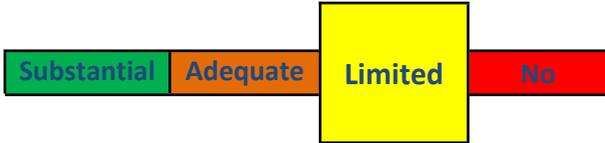
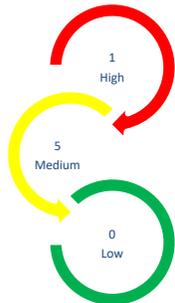
| Audit Review | Report Date | Audit Sponsor | Assurance Opinion | Total Management Action(s)* | Not Yet Due* | Complete* | Overdue | | |
|---|-------------|---------------|-------------------|-----------------------------|---------------|----------------|----------|----------|----------|
| | | | | | | | L | M | H |
| Assurance of the Competence of Operational Response Capability** | 27.07.21 | D of O | Limited | 8 (4) | 0 (0) | 8 (4) | | | |
| Referral Pathways | 16.11.21 | D of O | Limited | 19 (10) | 0 (0) | 17 (9) | | 1 | 1 |
| ICT Project Management | 14.02.22 | D of CS | Reasonable | 6 (0) | 0 (0) | 6 (0) | | | |
| Prevention and Protection | 24.02.22 | D of O | Reasonable | 3 (0) | 1 (0) | 2 (0) | | | |
| ICT Patch Management** | 17.03.22 | D of CS | Reasonable | 7 (0) | 0 (0) | 7 (0) | | | |
| General Data Protection Regulations (GDPR) and Data Protection Compliance | 31.03.22 | D of CS | Limited | 9 (5) | 4 (3) | 5 (2) | | | |
| 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) | 7 (0) | 0 (0) | | | |
| Data Quality | 17.06.22 | D of PP&A | Limited | 6 (1) | 5 (1) | 1 (0) | | | |
| DBS Checks | 22.06.22 | D of P&OD | Limited | 8 (2) | 6 (0) | 2 (2) | | | |
| Pay Claims (Recurring Allowances) | 11.07.22 | D of P&OD | Reasonable | 1 (0) | 1 (0) | 0 (0) | | | |
| Total | | | | 78 (22) | 26 (4) | 50 (17) | 0 | 1 | 1 |

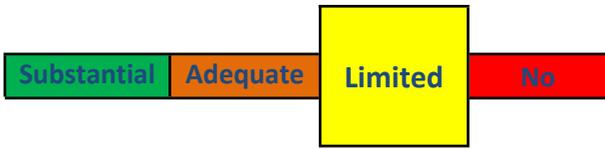
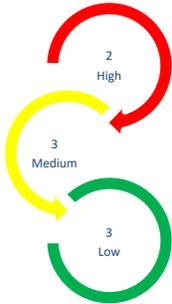
*Total number of actions (total number of high priority actions)

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

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

| GDPR and Data Protection Compliance | | |
|---|---|---|
| <p>Audit Sponsor: Director of Corporate Services</p> <p>Key Contacts: Head of Governance and Business Support Information Compliance Manager & Data Protection Officer</p> | <p>Assurance opinion:</p>  | <p>Management Actions:</p>  |
| <p>Summary of key observations:</p> <p>This audit followed up on both the 2017/18 and 2018/19 reviews, which both resulted in limited assurance opinions. The scope examined central controls to ensure compliance with the Data Protection Act and General Data Protection Regulations, and we tested compliance across the organisation.</p> <p>We identified that HIWFRS has implemented a number of changes and improvements since our previous audit and has plans to further enhance the control framework going forward. A data asset register has been compiled; an internal review of all procedures has taken place and a number of templates have been introduced. Testing identified that breaches, Freedom of Information and Subject Access Requests are all dealt with in an appropriate and timely way. The Information Compliance Team understand where there are gaps in the control framework, and the ensuing risks, and have plans to address them, but progress has been delayed due to resource issues and changes to the team.</p> <p>Although HIWFRS have an agreed retention schedule in place, the reason for the limited opinion is that data across the organisation is not being deleted in line with that schedule.</p> | | |

| | | |
|---|---|---|
| <p>Data Quality</p> <p>Audit Sponsor: Director of Policy, Planning and Assurance (the Deputy Chief Fire Officer, DCFO)</p> <p>Key Contacts: Head of Performance Business Intelligence Data Architect Organisational Performance Manager</p> | <p>Assurance opinion:</p>  | <p>Management Actions:</p>  |
| <p>Summary of key observations:</p> <p>HIWFERS is required to publish a variety of statistical data both locally and nationally, with much of this being populated from the national Incident Reporting System (IRS). This database is populated by operational fire-fighters when they are called to respond to incidents, and the Home Office requirement is for incident reports to be published within seven days of the incident occurring. The audit initially focused on the processes in place to ensure the accuracy of data and timely completion of IRS reports and, separately, vacancy recording in SAP, with testing carried out on a sample of data.</p> <p>Although there is a clear data quality procedure in place, various manual and automated data quality processes undertaken by the Organisational Performance Team, and evidence of continued improvement in the completion of IRS reports within seven days as required by the Home Office, there are still some stations that are consistently failing to address their overdue reports.</p> <p>With regard to vacancy monitoring, whilst effective controls are in place to enable Grey Book (whole-time, on-call and Control) vacancies for operational firefighters to be monitored and accurately reported, there is a lack of central control or monitoring of Green Book staff vacancies that means management information in this area is unreliable. There are however, mitigating controls at the recruitment stage to ensure that only posts required and funded are recruited to, however the issue of data quality remains.</p> | | |

| Disclosure and Barring Service (DBS) Checks | | |
|---|--|---|
| <p>Audit Sponsor: Director of People and Organisational Development</p> <p>Key Contacts: HR Business Partner</p> | <p>Assurance opinion:</p>  <p>The diagram shows a horizontal scale with four segments: 'Substantial' (green), 'Adequate' (orange), 'Limited' (yellow), and 'No' (red). The 'Limited' segment is highlighted with a larger yellow box.</p> | <p>Management Actions:</p>  <p>The diagram shows a circular flow of three arrows: a red arrow labeled '2 High', a yellow arrow labeled '3 Medium', and a green arrow labeled '3 Low'.</p> |
| <p>Summary of key observations:</p> <p>A Safeguarding audit in 2018/19 highlighted gaps in DBS evidence recorded on SAP. As a result, the Service undertook a major piece of work to determine the level of DBS check required for each role, record that level against each position within SAP and to bring DBS records in SAP up to date for existing staff. We undertook a further review during the year to ensure that DBS checks are now completed in line with these requirements.</p> <p>The review confirmed that significant progress has made since our last review to improve the control framework for ensuring that DBS checks are carried out at the right time and are recorded correctly. In particular, there is a clear procedure in place setting out the expectations for DBS checks, responsibilities are clear, and a role mapping document sets out the requirements for each role across the Service. We also confirmed that since early 2021, all SAP position records have been updated to show the correct level of DBS checks required and this ensures that the correct checks are carried out during recruitment. However, our testing has shown that there are still some discrepancies relating to the checks undertaken for existing staff. Some of these issues, for example where higher level checks have been completed than needed, will be addressed when rechecks fall due. However, although for a very small percentage of the overall workforce, we identified instances where the checks carried out did not comply with the requirements of the role. Although compliance reports are available to identify anomalies, we could not find evidence that these are run on a regular basis, to ensure that corrective action is taken or escalated where needed.</p> | | |

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 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 |
|--|-----------|---------|---------------|-----------|--------------|--------------|-------------------|---------|
| Fire Audit Plan 2020/21 – carry forward | | | | | | | | |
| ICT Contract Management | D of CS | ✓ | ✓ | ✓ | ✓ | ✓ | 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 | ✓ | ✓ | ✓ | ✓ | ✓ | Reasonable | |
| Prevention and Protection – Competency, Resourcing and Succession Planning | D of O | ✓ | ✓ | ✓ | ✓ | ✓ | Reasonable | |
| General Data Protection Regulation (GDPR) and Data Protection Compliance | D of CS | ✓ | ✓ | ✓ | ✓ | ✓ | Limited | |
| ICT Project Management | D of CS | ✓ | ✓ | ✓ | ✓ | ✓ | Reasonable | |
| Business Continuity | D of PP&A | ✓ | ✓ | ✓ | ✓ | ✓ | Reasonable | |
| IT Change Management | D of CS | ✓ | ✓ | ✓ | ✓ | ✓ | Reasonable | |
| Data Quality | D of PP&A | ✓ | ✓ | ✓ | ✓ | ✓ | Limited | |
| Disclosure and Barring Service (DBS) Checks | D of P&OD | ✓ | ✓ | ✓ | ✓ | ✓ | Limited | |

| Audit Review | Sponsor | Scoping | Audit Outline | Fieldwork | Draft Report | Final Report | Assurance Opinion | Comment |
|--|---|---------|---------------|-----------|--------------|--------------|-------------------|------------------------------------|
| IT User Access | D of CS | ✓ | ✓ | ✓ | ✓ | | | Q4 Draft issued 05.07.22 |
| Risk Management | D of PP&A | ✓ | ✓ | ✓ | ✓ | ✓ | Reasonable | |
| Pay Claims | D of P&OD | ✓ | ✓ | ✓ | ✓ | ✓ | Reasonable | |
| NFI | D of PP&A | N/A | N/A | ✓ | N/A | N/A | N/A | |
| Follow Up work | Various | N/A | N/A | ✓ | ✓ | ✓ | N/A | |
| Shared Services Audit Plan 2021/22 | 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 | ✓ | ✓ | ✓ | ✓ | ✓ | No Assurance | |
| Procurement Cards | Shared Services | ✓ | ✓ | ✓ | ✓ | ✓ | Reasonable | |
| Payment Card Industry Data Security Standard | Shared Services | ✓ | ✓ | ✓ | N/A | ✓ | Not applicable | Submission to WorldPay on 01.10.21 |
| Pre-Employment Checks | Shared Services | ✓ | ✓ | ✓ | ✓ | ✓ | Reasonable | |
| Fire Audit Plan 2022/23 | | | | | | | | |
| Modern Slavery - Assurance | DCFO | ✓ | ✓ | ✓ | | | | Q1 |
| Impact Assessments | DCFO | ✓ | ✓ | ✓ | ✓ | | | Q1 |
| Property and facilities – statutory compliance works | D of CS | ✓ | ✓ | ✓ | ✓ | | | Q1 |

| Audit Review | Sponsor | Scoping | Audit Outline | Fieldwork | Draft Report | Final Report | Assurance Opinion | Comment |
|---|---|---------|---------------|-----------|--------------|--------------|-------------------|--|
| Continuing professional development payments | D of P&OD | | | | | | | Q2 Scoping arranged for 15.07.22 |
| Assurance over the competence of operational response capability – detailed follow-up | D of O | | | | | | | Q2 under discussion as area covered by HMICFRS |
| Sickness absence management | D of P&OD | | | | | | | Q3 |
| Purchasing Cards (P-Card) | DCFO | | | | | | | Q3 |
| Cyber security controls | D of CS | | | | | | | Q3 |
| Health and Safety – reporting and assurance | DCFO | | | | | | | Q4 |
| ICT networks and communications | D of CS | | | | | | | Q4 |
| ICT systems, applications, and governance | D of CS | | | | | | | Q4 |
| Follow Up | Various | | | | | | | Q4 |
| NFI | DCFO | | | | | | | Q1-4 |
| Shared Services Audit Plan 2022/23 | 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 | | | | | | | |
| PCI DSS | | | | | | | | Q2 |
| Recruitment - Contracts | | | | | | | | Q2 |
| Pay Review and Award Process | | | | | | | | Q2 |
| Banking | | | | | | | | Q2 |
| TUPE | | | | | | | | Q3 |
| Budget Planning | | | | | | | | Q3 |

| Audit Review | Sponsor | Scoping | Audit Outline | Fieldwork | Draft Report | Final Report | Assurance Opinion | Comment |
|---|---------|---------|---------------|-----------|--------------|--------------|-------------------|---------|
| Shared Services Reporting from Concerto to Partners (Property Services) | | | | | | | | Q3 |
| Treasury Management | | | | | | | | Q4 |

Audit Sponsors

| | | | |
|------------|--|-----------|---|
| 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). |