Item 26/22 Appendix A

Dorset & Wiltshire Fire and Rescue Service

Internal Audit Annual Opinion Report 2025/26

Contents

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Internal Audit Annual Opinion – 2025/26: 'At a Glance'

Annual Opinion 2025/26

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.

The Headlines

	No Significant Risks identified.
	No Priority 1 actions.
	All actions were accepted by management.
	9 reviews delivered in accordance with the 2025/26 Internal Audit Plan.

Internal Audit Assurance Opinions	
Substantial	5
Reasonable	4
Partial	0
No Assurance	0
Internal Audit Agreed Actions 2025/26	
Priority 1	0
Priority 2	8
Priority 3	8

Executive Summary

Internal Audit provides an independent and objective opinion on the effectiveness of the Service's risk management, control and governance processes.

Purpose

The Global Internal Audit Standard 11.3 and section 10B of the UK Public Sector Application Note direct Chief Audit Executives (at SWAP: the Assistant Director) to provide an annual opinion at the level of the whole organisation. That opinion must incorporate the components listed below:

- An explanation of why the opinion is requested:
  - We provide this conclusion both because of the specific direction at section 10B noted above, and to support the Service in preparing its Annual Governance Statement.
- The criteria used as the basis for the conclusion:
  - We have based the conclusion around our familiar assurance ratings, as defined in this report at page 8.
- The scope of the opinion, and any limitations to that scope:
  - This opinion has been based on the work completed throughout the year. Internal audit's work cannot address all risks across the Service and so makes best use of available resources. In approving our annual opinion, the Finance and Audit Committee recognise this. Beyond this general disclaimer we have no specific limitations of scope to report.
- A summary of the information that supports the opinion:
  - We have provided further detail on specific work supporting the conclusion on page 12.
- A disclosure of reliance on the work of other assurance providers, if any:
  - We have gathered intelligence from various publications by external regulators to help with our planning and prioritisation but have placed no specific reliance on any other assurance provider.
- Confirmation that the opinion informs the Annual Governance Statement:

- We provided our opinion to the Head of Strategic Planning and Assurance on 10th June 2026 to inform the Annual Governance Statement.
- Confirmation that the opinion addresses the effectiveness of governance, risk management and control:
  - We can confirm that page 6 is a combined opinion addressing the effectiveness of governance, risk management and control.

- Confirmation that audit work completed is in conformance with relevant professional standards:
  - Since 1 April 2025, the Global Internal Audit Standards (GIAS) have applied alongside the UK Public Sector Application Note and the CIPFA Code of Practice for the Governance of Internal Audit in UK Local Government.
  - SWAP has continued to support ongoing conformance with these requirements through its internal Quality Working Group and the recent appointment of a Director of Professional Practice, whose role includes supporting the continual improvement of SWAP's professional practices and operations.
  - In addition, SWAP's Chief Executive is a member of the UK Internal Audit Standards Advisory Board and has played a key role in supporting the development and application of the Standards within the UK public sector.
  - SWAP plans to undertake a full self-assessment against the Standards during 2027/28, ahead of a further External Quality Assessment in 2028/29.

The purpose of this report is to satisfy those requirements and Members are asked to note its content and the Annual Internal Audit Opinion given.

<u>Three Lines Model</u>

To ensure the effectiveness of an Service's risk management framework, the Finance and Audit Committee and senior management need to be able to rely on adequate line functions – including monitoring and assurance functions – within the organisation.

The 'Three Lines' model is a way of explaining the relationship between these functions and as a guide to how responsibilities should be divided:

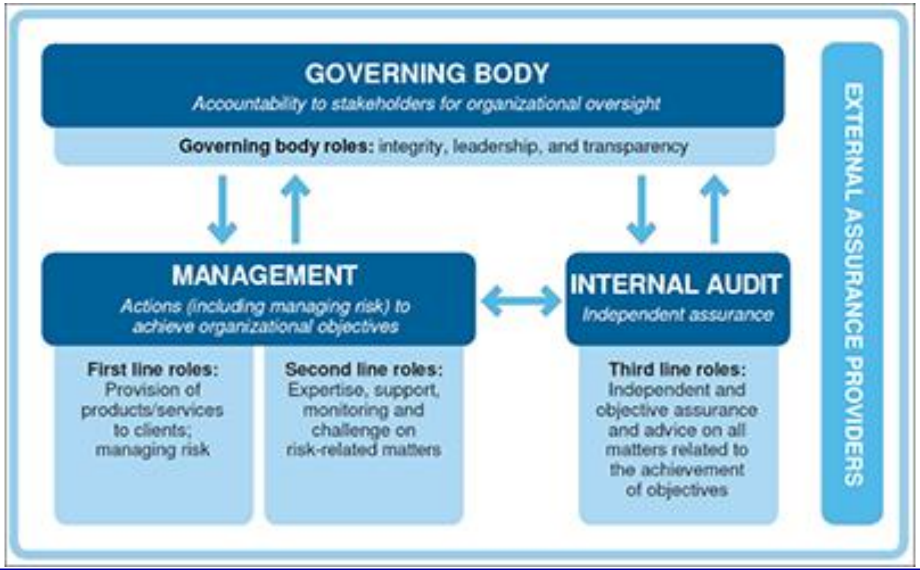
- **the first line – functions that own and manage risk.**
- **the second line – functions that oversee or specialise in risk management, compliance.**
- **the third line – functions that provide independent assurance.**

Background

The Internal Audit service for Dorset & Wiltshire Fire and Rescue Service (DWFRS) is provided by SWAP Internal Audit Services. The team's work is completed to comply with the International Professional Practices Framework of the Institute of Internal Auditors, further guided by interpretation provided by the Public Sector Internal Audit Standards (PSIAS) and the CIPFA Local Government Application Note. The work of the team is guided by the Internal Audit Charter which is reviewed and presented to Members annually.

Internal Audit provides an independent and objective opinion on the Service's control environment by evaluating its effectiveness. This report summarises the activity of the Internal Audit team for the year 2025/26.

The position of Internal Audit within an organisation's governance framework is best summarised in the Three Lines model shown below.



Internal Audit is required to provide an opinion to support the Annual Governance Statement.

Annual Opinion

On the balance of our 2025/26 audit work for Dorset & Wiltshire Fire and Rescue Service, enhanced by the work of external agencies, I am able to offer a **Substantial Assurance** opinion in respect of the areas reviewed during the year.

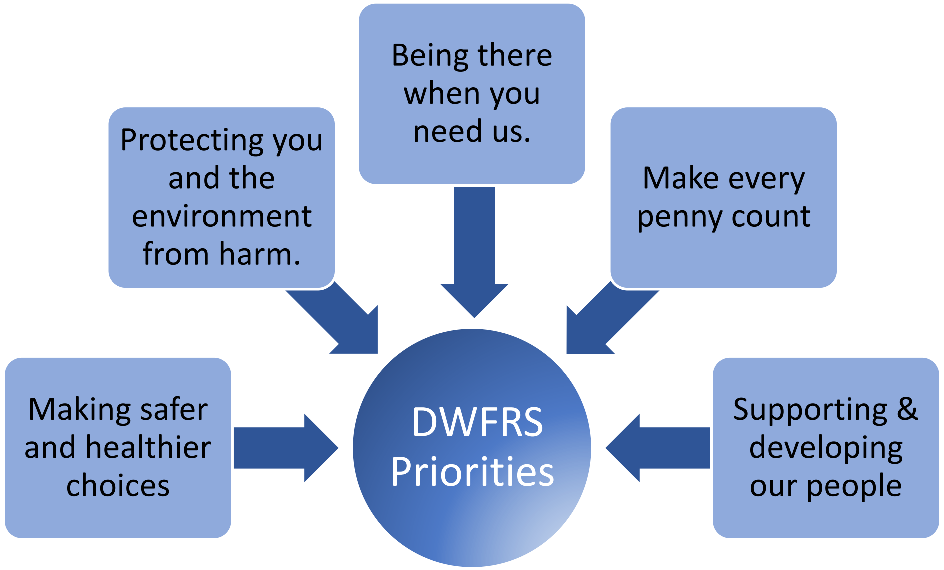
The Assistant Chief Officer – Director of Service Support monitors and reports on the progress made to implement internal audit actions at each quarterly Finance and Audit Committee. Very good progress has been made in this regard.

We would like to take this opportunity to thank management for their collaboration and support throughout the year.

Alignment to DWFRS Priorities 2025/26

Internal audit coverage should be aligned to key Service priorities and key Service risks.

Audit Coverage by Corporate Priority



It should be noted that where an assurance opinion is provided, this is based on the work completed and commensurate with the audit budget, not the entire control framework pertaining to the particular area concerned.

There were no significant risks identified in the year.

Summary of Audit Opinion and Actions 2025/26

At the conclusion of audit assignment work each review is awarded a "Control Assurance Definition";

Assurance Definitions	
No Assurance	The areas reviewed were found to be inadequately controlled. Risks are not well managed, and systems require the introduction or improvement of internal controls to ensure the achievement of objectives.
Partial	In relation to the areas reviewed and the controls found to be in place, some key risks are not well managed, and systems require the introduction or improvement of internal controls to ensure the achievement of objectives.
Reasonable	Most of the areas reviewed were found to be adequately controlled. Generally, risks are well managed, but some systems require the introduction or improvement of internal controls to ensure the achievement of objectives.
Substantial	The areas reviewed were found to be substantially controlled. Internal controls are in place and operating effectively and risks against the achievement of objectives are well managed.

Summary of Audit Opinion

Table 1: Summary of Audit Opinions

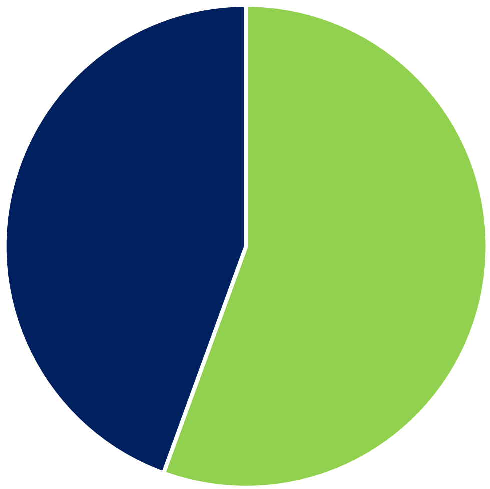


Table 1 above indicates the spread of assurance opinions across our work during the past year (5 Substantial opinions were awarded and 4 Reasonable). In the previous year (24/25) there were 5 Substantial and 3 Reasonable Assurance opinions awarded.

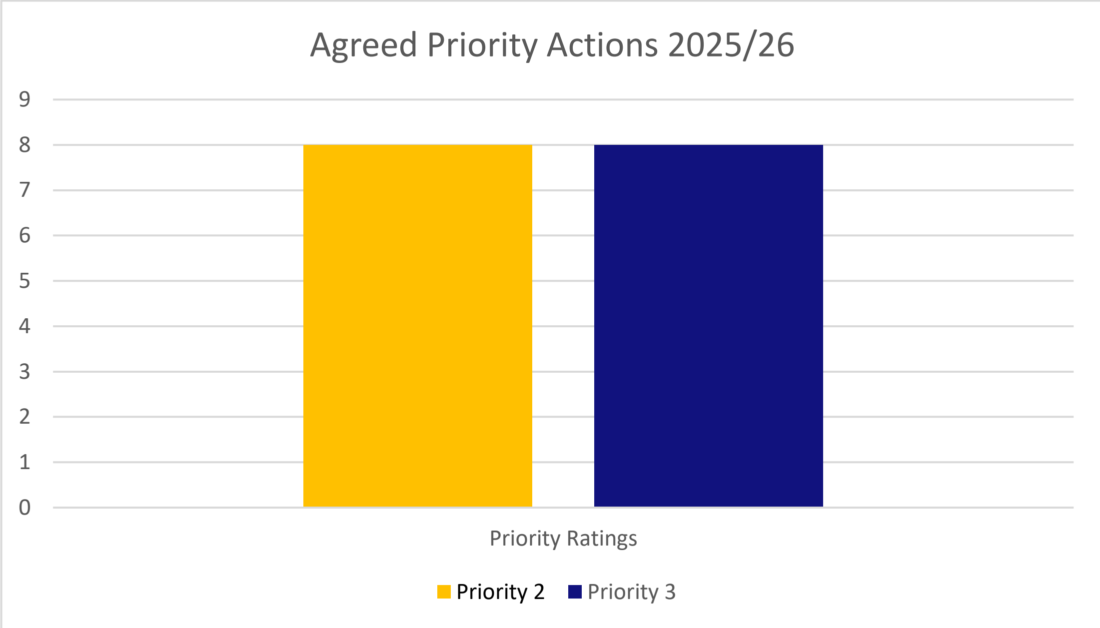
Summary of Audit Opinion and Actions 2025/26

SWAP Performance - Summary of Audit Actions by Priority

Categorisation of Actions

Priority 1	Findings that are fundamental to the integrity of the service's business processes and require the immediate attention of management.
Priority 2	Important findings that need to be resolved by management.
Priority 3	Finding that requires attention.

Priority Actions



It is pleasing to note that there are no Priority 1 actions.

At the time of reporting, five actions remained in progress, with the other 11 completed.

Added Value

Extra feature(s) of an item of interest (product, service, person etc.) that go beyond the standard expectations and provide something more while adding little or nothing to its cost.

Added Value

Throughout the year, SWAP strives to add value wherever possible i.e. going beyond the standard expectations and providing something 'more' while adding little or nothing to the cost. With the help of SWAP's Lead Data Analysts, we also seek to include analysis of data as part of our auditing wherever possible. This allows us not only the opportunity to test whole populations of data, but where this is not possible or appropriate, to be able to use data analytics to target our testing in a more effective manner. Examples of data analytics performed within our 2025/26 audits have been provided below:

Benchmarking

During each of our reviews, we utilise information from SWAP Partners and Clients, to enable the benchmarking of best practice information to support the quality of audit provision.

Data Analytics

With the help of SWAP's two Lead Data Analysts, we include analysis of data as part of our auditing wherever possible. This allows us not only the opportunity to test whole populations of data, but where this is not possible or appropriate, to be able to use data analytics to target our testing in a more effective manner.

Plan Performance 2025/26

Internal Audit is responsible for conducting its work in accordance with the Code of Ethics and Standards for the Professional Practice of Internal Auditing as set by the Institute of Internal Auditors and further guided by interpretation provided by the Public Sector Internal Audit Standards (PSIAS).

SWAP Performance

SWAP's performance is subject to regular monitoring and review by both the SWAP Board of Directors and the Owners Board. The respective outturn performance results for DWFRS for the 2025/26 year are as follows:

Performance Target	Average Performance
Audit Plan – Percentage Progress	
Final, Draft and Discussion 90%	100%
In progress/Review	0%
Yet to complete	0%

Overview of Audits Completed 2025/26

Audit Name	Healthy Organisation Theme	Linked To	Status	Opinion	No of Actions	Actions		
						1	2	3
Corporate Performance Management	Corporate Governance	HMICFRS Efficiency Pillar HMICFRS Effectiveness Pillar Priority 4	Final	Substantial	2	-	-	2
IT Asset Management	Information Management Procurement & Commissioning	Strategic Risk 301 HMICFRS Effectiveness Pillar Priority 4	Final	Reasonable	2	-	2	-
Treasury/Reserves Management	Financial Management	Strategic Risk 0006 HMICFRS Efficiency Pillar Priority 4	Final	Substantial	1	-	-	1
People Development	People & Asset Management	Strategic Risk 598 HMICFRS Efficiency Pillar Priority 4	Final	Reasonable	4	-	3	1
Culture Plan	People & Asset Management	Strategic Risk 598 HMICFRS People Pillar Priority 5	Final	Substantial	4	-	-	4
Overtime (and Secondary Contract) Management	Corporate Governance Financial Management	Strategic Risk 0006 HMICFRS Efficiency Pillar Priority 4	Final	Reasonable	1	-	1	-
Procurement Process Evaluation	Corporate Governance Financial Management	Strategic Risk 0006 HMICFRS Efficiency Pillar Priority 4	Final	Substantial	1	-	1	-
Pensions Administration	People and Asset Management	HMICFRS Efficiency Pillar Priority 4	Final	Substantial	0	-	-	-
Financial Controls	Financial Management	Strategic Risk 0006 HMICFRS Efficiency Pillar Priority 4	Final	Reasonable	1	-	1	-