



**DORSET & WILTSHIRE**  
**FIRE AND RESCUE**



Item 24/28 Appendix A

# Dorset & Wiltshire Fire and Rescue Service

Internal Audit Annual Opinion Report 2023/24

Internal Audit ■ Risk ■ Special Investigations ■ Consultancy

Unrestricted

# Contents

## The contacts at SWAP in connection with this report are:

### David Hill

Chief Executive

Tel: 020 8142 5030

[david.hill@swapaudit.co.uk](mailto:david.hill@swapaudit.co.uk)

### Dan Newens

Assistant Director

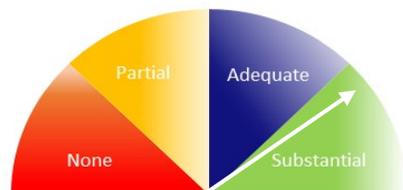
Tel: 020 8142 5030

[daniel.newens@swapaudit.co.uk](mailto:daniel.newens@swapaudit.co.uk)

➔	Internal Audit Annual Opinion 2023/24: 'At a Glance'	Page 2
➔	Executive Summary	Page 3-4
➔	Internal Audit Annual Opinion 2023/24	Page 5
➔	Alignment to DWFRS Priorities 2023/24	Page 6
➔	Summary of Audit Opinion and Actions 2023/24	Page 7-8
➔	Plan Performance 2023/24	Page 9-10
➔	Overview of Audits Completed 2023/24	Page 11

# Internal Audit Annual Opinion – 2023/24: ‘At a Glance’

## Annual Opinion 2023/24



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

	<b>No Significant Risks identified.</b>
	<b>No Priority 1 actions.</b>
	<b>All actions were accepted by management.</b>
	<b>8 reviews delivered in accordance with the 2023/24 Internal Audit Plan.</b>

## Internal Audit Assurance Opinions

Substantial	5
Adequate	3
Partial	0
No Assurance	0
<b>Internal Audit Agreed Actions 2023/24</b>	
Priority 1	0
Priority 2	3
Priority 3	8

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



### Purpose

Internal Audit should provide a written annual report to those charged with governance to support the Service's Annual Governance Statement (AGS). This report should include the following:

- An opinion on the overall adequacy and effectiveness of the Service's governance, risk management and internal control environment, including an evaluation of the following:
  - the design, implementation and effectiveness of the Service's ethics-related objectives, programmes and activities;
  - whether the information technology governance of the Service supports its strategies and objectives;
  - the effectiveness of risk management processes; and
  - the potential for the occurrence of fraud and how the Service manages fraud risk.
- Disclose any qualifications to that opinion, together with the reasons for the qualification.
- Present a summary of the audit work from which the opinion is derived, including reliance placed on work by other assurance bodies.
- Draw attention to any issues the Head of Internal Audit judges particularly relevant to the preparation of the Annual Governance Statement.
- Compare the work actually undertaken with the work that was planned and summarise the performance of the internal audit function against its performance measures and criteria.
- Comment on compliance with these standards and communicate the results of the internal audit quality assurance programme.

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

### Three Lines Model

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.

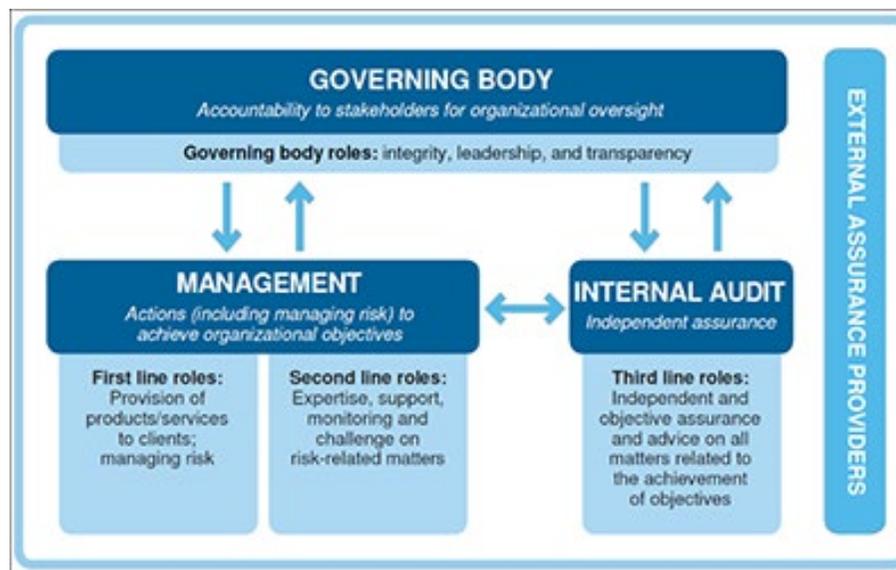


### Background

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 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 2023/24.

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



## Internal Audit Annual Opinion 2023/24

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



### Annual Opinion

On the balance of our 2023/24 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.

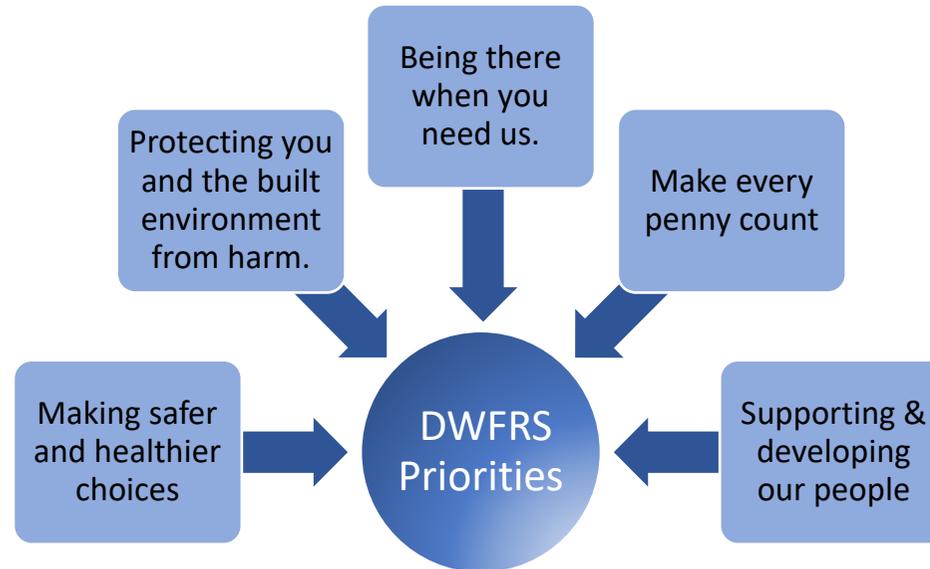
We would like to take this opportunity to thank management for their collaboration and support throughout the year.

## Alignment to DWFRS Priorities 2023/24

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 2023/24

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

## Assurance Definitions

<b>No Assurance</b>	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.
<b>Partial</b>	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.
<b>Adequate</b>	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.
<b>Substantial</b>	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

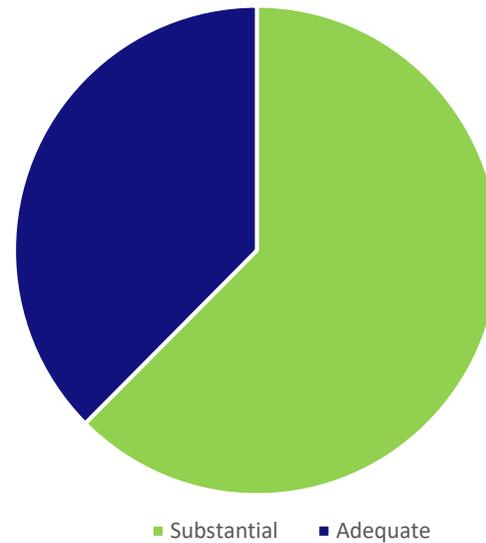


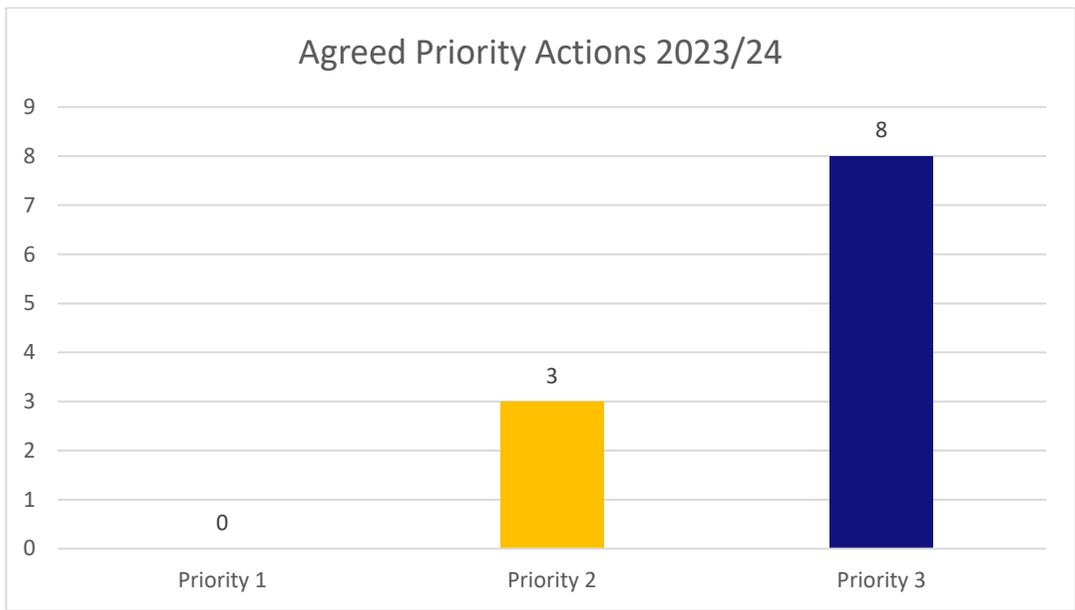
Table 1 above indicates the spread of assurance opinions across our work during the past year (5 Substantial opinions were awarded). In the previous year (22/23) there were 8 Substantial and 1 Adequate Assurance opinions awarded.

**SWAP Performance - Summary of Audit Actions by Priority**

**Priority Actions**

**Categorisation of Actions**

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



It is pleasing to note that there are no Priority 1 actions. For comparison, last year there were no Priority 1 or 2 actions.

At the time of reporting, there were no outstanding actions.

### 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 2023/24 audits have been provided below:

- **Short Term Absence Management:**

We reviewed data provided to identify any trends or repeat events to inform the work on short term absence management

- **Cyber Security (Back Ups):**

We reviewed five weeks' worth of back-up logs to ensure that errors were being identified, explanations provided, and issues rectified.

- **P-Cards & Fuels Cards:**

We reviewed the transaction logs to inform the work on:

- P-card usage
- Authorisation of transactions
- Timeliness of reporting and approvals

- **Payroll:**

We used data analytics and sample testing in the following areas:

- Starters and leavers
- Overpayments
- Duplicates

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 2023/24 year are as follows:

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

SWAP work is completed to comply with the International Professional Practices Framework (IPPF) 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.

Under these standards we are required to be independently externally assessed at least every five years to confirm compliance to the required standards. SWAP was recently assessed in February 2020 and confirmed that we are in conformance to PSIAS.

## Overview of Audits Completed 2023/24

Audit Name	Healthy Organisation Theme	Linked To	Status	Opinion	No of Recs	Actions		
						1	2	3
Q1 – Industrial Relations	People & Asset Management Corporate Governance	HMICFRS People/Effectiveness Pillars Priority 3,4,5 Strategic Risk 530	Final	Substantial	1	-	-	1
Q1 – Cyber Security (Data Backups)	Information Management Corporate Governance	HMICFRS Efficiency Pillar Priority 4 Strategic Risk 301	Final	Substantial	1	-	-	1
Q2 – Secondary Contracts Monitoring	People & Assets Management Corporate Governance	HMICFRS Efficiency Pillar Priority 4, 5	Final	Adequate	1	-	1	-
Q2 – Grievance Arrangements	People & Assets Management Corporate Governance	HMICFRS People Pillar Priority 5	Final	Adequate	2	-	1	1
Q3 – Payroll	Financial Management	HMICFRS Efficiency Pillar Priority 4 Strategic Risk 0006	Final	Substantial	1	-	-	1
Q3 - Short Term Absence Management	People & Assets Management	HMICFRS People Pillar Priority 5	Final	Substantial	2	-	-	2
Q4 – P-Card & Fuel Cards	Financial Management Corporate Governance	HMICFRS Efficiency Pillar Priority 4 Strategic Risk 0006	Final	Adequate	3	-	1	2
Q4 – Business Continuity Arrangements	Performance Management Risk Management	HMICFRS Effectiveness/Efficiency Pillars Priority 1,2,3,4 Strategic risk 530	Final	Substantial	-	-	-	-