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BEDFORDSHIRE FIRE AND RESCUE AUTHORITY

Members of Audit and Standards Committee.

Bedford Borough Councillors: M Headley

Central Bedfordshire Councillors: F Chapman, J Chatterley and P Duckett

Luton Borough Councillors: R Saleem, D Franks and Y Waheed

A meeting of **Audit and Standards Committee** will be held at **Conference Room, Fire and Rescue Service Headquarters, Kempston, Bedford MK42 7NR** on **Wednesday, 28 March 2018** starting at **10.00 am**.

John Atkinson
Secretary/Monitoring Officer

A G E N D A

Item	Subject	Lead	Purpose of Discussion
1.	Apologies		
2.	Declarations of Disclosable Pecuniary and Other Interests		Members are requested to disclose the existence and nature of any disclosable pecuniary interest and any other interests as required by the Fire Authority's Code of Conduct.
3.	Communications		(Pages 1 - 16)
4.	Minutes	Chair	To confirm the Minutes of the meeting held on 6 December 2017 (Pages 17 - 26)
5.	External Progress Report 2017/18	Ernst and Young	To consider a report (Pages 27 - 36)
6.	External Audit Plan 2017/18	Ernst and Young	To consider a report (Pages 37 - 74)
7.	Internal Audit Progress Report	RSM	To consider a report (Pages 75 - 82)

Item	Subject	Lead	Purpose of Discussion
8.	Internal Audit Strategy 2018/19 to 2020/21	RSM	To consider a report (Pages 83 - 106)
9.	Audit and Governance Action Plan Monitoring - Exception Report and Summary Analysis	ACO	To consider a report (Pages 107 - 112)
10.	Review of the Code of Conduct	Sec/Monitoring Officer	To consider a report (Pages 113 - 126)
11.	Annual Review of the Fire Authority's Effectiveness	ACO	To consider a report (Pages 127 - 140)
12.	Review of Work Programme 2018/19	ACO	To consider a report (Pages 141 - 148)
13.	Review of BFRS Corporate Risk Register	HOA	To consider a report (Pages 149 - 188)

Mobile Devices

Chair

Please can Members bring their device(s) to the meeting in order for it to be registered and synced to Modern.gov, if not previously done so. Thank you.

Item	Subject	Lead	Purpose of Discussion
	Next Meeting		10.00 am on 6 July 2018 at Conference Room, Fire and Rescue Service Headquarters, Kempston, Bedford MK42 7NR

DECLARATIONS OF INTEREST

From 1 July 2012 new regulations were introduced on Disclosable Pecuniary Interests (DPIs). The interests are set out in the Schedule to the Code of Conduct adopted by the Fire Authority on 28 June 2012. Members are statutorily required to notify the Monitoring Officer (MO) of any such interest which they, or a spouse or civil partner or a person they live with as such, have where they know of the interest.

A Member must make a verbal declaration of the existence and nature of any Disclosable Pecuniary Interest and any other interest as defined in paragraph 7 of the Fire Authority's Code of Conduct at any meeting of the Fire Authority, a Committee (or Sub-Committee) at which the Member is present and, in the case of a DPI, withdraw from participating in the meeting where an item of business which affects or relates to the subject matter of that interest is under consideration, at or before the consideration of the item of business or as soon as the interest becomes apparent.



**Fire and Rescue
Sector Audit
Committee
Briefing**



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This sector briefing is one of the ways that we support you and your organisation in an environment that is constantly changing and evolving.

It covers issues which may have an impact on your organisation, the Fire sector, and the audits that we undertake.

The briefings are produced by our national Government and Public Sector (GPS) team, using our public sector knowledge, and EY's wider expertise across UK and international business.

The briefings bring together not only technical issues relevant to the Fire sector but wider matters of potential interest to you and your organisation.

Links to where you can find out more on any of the articles featured can be found at the end of the briefing.

We hope that you find the briefing informative and should this raise any issues that you would like to discuss further please contact your local audit team.



Government and economic news

Will the UK economy hold up as Brexit nears?

The latest forecast from the EY Item Club highlights that UK GDP growth in 2017 was 1.8%, which was better than expected. However, it does compare unfavourably with 2017 GDP growth of 2.5% for the Eurozone, 2.3% for the US and an estimated 3.0% globally.

The momentum from 2017, an improving outlook for consumer spending, and the increased likelihood of a near-term Brexit transition arrangements are expected to support UK growth this year. With this, we have nudged up our UK GDP forecast for 2018 to 1.7%, up from the 1.4% we predicted in our Autumn forecast in October last year.

However, further out, the UK's limited productivity performance and ongoing Brexit and political uncertainties will see the UK achieve only mid-range growth. With this, we have slightly reduced

our GDP growth projections for 2019 to 1.7% (down from 1.8%), 1.9% for 2020 (down from 2.0%), and 2.0% for 2021 (down from 2.2%). Although we have modestly downgraded our expectation of the UK's productivity performance, it remains more optimistic than the Office for Budget Responsibility's latest forecast. Specifically, we forecast output per hour to rise 0.9% in 2018 and then 1.3% annually during 2019-21

Much depends on how the Brexit negotiations develop. The expectation is that the UK and EU will make sufficient progress to agree a transition arrangement lasting at least two years, from late March 2019. Since this will have to be ratified across the EU, agreement essentially needs to be reached by October 2018. Progress towards a transition deal in late 2018 should support business confidence and a gradual pick-up in investment, helping GDP growth accelerate.

Provisional 2018-19 Local Government Finance Settlement

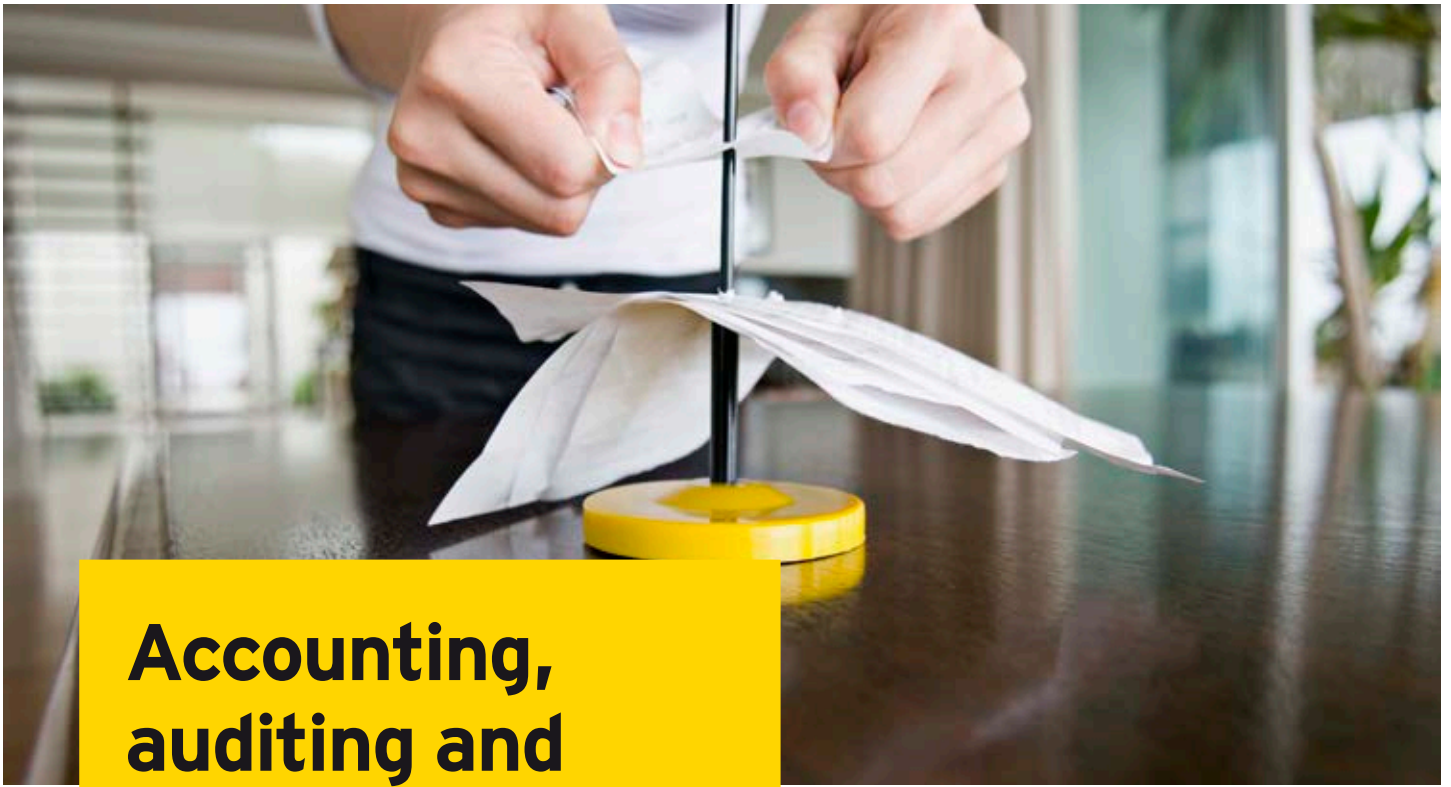
On 19 December 2017 the Government set out the provisional funding plan for the 2018-19 financial year, which will be the third year of the four year multi-year settlement that was accepted by 97% of local authorities. The provisional settlement sets out the model for estimating the funding each council and fire authority can expect to receive from central government. The main themes of the provisional settlement were:

Council Tax Referendum Principles – as a result of the financial settlement consultation process the Government has decided to set the core referendum principle at 3% in 2018-19 and 2019-20, to match higher than expected inflation. This change will give local authorities more flexibility in deciding how money will be raised to offset the increasing financial pressures and demand on services. The settlement means that for fire authorities, a general council tax referendum principle of 3 per cent will apply in 2018/19 and 2019/20, however this will be offset by a £56 million decline in funding for fire and rescue services through RSG in 2018/19.

Business Rate Retention – the Government's continued intention is to reform local government financing in the future by allowing authorities to retain a greater percentage of business rates instead of receiving certain grants (including RSG, Public Health Grant) direct from central government. By 2020-21 it is estimated that the business rate retention across the local government system would be 75%, compared to the current level of 50% retention. It was also announced that the 100% business rates retention pilot schemes were going to be expanded to include a further 10 local authorities.

The Local Government Association (LGA) have responded to the Finance Settlement, stating that additional funding will be needed to enable fire and rescue services to respond to the full range of risks and drive transformation in service delivery and capital funding.





Accounting, auditing and governance

IFRS 15 – Revenue from Contracts with Customers

The new revenue standard, IFRS 15, creates a single source of revenue requirements for all entities in all industries and is a significant departure from legacy IFRS. The new standard applies to revenue from contracts with customers and replaces all of the legacy revenue standards and interpretations in IFRS, including IAS 11 Construction Contracts and IAS 18 Revenue.

IFRS 15 is principles-based but provides more application guidance and increased judgement. IFRS 15 also specifies the accounting treatment for certain items not typically thought of as revenue, such as certain costs associated with obtaining and fulfilling a contract and the sale of certain non-financial assets. The new standard will have little effect on some entities, but will require significant changes for others.

The standard describes the principles an entity must apply to measure and recognise revenue. The core principle is that an entity will recognise revenue at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services.

The principles in IFRS 15 are applied using the following five steps:

1. Identify the contract(s) with a customer
2. Identify the performance obligations in the contract
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations in the contract
5. Recognise revenue when (or as) the entity satisfies a performance

Entities will need to exercise judgement when considering the terms of the contract(s) and all of the facts and circumstances, including implied contract terms. Entities will also have to apply the requirements of the standard consistently to contracts with similar characteristics and in similar circumstances.

The 2018/19 Code of Practice on Local Authority Accounting in the United Kingdom (the Code) will determine how IFRS 15 Revenue from Customers with Contracts will be adopted by local government bodies. The 2018/19 Code will apply to accounting periods starting on or after 1 April 2018 but has not yet been published. The CIPFA/LASAAC Local Authority Accounting Code Board met on 6 June 2017 and discussed the implication of IFRS 15 on Local Government entities. The minutes of this meeting corroborate our view that for most entities income streams from contracts with customers are likely to be immaterial. The vast majority of income streams are taxation or grant based which do not fall within the scope of IFRS 15 as they are not contractually based revenue from customers.

However, this may not always be the case for some smaller English authorities or Authorities where there is a high public interest in commercial activities. The following income streams are within the scope of IFRS 15 and will need special consideration if they are material to the users of the financial statements:

- ▶ Fees and charges for services under statutory requirements
- ▶ Sale of goods provided by the authority
- ▶ Charges for services provided by a local authority

EY – CIPFA Accounts Closedown Workshop 2017-18

EY and CIPFA Financial Advisory Network (FAN) are continuing to work in partnership to deliver a programme of accounts closedown workshops to support local government finance professionals across the country with separate events for police bodies and English, Welsh and Scottish local authorities. The workshop programme covers the key changes impacting on the production of the 2017/18 financial statements and the outcomes of the 'Telling the Story' changes to the Code of Practice on Local Authority Accounting in 2016/17. Looking forward there are significant changes to IFRS that will come through in the 2018/19 Code and later, so the workshops are also focused on the key risks in relation to the new Financial Instruments standard IFRS 9 and other future expected changes in the Code with potential to impact on the General Fund and the HRA. These workshops also aim to prepare local authority finance staff for a 'Faster, Smarter and more Accurate' accounts closedown for 2017-18.

By the end of this May, your local authority will need to publish its unaudited statement of accounts and publish audited accounts by the end of July. These changes provide risks for both the preparers and the auditors of the financial statements. Local Authorities will now have less time to prepare the financial statements and supporting working papers. As your auditor, we have a more significant peak in our audit work and a shorter period to complete the audit. Risks for auditors relate to delivery of all audits within same compressed timetable. Failure to meet a deadline at one client could potentially put delivery of others at risk.

To mitigate this risk we will require:

- ▶ Good quality draft financial statements and supporting working papers by the agreed deadline.
- ▶ Appropriate staff to be available throughout the agreed audit period.
- ▶ Complete and prompt responses to audit questions.

If your authority is unable to meet key dates within our agreed timetable, we will notify you of the impact on the timing of your audit, which may be that we postpone your audit until later in the summer and redeploy the team to other work to meet deadlines elsewhere.

Of the 150 authorities we audit, we currently consider that around a quarter have left themselves a significant amount of work to do to get there and are running a real risk of missing the deadline because they will not have quality draft accounts and supporting evidence ready for their auditors by the end of May.

In addition to our workshops with CIPFA, we have held events in each of our local offices and gathered insights from over 100 practitioners and their local audit teams on the importance of what finance teams and auditors each need to do, and collaboratively, to achieve a successful faster closure. We have put together a comprehensive list of actions to streamline processes, work more collaboratively with their auditors and draw on EY's analytics and innovative audit approach to achieve faster close. We include a summary below:

Summary of faster close activities

Finance teams are:

- ▶ Critically appraising the content of their accounts, removing unnecessary disclosures.
- ▶ Closing the ledger earlier and encouraging greater discipline across the authority to comply with deadlines for accruals.
- ▶ Preparing discrete sections of the accounts (e.g., narrative report and remuneration notes) and associated working papers earlier to facilitate early audit work.
- ▶ Focusing on judgements and significant estimates earlier including engagement with auditors.
- ▶ Reviewing the de-minimis level for accruals, including discussion with auditors.
- ▶ Conducting a hard close for monthly reconciliations e.g., bank reconciliations, feeder systems, etc., with a zero-tolerance to reconciling items over a month old.
- ▶ Undertaking weekly cut-off testing in April to ensure that the accounts are complete, retaining the evidence in case that item is selected for audit testing.

Auditors are:

- ▶ Meeting regularly with finance staff, sharing details of the audit approach, agreeing a planned timetable of tasks, communicating changes and providing clarity on what is expected and when.
- ▶ Bringing forward testing to reduce the amount needed to do in the summer. In particular, valuation of land and building and other high risk areas.
- ▶ Increasing the use of analytics to interrogate ledger and payroll transaction data.
- ▶ Using the online EY client portal to streamline communications with finance teams.
- ▶ Attending workshops with finance teams on accounting issues and effective working papers.
- ▶ Selecting items for sample testing earlier.

Together finance teams and auditors are:

- ▶ Holding regular meetings throughout the year to share progress and discuss issues.
- ▶ Planning respective activities to ensure sufficient capacity on both sides.
- ▶ Revisiting audit issues from the prior year, agreeing how similar issues can be avoided.
- ▶ Ensuring the client assistance schedule is appropriately tailored.

We have produced a Faster Close Briefing checklist that you can use to ensure that you are doing all you can, alongside working with us, to achieve the accelerated timetable. For more information please contact your local engagement lead.

Consultation on enabling Police and Crime Commissioners to sit and vote on Combined Fire and Rescue Authorities

The Government consultation, which took place between 27 November 2017 and 15 January 2018, aimed to collect the views on the proposal to vary the combination schemes of Combined Fire and Rescue Authorities and to implement the 'representation model' of the Policing and Crime Act 2017 (the Act).

The 'representation model', one of a number of governance provisions included in the Act, will enable Police and Crime Commissioners (PCCs) to be represented on a Fire and Rescue Authority (FRA) and treated as a member of the FRA with voting rights, where the FRA agrees.

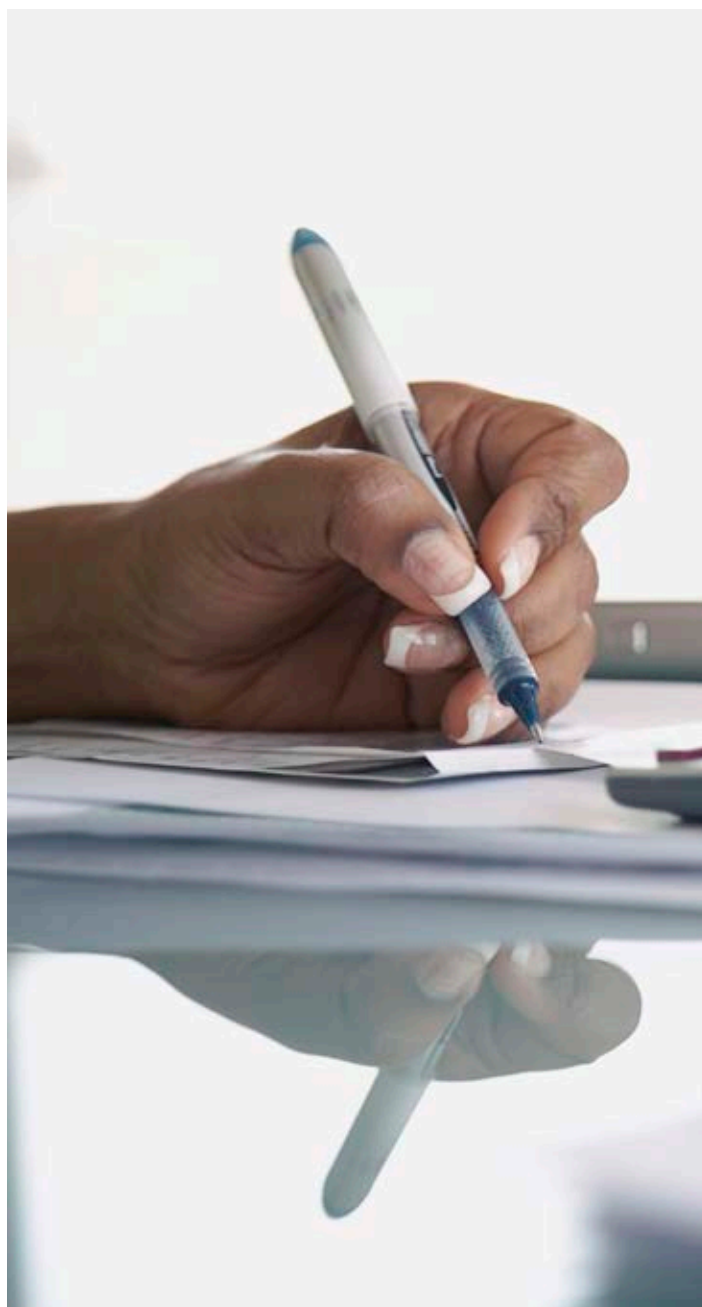
The intention of the model is to help drive greater collaboration between two emergency services. The representation model has applied to County and Metropolitan FRAs as of 3 April 2017 on commencement of primary legislation, whereas combined FRAs under section 2 and 4 of the Fire and Rescue Services Act 2004 must have their combination schemes amended for these provisions to apply. A statutory instrument is expected to be drafted to make amendments to the combination schemes of those FRAs who are supportive of the amendments early this year and will come in to force shortly thereafter.

The summary of proposed amendment included in the consultation are as follows:

- ▶ The Authority may appoint a relevant PCC to be a member of the Authority, and enables a PCC to be appointed with voting rights.
- ▶ A relevant PCC may only be appointed as a member of the Authority in response to a request by the commissioner.
- ▶ If a relevant PCC makes such a request the Authority must:
 - ▶ Consider the request.
 - ▶ Give reasons for its decision to agree to or refuse the request.
 - ▶ Publish those reasons in such a manner as it thinks appropriate.
- ▶ If appointed, a PCC can delegate a deputy to attend and speak at FRA meetings, but this deputy will not have any voting rights and will not be treated as a member of the Authority for any purpose, for example in determining whether the meeting is quorate.

It is emphasised that PCCs are not mandated to sit on a Combined FRA, nor are FRAs required to agree to a PCC request. Instead, this aims to ensure that Combined FRAs can appoint a PCC with voting rights, and that the same level of transparency applies to Combined FRAs as it does to County or Metropolitan FRAs.

The results of the consultation will be published on the Home Office website shortly.





Regulation news

A revised Fire and Rescue National Framework for England

The Home Office has opened a consultation on a revised Fire and Rescue National Framework for England, which closes on 14th February 2018.

The revised National Framework seeks to embed the programme of reform outlined by the Home Office in 2016, including:

- ▶ Transforming local governance of fire and rescue. This will enable mayors and police and crime commissioners to take on responsibility for fire and rescue services where a local case is made.
- ▶ Establishing Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) as an independent inspection regime for fire and rescue authorities.
- ▶ Developing a comprehensive set of professional standards to drive sector improvement.
- ▶ Supporting services to transform commercially through more efficient procurement and collaboration.
- ▶ Increasing the transparency of services through publication of performance data and the creation of a new national fire website.
- ▶ Establishing an ambitious programme for workforce reform through enhancing professionalism, management and leadership, training and development, equality and diversity, improved culture and options for flexible working.

As a result of recent reforms, the fire landscape is changing with the formation of the National Fire Chiefs Council; an independent inspectorate – Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS); and a professional standards body. The revised framework outlines the roles and responsibilities of these bodies and sets expectations for how services should work with them.

The National Framework will continue to provide an overall strategic direction to fire and rescue authorities, but fire and rescue services remain free to operate in a way that enables the most efficient and effective delivery of their services.

HMICFRS: consultation on fire and rescue services inspection

In December 2017 HMICFRS confirmed the pilot areas for the first comprehensive inspections of England's 45 fire and rescue services in over ten years. The three pilots are West Yorkshire, Staffordshire and Suffolk and will take place in spring 2018:

- ▶ Pilot 1 fieldwork 19-23 March
- ▶ Pilot 2 fieldwork 16-20 April
- ▶ Pilot 3 fieldwork 14-18 May

The structure and methodology of the inspections is set out in a draft inspection programme which has been developed with the support of fire and rescue services. The assessment will cover the effectiveness and efficiency of each service, including how well fire

and rescue services prevent, protect against and respond to fires and other emergencies and how well they look after the people who work for the service.

Fire and rescue services are to be inspected in tranches, and the indicative timelines for each tranche:

- ▶ Tranche 1 (15 inspections): Summer 2018
- ▶ Tranche 2 (15 inspections): Autumn/Winter 2018
- ▶ Tranche 3 (15 inspections): Spring 2019

Consultation outcome: Re-engagement of senior fire officers after their retirement.

In February 2017, the Government commenced a consultation on amending the Fire and Rescue National Framework in England (the Framework) to include requirements to discourage fire and rescue authorities from re-engaging senior officers post-retirement. Based on the responses received, the Home Office has concluded that action should be taken to discourage the practice. In exceptional circumstance where re-appointment is necessary in the interests of public safety, this decision should be subject to a public vote of the elected members of the FRA, or a publicised decision by the appropriate elected representatives. As the full revision of the National Framework is currently underway, the change will be included as part of the revised Framework to come into force in spring 2018. Until the revised Framework comes into force, the Home Office expects FRA to take this policy position into account if seeking to re-employ any retired fire personnel in the interim.

EU General Data Protection Regulation: Are you ready?

On 17 December 2015, after more than three years of negotiations and several draft versions of the General Data Protection Regulation (GDPR), an informal agreement was reached between the European Parliament and Council of the European Union. The GDPR is a significant change for organisations. It introduces more stringent and prescriptive data protection compliance challenges, backed by fines of up to 4% of global annual revenue. The regulation replaces Directive 95/46/ EC, which has been the basis of European data protection law since it was introduced in 1995.

The Regulation has a significant impact on organisations in all sectors, bringing with it both positive and negative changes in terms of cost and effort.

Key changes proposed by the EU GDPR include:

- ▶ Regulators can impose fines of up to 4% of total annual worldwide turnover or €20,000,000
- ▶ Data Protection Officers (DPOs) – DPOs must be appointed if an organisation conducts large scale systematic monitoring or processes large amounts of sensitive personal data
- ▶ Accountability – organisations must prove they are accountable by establishing a culture of monitoring data processing procedures, minimising data retention and building safeguards, and documenting data processing procedures.
- ▶ Organisations must undertake Privacy Impact Assessments when conducting risky or large scale processing of personal data
- ▶ Consent to process data must be freely given, explicit and individuals must be informed of their right to withdraw their consent
- ▶ Organisations must notify supervisory authorities of data breaches 'without undue delay' or within 72 hours, unless the breach is unlikely to be a risk to individuals
- ▶ Introduction of new rights – right to be forgotten, right to data portability and right to object to profiling
- ▶ Organisations should design data protection into the development of business processes and new systems and privacy setting should be set a high level by default
- ▶ Data processors become an officially regulated entity

Whilst organisations may welcome the harmonisation of laws across the 28 EU member states which will make the complex data protection landscape easier to navigate, the introductions of new rights for individuals are likely to increase the regulatory burden for organisations.

Organisations need to review their current data protection compliance programmes to determine next steps and decide on the level of investment they need to make before 2018 to address the changes.

Organisations need to act now to ensure that they are ready to comply with the new Regulation when it comes into force on 25 May 2018.

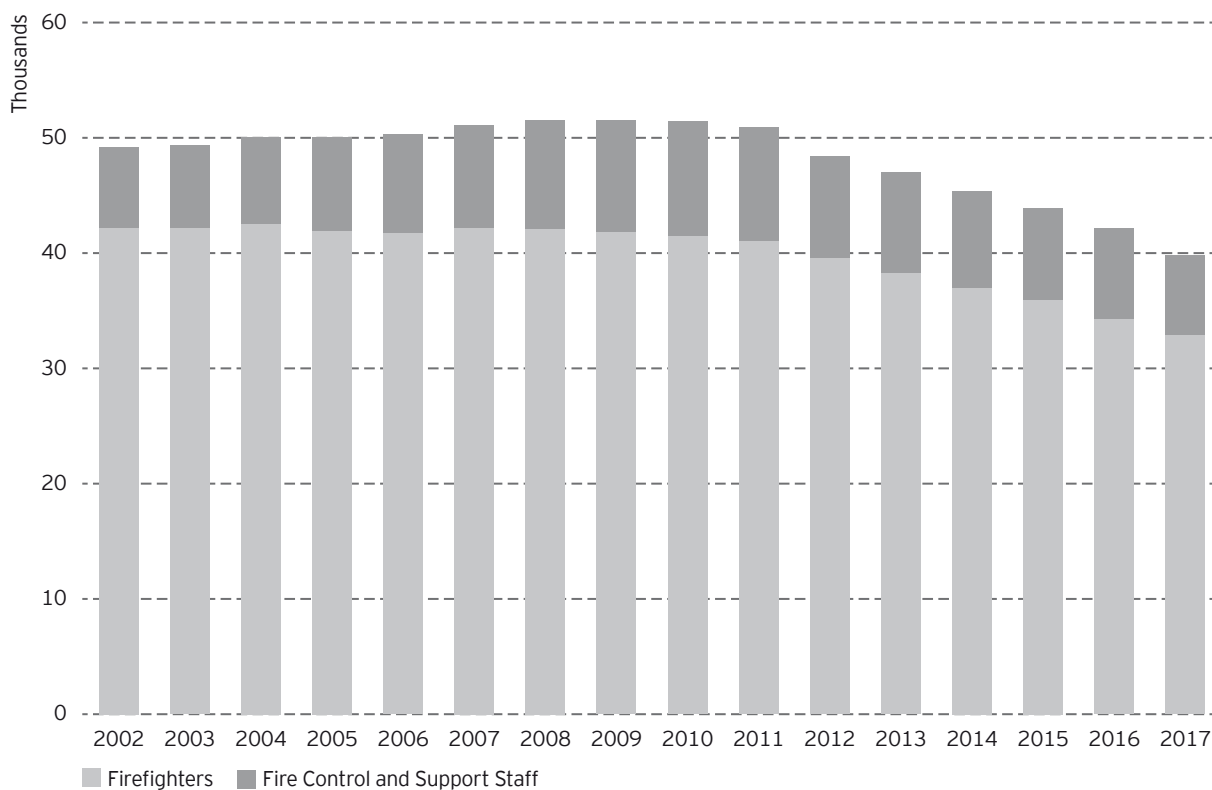
Other

Fire and rescue workforce statistics for 2016/17 financial year

The Home Office have released Statistical Bulletin 18/17, covering workforce trends in fire and rescue services. The key points below:

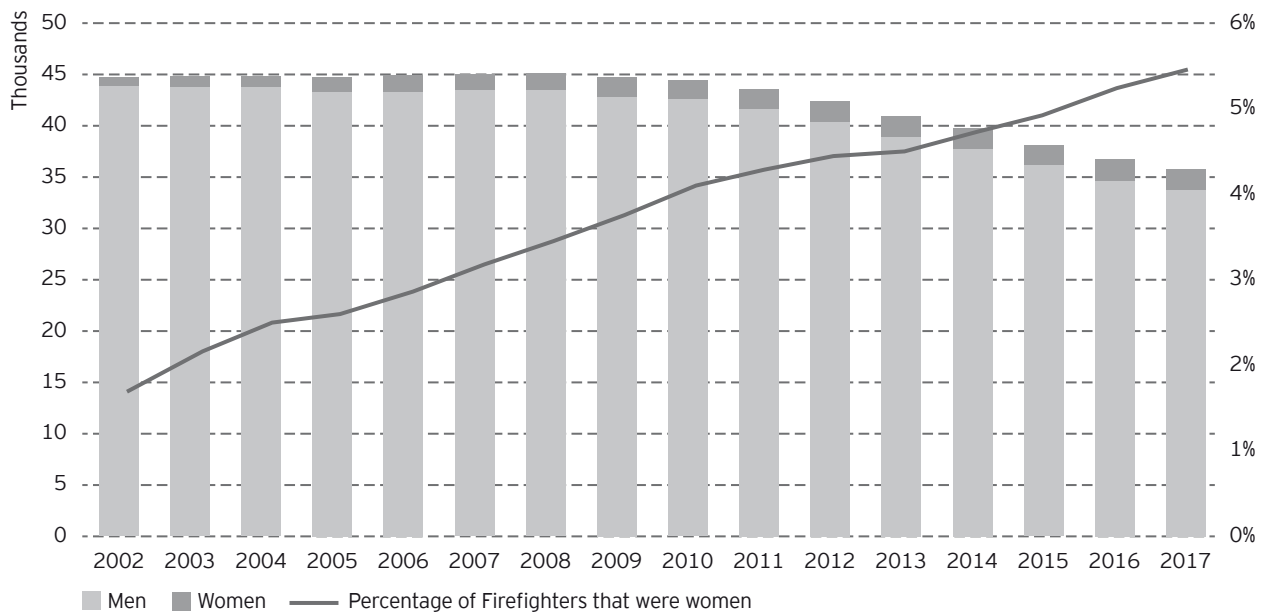
- ▶ The number of firefighters employed by FRS decreased by 4% compared with previous year (33,049 staff in 2017 compared to 34,395 in 2016). There was 5% decrease in fire control and support staff (40,180 in 2017 compared to 42,347 in 2016). (Figure 1)
- ▶ During the 2016/17 financial year, 4,425 staff members have left FRS (11% of staff headcount). Since 2009/10 the proportion of FRS leavers has been on a slow upward trend from 7% to 11% in 2016/17. This is partly caused by increases in the rate of staff retiring either through 'normal' retirement, 'early' retirement or ill health.
- ▶ The number of women employed as firefighters increased to 5.2% in 2017 compared to 5% in 2016. However, since 2010 the main cause in the increase in the proportion of female firefighters has been a decrease in the number of male firefighters. (Figure 2)
- ▶ The number of firefighters from ethnic minority groups also grew, to 3.9% in 2017 (3.8% in 2016).
- ▶ The Firefighters' Pension Scheme deficit in 2016/17 was £535.3 million. This was a 5% increase compared with the previous year (£510.6 million in 2015/16). Expenditure was £818.2 million while income was £282.9 million.

Figure 1: Total staff employed (FTE) by FRSs in England, 2002 to 2017



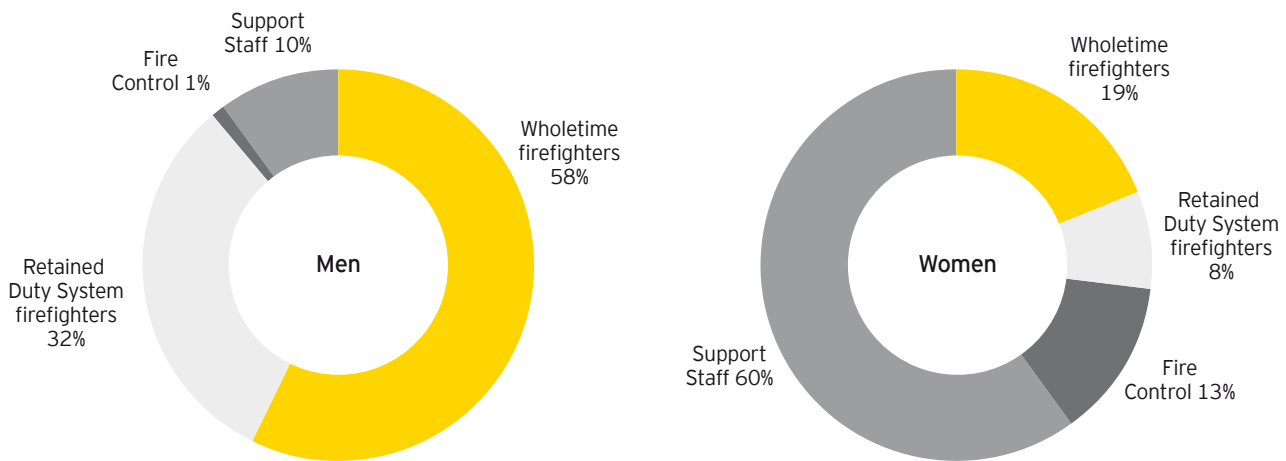
Source: FIRE1101

Figure 2: Gender of firefighters in England, 2002 to 2017



Source: FIRE1103

Figure 3: Gender of staff employed by FRSs, by role in England in 2017



Source: FIRE1103

Find out more

EY Item Club forecast

<http://www.ey.com/uk/en/issues/business-environment/financial-markets-and-economy/item---forecast-headlines-and-projections>

Consultation on revised Fire and Rescue National Framework can we found at

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/672148/171222_National_Framework_consultation_document_v2.pdf

2018-19 Local Government Finance Settlement

<https://www.gov.uk/government/collections/provisional-local-government-finance-settlement-england-2018-to-2019>

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/669538/LGFS_consultation_2018-19.pdf

<https://www.local.gov.uk/parliament/briefings-and-responses/provisional-local-government-finance-settlement-201819-day>

<http://www.cipfa.org/about-cipfa/press-office/archived-press-releases/2017-press-releases/cipfa-responds-to-the-provisional-local-government-finance-settlement?crdm=0>

IFRS 15 – Revenue from Revenue from Contracts with Customers

[http://www.ey.com/Publication/vwLUAssets/ey-applying-revenue-october-2017/\\$FILE/ey-applying-revenue-october-2017.pdf](http://www.ey.com/Publication/vwLUAssets/ey-applying-revenue-october-2017/$FILE/ey-applying-revenue-october-2017.pdf)

EY – CIPFA Accounts Closedown Workshop 2017-18

For Faster Close Activities Checklist: please contact your local engagement lead.

For a full list of locations and dates available search for 'Accounts Closedown Workshop' at <http://www.cipfa.org/training>

More on 'representation model' consultation can be found at <https://www.gov.uk/government/consultations/enabling-police-and-crime-commissioners-to-sit-and-vote-on-combined-fire-and-rescue-authorities>

HMICFRS inspection details can be seen at <https://www.justiceinspectorates.gov.uk/hmicfrs/news/news-feed/hmicfrs-launches-consultation/>

More on Re-engagement of senior fire officers after their retirement

<https://www.gov.uk/government/consultations/re-employing-senior-fire-officers-after-their-retirement>

EU General Data Protection Regulation

[http://www.ey.com/Publication/vwLUAssets/ey-gdpr-what-you-need-to-know/\\$FILE/ey-gdpr-what-you-need-to-know.pdf](http://www.ey.com/Publication/vwLUAssets/ey-gdpr-what-you-need-to-know/$FILE/ey-gdpr-what-you-need-to-know.pdf)

[http://www.ey.com/Publication/vwLUAssets/EY-eu-general-data-protection-regulation-are-you-ready/\\$FILE/EY-eu-general-data-protection-regulation-are-you-ready.pdf](http://www.ey.com/Publication/vwLUAssets/EY-eu-general-data-protection-regulation-are-you-ready/$FILE/EY-eu-general-data-protection-regulation-are-you-ready.pdf)

The full Fire and Rescue services workforce report can be found at https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/654807/fire-rescue-workforce-pensions-1617-hosb1817.pdf

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For Publication

**Bedfordshire Fire and Rescue Authority
Audit and Standards Committee
28 March 2018
Item No. 4**

**MINUTES OF THE AUDIT AND STANDARDS COMMITTEE
MEETING HELD ON 6 DECEMBER 2017 AT 10.00am**

Present: Councillors Chapman (in the Chair), Chatterley, Franks,
Headley, Saleem and Waheed

Mr J Atkinson, ACO Z Evans and AC D Cook

Ms K Storey, Ernst & Young

Mr D Harris, RSM

17-18/AS/029 Apologies

There were no apologies.

17-18/AS/030 Declarations of Disclosable Pecuniary and Other Interests

Councillor Chapman disclosed a local interest in the Statement of Assurance (Minute 17-18/AS/036 refers) as a trustee of Hazard Alley, a safety centre located in Milton Keynes.

17-18/AS/031 Communications

Firefighters Pension Changes Dispute

The Assistant Chief Officer advised that the Appeals Court was sitting this week to hear both the firefighters and judges cases in relation to the changes to the Firefighters Pensions Scheme and its transition and protection arrangements. An update would be provided to Members when an outcome was known.

In response to a question, the Assistant Chief Officer confirmed that the legal costs were being funded through a cost-sharing agreement in place between all Fire and Rescue Services.

Emergency Services Sector Update

The Committee received the Emergency Services Sector update from RSM and considered the following questions:

Does your organisation know the answers to the NAO's questions on cyber security and are ongoing assurances received on these matters?

A gap analysis was being undertaken to identify the level of compliance with the ten recommendations set out by the National Audit Office and ISO standards.

An internal audit of risk management was being undertaken in February 2018 and the audit report would be submitted to this Committee for information following its completion.

Are you satisfied with the level of specialist fire safety staff and is this having an impact operationally?

The Assistant Chief Officer confirmed that the Service was satisfied with its level of specialist fire safety staff. There were currently 8.5 FTE allocated to this resource.

In response to a question relating to the Grenfell Tower inquiry, the Assistant Chief Officer advised that an email had been received that morning from the National Fire Chiefs Council (NFCC) who were running workshops to consider Dame Judith Hackitt's interim Independent Review of Building Regulations and Fire Safety report. Post the workshops the NFCC would formulate a National response.

Are you aware of the recommendations in the report and what is your service doing about it? Do you understand what data you hold?

In relation to the use of big data, the Committee was advised that the Service had a good understanding of the Exeter data set, along with its limitations. In addition to the Exeter data, the Service also produced its own local MOSAIC data to inform its prevention and protection work.

Have you considered this data and recommendations as part of the implementation of GDPR and wider projects in this area?

These were being considered and the Service's internal auditors, RSM, had been asked to undertake an audit to assist in this process.

Area Commander Cook reported that a GDPR project had been created, with actions being identified and tracked. This was not currently a corporate project reported to Members through the Policy and Challenge Groups and it was suggested that an update report on the progress of this project be submitted to the next meeting of the Corporate Services Policy and Challenge Group.

The Assistant Chief Officer referred Members to the section on contract management and the questions relating to life-cycle management arrangements.

Ernst & Young Audit Committee Briefing

Ernst & Young's most recent Fire and Rescue Sector Audit Committee Briefing was tabled and reference was made to the following questions set out in the briefing document:

What actions has your organisation taken to ensure that it is best placed to achieve the financial accounts early closure timetable of 31 July 2018?

The Committee was advised that Mr J Harrison, the Service's Chief Accountant, had attended an Ernst and Young briefing on preparedness for an earlier closure of accounts and a number of actions were being taken forward in this respect.

Is your fire authority prepared for the first inspection by HMICFRS? What actions do you need to take in order to meet the requirements?

A senior Officer in the Service had been allocated the task of preparing data for the inspection. This included the documentation of any audits or actions undertaken.

Have you assessed how the changes to the pension schemes will affect your authority's pensions contributions and pensions liability? Do you have arrangements in place to ensure all the changes are applied correctly?

These had been taken into account in the preparation of the Authority's Medium Term Financial Strategy.

RESOLVED:

That the communications be received.

17-18/AS/032 Minutes

RESOLVED:

That the Minutes of the meeting held on 31 March 2017 be confirmed and signed as a true record.

17-18/AS/033 Annual Audit Letter for year ended 31 March 2017

Ms K Storey of Ernst & Young reported that Ernst & Young had issued the Service with an unqualified audit opinion in relation to both the statement of accounts and the value for money statement.

Members' attention was drawn to the narrative text setting out the Service's planned actions to ensure that the closure of accounts was completed by 31 July 2018.

RESOLVED:

That the Annual Audit Letter dated October 2017 be received.

17-18/AS/034 Internal Audit Progress Report 2017/18

Mr D Harris introduced the internal audit progress report. He advised that the final reports had been issued in relation to the audits of procurement and collaboration and that the draft audit report on Key Financial Controls had been issued in November. This had received an opinion of substantial assurance.

Four further audits were scheduled for completion during the fourth quarter. The final audit reports would be submitted to the appropriate Policy and Challenge Group or Committee.

RESOLVED:

That the report be received.

17-18/AS/035 Audit and Governance Action Plan Monitoring: Exception Report and Summary Analysis

The Assistant Chief Officer submitted the summary statistical analysis of actions arising from internal audit reports over the last three financial years to date and from the Authority's current Annual Governance Statement.

Members' attention was drawn to the actions in progress. Two low priority recommendations arising from the audit of Governance- Transparency and Decision Making had been subject to extension requests and were still progressing.

It was noted that the monitoring reports presented to the Committee would provide evidence for the HMICFRS as to how actions were monitored.

RESOLVED:

That the report be received.

17-18/AS/036 Statement of Assurance

Area Commander Cook introduced the 2016/17 Statement of Assurance to the Committee for approval. The annual production of a Statement of Assurance was a requirement under the National Framework. The Statement included information on financial assurance, the governance framework, operational assurance and future improvements.

Changes to the previous Statement of Accounts were set out in red text.

Ms K Storey suggested changes to the external audit section of the report and advised that she would email these to the Assistant Chief Officer for incorporation into the final version of the Statement.

In relation to road safety activity, the Chair requested that the Service consider involvement in the work undertaken by Hazard Alley in Milton Keynes. A number of children from Bedfordshire had visited the facility,

largely with the support of Crime Beat, but she requested more support from the Service to promote the work of Hazard Alley and encourage visits from the Authority's area, recognising the impact of early education on behaviour and awareness.

The Assistant Chief Officer confirmed that the Service was supportive of Hazard Alley; however, there was a difficulty around transport as the facility was not located within the County. The Service also supported the Fire House in Luton.

A Member requested information on the number of visits by children from Bedfordshire, broken down into the three unitary areas. The Chair advised that this information was available and could be provided.

Inconsistent formatting on pages 18-19 of the report was identified and would be rectified in the final version of the Statement.

RESOLVED:

1. That the Chair be authorised to sign off the Statement of Assurance for 2016/17, subject to the minor amendments to the formatting and to the section on external audit, on behalf of the Committee for reporting to the full Fire and Rescue Authority meeting.
2. That a report on the Service's involvement with Hazard Alley be submitted to a future meeting of the Service Delivery Policy and Challenge Group, including usage figures for Bedfordshire children broken down by unitary authority area and the resource implications of greater involvement from the Service which Cllr Chapman would provide.

17-18/AS/037 Review of Code of Conduct

The Secretary and Monitoring Officer introduced his report on the Code of Conduct. The Authority had referred the whole Code to the Committee for review following its agreement to changes recommended by the Committee at its meetings in June and September 2017.

Appended to the report was illustrative text for a Code dealing with the conduct expected of Members and co-opted members of the Authority when acting in that capacity as issued by Government.

In response to a question about misinformation spread through social media, the Secretary and Monitoring Officer advised that the behaviour was covered in the Code, although it did not explicitly refer to the misuse of social media.

It was noted that two of the ten paragraphs set out in the Government's illustrative text were not included in the Authority's Code, namely the fourth and sixth paragraphs relating to obligations and accountability, and it was suggested that, for the sake of completion, they should be added.

The wording of paragraphs 7.2.1 and 7.2.2, relating to interests was also questioned. The concern relating to paragraph 7.2.1 related to the widening of the area that the Member or a member of his/her family or close associate would be affected more than the majority of Council taxpayers from the ward or electoral area the Member had been elected, which was the standard clause for local authority Codes, to the FRA's administrative area. It was also unclear what was meant by electoral area.

The view was expressed that paragraph 7.2.2 was covered by 7.2.1 and was not required. There were also other areas of the Code that could be streamlined or amalgamated.

RESOLVED:

That the Secretary and Monitoring Officer be asked to review the Code of Conduct, particularly in relation to the section on interests, and to ascertain if there were any areas that could be amalgamated to produce a more streamlined document and to include those paragraphs in the illustrative text provided by Central Government and submit a report to the next meeting of the Committee.

17-18/AS/038 Review of Monitored Policies

The Assistant Chief Officer presented the annual review of the policies on Protected Reporting (Whistleblowing), Anti-Fraud, Bribery and Corruption Policy incorporating the National Fraud Initiative (NFI), Use of Regulatory Powers Act 2000 (RIPA) and the Authority's Complaints and Compliments Process.

The Protected Reporting (Whistleblowing) Policy had been updated in line with changes in legislation. No complaints had been received under the Policy in the twelve month period ending in November 2017.

No cases of suspected fraud had been reported and no RIPA authorisations had been required in 2017.

In response to a question, Area Commander Cook advised that the Service had procedures for the authorisation of covert surveillance, with Service Operational Managers required to provide the final sign-off.

The Assistant Chief Officer suggested that the RIPA Policy be recirculated to Members for their information.

The Assistant Chief Officer referred to the breakdown of compliments and complaints received in 2016/17 and 2017/18 to date. Three complaints had been received during the year to date, all of which had been upheld.

The 2016/17 National Fraud Initiative had commenced in October 2016. Matches were released in January 2017. Out of 54 matches, investigations were ongoing in relation to two cases.

RESOLVED:

1. That the Protected Reporting (Whistleblowing) policy, the Anti-Fraud, Bribery and Corruption Policy incorporating the National Fraud Initiative (NFI), use of the Regulation of Investigatory Powers Act 2000 (RIPA) and the Authority's Complaints and Compliments process be received and the arrangements for their review be noted.
2. That the Service's RIPA Policy be forwarded to Members of the Committee for information.

17-18/AS/039 Annual Report on Registration of Interests and Gifts/Hospitality

The Secretary and Monitoring Officer presented his report and advised that all Members had completed and submitted their registration of interest forms and no entries had been made in the gifts and hospitality register.

RESOLVED:

That the report be acknowledged.

17-18/AS/040 Review of the Fire Authority's Effectiveness

The Assistant Chief Officer introduced her report on proposals for the review of the Fire and Rescue Authority's effectiveness in 2017/18.

It was agreed that a discussion should take place on the following questions:

- Does the Committee consider that they have been effective and discharged their responsibility in regard to the Group's/Committee's terms of reference?
- Considering the Committee's terms of reference are there any areas that have not been considered and should be addressed?
- Does the Committee consider any training and development would assist them with the areas of work of the Committee?

The Assistant Chief Officer referred to the training on effective governance provided for all Members of the Authority at the Member Development Day on 1 November 2017. As a result of this training, a report on the review of the entire Corporate Risk Register would be submitted to the March 2018 meeting of the Committee.

During a discussion on the content of the training, the view was expressed that the Committee could do more to explain its work to both internal and external stakeholders. Although this was not set out in the Committee's terms of reference, it was an important area as it was recognised that the Committee performed a different role from the Policy and Challenge Groups and was a decision making body.

The Assistant Chief Officer replied that the work of the Committee was set out in the Annual Governance Statement and the Review of Effectiveness, as well as the Statement of Assurance.

It was suggested that the Committee could produce an annual report detailing its work or that, if Members were satisfied that this information was contained elsewhere, stakeholders could be signposted to the relevant documentation.

The Committee agreed that it had effectively discharged its duties in regard to its terms of reference and that there were no areas of the terms of reference, as they currently stood, that had not been addressed.

Members commented on the audit training received and agreed that this should be provided on an annual basis.

RESOLVED:

1. That the recorded Minutes of the meeting be fed into a facilitated meeting to be held on 18 January 2018 to review the Fire Authority's Effectiveness in 2017/18.
2. That Members be offered training on effective governance from RSM in November 2018.
3. That a review be undertaken on how the work of the Committee is currently recorded and published and that the outcomes of this be reported to the Committee for further consideration.

17-18/AS/041 Corporate Risk Register and Review of Corporate Risk Management

Area Commander D Cook presented an update on the review of the Corporate Risk Register. There had been no changes to individual risk ratings and the following updates had been reported to the Corporate Services Policy and Challenge Group:

CRR29 (If we do not communicate well, both internal and external to the Service, then we will suffer from poor staff morale, miss the opportunity to promote ourselves and the excellent work we do and potentially impact upon our ability to deliver a full range of services): focus groups had been held with the service provider Zengenti to inform the 'look and feel' of the proposed platform.

CRR05 (If we are unable to provide adequate asset management and tracking facilities then we may cause serious injuries to our staff due to a lack of safety testing. We may also incur unnecessary significant costs and be in breach of health and safety legislation): the current paper-based system was being reviewed by the Technical Support Manager. Research into cloud based asset tracking systems would be undertaken in Summer 2018.

CRR04 (If there are a large number of staff absent from the workplace then our ability to deliver services to our communities is severely compromised and our reputation will be adversely affected): the Service offered vaccinations to its staff.

Area Commander Cook also reported on the following update that would be provided to the Human Resources Policy and Challenge Group at its meeting in January 2018:

CRR40 (if there is a retirement of large numbers of operational officers over a short period of time then we lose significant operational and managerial experience within the Service which could ultimately affect our service delivery and wider corporate functionality in the shorter term): the Service continued to attract experienced operational staff on transfer. Corporate Management Team regularly undertook analysis of the establishment profile.

RESOLVED:

1. That the continuing development of the Service's Corporate Risk Register be acknowledged.
2. That it be acknowledged that the appropriate Policy and Challenge Groups have considered and reviewed controls proposed to reduce the identified risks.

17-18/ASC/042 Review of Work Programme

The Committee considered the proposed work programme for 2017/18. In addition to the review of the risk register which had previously been discussed, the Committee would also receive a report on the direction of service performance reports at its next meeting.

Ms K Storey advised that the annual audit fees to be considered at the July 2018 meeting of the Committee would relate to 2018/19.

RESOLVED:

That the Committee's Work Programme for 2017/18 be received, with the addition of the reports requested at the meeting.

The meeting closed at 11.43am

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For Publication

**Bedfordshire Fire and Rescue Authority
Audit and Standards Committee
28 March 2018
Item No. 5**

REPORT AUTHOR: ASSISTANT CHIEF OFFICER (HUMAN RESOURCES AND ORGANISATIONAL DEVELOPMENT)

SUBJECT: EXTERNAL AUDIT PROGRESS REPORT 2017/18

For further information on this report contact: Gavin Chambers
Head of Finance and Treasurer
Tel No: 01234 845016

Background Papers: None

Implications (tick ✓):

LEGAL			FINANCIAL	✓
HUMAN RESOURCES			EQUALITY IMPACT	
ENVIRONMENTAL			POLICY	
CORPORATE RISK	Known	✓	OTHER (please specify)	
	New		CORE BRIEF	

Any implications affecting this report are noted at the end of the report.

PURPOSE:

To receive and consider the external Audit Progress report from Ernst & Young, the Fire and Rescue Authority's external auditor.

RECOMMENDATION:

That Members consider the submitted external Audit Progress Report for 2017/18.

1. Introduction

1.1 The submitted Audit Progress Report summarises work Ernst and Young have undertaken since their appointment as external auditor to the year ending 31 March 2018.

**ZOE EVANS
ASSISTANT CHIEF OFFICER
(HUMAN RESOURCES AND ORGANISATIONAL DEVELOPMENT)**

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Bedfordshire Fire and Rescue Authority

External Audit Update Report

March 2018

Ernst & Young LLP



Audit and Standards Committee
Bedfordshire Fire and Rescue Authority
Southfields Road
Kempston
Bedford
MK42 7NR

7 March 2018

Dear Members

External Audit Update

We are pleased to attach our Audit Update Report. This report summarises the work we have undertaken to date and our plans for the remainder of the 2017/18 year. The purpose of the report is to provide the Audit and Standards Committee with an overview of the stage we have reached in our 2017/18 audit and ensure our audit is aligned with the Committee's service expectations.

We welcome the opportunity to discuss this report with you as well as understand whether there are other matters which you consider may influence our audits.

Yours faithfully

Debbie Hanson
Ernst & Young LLP
United Kingdom

Enc.

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1. Summary

1.1 Financial statements

We are required to give an audit opinion on whether the financial statements of Bedfordshire Fire and Rescue Authority give a true and fair view of the financial position as at 31 March 2018 and of the income and expenditure for the year then ended.

We adopt a risk based approach to the audit and, as part of our ongoing continuous planning, we review your published Authority and committee minutes and papers along with the information we have on the wider local government environment. We met with the Authority's Chief Fire Officer and Treasurer in January as part of our initial planning discussions and in order to develop our understanding of the challenges and risks you are facing to inform our work on your financial statements and value for money arrangements.

Our interim audit visit is now concluded. We have:

- ▶ Obtained data for the period to the end of December for both payroll and the general ledger to facilitate early transaction testing.
- ▶ Updated our understanding of the Authority's material income and expenditure systems by walkthrough testing.
- ▶ Completed the programme of early testing discussed with the Authority's Finance team in November 2017 as set out in the table below.

Early testing	EY Update
Income testing period P1-9	Income (non precept/grant) is not material at interim so no testing undertaken.
Expenditure P1-9	Interim work virtually complete, awaiting some evidence
Payroll P1-9	Interim work complete.
Accounting policies	Interim work complete.
PPE - Additions P 1-9	Interim work complete.
PPE- Disposals	No material disposals at interim.
PPE – Existence	Interim work complete.
PPE – Valuation	Valuation report obtained. Enquiry made to NPS on basis for indexation and some other queries re Kempston site.
Opening balances	Interim work complete.
Related party transactions	Some declarations from Authority members outstanding at interim date.
Exit Packages 1-9	No exit packages paid as at interim.
Grant income	Interim work complete
Precepts	Interim work complete.
Significant contract review	Interim work complete.
NNDR schedule of monthly income	Interim work complete.

Early testing	EY Update
Payroll starters and leavers	Interim work, supporting evidence provided to be reviewed.
Firefighters' pension fund lump sum testing	Interim work complete
Firefighters' pension fund transfers	There were no transfers at interim.
Journals P1-9	Interim work complete.

There were no matters arising from this work that we need to bring to the attention of the Committee.

We are due to return to site in June to undertake our work on the audit of the draft statement of accounts.

1.2 Value for money conclusion

The overall criterion for 2017/18 is:

"In all significant respects, the audited body had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people."

The sub criteria which underpin this, and which are considered in arriving at the overall conclusion are:

- Informed decision making
- Sustainable resource deployment
- Working with partners and other third parties.

As set out in our Audit Planning Report, which is also on this agenda, we do not consider that there is a significant risk in respect of our value for money conclusion.


2. Timetable

2.1 Audit timeline

We set out below a timetable showing the key stages of the audit, and the deliverables we will provide to you.

We will provide formal reports to the Audit and Standards Committee throughout our audit process as outlined below.

Audit phase	Timetable	Deliverables
High level planning:	Already issued	▶ Audit Fee Letter
Risk assessment and setting of scope of audit	January/March 2018	▶ Audit Plan
Testing of routine processes and early substantive testing	February/March 2018	▶ Update report
Year-end audit	June 2018	▶ Report to those charged with governance ▶ Audit report on the financial statements and value for money conclusion ▶ Audit completion certificate
Reporting	July 2018	▶ Annual Audit Letter



In addition to the above formal reporting and deliverables we provide practical business insights and updates on regulatory matters through our Sector Briefings.

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Ernst & Young LLP

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For Publication

**Bedfordshire Fire and Rescue Authority
Audit and Standards Committee
28 March 2018
Item No. 6**

REPORT AUTHOR: ASSISTANT CHIEF OFFICER (HUMAN RESOURCES AND ORGANISATIONAL DEVELOPMENT)

SUBJECT: EXTERNAL AUDIT PLAN 2017/18

For further information on this report contact: Gavin Chambers
Head of Finance and Treasurer
Tel No: 01234 845016

Background Papers: None

Implications (tick ✓):

LEGAL			FINANCIAL	✓
HUMAN RESOURCES			EQUALITY IMPACT	
ENVIRONMENTAL			POLICY	
CORPORATE RISK	Known	✓	OTHER (please specify)	
	New		CORE BRIEF	

Any implications affecting this report are noted at the end of the report.

PURPOSE:

To receive and consider the 2017/18 external Audit Plan provided by Ernst & Young, the Fire and Rescue Authority's external auditor.

RECOMMENDATION:

That the submitted report be received.

1. Introduction

- 1.1 The 2017/18 external Audit plan provided by Ernst & Young for the Fire and Rescue Authority is appended for Members' consideration.

**ZOE EVANS
ASSISTANT CHIEF OFFICER
(HUMAN RESOURCES AND ORGANISATIONAL DEVELOPMENT)**

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**Bedfordshire Fire
and Rescue
Authority**

Audit planning report

Year ended 31 March 2018

19 February 2018

Private and Confidential
Bedfordshire Fire and Rescue Authority
Southfields Road
Kempston
MK42 7NR

19 February 2018

Dear Audit and Standards Committee Members

Audit planning report

We are pleased to attach our Audit Plan which sets out how we intend to carry out our responsibilities as auditor. Its purpose is to provide the Audit and Standards Committee with a basis to review our proposed audit approach and scope for the 2017/18 audit in accordance with the requirements of the Local Audit and Accountability Act 2014, the National Audit Office's 2015 Code of Audit Practice, the Statement of Responsibilities issued by Public Sector Audit Appointments (PSAA) Ltd, auditing standards and other professional requirements. It is also to ensure that our audit is aligned with the Committee's service expectations.

This Plan summarises our initial assessment of the key risks driving the development of an effective audit for the Authority, and outlines our planned audit strategy in response to those risks.

This report is intended solely for the information and use of the Audit and Standards Committee and management, and is not intended to be and should not be used by anyone other than these specified parties.

We welcome the opportunity to discuss this report with you on 28 March 2018 as well as understand whether there are other matters which you consider may influence our audit.

Yours faithfully

Debbie Hanson.
Associate Partner
For and on behalf of Ernst & Young LLP
Enc

Contents



In April 2015 Public Sector Audit Appointments Ltd (PSAA) issued "Statement of responsibilities of auditors and audited bodies". It is available from the via the PSAA website (www.PSAA.co.uk). The Statement of responsibilities serves as the formal terms of engagement between appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas. The "Terms of Appointment (updated February 2017)" issued by the PSAA sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice (the Code) and in legislation, and covers matters of practice and procedure which are of a recurring nature. This report is made solely to the Audit and Standards Committee, other members of the Authority and Senior management of Bedfordshire Fire and Rescue Authority in accordance with the statement of responsibilities. Our work has been undertaken so that we might state to the Audit and Standards Committee, and management of those matters we are required to state to them in this report and for no other purpose. To the fullest extent permitted by law we do not accept or assume responsibility to anyone other than the Audit and Standards Committee, other members of the Authority and Senior management of Bedfordshire Fire and Rescue Authority for this report or for the opinions we have formed. It should not be provided to any third-party without our prior written consent.



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01

Overview of our 2017/18 audit strategy



Overview of our 2017/18 audit strategy

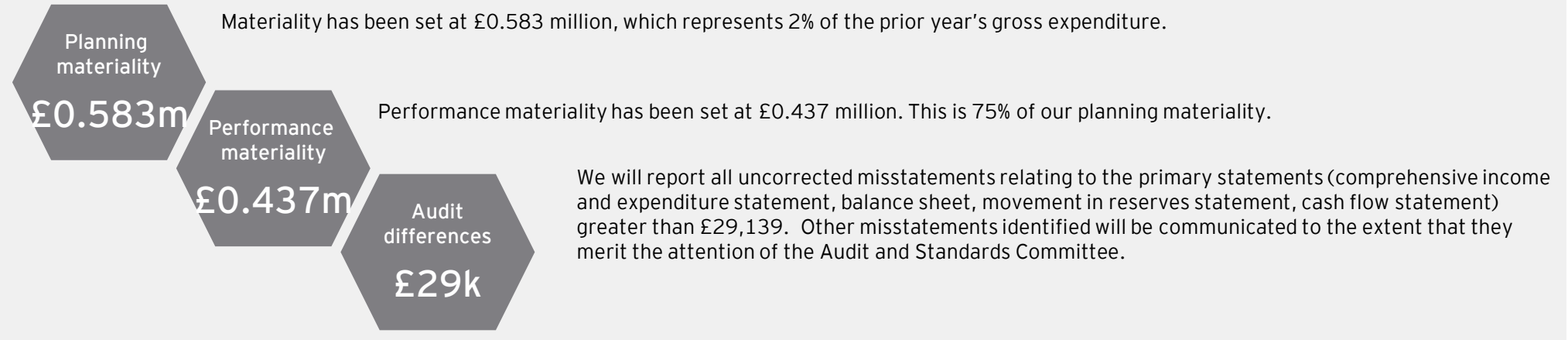
The following 'dashboard' summarises the significant accounting and auditing matters outlined in this report. It seeks to provide the Audit and Standards Committee with an overview of our initial risk identification for the upcoming audit and any changes in risks identified in the current year.

Audit risks and areas of focus

Risk / area of focus	Risk identified	Change from PY	Details
Risk of Management Override	Significant Risk/Fraud	No change in risk or focus	As identified in ISA 240, management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records directly or indirectly and prepare fraudulent financial statements by overriding controls that would otherwise appear to be operating effectively.
Property, Plant and Equipment Valuations	Other Risk	No change in risk or focus	Property, plant and equipment (PPE) represents a significant balance in the Authority's accounts and is subject to valuation changes, impairment reviews and depreciation charges. Material judgemental inputs and estimation techniques are required to calculate the year-end PPE balances held in the balance sheet. As the Authority's asset base is significant, and the outputs from the valuer are subject to estimation, there is a higher inherent risk PPE may be under/overstated or the associated accounting entries incorrectly posted. ISAs (UK and Ireland) 500 and 540 require us to undertake procedures on the use of experts and assumptions underlying fair value estimates.
Pension Valuation and Disclosures	Other Risk	No change in risk or focus	The Local Authority Accounting Code of Practice and IAS19 require the Authority to make extensive disclosures within its financial statements regarding the Fire Fighters Pension Scheme and the Local Government Pension Scheme (LGPS). The Authority's deficits under both schemes are disclosed on a combined basis on the Authority's balance sheet. The total value was £322 million as at 31 March 2017 and represents a material and sensitive balance. The information disclosed is based on the IAS 19 reports issued to the Authority by the Actuaries for both schemes. Accounting for these schemes involves significant estimation and judgement and due to the nature, volume and size of the transactions we consider this to be a higher inherent risk.

Overview of our 2017/18 audit strategy

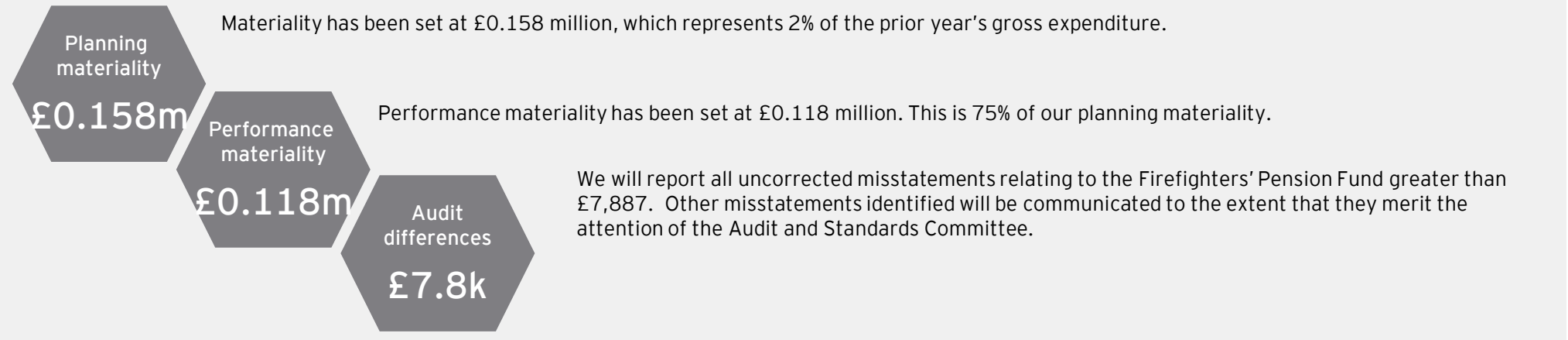
Materiality



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We set a separate materiality values for the Firefighters' Pension Fund Account which is included as part of the overall financial statements of the Authority. These are set out below.

Materiality Firefighters' Pension Fund account



Overview of our 2017/18 audit strategy

Audit scope

This Audit Plan covers the work that we plan to perform to provide you with:

- Our audit opinion on whether the financial statements of Bedfordshire Fire and Rescue Authority give a true and fair view of the financial position as at 31 March 2018 and of the income and expenditure for the year then ended; and
- Our conclusion on the Authority's arrangements to secure economy, efficiency and effectiveness.

We will also review and report to the National Audit Office (NAO), to the extent and in the form required by them, on the Authority's Whole of Government Accounts return.

Our audit will also include the mandatory procedures that we are required to perform in accordance with applicable laws and auditing standards.

When planning the audit we take into account several key inputs:

- Strategic, operational and financial risks relevant to the financial statements;
- Developments in financial reporting and auditing standards;
- The quality of systems and processes;
- Changes in the business and regulatory environment; and,
- Management's views on all of the above.

By considering these inputs, our audit is focused on the areas that matter and our feedback is more likely to be relevant to the Authority.



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02 Audit risks





Audit risks

Our response to significant risks

Risk of Management Override

What is the risk?

The financial statements as a whole are not free of material misstatements whether caused by fraud or error.

As identified in ISA (UK and Ireland) 240, management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records directly or indirectly and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. We identify and respond to this fraud risk on every audit engagement.

What will we do?

Our approach will focus on:

- Testing the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements;
- Reviewing accounting estimates for evidence of management bias;
- Evaluating the business rationale for significant unusual transactions.

Other areas of audit focus

We have identified other areas of the audit, that have not been classified as significant risks, but are still important when considering the risks of material misstatement to the financial statements and disclosures and therefore may be key audit matters we will include in our audit report.

What is the risk/area of focus?

Property, Plant and Equipment Valuations - Other risk

Property, plant and equipment (PPE) represents a significant balance in the Authority's accounts and are subject to valuation changes, impairment reviews and depreciation charges.

Material judgemental inputs and estimation techniques are required to calculate the year-end PPE balances held in the balance sheet.

As the Authority's asset base is significant, and the outputs from the valuer are subject to estimation, there is a higher inherent risk PPE may be under/overstated or the associated accounting entries incorrectly posted.

ISAs (UK and Ireland) 500 and 540 require us to undertake procedures on the use of experts and assumptions underlying fair value estimates.

Pension Valuation and Disclosures- Other risk

The Local Authority Accounting Code of Practice and IAS19 require the Authority to make extensive disclosures within its financial statements regarding the Local Government Pension Scheme (LGPS) and the Firefighters' Pension Scheme. The Authority's current pension fund deficit in both schemes is highly material and sensitive and the Code requires that the liability under both schemes be disclosed on the Authority's balance sheet.

The information disclosed is based on the IAS 19 reports issued to the Authority by the actuaries. As with other authorities, accounting for this scheme involves significant estimation and judgement and due to the nature, volume and size of the transactions we consider this to be a higher inherent risk.

What will we do?

Last year the Authority commissioned a full revaluation of its land and buildings by NPS and our understanding is that the valuation will be updated by NPS for 2017/18.

Our approach will focus on:

- Considering the work performed by the Authority's valuer, including the adequacy of the scope of the work performed, their professional capabilities and the results of their work;
- Reviewing what updated information on the asset base eg capital additions, change in use, has been provided to the valuer by the Authority to inform the updated valuation;
- Considering the approach used by the valuer to reviewing the valuation from the previous year and whether any index applied is in line with what we would expect; and
- Testing accounting entries have been correctly processed in the financial statements.

Our approach will focus on:

- Liaising with the auditors of the Bedfordshire Pension Fund, to obtain assurances over the information supplied to the actuary in relation to Bedfordshire Fire and Rescue Authority for the local government pension scheme (LGPS);
- Assessing the conclusions drawn on the work of the actuary for the two schemes, Hymans Robertson (LGPS) and the Government Actuary's Department (Firefighters' Pension Scheme). We will also assess the Consulting Actuary, PWC, who are commissioned by the National Audit Office to review the reports by the actuaries of the LGPS and Fire Pension Schemes, including the use of our own pensions specialists; and
- Reviewing and testing the accounting entries and disclosures made in relation to IAS19.



03

Value for Money Risks





Background

We are required to consider whether the Authority has put in place 'proper arrangements' to secure economy, efficiency and effectiveness on its use of resources. This is known as our value for money conclusion.

For 2017/18 this is based on the overall evaluation criterion:

"In all significant respects, the audited body had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people"

Proper arrangements are defined by statutory guidance issued by the National Audit Office. They comprise your arrangements to:

- Take informed decisions;
- Deploy resources in a sustainable manner; and
- Work with partners and other third parties.

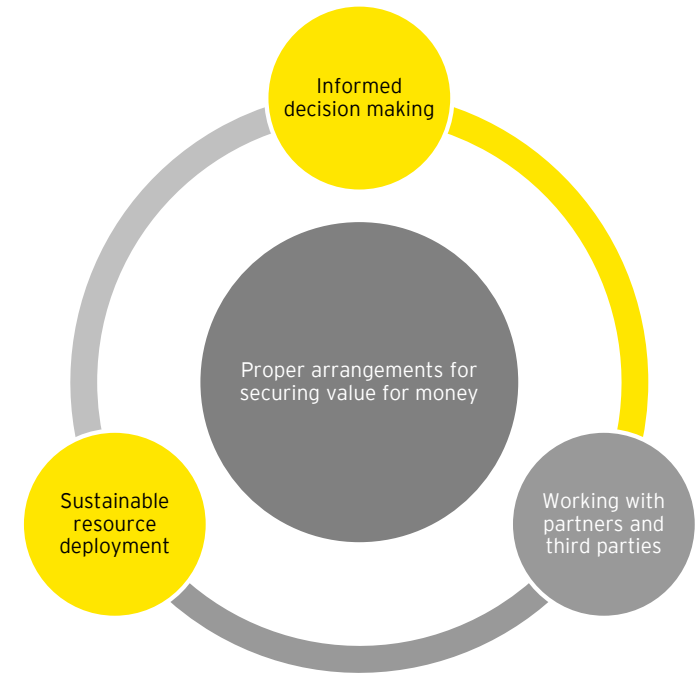
In considering your proper arrangements, we will draw on the requirements of the CIPFA/SOLACE framework for local government to ensure that our assessment is made against a framework that you are already required to have in place and to report on through documents such as your annual governance statement.

We are only required to determine whether there are any risks that we consider significant, which the Code of Audit Practice defines as:

"A matter is significant if, in the auditor's professional view, it is reasonable to conclude that the matter would be of interest to the audited body or the wider public"

Our risk assessment supports the planning of sufficient work to enable us to deliver a safe conclusion on arrangements to secure value for money and enables us to determine the nature and extent of further work that may be required. If we do not identify any significant risks there is no requirement to carry out further work.

Our risk assessment has therefore considered both the potential financial impact of the issues we have identified, and also the likelihood that the issue will be of interest to local taxpayers, the Government and other stakeholders. This has resulted in the identification of no significant risks.





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04

Audit materiality



Materiality

Materiality

For planning purposes, materiality for 2017/18 has been set at £0.583 million. This represents 2% of the Authority's prior year gross expenditure. It will be reassessed throughout the audit process. We have provided supplemental information about audit materiality in Appendix D.



We request that the Audit and Standards Committee confirm its understanding of, and agreement to, these materiality and reporting levels.

Key definitions

Planning materiality - the amount over which we anticipate misstatements would influence the economic decisions of a user of the financial statements.

Performance materiality - the amount we use to determine the extent of our audit procedures. We have set performance materiality at £437,000 which represents 75% of planning materiality.

Audit difference threshold - we propose that misstatements identified below this threshold are deemed clearly trivial. We will report to you all uncorrected misstatements over this amount relating to the comprehensive income and expenditure statement, balance sheet, that have an effect on income or that relate to other comprehensive income.

Other uncorrected misstatements, such as reclassifications and misstatements in the cashflow statement and movement in reserves statement or disclosures, and corrected misstatements will be communicated to the extent that they merit the attention of the Audit and Standards Committee, or are important from a qualitative perspective.

Materiality (Firefighters' Pension Fund Account)

Materiality

For planning purposes, materiality for 2017/18 has been set at £0.158 million. This represents 2% of the Authority's prior year gross expenditure in the Firefighters' Pension Fund. It will be reassessed throughout the audit process. We have provided supplemental information about audit materiality in Appendix D.



We request that the Audit and Standards Committee confirm its understanding of, and agreement to, these materiality and reporting levels.

Key definitions

Planning materiality - the amount over which we anticipate misstatements would influence the economic decisions of a user of the financial statements.

Performance materiality - the amount we use to determine the extent of our audit procedures. We have set performance materiality at £118,000 which represents 75% of planning materiality.

Audit difference threshold - we propose that misstatements identified below this threshold are deemed clearly trivial. We will report to you all uncorrected misstatements over this amount relating to the Firefighters' Pension Fund.

Other uncorrected misstatements, such as reclassifications and misstatements in disclosures, and corrected misstatements will be communicated to the extent that they merit the attention of the Audit and Standards Committee, or are important from a qualitative perspective.



05 Scope of our audit



Our Audit Process and Strategy

Objective and Scope of our Audit scoping

Under the Code of Audit Practice our principal objectives are to review and report on the Authority's financial statements and arrangements for securing economy, efficiency and effectiveness in its use of resources to the extent required by the relevant legislation and the requirements of the Code.

We issue an audit report that covers:

1. Financial statement audit

Our objective is to form an opinion on the financial statements under International Standards on Auditing (UK and Ireland).

We also perform other procedures as required by auditing, ethical and independence standards, the Code and other regulations. We outline below the procedures we will undertake during the course of our audit.

Procedures required by standards

- Addressing the risk of fraud and error;
- Significant disclosures included in the financial statements;
- Entity-wide controls;
- Reading other information contained in the financial statements and reporting whether it is inconsistent with our understanding and the financial statements; and
- Auditor independence.

Procedures required by the Code

- Reviewing, and reporting on as appropriate, other information published with the financial statements, including the Annual Governance Statement and Narrative Statement: and
- Reviewing and reporting on the Whole of Government Accounts return, in line with the instructions issued by the NAO.

2. Arrangements for securing economy, efficiency and effectiveness (value for money)

We are required to consider whether the Authority has put in place 'proper arrangements' to secure economy, efficiency and effectiveness on its use of resources.

Our Audit Process and Strategy (continued)

Audit Process Overview

Our audit involves:

- ▶ Identifying and understanding the key processes and internal controls; and
- ▶ Substantive tests of detail of transactions and amounts.

Our intention is to carry out a fully substantive audit in 2017/18 as we believe this to be the most efficient audit approach. Although we are therefore not intending to rely on individual system controls in 2017/18, the overarching control arrangements form part of our assessment of your overall control environment and will form part of the evidence for your Annual Governance Statement.

Analytics:

We will use our computer-based analytics tools to enable us to capture whole populations of your financial data, in particular journal entries. These tools:

- ▶ Help identify specific exceptions and anomalies which can then be subject to more traditional substantive audit tests; and
- ▶ Give greater likelihood of identifying errors than random sampling techniques.

We will report the findings from our process and analytics work, including any significant weaknesses or inefficiencies identified and recommendations for improvement, to management and the Audit and Standards Committee.

Internal audit:

We will review internal audit plans and the results of their work. We will reflect the findings from these reports, together with reports from any other work completed in the year, in our detailed audit planning, where they raise issues that could have an impact on the financial statements.



06

Audit team



Audit team

Audit team structure:

Debbie Hanson
Associate Partner

Kay Storey
Manager

Rama Karia
Senior

Use of specialists

When auditing key judgements, we are often required to rely on the input and advice provided by specialists who have qualifications and expertise not possessed by the core audit team. The areas where either EY or third party specialists may provide input for the current year audit are:

Area	Specialists
Valuation of Land and Buildings	Management specialist - valuer employed by the Authority (NPS) Auditor Specialist - EY Real Estates Team
Pensions disclosure	Management Specialist - pension fund actuary (Hymans Robertson - LGPS) and (Government Actuary's Department - Fire Fighters' Pension Fund) Auditor Specialist - EY Pensions Advisory Team

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In accordance with Auditing Standards, we will evaluate each specialist's professional competence and objectivity, considering their qualifications, experience and available resources, together with the independence of the individuals performing the work.

We also consider the work performed by the specialist in light of our knowledge of the Authority's business and processes and our assessment of audit risk in the particular area. For example, we would typically perform the following procedures:

- ▶ Analyse source data and make inquiries as to the procedures used by the specialist to establish whether the source data is relevant and reliable;
- ▶ Assess the reasonableness of the assumptions and methods used;
- ▶ Consider the appropriateness of the timing of when the specialist carried out the work; and
- ▶ Assess whether the substance of the specialist's findings are properly reflected in the financial statements.



07

Audit timeline





Audit timeline

Earlier deadline for production of the financial statements

The Accounts and Audit Regulations 2015 introduced a significant change in statutory deadlines from the 2017/18 financial year. From that year the timetable for the preparation and approval of accounts will be brought forward with draft accounts needing to be prepared by 31 May and the publication of the accounts by 31 July.

These changes provide risks for both the preparers and the auditors of the financial statements:

- ▶ The Authority now has less time to prepare the financial statements and supporting working papers. Risks to the Authority include slippage in delivering data for analytics work and delays in providing good quality working papers and responses to audit queries.
- ▶ As your auditor, we have a more significant peak in our audit work and a shorter period to complete the audit. Risks for auditors relate to delivery of all audits within same compressed timetable. Slippage at one client could potentially put delivery of others at risk.

To mitigate this risk we will require:

- ▶ good quality draft financial statements and supporting working papers by the agreed deadline;
- ▶ appropriate Authority staff to be available throughout the agreed audit period; and
- ▶ complete and prompt responses to audit questions.

If you are unable to meet key dates within our agreed timetable, we will notify you of the impact on the timing of your audit, which may be that we postpone your audit until later in the summer and redeploy the team to other work to meet deadlines elsewhere.

Where additional work is required to complete your audit, due to additional risks being identified, additional work being required as a result of scope changes, or poor audit evidence, we will notify you of the impact on the fee and the timing of the audit. Such circumstances may result in a delay to your audit while we complete other work elsewhere.

To support the Authority we will:

- ▶ Work with the Authority to engage early to facilitate early substantive testing where appropriate.
- ▶ Facilitate faster close workshops to provide an interactive forum for accountants and auditors to share good practice and ideas to enable us all to achieve a successful faster closure of accounts for the 2017/18 financial year.
- ▶ Work with the Authority to implement EY Client Portal, this will:
 - ▶ Streamline our audit requests through a reduction of emails and improved means of communication;
 - ▶ Provide on-demand visibility into the status of audit requests and the overall audit status;
 - ▶ Reduce risk of duplicate requests; and
 - ▶ Provide better security of sensitive data.
- ▶ Agree the team and timing of each element of our work with you.
- ▶ Agree the supporting working papers that we require to complete our audit.



Audit timeline

Timetable of communication and deliverables

Timeline

Below is a timetable showing the key stages of the audit and the deliverables we have agreed to provide to you through the audit cycle in 2017/18.

From time to time matters may arise that require immediate communication with the Audit and Standards Committee and we will discuss them with the Audit and Standards Committee Chair as appropriate. We will also provide updates on corporate governance and regulatory matters as necessary.

Audit phase	Timetable	Audit and Standards Committee timetable	Deliverables
Planning: Risk assessment and setting of scopes. Walkthrough of key systems and processes	December/January	Audit and Standards Committee 28 th March	Audit Planning Report
Interim audit testing	February/March	Audit and Standards Committee 28 th March	Progress report
Year end audit	June/July	Audit and Standards Committee 6 th July	Audit Results Report
Audit Completion procedures	July	Audit and Standards Committee 6 th July	Audit Results Report
Conclusion of reporting	September	Audit and Standards Committee 25 th September	Audit opinions and completion certificates Annual Audit Letter





08

Independence



Introduction

The FRC Ethical Standard and ISA (UK) 260 “Communication of audit matters with those charged with governance”, requires us to communicate with you on a timely basis on all significant facts and matters that bear upon our integrity, objectivity and independence. The Ethical Standard, as revised in June 2016, requires that we communicate formally both at the planning stage and at the conclusion of the audit, as well as during the course of the audit if appropriate. The aim of these communications is to ensure full and fair disclosure by us to those charged with your governance on matters in which you have an interest.

Required communications

Planning stage

- ▶ The principal threats, if any, to objectivity and independence identified by Ernst & Young (EY) including consideration of all relationships between you, your affiliates and directors and us;
- ▶ The safeguards adopted and the reasons why they are considered to be effective, including any Engagement Quality review;
- ▶ The overall assessment of threats and safeguards;
- ▶ Information about the general policies and process within EY to maintain objectivity and independence.
- ▶ Where EY has determined it is appropriate to apply more restrictive independence rules than permitted under the Ethical Standard

Final stage

- ▶ In order for you to assess the integrity, objectivity and independence of the firm and each covered person, we are required to provide a written disclosure of relationships (including the provision of non-audit services) that may bear on our integrity, objectivity and independence. This is required to have regard to relationships with the entity, its directors and senior management, its affiliates, and its connected parties and the threats to integrity or objectivity, including those that could compromise independence that these create. We are also required to disclose any safeguards that we have put in place and why they address such threats, together with any other information necessary to enable our objectivity and independence to be assessed;
- ▶ Details of non-audit services provided and the fees charged in relation thereto;
- ▶ Written confirmation that the firm and each covered person is independent and, if applicable, that any non-EY firms used in the group audit or external experts used have confirmed their independence to us;
- ▶ Written confirmation that all covered persons are independent;
- ▶ Details of any inconsistencies between FRC Ethical Standard and your policy for the supply of non-audit services by EY and any apparent breach of that policy;
- ▶ Details of any contingent fee arrangements for non-audit services provided by us or our network firms; and
- ▶ An opportunity to discuss auditor independence issues.

In addition, during the course of the audit, we are required to communicate with you whenever any significant judgements are made about threats to objectivity and independence and the appropriateness of safeguards put in place, for example, when accepting an engagement to provide non-audit services.

We also provide information on any contingent fee arrangements, the amounts of any future services that have been contracted, and details of any written proposal to provide non-audit services that has been submitted;

We ensure that the total amount of fees that EY and our network firms have charged to you and your affiliates for the provision of services during the reporting period, analysed in appropriate categories, are disclosed.

Relationships, services and related threats and safeguards

We highlight the following significant facts and matters that may be reasonably considered to bear upon our objectivity and independence, including the principal threats, if any. We have adopted the safeguards noted below to mitigate these threats along with the reasons why they are considered to be effective. However we will only perform non-audit services if the service has been pre-approved in accordance with your policy.

Overall Assessment

Overall, we consider that the safeguards that have been adopted appropriately mitigate the principal threats identified and we therefore confirm that EY is independent and the objectivity and independence of Debbie Hanson, your audit engagement partner and the audit engagement team have not been compromised.

Self interest threats

A self interest threat arises when EY has financial or other interests in the Authority. Examples include where we receive significant fees in respect of non-audit services; where we need to recover long outstanding fees; or where we enter into a business relationship with you. At the time of writing, there are no long outstanding fees.

We believe that it is appropriate for us to undertake permissible non-audit services and we will comply with the policies that you have approved.

None of the services are prohibited under the FRC's ES or the National Audit Office's Auditor Guidance Note 01 and the services have been approved in accordance with your policy on pre-approval. The ratio of non-audit fees to audit fees is not permitted to exceed 70%.

At the time of writing, the current ratio of non-audit fees to audit fees is 0%. No additional safeguards are required.

A self interest threat may also arise if members of our audit engagement team have objectives or are rewarded in relation to sales of non-audit services to you. We confirm that no member of our audit engagement team, including those from other service lines, has objectives or is rewarded in relation to sales to you, in compliance with Ethical Standard part 4.

There are no self interest threats at the date of this report.

Other communications

EY Transparency Report 2017

Ernst & Young (EY) has policies and procedures that instil professional values as part of firm culture and ensure that the highest standards of objectivity, independence and integrity are maintained.

Details of the key policies and processes in place within EY for maintaining objectivity and independence can be found in our annual Transparency Report which the firm is required to publish by law. The most recent version of this Report is for the year ended 1 July 2017 and can be found here:

<http://www.ey.com/uk/en/about-us/ey-uk-transparency-report-2017>



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Appendices



Appendix A

Fees

The duty to prescribe fees is a statutory function delegated to Public Sector Audit Appointments Ltd (PSAA) by the Secretary of State for Communities and Local Government.

PSAA has published a scale fee for all relevant bodies. This is defined as the fee required by auditors to meet statutory responsibilities under the Local Audit and Accountability Act 2014 in accordance with the NAO Code.

	Planned fee 2017/18	Scale fee 2017/18	Final Fee 2016/17
	£	£	£
Total Audit - Code work	30,222	30,222	36,772*
Non-audit work	0	0	0
Total fees	30,222	30,222	36,772

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All fees exclude VAT

* The 2016/17 audit fee includes a scale fee variation increase of £6,550 which is still subject to agreement by the Treasurer and PSAA Ltd.

The agreed fee presented is based on the following assumptions:

- ▶ Officers meeting the agreed timetable of deliverables;
- ▶ Our accounts opinion and value for money conclusion being unqualified;
- ▶ Appropriate quality of documentation is provided by the Authority; and
- ▶ The Authority has an effective control environment.

If any of the above assumptions prove to be unfounded, we will seek a variation to the agreed fee. This will be discussed with the Authority in advance.




Fees for the auditor's consideration of correspondence from the public and formal objections will be charged in addition to the scale fee.

Appendix B

Required communications with the Audit and Standards Committee

We have detailed the communications that we must provide to the Audit and Standards Committee.



Our Reporting to you

Required communications	 What is reported?	  When and where
Terms of engagement	Confirmation by the Audit and Standards Committee of acceptance of terms of engagement as written in the engagement letter signed by both parties.	The statement of responsibilities serves as the formal terms of engagement between the PSAA's appointed auditors and audited bodies.
Our responsibilities	Reminder of our responsibilities as set out in the engagement letter	The statement of responsibilities serves as the formal terms of engagement between the PSAA's appointed auditors and audited bodies.
Planning and audit approach	Communication of the planned scope and timing of the audit, any limitations and the significant risks identified. When communicating key audit matters this includes the most significant risks of material misstatement (whether or not due to fraud) including those that have the greatest effect on the overall audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team	Audit planning report
Significant findings from the audit	<ul style="list-style-type: none"> ▶ Our view about the significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures ▶ Significant difficulties, if any, encountered during the audit ▶ Significant matters, if any, arising from the audit that were discussed with management ▶ Written representations that we are seeking ▶ Expected modifications to the audit report ▶ Other matters if any, significant to the oversight of the financial reporting process 	Audit results report

Appendix B





Required communications with the Audit and Standards Committee (continued)

Our Reporting to you

Required communications	 What is reported?	 When and where
Going concern	<p>Events or conditions identified that may cast significant doubt on the entity's ability to continue as a going concern, including:</p> <ul style="list-style-type: none"> ▶ Whether the events or conditions constitute a material uncertainty ▶ Whether the use of the going concern assumption is appropriate in the preparation and presentation of the financial statements ▶ The adequacy of related disclosures in the financial statements 	Audit results report
Misstatements	<ul style="list-style-type: none"> ▶ Uncorrected misstatements and their effect on our audit opinion, unless prohibited by law or regulation ▶ The effect of uncorrected misstatements related to prior periods ▶ A request that any uncorrected misstatement be corrected ▶ Corrected misstatements that are significant ▶ Material misstatements corrected by management 	Audit results report
Fraud	<ul style="list-style-type: none"> ▶ Enquiries of the Audit and Standards Committee to determine whether they have knowledge of any actual, suspected or alleged fraud affecting the entity ▶ Any fraud that we have identified or information we have obtained that indicates that a fraud may exist ▶ A discussion of any other matters related to fraud 	Audit results report
Related parties	<ul style="list-style-type: none"> ▶ Significant matters arising during the audit in connection with the entity's related parties including, when applicable: ▶ Non-disclosure by management ▶ Inappropriate authorisation and approval of transactions ▶ Disagreement over disclosures ▶ Non-compliance with laws and regulations ▶ Difficulty in identifying the party that ultimately controls the entity 	Audit results report





Appendix B

Required communications with the Audit and Standards Committee (continued)

		 Our Reporting to you
 Required communications	 What is reported?	 When and where
Independence	<p>Communication of all significant facts and matters that bear on EY's, and all individuals involved in the audit, objectivity and independence</p> <p>Communication of key elements of the audit engagement partner's consideration of independence and objectivity such as:</p> <ul style="list-style-type: none"> ▶ The principal threats ▶ Safeguards adopted and their effectiveness ▶ An overall assessment of threats and safeguards ▶ Information about the general policies and process within the firm to maintain objectivity and independence 	Audit Planning Report and Audit Results Report
External confirmations	<ul style="list-style-type: none"> ▶ Management's refusal for us to request confirmations ▶ Inability to obtain relevant and reliable audit evidence from other procedures 	Audit results report
Consideration of laws and regulations	<ul style="list-style-type: none"> ▶ Audit findings regarding non-compliance where the non-compliance is material and believed to be intentional. This communication is subject to compliance with legislation on tipping off ▶ Enquiry of the Audit and Standards Committee into possible instances of non-compliance with laws and regulations that may have a material effect on the financial statements and that the Audit and Standards Committee may be aware of 	Audit results report
Internal controls	<ul style="list-style-type: none"> ▶ Significant deficiencies in internal controls identified during the audit 	Management letter/audit results report
Representations	Written representations we are requesting from management and/or those charged with governance	Audit results report
Material inconsistencies and misstatements	Material inconsistencies or misstatements of fact identified in other information which management has refused to revise	Audit results report

Appendix B

Required communications with the Audit and Standards Committee (continued)

			 Our Reporting to you
Required communications	 What is reported?	  When and where	
Auditors report	<ul style="list-style-type: none"> ▶ Key audit matters that we will include in our auditor's report ▶ Any circumstances identified that affect the form and content of our auditor's report 	Audit results report	
Fee Reporting	<ul style="list-style-type: none"> ▶ Breakdown of fee information when the audit plan is agreed ▶ Breakdown of fee information at the completion of the audit ▶ Any non-audit work 	Audit planning report Audit results report	
Certification work	Summary of certification work undertaken	Certification report	

Additional audit information

Other required procedures during the course of the audit

In addition to the key areas of audit focus outlined in section 2, we have to perform other procedures as required by auditing, ethical and independence standards and other regulations. We outline the procedures below that we will undertake during the course of our audit.

Our responsibilities required by auditing standards

- ▶ Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- ▶ Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control.
- ▶ Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ▶ Concluding on the appropriateness of management's use of the going concern basis of accounting.
- ▶ Evaluating the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ▶ Obtaining sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Authority's to express an opinion on the financial statements. Reading other information contained in the financial statements, including the board's statement that the annual report is fair, balanced and understandable, the Audit and Standards Committee reporting appropriately addresses matters communicated by us to the Audit and Standards Committee and reporting whether it is materially inconsistent with our understanding and the financial statements; and
- ▶ Maintaining auditor independence.



Additional audit information (continued)

Purpose and evaluation of materiality

For the purposes of determining whether the accounts are free from material error, we define materiality as the magnitude of an omission or misstatement that, individually or in the aggregate, in light of the surrounding circumstances, could reasonably be expected to influence the economic decisions of the users of the financial statements. Our evaluation of it requires professional judgement and necessarily takes into account qualitative as well as quantitative considerations implicit in the definition. We would be happy to discuss with you your expectations regarding our detection of misstatements in the financial statements.

Materiality determines:

- ▶ The locations at which we conduct audit procedures to support the opinion given on the Authority's financial statements; and
- ▶ The level of work performed on individual account balances and financial statement disclosures.

The amount we consider material at the end of the audit may differ from our initial determination. At this stage, however, it is not feasible to anticipate all of the circumstances that may ultimately influence our judgement about materiality. At the end of the audit we will form our final opinion by reference to all matters that could be significant to users of the accounts, including the total effect of the audit misstatements we identify, and our evaluation of materiality at that date.

For Publication

**Bedfordshire Fire and Rescue Authority
Audit and Standards Committee
28 March 2018
Item No. 7**

REPORT AUTHOR: ASSISTANT CHIEF OFFICER (HUMAN RESOURCES AND ORGANISATIONAL DEVELOPMENT)

SUBJECT: INTERNAL AUDIT PROGRESS REPORT 2017/18

For further information on this report contact: Nicky Upton
Democratic and Regulatory Services Supervisor
Tel No: 01234 845149

Background Papers: RSM Strategy for Internal Audit
Bedfordshire Fire Authority 2017/18 to 2019/20

Implications (tick ✓):

LEGAL			FINANCIAL	
HUMAN RESOURCES			EQUALITY IMPACT	
ENVIRONMENTAL			POLICY	
CORPORATE RISK	Known	✓	OTHER (please specify)	
	New		CORE BRIEF	

Any implications affecting this report are noted at the end of the report.

PURPOSE:

To receive and consider a report on progress made against the internal audit plan for 2017/18.

RECOMMENDATION:

That the submitted report be received.

1. Introduction

1.1 An internal audit plan for 2017/18 was agreed by this Committee at its meeting on 16 March 2017.

1.2 A report by RSM (previously Baker Tilly & RSM Tenon) on progress made against the internal audit plan for 2017/18 is appended for Members' consideration.

**ZOE EVANS
ASSISTANT CHIEF OFFICER (HUMAN RESOURCES AND ORGANISATIONAL DEVELOPMENT)**

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BEDFORDSHIRE FIRE & RESCUE AUTHORITY

Internal Audit Progress Report

Audit and Standards Committee

28 March 2018

This report is solely for the use of the persons to whom it is addressed.
To the fullest extent permitted by law, RSM Risk Assurance Services LLP
will accept no responsibility or liability in respect of this report to any other party.





CONTENTS

1 Progress update	2
2 Other matters	3
For further information contact	4

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance>.

The matters raised in this report are only those which came to our attention during the course of our review and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Management actions for improvements should be assessed by you for their full impact before they are implemented. This report, or our work, should not be taken as a substitute for management's responsibilities for the application of sound commercial practices. We emphasise that the responsibility for a sound system of internal controls rests with management and our work should not be relied upon to identify all strengths and weaknesses that may exist. Neither should our work be relied upon to identify all circumstances of fraud and irregularity should there be any.

This report is solely for the use of the persons to whom it is addressed and for the purposes set out herein. This report should not therefore be regarded as suitable to be used or relied on by any other party wishing to acquire any rights from RSM Risk Assurance Services LLP for any purpose or in any context. Any third party which obtains access to this report or a copy and chooses to rely on it (or any part of it) will do so at its own risk. To the fullest extent permitted by law, RSM Risk Assurance Services LLP will accept no responsibility or liability in respect of this report to any other party and shall not be liable for any loss, damage or expense of whatsoever nature which is caused by any person's reliance on representations in this report.

This report is released to you on the basis that it shall not be copied, referred to or disclosed, in whole or in part (save as otherwise permitted by agreed written terms), without our prior written consent.

We have no responsibility to update this report for events and circumstances occurring after the date of this report.

RSM Risk Assurance Services LLP is a limited liability partnership registered in England and Wales no. OC389499 at 6th floor, 25 Farringdon Street, London EC4A 4AB

1 PROGRESS UPDATE

The internal audit plan for 2017/18 was approved by the Audit & Standards Committee in March 2017. Below provides a summary update on progress against that plan and summarises the results of our work to date.

Audit Assignments completed since the last Audit & Standards Committee

2017/18

In relation to our audit plan for 2017/18 we have finalised two further reports since the previous meeting.

We have also issued two further reports in draft.

Assignments	Date Planned	Opinion issued	Actions agreed		
			H	M	L
Procurement	Final	Substantial Assurance	0	0	2
Collaboration	Final	Advisory	0	2	3
Key Financial Controls (3.17/18)	Final	Substantial Assurance	0	0	3
Pensions Board (4.17/18)	Final	Substantial Assurance	0	0	4
Risk Management (5.17/18)	Draft report issued 28 Feb 2018				
Payroll - key controls and system implementation (6.17/18)	Draft report issued 9 March 2018				
Follow Up	In Progress				

2 OTHER MATTERS

2.1 Head of Internal Audit Opinion

The Audit and Standards Committee should note that the assurances given in our audit assignments are included within our Annual Assurance report. The Committee should note that any negative assurance opinions will need to be noted in the annual report and may result in a qualified or negative annual opinion. We have not issued any negative opinions to date and therefore anticipate issuing a positive opinion at the year end (subject to the remaining audits).

2.2 Changes to audit plan

There have been no changes to the audit plan since the last Committee meeting.

2.3 Information and briefings

We have not issued any further client briefings since the last Committee.

FOR FURTHER INFORMATION CONTACT

Name: Louise Davies, Client Manager

Email address: louise.davies@rsmuk.com

Telephone number: 07720 508146

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For Publication

**Bedfordshire Fire and Rescue Authority
Audit and Standards Committee
28 March 2018
Item No. 8**

REPORT AUTHOR: ASSISTANT CHIEF OFFICER (HUMAN RESOURCES AND ORGANISATIONAL DEVELOPMENT)

SUBJECT: INTERNAL AUDIT STRATEGY 2018/19

For further information on this report contact: Karen Daniels
Service Assurance Manager
Tel No: 01234 845013

Background Papers: Internal Audit Strategy 2018/19 to 2020/2021

Implications (tick ✓):

LEGAL	✓	FINANCIAL	✓
HUMAN RESOURCES		EQUALITY IMPACT	
ENVIRONMENTAL		POLICY	
CORPORATE RISK	Known	✓	OTHER (please specify)
	New		CORE BRIEF

Any implications affecting this report are noted at the end of the report.

PURPOSE:

To receive and consider the three year Internal Audit Strategy for 2018/19 to 2020/2021.

RECOMMENDATION:

That the submitted report be considered and the audit plan for 2018/19 be approved.

1. Introduction

A report by RSM on the approach to developing the Fire and Rescue Authority's internal audit strategy for 2018/19 to 2020/2021, and a plan for 2018/19, is appended for Members' consideration.

**ZOE EVANS
ASSISTANT CHIEF OFFICER (HUMAN RESOURCES AND ORGANISATIONAL DEVELOPMENT)**

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BEDFORDSHIRE FIRE AND RESCUE AUTHORITY

Internal Audit Strategy 2018/19

Presented at the audit & standards committee
meeting of:

18 March 2018

This report is solely for the use of the persons to whom it is addressed.
To the fullest extent permitted by law, RSM Risk Assurance Services LLP
will accept no responsibility or liability in respect of this report to any other party.



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1 INTRODUCTION

Our approach to developing your internal audit plan is based on analysing your corporate objectives, risk profile and assurance framework as well as other, factors affecting Bedfordshire Fire and Rescue Authority in the year ahead, including changes within the sector.

1.1 Background



2 DEVELOPING THE INTERNAL AUDIT STRATEGY

We use your objectives as the starting point in the development of your internal audit plan.

2.1 Risk management processes

We have evaluated your risk management processes and consider that we can place reliance on your risk to inform the internal audit strategy. We have used various sources of information (see Figure A below) and discussed priorities for internal audit coverage with the Corporate Management Team.

Based on our understanding of the organisation, the information provided to us by the stakeholders above, and the regulatory requirements, we have developed an annual internal plan for the coming year and a high level strategic plan (see appendix A and B for full details).



Figure A: Sources considered when developing the internal audit strategy

2.2 Emerging risks in the sector

Following the Policing and Crime Act 2017 and the requirement to collaborate amongst emergency services, Cambridgeshire Police and Crime Commissioner has put in a business case to potentially take over responsibility for the governance of the Fire Service. The business case has been disputed and is currently subject to an independent review. The outcome of this will be considered throughout the year and the audit plan revised in year if necessary to reflect this.

The HMICFRS will commence their inspection regime during the year, we do not propose to undertake any work in this area, but will keep the plans and outcomes under review.

2.3 How the plan links to your strategic risks and reasons for inclusion.

Each of the reviews that we propose to undertake is detailed in the internal audit plan and strategy within appendices A and B. In the table below, we bring to your attention particular key audit areas and discuss the rationale for their inclusion or exclusion within the strategy.

Area	Reason for inclusion or exclusion in the audit plan/strategy
ICT Cyber Security	In line with the Corporate Risk Register we have updated our audit plan to reflect one key new area on ICT Cyber Security and propose an audit of this area within 2018/19.
Use of Risk Information	At the request of the Corporate Management Team, we have added an additional review to the audit plan for 2018/19 on the Use of Risk Information, to review how the Service collects, uses and reports on risk information received to ensure this is promptly available to the Officers on duty.
Environmental Review	At the request of the Corporate Management Team, we have included an Environmental Review in 2019/20. This is currently an area of work for the organisation and it is considered it would be of benefit to include in the audit strategy.
Collaboration	We have delayed the previously proposed review of Collaboration given the positive assurance provided on the steps taken so far in 2017/18. This is now planned for 2018/19.
Human Resources	This has been delayed until 2018/19 to allow for other priorities within the audit plan.
Governance opinion 2018/19	We will obtain our governance opinion for the 2018/19 year through our work on the Community Risk Management Plan and wider governance related aspects of coverage throughout the year.

In addition, the following four reviews were initially scoped but following further discussion have not been included within the proposed plan:

- General Data Protection Regulation (GDPR)
- Property – Statutory Compliance
- Benefits Realisation
- Community Risk Management Plan

As well as assignments designed to provide assurance or advisory input around specific risks, the strategy also includes: time for tracking the implementation of actions and an audit management allocation. Full details of these can be found in appendices A and B.

2.4 Working with other assurance providers

The audit & standards committee is reminded that internal audit is only one source of assurance and through the delivery of our plan we will not, and do not, seek to cover all risks and processes within the organisation.

We will however continue to work closely with other assurance providers, such as external audit to ensure that duplication is minimised and a suitable breadth of assurance obtained.

3 YOUR INTERNAL AUDIT SERVICE

Your internal audit service is provided by RSM Risk Assurance Services LLP. The team will be led by Daniel Harris, supported by Suzanne Rowlett as your senior manager and Louise Davies as your manager.

3.1 Conformance with internal auditing standards

RSM affirms that our internal audit services are designed to conform to the Public Sector Internal Audit Standards (PSIAS).

Under PSIAS, internal audit services are required to have an external quality assessment every five years. Our risk assurance service line commissioned an external independent review of our internal audit services in 2016 to provide assurance whether our approach meets the requirements of the International Professional Practices Framework (IPPF) published by the Global Institute of Internal Auditors (IIA) on which PSIAS is based.

The external review concluded that “there is a robust approach to the annual and assignment planning processes and the documentation reviewed was thorough in both terms of reports provided to audit & standards committee and the supporting working papers.” RSM was found to have an excellent level of conformance with the IIA’s professional standards.

The risk assurance service line has in place a quality assurance and improvement programme to ensure continuous improvement of our internal audit services. Resulting from the programme, there are no areas which we believe warrant flagging to your attention as impacting on the quality of the service we provide to you.

3.2 Conflicts of interest

The Service are currently reviewing the potential of purchasing some of RSMs software solutions including 4Action and 4Risk, we do not consider these will present a conflict of interest.

The Service have commissioned our Consultancy team to assist in the requirements for the new GDPR requirements, this work is to be undertaken through a separate engagement letter and Partner, therefore we do not consider these to present a conflict of interest.

We are not aware of any relationships that may affect the independence and objectivity of the team, and which are required to be disclosed under internal auditing standards.

4 AUDIT & STANDARDS COMMITTEE REQUIREMENTS

In approving the internal audit strategy, the committee is asked to consider the following:

- Is the audit & standards committee satisfied that sufficient assurances are being received within our annual plan (as set out at appendix A) to monitor the organisation's risk profile effectively?
- Does the strategy for internal audit (as set out at appendix B) cover the organisation's key risks as they are recognised by the audit & standards committee?
- Are the areas selected for coverage this coming year appropriate?
- Is the audit & standards committee content that the standards within the charter in appendix C are appropriate to monitor the performance of internal audit?

It may be necessary to update our plan in year, should your risk profile change and different risks emerge that could benefit from internal audit input. We will ensure that management and the audit & standards committee approve such any amendments to this plan.

APPENDIX A: INTERNAL AUDIT PLAN 2018/19

Audit	Objective of the review	Audit approach	Fee	Proposed timing
Risk Based Assurance				
Asset Management - Asset Tracking	<p><i>Risk: If we are unable to provide adequate asset management and tracking facilities then we may cause serious injuries to our staff due to a lack of safety testing. We may also incur unnecessary significant costs and be in breach of health and safety legislation.</i></p> <p>The Service are currently using spreadsheets for asset tracking including the local equipment and workshop, it is planned that this will transfer for a cloud based solution in 2019/20, as such our review in 2018/19 will focus on the accuracy of the spreadsheets to monitor assets prior to transfer.</p>	Risk Based	£1,850	Q3
ICT – Cyber Security	<p><i>Risk: Exchanges of information, attacks and or hacking, email, web browsing, removable media, exposes the Service to malicious code and content (Virus/malware). There is a risk this could seriously damage the confidentiality, integrity and availability of our Service's information and ICT resulting in disruption to the delivery of our Services, loss of sensitive information, resulting in material financial loss and legal or regulatory sanctions. Malicious code through Cyber attacks or information exchange.</i></p> <p><i>If we suffer virus / hacking damage to business critical or vital computer systems then this will significantly affect our ability to deliver risk critical services such as emergency response.</i></p> <p>Review of the key controls for management of cyber security.</p>	Core Controls	£3,000	Q2
Core Assurance				
Risk Management	To undertake an overview of the Risk Management arrangements within the Authority and Service including Business Continuity, Risk Management and Information Security.	Assurance	£2,000	Q4
Key Financial Controls	<p>This will include key controls testing and any management concerns including previous recommendations. Areas potentially included:</p> <ul style="list-style-type: none"> • General Ledger; • Cash, Banking and Treasury Management; 	Key Controls	£2,750	Q3

Audit	Objective of the review	Audit approach	Fee	Proposed timing
	<ul style="list-style-type: none"> • Payments and Creditors; • Income and Debtors; • Asset Management • Payroll 			
Controls Compliance				
Use of Risk Information	To review how the Service collects, uses and reports on risk information received to ensure this is promptly available to the right officer. For example, if it is identified that fireworks are at property, how do attending fire fighters know this information to adopt a suitable approach to the situation.	Assurance	£2,100	Q2
Governance	Annual review of the Governance arrangements. This will include a review of the Committee structure, number of meetings and timing of meetings, TORs and in relation to other Fire and Rescue Authorities (and Best Practice).	Assurance	£2,100	Q1
Other internal audit activity				
Follow up	To meet internal auditing standards, and to provide assurance on action taken to address recommendations previously agreed by management.	Follow up	£1,200	Q4
Audit Strategy / Annual Report	This will include: <ul style="list-style-type: none"> • Internal Audit Needs Assessment / Strategic and Annual Internal Audit Plans Preparation of the annual internal audit opinion	N/A	£2,700	Throughout the year
Audit Management	This will include: <ul style="list-style-type: none"> • Planning and finalising reports; • Ongoing liaison meetings and calls, and progress reporting; and • Preparation for and attendance at Audit & Standards Committee. 	N/A	£3,715	Throughout the year

NB: Resources allocated to individual audits have taken into consideration the level of risk assigned to the area by the client, our knowledge of any existing client controls, including how effective these are, and the specialist nature of the area being reviewed. The resource level applied for the delivery of the area of work is reviewed as the detailed scope of the work is agreed with the executive lead.

APPENDIX B: INTERNAL AUDIT STRATEGY 2018/19 – 2020/21

Proposed area for coverage	Scope and Associated Risk Area (from Corporate Risk Register)	2018/19	2019/20	2020/21
Risk based assurance				
Retained recruitment	<p><i>Risk: If we cannot recruit or retain adequate numbers of part time fire fighters, particularly in relation to day cover, then we will not be able to fully crew our fire appliances and thus have a detrimental impact on our service delivery due to the unavailability of our fire appliances. Maintaining our numbers of RDS Firefighters.</i></p> <p>Review of processes to recruit Retained Officers including a review of the efficiency of methods used and the recruitment checks undertaken.</p>		✓	
Community Risk Management Plan	<p><i>Risk: If we receive a poor budget settlement from government and the Local Authorities covering both revenue and capital funds and we have an adverse response from our Council Tax Precept consultation processes, then our ability to deliver a full range of services could be significantly affected. The pressure for 2018/19 onwards will be the pay award and the funding of these.</i></p> <p>Review of the development of the Community Risk Management Plan including the links to financial planning, demand management and risk management. As part of our review we may also consider the impact of the HMICFRS Inspection regime on the Community Risk Management Plan.</p>		✓	
Asset Management - Asset Tracking	<p><i>Risk: If we are unable to provide adequate asset management and tracking facilities then we may cause serious injuries to our staff due to a lack of safety testing. We may also incur unnecessary significant costs and be in breach of health and safety legislation.</i></p> <p>Review of the asset tracking system and the control framework in place including the local equipment and workshop. 2018/19 – to review the accuracy of the spreadsheets used to monitor the assets. 2019/20 – Review of the technical solution for monitoring assets including the Cloud based solution.</p>	✓	✓	

Proposed area for coverage	Scope and Associated Risk Area (from Corporate Risk Register)	2018/19	2019/20	2020/21
Collaboration	<p><i>Risk: If we do not properly manage the work issues that can potentially be caused by collaboration or shared services including: 1. Redundancy 2. Relocation 3. Cost of work for the convergence of procedures 4. Use of inexperienced staff familiar with FRS operations 5. Increase in staff numbers and associated cost Then there will be a negative cultural impact upon the service and the projects may fail. Managing external partnership and collaborative relationships</i></p> <p>A review of the Authority’s collaborative arrangements to ensure that the duty to collaborate has been discharged. This could include a review of the arrangements in place for collaboration with other bodies, this could include Police, Fire etc.</p>		✓	
Human Resources	<p><i>Risk: If there are a large number of staff absent from the workplace then our ability to deliver services to our communities is severely compromised and our reputation will be adversely affected.</i></p> <p><i>If operational personnel either individually or collectively at any or all levels do not meet the minimum level of competence to safely deal with the full range of incidents which may be encountered. Then there is the potential to cause significant injury or even deaths to our staff. Ensuring operational staff meet the standards to be competent in role.</i></p> <p><i>Due to the range of factors which deplete the number of staff available to crew fire appliances there is a risk of incurring excessive cost if pre-arranged overtime is relied upon to maintain crewing and crewing arrangements will lack resilience. Reliance on overtime to maintain crewing.</i></p> <p>This could include various aspects such as: Training and Development Appraisals Recruitment Absence Management Workforce Planning Implementation of the HR system</p>		✓	

Proposed area for coverage	Scope and Associated Risk Area (from Corporate Risk Register)	2018/19	2019/20	2020/21
Data Quality - Incident Reporting System	<p><i>Risk: If we have inadequate data management due to poor implementation, inappropriate specification of requirements or poor quality control measures then we are at risk of using the wrong information throughout the organisation and thus potentially affecting the delivery of our services.</i></p> <p>Review of the processes for collection and cleansing of data through the Incident Reporting System including the use of continuous improvement through the Quality Assurance processes and adequate feedback to users of the system.</p>		✓	
ICT – Cyber Security	<p><i>Risk: Exchanges of information, attacks and or hacking, email, web browsing, removable media, exposes the Service to malicious code and content (Virus/malware). There is a risk this could seriously damage the confidentiality, integrity and availability of our Service's information and ICT resulting in disruption to the delivery of our Services, loss of sensitive information, resulting in material financial loss and legal or regulatory sanctions. Malicious code through Cyber attacks or information exchange.</i></p> <p><i>If we suffer virus / hacking damage to business critical or vital computer systems then this will significantly affect our ability to deliver risk critical services such as emergency response.</i></p> <p>Having adequate cyber security in place is key for the ICT systems.</p>	✓		
General Data Protection Regulation (GDPR)	<p><i>Risk: There is a risk that the Service may be subjected to a fine from the ICO due to not implementing GDPR resulting in poor data security and process. Fine from the ICO from not implementing GDPR.</i></p> <p>There are some significant changes in the requirements of Data Protection as a result of the 2016 Major Over hall of EU Data Protection laws. We will review the arrangement in place in response to the changes to policies and procedures.</p>		✓	
Core Assurance				
Risk Management	Annual Review of the Risk Management arrangements.	✓	✓	✓
Governance	Annual review of the Governance arrangements, this could include: structure, reporting, transparency, decision making, compliance with Freedom of Information Subject Access Requests. The scope will be agreed with management each year.	✓	✓	✓

Proposed area for coverage	Scope and Associated Risk Area (from Corporate Risk Register)	2018/19	2019/20	2020/21
Key Financial Controls	Yearly coverage of key financial controls systems to ensure systems are adequately designed and are being complied with.	✓	✓	✓
Other Internal Audit Activity				
Property - Statutory Compliance	Compliance with policies and procedures relating to properties. This could include areas such as Asbestos, gas safety.		✓	
Stock and Inventory	Review of the processes to manage stocks and inventories within the Services to ensure compliance with policies and procedures, stock control and assessment of required stock levels. This will include areas such as smoke alarms and workshop spares.		✓	
Fleet Management	We will review the arrangements in place to manage the fleet including completion of servicing and maintenance and time allocation within the workshop.		✓	
Benefits Realisation	Review of the Authorities approach to benefits realisation in change programmes to ensure that the anticipated benefits are clearly defined at the start of any project, then reviewed during and at the end of the project to identify if the organisation achieved what it intended. In addition, we will review how any outcomes from this work are fed into future projects and benefits identified.			✓
Procurement	To review the procurement/tendering process used by the Authority to ensure integrity and compliance with legislation. This will include a review of the new arrangements and requirements in place.			✓
Use of Risk Information	To review how the Service collects, uses and reports on risk information received to ensure this is promptly available to the officers on duty. For example, if it is identified that fireworks are at property, how do fire fighters know this information.	✓		
Environmental Review	To review the environmental controls in place within the Service.		✓	
Station Visits	The Service undertakes a programme of Station Visits throughout the year to ensure controls are in place. As part of our review we will include the development of the stations visit programme, delivery and reporting of the programme, actions taken as a result of issues identified and how these are tracked for completion.		✓	
Follow up	To meet internal auditing standards and to provide management with on-going assurance regarding implementation of recommendations.	✓	✓	✓

Proposed area for coverage	Scope and Associated Risk Area (from Corporate Risk Register)	2018/19	2019/20	2020/21
Audit Strategy / Annual Report	This will include: <ul style="list-style-type: none"> Internal Audit Needs Assessment / Strategic and Annual Internal Audit Plans Preparation of the annual internal audit opinion 	✓	✓	✓
Audit Management	This will include: <ul style="list-style-type: none"> Planning and finalising reports; Ongoing liaison meetings and calls, and progress reporting; and Preparation for and attendance at Audit and Standards Committee. 	✓	✓	✓

APPENDIX C: INTERNAL AUDIT CHARTER

Need for the charter

This charter establishes the purpose, authority and responsibilities for the internal audit service for Bedfordshire Fire and Rescue Authority. The establishment of a charter is a requirement of the Public Sector Internal Audit Standards (PSIAS) and approval of the charter is the responsibility of the audit & standards committee.

The internal audit service is provided by RSM Risk Assurance Services LLP (“RSM”).

We plan and perform our internal audit work with a view to reviewing and evaluating the risk management, control and governance arrangements that the organisation has in place, focusing in particular on how these arrangements help you to achieve its objectives. An overview of our client care standards are included at Appendix D of the internal audit strategy plan for 2018/19 - 2020/21.

The PSIAS encompass the mandatory elements of the Institute of Internal Auditors (IIA) International Professional Practices Framework (IPPF) as follows:

- Core Principles for the Professional Practice of Internal Auditing
- Definition of internal auditing
- Code of Ethics; and
- The Standards

Mission of internal audit

As set out in the PSIAS, the mission articulates what internal audit aspires to accomplish within an organisation. Its place in the IPPF is deliberate, demonstrating how practitioners should leverage the entire framework to facilitate their ability to achieve the mission.

“To enhance and protect organisational value by providing risk-based and objective assurance, advice and insight”.

Independence and ethics

To provide for the independence of internal audit, its personnel report directly to the Partner, Daniel Harris (acting as your head of internal audit). The independence of RSM is assured by the internal audit service reporting to the chief fire officer, with further reporting lines to the Head of Finance and Treasurer.

The head of internal audit has unrestricted access to the chair of audit & standards committee to whom all significant concerns relating to the adequacy and effectiveness of risk management activities, internal control and governance are reported.

Conflicts of interest may arise where RSM provides services other than internal audit to Bedfordshire Fire and Rescue Authority. Steps will be taken to avoid or manage transparently and openly such conflicts of interest so that there is no real or perceived threat or impairment to independence in providing the internal audit service. If a potential conflict arises through the provision of other services, disclosure will be reported to the audit & standards committee. The nature of the disclosure will depend upon the potential impairment and it is important that our role does not appear to be compromised in reporting the matter to the audit & standards committee. Equally we do not want the organisation to be deprived of wider RSM expertise and will therefore raise awareness without compromising our independence.

Responsibilities

In providing your outsourced internal audit service, RSM has a responsibility to:

- Develop a flexible and risk based internal audit strategy with more detailed annual audit plans. The plan will be submitted to the audit & standards committee for review and approval each year before work commences on delivery of that plan.
- Implement the internal audit plan as approved, including any additional tasks requested by management and the audit & standards committee.
- Ensure the internal audit team consists of professional audit staff with sufficient knowledge, skills, and experience.
- Establish a quality assurance and improvement program to ensure the quality and effective operation of internal audit activities.
- Perform advisory activities where appropriate, beyond internal audit's assurance services, to assist management in meeting its objectives.
- Bring a systematic disciplined approach to evaluate and report on the effectiveness of risk management, internal control and governance processes.
- Highlight control weaknesses and required associated improvements together with corrective action recommended to management based on an acceptable and practicable timeframe.
- Undertake follow up reviews to ensure management has implemented agreed internal control improvements within specified and agreed timeframes.
- Report regularly to the audit & standards committee to demonstrate the performance of the internal audit service.

For clarity, we have included the definition of 'internal audit', 'senior management' and 'authority'.

- Internal audit – a department, division, team of consultant, or other practitioner (s) that provides independent, objective assurance and consulting services designed to add value and improve an organisation's operations. The internal audit activity helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management and control processes.
- Senior management who are the team of individuals at the highest level of organisational management who have the day-to-day responsibilities for managing the organisation.
- Authority - The highest level governing body charged with the responsibility to direct and/or oversee the organisation's activities and hold organisational management accountable. Furthermore, "authority" may refer to a committee or another body to which the governing body has delegated certain functions (eg an audit & standards committee).

Authority

The internal audit team is authorised to:

- Have unrestricted access to all functions, records, property and personnel which it considers necessary to fulfil its function.
- Have full and free access to the audit & standards committee.
- Allocate resources, set timeframes, define review areas, develop scopes of work and apply techniques to accomplish the overall internal audit objectives.
- Obtain the required assistance from personnel within the organisation where audits will be performed, including other specialised services from within or outside the organisation.

The head of internal audit and internal audit staff are not authorised to:

- Perform any operational duties associated with the organisation.
- Initiate or approve accounting transactions on behalf of the organisation.
- Direct the activities of any employee not employed by RSM unless specifically seconded to internal audit.

Reporting

An assignment report will be issued following each internal audit assignment. The report will be issued in draft for comment by management, and then issued as a final report to management, with the executive summary being provided to the audit & standards committee. The final report will contain an action plan agreed with management to address any weaknesses identified by internal audit.

The internal audit service will issue progress reports to the audit & standards committee and management summarising outcomes of audit activities, including follow up reviews.

As your internal audit provider, the assignment opinions that RSM provides the organisation during the year are part of the framework of assurances that assist the authority in taking decisions and managing its risks.

As the provider of the internal audit service we are required to provide an annual opinion on the adequacy and effectiveness of the organisation's governance, risk management and control arrangements. In giving our opinion it should be noted that assurance can never be absolute. The most that the internal audit service can provide to the authority is a reasonable assurance that there are no major weaknesses in risk management, governance and control processes. The annual opinion will be provided to the organisation by RSM Risk Assurance Services LLP at the financial year end. The results of internal audit reviews, and the annual opinion, should be used by management and the authority to inform the organisation's annual governance statement.

Data protection

Internal audit files need to include sufficient, reliable, relevant and useful evidence in order to support our findings and conclusions. Personal data is not shared with unauthorised persons unless there is a valid and lawful requirement to do so. We are authorised as providers of internal audit services to our clients (through the firm's terms of business and our engagement letter) to have access to all necessary documentation from our clients needed to carry out our duties.

Quality Assurance and Improvement

As your external service provider of internal audit services, we have the responsibility for maintaining an effective internal audit activity. Under PSIAS, internal audit services are required to have an external quality assessment every five years. In addition to this, we also have in place an internal quality assurance and improvement programme, led by a dedicated team who undertake these reviews. This ensures continuous improvement of our internal audit services.

Any areas which we believe warrant bringing to your attention, which may have the potential to have an impact on the quality of the service we provide to you, will be raised in our progress reports to the audit & standards committee.

Fraud

The audit & standards committee recognises that management is responsible for controls to reasonably prevent and detect fraud. Furthermore, the audit & standards committee recognises that internal audit is not responsible for identifying fraud; however internal audit will be aware of the risk of fraud when planning and undertaking any assignments.

Approval of the internal audit charter

By approving this document, the internal audit strategy, the audit & standards committee is also approving the internal audit charter.

APPENDIX D: OUR CLIENT CARE STANDARDS

- Discussions with senior staff at the client take place to confirm the scope four weeks before the agreed audit start date
- Key information such as: the draft assignment planning sheet are issued by RSM to the key auditee four weeks before the agreed start date
- The lead auditor to contact the client to confirm logistical arrangements at least 10 working days before the commencement of the audit fieldwork to confirm practical arrangements, appointments, debrief date etc.
- Fieldwork takes place on agreed dates with key issues flagged up immediately.
- A debrief meeting will be held with audit sponsor at the end of fieldwork or within a reasonable time frame.
- Draft reports will be issued within 10 working days of the debrief meeting, and will be issued by RSM to the agreed distribution list.
- Management responses to the draft report should be submitted to RSM.
- Within three working days of receipt of client responses the final report will be issued by RSM to the assignment sponsor and any other agreed recipients of the report.

FOR FURTHER INFORMATION CONTACT

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For Publication

**Bedfordshire Fire and Rescue Authority
Audit and Standards Committee
28 March 2018
Item No. 9**

REPORT AUTHOR: ASSISTANT CHIEF OFFICER (HUMAN RESOURCES AND ORGANISATIONAL DEVELOPMENT)

**SUBJECT: AUDIT AND GOVERNANCE ACTION PLAN
MONITORING: EXCEPTION REPORT AND SUMMARY ANALYSIS**

For further information on this report contact: Karen Daniels
Service Assurance Manager
Tel No: 01234 845013

Background Papers:

- Action Plans contained in Internal Audit Reports
- Action Plan contained in the current Annual Governance Statement
- Audit Outcome Monitoring reports and Minutes from the Policy and Challenge Group meetings

Implications (tick ✓):

LEGAL			FINANCIAL	
HUMAN RESOURCES			EQUALITY IMPACT	
ENVIRONMENTAL			POLICY	
CORPORATE RISK	Known	✓	OTHER (please specify)	
	New		CORE BRIEF	

Any implications affecting this report are noted at the end of the report.

PURPOSE:

To present Members with a summary statistical analysis of actions arising from internal audit reports over the last three financial years to date and from the Fire and Rescue Authority's current Annual Governance Statement; together with an exception report on those actions currently in progress for which the relevant Policy and Challenge Group has received a proposal to extend the original timing for completion.

RECOMMENDATION:

That Members receive the report and consider any issues arising.

1. Introduction

- 1.1 The Audit and Standards Committee has previously agreed that a full monitoring report of current progress on applicable Audit and Governance Statement action plans should be made to each meeting of the appropriate Policy and Challenge Group; and that the Audit and Standards Committee should receive a summary analysis of action plans together with a full exception report of all actions in progress for which a Policy and Challenge Group has received a proposal for an extension to the original completion date.
- 1.2 This is the fourth summary analysis and exception report to the Audit and Standards Committee for the year 2017/18 and it incorporates information from all monitoring reports made to Policy and Challenge Groups in the reporting period to date.

2. Audit and Governance Action Plans Summary Analysis

- 2.1 The Audit Action Plans Summary Analysis (attached as Appendix A) provides a summary statistical analysis of the status of all actions arising from audit reports received over the last three financial years (ie 2015/16 to date).
- 2.2 The report provides the following details for each audit:
- Audit report title and date;
 - Responsible Policy and Challenge Group;
 - Total number of actions arising and their prioritisation;
 - Number of actions completed (by priority) subject to follow-up audit;
 - Number of actions completed (by priority) for which a subsequent or no further follow-up is required;
 - Number of actions (by priority) still in progress; and
 - Number of extensions to original completion dates that have been required in respect of all actions.
- 2.3 It should be noted that actions which are shown as completed for which a subsequent or no further follow up required include:
- High and medium priority actions for which a subsequent or follow-up audit has been successfully completed.
 - All completed low priority actions - for which a subsequent or follow-up audits are not undertaken; and
 - Actions which the Auditors have designated as 'superseded', ie actions which have been replaced, on follow-up audit, by a new action. In such cases, the new actions are included against the relevant follow up audit.
- 2.4 The report shows that a total of 2 High Priority, 22 Medium Priority and 51 Low Priority actions have been agreed over the reporting period, of which, 0 High, 0 1 Medium and 0 Low are still in progress.

- 2.5 There are no extensions to original completion dates.
- 2.6 The Annual Governance Statement Action Plan for 2016/17 had two actions in 2017/18 of which one is still in progress.
- 3. Audit Action Plans Exception Report
 - 3.1 The Audit Action Plans Exception Report provides details of all actions arising from internal audits which are still in progress and for which the relevant Policy and Challenge Group has been requested to consider an extension to the original timing for completion.
 - 3.2 For the current period there are no exception report(s).
- 4. Governance Action Plan Exception Report
 - 4.1 The Governance Action Plan Exception Report provides details of actions arising from the Authority's 2016/17 Annual Governance Statement (which was formally adopted by Audit and Standards Committee, on behalf of the Authority, at their meeting on 14 June 2017) which are still in progress and for which the relevant Policy and Challenge Group has been requested to extend the original timing for completion.
 - 4.2 For the current period there are no exception report(s).
- 5. Organisational Risk Implications
 - 5.1 The actions identified within internal audit reports and the Annual Governance Statement represent important improvements to the Authority's current systems and arrangements. As such, they constitute important measures whereby the Authority's overall management of organisational risk can be enhanced.
 - 5.2 In addition, ensuring effective internal audit arrangements and the publication of an Annual Governance Statement are legal requirements for the Authority and the processes of implementation, monitoring and reporting of improvement actions arising therefore constitute an important element of the Authority's governance arrangements.

ZOE EVANS
ASSISTANT CHIEF OFFICER (HUMAN RESOURCES AND ORGANISATIONAL DEVELOPMENT)

Audit and Annual Governance Statement Action Plans Summary Analysis

Audit Report & Date	Policy & Challenge Group	Total Actions			Actions Completed (subject to Follow up)			Actions Completed/ Superseded (no further Follow-up required)			Actions Currently in Progress			No of Completion Extensions Required to Date (All Actions)		
		H	M	L	H	M	L	H	M	L	H	M	L	H	M	L
Business Continuity inc. Risk Management (Sep 2015)	Corporate Services	-	-	2	-	-	-	-	-	2	-	-	-	-	-	-
Training and Development of Operational Staff (Nov 2015)	Human Resources	1	1	5	1	-	-	-	1	5	-	-	-	-	-	-
Procurement (Nov 2015)	Corporate Services	-	2	2	-	-	-	-	2	2	-	-	-	-	-	-
Governance (Feb 2016)	Corporate Services	-	-	4	-	-	-	-	-	4	-	-	-	-	-	-
Key Financial Controls (Apr 2016)	Corporate Services	-	-	3	-	-	-	-	-	3	-	-	-	-	-	-
IT Shared Service (May 2016)	Corporate Services	-	-	2	-	-	-	-	-	2	-	-	-	-	-	-
Follow-up – Fuel Cards (May 2016)	Corporate Services	-	1	-	-	1	-	-	-	-	-	-	-	-	-	-
Follow-up – Training and Development of Operational Staff (May 2016)	Human Resources	-	1	-	-	1	-	-	-	-	-	-	-	-	-	-
Fleet Management (Nov 2016)	Corporate Services	1	1	4	1	1	-	-	-	4	-	-	-	-	-	-
Stock and Inventory (Dec 2016)	Corporate Services	-	2	1	-	2	-	-	-	1	-	-	-	-	-	-
Risk Protection Pool (Jan 2017)	Corporate Services	-	1	-	-	1	-	-	-	-	-	-	-	-	-	-
Key Financial Controls (Feb 2017)	Corporate Services	-	1	3	-	1	-	-	-	3	-	-	-	-	-	-
Data Quality – Incident Reporting System (Feb 2017)	Service Delivery	-	3	2	-	3	-	-	-	2	-	-	-	-	-	-

Audit and Annual Governance Statement Action Plans Summary Analysis

Audit Report & Date	Policy & Challenge Group	Total Actions			Actions Completed (subject to Follow up)			Actions Completed/ Superseded (no further Follow-up required)			Actions Currently in Progress			No of Completion Extensions Required to Date (All Actions)		
		H	M	L	H	M	L	H	M	L	H	M	L	H	M	L
Governance – Transparency and Decision Making (May 2017)	Corporate Services	-	3	2	-	3	-	-	-	2	-	-	-	-	-	-
Governance – Transparency and Decision Making (May 2017)	Human Resources	-	-	2	-	-	-	-	-	1	-	-	1	-	-	2
Retained Recruitment (Apr 2017)	Human Resources	-	1	5	-	1	-	-	-	4	-	-	1	-	-	-
Follow up - Fuel Cards (May 2017)	Corporate Services	-	-	1	-	-	-	-	-	1	-	-	-	-	-	-
Risk Management (May 2017)	Corporate Services	-	4	-	-	4	-	-	-	-	-	-	-	-	-	-
Procurement – Tendering (Aug 2017)	Corporate Services	-	-	2	-	-	-	-	-	2	-	-	-	-	-	-
Collaboration – Policing and Crime Act 2017 (Nov 2018)	Service Delivery	-	1	4	-	1	-	-	-	3	-	-	1	-	-	-
Pensions Board (Jan 2018)	Human Resources	-	-	4	-	-	-	-	-	3	-	-	1	-	-	-
Key Financial Controls (Jan 2018)	Corporate Services	-	-	3	-	-	-	-	-	3	-	-	-	-	-	-
Totals		2	22	51	2	19	0	0	3	47	0	0	4	-	-	2

Governance Action Plan Exception Report

Annual Governance Statement Action Plan from 2016/17 to be completed in 2017/18				
Year	Total Actions	Actions Completed	Actions in Progress	No of Completion Extensions Required to Date (All Actions)
2016/17	2	1	1	0

For Publication

**Bedfordshire Fire and Rescue Authority
Audit and Standards Committee
28 March 2018
Item No. 10**

REPORT AUTHOR: SECRETARY/MONITORING OFFICER

SUBJECT: REVIEW OF CODE OF CONDUCT

For further information on this Report contact: Nicky Upton
Democratic and Regulatory Services Supervisor
Tel No: 01234 845149

Background Papers: None

Implications (tick ✓):

LEGAL	✓	FINANCIAL	
HUMAN RESOURCES		EQUALITY IMPACT	
ENVIRONMENTAL		POLICY	
CORPORATE RISK	Known	OTHER (please specify)	
	New	CORE BRIEF	

Any implications affecting this report are noted at the end of the report.

PURPOSE:

To review the FRA's Code of Conduct.

RECOMMENDATION:

That the Committee decides whether to recommend the amendments to the FRA's Code of Conduct shown in Appendix A for adoption by the FRA.

1. Introduction

- 1.1 At its last meeting, the Committee asked the Monitoring Officer to undertake a review of the FRA's Code of Conduct for Members, particularly in relation to the section on interests, and to ascertain if there were any areas of the Code that could be amalgamated to produce a more streamlined document and to include those paragraphs in the illustrative text produced by the Government that do appear in the FRA's existing Code.

- 1.2 The Monitoring Officer has reviewed the Code and, attached as Appendix A, is a copy of the FRA's Code of Conduct showing in bold italics a number of suggested amendments to take account of the views expressed by the Committee.
2. Statutory Requirements
 - 2.1 The Localism Act 2011 provides that the FRA must promote and maintain high standards of conduct by members and co-opted members. It must adopt a code dealing with the conduct that is expected of members of the authority when they are acting in that capacity. The code adopted by the FRA when viewed as a whole must be consistent with the Seven Principles of Public Life ("the Nolan Principles"). A copy of these principles is attached as Appendix B. The code must also include provisions regarding the registration and disclosure of pecuniary and other interests.
3. The Government's Illustrative Text
 - 3.1 The thrust behind the provisions in the Localism Act 2011 was the Government's view that the previous statutory arrangements were too prescriptive and that authorities should have discretion to adopt a code of conduct that suited them. However, the Government did publish some illustrative text. A copy of this illustrative text is attached as Appendix C.
 - 3.2 The provisions of the FRA's existing Code and the Government's illustrative text are very similar but the amendments proposed in Appendix A add a number of factors from the illustrative text that do not appear in the FRA's existing Code. These are now included in paragraphs 4.2, 4.3, 4.8 and 4.14 of the revised Code.
4. Other Interests
 - 4.1 Paragraph 7 of the Code requires Members to declare certain local interests when they relate an item of business under discussion by the FRA. There is no statutory requirement to disclose these interests, hence the term "local interests". The definition of local interests set out in 7.2.1 and 7.2.2 is confusing and Appendix A includes revised wording which should provide clarity.

JOHN ATKINSON
SECRETARY/MONITORING OFFICER

Appendices:
A Existing Revised BFRA Code of Conduct
B Seven Principles of Public Life
C Illustrative Text for Code of Conduct

BEDFORDSHIRE FIRE AND RESCUE AUTHORITY (FRA)

CODE OF CONDUCT with effect from 1 July 2012

1.0 Introduction

- 1.1 This Code of Conduct (“the Code”) has been adopted by the FRA as required by Section 27 of the Localism Act 2011 (“the Act”).
- 1.2 The FRA has a statutory duty under the Act to promote and maintain high standards of conduct by members and co-opted members of the FRA (“Members”) and the Code sets out the standards that the FRA expects Members to observe.
- 1.3 The Code is not intended to be an exhaustive list of all the obligations that are placed on Members. It is the responsibility of individual Members to comply with the provisions of the Code as well as such other legal obligations as may apply to them from time to time.
- 1.4 The Code is consistent with the following principles (the “Nolan” principles of standards in public life):

Selflessness
Integrity
Objectivity
Accountability
Openness
Honesty
Leadership

2.0 Who does the Code apply to?

- 2.1 The Code applies to all Members of the FRA and to all co-opted members of any committee, sub-committee or joint committee or sub-committee of the FRA.

3.0 When does the Code apply?

- 3.1 The Code applies whenever a person is acting in his/her official capacity as a Member of the FRA or co-opted member in the conduct of the FRA’s business or acting as a representative of the FRA.

4.0 What standards of Conduct are Members expected to observe?

Selflessness:

- 4.1 Members must always act **solely** in the public interest. (See also Clause 4.5).

- 4.2 Members must never use their position as a member of the FRA improperly to secure for themselves or any other person, an advantage or disadvantage **or act to gain financial or other material benefits for themselves, their family, a friend or close associate.**
- 4.3 **Members must not place themselves under a financial or other obligation to outside individuals or organisations that might seek to influence them in the performance of their official duties.**
- 4.4 Members must not use the FRA's resources improperly for personal or party political purposes.

Integrity

- 4.5 Members must not do anything which compromises or is likely to compromise the impartiality of those who work for, or on behalf of, the FRA.
- 4.6 Members must not disclose information given to them in confidence unless required by law to do so or where there is a clear and over-riding public interest in doing so.

Objectivity

- 4.7 When making decisions on behalf of the FRA, including awarding contracts or making appointments, Members must do so on merit.
- 4.8 Members must have regard to any relevant advice provided to them by the FRA's officers and, in particular, the Head of Paid Service, Chief Finance Officer and Monitoring Officer, where such advice is provided pursuant to their statutory duties.

Accountability

- 4.9 Members must act in accordance with their legal obligations. ***including the following Acts of Parliament that confer special obligations on elected councillors:***

***Local Government Act 1972
Employment Rights Act 1996
Data Protection Act 1998
Freedom of Information Act 2000
Fire and Rescue Services Act 2004
Bribery Act 2010
Equality Act 2010
Localism Act 2011***

They are accountable for their decisions to the public and must co-operate fully with whatever scrutiny is appropriate to their office.

- 4.10 Members must act in accordance with the FRA's policies and reasonable requirements, including any protocols and codes of practice that may apply. (eg in respect of Member/Officer relations, ITC, Member Allowances etc).

Openness

- 4.11 Members must ***be as open as possible about their decisions and actions*** and must give reasons for any decisions taken on behalf of the FRA in accordance with any statutory or FRA requirements.
- 4.12 Members must not prevent another person from gaining access to information to which that person is entitled by law.

Honesty

- 4.13 Members must declare any disclosable (pecuniary and non-pecuniary) interests or conflicts of interest that may arise in respect of their responsibilities as a Member of the FRA.
- 4.14 Members must at all times ensure that any claims for expenses, allowances, and their use of facilities and services provided by the FRA are strictly in accordance with the rules laid down on these matters.

Leadership

- 4.15 ***Members must support and promote high standards of conduct and lead by example.***
- 4.16 In their dealings with the FRA's employees, Members must have regard to the FRA's protocol on Member/Officer Relations and on no account should they behave in a manner that might constitute harassment or bullying.

5.0 Register of Interests

- 5.1 The Council's Monitoring officer maintains a register of interests of Members and co-opted members of the FRA.
- 5.2 The FRA has determined what interests Members are required to enter in the register of interests, including those disclosable pecuniary interests prescribed by regulations. These disclosable interests are listed in Schedule 1.
- 5.3 Members must notify the FRA's Monitoring Officer of any disclosable pecuniary and non-pecuniary interests that should be recorded in the FRA's register of interests.
- 5.3 Within 28 days of becoming a Member of the FRA, all Members must submit to the Monitoring Officer a list of their disclosable interests and must notify the Monitoring Officer of any changes as and when they arise.

6. Declaration at Meetings of Disclosable Pecuniary Interests

- 6.1 A Member must make a verbal declaration of the existence and nature of any disclosable pecuniary interest at any meeting of the FRA, a Committee (or Sub - Committee) at which the Member is present, and withdraw from participating in the meeting where an item of business which affects or relates to the subject matter of that interest is under consideration, at or before the consideration of the item of business or as soon as the interest becomes apparent.

7. Other Interests

- 7.1 In addition to the requirements of paragraph 6, if a Member attends a meeting at which an item of business is to be considered and the Member has an interest as defined in paragraph 7.2 below, a verbal declaration of the existence and nature of the interest must be made by the Member at or before the consideration of the item of business or as soon as the interest becomes apparent.

- 7.2 Paragraph 7.1 applies where: ~~a Member has an 'non-statutory pecuniary interest' or a non-pecuniary interest in an item of business of the FRA as follows:-~~

~~7.2.1 decision in relation to that business might reasonably be regarded as affecting the well being or financial standing of the Member or a member of his/her family or a person with whom the Member has a close association to a greater extent than it would affect the majority of the **Council taxpayers, ratepayers or inhabitants of the ward or electoral area for which the Member has been elected or otherwise** of the FRA's administrative area, or~~

~~7.2.2 it relates to or is likely to affect any of the interests listed in **Schedule 1 to this Code, but in respect of a member of the Member's family (other than a spouse or partner as statutorily defined) or a person with whom the Member has a close association**~~

and that interest is not a disclosable pecuniary interest.

8. Gifts and Hospitality

- 8.1 A Member must, within 28 days of receipt, notify the Monitoring Officer in writing of any gift, benefit or hospitality with a value in excess of £50 which has been accepted as a Member from any person or body other than the FRA.
- 8.2 The Monitoring Officer will place the notification on a public register of gifts and hospitality.
- 8.3 This duty to notify the Monitoring Officer does not apply where the gift benefit or hospitality comes within a description approved by the FRA for this purpose.

Code of Conduct adopted by the Fire and Rescue Authority on 28 June 2012

***Reviewed and amended by the Fire and Rescue Authority on 16 October 2017
(Minute ref: 17-18/fa/037)***

Schedule 1 - Disclosable Pecuniary Interests

A Member has a duty to register, disclose and not to participate in respect of any matter in which he/she has a Disclosable Pecuniary Interest as set out in the Localism Act 2011 (Chapter 7).

Disclosable pecuniary interests are defined in the Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012 as follows:

The Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012

<i>Subject</i>	<i>Prescribed description</i>
Employment, office, trade, profession or vacation	Any employment, office, trade, profession or vocation carried on for profit or gain.
Sponsorship	<p>Any payment or provision of any other financial benefit (other than from the relevant authority) made or provided within the relevant period in respect of any expenses incurred by M in carrying out duties as a member, or towards the election expenses of M.</p> <p>This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992.</p>
Contracts	<p>Any contract which is made between the relevant person (or a body in which the relevant person has a beneficial interest) and the relevant authority—</p> <p>(a) under which goods or services are to be provided or works are to be executed; and</p> <p>(b) which has not been fully discharged.</p>

Land	Any beneficial interest in land which is within the area of the relevant authority.
Licences	Any licence (alone or jointly with others) to occupy land in the area of the relevant authority for a month or longer.
Corporate tenancies	Any tenancy where (to M's knowledge)— (a) the landlord is the relevant authority; and (b) the tenant is a body in which the relevant person has a beneficial interest.
Securities	Any beneficial interest in securities of a body where— (a) that body (to M's knowledge) has a place of business or land in the area of the relevant authority; and (b) either— (i) the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body; or (ii) if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which the relevant person has a beneficial interest exceeds one hundredth of the total issued share capital of that class.

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The 7 Principals of public life

1. Selflessness

Holders of public office should act solely in terms of the public interest.

2. Integrity

Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.

3. Objectivity

Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.

4. Accountability

Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.

5. Openness

Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.

6. Honesty

Holders of public office should be truthful.

7. Leadership

Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.

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Illustrative text for code dealing with the conduct expected of members and co-opted members of the authority when acting in that capacity

You are a member or co-opted member of the [name] council and hence you shall have regard to the following principles – selflessness, integrity, objectivity, accountability, openness, honesty and leadership.

Accordingly, when acting in your capacity as a member or co-opted member -

You must act solely in the public interest and should never improperly confer an advantage or disadvantage on any person or act to gain financial or other material benefits for yourself, your family, a friend or close associate.

You must not place yourself under a financial or other obligation to outside individuals or organisations that might seek to influence you in the performance of your official duties.

When carrying out your public duties you must make all choices, such as making public appointments, awarding contracts or recommending individuals for rewards or benefits, on merit.

You are accountable for your decisions to the public and you must co-operate fully with whatever scrutiny is appropriate to your office.

You must be as open as possible about your decisions and actions and the decisions and actions of your authority and should be prepared to give reasons for those decisions and actions.

You must declare any private interests, both pecuniary and non-pecuniary, including your membership of any Trade Union, that relate to your public duties and must take steps to resolve any conflicts arising in a way that protects the public interest, including registering and declaring interests in a manner conforming with the procedures set out in the box below.

You must, when using or authorising the use by others of the resources of your authority, ensure that such resources are not used improperly for political purposes (including party political purposes) and you must have regard to any applicable Local Authority Code of Publicity made under the Local Government Act 1986.

You must promote and support high standards of conduct when serving in your public post, in particular as characterised by the above requirements, by leadership and example.

Registering and declaring pecuniary and non-pecuniary interests

You must, within 28 days of taking office as a member or co-opted member, notify your authority's monitoring officer of any disclosable pecuniary interest as defined by regulations made by the Secretary of State, where the pecuniary interest is yours, your spouse's or civil partner's, or is the pecuniary interest of somebody with whom you are living with as a husband or wife, or as if you were civil partners.

In addition, you must, within 28 days of taking office as a member or co-opted member, notify your authority's monitoring officer of any disclosable pecuniary or non-pecuniary interest which your authority has decided should be included in the register or which you consider should be included if you are to fulfil your duty to act in conformity with the Seven Principles of Public Life. These non-pecuniary interests will necessarily include your membership of any Trade Union.

If an interest has not been entered onto the authority's register, then the member must disclose the interest to any meeting of the authority at which they are present, where they have a disclosable interest in any matter being considered and where the matter is not a 'sensitive interest'.¹

Following any disclosure of an interest not on the authority's register or the subject of pending notification, you must notify the monitoring officer of the interest within 28 days beginning with the date of disclosure.

Unless dispensation has been granted, you may not participate in any discussion of, vote on, or discharge any function related to any matter in which you have a pecuniary interest as defined by regulations made by the Secretary of State. Additionally, you must observe the restrictions your authority places on your involvement in matters where you have a pecuniary or non pecuniary interest as defined by your authority.

¹ A 'sensitive interest' is described in the Localism Act 2011 as a member or co-opted member of an authority having an interest, and the nature of the interest being such that the member or co-opted member, and the authority's monitoring officer, consider that disclosure of the details of the interest could lead to the member or co-opted member, or a person connected with the member or co-opted member, being subject to violence or intimidation.

For Publication

**Bedfordshire Fire and Rescue Authority
Audit and Standards Committee
28 March 2018
Item No. 11**

REPORT AUTHOR: ASSISTANT CHIEF OFFICER (HUMAN RESOURCES AND ORGANISATIONAL DEVELOPMENT)

SUBJECT: 2017/18 ANNUAL REVIEW OF THE FIRE AND RESCUE AUTHORITY'S EFFECTIVENESS

For further information on this Report contact: Z Evans
Assistant Chief Officer (Human Resources and Organisational Development)
Tel No: 01234 845019

Background Papers: Annual Governance Statement 2016
Audit and Standards Committee Paper 6 December 2017
(Review of the Fire and Rescue Authority's Effectiveness 2016/17)

Implications (tick ✓):

LEGAL			FINANCIAL	
HUMAN RESOURCES			EQUALITY IMPACT	
ENVIRONMENTAL			POLICY	
CORPORATE RISK	Known	✓	OTHER (please specify)	
	New		CORE BRIEF	

Any implications affecting this report are noted at the end of the report.

PURPOSE:

To consider the outcome of the 2017/18 Review of the Fire and Rescue Authority's Effectiveness, including any identified areas for improvement and agreed actions for the coming year, together with a record of Members' attendance at meetings.

RECOMMENDATION:

That Members agree the 2017/18 Review of Effectiveness and associated action plan for approval by the Fire and Rescue Authority on 26 April 2018, and for incorporation into the Annual Governance Statement.

1 Introduction

- 1.1 At their meeting on 9 September 2010 the Fire and Rescue Authority (FRA) agreed a recommendation of the former Audit Committee that it publishes an Annual Review of the FRA's Effectiveness and Record of Member Attendance from 2010/11.
- 1.2 On 18 January 2018, Members of the FRA held a facilitated discussion on the review of the FRA's effectiveness in 2017/18. Previously it was based upon a revised questionnaire following a review agreed by the Audit and Standards Committee on 7 September 2016. However, for 2017/18 it was agreed that the questionnaire was no longer required. At the meeting it was agreed to a review of Governance and for station visits to be structured. These points have been captured in the action plan.

2. 2017/18 Review of the Fire Authority's Effectiveness

- 2.1 The FRA's three Policy and Challenge Groups, and the Audit and Standards Committee, each conducted a review of their own effectiveness against their Terms of Reference.

They were asked to consider three overarching questions:

- i. Does the Group consider they have been effective and discharged their responsibility in regard to the Group's terms of reference?
- ii. Considering the Group's terms of reference are there any area that have not been considered and should be addressed?
- iii. Does the Group consider any training and development would assist them with the areas of work of the Group?

The following was found during consideration of the above questions:

2.2.1 *Service Delivery Policy and Challenge Group – 30 November 2017*

- a. The Group was satisfied with their Terms of Reference and considered that, over the past year, they had reviewed and monitored:
- Terms of Reference
 - Performance and Programmes
 - Audit and Governance Action Monitoring
 - Corporate Risk Register
 - Annual Service Delivery Performance Indicators and Targets for the next financial year
 - Customer Satisfaction
 - Operational Decision Making Procedures – Exception Report
 - New Internal Audit Reports
 - Evaluation of Effecting Entry Pilot
 - Demonstration of Forced Entry Equipment

- Strategic Road Safety Partnership update
 - Community Risk Management Plan
 - Mobilising System update
 - Police and Ambulance Collaboration
 - Annual Review of Partnerships
 - Review of the Fire Authority's Effectiveness
- b. Other points highlighted were:
- Members agreed that it was well supported by Officers and that the Groups' consideration of issues had been wide-ranging, informative and useful for Members.
 - A comment was made on the frequency of meetings. It was noted that, if the need arose, the Chair would be able to convene an additional meeting of the Group.
 - There were no requests for further training or development

2.2.2 Corporate Services Policy and Challenge Group – 29 November 2017

- a. The Group was satisfied with their Terms of Reference and considered that, over the past year, they had reviewed and monitored:
- Terms of Reference
 - Performance and Programmes
 - Audit and Governance Action Monitoring
 - Corporate Risk Register
 - Annual Corporate Services Performance Indicators and Targets for the next financial year
 - New Internal Audits including Key Financial Controls
 - Revenue Budget and Capital Programme Monitoring 2018/19
 - 2019/20 Revenue Budget and Capital Programme (Planning Arrangements)
 - Efficiency Plan
 - Treasury Management Annual Report
 - Treasury Management Mid-Year Review Report
 - Asset Management Plans – ICT, Property and Fleet
 - Asset Management Strategy for 2018/19
 - Annual Review of the Operations of ICT Shared Service Agreement
 - Review of the Fire Authority's Effectiveness
- b. Other points highlighted were:
- The Service Efficiency Plan was identified as an area that would benefit from greater Member scrutiny.
 - Members' agreed the Group should continue to focus on commissioning and overseeing reviews into specified areas of work

on a more frequent basis and select items to consider in greater depth.

- Members supported the continuation of training on the Statement of Accounts and treasury management and agreed that it would be useful for members to receive training on understanding the Service's assets, including IT, fleet and property. In this respect, it was suggested that Members may benefit from a property tour or greater access to the assets of the Service. This could be accommodated during some of the scheduled station visits, particularly in stations where specialist equipment and/or teams were located.

2.2.3 *Audit and Standards Committee – 6 December 2017*

- a. The Group was satisfied with their Terms of Reference and considered that, over the past year, they had reviewed and monitored:
- Review of Terms of Reference
 - External Audit Plan for 2017/18
 - Annual Audit Fees
 - External Audit Progress Reports
 - Audit Results Report
 - Annual Audit Letter
 - 2016/17 Annual Governance Statement and action plan
 - Draft Summary of Statement of Accounts
 - Statement of Accounts and Letter of Representation
 - New Internal Audit Reports
 - Internal Audit Progress
 - Internal Audit Annual Report 2017/18
 - Internal Audit Strategy 2018/19 to 2020/21
 - Audit and Governance Action Monitoring
 - Corporate Risk Register (each meeting)
 - Annual Review of the Fire Authority's Effectiveness
 - Annual Review of Monitored Policies
 - Review of the entire Risk Register
 - Registration of Interests and Gifts/Hospitality
 - Statement of Assurance
 - Revision of Standing Order 21
 - Report on Standards

- b. Other points highlighted were:
- The Committee agreed that it had effectively discharged its duties in regard to its terms of reference and that there were no areas of the terms of reference, as they currently stood, that had not been addressed.
 - Members commented on the audit training received and agreed that this should be provided on an annual basis. Members will be offered training on effective governance from RSM in November 2018.
 - Training on effective governance was provided for all Members of the Authority at the Member Development Day on 1 November 2017. As a result of this training, a report on the review of the entire Corporate Risk Register would be submitted to the March 2018 meeting of the Committee.
 - Members discussed the Committee could do more to explain its work to both internal and external stakeholders. Although this was not set out in the Committee's Terms of Reference, it was an important area as it was recognised that the Committee performed a different role from the Policy and Challenge Groups and was a decision making body. Members requested that a review be undertaken on how the work of the Committee is currently recorded and published and that the outcomes of this be reported to the Committee for further consideration.

2.2.4 *Human Resources Policy and Challenge Group – 11 January 2018*

- a. The Group was satisfied with their Terms of Reference and considered that, over the past year, they had reviewed and monitored:
- Terms of Reference
 - Performance Monitoring and Programmes
 - Audit and Governance Action Monitoring
 - Corporate Risk Register
 - Annual HR Performance Indicators and Targets for the next financial year
 - Corporate Health and Safety Objectives to date and proposed for 2018/19
 - New Internal Audits
 - Absence Year End report including Occupational Health Support
 - Occupational Accidents Year End Report
 - Annual Provision of External Training
 - Equality Duty Report
 - Public Sector Equality Scheme Review
 - Appraisal Report
 - Fitness Guidance
 - Health and Safety Annual Report

- Positive Action Report
- Review of the Fire Authority's Effectiveness

b. Other points highlighted were:

- Members agreed that the Group had been effective in discharging its responsibility in regard to its Terms of Reference and that there were no areas within the Terms of Reference that had not been considered.
- The view was expressed that the Group was well briefed on current issues and that Members were confident in providing challenge when required.
- Members were reminded that a visit to the Fire Services College was being arranged for a future Member Development Day to observe firefighters on the Foundations Training Course.

3. Member Attendance at Meetings 2017/18

3.1 A record of Members attendance for year 2017/18 is appended to this report for information at Appendix A.

5. Action Plan for 2017/18

		Owner(s)	Timescale
1	At their first meeting each FRA group/Committee to review their Terms of Reference and look forward to the year ahead to agree an annual work programme. In addition to the current practice of requesting additional reports this to include consideration of a major topic with a longer timescale for implementation as done by the Corporate Services Policy and Challenge Group.	Chief Fire Officer (CFO) Deputy Chief Fire Officer (DCFO) Assistant Chief Officer (ACO)	First Policy and Challenge Group of financial year – June 2017 - Completed
2	Continue pre-meetings with relevant Chairs of Groups and Committees.	CFO, DCFO and ACO	Ongoing – Completed 2017/18
3	Request that post AGM, training needs of Members are re-visited to feed into the two programmed events.	Head of Projects, Safety and Business Support	Post Annual Meeting – 25 May 2017 - Completed
4	Continue to review Induction material, re-circulate updated content to Members by email or make accessible on line as a reminder and easy access. Provide 1 to 1's for Members that change as a one off.	Head of Projects, Safety and Business Support	Ongoing – Completed 2017/18
5	Continue to include training/awareness on operational matters.	Head of Operations and Head of Training and Development	Ongoing Completed 2017/18
6	Continue Station Visits.	Head of Projects, Safety and Business Support	Ongoing Completed 2017/18
7	Continue with the distribution of daily incident logs.	Head of Operations	Ongoing Completed 2017/18
8	Members should continue to discuss plans to meet the projected budget gap and further strengthen the Authority's financial plans into the future.	Chief Fire Officer	On-going and Budget Workshops on 21 November 2017 and 18 January 2018 Completed 2017/18

		Owner(s)	Timescale
9	Continue Budget workshops - 21 November 2017 and 18 January 2018.	Head of Finance and Treasurer	Booked Completed 2017/18
10	Continue Treasury Management training and development.	Head of Finance and Treasurer	July 2017 (Bi-annual) Completed 2017/18
11	Provide training and development on the Statement of Accounts and governance particularly in relation to the role of an Audit Committee.	Head of Finance and Treasurer	Member Development Days – 4 July or 1 November 2017 Completed 2017/18
12	Relevant benchmarking data if known is made available when performance targets are being set.	Owner of each target setting paper to Policy and Challenge Groups	Target setting by Policy and Challenge meetings during March 2018 Completed 2017/18
13	Review presentation of performance reports to provide previous quarter's information indicating direction of travel when reviewing current period.	Service Assurance Manager	Members' Development Day 31.10.18
14	Advance the use of electronic media and continue to explore the possibility of extending paperless meetings for other FRA Meetings (CSPCG is now established as a paperless meeting)	Head of Projects, Safety and Business Support	31 March 2018
15	To support paperless meetings, and provide one to one training as required.	Head of Projects, Safety and Business Support	Ongoing
16	Review Committee Structures of other Fire and Rescue Authorities	Head of Projects, Safety and Business Support	31 March 2018 – Review by RSM 2018/19 Q1

5. Action Plan for 2018/19

5.1 In light of the review undertaken by Members on 18 January 2018 Members may wish to consider including the following in an Action Plan for 2018/19:

		Owner(s)	Timescale
1	At their first meeting each FRA group/Committee to review their Terms of Reference and look forward to the year ahead to agree an annual work programme. In addition to the current practice of requesting additional reports this to include consideration of a major topic with a longer timescale for implementation as done by the Corporate Services Policy and Challenge Group.	Chief Fire Officer (CFO) Deputy Chief Fire Officer (DCFO) Assistant Chief Officer (ACO)	First Policy and Challenge Group of financial year – June 2018
2	Continue pre-meetings with relevant Chairs of Groups and Committees.	CFO, DCFO and ACO	Ongoing
3	Request that post AGM, training needs of Members are re-visited to feed into the two programmed events.	Head of Organisational Assurance	Post Annual Meeting – 31 May 2018
4	Continue to review Induction material, re-circulate updated content to Members by email or make accessible on line as a reminder and easy access. Provide 1 to 1's for Members that change as a one off.	Head of Organisational Assurance	Ongoing
5	Continue to include training/awareness on operational matters.	Head of Operations and Head of Operational Support	Ongoing
6	Continue Station Visits.	Head of Organisational Assurance	Ongoing

		Owner(s)	Timescale
7	Written briefings forwarded to FRA members and crews prior to Station Visits.	Head of Organisational Assurance	April 2018 - Ongoing
8	Members to receive training on understanding the Service's assets, including IT, fleet and property. This can be incorporated in scheduled Station Visits, particularly in stations where specialist equipment and/or teams were located.	Head of Organisational Assurance	Ongoing
9	A review be undertaken on how the work of the Audit and Standards Committee is currently recorded and published and that the outcomes be reported to the Committee for further consideration.	Head of Organisational Assurance	June 2018
10	Members to visit to the Fire Services College to observe firefighters on the Foundations Training Course.	Head of Organisational Assurance	Member Development Day – 20 June 2018
11	Continue with the distribution of daily incident logs.	Head of Operations	Ongoing
12	Members should continue to discuss plans to meet the projected budget gap and further strengthen the Authority's financial plans into the future.	Chief Fire Officer	On-going and Budget Workshops on 15 November 2018 and 17 January 2019
13	Continue Budget workshops - 15 November 2018 and 17 January 2019.	Head of Finance and Treasurer	Booked
14	Continue Treasury Management and Statement of Accounts training and development.	Head of Finance and Treasurer	Oct/Nov 2018

		Owner(s)	Timescale
15	Members will be offered training on effective governance from RSM in November 2018.	Head of Organisational Assurance	November 2018
16	Relevant benchmarking data if known is made available when performance targets are being set.	Owner of each target setting paper to Policy and Challenge Groups	Target setting by Policy and Challenge meetings during March 2019
17	Advance the use of electronic media and continue to explore the possibility of extending paperless meetings for other FRA Meetings (CSPCG is now established as a paperless meeting)	Head of Organisational Assurance	Ongoing
18	To support paperless meetings, and provide one to one training as required.	Head of Organisational Assurance	Ongoing
19	RSM to conduct a Governance audit to review the Committee Structure of Bedfordshire Fire and Rescue Authority in relation to other Fire and Rescue Authorities	Head of Organisational Assurance	31 August 2019

ZOE EVANS
ASSISTANT CHIEF OFFICER (HUMAN RESOURCES AND ORGANISATIONAL DEVELOPMENT)

RECORD OF MEMBER ATTENDANCE AT MEETINGS 2017/18

COUNCILLOR	Atkins	Chapman	Chatterley	Downing	Duckett	Franks	Headley	Khan	McVicar	Mingay	Saleem	Waheed	TOTAL BY MEETING
FIRE AND RESCUE AUTHORITY													
May (Annual Meeting)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	12/12
July	✓	✓	✓	✓	✓	✓	✓	N	N	✓	✓	✓	10/12
October	✓	✓	N	✓	✓	✓	✓	✓	✓	✓	✓	✓	11/12
December	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	12/12
February	✓	✓	✓	N	✓	✓	✓	✓	✓	✓	✓	✓	11/12
April													
BUDGET WORKSHOPS													
November	✓	✓	N-C	N	✓	N	✓	UN	✓	✓	✓	✓	8/12
January	✓	✓	✓	✓	✓	✓	✓	UN	✓	✓	✓	✓	11/12
AUDIT AND STANDARDS CTT													
June		✓	✓		✓	N	✓				✓	UN	5/7
September		✓	✓			N	✓				✓	N	4/7
December		✓	✓			UN	✓				✓	✓	6/7
March													
CORPORATE SERVICES P&C GROUP													
June		✓			N		✓		N			✓	3/5
September		✓			✓		✓		✓			✓	5/5
November		✓			✓		✓		✓			✓	5/5
March		N			UN		✓		✓			N-C	2/5

RECORD OF MEMBER ATTENDANCE AT MEETINGS 2017/18

COUNCILLOR	Atkins	Chapman	Chatterley	Downing	Duckett	Franks	Headley	Khan	McVicar	Mingay	Saleem	Waheed	TOTAL BY MEETING
SERVICE DELIVERY P&C GROUP													
June	✓		✓	✓	✓	N		✓	✓	✓			7/8
September	✓		✓	N	✓	✓		N	N	✓			5/8
November	✓		N-C	N	N-C	✓		✓	N-C	✓			4/8
March													
HUMAN RESOURCES P&C GROUP													
June	✓			✓				N		✓	N	✓	4/6
September	✓			N				✓		✓	✓	✓	5/6
January	N			✓				UN		✓	✓	✓	4/6
March													
Corporate Equality Group													
May												✓	
October												✓	
January												✓	
DEVELOPMENT DAYS													
July	✓	✓	N	✓	✓	N	✓	N	N	✓	✓	✓	8/12
November	✓	✓	✓	✓	UN	✓	✓	UN	✓	✓	✓	✓	10/12
Total Attendance													

Key:
 N-C – Notified Constituent Auth Mtg / Commitments
 UN – Un notified
 N - Notified

RECORD OF MEMBER ATTENDANCE FOR STATION VISITS 2017/18

COUNCILLOR	Atkins	Chapman	Chatterley	Downing	Duckett	Franks	Headley	Khan	McVicar	Mingay	Saleem	Waheed	TOTAL BY MEETING
Dunstable 19 July 2017 (following FRA Meeting)	✓	✓	✓	✓	✓	✓	✓	N	N	✓	✓	✓	10/12
Harrold 19 July 2017 (evening)	✓	✓	✓	✓	✓	N	✓	N	N	✓	✓	✓	8/12
Biggleswade 7 September 2017 (evening)	✓	✓	✓	✓	✓	N	✓	✓	N	✓	✓	N	7/12
Woburn April 2018 (TBC)													/12

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Note: Confirmation of attendance at Harrold and Biggleswade Station visits was not received by Democratic Services; therefore it has been assumed Members attended unless apologies were received prior to the visit.

For Publication

**Bedfordshire Fire and Rescue Authority
Audit and Standards Committee
28 March 2018
Item No 12**

REPORT AUTHOR: ASSISTANT CHIEF OFFICER (HUMAN RESOURCES AND ORGANISATIONAL DEVELOPMENT)

SUBJECT: REVIEW OF WORK PROGRAMME 2017/18

For further information on this report contact: Nicky Upton
Democratic and Regulatory Services Supervisor
Tel No: 01234 845149

Background Papers: None

Implications (tick ✓):

LEGAL			FINANCIAL	
HUMAN RESOURCES			EQUALITY IMPACT	
ENVIRONMENTAL			POLICY	
CORPORATE RISK	Known	✓	OTHER (please specify)	
	New		CORE BRIEF	

Any implications affecting this report are noted at the end of the report.

PURPOSE:

To review and report on the work programme for 2017/18 and to provide Members with an opportunity to request additional reports for the Audit and Standards Committee meetings for 2018/19.

RECOMMENDATION:

That Members consider the work programme for 2017/18 and note the 'cyclical' Agenda Items for each meeting in 2018/19.

**ZOE EVANS
ASSISTANT CHIEF OFFICER (HUMAN RESOURCES AND ORGANISATIONAL DEVELOPMENT)**

AUDIT AND STANDARDS COMMITTEE - PROGRAMME OF WORK 2017/18

Meeting Date	‘Cyclical’ Agenda Items		Additional/Commissioned Agenda Items	
	Item	Notes	Item	Notes
14 June 2017	<ul style="list-style-type: none"> • Appoint Vice Chair • Review of Terms of Reference • Annual Audit Fees 2017/18 • Draft Annual Governance Statement and Action Plan (2016/17) • Draft Summary of Statement of Accounts (2016/17) TBC • Internal Audit Annual Report 2016/17 (RSM) • Internal Audit Progress Report 2017/18 (RSM) • Audit Annual Report 2016/17 (& Opinion) (RSM) *1 • Audit and Governance Action Plan Monitoring • Review of Code of Conduct and Annual Report on Standards including Complaints • Corporate Risk Register • Work Programme 2017/18 	<p style="text-align: center;">TBC</p> <p>*1Deferred to 26 July 2017</p>	<ul style="list-style-type: none"> Review of Standing Orders New Internal Audit report (Governance – Transparency and Decision making) 	<p>Added at FRA meeting on 25 May 2017</p>

Meeting Date	'Cyclical' Agenda Items		Additional/Commissioned Agenda Items	
	Item	Notes	Item	Notes
28 Sept 2017	<ul style="list-style-type: none"> • Audit Results Report (results of 2016-17 audit including any matters outstanding) (Ernst & Young) • Audit Annual Report 2016/17 (& Opinion) *1 • 2016/17 Statement of Accounts and Letter of Representation • Draft Annual Governance Statement and Action Plan (2016/17) • Revision to Standing Order 21** • Internal Audit Progress Report • Audit and Governance Action Plan Monitoring • Review of the Fire Authority's Effectiveness • Corporate Risk Register • Work Programme 2017/18 	<p>*1 Moved from 14 June 2017 meeting</p> <p>**Required to go to next FRA for confirmation prior to revision</p>		

Meeting Date	'Cyclical' Agenda Items		Additional/Commissioned Agenda Items	
	Item	Notes	Item	Notes
6 December 2017	<ul style="list-style-type: none"> • Internal Audit Progress Report • External Audit Progress Report External Audit Progress Report (Annual Audit Letter – Ernst & Young) • Audit and Governance Action Plan Monitoring • Review of 'Monitored Policies' • Report on Registration of Interests and Gifts/Hospitality • Review of the Audit and Standards Committee Effectiveness • Corporate Risk Register • Statement of Assurance • Work Programme 2017/18 		Review of Code of Conduct	Added at FRA meeting on 16 October 2017

Meeting Date	'Cyclical' Agenda Items		Additional/Commissioned Agenda Items	
	Item	Notes	Item	Notes
28 March 2018	<ul style="list-style-type: none"> • External Audit Plan 2017/18 (Ernst & Young) • Internal Audit Progress Report (RSM) • Internal Audit Strategy 2018/19 to 2020/21 (RSM) • Audit and Governance Action Plan Monitoring • Update to the Authority's Financial Regs (Biennial review) • Annual Review of the Fire Authority's Effectiveness • Corporate Risk Register and Review of Corporate Risk Management • Review of Work Programme 2018/19 		<p>Review of the entire Risk Register</p> <p>Presentation / Paper on Direction of Service Performance Reports</p> <p>Review of the Code of Conduct</p> <p>Members of the ASC to bring their mobile device/s to this meeting to register and sync them to Modern.gov software. (After the meeting)</p>	<p>Added ASC 01.12.17</p> <p>Added to Members' Development Day on 31.10.18</p> <p>Added ASC 06.12.17</p> <p>Requested by Mod.gov project team</p>

AUDIT AND STANDARDS COMMITTEE - PROGRAMME OF WORK 2018/19

Meeting Date	'Cyclical' Agenda Items		Additional/Commissioned Agenda Items	
	Item	Notes	Item	Notes
6 July 2018	<ul style="list-style-type: none"> • Election of Vice Chair • Review of Terms of Reference • Annual Audit Fees 2018/19 • Internal Audit Annual Report 2017/18 (RSM) • Internal Audit Progress Report 2017/18 (RSM) • Audit Results Report (E&Y) (Results of 2017/18 audit including any matters outstanding) • Draft 2017/18 Annual Governance Statement, Statement of Accounts and Letter of Representation • Audit and Governance Action Plan Monitoring • Review of Code of Conduct and Annual Report on Standards • Corporate Risk Register • Work Programme 2018/19 		Review of 'Stakeholder Engagement' following Review of Effectiveness	Added ASC 06.12.17

Meeting Date	'Cyclical' Agenda Items		Additional/Commissioned Agenda Items	
	Item	Notes	Item	Notes
25 Sept 2018	<ul style="list-style-type: none"> • Audit Results Report (results of 2017-18 audit including any matters outstanding) (Ernst & Young) • Audit Annual Report 2017/18 (& Opinion) • 2017/18 Statement of Accounts and Letter of Representation • Draft Annual Governance Statement and Action Plan (2016/17) • Internal Audit Progress Report • Audit and Governance Action Plan Monitoring • Review of the Fire Authority's Effectiveness • Corporate Risk Register • Work Programme 2018/19 			

Meeting Date	'Cyclical' Agenda Items		Additional/Commissioned Agenda Items	
	Item	Notes	Item	Notes
6 December 2018	<ul style="list-style-type: none"> • Internal Audit Progress Report • External Audit Progress Report External Audit Progress Report (Annual Audit Letter – Ernst & Young) • Audit and Governance Action Plan Monitoring • Review of 'Monitored Policies' • Report on Registration of Interests and Gifts/Hospitality • Review of the Audit and Standards Committee Effectiveness • Corporate Risk Register • Statement of Assurance • Work Programme 2018/19 			

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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