



BEDFORDSHIRE FIRE AND RESCUE AUTHORITY

Members of Audit and Standards Committee.

Bedford Borough Councillors: C Atkins and J Gambold

Central Bedfordshire Councillors: R Berry, P Duckett and I Shingler

Luton Borough Councillors: J Burnett and D Franks

A meeting of **Audit and Standards Committee** will be held **virtually** on **Thursday, 3 March 2022** starting at **10.00 am**. [Click here to join the meeting](#)

John Atkinson
Monitoring Officer

A G E N D A

Item	Subject	Lead	Purpose of Discussion
1.	Apologies	Chair	
2.	Declarations of Disclosable Pecuniary and Other Interests	Chair	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 (see note below).
3.	Communications	Chair	(Pages 5 - 18)

Item	Subject	Lead	Purpose of Discussion
4.	Minutes	Chair	To confirm minutes of the meeting held on 2 December 2021 (Pages 19 - 24)
5.	Public Participation		To receive any questions put to the Authority under the Public Participation Scheme
6.	Audit Results Report and Fees (Results of 2020/21 audit including any matters outstanding)	Ernst & Young	To consider a report (Pages 25 - 70)
7.	2020/21 Statement of Accounts and Annual Governance Statement post audit	ACO	To consider a report (Pages 71 - 80)
8.	Internal Audit Progress Report	RSM	To consider a report (Pages 81 - 96)
9.	Internal Audit Plan 2022/23	RSM	To consider a report (Pages 97 - 114)
10.	Internal Audit Actions Update	HSSA	To consider a report (Pages 115 - 130)
11.	Review of Work Programme 2021/22 and forward plan for 2022/23	ACO	To consider a report (Pages 131 - 136)

Local Government Act 1972: Schedule 12A (as amended) - Exclusions on the Public

Chair

To consider whether to pass a resolution under Section 100(A) of the Local Government Act 1972 to exclude the public from the remainder of the meeting on the grounds that consideration of the following items of business is likely to involve the disclosure of exempt information as defined in Paragraphs 3 of Part 1 of the Schedule 12A to the Act as amended.

Item	Subject	Lead	Purpose of Discussion
12.	Corporate Risk Register - Exception Report	HSSA	To consider a report (Pages 137 - 144)
	Next Meeting	10.00 am on 14 July 2022 at Conference Room, Fire and Rescue Service Headquarters, Kempston, Bedford MK42 7NR	

Item

Subject

Lead

Purpose of Discussion

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.

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Emergency Services News Briefing

November 2021



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In this edition of our news briefing, we draw attention to some of the key developments and publications affecting the sector including a new Protection Fire Standard and ensuring communities feel safe.

Police

Police response to violence against women and girls

Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) has published a report setting out its findings from inspections carried out on how effectively the police respond to violence against women and girls (VAWG) offences. HMICFRS notes that the police had made vast improvements in the response to VAWG over the last decade, including better identification of repeat victims and improved safeguarding measures. But it also found several areas where the police need to improve, with HMICFRS noting 'grave' concerns about the number of VAWG cases closed without charge, and major gaps in the data recorded on VAWG offences.

While HMICFRS has made several recommendations for immediate improvements to police practices, it concluded that the police cannot tackle VAWG alone. It said the whole system, including policing, health and education, must take a fundamentally new approach. HMICFRS also note that the government should consider legislating to create a new statutory duty for all partner agencies to work together to protect women and girls, similar to the existing framework for child protection .

[Read more](#)

Questions for committee's consideration

In light of recent high profile national events and the HMICFRS review, how has the Force responded? What action has been taken? What action is planned?

Is the AC aware of the recommendations and do you have assurance on the progress made to date and any gaps in assurance?

Forces given funding boost to increase roll out of Hotspot Policing

The Home Office has announced that 18 police forces will receive a share of £4.12m to increase Hotspot Policing in towns and cities blighted by violent crime. The additional £4.12m will bring the total funding given to those 18 forces to tackle serious violence to £28.6m in 2021. The investment in Hotspot Policing follows the government's Beating Crime Plan to reduce crime, protect victims and make the country safer.

[Read more](#)

Police and local authorities given extra funding for safer streets

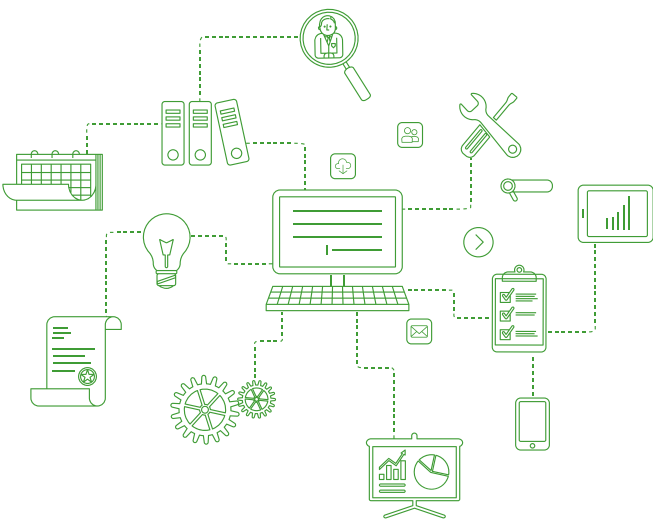
The Home Office has announced a £23.5m fund which will be shared amongst police forces and local authorities across England and Wales to make public spaces safer as part of the government's Safer Streets Fund.

[Read more](#)

Autumn Budget

In delivering his Autumn Budget the Chancellor, Rishi Sunak, announced a fund of £540m to recruit the final 8,000 police officers to reach the government's commitment of recruiting 20,000 new officers by 2023. To ensure swift access to justice for victims, the budget provides almost £650m additional funding by 2024/25 to manage the increased number of offenders being brought to justice by these officers .

[Read more](#)



Questions for committee's consideration

Do you know your Force allocation and if your Force has recruited to the respective target?

Do you have assurance the Force processes in relation to recruitment, onboarding, equipment and training are efficient and effective?

Firearms licensing

The Home Office has published new guidance on firearms licensing which will require any applicant to provide details of their medical history to the police. Applicants for a firearms licence may also be subjected to social media checks and officers will be able to interview their friends or family, or any other relevant individuals .

[Read more](#)

Questions for committee's consideration

Has your Force updated its procedures and how are you getting assurance that Firearms licensing arrangements are robust?



Police and Fire

Cyber and information security

The National Audit Office (NAO) has published a guide to support audit committees to work through the complexity of cyber security. The NAO notes that audit committees should be scrutinising cyber security arrangements. To support this, the NAO's guide complements government advice by setting out high-level questions and issues for audit committees to consider. Audit committees should gain the appropriate assurance for the critical management and control of cyber security and information risk .

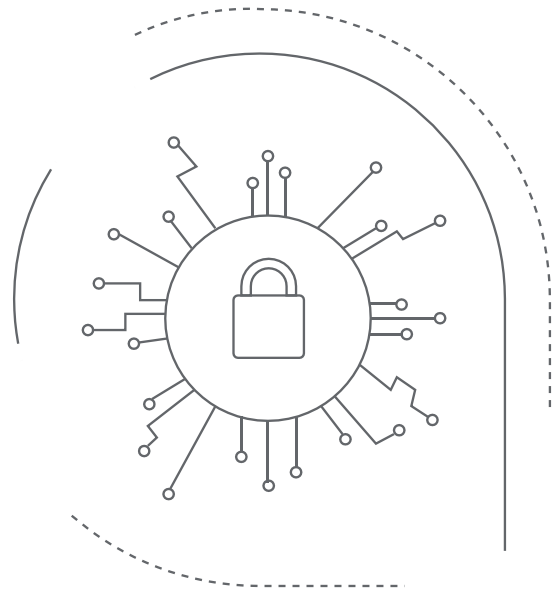
The guide provides a checklist of questions and issues covering:

- the overall approach to cyber security and risk management;
- capability needed to manage cyber security; and
- specific aspects, such as information risk management, engagement and training, asset management, architecture and configuration, vulnerability management, identity and access management, data security, logging and monitoring and incident management.

Questions include:

1. 'Has the organisation implemented a formal regime or structured approach to cyber security which guides its activities and expenditure?';
2. 'How has management decided what level of risk it will tolerate and how it will manage that risk?';
3. 'Does the organisation understand if its risk profile and appetite has changed due to coronavirus?'; and
4. 'Has the organisation identified and deployed the capability it needs in this area?.'

[Read more](#)



Questions for committee's consideration

Has the AC received recent assurance and do they get ongoing assurance in relation to cyber and information security?



ESG (Environmental, Social and Governance)

ESG is poised to be the defining business matter of the decade. With investors, employees, customers and business partners all demanding responsible business activity, organisations cannot ignore how important sustainable and ethical business now is globally.

In a survey conducted by RSM, over 400 middle market business leaders shared how they interact with ESG issues. 56 per cent of businesses are familiar with the concept of ESG. Commissioners, Forces and Fire Authorities need to pay attention to these important pillars of ESG, as being proactive on the social and governance considerations offers great value to organisations. Whilst the survey was aimed at middle market businesses, ESG is becoming an increasingly significant topic across all organisations and businesses whether that is the corporate, public and not for profit sectors.

Read our findings on [The Real Economy hub](#).

RSM's new Associate Director leading on ESG matters



Paul Callum Associate Director – Risk Advisory
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Former senior Police officer, Paul is a highly trained detective (with 30 years Policing experience) and critical incident manager with specialist knowledge of complex investigations into organised crime, business human rights and modern slavery, safeguarding and protective security. Paul provided risk management advice to businesses, on a range of subject matters, with a particular focus on the range of societal risks now being experienced by organisations and how responsible business principles can be applied to make for a more sustainable business, no matter what size or sector. Paul's approach to looks beyond compliance and he is well placed to assist our Police and Fire clients. RSM have recently launched an ESG maturity assessment, and we can provide more



Fire

Protection Fire Standard

The Fire Standards Board has published the Protection Fire Standard which aims to bring a consistent national approach by fire and rescue services to deliver effective and efficient fire protection activities within their local communities. The desired outcome of the Protection Fire Standard is that it will enable a fire and rescue service to improve the safety of the built environment and wellbeing of its community, complying with its statutory responsibilities. It aims to enable a fire and rescue service to target its resources, using data and intelligence to proactively plan, respond and adapt to the changing needs of its community. Additionally, the Standard aims to evoke a learning and sharing culture among fire and rescue services, to improve and innovate Fire Protection activities and work collaboratively with other regulators, partners and stakeholders.

Alongside the publication of the Protection Fire Standard is the launch of a Fire Standards Implementation Tool. The tool has been designed to support services in assessing how well they meet the Standard and will enable them to build an action plan to resolve areas where there may be gaps.

The Fire Standards Board has also launched a [consultation](#) on the Fire Standard for Fire Investigation. This further Fire Standard will accompany the other eight Fire Standards currently in place. The consultation closes on 6 December 2021 .

[Read more](#)

Questions for committee's consideration

Is the committee assured that the Service is working to implement the requirements of the new standard?

Has your Service / Authority responded to the consultation?

National co-ordination and advisory framework

The revised national coordination and advisory framework (NCAF) for the fire service in England has been reviewed and published. It reflects a number of changes including:

- changes to the National Fire Chiefs Council (NFCC) Chair;
- changes to the Home Office department responsible for Fire Resilience;
- learning from national scale incidents from recent years;
- coronavirus learning; and
- role of the National Strategic Advisory Team (NSAT).

[Read more](#)



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EXTERNAL QUALITY
ASSESSMENT
OUTCOMES

RSM'S CONFORMANCE WITH THE IIA STANDARDS AND CODES OF PRACTICE

RSM UK Risk Assurance Services LLP

January 2022

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

Page 13



RSM'S CONFORMANCE WITH THE IIA STANDARDS AND CODES OF PRACTICE

RSM UK Risk Assurance Services LLP commissioned an external quality assessment (EQA) of its internal audit services in 2021. An EQA is required every five years, in line with the requirements of the International Professional Practices Framework (IPPF) and the Standards set by the Global Institute of Internal Auditors (IIA). Our independent EQA reviewed our conformance with the IPPF Standards, the Public Sector Internal Audit Standards (PSIAS), Internal Audit Code of Practice on effective internal audit in the Private and Third sectors, and the Internal Audit Financial Services Code of Practice. We provide below our summary of the results for your information.

Review approach

Our independent EQA assessor, Grant Thornton has utilised its established assessment framework to review RSM's internal audit services in relation to vision and strategy, planning and prioritisation, people and culture, working practices, tools, quality and deliverables, and role and mandate.

Our EQA involved a review of a sample of 10 audit files and audit reports shared with audit committees as well as a review of our working papers. Our own internal audit methodology has been reviewed against both the Standards and Codes of Practice.

The review process also involved interviewing RSM partners, directors and managers, and to gather client views, our independent assessor set up and ran a client survey, enabling broader reach and to obtain input from a larger pool of organisations we work with. Thank you to everyone that took the time to share their thoughts and insights.

Key strengths observed in our EQA

From the assessment, the following key strengths were noted.

- A well developed methodology with good conformance with standards, supported by manuals and policies, which is 'well understood and applied consistently' across clients and regions. 'Audit engagements follow a clear structure, are well executed with adequate supervision.'
- 'Audit strategy, charter and plans are well developed for each client.'
- 'The audit reports reviewed were clear, concise and well written for the needs of RSM IA's clients.'
- 'RSM IA provides useful, value add thought leadership and benchmarking for its clients.'
- 'There is a strong focus in RSM IA on training and capability, resulting in good levels of competence and technical knowledge, supported by Subject Matter Experts and the Technical Team.'

EQA outcomes



We are pleased to confirm that based on the work undertaken and the sample of files reviewed by our independent EQA assessor, RSM UK Risk Assurance Services LLP 'generally conforms to the requirements of the IIA Standards' and that 'RSM IA also generally conforms with the other Professional Standards set out above and the IIA Code of Ethics. There were no instances of non-conformance with any of the Professional Standards.'

The rating of 'generally conforms' is the highest rating that can be achieved, in line with the IIA's EQA assessment model.

RSM'S CONFORMANCE WITH THE IIA STANDARDS AND CODES OF PRACTICE

Survey outcomes

In total 160 surveys were shared with a representative cross section of our clients, in terms of sector and region. 67 responses to the survey were received from public and third sector organisations, corporate businesses and financial services clients.

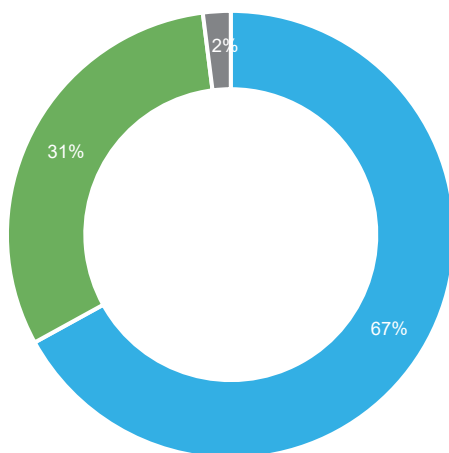
We very much value the feedback received from our survey participants. We are committed to providing an excellent client service and from both the survey feedback and overall EQA outcomes, the 'areas identified for improvement from the EQA will be taken forward as part of a continuous improvement plan.'

Overall, the responses to the survey were very positive, with 91 per cent either agreeing or agreeing strongly with the survey questions.

EQA survey results

RSM builds strong relationships with our organisation so that audit work is aligned to our key risks, strategy and priorities.

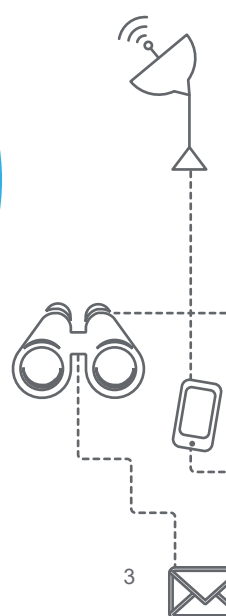
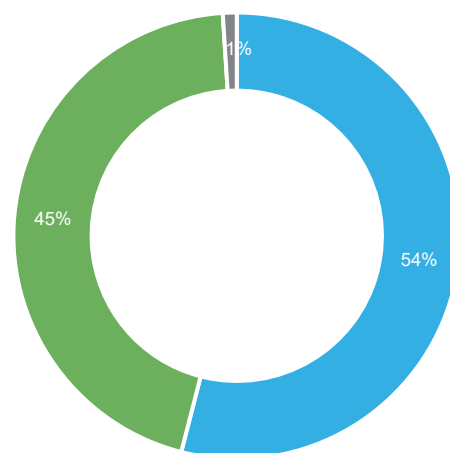
■ Strongly agree ■ Agree ■ Neither agree or disagree



High level survey findings

- Internal audit's role is well-understood, with 'teams well respected for their audit expertise, collaborative approach and sector guidance provided.'
- 'IA teams show a good understanding of client needs and sector requirements', with audits focussed on the right areas.
- 'Audit planning and prioritisation is seen as collaborative', with audit work carried out efficiently and to a good standard.
- The internal audit team has been 'very proactive and flexible' in how it has responded to the challenges of auditing during the pandemic.
- Audit reports reviewed were well written and the style and format clear and concise.

RSM audit work helps improve our control environment to support organisation objectives, governance or regulatory compliance and external requirements.

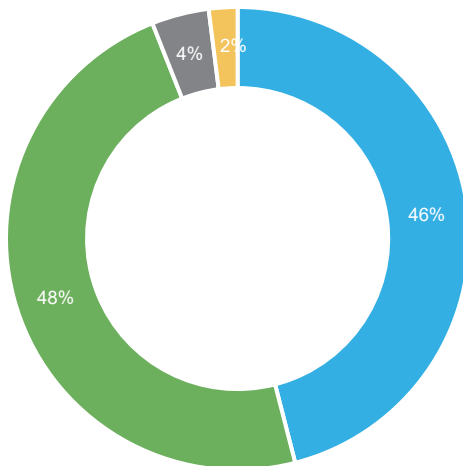


RSM'S CONFORMANCE WITH THE IIA STANDARDS AND CODES OF PRACTICE

EQA survey results continued

The risk assessment activity helps to focus the audit plan on the key risks and priorities for our organisation and takes account of our risk appetite.

- Strongly agree
- Agree
- Neither agree or disagree
- Not applicable or I can't judge



Client survey quotes:

'RSM provide an efficient and effective internal audit service, and make a contribution which is highly valued.'

'RSM staff have a real breadth of experience which they can tap into to provide advice, guidance and best practice.'

'RSM meets all requirements of a professionally run internal audit team.'

What does this mean for our clients?

You can be assured that your internal audit services continue to conform with internationally recognised Standards and the Codes of Practices. The internal audit services you receive follow an established and embedded methodology, that facilitates audit work that is both effective and responsive to you, as our clients', assurance needs.

RSM UK Risk Assurance Services LLP is pleased to confirm the outcomes of our EQA. If you require any further information, please contact your RSM client manager or engagement partner.



FOR FURTHER INFORMATION CONTACT

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**MINUTES OF AUDIT AND STANDARDS COMMITTEE
INFORMAL MEETING HELD ON 2 DECEMBER 2021 AT 10AM**

Present: Councillors C Atkins (Chair), R Berry, J Burnett, P Duckett, D Franks, J Gambold and I Shingler
Councillor J Chatterley was present as an observer
Mr J Atkinson, ACO G Chambers and Mr S Frank
Ms S Rowlett, RSM

Please note: any decisions made by the Committee at this meeting need to be ratified by the Fire and Rescue Authority to take effect as the meeting was held informally.

21-22/ASC/29 Apologies

29.1 The Assistant Chief Officer and Treasurer advised that Mr N Harris from Ernst & Young was unable to attend the meeting.

21-22/ASC/30 Declarations of Disclosable Pecuniary and Other Interests

30.1 There were no declarations of interest.

21-22/ASC/31 Communications

- 31.1 The Committee received a communication from RSM regarding the change to its trading name from 'RSM Risk Assurance Services LLP' to 'RSM UK Risk Assurance Services LLP' as of 1 November 2021 to bring it in to line with other RSM Global member firms.
- 31.2 The Assistant Chief Officer and Treasurer reported on an invitation to opt into the Public Sector Audit Appointments (PSAA) scheme for the appointment of external auditors for a five year period commencing from 1 April 2023.

31.3 Members were reminded that the current external auditors Ernst & Young had been appointed by PSAA. During the audit of the 2019/20 Statement of Accounts, Ernst & Young had charged an additional fee of £33,484 which had not been accepted by the Authority and had accordingly been referred to the PSAA for consideration. PSAA had recently agreed that a fee of £13,300 was justified, therefore saving the Authority in the region of £20,000. Therefore, it was considered prudent to remain in the scheme.

RESOLVED:

1. That the communication from RSM be received.
2. That the Authority be recommended to accept the invitation from Public Sector Audit Appointments to opt into the sector-led option for the appointment of external auditors to principal local government and police bodies for five financial years from 1 April 2023.

21-22/ASC/32 Minutes

RESOLVED:

That the Minutes of the meeting held on 21 September 2021 be confirmed as a true record.

21-22/ASC/33 Public Participation

33.1 There were no members of the public present.

21-22/ASC/34 Internal Audit Progress Report

34.1 Ms S Rowlett of RSM introduced the report on progress made against the internal audit plan for 2021/22. Two areas of work were currently in progress: Debrief and Organisational Learning, which was in the quality assurance phase, and Key Financial Controls, for which the fieldwork would soon be completed. The results of this work would be submitted to a future meeting of the Committee.

34.2 The review of Risk Management had been postponed from November 2021 to March 2022 to enable new processes to be embedded.

34.3 The Committee received the Executive Summary of the HR Wellbeing audit. The audit had identified five medium priority actions as set out in the report.

34.4 In response to a question, Ms S Rowlett expressed the view that the Service was on a journey of improvement in relation to wellbeing and, in light of the COVID pandemic and the corresponding reprioritisation of resources, this did not vary significantly from the position of other organisations audited by RSM.

34.5 Ms Rowlett advised that she had now been appointed as the Head of Internal Audit for the Service, with Mr D Harris acting in a more senior advisory capacity. She would be assisted by Ms L Davies as audit manager.

RESOLVED:

That the report be received.

21-22/ASC/35 Review of the Effectiveness of the Fire and Rescue Authority's Internal Auditors

- 35.1 The Assistant Chief Officer and Treasurer introduced his report which asked the Committee to consider the effectiveness of the Fire and Rescue Authority's Internal Audit arrangements. This arose from a recommendation from the former Human Resources Policy and Challenge Group on 28 June 2018 to review the effectiveness of both internal and external audit.
- 35.2 The Assistant Chief Officer reported that RSM conformed with the Global Institute of Internal Auditors (IIA) International Professional Practice Framework (IPF). In doing so, internal audit services were required to have an External Quality Assessment (EQA) every five years. RSM was in the process of having its current assessment. The Service had received a survey and would contribute to the process.
- 35.3 RSM provided the Service with an Internal Audit Charter every year, as it formed part of the Internal Audit Strategy and was a requirement of the Public Sector Internal Audit Standards.
- 35.4 Neither the Assistant Chief Officer nor RSM had any issues of concern to bring to the attention of the Committee in relation to the effectiveness of the internal audit arrangements.
- 35.5 Ms S Rowlett confirmed that the External Quality Assessment was in its final stages and would be presented to the Committee at its next meeting.
- 35.6 Councillor Franks asked for greater detail as to the process for assessing the RAG ratings as set out in the Internal Audit Strategy by the Service's Corporate Management Team and Internal Audit and it was noted that this would be provided to the Committee at its next meeting.

RESOLVED:

That the report be received and the effectiveness of the Fire and Rescue Authority's Internal Audit arrangements be confirmed.

21-22/ASC/36 Internal Audit Actions Update

- 36.1 Mr S Frank, the Head of Strategic Support and Assurance, submitted a summary of actions arising from internal audit reports over the last three financial years to date and from the current Annual Governance Statement; together with any exception report on those actions currently in progress, progress to date on current action plans, proposals to extend the original timing for completion and those that have been completed since the last meeting.

- 36.2 The Committee was advised that there were a total of 8 High Priority, 57 Medium Priority and 38 Low Priority actions that had been agreed over the reporting period, of which, there were no High, 4 Medium and 1 Low Priority actions still in progress.
- 36.3 Although significant progress had been made, there were actions arising from the Procurement follow up audit relating to the quarterly procurement reporting and annual summary reporting to the Service's Corporate Management Team for which extension requests were being sought. This was due to the post of Procurement Manager being vacant between March and August 2021. The proposed revised timescales were for the quarterly procurement reporting to commence from January 2022 and an annual report to be presented to Corporate Management Team in April 2022.
- 36.4 In response to a question about the RAG status of actions arising from the Asset Management – Asset Tracking audit, the Assistant Chief Officer and Treasurer advised that the major issue affecting this area was resourcing and that during the pandemic period, resources had been diverted from project work to ensure that operational requirements could be met. This issue also affected actions relating to fleet.

RESOLVED:

That progress made to date against action plans be acknowledged and the extension requests relating to the Procurement follow up audit be approved.

21-22/ASC/37 Review of 'Monitored policies'

- 37.1 The Assistant Chief Officer and Treasurer reported on the review of the policies on Protected Reporting (Whistleblowing), Anti-Fraud, Bribery and Corruption Policy incorporating the National Fraud Initiative (NFI), Use of Regulation of Investigatory Powers Act 2000 (RIPA) and the Authority's Complaints and Compliments process.
- 37.2 The Committee was provided with an update regarding the Protected Reporting (Whistleblowing) Policy. An anonymous letter had been received and the Monitoring Officer dealt with the matter in accordance with the Policy.
- 37.3 There had been no cases of suspected fraud reported under the Anti-Fraud, Bribery and Corruption Policy, no cases identified under the National Fraud Initiative matching process and no applications for use of directed surveillance during the reporting period.
- 37.4 Information on compliments and complaints recorded in 2020/21 and 2021/22 (to 31 October 2021) were included as appendices to the report.

RESOLVED:

That the arrangements in place for the review of the 'monitored policies' be noted.

21-22/ASC/38 Report on Registration of Interests and Gifts/Hospitality

38.1 The Monitoring Officer presented his annual report on the registration of interests and gifts/hospitality by Members and Officers during the past year. There had been one entry made in the gifts and hospitality register during the reporting period.

RESOLVED:

That the contents of the report be noted.

21-22/ASC/39 Corporate Risk Register - Exception Report

- 39.1 The Head of Strategic Support and Assurance presented a report which provided an update on the continued evolution of the Service's Corporate Risk Register following the introduction of a new Business Management Information System (BMIS). Members were being asked for their views on the aims underpinning risk management in the Service, which were as follows: protect the assets of the Service; ensure service continuity; and facilitate innovation and opportunity.
- 39.2 The Service had retained its eight high-level corporate risks with a separate COVID-19 risk register. The risks were underpinned by a number of control measures and the RAG ratings given to risks were assessed by considering both the likelihood and the impact. At the time of reporting, one risk was identified as very high, two as high and five as moderate.
- 39.3 The new Business Management Information System represented a step change in accountability, efficiency, clear audit trails, linkages, live updates and integration. All risk owners had undertaken update training on the new system. It was suggested that Members receive a demonstration of the new system and this was supported by Members of the Committee.
- 39.4 The Head of Strategic Support and Assurance provided a brief update on the mitigating actions taken in respect of the corporate risks and it was noted that the Committee would be receiving the full Risk Register at its next meeting.
- 39.5 In discussing the current aims, Members recognised that the Service's workforce was its most important asset. It was agreed that the aims would require more careful consideration and therefore this would be discussed in greater detail at the Committee's next meeting, with any suggestions in the interim to be directed to the Head of Strategic Support and Assurance or the Assistant Chief Officer and Treasurer.

RESOLVED:

1. That the effective development and application of the Corporate Risk Register be noted.
2. That the aims for Risk Management be considered in more detail at the Committee's next meeting to ensure that they were still relevant.
3. That Members receive a presentation on Corporate Risk to include a demonstration of the new Business Management Information System (BMIS) that went live on 1 November 2021.

21-22/ASC/40 Work Programme 2021/22

40.1 The Committee considered the proposed work programme for 2021/22.

40.2 Ms S Rowlett commented that the Internal Audit Strategy to be submitted to the next meeting of the Committee covered the period 2022/23 -2024/25.

40.3 The Assistant Chief Officer and Treasurer suggested that a further review of the Service's Protected Reporting (Whistleblowing) Policy be undertaken arising from matters discussed with the Monitoring Officer and that an updated version be submitted to the next meeting of the Committee for approval.

RESOLVED:

1. That the Committee's Work Programme for 2021/22 be received.
2. That an item on the review of the Protected Reporting (Whistleblowing) Policy be added to the work programme for the Committee's next meeting on 3 March 2022 and that it be noted that the Internal Audit Strategy to be considered at that meeting covered the period 2022/23- 2024/25.

The meeting ended at 11.06 am

REPORT AUTHOR: ASSISTANT CHIEF OFFICER/FRA TREASURER

SUBJECT: AUDIT RESULTS REPORT AND FEES (RESULTS OF 2020/21 AUDIT INCLUDING ANY MATTERS OUTSTANDING)

For further information on this report contact: Nicky Upton
Service Assurance Manager
Tel No: 01234 845000

Background Papers: None

PURPOSE:

To receive and consider the Audit Results Report and Fees received from Ernst & Young, the Fire and Rescue Authority's external auditor.

RECOMMENDATION:

That Members consider the submitted Audit Results Report and Fees for the year ended 31 March 2021.

1. Introduction

- 1.1 The submitted Audit Results Report and Fees for the year ended 31 March 2021 communicates the key issues following completion of the audit procedures carried out by Ernst & Young.

GAVIN CHAMBERS
ASSISTANT CHIEF OFFICER / FRA TREASURER

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**Bedfordshire Fire & Rescue
Authority
Audit results report**

Year ended 31 March 2021

February 2022

16 February 2022



Bedfordshire Fire and Rescue Authority

Dear Audit & Standards Committee members

Audit Results Report

We are pleased to attach our Audit Results Report, summarising the status of our audit for the forthcoming meeting of the Audit & Standards Committee. We will update the Audit & Standards Committee at its meeting scheduled for 3 March 2022 on further progress to that date and explain the remaining steps to the issue of our final opinion. The list of outstanding matters to conclude on our audit is shown at Appendix C.

Our responsibilities are to report to those charged with governance who are the Audit & Standards Committee which consider our audit results report on behalf of the Fire Authority and make appropriate recommendations to the statutory officers on the results of our audit and on the authorisation of the financial statements

The audit is designed to express an opinion on the 2020/21 financial statements and address current statutory and regulatory requirements. This report contains our findings related to the areas of audit emphasis, our views on Bedfordshire Fire and Rescue Authority's accounting policies and judgements and material internal control findings. Each year sees further enhancements to the level of audit challenge and the quality of evidence required to achieve the robust professional scepticism that society expects. We thank the management team for supporting this process. We have also included an update on our work on value for money arrangements.

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

We welcome the opportunity to discuss the contents of this report with you at the Audit & Standards Committee meeting on 3 March 2022.

Yours faithfully

Neil Harris
Associate Partner

For and on behalf of Ernst & Young LLP

Encl

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01 Executive Summary

02 Areas of Audit Focus

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05 Value for Money

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Public Sector Audit Appointments Ltd (PSAA) issued the "Statement of responsibilities of auditors and audited bodies". It is available from the PSAA website (<https://www.psa.co.uk/audit-quality/statement-of-responsibilities/>). 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 and further guidance (updated April 2018)" 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 & Standards Committee and 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 & Standards Committee, and management of Bedfordshire Fire and Rescue Authority 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 & Standards Committee and management 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.



01 Executive Summary

Executive Summary

Scope Update

In our Audit Planning Report presented at the 22 July 2021 Audit & Standards Committee, we provided you with an overview of our audit scope and approach for the audit of the financial statements. We carried out our audit in accordance with this Plan, with the following exception:

- ▶ **Changes in materiality:** We updated our planning materiality assessment using the draft financial statements. Based on our materiality measure of gross revenue expenditure, our overall materiality assessment increased to £0.816 million (Audit Planning Report – £0.727 million). This resulted in updated performance materiality, at 75% of overall materiality, of £0.612 million, and an updated threshold for reporting misstatements of £0.041 million.
- ▶ **Change in risk rating:** We reduced the significant risk relating to Property plant & equipment (PPE) to a higher inherent risk as the majority of the asset population is valued at Depreciated Replacement Cost (DRC) which is not impacted by market changes. Furthermore, the population consists largely of fire stations and related training facilities which have remained stable.
- ▶ **Additional audit procedures as a result of Covid-19:** We identified additional procedures that did not result in an additional risk, but had the following impact on our audit strategy in respect of:
 - Information Produced by the Entity (IPE).** We identified an increased risk around the completeness, accuracy, and appropriateness of information produced by the entity due to the inability of the audit team to verify original documents or re-run reports on-site from the Authority's systems. We undertook the following to address this risk:
 - ▶ Used the screen sharing function of Microsoft Teams to evidence re-running of reports used to generate the IPE we audited; and
 - ▶ Agreed IPE to scanned documents or other system screenshots.
- ▶ **Changes to reporting timescales:** As a result of Covid-19, new regulations, the Accounts and Audit (Amendment) Regulations 2021 No 263, were published and came into force on 31 March 2021. This announced a change to publication date for final, approved financial statements from 31 July to 30 September 2021 for all relevant authorities.

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Status of the audit

Our audit work in respect of the Authority's opinion is substantially complete. Details of each outstanding item, actions required to resolve and respective responsibilities are included in Appendix C.

Given that the audit process is still ongoing, we will continue to challenge the remaining evidence in review and the final disclosures in the Narrative Report and Accounts which could influence our final audit opinion.

Audit differences

We will agree the final schedule of audit adjustments with management prior to issuing our audit opinion. To date, we have identified immaterial disclosure differences in the draft financial statements which we will discuss with management to determine whether they will adjust or not. These differences are not significant enough to draw to your attention. As the audit is not yet fully complete, further differences may be identified in relation to the outstanding areas noted above. Refer to section 04 for more details on one audit difference on the Authority's share of pensions asset which is above our reporting threshold. We bring this to your attention. An update will be provided to the Committee on any new differences identified subsequent to the release of this report which are material in nature.



Executive Summary

Auditor responsibilities under the new Code of Audit Practice 2020

Under the Code of Audit Practice 2020, we are still required to consider whether the Authority has put in place 'proper arrangements' to secure economy, efficiency and effectiveness on its use of resources. The 2020 Code requires the auditor to design their work to provide them with sufficient assurance to enable them to report to the Authority a commentary against specified reporting criteria (see below) on the arrangements the Authority has in place to secure value for money through economic, efficient and effective use of its resources for the relevant period.

The specified reporting criteria are:

- **Financial sustainability:**
How the Authority plans and manages its resources to ensure it can continue to deliver its services;
- **Governance:**
How the Authority ensures that it makes informed decisions and properly manages its risks; and
- **Improving economy, efficiency and effectiveness:**
How the Authority uses information about its costs and performance to improve the way it manages and delivers its services.

Status of the audit - Value for Money

In the Audit Plan to the Audit & Standards Committee, we reported that we had completed our value for money (VFM) risk assessment and not identified any risk of significant weakness against the three reporting criteria we are required to consider under the NAO's 2020 Code. We have revisited our assessment on completion of the audit of the financial statements and remain satisfied that we have not identified a risk of significant weakness. The documentation of our judgements is subject to final quality review procedures. Subject to this, we have substantially completed our VFM procedures and have no matters to report by exception in the auditor's report (see Section 03). We plan to issue the VFM commentary by the end of April 2022 as part of issuing the Auditor's Annual Report.

Other reporting issues

We have reviewed the information presented in the Annual Governance Statement for consistency with our knowledge of the Authority. We have no matters to report as a result of this work.

We have not yet been able to perform the procedures required by the National Audit Office (NAO) on the Whole of Government Accounts (WGA) submission. This is because HM Treasury (HMT) are continuing to review the online 2020/21 WGA Data Collection Tool (DCT) and update the guidance that is available for preparers. Based on the last available update the DCT and guidance is not expected to be available before the Audit & Standards Committee. Therefore the 2020/21 WGA component instructions will not be available for auditors to consider until after the Audit & Standards Committee. Group Audit Instructions and the timetable for 2020/21 will necessarily follow any changes HMT make to the DCT and process. We are not able to issue our certificate until the Group Audit Instructions are issued, and we have completed any work required.

We have no other matters to report.

Executive Summary

Areas of audit focus

In our Audit Planning Report we identified a number of key areas of focus for our audit of the financial report of Bedfordshire Fire and Rescue Authority. This report sets out our observations and status in relation to these areas, including our views on areas which might be conservative and areas where there is potential risk and exposure. Our consideration of these matters and others identified during the period is summarised within the "Areas of Audit Focus" section of this report.

Fraud Risk	Findings & Conclusions
Misstatements due to fraud or error	We have not identified any evidence that management has overridden controls in order to prepare fraudulent financial statement balances or postings within the financial statements from the work completed to date.
Inherent risks	Findings & Conclusions
Valuation of other land and buildings	Our work in this area is not yet complete, but based on the work undertaken to date we have not identified any errors.
Pension liability valuation	We tested the Authority's pension liability valuation and assessed the work of the Authority's actuary, Barnet Waddingham LLP (LGPS) and Government Actuary's Department (GAD) for FFPS (Pension Funds Actuary). Our work is not yet complete, but based on the work undertaken to date we have not identified any errors. Our matters to report to date are included in Section 2.
Going concern disclosures	Our work in this area is in progress, but based on the work undertaken to date we are satisfied that the Authority's use of the going concern assumption is appropriate.

We request that you review these and other matters set out in this report to ensure:

- ▶ There are no residual further considerations or matters that could impact these issues
- ▶ You concur with the resolution of the issue
- ▶ There are no further significant issues you are aware of to be considered before the financial report is finalised

There are no matters, other than those reported by management or disclosed in this report, which we believe should be brought to the attention of the Audit & Standards Committee or Management.



02 Areas of Audit Focus



Areas of Audit Focus

Significant risk

Misstatements due to fraud or error

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 did we do?

In response to this risk, we:

- Inquired of management about risks of fraud and the controls put in place to address those risks.
- Understood the oversight given by those charged with governance of management's processes over fraud.
- Considered the effectiveness of management's controls designed to address the risk of fraud.
- Determined an appropriate strategy to address those identified risks of fraud which is reflected in the significant risks documented on this file.
- Performing mandatory procedures regardless of specifically identified fraud risks, including:
 - Testing journals at year-end to ensure there are no unexpected or unusual postings. This included searching for inappropriate journals posted by senior officers; journals with certain narrative descriptions which may allude to override; journals that do not balance to nil; and material journals posted at year end. We were satisfied that those journals tested did not contain evidence of management override.
 - Undertaking a detailed review of accounting estimates for evidence of bias (such as the valuation of land and buildings valuation, and the pension liability) and substantively testing unusual or unexpected transactions. No evidence of override was identified, and no unusual transaction have been identified from work completed to date.

What judgements are we focused on?

We focused on aspects of the financial statements which are open to estimation and judgment, which would facilitate management overriding controls:

- ▶ Journal entries subject to specific narrative descriptors, posted at certain times of the financial year or by certain individuals, and journals which exceed certain values;
- ▶ Material accounting estimates, such as the valuation of land and buildings, and pensions liability; and
- ▶ Unusual transactions anywhere in the financial statements.

What are our conclusions?

Our audit work has not identified any material issues, inappropriate judgements or unusual transactions which indicated that there had been any misreporting of the Authority's financial position, or that management had overridden control.

We have completed our journals testing. We are satisfied that journal entries had been posted properly and for genuine business reasons.

We have reviewed material estimates. Our work in these areas resulted in amendment to the financial statements, but we did not identify any indication of fraud.

There were no unusual transactions identified.



Areas of Audit Focus

Our response to areas of audit focus



Further details on procedures/work performed

What is the risk/area of focus?

Valuation of Land and buildings

The value of other land and buildings in PPE represent significant balances in the Authority's accounts and are subject to valuation changes and impairment reviews. Management is required to make material judgemental inputs and apply estimation techniques are required to calculate these balances held in the balance sheet.

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

At 31 March 2021, the value of Land and buildings in PPE was £47.51 million; (2019/20: £38.99 million)

What did we do?

We:

- ▶ Considered the work performed by the Authority's external valuer, and confirmed that the scope of the work performed is adequate, they had the appropriate professional capabilities to complete the work and the results of their work is in line with our expectations.
- ▶ Challenged the assumptions used by the Authority's valuer by reference to external evidence and our EY valuation specialists guidance. This included considering significant or unusual movements in valuation. Additional work has been completed in this area, including detailed review of a sample of two assets by our own valuer.
- ▶ Sample tested key asset information used by the valuer in performing their valuation (e.g. building areas to support valuations based on price per square metre).
- ▶ Reviewed assets not subject to valuation in 2020/21 to confirm that the remaining asset base is not materially misstated;
- ▶ Confirmed the valuation was completed on up-to-date information regarding each asset such that any specific changes to assets that have occurred in year had been communicated to the valuer.
- ▶ Reviewed and challenged where necessary any changes to useful economic lives as a result of the most recent valuation.
- ▶ Tested the accounting entries posted via journal to ensure they have been correctly processed in the financial statements.

What are our findings and conclusion?

Our work in this area is in progress as we are still testing the samples selected. Once we have complete this work we will update the Audit & Standards Committee if any issues arise as a result of the completion of this work.



Areas of Audit Focus

Our response to areas of audit focus



Further details on procedures/work performed

What is the risk/area of focus?

Pension liability valuation

The Local Authority Accounting Code of Practice and IAS19 require the Authority to make extensive disclosures within its financial statements regarding its membership of the Local Government Pension Scheme administered by the Northamptonshire Pension Fund.

The Authority's pension fund deficit is a material estimated balance and the Code requires that this liability be disclosed on the Authority's balance sheet. The information disclosed is based on the IAS 19 report issued to the Authority by the actuary. Accounting for this scheme involves significant estimation and judgement and therefore management engages an actuary to undertake the calculations on their behalf. ISAs (UK) 500 and 540 require us to undertake procedures on the use of management experts and the assumptions underlying fair value estimates.

What did we do?

We:

- ▶ Liaised with the auditors of Bedfordshire Pension Fund to obtain assurances over the information supplied to the actuary in relation to the Authority and were satisfied they had been properly prepared and therefore represented a sound base for the actuaries work;
- ▶ Assessed the work of the LGPS pension fund actuary and the Firefighters pension fund actuary, including the assumptions they have used by relying on the work of PWC - Consulting Actuaries commissioned by the National Audit Office for all local government sector auditors, and considered reviews by the EY actuarial team; and
- ▶ Reviewed and tested the accounting entries and disclosures made within the Authority's financial statements in relation to IAS19.

What are our findings and conclusion?

One issue has arisen across all local government audits that needs to be resolved prior to us being able to fully conclude our work in relation to the impact of the new auditing standard on accounting estimates. We planned to take an audit approach to this estimate based on the procedures to evaluate management's process. The new auditing standard requires auditors to test the method of measurement of accounting estimates to determine whether the model is appropriately designed, consistently applied and mathematically accurate, and that the integrity of the assumptions and the data has been maintained in applying the model. Neither we, nor PWC as consulting actuaries commissioned by the NAO for all local government sector audits, are able to access the detailed models of the actuaries in order to evidence these requirements. Therefore, we have been required to modify our planned approach and undertake alternate procedures to create an auditor's estimate, to provide a different method of gaining assurance. We engaged our internal Pension specialist to undertake additional audit procedures in responses to the updated ISA540 regarding accounting estimates and did not identify any material differences on the roll-forward of the liabilities.

We also obtained the assurance report from the Northamptonshire Pension Fund Auditor and noted that there were differences relating to the Authority's share of an understatement of level 3 investment assets, largely due to differences between estimated and actual figures. Refer to section 04.

As our work in this area is in progress, we will update the Audit & Standards Committee if any issues arise as a result of the completion of this work.



Areas of Audit Focus

Our response to areas of audit focus



Further details on procedures/work performed

What is the risk/area of focus?

Going concern disclosures

There is a presumption that the Authority will continue as a going concern for the foreseeable future. However, the Authority is required to carry out a going concern assessment that is proportionate to the risks it faces. In light of the continued impact of Covid-19 there is a need for the Authority to ensure its going concern assessment, including its cashflow forecast, is robust and appropriately comprehensive.

The Authority is also required to ensure that its going concern disclosure within the statement of accounts adequately reflects its going concern assessment and in particular highlights any uncertainties it has identified. In addition, the auditing standard in relation to going concern (ISA570) has been revised with effect for the 2020/21 accounts audit.

What did we do?

We:

- ▶ Challenged management’s identification of events or conditions impacting going concern.
- ▶ Tested management’s resulting assessment of going concern by evaluating supporting evidence (including consideration of the risk of management bias).
- ▶ Reviewed the Authority’s cashflow forecast covering the foreseeable future, to ensure that it has sufficient liquidity to continue to operate as a going concern including an assessment of any underlying need to borrow.
- ▶ Undertook a ‘stand back’ review to consider all of the evidence obtained, whether corroborative or contradictory, to allow us to draw our conclusions on going concern.
- ▶ Challenged the disclosure made in the accounts in respect of going concern and any material uncertainties.

What are our findings and conclusion?

Our work in this area is in progress. Based on the work undertaken to date, we are satisfied that the Authority’s use of the going concern assumption is appropriate and that the Authority has access to sufficient working capital to support its operations for a period of at least 12 months from the date of our audit report.

We are reviewing the Authority’s disclosures within the financial statements and will update the Audit & Standards Committee if any issues arise as a result of the completion of this work.



03 Audit Report



Audit Report

Draft audit report

DRAFT INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BEDFORDSHIRE FIRE & RESCUE AUTHORITY

Our opinion on the financial statements

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BEDFORDSHIRE FIRE & RESCUE AUTHORITY - DRAFT

Opinion

We have audited the financial statements of Bedfordshire Fire and Rescue Authority for the year ended 31 March 2021 under the Local Audit and Accountability Act 2014. The financial statements comprise the:

- Comprehensive Income and Expenditure Statement;
- Balance Sheet;
- Movement in Reserves Statement;
- Cash Flow Statement;
- Related notes to the Financial Statements 1 to 31; and
- The firefighters' pension fund financial statements comprising the Pension Fund Account, the Net Assets Statement and related notes 1 to 7.

The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21.

In our opinion the financial statements:

- ▶ give a true and fair view of the financial position of Bedfordshire Fire and Rescue Authority as at 31 March 2021 and of its expenditure and income for the year then ended; and
- ▶ have been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the Authority in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and the Comptroller and Auditor General's AGNO1, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Chief Finance Officer use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the authority's ability to continue as a going concern for a period of 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Chief Finance Officer with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the authority's ability to continue as a going concern.



Draft Audit Report

Our opinion on the financial statements

Other information

The other information comprises the information included in the Narrative Statement and Treasurers Report set out on pages 4 to 15, other than the financial statements and our auditor's report thereon. Chief Finance Officer is responsible for the other information contained within the Accounts for the year 2020/21.

The Authority is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we report by exception

We report to you if:

- ▶ in our opinion the annual governance statement is misleading or inconsistent with other information forthcoming from the audit or our knowledge of the Authority;
- ▶ we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014;
- ▶ we make written recommendations to the audited body under Section 24 of the Local Audit and Accountability Act 2014;
- ▶ we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014;
- ▶ we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014;
- ▶ we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014;
- ▶ we are not satisfied that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2021.

We have nothing to report in these respects.



Draft Audit Report

Our opinion on the financial statements

Responsibility of the Chief Finance Officer

As explained more fully in the Statement of Responsibilities set out on page 16, the Chief Finance Officer is responsible for the preparation of the Accounts for the year 2020/21, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21, and for being satisfied that they give a true and fair view and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Finance Officer is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Authority either intends to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We understood how Bedfordshire Fire & Rescue Authority is complying with those frameworks by understanding the incentive, opportunities and motives for non-compliance, including inquiring of management, head of internal audit, those charged with governance and the monitoring officer and obtaining and reading documentation relating to the procedures in place to identify, evaluate and comply with laws and regulations, and whether they are aware of instances of non-compliance. We corroborated this through our reading of the authority's committee minutes, through enquiry of employees to confirm authority policies, and through the inspection of employee handbooks and other information. Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations.



Draft Audit Report

Our opinion on the financial statements

Our procedures had a focus on compliance with the accounting framework through obtaining sufficient audit evidence in line with the level of risk identified and with relevant legislation.

- We assessed the susceptibility of the authority's financial statements to material misstatement, including how fraud might occur by understanding the potential incentives and pressures for management to manipulate the financial statements, and performed procedures to understand the areas in which this would most likely arise. Based on our risk assessment procedures, we identified management override of controls to be our fraud risk.
- To address our fraud risk of management override of controls, we tested specific journal entries identified by applying risk criteria to the entire year end population of journals. For each journal selected, we tested specific transactions back to source documentation to confirm that the journals were authorised and accounted for appropriately.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Scope of the review of arrangements for securing economy, efficiency and effectiveness in the use of resources

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance on the specified reporting criteria issued by the Comptroller and Auditor General in April 2021, as to whether the Bedfordshire Fire and Rescue Authority had proper arrangements for financial sustainability, governance and improving economy, efficiency and effectiveness. The Comptroller and Auditor General determined these criteria as those necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether the Bedfordshire Fire and Rescue Authority had put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2021.

We planned our work in accordance with the Code of Audit Practice. Based on our risk assessment, we undertook such work as we considered necessary to form a view on whether, in all significant respects, the Bedfordshire Fire and Rescue Authority had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to satisfy ourselves that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

We are not required to consider, nor have we considered, whether all aspects of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.



Draft Audit Report

Our opinion on the financial statements

Delay in certification of completion of the audit

We cannot formally conclude the audit and issue an audit certificate until we have completed the work necessary to issue our assurance statement in respect of the Authority's Whole of Government Accounts consolidation pack. We are satisfied that this work does not have a material effect on the financial statements or our work on value for money arrangements.

Until we have completed these procedures, we are unable to certify that we have completed the audit of the accounts in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice issued by the National Audit Office.

Use of our report

This report is made solely to the members of the Bedfordshire Fire and Rescue Authority as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 and for no other purpose, as set out in paragraph 43 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Bedfordshire Fire and Rescue Authority members as a body, for our audit work, for this report, or for the opinions we have formed.

Neil Harris (Key Audit Partner)
Ernst & Young LLP (Local Auditor)
Luton



04 Audit Differences





Audit Differences

Audit differences

Amounts actually recorded. These differences are classified as “known” or “judgemental”. Known differences represent items that can be accurately quantified and relate to a definite set of facts or circumstances. Judgemental differences generally involve estimation and relate to facts or circumstances that are uncertain or open to interpretation. We will report all audit differences above our reporting threshold of £0.039 million.

Summary of adjusted and unadjusted differences

Our audit procedures has identified one audit difference above our reporting threshold. At this stage, we bring this matter, on the Authority's share of pensions asset differences, to your attention. As we finalise the audit, management will determine whether the differences below will be adjusted to the 2020-2021 financial statements or not. On their own, these differences are not material to the financial statements and do not have an impact on the Authority's level of available to use reserves. We will agree the final schedule of audit adjustments with management prior to issuing our audit opinion. To date, we have identified immaterial disclosure differences in the draft financial statements which we will discuss with management to determine whether they will adjust or not. These differences are not significant enough to draw to your attention in this report. As the audit is not yet fully complete, further differences may be identified in relation to the outstanding areas noted above. An update will be provided to the Committee on any new differences identified subsequent to the release of this report which are material in nature.

Pensions differences identified from the work performed by the Pension Fund auditor.

- We obtained assurances from the Pension Fund auditors which identified an understatement of level 3 investment assets due to the most up to date information available in relation to valuations as at 31 March 2021 in comparison to the fund manager estimates. This has identified a reduction in the value of investment assets of £0.085 million.
- The Authority's share of the Pension Fund differences resulting in an understatement error benefits paid of £0.113 million.



05

Value for Money



Value for money

The Authority's responsibilities for value for money (VFM)

The Authority is required to maintain an effective system of internal control that supports the achievement of its policies, aims and objectives while safeguarding and securing value for money from the public funds and other resources at its disposal.

As part of the material published with its financial statements, the Authority is required to bring together commentary on its governance framework and how this has operated during the period in a governance statement. In preparing its governance statement, the Authority tailors the content to reflect its own individual circumstances, consistent with the requirements set out in the Cipfa code of practice on local authority accounting. This includes a requirement to provide commentary on its arrangements for securing value for money from their use of resources.

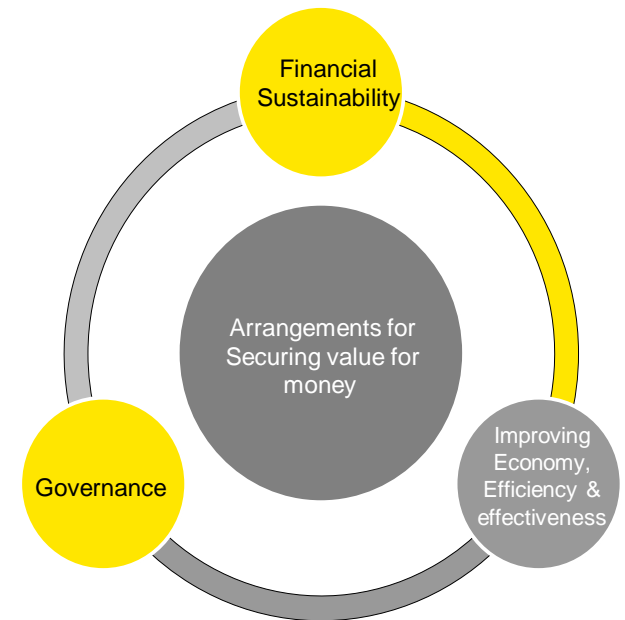
Risk assessment

We have previously reported to the Committee the outcome of our assessment of the risk of significant weaknesses in the Authority's VFM arrangements - that we had not identified any risks.

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Status of our VFM work

We are in the process of completing our planned VFM procedures and to date have no matters to report by exception in the auditor's report. We plan to issue the VFM commentary as part of issuing the Auditors Annual Report.





06 Other reporting issues

Other reporting issues

Consistency of other information published with the financial statements, including the Annual Governance Statement

We must give an opinion on the consistency of the financial and non-financial information in the Statement of Accounts 2020/21 with the audited financial statements

We must also review the Annual Governance Statement for completeness of disclosures, consistency with other information from our work, and whether it complies with relevant guidance.

Financial information in the Statement of Accounts 2020/21 and published with the financial statements was consistent with the audited financial statements.

We have reviewed the Annual Governance Statement and can confirm it is consistent with other information from our audit of the financial statements and we have no other matters to report.

Whole of Government Accounts

Alongside our work on the financial statements, we also review and report to the National Audit Office (NAO) on your Whole of Government Accounts (WGA) return. The extent of our review, and the nature of our report, is specified by the NAO.

We have not yet been able to perform the procedures required by the NAO on the WGA submission. This is because HM Treasury (HMT) are continuing to review the online 2020/21 WGA Data Collection Tool (DCT) and update the guidance that is available for preparers. Based on the last available update the DCT and guidance was not expected to be available until after the Audit & Standards Committee. Therefore the 2020/21 WGA component instructions will not be available for auditors to consider until after the Committee meeting. Group Audit Instructions and the timetable for 2020/21 will necessarily follow any changes HMT make to the DCT and process. We are not able to issue our certificate until the Group Audit Instructions are issued.

Other powers and duties

We have a duty under the Local Audit and Accountability Act 2014 to consider whether to report on any matter that comes to our attention in the course of the audit, either for the Authority to consider it or to bring it to the attention of the public (i.e. "a report in the public interest"). We did not identify any issues which required us to issue a report in the public interest.

Other reporting issues

Other matters

As required by ISA (UK&I) 260 and other ISAs specifying communication requirements, we must tell you significant findings from the audit and other matters if they are significant to your oversight of the Authority's financial reporting process. They include the following:

- Significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures;
- Any significant difficulties encountered during the audit;
- Any significant matters arising from the audit that were discussed with management;
- Written representations we have requested;
- Expected modifications to the audit report;
- Any other matters significant to overseeing the financial reporting process;
- Related parties;
- External confirmations;
- Going concern; and
- Consideration of laws and regulations.

We have no matters to report.



07

Independence

Relationships, services and related threats and safeguards

The FRC Ethical Standard requires that we provide details of all relationships between Ernst & Young (EY) and the Authority, and its members and senior management and its affiliates, including all services provided by us and our network to the Authority, its members and senior management and its affiliates, and other services provided to other known connected parties that we consider may reasonably be thought to bear on the our integrity or objectivity, including those that could compromise independence and the related safeguards that are in place and why they address the threats.

There are no relationships from 1 April 2020 to the date of this report, which we consider may reasonably be thought to bear on our independence and objectivity

Services provided by Ernst & Young

The next page includes a summary of the fees due for the year ended 31 March 2021 in line with the disclosures set out in FRC Ethical Standard and in statute. Full details of the services that we have provided are shown below.

As at the date of this report, there are no future services which have been contracted and no written proposal to provide non-audit services has been submitted.

EY Transparency Report 2021

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 end 30 June 2021:

[EY UK Transparency Report 2021 | EY UK](#)

Fees

Fees

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

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 requirements of the Code of Audit Practice and supporting guidance published by the National Audit Office, the financial reporting requirements set out in the Code of Practice on Local Authority Accounting published by CIPFA/LASAAC, and the professional standards applicable to auditors' work.

	Proposed fee 2020/21	Scale fee 2020/21	Final Fee 2019/20	Final Fee 2018/19
	£	£	£	
PSAA Scale Fee	23,271	23,271	23,271	54,210
Covid-19 impact on Going Concern (1)	1,600	TBC	13,300	
Additional work required to respond to the requirements of ISA540, including the use of EY Pensions (2)	2,900	TBC	-	
Value for Money arrangements (2)	9,000	TBC	-	
Scale fee plus in-year variations	35,771	TBC	36,571	54,210
Scale fee rebasing (3)	17,468	17,468	17,468	-
Total fees	53,239	TBC	54,039	54,210

For 2019/20, PSAA have determined a fee variation of £13,300, therefore the total approved audit fee is £36,571.

As noted in the March 2021 Audit & Standards Committee meeting that we would report an adjusted baseline audit fee to PSAA. The increase related largely to increased risk and complexity facing all public sector bodies, adjusted for our knowledge and risk assessment for the Authority, changes and the incremental increase in regulatory standards, and our assessment of the Authority's readiness for audit, including data analytics, quality of working papers. The total fee is therefore reflective of these factors and will be considered by the PSAA. This is our assessment of the baseline fee and should not be seen as the same as the proposed fee for scope changes and additional work we have undertaken during the audit.

For 2020/21, the scale fee is further impacted by a range of factors which resulted in additional work. We set out an estimate of the potential additional fee for this in our Audit Plan. We have updated the table above to estimate the fee based on the work completed at the point of issuing this report. These figures could change as we finalise our remaining procedures, and we will update the Committee in our Auditor's Annual Report.

The additional work includes:

- (1) Review of additional disclosures in relation to going concern as a result of Covid-19. These additional fees are subject to approval by PSAA.
- (2) PSAA issued a document "Additional information for 2020/21 audit fees" in August 2021. PSAA commissioned external independent technical research for setting standardised fee variations to assess the expected impact on audit work programmes of a range of new and updated audit requirements. The figures included here are the minimum additional fee ranges set out in this document. Final fees will be confirmed once the audit is complete
- (3) Changes in work required to address professional and regulatory requirements and scope associated with risk as reported in the previous year. This fee remains subject to approval by the PSAA.



08 Appendices



Appendix A

Audit approach update

We summarise below our approach to the audit of the balance sheet and any changes to this approach from the prior year audit.

Our audit procedures are designed to be responsive to our assessed risk of material misstatement at the relevant assertion level. Assertions relevant to the balance sheet include:





- ▶ Existence: An asset, liability and equity interest exists at a given date
- ▶ Rights and Obligations: An asset, liability and equity interest pertains to the entity at a given date
- ▶ Completeness: There are no unrecorded assets, liabilities, and equity interests, transactions or events, or undisclosed items
- ▶ Valuation: An asset, liability and equity interest is recorded at an appropriate amount and any resulting valuation or allocation adjustments are appropriately recorded
- ▶ Presentation and Disclosure: Assets, liabilities and equity interests are appropriately aggregated or disaggregated, and classified, described and disclosed in accordance with the applicable financial reporting framework. Disclosures are relevant and understandable in the context of the applicable financial reporting framework

There were no significant changes to our audit approach apart from the additional work we were required to undertake to address the requirements of the new auditing standard on accounting estimates. This primarily impacted out audit procedures on:

- The revaluation of land and buildings classified as Property, Plant and Equipment (PPE).
- Pension liability and asset valuation.

Required communications with the Audit & Standards Committee

There are certain communications that we must provide to the those charged with governance of UK entities. We have detailed these here together with a reference of when and where they were covered:

 Our Reporting to you		
Required communications	 What is reported?	  When and where?
Terms of engagement	Confirmation by the audit 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.	Audit planning report (July 2021) and Audit results report (March 2022)
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 (July 2021) and Audit results report (March 2022)
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 (March 2022)

Appendix B

Our Reporting to you

Required communications	What is reported?	When and where
	<ul style="list-style-type: none"> ▶ Subject to compliance with regulations, any actual or suspected non-compliance with laws and regulations identified relevant to the audit committee ▶ Subject to compliance with regulations, any suspicions that irregularities, including fraud with regard to the financial statements, may occur or have occurred, and the implications thereof ▶ The valuation methods used and any changes to these including first year audits ▶ The scope of consolidation and exclusion criteria if any and whether in accordance with the reporting framework ▶ The completeness of documentation and explanations received ▶ Any significant difficulties encountered in the course of the audit ▶ Any significant matters discussed with management ▶ Any other matters considered significant 	
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 related to going concern ▶ Whether the use of the going concern assumption is appropriate in the preparation and presentation of the financial statements ▶ The appropriateness of related disclosures in the financial statements 	Audit results report (March 2022)
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 ▶ Material misstatements corrected by management 	Audit results report (March 2022)
Subsequent events	<ul style="list-style-type: none"> ▶ Enquiry of the audit committee where appropriate regarding whether any subsequent events have occurred that might affect the financial statements. 	Audit results report (March 2022)




Appendix B

		Our Reporting to you
Required communications	What is reported?	When and where
Fraud	<ul style="list-style-type: none"> ▶ Enquiries of the audit 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 ▶ Unless all of those charged with governance are involved in managing the entity, any identified or suspected fraud involving: <ul style="list-style-type: none"> a. Management; b. Employees who have significant roles in internal control; or c. Others where the fraud results in a material misstatement in the financial statements. ▶ The nature, timing and extent of audit procedures necessary to complete the audit when fraud involving management is suspected ▶ Any other matters related to fraud, relevant to Audit Committee responsibility. 	Audit results report (March 2022)
Related parties	<p>Significant matters arising during the audit in connection with the entity's related parties including, when applicable:</p> <ul style="list-style-type: none"> ▶ 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 (March 2022)
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 	<p>Audit planning report (July 2021)</p> <p>Audit results report (March 2022)</p>

Appendix B

		Our Reporting to you
Required communications	What is reported?	When and where
	<p>Communications whenever significant judgements are made about threats to objectivity and independence and the appropriateness of safeguards put in place.</p> <p>For public interest entities and listed companies, communication of minimum requirements as detailed in the FRC Revised Ethical Standard 2019:</p> <ul style="list-style-type: none"> ▶ Relationships between EY, the company and senior management, its affiliates and its connected parties ▶ Services provided by EY that may reasonably bear on the auditors' objectivity and independence ▶ Related safeguards ▶ Fees charged by EY analysed into appropriate categories such as statutory audit fees, tax advisory fees, other non-audit service fees ▶ A statement of compliance with the Ethical Standard, including any non-EY firms or external experts used in the audit ▶ Details of any inconsistencies between the Ethical Standard and Group's policy for the provision of non-audit services, and any apparent breach of that policy ▶ Where EY has determined it is appropriate to apply more restrictive rules than permitted under the Ethical Standard ▶ The audit committee should also be provided an opportunity to discuss matters affecting auditor independence 	
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 (March 2022)
Consideration of laws and regulations	<ul style="list-style-type: none"> ▶ Subject to compliance with applicable regulations, matters involving identified or suspected non-compliance with laws and regulations, other than those which are clearly inconsequential and the implications thereof. Instances of suspected non-compliance may also include those that are brought to our attention that are expected to occur imminently or for which there is reason to believe that they may occur ▶ Enquiry of the audit 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 committee may be aware of 	Audit results report (March 2022)




Appendix B

		 Our Reporting to you
Required communications	 What is reported?	 When and where
Significant deficiencies in internal controls identified during the audit	<ul style="list-style-type: none"> ▶ Significant deficiencies in internal controls identified during the audit. 	Audit results report (March 2022)
Written representations we are requesting from management and/or those charged with governance	<ul style="list-style-type: none"> ▶ Written representations we are requesting from management and/or those charged with governance 	Audit results report (March 2022)
Material inconsistencies or misstatements of fact identified in other information which management has refused to revise	<ul style="list-style-type: none"> ▶ Material inconsistencies or misstatements of fact identified in other information which management has refused to revise 	Audit results report (March 2022)
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 (March 2022)

Appendix C

Outstanding matters

The following items relating to the completion of our audit procedures are outstanding at the date of the release of this report:

Item 	Actions to resolve 	Responsibility 
Going concern disclosures	Final review processes and challenge of the Authority's going concern assessment and cash flow projections.	EY and Management
Review of estimates	Final review processes and challenge of the Authority's higher risk estimates relating to PPE and Pensions liability.	EY
Property, plant & equipment valuations	Work remains in progress, in relation to PPE valuations sample testing, review of the PPE existence support, review of gains and losses on revaluation, and impact on the related reserves.	EY
Value for Money	VfM conclusion remains in progress. We are yet to complete the VfM commentary which will be included in the Annual Audit Report.	EY
Reserves	EY to complete testing on the MiRS and related disclosure notes.	EY
Unrecorded liabilities (in relation to payables and provisions)	Extended unrecorded liabilities sample testing up to the date of signing, EY to complete testing on payables samples.	EY
Other Disclosures	EFA, Officer remuneration, Exit packages,	EY
Final review of completed audit procedures	EY to complete - this comprises our remaining quality review procedures of the audit working papers by the Engagement Manager and Partner-in-Charge.	EY
Receipt and review of the final version of the financial statements	Authority to prepare final version of accounts and EY to check	EY and Management
Update of subsequent events procedures to the date of our opinion	EY to complete at point of signing	EY
Receipt and review of the letter of representation	The Authority to prepare letter on headed paper and EY to review	EY and management

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In addition to the above, a number of pieces of evidence have recently been provided and are in the process of being reviewed by the audit team. These may lead to a small number of follow-up queries.

Until all our audit procedures are complete, we cannot confirm the final form of our audit opinion as new issues may emerge or we may not agree on final detailed disclosures in the Annual Report. At this point no issues have emerged that would cause us to modify our opinion. A draft of the current opinion is included in section 3.

Management representation letter - DRAFT

Management Rep Letter

Ernst & Young
400 Capability Green
Luton,
Bedfordshire,
LU1 3LU,
United Kingdom

This letter of representations is provided in connection with your audit of the financial statements of the Bedfordshire Fire and Rescue Authority (“the Authority”) for the year ended 31 March 2021. We recognise that obtaining representations from us concerning the information contained in this letter is a significant procedure in enabling you to form an opinion as to whether the Authority financial statements give a true and fair view of the Authority financial position of the Bedfordshire Fire and Rescue Authority as of 31 March 2021 and of its financial performance (or operations) and its cash flows for the year then ended in accordance with, for the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21.

We understand that the purpose of your audit of the Authority’s financial statements is to express an opinion thereon and that your audit was conducted in accordance with International Standards on Auditing, which involves an examination of the accounting system, internal control and related data to the extent you considered necessary in the circumstances, and is not designed to identify - nor necessarily be expected to disclose - all fraud, shortages, errors and other irregularities, should any exist.

Accordingly, we make the following representations, which are true to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

A. Financial Statements and Financial Records

1. We have fulfilled our responsibilities, under the relevant statutory authorities, for the preparation of the financial statements in accordance with, for the Authority the Accounts and Audit Regulations 2015 and CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21.
2. We acknowledge, as members of management of the Authority, our responsibility for the fair presentation of the Authority financial statements. We believe the Authority financial statements referred to above give a true and fair view of the financial position, financial performance (or results of operations) and cash flows of the Authority in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21 and are free of material misstatements, including omissions. We have approved the Authority financial statements.
3. The significant accounting policies adopted in the preparation of the Authority financial statements are appropriately described in the Authority financial statements.
4. As members of management of the Authority, we believe that the Authority have a system of internal controls adequate to enable the preparation of accurate financial statements in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21 for the the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21 for the Authority that are free from material misstatement, whether due to fraud or error. We have disclosed to you any significant changes in our processes, controls, policies and procedures that we have made to address the effects of the COVID-19 pandemic on our system of internal controls.
5. We believe that the effects of any unadjusted audit differences, summarised in the accompanying schedule, accumulated by you during the current audit

Management representation letter

Management Representation Letter DRAFT

and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the Authority's financial statements taken as a whole. We have not corrected these differences identified and brought to our attention by the auditor because *[specify reasons for not correcting misstatement]*.

B. Non-compliance with law and regulations, including fraud

1. We acknowledge that we are responsible for determining that the Authority's activities are conducted in accordance with laws and regulations and that we are responsible for identifying and addressing any non-compliance with applicable laws and regulations, including fraud.
2. We acknowledge that we are responsible for the design, implementation and maintenance of internal controls to prevent and detect fraud.
3. We have disclosed to you the results of our assessment of the risk that the Authority financial statements may be materially misstated as a result of fraud.
4. We have no knowledge of any identified or suspected non-compliance with laws or regulations, including fraud that may have affected the Authority (regardless of the source or form and including without limitation, any allegations by "whistleblowers"), including non-compliance matters involving financial statements;
 - ▶ related to laws and regulations that have a direct effect on the determination of material amounts and disclosures in the Authority's financial statements;
 - ▶ related to laws and regulations that have an indirect effect on amounts and disclosures in the financial statements, but compliance with which may be fundamental to the operations of the Authority's activities, its ability to continue to operate, or to avoid material penalties;
 - ▶ involving management, or employees who have significant roles in internal controls, or others; or

- ▶ in relation to any allegations of fraud, suspected fraud or other non-compliance with laws and regulations communicated by employees, former employees, analysts, regulators or others.

C. Information Provided and Completeness of Information and Transactions

1. We have provided you with:
 - ▶ Access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
 - ▶ Additional information that you have requested from us for the purpose of the audit; and
 - ▶ Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
2. All material transactions have been recorded in the accounting records and all material transactions, events and conditions are reflected in the Authority financial statements, including those related to the COVID-19 pandemic.
3. We have made available to you all minutes of the meetings of the Authority committees, including the Fire & Rescue Authority and Audit & Standards Committee (or summaries of actions of recent meetings for which minutes have not yet been prepared) held through the year to the most recent meeting on the following date: *[list date]*
4. We confirm the completeness of information provided regarding the identification of related parties. We have disclosed to you the identity of the Authority's related parties and all related party relationships

Management representation letter

Management Representation Letter

and transactions of which we are aware, including sales, purchases, loans, transfers of assets, liabilities and services, leasing arrangements, guarantees, non-monetary transactions and transactions for no consideration for the year ended, as well as related balances due to or from such parties at the year end. These transactions have been appropriately accounted for and disclosed in the Authority financial statements.

5. We believe that the methods, significant assumptions and the data we used in making accounting estimates and related disclosures are appropriate and consistently applied to achieve recognition, measurement and disclosure that is in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21.

6. We have disclosed to you, and the Authority has complied with, all aspects of contractual agreements that could have a material effect on the Authority financial statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.

7. From the date of our last management representation letter of 21 December 2020 through the date of this letter we have disclosed to you any unauthorized access to our information technology systems that either occurred or to the best of our knowledge is reasonably likely to have occurred based on our investigation, including of reports submitted to us by third parties (including regulatory agencies, law enforcement agencies and security consultants), to the extent that such unauthorized access to our information technology systems is reasonably likely to have a material impact to the financial statements, in each case or in the aggregate.

D. Liabilities and Contingencies

1. All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the Authority financial statements.

2. We have no possible litigation and claims, whether or not they have been discussed with legal counsel.

3. We have considered all liabilities related to litigation and claims, both actual and contingent, and guarantees given to third parties but have none to disclose.

E. Going Concern

1. Note 1 on page 16 of the Authority's financial statements discloses all the matters of which we are aware that are relevant to the Authority's ability to continue as a going concern, including significant conditions and events, our plans for future action, and the feasibility of those plans.

F. Subsequent Events

1. There have been no events, including events related to the COVID-19 pandemic, subsequent to year end which require adjustment of or disclosure in the Authority financial statements or notes thereto.

H. Other information

1. We acknowledge our responsibility for the preparation of the other information. The other information comprises the Governance Statement and Narrative Report for the year 2020/21.

2. We confirm that the content contained within the other information is consistent with the financial statements.

Management representation letter

Management Representation Letter

I. Ownership of Assets

1. Except for assets recognised as right-of-use assets in accordance with IFRS 16 Leases, the Authority has satisfactory title to all assets appearing in the balance sheets, and there are no liens or encumbrances on the Authority's assets, nor has any asset been pledged as collateral. All assets to which the Authority has satisfactory title appear in the balance sheet.
2. All agreements and options to buy back assets previously sold have been properly recorded and adequately disclosed in the Authority financial statements.
3. We have no plans to abandon lines of product or other plans or intentions that will result in any excess or obsolete inventory, and no inventory is stated at an amount in excess of net realisable value.
4. There are no formal or informal compensating balance arrangements with any of our cash and investment accounts.

J. Reserves

1. We have properly recorded or disclosed in the Authority financial statements the useable and unusable reserves.

K. Contingent Liabilities

1. We are unaware of any violations or possible violations of laws or regulations the effects of which should be considered for disclosure in the Authority financial statements or as the basis of recording a contingent loss (other than those disclosed or accrued in the Authority financial statements).

2. We are unaware of any known or probable instances of non-compliance with the requirements of regulatory or governmental authorities, including their financial reporting requirements, and there have been no communications from regulatory agencies or government representatives concerning investigations or allegations of non-compliance, except as follows:

(i) Matters of routine, normal, recurring nature (e.g., examinations by bank and insurance examiners, examinations by taxing authorities), none of which involves any allegations of noncompliance with laws or regulations that should be considered for disclosure in the Authority financial statements or as a basis for recording a loss contingency.

L. Use of the Work of a Specialist

1. We agree with the findings of the specialists that we engaged to evaluate the valuation of land, buildings and IAS19 pension liabilities, and have adequately considered the qualifications of the specialists in determining the amounts and disclosures included in the Authority financial statements and the underlying accounting records. We did not give or cause any instructions to be given to the specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an effect on the independence or objectivity of the specialists.

M Estimates

Valuation of Land and Buildings Estimate

1. We confirm that the significant judgments made in making the valuation of land and buildings estimate have taken into account all relevant information and the effects of the COVID-19 pandemic of which we are aware.

Management representation letter

Management Representation Letter

2. We believe that the selection or application of the methods, assumptions and data used by us have been consistently and appropriately applied or used in making the valuation of land and buildings estimate.
3. We confirm that the significant assumptions used in making the valuation of Land and buildings estimate appropriately reflect our intent and ability to provide an accurate valuation of the Authority's land and buildings on behalf of the Authority.
4. We confirm that the disclosures made in the Authority's financial statements with respect to the accounting estimates, including those describing estimation uncertainty and the effects of the COVID-19 pandemic, are complete and are reasonable in the context of CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21.
5. We confirm that appropriate specialized skills or expertise has been applied in making the valuation of land and buildings.

IAS 19 Pensions Liability Estimate

6. We confirm that the significant judgments made in making the IAS 19 pensions liability estimate have taken into account all relevant information and the effects of the COVID-19 pandemic of which we are aware.
7. We believe that the selection or application of the methods, assumptions and data used by us have been consistently and appropriately applied or used in making the IAS 19 Pensions Liability estimate.
8. We confirm that the significant assumptions used in making the IAS 19 pensions liability estimate appropriately reflect our intent and ability to provide an accurate valuation of the Authority's pensions liability.
9. We confirm that the disclosures made in the financial statements with respect to the accounting estimates, including those describing estimation uncertainty and the effects of the COVID-19 pandemic, are complete and are reasonable in the context of CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21.

10. We confirm that appropriate specialized skills or expertise has been applied in making the IAS 19 pensions liability.

N. Retirement benefits

1. On the basis of the process established by us and having made appropriate enquiries, we are satisfied that the actuarial assumptions underlying the scheme liabilities are consistent with our knowledge of the business. All significant retirement benefits and all settlements and curtailments have been identified and properly accounted for.

Yours faithfully,

(Chief Finance Officer)

(Chief Fire Officer)


(Chair of the Audit & Standards Committee)

Appendix E

Implementation of IFRS 16 Leases

In previous reports to the Audit Committee we have highlighted the issue of new accounting standards and regulatory developments. IFRS 16 introduces a number of significant changes which go beyond accounting technicalities. For example, the changes have the potential to impact on procurement processes as more information becomes available on the real cost of leases. The key accounting impact is that assets and liabilities in relation to significant lease arrangements previously accounted for as operating leases will need to be recognised on the balance sheet. IFRS 16 requires all substantial leases to be accounted for using the acquisition approach, recognising the rights acquired to use an asset.

IFRS 16 does not come into effect for the Authority until 1 April 2022. However, officers should be acting now to assess Authority's leasing positions and secure the required information to ensure The Authority will be fully compliance with the 2022/23 Code. The following table summarises some key areas officers should be progressing.

IFRS 16 theme	Summary of key measures 
Data collection	Management should: <ul style="list-style-type: none"> ▶ Put in place a robust process to identify all arrangements that convey the right to control the use of an identified asset for a period of time. The adequacy of this process should be discussed with auditors. ▶ Classify all such leases into low value; short-term; peppercorn; portfolio and individual leases ▶ Identify, collect, log and check all significant data points that affect lease accounting including: the term of the lease; reasonably certain judgements on extension or termination; dates of rent reviews; variable payments; grandfathered decisions; non-lease components; and discount rate to be applied.
Policy Choices	The Authority needs to agree on certain policy choices. In particular: <ul style="list-style-type: none"> ▶ Whether to adopt a portfolio approach ▶ What low value threshold to set and agree with auditors ▶ Which asset classes, if any, are management adopting the practical expedient in relation to non-lease components ▶ What is managements policy in relation to discount rates to be used?
Code adaptations for the public sector	Finance teams should understand the Code adaptations for the public sector. The Code contains general adaptations, (e.g. the definition of a lease); transitional interpretations (e.g. no restatement of prior periods) and adaptations that apply post transition (e.g. use of short-term lease exemption).
Transitional accounting arrangements	Finance teams should understand the accounting required on first implementation of IFRS 16. The main impact is on former operating leases where the authority is lessee. However, there can be implications for some finance leases where the Authority is lessee; and potentially for sub-leases, where the Authority is a lessor, that were operating leases under the old standard.
Ongoing accounting arrangements	Finance teams need to develop models to be able to properly account for initial recognition and subsequent measurement of right of use assets and associated liabilities. This is more complex than the previous standard due to more regular remeasurements and possible modifications after certain trigger events.
Remeasurements and modifications	Finance teams need to familiarise themselves with when the 'remeasurement' or 'modification' of a lease is required and what to do under each circumstance. A modification can lead to an additional lease being recognised. It is also important to know when remeasurements require a new discount rate is to be applied to the lease.

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ED None

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For Publication

Bedfordshire Fire and Rescue Authority
Audit and Standards Committee
3 March 2022

REPORT AUTHOR: CHIEF FIRE OFFICER AND TREASURER

SUBJECT: 2020/21 STATEMENT OF ACCOUNTS AND ANNUAL GOVERNANCE STATEMENT

For further information
on this Report contact: Gavin Chambers, Assistant Chief Officer/Treasurer

Background Papers: 2020/21 Statement of Accounts.

PURPOSE:

To consider the 2020/21 Statement of Accounts, including the Annual Governance Statement, at the current audit stage.

RECOMMENDATION:

That:

1. Members consider and approve the current version of the 2020/21 Statement of Accounts and Annual Governance Statement, that are in the final stages of being externally audited.
 2. Members delegate any final amendments to the Treasurer, in conjunction with the Chair of the Audit and Standards Committee where material.
 3. Members consider and approve the draft letter of representation, prior to the Treasurer and Chair approving and signing the final version.
-

1. Introduction

- 1.1 The Accounts and Audit Regulations 2015, require the Treasurer to formally approve the Annual Governance Statement (AGS) and Statement of Accounts by the end of May, following the previous financial year. Following external audit, the relevant body of the Authority is required to ordinarily approve them by the end of July. The relevant body for this Authority is the Audit and Standards Committee (A&SC).
- 1.2 Due to Covid-19 and the impact this has had on local authorities, the Government gave an extension to the 31st July deadline to 30 September 2021 for the 2020/21 accounts. A statement has been on the Authority's website advising that the external audit was not possible within these timeframes, hence the auditor's report and accounts being presented at this meeting today.
- 1.3 Internally, the year-end timetable has been adhered to with the accounts being made available on the Authority's website on 4th June 2021. Keeping to the original timetable is a great achievement of the Chief Accountant/Finance Team due to the unprecedented period of Covid-19/lockdown.
- 1.4 There is a section on Covid-19 and the Service's response in the introductory section at the beginning of the accounts. The ongoing pandemic is also referred to in a new Going Concern Statement in the accounts.
- 1.5 The AGS and accounts are presented via the web link in the report below and are presented in a near final stage of external audit. As identified in our external auditor's Audit Results Report (Appendix C), at the time of writing this report there were some areas of audit finalisation still outstanding.

The report on the external audit review of the accounts is elsewhere on this meeting's agenda.

1.6 Early Closure

This is the fourth year of the intended early closure. The annual statement of accounts completion requirements, in accordance with the 2015 Accounts and Audit Regulations (amended 2021), has moved from the end of June (pre audit) and September (post audit), to the end of May and July for the 2017/18 accounts onwards. As noted above, there was again an extension this year due to Covid-19, however, the Authority has not taken advantage of this although the external audit has taken longer than anticipated.

These deadlines, although significantly changed, have successfully been met by the Authority. The draft accounts were on the Authority's website in early June 2021. This has been achieved through effective planning and resource management.

2. The 2020/21 Statement of Accounts and Annual Governance Statement

2.1 The format of the statement of accounts follows detailed guidance, as prescribed in the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21. The content and order of the statement can change from year to year to reflect new requirements or changes in best practice. The accounts are in the format required by International Financial Reporting Standards (IFRS).

2.2 In accordance with the public advertisement and the statutory deposit period, the initial draft version of the accounts was put on the website on 4th June 2021. The 30 day statutory public inspection period ended on 16th July 2021. There were not any requests for information on the accounts from a member of the public.

2.3 At the time of writing, there have not been any material updates to the draft 2020/21 statement of accounts, other than only minor presentational updates. As noted above, the Going Concern Statement was a new addition from 2019/20.

2.4 There were no amendments made to the AGS at the time of writing this report.

2.5 The Statement of Accounts, including the Annual Governance Statement, can be found on the Authority's website via the following address. Please click on the 2020/21 Statement of Accounts link:

<https://www.bedsfire.gov.uk/search-results.aspx#/all?term=statement%20of%20accounts>

2.6 Letter of Representation

The draft letter of representation is attached at Appendix 1, for Members to consider and approve. This annual letter summarises the Authority's responsibilities regarding the Financial Statements and Financial Records, Fraud, Compliance with Laws and Regulations, the Completeness of Information and Transactions, Liabilities and Contingencies, Subsequent Events, Accounting Estimates and Retirement Benefits.

As noted above, this will however need to be finalised after the two key outstanding matters. The committee is requested to delegate the completion of the final letter and approval to the Treasurer and the Chair of Audit and Standards Committee.

2.7 Revenue Year End outturn

On the 11th Feb 2020, the Authority received a budget monitoring report forecasting the year end outturn, based on the actuals as at 31st December 2020, as an underspend with a year-end contribution to reserves of £790.5k. The comparable year-end contribution to reserves was £878k, with the variance between these figures explained in the Expenditure, Income and Government Grant sections of the accounts.

3 General and Earmarked Reserves

3.1 The General Reserve balance as at 31st March 2021 was £2.4m. This is following work undertaken over the last few years to establish specific earmarked reserves, which as at 31 March 2021 totalled £5.105m. The year-end revenue budget underspend of £878k has been allocated to the Transformation Earmarked Reserve. This is in line with the Medium Term Financial Strategy.

3.2 The Capital Receipts Reserve as at 31st March 2021 was £507k.

4. Summary

4.1 Members are invited to:

- Review and approve the current version of the 2020/21 Statement of Accounts, which includes the Annual Governance Statement.
- Delegate any final amendments to the Statement of Accounts and the Letter of Representation, to the Treasurer in consultation with the Chair of the Audit and Standards Committee.
- Note the General and Earmarked Reserves balances.

ANDREW HOPKINSON
CHIEF FIRE OFFICER

GAVIN CHAMBERS
TREASURER

Appendix 1

Neil Harris
Associate Partner
Ernst & Young LLP
400 Capability Green
Luton
LU1 3

Please respond to:

Your Ref:
Our Ref:
Name: ACO Gavin Chambers
Telephone: 01234 845000
Fax:
Email: Gavin.chambers@bedsfire.gov.uk
Date: 3rd March 2022

Dear Neil,

This letter of representations is provided in connection with your audit of the financial statements of Bedfordshire Fire and Rescue Authority (“the Authority”) for the year ended 31 March 2021. We recognise that obtaining representations from us concerning the information contained in this letter is a significant procedure in enabling you to form an opinion as to whether the financial statements give a true and fair view of the Authority’s financial position as of 31 March 2021 and of its income and expenditure for the year then ended in accordance with CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21.

We understand that the purpose of your audit of our financial statements is to express an opinion thereon and that your audit was conducted in accordance with International Standards on Auditing (UK), which involves an examination of the accounting system, internal control and related data to the extent you considered necessary in the circumstances, and is not designed to identify - nor necessarily be expected to disclose - all fraud, shortages, errors and other irregularities, should any exist.

Accordingly, we make the following representations, which are true to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

A. Financial Statements and Financial Records

1. We have fulfilled our responsibilities, under the relevant statutory authorities, for the preparation of the financial statements in accordance with the Accounts and Audit Regulations 2015 and CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21.
2. We acknowledge, as members of management of the Authority, our responsibility for the fair presentation of the financial statements. We believe the financial statements referred to above give a true and fair view of the financial position, financial performance

(or results of operations) and cash flows of the Authority in accordance with [the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21, and are free of material misstatements, including omissions. We have approved the financial statements.

3. The significant accounting policies adopted in the preparation of the financial statements are appropriately described in the financial statements.
4. As members of management of the Authority, we believe that the Authority has a system of internal controls adequate to enable the preparation of accurate financial statements in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21, that are free from material misstatement, whether due to fraud or error. We have disclosed to you any significant changes in our processes, controls, policies and procedures that we have made to address the effects of the COVID-19 pandemic on our system of internal controls.
5. We believe that the effects of any unadjusted audit differences, summarized in the accompanying schedule, accumulated by you during the current audit and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the Authority's financial statements taken as a whole. We have corrected the immaterial items where we deemed appropriate.

B. Non-compliance with law and regulations, including fraud

1. We acknowledge that we are responsible to determine that the Authority's activities are conducted in accordance with laws and regulations and that we are responsible to identify and address any non-compliance with applicable laws and regulations, including fraud.
2. We acknowledge that we are responsible for the design, implementation and maintenance of internal controls to prevent and detect fraud.
3. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
4. We have no knowledge of any identified or suspected non-compliance with laws or regulations, including fraud that may have affected the Authority (regardless of the source or form and including without limitation, any allegations by "whistleblowers"), including non-compliance matters involving financial statements;
 - related to laws and regulations that have a direct effect on the determination of material amounts and disclosures in the Authority's financial statements;
 - related to laws and regulations that have an indirect effect on amounts and disclosures in the financial statements, but compliance with which may be fundamental to the operations of the Authority's activities, its ability to continue to operate, or to avoid material penalties;
 - involving management, or employees who have significant roles in internal controls, or others; or

- in relation to any allegations of fraud, suspected fraud or other non-compliance with laws and regulations communicated by employees, former employees, analysts, regulators or others.

C. Information Provided and Completeness of Information and Transactions

1. We have provided you with:
 - Access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
 - Additional information that you have requested from us for the purpose of the audit; and
 - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
2. All material transactions have been recorded in the accounting records and all material transactions, events and conditions are reflected in the financial statements, including those related to the COVID-19 pandemic.
3. We have made available to you all minutes of the meetings of the Authority and audit committees held through the year to the most recent meeting(s) subsequent to the year end.
4. We confirm the completeness of information provided regarding the identification of related parties. We have disclosed to you the identity of the Authority's related parties and all related party relationships and transactions of which we are aware, including sales, purchases, loans, transfers of assets, liabilities and services, leasing arrangements, guarantees, non-monetary transactions and transactions for no consideration for the period ended, as well as related balances due to or from such parties at the year end. These transactions have been appropriately accounted for and disclosed in the financial statements.
5. We believe that the methods, significant assumptions and the data we used in making accounting estimates and related disclosures are appropriate and consistently applied to achieve recognition, measurement and disclosure that is in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21.
6. We have disclosed to you, and the Authority has complied with, all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.
7. From the date of our last management representation letter dated 21st December 2020 through the date of this letter we have disclosed to you any unauthorised access to our information technology systems that either occurred or to the best of our knowledge is reasonably likely to have occurred based on our investigation, including of reports submitted to us by third parties (including regulatory agencies, law enforcement agencies and security consultants) , to the extent that such unauthorized access to our information technology systems is reasonably likely to have a material impact to the financial statements, in each case or in the aggregate.

D. Liabilities and Contingencies

1. All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the financial statements.
2. We have informed you of all outstanding and possible litigation and claims, whether or not they have been discussed with legal counsel.
3. We have recorded and/or disclosed, as appropriate, all liabilities related to litigation and claims, both actual and contingent in Notes 26 and 27 and have disclosed confirm that we have not given any guarantees to third parties.

E. Going Concern

1. This note on page 47 of the financial statements discloses all the matters of which we are aware that are relevant to the Authority's ability to continue as a going concern, including significant conditions and events, our plans for future action, and the feasibility of those plans.

F. Subsequent Events

1. As outlined in Note 31 to the financial statements, there have been no events, including events related to the COVID-19 pandemic, subsequent to period end which require adjustment of or disclosure in the financial statements or notes thereto.

G. Other information

1. We acknowledge our responsibility for the preparation of the other information. The other information comprises the Narrative Statement and Annual Governance Statement.
2. We confirm that the content contained within the other information is consistent with the financial statements.

H. Ownership of Assets

1. Except for assets recognised as right of use assets in accordance with IFRS 16 Leases, the Authority has satisfactory title to all assets appearing in the balance sheet, and there are no liens or encumbrances on the Authority's assets, nor has any asset been pledged as collaterals. All assets to which the Authority has satisfactory title appear in the balance sheet.
2. All agreements and options to buy back assets previously sold have been properly recorded and adequately disclosed in the financial statements.
3. We have no plans to abandon lines of product or other plans or intentions that will result in any excess or obsolete inventory, and no inventory is stated at an amount in excess of net realisable value.
4. There are no formal or informal compensating balance arrangements with any of our cash and investment accounts.

I. Reserves

1. We have properly recorded or disclosed in the financial statements the useable and unusable reserves.

J. Contingent Liabilities

1. We are unaware of any violations or possible violations of laws or regulations the effects of which should be considered for disclosure in the Authority's financial statements or as the basis of recording contingent loss (other than those disclosed or accrued in the Authority's financial statements).
2. We are unaware of any known or probable instances of non-compliance with the requirements of regulatory or government authorities, including their financial reporting requirements, and there have been no communications from regulatory agencies or government representatives concerning investigations or allegations of non-compliance except as follows:

(i) Matters of routine, normal, recurring nature (eg examinations by bank and insurance examiners, examinations by taxing authorities), none of which involves any allegations of non-compliance with laws or regulations that should be considered for disclosure in the Authority's financial statements or as a basis for recording a loss contingency.

K. Use of the Work of a Specialist

1. We agree with the findings of the specialists that we engaged to evaluate the valuation of land and building assets and the IAS19 actuarial valuations of pension liabilities and have adequately considered the qualifications of the specialists in determining the amounts and disclosures included in the financial statements and the underlying accounting records. We did not give or cause any instructions to be given to the specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an effect on the independence or objectivity of the specialists.

L. Estimates

Valuation of Land and Buildings Estimate

1. We confirm that the significant judgments made in making the valuation of the land and buildings estimate have taken into account all relevant information and the effects of Covid-19 pandemic of which we are aware.
2. We believe that the selection or application methods, assumptions and data used by us have been consistently and appropriately applied or used in making the valuation of land and buildings estimate.
3. We confirm that the significant assumptions used in making the valuation of land, buildings estimate appropriately reflect our intent and ability to continue to provide services on behalf of the entity.
4. We confirm that the disclosures made in the financial statements with respect to the accounting estimates are complete, including the effects of the COVID-19 pandemic and made in accordance with provide a valuation for these assets in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21.

5. We confirm that appropriate specialized skills or expertise has been applied in making the valuation of land and buildings.

IAS 19 Pensions Liability Estimate

6. We confirm that the significant judgements made in making the IAS 19 pensions liability estimate have taken into account all relevant information and the effects of the Covid-19 pandemic of which we are aware.
7. We believe that the selection or application of the methods, assumptions and data used by us have been consistently and appropriately applied or used in making the IAS 19 Pensions Liability estimate.
8. We confirm that the significant assumptions used in making the ISA 19 Pensions Liability estimate appropriate reflect our intent and ability to provide an accurate valuation of the Authority's pensions liability.
9. We confirm that the disclosures made in the financial statements with respect to the accounting estimates, including those describing estimation uncertainty and the effects of the Covid-19 pandemic, are complete and reasonable in the context of CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21.
10. We confirm that appropriate specialized skills or expertise has been applied in making the IAS pensions liability.

M. Retirement benefits

1. On the basis of the process established by us and having made appropriate enquiries, we are satisfied that the actuarial assumptions underlying the scheme liabilities are consistent with our knowledge of the business. All significant retirement benefits and all settlements and curtailments have been identified and properly accounted for.

Yours sincerely,

Gavin Chambers (Assistant Chief Officer and Treasurer)

Cllr Atkins (Chair of Audit and Standards Committee)

For Publication

Bedfordshire Fire and Rescue Authority
Audit and Standards Committee
3 March 2022

REPORT AUTHOR: ASSISTANT CHIEF OFFICER/FRA TREASURER

SUBJECT: INTERNAL AUDIT PROGRESS REPORT 2021/22

For further information on this report contact: Nicky Upton
Service Assurance Manager

Background Papers: RSM Strategy for Internal Audit
Bedfordshire Fire Authority 2020/21 to 2022/23

PURPOSE:

To receive and consider a report on progress made against the internal audit plan for 2021/22.

RECOMMENDATION:

That the submitted report be received.

1. Introduction

1.1 An internal audit plan for 2021/22 was agreed by this Committee at its meeting on 14 July 2021.

1.2 A report by RSM on progress made against the internal audit plan for 2021/22 is appended for Members' consideration.

GAVIN CHAMBERS
ASSISTANT CHIEF OFFICER/FRA TREASURER

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BEDFORDSHIRE FIRE AND RESCUE AUTHORITY

Internal Audit Progress Report

3 March 2022

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



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Progress against the internal audit plan 2021/22

The Internal Audit Plan for 2021/22 was approved by the Audit & Standards Committee July 2021. One audit has been finalised since the last meeting. The audits highlighted in bold have been finalised since the last meeting. Copies of the executive summaries and action plans are included as an appendix to this report.

Assignment and Executive Lead	Status / Opinion issued	Actions agreed			Planned Timing (as per ANA)
		L	M	H	
Data Quality to support the Community Risk Management Plan	Final Report – Partial Assurance	2	3	1	Q3
Debrief and Organisational Learning	Draft Report – Issued 18 November 2021				Q2
Key Financial Controls	Work complete – awaiting final feedback from the organisation				Q3
Management of Assets	To commence 16 February 2022				TBC
Risk Management	To commence 1 March 2022				Q2/3
Human Resources – Grey Book Recruitment	To commence 23 March 2022				Q4
Follow up	To commence 24 March 2022				Q4

Other matters

Head of Internal Audit Opinion 2021/22

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 issued one negative opinion to date in relation to the Data Quality to support the Community Risk Management Plan.

Changes to the audit plan

The review of HR - Grey Book Recruitment, due to commence in February 2022 has been postponed to March 2022 to enable sufficient time for the current recruitment campaign to have been completed.

Information and briefings

We have issued the following client briefings since the last Audit & Standards Committee:

- Emergency Services News Briefing November 2021
- RSM's Conformance with the IIA Standards and Codes of Practice

Quality assurance and continual improvement

To ensure that RSM remains compliant with the IIA standards and the financial services recommendations for Internal Audit we have a dedicated internal Quality Assurance Team who undertake a programme of reviews to ensure the quality of our audit assignments. This is applicable to all Heads of Internal Audit, where a sample of their clients will be reviewed. Any findings from these reviews being used to inform the training needs of our audit teams.

The Quality Assurance Team is made up of; the Head of the Quality Assurance Department (FCA qualified) and an Associate Director (FCCA qualified), with support from other team members across the department.

This is in addition to any feedback we receive from our post assignment surveys, client feedback, appraisal processes and training needs assessments.

Appendix A – Executive summaries and action plans from finalised reports (High and Medium priority actions only)

EXECUTIVE SUMMARY – DATA QUALITY TO SUPPORT THE COMMUNITY RISK MANAGEMENT PLAN (CRMP)

Why we completed this audit

As part of the agreed Internal Audit Plan for 2021/22 at Bedfordshire Fire and Rescue Authority (the Authority), we undertook an audit of Data Quality to support the Community Risk Management Plan (CRMP). The objective of the audit was to review how the Authority is using data and evidence to drive decision making with a focus on the CRMP.

The Authority has a four-year CRMP produced by the Deputy Chief Fire Officer in 2019 in line with the Fire and Rescue National Framework for England. The Authority has incorporated risks into its CRMP from community and national risk registers produced by the National Fire Chief Council (NFCC) and the Local Resilience Forum (LRF). The Authority has the following six strategic aims outlined in its CRMP: preventing, protecting, responding, empowering, utilisation and maximising. There are a number of KPIs linked to the strategic aims with performance ultimately reported to the Fire Authority meeting on a quarterly basis.

The Service Assurance Framework outlines the roles and responsibilities associated with the CRMP. The CRMP is developed in line with the Authorities Medium-Term Financial Plan. The Authority has a Corporate Dashboard and a Business Management Information System (BMIS) which both pull data from source systems for KPI reporting, BMIS is due to go live in April 2022.

Conclusion

Overall, we have identified weaknesses in compliance with the control framework in place to use data to support the CRMP. We found that the Authority has not transparently considered key risks identified in national and local risk registers within the CRMP. Additionally, we found that actual KPI performance reported to the Fire Authority did not trace accurately back to source data through sample testing. The Service Assurance Framework required an update in relation to the CRMP and evidence of discussions related to the newly identified CRMP priorities should be retained.

We have also identified scope for improving efficiency or quality in relation to assigning actions to improve KPI performance and the use of achievable and realistic KPI targets.

We did, however, confirm that the CRMP was aligned with the national framework and key internal strategic documents such as the Medium-Term Financial Plan. Also, we confirmed that projects within the CRMP the action plan were reviewed at the Corporate Management Team (CMT) and Project Management Office (PMO) meetings.

Internal audit opinion:

Taking account of the issues identified, the Authority can take partial assurance that the controls upon which the organisation relies to manage this area are suitably designed, consistently applied or effective.

Action is needed to strengthen the control framework to manage the identified area(s).



Key findings

We identified the following weakness that resulted in the agreement of one high and three medium priority management actions:

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Risk Analysis

The Authority’s risks are included in the Community Risk Analysis (CRA) document, which is referenced in the CRMP, two key sources of risks are NFCC and LRF risk registers. We sample tested five risks from each register and found that overall, there were five risks excluded from the CRMP and CRA without any reasoning documented for their exclusion.

There is a risk that threats to the local community may have not been adequately considered, if relevant risks are excluded from the CRMP without reasoning documented. **(High)**



Accuracy of CRMP KPIs

The Authority reports KPIs to the CMT and Fire Authority, data is pulled from core systems such as the National Incident Reporting System (IRS) using SQL Server. We sample tested 10 KPIs reported to the Fire Authority between July and December 2021 and were unable to trace the KPI accurately back to source in eight cases, this was due to data not being provided as it was not retained centrally and discrepancies arising from retrospective recording of activity.

Although we note that in April 2022 the Authority is rolling out the BMIS system to help resolve this issue, if the Authority cannot demonstrate the accuracy of KPIs reported to the Fire Authority then there is a risk that key decisions could be made based upon unreliable data, this could result in inadequate decision making, or inefficient allocation of resources. We have taken into account the implementation of the BMIS system in the priority of the actions. **(Medium)**

Review of CRMP Priorities



The Authority has agreed on five CRMP priorities through the CMT. We reviewed the CMT meeting minutes for three meetings in September and one meeting in November and December 2021, we found that there was no reference to discussions around the progress made in achieving the five priorities in all five meetings.

Although we recognise that the Authority have identified its priorities, there is a risk that they may not be achieved if progress related to their delivery is not regularly discussed through the governance structure. **(Medium)**

Service Assurance Framework



The Service Assurance Framework is the key document associated with outlining responsibilities and requirements in relation to the CRMP. However, we found that in the lifecycle, responsibilities of the Head of Strategic Support Assurance and approval of the CRMP was not accurately documented in the Service Assurance Framework.

Due to this, there is a risk that staff may be unaware of their responsibilities in relation to the CRMP and the CRMP may not be appropriately reviewed and monitored. **(Medium)**

We noted the following controls to be adequately designed and operating effectively:



National Framework

The Service do not have an internal CRMP guidance document but follow the Home Office Fire and Rescue National Framework for England as a guideline instead, which details how the CRMP should be compiled and what should be included. We reviewed the Authority CRMP and confirmed that it followed the structure outlined in the national framework, which included a prevention, protection, and response strategy.



Links to Strategic Documents

The Authority has a Medium Term Financial Plan (MTFP) and a Service Improvement Plan (SIP). Through review of the MTFP we confirmed that it was linked to the CRMP as it stated in the document that the planning process aligns financial planning with strategic and integrated risk management planning processes, the key outcomes of which are captured in the CRMP. We noted that MTFP and CRMP stated that the financial implications of the CRMP are fully integrated into the annual budget plan and the MTFP, we confirmed that the MTFP and CRMP were aligned. The Authority's SIP comes from its Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) inspection in August 2018. Through review of the CRMP, we confirmed that the January 2021 action plan in response to the inspection was clearly referenced and linked to the document. The Authority do not maintain an annual service plan but instead have an annual action plan included in the appendix of the CRMP document.



CRMP Projects and Actions

There is an annual action plan linked to the CRMP which is monitored through the CMT and the Project Management Office (PMO) meetings. We reviewed the November 2021 CMT meeting minutes and papers which contained updates on the annual CRMP action plan. We confirmed that the updates demonstrated review of the CRMP action plan. We noted that discussions related to a total of 16 actions included in the paper including those first agreed in 2019/20 and 2020/21. Updates related to where each project was in terms of completion.

We reviewed the December 2021 action log for the PMO meetings. We confirmed that the action log demonstrated that actions had been assigned in relation to CRMP projects. We confirmed that the 10 actions assigned in October and December were SMART and clearly assigned an action owner and due date.



BMIS

BMIS is due to go live in April 2022 and therefore did not contain the data to allow us to carry out consistency testing for our sample of KPIs traced to source data and the corporate dashboard. We instead carried out a walkthrough of the BMIS system which was operating in a test mode.

We were advised by the Service Performance Analyst that BMIS will have the same data source as the corporate dashboard as it will also use SQL Server to pull data from source systems. Through review of BMIS we noted that it presented data in the form of charts for different KPIs, had functionality to link KPIs to specific objectives and risks, had a section highlighting specific KPIs that would require improvement as well as containing an action tracking facility to help facilitate the use actions to assist in delivering against CRMP objectives.

We also agreed two low priority management actions which are detailed in Section Two below.

2. DETAILED FINDINGS AND ACTIONS

This report has been prepared by exception. Therefore, we have included in this section, only those areas of weakness in control or examples of lapses in control identified from our testing and not the outcome of all internal audit testing undertaken.

Risk Analysis

Control	<p>The Authority methodology for assessing risks to include in the CRMP includes two main external sources:</p> <ul style="list-style-type: none"> • The first is to review national risks through the NFCC national guidance on community risk and the National Risk Register. • The second source is through the LRF, which is attended by the Police, Council and other corporate organisations in Bedfordshire and they produce an annual community risk register. <p>The CRMP contains a link to a CRA document which was created in February 2019 to support the CRMP, it incorporates risks from the sources highlighted above.</p>	<p>Assessment:</p> <p>Design ✓</p> <p>Compliance ×</p>
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Findings / Implications	<p>We selected a sample of five risks from the 2020 National Risk Register which were: Flooding, Widespread Electricity Failure, Major Fires, COVID-19, and Earthquakes.</p> <p>We confirmed that in four cases the risks were recorded within the CRMP or CRA document. However, we found that the earthquakes risk was excluded from the CRMP and CRA without any reasoning documented.</p> <p>We noted that CRMP and CRA were produced prior to the 2020 National Risk Register but noted that the risk around earthquakes was also included in the 2017 National Risk Register.</p> <p>We selected a sample of five risks from the 2021 LRF risk register which were: Failure of the national electricity transmission system, Storms, Influenza-type pandemic, and Public Disorder.</p> <p>We confirmed that in one case, the risk was recorded in the CRMP.</p> <p>However, we found that the following four risks were excluded without reasoning documented:</p> <ul style="list-style-type: none"> • Failure of the national electricity transmission system; and • Public Disorder. <p>We noted that the radiological attack and electricity transmission system risks were locally assessed as having a red RAG rating. Storms and public disorder were yellow. Therefore, we would expect these to be included, or have a specific documented reason for not being included.</p> <p>There is a risk that threats to the local community may have not been adequately considered, if relevant risks are excluded from the CRMP without reasoning documented.</p>
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Management Action 1	The Authority will ensure that all relevant nationally and locally identified risks are included within the CRMP or CRA, where risks are excluded the reasoning will be clearly documented.	Responsible Owner: Steve Frank (Head of Strategic Support & Assurance)	Date: July 2022	Priority: High
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KPIs

Control	The Authority have five main objectives linked to CRMP for which there are 72 KPIs linked to the delivery of the objectives. The Authority reports KPIs to the CMT and Fire Authority, the data is pulled from core systems such as the National Incident Reporting System (IRS) using SQL Server.	Assessment:	
		Design	✓
		Compliance	×

Findings / Implications

We selected a sample of 10 KPIs which were reported to the Fire Authority between July and December 2021. We reviewed source systems including the Corporate Dashboard and the SQL Service database and confirmed that in two cases the reported figure agreed to source data. However, we found that in three cases the figures reported did not agree to source data. These were:

- The number of primary fire injuries where victim went to hospital with a discrepancy – reported as 16 in December 2021, actual 17;
- The total number of primary fires – reported as 731 in July 2021, actual 726; and
- The percentage of Building Regulations consultations completed on time – reported as 78 per cent in July 2021, actual 84.48 per cent.

We were advised by the Service Performance Analyst that following investigation the reason for these discrepancies was due to activity being recorded late or being reclassified after the event. For the five remaining KPIs we were not provided with source data during the course of our review, the KPIs were compiled by the wider organisation and not by the central reporting team:

- Percentage of station based operational staff that have attended WFR course within the last 3 years;
- Percentage of outstanding debt over 90 days old;
- The Number of Incidents on Administration Services resolved within 8 Hour;
- Number of serious accidents (over 28 days) per 1000 employees; and
- The percentage of working time lost due to sickness (excludes RDS/On-Call).

We were advised that the Authority was aware of potential issues in this area and that the BMIS system was being implemented to help resolve this. Full rollout of BMIS for all CRMP KPIs is expected in April 2022.

If the Authority cannot demonstrate the accuracy of KPIs reported to the Fire Authority then there is a risk that key decisions could be made based upon unreliable data, this could result inefficient allocation of resources.

Management Action 2	<p>The Authority will ensure that it retains accurate supporting data for all figures reported to the Fire Authority.</p> <p>This will be aided by BMIS and will include maintaining a clear audit trail of the data used at the time of reporting.</p>	<p>Responsible Owner: Steve Frank (Head of Strategic Support & Assurance)</p>	<p>Date: April 2022</p>	<p>Priority: Medium</p>
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Service Assurance Framework

Control	<p>The Service Assurance Framework should outline the roles and responsibilities associated with the CRMP and its lifecycle, however, the document is not up to date.</p> <p>The Deputy Chief Fire Officer formed the current CRMP and the Head of Strategic Support and Assurance are in charge of compiling the next CRMP.</p>	Assessment:	✓
		Design	✓
		Compliance	x

Findings / Implications

We reviewed the Service Assurance Framework and we found that the lifecycle of the CRMP was not documented.

If the CRMP lifecycle is not stated within the Service Assurance Framework then there is a risk that CRMP progress will not be tracked and monitored effectively.

We also noted that the Service Assurance Framework outlined that the Head of Strategic Support Assurance had responsibilities of managing audits. However, we found that their responsibilities regarding the CRMP were not documented.

There is a risk that staff may be unaware of their responsibilities regarding the CRMP.

We also noted that the Service Assurance Framework did not outline who can approve the CRMP. We were advised by the Head of Strategic Support and Assurance that the Service Assurance Framework was outdated and due for a review.

If the Authority does not outline who can approve the CRMP, there is a risk that the CRMP may not be adequately reviewed.

Management Action 3	<p>The Authority will update the Service Assurance Framework to include the lifecycle of the CRMP, the responsibilities of key responsible personnel and the details of how the CRMP is approved.</p>	<p>Responsible Owner: Steve Frank (Head of Strategic Support & Assurance)</p>	<p>Date: July 2022</p>	<p>Priority: Medium</p>
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Review of CRMP Priorities

Control	<p>The Authority undertook a prioritisation exercise to help it focus on key objectives. There was initial 39 objectives but the exercise was used to decide the top five priorities.</p> <p>It was carried out through the use of the CMT and the members scored the objectives using their professional judgement. The five highest scores were taken to determine the five objectives.</p>	<p>Assessment:</p> <p>Design ✓</p> <p>Compliance ×</p>	
Findings / Implications	<p>We obtained the CRMP prioritisation exercise results from April 2021 which were presented in a spreadsheet, each CMT member completed a form which was used to populate the results. We noted that five priorities were identified as the key priorities.</p> <p>We reviewed the CMT meeting minutes for three meetings in September and one meeting in November and December 2021. We found that there was no reference to discussions around the progress made in achieving the five priorities in all five meetings.</p> <p>Although we recognise that the Authority have identified its priorities, there is a risk that they may not be achieved if progress is not regularly discussed through the governance structure.</p>		
Management Action 4	<p>The Authority will ensure that updates on the progress made against its five CRMP priorities are discussed through the governance structure.</p>	<p>Responsible Owner:</p> <p>Steve Frank (Head of Strategic Support & Assurance)</p>	<p>Date: 1 April 2022</p> <p>Priority: Medium</p>

For more information contact

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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. Actions for improvements should be assessed by you for their full impact. 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.

Our report is prepared solely for the confidential use of Bedfordshire Fire and Rescue Authority and solely 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 UK 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 UK 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.

For Publication

Bedfordshire Fire and Rescue Authority
Audit and Standards Committee
3 March 2022

REPORT AUTHOR: ASSISTANT CHIEF OFFICER/TREASURER

SUBJECT: INTERNAL AUDIT PLAN 2022/23

For further information on this report contact: Nicky Upton
Service Assurance Manager

Background Papers: Internal Audit Strategy 2020/21 to 2022/2023

PURPOSE:

To receive and consider the three year Internal Audit Strategy for 2021/22 to 2022/2023.

RECOMMENDATION:

That the submitted report be considered and the audit plan for 2022/23 be approved.

1. Introduction

A report by RSM on the Fire and Rescue Authority's internal audit plan for 2022/23 is appended for Members' consideration.

GAVIN CHAMBERS
ASSISTANT CHIEF OFFICER/TREASURER

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BEDFORDSHIRE FIRE & RESCUE AUTHORITY

Internal Audit Plan 2022 - 2023

Presented at the Audit and Standards Committee meeting of: 3 March 2022

This report is solely for the use of the persons to whom it is addressed.

To the fullest extent permitted by law, RSM UK Risk Assurance Services LLP will accept no responsibility or liability in respect of this report to any other party.

EXECUTIVE SUMMARY

Our Internal Audit Plan for 2022/23 is presented for consideration by the Audit and Standards Committee.

The key points to note from our plan are:



2022/23 Internal Audit priorities: Internal audit activity for 2022/23 is based on analysing your service priorities and risk profile as well as other factors affecting you in the year ahead, including changes within the sector. Our detailed plan for 2022/23 is included at Section 1.



Level of Resource: The level of resource required to deliver the plan is consistent with last year and our day rates are in line with the tender submission. We will continue with our approach of using technology when undertaking our operational audits. During 2022/23 we will continue to embrace more ways of using technology to undertake our audit work including; the use of questionnaires, MS Teams meetings, secure web portals for audit data sharing (Huddle) and data analytics technology. This will continue to strengthen sampling and focus our audit testing. Refer to Appendix A.



Core Assurance: In addition to our core audit areas, we have focused our coverage on key risks to the organisation such as **Data Quality**, and **ICT – Digitalised Systems User Proficiency**.

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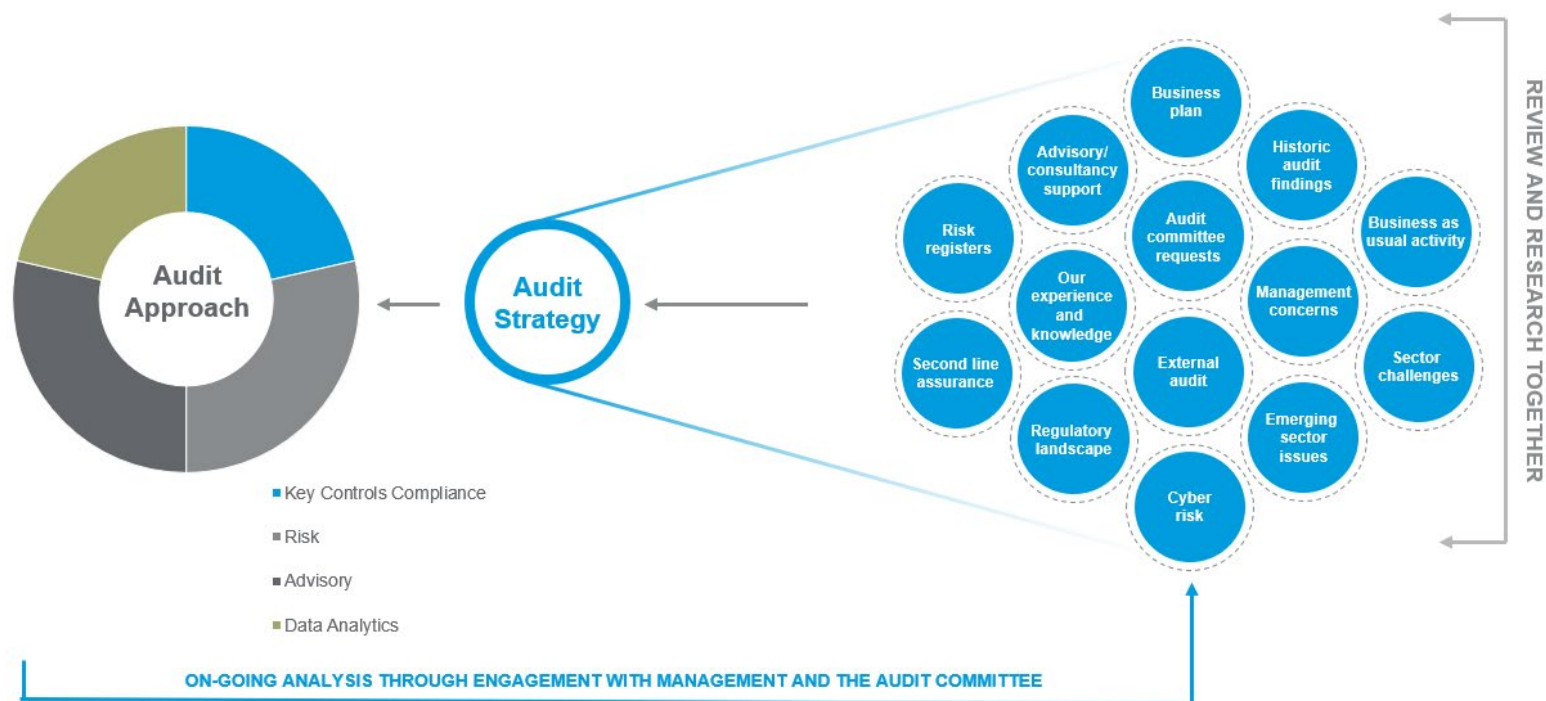
1. YOUR INTERNAL AUDIT PLAN 2022/23

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

Risk management processes

We have evaluated your risk management processes and consider that we can place reliance on your risk registers 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 Corporate Management Team.

Figure A: Audit considerations – sources considered when developing the Internal Audit Strategy.



Based on our understanding of the organisation, the information provided to us by stakeholders, and the regulatory requirements, we have developed an annual internal plan for the coming year and a high level strategic plan (see Section 2 and Appendix B for full details).

2. INTERNAL AUDIT PLAN 2022/23

The table below shows each of the reviews that we propose to undertake as part of the internal audit plan for 2021/22. The table details the corporate risks which may warrant internal audit coverage. This review of your risks allows us to ensure that the proposed plan will meet the organisation's assurance needs for the forthcoming and future years. As well as assignments designed to provide assurance or advisory input around specific risks, the strategy also includes: time to follow up actions and an audit management allocation.

Objective of the review (Corporate risk)	Audit approach	Fee	Proposed timing
<p>ICT – Digitalised Systems User Proficiency</p> <p>This review will consider user competence and proficiency in respect of key digitalised systems to ensure the organisation is achieving the value and benefits of those systems. This will include the use of a questionnaire as well as one to one interviews to gauge staff awareness and competence in using those systems.</p> <p><i>Risk:</i></p> <p><i>3. Failure to maintain ICT systems to ensure an effective service response</i></p> <p><i>7. Ensure that our data management arrangements are robust</i></p>	Risk Based	£4,400	Q1
<p>Data Quality – Information Management and Governance Arrangements including GDPR</p> <p>The organisation has recently implemented a new data sharing system. This review will consider the governance arrangements in respect of data including how data is verified and utilised for decision making. This will also consider the completeness of the data and where it is held to ensure that this is being recorded as required, alongside ensuring compliance with GDPR regulations.</p> <p><i>Risk 7. Ensure that our data management arrangements are robust</i></p>	Risk Based	£4,600	Q1
<p>Governance</p> <p>The annual governance review for the organisation, including review of whether key groups within the governance structure are effectively discharging their duties.</p>	Systems Based	£2,800	Q2
<p>Risk Management</p> <p>We will consider the risk management arrangements to ensure that they support the business of the Authority and Service. This will include review of the Corporate Risk Register the risk management strategy, and the reporting and monitoring of risks.</p>	Systems Based	£2,800	Q3
<p>Key Financial Controls</p> <p>To review the key controls within the finance system which produce the management accounts and Authority financial management information. The specific areas to be reviewed will be agreed with management prior to the start of the audit.</p> <p><i>Risk 4. Insufficient funds to deliver the organisations CRMP</i></p>	Key Controls Compliance	£3,675	Q3
Other Internal Audit Activity			
Follow up	Follow up	£1,700	Q4

Objective of the review (Corporate risk)	Audit approach	Fee	Proposed timing
To meet internal auditing standards, and to provide assurance on action taken to address recommendations previously agreed by management.	N/A	£2,700	Throughout the year
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	£5,700	Throughout the year
Management This will include: <ul style="list-style-type: none"> • Planning and finalisation of reports; • Ongoing liaison meetings and calls, and progress reporting; and • Preparation for and attendance at Audit & Standards Committee. 	N/A	£28,375	
Total		£28,375	

A detailed planning process will be completed for each review, and the final scope will be documented in an Assignment Planning Sheet. This will be issued to the key stakeholders for each review.

2.1 Working with other assurance providers

The Audit and 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.

APPENDIX A: YOUR INTERNAL AUDIT SERVICE

Your internal audit service is provided by RSM UK Risk Assurance Services LLP. The team will be led by Suzanne Rowlett as your Head of Internal Audit, supported by Louise Davies as your manager.

Core team

The delivery of the 2022/23 audit plan will be based around a core team. However, we will complement the team with additional specialist skills where required.

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 2021 to provide assurance whether our approach meets the requirements of the International Professional Practices Framework (IPPF), and the Internal Audit Code of Practice, as published by the Global Institute of Internal Auditors (IIA) and the Chartered IIA, on which PSIAS is based.

The external review concluded that RSM 'generally conforms*' to the requirements of the IIA Standards' and that 'RSM IA also generally conforms with the other Professional Standards and the IIA Code of Ethics. There were no instances of non-conformance with any of the Professional Standards'.

* The rating of 'generally conforms' is the highest rating that can be achieved, in line with the IIA's EQA assessment model.

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.

Conflicts 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.

APPENDIX B: INTERNAL AUDIT STRATEGY 2021/22 – 2022/23

The table below shows an overview of the audit coverage to be provided through RSM's delivery of the internal audit strategy. This has been derived from the process outlined in Section 1 above, as well as our own view of the risks facing the sector as a whole.

Assurance Provided	
	Red - Minimal Assurance / Poor Progress
	Amber/red - Partial Assurance / Little Progress
	Amber/green - Reasonable Assurance / Reasonable Progress
	Green - Substantial Assurance / Good Progress
	Advisory / AUP
	IDEA

Audit Area		2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Risk Based							
ICT	CRR3		Advisory	Advisory		✓	
Data Quality	CRR7				✓	✓	
Management of Assets	CRR8				✓		
Core Assurance							
Governance						✓	
Risk Management			Advisory		✓	✓	✓
Key Financial Controls	CRR4				✓	✓	✓
Follow Up					✓	✓	✓

Other Potential areas of Internal Audit Activity

Asset Management	CRR2 CRR8				
Human Resources	CRR1 CRR2 2020/21 - Recruitment & Wellbeing 2021/22 – Grey Book Recruitment 2023/24 - Succession Planning & Retained Recruitment			Support Recruitment Wellbeing Advisory	✓
Collection / Use of Risk Information	CRR1				
Community Risk Management Plan	CRR4 CRR5				
General Data Protection Regulation (GDPR)	CRR2				
Procurement					
Risk Protection Pool					
Stock Control					
Mobilising System Project					
Operational Business Continuity					
Property - Statutory Compliance					
Change Management - Benefits Realisation					

Environmental Review



Debrief and Organisational Learning



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 & 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 and Standards committee

The internal audit service is provided by RSM UK 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. 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 Director, Suzanne Rowlett (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 Assistant Chief Officer – Finance and Corporate Services.

The head of internal audit has unrestricted access to the chair of Audit and 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 & 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 and 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 and 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 and 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 and 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 and 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 and Standards committee).

Client care standards

In delivering our services we require full cooperation from key stakeholders and relevant business areas to ensure a smooth delivery of the plan. We proposed the following KPIs for monitoring the delivery of the internal audit service:

- Discussions with senior staff at the client take place to confirm the scope six weeks before the agreed audit start date.
- Key information such as: the draft assignment planning sheet are issued by RSM to the key auditee six weeks before the agreed start date.
- The lead auditor to contact the client to confirm logistical arrangements at least 15 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 / Huddle.
- 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.



We continue to closely monitor and implement official guidelines from the Government and health organisations in respect of Covid-19. All our staff must adhere to the relevant RSM Policies, including limiting time on site and completing the relevant approvals prior to any site visit.

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 and 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 and 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 and 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 UK 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 the standards, 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 and Standards committee.

Fraud

The Audit and Standards committee recognises that management is responsible for controls to reasonably prevent and detect fraud. Furthermore, the Audit and 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 and Standards Committee is also approving the internal audit charter.

FOR FURTHER INFORMATION CONTACT

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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. Actions for improvements should be assessed by you for their full impact. 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.

Our report is prepared solely for the confidential use of Bedfordshire Fire & Rescue Authority, and solely 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 UK 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 UK 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.

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For Publication

Bedfordshire Fire and Rescue Authority
Audit and Standards Committee
3 March 2022

REPORT AUTHOR: ASSISTANT CHIEF OFFICER/FRA TREASURER

SUBJECT: INTERNAL AUDIT ACTIONS UPDATE

For further information
on this report contact: Nicky Upton
Service Assurance Manager

Background Papers: Action Plans contained in Internal Audit Reports
Action Plans contained in the current Annual Governance Statement

PURPOSE:

To present Members with a summary of actions arising from internal audit reports over the last three financial years to date and from the current Annual Governance Statement; together with any exception report on those actions currently in progress, progress to date on current action plans, proposals to extend the original timing for completion and those that have been completed since the last meeting.

RECOMMENDATION:

That Members acknowledge progress made to date against action plans; there are no extension requests for the Committee's consideration.

1. Introduction

- 1.1 A combined report providing a summary of actions arising from internal audit reports together with a full exception report of all actions currently in progress, any proposals for an extension to the original completion date and actions that have been completed since the last meeting, is presented to the Audit and Standards Committee.
- 1.2 This is the fourth summary report to the Audit and Standards Committee for the year 2021/22 and it incorporates information from all monitoring reports in the reporting period to date.

2. Summary of Internal Audit and Annual Governance Statement (AGS) Actions

- 2.1 The summary (attached at Appendix A) is split into two parts with actions arising from internal audits and actions arising from the Annual Governance Statement.
- 2.2 Firstly, it provides the status of all actions arising from audit reports received over the last three financial years (ie 2019/20 to date), which have been agreed by the Audit and Standards Committee.
- 2.3 The report provides the following details for each audit:
- Audit report title and date;
 - 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 no further follow-up is required;
 - Number of actions (by priority) currently in progress; and
 - Number of extensions to original completion dates that have been required in respect of all actions.
- 2.4 The table below explains the key to the priority grades:

RSM	High	Recommendations are prioritised to reflect RSMs assessment of risk associated with the control weaknesses.
	Medium	
	Low	

2.5 Completed actions include:

- High and medium actions where a follow up audit is required or has been successfully completed
- Low actions where a follow up audit is not required
- Superseded actions, as designated by the Auditors on follow up audit, where a new action will be included against the relevant follow up audit.

2.6 The report shows that a total of 9 High Priority, 60 Medium Priority and 40 Low Priority actions have been agreed over the reporting period by the Audit and Standards Committee, of which, 0 High, 3 Medium and 0 Low are still in progress. These do not include any recommendations made in new audit reports that may be included elsewhere on this meeting's agenda, progress on those actions will be reported at subsequent Audit and Standards Committee meetings.

2.7 Secondly, the report provides details of the 2020/21 AGS actions (which was formally adopted by Audit and Standards Committee, on behalf of the Authority, at their meeting on 14 July 2021).

2.8 There are two actions from the 2020/21 AGS, with both completed.

3. Monitoring Report for Internal Audit and AGS Actions

3.1 The monitoring report (Appendix B) covers:

- Outstanding, in progress, actions from previous years where there's been an approval to extend the original completion date
- Actions, in progress, from internal audit reports received during 2021/22
- Actions that have been completed since the last meeting
- Actions superseded by new, in progress, actions if not completed by the time of the follow up audit

3.2 Any actions that have been reported as completed which are subject to a follow up audit, which states the action is still outstanding will be reported to the Committee.

3.3 Completed actions that are Low risk and do not require a follow-up audit will be removed from the subsequent report.

4. Exception Reporting

- 4.1 Any internal audit and AGS actions not meeting their target completion date will be reported to the Committee to consider and approve an extension to the original completion dates.
- 4.2 There are no requests to extend the original completion dates on Internal Audit actions.
- 4.3 There are no requests to extend the original completion dates on the AGS actions.

5. Organisational Risk Implications

- 5.1 Ensuring effective internal audit arrangements and the publication of an AGS are legal requirements for the Authority. Effective processes of implementation, monitoring and reporting of actions constitutes an important element of the Authority's governance arrangements with the overall management of organisation risk being enhanced.

GAVIN CHAMBERS
ASSISTANT CHIEF OFFICER/FRA TREASURER

Summary of Internal Audit and Annual Governance Statement Actions

Audit Report & Date	Total Actions			Actions Completed (subject to Follow Up Audit)			Actions Completed/Superse ded (no further Follow Up required or confirmed by Follow Up Audit)			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	
Stock Control (Apr 2019)		4			1			3						4		
Operational Business Continuity (Sep 2019)	1	2	2				1	2	2							
Property – Statutory Compliance (Aug 2019)	1	3	1				1	3	1					2		
ICT Cyber Security - Advisory (Nov 2019)	4	10	3				4	10	3				2	1		
Follow up Part 1 – Governance, Use of Risk Information and Stock Control (Jan 2020)			2						2							
Key Financial Controls (Feb 2020)		1	2					1	2							
Follow up Part 2 – Operational Business Continuity and Property – Statutory Compliance (Feb 2020)	2	5					2	5								
Community Risk Management Plan (Apr 2020)			1						1							
Asset Management – Asset Tracking (Apr 2020)		3						3								
Mobilising System Project (Mar 2020)		1	1					1	1							
Environmental Review (Jun 20)		1	2					1	2							

Audit Report & Date	Total Actions			Actions Completed (subject to Follow Up Audit)			Actions Completed/Supersede ded (no further Follow Up required or confirmed by Follow Up Audit)			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
Internal Audit Plan 2020/21															
Risk Management (Jul 20)		4	2					4	2						
Procurement – Proactive Processes and Remedial Action (Aug 20)		5	1					5	1					4	
Use of Risk Information (Sep 2020)		1	3					1	3						
ICT Cyber Security - Advisory (Nov 2020)		6	5					6	5						
HR - Support Staff Recruitment (Feb 2021)		1	3					1	3						
Key Financial Controls (Feb 2021)		1	1					1	1						
HR - Wellbeing (Mar 2021) <i>Re-stated (Oct 2021)</i>		4	1		3				1		1			1	
Service Governance (Apr 2021)		3	6		3				6						
Follow up (Jun 2021)		2	2						2		2			1	
Internal Audit Plan 2021/22															
Data Quality to support the CRMP	1	3	2												
Debrief and Organisational Learning															
Key Financial Controls															
TOTALS	9	60	40	0	7	0	8	47	38	0	3	0	2	13	0

Summary of Annual Governance Statement Actions from 2020/21 to be completed in 2021/22

Year	Total Actions	Actions Completed	Actions in Progress	No of completion Extensions Required to Date (All Actions)
2020/21	2	2		

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**Monitoring Report of Actions Arising from Audit Reports
(incorporating any actions outstanding at 31 March 2021 from earlier reports)**

URN	AUDITING BODY AND SOURCE	AUDIT AREA AND RESPONSIBLE MANAGER	PRIORITY	AGREED ACTION	PROGRESS REPORT TO DATE	TIMING FOR COMPLETION	STATUS ('Not started', 'In progress or 'Completed')
HRW 1 (20/21)	RSM Mar 21: Final Report (20/21) <i>Restated: October 2021</i>	Human Resources – Wellbeing Head of Human Resources	Medium	<p>The Service will ensure that the Wellbeing Policy is reviewed, revised as appropriate and communicated to staff, following completion of the audit and HMICFRS's inspection. Areas for revision include, but are not limited to:</p> <ul style="list-style-type: none"> • Policy statement signed by the Chief Fire Officer in 2021; • Additional wellbeing support, including Traumatic Risk Management (TRiM); • Current wellbeing governance structure, including the Mental Health and Wellbeing Steering Group; and • Version control of the Policy; including review frequency. 	<p>Revised Wellbeing Policy has not been agreed, current version believed to be too long and remains under review with MH & Wellbeing Steering Forum. Other format/options shared for consideration and Steering Forum to provide feedback. Also need to wait for the HMICFRS report which is not due to be published until December 2021 with time to implement the recommendations.</p> <p>Revised 1st draft of the Policy and Guidance sent to ER Manager for first read February 2022.</p> <p>Additional wellbeing support being rolled out by the Trim Team, coordinated by the Trim Practitioners, attending Station and promoting the service, including Traumatic Risk Management (TRiM); Med 22 A updated with further information.</p>	Original Aug 21 Extension to: Mar 22	In progress

APPENDIX A

URN	AUDITING BODY AND SOURCE	AUDIT AREA AND RESPONSIBLE MANAGER	PRIORITY	AGREED ACTION	PROGRESS REPORT TO DATE	TIMING FOR COMPLETION	STATUS ('Not started', 'In progress or 'Completed')
HRW 2 (20/21)	RSM Mar 21: Final Report (20/21) <i>Restated: October 2021</i>	Human Resources – Wellbeing Head of Human Resources	Medium	The Service will undertake regional benchmarking with Suffok, Essex, Norfolk, Cambridgeshire and Hertfordshire. Following this, the Service will review and identify any further action required.	Reviewed with Hertfordshire and Essex. Herts similar position, reviewing their Policy. Essex adopted the NFCC Wellbeing Policy, which is what BRFS has based its current version on.	Original 30 April 2022	Completed
HRW 3 (20/21)	RSM Mar 21: Final Report (20/21) <i>Restated: October 2021</i>	Human Resources – Wellbeing Head of Human Resources	Low	The Service will ensure that the Annual TRiM Operating Licence is attained for 2021.	Courses booked for 27-29 November. The Licence will be renewed following the course.	Original Nov 2021	Completed
AM F.up 2 (20/21)	RSM June 21: Final Report (20/21)	Asset Management – Asset Tracking Head of Governance and Asset Management	Medium	When BlueLight has been implemented the Authority will ensure that when stock items are issued from stores to their final destination, the stock system and individual station equipment lists are correctly coded to show the movements. Evidence of the local stock list including correct location coding should be available where required. Training around issuing stock and recording this on the system will also be delivered by members of staff responsible for each store.	Asset tracking system is currently in progress to be fully implanted. Stock issued from stores will automatically be coded to the individual station requesting stock items. 11 Stations are now live, all vehicles should be asset tracked by April followed by General Stores to complete the action.	Original April 2022	In progress

APPENDIX A

URN	AUDITING BODY AND SOURCE	AUDIT AREA AND RESPONSIBLE MANAGER	PRIORITY	AGREED ACTION	PROGRESS REPORT TO DATE	TIMING FOR COMPLETION	STATUS ('Not started', 'In progress' or 'Completed')
Proc F.up 4 (20/21)	RSM June 21: Final Report (20/21)	Procurement – Proactive Processes and Remedial Actions Head of Governance and Asset Management	Medium	Progress against the Procurement Activity Plan and the Contracts Commissioning Review Plan, as well as reporting on compliance audit results and significant tender waivers will be reported quarterly to CMT. An annual summary report on procurement activity will be presented to the Audit and Standards Committee for oversight.	Quarterly procurement reporting is planned with CMT November 2021. Annual summary report will be submitted to CMT Q1 2022. This will detail progress in 20/21 financial year. The Procurement Manager post was vacant between March 2021 and August 2021. The priority at the time for the new Manager was to support the team and focus on a number of procurements that were overdue/outstanding as a result of reduced capacity in the team. Proposed revised timescales are: <ul style="list-style-type: none"> Quarterly procurement reporting to CMT to commence from January 2022. An annual report will be presented to CMT in April 2022 (covering the period 2021/22). Meetings scheduled with most of the service areas and will be completed by mid February. A Schedule Plan is being put together of priorities and key activity for discussion with CMT at their away day on 09.03.22.	Original Nov 2021 Extension to: April 2022	In progress

APPENDIX A

URN	AUDITING BODY AND SOURCE	AUDIT AREA AND RESPONSIBLE MANAGER	PRIORITY	AGREED ACTION	PROGRESS REPORT TO DATE	TIMING FOR COMPLETION	STATUS ('Not started', 'In progress or 'Completed')
CRMP 1 (21/22)	RSM Feb 22: Final Report (21/22)	Data Quality to support the Community Risk Management Plan (CRMP) Head of Strategic Support and Assurance	High	The Authority will ensure that all relevant nationally and locally identified risks are included within the CRMP or CRA, where risks are excluded the reasoning will be clearly documented		Original: July 22	
CRMP 2 (21/22)	RSM Feb 22: Final Report (21/22)	Data Quality to support the Community Risk Management Plan (CRMP) Head of Strategic Support and Assurance	Medium	The Authority will ensure that it retains accurate supporting data for all figures reported to the Fire Authority. This will be aided by BMIS and will include maintaining a clear audit trail of the data used at the time of reporting.		Original: April 22	
CRMP 3 (21/22)	RSM Feb 22: Final Report (21/22)	Data Quality to support the Community Risk Management Plan (CRMP) Head of Strategic Support and Assurance	Medium	The Authority will update the Service Assurance Framework to include the lifecycle of the CRMP, the responsibilities of key responsible personnel and the details of how the CRMP is approved.		Original: July 22	
CRMP 4 (21/22)	RSM Feb 22: Final Report (21/22)	Data Quality to support the Community Risk Management Plan (CRMP)	Medium	The Authority will ensure that updates on the progress made against its five CRMP priorities are discussed through the governance structure.		Original: April 22	

		Head of Strategic Support and Assurance					
CRMP 5 (21/22)	RSM Feb 22: Final Report (21/22)	Data Quality to support the Community Risk Management Plan (CRMP) Head of Strategic Support and Assurance	Low	The Service will review its CRMP related KPIs to ensure that targets are achievable and realistic.		Original: July 22	
CRMP 6 (21/22)	RSM Feb 22: Final Report (21/22)	Data Quality to support the Community Risk Management Plan (CRMP) Head of Strategic Support and Assurance	Low	The Authority will ensure that it clearly assigns implementation dates and owners for actions assigned to improve CRMP KPI performance at meetings such as the Fire Authority. Evidence will be retained to show the CMT quarterly review of KPIs.		Original: July 22	

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Summary of Actions Arising from 2020/21 Annual Governance Statement

No	Issue	Source	Planned Action	Progress to date	Timing For Completion	Status ('Not Started', 'In Progress' or 'Completed')
1	Medium Term Budget/CRMP	Assurance Statements	To continue to effectively manage the medium term financial position. A delayed 3 year CSR, now due in 2021, will give focus to medium term budget setting.	<p>The budget work has commenced internally for 2022/23 and we await the delayed CSR expected late December 2021, with the final settlement detail in February 2022.</p> <p>The revenue budget, capital programme and council tax was set by the FRA on 10 February 2022, however, only a one year CSR was provided.</p>	In Feb 2022	Completed
2	Review of Authority Effectiveness and Member portfolio leads	FRA effectiveness reviews	For the portfolio leads that commenced in 2020/21, to be reviewed during 2021/22 as part of the FRA review of effectiveness.	A review and refresh of portfolio members was agreed at the annual meeting on 29 June 2021, with portfolio holders subsequently appointed at the July Executive meeting. The committee structure agreed on a temporary basis in June 2019 was also confirmed at the annual meeting	July 2021	Completed

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For Publication

Bedfordshire Fire and Rescue Authority
Audit and Standards Committee
3 March 2022

REPORT AUTHOR: ASSISTANT CHIEF OFFICER/FRA TREASURER

SUBJECT: WORK PROGRAMME 2021/22

For further information on this report contact: Nicky Upton
Service Assurance Manager

Background Papers: None

PURPOSE:

To review and report on the work programme for 2021/22 and to provide Members with an opportunity to request additional reports for the Audit and Standards Committee meetings for 2022/23.

RECOMMENDATION:

That Members consider the work programme for 2022/23 and note the 'cyclical' Agenda Items for each meeting in 2022/23.

GAVIN CHAMBERS
ASSISTANT CHIEF OFFICER/FRA TREASURER

AUDIT AND STANDARDS COMMITTEE - PROGRAMME OF WORK 2022/23

Meeting Date	'Cyclical' Agenda Items		Additional/Commissioned Agenda Items	
	Item	Notes	Item	Notes
14 July 2022	Election of Vice Chair			
	Review of Terms of Reference			
	Audit Results Report and Fees (E&Y)(Results of 2021/22 audit including any matters outstanding)			
	External Audit Plan 2022/23 (E&Y)	Deferred from March 2022		
	Draft 2021/22 Annual Governance Statement, Statement of Accounts and Letter of Representation			
	Ernst & Young Quality Assurance Processes	Deferred from March 2022		
	Internal Audit Annual Report 2021/22			
	Internal Audit Progress Report 2021/22 and 2022/23			
	Internal Audit Strategy 2022/23 to 2022/24			
	Internal Audit Actions Update			
Review of Code of Conduct and Annual Report on				

	Standards			
	Annual Review of Corporate Risk Register	Restricted report		
	Work Programme 2022/23			

Meeting Date	'Cyclical' Agenda Items		Additional/Commissioned Agenda Items	
	Item	Notes	Item	Notes
29 Sept 2022	External Audit Progress Report (E&Y)			
	Internal Audit Progress Report			
	Internal Internal Audit Actions Update			
	Statement of Assurance			
	Review of Fire Authority's Effectiveness (<i>Biennial review – due 2022/23</i>)			
	Corporate Risk Register - Exception Report			
	Work Programme 2022/23			

Meeting Date	'Cyclical' Agenda Items		Additional/Commissioned Agenda Items	
	Item	Notes	Item	Notes
8 Dec 2022	Internal Audit Progress Report (RSM)			
	Review of the Effectiveness of the Fire and Rescue Authority's Internal Auditors			
	Internal Audit Actions Update			
	Review of 'Monitored Policies'			
	Report on Registration of Interests and Gifts/Hospitality			
	Review of the Audit and Standards Committee Effectiveness (<i>Biennial review – due 2022/23</i>)			
	Corporate Risk Register - Exception Report			
	Work Programme 2022/23			

Meeting Date	'Cyclical' Agenda Items		Additional/Commissioned Agenda Items	
	Item	Notes	Item	Notes
1 March 2023	External Audit Plan 2023/24 (E&Y)			
	Ernst & Young Quality Assurance Processes			
	Internal Audit Progress Report			
	Internal Audit Strategy 2023/24 to 2025/26			
	Internal Audit Actions Update			
	Update to the Authority's Finance Regs (<i>Biennial review – due 2023</i>)			
	Annual Review of the Fire Authority's Effectiveness (<i>Biennial review – due 2022/23</i>)			
	Annual Review of entire Corporate Risk Register	Restricted report		
	Review of Work Programme 2022/23	Forward plan for 2023/24		

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

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