



Bedfordshire

Fire & Rescue Authority

22 December 2023

Members of Audit and Standards Committee.

Bedford Borough Councillors: G Coombes

Central Bedfordshire Councillors: K Gurney, S Owen, M Versallion and R Wenham

Luton Borough Councillors: A Ali and M Hussain

Your attendance is requested at a meeting of the **Audit and Standards Committee** to be held at **Conference Room, Fire and Rescue Service Headquarters, Kempston, Bedford MK42 7NR** on **Thursday, 4 January 2024** starting at **10.00 am**, for the transaction of the following business:

Graham Britten
Monitoring Officer

A G E N D A

Item	Subject	Lead	Purpose of Discussion
1.	Apologies	Business Support Manager	

Item	Subject	Lead	Purpose of Discussion
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.	Minutes	Chair	To confirm minutes of the meeting held on 17 October 2023 (Pages 5 - 16)
4.	Communications	Chair	(Pages 17 - 46)
5.	Public Participation		To receive any questions put to the Authority under the Public Participation Scheme
6.	Internal Audit Progress Report	RSM	To consider a report (Pages 47 - 52)
7.	Internal Audit Actions Update	ACO	To consider a report (Pages 53 - 70)
8.	Review of the Effectiveness of the Fire & Rescue Authority's Internal Auditors	ACO	To consider a report (Pages 71 - 76)
9.	Report on Registration of Interests and Gifts/Hospitality	Monitoring Officer	To consider a report (Pages 77 - 82)
10.	Work Programme	ACO	To consider a report (Pages 83 - 86)

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 Paragraph 3 of Part 1 of the Schedule 12A to the Act as amended.

Item	Subject	Lead	Purpose of Discussion
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Item	Subject	Lead	Purpose of Discussion
11.	Corporate Risk Register	HSSAM	To consider a report (Pages 87 - 102)
	Next Meeting	10.00 am on 4 March 2024 at Conference Room, Fire and Rescue Service Headquarters, Kempston, Bedford MK42 7NR	

DECLARATIONS OF INTEREST

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

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

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**MINUTES OF AUDIT AND STANDARDS COMMITTEE
MEETING HELD ON 17 OCTOBER 2023**

Present: Councillors A Ali (Chair), M Hussain and S Owen
ACO G Chambers, Mr G Britten, DACFO J Tai and Ms N Upton
Ms D Hanson, Ernst & Young (via MS Teams)
Ms S Rowlett, RSM

23-24/ASC/16 Apologies

Apologies were received from Councillors Coombes, Gurney, Versallion and Wenham.

23-24/ASC/17 Declarations of Disclosable Pecuniary and Other Interests

There were no declarations of interest.

23-24/ASC/18 Communications

The Committee received the following RSM communications for information:

a. RSM's Emergency Services News Briefing (May 2023)

Mrs S Rowlett of RSM highlighted the sections relevant to the fire sector as being updates on tools developed to support the Community Risk Management Plan process, changes in requirements for employee checks, the introduction of two new Fire Standards and a further delay to the implementation of the Emergency Services Network to replace Airwave.

It was noted that there was a separate item on the agenda relating to the Fire Standards and that this would be discussed later on in the meeting.

In response to a question on what the significance was of the implementation of Fire Standards, particularly those arising from the tragedies at Grenfell Tower and Manchester Arena bombing, and how these affected the Inspectorate's judgement of the Service's operational performance, the Assistant Chief Officer advised that a full written response would be provided to all Members of the Committee.

The Deputy Assistant Chief Fire Officer, Jason Tai, confirmed that the Service had dedicated action plans in place relating to the recommendations arising from the Hackett Report on Grenfell Tower and from those arising from the Manchester Arena bombing, specifically those relating to communication with other emergency services and responding to marauding terrorist attacks. He volunteered to provide further detail on these action plans to any Members who were interested outside of the meeting.

Councillor Hussain expressed concern about the new high-rise building in Luton as, at 22 stories, it was the first of its height in the county.

The Deputy Assistant Chief Fire Officer advised that the Service was aware of the development and had revised its predetermined attendance standard for high-rise buildings to increase the level of response provided to an incident reported at the location. The Service had purchased a number of items from the additional funding received following the Grenfell Tower tragedy to implement the action plan. This included smoke hoods being available for members of the public in the all the Service's appliances, as well as improvements in radio communication equipment and breathing apparatus sets, and the purchase of firefighting branches which enabled firefighters to fire fight from lower floors. In addition to revised policies and procedures, the Station Commander for Luton Fire Station was liaising with the developers of the building and crews had visited the premises.

In response to a question from the Chair seeking assurances that evidence based risk assessments had been embedded, the Assistant Chief Officer provided an update on the national guidance that had been applied in the development of the Community Risk Management Plan 2023-2027. There were also two in draft relating to vehicle collisions and other building fires.

b. RSM's Emerging Risk Radar (July 2023)

Mrs Rowlett advised that this briefing looked at risks across the sectors and could be used to inform the Service's risk management, gap analysis and horizon scanning work.

c. RSM's Emergency Services News Briefing (August 2023)

Mrs Rowlett reported that the key update for fire and rescue services contained within this communication was the development by the National Fire Chiefs Council of a culture action plan. It was important for Members to consider how they were addressing this in their own Service.

In response to a request from the Chair for an update, the Assistant Chief Officer referred to an update provided by the Assistant Chief Fire Officer that detailed the results of the gap analysis and actions being taken to address this and improve the culture in the organisation.

Actions taken to date included the provision of cultural awareness training to all staff, the introduction of a new anonymous reporting line, the appointment of a professional standards investigator and the review of previous grievance and dismissal cases. Members would be provided with the detailed update for information.

d. RSM's Focus on Fraud (September 2023)

Mrs Rowlett advised that this was also an all sector update as fraud was a risk to all organisations.

23-24/ASC/19 Minutes

Councillor Owen referred to a comment he had made at the previous meeting regarding the potential need for additional meetings if the workload of the Committee appeared to be too onerous for the number of meetings currently scheduled.

The Assistant Chief Officer suggested that Members could discuss this in greater detail under the Work Programme item later in the agenda.

The Chair advised that he was seeking to introduce pre-meetings in advance of the Committee's meetings and that Members would be able to ask questions and raise concerns in this forum, which may reduce the length of the formal Committee meetings.

RESOLVED:

That the Minutes of the meeting held on 6 July 2023 be confirmed as a true record.

23-24/ASC/20 Public Participation

There were no members of the public present at the meeting.

23-24/ASC/21 Annual Report

Debbie Hanson presented the Annual Report from Ernst & Young, the Fire and Rescue Authority's external auditor.

EY had awarded the Authority an unqualified audit opinion as at 8 August 2023 for the 2021/22 accounts. These could not be fully closed as the National Audit Office had not yet decided which organisations under the threshold, of which the Service was one, would be selected for sampling.

No significant issues had been identified as a result of the value for money assessment or in terms of any further risks; however, it was noted that the next few years would be challenging for local government sector organisations.

In response to a question from Councillor Owen on how the opinion awarded compared to those issued for previous years, both Ms Hanson and the Assistant Chief Officer confirmed that the Authority had received an unqualified opinion for the previous year's accounts.

In response to the Chair's request for an update on the audit fees, Ms Hanson advised that she had not yet shared this information with the Assistant Chief Officer; however, the fees would be submitted to PSAA to determine in the usual way.

The Committee recognised the efforts of the Assistant Chief Officer and his team in achieving an unqualified audit opinion.

Ms Hanson was also unable to provide a timescale for the audit of the 2022/23 accounts, although she reported that EY was seeking to conclude all value for money assessments by the end of December 2023 and was seeking further guidance from the Minister on a more sustainable way forward for the audit sector and in relation to "backstop" dates so that assurance could be provided in a more timely manner.

Following a question from Councillor Hussain, Ms Hanson confirmed that the going concern assessment had been undertaken in August 2023 and looked forward for a period of 12 months, so to August 2024. However, this was based on the statements in 2021/22, and the level of reserves that were held at that time, and this could change in future years, although the Authority's retention of its reserves, particularly the Transformational Earmarked Reserves, put the Authority in a more positive position than other local government bodies who were currently facing significant financial pressure.

The Assistant Chief Officer advised that the contract with EY was coming to an end, and therefore it was likely that there would be some crossover between EY's audit closure of the 2022/23 accounts and planning meetings with the new external auditors, KPMG, for the 2023/24 audit.

RESOLVED:

That the submitted Annual Report for the year ended 31 March 2022, and the unqualified audit opinion awarded by the external auditors, be welcomed.

23-24/ASC/22 Internal Audit Progress Report

Ms S Rowlett, RSM, presented a report on progress made against the internal audit plan for 2023/24.

One audit had been completed, one was in the draft stage and another in progress. The Key Financial Controls audit had been deferred following the departure of the Chief Accountant.

The audit opinion for the governance of the Programme Management Office was substantial assurance, which was the highest opinion that could be awarded. RSM had concluded that the organisation had well-established and applied processes for project management and this was supported by the documentation for each of the five projects sampled at the time of the audit. The process for reporting to the Programme Boards and the Corporate Portfolio Board had been recorded with clear roles and responsibilities being included within the Terms of Reference documents.

In response to a request for clarification on the role of the Corporate Portfolio Board, the Assistant Chief Officer reported that this was the Corporate Programme Board, which met quarterly under the auspices of the Service's Corporate Management Team to receive updates from the Lead Programme Manager on all live projects.

The Authority received project update reports twice a year and this report would detail progress made. Whilst there were minutes of the Programme Board meetings, the Assistant Chief Officer expressed the view that the report should provide a sufficient level of detail for Members.

In response to a query from Mrs Rowlett on the updated layout of the report, the Members present expressed satisfaction with the changes made.

RESOLVED:

That the report be noted.

23-24/ASC/23 Internal Audit Actions Update

The Assistant Chief Officer introduced the summary of actions arising from internal audit reports over the last three fiscal years 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 had been completed since the last meeting.

Members were asked to approve extension requests for two actions relating to data management: to review the results of the questionnaire (Data Quality Culture Survey) and identify actions to be taken as a result, and to develop and implement a process or system of data checks to ensure data presented was accurate, reliable, complete and appropriately maintained in line with GDPR regulations.

The Deputy Assistant Chief Fire Officer advised that, as there had been 128 responses received to the survey, the Service wished to have time to give these due consideration and incorporate any required changes into the digital learning training that would be provided to all staff. Therefore, an extension was requested from 30 September 2023 to 31 December 2023 to allow this work to be completed.

The second action was related to the KPI dashboard and additional improvements the Service wished to make to allow the data processing to become fully automated. This would result in efficiencies but would take longer to implement, hence the request to extend the completion

date from 31 December 2023 to 31 March 2024. This recognised the workload of the business information team, who were also currently working on the emergency cover project and other major projects.

In response to a question from the Chair, the Committee was advised that, whilst there would be a transition period, this would not impact on performance data being submitted to the Authority on a regular basis.

The Chair requested that additional information on data flow, including the parameters, be presented to Members. The Deputy Assistant Chief Fire Officer confirmed that he would liaise with the Chair to determine how this information could be presented.

RESOLVED:

1. That the report and the progress made to date against action plans be acknowledged.
2. That the extension requests for actions relating to data management as detailed in paragraph 4.1 of the report be approved along with the additional action raised above.

23-24/ASC/24 Statement of Assurance

The Assistant Chief Officer introduced the Annual Statement of Assurance for 2022/23 to Members for approval. The Authority had a responsibility to publish an Annual Statement of Assurance which provided a report on the Service's performance in the previous year in relation to finance, governance and operations.

Councillor Owen highlighted a spelling error on the bottom of page 101 of the pack and inconsistencies in capitalisation in the same sentence regarding the Inspectorate. He expressed the view that the text relating to the inspection reports was confusing and should be reworded. The performance section appeared to be very brief; however performance was detailed in the pages immediately following the statement provided so he suggested that this should also be amended.

He also queried whether mention should be made of the most recent inspection report as there appeared to be some sections of the report which provided a forward look and others that did not.

A discussion ensued during which the Monitoring Officer provided advice that as the Statement of Assurance was a backwards-looking document, there must be consistency of language, with no reference being made to events following 31 March 2023.

The Assistant Chief Officer advised that the change in membership of the Authority was thought to be an exception, although he acknowledged the points made and would revisit the relevant sections in the Statement.

When considering the value of introducing a statement regarding the most recent inspection, and the accompanying action plan, the Committee noted that the inspection report and a press release on the report was published on the Service website and was therefore transparently in the public domain, along with the reports and Minutes of meetings where this had been discussed.

The Monitoring Officer advised that, although the Committee was being asked to refer the Statement of Assurance to the full Authority for approval, following the most recent governance review, the responsibility for approving this document had been delegated to the Audit and Standards Committee and therefore could be approved at the meeting.

The Chair commented that the information contained in the Statement appeared to be very similar to that in the Annual Governance Statement produced for consideration with the Statement of Accounts. He suggested that these two documents be combined.

The Assistant Chief Officer confirmed that some of the information included in the Statement of Assurance did not appear in the Annual Governance Statement; however, consideration could be given to producing a document that would satisfy all requirements.

RESOLVED:

1. That the contents of the Statement of Assurance for 2022/23 be acknowledged.
2. That, subject to amendments made by the Assistant Chief Officer in consultation with the Chair and Vice Chair, the Statement of Assurance be approved for publication on the Service's website.
3. That consideration be given to whether the 2023/24 Statement of Assurance could be included as part of the Authority's Annual Governance Statement.

23-24/ASC/25 Fire Standards Board update

The Deputy Assistant Chief Fire Officer presented a report that detailed progress with the gap analysis and integration of Fire Standards into business as usual.

This work was being led within the Service by the recently appointed Group Manager, Peter Knight, who had previously worked for the National Fire Chiefs Council for two years in this area and, as a result, was a subject matter expert.

A governance framework had been introduced, together with a clear approach for gap analysis and sign-off, with dedicated resources to oversee its implementation and with the Corporate Management Team providing oversight of the adoption of the standards.

The Committee was advised that, following a recent Chief Executive's Forum, the Service had agreed to create and host an Eastern region Fire Standards Forum to assist services with the implementation of Fire Standards and improve shared situational awareness across the region on Fire Standards, identify opportunities for collaboration around gap analysis and implementation and to avoid duplication.

To date, 16 fire standards had been released. Full compliance had been achieved in relation to the first fire standard on emergency driving, with all others being at some stage in the gap analysis/action plan implementation process. It was planned to complete the gap analysis on all standards by 31 December 2023.

Current criteria compliance was 70%, with 35 actions fully compliant. Of the sub-actions, 126 actions had originally been compliant, with this number increasing to 193 being compliant, with 33 partially compliant and 72 non-compliant.

In response to a question from Councillor Hussain, the Deputy Assistant Chief Fire Officer explained that all actions for the Fire Standards that had passed the gap analysis stage had completion dates; however, new Standards were being released so it was not possible to have a completion date for the implementation of all Standards.

The Committee was advised that the Fire Standards Board was a Board of the National Fire Chiefs Council and comprised of Chief Fire Officers, independent members and others with experience of implementing similar standards, such as high ranking Police Officers. The Board and the Fire Standards themselves had been introduced as part of Fire Services Reform and recognition that there were not consistent standards across the sector.

Whilst it was noted that the Inspectorate did not currently inspect services specifically on their implementation of the Fire Standards, it was an expectation that Services would be working towards this.

RESOLVED:

That the project be supported and progress made to date be noted.

23-24/ASC/26 Work Programme

The Committee received the updated work programme for 2023/24.

In response to a question, the Assistant Chief Officer confirmed that progress reports on the implementation of the action plan arising from the inspection report were being submitted to the Authority meetings so that they could be discussed by all Members of the Authority.

The Assistant Chief Officer added that the work programme was subject to change, as earlier comments in the meeting suggested that the External Audit report scheduled for the Committee's next meeting would not be available at that time.

RESOLVED:

That the Committee's Work Programme for 2023/24 be received and the 'cyclical' Agenda Items for each meeting in 2023/24 be noted.

23-24/ASC/27 Corporate Risk Register

RESOLVED:

That, pursuant to Sections 100A(2) and 100A(4) of the Local Government Act 1972, the public be excluded from the discussion of the following item on the grounds that the matters to be discussed involve the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Act (as amended):

Item

Corporate Risk Register

The meeting ended at 11.53 am

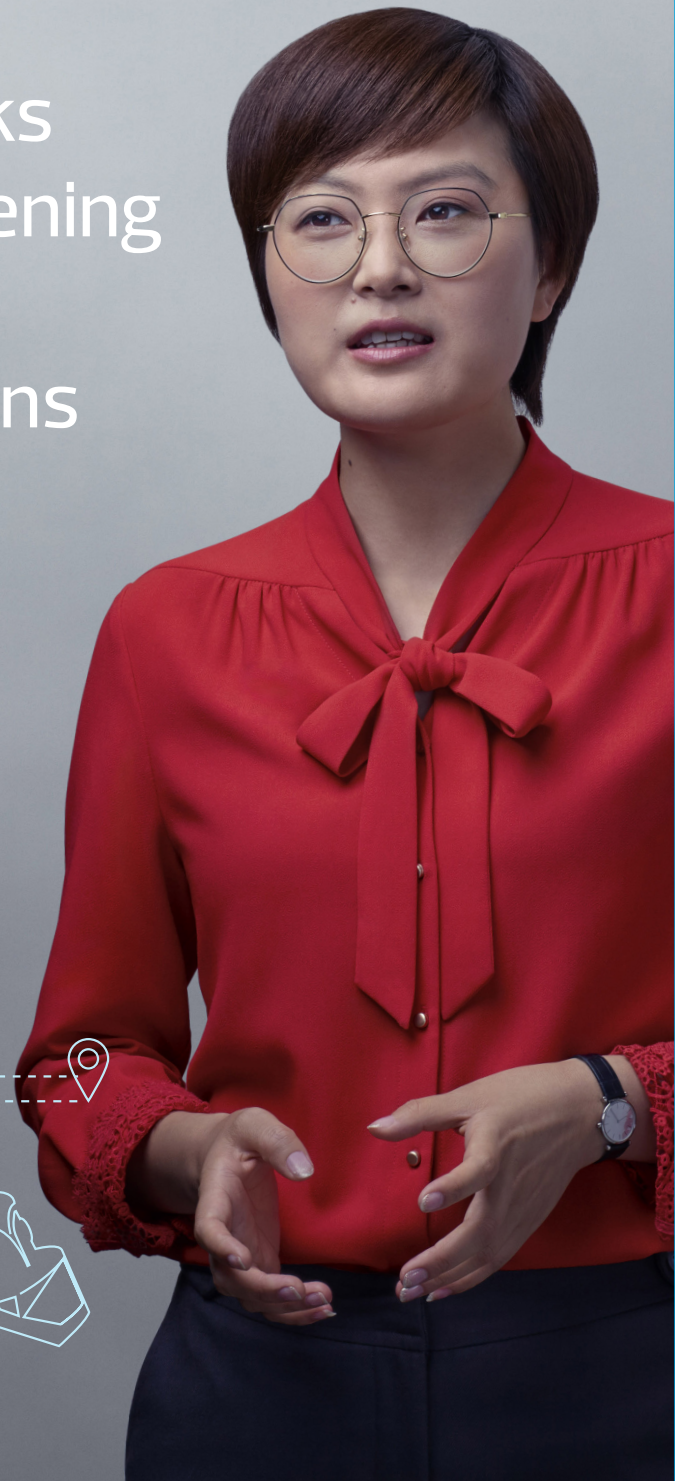
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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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Managing risks and strengthening confidence in your operations



RSM'S ANALYSIS OF EMERGENCY SERVICES RISK REGISTERS 2023

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Challenge your risk profile and appetite and actively manage relevant risks and identify areas of opportunity.



EXECUTIVE SUMMARY

For the emergency services, the risk landscape is complex and evolving. Therefore, identifying and managing your risks effectively is vital.

Moving out of the uncertainty caused by the pandemic and the challenges this presented remains a feature of the operating environment. The cost-of-living crisis, rising energy, food and material prices, inflation and geopolitics are all part of the wider risk management landscape. We have also seen a greater focus on climate change, equality and diversity, mental health and wellbeing that form part of the wider environmental, social and governance (ESG) agenda. His Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) has noted that within the police and fire services, some cultural change is necessary, linked to police officer behaviour and abuse of position, and promoting equality, diversity and inclusion in the fire service profession.

Persistent challenges around the inability to plan financially for the longer term remain (this is linked to the national funding formula). This is magnified as budgets are stretched and, despite government reviews, there is some uncertainty regarding how government may take forward key proposals. While the risk of fire fighter strikes has been abated in the short term, this has the potential to remain an issue.

Cybercrime is another continuing threat and communications related issues remain, linked to delays in the emergency services mobile communications programme, which also has a significant cost. It is, therefore, critical that boards and management continue to focus on ensuring they have effective risk management procedures in place and that these are robustly and consistently implemented.

We have been publishing analyses of police and fire risk registers periodically for eight years now, allowing us to trace movement in risk profiles over time. This publication is our first cross-sector analysis, reviewing police force, office of police and crime

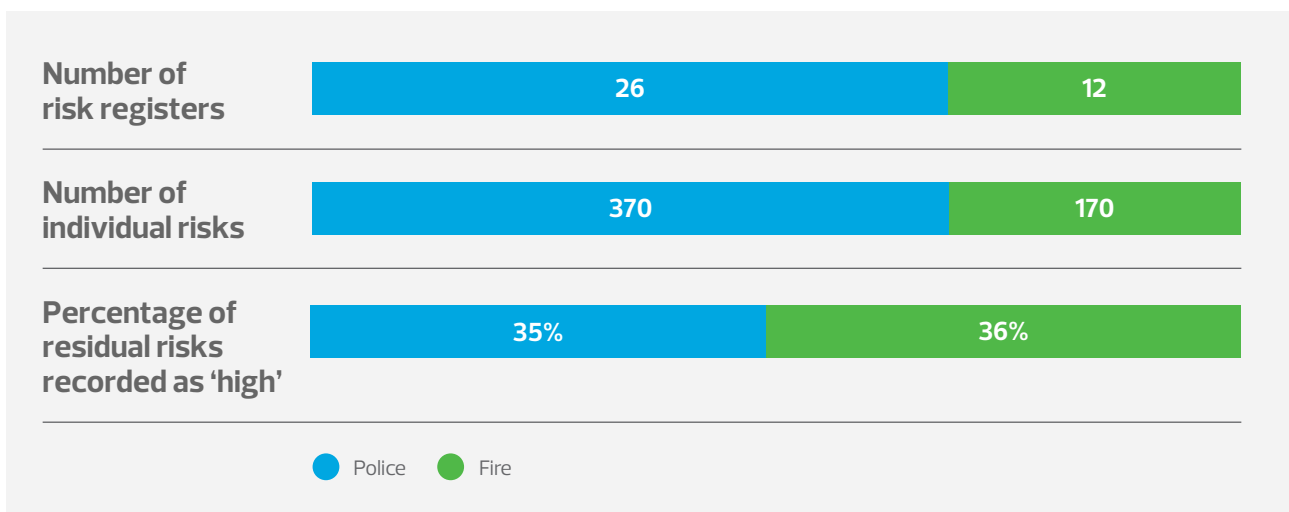
commissioner (OPCC), office of police and fire crime commissioner (OPFCC) and fire service strategic risk registers. It allows emergency services organisations to consider how our risks compare and to assess whether we are missing any significant risks.

While the best risk management can never negate the potential for a risk to materialise, ensuring that risk is understood and managed effectively, efficiently and proportionately helps. Organisations should ensure that risk profiles and descriptions remain current, that robust internal controls are mapped to each risk and are in line with risk appetite, and that appropriate assurances are sought. This will allow audit committees and senior management to take comfort in the knowledge that controls to manage and mitigate risks are operating as intended and informing the board assurance framework where this is in place. This is particularly important where services are collaborated and/or involve third-party providers.



HIGH LEVEL OVERVIEW OF STRATEGIC RISKS

In seeking to understand the key risks faced by our emergency services clients, we examined the contents of 38 emergency services' strategic risk registers. 540 individual risks were analysed from across police and fire services.



Risks across emergency services

As part of our analysis, we have categorised each strategic risk by key theme to understand those areas of greatest concern to police and fire services.

In terms of **quantities** of risks, the top three areas representing 48% of the total population were:

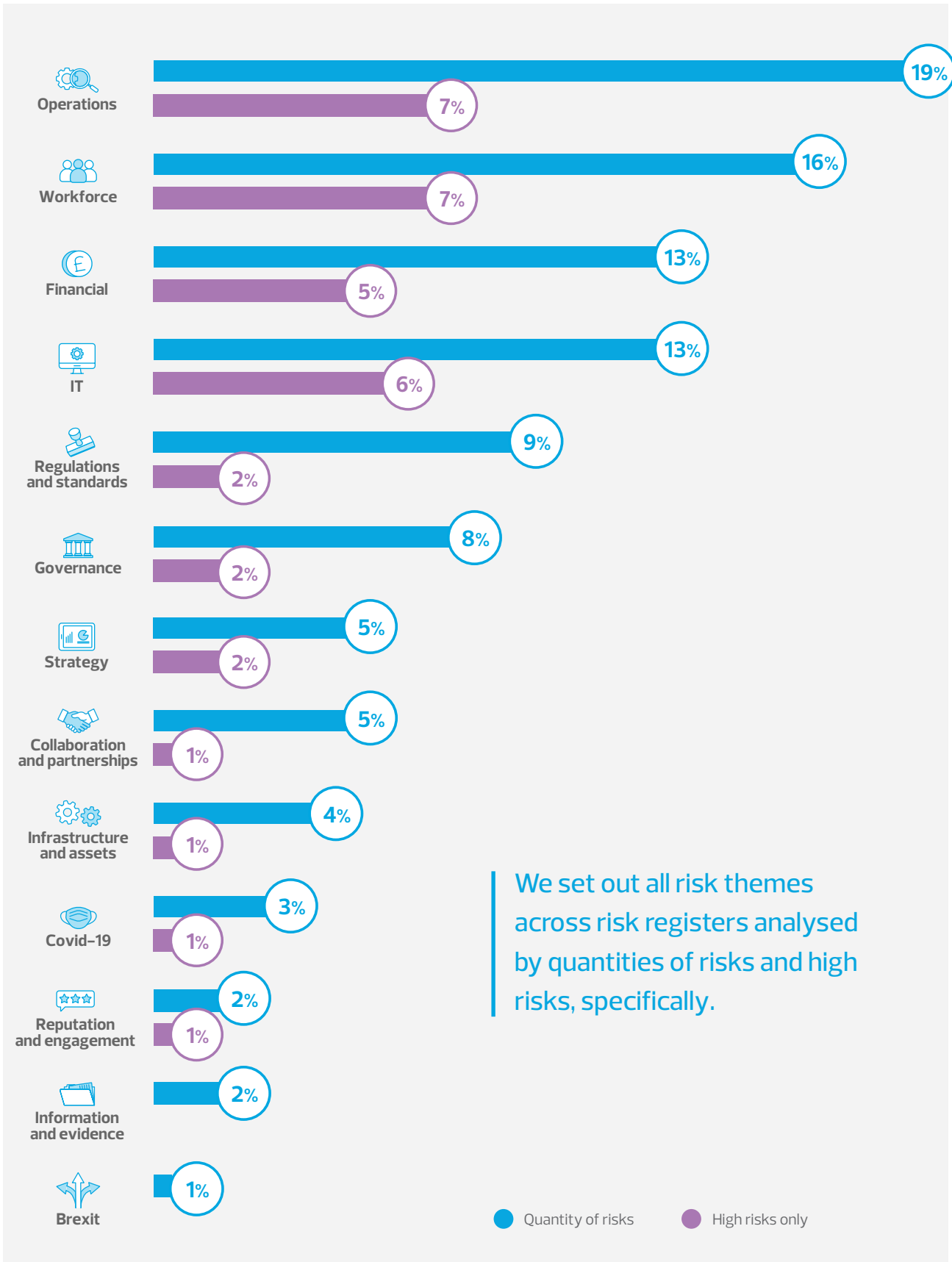
- 1 operational** risks, accounting for 102 risks in total (or 19%)
- 2 workforce** risks, accounting for 87 risks in total (or 16%)
- 3 financial** risks, accounting for 70 risks in total (or 13%)

As part of our analysis, we have analysed strategic risks in terms of **severity**, tracing those residual risks (post controls and applied mitigations) considered by police and fire services to be **'high'**.

Overall, 187 (or 35%) of risks across the risk registers in our sample were deemed to be 'high'. The top three areas representing 20% of all 'high' risks recorded were:

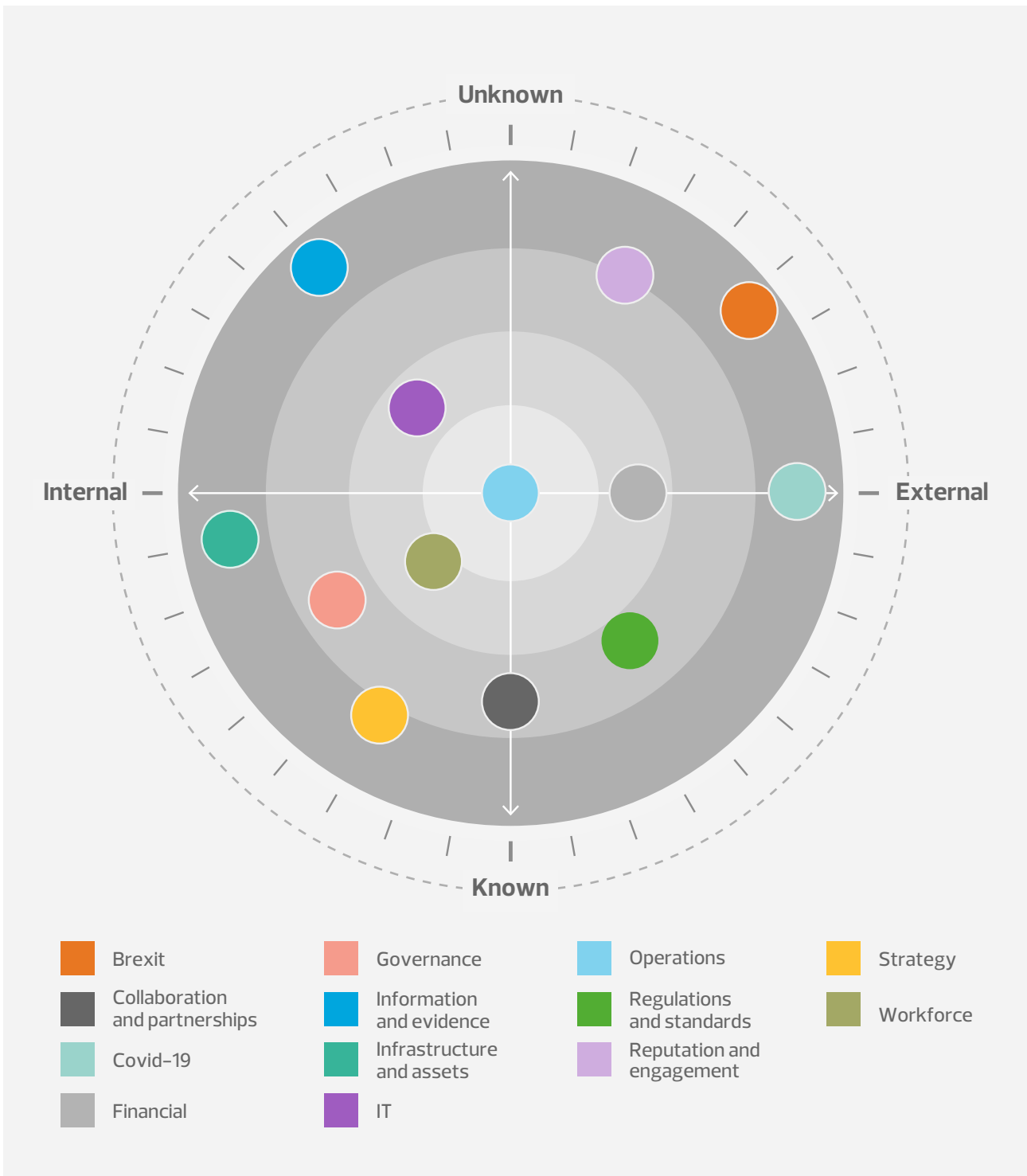
- 1 operational** risks, accounting for 38 high risks (or 7%);
- 2 workforce** risks, accounting for 37 high risks (or 7%); and
- 3 IT** risks, accounting for 32 high risks (or 6%).

Across emergency services, risks relating to core operations and the workforce are paramount and are clearly on the radar as being intrinsically important areas of focus. While financial risks fell out of the top three high-risk areas, they did feature at number four, representing 5% of all high risks in total.



Risk radar

Using our radar, we plot where each of the 'high' risks recorded within the strategic risk registers sit. The closer the area is to the centre of the radar, the greater the risk score. We also identify each risk area in terms of whether risks are known, and whether they are internal or external.



Key observations

- Operations related risks sit directly at the centre, featuring more high risks than any other area. They relate to risks that are both known and unknown, and while in many respects are focused on service delivery to the public, they link to internal processes and systems operating effectively.
- Workforce-related risks were internal, with there being an awareness of the issues faced by the organisation.
- Regulations and standards related risks are also clear, having been set by external bodies, yet reputational risks were less understood, with links to public perception and satisfaction.
- Many of the finance risks relate to funding. While annual funding allocations are known, longer term financial planning can be more challenging as a consequence of the funding model.
- A cybercrime attack could happen at any time, and we have seen continued risks in this area. There also remains uncertainty in relation to the emergency services mobile communications system.
- While there was little mention of culture, weaved within some police risk registers were risks relating to officer behaviour and abuse of position and how this ultimately threatens force legitimacy and the erosion of public trust and reputation.



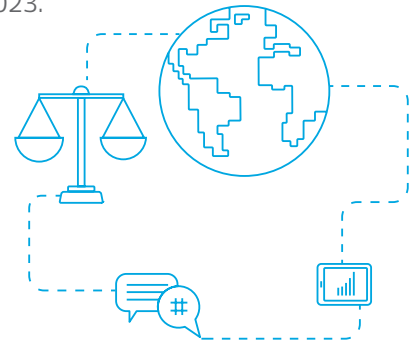
Trending risks analysed by sub-sector

In our latest analysis, across emergency services there are more risks related to operations and workforce than any other. This demonstrates that, in many respects, the broad risk themes across the sector are similar in nature, despite the distinct roles of forces and commissioners, and fire and rescue services.

As we have been analysing police and fire strategic risk registers for several years, we can illustrate risk movement and trends.

POLICE

- The number of operations related risks continues to account for more risks than any other, with the percentage growing from 13% in 2021 to 19% in 2023.
- The number of workforce risks has increased from 12% in 2021 to 14% in 2023.
- At 13%, IT-related risks have increased by two percentage points since 2021.
- In terms of high risks specifically, finance risks have reduced by two percentage points since our analysis in 2021 and are no longer the top area of high risk for the police service. The top high-risk areas for the police service are now operations and IT.
- IT risks have increased from 11% of all police high risks in 2021 to 18% of all police high risks in 2023.
- The number of Covid-19 related risks has fallen significantly, from 12% of all risks in 2021 to 3.5% of risks in 2023.

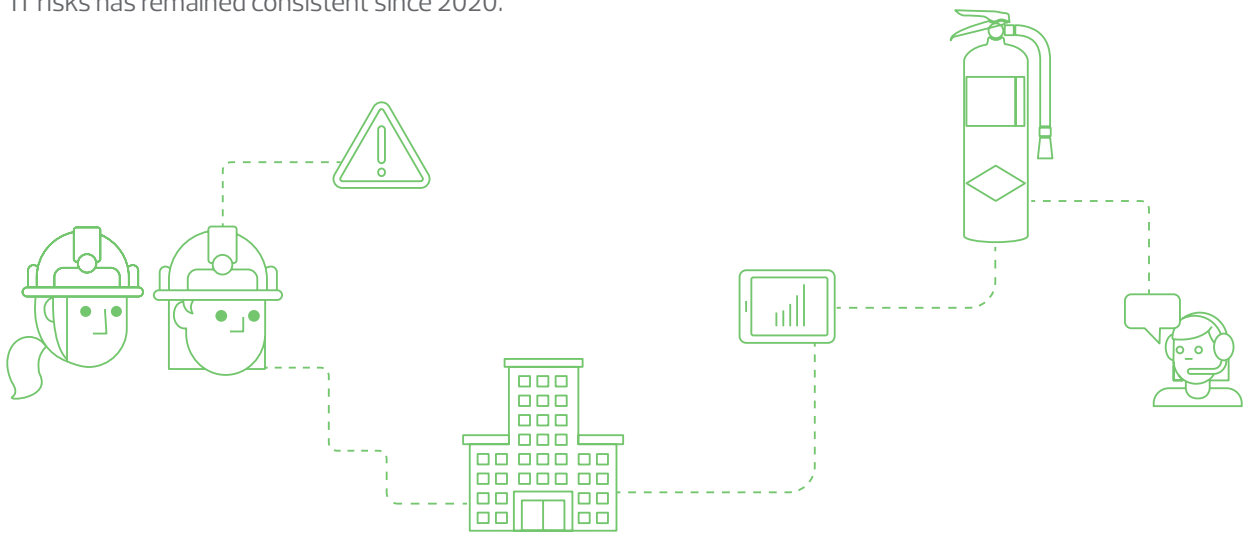


DIRECTION OF TRAVEL – TOP FIVE RISKS IN 2023, 2021 AND 2018 (NUMBER OF RISKS)

		2023	2021	2018
1	➔	Operations	Operations	Financial
2	⬆	Workforce	Covid-19	IT
3	⬆	IT	Financial	Operations
4	⬇	Financial	Workforce	Collaboration and partnerships
5	⬆	Governance	IT	Regulation and standards

FIRE

- At 21%, there has been a five-percentage point increase in the number of workforce-related risks across the fire service since our last analysis in 2020.
- In a similar pattern, workforce risks have also significantly increased in terms of severity. In our last analysis, just 7% of workforce risks were high; in our latest analysis this has increased to 31%.
- The number of finance-related risks has increased by 2% (from 12% to 14%), while the number of IT risks has remained consistent since 2020.
- Risks relating to Covid-19, which were all-encompassing at the height of the pandemic, have reduced significantly across the fire service, from 16% in 2020 to 3% in 2023.
- We have continued to see collaboration and transformation risks outside of the top five risk areas, despite increased focus on this with the Policing and Crime Act 2017.



DIRECTION OF TRAVEL – TOP FIVE RISKS IN 2023, 2021 AND 2018 (NUMBER OF RISKS)

	2023	2021	2018
1	↑ Workforce	External environment and Covid-19	Workforce
2	↑ Operations	Workforce	Financial
3	↑ Financial	Operations	Operations
4	↑ Regulation and standards	Financial	Legislation (Regulation and standards)
5	→ IT	IT	Collaboration and transformation

NEW AND EVOLVING RISKS

Below, we set out some of the key areas across emergency services where we consider risks to be emerging or evolving.



Economic Environment

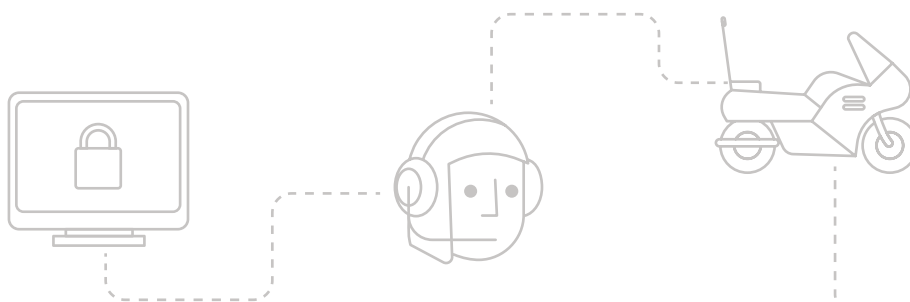
Economic uncertainty (linked to significant cost pressures), inflation and having to pay more for goods and services are all evolving risks. Greater focus on medium-term financial plans will be needed and capital projects may need to be reconsidered as the costs of borrowing have increased.



Public Procurement

New UK Public Procurement Legislation will be effective, starting from late 2023/early 2024 and will fundamentally change the way all public procurement is conducted. The new legislation will replace the Public Contracts Regulations 2015; the Utilities Contracts Regulations 2016; the Concession Contracts Regulations 2016; and the Defence and Security Public Contracts Regulations 2011. The new bill repeals these regulations and introduces a single framework.

The scale of change to the public procurement regime will be significant and far-reaching. The changes will apply to all public sector bodies, including local authorities and central government departments. The impact will also be significant for all companies and others who sell goods and services to the public sector. Everyone involved will need time to prepare themselves to function effectively under the new regime. If you are a public sector buyer or a seller to government, all procurement-related governance, processes and control will need to be updated. Management and staff will need training and new guidance will need to be written.





Environmental, Social and Governance (ESG)

ESG will continue to evolve. Equality and diversity strategies, equal pay, ethical investments, and sustainability are just some areas where services will need to do more in terms of their investment of time, resource and response, to what is an increasingly important area of focus.



Cybercrime

IT and cybercrime risks will continue to evolve in their complexity, highlighting the need for network and secure configuration controls that are tested routinely, while continuing to raise staff awareness and undertake training.



Tax

The trend continues for legislation and HMRC to focus on tax risk governance, with a greater onus on larger organisations to help enforce compliance across their supply chains. For example, powers under the Criminal Finance Act 2017 for the offence of failing to prevent tax evasion are being used more frequently by HMRC. This is especially so where HMRC suspects tax leakage in a supply chain and where an organisation does not have suitable processes in place to have helped identify potential evasion by a third party or workers. Commonly, risks are an over-reliance for tax on any one individual, a lack of written procedures and a lack of suitable customer /supplier checks.





Human Capital, Diversity and Talent Management

In its [2023 Risk in Focus](#) report, the Institute of Internal Auditors (IIA) noted that 50% of survey respondents cited human capital, diversity and talent management as a top five risk. Related risks have arguably intensified in this area. The government has reached its target of recruiting 20,000 additional police officers, yet the profile of the workforce is changing. This is an issue spanning the emergency services, as experienced officers and firefighters are reaching retirement, resulting in the loss of key knowledge and skills.

Recruiting people with the skills and technical abilities required is challenging and can be linked to several factors, including pay and reward. The latter is a particular issue for the fire service, with the threat of strike action as a result of reduced pay and failing to fill open posts. There is also a much greater focus on wellbeing.



Culture

Organisational culture is in the spotlight and receiving greater focus. In its latest annual assessment of fire services, HMICFRS stated that 'many services need to improve how they promote their values and culture', while in its annual assessment of policing, HMICFRS noted recent reports 'have contained highly alarming evidence of toxic behaviour and attitudes among some police officers.' To bring about change, internal processes, policies and strategies should align with values that can drive cultural change where this is needed.

ESG and how RSM can help

We all have a responsibility to make the world and our environment a better place. The responsibility for taking tangible action extends to public and third-sector organisations, and we are seeing regulators take a much deeper interest in ESG matters than ever before. While organisations will likely talk about ESG, and perhaps develop associated strategies, plans, commitments and targets, we are clearly all on a journey.

To help organisations understand where they are on their ESG journey, RSM has developed an ESG maturity assessment. To complement the framework assessment, RSM can also undertake an ESG appetite review.

Read [RSM's The Real Economy ESG](#).

Emerging risks

At RSM, we monitor emerging risks across various sectors, highlighting board member views on emerging events or threats that could impact businesses either negatively or positively.

For a copy of our latest Emerging Risk Radar, please get in touch with your RSM contact.

RISKS IN FOCUS

Operations

Key operations related risks by sub-sector.

POLICE

- Forces fail in their remit to protect the public, business organisations and vulnerable people, and fail to reduce violence against women and girls.
- Risks that demand will overwhelm capacity and capability to efficiently and effectively deal with crime.
- Failing to increase police visibility and public confidence across the local community.

FIRE

- Demographic changes, such as an ageing population or younger people moving out of small urban areas, change the demand for fire services.
- As people respond to the cost-of-living rises, there may be a linked increase in primary and secondary fires.
- On-call availability does not align with incident call demand peaks.



Emergency services should be focused on prevention, protecting the community and incident response. This links to effective community engagement and ensuring there are sufficient officers and firefighters to meet the demands placed on them. Operationally, the sector is facing some notable challenges.

Online crime is now the most prevalent type of crime, with online fraud having increased. For forces, there are also concerns that hidden and complex crimes, such as child exploitation and human trafficking, create significant challenges, while for some crimes there is a risk that forces are seen to be not doing enough in their response. For example, youth-related gun and knife crime continues to be a key area where focus is required, along with other crime-related areas, including violence against women and girls. We have seen risks that note that the legitimacy of the force may be questioned should it fail to ensure the right balance between effective and ethical policing.

The police service has made some notable improvements in several areas, such as child protection and crime recording, however, [HMICFRS notes in its annual assessment of policing in England and Wales 2021](#) that there are 'unacceptably wide inconsistencies in performance between police forces' and that 'detection rates in some crime types are very low and have deteriorated.'

Due to changing incident types and fewer calls than in previous years, for some fire services, there is a risk that operational competence is not sustained, especially in stations with low call demand. In England, the latest data reveals that the [average response time to primary fires was 8 minutes and 50 seconds](#), which was an increase of 15 seconds on the response times for the year ending March 2021. Despite these numbers, we know the sector is well-prepared to deal with routine emergency responses and major incidents. At a national level, the [number of incidents attended by fire services has increased by 16%](#) in the year ending September 2022 and fire incidents have increased by 28% from 145,313 to 185,437.

While fire services must focus on aligning their on-call capability to meet changing local requirements, [HMICFRS noted in its 2021 annual assessment](#) that 'too many services aren't taking enough action on prevention' while in its [2022 annual assessment](#), the inspectorate noted that fire prevention was 'an area in which almost half of services need to significantly improve if they are to keep their communities safe'.

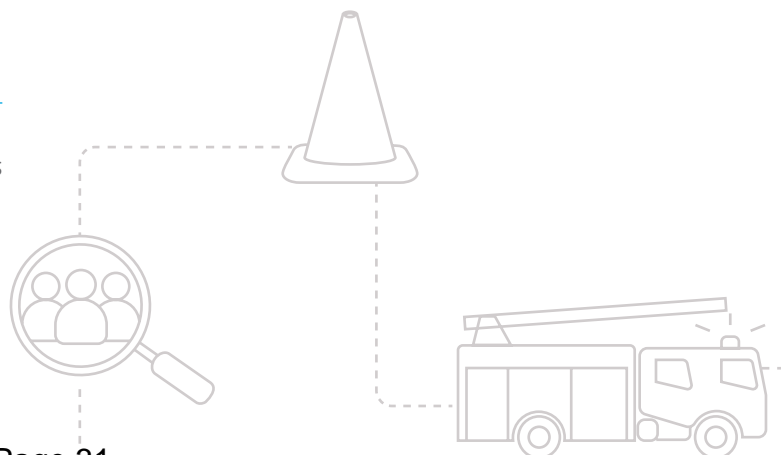
KEY QUESTIONS FOR ORGANISATIONS TO CONSIDER

Are you satisfied with the data being reported through your organisation and action **plans in place to improve performance?**

Is training aligned to the different **demands being placed on the service?**

Do you carry out deep-dive reviews into **key operational risks at your audit committee or joint audit committee meetings?**

Does your chief officer team and audit committee receive regular **reports/assurance that HMICFRS recommendations are being addressed?**



Workforce

Key workforce related risks by sub-sector.

POLICE

- Forces experience high attrition rates, losing key experience when crimes rise in complexity.
- Linked to the availability of staff, serious crimes may not be investigated by trained detectives, impacting negatively on support to victims.
- Police officer uplift programme, while increasing police numbers, creates additional pressure for forces, including back-office functions.

FIRE

- Service fails to achieve a positive, safe and inclusive culture.
- As a result of a lack of investment, the service fails to develop and manage its people effectively.
- Linked to pay negotiations, there was a risk of industrial action, which in the short term has been abated.

Many of the workforce-related risks focus on the potential lack of people resource, which impact on the ability to deliver core operational objectives. The risks also focus on a failure to recruit and retain suitably skilled people and ensure effective succession planning.

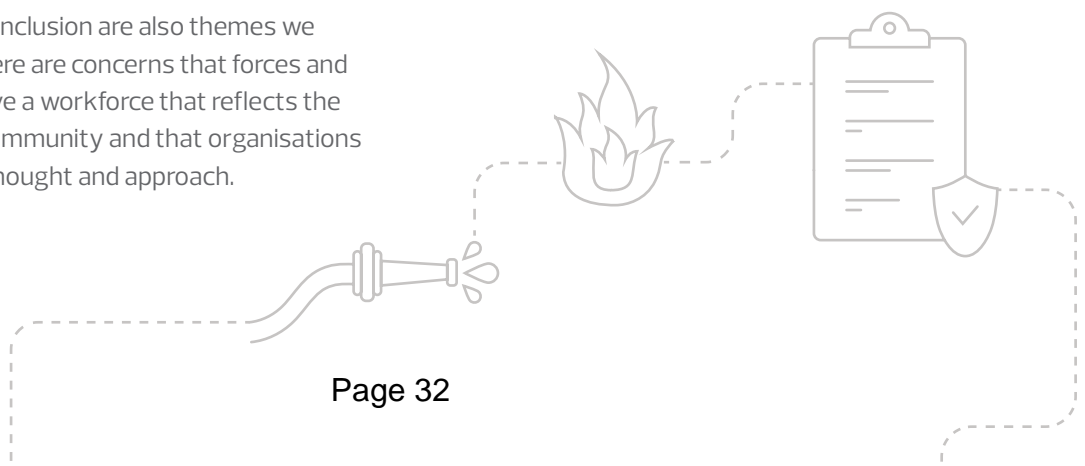
Linked to recruitment, we would have anticipated seeing more risks in relation to vetting. In some areas, the police have been working hard to rebuild public trust and confidence after internal processes failed to protect members of the public from corrupt serving police officers. Where not done so already, forces should review the 43 recommendations made by [HMICFRS in its inspection of vetting, misconduct, and misogyny in the police service](#).

In risk registers across the sector, we are also seeing more risks in relation to mental health and employee wellbeing, where both the police and fire services understand the need to prioritise their people's health.

Equality, diversity and inclusion are also themes we are seeing more of. There are concerns that forces and fire services do not have a workforce that reflects the diversity of the local community and that organisations may lack diversity of thought and approach.

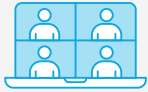
As part of the [Police Uplift Programme](#), the government has achieved its target of recruiting 20,000 additional police officers by March 2023, and at 53,083, female officers make up 35.5% of officers in post, the highest percentage since records began. While still disproportionately low, many forces have successfully recruited more officers who identify as Black, Asian or other minority ethnic groups.

The [Reforming our Fire and Rescue Service white paper consultation](#) (which closed in July 2022) also articulated plans to 'clarify the role of fire and rescue services and of the firefighter, unlock talent and improve diversity within services, take action to ensure that we are supporting the creation of a positive culture, and further develop schemes to consistently identify and nurture talent.'



Workforce challenges

The pandemic has produced some key learning points for organisations. As we move forward, there are some significant areas for emergency services providers to consider.



Ways of working

This includes hybrid, remote or flexible working, as they are not all the same. Consider hybrid working approaches and a mixture of different skill sets so that operational delivery across the emergency services sector is effective.



Culture, leadership and engagement

Fostering a good sense of belonging and ensuring good leadership where there are new ways of working.



Global war for talent

How to attract and retain the employees you need. Linked to this, are the wider equality and diversity agenda and transparency in pay.



Equality, diversity and inclusion

Ensure that diversity and inclusion continue to underpin ways of working.



Individualisation and humanisation of management

One size doesn't fit all. Every employee has their own desires for flexibility, progression and development, as well as their own sense of wellbeing.



Burnout

Keep focusing on the wellbeing of staff so that everyone can achieve the future they're working towards.

Read [The Real Economy: The Modern Workforce](#).

Access further information on our [HR services, how we can provide advice, and operational support](#) and our [Employment legal services](#).

KEY QUESTIONS FOR ORGANISATIONS TO CONSIDER

Do you provide timely and sufficient support to staff regarding **mental health and wellbeing**?

Do you understand the levels of job satisfaction and morale of your workforce, and have related **initiatives been implemented**?

Is there scope to enhance your recruitment strategies and initiatives, to better **demonstrate your value and to attract talent**?

Is your culture aligned with organisational values, strategy and processes and, where needed, **how are cultural changes communicated to enable change**?



Financial

Key finance related risks by sub-sector.

POLICE

- Risk of reduction in government funding or that government funding is insufficient to enable effective policing.
- Potential impacts of changes to the policing funding formula, while one-year spending settlements impact longer term financial planning.
- Pensions and pension liabilities arising from the McCloud judgement.

FIRE

- That government grant funding for specific programmes is not extended or renewed, impacting service delivery and the ability to meet new legislative requirements.
- For contracts in place, there is no assurance that value for money is being achieved.
- The service falls victim to financial crime or fraud leading to financial losses.

Financial risks feature significantly and routinely within strategic risk registers. This is no exception in our latest analysis, with finance risks making up 13% of all risks. There are concerns that financial planning and forecasting are not robust and operating and spending costs are not controlled.

There are also risks that services have insufficient financial resources to enable them to fulfil their remit adequately and maintain financial sustainability. While budgets for 2022/23 may have increased and additional funding may have been granted for national initiatives and programmes, there are concerns that the costs outweigh the funding awarded. The key is strong

financial planning, yet there are fears that amidst the rising costs of living and inflationary pressures, budgets will be impacted with the possibility of increased savings requirements stipulated by government. There is also the risk that Brexit, the war in Ukraine, the fuel crisis and Coronavirus recovery will not only lead to supply delays but increased costs, too.

Government spending is likely to be tightened with a greater focus on achieving efficiency savings. In an unpredictable financial environment, achieving value for money and projected cost savings is increasingly important.

KEY QUESTIONS FOR ORGANISATIONS TO CONSIDER

Is your budgeting process sufficiently robust?

Have your underlying financial planning and budgeting assumptions been considered, with appropriate challenge from both management and board?

To understand your financial resilience, do you reforecast cashflow frequently?

Does this incorporate scenario planning and sensitivity analysis?

Do you undertake detailed sensitivity analysis

as part of your yearly budget setting and for medium-term financial plans?

Do you combine financial and non-financial data in a dashboard to more easily identify trends and anomalies, using **meaningful KPIs aligned to financial objectives?**



Fraud risks and how we can help

During the pandemic, we saw an increase in electronic/remote authorisations. These have continued as remote working for some back-office functions has become a permanent feature. However, they now provide greater opportunity for fraudsters

to exploit this change successfully. While the financial losses can be significant, there are also associated reputational impacts. Below, we highlight some of those key considerations to ensure fraud risks are adequately managed.

Ensure staff understand what fraud and bribery are, their associated responsibilities, and how fraud offences might present themselves within the operating environment. The introduction of a fraud awareness strategy that is inclusive of training, as well as workshop events, can assist in achieving this.



Ensure the fraud policy is supported by a fraud response plan, which can be deployed by those charged with undertaking investigations when needed. The fraud policy can be reviewed by a counter fraud specialist to ensure it is appropriate and fit for purpose.



You should complete a Fraud Risk Assessment (FRA) to understand which processes, systems and even particular personnel are most at risk of fraud or bribery.



Ensure the policy is appropriately communicated to staff, delivery partners, suppliers and other key stakeholders.



Fraud is on the rise

The IIA has undertaken research, gathering insights and opinions on how organisations, including internal audit functions, are 'managing the evolving risk of fraud' as opportunities to commit fraud have increased. The IIA notes that 'the fraud regulatory landscape is changing too, and we can expect increased scrutiny and accountability from government, regulators, and the public moving forward.'

Read

[Fraud is on the rise: Step up to the challenge](#)

IT

Key IT-related risks by sub-sector.

POLICE

- The force does not effectively use technology to its potential and fails to realise the possible benefits of digital solutions, which impacts upon delivery.
- Ongoing delays to the Emergency Services Mobile Communications Programme (ESMCP) result in significant additional costs to forces and negatively impacts operational policing.
- A cyber-attack occurs, resulting in a loss of system access, possible loss of data and impacts service delivery.

FIRE

- There may be insufficient resource to upgrade and improve the ICT infrastructure and use of unsupported technology leaves the service vulnerable.
- Delays continue on the ESMCP and services are not given sufficient time to complete required actions linked to cutover target dates.
- An outsourced third-party service provider is entrusted with data, which is subsequently lost, compromised or becomes inaccessible.

13% of all risks across the risk registers in our sample were IT-related. A significant proportion of those IT risks related to cybercrime. Risks focused on:

- systems being hacked, leading to significant data and financial losses and resulting in reputational damage;
- ransomware or denial of service attacks occur creating disruption and loss of data, while phishing emails continue to entice staff; and
- there are poor access controls in place, allowing unauthorised individuals to have access to systems.

As an increasing number of processes and systems are digitalised, more opportunities are created for cyber criminals. The same types of attacks that have been used for the last decade – phishing, business takeover threats and ransomware – are still commonly used, but they are growing in effectiveness, speed and sophistication.

More recently, reported cyber incidents relate to the human element of cyber risk, where the act of clicking on a seemingly harmless link 'opened the door' for malicious software to infect systems, resulting in data loss.

Therefore, the need for regular cyber risk awareness training, together with robust incident response plans, is crucial in helping to both reduce the propensity of such issues occurring and recovering quickly if a cyber incident arises.

Moreover, the relatively recent BS 31111 Cyber Resilience standard sets out a range of cyber governance requirements that is very applicable for the sector. It provides further guidance regarding the development and maintenance of robust cyber control environments.

Other IT risks in the risk registers reviewed include:

- there is a major IT outage or failure of key systems, creating operational challenges, impacting services to the public and potentially resulting in a data breach; and
- there is a lack of investment in IT and that the IT infrastructure does not meet the needs of the service.

Security testing services to help you understand your security posture and combat cyber threats

Security testing is a critical component of your organisation's cyber security strategy. To assess the effectiveness of your cyber security and your ability to combat cyber threats, you need:

- ▶ proper penetration testing;
- ▶ threat modelling; and
- ▶ security training and awareness.

For more information, please visit the RSM website – [Security testing services to help you understand your security posture and combat cyber threats | RSM.UK](#)

KEY QUESTIONS FOR ORGANISATIONS TO CONSIDER

How are you identifying your cyber security risks and are your network **controls and configurations keeping cyber criminals at bay?**

Has your IT department developed and implemented a **framework to ensure the security of your systems?**

Is the force aware of and understanding of the implications of the use of **new technology and potential criminality around this?** For example, facial recognition, automated vehicles and the use of 3D printers for firearms.

Have you undertaken penetration testing to provide independent **assurance that your cyber /IT defences are effective?**



IT access controls good practice examples

- Rename or disable access to the default built-in administrator account as this account will often be the primary target for security breach attacks.
- Implement a lockout threshold of five attempts.
- Review 'password history' controls, preventing individuals from using the same passwords, frequently.
- Establish Multi Factor Authentication (MFA), as without MFA there is an increased risk of accounts being compromised.
- Strong password policy configurations should be in place.
- Undertake periodic reviews of privileged user access accounts.
- Disable the 'store passwords using reversible encryption' option, as this allows the operating system to store passwords in plain text format that can weaken overall security.
- Undertake periodic reconciliations of active staff against user accounts and review inactivity reports, ensuring inactive accounts are disabled.

Regulations and standards

Key regulations and standards related risks by sub-sector.

POLICE

- That official enquiries identify issues for forces, which require corrective action and result in a loss of public confidence, or that officer behaviour/conduct does not align with expectations.
- Police National Database (PND) audits are not being undertaken and the service fails to address issues raised in HMICFRS inspection reports.
- Legislative changes expand the role and remit of PCCs, creating significant pressures on staff and work streams.

FIRE

- Response and rescue performance targets are not achieved and there is a failure to adopt National Operational Guidance policies and procedures.
- There may be a lack of awareness or adherence to health and safety legislation linked, for example, to asbestos and legionella. This may lead to the injury or death of an employee or to prosecution or compensation claims.
- Failure to ensure there are adequate resources in place to meet the requirements of new fire safety and building legislation, in light of the Grenfell Tower tragedy.

Failure to comply with laws and regulations can have severe ramifications, including financial penalties, regulator sanctions and reputational damage. There are, of course, many statutory requirements in place for emergency services, and there are risks recorded regarding a failure to adhere to legislation relating to safeguarding and the Equalities Act, specifically. There are also concerns that the organisation fails to comply and meet the requirements of the General Data Protection Regulation (GDPR)/ Data Protection Act and for the police, there is a risk of fines from non-compliance with subject access requests or court order disclosures.

The [Strategic Review of Policing in England and Wales](#), chaired by Sir Michael Barber and carried out by the Police Foundation, included 56 recommendations 'urging radical reform to police culture, skills and training and organisational structure.' Within the risk registers in our analysis, there is acknowledgement of the challenges linked to systemic issues of racism and sexism but there was little mention of culture. Where a cultural shift is needed, leaders must drive change and lead by example. Internal processes,

policies and procedures relating, for example, to vetting and disciplinary, as well as reporting, communication and training, are all essential.

The government has undertaken a [two-part review of the role of PCCs](#)¹, with the aim of making PCCs more accountable to their local communities and strengthening the relationship with the force chief constable. With the goal of raising professional standards and increasing transparency, the specified information order would be amended. Yet, within the risk registers, we have seen concerns regarding how these measures will be implemented by the Home Office, and whether the OPCC may require more resource to meet new or changing requirements.

Health and safety is a significant risk area for the emergency services. The stark findings of the Fire Brigades Union [commissioned research](#) undertaken by the University of Central Lancashire (UCLan) revealed that 'firefighters' mortality rate from all cancers is 1.6 times higher than the general population.'

¹ The government review applied to all PCCs including PFCCs. Within this paper, where we refer to PCCs this also incorporates PFCCs.

This finding highlights the very real risks associated with firefighting and will focus the service on taking measures that reduce, as much as possible, exposure to fire contaminants.

The Fire Safety (England) Regulations 2022 and the Fire Safety Act 2021 form a key part of a series of changes to fire and building safety that the government is making, following the Grenfell Tower fire in 2017. This means that building owners or managers in multi-occupied residential buildings must include an assessment of risk related to fire and take precautions to reduce the risk of fire spreading regarding these parts of the relevant premises. As a result, fire and rescue authorities have the relevant enforcement powers to hold owners or managers to account.

KEY QUESTIONS FOR ORGANISATIONS TO CONSIDER



Have you identified all relevant legislation and are relevant individuals in the organisation **clear about their responsibilities**?

Are all regulatory breaches treated as serious, logged and where required, reported?

In making use of new technologies and artificial intelligence, are you confident that how you **collect and use data, complies with the GDPR?**

Are you confident that you have the **right mandatory and advisory training programmes in place** that cover all health and safety related training, and are compliance levels communicated to chief officers regularly?



Governance

Key governance related risks by sub-sector.

POLICE

- The PCC fails to hold the chief constable accountable for the delivery of an effective and efficient policing service.
- The PCC fails to comply with good governance principles, aligning with best practice and complying with the Code of Conduct.
- There is instability and a lack of resilience within the OPCC and complaints made in respect of the PCC or chief constable are not handled correctly.

FIRE

- There is an inability to create a resilient and forward-thinking organisation.
- Failing to create a culture of openness and transparency.
- That appropriate internal controls are in place across the organisation and that assurance has been sought on their effectiveness.



Ineffective governance structures and processes can prevent an organisation from achieving its strategic objectives, leading to poor decision making and resulting in poor reporting.

Most governance related risks in our analysis were contained within OPCC risk registers. While many of these risks are similar to those seen in previous analysis, there are wider changes anticipated to be on the horizon, linked to the government's one and two-part reviews.

While there was little mention of governance across fire risk registers, the government's Reforming our Fire and Rescue Service [white paper](#) includes measures to strengthen governance within the sector. Aligned with the government's commitment to mayoral devolution, in the proposals published in May 2022 it was stated that fire functions would be transferred 'to a single, elected – ideally directly elected – individual who would hold their operationally independent Chief Fire Officer to account. This person could be: a mayor who could delegate day-to-day oversight to a deputy mayor; or a council leader who could delegate to a cabinet member or a police, fire and crime commissioner.' This arrangement is believed to enhance 'public accountability.'



KEY QUESTIONS FOR ORGANISATIONS TO CONSIDER

Are your values and culture, strategic direction and objectives understood by all members of the board and its sub-committees? **How do you ensure this is the case?**

Do terms of reference adequately and accurately define the roles and responsibilities of the committees? Are committee effectiveness **self-assessments undertaken?**

Does the board consider its composition, with a **view to enhancing diversity and experience?**

Does your organisation have a blind spot in relation to documenting a risk of culture within the Force/Service and **how this is being managed and monitored?**



Other risk themes in summary

Strategy

- That strategic plans are undeliverable due to capacity issues and business change is not embedded, resulting in a failure to deliver efficiencies or improved services.
- Transformation to drive through efficiencies is not delivered and the best use of resources is not achieved.
- The business continuity plan/strategy is not effectively developed to ensure that service delivery can be maintained in the event of severe disruption.
- Failing to respond to environmental challenges and the need for an aligned climate action plan.

Collaboration and partnerships

- The anticipated benefits of collaboration, such as improved productivity, are not realised and a planned increase in collaborations to improve efficiency is not achieved.
- For police, there is a risk the PCC fails to work effectively in partnership with community leaders, which can impact the successful delivery of the Police and Crime Plan.
- Due to administrative difficulties, a shared service may have to be brought back in-house, which could increase costs.
- Data may be unreliable, meaning the true benefits of collaboration cannot be measured or quantified.

Ensuring effective collaborations

The organisation involved in each collaboration project should work towards the agreed objectives and measures, which are set out in clearly defined metrics. They should deliver against the financial plan and not use statistics that have not been agreed by other members or which meet their own requirements but potentially not the requirements of other collaborative partners.

This can be difficult to agree when each party may have differing driving forces and requirements for the collaboration, but it is crucial to the achievement of the collaboration itself.

Periodically, there needs to be a formal review of the cost versus benefit of the collaboration, to ensure that it is in line with both service delivery and efficiency plans, and to put remedial actions into place, if not. This should be reported via the governance framework to allow for effective discussion and clear, transparent decisions to be made.

How are you managing collaborative partnerships to ensure they deliver quality outcomes?



Infrastructure and assets

- Fire and police services have an aging estate that does not meet current or anticipated future needs.
- Assets are lost, damaged or stolen and there is wider ineffective asset management.
- That value for money in estate and asset disposal is not achieved.
- With the government's ambition to phase out the sale of new petrol and diesel cars and vans by 2030, there is uncertainty what this means for fleet vehicles.

Covid-19

- The risk of staff being exposed to the virus and the associated impacts of the pandemic on wellbeing.
- There may be a resurgence of the virus putting pressure on people as a resource.
- As a result of the pandemic, there are backlogs in the criminal justice system, which may lead to victims losing faith in the system. It also puts at risk cost recovery from police-led prosecutions.

Reputation and engagement

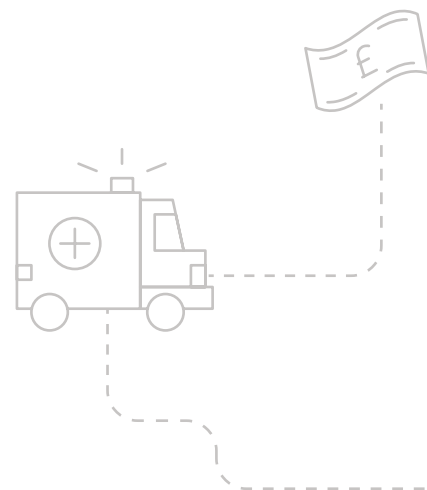
- Force reputation could be damaged if relationships with media and communication channels (social media) are not properly managed and may lead to incorrect information being publicised.
- Force reputation is damaged as a result of an external review or the behaviour of officers, which ultimately places the force's legitimacy in question. As links with the community become fractured, this can also impact the ability of the force to cut crime successfully.

Information and evidence

- There are data quality issues, such as inaccurate data recording or duplicate data entries, meaning data cannot always be relied on.
- Data is not managed across regions effectively or presented effectively, through clear visualisations.

Brexit

Brexit risks remain within a minority of the risk registers in our analysis. There are concerns that Brexit creates disruption, impeding the effective sharing of information and there are supply issues and that associated costs increase.



Research for the [Independent Office for Police Complaints, undertaken by YONDER](#) shows that positivity towards the police has declined to 49% at March 2021. Key to rebuilding trust will be ensuring greater focus on vetting and counter-corruption measures and publicising the results of the work in this area.

Managing risks

Risks should be clearly articulated, so that the risk you are trying to manage is clearly understood. There are established risk management practices across the sector with 84% of organisations using a 5x5 risk scoring matrix and 16% of services using a 4x4 matrix.

The average number of risks per risk register was 14.2 risks. Our last measure in 2020 revealed the average number of risks to be 14.8, which means there has been little movement. We continue to see some wide variation, with two services in our sample having over 30 risks on their strategic risk register. Services should be mindful that only strategic risks should be included within the strategic risk registers to ensure that effective oversight and management is focused on areas where it is most required.

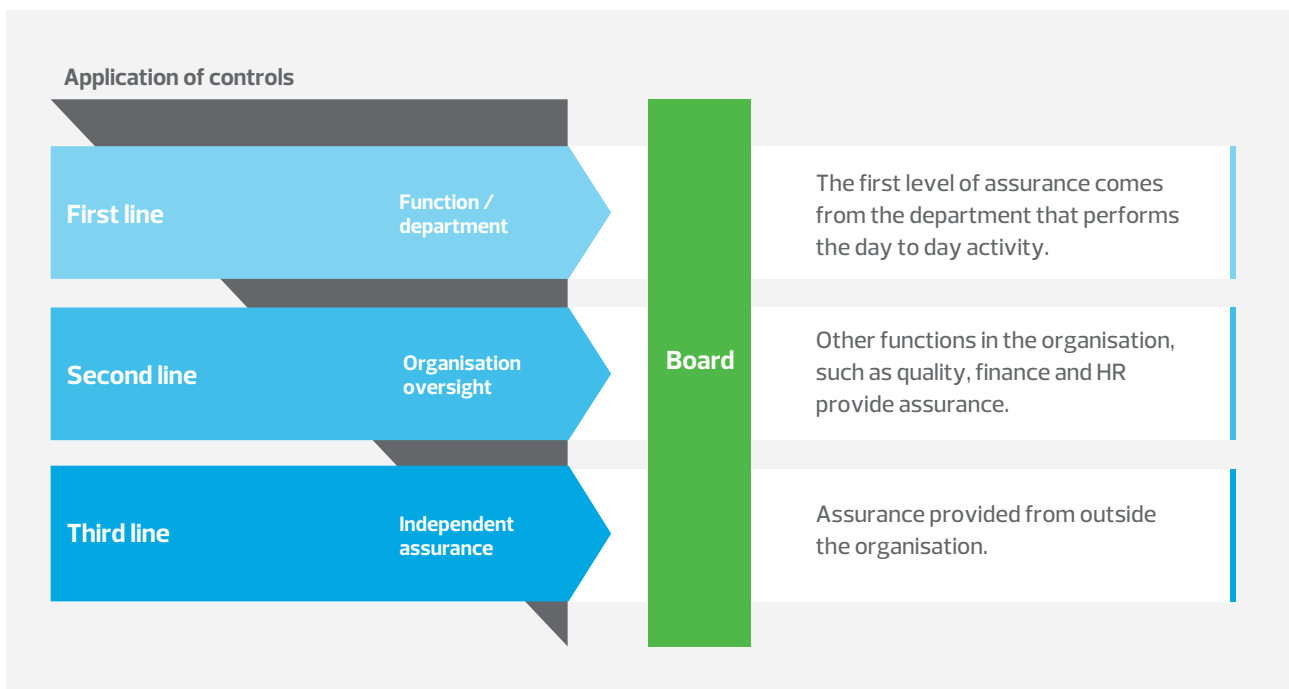
Target risk scoring is used by some services, and some identify their sources of assurance. Assurance provides an element of confidence, and allows services to be sure that governance, risk and internal control processes are operating as intended. There is merit in mapping assurance at the first, second and third line, identifying both internal and external sources.

Assurance mapping identifies and records the key sources of assurance that inform management and the audit committee on the effectiveness of how key risks are managed or mitigated. It also identifies the key controls/processes that are relied on in order to manage risk and achieve the service's objectives.

With services and directly elected commissioners, the process for managing risk needs to be clear, ensuring visibility of the entirety of the risks being faced. There should be a consistent approach where senior leaders understand, for example, the organisation's risk appetite and how to apply it.

Horizon scanning is also important to understand emerging risks in the short, medium and longer term.

Assurance, first, second and third line, is vital in managing the key control environment and mapping assurance will highlight any assurance gaps or where current assurance provision may need strengthening.



Risk appetite

Risk appetite can be complicated to understand, a challenge to establish, and difficult to apply and as a result, many boards give up.

However, the risk appetite conversation is a healthy (essential) boardroom discussion – exploring as a collective the types of risks we are facing.

What areas of risk do we want to engage with and potentially exploit? What areas of risk do we want to avoid?

How much risk are we prepared to take in pursuit of our objectives?

If we understand this, then we are in a much better position to manage risk in making decisions, focusing our monitoring and reporting as well as our use of our assurance resources.



Insight4GRC

Insight4GRC (www.insight4grc.com) is RSM's proprietary digital governance, risk, and compliance solution.

We have over 250 organisations from all sectors licenced and use one, some or all, of the Insight4GRC modules. Insight4GRC provides management with real time information in connection with the identification, assessment and management of risks, the communication and acceptance of policies and the distribution and tracking of actions.

To find out how Insight4GRC can help you better manage your organisational risks, contact matthew.humphrey@rsmuk.com.



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SUBJECT: INTERNAL AUDIT PROGRESS REPORT

Author and contact: Gavin Chambers, Assistant Chief Officer / FRA Treasurer

Background Papers:

Appendix	Title	Protective Marking
1	Internal Audit Progress Report	

Implications

This table provides a short statement of the impact of the recommendations in this report and/or a reference to the relevant paragraph/s in the report.

Will this report affect any of the following?

	Yes / No	Impact / Reference
Financial Implications	No	
Risk Management	Yes	Progress reports from RSM on our internal audit position helps to strengthen our risk management by reconciling the status of agreed actions with management.
Legal Implications	No	
Privacy and Security Implications	No	

Duty to Collaborate	No	
Health and Safety Implications	No	
Equality, Diversity and Inclusion	No	
Environmental Sustainability	No	
Consultation and Communication	No	CMT are consulted on audit findings as individual audits are concluded.

PURPOSE:

To receive and consider a report on progress made against the internal audit plan for 2023/24.

RECOMMENDATION:

It is recommended that the submitted report be noted.

1. Executive Summary

1.1 An internal audit plan for 2023/24 was agreed by this Committee at its meeting on 2 March 2023.

1.2 A report by RSM on progress made against the internal audit plan for 2023/24 is appended for Members' consideration.

GAVIN CHAMBERS
ASSISTANT CHIEF OFFICER/FRA TREASURER

Bedfordshire Fire and Rescue Authority

Internal Audit Progress Report

4 January 2024

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.

Progress against the internal audit plan

The Internal Audit Plan for 2023/24 was approved by the Audit & Standards Committee March 2023. No audits have been finalised since the last meeting. One report is in draft awaiting management responses and one review is at the fieldwork stage.

Assignment and Executive Lead	Status / Opinion issued	Actions agreed			Planned Timing (as per ANA)
		L	M	H	
2023/24					
Governance of the Project Management Office	Final – Substantial Assurance	2	0	0	Q2
Strategic approach to partnerships and collaborations	Draft – Issued 14 September 2023				Q2
Contaminants and staff health and safety	In Progress				Q1
Stock control in stores and technical bay	To commence 15 January 2024				Q4
Follow Up	To commence 4 March 2024				Q4
Key Financial controls	To commence 18 March 2024				Q3



Appendix A – Other matters

Head of Internal Audit Opinion

The Audit and Standards Committee should note that the assurances given in our audit assignments are included within our Annual Assurance report. The Committee should note that any negative assurance opinions will need to be noted in the annual report and may result in a qualified or negative annual opinion.

Changes to the audit plan

The completion of the contaminants and staff health and safety review has been delayed due to staff sickness and has now recommenced, although further delays have been experienced due to two changes in the lead for this area.

Information and briefings

Since the last Audit and Standards Committee, we have issued our Analysis of Emergency Services Risk Registers.

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.



For more information contact

Suzanne Rowlett

Suzanne.Rowlett@rsmuk.com

07720 508148

rsmuk.com

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.

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

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

SUBJECT: INTERNAL AUDIT ACTIONS UPDATE

Author and contact: Nicky Upton, Business Support Manager, democratic.services@bedsfire.gov.uk

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

Appendix	Title	Protective Marking
A	Summary of Internal Audit (IA) and Annual Governance Statement (AGS) Actions	
B	Exception Report IA and AGS	

Implications

This table provides a short statement of the impact of the recommendations in this report and/or a reference to the relevant paragraph/s in the report.

Will this report affect any of the following?

	Yes / No	Impact / Reference
Financial Implications	No	
Risk Management	Yes	Progress reports from RSM on our internal audit position helps to strengthen our risk management by reconciling the status of agreed actions with management.

Legal Implications	No	
Privacy and Security Implications	No	
Duty to Collaborate	No	
Health and Safety Implications	No	
Equality, Diversity and Inclusion	No	
Environmental Sustainability	No	
Consultation and Communication	No	CMT are consulted on audit findings as individual audits are concluded.

PURPOSE:

To present Members with a summary of actions arising from internal audit reports over the last three fiscal years 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:

It is recommended that Members acknowledge progress made to date against action plans.

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 third summary report to the Audit and Standards Committee for the year 2023/24 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 fiscal years (ie, 2021/22 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 1 High Priority, 18 Medium Priority and 22 Low Priority actions have been agreed over the reporting period by the Audit and Standards Committee, of which, 3 Medium and 1 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.

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 has been an approval to extend the original completion date
- Actions, in progress, from internal audit reports received during 2022/23
- 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. There are extension requests to the following actions:

- Data Management actions 2 and 3 covering the questionnaire and training needs analysis to identify training requirements requests an extension to 31 March 2024. To gauge the effectiveness of the training and to assess the

best delivery methods, as one size does not fit all, the digital and data training plans need to be critiqued before being released. A draft plan has been produced, to be refined and adopted early in the New Year.

- Key Financial Controls action 3 covering debt chasing activities requests an extension to 30 April 2024; this is due to the ongoing staffing resource/changes with the Finance team impacting the delivery of the action.

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 essential element of the Authority's governance arrangements with the overall management of organisation risk being enhanced.

GAVIN CHAMBERS
ASSISTANT CHIEF OFFICER/FRA TREASURER

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SUMMARY OF INTERNAL AUDIT AND ANNUAL GOVERNANCE STATEMENT ACTIONS

Audit Report & Date	Total Actions			Actions Completed/Superseded			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
Internal Audit Plan 2021/22												
Data Quality to support the CRMP (Feb 2022)	1	3	2	1	3	2					1	
Debrief and Organisational Learning (June 2022)		2	2		2	2						
Key Financial Controls (June 2022)		2	6		2	6						
Management of Assets (Airwave Radios) (June 2022)		1	2		1	2						
Human Resources - Grey Book Recruitment (May 2022)			1			1						1
Risk Management (June 2022)		5			5							
TOTAL	1	13	13	1	13	13	0	0	0	0	1	1

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SUMMARY OF INTERNAL AUDIT AND ANNUAL GOVERNANCE STATEMENT ACTIONS

Audit Report & Date	Total Actions			Actions Completed/Superseded			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
Internal Audit Plan 2022/23												
ICT Digitalised Systems User Proficiency (2.22/23)	0	2	2		2	2						
Key Financial Controls - Accounts Receivable (4.22/23)	0	0	3			2			1			1
Data Management (5.22/23)	0	3	2			2		3			4	
Implementation of actions from HMICRFS engagement with local community (6.22/23)	0	0	0									
Governance												
Risk Management												
TOTAL	0	5	7	0	2	6	0	3	1	0	4	1

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SUMMARY OF INTERNAL AUDIT AND ANNUAL GOVERNANCE STATEMENT ACTIONS

Audit Report & Date	Total Actions			Actions Completed/Superseded			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
Internal Audit Plan 2023/24												
Governance of the Project Management Office (1.23/24)	0	0	2	0	0	2						
TOTAL	0	0	2	0	0	2	0	0	0	0	0	0

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Summary of Annual Governance Statement Actions from 2022/23 to be completed in 2022/24

Year	Total Actions	Actions Completed	Actions in Progress	No of completion Extensions Required to Date (All Actions)
2022/23	2		2	

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Action Title	Management A	Required Action	Current Position	Responsible owner	RAG	Due Date	Status
Data Management	(5.22/23) 2	We will review the results of the questionnaire (Data Quality Culture Survey) and identify action to be taken as a result.	The priority areas identified are around GDPR training and data handling training. GDPR Training is a mandatory e-learning module which all staff are required to complete on a regular basis. Data handling training is being covered as part of the digital literacy course being piloted and rolled out across the service as detailed in the following action (no 3). Requesting extension of delivery date to 31/03/2024.	Head of IT	Amber - Medium	30/09/2023, extension agreed to: 31/12/23 , extension requested to 31/03/24	In Progress
Data Management	(5.22/23) 3	A data quality training needs analysis will be undertaken to identify the training requirements of each staffing group employed by the organisation. Following this the organisation will develop and implement e-learning modules on data quality to increase staff awareness and skills on how to effectively use and handle data to drive decisions and future service delivery requirements. In addition, the organisation will monitor the completion of the training and staff logged as having incomplete training will be chased and followed up by line managers.	The draft Digital and Data Literacy training guide has been produced and is now ready for critique. It incorporates the data literacy and data quality requirements needed. Two pilot training sessions in Digital Literacy have been held for operational staff in Leighton Buzzard and Kempston, to gauge the effectiveness of the planned training and to assess the best methods of delivery. It is clear that one size will not fit all, and that different models of inperson/remote training will be needed, as will differentiated learning with such a wide range of digital proficiency within our teams. a draft roll-out plan has been produced and this will be refined and adopted early in the New Year. Requesting extension of delivery date to 31.03.24.	Head of IT	Amber - Medium	31/12/2023, extension requested to 31/03/24	In Progress
Data Management	(5.22/23) 4	The Authority will develop and implement a process or system of data checks to ensure data presented is accurate, reliable, complete, and appropriately maintained in line with GDPR regulations. This will include the maintenance of a central folder to provide a clear audit trail of the source data used to populate each report where applicable	Good progress being made for the delivery by 31/03/24, with an automated approach to producing quarterly KPI metrics producing efficiency savings and increased accuracy, as well as the audit trail of data giving confidence that the reports are an accurate snapshot at the time they are generated. To clarify the requirement was to have an audited approach to the quarterly KPI metrics. The Service's Data Management and Data Protection Impact Assessment policies continue to govern how data is stored and checked, with many data quality reports across the Service giving additional assurance for data held on individual systems.	Head of IT	Amber - Medium	31/12/2023 17.10.23 extension agreed to: 31/03/24	In Progress
Key Financial Controls - Accounts Receivable	(4.22/23)	The Service will create internal procedure documentation for the processes involved in carrying out key financial functions with clearly defined roles and responsibilities and delegation within the Finance Department, including documenting the process for raising credit notes.	Internal processes are documented, all filled roles have JDs, recently completed a task review for all permanent staff from the PFA downwards and credit note process documented.	ACO	Green - Low	31/12/23	Completed
Key Financial Controls - Accounts Receivable	(4.22/23)	The organisation will ensure all fields on the FSIT 5 are appropriately completed	Finance ensure all fields on FSIT5 are completed.	Chief Accountant	Green - Low	31/12/23	Completed
Key Financial Controls - Accounts Receivable	(4.22/23)	The organisation will ensure debt chasing activities are carried out in line with documented procedures	Due to the ongoing staffing resources/changes within the Finance Department an extension is being requested.	Chief Accountant	Green - Low	31/12/2023, Extension requested to 30/04/24	In Progress
Governance of the Project Management Office	(1.23/24) 1	The organisation will ensure that the track changes from the Terms of Reference are removed from the Corporate Portfolio Board Terms of Reference and the finalised version published.	Actions completed, evidence sent to RSM	Programme and PMO Manager	Green - Low	08/11/23	Completed
Governance of the Project Management Office	(1.23/24) 2	The fields on the lessons learnt table will be updated and where it is not relevant, it should be clearly stated	Actions completed, evidence sent to RSM	Programme and PMO Manager	Green - Low	08/11/23	Completed

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Summary of Actions Arising from 2022/23 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	An updated medium-term budget position will be presented to the FRA during 2023/24 and in February 2024 the budget for 2023/25 will be presented for approval.	The budget work has commenced internally for 2023/24.	Feb 2024	In progress
2	New Members will be joining the FRA at the AGM in June 2023.	FRA effectiveness reviews	To carry out a comprehensive induction programme for new Members.	Training programme has been ongoing through the year. The last training event is scheduled for March 2024.	March 2024	In progress

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SUBJECT: REVIEW OF THE EFFECTIVENESS OF THE FIRE AND RESCUE AUTHORITY’S INTERNAL AUDITORS

Author and contact: Nicky Upton, Business Support Manager, Democratic.services@bedsfire.gov.uk

Background Papers:

Appendix	Title	Protective Marking
	N/A	

Implications

This table provides a short statement of the impact of the recommendations in this report and/or a reference to the relevant paragraph/s in the report.

Will this report affect any of the following?

	Yes / No	Impact / Reference
Financial Implications	No	
Risk Management	No	
Legal Implications	No	
Privacy and Security Implications	No	
Duty to Collaborate	No	

Health and Safety Implications	No	
Equality, Diversity and Inclusion	No	
Environmental Sustainability	No	
Consultation and Communication	No	

PURPOSE:

To consider the effectiveness of the Fire and Rescue Authority's Internal Audit arrangements.

RECOMMENDATIONS:

It is recommended that the Audit and Standards Committee note the report.

1. Introduction

- 1.1 The mandatory requirement for an internal audit function for local authorities is within section 151 of the Local Government Act 1972 and, for the Fire and Rescue Service, authority is delegated to the Assistant Chief Officer to fulfil this function.
- 1.2 The definition of Internal Audit, as per the Public Sector Internal Audit Standards (PSIAS) is as follows:
“Internal Audit is an independent, objective assurance and consulting function that is designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluating, reporting on and recommending improvements where necessary to secure effective risk management, control and governance processes.”
- 1.3 Internal Audit is one of the means by which the Service assesses the adequacy and effectiveness of its governance and risk management arrangements, ensuring that an effective internal control system is in place. It is a key source of independent assurance to management and Members.

- 1.4 The Accounts and Audit Regulations 2018 require that *“A relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, and taking into account public sector internal auditing standards and demonstrate conformance”*.
- 1.5 For 2023/24 the review of effectiveness of internal audit has been informed by a review of progress against the Internal Audit plan and ongoing monitoring of the performance of the internal audit activities.
- 1.6 In our review of the effectiveness of Internal Audit we:
 - a) confirm that Internal Audit comply with the requirements of the CIPFA Code of Practice for Internal Audit in Local Government in the United Kingdom. This gives us assurance that their work is to a standard that we can rely on to inform our conclusions.
 - b) review whether IA is effective as a management control, as part of our control environment assessment.
 - c) review, and seek to place reliance on, specific pieces of IA work, where that work covers areas relevant to our Code of Practice objectives.
2. Background
 - 2.1 RSM was appointed from 29 April 2021 for 3 years following a combined tender process with Essex (EFRS) and Cambridgeshire Fire and Rescue Services (CFRS). The evaluation panel included representatives from all three authorities.
 - 2.2 There is the option to extend for a further 2 x 12-month periods.
 - 2.3 RSM meet with all of the authorities collectively a minimum of once per year to discuss contract management, quality, delivery and thematic reviews etc.

3. Conformance with Internal Auditing Standards

- 3.1 RSM affirms that their 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. RSM's risk assurance service line commissioned an external independent review of internal audit services in 2021 to provide assurance of whether their 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 next formal review will be due in 2026.
- 3.2 The external review concluded that RSM 'generally conforms'¹ to the requirements of the IIA Standards' and that RSM 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.
- 3.3 RSM provide the Service with an Internal Audit Charter every year and it forms part of the Internal Audit Strategy and is a requirement of the Public Sector Internal Audit Standards. This can be found as part of the Internal Audit Strategy.
- 3.4 RSMs risk assurance service line has in place a quality assurance and improvement programme to ensure continuous improvement of its internal audit services. Resulting from the programme, there are no areas which RSM believe warrant flagging to the Authority's attention as impacting on the quality of the service they provide to us.
- 3.5 The additional benefit of the internal audit provision sitting outside the Authority and the audits not conducted by Service personnel, is that it provides for greater external independence and other control mechanisms, including impartiality.
- 3.6 RSM's commitment to transparency and accountability is demonstrated in their [2023 Transparency Report](#).

¹ The rating of 'generally conforms' is the highest rating that can be achieved, in line with the IIA's EQA assessment model.

4. Developing the Internal Audit Strategy

- 4.1 The CIPFA code indicates that the Head of Internal Audit must produce an audit strategy which sets out at a high-level how the internal audit service will be delivered and developed in accordance with the terms of reference and how it links to the organisational objectives and priorities.
- 4.2 RSM, in conjunction with the Corporate Management Team, develops the Authority's 3-year Audit Strategy based on the Service's corporate objectives, risk profile and assurance framework, as well as other factors affecting the Authority in the year ahead, including changes within the Sector.
- 4.3 The strategy should communicate the contribution that Internal Audit makes to the organisation and should include:
- Internal Audit objectives and outcomes;
 - how the Head of Internal Audit will form and evidence their opinion on the control environment;
 - how Internal Audit's work will identify and address significant issues and risks;
 - how the service will be provided, ie internally, externally, or a mix of the two; and
 - the resources and skills required to deliver the strategy.
- 4.4 Risk Management, Governance and Key Financial Controls are audited annually. These audits are necessary in order for the Head of Audit to produce the year-end audit opinion.
- 4.5 The audit strategy shows how the plan links to the Authorities strategic risk and the reason for its inclusion. The strategy is reviewed annually and presented to the Audit and Standards Committee for ratification. A well-developed strategy helps the Internal Audit function produce a plan which is clearly tailored to address key risks, and links addressing the risks to resources.
- 4.6 It is one of the roles of the Section 151 Officer, to ensure that there are adequate and effective Internal Audit arrangements in place.

5. Audit and Standards Committee

- 5.1 RSM attend all Audit and Standards Committee meetings where members can review the Audit Strategy, Progress and Annual reports. This provides the Authority the opportunity to ask questions, challenge reports and request clarification to provide greater transparency.
- 5.2 The Audit & Standards Committee continued its role in considering findings and issues arising from audit reports thereby supporting an effective system of internal audit. The Audit Committee are scheduled to meet quarterly and to date have considered reports from the audit service and the responses from management as part of an assessment of progress and assurance.
- 5.3 In order to strengthen the Scrutiny function provided by our Audit & Standards Committee we have provided external training in what it means to be an effective Audit Committee as part of our member development days.
- 5.4 The process for monitoring implementation of recommendations includes the regular reporting on implementation status to CMT and to the Audit Committee. This provides the opportunity for Members to challenge progress and outcomes.
- 5.5 The performance of the organisation in the consistent and full implementation of Internal Audit recommendations continues to be an area in need of improvement. Increased engagement has taken place including quarterly updates and engagement sessions with CMT and it is hoped that we will see some improvements. Further system improvements are being explored for the follow up process and system automation.
- 5.6 Both management and the Audit Committee need to monitor this consistently with acceleration and appropriate action for noncompliance to have greater assurance that agreed improvements to internal control are fully implemented within reasonable timescales.

GAVIN CHAMBERS
ASSISTANT CHIEF OFFICER/FRA TREASURER

FOR PUBLICATION

Bedfordshire Fire and Rescue Authority
Audit and Standards Committee
4 January 2024

SUBJECT: ANNUAL REPORT ON REGISTRATION OF INTERESTS AND GIFTS/HOSPITALITY

Author and contact: Nicky Upton, democratic.services@bedsfire.gov.uk

Background Papers:

Appendix	Title	Protective Marking
1	Gifts and Hospitality spreadsheet	N/A

Implications

This table provides a short statement of the impact of the recommendations in this report and/or a reference to the relevant paragraph/s in the report.

Will this report affect any of the following?

	Yes / No	Impact / Reference
Financial Implications	No	
Risk Management	No	
Legal Implications	No	
Privacy and Security Implications	No	
Duty to Collaborate	No	
Health and Safety	No	

Implications		
Equality, Diversity and Inclusion	No	
Environmental Sustainability	No	
Consultation and Communication	No	

PURPOSE:

To report on the registration of interests and gifts/hospitality by Members and Officers during the past year.

RECOMMENDATION:

That the content of the report be noted

1. Interests

- 1.1 The Localism Act 2011 replaced personal and prejudicial interests with disclosable pecuniary interests (DPI), and the Fire and Rescue Authority's (FRA) Code of Conduct requires Members to declare other non-statutory interests, as specified. If present when an item arises in which s/he has disclosable pecuniary interest, a member must declare the interest and may not participate in the discussion or vote on that matter. The FRA has also agreed that the Member should leave the room during the consideration of this item, and this must be recorded in the minutes. Non-statutory interests under the Code are also required to be declared at a meeting.
- 1.2 The FRA's Code of Conduct requires all Members to submit to the Monitoring Officer a list of their DPIs within 28 days of their appointment to the FRA. It is confirmed that all Members have completed and submitted registration of interest forms which have been published on the Service Website and these have been reviewed and re-submitted since June 2023.

2. Gifts/Hospitality

- 2.1 Under the FRA's Code of Conduct a member is required to give written notice to the Monitoring Officer of any gift, benefit or hospitality of any value (within 28 days of acceptance) received by them or offered to them as a Member of the FRA from any other person/body. These notifications are then placed in the public register.
- 2.2 BFRS senior personnel are required to register any gifts, hospitality, fees or other rewards they receive or are offered. These declarations are also included in the FRAs public register.
- 2.3 As part of BFRS' Policy Rationalisation Project, the Employee Code of Conduct was reviewed in February 2023 (next review 2025), the Anti-Fraud, Bribery and Corruption Policy was reviewed in March 2023 (next review 2026).
- 2.4 Entries on the register are attached as Appendix 1.

GRAHAM BRITTEN
MONITORING OFFICER

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Type	Name	Date	Title	Comment	Provided By	Value	Description
Officers							
	Andrew Hopkinson	15/05/2023 0:00	Hospitality	At the Diya Royal restaurant in Kempston	Jagtar Singh	£20	Blue Light Introduction meal with the Police and Ambulance Service
		22/06/2023 0:00	Hospitality	Part of a meeting between BFRS and Motorola in London	Motorola	£50	Motorola hospitality - Indian meal
	Chris Bigland	07/11/2023 0:00	Gift	7th to 8th November 2023. Asked to take on hosting role due to unforeseen absence. Bottle of Moet Champagne.	PNE	£35	Blue Light Partnership Network Conference
		15/05/2023 0:00	Hospitality	At the Diya Royal restaurant in Kempston	Jagtar Singh	£20	Blue Light Introduction meal with the Police and Ambulance Service
		31/07/2023 0:00	Hospitality	Dates: 31 July 2023 - 2 August 2023. Location: Kellogg Global Hub, Northwestern University - White Auditorium, 2211 Campus Dr Evanston, IL 60208.	UL Research Institutes	£3,442	UL Research Institutes 2023 Annual Research Symposium
	Gavin Chambers	22/06/2023 0:00	Hospitality	Part of a meeting between BFRS and Motorola in London	Motorola	£50	Motorola hospitality - Indian meal
				Part of UK Fire Service contingent trip to Pittsburgh, MSA Headquarters. 2 days business within HQ looking at new products, technology, along with M1 and G1 BA sets. National User Group established with 8 Services represented.			Trip to Pittsburgh MSA Headquarters as potential new customers
	Jason Tai	20/04/2023 0:00	Hospitality	Paul Hughes already going to Twickenham and had purchased a ticket at £150. The hospitality included a seat and set meal.	MSA	£2,700	
	Paul Hughes	19/11/2022 0:00	Hospitality	Taking into account the costs already outlaid, he estimates a hospitality value of £180.	SCC	£180	Rugby event at Twickenham

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SUBJECT: WORK PROGRAMME 2023-24

Author and contact: Nicky Upton, Business Support Manager
Democratic.services@bedsfire.gov.uk

Background Papers: None

Appendix	Title	Protective Marking
1	Audit & Standards Committee Work Programme	N/A

Implications

This table provides a short statement of the impact of the recommendations in this report and/or a reference to the relevant paragraph/s in the report.

Will this report affect any of the following?

	Yes / No	Impact / Reference
Financial Implications	No	
Risk Management	No	
Legal Implications	Yes	Meetings/committees set in accordance with The Bedfordshire Fire Services (Combination Scheme) Order 1996 (now amended by Variation Order 2012) in order to carry out functions specified within the Fire and Rescue Services Act 2004
Privacy and Security Implications	No	

Duty to Collaborate	No	
Health and Safety Implications	No	
Equality, Diversity and Inclusion	No	
Environmental Sustainability	No	
Consultation and Communication	Yes	Agenda items will be either statutory items for consideration, topical items or other subject matters raised via Corporate Management Team and/or Principal Officer discussions. Following initial liaison with the Chair of the Meeting/Committee, items will be added to the respective work programme with Fire Authority Members being given the opportunity at each meeting to request any additional topics for consideration or training requirements

PURPOSE:

To review and report on the work programme for 2023-24 and to provide Members with an opportunity to request additional reports for the Audit and Standards Committee meetings.

RECOMMENDATION:

It is recommended that the work programme for 2023-24 and the 'cyclical' Agenda Items for each meeting in 2023-24 be noted.

GAVIN CHAMBERS
ASSISTANT CHIEF OFFICER/FRA TREASURER

AUDIT AND STANDARDS COMMITTEE - WORK PROGRAMME 2023/24

Audit &
Standards
Committee
Meeting Date
04.03.24

Cyclical Agenda Items	ACO Review (select from drop down list)	Notes
<p>Agenda item (locked for editing) Communications ASC Minutes from 04.01.24 Audit Results Report (E&Y)(Results of 2022/23 audit including any matters outstanding) External Audit Plan 2024/25 (KPMG) Ernst & Young Quality Assurance Processes Internal Audit Progress report Internal Audit Strategy 2024/25 to 2026/27 Internal Audit Actions Update Corporate Risk Register - Exception report Work Programme</p>		<p>KPGMs audit of 2023/24 in 2024/25</p> <p>Restricted</p>
Additional/Commissioned Items		
<p>Fire Standards Board update</p>		<p>Deferred from January</p>

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