

For Publication

Bedfordshire Fire and Rescue Authority  
Audit and Standards Committee  
2 December 2021

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**REPORT AUTHOR:** ASSISTANT CHIEF OFFICER/FRA TREASURER

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

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Background Papers: None

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Implications (tick ✓):

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

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

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**PURPOSE:**

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

**RECOMMENDATIONS:**

For the Audit and Standards Committee to consider the report and confirm the effectiveness of the Fire and Rescue Authority's Internal Audit arrangements.

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## 1. Introduction

- 1.1 At their meeting on 28 June 2018 the Human Resources Policy and Challenge Group suggested that the Audit and Standards committee consider the effectiveness of the Authority's internal auditors. This was given the significant concerns raised nationally about the big four auditing firms in the United Kingdom. It should be noted that the big four are external audit firms and not internal audit. The effectiveness review was presented, for the first time, to the Audit and Standards at its meeting on 6 December 2018 and continues to be undertaken annually each December.

## 2. Background

- 2.1 In April 2021 the contract for RSM was due to expire. Following discussions with Essex (EFRS) and Cambridgeshire Fire and Rescue Services (CFRS), it was agreed that Cambridgeshire would again lead on the tendering process for the provision of internal audit services as this provided an opportunity for collaboration and comparison of audited areas where commonality. The evaluation panel included representatives from all three authorities.
- 2.2 This process commenced in December 2020 with bids to be returned by 8 February 2021. RSM were subsequently appointed from 29 April 2021 for 3 years, with 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.
- 2.4 On 1 November 2021, the trading name of RSM Risk Assurance Services LLP changed to RSM UK Risk Assurance Services LLP to bring their trading name in line with other RSM Global member firms.

## 3. Conformance with Internal Auditing Standards

- 3.1 RSM conforms with the Global Institute of Internal Auditors (IIA) International Professional Practice Framework (IPF). In complying with the standards, internal audit services are required to have an External Quality Assessment (EQA) every five years. RSM is in the process of having its current assessment, and as part of the assessment, their performance and compliance with industry standards will be assessed.

- 3.2 Bedfordshire Fire & Rescue Service have received a survey and will contribute to the process.
- 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 (Appendix A).
- 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.

#### 4. Developing the Internal Audit Strategy

- 4.1 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.
- 4.2 When developing the internal audit strategy plan sources considered include:-
- Previous Audit findings
  - Requests from management
  - Business plans
  - Audit & Standards Committee
  - Authority Reports
  - Risk Register
  - Emerging issues in the sector
- 4.3 Risk Management, Governance and Key Financial Controls are audited annually. These audits were necessary in order for the Head of Audit to produce the year-end audit opinion.

- 4.4 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.
- 4.5 It is one of the roles of the Treasurer/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.

**GAVIN CHAMBERS**  
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