

BEDFORDSHIRE FIRE AND RESCUE AUTHORITY

Internal Audit Progress Report

29 September 2022

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Progress against the internal audit plan 2021/22 & 2022/23

The Internal Audit Plan for 2022/23 was approved by the Audit & Standards Committee March 2022. One audit has been finalised since the last meeting. The audits highlighted in bold have been finalised since the last meeting. A copy of the executive summary and action plan is included as an appendix to this report.

Assignment and Executive Lead	Status / Opinion issued	Actions agreed			Planned Timing (as per ANA)
		L	M	H	
2021/22					
Follow up	Final - Advisory	0	6	1	Q4
2022/23					
ICT – Digitalised Systems User Proficiency	Draft – Issued 9 September 2022				Q1
Data Quality – Information Management and Governance Arrangements including GDPR	In Progress				Q1
Risk Management	To commence 10 October 2022				Q3
Key Financial Controls	To commence 14 November 2022				Q3
Follow Up	To commence 6 March 2023				Q4

This completes our audit plan for 2021/22.

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

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

Changes reported previously

The organisation is commissioning the LGA to conduct an independent review of governance and as such was agreed to proposed that the days allocated for the review of governance, alongside some of the time allocated to risk management are utilised to review how the service engages with its local community to build a comprehensive profile of risk in its service areas following on from the issues identified in the HMICFRS report. The remaining time will be allocated to increase the follow up budget to include a more detailed follow up of risk management.

Information and briefings

We have recently issued our Emergency Services benchmarking of internal audit findings 2021/22

At the assignment level, this benchmarking provides:

- a comparison of the numbers of actions agreed;
- the assurance opinions provided across the sector in our client base; and
- a summary of those key areas where high priority internal audit management actions were agreed.

This paper provides a benchmark for our individual clients, to self-assess themselves against all of our fully outsourced emergency services internal audit clients.

The benchmarking data provided in this report is based on all of the internal audit assurance reports we have issued to our emergency services clients during the audit year 2021/22. This will provide you with a useful snapshot of your organisation's performance against others in the sector.

Quality assurance and continual improvement

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

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

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

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

FOLLOW UP - EXECUTIVE SUMMARY

Background

We have undertaken a review to follow up on progress made to implement the previously agreed management actions from the following audits:

- Use of Risk Information (1.20/21)
- Risk Management (2.20/21)
- Procurement - Proactive Processes and Remedial Action (3.20/21)
- Cyber Essentials (4.20/21)
- Human Resources – Support Staff Recruitment (5.20/21)
- Key Financial Controls (6.20/21)
- Human Resources – Wellbeing (7.20/21)
- Service Governance (8.20/21)
- Follow Up (9.20/21)

The management actions considered in this review comprise of 27 medium priority actions. The focus of this review was to allow management to take assurance that all medium priority actions previously agreed during these reviews have been adequately implemented, no high priority were identified within the audits.

Conclusion

Of the 27 management actions followed up, we were able to confirm that six had been fully implemented. In the remaining 21 instances five actions had not been fully implemented and for 16 actions we did not receive evidence to support the completion of the actions.

1.1 Action tracking

Action tracking enhances an organisation's risk management and governance processes. It provides management with a method to record the implementation status of actions made by assurance providers, whilst allowing the Audit & Standards Committee to monitor actions taken by management. As part of our Follow Up review, we have verified this information and completed audit testing to confirm the level of implementation stated and compliance with controls.

Action tracking is undertaken by Bedfordshire Fire & Rescue Authority's management on a regular basis, with an update provided to the Audit & Standards Committee at each meeting. As part of our Follow Up review, we have attempted to verified this information and completed audit testing to confirm the level of implementation stated and compliance with controls.

For the actions, our findings did not verify the status of implementation of all management actions as reported to the Audit & Standards Committee via the internal action tracking process. We identified differences as follows:

Audit	Reported as complete	Agreed	Comment
Use of Risk Information (1.20/21)	1	0	No evidence provided
Risk Management (2.20/21)	4	3	One partly but not yet fully implemented
Procurement – Proactive Processes and Remedial Action (3.20.21)	5	2	Three no evidence provided
Cyber Essentials (4.20/21)	6	0	No evidence provided
Human Resources - Support staff Recruitment (5.20/21)	1	0	The action has been partly but not yet fully implemented as evidence not provided for one element
Key Financial Controls (6.20/21)	1	0	No evidence provided
Human Resources Wellbeing (7.20/21)	4	1	One action has been partly but not yet fully implemented, one not implemented and two no evidence provided
Service Governance (8.20/21)	3	0	One action has been partly but not yet fully implemented and two no evidence provided
Follow Up (9.20/21)	2	0	One action has been partly but not yet fully implemented and one no evidence provided

Progress on actions

The following table includes details of the status of each management action:

Implementation status by review	Status of management actions					
	Number of actions agreed	Impl. (1)	Impl. ongoing (2)	Not impl. (3)	Superseded (4)	Completed or no longer necessary (1) + (4)
Use of Risk Information (1.20/21)	1	0	0	1	0	0
Risk Management (2.20/21)	4	3	1	0	0	3
Procurement – Proactive Processes and Remedial Action (3.20/21)	5	2	0	3	0	2
Cyber Essentials (4.20/21)	6	0	0	6	0	0
Human Resources – Support Staff Recruitment (5.20/21)	1	0	1	0	0	0
Key Financial Controls (6.20/21)	1	0	0	1	0	0
Human Resources – Wellbeing (7.20/21)	4	1	1	2	0	1
Service Governance (8.20/21)	3	0	1	2	0	0
Follow Up (9.20/21)	2	0	1	1	0	0
Total	27	6	5	16	0	6

2 DETAILED FINDINGS AND MANAGEMENT ACTIONS

We have only included those actions below where they were found to be partly implemented, or a finding to raise for management attention. We have included in the appendices below those actions fully implemented, or where evidence was not provided.

Status	Detail
1	The entire action has been fully implemented.
2	The action has been partly though not yet fully implemented.
3	The action has not been implemented.
4	The action has been superseded and is no longer applicable.
5	The action is not yet due.

1. General

Action tracking Action tracking enhances an organisation’s risk management and governance processes. It provides management with a method to record the implementation status of actions made by assurance providers, whilst allowing the Audit & Standards Committee to monitor actions taken by management. As part of our Follow Up review, we verify this information and complete audit testing to confirm the level of implementation stated and compliance with controls.

Action tracking is undertaken by Bedfordshire Fire & Rescue Authority’s management on a regular basis, with an update provided to the Audit & Standards Committee at each meeting. As part of our Follow Up review, we have attempted to verify this information and complete audit testing to confirm the level of implementation stated and compliance with controls.

Audit finding Previously evidence to confirmation implementation of management actions was obtained by management prior to sign off and reporting to the Audit & Standards Committee, but we understand this is no longer in place.

As part of our audit we were unable to verify the implementation of 16 of the 27 management actions, in addition for a further five, whilst we were provided with evidence of the implementation of parts of the action, this did not evidence implementation of the full action. Therefore we were unable to confirm the status of the management actions as reported to the Audit & Standards Committee via the internal action tracking process.

Management Action 1	Management should ensure that all elements of the management actions are implemented before reporting this as closed, in addition, evidence must be retained and available for review to support the implementation.	Responsible Owner: Steve Frank	Date: 31/03/23	Priority: High
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2. Risk Management (2.20/21)

Original management Action / priority The Service Assurance Framework will be reviewed as part of the decision-making process in moving to a new risk management system, to ensure it reflects the policies and procedures established as part of that decision. Where local heads are required to maintain risk registers, this process will be complied with. **(Medium)**

Audit finding / status Through our risk management review we confirmed a Risk Management System has been implemented. However we were advised that, whilst monthly review of risks by risk owners was part of the revised approach to risk management in the organisation, these reviews had not yet commenced.

There is a greater chance of risks materialising if they are not regularly reviewed and updated by risk owners.

As per our separate review of risk management undertaken in 2021/22, we noted that the Corporate Risk Service Order was currently on hold and had not been reviewed since 2012. Review of the draft Corporate Risk Management Policy found that it detailed how corporate risks are derived, the aims of risk management, the corporate risks themselves and high-level responsibilities. We noted that this policy was not yet in use and had not been formally signed off by the Chief Fire Officer.

The action has been partly but not yet fully implemented.

Management Action 2	Risk owners will review their assigned risks on a monthly basis and ensure updates are recorded within BMIS.	Responsible Owner: Steve Frank	Date: 31/03/23	Priority: Medium
	As per our separate review of risk management undertaken in 2021/22, the draft Corporate Risk Policy will be approved and made available to relevant staff. Further guidance on risk assessment, review, monitoring and reporting will be established. The organisation's risk appetite will be formally documented in the Corporate Risk Policy and be subject to regular review for appropriateness.			

3. Human Resources – Support Staff Recruitment (5.20/21)

Original management action / priority The organisation will ensure that there is a clear record of CMT discussion and approval of new posts.
The supporting evidence will then be supplied to the Recruitment Team. The Authorisation to Increase Base Establishment Form will also be updated to remove the HR approval section. Supporting evidence for the actioning of posts by HR will continue to be retained by email.
(Medium)

Audit finding / status Through review of the Authorisation to amend Base Establishment Form we confirmed HR approval had been removed. However, we were not provided with any evidence in relation to there being a clear record of CMT discussion and approval of new posts as the minutes provided did not include any detail regarding this.

In the absence of CMT oversight and approval of new posts there is a risk that new posts may not be in line with post requirements and posts may be actioned without approval.

The action has been partly but not yet fully implemented.

Management Action 3	The organisation will ensure that there is a clear record of CMT discussion and approval of new posts.	Responsible Owner:	Date:	Priority:
		Sarah Fecondi	31/03/23	Medium

4. Human Resources – Wellbeing (6.20/21)

Original management action / priority The Service will ensure that the Wellbeing Policy is reviewed, revised as appropriate and communicated to staff, following completion of the audit and HMICFRS’s inspection. Areas for revision include, but are not limited to:

- Policy statement signed by the Chief Fire Officer in 2021;
- Additional wellbeing support, including Traumatic Risk Management (TRiM);
- Current wellbeing governance structure, including the Mental Health and Wellbeing Steering Group; and
- Version control of the Policy, including review frequency. **(Medium)**

Audit finding / status We confirmed through review of the Wellbeing Matters Policy that it includes the policy statement and roles and responsibilities of staff at all levels although noted that this had not been signed by the Chief Fire Officer, and the policy provided was in respect of Essex County Fire and Rescue Service. We also noted reference was made to the Traumatic Risk Management (TRiM).

We also noted that the policy had not been revised to include the following:

- A completed version control summary
- Current wellbeing governance structure, including the Mental Health and Wellbeing Steering Group

There is a risk that if the wellbeing policy has not been revised to reflect the above then staff may not be following the most up to date policy and therefore may not be able to reflect on the most up to date practices within wellbeing.

The action has been partly but not yet fully implemented.

Management Action 4	The organisation will ensure that the Wellbeing Policy is revised as appropriate and communicated to staff, following completion of the audit and HMICFRS’s inspection. Areas for revision include, but are not limited to:	Responsible Owner: Sarah Fecondi	Date: 31/03/23	Priority: Medium
	<ul style="list-style-type: none"> • Completed version control of the policy. • Current wellbeing governance structure, including the Mental Health and Wellbeing Steering Group • Refers to the correct organisation and structure throughout 			

5. Human Resources – Wellbeing (6.20/21)

Original management action / priority The Service will devise a means by which the TRiM Contact Activity Log can be reconciled with the sources of contact, such as tip sheets, so to take assurance that all potentially affected staff and officers are engaged by the TRiM Team.

Further to this, the Service will also consider capturing and analysing TRiM statistics, such as response rate, to explore means to improve staff utilisation of TRiM support. **(Medium)**

Audit finding / status Through review of the TRiM activity log we were unable to identify how the log can be reconciled to tip sheets. In addition we were not provided with evidence to confirm the Service capture and analyse TRiM statistics.

There is a risk that the Service cannot be assured that all potentially affected individuals who should have been contacted have indeed been contacted.

The action has not been implemented.

Management Action 5	The Service will devise a means by which the TRiM Contact Activity Log can be reconciled with the sources of contact, such as tip sheets, so to take assurance that all potentially affected staff and officers are engaged by the TRiM Team.	Responsible Owner:	Date:	Priority:
	Further to this, the Service will also consider capturing and analysing TRiM statistics, such as response rate, to explore means to improve staff utilisation of TRiM support.	Sarah Fecondi	31/03/23	Medium

6. Service Governance (8.20/21)

Original management action / priority The Service will add to the Corporate Management Team agendas, the nature of each agenda item (presentation, report or verbal) and whether the item is for information only or a decision is required.
 Where a decision is required, this will be documented within the minutes (the outcome or whether it has been postponed). **(Medium)**

Audit finding / status We were not provided with any agendas to confirm whether the nature of each agenda item was indicated as to whether it was a presentation, report, or verbal.
 Review of a sample of CMT meeting minutes and an Action Log confirmed that decisions and actions were being recorded.
The action has been partly but not yet fully implemented.

Management Action 6	The Service will add to the Corporate Management Team agendas, the nature of each agenda item (presentation, report or verbal) and whether the item is for information only or a decision is required.	Responsible Owner: Steve Frank	Date: 31/12/22	Priority: Medium
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7. Follow Up (9.20/21)

Original management action / priority When BlueLight has been implemented the Authority will ensure that when stock items are issued from stores to their final destination, the stock system and individual station equipment lists are correctly coded to show the movements.
 Evidence of the local stock list including correct location coding should be available where required. Training around issuing stock and recording this on the system will also be delivered for members of staff responsible for each store. **(Medium)**

Audit finding / status Through review of the Stock Adjustment Spreadsheet, we confirmed that each number now includes an item number and an inventory account number. However, we did not receive evidence that training has been provided for issuing stock and recording this on the system, nor did the evidence provided detail the current location coding.
 There is a risk that without providing training to staff for issuing stock, there is a greater change of errors and discrepancies occurring when recording stock on to the system.
The action has been partly but not yet fully implemented.

Management Action 7	Evidence of the local stock list including correct location coding should be available where required. Training around issuing stock and recording this on the system will also be delivered for members of staff responsible for each store.	Responsible Owner: Jason Tai	Date: 31/03/23	Priority: Medium
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