



BEDFORDSHIRE FIRE AND RESCUE AUTHORITY

Members of Audit and Standards Committee.

Bedford Borough Councillors: M Headley and J Gambold

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

Luton Borough Councillors: K Choudhry and D Franks

A meeting of **Audit and Standards Committee** will be held at **Conference Room, Fire and Rescue Service Headquarters, Kempston, Bedford MK42 7NR** on **Thursday, 5 December 2019** starting at **10.00 am**.

John Atkinson
Secretary/Monitoring Officer

A G E N D A

Item	Subject	Lead	Purpose of Discussion
1.	Apologies	Chair	
2.	Declarations of Disclosable Pecuniary and Other Interests	Chair	Members are requested to disclose the existence and nature of any disclosable pecuniary interest and any other interests as required by the Fire Authority's Code of Conduct (see note below).
3.	Communications	Chair	(Pages 5 - 20)

Item	Subject	Lead	Purpose of Discussion
4.	Minutes	Chair	To confirm minutes of the meeting held on 15 October 2019 (Pages 21 - 28)
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 29 - 38)
7.	Audit and Governance Action Plan Monitoring - Exception Report and Summary Analysis	ACO	To consider a report (Pages 39 - 52)
8.	Annual Review of Effectiveness of the Internal Audit Arrangements	ACO	To consider a report (Pages 53 - 78)
9.	Review of 'Monitored Policies'	ACO	To consider a report (Pages 79 - 86)
10.	Report on Registration of Interests and Gifts/Hospitality	Secretary/ Monitoring Officer	To consider a report (Pages 87 - 90)
11.	Statement of Assurance	HTA	To consider a report (Pages 91 - 122)
12.	Corporate Risk Register Progress Update	HTA	Report to follow
13.	Review of Work Programme 2019/20	ACO	To consider a report (Pages 123 - 126)
	Next Meeting		10.00 am on 26 March 2020 at Conference Room, Fire and Rescue Service Headquarters, Kempston, Bedford MK42 7NR

Item

Subject

Lead

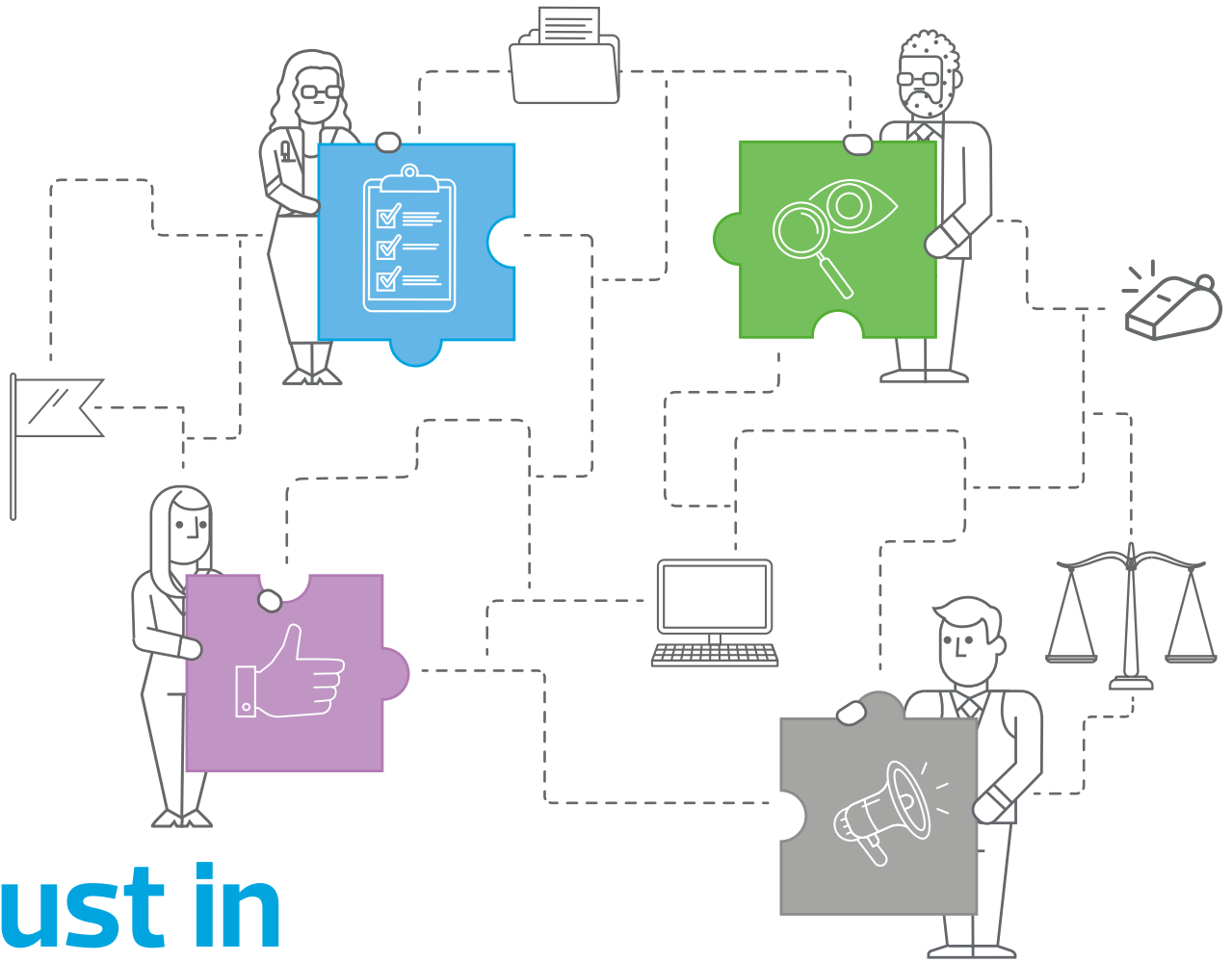
Purpose of Discussion

DECLARATIONS OF INTEREST

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

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

This page is intentionally left blank

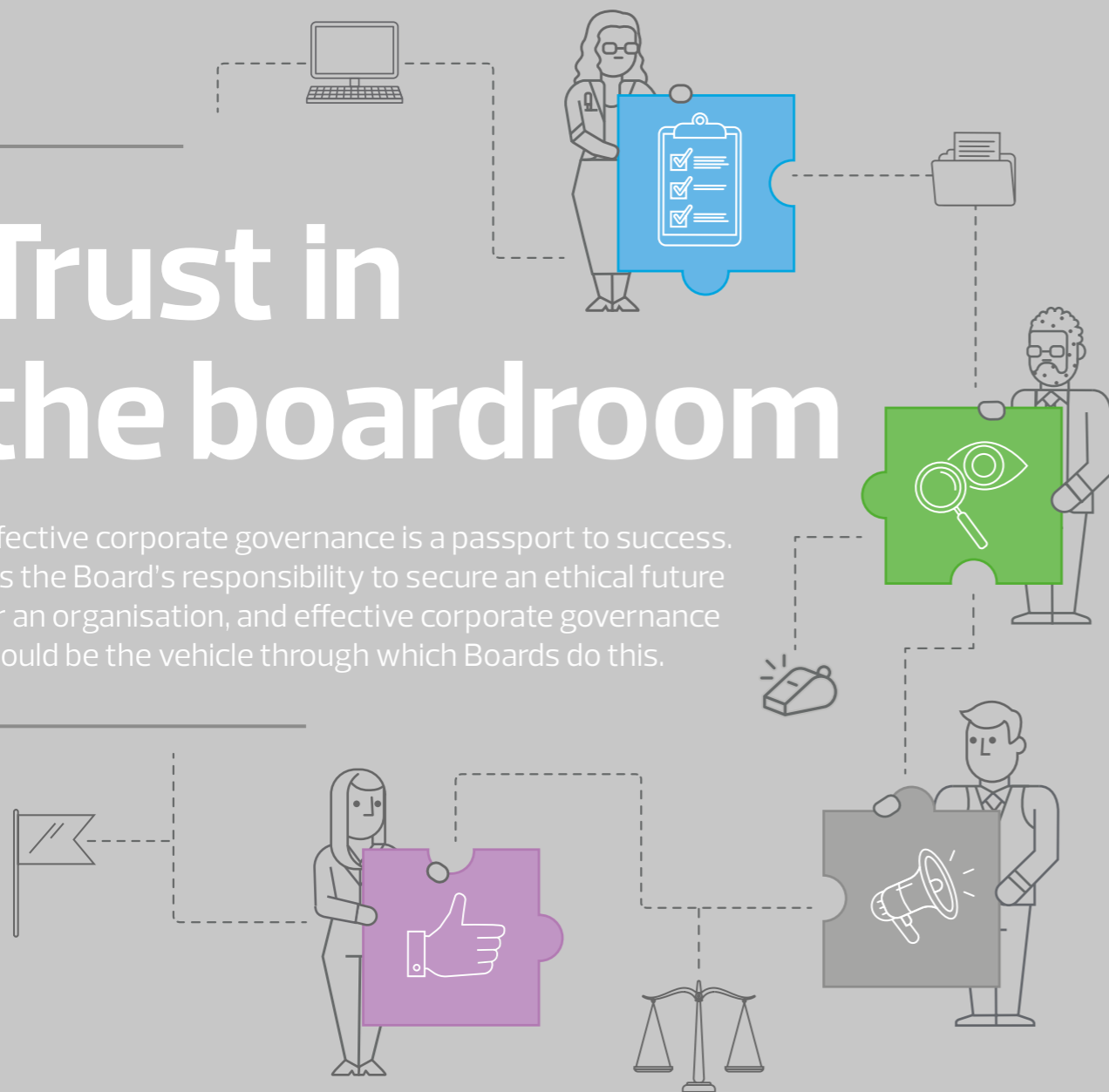


Trust in the boardroom

a move towards sustainable governance

Trust in the boardroom

Effective corporate governance is a passport to success. It is the Board's responsibility to secure an ethical future for an organisation, and effective corporate governance should be the vehicle through which Boards do this.



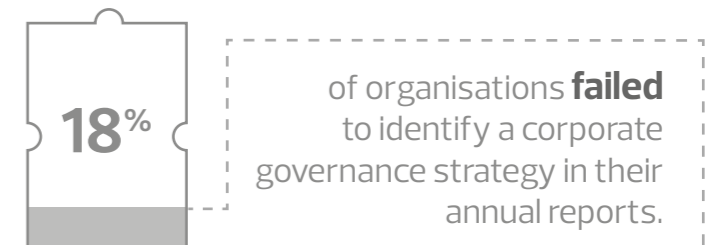
There are lessons to be learnt from high-profile cases where organisations have fallen foul of greed, negligence or abuse of power.

Increasing market complexity has resulted in organisational collapses, loss of business, damage to public trust, job losses, and even fatalities. These events must be viewed as failures of corporate governance, where leaders did not have knowledge of what was going on or, worse, where they were aware, but failed to act with integrity.

At RSM, we researched over 200 middle market businesses in relation to corporate governance. Worryingly, but perhaps not surprisingly, only 24 per cent of organisations agreed that corporate governance was critical to achieving strategic business objectives.

Compare this with the fact that only 28 per cent of people say that corporate governance is regularly on the board agenda and it gives obvious grounds for concern. After all, the role of the Board is to govern.

In spite of the perceived apathy towards the importance of corporate governance, 57 per cent of people expect to see prosecutions for poor business practices in the future. If Boards recognise that they could be prosecuted for poor corporate governance practice, but it still does not feature on their agenda, then this disconnect between perception and reality needs addressing.



What is corporate governance?

Corporate governance is a matrix of processes, rules and practices through which an organisation is controlled.

The context

Regulators and governments have introduced many new corporate governance codes in recent years. In some cases, these are specific to certain sectors such as charities or sports but they can also affect many other types of organisations. Regardless of the difference in business area, similarities can be found in the way that they are governed, including a compliance element which tries to hold organisations and Boards accountable for their decisions and actions. Yet it is critical that they are not viewed as a tick box exercise. Effective corporate governance is not achieved solely by putting measures in place but by also assessing and responding to how effective those measures are in ensuring integrity and improving corporate culture.

In this regard the role of the Board is twofold. They have to set the tone by conducting themselves within the spirit of the code, whilst also monitoring whether the right behaviours are being displayed throughout the organisation. This 'tone at the top' should help the Board to understand real views of staff and develop methodology and incentives to maintain standards.

This requires a cultural and behavioural shift that helps to position tone at the top as more of a priority for Boards and senior leadership.

Looking forward

It is important to remember that all Boards are (or should be) in a position to challenge and should exercise that right. Therefore it is critical to equip them with the tool and the mindset to do so. This guide will go some way to aid that.

Without an effective corporate governance framework people, as part of a workforce or a Board, can be motivated to act for different reasons – sometimes without considering the ramifications. Establishing a clear, transparent and honest approach to conducting business and people management is critical to earning the respect and loyalty of stakeholders and employees alike.

RSM have been advising Boards and organisations on effective governance and good decision making for many years. Working with The Governance Forum, RSM have contributed to a four-pronged methodology that focuses on the main principles of good governance. These are a reflection of the various corporate governance codes now in place that aim to help organisations to frame their thinking around effective governance.

Marc Mazzucco, RSM
Head of Risk, Governance and Compliance Advisory

1. Compliance

Regulatory compliance represents an organisation's adherence to laws and guidelines relevant to its business.

3. Behaviour and skills

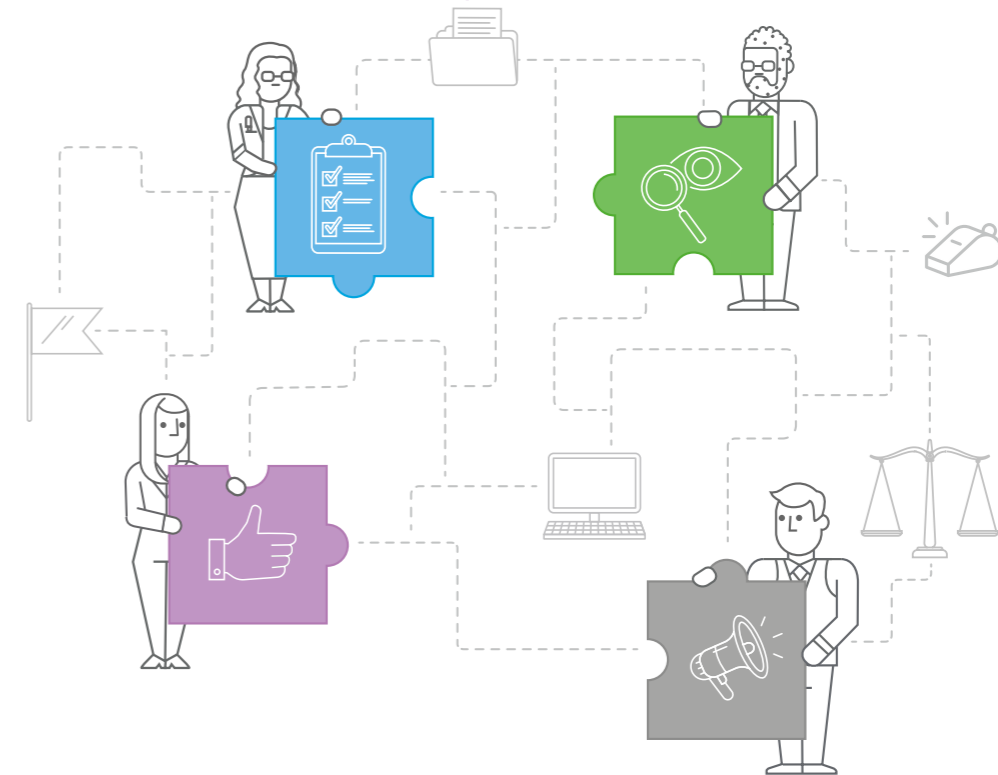
Organisations are run and maintained by people. Encouraging and rewarding the right behaviours is critical to ensure a sustainable and ethical future.

2. Transparency

A business must offer transparent ways of working, to ensure that its approach, management of people and use of finances and other resources are clear.

4. Impact

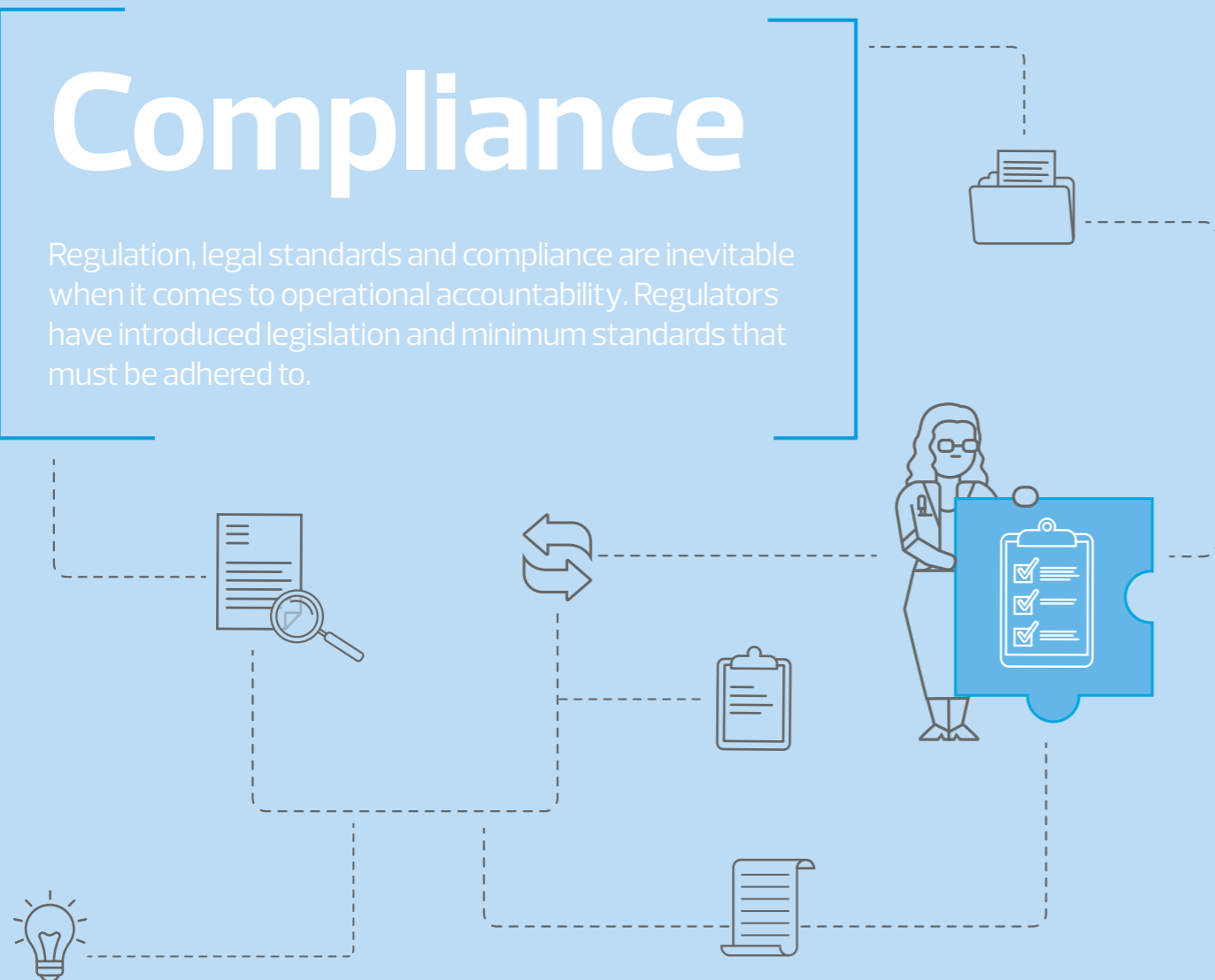
Decisions have consequences and Boards need to be equipped to make those consequences positive and sustainable.



Compliance

Regulation, legal standards and compliance are inevitable when it comes to operational accountability. Regulators have introduced legislation and minimum standards that must be adhered to.

Page 8



Codes can be frustrating and complex but they are in place to help baseline and improve the ethical foundation of organisations, ensuring they are resilient should something go awry.

Making organisations accountable to their stakeholders should be the most effective way of ensuring a sustainable and future-proofed operation. However, organisations must ask themselves whether their approach to corporate governance compliance is geared towards implementing and supporting the right behaviours on behalf of the stakeholders (including employees), or whether they have adopted a 'because we have to' approach. Boards need to accept that the regulatory requirements must not be the only consideration, because what looks good on paper, might not always be sufficient or happening in practice.

A **wisely governed** organisation approaches compliance with legal advisory oversight and considers:

- 1 **Design** – consider the architecture of what has to be done;
- 2 **Feasibility** – whether the law both requires and allows the governance style proposed; and
- 3 **Implementation** – deliver the content support needed from process, documentation, training and monitoring to achieve compliance successfully.

“ On many organisation's websites we can see compliance statements that are presented as in alignment to specific codes but they are brief, generic and uninformative. This shows that organisations are, in many cases, just ticking the compliance box. Or worse, that they are claiming unachieved levels of compliance. What we should be seeing are statements that are clear and specific, with messaging that is based on genuine sentiment. ”

Carolyn Brown, RSM
Legal Partner



The various new codes, including the 2018 UK Corporate Governance Code, put the relationships between companies, shareholders and stakeholders at the heart of long-term sustainable growth. We can see a similar trend in Section 172 of the Companies Act 2006, which, from 2019, was extended to 'a duty to promote the success of the firm'. But in many cases, if not all, these governance codes only have 'comply or explain' enforcement. This gives organisations the opportunity to outline how code principles have been applied or explain why not. Arguably, this does not go far enough and gives organisations and Boards an escape route from best practice. It raises the question of how effective a piece of regulation can be if you can simply explain away non-compliance. This puts an even greater emphasis on the need for organisations to prioritise inherent cultural and behavioural shifts in their search for effective corporate governance, using these codes and regulations to frame that thinking.

This is not to suggest that compliance isn't important, because it is and should remain a key component of any governance framework. But when taken in isolation it can appear daunting and unnecessary. It may also encourage the wrong assumption that good governance means ticking boxes, which is a far from the truth. Organisations must consider how they are implementing change and measuring what the impact is and should be.

Page 9

Who does **Section 172** of the Companies Act 2006 impact?

Organisations with:

- ✓ A turnover of £36m or above; or
- ✓ Balance sheet assets above £18m; or
- ✓ More than 250 employees



Genuine corporate governance is an intent to do the right thing on behalf of both the shareholders and employees, and to drive that mindset to underpin both Board decisions and implementation.



Carolyn Brown, RSM
Legal Partner



To demonstrate compliance consider the following:

Processes – having robust processes in place will lay a solid foundation so people know what to do.

Documentation – whilst it might seem onerous, it does help. Having relevant controls, policies and approaches properly documented leaves little to interpretation and provides clear instruction in the event of things going wrong. Risk management is just one part of the corporate governance agenda and yet 17 per cent of respondents said senior executives in their businesses were either devoting very little attention to risk management, or respondents were unsure as to exactly what was being done.

Compliance must also be considered in the context of other measures that have been introduced such as the Good Work Plan and Modern Industrial Strategy. These plans have been designed to help deliver 'fair and decent work', clarity in employment law and engaged workforces.

Source: RSM research June 2019 middle market businesses and corporate governance

Knowledge is key when it comes to understanding, choosing and implementing a corporate governance code.

- 1 Is there a code which must be applied due to the sector or nature of the organisation?
- 2 Is the infrastructure in place to implement the requirements?
- 3 Are the right staff in place to ensure governance codes are understood?
- 4 What are the penalties for failing to meet the codes and how could this impact the organisation?

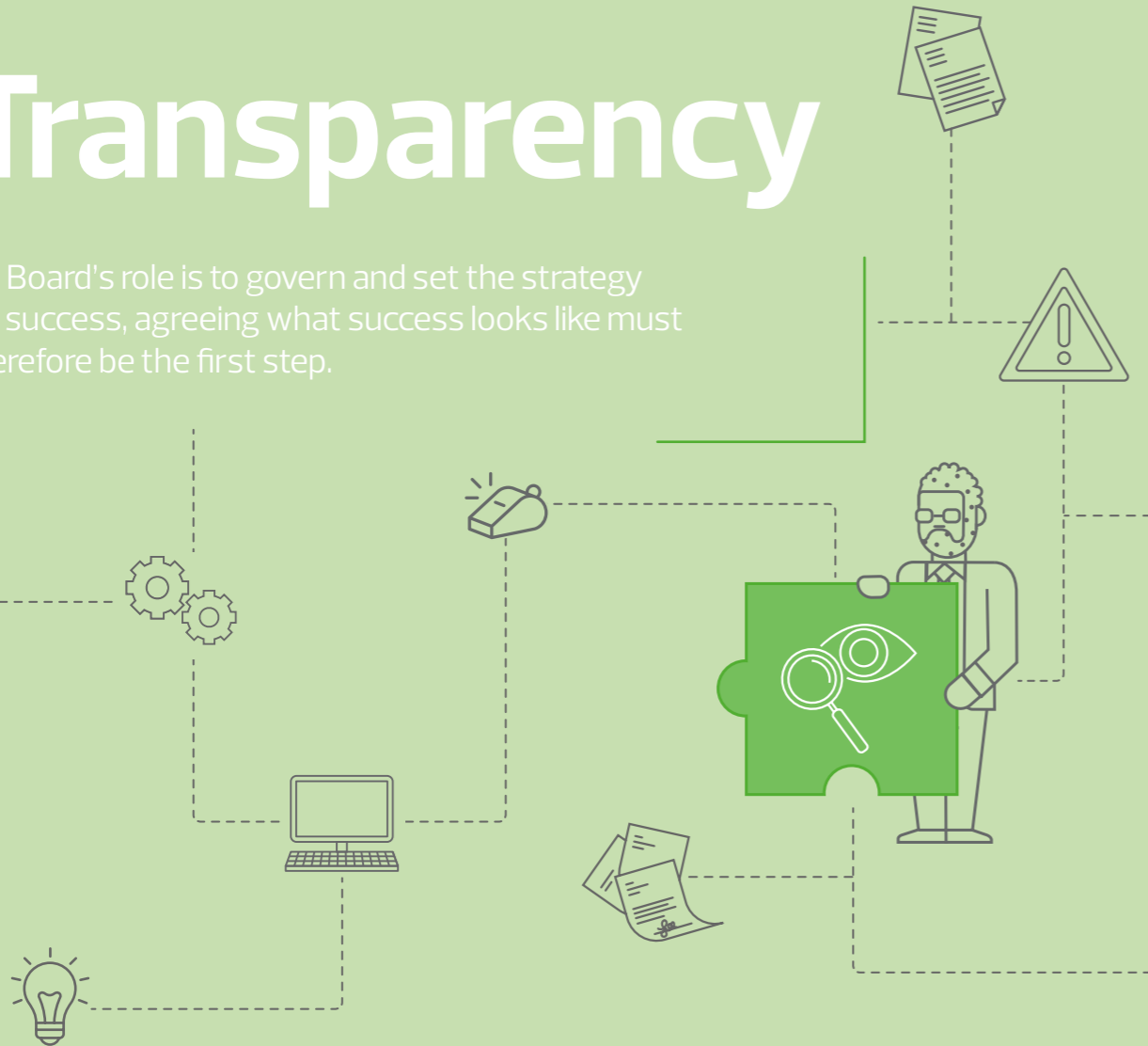
Key considerations

- ! Pick the right code for you and understand what that means.
- ! Approach all compliance with legal advisory oversight.
- ! If you make a public statement then make sure it is accurate.
- ! Do not approach compliance in isolation nor as a tick box exercise.

Transparency

If a Board's role is to govern and set the strategy for success, agreeing what success looks like must therefore be the first step.

Page 10



Section 172 of the Companies Act 2006 defines success as promoting the interests of shareholders while taking account of stakeholders. This places stakeholder engagement as a critical element to success.

Most organisations are required to disclose meaningful, integrated reporting on its governance dependent on various criteria. The Board need to do this in a transparent manner to prevent making key decisions based on poor business intelligence.

Selective transparency can be fatal. If shareholders, stakeholders and key decision makers are not given a full and honest picture, things can go very wrong. Not only does this have a huge effect on a business, but it also calls into question operational and leadership integrity.

Sustainable organisations know exactly what is going on in day-to-day operations, enabling informed, confident decision making. It is vital that leadership takes a step back to understand what reporting should reflect, and to whom.

Organisational design means aligning an organisation's structure, people and processes to its strategy. It is critical to understand what needs to be achieved, then find support and interventions to make that happen.

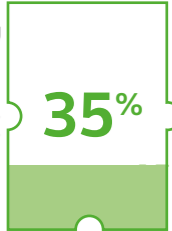
How are transparency and business resilience connected?

Building a business that is resilient is more important now than it has ever been. There are complex operating environments that rely on constantly evolving technologies, global market places with different pressures and risks, as well as increasing workforce challenges. If a business has not considered what could go wrong – how can they possibly deal with it if it does?

The key for Boards and senior leadership is to respond appropriately to these concerns and to encourage transparency rather than assign blame. The impact of not doing so can be severe, affecting how secure people feel at work, whether they feel encouraged to make the right decisions and in extreme cases, even questioning whether they feel personally accountable for their own actions.

Operational and governance transparency also need to be applied to an organisation's entire network. Governing an entity without considering its supply chain and third-party relationships is poor practice.

Page 11



of people surveyed stated that there was no formal **whistleblowing** process in place.

Foreseeing and predicting change and shocks in the market is difficult and sometimes impossible, but a workforce is on the front line so ignoring their concerns or not giving them the mechanism for escalating their concerns is a cavalier and (arguably) dangerous attitude that can seriously impact an organisation's ability to be resilient. It is difficult to see how a Board is supposed to govern an organisation effectively if they cannot rely on its employees to raise their concerns.

The simple introduction of a whistleblowing (or Speak Up) helpline and similar processes can go a long way to enhancing transparency and can sometimes stop containable issues from escalating.



“ A workforce is on the frontline and ignoring their concerns is dangerous. ”

Matt Humphrey, RSM
Partner

Large projects and initiatives often go wrong when the governance of those relationships are not properly monitored. The market has seen instances where fully outsourcing functions without adequate checks and balances, or not properly managing inefficiencies have been fatal or at least, very expensive.

Key considerations

- ! Horizon scan to remain current in your resilience.
- ! Build business continuity plans.
- ! Assess third party relationships.
- ! Consider organisational design.

Corporate governance guidance is founded in the **Nolan principles**. Despite being introduced in the 1990s by the government to improve standards of behaviour in public life, there is little doubt that these principles are still as critical to effective governance as they ever have been.

- Selflessness** – act in the public interest.
- Integrity** – do not have obligations or relationships that influence behaviour for anything other than that which you are employed to do.
- Objectivity** – only appoint and remunerate on merit.
- Accountability** – be accountable and be open to scrutiny.
- Openness** – be transparent in decisions and action taken.
- Honesty** – be clear regarding private interests and resolve conflict to protect stakeholder interest.
- Leadership** – lead by example.

Behaviour and skills

If a Board and workforce is exhibiting the right behaviours and is equipped with the right skills, effective corporate governance and success should easily follow.



Whilst change can be daunting, people are the engine room of any organisation and must be shown and bought into what the business expects of them.

Championing tone at the top is critical, and so it makes sense to begin with an organisation's Board. It is key to structure the Board with the right diversity of talent to enable constructive challenge, ensuring the organisation tackles emerging issues and trends in the right way. Boards must ask themselves whether they have the right people at the top, and if not, then they must act to correct this. Boards cannot expect to deal with a diverse range of issues, if they themselves are not diverse.

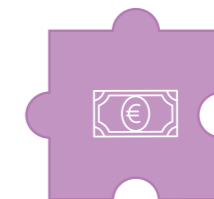
Diversity is more than gender or ethnicity. It also needs to extend to a diversity of background and specialisms or skills, ensuring a socially mobile Board whose perspective is holistically constructed. The makeup of a Board can demonstrate what an organisation is prioritising at any one time. It is not unreasonable to suggest that a Board solely made up of financial specialists will champion financial performance over all other metrics of success, potentially leaving itself exposed to other business challenges and threats.

Boards must ask themselves how they ensure social diversity is happening, how they can monitor it and how they can enact key change. By creating a culture where the Board is not afraid to evolve and challenge itself, this mentality will be more likely to permeate through the organisation to the wider workforce. Best practice tells us that remuneration should be tied to reinforcing the right behaviours both at a workforce and Board member level.

Boards need to consider:

- 1 what skills are required to do this;
- 2 what training is in place to disseminate expectations;
- 3 what cultural norms are in place.
- 4 make sure their own behaviours are reflected by their workforce;
- 5 have a grasp on what motivates staff to act in the right way; and
- 6 understand how they can monitor behaviours.

“ An unintended consequence of transparency has been a race to the top with salaries, because if we did not know what everyone else is earning perhaps we would not be so greedy ourselves. ”



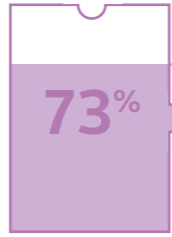
Robin Ellison
Chair, Carillion Pension Scheme

Our research of over 200 respondents showed that just over 50 per cent of organisations have clearly stated that there is an individual or designated committee charged with directing the corporate governance agenda.

This 50 per cent is in stark contrast to the 72 per cent of people who said that corporate governance **was not regularly** on the Board agenda. This could suggest two scenarios:

- 1 boards and organisations are publicly committing to corporate governance promises but in reality, are not practicing that commitment; or
- 2 corporate governance is being delegated to people not on the Board.

This is a critical point. High profile blame which puts the ethical standards of an organisation under the spotlight, coupled with a lack of transparency, can have enduring and in some cases, irreversible reputation ramifications. Boards need to ask themselves whether the business as a whole can prevent that, and how.



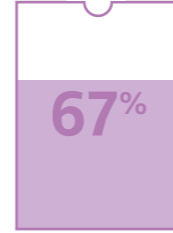
of respondents **did not** think that a particular Board member in their organisation held a specific remit for risk management and corporate governance.*



Ultimate responsibility for corporate governance needs to sit with an independent person, most likely the Chairperson.



Marc Mazzucco, RSM
Head of Risk, Governance and Compliance Advisory



of people felt that future **ethical scandals** were likely to prompt more labour disputes and result in higher levels of staff churn.*

Key considerations

- ! Champion tone at the top to set the example.
- ! Ensure the Chair of the Board is driving the integrity agenda.
- ! Deliver any training and education for the Board and wider organisation.
- ! Appoint experienced and independent Directors to the Board.

A sustainable business must have a sustainable succession plan. Boards are in place to strategise but they also need to be evaluated on their ability to future proof the organisation. How should Boards start to do this?

- 1 Is the Board prioritising short term gains over longevity?
- 2 Has the Board got the skillset necessary to devise and implement the strategy the organisation needs?
- 3 Does the Board have a good grounding and understanding of relevant legal and regulatory requirements and of risk management?
- 4 Who is the Board appointing as Non-Executive Directors and is the right appointment criteria being applied?
- 5 How long does it take for Non-Executive Directors to be on-boarded?
- 6 How long does it take to escalate and deal with urgent issues?
- 7 Is the Board mindful of the need to identify and/or recruit future leaders and Board members?
- 8 How well will the Board perform against a Nolan principle assessment?

Source: RSM research June 2019 middle market businesses and corporate governance

Impact

Boards, the workforce and their shared culture should all work together to have a positive impact on everyone involved in the organisation and the community.



The impact of corporate governance mechanisms can be difficult to measure. Often, they are not investigated until something goes wrong. Boards need to measure continuously, potentially either through impact testing or scenario planning.

Boards need to know who and what they are influencing in order to understand the impact of their approach to effective corporate governance. We outline some of the numerous stakeholder groups below and highlight core considerations for Boards.

Workforce

Do they feel engaged, listened to and happy to work there? One of the first rules of engagement in effective employee communication is to be personal. People crave bespoke reassurance; a soothing of their own ego, no matter how large or small; encouragement that is tailored to their own ability, performance and ambition. It makes them feel engaged. Employee engagement simply doesn't work if it's deployed in a one-size-fits-all sort of way.

Customers/the public

Do they feel the organisation is delivering against its promises and is 'brand loyalty' high?

Environment

Does the organisation have a positive impact on the environment or is it contributing for example, unnecessarily to energy waste. Is the organisation mitigating its environmental impact through sustainable practices?

Community

Does the organisation positively contribute to the communities it operates in and is there a formal corporate social responsibility plan?

Profits

Is the organisation profitable enough to enable it to continue operating?

Future of the company

Is the organisation sustainable in the medium and long term?

Suppliers

Are payments made in reasonable time to secure sustainable relationships?

Recruitment

Are there any indicators in the recruitment process that the approach to corporate governance is having an effect? Is there equal opportunity for all?

By mapping stakeholder and influencer relationships, Boards can break down the type of engagement and activity that each stakeholder group needs to ensure effective governance.

Organisations do, however, need to measure effectiveness and impact, along with deciding what metrics can and should be used to do this.

Formal employee engagement schemes can make a real difference to the level of transparency your organisation can demonstrate, as it gives workforces the chance to convey their genuine perceptions on their working lives to the Board. This understanding of employee sentiment can enable a Board to have a positive impact and make a real cultural difference.

Page 15

There are a number of ways organisations can **measure effective governance** outside of standard compliance with regulation and codes, but these should all hinge on how they view success. Metrics could include:

- ✔ consistently high employee engagement levels/feedback scores;
- ✔ effective escalation of employee and stakeholder concerns, with no hesitancy in dealing with the root cause;
- ✔ short payment terms for all suppliers (reducing debt);
- ✔ a genuinely diverse and socially mobile workforce;
- ✔ increasing levels of community engagement, through formal or informal schemes; and
- ✔ a narrowing or absence of gender pay gap or ethnicity pay differentials.

To get the best from staff and to ensure that your business performs, Boards should listen to every part of it. This will give the most informed idea of true organisational culture, so it is critical to utilise HR teams to tap into this insight.

- ✔ Enable employees to escalate concerns – ensure causes are addressed, rather than the symptoms.
- ✔ Foster an environment for continuous listening. Whilst employee engagement surveys can be good, they tend to be infrequent and take time to digest results – instead of giving a snapshot of sentiment at that particular moment. Continuous listening allows for real time solutions and a higher level of responsiveness. This is of particular relevance when organisations are going through periods of change such as acquisitions, mergers or investments.
- ✔ Empower your senior leadership, Boards, managers and those with line management responsibility to access these anonymous results. This may prevent smaller issues from escalating.
- ✔ Be honest with the business. Proactively addressing issues is a good thing.

Establish a **stakeholder advisory panel** to build a communications bridge between the Board and the people it impacts the most. In committing to open and honest communication, Boards will be taking steps towards ensuring integrity has a voice.

Key considerations

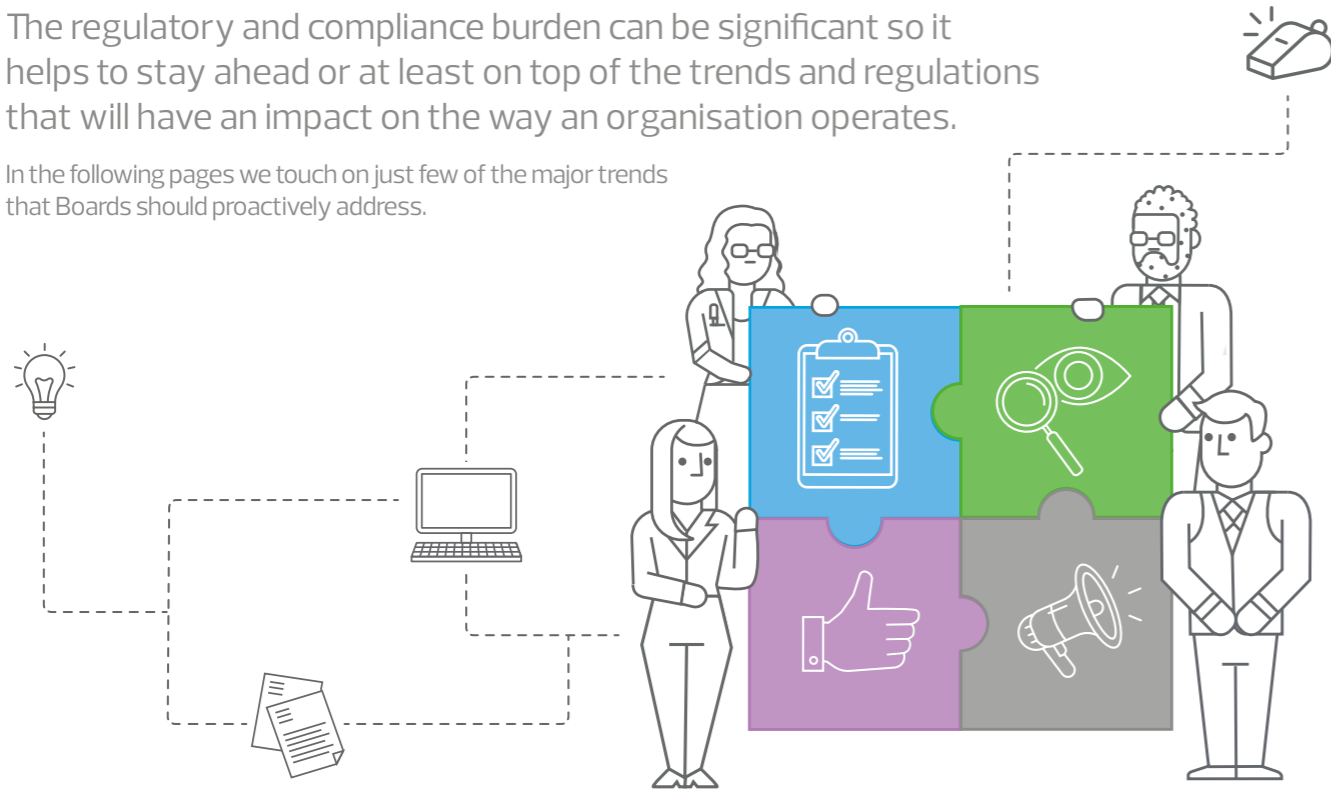
- ! Map your stakeholders.
- ! Listen to them.
- ! Choose the right metrics to measure success.

Future proofing your organisation

The regulatory and compliance burden can be significant so it helps to stay ahead or at least on top of the trends and regulations that will have an impact on the way an organisation operates.

In the following pages we touch on just few of the major trends that Boards should proactively address.

Page 16



The General Data Protection Regulation

GDPR has been a well-publicised development in the EU's approach to data privacy security, but organisations need to ensure that it is not approached in isolation or as a one-off project. Compliance is an ongoing challenge, and in the context of some recent fines, it will be critical for Boards to ensure they have the right processes in place to protect their organisations. Some of the most significant assurances include:

- ✔ personal data processing and data inventories that are up to date, not historic or static;
- ✔ contracts that include terms for sharing and processing of personal data – including who is liable for the protection of that data;
- ✔ response processes for data subject requests that satisfy minimum requirements;
- ✔ ongoing staff awareness and education;
- ✔ data process policies and procedures including privacy notices; and
- ✔ breach notification and incident management processes that satisfy minimum requirements.

“GDPR isn't going away. Organisations must ensure ongoing compliance and robustness of measures are in place, to embed good data governance.”



Sheila Pancholi, RSM Partner

ePrivacy Regulation

The ePrivacy Regulation or EPR is not in place yet but will replace the ePrivacy Directive (2002). This will be mandatory for all EU members in the same way that GDPR is. It will also impact on all organisations dealing with consumers in the EU. The terms have not yet been finalised, but it is key that organisations keep it in mind when thinking about their digital strategies.

Its remit will cover:

- ✔ unsolicited marketing;
- ✔ cookies; and
- ✔ services such as internet browsers and internet messaging services.

The EPR aims to ensure privacy in all electronic communications, introducing more stringent rules for digital advertising. It empowers users to adjust their security settings at web browser level, rather than having to accept terms on every webpage.

Organisations will need to consider:

- ✔ auditing the current arrangements for digital platforms to be sure it adheres to the stipulations; and
- ✔ whether this will impact the way an organisation operates – i.e. revenue generation.

The UK Stewardship Code

The UK Stewardship Code assesses the relationship between investors and organisations to help improve sustainable returns for shareholders. This should be a key consideration for corporate governance. The FRC encourages all institutional investors to report if and how they have complied with the code. This can include:

- ✔ publishing a statement on their website;
- ✔ telling the FRC when they have done so; and
- ✔ assigning responsibility to someone internally.

“ This is new ground but organisations need to start thinking about how this will impact the way they work. Will these measures impact how they can generate revenue? ”

Steve Snaith, RSM Partner



Safeguarding

Safeguarding, or a lack of adequate procedure and escalation has been well publicised in recent years. Protecting people, whether they are vulnerable or employee stakeholders needs to be one of the main roles of a Board. Steps to be taken should include:

- ✔ education – all stakeholders should know exactly what is expected of them in relation to safeguarding;
- ✔ the development of well-documented policies and procedures;
- ✔ vetting staff to ensure that they are the right people for the job;
- ✔ the introduction of adequate mechanisms for the escalation of concerns; and
- ✔ ensuring that there is adequate training in place.

“ Investors are a core stakeholder for organisations that need them. They need to share the values and integrity of those they are investing in. ”

Richard Smith, RSM Head of Risk Assurance



Modern Slavery

Modern Slavery impacts all organisations. As recently as 2016 'an estimated 40.3 million people [were] in modern slavery'*; organisations need to ensure that it is not happening anywhere in their supply chain or network.

The Modern Slavery Act 2015 seeks to address and prevent modern slavery and human trafficking in the UK and in the supply chain of UK organisations. It covers the offences of slavery, servitude, forced or compulsory labour and human trafficking. Applicable to organisations with a global turnover of £36m+, the legislation is an important tool in the pursuit of effective corporate governance (albeit any organisation should be applying the same ethical approach to conducting business). Basic steps to complying with the Modern Slavery Act 2015 include:

- ✔ carry out a workforce contract audit;
- ✔ complete a payroll audit;
- ✔ appoint a modern slavery champion;
- ✔ vet employment agencies;
- ✔ review relationships; and
- ✔ assess supply chain for slavery.

*<https://www.ilo.org/global/topics/forced-labour/lang--en/index.html>

Social mobility and the Equality Act 2010

Promoting equality in the workplace has to be one of the cornerstones of effective and ethical corporate governance. Denying any employee, or prospective employee or worker, their right to equal opportunity in the workplace is unlawful under the Equality Act 2010.

The Equality Act has specified nine areas that are termed as protected characteristics. These are listed below in no particular order:

- 1 Age
- 2 Sex
- 3 Race
- 4 Disability
- 5 Pregnancy
- 6 Marital status
- 7 Sexual orientation
- 8 Gender reassignment
- 9 Religion or belief

Discriminating against workers because of any of the nine characteristics is against the law.

The Bribery Act

The Bribery Act 2010 has transformed the legal framework in relation to corruption and bribery, in the UK and overseas, by introducing new, chargeable offences. It has introduced a clearer regime for tackling bribery that applies to all businesses based or operating in the UK. As such there are clear links to the cultural integrity that effective corporate governance (and legal compliance) demands.

“ This isn't new legislation, but it still remains relevant. Exposure to fraud and bribery can significantly undermine an organisation's integrity and ability to function. ”



Tim Merritt, RSM
Partner

Ethnicity pay

Following the recent spotlight on gender pay equality, the government is turning its attention to equality on ethnicity pay for obvious and just reasons. Whilst still at the consultation stage, regulations demanding organisations publish information on their ethnicity pay gaps could bring challenges.

Some organisations do not currently record the ethnicity of their workforce. This means that they will be unable to comply. Boards and senior leadership therefore need to think about this now so that they are ready and able to be transparent when the time comes.

Energy and carbon

The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 require large unquoted companies and Limited Liability Partnerships (LLPs) to report on their energy consumption and greenhouse gas emissions within their annual report and accounts.

The qualifying conditions are met by a company or LLP in a year in which it satisfies two or more of the following requirements:

- ✓ turnover £36m or more;
- ✓ balance sheet total £18m or more; or
- ✓ number of employees 250 or more.

In addition, quoted companies whose equity share capital is officially listed on the main market of the London Stock Exchange; or is officially listed in a European Economic Area State; or is admitted to dealing on either the New York Stock Exchange or NASDAQ continue to be required to report greenhouse gas emissions.

This publication explores just some of the issues needed to secure effective and sustainable corporate governance. For more information visit our website or contact **Marc Mazzucco**.

Contacts

Richard Smith

Head of Risk Assurance, partner

E: richard.smith@rsmuk.com

T: +44 7398 168960

Hannah Gibson–Patel

Senior HR consultant

E: hannah.gibson–patel@rsmuk.com

T: +44 7785 462806

Matthew Humphrey

Risk, Governance and Compliance, partner

E: matthew.humphrey@rsmuk.com

T: +44 7711 960728

Carolyn Brown

Legal partner

E: carolyn.brown@rsmuk.com

T: +44 2032 018469

Marc Mazzucco

Head of Risk, Governance and Compliance
Advisory, partner

E: marc.mazzucco@rsmuk.com

T: +44 1412 853936

rsmuk.com

The UK group of companies and LLPs trading as RSM is a member of the RSM network. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm each of which practises in its own right. The RSM network is not itself a separate legal entity of any description in any jurisdiction. The RSM network is administered by RSM International Limited, a company registered in England and Wales (company number 4040598) whose registered office is at 50 Cannon Street, London EC4N 6JJ. The brand and trademark RSM and other intellectual property rights used by members of the network are owned by RSM International Association, an association governed by article 60 et seq of the Civil Code of Switzerland whose seat is in Zug

RSM Corporate Finance LLP, RSM Restructuring Advisery LLP, RSM Risk Assurance Services LLP, RSM Tax and Advisery Services LLP, RSM UK Audit LLP, RSM UK Consulting LLP, RSM Employer Services Limited, RSM Northern Ireland (UK) Limited and RSM UK Tax and Accounting Limited are not authorised under the Financial Services and Markets Act 2000 but we are able in certain circumstances to offer a limited range of investment services because we are members of the Institute of Chartered Accountants in England and Wales. We can provide these investment services if they are an incidental part of the professional services we have been engaged to provide. RSM Legal LLP is authorised and regulated by the Solicitors Regulation Authority, reference number 626317, to undertake reserved and non-reserved legal activities. It is not authorised under the Financial Services and Markets Act 2000 but is able in certain circumstances to offer a limited range of investment services because it is authorised and regulated by the Solicitors Regulation Authority and may provide investment services if they are an incidental part of the professional services that it has been engaged to provide. Baker Tilly Creditor Services LLP is authorised and regulated by the Financial Conduct Authority for credit-related regulated activities. RSM & Co (UK) Limited is authorised and regulated by the Financial Conduct Authority to conduct a range of investment business activities. Whilst every effort has been made to ensure accuracy, information contained in this communication may not be comprehensive and recipients should not act upon it without seeking professional advice.

This page is intentionally left blank

MINUTES OF AUDIT AND STANDARDS COMMITTEE MEETING HELD ON 15 OCTOBER 2019

Present: Councillors M Headley (Chair), P Duckett, R Berry, K Choudhry, J Gambold and I Shingler
ACO G Chambers, Mr J Atkinson, GC I McLaren and Mr J Harrison
Mr N Young and Ms E Johns, Ernst & Young
Mrs S Rowlett, RSM

19-20/ASC/16 Apologies

16.1 There were no apologies.

19-20/ASC/17 Declarations of Disclosable Pecuniary and Other Interests

17.1 There were no declarations of interest.

19-20/ASC/18 Communications

18.1 The Committee received the most recent Emergency Services Sector briefing from RSM.

18.2 In relation to the questions on preparedness for the implementation of the Emergency Services Network, the Assistant Chief Officer assured the Committee that the risks associated with the delay of the project had been flagged as a result of the uncertainty around the delivery of the network. An earmarked reserve of £200,000 had been set aside to cover costs associated with this.

18.3 He confirmed that he would speak with the Service's Head of ICT to ascertain whether there were any contract implications of the extension of the Airwave contract and whether there were contingency plans if the ESN technology failed.

18.4 In relation to the Fire and Rescue service inspections, the Committee was reminded that Members had been provided with the inspection findings and the resulting Service action plan to address areas for improvement. An update on progress against these actions would be submitted to a future meeting of the Fire and Rescue Authority.

- 18.5 The Assistant Chief Officer confirmed that a link to the Local Government Association's 'Fire authority Members guide' for new Members had been circulated to all Members of the Authority. This could be recirculated if required.
- 18.6 The Committee was advised that benchmarking statistics would be presented to the next meeting of the Fire and Rescue Authority.

RESOLVED:

That the communication be received.

19-20/ASC/19 Minutes

RESOLVED:

That the Minutes of the meeting held on 10 July 2019 be confirmed and signed as a true record, subject to the inclusion of Councillor Berry's apologies.

19-20/ASC/20 Public Participation

- 20.1 There were no members of the public present.

19-20/ASC/21 External Audit, Audit Results Report, Opinion and Value for Money

- 21.1 Members received the external Audit Results Report from Ernst & Young (EY). Mr N Harris introduced Ms E Johns, who had acted as the audit manager during the audit of the statement of accounts.
- 21.2 Mr Harris reported on the circumstances that had led to the delay of the audit. These included the resource constraints he had advised of at the previous Committee meeting, as well as the increasing complexity of a number of local authority audits as a result of pension liabilities, asset valuations and increasing commercial activity.
- 21.3 He expressed concerns about the viability of the current financial reporting and auditing of local authorities and referred to Sir Tony Redmond's review of local authority financial reporting and external audit, which was currently seeking views. He volunteered to share EY's view on this issue with the Committee and recommended that the Authority submit its own views.
- 21.4 The Chair expressed his concern and disappointment over the delay of the audit and queried what measures EY had put in place to ensure that this did not happen next year.
- 21.5 Mr Harris commented that the changes that EY would like to see to the sector to address sustainability issues, such as the reintroduction of a regulating body to provide oversight and consistency, would not come into effect immediately. However, the

immediate resourcing issues had been resolved and planning schedules for next year were being developed in consultation with the relevant local authorities. The plan for next year would be submitted to the Committee in due course.

- 21.6 In relation to the audit itself, the recent judgements arising from the McCloud anti-age discrimination case had led to adjustments to the level of pension liability reported by the Service. The Service had been very proactive in responding to the judgement, commissioning actuarial advice from the Government Actuary's Department (GAD) and making the required adjustments which were now reflected in the Annual Statement of Accounts.
- 21.7 Mr Harris reported on changes to the materiality. The overall materiality assessment was £723,000, with a performance materiality of £542,250 and the threshold for reporting misstatements of £35,150.
- 21.8 There were no adjusted differences to bring to the Committee's attention and the value for money arrangements had been assessed as appropriate.
- 21.9 Mr Harris referred to the other reporting issues that summarised the investigation undertaken by the Committee in relation to the Chief Fire Officer's pension benefits. No queries had been raised on the accounts in relation to this issue. Mr Harris reported that he had not yet prepared an estimate of the fee for the additional work he had undertaken in relation to the investigation and he would be liaising with the Assistant Chief Officer in this respect.
- 21.10 In relation to the valuation of land and buildings, the auditors had provided challenge to Officers to ensure that the assumptions made were reasonable. The use of buildings by other emergency services was appropriate in the light of the duty to collaborate.
- 21.11 Mr Harris reported that the likely result of the audit was one of an unqualified audit opinion and an unqualified value for money conclusion.
- 21.12 The report also set out how EY used data analytics in its work and Mr Harris advised that this would increase in future.
- 21.13 There were no issues of independence to report.

RESOLVED:

1. That the external Audit Results Report for 2018/19 be received.
2. That the Treasurer and Chair be delegated authority to consider and agree any non-material changes to the accounts arising from the remaining audit work on behalf of the Committee.
3. That the Assistant Chief Officer make submissions addressing the Committee's concerns about the sustainability of the local authority audit regime to the Redmond review of local authority financial reporting and external audit on behalf of the Authority and link in through the Fire Finance Network on any industry wide response.

19-20/ASC/22 Post Audit 2018/19 Statement of Accounts and Letter of Representation

- 22.1 The Assistant Chief Officer submitted the 2018/19 Statement of Accounts, including the Annual Governance Statement, to the Committee for approval. If agreed, the letter of representation would be signed following the meeting.
- 22.2 The Committee was advised that no requests for information on the accounts had been received from members of the public.
- 22.3 Mr J Harrison, the Service's Chief Accountant, reported on the adjustments to the pension liability relating to the Fire Fighter's Pension Scheme following consideration of the McCloud judgement. The increase in overall liability had increased by £12.68 million from £346.18 million to £358.86 million. It was noted that this cost was born by the Government and not the Service.
- 22.4 The work of Mr Harrison and his team in preparing for the audit was recognised.

RESOLVED:

1. That the current version of the 2018/19 Statement of Accounts and Annual Governance Statement that have now been externally audited be approved.
2. That the Treasurer, in consultation with the Chair, be delegated authority to make any final amendments.
3. That the letter of representation be approved.

19-20/ASC/23 Internal Audit Progress Report

- 23.1 Mrs S Rowlett of RSM introduced a report on the progress made against the internal audit plan for 2019/20.
- 23.2 The final audit reports on Property – Statutory Compliance and Operational Business Continuity were submitted with the report. Both had received negative opinions of partial assurance. The audit of Property- Statutory Compliance had looked at 10 areas and identified areas of improvement in the three areas of gas heating, legionella and PAT testing. The Operational Business Continuity audit had found that many of the plans were out of date.
- 23.3 She reported on two changes to the audit plan that had been requested since the last Committee meeting. The Key Financial Controls audit had been postponed due to the delay in the completion of the external audit. The Environmental Review and Community Risk Management Plan audits had been delayed as there had been a change in the management structure in those areas.
- 23.4 The Chair expressed disappointment that two negative opinions had been issued in such important areas.

23.5 The Assistant Chief Officer expressed confidence that the actions identified would largely be completed by the follow-up audit. It was recognised that, if this was not the case, it could impact negatively on the end of year audit opinion.

RESOLVED:

1. That the internal audit progress report for 2019/20 and the two completed audit reports be received.
2. That it be noted that the Committee is satisfied with the proposed mitigating actions to address the areas of improvement identified in the audit reports.

19-20/ASC/24 Audit and Governance Action Plan Monitoring - Exception Report and Summary Analysis

24.1 The Assistant Chief Officer provided Members with a summary statistical analysis of actions arising from internal audit reports over the last three financial years to date and from the Authority's current Annual Governance Statement, together with exception reports on actions currently in progress, progress to date on current action plans and proposals to extend the original timing for completion.

24.2 As there were a number of extension requests, the Chair proposed that the Committee consider them individually.

24.3 There were four extension requests relating to the audit of Risk Management that had been completed in February 2019. The original completion dates for these actions was May 2019; the requested extension was to February 2020, as the Committee was advised that the Service was seeking a new risk management software solution. The current provider, ABRISKA, was not able to provide training to managers until December 2019 and this would be at an additional cost. It was recognised that as this was an ICT issue, the first extension, relating to the population of fields for mitigating controls, assurances against controls and gaps in controls/assurances was approved.

24.4 The second extension request relating to an action arising from the Risk Management audit, on the definition of inherent, residual and target risks, was not approved as the Service already had working definitions of inherent and residual risks.

24.5 The third extension request, relating to the provision of risk management training, was approved. The fourth extension request, to update the Risk Procedure to include the minimum frequency at which risks will be reviewed was not approved, as the Service already reviewed risks on a set basis, either quarterly or annually dependent on whether the risk was being treated or tolerated.

24.6 The extension request relating to stock control from July 2019 to February 2020 was subject to the upgrade of Microsoft Dynamics. This had not yet been completed as it had been affected by the delay of the external audit of the accounts. This extension was agreed as the delay was outside of the Service's control.

24.7 The final two extension requests related to actions arising from the audit of Procurement completed in April 2019 from June 2019 to November 2019. These would be completed following the approval of a new Procurement Policy which was being submitted for adoption to the next Authority meeting on 6 November. These extension requests were approved.

RESOLVED:

1. That progress made to date against action plans be acknowledged.
2. That the requests for extensions to completion dates be endorsed, with the exception of the two extensions requested for the actions relating to the use of standard risk management definitions and the update of the Risk Procedure to include the minimum frequency at which risks will be reviewed arising from the Risk Management audit.
3. That the full Risk Management audit be postponed from February to March 2020 to enable the actions from the previous audit to be completed.

19-20/ASC/25 Review of Work Programme 2019/20

25.1 The Committee considered its updated work programme for 2019/20.

25.2 The Assistant Chief Officer advised that a report on the Review of the Abatement Policy had been deferred as the Local Government Association (LGA) was currently undertaking its own review to produce a list of Frequently Asked Questions in order to establish a consistent approach across Fire and Rescue Services on abatement. He would liaise with the LGA on progress in relation to this. It was suggested that the report be deferred to the Committee's meeting in March 2020.

RESOLVED:

1. That the Committee's Work Programme for 2019/20 be received.
2. That the Review of the Abatement Policy be deferred to the Committee's March 2020 meeting.

19-20/ASC/26 Corporate Risk Register (Full)

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: Review of Corporate Risk Register

The meeting ended at 11.31 am

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

Document is Restricted

This page is intentionally left blank

For Publication

Bedfordshire Fire and Rescue Authority
Audit and Standards Committee
5 December 2019
Item No. 6

REPORT AUTHOR: ASSISTANT CHIEF OFFICER/FRA TREASURER

SUBJECT: INTERNAL AUDIT PROGRESS REPORT 2019/20

For further information on this report contact: Karen Daniels
Service Assurance Manager
Tel No: 01234 845018

Background Papers: RSM Strategy for Internal Audit
Bedfordshire Fire Authority 2019/20 to 2021/22

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.

PURPOSE:

To receive and consider a report on progress made against the internal audit plan for 2019/20.

RECOMMENDATION:

That the submitted report be received.

1. Introduction

1.1 An internal audit plan for 2019/20 was agreed by this Committee at its meeting on 14 March 2019.

1.2 A report by RSM on progress made against the internal audit plan for 2019/20 is appended for Members' consideration.

GAVIN CHAMBERS
ASSISTANT CHIEF OFFICER/FRA TREASURER

BEDFORDSHIRE FIRE AND RESCUE AUTHORITY

Internal Audit Progress Report

5 December 2019

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



Contents

Contents	2
Introduction.....	3
Progress against the internal audit plan 2019/20.....	3
Other matters.....	5
For more information contact	7

Introduction

The Internal Audit Plan for 2019/20 was approved by the Audit & Standards Committee in March 2019. This report provides a summary update on progress against the plan and summarises the results of our work to date. The audits highlighted in **bold** have been finalised since the last meeting.

Progress against the internal audit plan 2019/20

Assignment and Executive Lead	Status / Opinion issued	Actions agreed			Opinion Issued
		L	M	H	
Operational Business Continuity (1.19/20)	FINAL REPORT	2	2	1	Partial Assurance
Property – Statutory Compliance (2.19/10)	FINAL REPORT	1	3	1	Partial Assurance
ICT – Cyber Security (3.19/20)	FINAL REPORT	3	10	4	Advisory
Follow up (Part 1)	Planned 4 December 2020				
Key Financial Controls	Planned 10 January 2020				
Asset Management – Asset Tracking	Planned 20 January 2020				
Follow up (Part 2)	Planned February 2020				
Mobilising System Project	Planned 2 March 2020				



Assignment and Executive Lead	Status / Opinion issued	Actions agreed			Opinion Issued
		L	M	H	
Risk Management	Planned 9 March 2020				
Community Risk Management Plan	Planned 9 March 2020				
Environmental Review	Planned 23 March 2020				

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.

We have finalised two negative opinions in relation to the Property – Statutory Compliance and Operational Business Continuity audit reports, these will impact our opinion but would not in isolation qualify the Head of Internal Audit Opinion, however, these are the first two reports finalised for the 2019/20 financial year. We will provide a further update at the next meeting regarding any potential further impact to the year-end opinion as more reports are finalised.

Changes to the audit plan

The following changes were reported and agreed at to the previous meeting:

Note	Auditable area	Reason for change
1	Community Risk Management Plan	As part of our commitment to joint working and sharing of best practice across Bedfordshire, Cambridgeshire and Essex Fire we have been requested by management to add in a review of the development and review of the Community Risk Management Plan. Best practice will be shared between the organisations.
2	Key Financial Controls	Due to the delay in the completion of the External Audit review, we have delayed our review of Key Financial Controls to January 2020 to avoid duplication and reduce the impact on the finance team. (Originally planned for October 2019)
3	Environmental Review & Community Risk Management Plan	We have been requested to delay the completion of these audits due to a change in the management structure in these areas.



Information and briefings

We have issued three client briefings since the last Audit Committee:

- Emergency Services Quarterly briefing August 2019
- Catch 22 - Digital Transformation and its Impact on Cyber Security
- Trust in the Boardroom

We are also due to publish a Fire Authority Risk Register Analysis shortly and this will also be shared with the Committee.

Quality assurance and continual improvement

Page 36

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

Name: Dan Harris, Head of Internal Audit

Email address: daniel.harris@rsmuk.com

Telephone number: 07792 948767

Name: Suzanne Rowlett, Senior Manager

Email address: suzanne.rowlett@rsmuk.com

Telephone number: 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 Risk Assurance Services LLP for any purpose or in any context. Any third party which obtains access to this report or a copy and chooses to rely on it (or any part of it) will do so at its own risk. To the fullest extent permitted by law, RSM Risk Assurance Services LLP will accept no responsibility or liability in respect of this report to any other party and shall not be liable for any loss, damage or expense of whatsoever nature which is caused by any person's reliance on representations in this report.

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

This page is intentionally left blank

For Publication

Bedfordshire Fire and Rescue Authority
Audit and Standards Committee
5 December 2019
Item No. 7

REPORT AUTHOR: ASSISTANT CHIEF OFFICER/FRA TREASURER
SUBJECT: AUDIT AND GOVERNANCE ACTION PLAN MONITORING, EXCEPTION REPORT AND SUMMARY ANALYSIS

For further information on this report contact: Karen Daniels
Service Assurance Manager
Tel No: 01234 845018

Background Papers:

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

Implications (tick ✓):

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

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

Item 7.1

PURPOSE:

To present Members with a summary statistical analysis of actions arising from internal audit reports over the last three financial years to date and from the Fire and Rescue Authority's current Annual Governance Statement; together with any exception report on those actions currently in progress, progress to date on current action plans and proposals to extend the original timing for completion.

RECOMMENDATION:

- (i) That Members acknowledge progress made to date against actions plans and consider any issues arising.
-

1. Introduction

- 1.1 The Audit and Standards Committee has previously agreed that a full monitoring report of current progress on applicable Audit and Governance Statement action plans should be made to each meeting of the appropriate Policy and Challenge Group; and that the Audit and Standards Committee should receive a summary analysis of action plans together with a full exception report of all actions in progress for which a Policy and Challenge Group has received a proposal for an extension to the original completion date.
- 1.2 Following the structure review by the Authority of the FRA ratifying the recommendations on 10 July 2019 a combined report will be presented to the Audit and Standards Committee.
- 1.3 This is the second summary analysis and exception report to the Audit and Standards Committee for the year 2019/20 and it incorporates information from all monitoring reports in the reporting period to date.

2. Audit and Governance Action Plans Summary Analysis

- 2.1 The Audit Action Plans Summary Analysis (attached as Appendix A) provides a summary statistical analysis of the status of all actions arising from audit reports received over the last three financial years (ie 2017/18 to date) is attached at Appendix A.

2.2 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 a subsequent or no further follow-up is required;
- Number of actions (by priority) still in progress; and
- Number of extensions to original completion dates that have been required in respect of all actions.

2.3 It should be noted that actions which are shown as completed for which a subsequent or no further follow up required include:

- High and medium priority actions for which a subsequent or follow-up audit has been successfully completed.
- All completed low priority actions - for which a subsequent or follow-up audits are not undertaken; and
- Actions which the Auditors have designated as 'superseded', ie actions which have been replaced, on follow-up audit, by a new action. In such cases, the new actions are included against the relevant follow up audit.

2.4 The report shows that a total of 2 High Priority, 32 Medium Priority and 52 Low Priority actions have been agreed over the reporting period, of which, 1 High, 6 Medium and 0 Low are still in progress. These do not include any recommendations made in new audit reports that may be included elsewhere on this meeting's agenda.

2.5 The Annual Governance Statement Action Plan for 2018/19 had two actions both of which are in progress.

3. Audit Action Plans Exception Report

3.1 The Audit Action Plans Exception Report provides details of all actions arising from internal audits which are still in progress and for which the Audit and Standards Committee been requested to consider an extension to the original timing for completion.

3.2 There are 0 requests to extend the original completion date.

4. Governance Action Plan Exception Report

4.1 The Governance Action Plan Exception Report provides details of actions arising from the Authority's 2018/19 Annual Governance Statement (which was formally adopted by Audit and Standards Committee, on behalf of the Authority, at their meeting on 10 July 2019) which are still in progress.

4.2 For the current period there are no exception report(s).

5. Governance Action Plan Exception Report Monitoring Report of Actions Arising from Internal and External Audit Reports

5.1 The monitoring report of progress made to date against agreed actions arising from internal and external audit reports is attached as Appendix B.

5.2 The monitoring report covers, in order, the following:

- Outstanding actions from internal and external audit reports, including those reports received during 2019/20 and those from previous years, which have a proposal to extend the original completion date.
- Outstanding actions from internal and external audit reports, including those reports received during 2019/20 and those from previous years, which are on target to meet the original or agreed revised completion date.
- Any actions that have been superseded by new actions, if they had not been completed at the time of the follow up audit.

5.3 There are 0 requests to extend the original completion date.

- 5.4 Any actions that have been reported as completed which are subject to a subsequent or follow up audit, which states the action is still outstanding will be reported to the Audit and Standards Committee.
- 5.5 Completed actions that are of a Low risk and do not require a follow-up audit once completed will be removed from the subsequent report.
6. Monitoring Report of Actions arising from the Authority's Annual Governance Statement
- 6.1 The monitoring report of progress made to date against actions arising from the Authority's Annual Governance Statement is attached as Appendix B.
- 6.2 The monitoring report covers the actions within the 2018/19 Annual Governance Statement (if applicable) which was formally adopted by Members of the Audit and Standards Committee, on behalf of the Authority, at their meeting on 10 July 2019, as part of the 2018/19 Statement of Accounts.
- 6.3 There are no requests to extend the original completion date.
7. Priority Grades
- 7.1 The Service Audit Outcomes in Appendix A have a priority grading system. 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	

8. Organisational Risk Implications
- 8.1 The actions identified within internal audit reports and the Annual Governance Statement represent important improvements to the Authority's current systems and arrangements. As such, they constitute important measures whereby the Authority's overall management of organisational risk can be enhanced.

8.2 In addition, ensuring effective internal audit arrangements and the publication of an Annual Governance Statement are legal requirements for the Authority and the processes of implementation, monitoring and reporting of improvement actions arising therefore constitute an important element of the Authority's governance arrangements.

GAVIN CHAMBERS
ASSISTANT CHIEF OFFICER/FRA TREASURER

Audit and Annual Governance Statement Action Plans Summary Analysis

Audit Report & Date	Total Actions			Actions Completed (subject to Follow up audit)			Actions Completed/ Superseded (no further Follow-up required or confirmed by follow up audit)			Actions Currently in Progress			No of Completion Extensions Required to Date (All Actions)		
	H	M	L	H	M	L	H	M	L	H	M	L	H	M	L
Governance – Transparency and Decision Making (May 2017)	-	3	4	-	-	-	-	3	4	-	-	-	-	-	2
Retained Recruitment (Apr 2017)	-	1	5	-	-	-	-	1	5	-	-	-	-	-	-
Follow up - Fuel Cards (May 2017)	-	-	1	-	-	-	-	-	1	-	-	-	-	-	-
Risk Management (May 2017)	-	4	-	-	-	-	-	4	-	-	-	-	-	2	-
Procurement – Tendering (Aug 2017)	-	-	2	-	-	-	-	-	2	-	-	-	-	-	-
Collaboration – Policing and Crime Act 2017 (Nov 2018)	-	1	4	-	-	-	-	1	4	-	-	-	-	-	-
Pensions Board (Jan 2018)	-	-	4	-	-	-	-	-	4	-	-	-	-	-	-
Key Financial Controls (Jan 2018)	-	-	3	-	-	-	-	-	3	-	-	-	-	-	-
Payroll – Key Controls and New System Benefits (Apr 2018)	-	2	2	-	-	-	-	2	2	-	-	-	-	-	-
Risk Management (Apr 2018)	-	3	7	-	3		-	-	7	-	-	-	-	-	1
Follow up – Fleet Management & Stock and Inventory (Jun 2018)	-	1	1	-	1	-	-	-	1	-	-	-	-	-	-
Use of Risk Information (Sep 2018)	-	1	2	-	1	-	-	-	2	-	-	-	-	-	-
Key Financial Controls (Jan 2019)	-	-	1	-	-	-	-	-	1	-	-	-	-	-	-
Risk Management (Feb 2019)	-	4	4	-	2	-	-	-	4	-	2	-	-	-	4
Governance (Apr 2019)	-	1	4	-	1	-	-	-	4	-	-	-	-	-	-
Follow up (Apr 2019)	-	2	5	-	2	-	-	-	5	-	-	-		1	1

Audit and Annual Governance Statement Action Plans Summary Analysis

Audit Report & Date	Total Actions			Actions Completed (subject to Follow up audit)			Actions Completed/ Superseded (no further Follow-up required or confirmed by follow up audit)			Actions Currently in Progress			No of Completion Extensions Required to Date (All Actions)		
	H	M	L	H	M	L	H	M	L	H	M	L	H	M	L
Stock Control (Apr 2019)	-	4	-	-	3	-	-	-	-	-	1	-	-	1	-
Operational Business Continuity (Sep 2019)	1	2	2	-	1	-	-	-	2	1	1	-	-	-	-
Property – Statutory Compliance (Aug 2019)	1	3	1	1	1	-	-	-	1	-	2	-	-	-	-
Totals	2	32	52	1	15	-	0	11	52	1	6	-	-	4	8

Annual Governance Statement Action Plan from 2018/19 to be completed in 2019/20

Year	Total Actions	Actions Completed	Actions in Progress	No of Completion Extensions Required to Date (All Actions)
2018/19	2	0	2	0

Monitoring Report of Actions Arising from Audit Reports
(incorporating any actions outstanding at 31 March 2019 from earlier reports)

APPENDIX B

URN	Auditing Body & Source	Audit Area and Responsible Manager	Priority	Agreed Action	Progress Report to Date	Timing For Completion	Status ('Not Started', 'In Progress' or 'Completed')
PropSC (19/20) 1	RSM Aug 19: Final Report (19/20)	Property – Statutory Compliance Assistant Chief Officer	Medium	<p>The organisation will draft and approve policies and/or procedures which relate to the following areas:</p> <ul style="list-style-type: none"> • Oil Heating • Gas Heating • Legionella • Fire Equipment & Systems • PAT & Fixed wiring • Display Energy Certificates • Commercial Gas Cookers <p>Procedural documents to be written when new 3i System is fully implemented during September 2019 (target for procedure documents December 2019) The documents will be stored on the organisation's Intranet and staff will made aware of their location via formal communication</p>	Policy covering all Property statutory compliance areas in first draft and WIP. Procedural documents yet to be worked on. The policy will be completed by the end of November, ready for consultation in December. The procedures will be completed by the end of December, so both on target.	Original Dec 19	In Progress
PropSC (19/20) 2	RSM Aug 19: Final Report (19/20)	Property – Statutory Compliance Assistant Chief Officer	Medium	The organisation will ensure that an SLA is put in place for each contractor that provides compliance testing services (Gas & Oil, Electrical, HVAC and Generator & UPS). The SLA will include an agreed	Process on-going through 2019/20 and 2020/21 due to the number of SLAs to be tendered and awarded. Due date August 2020.	Original Aug 20	In Progress

Monitoring Report of Actions Arising from Audit Reports
(incorporating any actions outstanding at 31 March 2019 from earlier reports)

URN	Auditing Body & Source	Audit Area and Responsible Manager	Priority	Agreed Action	Progress Report to Date	Timing For Completion	Status ('Not Started', 'In Progress' or 'Completed')
				timescale to complete any work and send over certification. The emails in which certification and reports are sent by contractors will be saved with the documentation itself, to allow the organisation to review performance in line with the SLA.			
BC (19/20) 1	RSM Sep 19: Final Report (19/20)	Operational Business Continuity Head of Training and Assurance	Medium	The Group Commander will conduct a review of the Business Continuity Policy and add a generic business continuity plan and identify a management team to be utilised should an incident occur. Once reviewed and updated, the plan will be made available to staff via the Service's intranet and distributed via email.	The Business Continuity Policy has been subject to a full review and it is now ready to be made available on the Service SharePoint. Once the revised Policy is uploaded, as per Service procedures, an email will be promulgated to all staff advising of newly published or revised policies.	Original Dec 19	In Progress
BC (19/20) 2b	RSM Sep 19: Final Report (19/20)	Operational Business Continuity Head of Training and Assurance	High	The Service will review and update the Flu Pandemic and Death in the work place Continuity Plans. The Service will also update the Business Continuity Plans to capture information on: • date of next review;	The Flu Pandemic Plan has been subject to a full review, the updated plan is available on SharePoint. The Service Death / Injury in the Workplace Plan has been written, it is currently out on consultation across the Service. Once any suggested amendments have been made,	Original Dec 19	In Progress

Monitoring Report of Actions Arising from Audit Reports
(incorporating any actions outstanding at 31 March 2019 from earlier reports)

URN	Auditing Body & Source	Audit Area and Responsible Manager	Priority	Agreed Action	Progress Report to Date	Timing For Completion	Status ('Not Started', 'In Progress' or 'Completed')
				<ul style="list-style-type: none"> ownership and approval of the Plan; governance arrangements; a dedicated business continuity team; a list of contractors and suppliers to be contacted; control rooms; minimum equipment required for control rooms; and logging of decision making. 	<p>following the consultation period (six weeks), the plan will be made available on the Service SharePoint. Once the revised Plan is uploaded, as per Service procedures, an email will be promulgated to all staff advising of newly published or revised policies / plans.</p>		
RM (18/19) 2	RSM Feb 19: Final Report (18/19)	Risk Management Head of Governance & Asset Management	Medium	<p>Risks on the Corporate Risk Register will have the following fields populated:</p> <ul style="list-style-type: none"> Mitigating controls; Assurances against controls; and Gaps in controls/assurances. 	<p>Delayed due to CMT/team restructuring and a pending review of the risk management software in use, with a view to ensuring cost avoidance if possible on changes made to the system by the supplier.</p> <p>The Corporate Risk Register is currently being updated and populated with the fields for Mitigating controls; Assurances against controls and Gaps in controls / assurances.</p> <p>A request was made to an extension to this action to be completed by Feb 2020.</p>	<p>Original May 19</p> <p>Revised Date Feb 2020</p>	In Progress

Monitoring Report of Actions Arising from Audit Reports
(incorporating any actions outstanding at 31 March 2019 from earlier reports)

URN	Auditing Body & Source	Audit Area and Responsible Manager	Priority	Agreed Action	Progress Report to Date	Timing For Completion	Status ('Not Started', 'In Progress' or 'Completed')
					This was approved by the ASC on 15/10/19		
RM (18/19) 4	RSM Feb 19: Final Report (18/19)	Risk Management Head of Governance & Asset Management	Medium	Formal risk management training will be provided to risk owners and other key staff. Areas to be covered could include: <ul style="list-style-type: none"> • the quality of risk descriptions • the level of information required for risk reviews • management of risk actions • mitigating controls • assurances gaps in control 	RSM are completing formal Risk management training to CMT in January 2020. This will include:- <ul style="list-style-type: none"> • the quality of risk descriptions • the level of information required for risk reviews • management of risk actions • mitigating controls • assurances gaps in control <p>Together with a thorough review with CMT of the Service risk register.</p> <p>A request was made to an extension to this action to be completed by Feb 2020.</p> <p>This was approved by the ASC on 15/10/19</p>	Original May 19 Revised Date Feb 2020	In Progress

Monitoring Report of Actions Arising from Audit Reports
(incorporating any actions outstanding at 31 March 2019 from earlier reports)

APPENDIX B

URN	Auditing Body & Source	Audit Area and Responsible Manager	Priority	Agreed Action	Progress Report to Date	Timing For Completion	Status ('Not Started', 'In Progress' or 'Completed')
SC 4 (18/19)	RSM Apr 19: Final Report (18/19)	Stock Control Head of Governance & Asset Management	Medium	The Authority will ensure that following the upgrade of Microsoft Dynamics to training on the stores requisitioning system will take place for those members of staff who are responsible for ensuring transactions are done in an accurate and timely fashion.	Due to the delay in the upgrade of Microsoft Dynamics to the Service, a request was made to an extension to this action to be completed by Feb 2020. This was approved by the ASC on 15/10/19	Original Jul 19 Revised Date Feb 2020	In Progress

Monitoring Report of Actions Arising from 2018/19 Annual Governance Statement

No	Issue	Source	Planned Action	Progress to date	Timing For Completion	Status ('Not Started', 'In Progress' or 'Completed')
1	Medium Term Budget/CRMP	Assurance Statements	To continue to address the medium term funding gap and manage for forthcoming funding pressures.	<p>The 2020/21 financial year will be a 'one off' settlement with the delayed spending review, Business Rates Review and Formula Review taking place for 2021/22. The strategic financial planning will therefore be far from the 2021/22 financial year.</p> <p>The 2020/21 budget and council tax will beset February 2020.</p>	Mar 2020	In Progress
2	Review of Authority Effectiveness	Governance report FRA March 2019	FRA Members decided in 2018/19 that the annual process was not required in this year and that the exercise would be completed again in 2019/20 with new FRA members, who will be in place from June 2019	New FRA members have been appointed and review of effectiveness will be discussed and the exercise completed at the next Audit and Standards Committee. This was subsequently postponed due to the pilot of running with additional FRA meetings and ceasing the Policy and Challenge Group meetings. At the FRA Development Day in October 2019, it was decided to continue with the current pilot. The review of effectiveness will therefore take place prior to the year end, to enable a more informed discussion and review to take place.	Mar 2020	In Progress

For Publication

Bedfordshire Fire and Rescue Authority
Audit and Standards Committee
5 December 2019
Item No. 8

REPORT AUTHOR: ASSISTANT CHIEF OFFICER/FRA TREASUER
SUBJECT: REVIEW OF THE EFFECTIVENESS OF THE FIRE AND RESCUE AUTHORITY'S INTERNAL AUDITORS

For further information on this Report contact: Karen Daniels
Service Assurance Manager
Tel: 01234 845018

Background Papers: None

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.

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.

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.

2. Background

- 2.1 Procurement - Following discussions with Essex (EFRS) and Cambridgeshire Fire and Rescue Services (CFRS), it was agreed that Cambridgeshire would lead on the tendering process for the provision of internal audit services and the evaluation panel would include representatives from all three authorities.
- 2.2 On 12 April 2011, the Fire Authority approved the appointment of RSM Tenon to provide internal audit services for a three year period from April 2011, with an option to extend for up to a further two years.
- 2.3 At its meeting on 30 June 2011 the Audit and Standards Committee considered and agreed an Internal Audit Charter with RSM Tenon to establish the purpose, authority and responsibilities for the internal audit service, which was signed by the Chair of the meeting on behalf of the Fire Authority. RSM, as known more recently, was also appointed by Essex and Cambridgeshire Fire and Rescue, which provided an opportunity for collaboration and comparison of audited areas where commonality.

- 2.4 On 1 April 2016 the contract for RSM was due to expire. The contract for RSM was again jointly procured by BFRS, CFRS and EFRS. At the Audit and Standards Committee on 29 June 2016, RSM were reappointed as the Authority's internal auditors to April 2019 with an option to extend for up to 2 years, we are currently in this extension period.
- 2.5 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 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.
 - 3.2 In 2016 RSM (Risk Assurance Services LLP) commissioned an external independent review of its internal audit services to provide assurance that its approach met the requirements of the International Professional Practices Framework (IPPF). The external independent review was conducted by the Chartered Institute of Internal Auditors (CIAA).
 - 3.2 The external review concluded that "there is a robust approach to the annual and assignment planning processes and the documentation reviewed was thorough in both terms of reports provided to Audit & Standards Committee and the supporting working papers. RSM were found to have an excellent level of conformance with the IIA's profession standards, including the Public Sector Internal Audit Standards (PSIAS). For an overview of the findings please refer to Appendix A.
 - 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 B).
 - 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
ASSISTANT CHIEF OFFICER/FRA TREASURER

This page is intentionally left blank



THE POWER OF BEING UNDERSTOOD

RSM'S CONFORMANCE WITH THE IIA STANDARDS

RSM Risk Assurance Services LLP recently underwent an External Quality Assessment (EQA) in line with the Global Institute of Internal Auditors (IIA) International Professional Practice Framework (IPPF). In complying with the standards, internal audit services are required to have an external quality assessment every five years. The Risk Assurance Services LLP commissioned an external independent review of our internal audit services in 2016 to provide assurance on whether our approach meets the requirements of the IPPF. Our external independent review was conducted by the Chartered Institute of Internal Auditors (CIIA).

Conformance to the IIA's standards is measured in the following five areas: purpose; people; performance; planning; and process. As part of the EQA, our internal audit working practices were assessed against 57 fundamental principles. Upon completion of the assessment, we are pleased to confirm, that the CIIA concluded that RSM Risk Assurance Services conforms to all of the 57 fundamental principles.

The review process involved interviewing RSM partners, directors and managers as well as a sample of our clients, to whom we thank for their time and insights. In addition, a sample of internal audit reports issued to audit committees and supporting working papers were examined.

RSM operates a strict regime of controls and protocols to ensure the services provided to our clients conform to the IIA's IPPF. Our recent review examined those controls and protocols in place.

Demonstrating our results

The outcomes of the review are based upon our internal audit approach and our internal processes. As part of the review we clearly demonstrated:

- an internal audit methodology that is in place, adhered to and is supported through the use of working papers, which are reviewed appropriately;
- an internal audit manual that is at the forefront of our approach and is relevant and timely to include the changes to the standards that came into effect on 1 January 2017;
- quality client engagement during the formation of internal audit strategies;
- a value adding internal audit service, with timely reporting and useful insights to our clients, as demonstrated through our continual positive client feedback; and
- a continued focus on quality assurance and improvement.

Some of the excellent processes and qualities observed during our recent review include:

- an investment in our people through supporting their professional development. We support our people at all stages of their careers, providing mandatory training as well as further internal and external training opportunities, and we provide over 40 days of professional training for our trainees. We invest in our people to ensure they continue to have the skills to provide up to date and relevant services to our clients;
- a pool of subject specialists to support our clients' internal audit strategies, facilitated by a team of suitably qualified and experienced internal auditors; and
- excellent tools to enable the capture and robust reporting of all evidence by using bespoke in-house auditing software.

Outcomes of the review

RSM was found to have an excellent level of conformance with the IIA's professional standards, including the Public Sector Internal Audit Standards (PSIAS).

The review confirmed:

'There is a robust approach to the annual and assignment planning processes and the documentation reviewed was thorough in both terms of reports provided to audit committee and the supporting working papers.' – CIIA

What does this mean for our clients?

- Your internal audit service is provided by one of a very small number of accountancy firms that have sought and achieved accreditation to the IIA standards.
- You can be assured that the service provided by RSM fully meets the internationally recognised standards for internal audit.
- Our internal audit service and the work that we do for you is designed and delivered in a way that provides an effective internal audit service.

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



rsmuk.com

The UK group of companies and LLPs trading as RSM is a member of the RSM network. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm each of which practises in its own right. The RSM network is not itself a separate legal entity of any description in any jurisdiction. The RSM network is administered by RSM International Limited, a company registered in England and Wales (company number 4040598) whose registered office is at 50 Cannon Street, London EC4N 6JJ. The brand and trademark RSM and other intellectual property rights used by members of the network are owned by RSM International Association, an association governed by article 60 et seq of the Civil Code of Switzerland whose seat is in Zug.

RSM Corporate Finance LLP, RSM Restructuring Advisory LLP, RSM Risk Assurance Services LLP, RSM Tax and Advisory Services LLP, RSM UK Audit LLP, RSM UK Consulting LLP, RSM Employer Services Limited, RSM UK Northern Ireland Limited and RSM UK Tax and Accounting Limited are not authorised under the Financial Services and Markets Act 2000 but we are able in certain circumstances to offer a limited range of investment services because we are members of the Institute of Chartered Accountants in England and Wales. We can provide these investment services if they are an incidental part of the professional services we have been engaged to provide. RSM Legal LLP is authorised and regulated by the Solicitors Regulation Authority, reference number 626317, to undertake reserved and non-reserved legal activities. It is not authorised under the Financial Services and Markets Act 2000 but is able in certain circumstances to offer a limited range of investment services because it is authorised and regulated by the Solicitors Regulation Authority and may provide investment services if they are an incidental part of the professional services that it has been engaged to provide. Baker Tilly Creditor Services LLP is authorised and regulated by the Financial Conduct Authority for credit-related regulated activities. RSM & Co (UK) Limited is authorised and regulated by the Financial Conduct Authority to conduct a range of investment business activities. Whilst every effort has been made to ensure accuracy, information contained in this communication may not be comprehensive and recipients should not act upon it without seeking professional advice.

BEDFORDSHIRE FIRE & RESCUE AUTHORITY

Internal Audit Strategy 2019 - 2020

Presented at the Audit and Standards committee meeting of: 14 March 2019

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

EXECUTIVE SUMMARY

Our Internal Audit Plan for 2019/20 is presented for consideration by the Audit and Standards Committee.

The key points to note from our plan are:



2019 Internal Audit priorities: Internal audit activity for 2019/20 is based on analysing your corporate objectives, risk profile and assurance framework as well as other factors affecting you in the year ahead, including changes within the sector. Our detailed plan for 2019/20 is included at Section 1.



Level of Resource: The level of resource required to deliver the plan is consistent with 2018/19. We will continue the use of technology when undertaking operational audits in 2019. This will strengthen our sampling, increasing the level of assurance provided. Refer to Appendix A.



Core Assurance: As required to provide the Head of Internal Audit Opinion, our plan includes an assessment of governance, risk management, key financial controls, key risk areas and follow up. We have worked with management to re-prioritise the work planned for 2019/20 to meet the risk profile of the organisation including a review of the new Mobilising System Project within 2019/20 and both widening and delaying our review of Data Quality to fit in with the organisations wider work in this area.

CONTENTS

1. YOUR INTERNAL AUDIT PLAN 2019/20	4
2. INTERNAL AUDIT PLAN 2019/20	5
APPENDIX A: YOUR INTERNAL AUDIT SERVICE.....	8
APPENDIX B: INTERNAL AUDIT STRATEGY 2019 – 2021	9
APPENDIX C: INTERNAL AUDIT CHARTER	12
FOR FURTHER INFORMATION CONTACT.....	17

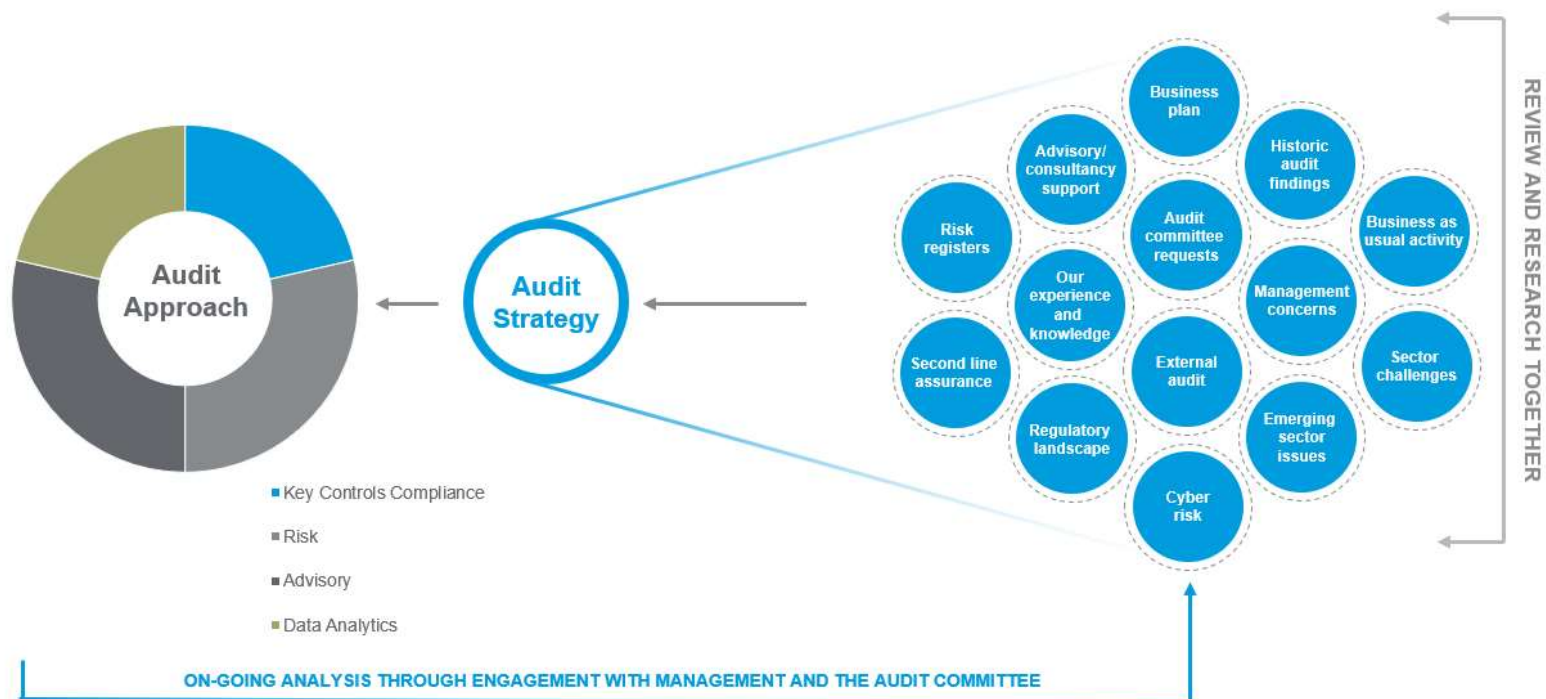
1. YOUR INTERNAL AUDIT PLAN 2019/20

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

Risk management processes

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

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



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

2. INTERNAL AUDIT PLAN 2019/20

The table below shows each of the reviews that we propose to undertake as part of the internal audit plan for 2019/20. The table details the strategic risks (CRRs) which may warrant internal audit coverage. This review of your risks allows us to ensure that the proposed plan will meet the organisation's assurance needs for the forthcoming and future years. As well as assignments designed to provide assurance or advisory input around specific risks, the strategy also includes: time for tracking the implementation of actions and an audit management allocation.

Objective of the review (Strategic risk)	Audit approach	Fee	Proposed timing
<p>Risk Management</p> <p>This review will incorporate a 'deep dive' into the risk register. This will include a sample of risks and discussion with the risk owners in relation to the risk description, controls in place, risk score and assurances in place.</p>	Systems Based	£2,000	Q3
<p>Key Financial Controls</p> <p>This will include key controls testing and any management concerns including previous recommendations. Areas potentially included general ledger, cash, banking and treasury management, payments and creditors, income and debtors, asset management and payroll.</p> <p>CRR00011 - Adequate Financial Procedures</p>	Key Controls Compliance	£2,600	Q3
<p>Asset Management – Asset Tracking</p> <p>The Service are currently using spreadsheets for asset tracking including the local equipment and workshop, following a delay it is now planned that this will transfer for a cloud based solution in 2020/21, as such our review in 2019/20 will focus on the accuracy of the spreadsheets to monitor assets prior to transfer.</p> <p>CRR00005 - Ensuring our assets are tracked and maintained</p>	Risk Based	£1,900	Q4
<p>Mobilising System Project</p> <p>Review of the project management arrangements for the implementation of the new Mobilising System. This will include the overall governance arrangements, project plan, risk management arrangements, documentation of specification, procurement arrangements, clear timescales and project reporting.</p>	Advisory	£2,250	Q2

Objective of the review (Strategic risk)	Audit approach	Fee	Proposed timing
Operational Business Continuity Review of the Operational Business Continuity arrangements in place where the Service must deal with situations such as unavailability of staff. This will include a review of the arrangements in place and the testing and review of the arrangements. We will not include within our review ICT Business Continuity arrangements. CRR00036 – Absenteeism & CRR00037 - Insufficient numbers of competent fire fighters	Risk Based	£1,650	Q1
ICT – Cyber Security The Service is due to complete the self certification of Cyber Essentials by May 2019, our audit will focus on the arrangements in place against Cyber Essentials following this. CRR00038 - Cyber Security Measures & CRR00045 That a Cyber Attack penetrates our network affecting key systems and services	Key Controls Compliance	£2,700	Q2
Property - Statutory Compliance Compliance with policies and procedures relating to properties. This could include areas such as Asbestos, gas safety, specific areas will be agreed with management prior to the start of the review.	Systems Based	£1,900	Q1
Environmental Review Review of the environmental strategy in place including compliance and reporting against the Strategy.	Systems Based	£1,900	Q4
Other Internal Audit Activity			
Follow up To meet internal auditing standards, and to provide assurance on action taken to address recommendations previously agreed by management.	Follow up	£1,250	Q4
Audit Strategy / Annual Report This will include: <ul style="list-style-type: none"> Internal Audit Needs Assessment / Strategic and Annual Internal Audit Plans Preparation of the annual internal audit opinion 	N/A	£2,700	Throughout the year

Objective of the review (Strategic risk)	Audit approach	Fee	Proposed timing
Management This will include: <ul style="list-style-type: none"> • Planning and finalising reports; • Ongoing liaison meetings and calls, and progress reporting; and • Preparation for and attendance at Audit and Standards Committee. 	N/A	£3,597	Throughout the year

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

2.1 Working with other assurance providers

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

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

APPENDIX A: YOUR INTERNAL AUDIT SERVICE

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

Core team

The delivery of the 2019/20 audit plan will be based around a core team. However, we will complement the team with additional specialist skills where required.

Conformance with internal auditing standards

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

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

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

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

Conflicts of interest

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

APPENDIX B: INTERNAL AUDIT STRATEGY 2019 – 2021

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

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

Internal Audit – Third Line of Assurance (Independent review / assurance)					
2016/17	2017/18	2018/19	2019/20	2020/21	2021/22

Page 69

Audit Area	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Governance			Draft		✓	
Risk Management				✓	✓	✓
Key Financial Controls				✓	✓	✓
Community Risk Management Plan					✓	
Fleet Management					✓	
Data Quality						✓
Asset Management – Asset Tracking				✓ (Spreadsheets)	✓ (Cloud Based solution)	

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

Internal Audit – Third Line of Assurance
(Independent review / assurance)

Audit Area	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Retained Recruitment						✓
Risk Protection Pool						
Stock Control			TBC			✓
Mobilising System Project				✓		
Pension Board						
Procurement - Tendering					✓	
Collection / Use of Risk Information					✓	
Operational Business Continuity				✓		
Human Resources						✓
ICT – Cyber Security				✓		✓

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

Internal Audit – Third Line of Assurance (Independent review / assurance)					
2016/17	2017/18	2018/19	2019/20	2020/21	2021/22

Audit Area

General Data Protection Regulation (GDPR)						✓
Property - Statutory Compliance				✓		
Benefits Realisation					✓	
Environmental Review				✓		
Follow Up				TBC	✓	✓

APPENDIX C: INTERNAL AUDIT CHARTER

Need for the charter

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

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

We plan and perform our internal audit work with a view to reviewing and evaluating the risk management, control and governance arrangements that the organisation has in place, focusing in particular on how these arrangements help you to achieve its objectives. The PSIAS encompass the mandatory elements of the Institute of Internal Auditors (IIA) International Professional Practices Framework (IPPF) as follows:

- Core principles for the professional practice of internal auditing;
- Definition of internal auditing;
- Code of ethics; and
- The Standards.

Mission of internal audit

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

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

Independence and ethics

To provide for the independence of internal audit, its personnel report directly to the Partner acting as your head of internal audit). The independence of RSM is assured by the internal audit service reporting to the chief fire officer, with further reporting lines to the Temporary Assistant Chief Officer – Finance and Corporate Services.

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

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

Responsibilities

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

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

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

- Internal audit – a department, division, team of consultant, or other practitioner (s) that provides independent, objective assurance and consulting services designed to add value and improve an organisation's operations. The internal audit activity helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management and control processes.
- Corporate Management Team who are the team of individuals at the highest level of organisational management who have the day-to-day responsibilities for managing the organisation.

- Authority - The highest level governing body charged with the responsibility to direct and/or oversee the organisation's activities and hold organisational management accountable. Furthermore, "Authority" may refer to a committee or another body to which the governing body has delegated certain functions (eg Audit and Standards committee).

Client care standards

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

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

Authority

The internal audit team is authorised to:

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

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

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

Reporting

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

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

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

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

Data protection

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

Quality Assurance and Improvement

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

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

Fraud

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

Approval of the internal audit charter

By approving this document, the internal audit strategy, the Audit and Standards committee is also approving the internal audit charter.

FOR FURTHER INFORMATION CONTACT

Daniel Harris, Head of Internal Audit

07792 948767

daniel.harris@rsmuk.com

RSM Risk Assurance Services LLP The Pinnacle,
170 Midsummer Boulevard,
Milton Keynes,
Buckinghamshire,
MK9 1BP

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 & Rescue Service, 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 Risk Assurance Services LLP for any purpose or in any context. Any third party which obtains access to this report or a copy and chooses to rely on it (or any part of it) will do so at its own risk. To the fullest extent permitted by law, RSM Risk Assurance Services LLP will accept no responsibility or liability in respect of this report to any other party and shall not be liable for any loss, damage or expense of whatsoever nature which is caused by any person's reliance on representations in this report.

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

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

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

This page is intentionally left blank

For Publication

Bedfordshire Fire and Rescue Authority
Audit and Standards Committee
5 December 2019
Item No. 9

REPORT AUTHOR: ASSISTANT CHIEF OFFICER/FRA TREASURER

SUBJECT: REVIEW OF MONITORED POLICIES

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

Background Papers:

National Documents referred to in the report.

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.

PURPOSE:

To report on the review of the policies on Protected Reporting (Whistleblowing), Anti-Fraud, Bribery and Corruption incorporating the National Fraud Initiative (NFI), Use of Regulation of Investigatory Powers Act 2000 (RIPA) and the Authority's Complaints and Compliments process.

RECOMMENDATION:

That Members consider the arrangements in place for the Protected Reporting (Whistleblowing) policy, the Anti-Fraud, Bribery and Corruption policy incorporating the National Fraud Initiative (NFI), Use of Regulation of Investigatory Powers Act 2000 (RIPA) and the Authority's Complaints and Compliments process and note arrangements for their review.

Introduction

- 1.1 The agreed terms of reference for the Audit and Standards Committee include the monitoring of the policies on Whistleblowing, Anti-fraud, Bribery and Corruption incorporating the National Fraud Initiative (NFI), and Complaints and Compliments. The Audit and Standards Committee received papers in their meetings of 5 December 2012, 11 February 2014, 15 January 2015, 10 December 2016, 6 December 2017 and 6 December 2018 which provided them with information in respect to the arrangements for the review of the Protected Reporting (Whistleblowing) Policy, the Anti-fraud, Bribery and Corruption Policy and the Authority's Complaints and Compliments process.
- 1.2 The review of the Regulation of Investigatory Powers Act 2000 (RIPA) was undertaken for the first time in 2016, it will be reviewed again in 2020 subject to any changes in privacy legislation.
- 1.3 The Whistleblowing and Anti-Fraud, Bribery and Corruption policies are included in the Authority's Handbook which, together with the Complaints and Compliments process, are published on the Service's Website at <https://bedsfireresauth.moderngov.co.uk/ieListDocuments.aspx?CId=141&MId=319&Ver=4&Info=1> and <https://www.bedsfire.gov.uk/About/Governance/Complaints-Comments-and-Compliments.aspx>

2. Protected Reporting (Whistleblowing)

2.1 The Protected Reporting (Whistleblowing) Policy and procedure take account of the requirements of the Employment Rights Act 1996, the Public Interest Disclosure Act 1998 and the Enterprise and Regulatory Reform Act (2013).

2.2 The Protected Reporting (Whistleblowing) Policy was introduced in December 2004 and updated in March 2006, January 2009 and August 2015 and is currently under review. In their meeting of 11 February 2014 Members were advised of requirements of the Enterprise and Regulatory Reform Act 2013 Sections 17-20.

2.3 The following changes were incorporated into the planned review of the Protected Reporting (Whistleblowing) policy in August 2015 these included:

- The narrowing of the definition of 'protected disclosure' to those made in the 'public interest'.
- Removed the requirement that a worker or employee must make a protected disclosure in 'good faith'.
- Reinforced the requirement to protect whistleblowers from bullying or harassment by co-workers.
- Clarified the meaning of 'worker' for the purpose of defining who comes within the remit of the policy and associated procedure.

2.4 Within the last twelve months to November 2019, no complaints had been received under the Protected Reporting (Whistleblowing) policy.

3. Anti-Fraud, Bribery and Corruption

3.1 Members of the Audit and Standards Committee received information in their meetings of 5 December 2012, 11 February 2014, 15 January 2015, 10 December 2016, 6 December 2017 and 6 December 2018 informing them of the Service's arrangements in relation to the Anti-Fraud, Bribery and Corruption Policy which incorporates the Service's participation in the National Fraud Initiative. The policy was reviewed and was re-issued 21 January 2015 and updated 24 November 2015. The policy was reviewed 11 November 2016, 10 April 2018 and as it remains current it will be reviewed again April 2020. The Service Orders providing guidance on bribery – Anti bribery guidance for all employees (ref V10 27/01) and guidance for managers (V10 27/02), were reviewed in 15 December 2016 as they remain current they will be reviewed again in December 2019.

3.2 In 2019 there has been no cases of suspected fraud.

4. The Regulation of Investigatory Powers Act 2000 (RIPA)

4.1 The Regulation of Investigatory Powers Act 2000 (RIPA) as amended by the Regulation of Investigatory Powers (Directed Surveillance and Covert Human Intelligence Sources) Order 2010 specifies that Fire Authorities are entitled to authorise directed surveillance all be it under very strict and specified criteria.

4.2 In 2015 the Service introduced a policy (amended in 2016) and related procedures enabling the use of Directed Surveillance for the purposes of investigation in respect of ensuring compliance with formal notices (e.g. Prohibition Notices) served under the Regulatory Reform (Fire Safety) Order 2005.

4.3 To date no application has been made to use any form of Directed Surveillance.

4.4 The Service provides annual returns on the use of RIPA as required under the current legislation to the Information Commissioner and has provided nil returns since its introduction.

5. Complaints and Compliments

5.1 The Service's Complaints and Compliments Policy outlines its commitment to deal with complaints in a quick and effective manner. The Policy was introduced in July 2001 and has been regularly reviewed since.

5.2 In their meeting of 8 December 2016 Members were advised that the policy was reviewed and updated 11 March 2015 and would be reviewed in 2016. Following a review the Policy was updated 10 November 2016, June 2017 and November 2019 with only minor changes and will be reviewed again November 2021.

5.3 The Service Assurance Manager is responsible for maintaining the register of customer compliments and complaints, which is available for inspection on request.

5.4 Members are regularly advised of the variety of complaints and compliments received by the Service from the section reported in the Information Bulletin presented to each meeting of the Fire Authority.

- 5.5 These Bulletins also note the number of complaints received by the Service, over the period in question, which have progressed past Stage 1 of the Service's complaints handling procedures. The Stage 1 procedure involves resolution at Functional Head or Deputy Functional Head level within ten working days.
- 5.6 Members noted that no trends had been identified but that the Service reviewed complaints to ensure any appropriate action was taken to modify its practices or procedures.
- 5.7 Members are advised that in the last twelve months there has been one complaint received passed Stage 1. This was resolved at Stage 2.
- 5.8 For Members' information, a note of compliments and complaints recorded in 2018/19 and 2019/20 (to 31 October 2019) are noted as an Appendix A & B to this report.
- 6 National Fraud Initiative
- 6.1 Since 1996 the Government has run the National Fraud Initiative (NFI). The Service participates in this exercise that matches electronic data within and between public and private sector bodies to prevent and detect fraud. The NFI compares information held by different organisations to identify potentially fraudulent claims and overpayments. Examples of data used include payroll, pension and benefit payments. The NFI works within a strong legal framework, including the Data Protection Act 1998, which protects individuals' personal data.
- 6.2 The 18/19 process commenced in October 2018 when the Service's data was submitted. Matches were released in January 2019. All matches have been investigated and no cases of fraud were discovered. The report is now closed.
- 6.3 The National Fraud Initiative process runs every other year, not annually, therefore the next data submission will be in 2020/21.

GAVIN CHAMBERS
ASSISTANT CHIEF OFFICER/FRA TREASURER

Compliments

2018/19		2019/20	
Month	Number	Month	Number
April	3	April	3
May	2	May	0
June	0	June	3
July	5	July	2
August	6	August	6
September	6	September	7
October	5	October	5
November	7	November	1
December	3	December	
January	9	January	
February	5	February	
March	7	March	
Year Total	58	Year Total	27

Complaints

2018/19		2019/20	
Month	Number	Month	Number
April	1	April	4
May	1	May	1
June	4	June	2
July	0	July	1
August	5	August	3
September	1	September	1
October	2	October	2
November	1	November	
December	1	December	
January	0	January	
February	1	February	
March	2	March	
Year Total	19	Year Total	14

2018/19					2019/20 to 31 October 2019				
Nature of Complaint	Complaints Received	Upheld	Not Upheld	Complainant(s) Satisfied?	Nature of Complaint	Complaints Received	Upheld	Not Upheld	Complainant(s) Satisfied?
Summary:	19	9	10	19	Summary:	14	8	5	13
Driving of Service vehicle (including parking).	1		1	Yes	Driving of Service vehicle (including parking).	3	2	1	Yes (1 dealt with via insurance)
Inappropriate behaviour	4	1	3	Yes (1 not BFRS staff)	Inappropriate behaviour	6	3	1	Yes (2 outstanding)
Noise from stations/incidents	1	1		Yes	Manner in which crew handled incident	1		1	Yes
Inappropriate use of social media	4	4		Yes	Queried if FRS can stop traffic outside of emergency conditions	1		1	Yes
Inappropriate use of personal information during school visit	1	1		Yes	Crew failed to stop to assist broken down motorist	1	1		Yes
Smoke coming from smoke house	1	1		Yes	Acknowledgement not received to compliment	1		1	Yes
Member of staff using public road/parking for private business use	1		1	Yes	Item removed from property without permission	1			Complainant did not want to pursue
Treatment of son whilst in fire cadets	1		1	Yes (Stage 2)					
Method used to gain entry to property	1		1	Yes					
Speed of rescue boat	1	1		Yes					
Incorrect information given to tenant	1		1	Yes					
Standards and lack of feedback at interview	1		1	Yes					
Inappropriate questions on survey form	1		1	Yes					

This page is intentionally left blank

For Publication

Bedfordshire Fire and Rescue Authority
Audit and Standards Committee
5 December 2019
Item No. 10

REPORT AUTHOR: SECRETARY/MONITORING OFFICER

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

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

Background Papers: None

Implications (tick ✓):

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

Ay implications affecting this report are noted at the end of the report

PURPOSE:

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

RECOMMENDATION:

That Members consider the contents of the report and comment as appropriate.

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. I can report 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 2019.

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 in excess of £50 in value (within 28 days of acceptance) received by them as a Member of the FRA from any other person/body. These notifications are then placed in the public register.

2.2 BFRS personnel are also required to register any gifts and hospitality they receive in excess of £50 in value. These declarations are also included in the FRAs public register.

2.3 Four entries have been made in the register during the past year, as follows:-

- Two entries for the previous Chair and the Chief Fire Officer to visit Kenya, as previously reported to the FRA, which included accommodation, meals and small value gifts;
- Four concert tickets for Fire and Rescue Service Staff in recognition of Partnership working; and
- Travel and accommodation for four Officers to attend factories and trade shows in Germany to view the latest equipment and technologies.

JOHN ATKINSON
SECRETARY/MONITORING OFFICER

This page is intentionally left blank

REPORT AUTHOR: HEAD OF TRAINING AND ASSURANCE

SUBJECT: STATEMENT OF ASSURANCE

For further information on this Report contact: Area Commander Gary Jeffery
 Head of Training and Assurance
 Tel No: 01234 845000

Background Papers: Audit and Standards Committee Paper – Statement of Assurance 2018 / 2019

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.

PURPOSE:

For Members of the Audit and Standards Committee to receive and approve the Service's Annual Statement of Assurance for 2018/19.

RECOMMENDATION:

That Members scrutinise and review the Statement of Assurance for 2018/19, and subject to any amendments, the Chair of the Committee to sign off the Statement of Assurance for reporting to the full Fire and Rescue Authority Meeting.

1. Background

- 1.1 The Fire and Rescue National Framework for England (2018) placed a requirement on English Fire and Rescue Authorities (FRAs) to produce and publish an annual Statement of Assurance.
- 1.2 One of the principal aims of the Statement of Assurance is to provide communities, Government, local authorities and partners with an opportunity to make a valid judgement on the performance of their local Fire and Rescue Authority.
- 1.3 In February 2014 the Audit and Standards Committee signed off the Authority's first Annual Statement of Assurance for 2012/13. This was authorised following direction by the Fire and Rescue Authority for an amendment to the Terms of Reference of the Audit and Standards Committee to include:
 - To oversee the production of, and approve the Authority's Annual Statement of Assurance fulfilling the requirements as set out in the Fire and Rescue National Framework for England.
- 1.4 Therefore, as part of the changes to the Terms of Reference the Statement of Assurance for 2018/19 is attached for approval by Audit and Standards Committee.

2. Content of the Statement of Assurance

2.1 The content of the Authority's Statement of Assurance has been developed in line with the guidance issued by the government and includes the following detail:

- **Financial Assurance** – Informs the assessment with regard to the Authority's statement of accounts and associated structures, and the financial procedures adopted within Bedfordshire Fire and Rescue Authority (BFRA).
- **Governance Framework** – Details including the current arrangements of the BFRA and how they review the effectiveness of its governance framework, including the system of internal controls.
- **Operational Assurance** – Information regarding legislative structures, the Community Risk Management Plan and consultation, resilience, peer reviews including cross-border, multi-authority and national arrangements; and,
- **Future Improvements** – Details with regard to planned improvements in all areas of the Statement of Assurance where applicable including where plans are underway.

3. Next Steps

3.1 Subject to any amendments and subsequent approval by the Audit and Standards Committee, the Statement of Assurance for 2018/19 will be reported to the full Fire and Rescue Authority prior to being published on the Service's website.

4. Implications

4.1 Corporate Risk – Known

The Statement of Assurance aims to help Fire and Rescue Authorities strengthen local accountability and provide assurance that the Service is efficient and effective in the delivery of its services to the communities.

4.2 Policy

Any policy change as a consequence of issues raised within this report will follow normal policy development structures.

**AREA COMMANDER GARY JEFFERY
HEAD OF TRAINING AND ASSURANCE**

This page is intentionally left blank



Bedfordshire
Fire and Rescue Service

STATEMENT OF ASSURANCE 2018/19



Statement of Assurance 2018/19

Contents

1.	Introduction.....	4
2.	Financial Assurance	5
3.	Governance Framework.....	7
3.1	Annual Governance Statement	8
3.2	Internal Audit	8
3.3	External Audit.....	9
3.4	Committee and Groups	11
3.5	Review of Authority Effectiveness.....	11
3.6	Internal Control Framework.....	12
3.7	Data Transparency.....	13
4.	Operational Assurance.....	14
4.1	Performance Summary	15
4.2	Overview of Service Activity	15
4.2.1	Total Number of Incidents Attended.....	16
4.2.2	Accidental Dwelling Fires	16
4.2.3	Accidental Dwelling Fire Injuries	17
4.2.4	Road Traffic Collisions (Attended).....	17
4.2.5	Road Traffic Collision Injuries (Attended).....	18
4.2.6	False Alarms from Automatic Fire Alarms.....	18
4.2.7	Total Home Fire Safety Checks/Safe and Well Visits	19
4.2.8	Total Hours spent on Community Safety Campaigns and Initiatives	20
4.3	Community Risk Management Plan	21
4.4	Mutual Aid and Reinforcement Schemes	21

4.5 Business Continuity Arrangements	22
4.6 National Resilience.....	22
5. Awards and Commendations	23
6. Future Improvements	24
7. Conclusion.....	26
GLOSSARY	27

1. Introduction

The Government set out the high level expectations and requirements for Fire and Rescue Authorities through the [Fire and Rescue National Framework \(England\) 2018](#).

The Framework is issued under Section 21 of the [Fire and Rescue Services Act 2004](#) with the stated purpose to give Fire and Rescue Authorities the freedom and flexibility to deliver services to their communities, moving accountability away from Central Government and placing responsibility with local communities.

Under the National Framework, Bedfordshire Fire and Rescue Authority (BFRA) have a responsibility to publish an Annual Statement of Assurance which provides a report on the Service's performance in the previous year with regard to:

- **Financial:** How BFRA ensures that public money is properly accounted for, managed, audited and reported along with management of financial assets and the production of the Annual Statement of Accounts which is produced in line with accounting codes of practice.
- **Governance:** How BFRA ensures that it conducts its business lawfully and that public money is properly accounted for and managed economically, efficiently and effectively and that an Annual Governance Statement (AGS) is published.
- **Operational:** How BFRA operates within a clear defined statutory framework including key documents such as National Framework and the Fire and Rescue Services Act 2004 etc.

The Statements of Assurance is required to be published annually and where possible form part of the existing governance reporting arrangements. This Statement of Assurance is subject to normal scrutiny arrangements which comprise of:

- Approval by the Audit and Standards Committee, who oversee the production of the Annual Statement of Assurance;
- Presented to the Full Fire and Rescue Authority Meeting by the Chair of the Audit and Standards Committee; and,
- Published on the Service's website.

In summary this Statement of Assurance aims to provide information to the Communities, Government, Local Authorities and Partners in an easy and accessible way, so a valid assessment can be made of their local Fire and Rescue Authority's performance during 2018/19.

2. Financial Assurance

BFRA is a precepting authority; this means that its net cost, after receiving Government Grant and a proportion of local business rates, is met by all council tax payers in Bedford Borough, Central Bedfordshire Borough and Luton as a proportion to the valuation band of their home.

BFRA has the responsibility for ensuring that public money collected by way of grant and council tax is properly accounted for and managed appropriately in accordance with Section 3 of the Local Government Act 1999. This responsibility extends to securing the continuous improvement in which BFRA's functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

As part of managing the financial arrangements of the Authority, BFRA have robust control measures in place for protecting the public purse which are supported by accurate budget monitoring processes which are subject to rigorous scrutiny and reporting.

The Treasurer to the BFRA has the responsibility for ensuring that the right measures are in place to manage the Authority's financial assets and that the financial reporting arrangements are sound and that the Annual Statement of Accounts is prepared in accordance with statutory requirements.

The [Statement of Accounts](#) for the year ending 31 March 2019 is a document that summarises BFRA's transactions for the previous financial year detailing how the funding was used to provide a Fire and Rescue Service to the communities of Bedfordshire and includes:

- a) The Statement of Responsibilities for the [Statement of Accounts](#) which sets out the responsibilities of the FRA and the Treasurer to the FRA;
- b) The [Annual Governance Statement \(AGS\)](#);

- c) The Movement in Reserves Statement which summarises the FRA's spending against the council tax it raised, taking into account the use of reserves during the year;
- d) The Comprehensive Income and Expenditure Statement which summarises the income and expenditure of the FRA;
- e) The [Balance Sheet](#) which displays the financial position of the FRA as at 31 March 2019;
- f) The [Cash Flow](#) Statement which summarises the changes in the FRAs funds; and,
- g) The Pension Fund Account for the year together with the Net Assets Statement at the year end.

The Accounts are supported by a Statement of Accounting Policy and Core Financial Statements and these are prepared by the Finance Team under the direction of the Assistant Chief Officer and Treasurer to the BFRA.

The Statement of Accounts is signed off by the Chairperson of the Audit and Standards Committee who oversees the audit activity, regulatory framework, accounts and standards of the Service and these are prepared in accordance with proper accounting practices that include:

- [Accounts and Audit \(England\) Regulations 2015](#) ;
- [The Local Authorities \(Capital Finance and Accounting\) \(England\) \(Amendment\) Regulations 2015](#); and,
- [International Financial Reporting Standards \(IFRS\)](#).

BFRA are subject to independent external audit and scrutiny to ensure that appropriate and effective financial arrangements are in place.

At the conclusion of the audit for 2018/19 the Annual Audit Letter was produced which reported on the audit of the Authority's Financial Statements and an assessment of the arrangements to achieve value for money in the use of resources.

In summary the auditor's provided an unqualified opinion and stated that the Financial Statements of BFRA:

- Give a true and fair view of the financial position of Bedfordshire Fire and Rescue Authority as at 31 March 2019 and of its expenditure and income for the year then ended; and,
- Have been prepared properly in accordance with the [Code of Practice on Local Authority Accounting in the United Kingdom 2018/19.](#)

In addition, the auditors concluded that on the basis of their work, having regard to the guidance on the specified criteria published by the Comptroller and Auditor General (C&AG), they were satisfied that, in all significant respects, BFRA put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2019.

3. Governance Framework

BFRA is made up of twelve elected members who are appointed in proportion to the number of local government electors in each constituent Authority area with Members from the three Local Authorities of Bedford Borough, Central Bedfordshire Borough and Luton comprising:

- Three members from Bedford Borough Council;
- Five members from Central Bedfordshire Council; and,
- Four members from Luton Borough Council.

The responsibility for ensuring proper governance arrangements and controls rests with BFRA who enable the effective exercise of the Authority's functions and the management of risk. The Governance Framework includes systems, processes, culture and values to enable BFRA to monitor the achievement of strategic objectives and consider whether the objectives have led to the delivery of appropriate, cost effective services to the communities of Bedfordshire and stakeholders.

BFRA's governance framework derives from seven core principles identified in the International Framework: Delivering Good Governance in Local Government: [Delivering Good Governance in Local Government: Framework \(CIPFA/SOLACE\) Review of Annual Governance Statements 2016/17](#)

The seven core principles are:

1. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of the law
2. Ensuring openness and comprehensive stakeholder engagement
3. Defining outcomes in terms of sustainable economic, social and environmental benefits
4. Determining the interventions necessary to optimise the achievement of the intended outcomes
5. Developing the entity's capacity, including the capability of its leadership and the individuals within it
6. Managing risks and performance through robust internal control and strong public financial management
7. Implementing good practices in transparency, reporting and audit to deliver effective accountability.

3.1 Annual Governance Statement

The Annual Governance Statement (AGS) for 2018/19 explains how the BFRA manages its governance arrangements and internal control measures. It is an open and transparent account of how the BFRA ensures its financial management systems are adequate and effective, as well as ensuring there is a robust and sound system of internal control.

The AGS also explains how BFRA has complied with the Code and meets the requirements of the Accounts and Audit (England) Regulations 2015 in relation to the publication of an Annual Governance Statement. BFRA's financial arrangements conform to the governance requirements of the CIPFA – Statement on the Role of the Chief Financial Officer in Local Government. The Treasurer to the BFRA reports in this role directly to the Chief Fire Officer.

3.2 Internal Audit

The role of internal audit is to review the internal control framework that governs the operations of the BFRA and, in so doing, provide an independent opinion to both Management and Members of the BFRA on the robustness of the Authority's internal control environment. Each year an Internal Audit Plan is produced and developed by the auditors, in conjunction with the Assistant Chief Officer – Finance and Corporate Services and Treasurer to the BFRA and is based on a risk assessment of all the services/systems of the Authority. Members and Service Managers are directly involved in the development of the plan and it is subject to review by the Corporate Management Team (CMT), prior to being approved by the Audit and Standards Committee.

In summary, the plan identifies the audits to be completed each year, including core fundamental systems and other operational systems.

The appointed Internal Auditors also work with both Essex and Cambridgeshire Fire and Rescue Services (FRS) as part of a joint contract and where possible are able to audit on areas of commonality and shared service areas across all three FRAs. The work of the audit team complies fully with the requirements of CIPFA's Code of Practice for Internal Audit in Local Government in the UK.

The Annual Internal Audit report for 2018/19 by the Service's appointed internal auditors, RSM, advises that "Based on the work we have undertaken on the system of internal control, we do not consider that within these areas there are any issues that need to be flagged as significant control issues in the AGS. However, we would expect the Authority to consider in the formulation of the AGS, the internal control weaknesses identified within our partial assurance opinion, along with the actions taken to address the issues identified".

3.3 External Audit

BFRA remains committed to continuing to improve its performance towards achieving excellence in all areas. Value for Money (VFM) is still part of an annual review carried out by the Service's external auditors with an opinion whether the BFRA is delivering VFM as part of the external auditor's annual report and whether the BFRA has proper arrangements for:

- Securing financial resilience; and,
- Challenging how it secures economy, efficiency and effectiveness.

An integral part of this assurance is the role of the external auditor in the annual review report which complies with the statutory requirements governing audit and inspection work, in particular:

- National Audit Office's 2015 Code of Practice, International Standards on Auditing (UK & Ireland);
- The 2018/19 Code of Practice; and
- Accounts and Audit Regulations 2015.

On 9 July 2018 External Audit issued an unqualified opinion on the 2017/18 Statement of Accounts. In the auditor's opinion, the Statement of Accounts provided a true and fair view of the financial position of the BFRA and have been prepared properly in accordance with the Code of Practice on Local Authority Accounting.

Additionally the Authority has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. The 2018/19 accounts are due to be finalised in October 2019.

In July 2017 Her Majesty's Inspectorate of Constabulary (HMIC) gained the statutory responsibility of the inspection of Fire and Rescue Services in England and Wales and became Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS). This was the first time that Fire and Rescue Services have had an inspectorate in over a decade.

HMICFRS initial inspection of the 45 Fire and Rescue Services in England was split in to three tranches. BFRS was inspected in the first Tranche with the main fieldwork carried out during August 2018. All Fire and Rescue Services inspections would have concluded during 2019 and the final Tranche reports are due in December 2019, along with a 'State of the Nation' report reflecting on the first full round of inspections.

The inspection framework is built around three key questions:

1. How **effective** is the Fire and Rescue Service at keeping people safe and secure from fire and other risks?
2. How **efficient** is the Fire and Rescue Service at keeping people safe and secure from fire and other risks?
3. How well does the Fire and Rescue Service look after its **people**?

No overall grading is given for the Service as a whole. However, separate grading's are given for the three key inspection areas. BFRS was graded as 'Good' for Effectiveness and as Requires Improvement for Efficiency and People.

In addition to commenting on a number of strengths and achievements by the Service. HMICFRS identified 23 areas for improvement (AFI) within the [report](#). These AFI's were developed into an action plan to drive Service improvement, and further supported by objectives contained within the CRMP 2019-23.

3.4 Committee and Groups

BFRA has adopted a Constitution which sets out how the Authority operates, how decisions are made and the procedures which are followed to ensure these are efficient, transparent and accountable to local people and stakeholders.

BFRA meets a minimum of five times per year and has established an Executive Committee, Audit and Standards Committee and three Policy and Challenge Groups. This Governance structure aligns with the Service structure ensuring a more interactive relationship between Elected Members, managers and employees, and facilitates the scrutiny role of Members more visibly effective.

The Audit and Standards Committee and Policy and Challenge Groups have responsibilities covering all areas of the Service to ensure that the Service is functioning efficiently and effectively. This is achieved by providing checks and challenges, monitoring performance and approving associated policy and activity. These Groups make recommendations on matters within their terms of reference to the Authority according to their area of concern.

The Chairs of the Audit and Standards Committee and Policy and Challenge Groups report any recommendations arising from these meetings to the meeting of the Full FRA. Reporting will also include on-going policy and decision making which is facilitated by a clear framework of delegation set out in the Authority's Constitution, including details of delegated authorities to officers.

All reports are reviewed for legal, human resource, financial and risk considerations prior to being presented to Members of the BFRA for formal decision-making. This, together with an appropriate level of delegation to both the Authority Executive and Senior Managers, enables prompt decision making.

Following the decision at a full FRA meeting where it reviewed the governance arrangements, during 2019/20 the BFRA is trialling having an additional two FRA meetings and no Policy and Challenge groups. The Audit & Standards Committee remains in place too.

3.5 Review of Authority Effectiveness

Historically the BFRA publishes an Annual Review of the Fire Authority's Effectiveness and Record of Member Attendance. Implementation and formal review of the agreed actions arising from the Annual *Review of Effectiveness* is then incorporated as a standing item in each year's Annual Governance Statement.

In 2018 the BFRA commissioned RSM, its internal auditors, to carry out a review of the governance arrangements for the Authority. The Review suggested a number of areas which, if implemented, may improve the efficiency of the Authority and reduce the bureaucratic burden on the Fire and Rescue Service whilst supporting it at a time when resources are increasingly under pressure.

The Review covered:

- Number and functionality of BFRA meetings
- Location of meetings
- Staffs requirement of Members
- Structure of Policy and Challenge Groups
- Members' Allowances.

Whilst this process was undertaken, BFRA deferred the Annual Review of Authority Effectiveness.

3.6 Internal Control Framework

BFRA has responsibility for conducting, at least annually, a review of the effectiveness of the system of internal control and is informed by the work of the internal auditors and the Corporate Management Team (CMT).

The Internal Auditors provide an annual opinion on the internal control framework and operate to standards set out in the *Code of Practice for Internal Audit in Local Government in the UK*. The key features of the Authority's internal control framework, which directly contribute to the review of effectiveness are:

- The Fire and Rescue Authority;
- The Audit and Standards Committee;
- Internal Audit;
- External Audit;

- Assurance Statements; and,
- Internal Performance Management Framework.

BFRA has a robust Performance Management Framework in place for securing continuous improvement in its services and where the quality of service to the communities can be measured by the use of local performance indicators.

Other forms of measures include:

- External performance assessment, external inspections,
- Peer reviews,
- The Authority's internal reviews and audits,
- Appraisal and objective setting for the CFO (by FRA),
- Consultation exercises,
- Service improvements identified by the Authority's Customer Care Complaints and Compliments procedure.

An integral part of the performance framework includes the setting of organisational key performance indicators. These are agreed and monitored on a bi-monthly basis by senior managers of the Service with performance being reported through the Corporate Management Team, the Authority's Policy and Challenge Groups, and to full FRA Meetings.

For the year ending 2018/19 the Annual Internal Audit report advised that the Auditors were satisfied that sufficient internal audit work had been undertaken to allow them to draw a reasonable conclusion on the adequacy and effectiveness of the Authority's arrangements.

3.7 Data Transparency

In accordance with the *Code of Recommended Practice for Local Authorities on Data Transparency*, BFRA is committed to greater openness and financial transparency through the publication, on the Authority's website, of information regarding how public money is spent. This includes payments for goods and services to external bodies and suppliers above £500, and details of salaries and allowances paid to staff and Members.

In doing so, BFRA utilise a number of information sources and data sets to improve the delivery of service to the communities and reports its performance accordingly. The performance data and information is published in the form of reports against targets and outcomes showing the performance of BFRA.

4. Operational Assurance

The National Framework does not prescribe operational firefighting matters; this is determined locally by respective FRAs. However it does set out the government's priorities and objectives for Fire and Rescue Authorities in England that include:

- Identifying and assessing the full range of foreseeable fire and rescue related risks in the respective areas;
- Making provision for prevention and protection activities and responding to incidents appropriately;
- Working with partners within the communities both locally and nationally to deliver their services; and,
- Being accountable to communities for the service they provide through the 'Statement of Assurance'.

FRAs operate within a clear defined boundary of a statutory framework that has a number of key documents that outline responsibilities, these include:

- [The Fire and Rescue Services Act 2004;](#)
- [The Civil Contingencies Act 2004](#)
- [The Regulatory Reform \(Fire Safety\) Order 2005;](#)
- [The Fire and Rescue Services \(Emergencies\) \(England\) Order 2007;](#)
- [The Localism Act 2011;](#)
- [The Fire and Rescue National Framework;](#)

- [Local Government Act 2010](#); and,
- [Health and Safety & Work Act 1974](#).

In addition to the statutory framework and assurance detailed above, BFRA has a range of key performance indicators and measures reported throughout the year. An integral part of operational assurance includes prevention and protection services and emergency response standards; these are regularly monitored and reviewed by the Service and the FRA by:

- Internal audits of service delivery functions;
- Quarterly performance reporting against station-based targets;
- Formal evaluation of prevention and protection activities; and,
- Full summary report of performance for the previous financial year.

4.1 Performance Summary

BFRA oversees the performance of the Service throughout the year by the monitoring of robust and challenging Performance Indicators (PIs) and associated targets, aimed to maximise the effort and resources of the Service.

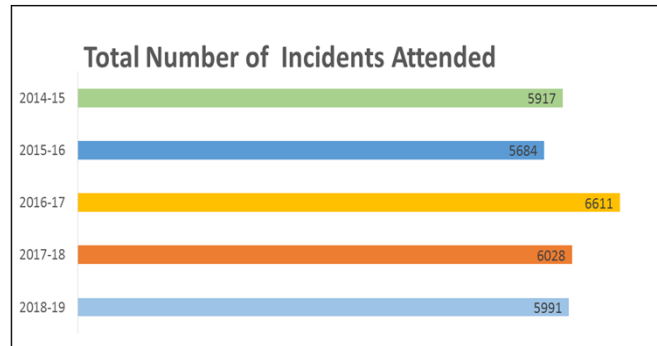
The Service Delivery PIs have been reviewed for 2019/20 and approved by the FRA. Full details of the Service's performance for 2018/19 and comparison against performance for 2017/18 is reported within the [Annual Overarching Performance Report 2018/19](#).

4.2 Overview of Service Activity

The following charts provide an overview of the Service's Emergency Response, Prevention, and Safe and Well activities over a five year period to provide a balanced view of performance over the short and medium term. In particular, providing examples of incident types the Service attended.

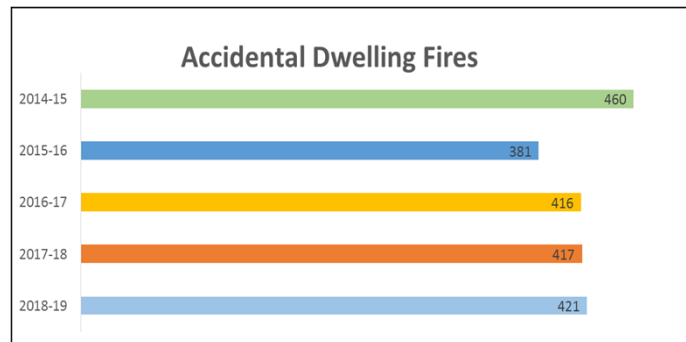
4.2.1 Total Number of Incidents Attended

The number of incidents attended by the Service has fluctuated over the five years but now shows a three year downward trend. The figures for 2018/19 demonstrate a 0.6% reduction in the number of incidents attended compared with 2017/18; this equates to a reduction of 37 incidents attended only. The number is anticipated to increase as more collaborative activity expands our capabilities (e.g. forced entry for medical emergencies, assisting the Police).



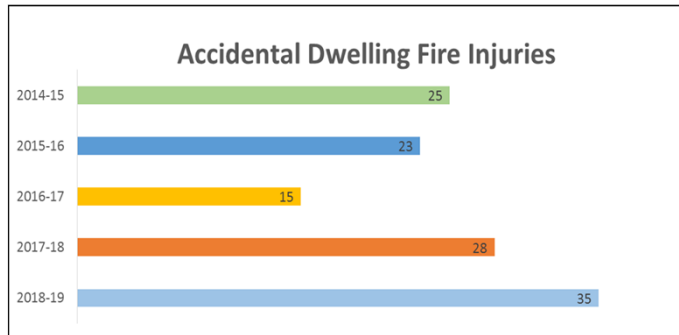
4.2.2 Accidental Dwelling Fires

Accidental Dwelling Fires are fires that occur in the home and the number across Bedfordshire during 2018/19 totalled 421. This shows a very minor increase from 2017/18. With the exception of 2014/15 the number of Accidental Dwelling Fires has been stable at around 400. BFRS continues to explore areas which will assist our commitment to drive down the number of Accidental Dwelling Fires across Bedfordshire.



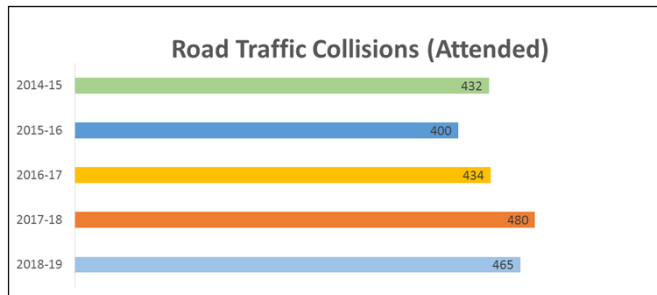
4.2.3 Accidental Dwelling Fire Injuries

Accidental Dwelling Fire Injuries continue to be one of the lowest reported within England; however the Service recognises an increase for the second successive year. BFRS continues work with partner agencies in order to target advice and guidance on domestic fire safety awareness to those most at risk in the community.



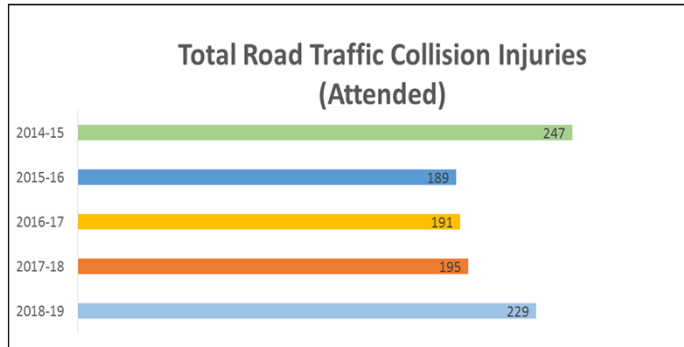
4.2.4 Road Traffic Collisions (Attended)

The Service has been seeing a year on year increase in the number of Road Traffic Collisions attended up to 2017/18, however in 2018/19 we have seen a 3% decrease.



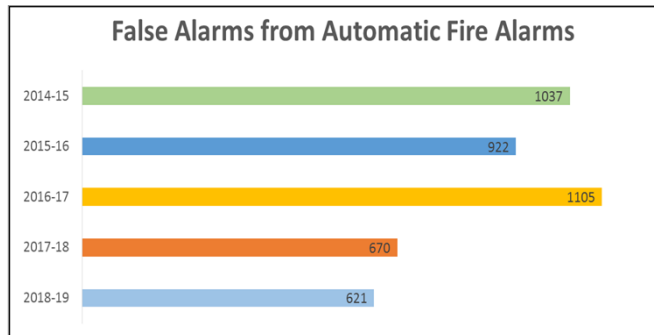
4.2.5 Road Traffic Collision Injuries (Attended)

The amount of Road Traffic Collision Injuries had been steady for the past three years, however there has been a 17% increase in 2018/19; the highest recorded period remains 2014/15.



4.2.6 False Alarms from Automatic Fire Alarms

During 2018/19 the Service attended 621 calls to False Alarms from Automatic Fire Alarm Systems, this is 49 less calls than the previous year. The Service continues to target the reduction in False Alarms from Automatic Fire Alarm Systems and is applying further measures to support this.



4.2.7 Total Home Fire Safety Checks/Safe and Well Visits

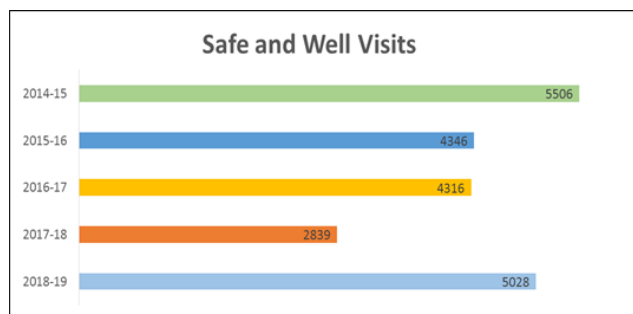
The Service uses a variety of preventative risk reduction activities in its continued commitment to keep the communities' of Bedfordshire safe.

In 2018/19 BFRS continued to deliver Safe and Well visits to the community. The Service increased the expected targets which resulted in an increase of 77% from 2839 to 5028 visits. These visits take the form of enhanced Home Fire Safety Checks that cover a range of additional areas addressing personal safety and wellbeing. These areas include:

- Crime Prevention;
- Slips, Trips and Falls;
- Smoking cessation; and
- Alcohol.

BFRS works closely with Bedfordshire Police and has identified that fire risk factors closely align with the risks associated with vulnerability to crime. As such, Safe and Well visits will incorporate crime prevention advice.

BFRS makes effective use of its own data, and that of Health and other partners, to implement an intelligence led approach, targeting the most vulnerable households with Safe and Well visits. The Service uses existing partnerships and is establishing new partnerships to generate referrals from other professionals, who can assist in identifying vulnerable households that would benefit from a Safe and Well Visit.

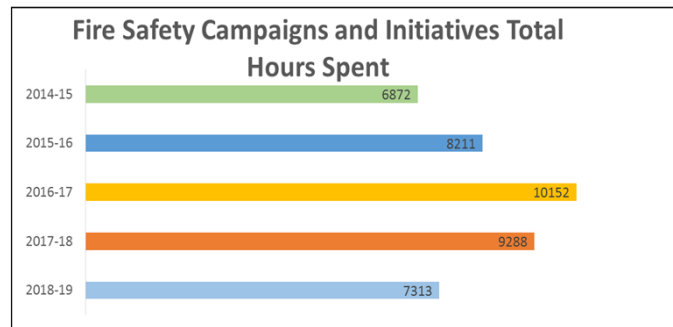


In 2017/18, following the tragic events at Grenfell, BFRS undertook an inspection of all high rise residential premises in Bedfordshire to assess risk levels and provide assurance to residents, owners and firefighters.

4.2.8 Total Hours spent on Community Safety Campaigns and Initiatives

The number of hours spent on Fire Safety Campaigns and Initiatives have shown an increasing commitment over the four year period to 2016/17. A more intelligence-led, targeted approach in the past two years has seen a decrease the number of hours spent.

The Service continues to deliver a broad range of risk reduction interventions and themed safety campaigns. These include school visits, working with young people, Fire Cadets, road safety advice for all road users, and seasonal advice including electrical safety, chimney safety and cooking safely in the home plus many others.



4.3 Community Risk Management Plan

The Community Risk Management Plan 2015 - 2019 Summary (CRMP) is the Authority's programme for securing continuous improvement in its services and outlines the Authority's vision, objectives and priorities for the future, sets performance targets and outlines the Authority's accountability to its stakeholders and the communities.

Within Bedfordshire the assessment of all fire and rescue related risk to life and injury formulates the basis of the production of the CRMP. When identifying priorities for the CRMP the views of stakeholders and the communities are taken into account to ensure that they are aware of the aims, objectives, priorities and performance of BFRA.

The CRMP aims to inform our communities of our plans and ensures that the Service contributes, in a coordinated and meaningful way towards keeping our communities safe. The CRMP is a long term plan that is refreshed annually to assist the Service in being more agile and responsive to locally identified needs and trends. This approach enables the effective targeting of resources to prevent incidents occurring in the first place, whilst putting resources in the right location to best protect the communities.

In 2018/19 BFRS carried out further research to understand our communities to inform our approach to risk. A new CRMP for 2019-2023 has now been issued and will be referenced during next year's Statement of Assurance.

Each quarter we consult those people who have received a Safe and Well Visit and those businesses who have taken part in a Fire Safety Audit, as well as those involved in incidents, to ensure they have been satisfied with the services they receive from BFRS. This ensures BFRS continually monitor our customer service and are able to respond to any issues that might arise when delivering services to our communities.

4.4 Mutual Aid and Reinforcement Schemes

[Sections 13](#) and [16](#) of the Fire and Rescue Services Act 2004 place a requirement on all FRAs to enter in to Mutual Aid agreements with neighbouring FRSs. The purpose of these agreements is to enable the summoning of assistance to provide and utilise resources such as fire engines when required to attend a range of incidents. In addition to Mutual Aid, FRAs, as far as is practicable, should enter into Reinforcement Schemes, for securing mutual assistance between authorities and for the purpose of discharging their functions. BFRA has in place mutual agreements with neighbouring FRAs. In addition the

Service, through National Resilience, provides specialist appliances and crews for mass decontamination. See 4.6.

4.5 Business Continuity Arrangements

The [Fire and Rescue Services Act 2004](#) and the [Civil Contingencies Act 2004](#) places a legal duty for all FRAs to write and maintain plans for the purpose of ensuring, so far as reasonably practicable, that if an emergency occurs the Authority is able to continue its functions.

In response to these duties BFRA has robust Business Continuity Management (BCM) plans in place which are integral in managing corporate risk and provides, in the event of a major disruption, a Fire and Rescue Service to the community. The BCM plans cover a broad range of interruptions for specific events such as wide spreading Pandemics through to individual functional disruptions within the Service. These plans provide resilience arrangements across the entire Service.

In summary our BCM plans provide clear and defined strategies to be adapted to aid achievement of the following objectives:

- Provide a response to events that threaten the delivery of services to the community of Bedfordshire;
- Protect the Service from business interruptions;
- In the event of business interruptions to provide a coordinated recovery; and,
- Facilitate a risk management culture embedded into the Service to enable risks to be identified and managed effectively.

4.6 National Resilience

The UK Fire and Rescue Service forms an integral part of the Governments National Resilience capability as Category 1 Responders.

Category 1 Responders include Blue-light emergency services as well Local Authorities and NHS hospitals etc. where the capacity and capability of FRSs work together with Category 1, and Category 2 Responders (Utilities/Transport infrastructure providers etc.) to deliver a sustained and effective response to major incidents, emergencies and disruptive challenges.

In addition to working with other FRAs, BFRA work closely with and are members of the [Bedfordshire Local Resilience Forum](#) (BLRF) which is a statutory body covering a police force area, designed to bring together Category 1 and Category 2 Responders for multi-agency co-operation and information sharing. This is in line with the Civil Contingencies Act (2004) which states every area of the United Kingdom is required to establish a Local Resilience Forum.

BFRA is a major contributor to national and regional resilience with the capability to respond to major disasters and terrorist attacks where some types of incident that are larger in scale may require a Fire and Rescue Service response.

BFRA are actively involved in National Resilience arrangements and hold a Module for Mass Decontamination. The Service also has Water Rescue national assets which have been mobilised to assist other Fire and Rescue Services on several occasions, this would be following requests from the National Resilience Fire Control based in Merseyside.

BFRS, one of several FRSs in the UK have a Special Response Team (SRT) to support Police and Ambulance operations. This team is exercised on a regular basis with other Category 1 Responders ensuring that the team is ready for operational deployment. As part of the assurance process to the Service, the Specialist Response Team were audited in 2016 as part of the National Audit Programme and a number of areas were highlighted as notable practice.

5. Awards and Commendations

The Long Service and Good Conduct medal is awarded to operational members of the Fire and Rescue Service who have completed 20 years meritorious service and are awarded under Royal Warrant. In 2018/19 nine members of the BFRS were awarded the Long Service and Good Conduct Medal.

Each year the Service hosts a Celebration of Success Awards night, where staff are recognised for their personal achievements in education and development, professional conduct, community and charitable activity and meritorious service.

6. Future Improvements

The financial settlements from Central Government for FRAs since 2010 have significantly reduced, leading to the need for increased efficiencies from existing resources and developing new ways of working to meet the funding reductions. The Authority's CRMP process is the principal route for the development of a balanced approach to reducing risks within the community and to the delivery of future improvements.

During 2019/20 The Service will continue with its pursuit of collaborative projects which deliver efficiency savings as well as deliver benefits to the communities it serves.

In 2018, and following a recommendation from an RSM Internal Audit in 2017, the Service has worked closely with Bedfordshire Police. Both Services have strengthened the process which generates potential projects and established a more inclusive and organisation –wide mechanism for engagement with front line staff.

During 2018/19 a Blue Light Collaboration Governance structure supporting the FRA has been established. The structure includes enabling processes for whole organisation contribution to collaboration.

A Blue Light collaboration conference was held in August 2018 and its success in identifying future collaboration possibilities and priorities means it will be repeated twice yearly.

Current collaborative projects already under way for 2019/20 include the following:

- An increasing number of Police colleagues are being provided with access to Service premises to help them manage their time more efficiently and achieve higher visibility in local communities.
- The Service is continuing with assisting Police colleagues in searches for missing vulnerable people following a positive evaluation in 2018.
- The Service is working with Police colleagues to develop a Memorandum of Understanding for a joint response capability for deployment unmanned aerial vehicles, which could include wider agreement with emergency colleagues in neighbouring counties.

- 4 Workstreams; Working with Young People, Vulnerability in the home, Streets and Events and Arson management, which were identified as priority at the bi-annual Collaboration conference in February 2019 are being taken forward into options appraisal.
- The Service is increasing its support for the National Dementia Action Alliance and a new service action plan is being developed in 2019/20. Under this plan, the managers within the Service undertook “Dementia Friends” awareness training at a Management Briefing session.
- The process for safeguarding people with dementia, the “Herbert Protocol” partnership with Bedfordshire Police will continue into 2019 and beyond.
- There are plans to enable electronic membership applications on the Service website.
- The Service is now providing a Dementia “Safety First” Home Safety Scheme in Partnership with NHS.
- In 2019/20 and working with a range of NHS, Public Authorities and the Private Sector to explore the potential for a “Rapid Response” service to people who are at risk under the “Frailty” agenda.
- Work began in 2018/19 and continues in 2019/20 to explore a joint Driver training collaboration which enables Response car driver training during peak demands for Bedfordshire Police.
- Work completed in 2019/20 established a trained and competent team of Motor Cycle Instructors Motor cycle training. It is now possible to train other Blue Light organisation and in 2019/20 consideration of marketing the training will be given.
- In 2019/20 collaboration between the Service and Police Communications and Public Relations teams began and closer working strengthened through a six month’s secondment to the Service from the Police was arranged. Work will continue to achieve a seamless approach to community news and engagement.
- In 2019/20, The Service and Police jointly recruited to a countywide Chaplaincy service which is due to commence in November 2019.

Once completed, delivered and integrated these projects will provide improvements to service delivery, safety of the community and partners.

7. Conclusion

This Statement of Assurance provides an accurate account of Bedfordshire b Authority’s Financial, Governance and Operational Assurance arrangements secured from the 1 April 2018 to 31 March 2019.

I am satisfied that Bedfordshire Fire and Rescue Authority conducted its business practices within the appropriate legal framework and standards and that public money was properly accounted for and used economically, efficiently and effectively. This Statement of Assurance was approved by the Audit and Standards Committee on **xxxxxxx**

Signed
Chief Fire Officer



Signed
Chair Audit and Standards Committee on behalf of the Bedfordshire Fire and Rescue Authority

Signed
Chair of the Bedfordshire Fire and Rescue Authority

GLOSSARY

AGS - Annual Governance Statement

BFRA - Bedfordshire Fire and Rescue Authority

BFRS – Bedfordshire Fire and Rescue Service

BLRF - Bedfordshire Local Resilience Forum

BCM - Business Continuity Management

CIPFA - Chartered Institute of Public Finance and Accountancy

CRMP - Community Risk Management Plan

C&AG - Comptroller and Auditor General

CMT - Corporate Management Team

EEAS - East of England Ambulance Service

FSOT – Fire Service Operations Team

FRA - Fire and Rescue Authority

HR - Human Resources

IFRS - International Financial Reporting Standards

PIs - Performance Indicators

VFM - Value for Money

This page is intentionally left blank

For Publication

Bedfordshire Fire and Rescue Authority
Audit and Standards Committee
5 December 2019
Item No. 13

REPORT AUTHOR: ASSISTANT CHIEF OFFICER/FRA TREASURER

SUBJECT: WORK PROGRAMME 2019/20

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

Background Papers: None

Implications (tick ✓):

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

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

PURPOSE:

To review and report on the work programme for 2019/20 and to provide Members with an opportunity to request additional reports for the Audit and Standards Committee meetings for 2019/20.

RECOMMENDATION:

That Members consider the work programme for 2019/20 and note the 'cyclical' Agenda Items for each meeting in 2019/20.

GAVIN CHAMBERS
ASSISTANT CHIEF OFFICER/FRA TREASURER

AUDIT AND STANDARDS COMMITTEE - PROGRAMME OF WORK 2019/20

Meeting Date	‘Cyclical’ Agenda Items		Additional/Commissioned Agenda Items	
	Item	Notes	Item	Notes
5 Dec 2019	Internal Audit Progress Report (RSM)			
	External Audit Annual Audit Letter (E&Y)	Deferred to next meeting		
	Audit and Governance Action Plan Monitoring			
	Review of ‘Monitored Policies’			
	Report on Registration of Interests and Gifts/Hospitality			
	Review of the Audit and Standards Committee Effectiveness (<i>Biennial review – due 2019/20</i>)	Superseded by ongoing Governance Review		
	Corporate Risk Register Progress Update			
	Statement of Assurance			
	Work Programme 2019/20			
	Annual Review of the Effectiveness of the Internal Audit Arrangements			

Meeting Date	'Cyclical' Agenda Items		Additional/Commissioned Agenda Items	
	Item	Notes	Item	Notes
26 March 2020	External Audit Plan 2019/20 (E&Y)		Review of Abatement Policy	Following ACO update, agreed to defer to March by the ASC on 15.10.19
	External Audit Annual Audit Letter (E&Y)	Deferred from December Meeting		
	Internal Audit Progress Report (RSM)			
	Internal Audit Strategy 2019/20 to 2021/22 (RSM)			
	Audit and Governance Action Plan Monitoring			
	Update to the Authority's Finance Regs (<i>Biennial review – due 2021</i>)			
	Annual Review of the Fire Authority's Effectiveness (<i>Biennial review – due 2019/20</i>)			
	Annual Review of entire Corporate Risk Register			
	Review of Work Programme 2019/20			