

For Publication

Bedfordshire Fire and Rescue Authority
Corporate Services Policy and Challenge Group
7 March 2016
Item No. 8

REPORT AUTHOR: ASSISTANT CHIEF OFFICER (HUMAN RESOURCES AND ORGANISATIONAL DEVELOPMENT)

SUBJECT: AUDIT AND GOVERNANCE ACTION PLANS MONITORING REPORT

For further information on this report contact: Karen Daniels
Service Assurance Manager
Tel No: 01234 845013

Background Papers:

- Action Plans contained in Internal and External Audit Reports
 - Action Plan contained in the Annual Governance Statement 2014/15
 - Minutes of the Audit Committee dated 5 April 2012
-

Implications (tick ✓):

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

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

PURPOSE:

To report on progress made to date against current action plans arising from internal and external audit reports and from the Fire Authority's 2014/15 Annual Governance Statement and consider the proposed extension date for completion of the Fleet & Equipment Asset Tracking action.

RECOMMENDATION:

That Members acknowledge progress made to date against the action plans and consider any issues arising and endorse the recommendation to extend the completion date..

1. Introduction

- 1.1 The Members of the Audit and Standards Committee previously endorsed that the Committee should receive monitoring reports at each of its meetings advising of progress against current action plans arising from internal and external audit reports, and the Authority's Annual Governance Statement.
- 1.2 In their meeting on 5 April 2012, Members of the Audit and Standards Committee agreed that progress on the action plans be reported to each meeting of the appropriate Policy and Challenge Group and action point owners report progress by exception to the Audit and Standards Committee. This is the fourth report to the Corporate Services Policy and Challenge Group for the year 2015/16.

2. Monitoring Report of Actions Arising from Internal and External Audit Reports

- 2.1 The monitoring report of progress made to date against agreed actions arising from internal and external audit reports is attached as Appendix A.
- 2.2 The monitoring report covers, in order, the following:

- Outstanding actions from internal and external audit reports, including those reports received during 2015/16 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 2015/16 and those from previous years, which are on target to meet the original or agreed revised completion date.
- Completed actions which are subject to a subsequent or follow up audit. These will remain on the report until this follow-up audit is completed.
- Completed actions that are of a Low risk and do not require a follow-up audit. These will be removed from the report once they have been reported as completed to the Policy and Challenge Group.
- Any actions that have been superseded by new actions. (Actions are removed from the report once they have been reported as superseded to the Policy and Challenge Group.)

2.3 There are no requests to extend the original completion date.

3. Monitoring Report of Actions Arising from the Authority's Annual Governance Statement

3.1 The monitoring report of progress made to date against actions arising from the Authority's Annual Governance Statement is attached as Appendix B.

3.2 The monitoring report covers the actions within the 2014/15 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 25 June 2015, as part of the 2014/15 Statement of Accounts.

3.3 There are no requests to extend the original completion date.

4. Priority Grades

4.1 The Service Audit Outcomes in Appendix A have a priority grading system. The table below explains the key to the priority grades:

RSM (formerly Baker Tilly & RSM Tenon)	High	Recommendations are prioritised to reflect RSMs assessment of risk associated with the control weaknesses.
	Medium	
	Low	

5. Organisational Risk Implications

5.1 The actions identified within internal and external 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.

5.2 In addition, ensuring effective external and 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.

ZOE EVANS
ASSISTANT CHIEF OFFICER (HUMAN RESOURCES AND ORGANISATIONAL DEVELOPMENT)

Monitoring Report of Actions Arising from Audit Reports
 (incorporating any actions outstanding at 31 March 2015 from earlier reports)

APPENDIX A

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')
FEAT (14/15) 2.1	<p>Baker Tilly Nov 14: Final Report (14/15)</p> <p>Follow up Jun15: Final Report (14/15)</p>	<p>Fleet & Equipment Asset Tracking</p> <p>Head of Operational Support</p>	High	<p>The Authority should evaluate the use and application of the following possible methods of improving its data capture and the record keeping of its operational equipment:</p> <ul style="list-style-type: none"> • Produce and implement an improved spreadsheet, this could be an access database that ensures that sufficient information is captured in a consistent form so the information can be easily sorted and filtered as required. • Implement and use the Authority's existing asset management system. • Procure a new asset management system. <p>The Authority should also consider the application of a barcoding system or portal devices to improve efficiency and accuracy enough to justify the additional cost.</p>	<p>The Service has completed an evaluation of the use and application of methods to improve data capture and record keeping of its operational equipment.</p> <p>We have improved our spreadsheets with an underlying database in March 2015 to improve recording, management, accessibility and consistency of records through a database-led approach. To support this further the Service conducted themed audits of the management and recording of operational assets at all stations. These audits completed in October 2015.</p> <p>An evaluation of the existing facility in the Service's Management Information System was undertaken in with a full assessment of the capabilities with the support of the supplier. The evaluation, completed in February 2015, found that the benefits were limited by the capabilities of the software and the benefits of the wider improvements in existing records outweighed the significant work and cost required to migrate.</p> <p>The Service has evaluated the capabilities and benefits of modern asset management software and associated tracking devices (such as bar-code systems). A project to implement an Asset Management system is incorporated into the Service's programme</p>	Original Mar 16	Completed – To be confirmed by follow up audit

Monitoring Report of Actions Arising from Audit Reports
(incorporating any actions outstanding at 31 March 2015 from earlier reports)

APPENDIX A

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')
					of improvement with oversight from the Strategic Programme Board.		
PROC (15/16) 1a	RSM Nov 15: Final Report (15/16)	Procurement Head of Finance & Asset Management & Treasurer to FRA	Medium	New The Authority will liaise with ISC to decide if they should acquire the functionality to run reports of all user approval limits and user approval limit changes. If obtained this will then be used to implement a process of regular review and reconciliation of approval limits from the Great Plains System against the hard copy authorised signatory list held by the Finance team.	ISC have advised that the system cannot do this. The Finance Team have therefore implemented a process whereby spot checks/samples, are checked annually.	Original Nov-15	Completed – To be confirmed by follow up audit
PROC (15/16) 2b	RSM Nov 15: Final Report (15/16)	Procurement Head of Finance & Asset Management & Treasurer to FRA	Medium	New The Authority will ensure that for all contracts between £2k and £10k a minimum of three quotes and/or market evidence of best value are obtained and retained. In addition, for all contracts between £10k and £50k the appropriate written quotes are received and processed through the Bluelight system for E-Tendering. Alternatively, the Authority will ensure that the appropriate waiver forms are completed and approved	The Procurement Manager has now introduced a process to capture these purchases and a process to review the files held by Budget Mangers too.	Original Nov-15	Completed – To be confirmed by follow up audit

Monitoring Report of Actions Arising from Audit Reports
(incorporating any actions outstanding at 31 March 2015 from earlier reports)

APPENDIX A

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')
				in line with the Authority's procedure to ensure value for money is being considered.			
FEAT (14/15) 2.3	Baker Tilly Nov 14: Final Report (14/15) Follow up Jun 15: Final Report (14/15)	Fleet & Equipment Asset Tracking Head of Operational Support	High	<p>1. The Authority must undertake an exercise to document and ensure that all equipment that requires safety/service checks are recorded and that such checks are not overdue.</p> <p>In order for this process to be completed efficiently and quickly we would strongly recommend the following approach is taken:</p> <p>2. The Technical Team should produce a data capture spreadsheet based on the required fields within the MIS system. This would allow the information to be captured consistently and possibly allow the software developer to import the data in to the MIS system.</p> <p>3. The spreadsheet should then be issued to the stations and stores to populate the data about the equipment they hold and then returned to the technical team (The</p>	<p>1. This work was completed within a few days, no such equipment was found to be requiring safety checks, all items of equipment were recorded on a new spread sheet.</p> <p>2. Data cleansing has been finalised for this year and will be exported to the new asset tracking system when procured. The 14 station audits of appliances and equipment has now been completed and we have finalised the population of the cleansed data onto the spreadsheets for this year</p> <p>3. Completed and addressed during station audits of operational equipment and appliances. The spreadsheet has now been moved from SharePoint to STEPS. New functionality of the system will ensure</p>	Original Dec 15	Completed – To be confirmed by follow- up audit

**Monitoring Report of Actions Arising from Audit Reports
(incorporating any actions outstanding at 31 March 2015 from earlier reports)**

APPENDIX A

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')
				Service has decided not to do this, see Management comment and amend this bullet point) The returned spreadsheets should then be combined into a single central record and securely protected. The records should then be cross referenced back to the paper record to safety inspection reports to ensure that all equipment that requires a safety check has had one in the required time frame. If any exceptions are found, they should be taken out of use until the checks can be completed.	stations can access the equipment and update after there testing has been carried out.		
KFC (14/15) 3.2	Baker Tilly May 15: Final Report (14/15)	Key Financial Controls Head of Finance & Asset Management & Treasurer to FRA	Medium	A single, centrally-managed Asset Register should be established, which would inform the Asset Working Papers at year-end; and a programme of physical verification of assets should be performed annually per Financial Regulations.	It is planned in the Capital Programme to purchase a software package to centrally manage assets. The current priority is to address the management of the operational equipment and the wider managements of assets will be incorporated into this piece of work too. The Head of Finance and Asset Management has discussed this with RSM (previously Baker Tilly) and this recommendation will be superseded. It has been established, following an internal audit recommendation covering operational equipment, that the management of the operational equipment assets is the priority. Work has progressed on this with the improvement of management spreadsheets and systems. Work has also progressed in	Original Mar 16	Superseded – Refer to 'Progress Report to Date' Commentary

**Monitoring Report of Actions Arising from Audit Reports
(incorporating any actions outstanding at 31 March 2015 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')
					<p>reviewing what systems are available specifically for this and site visits to other services have taken place. With this emphasis, this has taken away the perceived urgency for an overarching asset register/system.</p> <p>The Authority's external auditor has not raised any issue with the financial information on assets collated and held for the production of the year end accounts. The physical verification of assets will be taken into account at the 2015/16 year end stage. However, as above, the focus is on operational equipment, while also taking into account wider service requirements. The working group meetings on this will include Procurement, Finance, Stores and of course the Technical Team too. Depending on the progress on the working group looking into this, an extension may be required as it is unlikely to be in place by 31st March 2015. As noted above though, this recommendation has been superseded.</p> <p>This will be revisited with the Internal Auditors in the February Key Financial Controls audit.</p>		

**Monitoring Report of Actions Arising from Audit Reports
(incorporating any actions outstanding at 31 March 2015 from earlier reports)**

APPENDIX A

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')
PAR (13/14) 6	Baker Tilly Mar 14: Final Report (13/14) Follow up Jun15: Final Report (14/15)	Partnerships Head of Strategic Support	Medium	An annual overarching review of partnerships should be performed by the Service and presented to the authority to determine the success of partnerships. The success should include a link to costs and benefits realisation. This review process should also include a gap analysis to determine whether there are any potential emerging partnerships the Service should explore.	An annual review of partnerships was undertaken and presented to the Fire and Rescue Authority at their meeting on 15 July 2015.	Original May 15 Agreed Revised Date Jul 2015	Completed – To be confirmed by follow- up audit
KFC (14/15) 1.2	Baker Tilly May 15: Final Report (14/15)	Key Financial Controls Head of Finance & Asset Management & Treasurer to FRA	Medium	The Service should ensure that all amendments to supplier bank details are verified with a known contact using an existing or independently sourced telephone number.	It was acknowledged that the system has improved since last year; however taking into account this recent recommendation the forms have been amended to improve the controls further.	Original May 15	Completed – To be confirmed by follow- up audit
FC (14/15) 1.7a	Baker Tilly Nov 14: Final Report (14/15) Follow up Jun15: Final Report (14/15)	Fuel Cards Head of Operational Support	Medium	To improve control around the fuel reserve log, the Authority need to ensure that: <ul style="list-style-type: none"> • The spreadsheet is consistently used by each station to prevent illegible records; • The spreadsheet should be maintained via SharePoint, to allow document history to be monitored; • Periodic fuel check or meter readings should implemented on each fuel reserve, to reconcile to the total quantity of fuel held. 	This is now business as usual and checks are carried out by Workshops on the spread sheet monthly, where any discrepancies are notified back to the relevant station commander for action. The spread sheet is on sharepoint and there is an audit trail of the monitoring of it. This action is now completed, however at the time of the follow up audit in Feb 2015; this was not due for implementation at the time of the review.	Original Mar 15	Completed – To be confirmed by follow up audit

Monitoring Report of Actions Arising from Audit Reports
 (incorporating any actions outstanding at 31 March 2015 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')
				Records should be updated to demonstrate this has been completed; any discrepancies should be investigated and escalated appropriately.			
FC (14/15) 1.2a	<p>Baker Tilly Nov 14: Final Report (14/15)</p> <p>Follow up Jun 15: Final Report (14/15)</p>	Fuel Cards Head of Operational Support	Medium	Following the submission of the annual statement from Allstar, the Authority should perform a formal reconciliation exercise to validate that the details on the annual statement agrees to Authority records, especially around those cards that should be cancelled.	<p>At the end of each financial year Transport will undertake formal reconciliation exercise to validate the details on the Allstar annual statement around the cards that should be cancelled against the Authority records.</p> <p>A process has been put in place within workshops that ensures that obsolete cards are disposed of, and cards relating to specific vehicles are cancelled when the vehicle is disposed of.</p> <p>A monthly check on fuel card returns is carried out to validate the use of the card to the correct vehicle/equipment and the correct fuel is being purchased. This ensures that premium fuel (and the associated extra cost) is not purchased.</p> <p>To ensure this process is carried out, emails, briefings and blue bulletin articles were published to all staff.</p> <p>The first annual reconciliation for the fuel statement will take place at year end (April 2015). A monthly reconciliation is completed to ensure the fuel receipts tally with the monthly Allstar statement - this will</p>	Original Mar 15	Completed – To be confirmed by follow up audit

Monitoring Report of Actions Arising from Audit Reports
(incorporating any actions outstanding at 31 March 2015 from earlier reports)

APPENDIX A

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')
					be checked at year end to ensure all 12 months are accounted for. This action is now completed, however at the time of the follow up audit in Feb 2015; this was not due for implementation at the time of the review.		
FC (14/15) 1.2b	Baker Tilly Nov 14: Final Report (14/15) Follow up Jun 15: Final Report (14/15)	Fuel Cards Head of Operational Support	Medium	When an Authority vehicle is disposed, or when a member of staff assigned a fuel card leaves the Authority, the Authority need to ensure that Fuel Cards are cancelled and disposed of in a timely manner. Additionally, cards that have expired or been cancelled should be destroyed in a timely manner.	Transport of 1.2a audit outcome will ensure the fuel cards are cancelled and disposed of in a timely manner. A process has been put in place within workshops that ensures that obsolete cards are disposed of, and cards relating to specific vehicles are cancelled when the vehicle is disposed of. This action is now completed, however at the time of the follow up audit in Feb 2015; this was not due for implementation at the time of the review.	Original Mar 14	Completed – To be confirmed by follow up audit
PROC (15/16) 1b	RSM Nov 15: Final Report (15/16)	Procurement Head of Finance & Asset Management & Treasurer to FRA	Low	New The Authority will formalise the process by which amendments to approval limits within the Great Plains system are undertaken and this will subsequently be incorporated into the appropriate Finance policy.	The Chief Accountant has introduced a process to capture and authorise these changes	Original Nov-15	Completed – No follow up audit required

**Monitoring Report of Actions Arising from Audit Reports
(incorporating any actions outstanding at 31 March 2015 from earlier reports)**

APPENDIX A

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')
PROC (15/16) 2a	RSM Nov 15: Final Report (15/16)	Procurement Head of Finance & Asset Management & Treasurer to FRA	Low	New The Authority will ensure that all contracts with rolling four year expenditure below £2k will have some narrative recorded within the Bluelight system to explain the chosen procurement route and to demonstrate how Best Value has been achieved.	The Procurement Manager has set up a system, whereby he/she will carry out spot checks on a quarterly basis and maintain a log of those reviewed.	Original Nov-15	Completed – No follow up audit required

Monitoring Report of Actions Arising from 2014/15 Annual Governance Statement (incorporating any actions outstanding from the 2013/14 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	Following the general election in May 2015, it is hoped that a multi-year settlement will be provided during 2015/16 for 2016/17 onwards. This will assist in the setting of medium term savings and efficiencies based on the revised forecast budget gap.	The draft budget was presented to the FRA in December 2015 for consultation. Post consultation, with 89% support for a 1.99% council tax increase, the budget report has been prepared for the FRA meeting of 11th February. This is based on the provisional Government settlement figures, as we are yet to receive the final ones (as at 5th Feb 2016).	2016/17 Budget and Medium Term Plan set in February 2016	In progress

Monitoring Report of Actions Arising from 2014/15 Annual Governance Statement (incorporating any actions outstanding from the 2013/14 Annual Governance Statement)

No	Issue	Source	Planned Action	Progress to date	Timing For Completion	Status ('Not Started', 'In Progress' or 'Completed')
2	Review of Authority Effectiveness	All actions from the 2014/15 Review of Authority Effectiveness Action Plan to be completed during 2015/16 and formally reviewed by Members as part of the following year's process	All actions from the 2014/15 Review of Authority Effectiveness Action Plan to be completed during 2015/16 and formally reviewed by Members as part of the following year's process.	<p>A Form of Review of the FRA's Effectiveness Questionnaire was agreed and completed by Members at a facilitated meeting on 28 January 2015. On 12 March 2015, the Audit and Standards Committee considered the outcome of the Review, including any identified areas for improvement, and agreed performance objectives for the coming year.</p> <p>The 2014/15 Review of the FRA's Effectiveness and Action Plan for 2015/16 was agreed by the FRA on 31 March 2015 for inclusion in the FRA's Annual Governance Statement, which was agreed to be part of the 2014/15 Statement of Accounts.</p> <p>A Paper, including recommendations, for the 2015/16 Review of Effectiveness, was submitted to the Audit and Standards Committee on 24 September 2015. At the meeting it was agreed a Form of Review Questionnaire be completed by Members for discussion at a facilitated annual review meeting of the Fire Authority 27 January 2016. Following this meeting a report is to be presented to the Audit and Standards Committee on 17 March to consider and recommend an action plan to the FRA on 19 April 2016 for 2016/17</p>	Original Mar 16	In progress

Monitoring Report of Actions Arising from 2014/15 Annual Governance Statement (incorporating any actions outstanding from the 2013/14 Annual Governance Statement)

No	Issue	Source	Planned Action	Progress to date	Timing For Completion	Status ('Not Started', 'In Progress' or 'Completed')
3	Information Security	2012/13 & 2013/14 AGS & Assurance Statements	This is a Corporate Project to ensure that the Authority's information is secure and the policy is in line with ISO Standard 27001	<p>The Authority's Information Security project has now been fully implemented across the Service and policy arrangements align with ISO 27001.</p> <p>The project introduced a bespoke software solution bringing together Information Security, Business Continuity including Protective Security and Risk Management. This holistic and joined up approach provided for an integrated solution in managing critical information and information assets in a structured framework which are supported by new policies and procedures.</p> <p>The Information Security Project will be signed off by the next Programme Board scheduled for 11th March 2016.</p>	<p>Original Mar 15</p> <p>Agreed Revised Date(s) 30 Nov 15</p>	Completed