

For Publication

Bedfordshire Fire and Rescue Authority
Corporate Services Policy and Challenge Group
21 June 2017
Item No. 9

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

SUBJECT: AUDIT AND GOVERNANCE ACTION PLANS MONITORING REPORT

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Background Papers:

- Action Plans contained in Internal and External Audit Reports
 - Action Plan contained in the Annual Governance Statement 2015/16
 - Minutes of the Audit Committee dated 5 April 2012
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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 2015/16 Annual Governance Statement.

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 first report to the Corporate Services Policy and Challenge Group for the year 2017/18.

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 2016/17 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 2016/17 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.)

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 2015/16 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 7 September 2016, as part of the 2015/16 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 2017 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')
FM (16/17) 1	RSM Nov 16: Final Report (16/17)	Fleet Management Head of Operational Support	Low	The Repair and Maintenance Policy will be updated to refer readers to the Health and Safety Policy and Vehicle Log books to prevent inconsistencies within documents.	New Meeting established with TEM and HSA to confirm alterations and implement changes required in both documents. The Policy has been updated in section 3,6,7,8 and the appendices and is in the process of being published.	Original Apr 17	Completed – to be confirmed by follow up audit
FM (16/17) 3	RSM Nov 16: Final Report (16/17)	Fleet Management Head of Operational Support	Low	A review of MIS will be undertaken to establish whether it has the functionality to produce a report detailing all changes to fleet which can be reviewed against the schedule of works.	New Review of the MIS has been completed by BSSM/HQ and BIM/HQ, awaiting a response from ICT in relation to a new system.	Original Apr 17	Completed – to be confirmed by follow up audit
KFC (16/17) 3.1.2	RSM Feb 17: Final Report (16/17)	Key Financial Controls Head of Finance and Treasurer	Medium	The Authority will ensure that any requests for sales invoices or credit notes to be raised are authorised by the requesting manager or the Chief Accountant / Head of Finance and reflect this in the policies & procedures.	New This has been added to the policy/procedure.	Original Dec 17	Completed – To be confirmed by follow up audit
SI (16/17) 1.2	RSM Dec 16: Final Report (16/17)	Stock and Inventory Head of Operational Support	Medium	The Technical Support Manager will ensure stock is located and organised according to the space available to stores. Larger items may be stored externally away from stores due to available space. A review of all OP numbers will take place to ensure they relate to the correct item and the correct shelf space.	New Stock take now completed, action complete.	Original Mar 17	Completed – To be confirmed by follow up audit

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				<p>The Technical Support Manager will ensure an interim stock take is performed on all stock held by the Technical department to ensure accuracy. This exercise will also ensure that stock is organised in a manner which will enable ease for future counts</p>			
FM (16/17) 2	<p>RSM Nov 16: Final Report (16/17)</p>	<p>Fleet Management Head of Operational Support</p>	High	<p>BFRA will update the repair and maintenance Policy and health and safety Policy to include a requirement for monthly reviews of the logbooks to ensure these are being completed in line with the policy. The logbooks will be updated to include a section where signoff can be included evidencing routine review of the logbooks to ensure they are being satisfactorily completed. The reviewer will also complete random monthly checks of the random sample vehicle to ensure the checks are being completed properly.</p> <p>Ancillary vehicles used as pool cars will be assigned an individual who checks the logbook every week and if the car has not been taken out will carry out the checks and update the logbook.</p>	<p>New Workshops have now got a full complement of staff, the assistant workshop technician will now check all pool vehicles on a Monday and record the inspection details on a job card.</p>	Original Apr 17	Completed – To be confirmed by follow up audit

**Monitoring Report of Actions Arising from Audit Reports
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FM (16/17) 5	RSM Nov 16: Final Report (16/17)	Fleet Management Head of Operational Support	Medium	BFRA will ensure that a random monthly Freight Transport Agency (FTA) inspection is carried and documented as per the policy.	New Freight Transport Agency (FTA) inspection inspections have now taken place on a monthly basis for 2017.	Original Jan 17	Completed – To be confirmed by follow up audit
SI (16/17) 1.1	RSM Dec 16: Final Report (16/17) RSM (Follow up) Mar 17: Final Report (16/17)	Stock and Inventory Head of Finance and Treasurer	Medium	The Head of Finance/Treasurer will ensure that an overarching Stock and Inventory policy is in place which details the following: <ul style="list-style-type: none"> • The type of stock held; • The principles to be followed with regards to receiving, reconciling and using the stock and inventory; • Roles and responsibilities for the stock/inventory held; and • Threshold values (and other factors such as risk) at which enhanced security measures are needed i.e. to ensure expensive or dangerous items such as explosives and flammable goods are secured 	New The stock policy is now in place, with all other recommendations implemented.	Original Feb 17	Completed – Confirmed by follow up audit
FC (15/16) 1	RSM (Follow up) May 16: Final Report (15/16) RSM (Follow up) Mar 17: Final Report (16/17)	Fuel Cards Head of Operational Support	Medium	The authority to undertake a review of the consistency and effectiveness of fuel reserve control activities to ensure these are effective and embedded, taking advantage of appropriate technologies to reduce manual systems.	Following a review of fuel allocation to Service vehicles I can confirm that there have been no reported issues in relation to mis-fueling of vehicles or instances where an incorrect fuel card has been used to purchase fuel for a Service vehicle. Monthly fuel returns continue to be scrutinised by Station Commanders.	Original Mar 17	Completed – Confirmed by Follow up Audit

Monitoring Report of Actions Arising from Audit Reports
 (incorporating any actions outstanding at 31 March 2017 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>The Service is currently in the process of budget identification to enable the procurement of an electronic solution, to automate the issue and recording of fuel from Service sites that hold a bunkered stock.</p> <p>Following a further review of the fuel reserve control activities I can confirm that all Fire stations that hold a bunkered fuel reserve are now using the electronic recording system effectively, a few RDS Stations that do not hold a bunkered fuel reserve are awaiting their training on the electronic system to enable the recording of individual fuel purchase transactions to be recorded in the same manner.</p> <p>Monthly fuel returns are scrutinised by Stn/C's who confirm that fuel allocated aligns with the meter readings on station, any discrepancies that are identified are dealt with appropriately following investigation by the Stn/C.</p> <p>The reconciliation of monthly records provide a total figure for fuel purchase, allocation and bunkered stock held which is reported in the Transport and Asset Management plan.</p> <p>Work is ongoing to identify an appropriate technological solution to further reduce the manual element of fuel allocation, recording and monitoring.</p> <p>Budget is approved for 2018/19 and we will have funds to procure an automated system.</p>		

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KFC (16/17) 2.1	RSM Feb 17: Final Report (16/17)	Key Financial Controls Head of Finance and Treasurer	Low	The Finance Department will ensure that all signatories within the ASL are authorised by the authorised by Head of Finance or Chief Accountant in their absence, and that evidence of authorisation is maintained.	New This process has now been adopted, where the Chief Accountant or Head of Finance will authorise changes to the Authorised Signatory list.	Original Jan 17	Completed – No follow up required
SI (16/17) 1.4	RSM Dec 16: Final Report (16/17)	Stock and Inventory Head of Operational Support	Low	The Authority will ensure that all departments utilise the Great Plains and MIS system to generate a monthly report identifying stock with low balances so these are reordered in timely fashion.	New Technical department work closely with Procurement department to ensure that Great Plains is utilised to generate monthly reports to identify low stock levels. CCAction complete.	Original Mar 17	Completed – No follow up required
FM (16/17) 4	RSM Nov 16: Final Report (16/17)	Fleet Management Head of Operational Support	Low	A review of the processes in place to update FPS and MIS once jobs have been completed will be undertaken to ensure the most efficient process is used to update both systems consistently.	New Review of the MIS has been completed by BSSM/HQ and BIM/HQ, awaiting a reply from ICT to confirm their findings on the requirement for a new system. TSO completes a comparison regularly to confirm consistency between both systems.	Original Apr 17	Completed – No follow up required
FM (16/17) 6	RSM Nov 16: Final Report (16/17)	Fleet Management Head of Operational Support	Low	The Terms of Reference for the SDAG will be updated to include: <ul style="list-style-type: none"> Decision making and quorum requirements; Meeting frequency and reporting. A review schedule will be put in place to ensure the policies are reviewed and Terms of Reference approved regularly.	New Service Delivery Action Group Terms of Reference has now been updated.	Original Jan 17	Completed – No follow up required

Monitoring Report of Actions Arising from 2015/16 Annual Governance Statement (incorporating any actions outstanding from the 2014/15 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 receipt of the four year funding deal, to review/consider and if appropriate sign up to this. The medium term funding gap still needs addressing for year 2020/21.	The FRA approved the 2017/18 budget on 9th February 2017. A budget gap remains in the medium term, but currently not until 2021/22. We await to see how the funding changes from April 2020 will impact the Authority.	Feb 2017	Completed

Monitoring Report of Actions Arising from 2015/16 Annual Governance Statement (incorporating any actions outstanding from the 2014/15 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 2015/16 Review of Authority Effectiveness Action Plan to be completed during 2016/17 and formally reviewed by Members as part of the following year's process	All actions from the 2015/16 Review of Authority Effectiveness Action Plan to be completed during 2016/17 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 27 January 2016. On 17 March 2016, 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 2015/16 Review of the FRA's Effectiveness and Action Plan for 2016/17 was agreed by the FRA on 19 April 2016 for inclusion in the FRA's Annual Governance Statement, which was agreed to be part of the 2015/16 Statement of Accounts.</p> <p>Proposals for the review of the Fire and Rescue Authority's effectiveness in 2016/17 was agreed at the Audit and Standards Committee on 7 September 2016 namely:</p> <p>Policy and Challenge Groups and Committee reviewed their effectiveness by considering three overarching questions to feed into the FRA Review of Effectiveness; and</p> <p>FRA Members were requested to complete a revised questionnaire for a facilitated annual review of the Fire Authority on 17 January 2017.</p> <p>The Review of Effectiveness carried out by the Policy and Challenge Groups, Audit and Standards Committee and from the facilitated annual review on 17 January 2017 was considered by Audit and Standards Committee on 16 March 2017. The effectiveness of each of the Policy and Challenge Groups and this Committee had been structured around a standard set of three questions, rather than a full questionnaire as had been used in previous years.</p>	Mar 2017	Completed

Monitoring Report of Actions Arising from 2015/16 Annual Governance Statement (incorporating any actions outstanding from the 2014/15 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 (Cont.....)	All actions from the 2015/16 Review of Authority Effectiveness Action Plan to be completed during 2016/17 and formally reviewed by Members as part of the following year's process	All actions from the 2015/16 Review of Authority Effectiveness Action Plan to be completed during 2016/17 and formally reviewed by Members as part of the following year's process.	It was agreed at the meeting on 16 March 2017 that the 2016/17 Review of Effectiveness and the associated action plan be recommended for approval and incorporated into the Annual Governance Statement by the Fire and Rescue Authority on 27 April 2017.	Mar 2017	Completed