

For Publication

Bedfordshire Fire and Rescue Authority
Corporate Services Policy and Challenge Group
16 March 2017
Item No. 8

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.

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 2016/17.

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.)

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 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 2016 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')
FC (15/16) 1	RSM (Follow up) May 16: Final Report (15/16)	Fuel Cards	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.	<p>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.</p> <p>Monthly fuel returns continue to be scrutinised by Station Commanders.</p> <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>	Original Mar 17	Completed – To be confirmed by Follow up Audit

**Monitoring Report of Actions Arising from Audit Reports
(incorporating any actions outstanding at 31 March 2016 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')
					<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>		

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, Committee and from the facilitated annual review on 17 January 2017 will be considered by Audit and Standards Committee on 16 March 2017.</p>	Mar 2017	In progress