

For Publication

Bedfordshire Fire and Rescue Authority
Corporate Services Policy and Challenge Group
13 September 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 second 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 2017/18 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 2017/18 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 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')
RM 1.1 (16/17)	RSM May17: Final Report (16/17)	Risk Management Head of projects, Safety and Business Support	Medium	New The Corporate RM Policy and RM Service Order did not cover key areas, such as the roles and responsibilities of key staff.	The new Service Assurance Framework Policy has been reviewed and amended. This will be sent out for consultation prior to publication. the consultation period will be complete the end of October 2017.	Original Dec 17	In Progress
RM 1.2 (16/17)	RSM May17: Final Report (16/17)	Risk Management Head of projects, Safety and Business Support	Medium	New Key fields had not been included in the Corporate Risk Register, such as mitigating controls.	The corporate risk register contains two fields Inherent and residual. The Inherent risks are calculated without actions to implemented to control the risk. The residual risk is calculated with actions placed to control or mitigate risk to the service. Actions assigned to treated risks act as control measures to further reduce the risk to the service.	Original Dec 17	Completed – Subject to follow up audit
RM 1.3 (16/17)	RSM May17: Final Report (16/17)	Risk Management Head of projects, Safety and Business Support	Medium	New A number of issues were found with the content of the Corporate Risk Register, for instance, a number of actions did not have responsible owners or due dates, and others were found to be significantly overdue.	All risks have been reviewed and have been assigned responsible owners. Due dates have been reviewed with the actions either completed or extended, with a detailed explanation why changes have been made.	Original Sep17	Completed – Subject to follow up audit
RM 1.4 (16/17)	RSM May17: Final Report (16/17)	Risk Management Head of projects, Safety and Business Support	Medium	New Risk scores were not being actively revised in line with assurances and updates against risks.	All risks are reviewed monthly by the responsible owner. This includes risk score, actions, completion dates and review statements to the Fire Authority Policy and challenge Groups.	Original Sep17	Completed – Subject to follow up audit

**Monitoring Report of Actions Arising from Audit Reports
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GOV 1 (16/17)	RSM May 17: Final Report (16/17)	Governance Head of projects, Safety and Business Support	Low	New Going forward, the Authority will document any reviews carried out on the Standing Orders.	Any future reviews carried out on the Standing Orders will be documented on the Standing Orders to confirm the date of the review	Original Mar 17	Completed – No follow up audit required
GOV 2 (16/17)	RSM May 17: Final Report (16/17)	Governance Head of Finance and Asset Management	Medium	New BFRS already publish a Contracts register containing details of contracts over £5,000 together with all transparency criteria. For any contract, commissioned activity, purchase order, framework agreement and any other legally enforceable agreement with a value that exceeds £5,000 the service will include the following information: reference number title of agreement local authority department responsible description of the goods and/or services being provided supplier name and details sum to be paid over the length of the contract or the estimated annual spending or budget for the contract <ul style="list-style-type: none">• Value Added Tax that cannot be recovered• start, end and review dates• whether or not the contract was the result of an invitation	Completed, this is now included on the web page under Transparency.	Original Apr 17	Completed – To be confirmed by follow up audit

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				to quote or a published invitation to tender whether or not the supplier is a small or medium sized enterprise and/or a voluntary or community sector.			
GOV 3 (16/17)	RSM May 17: Final Report (16/17)	Governance Head of Finance and Asset Management	Low	New The Authority will add a Unique Property Reference Number and a unique asset identity for each of the assets.	Completed, these are now included with the property details on the web under Transparency. These were originally included, however I was then advised to remove them, so they have been reinstated.	Original Mar 17	Completed – No follow up audit required
GOV 4 (16/17)	RSM May 17: Final Report (16/17)	Governance Head of Finance and Asset Management	Medium	New The Authority will publish on an annual basis all Grants to voluntary, community and social enterprise organisations.	These are now on the web under Transparency.	Original Apr 17	Completed – To be confirmed by follow up audit
GOV 7 (16/17)	RSM May 17: Final Report (16/17)	Governance Head of projects, Safety and Business Support	Medium	New The Authority will publish the following information relating to fraud: <ul style="list-style-type: none"> total amount spent by the authority on the investigation and prosecution of fraud total number of fraud cases investigated. 	These are now on the web under Transparency.	Original Jun 17	Completed – To be confirmed by follow up audit

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FC (16/17) 1.1	RSM Follow up May 17: Final Report (16/17)	Fuel Cards Head of Operational Suppo	Low	New 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. This should include 1. recording (logs), monitoring and historical data, 2. periodic fuel checks or meter readings; 3. reconciliation of records to the total quantity of fuel held; 4. appropriate investigation and escalation of discrepancies.	The Authority will ensure those RDS Stations that are not yet submitting electronic records will do so to ensure recording is consistent across different sites of the Authority.	Original Mar 17	Completed – No follow up required
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.	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	Stock take now completed, action complete.	Original Mar 17	Completed – To be confirmed by follow up audit

**Monitoring Report of Actions Arising from Audit Reports
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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>to the correct item and the correct shelf space.</p> <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	RSM Nov 16: Final Report (16/17)	Fleet Management Head of Operational Support	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>	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.		Completed – To be confirmed by follow up audit

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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.	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

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