

For Publication

Bedfordshire Fire and Rescue Authority
Corporate Services Policy and Challenge Group
29 November 2017
Item No. 6

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 2016/17
 - 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 2016/17 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 third 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 2016/17 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 14 June 2017, as part of the 2016/17 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')
PROC 1.1.3 17/18	RSM Aug 17: Final Report (17/18)	Procurement Head Finance & Treasurer	Low	New The Procurement Policy and Contracts Procedures Promulgation should be amended to reflect that, where the minimum number of bidders has not been received, the Tender Evaluation Report should explain this and the authorising managers should confirm whether or not this has compromised the validity of the tender and the achievement of value for money.	The Procurement Policy and Contracts procedures have been updated to reflect the Agreed Action	Original Aug 17	Completed – No follow up audit required
PROC 1.1.6 17/18	RSM Aug 17: Final Report (17/18)	Procurement Head Finance & Treasurer	Low	New A formal process will be devised in order to identify, register and manage conflicts of interests for each procurement exercise. Where conflicts are identified, they will be reviewed by senior staff and the safeguarding decisions will be clearly recorded.	A formal process has been be devised in order to identify, register and manage conflicts of interests for each procurement exercise. Where conflicts are identified, they will be reviewed by senior staff and the safeguarding decisions will be clearly recorded.	Original Aug 17	Completed – No follow up audit required

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RM 1.2 (16/17)	RSM May17: Final Report (16/17)	Risk Management Head of projects, Safety and Business Support	Medium	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 – To be confirmed by follow up audit
RM 1.3 (16/17)	RSM May17: Final Report (16/17)	Risk Management Head of projects, Safety and Business Support	Medium	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 – To be confirmed by follow up audit
RM 1.4 (16/17)	RSM May17: Final Report (16/17)	Risk Management Head of projects, Safety and Business Support	Medium	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 – To be confirmed by follow up audit

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GOV 2 (16/17)	RSM May 17: Final Report (16/17)	Governance Head of Finance and Asset Managment	Medium	<p>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:</p> <ul style="list-style-type: none"> 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 	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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				an invitation 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 4 (16/17)	RSM May 17: Final Report (16/17)	Governance Head of Finance and Asset Management	Medium	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	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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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	<p>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.</p> <p>A review of all OP numbers will take place to ensure they relate 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>	Stock take now completed, action complete.	Original Mar 17	Completed – To be confirmed by follow up audit

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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 2016/17 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.	<p>The first Members Budget Workshop was held on the 21st November 2017 and following this, further work continues on preparing the budget. The work includes obtaining the taxbases from the three unitary authorities etc.</p> <p>The draft budget will be set for consultation on the 14th December at the FRA meeting, followed by the 2nd Members Budget Workshop on 18th January 2018. The final budget and council tax will be set at the FRA meeting on the 8th February 2018.</p>	Feb 2018	In Progress

Monitoring Report of Actions Arising from 2016/17 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 2016/17 Review of Authority Effectiveness Action Plan to be completed during 2017/18 and formally reviewed by Members as part of the following year's process	All actions from the 2016/17 Review of Authority Effectiveness Action Plan to be completed during 2017/18 and formally reviewed by Members as part of the following year's process.	<p>Proposals for the review of the Fire and Rescue Authority's effectiveness in 2017/18 was agreed at the Audit and Standards Committee on 28 September 2017 namely:</p> <p>Policy and Challenge Groups and Committees to review their effectiveness by considering three overarching questions to feed into the FRA Review of Effectiveness. These will be considered by the CSPCG on 29/11/2017, SDPCG on 30/11/2017, ASC on 6/12/2017 and HRPCG on 11/01/2018.</p> <p>The recorded Minutes of the meetings will be fed into the facilitated meeting to be held on 18 January 2018 to review the Fire Authority's Effectiveness in 2017/18.</p>	Mar 2018	In Progress