



BEDFORDSHIRE FIRE & RESCUE AUTHORITY

Follow Up of 2016/17 Actions

FINAL

Internal Audit - Follow Up Report 7.17/18

5 June 2018

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1 EXECUTIVE SUMMARY

1.1 Introduction

As part of the approved internal audit periodic plan for 2017/2018 we have undertaken a review to follow up progress made by you to implement the previously agreed management actions. The audits considered as part of the follow up review were:

- Fleet Management (2.16/17)
- Stocks and Inventory (3.16/17)
- Data Quality – Incident Reporting System (6.16/17)
- Governance: Transparency and Decision Making (7.16/17)
- Retained Recruitment (8.16/17)
- Follow Up (9.16/17)

The 11 management actions considered in this review comprised of one 'high' and 10 'medium' priority actions. The focus of this review was to provide assurance that all actions previously made have been adequately implemented. For actions categorised as 'low' we have accepted management's assurance regarding their implementation.

Through review, we noted that there were no medium or high actions in the previous Follow Up audit (9.16/17).

1.2 Conclusion

Taking account of the issues identified in the remainder of the report and in line with our definitions set out in Appendix A, in our opinion Bedfordshire Fire & Rescue Authority has demonstrated **reasonable** progress in implementing agreed management actions.

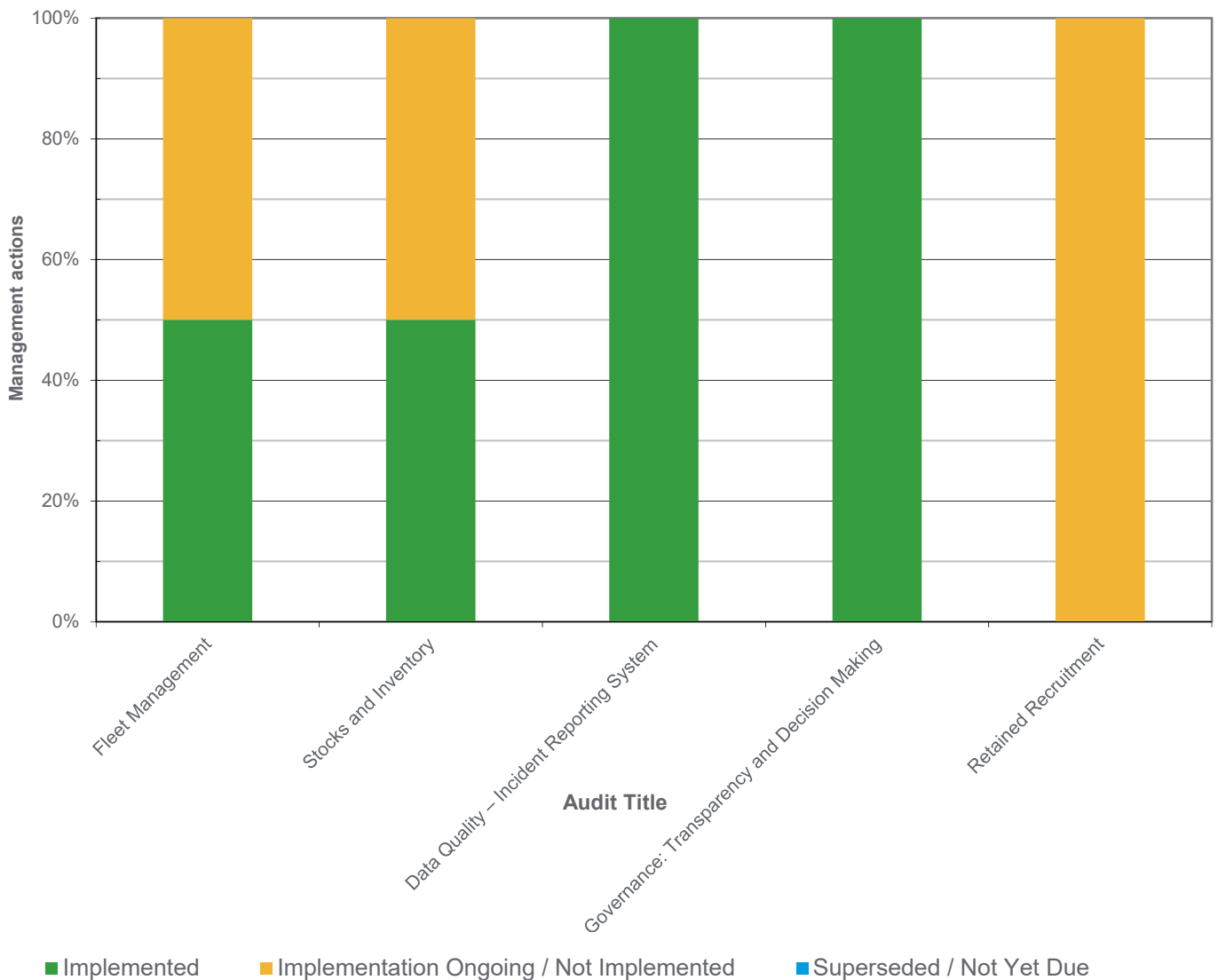
We have made new management actions where appropriate; these are detailed in section 2 of this report.

1.3 Action tracking

Action tracking enhances an organisation's risk management and governance processes. It provides management with a method to record the implementation status of actions made by assurance providers, whilst allowing the Audit Committee to monitor actions taken by management.

Action tracking is undertaken by Bedfordshire Fire & Rescue Authority's management on a regular basis, with an update provided to the Audit and Standards Committee at each meeting. We have identified three instances where the implementation status of action reported by management to the committee differs from our own findings.

The following graph highlights the number and categories of actions issues and progress made to date:



Further details of progress made are provided in Section 2 of this report. It is important to note that until a management action is fully implemented, the organisation is still exposed to risk.

We have verified that the status of implementation of management actions, as reported to the audit committee via the internal action tracking process, is accurate for the following audits:

- Data Quality – Incident Reporting System (6.16/17)
- Governance: Transparency and Decision Making (7.16/17)

1.4 Progress on actions

Implementation status by review	Number of actions agreed	Status of management actions					
		Implemented (1)	Implementation ongoing (2)	Not implemented (3)	Superseded (4)	Not yet due (5)	Completed or no longer necessary (1) + (4)
2.16/17 Fleet Management	2	1	1	0	0	0	1
3.16/17 Stocks and Inventory	2	1	1	0	0	0	1
6.16/17 Data Quality – Incident Reporting System	3	3	0	0	0	0	3
7.16/17 Governance: Transparency and Decision Making	3	3	0	0	0	0	3
8.16/17 Retained Recruitment	1	0	1	0	0	0	0

Implementation status by management action priority	Number of actions agreed	Status of management actions					
		Implemented (1)	Implementation ongoing (2)	Not implemented (3)	Superseded (4)	Not yet due (5)	Completed or no longer necessary (1)+(4)
High	1	0	1	0	0	0	0
Medium	10	8	2	0	0	0	8
Totals	11	8	3	0	0	0	8

2 FINDINGS AND MANAGEMENT ACTIONS

This report has been prepared by exception. Therefore, we have included only those actions graded as 2 and 3. Each action followed up has been categorised in line with the following:

Status	Detail
1	The entire action has been fully implemented.
2	The action has been partly though not yet fully implemented.
3	The action has not been implemented.
4	The action has been superseded and is no longer applicable.
5	The action is not yet due.

ASSIGNMENT TITLE: 2.16/17 Fleet Management

Ref	Management action	Original date	Original priority	Status reported to audit committee	Audit finding	Current status	Updated management action	Priority issued	Revised date	Owner responsible
1.1	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.	30 April 2017	High	1	We confirmed that an external company undertake checks on a monthly basis and issue a vehicle maintenance inspection report which is retained onsite. This will highlight any issues if checks are not completed properly. We received and reviewed the Health and Safety at Work Policy, Section 01/23 Driving at Work, and found that it states that the 'completion of the required vehicle user checks will be subject to periodic auditing and random sampling under Service auditing and monitoring policies' (30.4). We noted that although this covers the audit inspections of the vehicles, it	2	The Authority will update the Repair and Maintenance Policy and Health and Safety Policy to include a requirement for monthly reviews of the logbooks.	Low	Dec 09	Head of Service Support

The reviewer will also complete random monthly checks of the random sample vehicle to ensure the checks are being completed properly.

does not cover the monthly review and signing of the logbook.

We also reviewed the Appliances and Equipment Policy, section 01/19 Repair and Maintenance of Appliances, Vehicles and Equipment and found no note of the requirement of monthly reviews of the logbook.

If the requirement is not documented there is a risk that vehicle checks may not be undertaken and thus faults will not be identified. This increases the risk of accidents occurring which could cause financial and reputational damage to the Authority.

We therefore deemed that this action was part implemented, with an element ongoing. We have therefore amended the action to reflect the Authorities current position and risk exposure.

Action partly restated.

ASSIGNMENT TITLE: 3.16/17 Stocks and Inventory

Ref	Management action	Original date	Original priority	Status reported to audit committee	Audit finding	Current status	Updated management action	Priority issued	Revised date	Owner responsible
2.1a	<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. 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>	31 March 2017	Medium	1	<p>Through discussion with the StnC(t) Technical, we found that the Authority is currently undergoing a re-categorisation of all stock. Each stock item will be allocated a unique code starting with 'OP' followed by a letter coding relating to stock items area of use followed by a selection of numbers.</p> <p>Through review of the full stock list, we identified that only some areas have currently been completed, including:</p> <ul style="list-style-type: none"> • Toolbox; • Fire Investigation; • Electrical box; and, • Water rescue (currently in progress). <p>Through further discussion with the StnC(t) Technical, we found that the target for completion is March 2019.</p> <p>We also were informed that interim stock checks have occurred but no evidence is retained. There is a risk that stock could be damaged, stolen or misappropriated if it is not stored, checked and recorded appropriately.</p> <p>We therefore deemed that the full review of all OP numbers had not yet been fully completed.</p> <p>Action reworded.</p>	2	<p>The Authority will ensure that the review and update of all OP numbers is completed 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 and evidence of this will be retained.</p>	Medium	<p>Initial trial at 1 station Dec 2019</p> <p>Full service implementation April 2020</p>	Head of Service Support

2.1b As above

31
March
2017

Medium

1

We selected a sample of ten stock items, and found that in five instances the stock items were located in either stores or technical stores.

We noted that in only one of these five instances was the stock item issued an OP number. In the other four out of five instances, the stock item had a correct label on the box but was on a shelf under the incorrect code or had not been labelled at all.

In the remaining five instances we were informed that many of the stock items had been issued out and the remaining items were awaiting being issued to stores.

We obtained an allocations spreadsheet which showed that large quantities of the stock had been allocated to toolkits and we were informed that some of the stock had been issued to other areas such as the MRVs or the sales engineer.

We confirmed that in all five instances, the stock on the system was explained by the technical team but we could not view all items in person due to them being allocated to a variety of different sites.

There is a risk that stock could be damaged, stolen or misappropriated if it is not stored, checked and recorded appropriately.

We therefore found that the system was not up-to-date with stock levels and thus have found that the action is not yet completed.

2

See action 2.1a

ASSIGNMENT TITLE: 8.16/17 Retained Recruitment

Ref	Management action	Original date	Original priority	Status reported to audit committee	Audit finding	Current status	Updated management action	Priority issued	Revised date	Owner responsible
3.1	The Head of Training and Development will ensure that all required recruitment documents and checks are fully completed and performed prior to a Retained Firefighter starting at the Authority.	30 June 2017	Medium	1	<p>Through discussion with the Human Resources Administrator, we found that since February 2017 the Authority has a new online application process through IBM. The process requires fewer forms and also means that all documentation for each new starter is collated and kept in one singular location.</p> <p>We tested a sample of five Retained Firefighters which started in the Trust in November 2017 and found that in all five instances:</p> <ul style="list-style-type: none"> • An online application was filled out and included the Retained Firefighters availability; • a checklist of the checks to be undertaken which includes the DBS check (We noted that a separate DBS monitoring document is also maintained); • A DVLA check of the new starters driving licence; and • A medical confirmation form. <p>Whilst we found that in three instances, the new starter did not have both two character references and five years work history as required, we did note that in all instances the new starter had either five years work experience or if there were any gaps, then had two character references.</p>	2	The Authority will ensure that all new starters sign their contracts prior to their first day at work.	Medium	31 March 2018	Assistant HR Operations Manager.

Through discussion with the Assistant HR Operations Manager this was adequate and would have been agreed for each.

We also found that in four of the five instances the employees contract had not been signed. If the employees contract has not been signed, there is a risk that the employee will not be contractually obliged to any standards required by the Authority.

Action reworded.

APPENDIX A: DEFINITIONS FOR PROGRESS MADE

The following opinions are given on the progress made in implementing actions. This opinion relates solely to the implementation of those actions followed up and does not reflect an opinion on the entire control environment

Progress in implementing actions	Overall number of actions fully implemented	Consideration of high actions	Consideration of medium actions	Consideration of low actions
Good	> 75 percent	None outstanding	None outstanding	All low actions outstanding are in the process of being implemented
Reasonable	51 – 75 percent	None outstanding	75 percent of medium actions made are in the process of being implemented	75 percent of low actions made are in the process of being implemented
Little	30 – 50 percent	All high actions outstanding are in the process of being implemented	50 percent of medium actions made are in the process of being implemented	50 percent of low actions made are in the process of being implemented
Poor	< 30 percent	Unsatisfactory progress has been made to implement high actions	Unsatisfactory progress has been made to implement medium actions	Unsatisfactory progress has been made to implement low actions

APPENDIX B: SCOPE

Scope of the review

The internal audit assignment has been scoped to provide assurance on how Bedfordshire Fire & Rescue Authority manages the following objective:

Objective of the area under review

To review the implementation of high and medium priority management actions made previously to improve the control framework

When planning the audit, the following areas for consideration and limitations were agreed:

Areas for consideration:

This review will assess the implementation of management actions for the following audit reports:

2.16/17 Fleet Management

3.16/17 Stocks and Inventory

6.16/17 Data Quality – Incident Reporting System

7.16/17 Governance: Transparency and Decision Making

8.16/17 Retained Recruitment

9.16/17 Follow Up

Staff members responsible for the implementation of management actions will be interviewed to determine the current status of each point. Audit testing will be completed, where appropriate, to assess the level of compliance with this status and the controls in place.

The audits listed above resulted in a total of one high and 11 medium priority management actions. We will follow up all high and medium priority management actions, we will not follow up low priority actions.

Limitations to the scope of the audit assignment:

- The scope of this work is limited to those areas examined and reported upon in the areas for consideration in the context of the objectives set out in for this review. It should not, therefore, be considered as a comprehensive review of all aspects of non-compliance that may exist now or in the future.
- Any testing undertaken as part of this audit will be compliance based and sample testing only.
- Testing will be undertaken to follow up actions agreed, it should therefore not be considered as a full assurance review of those areas.

Testing is limited to high and medium priority actions only.

APPENDIX C: ACTIONS COMPLETED

From the testing conducted during this review we have found the following actions to have been fully implemented and are now closed:

Assignment title	Management actions
2.16/17 Fleet Management	BFRA will ensure that a random monthly Freight Transport Agency (FTA) inspection is carried and documented as per the policy.
3.16/17 Stocks and Inventory	<p>The Head of Finance/Treasurer will ensure that an overarching Stock and Inventory policy is in place which details the following:</p> <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.
6.16/17 Data Quality – Incident Reporting System	<p>1.) The Head of Operations will undertake periodic lessons learnt exercise to ensure that frequent issues can be identified with regards to the input of data.</p> <p>Action plans to address these issues will then be developed and monitored.</p> <p>2.) The Control Team will ensure that data on the number of outstanding IRS to be checked is produced and provided to ODT meetings on a monthly basis as prescribed.</p> <p>The Head of Operations will ensure that findings are actively discussed in meetings.</p> <p>3.) The Head of Operations will consider whether full programme refresher training will be beneficial for all staff involved in the input of IRS data.</p> <p>The Head of Operations will progress development of a training package to support induction of new control staff and new fire officers.</p>
7.16/17 Governance: Transparency and Decision Making	<p>1.) BFRS already publish a Contracts register containing details of contracts over £5,000 together with all transparency criteria.</p> <p>For any contract, commissioned activity, purchase order, framework agreement and any other legally enforceable</p>

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
- Value Added Tax that cannot be recovered
- start, end and review dates
- whether or not the contract was the result of 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.

2.) The Authority will publish on an annual basis all Grants to voluntary, community and social enterprise organisations.

3.) The Authority will publish the following information relating to fraud:

- total amount spent by the authority on the investigation and prosecution of fraud total number of fraud cases investigated.
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FOR FURTHER INFORMATION CONTACT

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