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

SUBJECT: **AUDIT AND GOVERNANCE ACTION PLANS MONITORING REPORT**

For further information   Karen Daniels
on this report contact: Service Assurance Manager
                            Tel No: 01234 845013

Background Papers:

- Action Plans contained in Internal and External Audit Reports
- Action Plan contained in the Annual Governance Statement 2017/18
- Minutes of the Audit Committee dated 5 April 2012

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 2018/19 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 2018/19.

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 2018/19 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 2018/19 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 *one* request 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 2017/18 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 6 July 2018, as part of the 2017/18 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 2018 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 (17/18) 5	**RSM** Apr 18: Final Report (17/18)	Risk Management Head of Service Development & Assurance	Low	The Service will introduce formal risk management training for risk owners and other key staff.	*Due to the Service restructure and the HMICFRS, we have not yet implemented this action.* **A request is made to extend the completion date to 31/12/2018**	**Original** Aug 18	In Progress
FM (17/18) 2.1a	**RSM** Follow Up June 18: Final Report (17/18)	Stocks and Inventory Head of Operational Support	Medium	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 in stores. The Technical Support Manage will ensure an interim stoke take is performed on all stock held by the Technical department to ensure accuracy and evidence of this will be retained	A review of stock and its location is currently being untaken. Where needed stock and OP numbers are being relabelled	**Original** Dec 19	In Progress
RM (17/18) 3	**RSM** Apr 18: Final Report (17/18)	Risk Management Head of Service Development & Assurance	Medium	The Corporate Risk Register will be updated to encompass the following fields: • Mitigating controls; • Assurances against controls; and • Gaps in controls / assurances.	The Corporate Risk Register (in Abriska) has been updated to encompass the following fields: • Mitigating controls; (Linked Controls) • Assurances against controls; and (Maturity Defined and Justified Proposed Maturity Defined and Justified) • Gaps in controls / assurances.	**Original** August 18	Completed – To be confirmed by follow up audit

Monitoring Report of Actions Arising from Audit Reports
(incorporating any actions outstanding at 31 March 2018 from earlier reports)

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RM (17/18) 4	**RSM** Apr 18: Final Report (17/18)	Risk Management Head of Service Development & Assurance	Medium	A review of all risk scores will be undertaken in line with the following definitions: • Inherent risk - the risk that an activity would pose if no controls or other mitigating factors were in place; and • Residual risk - the risk that remains after controls and other mitigating factors are taken into account	A review of all risk scores will be undertaken in line with the following definitions: • Absolute risk - the risk that an activity would pose if no controls or other mitigating factors were in place; and . Inherent risk - some risk controls in place, and action plan to address further risk. • Residual risk - the risk that remains after controls and other mitigating factors are taken into account	**Original** Aug 18	Completed – To be confirmed by follow up audit
RM (17/18) 9b	**RSM** Apr 18: Final Report (17/18)	Risk Management Head of Service Development & Assurance	Medium	Where updates and assurances against risks are reported as part of Corporate Risk Register reports to the Policy and Challenge Groups and the Audit and Standards Committee, risk scores will also be included for review as to whether they require revising.	Completed - CMT will ensure they do this in there Review and monitor section for PCG reports.	**Original** May 18	Completed – Subject to follow up audit
RM (17/18) 1	**RSM** Apr 18: Final Report (17/18)	Risk Management Head of Service Development & Assurance	Low	The Service Assurance Framework will be updated to ensure that there is clear linkage between business continuity, information security and risk management	The Service Assurance Framework has been updated to nure that there is a clear linkage between business continuity, information security and risk management	**Original** May 18	Completed – No follow up audit required

Monitoring Report of Actions Arising from Audit Reports
(incorporating any actions outstanding at 31 March 2018 from earlier reports)

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RM (17/18) 2	**RSM** Apr 18: Final Report (17/18)	Risk Management Head of Service Development & Assurance	Low	When updating the Service Assurance Framework with content from the Corporate Risk Management Policy / Risk Management Service Order, the following additional information will be included: • Key risk definitions; • Minimum frequency for risk reviews by risk owners; • Escalation process for new/emerging risks identified by staff; and • Risk appetite statement (clearly identifying the level of risk the Service are willing to tolerate)	The Service Assurance Framework has been updated with the following additional information:- Key risk definitions; • Minimum frequency for risk reviews by risk owners; • Escalation process for new/emerging risks identified by staff; and • Risk appetite statement (clearly identifying the level of risk the Service are willing to tolerate)	**Original** May 18	Completed – No follow up audit required
RM (17/18) 6	**RSM** Apr 18: Final Report (17/18)	Risk Management Head of Service Development & Assurance	Low	The Risk Champion review of the Corporate Risk Register will be undertaken on at least a quarterly basis to check key areas, including: • Whether actions have responsible owners and due dates assigned; • Whether actions are completed in line with their due date (or reasoning has been provided where they are overdue); and • Whether risks are reviewed in	A full report is discussed at CMT on a quarterly basis (September, December, March and April) and this is reflected in the Agenda and Minutes.	**Original** May 18	Completed – No follow up audit required

Monitoring Report of Actions Arising from Audit Reports

(incorporating any actions outstanding at 31 March 2018 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')
				line with their review date. Where there is non-compliance with the above, this will be escalated by the Risk Champion accordingly			
RM (17/18) 7	**RSM** Apr 18: Final Report (17/18)	Risk Management Head of Service Development & Assurance	Low	Where new risks are reported to the Corporate Management Team (CMT), the proposed risk scoring will also be reported to ensure appropriate oversight prior to the risk being added to the Corporate Risk Register.	This action is acknowledged and accepted and can only be completed when a new risk has been identified.	**Original** May 18	Completed – No follow up audit required
RM (17/18) 8	**RSM** Apr 18: Final Report (17/18)	Risk Management Head of Service Development & Assurance	Low	The Terms of References of the Corporate Management Team and Service Delivery Leadership Team will be updated to include the following information: • Accountability lines; • Reporting lines (both up and down); • Quorum; • Review frequency of the ToR; • Meeting arrangements; and • Membership.	Service Delivery Leadership Team and CMT Terms of Reference have been updated to include:- • Accountability lines; • Reporting lines (both up and down); • Quorum; • Review frequency of the ToR; • Meeting arrangements; and • Membership.	**Original** May 18	Completed – No follow up audit required

Monitoring Report of Actions Arising from Audit Reports
(incorporating any actions outstanding at 31 March 2018 from earlier reports)

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APPENDIX A

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RM (17/18) 9a	**RSM** Apr 18: Final Report (17/18)	Risk Management Head of Service Development & Assurance	Low	The Terms of References of the Policy and Challenge Groups and the Audit and Standards Committee will be updated to include a next review date/review frequency	The Terms of References of the Policy and Challenge Groups and the Audit and Standards Committee have been updated to include a next review date/review frequency	**Original** May 18	Completed – No follow up audit required
FM (17/18) 1.1	**RSM** Follow Up June 18: Final Report (17/18)	Fleet Management Head of Operational Support	Low	The Authority will update the Repair and Maintenance Policy and Health and Safety Policy to include a requirement for monthly reviews of the logbooks	The Authority has updated the Repair and Maintenance Policy and Health and Safety Policy to include a requirement for monthly reviews of the logbooks	**Original** Dec 18	Completed – No follow up required

Monitoring Report of Actions Arising from 2017/18 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.	Budget work for the 2019/20 budget has commenced, with the normal timetable leading up to budget setting in February 2019. The budget gap will again be forecast as part of the budget setting process, which updates the position annually.	Mar 2019	In Progress
2	Review of Authority Effectiveness	All actions from the 2017/18 Review of Authority Effectiveness Action Plan to be completed during 2018/19 and formally reviewed by Members as part of the following year's process	All actions from the 2017/18 Review of Authority Effectiveness Action Plan to be completed during 2018/19 and formally reviewed by Members as part of the following year's process.	A review of effectiveness paper will be presented to the Audit and Standards Committee on 25 September 2018 .	Mar 2019	In Progress