

**For Publication**

**Bedfordshire Fire and Rescue  
Authority  
Corporate Services Policy and  
Challenge Group  
9 June 2016  
Item No. 9**

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**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 2014/15
- 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.*

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**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 2014/15 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..

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## 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 first 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 2015/16 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 2015/16 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 2014/15 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 25 June 2015, as part of the 2014/15 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 2015 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')
GOV (15/16) 1.1	<b>RSM</b> Feb 16: Final Report (15/16)	Governance  Head of Strategic Support	Low	<b>New</b> The TOR's should be updated to include the reporting lines of each Committee / Group.	Terms of References are reviewed by the relevant Committee /Groups annually following the AGM in June and it is being recommended to each that the TORs of reference include reporting lines of each Committee /Group. If agreed the TORs will be updated following approval of the FRA in July 2016	<b>Original</b> July 16	In Progress
FC (14/15) 1.7a	<b>Baker Tilly</b> Nov 14: Final Report (14/15)  <b>Follow up</b> Jun15: Final Report (14/15)  <b>Follow up</b> Jun16: Final Report (15/16)	Fuel Cards  Head of Operational Support	Medium	To improve control around the fuel reserve log, the Authority need to ensure that: <ul style="list-style-type: none"> <li>• The spreadsheet is consistently used by each station to prevent illegible records;</li> <li>• The spreadsheet should be maintained via SharePoint, to allow document history to be monitored;</li> <li>• Periodic fuel check or meter readings should implemented on each fuel reserve, to reconcile to the total quantity of fuel held. Records should be updated to demonstrate this has been completed; any discrepancies should be investigated and escalated appropriately.</li> </ul>	This is now business as usual and checks are carried out by Workshops on the spread sheet monthly, where any discrepancies are notified back to the relevant station commander for action. The spread sheet is on sharepoint and there is an audit trail of the monitoring of it.  Nb: The action is superseded by a new action in the RSM Follow-up Audit Report 26 May 2016.	<b>Original</b> Mar 15	Completed – Confirmed by follow up audit
FEAT (14/15) 2.1	<b>Baker Tilly</b> Nov 14: Final Report (14/15)  <b>Follow up</b>	Fleet & Equipment Asset Tracking  Head of Operational	High	The Authority should evaluate the use and application of the following possible methods of improving its data capture and the record keeping of its operational equipment:	The Service has completed an evaluation of the use and application of methods to improve data capture and record keeping of its operational equipment.  We have improved our spreadsheets with	<b>Original</b> Mar 16	Completed – Confirmed by follow up audit

**Monitoring Report of Actions Arising from Audit Reports**  
 (incorporating any actions outstanding at 31 March 2015 from earlier 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')
	Jun15: Final Report (14/15)  <b>Follow up</b> Jun16: Final Report (15/16)	Support		<ul style="list-style-type: none"> <li>• Produce and implement an improved spreadsheet, this could be an access database that ensures that sufficient information is captured in a consistent form so the information can be easily sorted and filtered as required.</li> <li>• Implement and use the Authority's existing asset management system.</li> <li>• Procure a new asset management system.</li> </ul> The Authority should also consider the application of a barcoding system or portal devices to improve efficiency and accuracy enough to justify the additional cost.	<p>an underlying database in March 2015 to improve recording, management, accessibility and consistency of records through a database-led approach. To support this further the Service conducted themed audits of the management and recording of operational assets at all stations. These audits completed in October 2015.</p> <p>An evaluation of the existing facility in the Service's Management Information System was undertaken in with a full assessment of the capabilities with the support of the supplier. The evaluation, completed in February 2015, found that the benefits were limited by the capabilities of the software and the benefits of the wider improvements in existing records outweighed the significant work and cost required to migrate.</p> <p>The Service has evaluated the capabilities and benefits of modern asset management software and associated tracking devices (such as bar-code systems). A project to implement an Asset Management system is incorporated into the Service's programme of improvement with oversight from the Strategic Programme Board.</p>		

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PROC (15/16) 1a	<b>RSM</b> Nov 15: Final Report (15/16)  <b>Follow up</b> Jun16: Final Report (15/16)	Procurement  Head of Finance & Asset Management & Treasurer to FRA	Medium	The Authority will liaise with ISC to decide if they should acquire the functionality to run reports of all user approval limits and user approval limit changes. If obtained this will then be used to implement a process of regular review and reconciliation of approval limits from the Great Plains System against the hard copy authorised signatory list held by the Finance team.	ISC have advised that the system cannot do this. The Finance Team have therefore implemented a process whereby spot checks/samples, are checked annually.	<b>Original</b> Nov-15	Completed – Confirmed by follow up audit
PROC (15/16) 2b	<b>RSM</b> Nov 15: Final Report (15/16)  <b>Follow up</b> Jun16: Final Report (15/16)	Procurement  Head of Finance & Asset Management & Treasurer to FRA	Medium	The Authority will ensure that for all contracts between £2k and £10k a minimum of three quotes and/or market evidence of best value are obtained and retained. In addition, for all contracts between £10k and £50k the appropriate written quotes are received and processed through the Bluelight system for E-Tendering.  Alternatively, the Authority will ensure that the appropriate waiver forms are completed and approved in line with the Authority's procedure to ensure value for money is being considered.	The Procurement Manager has now introduced a process to capture these purchases and a process to review the files held by Budget Mangers too.	<b>Original</b> Nov-15	Completed – Confirmed by follow up audit

**Monitoring Report of Actions Arising from Audit Reports**  
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FEAT (14/15) 2.3	<p><b>Baker Tilly</b> Nov 14: Final Report (14/15)</p> <p><b>Follow up</b> Jun 15: Final Report (14/15)</p> <p><b>Follow up</b> Jun16: Final Report (15/16)</p>	<p>Fleet &amp; Equipment Asset Tracking</p> <p>Head of Operational Support</p>	High	<p>1. The Authority must undertake an exercise to document and ensure that all equipment that requires safety/service checks are recorded and that such checks are not overdue.</p> <p>In order for this process to be completed efficiently and quickly we would strongly recommend the following approach is taken:</p> <p>2. The Technical Team should produce a data capture spreadsheet based on the required fields within the MIS system. This would allow the information to be captured consistently and possibly allow the software developer to import the data in to the MIS system.</p> <p>3. The spreadsheet should then be issued to the stations and stores to populate the data about the equipment they hold and then returned to the technical team (The Service has decided not to do this, see Management comment and amend this bullet point) The returned spreadsheets should then be combined into a single central record and securely protected. The records should then</p>	<p>1. This work was completed within a few days, no such equipment was found to be requiring safety checks, all items of equipment were recorded on a new spread sheet.</p> <p>2. Data cleansing has been finalised for this year and will be exported to the new asset tracking system when procured. The 14 station audits of appliances and equipment has now been completed and we have finalised the population of the cleansed data onto the spreadsheets for this year</p> <p>3. Completed and addressed during station audits of operational equipment and appliances. The spreadsheet has now been moved from SharePoint to STEPS. New functionality of the system will ensure stations can access the equipment and update after there testing has been carried out.</p>	<b>Original</b> Dec 15	Completed – Confirmed by follow- up audit

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				be cross referenced back to the paper record to safety inspection reports to ensure that all equipment that requires a safety check has had one in the required time frame. If any exceptions are found, they should be taken out of use until the checks can be completed.			
PAR (13/14) 6	<p><b>Baker Tilly</b> Mar 14: Final Report (13/14)</p> <p><b>Follow up</b> Jun15: Final Report (14/15)</p> <p><b>Follow up</b> Jun16: Final Report (15/16)</p>	Partnerships  Head of Strategic Support	Medium	An annual overarching review of partnerships should be performed by the Service and presented to the authority to determine the success of partnerships. The success should include a link to costs and benefits realisation. This review process should also include a gap analysis to determine whether there are any potential emerging partnerships the Service should explore.	An annual review of partnerships was undertaken and presented to the Fire and Rescue Authority at their meeting on 15 July 2015.	<p><b>Original</b> May 15</p> <p><b>Agreed Revised Date</b> Jul 2015</p>	Completed – Confirmed by follow- up audit
KFC (14/15) 1.2	<p><b>Baker Tilly</b> May 15: Final Report (14/15)</p> <p><b>KFC Follow up</b> Apr 16: Final Report (15/16)</p>	Key Financial Controls  Head of Finance & Asset Management & Treasurer to FRA	Medium	The Service should ensure that all amendments to supplier bank details are verified with a known contact using an existing or independently sourced telephone number.	It was acknowledged that the system has improved since last year; however taking into account this recent recommendation the forms have been amended to improve the controls further.	<b>Original</b> May 15	Completed – 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')
FC (14/15) 1.2a	<p><b>Baker Tilly</b> Nov 14: Final Report (14/15)</p> <p><b>Follow up</b> Jun 15: Final Report (14/15)</p> <p><b>Follow up</b> Jun16: Final Report (15/16)</p>	<p>Fuel Cards</p> <p>Head of Operational Support</p>	Medium	<p>Following the submission of the annual statement from Allstar, the Authority should perform a formal reconciliation exercise to validate that the details on the annual statement agrees to Authority records, especially around those cards that should be cancelled.</p>	<p>At the end of each financial year Transport will undertake formal reconciliation exercise to validate the details on the Allstar annual statement around the cards that should be cancelled against the Authority records.</p> <p>A process has been put in place within workshops that ensures that obsolete cards are disposed of, and cards relating to specific vehicles are cancelled when the vehicle is disposed of.</p> <p>A monthly check on fuel card returns is carried out to validate the use of the card to the correct vehicle/equipment and the correct fuel is being purchased. This ensures that premium fuel (and the associated extra cost) is not purchased.</p> <p>To ensure this process is carried out, emails, briefings and blue bulletin articles were published to all staff.</p> <p>The first annual reconciliation for the fuel statement will take place at year end (April 2015). A monthly reconciliation is completed to ensure the fuel receipts tally with the monthly Allstar statement - this will be checked at year end to ensure all 12 months are accounted for.</p>	<b>Original</b> Mar 15	Completed – Confirmed by follow up audit

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FC (14/15) 1.2b	<b>Baker Tilly</b> Nov 14: Final Report (14/15)  <b>Follow up</b> Jun 15: Final Report (14/15)  <b>Follow up</b> Jun16: Final Report (15/16)	Fuel Cards  Head of Operational Support	Medium	When an Authority vehicle is disposed, or when a member of staff assigned a fuel card leaves the Authority, the Authority need to ensure that Fuel Cards are cancelled and disposed of in a timely manner. Additionally, cards that have expired or been cancelled should be destroyed in a timely manner.	Transport of 1.2a audit outcome will ensure the fuel cards are cancelled and disposed of in a timely manner. A process has been put in place within workshops that ensures that obsolete cards are disposed of, and cards relating to specific vehicles are cancelled when the vehicle is disposed of.	<b>Original</b> Mar 14	Completed – Confirmed by follow up audit
GOV (15/16) 1.2	<b>RSM</b> Feb 16: Final Report (15/16)	Governance  Head of Strategic Support	Low	<b>New</b> That the annual overarching performance report be clearly visible on the service website.	The annual overarching performance report has been added to the Service website and is clearly visible	<b>Original</b> Feb 16	Completed – No follow up required
GOV (15/16) 1.3	<b>RSM</b> Feb 16: Final Report (15/16)	Governance  Head of Strategic Support	Low	<b>New</b> The Authority to ensure that the agreed action plan is revised to contain SMART attributes to enable successful monitoring and where appropriate, specifies lead members / employees for each action.	The agreed action plan has been revised to contain SMART attributes to enable successful monitoring.	<b>Original</b> Apr 16	Completed – No follow up required

**Monitoring Report of Actions Arising from Audit Reports  
(incorporating any actions outstanding at 31 March 2015 from earlier 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')
GOV (15/16) 1.4	<b>RSM</b> Feb 16: Final Report (15/16)	Governance  Head of Strategic Support	Low	<b>New</b> The Members Handbook to be reviewed and documents updated to reflect the correct name of the Authority.	The Members Handbook has been reviewed and updated where applicable. Where it is stated in the handbook that the Combined Fire Authority (CFA) had previously made a decision this has not been changed.	<b>Original</b> Apr 16	Completed – No follow up required
KFC (15/16) 1.4	<b>RSM</b> Feb 16: Final Report (15/16)	Key Financial Controls  Head of Finance & Asset Management & Treasurer to FRA	Low	<b>New</b> We were unable to obtain any evidence of the approval or oversight of cost centres prior to them being set up	We were unable to obtain any evidence of the approval or oversight of cost centres prior to them being set up	<b>Original</b> Apr 16	Completed – No follow up required
KFC (15/16) 5.1	<b>RSM</b> Feb 16: Final Report (15/16)	Key Financial Controls  Head of Finance & Asset Management & Treasurer to FRA	Low	<b>New</b> From our testing of debtor invoices we found that four invoices had been raised in excess of a week after the service was provided due to the finance department receiving the request forms late.	The Service will reiterate to departments the importance of sending the Sales Order Request forms in a timely manner. This has now been actioned by the Chief Accountant.	<b>Original</b> May 16	Completed – No follow up required
KFC (15/16) 5.2	<b>RSM</b> Feb 16: Final Report (15/16)	Key Financial Controls  Head of Finance & Asset Management & Treasurer to FRA	Low	<b>New</b> We were unable to obtain evidence of any debt recovery being carried out for one aged debt tested.	The Service will update the aged debt report on a regular basis to ensure that chasing of debts is evidenced. This will now be captured, actioned by the Chief Accountant.	<b>Original</b> Apr 16	Completed – No follow up required

Monitoring Report of Actions Arising from 2014/15 Annual Governance Statement (incorporating any actions outstanding from the 2013/14 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 general election in May 2015, it is hoped that a multi-year settlement will be provided during 2015/16 for 2016/17 onwards. This will assist in the setting of medium term savings and efficiencies based on the revised forecast budget gap.	2016/17 Budget and Medium Term Plan set in February 2016 9th May 2016 update - The Authority is yet to receive the four year settlement information advising how to sign up to the four year funding offer.	2016/17 Budget and Medium Term Plan set in February 2016	Completed

**Monitoring Report of Actions Arising from 2014/15 Annual Governance Statement (incorporating any actions outstanding from the 2013/14 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 2014/15 Review of Authority Effectiveness Action Plan to be completed during 2015/16 and formally reviewed by Members as part of the following year's process	All actions from the 2014/15 Review of Authority Effectiveness Action Plan to be completed during 2015/16 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 28 January 2015. On 12 March 2015, 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 2014/15 Review of the FRA's Effectiveness and Action Plan for 2015/16 was agreed by the FRA on 31 March 2015 for inclusion in the FRA's Annual Governance Statement, which was agreed to be part of the 2014/15 Statement of Accounts.</p> <p>A Paper, including recommendations, for the 2015/16 Review of Effectiveness, was submitted to the Audit and Standards Committee on 24 September 2015. At the meeting it was agreed a Form of Review Questionnaire be completed by Members for discussion at a facilitated annual review meeting of the Fire Authority 27 January 2016. Following this meeting a report was presented to the Audit and Standards Committee on 17 March to consider and recommend an action plan which was endorsed by the FRA on 19 April 2016 for 2016/17 for incorporation into the Annual Governance Statement</p>	Original Mar 16	Completed

Monitoring Report of Actions Arising from 2014/15 Annual Governance Statement (incorporating any actions outstanding from the 2013/14 Annual Governance Statement)

No	Issue	Source	Planned Action	Progress to date	Timing For Completion	Status ('Not Started', 'In Progress' or 'Completed')
3	Information Security	2012/13 & 2013/14 AGS & Assurance Statements	This is a Corporate Project to ensure that the Authority's information is secure and the policy is in line with ISO Standard 27001	<p>The Authority's Information Security project has now been fully implemented across the Service and policy arrangements align with ISO 27001.</p> <p>The project introduced a bespoke software solution bringing together Information Security, Business Continuity including Protective Security and Risk Management. This holistic and joined up approach provided for an integrated solution in managing critical information and information assets in a structured framework which are supported by new policies and procedures.</p> <p>The Information Security Project will be signed off by the next Programme Board scheduled for 11th March 2016.</p>	<p><b>Original</b> Mar 15</p> <p><b>Agreed Revised Date(s)</b> 30 Nov 15</p>	Completed