

For Publication

Bedfordshire Fire and Rescue Authority
Corporate Services Policy and Challenge
Group
14 September 2016
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 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.

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.

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 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 2016/17 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 2016/17 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 2016 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')
FC (15/16) 1	RSM (Follow up) May 16: Final Report (15/16)	Fuel Cards	Medium	<p>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.</p>	<p>The Authority has completed a review of the consistency and effectiveness of fuel reserve control activities and confirmed that all Fire stations holding a bunkered fuel reserve are using the electronic recording system effectively. This electronic recording system reduces the manual systems previously in place and is being extended to RDS stations for fuel purchases where bunkered fuel reserves are not held.</p> <p>Monthly fuel returns are scrutinised by Stn/C's who confirm that fuel allocated aligns with the meter readings on station, any discrepancies that are identified are dealt with appropriately following investigation by the Stn/C.</p> <p>The reconciliation of monthly records provide a total figure for fuel purchase, allocation and bunkered stock held which is reported in the Transport and Asset Management plan.</p> <p>Work is ongoing to identify an appropriate technological solution to further reduce the manual element of fuel allocation, recording and monitoring.</p>	Original Mar 17	In Progress

Monitoring Report of Actions Arising from Audit Reports
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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')
ITSS (15/16) 1.7	RSM May16: Final Report (15/16)	IT Shared Service Head of Strategic Support	Low	New A draft IT Strategy has been created for BFRS which was found to be designed adequately and in line with best practice. However, at the time of our review, the new Strategy had not been submitted to the appropriate level of senior management for approval and issued to staff across the Service.	The ICT Strategy has been submitted through CMT and adopted.	Original Jun 16	Completed – No follow up required
ITSS (15/16) 1.8	RSM May16: Final Report (15/16)	IT Shared Service Head of Strategic Support	Low	New Although there is a standard form for recording the result of IT incident investigations, the end to end IT incident management and reporting procedure has not been documented.	The document process for reporting ICT incidents incorporates reporting and review	Original Jun 16	Completed – No follow up required
KFC (15/16) 1.4	RSM Apr 16: Final Report (15/16)	Key Financial Controls Head of Finance and Treasurer	Low	New The Service will create a procedure for the management of cost centres and will ensure that this is complied with.	The Service has created a procedure for the management of cost centres and will ensure that this is complied with	Original Apr 16	Completed – No follow up required
KFC (15/16) 5.1	RSM Apr 16: Final Report (15/16)	Key Financial Controls Head of Finance and Treasurer	Low	New The Service will reiterate to departments the importance of sending the Sales Order Request forms in a timely manner.	The Service has reiterated to departments the importance of sending Sales Order Request forms in a timely manner	Original May 16	Completed – No follow up required

Monitoring Report of Actions Arising from Audit Reports
(incorporating any actions outstanding at 31 March 2016 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')
KFC (15/16) 5.2	RSM Apr 16: Final Report (15/16)	Key Financial Controls Head of Finance and Treasurer	Low	New The Service will update the aged debt report on a regular basis to ensure that chasing of debts is evidenced.	The Service has commenced updating the aged debt report on a regular bases to ensure that chasing of debts is evidenced	Original Apr 16	Completed – No follow up required
GOV (15/16) 1.1	RSM Feb 16: Final Report (15/16)	Governance Head of Strategic Support	Low	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. At the June 2016 meetings it was recommended to each that the TORs of reference include reporting lines of each Committee /Group. It was agreed the TORs be updated and approved by the FRA in July 2016. The TORs have now been updated.	Original July 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>Original Mar 15</p> <p>Agreed Revised Date(s) 30 Nov 15</p>	Completed