

For Publication

Bedfordshire Fire and Rescue Authority
Audit and Standards Committee
15 October 2019
Item No. 9

REPORT AUTHOR: ASSISTANT CHIEF OFFICER/FRA TREASURER
SUBJECT: AUDIT AND GOVERNANCE ACTION PLAN MONITORING, EXCEPTION REPORT AND SUMMARY ANALYSIS

For further information on this report contact: Karen Daniels
Service Assurance Manager
Tel No: 01234 845018

Background Papers:

- Action Plans contained in Internal Audit Reports
 - Action Plan contained in the current Annual Governance Statement
 - Audit Outcome Monitoring reports and Minutes from the Policy and Challenge Group meetings
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Implications (tick ✓):

LEGAL			FINANCIAL	✓
HUMAN RESOURCES			EQUALITY IMPACT	
ENVIRONMENTAL			POLICY	✓
CORPORATE RISK	Known	✓	OTHER (please specify)	
	New			

Any implications affecting this report are noted at the end of the report.

PURPOSE:

To present Members with a summary statistical analysis of actions arising from internal audit reports over the last three financial years to date and from the Fire and Rescue Authority's current Annual Governance Statement; together with any exception report on those actions currently in progress, progress to date on current action plans and proposals to extend the original timing for completion.

RECOMMENDATION:

- (i) That Members acknowledge progress made to date against actions plans and consider any issues arising.
 - (ii) That Members consider and if deemed appropriate, endorse the recommendations to extend completion dates.
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1. Introduction

- 1.1 The Audit and Standards Committee has previously agreed that a full monitoring report of current progress on applicable Audit and Governance Statement action plans should be made to each meeting of the appropriate Policy and Challenge Group; and that the Audit and Standards Committee should receive a summary analysis of action plans together with a full exception report of all actions in progress for which a Policy and Challenge Group has received a proposal for an extension to the original completion date.
- 1.2 Following the structure review by the Authority of the FRA ratifying the recommendations on 10/07/2019 a combined report will be presented to the Audit and Standards Committee.
- 1.3 This is the first summary analysis and exception report to the Audit and Standards Committee for the year 2019/20 and it incorporates information from all monitoring reports in the reporting period to date.

2. Audit and Governance Action Plans Summary Analysis

- 2.1 The Audit Action Plans Summary Analysis (attached as Appendix A) provides a summary statistical analysis of the status of all actions arising from audit reports received over the last three financial years (ie 2017/18 to date).

2.2 The report provides the following details for each audit:

- Audit report title and date;
- Total number of actions arising and their prioritisation;
- Number of actions completed (by priority) subject to follow-up audit;
- Number of actions completed (by priority) for which a subsequent or no further follow-up is required;
- Number of actions (by priority) still in progress; and
- Number of extensions to original completion dates that have been required in respect of all actions.

2.3 It should be noted that actions which are shown as completed for which a subsequent or no further follow up required include:

- High and medium priority actions for which a subsequent or follow-up audit has been successfully completed.
- All completed low priority actions - for which a subsequent or follow-up audits are not undertaken; and
- Actions which the Auditors have designated as 'superseded', ie actions which have been replaced, on follow-up audit, by a new action. In such cases, the new actions are included against the relevant follow up audit.

2.4 The report shows that a total of 0 High Priority, 27 Medium Priority and 49 Low Priority actions have been agreed over the reporting period, of which, 0 High, 5 Medium and 2 Low are still in progress. These do not include any recommendations made in new audit reports that may be included elsewhere on this meeting's agenda.

2.5 The Annual Governance Statement Action Plan for 2018/19 had two actions both of which are in progress.

3. Audit Action Plans Exception Report

3.1 The Audit Action Plans Exception Report provides details of all actions arising from internal audits which are still in progress and for which the Audit and Standards Committee been requested to consider an extension to the original timing for completion.

3.2 There are 7 requests to extend the original completion date.

4. Governance Action Plan Exception Report

4.1 The Governance Action Plan Exception Report provides details of actions arising from the Authority's 2018/19 Annual Governance Statement (which was formally adopted by Audit and Standards Committee, on behalf of the Authority, at their meeting on 10 July 2019) which are still in progress.

4.2 For the current period there are no exception report(s).

5. Governance Action Plan Exception Report Monitoring Report of Actions Arising from Internal and External Audit Reports

5.1 The monitoring report of progress made to date against agreed actions arising from internal and external audit reports is attached as Appendix B.

5.2 The monitoring report covers, in order, the following:

- Outstanding actions from internal and external audit reports, including those reports received during 2019/20 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 2019/20 and those from previous years, which are on target to meet the original or agreed revised completion date.
- Any actions that have been superseded by new actions, if they had not been completed at the time of the follow up audit.

5.3 There are 7 requests to extend the original completion date. For ease of reference, these have been extracted from Appendix B and summarised in Table 1 below.

Table 1: Summary of audit action date extension requests

Audit Areas	Agreed Action	Current Position/Reason for extension request	Extension
Risk Management	<ol style="list-style-type: none"> 1. New fields added to the Risk Register 2. Decision on standard risk definitions 3. Risk Management Training 4. Update to Risk Procedure 	<p>Delayed due to CMT/team restructuring and a pending review of the risk management software in use, with a view to ensuring cost avoidance if possible on changes made to the system by the supplier.</p>	<p>May 2019 to Feb 2020</p>
Stock Control	<p>Stores system training after General Ledger version upgrade</p>	<p>Informal training has been completed internally. The planned upgrade has been pushed back due to the delay in external audit of the accounts. The training has therefore been delayed too, as this will be carried out by our external General Ledger support following the upgrade.</p>	<p>July 2019 to Feb 2020 (s/b Dec '19 but requesting Feb '20 due to vacancies at supplier)</p>
Procurement	<ol style="list-style-type: none"> 1. Update to Procurement Policy re Tender Evaluation Report 2. A formal process established and documented for Conflicts of Interest 	<p>Delayed due to available resources within procurement, predominantly due to becoming national lead on the procurement of MDTs and the work associated with the new Mobilising System.</p> <p>Mainly completed. The conflict of interest form has been updated and a register created. The final stage is FRA approval of this process within the Strategy.</p>	<p>May 2019 to Nov 2019 (FRA meeting)</p>

5.4 Any actions that have been reported as completed which are subject to a subsequent or follow up audit, which states the action is still outstanding will be reported to the Audit and Standards Committee.

5.5 Completed actions that are of a Low risk and do not require a follow-up audit once completed will be removed from the subsequent report.

6. Monitoring Report of Actions arising from the Authority's Annual Governance Statement

6.1 The monitoring report of progress made to date against actions arising from the Authority's Annual Governance Statement is attached as Appendix B.

6.2 The monitoring report covers the actions within the 2018/19 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 10 July 2019, as part of the 2018/19 Statement of Accounts.

6.3 There are no requests to extend the original completion date.

7. Priority Grades

7.1 The Service Audit Outcomes in Appendix A have a priority grading system. The table below explains the key to the priority grades:

RSM	High	Recommendations are prioritised to reflect RSMs assessment of risk associated with the control weaknesses.
	Medium	
	Low	

8. Organisational Risk Implications

8.1 The actions identified within internal 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.

8.2 In addition, ensuring effective 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.

GAVIN CHAMBERS
ASSISTANT CHIEF OFFICER/FRA TREASURER