

BEDFORDSHIRE FIRE AND RESCUE AUTHORITY

Internal Audit Progress Report

2 July 2020

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Introduction

The Internal Audit Plan for 2019/20 was approved by the Audit & Standards Committee in March 2019. This report provides a summary update on progress against the plan and summarises the results of our work to date. The audits highlighted in **bold** have been finalised since the last meeting (this also includes those which should have been presented to the March 2020 meeting). Copies of the executive summaries and action plans are included as an appendix to this report.

Progress against the internal audit plan 2019/20

Assignment and Executive Lead	Status / Opinion issued	Actions agreed			Opinion Issued
		L	M	H	
Operational Business Continuity (1.19/20)	Final Report	2	2	1	Partial Assurance
Property – Statutory Compliance (2.19/20)	Final Report	1	3	1	Partial Assurance
ICT – Cyber Security (3.19/20)	Final Report	3	10	4	Advisory (Following this work the Service obtained Cyber Essentials)
Risk Management	Advisory work completed during the year				
Follow up - Governance, Use of Risk Information and Stock Control (4.19/20) (Part 1) (4.19/20)	Final Report	2	0	0	Reasonable Progress
Asset Management – Asset Tracking (5.19/20)	Final report	0	3	0	Partial Assurance

Assignment and Executive Lead	Status / Opinion issued	Actions agreed			Opinion Issued
		L	M	H	
Follow up - Operational Business Continuity & Property - Statutory Compliance (6.19/20)	Final Report	0	1	1	Reasonable Progress*
Key Financial Controls (7.19/20)	Final Report	2	1	0	Substantial Assurance
Mobilising System Project – Project Management including Procurement and Pre-Contract Award Implementation Plan (8.19/20)	Final Report	1	1	0	Reasonable Assurance
Community Risk Management Plan (9.19/20)	Final Report	1	0	0	Substantial Assurance
Environmental Strategy and De-polluted Scrap Vehicles (10/19/20)	Final Report	2	1	0	Reasonable Assurance

* **Reasonable progress** with the exception of the completion of Statutory Property Compliance checks in line with the required deadlines where a revised action has been agreed.

Progress against the internal audit plan 2020/21

The Internal Audit Plan for 2020/21 was due to be presented to the Audit & Standards Committee in March 2020. This meeting was postponed and the proposed plan was provided to Committee members. It was agreed with management that work would start on the 2020/21 plan to avoid delay, with the plan being formally presented at the Committee meeting in July 2020 and any updates being taken into account after this meeting.

We have commenced fieldwork on the Cyber Security work, and two other audits are due to commence ahead of the July 2020 Committee meeting.

Assignment and Executive Lead	Status / Opinion issued	Actions agreed			Opinion Issued
		L	M	H	
ICT - Cyber Security	Fieldwork started				
Risk Management	Planned - 15/06/2020				
Use of Risk Information	Planned - 15/06/2020				
Procurement - Proactive Processes	Planned - 07/07/2020				
Governance	Planned - 07/09/2020				
Key Financial Controls	Planned - 19/10/2020				
Human Resources - Recruitment	Planned - 19/10/2020				
Human Resources - Wellbeing	Planned - 08/02/2021				
Follow Up	Planned - 15/03/2021				

Other matters

Head of Internal Audit Opinion 2019/20

The Head of Internal Audit Opinion for 2019/20 is included as a separate agenda item.

Changes to the audit plan

The following changes to the 2019/20 plan were reported and agreed at to the previous meeting:

Note	Auditable area	Reason for change
1	Community Risk Management Plan	As part of our commitment to joint working and sharing of best practice across Bedfordshire, Cambridgeshire and Essex Fire we have been requested by management to add in a review of the development and review of the Community Risk Management Plan. Best practice will be shared between the organisations.
2	Key Financial Controls	Due to the delay in the completion of the External Audit review, we have delayed our review of Key Financial Controls to January 2020 to avoid duplication and reduce the impact on the finance team. (Originally planned for October 2019)
3	Environmental Review & Community Risk Management Plan	We have been requested to delay the completion of these audits due to a change in the management structure in these areas.
4	Risk Management	The Service have recently undertaken training with an RSM Risk Specialist and undertaken a review of the risk management arrangements within the organisation. These are currently being revised and updated; therefore, our risk management audit has been delayed until 2020/21 when the updated will be established. Throughout the 2019/20 year we have provided risk management advice to the Service.

Information and briefings

We have issued the following client briefings since the last Audit & Standards Committee:

- Emergency Services Sector Update - February 2020
- Covid-19 Fraud Risks
- Internal Audit Update
- Cyber risk
- Alert - COVID-19 email scams

Quality assurance and continual improvement

To ensure that RSM remains compliant with the IIA standards and the financial services recommendations for Internal Audit we have a dedicated internal Quality Assurance Team who undertake a programme of reviews to ensure the quality of our audit assignments. This is applicable to all Heads of Internal Audit, where a sample of their clients will be reviewed. Any findings from these reviews being used to inform the training needs of our audit teams.

The Quality Assurance Team is made up of; the Head of the Quality Assurance Department (FCA qualified) and an Associate Director (FCCA qualified), with support from other team members across the department.

This is in addition to any feedback we receive from our post assignment surveys, client feedback, appraisal processes and training needs assessments.

For more information contact

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The matters raised in this report are only those which came to our attention during the course of our review and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Actions for improvements should be assessed by you for their full impact. This report, or our work, should not be taken as a substitute for management's responsibilities for the application of sound commercial practices. We emphasise that the responsibility for a sound system of internal controls rests with management and our work should not be relied upon to identify all strengths and weaknesses that may exist. Neither should our work be relied upon to identify all circumstances of fraud and irregularity should there be any.

Our report is prepared solely for the confidential use of Bedfordshire Fire and Rescue Authority and solely for the purposes set out herein. This report should not therefore be regarded as suitable to be used or relied on by any other party wishing to acquire any rights from RSM Risk Assurance Services LLP for any purpose or in any context. Any third party which obtains access to this report or a copy and chooses to rely on it (or any part of it) will do so at its own risk. To the fullest extent permitted by law, RSM Risk Assurance Services LLP will accept no responsibility or liability in respect of this report to any other party and shall not be liable for any loss, damage or expense of whatsoever nature which is caused by any person's reliance on representations in this report.

This report is released to you on the basis that it shall not be copied, referred to or disclosed, in whole or in part (save as otherwise permitted by agreed written terms), without our prior written consent.

EXECUTIVE SUMMARY – FOLLOW UP – OPERATIONAL BUSINESS CONTINUITY AND PROPERTY – STATUTORY COMPLIANCE

1.1 Introduction

As part of the approved internal audit periodic plan for 2019/20 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:

- Operational Business Continuity 1.19.20; and
- Property - Statutory Compliance 2.19.20.

The seven management actions considered in this review comprised of two high and five medium priority actions. The focus of this review was, to provide assurance that the actions previously agreed have been adequately implemented.

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** with the exception of the completion of Statutory Property Compliance checks in line with the required deadlines where a revised action has been agreed.

Of the seven management actions reviewed, we noted that four actions had been implemented. For the remaining three, we found that two were in the process of being implemented and one action was not yet due.

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

1.3 Action tracking

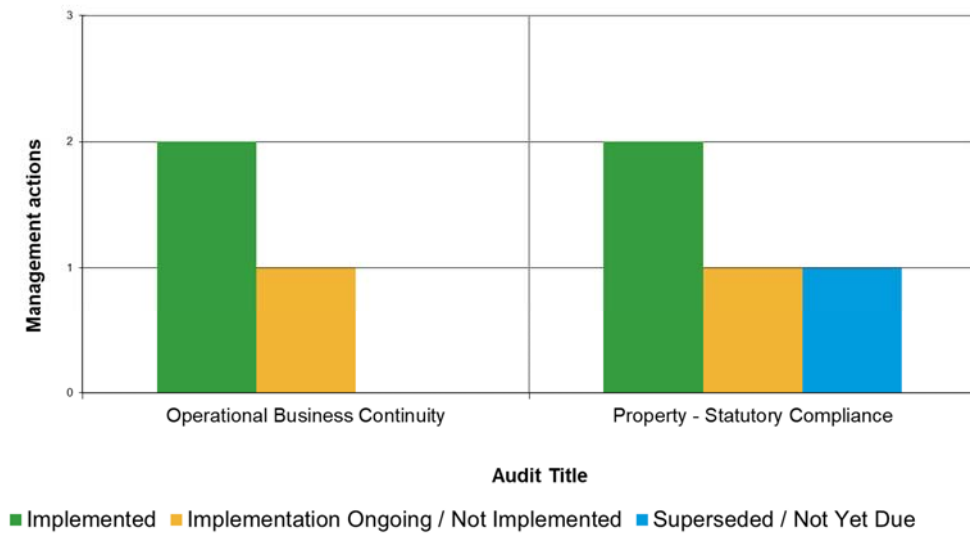
Action tracking enhances an organisation's risk management and governance processes. It provides management with a method to record the implementation status of actions made by assurance providers, whilst allowing the Audit & Standards Committee to monitor actions taken by management. As part of our Follow Up review, we have verified this information and completed audit testing to confirm the level of implementation stated and compliance with controls.

Action tracking is undertaken by Bedfordshire Fire & Rescue Authority's management on a regular basis, with an update provided to the Audit & Standards Committee at each meeting. As part of our Follow Up review, we have verified this information and completed audit testing to confirm the level of implementation stated and compliance with controls.

We were able to verify that the status of implementation of management actions, as reported to the Audit & Standards Committee in its December 2019 meeting via the internal action tracking process, was accurate for two of the three actions for Operational Business Continuity. For the remaining action relating to Operational Business Continuity and the three due actions for Property – Statutory Compliance, we found that the status of these actions had not been reported at the December 2019 Audit and Standards Committee.

Whilst one of these actions had a due date of 31 December 2019 and would not have been overdue at the time of reporting, the remainder were all due. Management must ensure that all outstanding actions are presented to the Audit and Standards Committee.

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



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)	Not yet due (5)
Operational Business Continuity 1.19.20	3	2	1	0	0
Property - Statutory Compliance 2.19.20	4	2	1	0	1

Implementation status by management action priority	Number of actions agreed	Status of management actions			
		Implemented (1)	Implementation ongoing (2)	Not implemented (3)	Not yet due (5)
Medium	5	3	1	0	1
High	2	1	1	0	0
Totals	7	4	2	0	1

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.

Operational Business Continuity 1.19.20

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
1.2	The Strategic Operational Commander Head of Response will present the rolling business continuity action plan to the Corporate Management Team on a monthly basis. This will include a commentary on progress towards implementing any outstanding actions.	31 July 2019	Medium	Not reported	Through discussion with the Station Manager - Organisational Assurance, and review of an agenda for the Corporate Management Team (CMT) meeting in January 2020, we noted that whilst discussions had been held in relation to Business Continuity, the rolling business continuity action plan was not being presented to the CMT at each meeting. We were advised that this was due to long lead time regarding action due dates, resulting in a lack of updates	2	Revised Management Action The rolling business continuity action plan will be presented to the Corporate Management Team (CMT) on at least a six-monthly basis aligned to the strategic assessment of risk and business continuity. This will include a commentary on progress towards implementing any outstanding actions.	Medium	31 March 2020	James West, Station Manager – Organisational Assurance

at each meeting.
Consideration, however, had not been given to reducing the frequency of the action plan being reported to the CMT.

Without sufficient oversight by the CMT, this can lead to business continuity actions not being implemented in a timely manner, reducing the effectiveness of the organisation's response to a business continuity incident.

Management Action Revised

Property - Statutory Compliance 2.19.20

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
2.3	<p>The organisation will ensure that all compliance tests are completed in line with required frequencies of testing.</p> <p>The Policy ref. PATs to be revised in line with statutory requirements (unnecessarily strict High currently).</p>	31 August 2019	High	Not reported	<p>The policy in relation to PAT has been updated.</p> <p>We obtained the latest version of the compliance dashboard (19 March 2020) and noted 3 items of non-compliance and 2 delays:</p> <ul style="list-style-type: none"> • Toddington and Dunstable generator services were late; • Toddington gas cooker check had been missed; and • Kempston Training Centre and Leighton Buzzard gas boiler inspections were re-booked due to the 	2	<p>Restated Management Action</p> <p>The organisation will ensure that all compliance tests are completed in line with required frequencies of testing, where required these will be updated to be completed on an 11-month cycle to ensure dates are not exceeded.</p>	High	31 March 2020	Steve Kightley, Property Services Manager

engineer being turned away without Property knowledge, (COVID 19 station access restrictions).

As a result of the delays and non-compliance areas the Property Services Manager had decided to change from a 12-month gas & oil servicing, (boilers and commercial/domestic gas catering equipment) cycle to an 11 month cycle to allow for re-bookings of missed/refused attendances.

**Management Action
Revised**

EXECUTIVE SUMMARY – ASSET MANAGEMENT – ASSET TRACKING

Why we completed this audit

The Service are trialling a new stock management system, named BlueLight, to replace their existing system, Great Plains. The Service are already underway in uploading stock to the BlueLight system, beginning with stock held on fire engines before moving to stores. The aim is to have completed the transfer and to cease using Great Plains by January 2021.

As part of the new BlueLight system the Service is marking all of its stock with Quick Response (QR) codes which can be scanned by new handled devices, from which stock can be marked as received or issued. The device can also be used to check the location of an item.

Stock is held in various locations across the Service's headquarters site in Kempston, Bedford, including the General, Technical and Workshop stores.

Conclusion

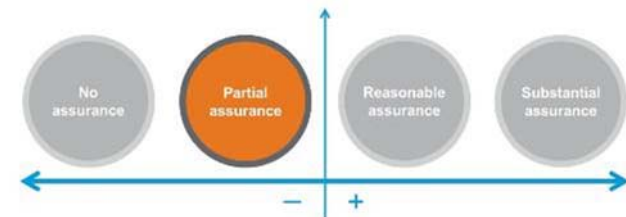
Our review identified issues in relation to asset management and tracking. We found that whilst quarterly stock checks had been undertaken, there was no record of the reasons for discrepancies in stock levels identified as part of checks carried out by the Service in September 2019. Additionally, through the completion of our own stock check on a sample of 30 operational items, we found that the Service had less stock than was recorded on Great Plains in 19 instances and more stock than recorded on Great Plains in two instances.

We confirmed that any changes to stock levels were being uploaded to both the Great Plains and BlueLight system to ensure the accuracy of both systems. We were advised, however, that whilst a data mapping exercise and reconciliation upon completion of the transfer to BlueLight had been planned, the overall transfer process had not been formally documented.

Internal audit opinion:

Taking account of the issues identified, the Authority can take partial assurance that the controls to manage this risk are suitably designed and consistently applied.

Action is needed to strengthen the control framework to manage the identified risk.



Key findings

We identified the following weakness:



Stock Checks

Stock checks are undertaken on a quarterly basis using a stock check form and adjustments are made to Great Plains where valid reasons have been recorded for differences between the system stock level and actual stock held. We noted during discussion with the Procurement Support Officer that evidence of the reasons recorded against discrepancies in September 2019 had not been recorded and as such we were unable to provide assurance that reasons had been identified prior to making adjustments to stock levels. There is a risk that stock will continue to be inappropriately removed from stores which could mean that replacement equipment may be unnecessarily replaced.

We selected a sample of four discrepancies from the September 2019 stock check sheet and confirmed through review that in one case an adjustment to Great Plains had been made. For the remaining three we noted that an adjustment had not been made. There is a risk that the Service's stock levels are mis-stated which could mean that the Service is unable to meet its objective to respond effectively to emergency incidents where the equipment required is not available. As such we have agreed a medium priority action for the Service to implement a consistent stock check process. Further detail of the action agreed can be found in section 2 of this report. **(Medium)**



Stock Sample Testing

Stock is stored with an OP code which corresponds to the item's record on Great Plains. We selected a sample of 30 items from a stock report as at 20 January 2020. Through review of our sample, we made the following findings:

- The quantity recorded for nine items was consistent with the actual quantity held.
- For the remaining 21 the actual amount held was not consistent with the quantity recorded:
 - Of the above 21, in two cases there were more items held than recorded, with the total value of the discrepancies being £2,255.90.
 - For the remaining 19 we found that the actual number held was lower than that recorded on the system, with the total value of the discrepancies being £7,724.36.

There is a risk that the quantity and value of stock held by the Service could be misstated resulting in the unnecessary procurement of equipment or the unavailability of equipment.

We noted during discussion with the Chief Accountant that the actions in relation to a similar finding made as part of the Stock Control audit in 2018/19 were still being implemented, which included tightening controls and providing training to those responsible for stock held in the stores, around issuing stock and recording this on the system. **(Medium)**



Transfer to BlueLight

The process to transfer stock from Great Plains to BlueLight began with stock held on fire engines. To ensure stock levels are consistent across Great Plains and BlueLight, the Service will double enter stock movements until Great Plains is no longer used. Following this, a reconciliation process will be carried out to ensure there are no discrepancies between both systems once the transfer has been completed.

We noted during discussion with the Strategic Operational Commander Head of Service Support and Group Commander that whilst the reconciliation process and how all data fields will be mapped from Great Plains to BlueLight had been planned, they had not been formally documented.

There is a risk that the quantity and value of stock held by the Service could be misstated resulting in the unnecessary procurement of equipment or the unavailability of equipment. Further detail on this action can be found in section 2 of this report. **(Medium)**

2. DETAILED FINDINGS AND ACTIONS

This report has been prepared by exception. Therefore, we have included in this section, only those areas of weakness in control or examples of lapses in control identified from our testing and not the outcome of all internal audit testing undertaken.

1. Stock Checks

Control	Stock checks are undertaken on a quarterly basis. The Facilities Manager will output a sample of items to be checked and the Technical Admin Assistant will complete a form for the stock check, noting the actual amount and any variances with reasons.	Assessment:	
	The sample is selected based on value and items that are likely to have variances.	Design	✓
	Forms are then recorded onto the Great Plains system at which point stock adjustments are made where variances have been noted. Variances must have reasons prior to a stock adjustment being made.	Compliance	×

Findings / Implications	We noted during discussion with the Chief Accountant that the Service had begun undertaking quarterly stock checks in September 2019 and as such only two had been carried out. We confirmed through review of the stock check sheets for September 2019 and January 2020 that stock checks had been carried out on a quarterly basis.
	We noted during review of the January 2020 electronic stock check sheet that reasons had been noted against the discrepancies identified. For September 2019, however, we noted during discussion with the Procurement Support Officer that evidence of the reasons recorded against identified discrepancies had not been retained.
	As such, we were unable to provide assurance that reasons had been identified in all cases for discrepancies between stock figures and actual stock held. If reasons for stock discrepancies are not identified, there is a risk that stock will continue to be inappropriately removed from stores which could mean that replacement equipment may be unnecessarily replaced.
	We selected a sample of four discrepancies from the September 2019 stock check sheet. We confirmed through review of our sample that in one case an adjustment had been made to the stock level held on the system. For the remaining three, we noted that an adjustment had not been made. As evidence of the reasons for each discrepancy had not been retained, as above, an explanation for why the adjustments had or had not been made could not be provided. As such, there is a risk that the Service's stock levels are misstated which could mean that the Service is unable to meet its objective to respond effectively to emergency incidents where the equipment required is not available.
We noted during discussion with the Procurement Support Officer that adjustments as a result of the January 2020 stock check had not yet been made to the system as these were pending approval by the Chief Accountant.	

Management Action	<p>A consistent stock check process will be implemented. This will include:</p> <ul style="list-style-type: none"> • completing a stock check sheet with actual figures held; • recording the stock check sheet electronically noting reasons against discrepancies; and • making adjustments to the stock management system to correct discrepancies, where appropriate. <p>In addition, electronic evidence of stock checks, including the sheet used to carry out the check, will be maintained.</p>	Responsible Owner: Jeremy Harrison, Chief Accountant	Date: 31 March 2020	Priority: Medium
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2. Stock Sample Testing

Control	<p>Stock is stored at three locations within the Head Quarters site in Kempston. They are:</p> <ul style="list-style-type: none"> • General; • Technical; and • Workshop. <p>Items are marked with an OP code which links the item back to its record on the Great Plains system.</p>	Assessment:	
		Design	✓
		Compliance	×
Findings / Implications	<p>We obtained a report of all stock held as at 20 January 2020 and selected a sample of 30 operational assets (those with an "OP" code) as directed by the Strategic Operational Commander Head of Service Support. We confirmed through review of our sample of 30 items that in nine cases the quantity recorded on the system was consistent with the amount held in the store.</p> <p>For the remaining 21, we noted in two cases there were more items held than recorded on the system, as follows:</p> <ul style="list-style-type: none"> • three additional items at a total value of £429.60; and • 23 additional items at a total value of £1,826.30. <p>We noted during discussion with the Watch Manager and Technical Administrator that the reason a greater amount of stock was held than was recorded on the system was most likely because the items had been issued, returned as broken and repaired but not added back to the system, we have not as part of our review verified returned equipment was suitable to return.</p> <p>For the remaining 19 we confirmed in all cases that the number held was less than that recorded on the system, ranging from two at a total value of £95 to 18 at a total value of £2,736.14. The total value of discrepancies where the number of stock held was less than that recorded on the system was £7,724.36 from our sample.</p> <p>Out of the 19 stock items held below that recorded on the system, we noted the following during discussion with the Watch Manager and Technical Administrator:</p> <ul style="list-style-type: none"> • six had been ordered and were issued immediately but not recorded on the system; and 		

2. Stock Sample Testing

- nine had been issued from the store but had not been recorded on the system.

For the remaining four, we also noted the following reasons during discussion:

- the item was unknown and could not be found;
- the item was a trial product ordered in 2017, not ordered again and was most likely issued;
- it was unknown why the system said there were more held than the physical count; and
- a similar item was held but it could not be verified whether it was the item as marked on the system.

We were also informed that where items had been issued but not recorded on the system management considered it was most likely due to the Store Keeper being on leave and as a result, items being removed from the store without being recorded on the system.

We confirmed through review of our sample of 30 that in six cases the shelf in the store had been marked with the "OP" code. For the remaining 24, we noted the following:

- in 11 cases the items would either be too large or would be purchased for immediate use and therefore a shelf position had not been given;
- in 10 cases the items were held in the Technical or Breathing Apparatus Store where OP codes were not added to the shelves; and
- in the remaining three cases it was unknown why the shelf space was not marked, the item could not be found and the item had been ordered as a trial and not re-ordered.

There is a risk that the quantity and value of stock held by the Authority could be misstated resulting in the unnecessary procurement of equipment. This could affect the Authority's ability to meet its objectives for robust financial planning to meet austerity measures and achieve efficiencies through process improvement.

We noted during discussion with the Chief Accountant that the Service were continuing to implement the actions raised as part of the previous Stock Control audit in 2018/19, that had been agreed with the aim of limiting the number of items removed from stores but not recorded on the system. This included tightening controls and training members of staff responsible for each store around issuing stock and recording this on the system.

We also noted during discussion that the implementation of the BlueLight system will improve how stock is controlled within the Service by making it easier to record stock being received and issued from all stores.

Management Action	The Authority will ensure that when stock items issued from stores to their final destination, the stock system and individual station equipment lists are correctly coded to show the movements. Evidence of the local stock list including correct location coding should be available where required. Training around issuing stock and recording this on the system will also be delivered for members of staff responsible for each store.	Responsible Owner: Technical Support Manager	Date: September 2020	Priority: Medium
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3. Transfer to BlueLight

Control	<p>The process to transfer stock from Great Plains to BlueLight has started with stock stored on the fire engines. Items are marked with a QR code and subsequently added to the BlueLight system with their previously used OP code attached. This enables the Service to link items from the new system back to the old.</p> <p>The BlueLight system is currently being trialled and any changes to stock levels are uploaded to both the Great Plains and BlueLight system to ensure both systems are up to date. A reconciliation of the stock levels on both systems will be undertaken before the Service ceases to use the Great Plains system.</p> <p>There is no formal document in place to manage the transfer process, including mapping all data fields, from Great Plains to BlueLight or the subsequent reconciliation.</p>	<p>Assessment:</p> <p>Design ×</p> <p>Compliance -</p>
Findings / Implications	<p>We noted during discussion with the Watch Commander that the process to transfer assets and stock figures to the BlueLight system was to begin with documenting assets held on the Service's fire engines, including marking these with new QR code identifiers linked to the new system. We also noted during discussion that the BlueLight system will record the corresponding OP code used by the Great Plains system.</p> <p>We noted the following during discussion with the Strategic Operational Commander Head of Service Support and Group Commander:</p> <ul style="list-style-type: none"> to prevent stock figure discrepancies during the switchover phase, changes in stock levels would be entered into both systems simultaneously; and a reconciliation process would be undertaken once the Service had completed the transfer to BlueLight. <p>However, we identified that the following had not yet been identified:</p> <ul style="list-style-type: none"> both the reconciliation and how all data fields from Great Plains would be mapped to BlueLight had not been formally documented; and the overall process for transferring to BlueLight had not been formally documented, including both transfer of data and operational practicalities. <p>As such, there is a risk that the quantity and value of stock held by the Service could be misstated resulting in the unnecessary procurement of equipment and the Service may be unable to meet its objective to respond effectively to emergency incidents where the equipment required is not available.</p> <p>This could affect the Service's ability to meet its objectives for robust financial planning to meet austerity measures and achieve efficiencies through process improvement.</p>	

Management Action	A formal plan for the transfer of stock from Great Plains to BlueLight will be produced. This will include:	Responsible Owner:	Date: 31 March 2020	Priority: Medium
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3. Transfer to BlueLight

- how all data fields will be mapped from Great Plains to BlueLight to ensure that all standing data held against each stock item is transferred; and
 - the process for reconciling stock on Great Plains to BlueLight once the transfer is complete to ensure all stock has been transferred and stock figures are accurate.
-

Chris Ball, Strategic Operational
Commander Head of Service Support

EXECUTIVE SUMMARY – FOLLOW UP – OPERATIONAL BUSINESS CONTINUITY AND PROPERTY – STATUTORY COMPLIANCE

1.1 Introduction

As part of the approved internal audit periodic plan for 2019/20 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:

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- Property - Statutory Compliance 2.19.20.

The seven management actions considered in this review comprised of two high and five medium priority actions. The focus of this review was, to provide assurance that the actions previously agreed have been adequately implemented.

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** with the exception of the completion of Statutory Property Compliance checks in line with the required deadlines where a revised action has been agreed.

Of the seven management actions reviewed, we noted that four actions had been implemented. For the remaining three, we found that two were in the process of being implemented and one action was not yet due.

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

1.3 Action tracking

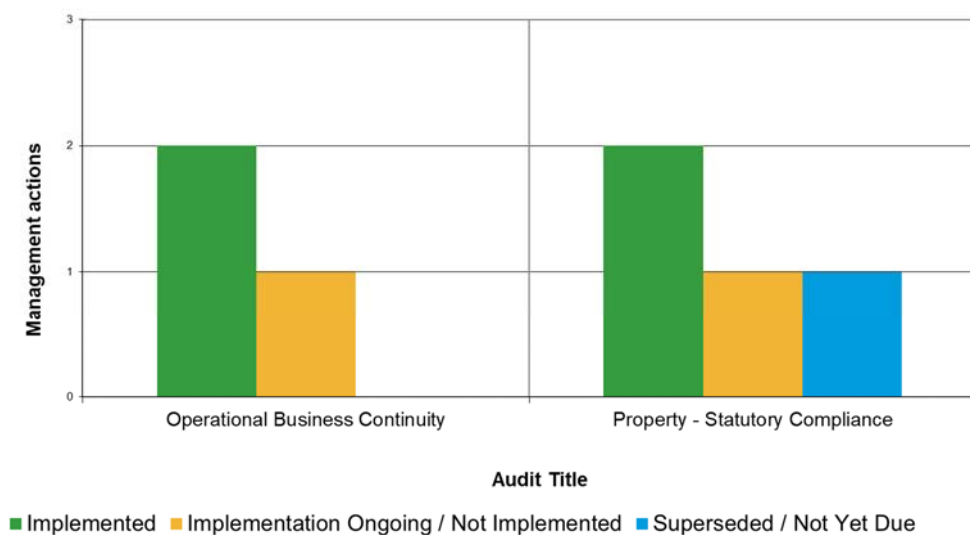
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Action tracking is undertaken by Bedfordshire Fire & Rescue Authority's management on a regular basis, with an update provided to the Audit & Standards Committee at each meeting. As part of our Follow Up review, we have verified this information and completed audit testing to confirm the level of implementation stated and compliance with controls.

We were able to verify that the status of implementation of management actions, as reported to the Audit & Standards Committee in its December 2019 meeting via the internal action tracking process, was accurate for two of the three actions for Operational Business Continuity. For the remaining action relating to Operational Business Continuity and the three due actions for Property – Statutory Compliance, we found that the status of these actions had not been reported at the December 2019 Audit and Standards Committee.

Whilst one of these actions had a due date of 31 December 2019 and would not have been overdue at the time of reporting, the remainder were all due. Management must ensure that all outstanding actions are presented to the Audit and Standards Committee.

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



1.4 Progress on actions

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Implementation status by management action priority	Number of actions agreed	Status of management actions			
		Implemented (1)	Implementation ongoing (2)	Not implemented (3)	Not yet due (5)
Medium	5	3	1	0	1
High	2	1	1	0	0
Totals	7	4	2	0	1

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.

Operational Business Continuity 1.19.20

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
1.2	The Strategic Operational Commander Head of Response will present the rolling business continuity action plan to the Corporate Management Team on a monthly basis. This will include a commentary on progress towards implementing any outstanding actions.	31 July 2019	Medium	Not reported	Through discussion with the Station Manager - Organisational Assurance, and review of an agenda for the Corporate Management Team (CMT) meeting in January 2020, we noted that whilst discussions had been held in relation to Business Continuity, the rolling business continuity action plan was not being presented to the CMT at each meeting. We were advised that this was due to long lead time regarding action due dates, resulting in a lack of updates	2	Revised Management Action The rolling business continuity action plan will be presented to the Corporate Management Team (CMT) on at least a six-monthly basis aligned to the strategic assessment of risk and business continuity. This will include a commentary on progress towards implementing any outstanding actions.	Medium	31 March 2020	James West, Station Manager – Organisational Assurance

at each meeting.
Consideration, however, had not been given to reducing the frequency of the action plan being reported to the CMT.

Without sufficient oversight by the CMT, this can lead to business continuity actions not being implemented in a timely manner, reducing the effectiveness of the organisation's response to a business continuity incident.

Management Action Revised

Property - Statutory Compliance 2.19.20

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
2.3	<p>The organisation will ensure that all compliance tests are completed in line with required frequencies of testing.</p> <p>The Policy ref. PATs to be revised in line with statutory requirements (unnecessarily strict High currently).</p>	31 August 2019	High	Not reported	<p>The policy in relation to PAT has been updated.</p> <p>We obtained the latest version of the compliance dashboard (19 March 2020) and noted 3 items of non-compliance and 2 delays:</p> <ul style="list-style-type: none"> • Toddington and Dunstable generator services were late; • Toddington gas cooker check had been missed; and • Kempston Training Centre and Leighton Buzzard gas boiler inspections were re-booked due to the 	2	<p>Restated Management Action</p> <p>The organisation will ensure that all compliance tests are completed in line with required frequencies of testing, where required these will be updated to be completed on an 11-month cycle to ensure dates are not exceeded.</p>	High	31 March 2020	Steve Kightley, Property Services Manager

engineer being turned away without Property knowledge, (COVID 19 station access restrictions).

As a result of the delays and non-compliance areas the Property Services Manager had decided to change from a 12-month gas & oil servicing, (boilers and commercial/domestic gas catering equipment) cycle to an 11 month cycle to allow for re-bookings of missed/refused attendances.

**Management Action
Revised**

EXECUTIVE SUMMARY – KEY FINANCIAL CONTROLS

Why we completed this audit

We completed this audit to provide yearly coverage of the organisation's key financial controls systems to ensure they are adequately designed and are being complied with. The Bedfordshire Fire and Rescue Authority's Finance Team is headed by the Head of Finance with the support of the Chief Accountant, two Principal Finance Officers and a team of Finance staff. The Payroll team is led by the Payroll Manager with the assistance of Payroll staff.

Financial transactions are recorded through the Great Plains finance system which has the capability of covering all areas of finance within the organisation. The Authority outsources their payroll processing to Midlands HR and the organisation utilises the I-Trent integrated HR and Payroll system.

Our review focussed on the key financial controls within the following areas:

- General Ledger;
- Payments and Creditors;
- Income and Debtors;
- Cash and Treasury Management;
- Payroll.

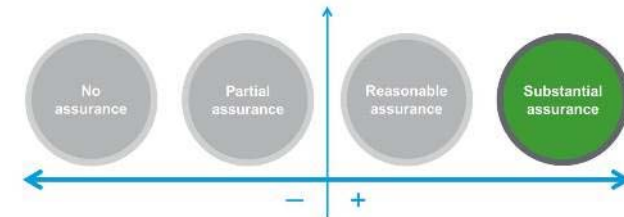
Financial Regulations and Financial Control Standards govern the daily operations of Bedfordshire Fire and Rescue Service.

Conclusion

Our review identified that there was a robust and well designed control framework in place at Bedfordshire Fire and Rescue Service in relation to the areas noted above, and these were complied with in the majority of our sample testing. We noted one medium priority action where a purchase had been made without the Procurement department's involvement, which was not consistent with the procurement procedure.

Internal audit opinion:

Taking account of the issues identified, the Authority can take substantial assurance that the controls upon which the organisation relies to manage the identified area(s) are suitably designed, consistently applied and operating effectively.



Key findings

We identified the following weaknesses:



The Service differentiates its procurement process between purchases below £50k and purchases above £50k. For those below £50k: £0-2k require two quotations; £2-10k, 3 quotations; and £10-50k, 3 quotations prior to orders being placed or tender undertaken. For procurement above £50,000 the organisation uses the 'blue light' tendering portal and will use OJEU for anything in line with the OJEU limits.

We selected a sample of five invoices to review compliance with procurement processes and found:

- For the two invoices below £10k, an appropriately approved procurement waiver was in place.
- For two invoices relating to Airbus Defence (£33k and £19k values), we were advised by the Procurement Manager that this was a rolling year on year contract for the current security communication software used by all Fire and Rescue Services (single source supplier). We were advised, however, that a Procurement exemption form had not been completed.
- For an £11k invoice for AMC Computers, we were advised by the Procurement Manager that numerous ad hoc purchases had been made by ICT as part of their Business as 'usual stock replenishment' and this purchase had been made without Procurement's involvement, which does not comply with the organisation's Procurement process.

There is a risk of the organisation not being able to demonstrate a transparent and consistently applied process for obtaining value for money.
(Medium)

We noted the following controls to be adequately designed and operating effectively:

General



We confirmed that the Financial Regulations were in place and were last updated in March 2019. They were available to staff and the public via the website. Supporting the Financial Regulations is the Procurement Policy which was last updated in October 2019. This outlined the tendering procedures and values for which quotes should be obtained prior to purchasing goods and services.



An authorised signatory list was maintained which specified the financial limits at which invoices could be authorised, and the level of authorisation for employee related expenses. We noted that the list had last been reviewed on 9 January 2020.

From our sample of five staff members we confirmed that approval limits reflected the appropriate seniority of the staff members. We also selected a sample of five leavers from the current financial year and confirmed they did not feature.

General Ledger



Journals are created using a template form which lists each of the credits and debits and provides a reason for the changes. From a sample of ten journals from the current financial year, we confirmed that, in each instance, journals were supported by journal entry forms; segregation of duties at each stage of the process; and authorised by the budget manager.



The Finance Team use a month-end timetable as a guide to the tasks to be completed prior to closing the ledger. We confirmed through review of month end timetables for September, October and November 2019 that tasks were being recorded as completed throughout the month and signed off by the Chief Accountant.



We obtained evidence of backups from the Chief Accountant via a server-generated electronic confirmation extract, this included daily, weekly, monthly and yearly backups.



Finance reports are presented to the Corporate Management Team (CMT) meetings monthly and the Authority on a regular basis.

Payments and Creditors



Where applicable Purchase Orders (POs) are used to request goods and services, with the exception of utilities bills and petty cash payments. For a sample of five PO invoices, we confirmed that PO requisitions were raised with segregation of duties; matched the PO value; confirmation of goods and services received; and signed according to the authorisation list. For a sample of five non-PO invoices, we noted that each was approved in line with the authorisation list.



Payment runs are conducted once a week, being signed off by the Chief Accountant / Head of Finance prior to payment being made. We reviewed the five payment runs between October 2019 and January 2020, we noted that all payment runs were signed off either by the Chief Accountant or Head of Finance.



The Service has a target for 96% of invoices to be paid within 30 days. The Chief Accountant informed us that the percentage of uncontested invoices paid within 30 days is regularly reviewed at team meetings; KPI information is regularly uploaded to the SharePoint system on a quarterly basis; and confirmed that the information for quarters 2 and 3 had been uploaded. We confirmed that the quarter 2 average performance of 95.73% was only marginally under target and being monitored within the Service.

Income



Sales invoice requisitions must be completed and authorised for invoices to be raised. For a sample of ten invoices in the current financial year, we confirmed that sufficient authorisation was granted prior to invoices being raised, supporting information explained why invoices were raised and invoices were raised in a timely manner.

Cash and Treasury Management



Cash flow forecasts are prepared on a daily basis, using data received from income and payment accounts and bank statements. Forecasts are reconciled by the Finance Officer, checked and agreed by another member of the Finance team, and certified by the Chief Accountant. We selected a sample of five payments and five expenses from the bank account statements and confirmed that they had been updated appropriately in the cash flow forecast; forecasts were reconciled and verified by separate members of the Finance team and subsequently by the Chief Accountant.



Our testing of three out of the seven investments entered into within the current financial year found that robust controls exist to ensure authorisation of investments is in line with policy. Each had investment forms documenting the reasons for the investment approved by the Head of Finance, and we confirmed that the investments were made through approved lenders.



We confirmed that the Service has not taken any loans since 2012 and the loans in place are with the Public Loans Work Board. We understand there are no covenants associated with these loans.

Payroll



Where a user requires access to iTrent system, the 'Request for access to Human Resources System' form is completed and signed by the employee's line manager. We confirmed for the one new payroll user for the current financial year that the supporting form was held and had been authorised appropriately.



For new starters' forms containing payment information are completed by the employee and HR and input into the I-Trent system. We obtained a sample of ten new starter and confirmed in each instance that starter forms were completed and reconciled to I-Trent, appropriate vetting checks were performed and approved by an HR Manager.



For leavers, a termination form is completed by the Line Manager and processed in line with the payroll timetable to ensure no overpayments are made. We selected a sample of ten leavers and found in all cases that termination forms were completed; reconciled with the dates on I-Trent; and input in line with the payroll timetable in a timely manner which avoided overpayments.



For amendments, the Line Manager will complete an amendment form. This is checked by the HR Manager, input by the administrator and then a final check is completed by the HR Officer. We confirmed for a sample of ten completed forms that the appropriate checks were actioned. We noted that all dates on physical forms aligned with iTrent. We also selected a sample of five amendments from a daily change report from iTrent and confirmed that amendment forms had been appropriately completed and checked.



Overtime payments are recorded on standardised forms which are completed and forwarded to Payroll. Forms are authorised by the appropriate budget manager. Information from these overtime forms is manually entered into a spreadsheet by the Payroll team and saved as a CSV (comma separated value) file for upload to iTrent. We confirmed for a sample of five overtime and five additional payments that appropriately authorised supporting documentation was available for the payments, and that this was accurate on the iTrent system.



A Payroll processing timetable is maintained which sets out the dates and key information necessary to be processed by payday. We noted that I-Trent facilitated access to the timetable and is available to all staff on the intranet.



BACs reports are prepared by the Payroll team and signed off on the BACS form as prepared by the Payroll Team member and Payroll Team Leader. The form is then authorised by the Chief Accountant or Principle Finance Officer. We confirmed that BACs forms for October, November, and December 2019 were signed by a Payroll Team member and the Payroll Team Leader; authorised by the Chief Accountant or Principle Finance Officer before the transmission date on the form.



We obtained net pay variance reports (Element and Gross to Net) for October, November, and December 2019. We confirmed, each variance over 30% had a narrative provided within the report.

We have also agreed two low priority management actions. Further details are provided in the detailed findings and actions section of this report.

2. DETAILED FINDINGS AND ACTIONS

This report has been prepared by exception. Therefore, we have included in this section, only those areas of weakness in control or examples of lapses in control identified from our testing and not the outcome of all internal audit testing undertaken.

Payments and Creditors				
Control	<p>The organisation's rules covering the requirement for quotes are located within the Procurement Policy and Procedure.</p> <p>For procurement above £50,000 the organisation uses the 'blue light' tendering portal and will use OJEU for anything in line with the OJEU limits.</p> <p>The following is applicable for purchases below £50,000:</p> <ul style="list-style-type: none"> £0 up to £2,000 – the principles of Best Value apply. Where possible, two competitive quotations are to be obtained. £2,000 to £10,000 – a minimum of three written quotations and/or market evidence of Best Value. £10,000 to £50,000 – three quotations in writing prior to the order being placed (e.g. in the case of proprietary items) or tender being undertaken (e.g. in the case of bespoke items). Guidance on the best procurement route should be obtained from the Procurement Team. Quotations/tenders should be managed by Procurement through the Authority's e-tendering portal. 	Assessment:		
		Design		✓
		Compliance		×
Findings / Implications	<p>We selected a sample of five invoices to review compliance with procurement processes and found:</p> <ul style="list-style-type: none"> For the two invoices below £10k, and found that an appropriately approved procurement waiver was in place For two invoices relating to Airbus Defence (£33k and £19k values), we were advised by the Procurement Manager that this was a rolling year on year contract for the current security communication software used by all Fire and Rescue Services (single source supplier). We were advised, however, that a Procurement exemption form had not been completed. For an £11k invoice for AMC Computers, we were advised by the Procurement Manager that numerous ad hoc purchases had been made by ICT as part of their Business as Usual stock replenishment and this purchase had been made without Procurement's involvement, which does not comply with the organisation's Procurement process. <p>There is a risk of the organisation not being able to demonstrate a transparent and consistently applied process for obtaining value for money.</p>			
Management Action	The Procurement Manager will ensure that a Procurement Exemption form is completed and approved for the Airbus	Responsible Owner:	Date:	Priority:
		Procurement Manager	April 2020	Medium

Defence contract. Additionally, a plan will be put in place with the ICT Support Manager to manage ICT purchases over £10k.

The Service will ensure that where appropriate the procurement department will be involved, procedures are followed, and any exceptions / waivers receive appropriate authorisation.

(Management update - Airbus Defence: comments noted;

AMC Computers: The Procurement Manager advised Internal Audit that compliant routes to market for ICT products had been previously advised. ICT's Business as Usual stock replenishment process will be reviewed by the Procurement Manager in conjunction with the ICT Support Manager for the purpose of ensuring compliance with the Procurement Policy.)

EXECUTIVE SUMMARY – MOBILISING SYSTEM PROJECT

Why we completed this audit

We have undertaken an audit of the Mobilising System Project to review project management including compliance against the organisations procurement framework and the arrangements relating to the pre-contract award project implementation plan.

A mobilising system is a purpose-designed computer system that holds information on the locations, movements and availability of all fire appliances and Fire Officers. Detailed information can also be held on systems, such as key contact details within the local authorities and a database of addresses in the local area to enable quicker mobilising to incidents.

The responsibility for managing the project initially started with the Head of Governance and Asset Management but shifted to the Head of ICT and Programmes in July 2019, following an Authority-wide structure change. The operational responsibility for ensuring that the appropriate procurement protocol was adhered to has rested with the Procurement Manager since the start of the project.

The procurement process started in April 2019 and the contract award is expected to take place in April 2020. The Authority initially shortlisted five suppliers, however four have withdrawn to date leaving only one supplier, Airwave, in the process. As part of the review, we have obtained feedback from Airwave on the procurement process, which is detailed in Appendix A of the report. We understand the Authority are approaching the suppliers for feedback who pulled out of the procurement to identify if there are any lessons to be learnt from the process.

Conclusion

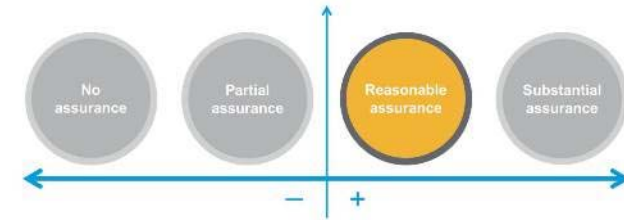
Overall, we found the Authority had clear arrangements in place to monitor the progress of the project via the Mercury Programme Board. This included a clear project plan; terms of reference of the Mercury Programme Board and due diligence has been completed. Furthermore, when the project gets to the appropriate stage, we found arrangements were in place to ensure adequate approval to enter into an agreement with the winning bidder, and contractual arrangements had been planned including the signing of the contract and the agreeing the performance indicators (being agreed at the time of our fieldwork).

We did however find that the full specification for the project was not initially advertised, which ultimately resulted in four of the five suppliers withdrawing from the procurement process following release of the specification on the OJEU Contracts Finder. This has resulted in Airwave being the only supplier left in the process.

Internal audit opinion:

Taking account of the issues identified, the Authority can take reasonable assurance that the controls upon which the organisation relies to manage this area are suitably designed and consistently applied.

However, we have identified issues that that need to be addressed in order to ensure that the control framework is effective in managing this area.

**Key findings**

Our review identified the following issue which has resulted in the agreement of **one medium priority** management action:

**Specification of the project**

The specifications for projects are required to be fully uploaded to the OJEU Contracts Finder for suppliers to fully assess prior to entering the procurement process. We noted that the specification for the Mobilising System Project was not fully uploaded to the OJEU Contracts Finder at the time that the project was initially advertised on 21 August 2019. The full specification for the project was issued on 7 November 2019, with the bid submission deadline being 16 December 2019 and as a result we were unable to confirm that the tender had followed the tender framework process as per the 'Public Contracts Regulations 2015'.

We were advised that following release of the full specification, all but one of the bidding suppliers withdrew from the procurement process. Five suppliers had initially been in competition and were evaluated on initial feedback from the tender before four of these withdrew from the process. Through review of withdrawal letters from suppliers, we noted that the main reason outlined was due to the cost of the project not matching the full work that suppliers deemed was required, which was identified following release of the full specification. We were also unable to review documentation to confirm that the specification for the project was approved by the Technical team prior to being advertised.

There is a risk of the Authority not achieving the objectives of the mobilising system project should they enter into an agreement without the specification for the project being formally approved and evidenced as such. Furthermore, should a competitive procurement process between bidders not take place, this could lead to the Authority not achieving value for money for the services that it procures. **(Medium)**

We have also agreed one **low** priority action which is outlined further within the detailed findings section of the report.

We noted the following controls to be adequately designed and operating effectively:



Pre-contract award project plan

The RMP Project Procurement Plan was developed in July 2019 and has been monitored from August 2019, which outlines all the tasks that were required to be completed up until the contract award of the mobilising system project. We reviewed the RMP Project Procurement Plan and confirmed that it outlined the tasks that were required to be completed prior to the Authority awarding the contract to a supplier. We confirmed that the responsible officers for each task were clearly outlined within the RMP Project Procurement Plan. Project milestones were included in the plan, timescales were clearly defined, and each task had a start and finish date.



Mercury Programme Board – Terms of Reference

Through review of the Mercury Programme Board Terms of Reference we confirmed that the aim of the programme is to deliver and monitor the implementation of the new mobilising system. Furthermore, the Project Teams on the associated projects of the programme will support the delivery of this aim. We confirmed that the document was developed in October 2019 and was approved at the Mercury Programme Board meeting in October 2019.



RMP Project Team meetings - Monitoring

We reviewed RMP Project Team minutes for meetings held in October 2019, January 2020 and February 2020 and confirmed that updates on the progress of the project was reported at each meeting. We confirmed that action points from each meeting were retained and the review of previous actions was a standing agenda item and discussed at each meeting. We noted through review of the action log updated at each meeting that timescales and action owners were prescribed to each action.



Procurement Policy and Guidance

Through discussions with the Procurement Manager, we were advised that the Authority followed the tender framework guidance provided within the government published 'Public Contracts Regulations 2015'. We confirmed that this was the latest guidance set out by the government and was available to access via the government website.

We were advised that a Procurement Policy was in place at the time of project commencement in April 2019, however this was not followed due to it being deemed inadequate by the Procurement Manager, who was in the process of revising the requirements, hence going back to government requirements. We reviewed the new Procurement Policy and confirmed that this had included guidance on the tender framework to be followed for future projects. We also confirmed that the policy was available to access for staff on Share Point.



Due Diligence – Shortlisted suppliers

The Mobilising System Project was advertised to potential suppliers on the Official Journal of the European Union (OJEU) Contracts Finder. In order to access the tender documentation from the advert, suppliers were required to navigate to Delta e-sourcing to access the tender instructions pack. We confirmed through review of completed Selection Questionnaire Instructions Packs for all five suppliers that these were completed and sent to the Authority. We reviewed the Summary Spreadsheet and confirmed this was retained and updated within the Authority's Procurement Team and confirmed that all completed Selection Questionnaire Instructions Packs were assessed prior to being shortlisted to the next stage of the procurement process. As a result of four of the five bidders pulling out, full due diligence processes of each was not undertaken for all five bidders, however we confirmed this had taken place for the winning bidder. We also confirmed that all five shortlisted suppliers had adhered to the prescribed procurement deadlines set out by the Authority.

Approval – to enter into an agreement with the winning bidder

Although Airwave is the only supplier left in the procurement process, the Authority has not yet entered into an agreement with the bidder. This is scheduled to take place in April 2020. Through review of the latest Procurement Policy developed and approved by the Fire Authority in February 2020, we confirmed that section 17 of the document, entitled 'Contract Award and Signature' outlined the approval requirements for each of the procurement bands. We confirmed that the policy outlined the specific responsibility for the Procurement Manager to ensure that the signed Terms and Conditions of Contract is countersigned by the Budget Manager within the Responsible Officer's Service Area, who has the appropriate authority to sign off the relevant level of spend.

Through discussions with the Procurement Manager, we were advised that for the Mobilising System Project, the contract will be agreed by the Procurement Manager, Chief Accountant and Project Executive in line with the requirements shortly, prior to the commencement of the contract.

Signed Contract and Contract Management Arrangements

Through review of the government published 'Public Contracts Regulations 2015', we confirmed that page 29 outlined the Authority had the right to award the contract to the leading supplier at the contract selection stage. We reviewed the contract and its schedules that was drafted by the Authority and their legal advisors, Bevan Brittan, and confirmed that these outlined the roles, responsibilities, specification and the contract management arrangements to be adhered to between both parties for delivery for the Mobilising System Project. The specific Performance Indicators were being agreed at the time of our review.

Through discussions with the Procurement Manager, we were advised that this contract will form the basis of the contract that will be awarded to the only supplier left in the procurement process, Airwave.

Development of a post-contract award rollout plan



We were advised by the Head of ICT and Programmes that the Authority plan to finalise the project plan for the delivery phase of the Mobilising System Project once the contract has been awarded and signed off. We were advised that the winning bidder will be undertaking a large proportion of the work required to develop the project and therefore this can only be undertaken following the contract being awarded. We were further advised that the Authority have started identifying the activities and identifying resource requirements in advance of the contract being signed off. Once this has been undertaken, a planning session with the winning bidder will be arranged to formulate the project plan.

DETAILED FINDINGS AND ACTIONS

This report has been prepared by exception. Therefore, we have included in this section, only those areas of weakness in control or examples of lapses in control identified from our testing and not the outcome of all internal audit testing undertaken.

Mobilising System Project – Procurement and Pre-Contract Award Implementation Plan			
1. Specification of the project		Assessment	
Control	<p>The procurement guidance followed by the Authority for the mobilising system project was taken from the government published 'Public Contracts Regulations 2015' guidance.</p> <p>A Procurement Policy was in place at the time that the project commenced in April 2019, however, this was not followed due to it not being deemed adequate by the Procurement Manager, who was in the process of revising the requirements, hence going back to government requirements.</p> <p>A new Procurement Policy was developed and approved by the Fire Authority in February 2020. This policy outlines the tender framework that would be followed for all projects moving forward.</p>	Design	✓
		Compliance	×
Findings / Implications	<p>We noted through discussions with the Procurement Manager that the specification for the Mobilising System Project was not fully uploaded to the OJEU Contracts Finder at the time that the project was initially advertised. We were advised that following release of the full specification, suppliers had withdrawn from the procurement process. Initially, five suppliers had been in competition and withdrew for a variety of reasons.</p> <p>The reason that the specification was not fully uploaded, was explained to be due to the Authority-wide structure change in July 2019, and the responsibility of managing the project shifting from the Head of Governance and Asset Management to the Head of ICT and Programmes . As such, a decision had been made to initially go out to market with an incomplete specification.</p> <p>Following release of the full specification, suppliers withdrew from the procurement process. Through review of withdrawal letters from suppliers, we noted that the one reason outlined was due to the cost of the project not matching the full work that was required, which was identified following release of the full specification. As such, we confirmed that the tender framework had not been followed as set out in the 'Public Contracts Regulations 2015'.</p> <p>We were also unable to review documentation to confirm that the specification for the project was approved by the Technical team prior to being advertised.</p> <p>There is a risk of the Authority not achieving the objectives of the mobilising system project should they enter into an agreement with a supplier without the specification for the project being formally approved and evidenced as such. This could also lead to the Authority not delivering on their strategic objectives or not demonstrating value for money has been achieved.</p>		

Management Action 1	The Authority will ensure that the specification for all contracts are formally approved and complete prior to being advertised on the OJEU Contracts Finder.	Responsible Owner: Procurement Manager	Implementation Date: April 2020	Priority: Medium
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EXECUTIVE SUMMARY – COMMUNITY RISK MANAGEMENT PLAN

Why we completed this audit

The Community Risk Management Plan is produced to demonstrate how prevention, protection and response activities will best be used to prevent fires and other incidents and mitigate the impact of identified risks on an Authority's communities. The Plan covers the period from 2019 to 2023. On an annual basis, the plan is refreshed which centres around updating the Authority's action plan for the next year. At the time of the audit the Authority were about to start work implementing the 2020/21 action plan.

The Plan is produced by the Corporate Management Team (CMT), compiled by the Service Improvement Manager and considered for approval by the Fire and Rescue Authority each year.

Public and staff engagement events are undertaken, both to produce the initial overall plan but also as part of the annual refresh of the action plan. As part of refreshing the plan for 2020/21, 14,000 email subscribers were sent a survey, of which 395 responses were received, and various face to face events were held in the local area, of which the results were factored into the plan.

Strategies have been documented within the plan under each of the Authority's six aims:

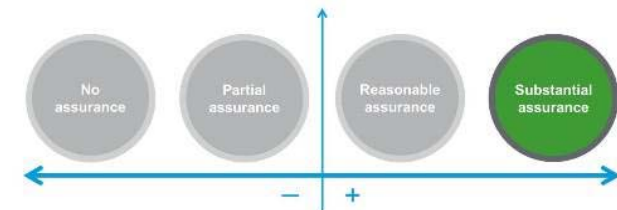
- preventing fires and other emergencies from happening;
- protecting people and property when fires happen;
- responding to fires and other emergencies promptly and effectively;
- empowering our people as we work together to make Bedfordshire safer;
- utilising our assets and resources effectively; and
- maximising use of data and digital transformation to drive improvement.

Conclusion

Our review confirmed that controls were well designed and complied with around producing, approving and monitoring the Community Risk Management Plan (CRMP), including approval of the Plan by the Fire and Rescue Authority, integration of government guidance into the plan, undertaking engagement events with the public and staff, and monitoring of action plans.

Internal audit opinion:

Taking account of the issues identified, the Authority can take substantial assurance that the controls upon which the organisation relies to manage the identified area are suitably designed, consistently applied and operating effectively.



Key findings

We noted the following controls to be adequately designed and operating effectively:



Community Risk Management Plan Approval

The Plan is produced by the CMT and approved by the Fire and Rescue Authority prior to publication. We confirmed through review of the Fire and Rescue Authority's February 2020 minutes that the 2020/21 refreshed Plan had been approved.



Government Guidance

The CRMP has been produced in accordance with the Integrated Risk Management National Framework, last published in May 2018. We confirmed through comparison of the specific requirements outlined within the National Framework, such as the inclusion of up to date risk analysis of the local area and to demonstrate how preventions, protection and response activities will be best used to prevent fires, had been included within the Plan.



Public and Staff Engagement

Public and staff engagement events include issuing a survey via email to over 14,000 subscribers and via the Authority's social media channels, face to face consultations at local meeting points and as part of management briefing days. We confirmed through review of the Fire and Rescue Authority's minutes for their February 2020 meeting and a paper presented that results of the engagement events had been presented and discussed, and that 395 responses had been received. We noted through review of the results and common themes identified in comparison to CRMP that the results had been integrated.

We confirmed through review of agendas from management briefing days that engagement with staff had been planned and we understand completed in line with these.



Monitoring of Action Plans

The CMT oversee the implementation of action plans towards meeting the CRMP. We noted through discussion with the Service Improvement Manager that the FRA have delegated operational responsibility of monitoring progress against the CRM Action Plan to the CMT.

We confirmed through review of the last three minutes for the CMT from January, February and March 2020 that the reports containing progress towards meeting the CRM Action Plan for 2019/20 had been presented. We confirmed through review of the minutes for January and March 2020 that challenge and scrutiny had taken place where appropriate. However, we noted during review of the February 2020 minutes that challenge and scrutiny had not clearly taken place. As this appeared to be a one off occurrence and did not occur in the next meeting, we have not agreed an action in relation to this finding, however, the Authority must ensure evidence is held to support challenge and scrutiny of agenda items through the minutes.

We have agreed one low priority management action. Further details are provided in the detailed findings and actions section of this report.

EXECUTIVE SUMMARY – ENVIRONMENTAL STRATEGY AND DE-POLLUTED SCRAP VEHICLES

Why

we completed this audit

We have undertaken an Environmental Strategy and De-polluted Scrap Vehicles at the Bedfordshire Fire and Rescue Authority (BFRA) to ensure that there are appropriate processes in place to enable compliance with, and reporting against, the Environment & Sustainability Strategy and Action Plan 2020-2025. The Strategic Operational Commander drafted the Authority's Environment & Sustainability Strategy and Action Plan 2020-2025 in January 2020, following liaison with Functional Heads. The Strategy is scheduled to be presented to the Corporate Management Team for review in May 2020 and final approval is required to be obtained from the Fire Authority. At the time of the review, there were no planned Fire Authority meetings taking place due to the coronavirus pandemic, therefore the timing of the approval is to be confirmed.

A Functional Head will be allocated with the responsibility for developing workplans from the strategy, following its approval at the Fire Authority. BFRA has not yet assigned the formal responsibility for monitoring the delivery of the strategy and action plan. Following approval of the strategy, five Project Teams that are each aligned to a Functional Head will be responsible for the five arms outlined within the strategy. Each of these Project Teams will be responsible to report to the Strategic Environmental Board quarterly.

Conclusion

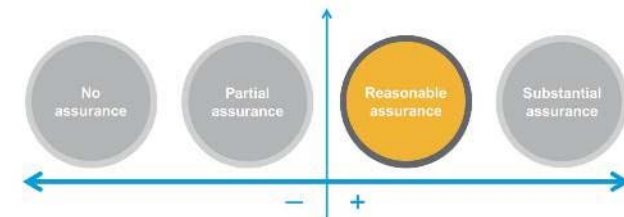
BFRA are currently in the process of formalising its environmental control framework and have recently drafted an Environmental Strategy that will be presented to the Fire Authority for approval. We were advised that further arrangements will be developed following approval in May 2020, such as the development of workplans by each of the Functional Heads at the Authority, which will focus on the delivery of each of the five arms outlined within the strategy. There will also be a focus on the formalisation of governance arrangements to monitor the delivery of the strategy and the effectiveness of the Strategic Environmental Board and respective Project Teams, therefore we have not include additional actions in these areas, but this has been taken into account in our opinion below .

We did note a compliance issue in relation to checks not being documented as undertaken to confirm that scrap vehicles have been de-polluted upon receipt within the Service. We were advised, however, that these checks were being undertaken and just were not being recorded.

Internal audit opinion:

Taking account of the issues identified, the Authority can take reasonable assurance that the controls in place to manage this risk are suitably designed and consistently applied.

However, we have identified issues that need to be addressed in order to ensure that the control framework is effective in managing the identified risk(s).



Key findings

Our review identified the following issue which has resulted in the agreement of one medium priority management action:



Receipt of De-polluted Scrap Vehicles in Stations

Scrap vehicles are required to be accepted on delivery by a member of Service staff and an inspection must be carried out prior to use. Through discussions with the Head of Governance, Assets, Procurement and Collaboration, we were advised that a visual and verbal check is undertaken by Authority staff upon delivery of scrap vehicles, however this process is not currently evidenced.

There is a risk of uninspected scrap vehicles being used for RTC training, which could lead to the Service not undertaking their agreed de-pollution protocol. This will lead to unsafe cars being used for training purposes and could lead to injury, unnecessary pollution and a reputational loss.

(Medium)

We noted the following controls to be adequately designed and operating effectively:



Environmental Strategy

Through review of the draft BFRS Environment & Sustainability Strategy & Action Plan 2020-2025, we confirmed that it outlined the Authority's five arms, with each arm having the same aim in reducing carbon and promoting sustainability throughout BFRS. We confirmed that for each of these arms, the Authority has outlined the aim of the arm, in terms of reduction of emissions and promoting sustainability; and how success of the arm will be measured. We also confirmed that an action plan has been drafted within the strategy, which outlines the action, its aims and benefits and the due dates for actions.



Approval of the Strategy

The Strategic Operational Commander advised that the draft strategy is scheduled to be presented to the Corporate Management Team for review in May 2020. Following this review, a service-wide consultation will be undertaken for a six-week period before the strategy is required to be signed off by the Fire Authority. We were advised that the Authority have been working to the action plan during this interim period. Following approval of the strategy, the document will be available to access to staff via Share Point.



Workplans

Through discussions with the Strategic Operational Commander, we were advised that workplans will be developed by each of the Functional Heads at the Authority, which will focus on the delivery of each of the five arms outlined within the strategy. The workplans will be developed following approval of the strategy, which is expected to take place in May 2020.

We were advised that workplans will be specific, measurable, achievable, realistic and time-constrained (SMART) and approved by a dedicated Strategic Environmental Board prior to being monitored and being utilised to delivery on the overarching strategy.



Responsibility for the monitoring and delivery of the strategy

A dedicated forum has not been assigned with the responsibility for the monitoring and delivery of the Environmental Strategy yet. However, the governance and reporting requirements to implement the strategy are scheduled to be agreed following the approval of the Environment & Sustainability Strategy & Action Plan 2020-2025. We were advised by the Strategic Operational Commander that this is expected to take place in May 2020.

Five Project Teams will be aligned to a Functional Head within the Authority and will be responsible for monitoring the five arms outlined within the strategy. Furthermore, each of these Project Teams will be responsible to report to a Strategic Environmental Board that will meet quarterly.



Procedure for depolluting vehicles for Road Traffic Collision (RTC) training purposes

We obtained a report of all training vehicles that have entered service premises and have been depolluted by an Authorised Treatment Facility (ATF) since April 2019. We selected a sample of 20 of these and confirmed that an invoice from 'Cotton End Car Disposals' was retained by the Authority, which we were advised related to the depollution of the vehicles. We also noted that all invoices had been signed to confirm authorisation for payment to the supplier.



Risk Assessment Record

We reviewed the Risk Assessment Record for Road Traffic Collision (RTC) Car Acceptance and confirmed that it outlined the three tasks that required risk mitigation at the Authority. For all three tasks, we confirmed that 'Preliminary precautions' and 'During work precautions' had been identified and outlined within the document. We confirmed that the document was last reviewed in January 2020 and we were advised that the document is updated quarterly.

The record is monitored via the Sphera Cloud system and should any matters in relation to RTC Car Acceptance require escalation, this is discussed by the Health and Safety Steering Group by exception as required. We were advised that the Health and Safety Steering Group have not discussed the record in the last three months due to matters not requiring their attention during this period. Furthermore, we noted all three current tasks outlined within the record were categorised as 'Low risk'.

Our review also identified an issue that resulted in the agreement of **two low priority** management actions. These are outlined further within the detailed findings section of the report.

DETAILED FINDINGS AND ACTIONS

This report has been prepared by exception. Therefore, we have included in this section, only those areas of weakness in control or examples of lapses in control identified from our testing and not the outcome of all internal audit testing undertaken.

3. Receipt of De-polluted Scrap Vehicles in Stations		Assessment		
Control	Scrap vehicles are required to be accepted on delivery by a member of Service staff.	Design	✓	
	In addition, an inspection must be carried out prior to use, to ensure that the vehicle has been subject to the depollution process and that the resource is 'fit for purpose'.	Compliance	x	
Findings / Implications	<p>Through discussions with the Head of Governance, Assets, Procurement and Collaboration, we were advised that a visual and verbal check is undertaken by staff / officers upon receipt of scrap vehicles. However, we were advised that the acceptance and check undertaken is not currently evidenced.</p> <p>There is a risk of uninspected scrap vehicles being used for RTC training, which could lead to not undertaking their agreed depollution protocol. This will lead to unsafe cars being used for training purposes and could lead to injury, unnecessary pollution and a reputational loss for the Authority.</p>			
Management Action 3	We will ensure that a depollution confirmation inspection is undertaken by a member of Service staff/officers upon delivery of scrap vehicles to the Service, and that the completion of this check is formally documented.	Responsible Owner: Darren Cook - Head of Governance and Asset Management.	Implementation Date: September 2020	Priority: Medium