



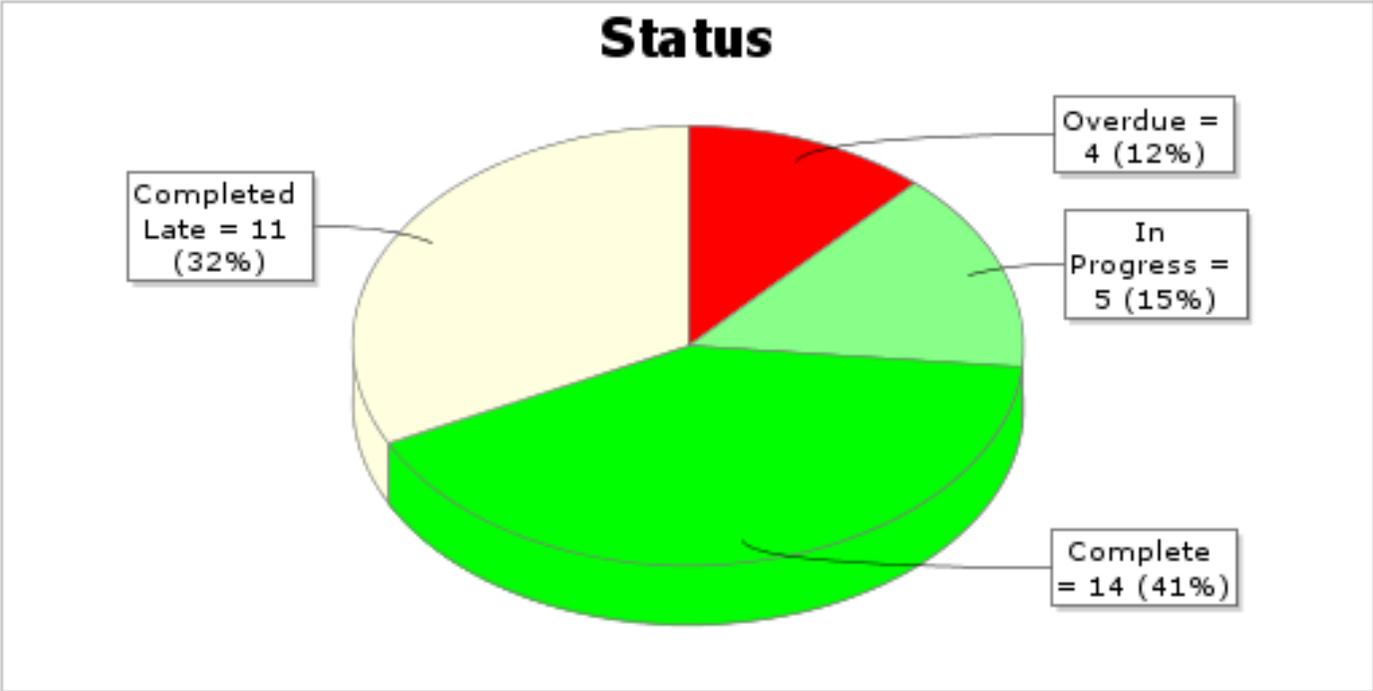
Buckinghamshire & Milton Keynes Fire Authority

MEETING	Overview and Audit Committee
DATE OF MEETING	11 March 2020
OFFICER	Mark Hemming – Director of Finance and Assets Maggie Gibb – Internal Audit Manager
LEAD MEMBER	Councillor David Watson
SUBJECT OF THE REPORT	Internal Audit Report: Update on Progress of Audit Recommendations
EXECUTIVE SUMMARY	<p>The purpose of this paper is to update Members on the progress of the implementation of audit recommendations made as at 14 February 2020.</p> <p>Any further progress against outstanding recommendations will be verbally presented to the Overview and Audit Committee on 11 March 2020.</p> <p>In total there are 35 recommendations to report on the status of which are classified as follows:</p> <p>Implemented – 25/34 (73%) In-progress - 5/34 (15%) Past due date (In-progress) - 4/34 (12%)</p> <p>Internal Audit continues to actively monitor implementation of all outstanding recommendations throughout the year.</p>
ACTION	Noting.
RECOMMENDATIONS	That the progress on implementation of recommendations be noted.
RISK MANAGEMENT	There are no risk implications arising from this report.
FINANCIAL IMPLICATIONS	The audit work is contained within the 2019/20 budget.
LEGAL IMPLICATIONS	There are no legal implications arising from this report.
CONSISTENCY WITH THE PRINCIPLES OF THE DUTY TO COLLABORATE	Not applicable.
HEALTH AND SAFETY	There are no health and safety implications arising from this report.

EQUALITY AND DIVERSITY	There are no equality and diversity implications arising from this report.
USE OF RESOURCES	Communication and progress monitoring All audits, follow-up reports and further updates will be submitted to SMB and Overview and Audit Committee.
PROVENANCE SECTION & BACKGROUND PAPERS	Internal Audit Plans 2016/17, 2017/18, 2018/19 and 2019/20. Internal Audit reports taken to Overview and Audit Committee
APPENDICES	Annex A: Status of Internal Audit Recommendations – March 2020
TIME REQUIRED	10 minutes
REPORT ORIGINATOR AND CONTACT	Maggie Gibb – Internal Audit Manager mgibb@buckscc.gov.uk 01296 387327



BMKFA Audits All Management Actions Summary



BMKFA Audits - Overdue Management Actions

Audit Title & Management Action	Description	Due Date	Priority	Action Owner	Latest Note
BMKFA 1718 1802 Fleet Management (1a & b)Tranman Review	<p>Finding In discussion with the Fleet Manager it was confirmed that the latest Tranman training was delivered circa. December 2015 through a one day training event. This training event covered a large amount of materials in a short period of time and meant that a number of key topics were not covered in their entirety or in sufficient detail to fully absorbed the information to the required standard. Since the training was delivered there have also been a number of staff changes, resulting in three members of staff, from a five person team who use the Tranman system, never being taught the full system and how to use the software from the software provider. This has led to potential under-utilisation of the software and some inconsistencies in the use of the system potentially compromising data integrity and alignment of processes. In addition it was noted that there are current reporting issues through the Crystal Reporting function, which added to the potential inconsistencies in the use of the system means reporting functions cannot be fully relied upon to provide up to date and valid information to base decisions upon. Audit acknowledges that the reporting issue is currently being investigated by Tranman.</p> <p>Risk Where training is not provided on a periodic basis, staff may adopted inappropriate, ineffective, and / or out dated working practices.</p> <p>Action 1a) Tranman to carry out a review of the current system and its utilisation and offer options for further utilisation of the current system, available 'upgrades' and system improvements. This information can then be analysed to ascertain the most appropriate action. 1b) Identify training requirements, system improvements and possible upgrades for implementation in 2018/19 (depending on funding requirements).</p>	31-Aug-2017	Medium Priority	Jez Finden	The Tranman upgrade will be implemented during 2020/21. The new version will provide enhanced functionality and all training needs will be addressed during the implementation period. Expected completion date December 2020.
BMKFA 1819 1948 Stores (2) Asset Review	<p>Finding Staff are required to undertake regular asset checks. The frequency of these inventory checks are dependent on the type of items, with this being determined by the PIT Number each asset is assigned. When the staff check the assets, a device would be used to scan the tag label of each asset to show that the asset has been located and checked. Once the staff have scanned the item, evidence of this scan is registered automatically on Red Kite. During these inventory checks the staff will declare if they have found the asset and if it is inadequate or faulty. A sample of ten items was selected randomly from the Red Kite system. These were tested to see if the items had been checked in accordance with the frequency required. In two cases the location of the items was not found and the item had not been checked as a result.</p> <p>Risk Where assets are not checked on a regular basis, there is a risk that faulty or inadequate items are being held and used by staff members.</p> <p>Action Inventory checks should be reviewed by the Asset Management Systems Officer. Where the inventory checks have not been undertaken on a consistent basis, this will be followed up with staff.</p>	31-Dec-2019	High Priority	Maria Darrell	A full review of inventories is currently underway and being reviewed by the Asset Management Systems Officer. Expected completion date March 2020.

Annex A: Status of Internal Audit Recommendations –March 2020

Audit Title & Management Action	Description	Due Date	Priority	Action Owner	Latest Note
BMKFA 1819 1947 Project Management BLH (2) The Hub Performance	<p>Finding During the Audit it was confirmed that the HUB have had difficulties with technical support; which has had an impact of the timeliness of design work, changes or updates and which in turn has led to delays in providing information that is required by Kingerlee – the construction firm. The Quantity Surveyor maintains a schedule of delays caused by the HUB and the associated costs. It was confirmed that any financial implications that arise as a result of the HUB's poor performance could potentially be recoverable. However Audit found that whilst these potentially recoverable costs are reflected in the Budget Monitoring Financial Statements, they are not separately identified as attributable to any party as this will be the subject of negotiation between all parties depending on final outcomes at the conclusion of construction. The risk of HUB poor performance has been recorded in the risk register.</p> <p>It was confirmed that the Director for the HUB Professional Services has been made aware of potentially recoverable costs and the issues that were causing poor performance have been addressed.</p> <p>Risk Where the impact of poor performance is not completely and accurately reflected in the budget and/or risk register, this may lead to project overspend as the budget will not be forecasting all expected costs.</p> <p>Action The necessary actions to deal with potential financial loss arising from delays on the part of HUB have already been addressed during 2018 and a significant improvement has been seen. The current delay in the construction programme (5-6 weeks) has not altered for some months.</p> <p>Both the HUB and Kingerlee have a responsibility to mitigate any delay as much as possible and with some 8 months of construction still to take place at the time of writing (Feb 2019) they must both maintain the opportunity to do so.</p> <p>Only at post construction and during the period when the final account will be negotiated and agreed, will any financial loss due to delays or failures be attributed.</p> <p>The Director of HUB's parent company (Integral UK Ltd) has been in discussions with both DFA and Property Manager and he is well aware of the potential claim the Authority may have in due course.</p> <p>The financial statements produced by the QS do show all costs (i.e. worst case) but do not at this stage set out which potentially claimable costs are attributable to which parties.</p> <p>The Authority's officers will continue to maintain dialogue with senior representatives at both the HUB and Kingerlee over any potential situation (either worsening or improving) that may lead to a claim.</p>	31-Oct-2019	Medium Priority	David Sutherland	The matter will remain on-going until final accounts are agreed by all parties. Given that construction is now unlikely to finish until around March 2020, it is unlikely we will agree final accounts before the calendar year end.
BMKFA 1819 1948 Stores (7) Polices and Procedures	<p>Finding A Red Kite Asset Management User Guide is in place. This is a guide for staff members on how to use the Asset Management Software. Review of the User Guide identified that there is no issue or review date to the guide. Therefore we were unable to confirm if the Red Kite Asset Management User Guide is being reviewed on a regular basis.</p> <p>Risk Where policies and procedures are not reviewed on a regular basis, there is a risk that staff are working with practices that are out-of-date.</p> <p>Action A review and issue date will be added to the User Guide.</p>	31-Dec-2019	Low Priority	Maria Darrell	The User Guide will be reviewed and re-issued with an updated issue date. Expected completion date March 2020