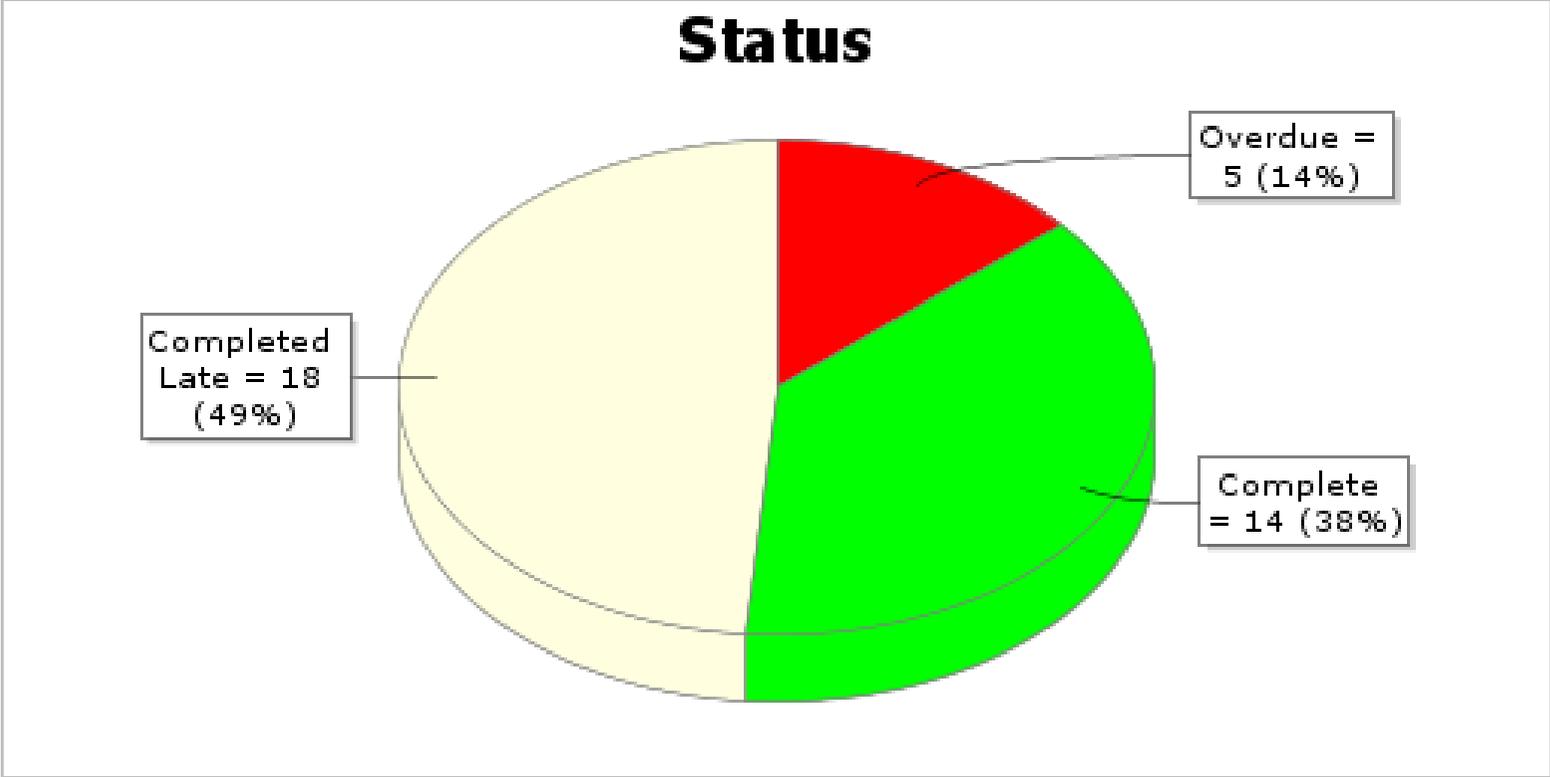


# Appendix A: Status of Audits Recommendations



## BMKFA Overdue Audit Management Actions

Audit Title & Management Action	Description	Due Date	Priority	Action Owner	Latest Note
BMKFA 1718 1802 Fleet Management (1a & b)Tranman Review	<p><b>Finding</b>            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><b>Risk</b>            Where training is not provided on a periodic basis, staff may adopted inappropriate, ineffective, and / or out dated working practices.</p> <p><b>Action</b>            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	Update from Jez Finden, Fleet Manager:  There have been delays due to COVID, leave and the Christmas break, but we are now in the final stages of implementation – we are working through issues identified during UAT and expect to 'go-live' towards the end of this month (Feb).
BMKFA 1718 1831 Core Financial Controls (3) Debtors	<p><b>Finding</b>            A sample of 25 invoices raised between April and December 2017 and a sample of five current debts was reviewed to confirm that supporting documentation was held for each invoice raised, invoices were paid on time and that any outstanding debts are chased seven days after the due date in accordance with Financial Instructions. However the following exceptions were noted from the testing undertaken:</p> <ul style="list-style-type: none"> <li>• Four current debts were subject to the standard debt recovery process, for two of these debts the chasing letter was sent out to debtors more than seven days after the due date (14 days and 11 days respectively). For one of these debts no first reminder was held on Integra.</li> <li>• Two of the five debts tested were older than 30 days. These were both being chased by way of email reminders from Finance and had not been referred to Legal Services as required by the Financial Instructions.</li> </ul> <p><b>Risk</b>            If debts to the Fire Authority are not managed and actively pursued in line with the Financial Instructions, there is a risk that money owed to the Fire Authority may not be recovered</p> <p><b>Action</b>            Financial Instructions and Debt Management Policy to be updated to clarify that the Chief Finance Officer may choose to refer debts to legal, rather than implying that they are automatically referred after 30 days.</p>	31-Dec-2020	Medium Priority	Mark Hemming	Followed up as part of the 2020/21 Core Financial Controls audit:  The Financial Instructions were last updated January 2018 and the change to wording from "may" refer aged debt to legal rather than we "will" has not yet been implemented. Finance are reluctant to take a paper to O&A for approval just to change one word. This change will be made as part of the next revision to the Financial Instructions.

Audit Title & Management Action	Description	Due Date	Priority	Action Owner	Latest Note
BMKFA 1819 1947 Project Management BLH (2) The Hub Performance	<p><b>Finding</b>            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.            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><b>Risk</b>            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><b>Action</b>            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.            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.            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.            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.            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.            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	Mark Hemming	Update from Mark Hemming, Director of Finance and Assets:  Unfortunately, the latest note for the action is still as stated in the previous update. The final account still hasn't been settled, and until it is, we are unable to proceed further with any potential claim.
BMKFA 1819 1948 Stores (2) Asset Review	<p><b>Finding</b>            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><b>Risk</b>            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><b>Action</b>            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	Follow-up as part of the Asset Management System audit found that this action was not implemented. Refer to the finding raised in the 20/21 audit.

Audit Title & Management Action	Description	Due Date	Priority	Action Owner	Latest Note
BMKFA 1718 1830 Property Management (1) Red Kite Functionality	<p><b>Finding</b>            Review of 10 Reactive Works jobs on Red Kite, identified two red rated jobs which were closed within 24 hours of the job being open, this cannot confirm whether it was made operationally safe within the four hour timeframe. There were also two Amber Rated jobs, one of which was closed within 72 Hours and the other 144 hours.</p> <p><b>Risk</b>            Where the Authority are unable to hold record events as they become operationally safe, there is a lack of information available to confirm whether these internal targets are being consistently met.</p> <p><b>Action</b>            As part of the latter phase of the BASI project it is intended to review the current asset management systems utilised by the Authority, part of this review will examine the case for improving the functionality of existing systems working with the suppliers to develop them accordingly. This work is currently scheduled for early 2019.</p>	31-Mar-2020	Low Priority	Gordon Wylie	Update from Gordon Wylie, Property Manager:  Nothing has been started due to pandemic and national lockdown. This is a very low priority.