BUCKINGHAMSHIRE AND MILTON KEYNES FIRE AUTHORITY
BUCKINGHAMSHIRE FIRE AND RESCUE SERVICE

Director of Legal & Governance, Graham Britten
Buckinghamshire Fire & Rescue Service
Brigade HQ, Stocklake, Aylesbury, Bucks HP20 1BD
Tel: 01296 744441 Fax: 01296 744600

Chief Fire Officer and Chief Executive
Jason Thelwell

To: The Members of the Overview and Audit Committee

27 February 2017

MEMBERS OF THE PRESS AND PUBLIC

Please note the content of Page 2 of this Agenda Pack

Dear Councillor

Your attendance is requested at a meeting of the **OVERVIEW AND AUDIT COMMITTEE of the BUCKINGHAMSHIRE AND MILTON KEYNES FIRE AUTHORITY** to be held in Meeting Room 1, Fire and Rescue Headquarters, Stocklake, Aylesbury on **WEDNESDAY 8 MARCH 2017 at 10.00 am** when the business set out overleaf will be transacted.

Yours faithfully

Graham Britten
Director of Legal and Governance

Chairman: Councillor Watson
Councillors: Brunning, Clarke OBE, Exon, Glover, Huxley, Mallen, Teesdale and Wilson

Recording of the Meeting

The Authority supports the principles of openness and transparency. It allows filming, recording and taking photographs at its meetings that are open to the public. Requests to take photographs or undertake audio or visual recordings either by members of the public or by the media should wherever possible be made to enquiries@bucksfire.gov.uk at least two working days before the meeting.

The Authority also allows the use of social networking websites and blogging to communicate with people about what is happening, as it happens.

Adjournment and Rights to Speak – Public

The Authority may, when members of the public are present, adjourn a Meeting to hear the views of the public on a particular agenda item. The proposal to adjourn must be moved by a Member, seconded and agreed by a majority of the Members present and voting.

Prior to inviting the public to speak, the Chairman should advise that they:

(a) raise their hands to indicate their wish to speak at the invitation of the Chairman,
(b) speak for no more than four minutes,
(c) should only speak once unless the Chairman agrees otherwise.

The Chairman should resume the Meeting as soon as possible, with the agreement of the other Members present.

Adjournments do not form part of the Meeting and should be confined to times when the views of the public need to be heard.

Rights to Speak - Members

A Member of the constituent Councils who is not a Member of the Authority may attend Meetings of the Authority or its Committees to make a statement on behalf of the Member's constituents in the case of any item under discussion which directly affects the Member's division, with the prior consent of the Chairman of the Meeting which will not be unreasonably withheld. The Member's statement will not last longer than four minutes.

Where the Chairman of a Committee has agreed to extend an invitation to all Members of the Authority to attend when major matters of policy are being considered, a Member who is not a member of the Committee may attend and speak at such Meetings at the invitation of the Chairman of that Committee.

Questions

Members of the Authority, or its constituent councils, District, or Parish Councils may submit written questions prior to the Meeting to allow their full and proper consideration. Such questions shall be received by the Monitoring Officer to the Authority, *in writing or by fax,* at least two clear working days before the day of the Meeting of the Authority or the Committee.

OVERVIEW AND AUDIT COMMITTEE

TERMS OF REFERENCE

Overview

1. To review current and emerging organisational issues and make recommendations to the Executive Committee as appropriate.

2. To comment upon proposed new policies and make recommendations to the Executive Committee as appropriate.

3. To review issues referred by the Authority and its other bodies and make recommendations to those bodies as appropriate.

4. To make recommendations to the Executive Committee on:

   (a) the Electronic Services Delivery Plan;

   (b) the Brigade Personnel Strategy;

   (c) Levels of Incident Response;

   (d) the Corporate Risk Management Policy;

   (e) the Authority's Information Policy; and

   other such policies and procedures as are required from time to time

5. To consider and make recommendations to the Authority on the Annual Treasury Management Strategy.

Audit

1. To determine the internal and external audit plans and the Internal Audit Strategy

2. To determine the Internal Audit Annual Plan and Annual Report (including a summary of internal audit activity and the level of assurance it can give over the Authority's governance arrangements).

3. To consider and make recommendations on action plans arising from internal and external audit reports, including arrangements to ensure that processes which deliver value for money are maintained and developed.

4. To consider and make recommendations to the Executive Committee on reports dealing with the management and performance of the providers of internal audit services.

5. To consider and make recommendations on the external auditor's Annual Audit Letter and Action Plan, relevant reports and the report to those charged with governance.

6. To consider specific reports as agreed with the Treasurer, Internal Audit, Monitoring Officer, Chief Fire Officer, or external audit and to make decisions as appropriate.

7. To comment on the scope and depth of external audit work and to ensure it gives value for money.

8. To oversee investigations arising out of fraud and corruption allegations.

9. To determine Insurance matters not delegated to officers, or another committee.

10. To consider and determine as appropriate such other matters as are required in legislation or guidance to be within the proper remit of this Committee.

Governance

1. To:

   (a) make recommendations to the Authority in respect of:

      (i) variations to Financial Regulations; and

      (ii) variations to Contract Standing Orders.

   (b) receive a report from the Chief Finance Officer/Treasurer when there has been any variation to the Financial Instructions in the preceding twelve month period.

2. To determine the following issues:

   (a) the Authority's Anti-Money Laundering Policy;

   (b) the Authority's Whistleblowing Policy; and

   (c) the Authority's Anti Fraud and Corruption Policy.

3. To determine the Statement of Accounts and the Authority's Annual Governance Statement. Specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the Authority.

4. To consider the Authority's arrangements for corporate governance and make recommendations to ensure compliance with best practice.

5. To monitor the Authority's compliance with its own and other published standards and controls.

6. To maintain and promote high standards of conduct by the Members and co-opted members of the Authority.

7. To assist Members and co-opted members of the Authority to observe the Authority's Code of Conduct.

8. To advise the Authority on the adoption or revision of a code of conduct.

9. To monitor the operation of the Authority's Code of Conduct

10. To deal with cases referred by the Monitoring Officer.

11. To advise on training, or arranging to train Members and co-opted members of the Authority on matters relating to the Authority's Code of Conduct.

12. To monitor the operation of any registers of interest, of disclosures of interests and disclosures of gifts and hospitality in respect of officers or Members

Risk

1. To monitor the effective development and operation of risk management and corporate governance within the Authority.

2. To consider reports dealing with the management of risk across the organisation, identifying the key risks facing the Authority and seeking assurance of appropriate management action.

Employees

1. To be a sounding board to help the Authority promote and maintain high standards of conduct by employees of the Authority.

2. To advise the Executive Committee on the adoption or revision of any policies, codes or guidance:

   (a) regulating working relationships between members and co-opted members of the Authority and the employees of the Authority;

   (b) governing the conduct of employees of the Authority; or

   (c) relating to complaints; and

   other such policies and procedures as are required from time to time.

3. To monitor the operation of any such policies, codes or guidance mentioned at 2 above.

4. To comment on the training arrangements in connection with any of the above.

General

1. To make such other recommendations to the Executive Committee on the issues within the remit of the Overview and Audit Committee as required.

2. To review any issue referred to it by the Chief Fire Officer, Treasurer, or Monitoring Officer, or any Authority body within the remit of these terms of reference.

3. To consider such other matters as are required in legislation or guidance to be within the proper remit of this Committee.

4. To commission reports from the Chief Fire Officer, the Internal Audit Service, the Monitoring Officer, or such other officer as is appropriate, when the Committee agrees that such reports are necessary.

5. To support the Monitoring Officer and the Treasurer in their statutory roles and in the issue of any guidance by them.

6. To receiving reports from the Monitoring Officer in his/her statutory role or otherwise relating to ethical standards and deciding action as appropriate.

7. To respond to consultation on probity and the ethical standards of public authorities.

AGENDA

Item No:

1. Apologies

2. Minutes

To approve, and sign as a correct record, the Minutes of the meeting of the Committee held on 14 September 2016 (Item 2) **(Pages 9 - 18)**

3. Disclosure of Interests

Members to declare any disclosable pecuniary interests they may have in any matter being considered which are not entered onto the Authority's Register, and officers to disclose any interests they may have in any contract to be considered.

4. Questions

To receive questions in accordance with Standing Order S0A7.

5. RIPA Policy (Minute OA39 - 090316) - Nil Return

6. Treasury Management Strategy Presentation

To receive a presentation

7. Treasury Management Performance - Quarter 3

To consider Item 7 **(Pages 19 - 26)**

8. Internal Audit Reports

(a) Update of Progress of the Annual Audit Plan

To consider Item 8a **(Pages 27 - 30)**

(b) Final Audit Reports

To consider Item 8b **(Pages 31 - 56)**

(c) Update on Progress of Audit Recommendations

To consider Item 8c **(Pages 57 - 60)**

(d) Draft Internal Audit Strategy and Annual Internal Audit Plan 2017/18

To consider Item 8d **(Pages 61 - 72)**

9. Ernst & Young Audit Plan 2016/17

To consider Item 9 **(Pages 73 - 90)**

10. 2015/16 Statement of Assurance

To consider Item 10 **(Pages 91 - 118)**

11. Operational Assurance Audit

To consider Item 11 **(Pages 119 - 188)**

12. Corporate Risk Management

To consider Item 12 **(Pages 189 - 202)**

13. Business and Systems Integration Project: Progress Report

To consider Item 13 **(Pages 203 - 212)**

If you have any enquiries about this agenda please contact: Katie Nellist (Democratic Services Officer) – Tel: (01296) 744633 email: knellist@bucksfire.gov.uk

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Minutes of the meeting of the OVERVIEW AND AUDIT COMMITTEE of the BUCKINGHAMSHIRE AND MILTON KEYNES FIRE AUTHORITY held on WEDNESDAY 14 SEPTEMBER 2016 at 10.00 am

Present: Councillors Brunning, Clarke OBE, Exon, Glover, Huxley, Mallen, Teesdale, Watson (Chairman) and Wilson

Officers: J Thelwell (Chief Fire Officer), M Osborne (Deputy Chief Fire Officer), D Sutherland (Director of Finance and Assets), G Britten (Director of Legal and Governance), N Boustred (Head of Service Delivery), M Hemming (Deputy Director of Finance and Assets), K McCafferty (Head of Human Resources), M Gibb (Internal Audit Manager), B Davidson (Internal Audit), S Gowanlock (Corporate Planning Manager), A Carter (BASI Project Manager), G Barry (Information Governance and Compliance Manager), D Guest (Ernst & Young) and K Nellist (Democratic Services Officer)

Apologies: None.

0A14 MINUTES

RESOLVED –

That the Minutes of the meeting of the Overview and Audit Committee held on 27 July 2016, be approved and signed by the Chairman as a correct record.

OA15 RIPA POLICY (MINUTE OA39 – 090316)

RESOLVED –

To note a Nil Return.

0A16 APPOINTMENT OF HEARING AND APPEALS SUB COMMITTEES

The Chairman advised Members that there was no precedent at the Fire Authority for setting up a Hearing or Appeals Sub Committee, but Members would need to agree on the composition of both. Both Committees would be made up of three Members and an Independent Person and to clarify only Fire Authority Members would be eligible to vote. The Chairman was mindful of the political mix and also mindful of the fact that there were two Councils represented on this body and he would like to see a proportionate political balance and a proportionate balance across the Councils.

The Director of Legal and Governance advised Members that as the Chairman had indicated, there was no precedent for the Committee to need to establish either a Hearing or Appeals Sub Committees previously, although it was within the procedure that was adopted and approved by the full Authority in 2012.

The Director of Legal and Governance advised Members that recommendations 1 and 3 related to the Committee agreeing to

appoint the two Sub Committees and recommendations 2 and 4 related to populating those Sub Committees with Members. The Committees must be governed by political balance and look at seats across the whole Authority. The report that went to the Authority AGM showed the percentages were Conservative 64.7%, (2 Conservatives on each Sub Committee) with Labour and Liberal Democrat at 11.7647% (eligible for 1 seat on either the Hearing or Appeals Sub Committee).

The Chairman was also mindful that these Committees would involve extra work for those Members involved and intended to cancel the December Overview and Audit Committee meeting and move the agenda to a subsequent meeting. The Chairman also advised that the Sub Committee meetings would be likely to take place in the evening, rather than during the day, if possible.

A Member asked what options would be open to the Hearings Committee if the Member was found in breach of the Code of Conduct and was advised that there were a suite of options. The first action would be to decide if the allegation was upheld, and if it was upheld, was it a breach of the Code of Conduct and then decide what sanctions to apply. There were very few sanctions available. The most severe sanction would be a recommendation up to a meeting of the full Authority that a Member should be removed from a Committee, or a Member if they had a special responsibility, would have that special responsibility taken away from them or there could be a recommendation that the Member undertakes further specific training in certain areas or training in terms of certain paragraphs of the Code of Conduct. The Authority under the current legislation had no power to suspend a Member from the Authority itself.

The Independent Person for the Hearing Sub Committee would be Maureen Briggs.

RESOLVED –

1. a Hearing Sub Committee be established to determine in consultation with an independent person whether a Member of the Authority has failed to comply with the Authority's Code of Conduct and to recommend actions on behalf of the Overview and Audit Committee resulting from any such findings.

2. three members be appointed to the Hearing Sub Committee:

   having been proposed by Councillor Glover and seconded by Councillor Clarke, that Councillor Watson be appointed to the Hearing Sub Committee;

   having been proposed by Councillor Watson and seconded by Councillor Brunning, that Councillor Glover be appointed to the Hearing Sub Committee;

having been proposed by Councillor Watson and seconded by Councillor Brunning, that Councillor Exon be appointed to the Hearing Sub Committee.

3. an Appeals Sub Committee be established to adjudicate in consultation with an Independent Person on appeals from a Hearing Sub Committee on the grounds that:

   a) the Authority's complaints procedure has been wrongly applied; or

   b) new evidence has come to light since the hearing which, if disclosed to the Hearing Sub Committee, may result in a different outcome; or

   c) the Hearing Sub Committee has misdirected itself in law, such as to result in an unfair decision.

4. three Members not appointed to the Hearing Sub Committee be appointed to the Appeals Sub Committee:

   having been proposed by Councillor Glover and seconded by Councillor Watson, that Councillor Clarke be appointed to the Appeals Sub Committee;

   having been proposed by Councillor Watson and seconded by Councillor Glover, that Councillor Brunning be appointed to the Appeals Sub Committee;

   having been proposed by Councillor Clarke and seconded by Councillor Brunning, that Councillor Huxley be appointed to the Appeals Sub Committee.

   Members agreed to all of the above appointments unanimously.

OA17 INTERNAL AUDIT REPORT: FINAL AUDIT REPORT

The Internal Audit Manager advised that the purpose of this report was to update Members on the findings of the finalised Internal Audit reports issued since the last Overview and Audit Committee meeting.

The first report was the management letter following the review of the governance arrangements for the Thames Valley Fire Control Service. This had been issued since the last meeting and had been agreed with management. There were no recommendations raised as a result of this audit.

The second report was the Core Financial Controls 2015/16 Audit which had also been finalised. Ten recommendations were raised, one high priority, five medium and four low priority. Recommendations had been agreed with management and eight

out of ten had already been implemented. Internal Audit would monitor implementation of the other recommendations as they fell due. The overall audit opinion was that 'Substantial' assurance could be provided that relevant risks were effectively identified, managed and controlled.

A Member asked if the risks identified in Appendix A were actual risks and was advised that they were the proposed scope of the audit and were potential risks, not actual risks. This was the agreed scope at the beginning of the audit, rather than actual findings.

RESOLVED –

That the recommendations raised in the finalised Internal Audit reports be noted.

OA18 AUDITOR APPOINTMENTS

The Deputy Director of Finance and Assets advised Members that the current audit contracts were novated from the Audit Commission to Public Sector Audit Appointments Limited (PSAA) on 1 April 2015. The contracts were due to expire following conclusion of the audits of 2016/17 accounts, but could be extended for a period of up to three years by PSAA.

In October 2015, the Secretary of State confirmed that the transitional provisions would be amended to allow an extension of the contracts for a period of one year for audits of principal local government bodies only. The new framework for principal local government bodies will commence with the 2018/19 audits.

There are three options available to local public bodies for appointing an auditor. These are to:

1. undertake an individual auditor procurement and appointment exercise;

2. undertake a joint audit procurement and appointment exercise with other bodies, those in the same locality; or

3. join a 'sector led body' arrangement where specified appointing person status had been achieved under the relevant regulations.

The recommendation was that the Authority opt into the sector led body, primarily to get a better price and a better service.

A Member asked if the Auditor was dealing with a number of other Authorities, what were the safeguards that nothing is missed for this Authority and was advised that if the Authority does go with the sector led body and they audit a number of Fire

Authorities, they will share best practice and this will improve the quality of the audit.

RESOLVED –

That the Authority be recommended to approve for the Authority to join a 'sector led body' arrangement.

OA19 CORPORATE RISK MANAGEMENT

The Corporate Planning Manager advised Members that the report provided an update on the current status of identified corporate risks. Risk registers were maintained at project, departmental and directorate levels. Corporate risks were those that had been escalated from these levels for scrutiny by the Strategic Management Board because of their magnitude, proximity or because the treatments and controls require significant development.

The amber and red risks noted on the Corporate Risk Map (Annex A) were explained in more detail.

The Deputy Director of Finance and Assets advised Members that one of the issues around the funding and saving risk was the USAR (Urban Search and Rescue) grant for national resilience. This year the Government had agreed the first six months of the funding, subject to further review. Currently this funding was worth just under £900K a year to the Authority. If this was lost, it would be a significant risk to the Authority.

Other risks in the background included 'Brexit' and early indications showed it might not be as catastrophic as previously forecast, but it was still too early to tell, but in relation to the USAR Funding it was a relatively small risk.

A Four Year Settlement and Efficiency Funding Plan was being taken to the Executive Committee on the 21 September 2016 which would guarantee the Authority's funding for the next four years, although this didn't guarantee all funding, only the Revenue Support Grant.

The Director of Finance and Assets advised Members that if the Executive Committee were minded to go with the recommendations regarding the Four Year Savings and Efficiency Plan then it may be possible to reduce the risk to amber.

A Member asked if the Chief Fire Officer had thought to write to all the MPs regarding the possibility of excluding the Fire Service from business rates and was advised that the consultation with regard to business rates was currently ongoing. It was an open consultation and within the consultation the Home Office had set out specifics for Fire, which proposes to move Fire to the same

funding mechanism as the Police. This Authority had responded to say it agreed with this proposition.

The Head of Human Resources updated Members on the ageing workforce risk which was quite common across many fire and rescue services. In April 2015 the average age of the Authority's firefighters was 39 year old. Twenty-two firefighter apprentices had started in August 2016 and this would help mitigation of that risk. The Authority would not readjust this risk until the apprentices had completed their training and become operational in October 2016. The Firefighter apprentices were aged between 18-28 and this should have a positive impact. The Authority still had twenty operational staff over 50 years of age.

The Head of Human Resources advised Members that some other consequences within this risk were managing the workforce in terms of well-being and health. The Authority had invested in fitness testing, gym equipment on stations and the Global Corporate Challenge. The Authority was also going out to tender for its Occupational Health provision.

A Member asked how long the apprenticeship training would be and was advised that it might typically take two years, although they would be operational in October 2016.

A Member asked if the Authority had made a financial commitment to keep all the apprentices at the end of two years and was advised that operational staff were leaving and retiring all the time and so they would potentially fill the gap dependent on risk and demand needs.

The Head of Service Delivery advised Members that the staff availability risk was linked to resources and came about because of industrial action two years ago and was there to ensure the Authority was able to discharge its statutory duty. The Resource Management team the Bank system, and the Operational Pool, allow the Authority to move resources around and ensure that there is resilience when needed. Business Continuity plans are being reviewed across the whole service to ensure they are interlinked. Alongside the strategic review of resources the Authority would relook at the risk score itself and hopefully readjust it accordingly.

RESOLVED –

That the status report on identified corporate risk at Annex C be noted.

OA20 INDEPENDENT PERSONS

The Director of Legal and Governance advised Members that this report recommends the appointment of Independent Persons following the recruitment process undertaken on behalf of the

Authority, Milton Keynes Council and Central Bedfordshire Council by Luton Borough Council. Five applicants (all of whom were IPs from the pool first appointed in 2012) were recommended. This was a continuation of a successful collaboration between local authorities first put in place by the Authority in 2012.

The Director of Legal and Governance drew Members' attention to the delayed commencement date for Mr Fogden due to him have being a longstanding Co-opted Member on the Authority until June 2012, and hence ineligible for appointment as an Independent Person until five years had elapsed; and correcting the date from 20 October 2016 to 19 October 2016 for the four other appointees.

RESOLVED –

That the Authority be recommended to appoint:

1. John Jones, Vasco Fernandes, Chris Ensor and Maureen Briggs as Independent Persons for a period commencing 19 October 2016 and terminating at midnight on 31 October 2020; and

2. Chris Fogden as an Independent Person for a period commencing on 1 July 2017 and terminating at midnight on 31 October 2020.

OA21 COMPLIMENTS AND COMPLAINTS

The Information Governance and Compliance Manager advised Members that this report was to advise of any corrective action taken to reduce or remove the problems that led to a complaint being made and to identify opportunities to improve public perception of the services the Authority provide. It also served to note public satisfaction and record compliments received and, if any of these represent a new good practice, to identify measures taken to ensure that this becomes standard.

There were only six complaints in total, three of which were upheld and two were totally unavoidable. Written compliments continue to fall, although there are more verbal compliments which are difficult to capture.

RESOLVED –

That the report be noted.

OA22 TREASURY MANAGEMENT PERFORMANCE 2016/17

The Director of Finance and Assets advised Members that this was the Treasury Management Performance 2016/17 report for Quarter 1. The accrued interest earned for the first quarter of

2016/17 was £41k, which was £16k higher than the budget for the quarter.

The Authority had out-performed both benchmark figures for the first quarter. This was due to attaining slightly better interest rates than the previous year and continued effective Treasury Management processes. However, it must be noted that there had been some volatility in interest rates after the EU referendum took place on Thursday 23 June 2016 whereby the UK decided to leave the EU.

Director of Finance and Assets advised that, as Members were aware, interest rates had gone down and it was difficult to determine how this would impact the return the Authority received from future investments, but the Director of Finance and Assets did expect an impact on Quarter 2 and Quarter 3 results. Although he was confident the Authority should be on budget for the year.

The Director of Finance and Assets would take advise from the Authority's independent financial advisors Capita, who would be presenting at the next Overview and Audit Committee meeting to demonstrate the risks and how they were managed.

RESOLVED –

That the Treasury Management Performance 2016/17 – Quarter 1 report be noted.

OA23 BUSINESS AND SYSTEMS INTEGRATION PROJECT: PROGRESS REPORT

The Business and Systems Integration Project Manager summarised for Members the business case from 2015, which laid out the systems the Authority wanted to change, the amount it would cost, what systems were available at the time and the approach taken. With regard to the systems that we wanted to change, they had remained the same, as did the amount of money to spend, the only thing that changed slightly was how the systems were grouped.

The project continued to move at pace, and the Premises Risk Management system had been awarded to Active Informatics. Active Informatics offered a well-developed system with fire and rescue service functionality and they currently work with Greater Manchester Fire and Rescue Service. This would allow the Authority to move away from its existing standalone, unstable system and offer staff a user friendly, modern and mobile solution.

The Finance/HR and Payroll system implementation plans were completed and signed off and following a number of workshops involving end users, the initial system design had been

completed. Budget management was on track and the contingency of £200k was not needed in 2016. Project Management, including the Business Systems and Integration Project, would be audited in October 2016.

A Member asked how this impacted on business continuity and was advised that the new systems would be run parallel with the old systems for at least three months. Notice regarding the SAP system would not be given until the new system was up and running correctly. All of the new systems were externally hosted.

RESOLVED –

That the report be noted.

OA24 DATE OF NEXT MEETING

The Committee noted that the next meeting of the Committee would take place on Wednesday 8 March 2017 at 10.00am.

THE CHAIRMAN CLOSED THE MEETING AT 11.23AM

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Buckinghamshire & Milton Keynes Fire Authority

MEETING	Overview and Audit Committee
DATE OF MEETING	8 March 2017
OFFICER	David Sutherland, Director of Finance and Assets
LEAD MEMBER	Councillor Peter McDonald
SUBJECT OF THE REPORT	**Treasury Management Performance 2016/17 - Quarter 3**
EXECUTIVE SUMMARY	This report is being presented as Members resolved at the meeting of Buckinghamshire and Milton Keynes Fire Authority on 14 October 2015 that future Treasury Management reports would be submitted to the Overview and Audit Committee. It is best practice to review on a regular basis how Treasury Management activity is performing. The accrued interest earned for the first three quarters of 2016/17 is £130k, which is £55k higher than the budget for the period.
ACTION	Information.
RECOMMENDATIONS	That the Treasury Management Performance 2016/17 – Quarter 3 report be noted.
RISK MANAGEMENT	Making investments in the Authority's own name means that the Authority bears the risk of any counterparty failure. This risk is managed in accordance with the strategy and with advice from external treasury management advisors. The Director of Finance and Assets, will act in accordance with the Authority's policy statement; Treasury Management Practices and CIPFA's Standard of Professional Practice on Treasury Management. The risk of counterparty failure is monitored on the directorate level risk register within Finance and Assets. There are no direct staffing implications.
FINANCIAL IMPLICATIONS	The budget for 2016/17 relating to interest earned on balances invested is £100k. Performance against the budget is included within Appendix A.
LEGAL IMPLICATIONS	The Authority is required by section 15(1) of the Local Government Act 2003 to have regard to the Department for Communities and Local Government

	Guidance on Local Government Investments; and by regulation 24 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 [SI 3146] to have regard to any prevailing CIPFA Treasury Management Code of Practice
CONSISTENCY WITH THE PRINCIPLES OF COLLABORATION	No direct impact.
HEALTH AND SAFETY	No direct impact.
EQUALITY AND DIVERSITY	No direct impact.
USE OF RESOURCES	See Financial Implications.
PROVENANCE SECTION & BACKGROUND PAPERS	• Treasury Management Policy Statement, Treasury Management Strategy Statement and the Annual Investment Strategy http://bucksfire.gov.uk/files/1614/4827/6491/ITEM_8_Treasury_Management_Strategy_2016-17_FINAL.pdf • Treasury Management Practices http://bucksfire.gov.uk/files/4314/5527/8969/OA250913.compressed.pdf
APPENDICES	Appendix A – Treasury Management Performance 2016/17 – Quarter 3
TIME REQUIRED	5 minutes.
REPORT ORIGINATOR AND CONTACT	Linda Blunt lblunt@bucksfire.gov.uk (01296) 744404

Appendix A – Treasury Management Performance 2016/17 – Quarter 3

Background

Up until 31 March 2013, the Authority's cash balances were managed by Buckinghamshire County Council (BCC) under a Service Level Agreement (SLA). From 2013/14 the Authority began investing in its own name. This report highlights the performance of the in-house treasury management function for its third year 2016/17.

Security of Investments

The primary investment priority as set out in the Treasury Management Policy Statement is the security of capital. The Authority applies the creditworthiness service provided by Capita. This determines whether or not a counterparty is suitable to invest with and if so, the maximum duration an investment could be placed with them. In the Annual Investment Strategy (AIS), the Authority resolved that the balances invested with any single counterparty at any point in time would be 30% of the total investment portfolio to a maximum of £5m (with the exception of Lloyds Bank, who as our banking provider that have a limit of £7.5m, of which at least £2.5m must be instant access). The amount invested with each counterparty on the approved lending list as at 31 December 2016 is detailed below:

Counterparty	**Amount (£000)**
Lloyds Bank plc	5,000
Santander	3,000
Nationwide Building Society	3,000
Leeds Building Society	3,500
Barclays Bank	3,000
Sumitomo Mitsui Banking Corporation	4,000
Skipton Building Society	1,000
Lloyds Bank plc (current accounts)	1,612
Ignis Sterling MMF*	250
CCLA MMF*	500
Total	**24,862**

*MMF denotes a Money Market Fund

Although no counterparty limits were exceeded in terms of amount invested during the period, an administrative error meant that a deposit of £1m was placed with Skipton Building Society for 180 days, rather than the guideline 100 days in the current AIS. This arose when two investments of differing durations were placed at the same time and the wrong counterparty was selected for the longer duration investment.

Following discovery of the error the process for determining and authorising investments has been updated to minimise the risk of the error reoccurring. The

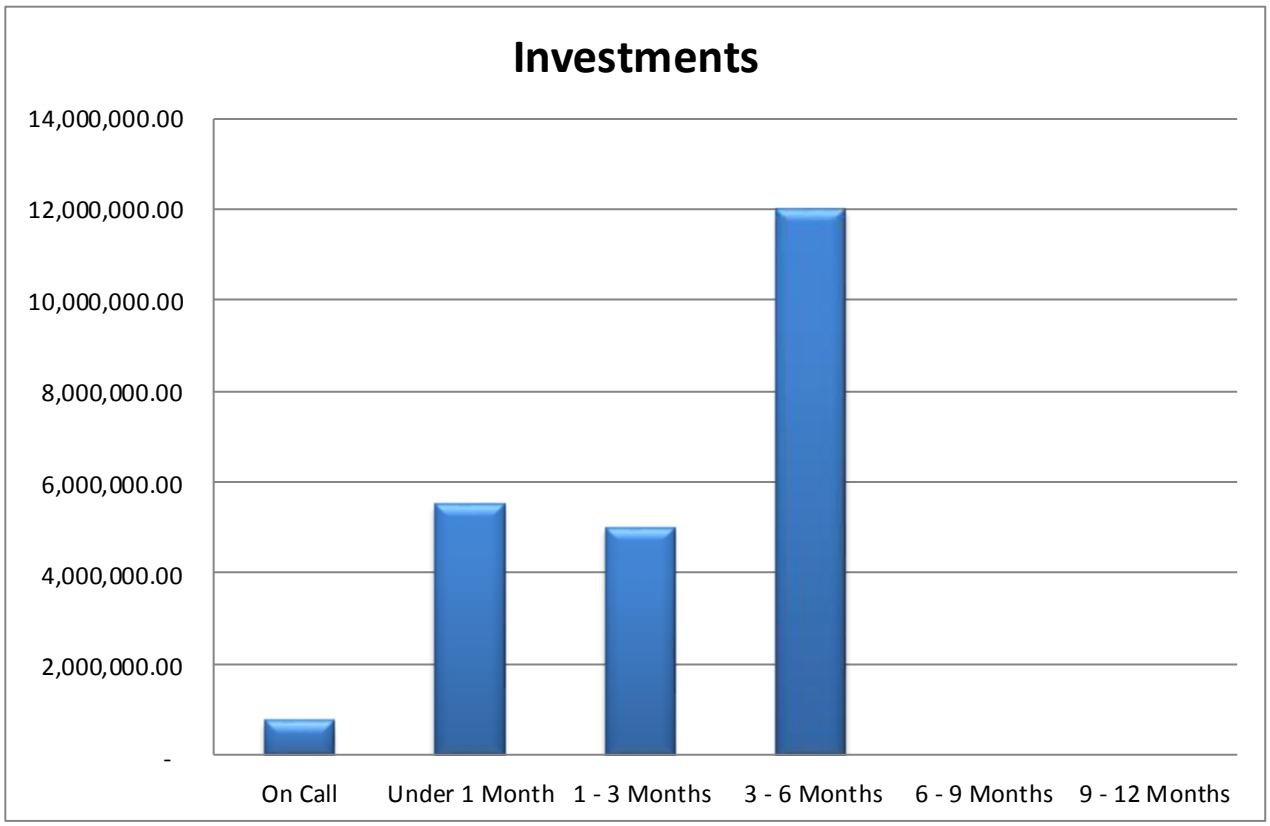
investment with Skipton is scheduled to mature in May 2017 and at the point this report is presented to Members, there will be less than a 100 days to maturity.

The above investments include an amount of £750k invested in two money market funds (MMF). A MMF employs credit analysts who first assess who is a suitable counterparty and then continue to monitor those counterparties over time. By investing with a range of counterparties, risk is able to be diversified to a greater extent than investing directly in single counterparties. In its AIS the Authority also resolved that all credit ratings will be monitored weekly, by means of the Capita creditworthiness service. During quarter 3 Capita made no changes to the counterparty listing.

Liquidity

Investments

The second objective set out within the Treasury Management Policy Statement is the liquidity of investments (i.e. keeping the money readily available for expenditure when needed). Investments have been placed at a range of maturities, including having money on-call in order to maintain adequate liquidity. The current investment allocation by remaining duration can be seen on the chart below:



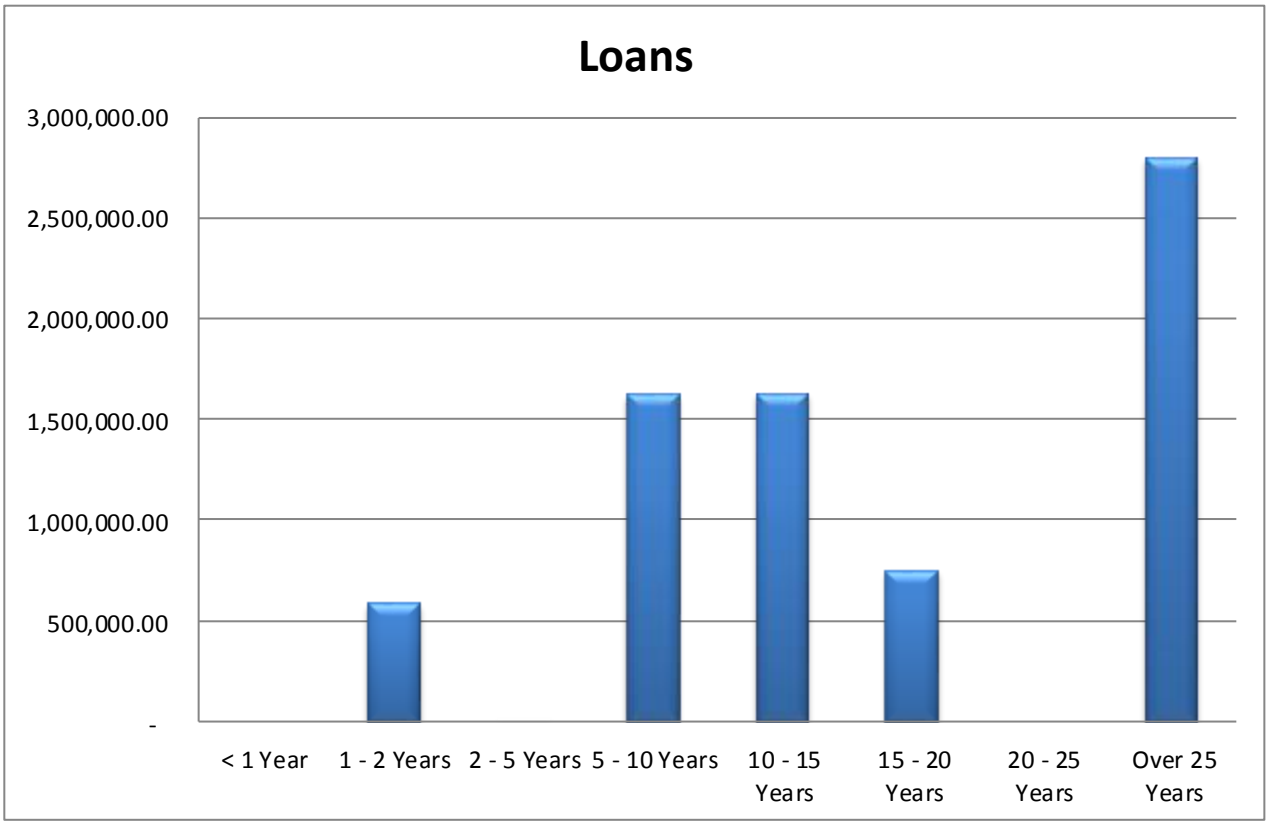
By reviewing the Balance Sheet position, level of reserves and cash requirements, the Authority determined that it was able to re-invest £5m for one year (which matures on 4 April 2017, at which point it will be reinvested for a further year). In order to cover expenditure such as salaries, pensions, creditor payments, and potential liabilities for which we have made provisions within the Statement of Accounts, a greater proportion of the balances are invested as short fixed-term deposits. Any unforeseen circumstances and potential major incidents that could occur are covered

by holding a smaller proportion of the investment balances on call (i.e. it is available for use on the day it is required).

The investments under one month duration, totalling £5.5m consist of four investments; £3m to Santander, £1m to Nationwide Building Society, and £1.5m to Leeds Building Society. These deposits were originally made for six months. When they are reinvested they will be spread over varied lending periods in order to maintain liquidity. The investments for 1-3 months totalling £4m is spread over three counterparties and they were originally made for a periods of six months. The investments in the 3-6 month period totalling £12m consists of investments to five counterparties, four that were originally invested over a six month period, and one that was invested for a 12 month period. Upon reinvestment they will also be spread over varied lending periods to maintain liquidity. Balances on call consist of £750k investments in the two Money Market Funds. A MMF helps improve the liquidity of the Authority's balances. By investing collectively, the Authority benefits from liquidity contributed by others and from the knowledge they are all unlikely to need to call on that money at the same time.

Borrowing

As part of managing the liquidity of investments, it is important to have regard to the maturity structure of outstanding borrowing. This can be seen in the following chart:



The total borrowing outstanding as at 31 December 2016 is £7.382m. During May 2016, one loan for £0.368m was repaid. No further debt repayment is due until May 2018. These repayments do not directly affect the revenue budget, as they simply reflect the use of cash accumulated by setting aside the appropriate minimum revenue provision (MRP) to settle the outstanding liability.

Investment Yield

Having determined proper levels of security and liquidity, it is reasonable to consider the level of yield that could be obtained that is consistent with those priorities.

Performance Against Budget – Quarter 3

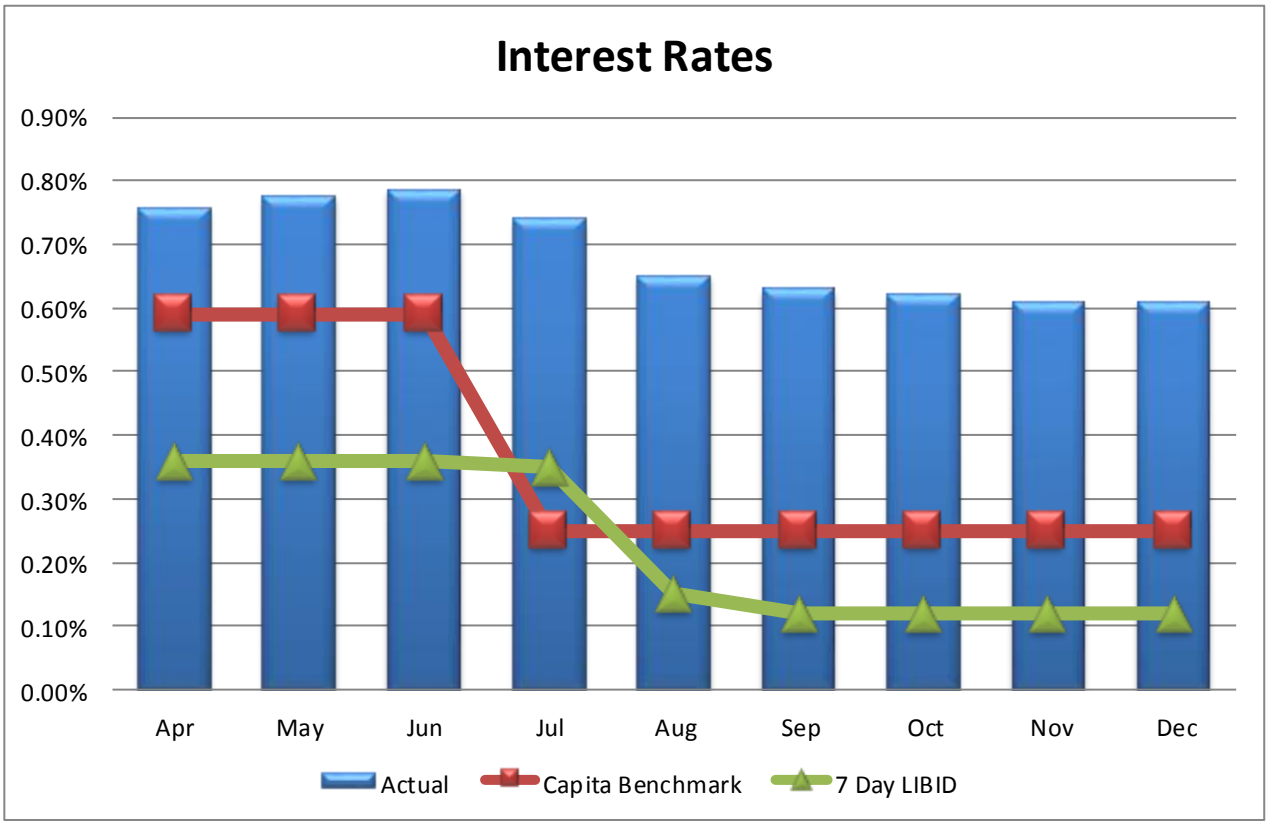
The budget for future years was reviewed as part of the Medium Term Financial Plan process and the income target for 2016/17 is £100k. This was increased in 2015/16 to £100k from £70k in 2014/15. This increase was due to the continuing over-achievement against the previous year's budget.

The accrued interest earned as at 31 December 2016 is £130k against the planned budget of £75k for three quarters of the year, which is an over achievement of £55k.

Performance Against the Benchmark – Quarter 3

The relative performance of the investments is measured against two benchmark figures:

- 7 day LIBID – this is the rate the Authority would have earned on all balances had the SLA with BCC continued into future years, this has fallen from 0.36% to 0.12% since the EU Referendum.
- Capita benchmark – this is the indicative rate that Capita advised we should be looking to achieve for 2016/17 at the start of the year which this was later revised down from 0.59% to 0.25% in July 2016.
- The weighted average rate (%) is compared to the two benchmark figures in the following chart for each month:



The Authority continues to out-perform both benchmark figures for the first three quarters of the year and has already achieved more interest than it had budgeted in accrued interest for the year. This is mainly due to attaining slightly better interest rates than the previous year and as a result of investments made earlier in the year at a higher rate of return. However it must be noted that there has been some volatility in interest rates after the EU referendum took place on Thursday 23 June 2016 whereby the UK decided to leave the EU.

As reported in quarter 2, the Bank of England reduced the base rate in August 2016 from 0.50% to 0.25%. Furthermore there is more uncertainty around what impact triggering Article 50 will have on the economy. If the interest rates were to drop again, this will reduce the level of interest we receive from investments and the impact of this will be shown in future Treasury Management Reports.

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Buckinghamshire & Milton Keynes Fire Authority

MEETING	Overview and Audit Committee
DATE OF MEETING	8 March 2017
OFFICER	David Sutherland, Director of Finance and Assets Maggie Gibb, Internal Audit Manager
LEAD MEMBER	Councillor David Watson
SUBJECT OF THE REPORT	**Internal Audit Report: Update of Progress of the Annual Audit Plan**
EXECUTIVE SUMMARY	The purpose of this paper is to update Members on the progress of the annual Internal Audit Plan since the last meeting. Work is progressing according to the 2016/17 plan, and regular discussions have been held with the Director of Finance and Assets to monitor progress. The audits of Financial Planning and Project Management have been completed and issued as a final report. The fieldwork for the Core Financial Controls audit has been completed, with the draft report due for issue before the end of February. The final report will be presented to Members in at the next meeting. The audit of Business Continuity Planning is at a planning stage, and the scope has been agreed with management. Timings for the remaining audits will be discussed and agreed with SMB.
ACTION	Information.
RECOMMENDATIONS	That Members note the progress on the Annual Internal Audit Plan.
RISK MANAGEMENT	There are no risk implications arising from this report.
FINANCIAL IMPLICATIONS	The audit work is contained within the 2015-16 budget.
LEGAL IMPLICATIONS	There are no legal implications arising from this report.
CONSISTENCY WITH THE PRINCIPLES OF COLLABORATION	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 Plan 2015/16 Internal Audit reports taken to Overview and Audit Committee
APPENDICES	Annex A: Progress against 2015/16 Internal Audit Plan with a schedule of proposed work still to be undertaken
TIME REQUIRED	10 minutes.
REPORT ORIGINATOR AND CONTACT	Maggie Gibb – Internal Audit Manager mgibb@buckscc.gov.uk 01296 387327

Appendix A
Progress against 2016/17 Internal Audit Plan

Auditable Area	Key Audit Objectives	Budget (Timing)	Status
Core Financial Controls	To fulfil our statutory responsibilities, we will undertake work to provide assurance over key controls within the financial governance framework. Key systems that will be tested include: Budget Setting/Monitoring Procure to Pay Payroll & Pensions Debtors Capital Financial Regulations General Ledger Reconciliations Treasury Management This review will include a follow up of the 2015/16 audit report.	40 days (Q4)	Fieldwork complete
Project Management	The audit will cover the key controls within the Project Management Framework, and will provide assurance over the project management disciplines for a major project (to be agreed with SMB).	15 days (Q2)	Final Report (Reasonable)
Financial Planning	The audit will focus on the robustness of the Financial Planning process in place, including roles and responsibilities, timetable for reporting and decision making.	10 days (Q1)	Final Report (Substantial)
Business Continuity Planning	The Fire and Rescue Service are required to have in place plans to manage incidents and emergencies that may have an adverse effect on service delivery. The scope will cover the Business Continuity Strategy, accompanying Plan and risk management processes to ensure the Service also has associated continuity plans covering critical areas.	15 days (Q4)	Planning (start March 2017)

Appendix A

Contingency	A contingency has been included within the audit plan to provide flexibility and in recognition of an expected but as yet unspecified need. If the days remain as at the beginning of Q4 then they will be used to review some key Governance areas such as Project Management and Contract Management, with the agreement of the Director of Finance and Assets.	15 days	
Follow Up - general	To ensure all 2014/15 and 2015/16 medium and high recommendations of significant nature are implemented, in addition to recommendations still outstanding from previous years.	10 days	Ongoing
Corporate Work	A proportion of the total audit resource is made available for 'corporate work'. Corporate work is non-audit specific activity which still 'adds value' or fulfils our statutory duties. Examples of this type of work include attendance and reporting to Management and Committee, and audit strategy and planning work. This also includes developing the Audit Plan, writing the Annual Report and undertaking the annual Review of Effectiveness of Internal Audit.	10 days	Ongoing
Total		**115 days**	

Buckinghamshire & Milton Keynes Fire Authority

MEETING	Overview and Audit Committee
DATE OF MEETING	8 March 2017
OFFICER	David Sutherland, Director of Finance and Assets Maggie Gibb, Internal Audit Manager
LEAD MEMBER	Councillor David Watson
SUBJECT OF THE REPORT	**Internal Audit Report: Final Audit Reports**
EXECUTIVE SUMMARY	The purpose of this paper is to update Members on the findings of the finalised Internal Audit reports issued since the last Overview and Audit Committee meeting. a) The 2016/17 Financial Planning Audit has been finalised. Recommendations have been agreed with the Deputy Director of Finance and Assets, and suitable deadline dates for implementation have been identified. b) The 2016/17 Project Management Audit has been finalised. The audit focussed on the Business and Systems Integration project. Recommendations have been agreed with the Project Manager and Head of Service Development, and suitable deadline dates for implementation have been identified. Internal Audit will monitor implementation of the recommendations as they fall due.
ACTION	Information.
RECOMMENDATIONS	That members note the recommendations raised in the finalised Internal Audit reports.
RISK MANAGEMENT	There are no risk implications arising from this report.
FINANCIAL IMPLICATIONS	The audit work is contained within the 2016-17 budget.
LEGAL IMPLICATIONS	There are no legal implications arising from this

	report.
CONSISTENCY WITH THE PRINCIPLES OF COLLABORATION	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 Plan 2016/17 Internal Audit reports taken to Overview and Audit Committee
APPENDICES	Appendix A: 16/17 Financial Planning Audit Report Appendix B: 16/17 Project Management Audit Report
TIME REQUIRED	10 minutes
REPORT ORIGINATOR AND CONTACT	Maggie Gibb – Internal Audit Manager mgibb@buckscc.gov.uk 01296 387327

APPENDIX A

AUDIT AND RISK MANAGEMENT

INTERNAL AUDIT REPORT

BUCKINGHAMSHIRE & MILTON KEYNES FIRE AUTHORITY

Financial Planning 2016/17

November 2016

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Audit Control:

Closing meeting:	26 September 2016
Draft report:	13 October 2016
Management responses:	19 October 2016
Final report:	8 November 2016

Auditors:	Maggie Gibb	Chief Internal Auditor
	Betty Davidson	Senior Auditor
	Grace Woolnough	CIPFA Trainee
Report Distribution:		
Draft Report	Mark Hemming	Deputy Director of Finance and Assets
	David Sutherland	Director of Finance and Assets
Final Report as above plus:	Jason Thelwell	Chief Fire Officer
	Adrian Busby	Chair, Bucks and Milton Keynes Fire Authority
		External Audit

1. Executive Summary

1.1 Overall Audit Opinion

> In our opinion **substantial** assurance can be provided that relevant risks are effectively identified, managed and controlled.

1.2 The overall audit assurance is made up of three supporting judgements:

a) Our assurance on the adequacy of the risk management techniques employed within the auditable area is substantial. This relates to the extent to which relevant risks have been identified, monitored and managed.

b) Our assurance on the adequacy of the existing control framework to reduce identified risks to an acceptable level is substantial.

c) Our assurance on the adequacy of compliance with the existing control framework is reasonable.

1.3 The Financial Planning process links the Fire Authority's strategic aims and objectives as set out in the Public Safety Plan (PSP) and the Corporate Plan with the resources available to the Authority taking into account the rolling capital programme. It is important that the Medium Term Financial Plan is constructed so as to ensure that resource allocation enables the Authority to carry out agreed priorities. The Medium Term Financial Plan is reviewed on an annual basis as part of the budget cycle and is scrutinised by the Executive Committee before approval by the Fire Authority.

1.4 In addition to the findings summarised below, we also found the following examples of good practice:

- There is a robust process in place for reviewing and agreeing growth bids.
- The budget build spreadsheet shows how the final budgets have been compiled.

1.5 Some areas for improvement were identified which are listed in section 3 of the report, there are no high priority actions.

1.6 Recommendations summary:

In order to provide an assurance on the extent to which the risks identified are managed, our review focussed on the main business objectives within the Financial Planning process.

Progress in implementing the management actions will be tracked and reported to the Overview & Audit Committee.

Business Area	Risk	Findings		
		High	Medium	Low
Financial Planning Process	The budget set does not reflect the Authority's agreed priorities, resources available or legal requirements.	0	0	1
Roles and Responsibilities	Roles and responsibilities are not defined or communicated to staff leading to inaccurate or incomplete information being received to set the financial plan.	0	2	0
Timetable for Reporting	There is no timetable in place for setting and approving the financial plan leading to the budget not being set and agreed in a timely manner.	0	0	0
Decision Making	The financial plan is not reviewed or agreed at the appropriate level leading to an ineffective allocation of resources.	0	0	0
TOTAL		**0**	**2**	**1**

The detailed findings are summarised in Section 3 of this report. All findings have been discussed with the Deputy Director of Finance and Assets who has agreed all the findings and produced an action plan to implement them.

1.7 There were no aspects of this audit which were considered to have value for money implications for the Authority or which indicated instances of over control. Any relevant findings will have been included in the findings and recommendations section of this report.

2. Background

2.1 The audit review of Financial Planning formed part of the agreed audit programme for 2016/17. The review was carried out during July to September 2016.

2.2 The Financial Planning area was categorised as high risk as part of the audit needs assessment exercise based on its relative importance to the achievement of the Authority's corporate objectives. The Authority's objective for the area is to ensure that there is a robust process in place for financial planning. The objective of our audit was to evaluate the area with a view to delivering reasonable assurance as to the adequacy of the design of the internal control system and its application in practice. A detailed summary of the scope of this review can be seen in Appendix A.

2.3 The outcome of the previous audit in this area can be summarised as:

Budget Setting carried out in 2010/11, the audit opinion was reasonable.

3. Recommendations and Action Plan

The control description column details the actual controls that should be established to mitigate identified risk. The Findings & Consequences column details the results of analysis and tests carried out.

The priority of the findings and recommendations are as follows:

High immediate action is required to ensure that the objectives for the area under review are met.
Medium action is required within six months to avoid exposure to significant risks in achieving the objectives for the area under review.
Low action advised within 9 months to enhance control or improve operational efficiency.

	Control description	Issues & Consequences	Priority H/M/L	Management Action Plan	Task owner and target date for implementation
Key area		**Roles and responsibilities**			
1	Senior Managers prepare draft budget requirements with regard to the strategic objectives detailed in the Public Safety Plan, and in accordance with agreed Financial Instructions.	The template for growth and savings bids includes a strategic requirements section which shows links to Corporate Plan/Public Safety Plan, however from a review of the Capital bid templates for two of the seven bids the strategic requirements section had not been completed. If a strategic requirement is not stated in the bid there is a risk that bids are approved which are not linked to the agreed Corporate or Public Safety Plans.	Medium	The templates will be returned to the Officer responsible for the bid for completion where the strategic aim has not been included.	Who to be actioned by: Principal Accountant (Management Accounting) When to be actioned by: December 2016

	Control description	Issues & Consequences	Priority H/M/L	Management Action Plan	Task owner and target date for implementation
2	Senior Managers prepare draft budget requirements with regard to the Authority's approved policy framework and in accordance with agreed Financial Instructions.	The Invest to Save Policy is dated February 2010 with a review date of February 2011, however there is no evidence that it has been reviewed since 2010. As part of the realignment of reserves, approved by Executive Committee 15 November 2015, it was agreed that £250k could be used from the Invest to Save Reserve for a one-off cost of the Public Safety Plan. The reserve was originally set up for projects that would lead to future savings for the Authority which must be deliverable, realistic, known and not dependent upon other decisions. The Deputy Director of Finance and Assets confirmed that nothing specific had been identified yet. There is a risk that if the policy is not reviewed regularly the original purpose of the reserve is no longer relevant and expenditure will not be in agreement with the original purpose of the reserve.	Medium	There was no link intended between the Invest to Save Reserve and the Invest to Save policy. The Invest to Save Policy is no longer relevant as it has been replaced by the robust process of challenge within the Medium Term Financial Plan. If bids show clear financial benefits but cannot be funded from existing budgets, then the intention would be to fund up-front costs from this reserve. All references to the policy will be removed from other policies e.g. Financial Regulations, Financial Instructions etc. The Invest to Save Policy will then be removed from circulation.	Who to be actioned by: Deputy Director of Finance and Assets When to be actioned by: February 2017

	Control description	Issues & Consequences	Priority H/M/L	Management Action Plan	Task owner and target date for implementation
Key Area		**Financial Planning Process**			
3	There is a sound basis for applying inflation to the budget.	The CPI (Consumer Price Index) is used for some inflationary of the increases to the budget. This was applied at 1.3% for the budget build however it shows as 1.75% in the agreed MTFP papers presented to the Executive and Fire Authority Committees. This was confirmed as a copying error and the correct % had been applied, the CPI figure is taken from OBR/CLG estimates which was 1.3% for Q4 2015. There is a risk that decisions are based on incorrect information.	Low	The budget papers/figures will be checked for errors by a senior officer before submission to Committee.	Who to be actioned by: Deputy Director of Finance and Assets When to be actioned by: February 2017

Appendix A

AUDIT SCOPE AND FRAMEWORK

4. Specific Audit Scope

4.1 We have evaluated the area against the following identified risks which we agreed with management:

- The budget set does not reflect the Authority's agreed priorities, resources available or legal requirements.
- Roles and responsibilities are not defined or communicated to staff leading to inaccurate or incomplete information being received to set the financial plan.
- There is no timetable in place for setting and approving the financial plan leading to the budget not being set and agreed in a timely manner.
- The financial plan is not reviewed or agreed at the appropriate level leading to an ineffective allocation of resources.

4.2 Following preliminary risk assessments, the following processes were not included within the scope of this review and will be considered for inclusion within future audits of the area: N/A

5. The following staff assisted with the audit:

- Mark Hemming, Deputy Director of Finance and Assets
- Mark Stevens, Principal Accountant
- Marcus Hussey, Trainee Accountant

5. Audit Methodology and Opinions

a. The audit was undertaken using a risk-based methodology in a manner compliant with the CIPFA Code of Practice. The audit approach was developed with reference to the Internal Audit Manual and by an assessment of risks and management controls operating within each area of the scope. Where we consider that a risk is not being adequately managed, we have made recommendations that, when implemented, should help to ensure that the system objective is achieved in future and risks are reduced to an acceptable level.

b. The matters raised in this report are only those, which came to our attention during the course of our audit and are not necessarily a comprehensive statement of all the risks that exist or all improvements that might be made.

c. Each audit will result in an overall 'audit assurance'. A detailed summary will be provided to the Overview and Audit Committee for all 'limited' assurance opinion reports. The range of audit opinions is outlined below:

ASSURANCE	SUBSTANTIAL	REASONABLE	LIMITED
Adequacy of risk management techniques employed within the area.	Thorough processes have been used to identify risks. Action being taken will result in risks being mitigated to acceptable levels. No more monitoring is necessary than is currently undertaken.	The action being taken will result key risks being mitigated to acceptable levels. Some additional monitoring is required.	No action is being taken, OR insufficient action is being taken to mitigate risks. Major improvements are required to the monitoring of risks and controls.
Adequacy of the existing control framework to reduce identified risks to an acceptable level.	Controls are in place to give assurance that the system's risks will be mitigated.	Most controls are in place to give assurance that the system's key risks will be managed but there are some weaknesses.	The control framework does not mitigate risk effectively. Key risks are not identified or addressed.
Adequacy of compliance with the existing control framework.	The control framework is generally complied with. Emerging risks are identified and addressed in a timely manner.	Compliance with the control framework mitigates risk to acceptable levels, except for the risks noted.	Compliance is poor so risks are not being mitigated to acceptable levels and it is probable that some objectives will not be, OR are not being achieved.

d. The responsibility for a sound system of internal control rests with management. Internal audit procedures are designed to focus on areas identified by management as being of greatest risk and significance. Effective implementation of our recommendations by management is important for the maintenance of a reliable internal control system.

APPENDIX B

AUDIT AND RISK MANAGEMENT

INTERNAL AUDIT REPORT

BUCKINGHAMSHIRE & MILTON KEYNES FIRE AUTHORITY

Project Management 2016/17

January 2017

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Audit Control:

Closing meeting:	25 November 2016
Draft report:	22 December 2016
Management responses:	12 January 2017
Final report:	30 January 2017

Auditors:	Maggie Gibb	Chief Internal Auditor
	Betty Davidson	Senior Auditor
Report Distribution:		
Draft Report	Anne-Marie Carter	BASI Project Manager
	Julian Parsons	Head of Service Development
	Lynne Swift	Director of People and Organisational Development
	David Sutherland	Director of Finance and Assets
Final Report as above plus:		
	Jason Thelwell	Chief Fire Officer
	Adrian Busby	Chair, Bucks and Milton Keynes Fire Authority
	Ernst and Young	External Audit

1. Executive Summary

1.1 Overall Audit Opinion

In our opinion **reasonable** assurance can be provided that relevant risks are effectively identified, managed and controlled.

1.2 The overall audit assurance is made up of three supporting judgements:

a) Our assurance on the adequacy of the risk management techniques employed within the auditable area is reasonable. This relates to the extent to which relevant risks have been identified, monitored and managed.

b) Our assurance on the adequacy of the existing control framework to reduce identified risks to an acceptable level is reasonable.

c) Our assurance on the adequacy of compliance with the existing control framework is reasonable.

1.3 The Project Management Audit reviewed the processes in place for the management of projects at the Fire Authority and how these have been applied to the management of the Business and Systems Integration Project (BASI). The business case for the BASI project was agreed by the Business Transformation Board in April 2015 to proceed with the purchase of an enterprise-wide software solution (ERP) and Finance system as opposed to multiple software packages to deliver Finance, HR, and Payroll to multiple software packages to deliver Finance, HR, Payroll, Premises Risk Management, Resource Management and Asset Management. BMKFA have employed a Project Manager who has been instrumental to the progression of the project.

Following a tender exercise which ran from December 2015 to January 2016 it was agreed to purchase a solution from Capita for Finance, Payroll and HR. It was decided to retender for Premises Risk Management and to put Resource and Asset Management on hold for future development as a solution that met the Fire Authority's requirement was not available.

Following a further tender exercise the contract for Premises Risk Management was awarded to Active Informatics Limited, the contract is currently in draft form.

1.4 In addition to the findings summarised below, we also found the following examples of good practice:

- The Project Manager is experienced in managing projects within a complex organisation and is driving the project forward to ensure that it is progressing to timescales and costs.

- Stakeholders have been involved in the project at all stages and are committed to its success.

1.5 Some areas for improvement were identified. These are detailed in Section 3 below. There are no high priority actions.

1.6 Recommendations summary:

In order to provide an assurance on the extent to which the risks identified are managed, our review focussed on the main business objectives within Project Management.

Progress in implementing the management actions will be tracked and reported to the Overview & Audit Committee.

Business Area	Risk	Findings		
		High	Medium	Low
Project approval and link to strategic objectives	There is no clear link between the project and key strategic priorities, benefits are not clearly defined or monitored.	0	2	1
Project ownership	There is a lack of clear senior management ownership, support and leadership.	0	0	0
Stakeholder engagement	There is a lack of effective engagement with users and stakeholders.	0	0	0
Resources, skills and governance	Resources, skills and proven approach to project management are not in place.	0	1	1
Value for money	Value for money is not achieved.	0	0	0
TOTAL		0	3	2

The detailed findings are summarised in Section 3 of this report. All findings have been discussed with the Head of Service Development and the Project Manager who have agreed all the findings and produced an action plan to implement them.

1.7 There were no aspects of this audit which were considered to have value for money implications for the Authority or which indicated instances of over control. Any relevant findings will have been included in the findings and recommendations section of this report.

2. Background

2.1 The audit review of Project Management formed part of the agreed audit programme for 2016/17. The review was carried out during October and November 2016.

2.2 Project Management was categorised as high risk as part of the audit needs assessment exercise based on its relative importance to the achievement of the Authority's corporate objectives. The Authority's objective for the area is to ensure that projects are managed efficiently and effectively to achieve the desired outcome to required timescales and within budget. The objective of our audit was to evaluate the area with a view to delivering reasonable assurance as to the adequacy of the design of the internal control system and its application in practice. A detailed summary of the scope of this review can be seen in Appendix A.

2.3 There has been no previous internal audit activity of this area.

3. Recommendations and Action Plan

The control description column details the actual controls that should be established to mitigate identified risk. The Issues & Consequences column details the results of analysis and tests carried out.

The priority of the findings and recommendations are as follows:

High immediate action is required to ensure that the objectives for the area under review are met.
Medium action is required within six months to avoid exposure to significant risks in achieving the objectives for the area under review.
Low action advised within 9 months to enhance control or improve operational efficiency.

	Control description	Issues & Consequences	Priority H/M/L	Management Action Plan	Task owner and target date for implementation
Key Area		**Project Approval and Link to Strategic Objectives**			
1	There is a project plan in place for the entire duration of the project, which clearly states how benefits will be realised.	There are project plans in place for the Finance, HR and Payroll streams of the BASI project that were produced by the successful bidder in conjunction with BMKFA. The Project Manager confirmed that there is no overarching project plan that covers all aspects of the BASI project. If there is no overarching project plan in place there is a risk that the project resources will not be used as efficiently as possible and the project will not meet timescales and/or budget.	Medium	The individual project plans will be completed by the suppliers in conjunction with BMKFA as this makes best use of resource. A high level project plan will be put in place capturing key milestones for the outstanding elements.	Who to be actioned by: Anne-Marie Carter, BASI Project Manager When to be actioned by: 31 Jan 2017

	Control description	Issues & Consequences	Priority H/M/L	Management Action Plan	Task owner and target date for implementation
2	Risks have been identified and there is a process in place for managing those risks, including escalation where appropriate.	Although high level risks are included in the project highlight reports and reviewed with Sponsors on a regular basis, the project risk register has not been updated since December 2015. Risk consequences and mitigating treatments are not recorded in the register. The risk register produced by CAPITA has not been updated since August 2016. If risks are not reviewed and updated on a regular basis they may not be managed effectively; new risks may not be identified and managed.	Medium	High level risks will continue to be captured on the highlight report and discussed at the sponsors meetings Detailed risks relating to the project will be updated on a regular basis; actions to manage the risks will be recorded and monitored.	Who to be actioned by: Anne-Marie Carter, Project Manager When to be actioned by: 31 Jan 2017

	Control description	Issues & Consequences	Priority H/M/L	Management Action Plan	Task owner and target date for implementation
Key Area		**Resources, Skills and Governance**			
3	Project management methodology has been agreed.	There is a Project Management Handbook approved by 'Project Board' in May 2008, and updated in August 2013. This is not generally used for projects. The BASI Project Manager has developed a highlight report template that includes current activities, milestones and risk which has been used for other BMKFA projects. The governance process including Business Transformation Board is not reflected in the handbook. If there is not a clearly defined, documented and visibly managed process for project management there is a risk that projects may not be managed effectively leading to the project not being delivered within timescales or to cost.	Medium	The BMKFA Project Management methodology will be reviewed taking into consideration other guidance including - National Operational Guidance programme. - Thames Valley Collaboration programme This will ensure any methodology and templates put in place will support collaboration. The new methodology will be communicated to business	Who to be actioned by: Anne-Marie Carter, Project Manager When to be actioned by: 31 July 2017

	Control description	Issues & Consequences	Priority H/M/L	Management Action Plan	Task owner and target date for implementation
Key Area		**Project Approval and Link to Strategic Objectives**			
4	The project plan is revised and checked for viability if changes to the specifications are made.	Following the first tender process it was decided that the delivery option agreed in the original business case would not be in the best interests of the Fire Authority. This was agreed by the Project Sponsors and the tender update was sent to Business Transformation Board members however the next BTB meeting was cancelled due to this being the only item on the agenda. The paper was taken to SMB, although the minutes show that it was discussed no formal approval was recorded. This is not compliant with the agreed project governance document.	Low	Any revisions to the specification of the project will be formally agreed at the appropriate Board and minuted.	Who to be actioned by: Julian Parsons, Head of Service Development When to be actioned by: Ongoing

	Control description	Issues & Consequences	Priority H/M/L	Management Action Plan	Task owner and target date for implementation
Key Area		**Resources, Skills and Governance**			
5	Project interdependencies have been considered and documented.	The BASI project covers various work streams; the Finance HR and Payroll have interdependencies. These are being supplied by CAPITA and Midlands HR. CAPITA have produced a risk, assumptions, issues and dependencies (RAID) document, the Project Initiation Document states that this is to be updated by both CAPITA and BMKFA. The latest version of the RAID was updated in May 2016 and August 2016, there are currently no dependencies shown under the relevant tab. If project interdependencies are not recorded and kept up to date there is a risk that potential problems may escalate and impact on the delivery of the project.	Low	Dependencies will continue to be worked on throughout the project. All project documentation will be kept up to date to ensure that the current dependencies of the project are known.	Who to be actioned by: Anne-Marie Carter, Project Manager When to be actioned by: Ongoing

Appendix A

AUDIT SCOPE AND FRAMEWORK

4. Specific Audit Scope

4.1 We have evaluated the area against the following identified risks which we agreed with management:

- There is no clear link between the project and key strategic priorities, benefits are not clearly defined or monitored.
- There is a lack of clear senior management ownership, support and leadership.
- There is a lack of effective engagement with users and stakeholders.
- Resources, skills and proven approach to project management are not in place.
- Value for money is not achieved.

4.2 Following preliminary risk assessments, the following processes were not included within the scope of this review and will be considered for inclusion within future audits of the area: The audit concentrated on the management of the BASI project, other projects were not considered within the scope of this audit.

5. Staff Interviewed

- Anne-Marie Carter, BASI Project Manager
- Julian Parsons, Head of Service Development
- Lynne Swift, Director of People and Organisational Development
- David Sutherland, Director of Finance and Assets
- Mark Hemming, Deputy Director of Finance and Assets
- Kerry McCafferty, Head of Human Resources
- Jarvis Osborne, Assistant Procurement Manager

5. Audit Methodology and Opinions

a. The audit was undertaken using a risk-based methodology in a manner compliant with the CIPFA Code of Practice. The audit approach was developed with reference to the Internal Audit Manual and by an assessment of risks and management controls operating within each area of the scope. Where we consider that a risk is not being adequately managed, we have made recommendations that, when implemented, should help to ensure that the system objective is achieved in future and risks are reduced to an acceptable level.

b. The matters raised in this report are only those, which came to our attention during the course of our audit and are not necessarily a comprehensive statement of all the risks that exist or all improvements that might be made.

c. Each audit will result in an overall 'audit assurance'. A detailed summary will be provided to the Overview and Audit Committee for all 'limited' assurance opinion reports. The range of audit opinions is outlined below:

ASSURANCE	SUBSTANTIAL	REASONABLE	LIMITED
Adequacy of risk management techniques employed within the area.	Thorough processes have been used to identify risks. Action being taken will result in risks being mitigated to acceptable levels. No more monitoring is necessary than is currently undertaken.	The action being taken will result key risks being mitigated to acceptable levels. Some additional monitoring is required.	No action is being taken, OR insufficient action is being taken to mitigate risks. Major improvements are required to the monitoring of risks and controls.
Adequacy of the existing control framework to reduce identified risks to an acceptable level.	Controls are in place to give assurance that the system's risks will be mitigated.	Most controls are in place to give assurance that the system's key risks will be managed but there are some weaknesses.	The control framework does not mitigate risk effectively. Key risks are not identified or addressed.
Adequacy of compliance with the existing control framework.	The control framework is generally complied with. Emerging risks are identified and addressed in a timely manner.	Compliance with the control framework mitigates risk to acceptable levels, except for the risks noted.	Compliance is poor so risks are not being mitigated to acceptable levels and it is probable that some objectives will not be, OR are not being achieved.

d. The responsibility for a sound system of internal control rests with management. Internal audit procedures are designed to focus on areas identified by management as being of greatest risk and significance. Effective implementation of our recommendations by management is important for the maintenance of a reliable internal control system.

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Buckinghamshire & Milton Keynes Fire Authority

MEETING	Overview and Audit Committee
DATE OF MEETING	8 March 2017
OFFICER	David Sutherland, 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	The purpose of this paper is to update Members on the progress of the implementation of audit recommendations made as at 3 February 2017. Any further progress against outstanding recommendations will be verbally presented to the Overview and Audit Committee on 8 March 2017. In total there are 37 recommendations to report on the status of which are classified as follows: Green (Implemented) 31/37 (84%) Amber (on track not yet due) 6/37 (16%) Red (not implemented, due date revised) 0/37 (0%) There are no outstanding recommendations to bring to the attention of the Members at this time. Internal Audit continues to actively monitor implementation of all outstanding recommendations throughout the year.
ACTION	Information.
RECOMMENDATIONS	That Members note the progress on implementation of recommendations.
RISK MANAGEMENT	There are no risk implications arising from this report.
FINANCIAL IMPLICATIONS	The audit work is contained within the 2016-17 budget.
LEGAL IMPLICATIONS	There are no legal implications arising from this report.
CONSISTENCY WITH THE PRINCIPLES OF COLLABORATION	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 2015/16 and 2016/17 Internal Audit reports taken to Overview and Audit Committee
APPENDICES	Annex A: Status of Internal Audit Recommendations – 6 February 2017
TIME REQUIRED	10 minutes.
REPORT ORIGINATOR AND CONTACT	Maggie Gibb – Internal Audit Manager mgibb@buckscc.gov.uk 01296 387327

ANNEX A:

Status of Internal Audit recommendations – February 2017

Audit Assignments	Date of final audit report	Overall Assurance	No of recommendations made	No of recommendations Implemented	Implemented since last meeting	Direction of Travel (see notes)	Status of recommendations at 23 February 2017		
							Red: Recommendation has not yet been implemented and will not meet the original deadline	Amber: Recommendation is progressing, not due to be actioned yet.	Green: Recommendation has been actioned
2014/15									
HR People Management	April 2015	Substantial	2	2	1	↑	0	0	2
Core Financial Controls	March 2015	Substantial	8	6	0	↔	0	2*	6
2015/16									
Asset Management	November 2015	Reasonable	8	8	1	↑	0	0	8
Pensions Administration	December 2015	Reasonable	6	6	1	↑	0	0	6
Core Financial Controls	May 2016	Substantial	10	8	0	↔	0	2**	8
2016/17									
Financial Planning	November 2016	Substantial	3	2	2	↑	0	1	2
Totals			**37**	**32**	**5**		**0**	**5**	**32**

Notes for Overview and Audit Committee:

* **Core Financial Controls 2014/15** –The outstanding recommendations relate to updating procedure guidance used by the Finance Team. These will be reviewed and updated when the new finance system is implemented, it has been agreed with Internal Audit to change the action completion date to June 2017.

** **Core Financial Controls 2015/16** – One recommendation relates to updating Financial Instructions, these will be reviewed and updated when the new finance system is implemented, it has been agreed with Internal Audit to change the action completion date to June 2017.
The other recommendation relates to updating Contract Standing Orders and in view of plans to now try and realign these with Royal Berkshire Fire and Rescue Service for joint procurement exercises, it has been agreed with Internal Audit to postpone the action completion date until June 2017.

Direction of travel indicates how well recommendations have been progressed since previous Overview and Audit Committee meeting.

Further recommendations have been implemented in period

No recommendations due for implementation in period

Recommendations due for implementation have not been actioned

Buckinghamshire & Milton Keynes Fire Authority

MEETING	Overview and Audit Committee
DATE OF MEETING	8 March 2017
OFFICER	David Sutherland, Director of Finance and Assets Maggie Gibb, Internal Audit Manager
LEAD MEMBER	Councillor David Watson
SUBJECT OF THE REPORT	**Internal Audit Report: Draft Internal Audit Strategy and Annual Internal Audit Plan 2017/18**
EXECUTIVE SUMMARY	This paper sets out the Internal Audit Strategy and the proposed Internal Audit Plan for 2017/18 (attached at Appendix A) for the approval of the Committee. There are no material changes from the strategy of previous years, however, there remains some flexibility through a small provision of contingency days to enable the Director of Finance and Assets to work with Internal Audit to direct the work to the most appropriate areas.
ACTION	To consider the proposed scope of the 2017/18 Internal Audit Strategy and Annual Internal Audit Plan.
RECOMMENDATIONS	That Members approve the Internal Audit Strategy and Annual Internal Audit Plan.
RISK MANAGEMENT	There are no risk implications arising from this report.
FINANCIAL IMPLICATIONS	The audit work is contained within the 2017-18 budget.
LEGAL IMPLICATIONS	There are no legal implications arising from this report.
CONSISTENCY WITH THE PRINCIPLES OF COLLABORATION	Royal Berkshire FRS recently sought tenders for provision of their Internal Audit service from April 2017. Unfortunately, the timescales allowed meant that BCC were unable to bid prior to the closing date.
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 Plan 2016/17 Internal Audit reports taken to Overview and Audit Committee
APPENDICES	Appendix A – Draft Internal Audit Strategy and Annual Plan for 2017/18
TIME REQUIRED	15 minutes.
REPORT ORIGINATOR AND CONTACT	Maggie Gibb – Internal Audit Manager mgibb@buckscc.gov.uk 01296 387327

APPENDIX A

Buckinghamshire and Milton Keynes Fire Authority

Draft Internal Audit Strategy and Annual Plan for 2017/18

Presented to the Overview and Audit Committee
8 March 2017

Contents

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1 Introduction

1.1 This paper details the Internal Audit Strategy for 2017/18 and the proposed Internal Audit Plan for the year. The Plan will be subject to regular review and presented to the Overview and Audit Committee on a quarterly basis, together with a progress report, for approval.

1.2 The responsibility, status and authority of Internal Audit at the Fire Authority is outlined within the Constitution and Financial Regulations.

2 Internal Audit Strategy

2.1 The Accounts and Audit Regulations 2015 (R5) state that the Fire Authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance. Proper internal audit practices are defined in the Public Sector Internal Audit Standards (adopted from 1 April 2013).

2.2 The Public Sector Internal Audit Standards defines Internal Audit as an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

2.3 The Chief Internal Auditor provides this opinion in an annual report on the System of Internal Control, which is used to inform the Fire Authority's Annual Governance Statement. In providing this opinion we are required to review annually the financial management, risk management and governance processes operating within the Authority. This includes reviewing internal control systems for key processes on a risk basis.

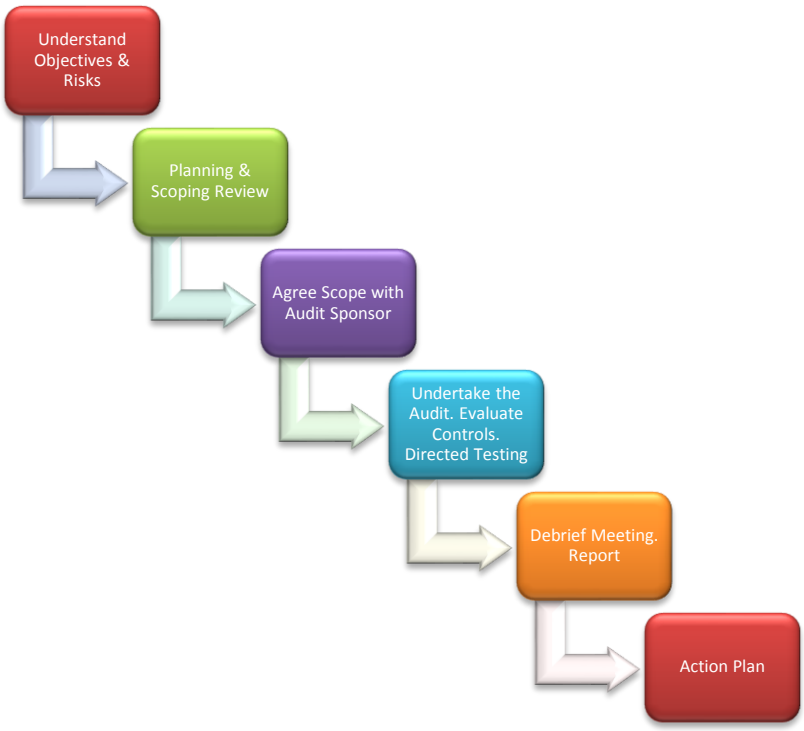
2.4 The Internal Audit Service is provided as part of a service level agreement with Buckinghamshire County Council. The Council's Internal Audit Service is delivered in partnership with the London Audit Framework, hosted by the London Borough of Croydon. This partnership arrangement includes an element of a "call off contract" should it be necessary to outsource specific technical audits such as ICT or complex contracts.

2.5 A key part of the strategy is ensuring the right skills mix and resources exist to deliver an effective service. For the 2017/18 Internal Audit Plan, we aim to provide continuity in the resources we allocate for the audit assignments; an Audit Manager will oversee the programme of work, ensuring work is delivered on time and to the correct quality, and will present the quarterly plans and progress reports to the Overview and Audit Committee; suitably qualified and experienced auditors will be allocated to undertake the audit assignments.

2.6 The Annual Internal Audit Plan is drafted for the approval of the Overview and Audit Committee, in consultation with the Senior Management Board, with consideration of the Fire Authority's Corporate Plan, Strategic Risks and previous audit activity. There will remain a significant emphasis for internal audit activity in reviewing financial systems and compliance with the governance framework; however, the Plan also reflects other strategic reviews that will be progressed during 2017/18.

2.7 The plan and allocation of audit days will be regularly reviewed by the Audit Manager and the Director of Finance and Assets to ensure the focus of the audit activity is directed to the key risk areas where independent assurance is required.

Our Approach to an Internal Audit Assignment



2.8 In order to underpin the Annual Audit Opinion, a risk based methodology will be applied to all audit assignments, providing assurance that key controls are well designed and operating effectively to mitigate principal risk exposures. Terms of reference will be prepared for each audit assignment, in consultation with the relevant Manager, to ensure that key risks within the audited area are identified.

2.9 The quality of work is assured through the close supervision of staff and the subsequent review of reports, audit files and working papers by an Audit Manager. Exit meetings are held with the relevant officers to ensure factual accuracy of findings and subsequent reporting, and to agree appropriate action where additional risk mitigation is required.

3 The Internal Audit Plan

3.1 The Internal Audit Plan for 2017/18 is outlined within Appendix A. Of those audits listed within Appendix A, it is proposed that the following audits will be undertaken in Quarter 1:

- Corporate Governance
- Fleet Management

3.2 Each audit assignment will result in a specific audit report although the audit methodology will vary depending on the requirements of the scope of work.

3.3 In accordance with the Audit Strategy, we will audit the processes in place for governance, financial management and risk management on an annual basis. We will continue to work with the External Auditors to ensure the scope of our work is sufficient that they can seek to place reliance on it for their audit of the Statement of Accounts and value for money opinion.

3.4 Implementation of the Internal Audit Plan will be monitored by use of Performance Indicators as outlined in **Appendix B**. These will be discussed at service level agreement meetings with the Director of Finance and Assets.

Responsible Officers

Audit Service

Maggie Gibb Chief Auditor	01296 387327	mgibb@buckscc.gov.uk
Betty Davidson Senior Auditor	01296 382557	badavidson@buckscc.gov.uk

Fire Authority

David Sutherland Director of Finance & Assets	01296 744671	dsutherland@bucksfire.gov.uk

Appendix A – Internal Audit Plan 2017/18

Auditable Area	Key Audit Objectives	Day Budget (Timing)	Risk Assessed
Core Financial Controls	To fulfil our statutory responsibilities, we will undertake work to provide assurance over key controls within the financial governance framework. Key systems that will be tested include: • Financial Control/Monitoring • Procure to Pay • Payroll & Pensions • Debtors • Capital • Financial Regulations • General Ledger • Reconciliations • Treasury Management This review will include a follow up of the 2016/17 audit report. The budgeted days have been increased due to implementation of new Finance and HR systems.	50 days (Q3/4)	High
Corporate Governance	To provide assurance over the Authority's governance framework and to ensure that controls are operating effectively in practice and in accordance with the CIPFA SOLACE guide.	10 days (Q2)	High
Fleet Management	This audit will provide assurance on the controls in place over the use of pool vehicles and compliance with the Fleet Management Policy.	10 days (Q1)	High
Property Management	This audit will provide assurance on the system for property maintenance, including conditions surveys, prioritisation of works, information processes, and the management of planned against responsive works.	10 days (Q2)	High
Contingency	A contingency has been included within the audit plan to provide flexibility and in recognition of an expected but as yet unspecified need. If the days remain as at the beginning of Q4 then they will be used to review some key Governance areas such as Project Management and Contract Management, with the agreement of the Director of Finance and Assets.	15 days	

Follow Up - general	To ensure all 2015/16 and 2016/17 medium and high recommendations of significant nature are implemented, in addition to recommendations still outstanding from previous years.	10 days	Various
Corporate Work	A proportion of the total audit resource is made available for 'corporate work'. Corporate work is non-audit specific activity which still 'adds value' or fulfils our statutory duties. Examples of this type of work include attendance and reporting to Management and Committee, and audit strategy and planning work. This also includes developing the Audit Plan, writing the Annual Report and undertaking the annual Review of Effectiveness of Internal Audit.	10 days	N/a
Total		**115 days**	

Types of Audit Approach

The audit techniques to be used will be selected from the following, depending on which is considered to be the most effective for delivering the audit objectives:

Risk Based Audit (Risk)

A full audit which focuses on key risks in relation to system objectives. Audit work will be structured to direct audit resource in proportion to risk exposures.

Systems Based Audit (Systems)

A full audit in which every aspect and stage of the audited subject is fully considered. It includes review of both the design and operation of controls. Undertaken from a systems perspective with a 'cradle to grave approach'.

Key Controls Testing (Key)

Clearly focused on a small number of material or key controls.

Systems Development Audit (SDA)

Ongoing review of developing plans and designs for new systems and processes aimed at identifying potential weaknesses in control if the plans and designs go ahead as they are.

Verification Audit (Verification)

Where there is pre-existing confidence that controls are well designed, but compliance is a material issue, audits which test only for compliance with controls can be appropriate. Audit undertaken to verify key outcomes. This work normally takes the form of checking data and management actions to confirm accuracy and appropriateness and does not consider controls or risks in the wider sense.

Follow Up

Work undertaken to assess the extent to which management action plans have been implemented. This may be following up our own recommendations from previous years or through follow up of other assurance provider outcomes (e.g. External Audit).

Appendix B – Previous Audit Activity and Assurance Levels

	2012/13	2013/14	2014/15	2015/16	2016/17
Core Financial Controls	✓ (Reasonable)	✓ (Substantial)	✓ (Substantial)	✓ (Substantial)	✓ (TBC)
Asset Management System (Project)	✓ (Reasonable)				
HR Workforce Planning, Training and Appraisal / Performance Management	✓ (Reasonable)				
Property Management	✓ (Reasonable)				
Treasury Management		✓ (Substantial)	✓ (Incl. in Core Financial Controls)	✓ (Incl. in Core Financial Controls)	✓ (Incl. in Core Financial Controls)
Fleet Management		✓ (Reasonable)			
ICT Strategy		✓ (Reasonable)		✓ (Reasonable)	
Asset Management System		✓ (Limited)		✓ (Reasonable)	
Corporate Governance			✓ (Reasonable)		
Risk Management			✓ (Substantial)		
Housing Accommodation and Allowances			✓ (Reasonable)		
HR People Management			✓ (Substantial)		
Pensions Administration				✓ (Reasonable)	
Control Centre				✓ (Reasonable)	
Financial Planning					✓ (Substantial)
Business Continuity					✓ (TBC)
Project Management					✓ (Reasonable)

Appendix C - 2017/18 Internal Audit Performance Indicators

	Performance Measure	Target	Method
1	Elapsed time between start of the audit (opening meeting) and Exit Meeting.	Target date agreed for each assignment by the Audit manager, stated on Terms of Reference, but should be no more than 3 X the total audit assignment days (excepting annual leave etc.)	Internal Audit Performance Monitoring System
2	Elapsed Time for completion of audit work (exit meeting) to issue of draft report.	15 Days	Internal Audit Performance Monitoring System
3	Elapsed Time between issue of Draft report and issue of Final Report	15 Days	Internal Audit Performance Monitoring System
4	% of Internal Audit Planned Activity delivered by 30 April 2018	100% of Plan by End of April 2018	Internal Audit Performance Monitoring System
5	% of High and Medium priority recommendations followed up after implementation date	All High and Medium recommendations followed up within three months of the date of expected implementation	Internal Audit Performance Monitoring System
6	Customer satisfaction questionnaire (Audit Assignments)	Overall customer satisfaction 95%	Questionnaire
7	Extent of reliance External Audit can place on Internal Audit	Reliance placed on IA work	External Audit Annual Report

We will also continue to monitor performance standards outlined in the service level agreement. This includes ensuring requests for assistance with suspected cases of fraud (% of responses made within 24 working hours) as appropriate and also monitors relationship management issues in the areas of:

- Timeliness
- Willingness to cooperate/helpfulness
- Responsiveness
- Methodical approach to dealing with requests
- Quality of work/service provided

Buckinghamshire & Milton Keynes Fire Authority

MEETING	Overview and Audit Committee
DATE OF MEETING	8 March 2017
OFFICER	David Sutherland, Director of Finance and Assets
LEAD MEMBER	Councillor David Watson
SUBJECT OF THE REPORT	**Ernst & Young Audit Plan 2016/17**
EXECUTIVE SUMMARY	The report at Annex A sets out the plan of activity for the Authority's external auditors, Ernst & Young, for their work in relation to the financial year 2016/17.
ACTION	Information.
RECOMMENDATIONS	That the Committee note the plan set out in Annex A.
RISK MANAGEMENT	The work carried out by Ernst & Young and their opinion of the Authority's financial integrity and ability to provide council taxpayers with value for money, is an essential part of the authority's governance arrangements and a key element of the annual Statement of Assurance.
FINANCIAL IMPLICATIONS	The external audit fee is included within the current budget.
LEGAL IMPLICATIONS	No direct impact.
CONSISTENCY WITH THE PRINCIPLES OF COLLABORATION	No direct impact.
HEALTH AND SAFETY	No direct impact.
EQUALITY AND DIVERSITY	No direct impact.
USE OF RESOURCES	Whilst there are no directly applicable matters as part of this report, a key element of the service provided by Ernst & Young is to provide an opinion on the financial integrity of the Authority which will include such issues as the arrangements for setting, reviewing and implementing strategic and operational objectives; performance monitoring, including budget monitoring; achievement of strategic objectives and best value performance indicators. This will include associated issues such as medium term financial

	planning, management of the asset base and the arrangements to promote and ensure probity and propriety.
PROVENANCE SECTION & BACKGROUND PAPERS	None.
APPENDICES	Annex A – Ernst & Young Audit Plan 2016/17
TIME REQUIRED	10 minutes.
REPORT ORIGINATOR AND CONTACT	Mark Hemming mhemming@bucksfire.gov.uk 01296 744687

Buckinghamshire and Milton Keynes Fire Authority

Year ending 31 March 2017

Audit Plan

6 February 2017

Ernst & Young LLP

Building a better working world

Ernst & Young LLP
Apex Plaza
Forbury Road
Reading
RG1 1YE

Tel: + 44 118 928 1599
Fax: + 44 118 928 1101
ey.com

Overview and Audit Committee
Buckinghamshire and Milton Keynes Fire Authority
Brigade Headquarters
Stocklake
Aylesbury
Buckinghamshire
HP20 1BD

6 February 2017

Dear Committee Members

Audit Plan

We are pleased to attach our Audit Plan which sets out how we intend to carry out our responsibilities as your auditor. Its purpose is to provide the Overview and Audit Committee with a basis to review our proposed audit approach and scope for the 2016/17 audit in accordance with the requirements of the Local Audit and Accountability Act 2014, the National Audit Office's 2015 Code of Audit Practice, the Statement of Responsibilities issued by Public Sector Audit Appointments (PSAA) Ltd, auditing standards and other professional requirements. It is also to ensure that our audit is aligned with the Committee's service expectations.

This plan summarises our initial assessment of the key risks driving the development of an effective audit for the Authority, and outlines our planned audit strategy in response to those risks.

We welcome the opportunity to discuss this Audit Plan with you on 8 March 2017 and to understand whether there are other matters which you consider may influence our audit.

Yours faithfully

Maria Grindley
For and behalf of Ernst & Young LLP
Enc

The UK firm Ernst & Young LLP is a limited liability partnership registered in England and Wales with registered number OC300001 and is a member firm of Ernst & Young Global Limited.
A list of members' names is available for inspection at 1 More London Place, London

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3. Value for money risks 3
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In April 2015 Public Sector Audit Appointments Ltd (PSAA) issued "Statement of responsibilities of auditors and audited bodies '. It is available from the Chief Executive of each audited body and via the PSAA website (www.psaa.co.uk).

The Statement of responsibilities serves as the formal terms of engagement between appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas.

The 'Terms of Appointment from 1 April 2015' issued by PSAA sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice (the Code) and statute, and covers matters of practice and procedure which are of a recurring nature.

This Audit Plan is prepared in the context of the Statement of responsibilities. It is addressed to the Audit Committee, and is prepared for the sole use of the audited body. We, as appointed auditor, take no responsibility to any third party.

Our Complaints Procedure – If at any time you would like to discuss with us how our service to you could be improved, or if you are dissatisfied with the service you are receiving, you may take the issue up with your usual partner or director contact. If you prefer an alternative route, please contact Steve Varley, our Managing Partner, 1 More London Place, London SE1 2AF. We undertake to look into any complaint carefully and promptly and to do all we can to explain the position to you. Should you remain dissatisfied with any aspect of our service, you may of course take matters up with our professional institute. We can provide further information on how you may contact our professional institute.

1. Overview

This Audit Plan covers the work that we plan to perform to provide you with:

- Our audit opinion on whether the financial statements of Buckinghamshire and Milton Keynes Fire Authority give a true and fair view of the financial position as at 31 March 2017 and of the income and expenditure for the year then ended; and

- Our conclusion on the Authority's arrangements to secure economy, efficiency and effectiveness.

We will also review and report to the National Audit Office (NAO), to the extent and in the form required by them, on the Authority's Whole of Government Accounts return.

Our audit will also include the mandatory procedures that we are required to perform in accordance with applicable laws and auditing standards.

When planning the audit we take into account several key inputs:

- Strategic, operational and financial risks relevant to the financial statements;

- Developments in financial reporting and auditing standards;

- The quality of systems and processes;

- Changes in the business and regulatory environment; and,

- Management's views on all of the above.

By considering these inputs, our audit is focused on the areas that matter and our feedback is more likely to be relevant to the Authority.

We will provide an update to the Overview and Audit Committee on the results of our work in these areas in our report to those charged with governance scheduled for delivery in July, 2017.

2. Financial statement risks

We outline below our current assessment of the financial statement risks facing the Authority, identified through our knowledge of the Authority's operations and discussion with those charged with governance and officers.

At our meeting, we will seek to validate these with you.

Significant risks (including fraud risks)	Our audit approach
Risk of management override	
As identified in ISA (UK and Ireland) 240, management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records directly or indirectly and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. We identify and respond to this fraud risk on every audit engagement.	Our approach will focus on: ► Testing the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements; ► Reviewing accounting estimates for evidence of management bias; ► Evaluating the business rationale for significant unusual transactions; and ► Review capital expenditure on property, plant and equipment to ensure it meets the relevant accounting requirements to be capitalised.

2.1 Responsibilities in respect of fraud and error

We would like to take this opportunity to remind you that management has the primary responsibility to prevent and detect fraud. It is important that management, with the oversight of those charged with governance, has a culture of ethical behaviour and a strong control environment that both deters and prevents fraud.

Our responsibility is to plan and perform audits to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatements whether caused by error or fraud. As auditors, we approach each engagement with a questioning mind that accepts the possibility that a material misstatement due to fraud could occur, and design the appropriate procedures to consider such risk.

Based on the requirements of auditing standards our approach will focus on:

- Identifying fraud risks during the planning stages;
- Enquiry of management about risks of fraud and the controls to address those risks;
- Understanding the oversight given by those charged with governance of management's processes over fraud;
- Consideration of the effectiveness of management's controls designed to address the risk of fraud;
- Determining an appropriate strategy to address any identified risks of fraud; and
- Performing mandatory procedures regardless of specifically identified risks.

3. Value for money risks

We are required to consider whether the Authority has put in place 'proper arrangements' to secure economy, efficiency and effectiveness on its use of resources. For 2016/17 this is based on the overall evaluation criterion:

"In all significant respects, the audited body had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people"

Proper arrangements are defined by statutory guidance issued by the National Audit Office. They comprise your arrangements to:

- Take informed decisions;
- Deploy resources in a sustainable manner; and
- Work with partners and other third parties.

In considering your proper arrangements, we will draw on the requirements of the CIPFA/SOLACE framework for local government to ensure that our assessment is made against a framework that you are already required to have in place and to report on through documents such as your annual governance statement.

We are only required to determine whether there are any risks that we consider significant, which the Code of Audit Practice which defines as:

"A matter is significant if, in the auditor's professional view, it is reasonable to conclude that the matter would be of interest to the audited body or the wider public"

Our risk assessment supports the planning of sufficient work to enable us to deliver a safe conclusion on arrangements to secure value for money and enables us to determine the nature and extent of further work that may be required. If we do not identify any significant risks there is no requirement to carry out further work.

Our risk assessment has therefore considered both the potential financial impact of the issues we have identified, and also the likelihood that the issue will be of interest to local taxpayers, the Government and other stakeholders. We have not identified any risks which we view as relevant to our value for money conclusion.

4. Our audit process and strategy

4.1 Objective and scope of our audit

Under the Code of Audit Practice our principal objectives are to review and report on the Authority's:

- Financial statements; and
- Arrangements for securing economy, efficiency and effectiveness in its use of resources to the extent required by the relevant legislation and the requirements of the Code.

We issue an audit report that covers:

1. **Financial statement audit**

Our objective is to form an opinion on the financial statements under International Standards on Auditing (UK and Ireland).

We report to you by exception in respect of your governance statement and other accompanying material as required, in accordance with relevant guidance prepared by the NAO on behalf of the Comptroller and Auditor General.

Alongside our audit report, we also:

- Review and report to the NAO on the Whole of Government Accounts return to the extent and in the form they require;

2. **Arrangements for securing economy, efficiency and effectiveness (value for money)**

We are required to consider whether the Authority has put in place 'proper arrangements' to secure economy, efficiency and effectiveness on its use of resources.

4.2 Audit process overview

We plan to take a substantive approach to gaining assurance over the amounts reported in the Authority's financial statements.

Analytics

We will use our computer-based analytics tools to enable us to capture the whole population of your financial data, in particular journal entries. These tools:

- Help identify specific exceptions and anomalies which can then be subject to more traditional substantive audit tests; and
- Give greater likelihood of identifying errors than random sampling techniques.

We will report the findings from our process and analytics work, including any significant weaknesses or inefficiencies identified and recommendations for improvement, to management and the Overview and Audit Committee.

Internal audit

As in prior years, we will review internal audit plans and the results of their work. We will reflect the findings from these reports, together with reports from any other work completed in the year, in our detailed audit plan, where we raise issues that could have an impact on the year-end financial statements.

Use of specialists

When auditing key judgements, we are often required to rely on the input and advice provided by specialists who have qualifications and expertise not possessed by the core audit team. The areas where either EY or third party specialists provide input for the current year audit are:

Area	Specialists
Asset Valuations	Bruton Knowles
Pension Liability Valuations	EY Pensions, Barnett Wadingham.

In accordance with Auditing Standards, we will evaluate each specialist's professional competence and objectivity, considering their qualifications, experience and available resources, together with the independence of the individuals performing the work.

We also consider the work performed by the specialist in light of our knowledge of the Authority's environment and processes and our assessment of audit risk in the particular area. For example, we would typically perform the following procedures:

- Analyse source data and make inquiries as to the procedures used by the expert to establish whether the source date is relevant and reliable;
- Assess the reasonableness of the assumptions and methods used;
- Consider the appropriateness of the timing of when the specialist carried out the work; and
- Assess whether the substance of the specialist's findings are properly reflected in the financial statements.

4.3 Mandatory audit procedures required by auditing standards and the Code

As well as the financial statement risks (section two) and value for money risks (section three), we must perform other procedures as required by auditing, ethical and independence standards, the Code and other regulations. We outline below the procedures we will undertake during the course of our audit.

Procedures required by standards

- Addressing the risk of fraud and error;
- Significant disclosures included in the financial statements;
- Entity-wide controls;
- Reading other information contained in the financial statements and reporting whether it is inconsistent with our understanding and the financial statements; and
- Auditor independence.

Procedures required by the Code

- Reviewing, and reporting on as appropriate, other information published with the financial statements, including the Annual Governance Statement; and
- Reviewing and reporting on the Whole of Government Accounts return, in line with the instructions issued by the NAO.

Finally, we are also required to discharge our statutory duties and responsibilities as established by the Local Audit and Accountability Act 2014 and Code of Audit Practice.

4.4 Materiality

For the purposes of determining whether the financial statements are free from material error, we define materiality as the magnitude of an omission or misstatement that, individually or in aggregate, could reasonably be expected to influence the users of the financial statements. Our evaluation requires professional judgement and so takes into account qualitative as well as quantitative considerations implied in the definition.

We have determined that overall materiality for the financial statements of the Authority is £840k based on 2% of Gross Revenue Expenditure and for the Pension Fund £192k based on 2% of Benefits Payable.

We will communicate uncorrected audit misstatements greater than £42k for the main financial statements and £10k for the Pension Fund to you.

The amount we consider material at the end of the audit may differ from our initial determination. At this stage, however, it is not feasible to anticipate all the circumstances that might ultimately influence our judgement. At the end of the audit we will form our final opinion by reference to all matters that could be significant to users of the financial statements, including the total effect of any audit misstatements, and our evaluation of materiality at that date.

4.5 Fees

The duty to prescribe fees is a statutory function delegated to Public Sector Audit Appointments Ltd (PSAA) by the Secretary of State for Communities and Local Government. PSAA has published a scale fee for all relevant bodies. This is defined as the fee required by auditors to meet statutory responsibilities under the Local Audit and Accountability Act 2014 in accordance with the NAO Code. The indicative fee scale for the audit of Buckinghamshire and Milton Keynes Fire Authority is £31,379.

4.6 Your audit team

The engagement team is led by Maria Grindley, who has significant experience on Fire Authority clients. Maria Grindley is supported by David Guest who is responsible for the day-to-day direction of audit work and is the key point of contact for the Finance team.

4.7 Timetable of communication, deliverables and insights

We have set out below a timetable showing the key stages of the audit, including the value for money work and the Whole of Government Accounts. The timetable includes the deliverables we have agreed to provide to the Authority, through the Overview and Audit Committee's cycle in 2016/17. These dates are determined to ensure our alignment with PSAA's rolling calendar of deadlines.

From time to time matters may arise that require immediate communication with the Overview and Audit Committee and we will discuss them with the Chair as appropriate.

Following the conclusion of our audit we will prepare an Annual Audit Letter to communicate the key issues arising from our work to the Authority and external stakeholders, including members of the public.

Audit phase	Timetable	Audit Committee timetable	Deliverables
High level planning	**December 2016 to January 2017**	**January 2017**	Audit Fee Letter Progress Report
Risk assessment and setting of scopes	**December 2016**	**March 2017**	Audit Plan
Testing routine processes and controls	**February 2017**	**March 2017**	Verbal Update
Year-end audit	**June 2017**		
Completion of audit	**July 2017**	**July 2017**	Report to those charged with governance via the Audit Results Report Audit report (including our opinion on the financial statements and overall value for money conclusion). Reporting to the NAO on the Whole of Government Accounts return. Audit completion certificate
Conclusion of reporting	**September 2017**	**September 2017**	Annual Audit Letter

In addition to the above formal reporting and deliverables we will seek to provide practical business insights and updates on regulatory matters.

5. Independence

5.1 Introduction

The APB Ethical Standards and ISA (UK and Ireland) 260 'Communication of audit matters with those charged with governance', requires us to communicate with you on a timely basis on all significant facts and matters that bear on our independence and objectivity. The Ethical Standards, as revised in December 2010, require that we do this formally both at the planning stage and at the conclusion of the audit, as well as during the audit if appropriate. The aim of these communications is to ensure full and fair disclosure by us to those charged with your governance on matters in which you have an interest.

Required communications

Planning stage	Final stage
► The principal threats, if any, to objectivity and independence identified by EY including consideration of all relationships between you, your affiliates and directors and us; ► The safeguards adopted and the reasons why they are considered to be effective, including any Engagement Quality Review; ► The overall assessment of threats and safeguards; ► Information about the general policies and process within EY to maintain objectivity and independence.	► A written disclosure of relationships (including the provision of non-audit services) that bear on our objectivity and independence, the threats to our independence that these create, any safeguards that we have put in place and why they address such threats, together with any other information necessary to enable our objectivity and independence to be assessed; ► Details of non-audit services provided and the fees charged in relation thereto; ► Written confirmation that we are independent; ► Details of any inconsistencies between APB Ethical Standards, the PSAA Terms of Appointment and your policy for the supply of non-audit services by EY and any apparent breach of that policy; and ► An opportunity to discuss auditor independence issues.

During the course of the audit we must also communicate with you whenever any significant judgements are made about threats to objectivity and independence and the appropriateness of our safeguards, for example when accepting an engagement to provide non-audit services.

We also provide information on any contingent fee arrangements, the amounts of any future contracted services, and details of any written proposal to provide non-audit services;

We ensure that the total amount of fees that EY and our network firms have charged to you and your affiliates for the provision of services during the reporting period are disclosed analysed in appropriate categories.

5.2 Relationships, services and related threats and safeguards

We highlight the following significant facts and matters that may be reasonably considered to bear upon our objectivity and independence, including any principal threats. However we have adopted the safeguards below to mitigate these threats along with the reasons why they are considered to be effective.

Self-interest threats

A self-interest threat arises when EY has financial or other interests in your entity. Examples include where we have an investment in your entity; where we receive significant fees in respect of non-audit services; where we need to recover long outstanding fees; or where we enter into a business relationship with the Authority.

At the time of writing, there are no long outstanding fees.

We believe that it is appropriate for us to undertake permissible non-audit services, and we will comply with the policies that the Authority has approved and that are in compliance with PSAA Terms of Appointment.

At the time of writing, we have not provided any non-audit services, and therefore no additional safeguards are required.

A self-interest threat may also arise if members of our audit engagement team have objectives or are rewarded in relation to sales of non-audit services to the Authority. We confirm that no member of our audit engagement team, including those from other service lines, is in this position, in compliance with Ethical Standard 4.

There are no other self-interest threats at the date of this report.

Self-review threats

Self-review threats arise when the results of a non-audit service performed by EY or others within the EY network are reflected in the amounts included or disclosed in the financial statements.

There are no other self-review threats at the date of this report.

Management threats

Partners and employees of EY are prohibited from taking decisions on behalf of management of your entity. Management threats may also arise during the provision of a non-audit service where management is required to make judgements or decisions based on that work.

Other threats

Other threats, such as advocacy, familiarity or intimidation, may arise.

There are no other threats at the date of this report.

Overall Assessment

Overall we consider that the adopted safeguards appropriately mitigate the principal threats identified, and we therefore confirm that EY is independent and the objectivity and independence of Maria Grindley, the audit engagement partner and the audit engagement team have not been compromised.

5.3 Other required communications

EY has policies and procedures that instil professional values as part of firm culture and ensure that the highest standards of objectivity, independence and integrity are maintained.

Details of the key policies and processes within EY for maintaining objectivity and independence can be found in our annual Transparency Report, which the firm is required to publish by law. The most recent version of this report is for the year ended June 2016 and can be found here:

http://www.ey.com/uk/en/about-us/ey-uk-transparency-report-2016

Appendix A Fees

A breakdown of our agreed fee is shown below.

	Planned Fee 2016/17	Scale fee 2016/17	Outturn fee 2015/16
	£	£	£
Opinion Audit and VFM Conclusion	31,379	31,379	31,379
Total Audit Fee – Code work	**31,379**	**31,379**	**31,379**

All fees exclude VAT.

The agreed fee presented above is based on the following assumptions:

- Officers meeting the agreed timetable of deliverables;
- The operating effectiveness of the internal controls for the key processes outlined in section 4.2 above;
- We can rely on the work of internal audit as planned;
- Our accounts opinion and value for money conclusion being unqualified;
- Appropriate quality of documentation is provided by the Authority; and
- The Authority has an effective control environment.

If any of the above assumptions prove to be unfounded, we will seek a variation to the agreed fee. This will be discussed with the Authority in advance.

Fees for the auditor's consideration of correspondence from the public and formal objections will be charged in addition to the scale fee.

Appendix B UK required communications with those charged with governance

There are certain communications that we must provide to the Overview and Audit Committee. These are detailed here:

Required communication	Reference
Planning and audit approach Communication of the planned scope and timing of the audit including any limitations.	► Audit Plan
Significant findings from the audit ► Our view about the significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures ► Significant difficulties, if any, encountered during the audit ► Significant matters, if any, arising from the audit that were discussed with management ► Written representations that we are seeking ► Expected modifications to the audit report ► Other matters if any, significant to the oversight of the financial reporting process ►	► Audit Results Report
Misstatements ► Uncorrected misstatements and their effect on our audit opinion ► The effect of uncorrected misstatements related to prior periods ► A request that any uncorrected misstatement be corrected ► In writing, corrected misstatements that are significant	► Audit Results Report
Fraud ► Enquiries of the Overview and Audit Committee to determine whether they have knowledge of any actual, suspected or alleged fraud affecting the entity ► Any fraud that we have identified or information we have obtained that indicates that a fraud may exist ► A discussion of any other matters related to fraud	► Audit Results Report
Related parties Significant matters arising during the audit in connection with the entity's related parties including, when applicable: ► Non-disclosure by management ► Inappropriate authorisation and approval of transactions ► Disagreement over disclosures ► Non-compliance with laws and regulations ► Difficulty in identifying the party that ultimately controls the entity	► Audit Results Report
External confirmations ► Management's refusal for us to request confirmations ► Inability to obtain relevant and reliable audit evidence from other procedures	► Audit Results Report
Consideration of laws and regulations ► Audit findings regarding non-compliance where the non-compliance is material and believed to be intentional. This communication is subject to compliance with legislation on tipping off ► Enquiry of the Overview and Audit Committee into possible instances of non-compliance with laws and regulations that may have a material effect on the financial statements and that the Overview and Audit Committee may be aware of	► Audit Results Report

Required communication	Reference
Independence Communication of all significant facts and matters that bear on EY's objectivity and independence Communication of key elements of the audit engagement director's consideration of independence and objectivity such as: ► The principal threats ► Safeguards adopted and their effectiveness ► An overall assessment of threats and safeguards ► Information about the general policies and process within the firm to maintain objectivity and independence	► Audit Plan ► Audit Results Report
Going concern Events or conditions identified that may cast significant doubt on the entity's ability to continue as a going concern, including: ► Whether the events or conditions constitute a material uncertainty ► Whether the use of the going concern assumption is appropriate in the preparation and presentation of the financial statements ► The adequacy of related disclosures in the financial statements	► Audit Results Report
Significant deficiencies in internal controls identified during the audit	► Audit Results Report
Fee Information ► Breakdown of fee information at the agreement of the initial audit plan ► Breakdown of fee information at the completion of the audit	► Audit Plan ► Audit Results Report Annual Audit Letter if considered necessary

EY | Assurance | Tax | Transactions | Advisory

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Ernst & Young LLP, 1 More London Place, London, SE1 2AF.

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ITEM 10

Buckinghamshire & Milton Keynes Fire Authority

MEETING	Overview and Audit Committee
DATE OF MEETING	8 March 2017
OFFICER	Graham Britten, Director of Legal and Governance
LEAD MEMBER	Councillor David Watson (Chairman, Overview and Audit Committee)
SUBJECT OF THE REPORT	**2015/16 Statement of Assurance**
EXECUTIVE SUMMARY	The revised Fire and Rescue National Framework, published by the Department of Communities and Local Government in July 2012, introduced the requirement for fire and rescue authorities in England to produce a 'statement of assurance' on an annual basis. The first statements were published in the 2013/14 financial year. Buckinghamshire and Milton Keynes Fire Authority's first statement of assurance for 2012/13 was reviewed and approved by the Overview and Audit Committee on 12 March 2014, the 2013/14 statement on 11 March 2015 and the 2014/15 on 9 March 2016. The statements are intended to provide assurance to the public on financial, governance and operational matters and demonstrate that National Framework requirements, including those relating to integrated risk management planning, are being met. The precise form, content and methodology used to prepare the statements are left to local discretion. Where authorities *"have already set out relevant information that is clear, accessible, and user-friendly within existing documents"* they may draw on these in preparing their statements of assurance. Buckinghamshire and Milton Keynes Fire Authority already produces and publishes a variety of separate statements relating to financial, governance and operational performance such as the Annual Governance Statement and Annual Financial Statements. The draft 2015/16 Statement of Assurance, shown at Annex A, draws on, summarises and includes relevant extracts from these more detailed assessments. Changes from the 2014/15 Statement of Assurance are shown as shaded text. Officers are of the view that collectively the assurance processes underpinning the range of existing statements covers the scope and nature of what is required for the statement of assurance.

	The statement of assurance should be signed off by an elected member of the authority who is able to take responsibility for its contents. It is for authorities to decide who the most appropriate person is. In respect of Buckinghamshire and Milton Keynes Fire Authority, officers are of the view that the most appropriate person is the Chairman of the Overview and Audit Committee.
ACTION	Decision.
RECOMMENDATIONS	That the 2015/16 Statement of Assurance be approved for signature by the Chairman and Chief Fire Officer.
RISK MANAGEMENT	Financial, governance and operational assurance processes form part of the Authority's risk management framework. The effectiveness of these contributes to the identification, reduction and mitigation of corporate and operational risks.
FINANCIAL IMPLICATIONS	There are no direct financial implications arising from the introduction of the statement of assurance.
LEGAL IMPLICATIONS	Section 21 of the Fire and Rescue Services Act 2004 (FRSA 2004) provides the statutory authority for the National Framework and requires Fire and Rescue Authorities to 'have regard' to it in carrying out their functions. However, Section 22 of the Act gives the Secretary of State the power to intervene if he considers that "…*a fire and rescue authority is failing, or is likely to fail, to act in accordance with the Framework prepared under section 21"*. Also *"The Secretary of State must report to Parliament on—* *(a) the extent to which fire and rescue authorities are* *acting in accordance with the Framework prepared* *under section 21;* *(b) any steps taken by him for the purpose of securing* *that fire and rescue authorities act in accordance with* *the Framework".* The Statement of Assurance will be used as a source of information by the Secretary of State when preparing biennial reports required by section 25 of the Fire & Rescue Services Act 2004.
CONSISTENCY WITH THE PRINCIPLES OF COLLABORATION	The statement is designed to provide assurance in relation to the operations of the Authority and details any relevant collaborative work with the other Thames Valley Fire Authorities and other agencies.

HEALTH AND SAFETY	There are no direct health and safety implications arising from this report.
EQUALITY AND DIVERSITY	There are no direct equality and diversity implications arising from this report.
USE OF RESOURCES	**Communication and consultation** The officers with responsibility for the areas reported on in the Statement of Assurance have been responsible for supplying the information and responses necessary for its preparation.
PROVENANCE SECTION & BACKGROUND PAPERS	The requirement for Statements of Assurance arose from the revisions to the National Framework published by the Department for Communities and Local Government in July 2012. An evaluation of the implications of the new Framework was reported to the Fire Authority at its 27 September 2012 meeting: http://www.bucksfire.gov.uk/NR/rdonlyres/E6EE2A89-79F6-45B3-B02E-CE3675D252A3/0/270912Agendaandreports.pdf The Authority's first Statement of Assurance for 2012/13 was approved by the Overview and Audit Committee on 12 March 2014: http://bucksfire.gov.uk/files/2914/0620/7328/ITEM5201213StatementofAssurance.pdf The 2013/14 Statement of Assurance was approved on 11 March 2015: http://bucksfire.gov.uk/files/1114/2529/7877/Overview__Audit_Committee_Agenda_Pack_110315.pdf The 2014/15 Statement of Assurance was approved on 9 March 2016: http://bucksfire.gov.uk/files/2014/5674/0804/ITEM_10_2014-15_Statement_of_AssuranceAppendices.pdf
APPENDICES	Annex A: Draft 2015/16 Statement of Assurance Annex B: CLG Guidance on Statements of Assurance
TIME REQUIRED	15 Minutes.
REPORT ORIGINATOR AND CONTACT	Stuart Gowanlock sgowanlock@bucksfire.gov.uk 01296 744435

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Approval date: 8 March 2017

Statement of Assurance

2015/2016

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1. INTRODUCTION

1.1 Although Fire and Rescue Services in England are run by local government bodies, the Fire and Rescue Services Act 2004 requires that local fire and rescue authorities must have regard to direction from central government. This direction is issued in the form of a 'National Framework' which sets out the Government's strategic aims and requirements for Fire and Rescue Services. In the most recent update to the National Framework, in 2012, the Government introduced a requirement that:

> *'Fire and rescue authorities must provide annual assurance on financial, governance and operational matters and show how they have due regard to the expectations set out in their integrated risk management plan and the requirements included in the Framework. To provide assurance, fire and rescue authorities must publish an annual statement of assurance'.*

1.2 The first of the new statements of assurance were published during the 2013/14 financial year and are required annually thereafter.

1.3 The purpose of this document is to provide the public and Government with assurance that Buckinghamshire and Milton Keynes Fire Authority ('The Authority') met the requirements set out in the National Framework and accompanying Government guidance[1] during the 2015/16 financial year.

1.4 Where relevant the document draws on, consolidates and summarises the findings of existing assurance processes relating to financial, governance and operational matters that were set up to meet other statutory and regulatory requirements of fire and rescue authorities.

2. FINANCIAL ASSURANCE

2.1 It is a statutory requirement under the Accounts and Audit Regulations 2015 for authorities to publish the financial results of their activities for the year. This 'Statement of Accounts', shows the annual costs of providing the service and is determined by a Code of Practice which aims to give a "true and fair" view of the financial position and transactions of the authority.

2.2 The Annual Financial Statements for the Year Ending 31 March 2016 can be found on our website:

[1] 'Guidance on Statements of assurance for fire and rescue authorities in England, Department for Communities and Local Government, May 2013.

http://bucksfire.gov.uk/files/3114/7014/8721/Statement_of_Accounts_2015_16_Post_Audit_Adjustments_FINAL_SIGNED.pdf

2.3 The financial statements are required to be audited under the Local Audit and Accountability Act 2014. The auditors are responsible for:

- forming an opinion on the financial statements;
- reviewing the Annual Governance Statement;
- forming a conclusion on the arrangements that the Authority has in place to secure economy, efficiency and effectiveness in its use of resources.

2.4 The table overleaf summarises the findings from all elements of the appointed auditor's work.

2.5 The appointed auditors concluded that:

- They did not identify any significant weaknesses in the Authority's arrangements in relation to the risk of it not being able to plan its finances effectively to support the sustainable delivery of strategic priorities and maintain statutory functions;

- The Authority has proper arrangements to secure value for money in its use of resources.

2.6 The Authority's internal auditors also produce an annual report on the internal control environment. In this report, the Chief Internal Auditor noted:

"In my opinion the system of internal control provides reasonable assurance regarding the effective, efficient and economic exercise of the Authority's functions. During 2015/16 there has been continued improvement to Bucks & Milton Keynes Fire Authority's system of internal control through the on-going development of policies and procedures covering the key control processes. This demonstrates a positive direction of travel towards robust and effective internal control and risk management that will facilitate the effective exercise of the Authority's functions".

http://bucksfire.gov.uk/files/7114/8706/2707/ITEM_8c_BMKFA_Annual_Audit_Report__1516_OA_Committee_270716_OAAppendix.pdf

2.7 In addition to the statutory requirement to publish annual financial results, the government is committed to increasing transparency across local authorities. One of the first steps in this process is for the publication online of information relating to spend items in excess of £500. In accordance with that requirement, the Authority is publishing monthly schedules of payments, which can be found on our website:

http://bucksfire.gov.uk/fire-authority/financial-information/spend-over-500/

Audit Results Report - ISA (UK and Ireland) 260 for the year ended 31 March 2016 – Summary of Significant Audit Risks & Assurance Findings: http://bucksfire.gov.uk/files/2314/7014/9476/1b_-__Annual_Audit_Results_Report.pdf

Significant Risks (including fraud risks)	Audit procedures performed	Assurance gained and issues arising
Milne vs GAD In May 2015 the Pension Ombudsman, an independent organisation that investigates complaints about pension administration, published Mr Milne's determination for Firefighters' Pension Scheme regarding commutation factors. The Pension Ombudsman ruled that Government Actuary's Department (GAD) failed to review commutation factors within the firefighters' pension scheme. The Ombudsman ordered that a new commutation factor be prepared as if a factor review had been carried out in December 2004. The Authority has determined the additional payments required. The sum of these payments is estimated to be £484k which is material to the Pension Fund.	We: • Reviewed and tested the Authority's arrangements for ensuring the accuracy and completeness of compensation; • Re-performed the calculation of compensation for a sample of payments, including assessment of the accuracy of inputs; and • Reviewed the associated disclosures in the financial statements to ensure compliance with the Code of Practice on Local Government Accounting, and appropriate accounting standards.	Additional payments of £726k resulting from the Milne v GAD ruling was made by the Authority in advance of year-end. The associated grant was also received by the Authority in advance of year-end. This significantly reduced the risk of disclosure error. We tested a sample of payment calculations, and tested the completeness of payments made. We have no matters to report from this work. The manner of the disclosure was not subject to additional guidance, however, the lump sum and interest payments have been appropriately disclosed within the pension fund account. Since these are material transactions, they have been appropriately shown as separate line items within the account.
Joint Control Room The Joint Control Room (with Oxfordshire Fire and Rescue Service and Royal Berkshire Fire Authority) became operational in April 2015. This will be the first year that this will need to be disclosed within the financial statements and there is a risk that this will not be accounted for correctly. In particular the disclosures made and ensuring that the correct split of costs is used.	We: • Reviewed the agreements in place between the three bodies; • Reviewed associated disclosures made within the financial statements to ensure compliance with the Code of Practice on Local Government Accounting, and appropriate accounting standards; and • Tested a sample of income and expenditure related to the Joint Control Room and ensure that it has been appropriately recharged to the Authority.	We have received the signed agreement between the three Authorities which details the agreed upon apportionment model in place. An additional disclosure was required within the Related Parties note to reflect the agreement in place. We also tested the expenditure incurred from the joint control room. We have no matters to report from this work.

Risk of management override As identified in ISA (UK and Ireland) 240, management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records directly or indirectly, and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. We identify and respond to this fraud risk on every audit engagement.	We: • Tested the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements; • Reviewed accounting estimates for evidence of management bias; and • Evaluated the business rationale for any significant unusual transactions.	Our testing of journal entries did not identify adjustments which were outside of the normal course of business. All journals tested had an appropriate business rationale. The most significant accounting estimates in the financial statements relate to the net pension liability and property valuations. We found no indication of management bias in these estimates. We identified one significant unusual transaction, which was the movement in reserves to reduce the capital financing requirement. We have confirmed the appropriateness of the business rationale for this movement. We did not identify any evidence of management override or fraudulent activity.

3. GOVERNANCE

3.1 The Authority is responsible for maintaining a sound system of internal control that supports the achievement of its policies, aims and objectives whilst safeguarding public money and organisational assets. There is also a requirement to ensure that the Authority is administered prudently and economically and that resources are used efficiently and effectively and that sound arrangements are in place for the identification and management of risks.

3.2 The Authority's approach to governance is based on the six core principles of good governance set out in the CIPFA / SOLACE governance framework ("*Delivering Good Governance in Local Government"):*

1. Focusing on the purpose of the Authority and on outcomes for the community and creating and implementing a vision for the local area;

2. Members and officers working together to achieve a common purpose with clearly defined functions and roles;

3. Promoting values for the Authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour.

4. Taking informed and transparent decisions which are subject to effective scrutiny and managing risk;

5. Developing the capacity and capability of members and officers to be effective;

6. Engaging with local people and other stakeholders to ensure robust public accountability.

3.3 There is already a statutory requirement for the Authority to produce an annual governance statement to demonstrate and evidence that it operates an effective system of internal control. The internal control systems underlying the annual governance statement are assessed by Internal Audit to ensure that they are adequate and effective so that:

- The Authority can establish the extent to which they can rely on the whole system; and,
- Individual managers can establish the reliability of the systems and controls for which they are responsible.

3.4 The Chief Internal Auditor's most recent opinion on the Authority's internal control environment was published in the Annual Governance Statement for the 2015/16 financial year. This stated that:

> *The audit activity in 2015/16 has demonstrated that the Authority continues to improve and develop corporate governance, and remains focused on creating a strong system of internal control. This can be evidenced by the continued strengthening of key control processes through the on-going development of policies and procedures and has resulted in core financial controls continuing to be rated as substantial.*

3.5 Further details of the Authority's governance arrangements and the internal auditor's findings in relation to these can be found in the Annual Governance Statement 2015/16:

http://bucksfire.gov.uk/files/2614/7014/9242/Annual_Governance_Statement_2015-16.pdf

3.6 The Annual Governance Statement also confirms that the Authority met its statutory obligation to review its Pay Policy Statement annually. This sets out its policies on the remuneration of its chief officers, the remuneration of its lowest paid employees and the relationship between the remuneration of its chief officers and the remuneration of its employees who are not chief officers. This was approved and adopted by the Authority at its December 2015 meeting, and can be viewed via the following link to the Authority's website:

http://bucksfire.gov.uk/files/6614/4948/1341/ITEM_8_Pay_Policy_Principles_and_Statement_2016-17Appendix.pdf

4. OPERATIONAL ASSURANCE

4.1 The Government requires Fire Authorities to provide assurance that they meet the requirements arising out of the legislative and policy framework for fire and rescue services. In particular:

- Details of specific events that raise issues of operational competence or delivery such as advice received under health and safety or other legislation together with assurance that these matters have been considered and, where appropriate, acted on;

- That integrated risk management plans are consulted on and that during the consultations appropriate information was provided to enable active and informed participation;

- Details of any agreements and / or mutual aid arrangements with other relevant bodies such as neighbouring fire and rescue services.

Statutory Duties and Operational Effectiveness

Fire and rescue authorities operate within in a clearly defined legislative and policy framework comprising of:

- The Fire and Rescue Services Act 2004;
- The Civil Contingencies Act 2004;
- The Regulatory Reform (Fire Safety) Order 2005;
- The Fire and Rescue Services (Emergencies) (England) Order 2007;
- The Localism Act 2011;
- The Fire and Rescue National Framework for England.

4.2 The last formal external assurance of the Authority's operational effectiveness and performance was carried out in June 2014 as part of a comprehensive 'Peer Review' process developed by the Chief Fire Officers Association in conjunction with the Local Government Association.

4.3 The Peer Review focused in depth on the key areas of:

- Leadership and Governance
- Outcomes for Citizens
- Organisational Capacity
- Community Risk Management
- Prevention
- Response

4.4 The Review also considered the following areas on a more 'light touch' basis:

- Training and Development
- Protection
- Health and Safety
- Call Management

4.5 Although the Peer Review identified a number of areas for consideration, it did not identify any issues that would raise concerns about the Authority's operational competency or delivery. All areas for consideration raised in the report were already known to service management and are already been captured in improvement plans.

4.6 The Peer Review also found the Authority's internal arrangements for operational assurance to be robust:

> *"Operational Assurance is delivered by a highly motivated and well-resourced team. This has led to a proactive approach to incident monitoring and feedback, monthly performance reports, debriefs and gap analysis, with actions influencing training, operational intelligence and health and safety".*

4.7 A full report of the Peer Review Outcomes can we viewed on the Authority's website:

http://bucksfire.gov.uk/files/6514/1803/5987/ITEM_15_Local_Government_Association_LGA_Peer_Challenge_Report_Appendix_A.pdf

4.8 As part of preparations for the new fire and rescue inspection regime to be introduced by the Policing and Crime Bill, the Authority began work on developing a new operational assurance model during the year. It plans to commission an independent appraisal and application of this in 2016/17 ahead of the launch of the new Home Office led inspection process anticipated for 2017/18.

5. INTEGRATED RISK MANAGEMENT PLANNING

5.1 The National Framework requires that Fire Authorities must produce an Integrated Risk Management Plan (IRMP) that identifies and assesses all foreseeable fire and rescue related risks that could affect its community, including those of a cross-border, multi-authority and / or national nature. The plan must have regard to the community risk registers produced by Local Resilience Forums and any other local risk analyses as appropriate. Each fire and rescue authority integrated IRMP must:

- be easily accessible and publicly available; and,
- reflect effective consultation throughout its development and at all review stages with the community, its workforce and representative bodies, and partners.

5.2 The Government guidance relating to statements of assurance requires that they should include details of IRMP consultations and, in particular, that appropriate information was provided to enable active and informed participation.

5.3 Buckinghamshire and Milton Keynes Fire Authority regularly reviews the fire and rescue related risks to the community it serves and updates its

IRMP in response to any material changes to the nature and level of the risks identified and assessed.

5.4 The Authority's current IRMP, known as the '2015-20 Public Safety Plan', is published on its website. This sets out the Authority's strategy for achieving its vision of making *'Buckinghamshire and Milton Keynes the safest areas in England in which to live, work and travel'*:

http://bucksfire.gov.uk/files/8114/2116/4524/2015_-_20_PSP_Updated_after_17_Dec_CFA.pdf

5.5 The draft Public Safety Plan was subject to extensive consultations prior to the Authority reaching any decisions. The consultation process embraced key stakeholder groups including the general public, Authority staff, neighbouring fire and rescue services and a range of other organisations with a potential interest in the development of the plan. It also included the use of qualitative consultation methods such as 'community engagement forums' and focus groups which encourage participants to reflect in depth about their priorities for the Authority while both receiving and questioning background information and discussing service delivery issues in detail. Full details of the consultation process and its outcomes are available on the Authority's website:

http://bucksfire.gov.uk/files/5514/5527/7938/ITEM_16_2015-20_PSP_Consultation_-_17_December_14_CFA_Paper_Annexes.compressed.pdf

5.6 A follow up public consultation was undertaken in 2015 to assist the Authority with its determinations in relation to a proposal to consolidate two of its existing fire stations in Milton Keynes onto a new tri-service 'blue light hub' facility with police and ambulance services (see Agenda Item 9, Pages 87 – 189): http://bucksfire.gov.uk/files/4614/5459/6672/Fire_Authority_Summons_and_Agenda_100216_72dpi.pdf

5.7 The Authority has also established a framework of key performance indicators and measures to help it assess progress towards the achievement of its vision. Performance in relation to these is reported to the Authority's Executive Committee on a regular basis whose role is to scrutinise any areas of under-performance together with proposals for corrective action. A report on performance outcomes against the framework of indicators and measures can be viewed on the Authority's website (at item 16, pages 219-246):

http://bucksfire.gov.uk/files/6214/6883/2242/Overview_and_Audit_Committee_27_July_2016_Agenda_Pack_compressed.pdf

6. MUTUAL AID, REGIONAL AND NATIONAL RESILIENCE

6.1 The National Framework requires fire authorities to consider risks of a cross-border, multi-authority and/or national nature and to make appropriate provision for dealing with these. The Authority does this via:

- Its active participation in the Thames Valley Local Resilience Forum which comprises other Category 1 and 2 responders. The forum maintains a community risk register which the Authority considers as part of its integrated risk management planning process;
- Review of the National Risk Register, National Risk Assessment and National Resilience Planning Assumptions which are maintained by the UK Government Cabinet Office to inform planning in relation to major civil emergencies of a national or regional nature;
- Mutual aid agreements with neighbouring fire and rescue authorities which enable authorities to provide each other with additional resources to deal with emergencies that cannot be dealt with by an authority acting alone. Buckinghamshire and Milton Keynes Fire Authority maintains formal mutual aid agreements with all six of its neighbours – Bedfordshire, Hertfordshire, London, Royal Berkshire, Oxfordshire and Northamptonshire.
- Working with South Central Ambulance Service (SCAS) to provide co-responding services to medical emergencies and in allowing SCAS crews to use Authority premises.

6.2 Also the Authority maintains specialist resources to enable it to deal with major civil emergencies such as major transport incidents, natural disasters and terrorist incidents. These include capabilities such as Urban Search and Rescue (USAR) and Water Rescue which are deployed in support of other Authorities during major emergencies such as the instances of wide area flooding that have taken place in recent years. During 2016/17 we plan to make improvements to our water rescue capabilities so that they meet the requirements for inclusion on the National Asset Register for flood response. The cost of providing such assistance is recovered from requesting Authority.

6.3 In February 2016 the Authority provided mutual aid to Oxfordshire Fire and Rescue Service by deploying its USAR team to assist at the Didcot 'A' Power Station collapse alongside USAR colleagues from the

West Midlands and Hampshire, South Central Ambulance Service's Hazardous Area Response Team, Thames Valley Police's Serious Investigation Team, Disaster Victim Identification Team, the Health & Safety Executive and other Construction & Engineering specialists. This support continued until close of operations in September 2016.

6.4 The Authority also collaborates with all the other South East Fire and Rescue Services to jointly fund the post of a Station Commander who is seconded to the South East Counter Terrorism Unit. This post has been filled by a BFRS Officer since April 2014 who acts as a focal point for advice to and from the unit.

6.5 As a Category 1 responder as defined in the Civil Contingencies Act 2004, business continuity is a high priority for Buckinghamshire and Milton Keynes Fire Authority. During the periods of strike action in 2014/15 the Service's business continuity arrangements were put into operation. As result fire cover was provided for the whole of the Service's area by the Service's own employees. Every fire call received during these periods of strike action that warranted an attendance received one, in a timely manner and the incidents were successfully dealt with. At all times we also maintain sufficient numbers of trained USAR staff on duty to provide an initial response to incidents in line with the USAR Concept of Operations. Additionally we have staff who maintain cover through a recall to duty contract, who deliver our second set of staff as detailed under the USAR Concept of Operations and enable us to maintain operational cover locally if USAR is deployed for an extended period, this includes national exercising. Under their contractual arrangements these staff are required to maintain this cover during periods of industrial action, meaning Buckinghamshire FRS were one of only two USAR hosting Services that guaranteed this capability during the most recent industrial action.

6.6 Also the Service has engaged in a partnership with the other two Thames Valley Fire & Rescue Services by sharing the Command and Control function to increase operational resilience and make use of Government grant to release year on year cost savings.

Its technology includes a new mobilising system, which enables control operators to identify the exact geographic location of an incident more quickly and, at the same time, pinpoint the precise position of each available fire appliance and officer.

Every fire appliance across the three services has been fitted or upgraded with the latest mobile data terminals which display incidents

on a mapping system, enabling fire crews to see their location and that of the incident in real-time. Mobile data terminals also provide the crews with risk-critical information, such as individual building design and details about any special hazards or unusual processes or manufacturing at a particular location.

To ensure resilience, a non-staffed secondary control room has been created in Kidlington. In the unlikely event that the primary control room fails or needs to be evacuated, North Yorkshire Fire and Rescue Service will take 999 calls and mobilise resources on behalf of Thames Valley Fire Control Service for the short period of time needed to transfer control staff to Kidlington.

7. DECLARATION

Buckinghamshire and Milton Keynes Fire Authority are satisfied that the financial, governance and operational assurance arrangements in place across the organisation meet the requirements set out in the National Framework.

Jason Thelwell
Chief Fire Officer and Chief Executive

Councillor David Watson
Chairman, Overview and Audit Committee

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Department for Communities and Local Government

Guidance on statements of assurance for fire and rescue authorities in England

May 2013
Department for Communities and Local Government

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Any enquiries regarding this document/publication should be sent to us at:

Department for Communities and Local Government
Eland House
Bressenden Place
London
SW1E 5DU
Telephone: 030 3444 0000

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Introduction

1. The Government is committed to unburdening local government; eliminating top-down bureaucracy and increasing local flexibility. For fire and rescue authorities, this ethos is demonstrated by the revised Fire and Rescue National Framework for England (the Framework), and in the provisions of the Localism Act 2011, which helps to let them run their services as they see fit.

2. This freedom and flexibility is accompanied by the need for accountability and transparency. Providing an excellent service is only the starting point - communities expect to know how their services are being provided.

3. It is against this background that the Framework sets out a requirement for fire and rescue authorities to publish Statements of Assurance. It says:

   'Fire and rescue authorities must provide annual assurance on financial, governance and operational matters and show how they have had due regard to the expectations set out in their integrated risk management plan and the requirements included in the Framework. To provide assurance, fire and rescue authorities must publish an annual statement of assurance'.

4. This document provides guidance on the content of statements of assurance, and indicates how existing assessment processes might feed into the statements in order to avoid duplication.

5. Guidance should not be taken to constitute legal advice. We have indicated what should be included in the statements of assurance, while allowing the flexibility to tailor the format and presentation. It is for fire and rescue authorities to decide how to best present the information with their communities in mind.

Context

6. Fire and rescue authorities are accountable for their performance and should be open to evaluation by the communities they serve. Information on their performance should be accessible, robust, fit-for-purpose and accurately report on effectiveness and value for money.

7. One of the principal aims of the statement of assurance is to provide an accessible way in which communities, Government, local authorities and other partners may make a valid assessment of their local fire and rescue authority's performance.

8. Where fire and rescue authorities have already set out relevant information that is clear, accessible, and user-friendly within existing documents, they may wish to include extracts, or links to these documents within their statement of assurance.

9. The statement of assurance will be used as a source of information on which to base the Secretary of State's biennial report under section 25 of the *Fire and Rescue Act 2004.*[1]

Assessment and ownership

10. Authorities should assess their performance across a number of key areas. The areas to be included for assessment, and the methodology used, are a matter for local determination, although authorities will need to satisfy themselves that the measures and methods used are appropriate and fit for purpose.

11. The statement of assurance should be signed off by an elected member of the relevant authority who is able to take responsibility for its contents. It is up to the individual authority to ensure that this is done by an appropriate person (or persons) who can approve it on behalf of the authority.

12. Statements of assurance should be published annually by fire and rescue authorities. It is for fire and rescue authorities to decide when they should publish depending on individual reporting arrangements. The first statements are due for publication in the financial year 2013-14, and annually thereafter.

Content of the annual statement of assurance

Financial

13. Fire and rescue authorities are responsible for ensuring that their business is conducted in accordance with the law and proper standards, and that public money is properly accounted for and used economically, efficiently and effectively.[2]

14. It is a statutory requirement under the *Accounts and Audit (England) Regulations 2011*[3] for authorities to publish the financial results of their activities for the year. This 'Statement of Accounts', shows the annual costs of providing the service and is determined by a Code of Practice[4] which aims to give a "true and fair" view of the financial position and transactions of the authority. The authority is responsible for approval of the statement of accounts prior to publication.

15. The statement of assurance may briefly set out what assessment procedures are in place with regard to the authorities' statements of account.

Governance

16. The *Accounts and Audit (England) Regulations 2011* also requires authorities to prepare an annual governance statement in support of this statement of accounts. This governance statement is an expression of the measures taken by the authority to ensure appropriate business practice, high standards of conduct and sound governance. The statement of assurance may set out what work authorities

[1] http://www.legislation.gov.uk/ukpga/2004/21/section/25

[2] Section 3 of the Local Government Act 1999

[3] http://www.legislation.gov.uk/uksi/2011/817/contents/made

[4] *Code of Practice on Local Authority Accounting* - Chartered Institute of Public Finance and Accountancy

have undertaken to review the effectiveness of their governance framework, including the system of internal control.

17. Greater transparency is a key element of the Framework and is at the heart of the Government's commitment to enable the public to hold their authorities to account for the way they spend public money. In preparing the statement of assurance, fire and rescue authorities may consider the principles of transparency set out in the *Code of Recommended Practice for Local Authorities on Data Transparency*.[5]

Operational

18. Fire and rescue authorities function within a clearly defined statutory and policy framework. The key documents setting this out are:
    - the Fire and Rescue Services Act 2004[6]
    - the Civil Contingencies Act 2004[7]
    - the Regulatory Reform (Fire Safety) Order 2005[8]
    - the Fire and Rescue Services (Emergencies) (England) Order 2007[9]
    - the Localism Act 2011[10]
    - the Fire and Rescue National Framework for England[11]

19. Fire and rescue authorities already consult on, and publish, their integrated risk management plans, which set out local strategies including cross-border, multi-authority and national arrangements where appropriate. The statement of assurance should include details of consultation on these plans, and confirm that appropriate information was provided to enable active and informed participation.

20. The statement of assurance may also indicate where fire and rescue authorities have entered into agreements and/or mutual aid arrangements with other relevant bodies. The level of detail included will be a matter for each individual fire and rescue authority and may be linked to their integrated risk management plan.

21. It is not the aim of statements of assurance to set out the operational procedures for fire and rescue authorities. However, statements of assurance are the appropriate vehicle with regard to specific events which raise issues of operational competence or delivery. For example, when advice is received under health and safety or other legislation, it is appropriate for the fire and rescue authority to use the statement of assurance as a means to inform their communities that these matters have been considered and, where appropriate, acted on.

Framework requirements

[5] https://www.gov.uk/government/publications/local-authority-data-transparency-code
[6] http://www.legislation.gov.uk/ukpga/2004/21/contents
[7] http://www.legislation.gov.uk/ukpga/2004/36/contents
[8] http://www.legislation.gov.uk/uksi/2005/1541/contents/made
[9] http://www.legislation.gov.uk/uksi/2007/735/contents/made
[10] http://www.legislation.gov.uk/ukpga/2011/20/contents/enacted
[11] https://www.gov.uk/government/publications/fire-and-rescue-national-framework-for-england

22. Where fire and rescue authorities are satisfied that the systems they have in place, and any specific measures they have undertaken, fulfil their Framework requirements, this should be clearly stated in the statement of assurance. Accordingly, where appropriate, authorities may consider making a simple declaration that the Framework requirements have been met.

Future improvements

23. Fire and rescue authorities may wish to include a section in their statements of assurance on any potential improvements they have identified across their accounting, governance or operational responsibilities to communities, particularly where plans are underway.

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Buckinghamshire & Milton Keynes Fire Authority

MEETING	Overview and Audit Committee
DATE OF MEETING	8 March 2017
OFFICER	Julian Parsons, Head of Service Development
LEAD MEMBER	Health and Safety and Corporate Risk (Councillor David Schofield)
SUBJECT OF THE REPORT	**Operational Assurance Improvement Plan**
EXECUTIVE SUMMARY	This report sets out how the Service proposes to respond to the recommendations arising from the 'Review of Operational Assurance Arrangements' undertaken by Operational Assurance Limited (OAL) in October 2016. In their report OAL identify 30 improvement recommendations. Three of the recommendations were identified as 'particular priorities', namely: • Continued development and resourcing of effective internal processes through which matters arising from significant external and internal events are captured, communicated and effectively managed through to a conclusion that is acceptable to the Service; • Implementation of an active monitoring system to act as a smart Service-wide tool to support delivery of the above recommendation; • Re-establishment of an effective Operational Assurance Forum, with necessary direction and authority to assist in the formal management and progression of issues arising, through to meaningful resolution. In relation to the first two high priority recommendations, the e-Safety system currently being introduced by the Health, Safety and Wellbeing team has been identified as being capable of satisfying the requirements of an active monitoring system. Regarding the third high priority recommendation, a draft terms of reference for an 'Operational Assurance Group' (OAG) are shown at Appendix 1. A detailed 'Operational Assurance Improvement Plan' (OAIP) is shown at Appendix 2. This prioritises and sets out how the Service proposes to respond to all 30 of the recommendations made by OAL.
ACTION	Decision.

RECOMMENDATIONS	It is recommended that: 1. the OAIP be noted; 2. it be noted that the ongoing management of the OAIP will be overseen by the OAG which will report on performance against the OAIP to the Performance Management Board (PMB), SMB and the Overview and Audit Committee as set out in the OAG terms of reference; and 3. the terms of reference for the OAG and its resources be noted.
RISK MANAGEMENT	Implementation of the recommendations is necessary to ensure that the Service's operational systems of work, processes and procedures are continuously improved to conform to the latest safety standards and are efficient, effective and respond to significant changes in the external or internal environments. Failure to implement the recommendations could expose: • the Service, its personnel and the public to operational, health and safety risks; • Buckinghamshire & Milton Keynes Fire Authority (BMKFA) to reputational and / or financial risks. The recommendations and appended OAIP will inform the ongoing development of our workforce plan particularly in relation to areas such as maintenance of operational skills and acquisition training and assessment (items 6.7 and 7.1 of Appendix 2). The recommendations and OAIP do not appear to raise any immediate privacy issues.
FINANCIAL IMPLICATIONS	No immediate financial implications identified. However, any costs arising will be considered by the OAG within the mandate set out in the OAG terms of reference and approved by SMB.
LEGAL IMPLICATIONS	Implementation of the OAIP will enhance the Service's ability to comply with relevant legislation and regulations.
CONSISTENCY WITH THE PRINCIPLES OF COLLABORATION	The recommendations and OAIP include proposals for collaboration with other Fire & Rescue Services and the Fire Service College (item 7.3.1 of Appendix 2).
HEALTH AND SAFETY	Implementation of the recommendations and OAIP will supplement and enhance the existing health and safety regime.

EQUALITY AND DIVERSITY	No immediate issues identified in the recommendations or OAIP. However, IIAs will be completed for any changes arising from their implementation where there is potential for equality and / or diversity issues to arise.
USE OF RESOURCES	**The arrangements for setting, reviewing and implementing strategic and operational objectives; Performance monitoring, including budget monitoring; achievement of strategic objectives and best value performance indicators;** Implementation of the OAIP will contribute to achievement across the range of strategic objectives and enablers, particularly: • Optimise the contribution and well-being of our people; • Ensure that risk, performance, financial and management information is accurate, relevant and delivered to users in an efficient, timely and reliable way. **Communication with stakeholders** The review undertaken by OAL included a range of structured interviews with a cross-section of Service staff including strategic managers, department heads, systems managers, operational officers and firefighters. The recommendations and associated OAIP include plans to ensure that the operational assurance model is published and communicated to ensure clear identification of roles and responsibilities and confirmation of understanding. **The system of internal control** Monitoring and reporting arrangements are set out in the OAG terms of reference (Appendix 1). **The medium term financial strategy** Impact expected to be positive as implementation of the recommendations and OAIG will contribute to the mitigation of potential financial risks. **The balance between spending and resources** No immediate funding requirements identified. The recommended monitoring system will use an e-safety application that has already been procured and purchased for other purposes. **The management of the asset base** It is envisaged that implementation of the recommendations / OAIP will help inform the management of the asset base by providing information relating to external and internal environmental changes that could bear upon the fitness for purpose of systems, equipment and other

	assets. **The arrangements to promote and ensure probity and propriety** Implementation of the recommendations / OAIP is expected to have a positive impact against these criteria by creating a more robust and transparent operational assurance environment within the Service. **Environmental** Implementation of the recommendations / OAIP will enhance the Service's ability to identify and manage potential environmental hazards in both the internal and external environments.
PROVENANCE SECTION & BACKGROUND PAPERS	**Background** Review of Operational Assurance Arrangements, OAL, October 2016 (shown at Appendix 3).
APPENDICES	1. OAG Terms of Reference 2. Operational Assurance Improvement Plan 3. OAL Report
TIME REQUIRED	15 Minutes.
REPORT ORIGINATOR AND CONTACT	Stuart Gowanlock, Corporate Planning Manager sgowanlock@bucksfire.gov.uk 01296 744435

OPERATIONAL ASSURANCE GROUP (OAG)
TERMS OF REFERENCE

Purpose	To ensure that the operational assurance arrangements of the Service are subject to continuous review and improvement by promoting and embedding the use of the Service Assurance Model.
Frequency	Quarterly (Prior to deadline for submission of PMB Papers) or more frequently if required.
Terms of Reference	1. To review and prioritise recommendations arising from the 'Review of Operational Assurance Arrangements' undertaken by OAL and agree the actions to be taken in respect of these for inclusion in the Operational Assurance Improvement Plan (OAIP). 2. To review and agree the OAIP for recommendation to SMB. 3. To monitor progress with the implementation of the OAIP. 4. To approve OAIP Progress Reports for submission to PMB (who will agree for referral to SMB and the CFA's Overview & Audit Committee). 5. To agree updates and additions to the OAIP arising from subsequent reviews of operational assurance arrangements and / or internal or external events relating to the same that require action to ensure that operational processes and activities are carried out in: o a safe, efficient and effective manner; o In compliance with national legislation, national and CFA policy, regulations and guidance. 6. To review and agree the process and system for identifying, capturing, monitoring and communicating to all staff issues and risks arising from the internal and external environment and the actions required to address these in order to maintain the safety, efficiency, effectiveness and compliance with legislation, regulations and policy of operational processes and activities. 7. To agree the allocation and prioritisation financial and people resources needed to deliver the OAIP and any updates or changes to this (within the individual and collective mandates of the OAG members – where these are exceeded to refer the same to PMB for review and decision). 8. To ensure that any significant training requirements (i.e. those that cannot be met from within the existing training programme and budget) needed to deliver the OAIP and / or subsequent risks or events arsing requiring action are submitted to the Training Strategy Group for consideration. 9. To identify and agree any potential corporate risks arising from failure or inability to meet agreed assurance requirements for escalation to PMB. 10. To review the above Terms of Reference following full implementation of the OAIP or after a period of one year, whichever is the sooner.
Membership	Head of Service Delivery (or representative with the authority to act on their behalf) Head of Service Development (or representative with the authority to act on their behalf) Head of Service Transformation (or representative with the authority to act

	on their behalf). Head of Operational Training & Assurance Corporate Planning Manager Health & Safety Manager Group Commander Policy & Resilience Representative Body Nominee
Chairman	Head of Service Development Vice Chairman to be appointed by OAG Members
Facilitation / Secretariat	Corporate Planning Manager
Mandates	Where necessary, and in consultation with relevant budget holders, to prioritise and allocate budgeted resources required to meet agreed assurance requirements within the individual and collective mandates of the members of the OAG.

OPERATIONAL ASSURANCE IMPROVEMENT PLAN

Ref.	Recommendation	Action	Priority H/M/L	Officer Resp.	Delivery Date	RAG Status	Progress & Issues Report
P.1	BMKFRS should continue to develop and resource effective internal processes through which matters arising from significant external and internal events are captured, communicated and effectively managed through to a conclusion that is acceptable to the service. This should include (for example) processes for undertaking gap analysis, communicating findings to operational staff and informing resultant training delivery.	**Agree:** Operational Assurance Group (OAG), once established, will provide the governance for ensuring these processes are in place and implemented. Create a standardised approach toward the undertaking of any gap analysis resulting from both external and internal events. Identified shortcomings from a training, learning and development perspective to be presented at Training Strategy Group (TSG) meetings, in order to inform decision making. Recruit individuals for vacant positions within the re-structured Operational Assurance Team (WC and 2 x CC) The reintroduction of the Operational Assurance monthly reports, to highlight to staff areas of notable best practice or requiring improvement.	H H M H M	JP SW SW SW KC	Feb 2017 Oct 2017 April 2017 April 2017 April 2017		**Issue:** Currently information relating to significant external and internal events comes in through a variety of means and to various people with the potential for information to be missed. Consideration should be given as to how best to streamline this perhaps making the OAT the recipient for all such information and the OAG to oversee the resultant process. WC and 1 x CC appointed commencing the 1st Feb 2017. Following the offer of the final vacant CC post being declined by the identified individuals there are options to fill this vacancy - either to go external or consideration could be given to appointing a second WC and utilising the post to support the Area Trainer role.
P.2	In support of recommendation 1, BMKFRS should develop the use of an active monitoring system to act as a smart, service-wide tool. This system should incorporate a user-friendly database that is capable of providing auditable records and is easily accessible to all staff.	**Agree:** The H&S e-Safety system will provide the active monitoring system which can follow the suggested Ops Assurance model and provide a robust audit trail from inception to completion. The system will be accessible to all staff through a web based portal. Building of appropriate question sets to commence in January 2017. The development process to be supported by Ops Assurance representative viewing the Greater Manchester FRS system, this may well be made available to us at no cost if required.	H M	AC\KC KC	Jan 2018 June 2017		BFRS has developed a new Internal Assurance Model. This model began its introduction into the Service prior to the visit by OAL. OAL found that the model was starting to being used and has the potential to deliver excellent assurance benefits. The development of e-Safety will compliment this new model and the delivery of its aspirations.
P.3	BMKFRS should consider re-establishing an effective Operational Assurance forum, with the necessary direction and authority to assist in the formal management and progression of issues arising, through to meaningful resolution.	**Agree:** Operational Assurance Group to be established, meeting regularly at agreed intervals and attended by appropriate representatives. This group will report directly to the Performance Management Board (PMB).	H	JP	Feb 2017		**Progress:** Appropriate representatives identified for inclusion by Stuart Gowanlock. It has also been identified where the OAG will sit within the governance structure.

OPERATIONAL ASSURANCE IMPROVEMENT PLAN

Ref.	Recommendation	Action	Priority H/M/L	Officer Resp.	Delivery Date	RAG Status	Progress & Issues Report
5.4	**Key Findings: Policy and Guidance**						
5.4.1.	It is recommended that the Operational Assurance model is clearly published and communicated, that roles and responsibilities are clearly identified and finally, that understanding is confirmed.	**Agree:** The intention is to write a new Operational Assurance procedure which, once published, a range of established methods will be considered to determine how best to ensure the content of the document has been understood by staff. Options available include creating a 'HEAT' package or face to face input conducted locally and captured within training records.	M	SW	Dec 2017		
5.7	**Key Findings: Operational Briefing and Handover**						
5.7.1	OAL recommend that BMKFRS gives consideration to revising or replacing the 'OTHERS' methodology, to ensure the procedure includes the following points. Any revised handover methodology should be adopted for training BMKFRS staff at the FSC: • Situation • Hazards identified • Objectives • Plan to meet the objectives • Resources present and requested • Incident command structure • Tactical mode(s) in use	**Disagree:** It is generally accepted that 'OTHERS' is well embedded and recognised at all command levels. The change indicated to SHOPRIT offers limited benefit and will have a training and embedding implication for BFRS. Outcomes from Ops Alignment may require this approach to be reviewed. However, the strengthening of the understanding and use of the 'OTHERS' methodology, will to be delivered to FDO officers at training days and cascaded to operational staff.	L	OAT	Dec 2017		
6.2	**Assurance Model: External Inputs**						
6.2.1	BMKFRS should review the processes currently employed to capture, scrutinise, manage and communicate matters arising from external inputs. This should include consideration of the service's current process for undertaking gap analysis of these external reports in order to manage identified risks to conclusion or acceptance on the service risk register.	**Agree:** This particular recommendation is aligned to ref P1 and therefore will be subject to the same proposed actions.	H	JP	Feb 2017		
6.4	**External Assurance Model: Issue Resolution**						
6.4.2	BMKFRS should consider re-establishing an effective Assurance Forum with the necessary direction and authority to manage and progress OA issues arising through to meaningful resolution and involving: a) The application of a recognised and accountable health and safety process linked directly to OA, which includes suitable	**Agree:** Operational Assurance Group (OAG), once established will provide the governance for ensuring these processes are in place and implemented. One of the invited members onto the OAG will be the H&S Manager. Identified shortcomings from a training, learning	H M	JP SW	Feb 2017 April 2017		

Ref.	Recommendation	Action	Priority H/M/L	Officer Resp.	Delivery Date	RAG Status	Progress & Issues Report
	arrangements to manage these elements. b) The progression of issues to inform the service Risk Register, Training Needs Analysis (TNA), Integrated Risk Management Plan (IRMP), etc.	and development perspective to be presented at Training Strategy Group (TSG) meetings, in order to inform decision making.					
6.4.3	BMKFRS should ensure the process of OA is adequately supported by an effective, user-friendly Information Technology (IT) system that incorporates an intelligent and auditable database.	**Agree:** e-Safety will, in the first instance, be piloted in order to determine its appropriateness. It has the ability to be managed locally (H&S staff can administer the system in order to improve the functionality following feedback once the system is trialled). As a system, it has resilience as it is 'hosted' by the manufacturing company with a full support system available to users.	H	AC\KC	Jan 2018		
6.5	**External Assurance Model: Debriefing Activities**						
6.5.1	BMKFRS should review and re-energise its debriefing process. This should be promoted to the operational staff as a key element of continuous service improvement. Any review undertaken should consider: (i) Addressing current poor practises to ensure the onus for initiating a timely debrief sits firmly with incident commander. (ii) Continuing efforts to simplify the existing processes. (iii) Producing regular outcome reports to inform staff, promote inclusion and demonstrate the value of the process. (iv) Ensuring non-compliance is identified and valued contribution recognised and rewarded.	**Agree:** A positive feature of the e-Safety is that completed debrief forms can be attached to the specific subject, created within the system, thereby allowing all pertinent information to be captured in a single place. Debrief training to be provided to Operational Assurance team members - this will be captured in the department training needs analysis	M M	KC\OAT KC	Oct 2017 April 2017		**Issue:** BFRS have only has one person trained in the operational debrief process, so this would need to be rectified in due course.
6.7	**External Assurance Model: Maintenance of Operational Skills**						
6.7.1	BMKFRS should seek to place greater emphasis on the individuals' responsibility for completion and maintenance of their own skill-set.	**Agree:** There is a collective responsibility amongst all operational staff to ensure their professional competencies are effectively maintained. Therefore this subject is to be a matter of discussion during an individual's appraisal, which is then documented and subsequently monitored by their respective line manager.	M	SW	Oct 2017		**Issue:** It has generally been customary for a supervisory manager to be responsible for recording the maintenance of skills for a number of staff on their watch. However, due to the increasingly flexible approach to working within BFRS, individuals undertaking competency training are not always aligned to their own watch. Therefore, whilst having one person responsible for data input can be time effective, it nonetheless distances an individual from their own training records and recognising their own development needs. Timely access to computers, in order to complete these records has previously been cited as a barrier.
6.7.2	BMKFRS should consider incentivising the process through making the completion of Maintenance of Skills (i.e. competence), a prerequisite for being able to access the bank working system.	**Agree:** To be reviewed by both Service Delivery and Service Transformation. Outcome to be captured within a revised procedure note for the Bank system.	M	JP\PH	Oct 2017		

OPERATIONAL ASSURANCE IMPROVEMENT PLAN

Ref.	Recommendation	Action	Priority H/M/L	Officer Resp.	Delivery Date	RAG Status	Progress & Issues Report
7.1	**Acquisition Training and Assessment**						
7.1.1	BMKFRS should give consideration to making the qualification acquisition process more attractive to its prospective candidates.	**Agree:** Service Delivery and Service Transformation to review application of the 'Bank' system, so to ensure this doesn't become a determining factor toward discouraging staff to obtain professional qualifications in the future.	L	JP\PH	Jan 2018		
7.3	**Staff Opinion**						
7.3.1	BMKFRS should explore a joint enterprise with neighbouring FRS in order to share facilities and provisions at FSC. Such a joint enterprise should seek to explore: a) Economic savings by combining appraisal assessment with other FRS. b) Potential renegotiation of the service level agreement between FSC and BMKFRS. c) Greater flexibility in the provision of larger scale scenarios with the consequent strengthening of the functional role competences. d) Opportunities to include risk critical functions such as Operational Support Units and Incident Command Units. e) Shared operational awareness between FRS. f) Shared operational awareness between all emergency services and other first responders. (this will have the added benefit of meeting JESIP exercising requirements). g) A strengthening of inter-service working and coordinated operational procedures.	**Agree:** Much of what has been highlighted in respect of this particular recommendation has already been incorporated within the operational training specifications that will be subject to a full tendering process. The training specifications have been shared with the other Thames Valley FRS and it is expected that further collaboration opportunities will increasingly become apparent as we progress through the Ops Alignment process.	H	SW	April 2017		
7.4	**Management of FSC Outcome Reports**						
7.4.1	BMKFRS should review its processes for monitoring staff during their development phase. In particular the service should consider strengthening its feedback process to include organisational awareness of an individual's performance through to completion of any related development needs and/or associated development plans.	**Agree:** Further investigation required, however initial indications are this is most likely relevant to On Call staff, who perhaps experience the greatest difficulty in both creating and completing development plans. To re-issue development plan forms to managers, as well as set up monitoring system to record when plans are issued and completed.	M	AP	Oct 2017		
7.8	**QA of Station Based Training**						
7.8.1	BMKFRS should review (and potentially reduce) the quota of 288 QA assessments (summative sampling) per year to a more achievable figure.	**Agree:** The intention is to establish a closer working relationship with H&S in order to ensure the QA processes/procedures take into account both safety events/near misses.	M	SG	June 2017		

Ref.	Recommendation	Action	Priority H/M/L	Officer Resp.	Delivery Date	RAG Status	Progress & Issues Report
		A review of the current number of Quality Assurance audits to be undertaken, to make certain the figure for the training year 2017\18 is more realistic, in terms of what can be reasonably attained, without undermining performance standards.	M	SG	April 2017		
7.8.2	It is recommended that BMKFRS consider extending the QA role in line with the service's 'blended approach'. This may include offering the Vocational Assessor qualification to wholetime and On Call personnel and allowing them to undertake lower tier QA processes (interim sampling).	**Agree:** Further investigation/ consideration required. The intention is to explore the option of selecting appropriately skilled, qualified and quality assured Associate Instructors who in turn would QA principally On Call station instructors in support of the Area Trainers.	L	SG	Jan 2018		
8.1	**Operational Exercising: Obtaining Evidence**						
8.1.1	BMKFRS should review the provision of operational exercising in order to provide increased opportunity for commanders to: a) Practice command decision making b) Practice logistical controls c) Practice operational procedures etc. at larger, developing and more complex scenarios.	**Agree:** The provision for operational exercising has been incorporated into the training specification documentation, with a new agreement needing to be in place by April 2017. The re-establishment of the operational exercising programme.	H M	SW KC\OAT	April 2017 Sept 2017		
9.2	**Risk Management: Analytical Risk Assessment**						
9.2.1	It is recommended that risk management packs be placed in line of sight of the risk entry points, so as to allow other first responders the opportunity to view their content and respond accordingly.	**Disagree:** From an operational perspective the consensus of option is that the DRA and ARA risk information is both appropriately placed clearly identified on the incident ground.	n\a	n\a	n\a		
9.3	**Risk Management: Site Specific Risk Assessment**						
9.3.1	BMKFRS should consider reviewing its internal communication processes to ensure the effective communication of SSRA information between wholetime and On Call crews.	**Disagree:** Operational risk information can be easily accessed through the MDTs, located within all front-line appliances.	n\a	n\a	n\a		
10.1	**Active Monitoring: Locating Key Documents**						
10.1.1	BMKFRS should develop the use of an active monitoring system to act as a smart, service-wide tool. This system should incorporate a user-friendly database that is capable of providing auditable records and is easily accessible to all staff. It should allow the rapid location and filtering of key information for any user. This	**Agree:** e-Safety will provide the auditable records which can be accessed by all staff. Users will be able to extract such information and includes a 'search' filter and 'report' facility. Part of the support package provides 25 hours of report writing per year by the manufacturer which can be utilised	H	AC\KC	Jan 2018		

Ref.	Recommendation	Action	Priority H/M/L	Officer Resp.	Delivery Date	RAG Status	Progress & Issues Report
	issue is further covered in Section 12: 'Internal Communications'.	for more complex requirements.					
10.2	**Active Monitoring: Allocation of Action Plans**						
10.2.1	That any system used for this purpose should operate independently of any individual in the service and each issue should remain 'live' on the system until resolved or accepted on the risk register.	**Agree:** It is anticipated that e-Safety will meet these requirements. An identified issue will remain 'live' in the system until such time all actions have been completed. It is at this point when it can be closed off, although will remain accessible within the system for information and evidential purposes.	M	SW\KC	Jan 2018		
10.3	**Active Monitoring: Reporting by Exception**						
10.3.1	It is recommended that BMKFRS extend this form of monitoring to include training events; with the consequent benefits to organisational learning and that these reports are included for staff review (commensurate to suitable anonymity measures).	**Agree:** Independent assessors routinely observe and record the performance of operational staff during validation exercises. The introduction of an active monitoring system to include training events will be explored further.	M	KC\AP	Jun 2017		
10.4	**Active Monitoring: Staff Access**						
10.4.1	Include a provision within the AMS to provide feedback on concluded issues and in particular to the source of the initially identified issue.	**Agree:** e-Safety has the facility to allow all staff to access the system via a web based portal. It enables feedback to be 'attached' to the original issue, even after the issue is concluded.	M	AC\KC	Jan 2018		
10.5	**Active Monitoring: Role of the Monitoring Officer**						
10.5.1	Provide formal training and/or guidance for Monitoring Officers to ensure a uniform approach to monitoring and to clarify the operational standards required from all staff.	**Agree:** To be delivered to existing FDS Officers during the monthly training events, by members of the OAT.	M	KC	June 2017		**Issue:** An established process needs to be development in order to ensure those staff new to the FDS rota are given sufficient opportunity to both acquire and consolidate the skills of a monitoring officer.
10.5.2	Moving forward, the new active monitoring form should directly correspond with the WM7 NOS.	**Agree:** This has been provisionally created, although will need to be reviewed, so it can be incorporated into the e-Safety system and aligned to our Thames Valley partners.	M	KC	June 2017		
10.5.3	Active monitoring should be expanded to the training events taking place at FSC to ensure the service is effectively capturing and progressing all available learning opportunities.	**Agree:** Further investigation to be undertaken, in order to develop an agreed approach. Potential for L2 and L3 officers to perform monitoring at FSC during validation exercises. Any involvement from both OFRS and RBFRS may	L L	SG\AP\KC SG\AP\KC	Oct 2017 Oct 2017		

Ref.	Recommendation	Action	Priority H/M/L	Officer Resp.	Delivery Date	RAG Status	Progress & Issues Report
		assist with regard to achieving a consistent approach toward incident monitoring, across the whole of the Thames Valley area.					
11	**National Operational Guidance for Incident Command**						
11.1.1	BMKFRS should ensure all staff have awareness and understanding of the functional roles within NOGIC, and that this is tested.	**Neither Agree or Disagree:** The strong belief is that BFRS is already complying with NOGIC. However, this will be subject to further internal investigation with resultant findings being acted upon appropriately. There is opportunity to provide further information to staff through FDO training days and HEAT packages.	L L	OAT OAT	Jan 2018 Jan 2018		
11.1.2	Station and watch commanders should be provided clear guidance on the standards of NOGIC specific knowledge expected from its commanders and crews.	**Agree:** Whilst it is recognised the understanding of NOGIC is relatively comprehensive amongst staff. The option of providing a more detailed narrative of the responsibilities associated with particular command roles will be explored.	L	KC\OAT	Jan 2018		
11.1.3	Station and Watch Commanders and their crews should be provided opportunity under assessable and/or developmental conditions to exercise the acquired skills and underpinning knowledge set out in NOGIC.	**Disagree:** The incident command competencies of all supervisory commanders are independently assessed and scrutinised during validation exercises. The feasibility around this being extended to involve Station Commanders is to be explored further.	n\a L	n\a KC\AP	n\a Jan 2018		
12	**Internal Communications**						
12.1.1	Review the functionality 'I Drive' as it appears the system does not meet with service expectations with regard to ease of use.	**Agree:** The longer term solution in respect of the overall document management strategy will be reviewed independently and therefore will no longer form part of this particular improvement plan.	L	JP	April 2018		
12.1.2	Review the content of the service's Intranet to ensure key information is easily accessible by staff, which should include a more logical hyperlink process.	**Agree:** See above comments.	L	JP	April 2018		
12.1.3	Review the methods employed for communicating and validating the passage of important messages to operational staff at fire stations. Any review should also consider the communication of key information between wholetime and On Call staff.	**Agree:** See above comments	L	JP	April 2018		

OPERATIONAL ASSURANCE IMPROVEMENT PLAN

Ref.	Recommendation	Action	Priority H/M/L	Officer Resp.	Delivery Date	RAG Status	Progress & Issues Report

Officer(s) Responsible	
Initials:	***Name:***
JP	AC Parsons
PH	AC Holland
SW	GC Wells
KC	SC Carmichael
AC	Ali Chart
AP	SC Pennick
SC	SC Grosse
OAT	Ops Assurance Team

Review of Operational Assurance Arrangements

Buckinghamshire & Milton Keynes Fire and Rescue Service

October 2016

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Glossary

ADSU	Automatic Distress Signalling Unit
ARA	Analytical Risk Assessment
BMKFRS	Buckinghamshire & Milton Keynes Fire & Rescue Service
CC	Crew Commander
FDO	Flexible Duty Officer
ICLx	Incident Command Level (1,2,3,4)
ICTT	Incident Command Training Team
ICU	Incident Command Unit
IRMP	Integrated Risk Management Plan
JESIP	Joint Emergency Service's Interoperability Programme
KLOE	Key Line of Enquiry
NOGIC	National Operational Guidance Incident Command
OA	Operational Assurance
OAL	Operational Assurance Ltd
OISG	Organisational Improvement Steering Group
PDR	Personal Development Review
QA	Quality Assurance
SDS	Shift Duty System
SSRA	Site Specific Risk Assessment
SFJ	Skills for Justice (an accrediting body)
SOP	Standard Operating Policy
WC	Watch Commander

1. Executive Summary

In July 2016 BMKFRS contracted Operational Assurance Ltd. (OAL) to provide an objective appraisal of service Operational Assurance (OA). The review was to consider the application of a newly developed Assurance Model, following a significant internal restructuring which included its staffing model, departmental make up and its financial arrangements.

It was made clear by BMKFRS management during scoping that they fully expected OAL to identify gaps in the Assurance Model as a consequence of the resource reductions, some years of change, and recent departmental restructuring. BMKFRS management intend to use this review as one of the means to consolidate procedures, processes and operational matters in order to confirm the assurance model required.

A four-person team from OAL carried out the review during October 2016. All team members are former senior FRS officers with currency, accreditation and experience in the fields of incident command, internal operational assurance and verification, auditing, quality assurance and the management of health and safety. Prior preparation, working closely with the BMKFRS leadership, had identified a number of Key Lines of Enquiry (KLoEs).

By prior agreement with BMKFRS the review examined two areas:

- **Incident Command**: This element tested the function of the Assurance Model and internal OA team through focusing on the adoption and application of the 'National Operational Guidance for Incident Command' (NOGIC).

- **Operational Training and Command Competence**: This element tested the function of the model and team through focusing upon the BMKFRS Training Framework and its impact upon OA and competency.

During the course of the review the OAL team conducted a range of structured interviews involving a cross-section of BMKFRS staff and employing a multi-layered approach to include strategic managers, department heads, systems managers, operational officers and firefighters. The review team attended operational incidents where practicable and training events at several locations, including a medium-scale (five pump) exercise held at a disused military establishment. BMKFRS staff were candid and helpful, providing the OAL team, without exception, to all information requested including access to all recording systems.

Review Results

BMKRS has undergone significant change in recent years, in particular to meet stretching financial challenges. Many changes have been innovative and creative in both conception and application, with evidence of much vision, planning and forward thinking.

OAL found clear evidence that BMKFRS has a comprehensive organisational understanding of the importance of effective incident command to the safety of operational staff and the public, and to the limitation of economic and community impact arising from incidents. Further, there is a clear understanding of the 'Safe Person Concept': The newly introduced NOGIC is

being largely applied and where resources allow, improvement opportunities are being fully exploited.

The BMKFRS Operational Assurance model has been well promulgated and adopted at senior level but more unevenly at Station Commander and less senior ranks.

The model relies on inputs of information from external sources (eg. public enquiries or coroners reports) and internal ones (eg. feedback from operational incidents or training exercises) to focus improvement action planning.

- **Use of external analysis** has until recently been good with evidence of learning throughout the service. Currently however it is suffering from resource shortfalls, with potential weaknesses emerging. OAL understands that plans are in place to address these resourcing issues.
- **Internal information** streams have the potential to be very strong. There is a widespread use of monitoring officers at operational incidents, and evidence from leadership and staff is that intense training at the Fire Service College is both welcome and beneficial. There is however potential for improvement: there are weaknesses in the I.T. system which allows staff to store, recall, use and manage learning, to the extent that it may be hampering effective improvement across the service. More, larger, exercises (more than two pumps) may also be beneficial.

Once inputs which will lead to improvement has been gathered, there is considerable evidence that the OA process throughout BMKFRS is driving significant change in the key areas of Learning & Development, Policy & Resilience and Organisational Development. Such change is progressing due to organisational culture and individual commitment. Whilst clearly positive, there is a current potential weakness in the lack of formal tracking of improvement actions both in management structures and once again in underpinning I.T. There is therefore the potential that individual actions will get 'lost' if key individuals move to new roles or short term priorities.

Recommendations

OAL has identified 30 recommendations for improvement, which BMKFRS may wish to consider. Each is discussed in the relevant section of this report, and highlighted in bold. For ease of review and action planning, all recommendation are then tabulated at Appendix E . Many were, naturally, already being addressed by BMKFRS at the time of OAL's review and it must therefore be stressed that this report simply provides a snapshot of the situation during the week of the report not a forecast of completion of those actions.

Of the 30 recommendations identified, there are three themes which OAL suggest should be of particular priority – these are summarised below and at Appendix D.

Priority Recommendations	
P.1	BMKFRS should continue to develop and resource effective internal processes through which matters arising from significant external and internal events are captured, communicated and effectively managed through to a conclusion that is acceptable to the service. This should include (for example) processes for undertaking gap analysis, communicating findings to operational staff and informing resultant training delivery.
P.2	In support of recommendation 1, BMKFRS should develop the use of an active monitoring system to act as a smart, service-wide tool. This system should incorporate a user-friendly database that is capable of providing auditable records and is easily accessible to all staff.
P.3	BMKFRS should consider re-establishing an effective Operational Assurance forum, with the necessary direction and authority to assist in the formal management and progression of issues arising, through to meaningful resolution.

Conclusion

BMKFRS has a culture of positive response to internal and externally driven change. OAL found many examples of excellent practice in its approach to Operational Assurance. Where however, weaknesses and areas for improvement were identified, the service should be able to identify clear routes to improvement, and in some cases is already doing so.

2. Scope and Focus of the Review

OA and Resilience in BMKFRS is largely dependent upon two key factors; the implementation of the BMKFRS Assurance Model and the role of the BMKFRS OA Team, (formerly known as the Performance and Evaluation (P&E) Team).

The BMKFRS Assurance Model (Appendix B) sets out the methodology by which the service will obtain OA and incorporates a wide array of inputs and outputs to achieve this. In order to test the function of the model it was agreed that the review would focus on two risk critical functions, namely:

Incident Command

This element of the review tested the function of the Assurance Model and OA team through focusing upon the adoption and application of the 'National Operational Guidance for Incident Command' (NOGIC) in BMKFRS.

Operational Training and Command Competence

This element of the review tested the function of the Assurance Model and OA Team through focusing upon the BMKFRS Training Framework and its impact upon OA and competency.

3. Methodology

OAL is a company that comprises former senior FRS professionals, specialising and trained in providing the commissioning client with a professional, focused and fully independent review of agreed risk critical functions. Each team member has wide reaching FRS experience across a number of disciplines, which is used to inform the recommendations within this report.

3.1 Key Lines of Enquiry (KLOEs)

In preparation for the BMKFRS Review (the review), OAL worked closely with colleagues from within BMKFRS to identify and agree a number of primary KLOEs around which the body of this report has been constructed. These included:

To consider the Assurance Model:

- Test the effective implementation of the NOGIC in BMKFRS
- Ensure all inputs are effectively reported, captured, and reacted to thereby promoting organisational learning
- Confirm all resultant actions are proportionate and appropriate
- Confirm that information flows through the organisation effectively
- Confirm that information reaches the stakeholders and is clearly understood
- Confirm continuous operational improvement is universally acknowledged as a key driver within BMKFRS
- Test the effectiveness of the key inter-relationships considered central in providing OA and continuous operational improvement
- Test the 'end to end' process
- Test the provision of reassurance to the Fire Authority
- Test for compliance with the BMKFRS training framework and its impact on operational assurance and competency
- Confirm compliance with the National Framework and the FRS Act 2004 in respect of operations

To consider the role of the BMKFRS OA Team in respect of:

- Facilitating delivery of the Assurance Model
- Considering all potential external and internal inputs
- Conducting and reacting to active monitoring
- Conducting and reacting to audit and review
- Facilitating the debrief and review of front line crew activities
- Reacting to safety critical issues
- Progressing outputs to influence
    - Policy
    - Guidance
    - Learning and development
    - Internal governance arrangements

4. Delivering the Review

The on-site element of the review was undertaken by a four-person OAL team and was carried out between October 10 and 13, 2016. All team members are former senior FRS officers with currency, accreditation and proven experience in the fields of:

- Incident command training, assessment and competence
- Strategic fire service management
- The provision and review of operational assurance
- Internal assurance and verification
- Business auditing
- Quality assurance systems
- Health and safety management
- Active monitoring systems

Short biographies of the attending OAL team are included at Appendix C. The OAL team Leader, Garry Jones, provided coordination and performed the role of OAL single point of contact. Providing the principal points of contact for BMKFRS were Steve Wells, (Group Commander Training, Learning and Development) and Station Commanders Keith Carmichael and Nick Honor (OA Team).

During the course of the review the OAL team conducted a range of structured interviews involving a cross-section of BMKFRS staff and employing a multi-layered approach to include strategic managers, department heads, systems managers, operational officers and firefighters. The review team attended operational incidents where practicable and training events at several locations, including a medium-scale (five pump) exercise held at a disused military establishment.

The above approach ensured the OAL team were provided with sufficient opportunity to triangulate evidence and thereby to inform and strengthen the findings and recommendations offered within this report.

During the review period, evidence was gathered using the following approaches:

i. Scheduled interviews with operational commanders

- These interviews were conducted in the interviewee's own workplace
- Each interview was recorded using a digital voice recorder with the interviewee being offered the choice to decline its use if so wished. It should be noted that none of those being interviewed declined the use of the recorder, providing in over 50 hours of recorded information.
- The findings from each interview were uploaded to a secure web-based application and subsequently analysed, with the resultant outcomes providing the evidence to inform and support this report.

ii. Scheduled interviews with department heads or their representatives in accordance with the stated aims and objectives of operational assurance or training.

iii. Scheduled interviews with operational Station Commanders responsible for the operational competence of station based personnel.

iv. Scheduled interviews with operational Watch and Crew Commanders responsible for the operational competence of station based personnel.

v. Unplanned opportunistic questioning of operational firefighters at various locations, training events and operational incidents.

vi. Attendance at planned station training events.

vii. Attendance at operational incidents.

- The attendance at operational incidents was, by its very nature, opportunistic. However, this provided a rich source of information and evidence that was directly observed by the review team.

viii. Scheduled interviews with the BMKFRS OA Team.

ix. Thorough analysis of BMKFRS operational policies and procedures to include operational eLearning, recording systems and personal training records.

x. Attendance by the review team at a medium-scale (five pump) exercise at a former military language school, with specific areas of interest designated for each OAL team member.

xi. Daily briefings to BMKFRS managers to advise on any significant findings and to confirm the direction of the review at each stage.

The above approach provided a challenging schedule for the review team to deliver, however, the highly supportive approach from BMKFRS removed any potential barriers and facilitated unbridled access by the team to valid and credible evidence. This included unconditional access to staff, full disclosure of any evidence requested and the approval to attend incidents.

Consequential Findings

Although not strictly falling within the scope of the review and the associated KLOEs, any matters arising as 'Consequential Findings' have also been included within the body of this report, so as to maximise the potential value of the review to BMKFRS and its key stakeholders.

5. Key Findings

It was made clear by BMKFRS management during the review scoping stages that they welcomed the independence of the review and looked forward to receiving recommendations as an important way to build on the changes they had implemented, including environmental factors such as resource reductions, and recent departmental restructuring. BMKFRS management intend to use this review as one of the means to consolidate procedures, processes and operational matters in order to confirm the assurance model required.

OAL found this open and honest position statement most encouraging, and wholly reflective of an organisation that welcomes challenge and change. OAL found BMKFRS staff to be industrious and candid and provided the team with access to all areas with no exceptions, including full access to the recording systems currently employed within the service.

OAL found clear evidence that BMKFRS has a comprehensive organisational understanding of the importance of effective incident command, to the safety of operational staff and the public, and to the limitation of economic and community impact arising from incidents.

The recent organisational restructure has resulted in challenges to the effective delivery of the training model and the provision of operational and organisational assurance. Many of the identified issues from this review and their associated recommendations may well already be in the process of being resolved. However, this report, is based upon what the team observed and was able to evidence during the week of review. It will be for BMKFRS to determine the final levels of priority applied to each recommendation.

Specifically, with regard to the review objectives: there is a clear understanding of the 'Safe Person Concept': The newly introduced NOGIC is being largely applied and where resources allow, improvement opportunities are being fully exploited. In each area, however, recommendations for improvement are provided.

The review identified 30 recommendations, of which 3 are, in OAL's view, items which BMKFRS may wish to consider a priority, particularly those around the progression and communication of external inputs. Recommendations are contained within this report (highlighted in bold) within the discussion of each area studied. They are then summarised in a single table at Appendix E, with the three priority themes also extracted at Appendix D.

A number of cross-cutting issues also emerged of which the most important are:

5.1 Active Monitoring

As the service moves towards employing a single 'one stop shop' electronic system for the identification, collation, allocation and conclusion of risk based activities (e.g. VIPER), the service will need to ensure this system is compatible with the reduced OA Team establishment and so enables more effective management of risks and issues to a satisfactory conclusion. Additionally, such a system should be accessible by those staff who would be most at risk. In most cases this will be the operational crews and their managers. The OAL team observed that this in not always the case at the moment.

As examples, the review team found evidence of:

i. Difficulty using the multi layered filing systems used online on the service networked drives. Such difficulty has resulted in staff being unaware of key risk information, even though it was later proven to exist on the drives.

ii. A system heavily reliant on individual diligence and unbroken attendance at work when managing identified issues to conclusion. Broadly these issues are recorded within individual's emails with a potential for them to go unaddressed should staff move on through promotion, retirement, etc.

iii. Underpinning awareness and knowledge of risk management by those undertaking the role of Monitoring Officer requires attention to strengthen the effectiveness of this vital role.

5.2 The Role of the OA Team

It was evidenced that the establishment of the OA Team has been reduced, however it was also evidenced that the responsibilities and systems of the Team remain broadly unchanged from the previously fully resourced Performance and Evaluation Team. As such, it was apparent to OAL that the current team are experiencing significant difficulty fulfilling their individual and team commitments and will continue to do so unless effective tools are provided to assist them in delivering the role.

5.3 Management of External Inputs

During the review, considerable time was spent to determine the service response to significant national and local events, examples used by OAL were recent firefighter deaths and injuries resulting in a 'Preventing Future Deaths Report' (as set out in paragraphs 28 and 29 of the Coroners (Investigations) Regulations 2013).

It was evidenced that while certain service managers had a good awareness of these events and their resultant reports and recommendations, operational staff had almost no awareness or knowledge of the recommendations they provide, with the consequent risk of a reoccurrence in BMKFRS. [**This informs OAL's suggested priority theme P.1 in Annex D** and Recommendation 6.2.1 explained in Section 6 of this report and also extracted as part of the summary list of recommendation in Appendix E)

5.4 Policy and Guidance

During interviews, BMKFRS principal managers confirmed that the Assurance Model is designed to be the primary method of progressing external and internal inputs with specific regard to:

- Horizon scanning of external and internal inputs
- Gap analysis with regard to risk
- Internal review of standing operational procedures
- Internal review of existing policy and any consequent changes required
- Audit and continual review (active monitoring)
- Embedding training and development strategy
- The provision of assurance, audit and scrutiny to the Fire Authority

During the review several examples were observed where service managers were clearly aware of the newly designed Assurance Model (an example being that several of these managers had the model printed and displayed in their office) yet operational watch officers and firefighters had little awareness of the models' existence or its potential impact on their safety and competence.

5.4.1 It is recommended that the Operational Assurance model is clearly published and communicated, that roles and responsibilities are clearly identified and finally, that understanding is confirmed.

5.5 Debriefing Activities

BMKFRS provide an electronic recording system that allows operational staff to conduct debriefing of operational incidents and training events. Although staff are aware of the process involved, it was evidenced that the potential organisational learning was not being fully exploited. OAL established that submitted debriefs are often not responded to by the relevant teams (*See Section 7.1: 'The Role of the OA team'*), potentially reducing 'buy in' from crews and their commanders. Staff reported that they had difficulties obtaining reports submitted by other crews and as such were often unaware of identified improvement opportunities submitted by other watches and stations. It was also observed that the requirement to complete an operational debrief is primarily driven from management, rather than from those crews in attendance. Such methodology may not promote organisational learning as set out in NOGIC as it is reliant upon managers identifying such incidents that merit these debriefs, followed by an instruction to complete.

NOGIC states:

> '*If this information is not recorded, post-incident debriefs will not have a decision-making audit trail to review. This may limit the lessons learned from an incident and may not support effective feedback to aid service improvements*'[1]

5.6 Quality Assurance of Operational Training

It was evidenced that the current QA process is broadly unachievable due to staffing issues in the QA Team and the demands placed upon the Area Trainers' in delivering the FSC aspect of the role, alone. OAL recommend the QA targets should be reduced in quantity and increased in quality, so as to incorporate other aspects of operational preparedness. [Recommendations 7.8.1 and 7.8.2 relate] Examples would be Station Reviews, planning of training, management of attendance, etc. This matter is discussed in greater detail within Section 7

5.7 Operational Briefing and Handover

OAL interviewed a selection of operational commanders to confirm the current BMKFRS arrangements for briefing and handing over information at incidents and training events. In particular, this line of enquiry focussed on the interviewees' understanding of shared situational awareness, and what they considered to constitute 'key information'.

[1] Extract from National Operational Guidance for Incident Command (NOGIC): Page 65

BMKFRS staff demonstrated a good level of underpinning knowledge with regard to shared situational awareness and examples of key information were provided without prompting. However, it was noted that a number of recurring omissions were evident within the formulated 'briefing and handover' information and it is the opinion of OAL that these omissions are attributable to use of the "OTHERS" acronym;

OTHERS:

- **O**bjectives
- **T**actical Mode
- **H**azards
- **E**xisting resources
- **R**esources required
- **S**afety systems

As can be observed, the above acronym makes no reference to the 'tactical plan'.

5.7.1 OAL recommend that BMKFRS gives consideration to revising or replacing the 'OTHERS' methodology, to ensure the procedure includes the following points. Any revised handover methodology should be adopted for training BMKFRS staff at the FSC:

- **S**ituation
- **H**azards identified
- **O**bjectives
- **P**lan to meet the objectives
- **R**esources present and requested
- **I**ncident command structure
- **T**actical mode(s) in use

5.8 Appraisal and Acquisition training at Fire Service College

It has been evidenced that the joint undertaking with FSC has produced satisfactory results in line with service expectations and this report provides recommendations that will hopefully build on these successes. This joint undertaking has proven to be very popular with crews and commanders and is reported to provide high quality training in the management of one to three pump incidents. The value of exercising larger incidents is discussed below.

5.9 Operational Exercising

Training Section managers confirmed that organisational changes have resulted in a slowdown in the medium and large-scale exercise schedule. OAL recommend a strengthening of this activity in order to provide command opportunities to officers and crews and to develop skills in the use of the functional roles at larger incidents, in line with guidance contained within the NOGIC. **[See Recommendations 7.3.1 and 8.1.1]**

6. The Assurance Model

Through reviewing the BMKFRS Assurance Model at Appendix A, it can be quickly established that the service seeks to provide operational assurance through the comprehensive capture of external and internal issues (INPUTS) and the effective analysis, prioritisation and progression of these within the organisation (OUTPUTS), so as to influence policy, training, organisational development and continuous improvement (OUTCOMES).

An initial observation of the review team is that BMKFRS's desire to implement a structured Assurance Model, with an aim to embed this into all aspects of the service is seen as best practice. The Assurance Model is considered to be a sound starting point on which to build a credible and comprehensive system.

6.1 The Role of the OA team

The Performance and Evaluation (P&E) function was first introduced into BMKFRS in 2011 and consisted of a team of five experienced Station Commanders (SCs), supported by a dedicated administrator, undertaking a range of related duties in satisfaction of the service's OA policy. The general perception of the team amongst operational staff was that they conducted a monitoring and 'policing' role.

As a result of the financial challenges facing the organisation and in line with a related restructuring programme, the P&E Team was reduced through natural wastage and as team members retired the decision was made not to have them replaced. The final substantive member of the former P&E Team retired in December 2015, leaving one temporary SC as the only remaining incumbent. As a direct result of the loss of resources most of the previous activities undertaken by P&E (including the collation of external inputs and Station Reviews) were discontinued and a remodelling programme saw responsibility for the quality assurance (QA) of station based activity pass to the Learning and Development function.

In September 2016 responsibility for P&E moved under a new directorate and the team (now consisting of two SCs), was rebranded 'Operational Assurance'. An advertisement has recently circulated to attract three new members into the OA Team, notably one Watch Commander (WC) and two Crew Commanders (CCs), with the intention of providing a new OA Team structure that will consists of one SC, one WC and two CCs, with a shared administrator role (with Learning and Development).

6.2 External Inputs

In order to test this element, OAL developed a number of KLOEs that sought to establish if BMKFRS has captured and effectively progressed key recommendations and outcomes arising from a number of recent high-profile incidents that involved the loss of firefighter lives in other UK FRSs.

OAL set out to determine the extent to which the key lessons identified within a number of public reports had been captured and scrutinised by BMKFRS and where appropriate, progressed to influence operational and organisational change.

A range of external sources have been identified as raising the same (or very similar) concerns and recommendations regarding factors that have contributed to the loss of life at these incidents, these reports include:

i. Coroner Regulation 28 Report: Report to Prevent Future Deaths (Stephen Hunt): Published: 8 June 2016
ii. Chief Fire & Rescue Adviser (CFRA) Report: Health and Safety in the Fire and Rescue Service: Embedding Lessons Learned: Published: 3 Feb 2016
iii. The Fire Brigades Union Report: Fatal Accident Investigation Report into the death of firefighter Ewan Williamson at The Balmoral Bar, Dalry Road, Edinburgh: Published: 20 March 2015

The KLOEs developed by OAL related to common areas of concern and the recommendations raised within the above reports, which included:

i. Recognising the effects of heat and humidity
ii. Handing over and taking over at incidents
iii. Briefing and debriefing Breathing Apparatus teams
iv. The assessment and management of risk (7(2)d, ARA, DRA, etc.)
v. Emergency evacuation at incidents and the use of ADSU equipment

Each of the above lines of enquiry were designed to determine the level at which BMKFRS had effectively progressed and embedded the lessons learnt within its policy, procedures, training and development protocols and most importantly as a result, if safe practices were actively promoted on the incident ground itself.

Observations

Prior to recent departmental restructuring the P&E Team comprised five officers performing a variety of tasks, one of which was an outward facing role that included collating information from external sources, (*see '6.2: 'External Inputs'*).

The review team evidenced that external reports (such as Shirley Towers[2] and Marlie Farm[3]) were previously progressed by the P&E Team who conducted a gap analysis and produced a related internal report to establish the potential for similar circumstances in BMKFRS. Staff from the Command Training Centre (CTC) worked alongside P&E colleagues to capture such information and to incorporate any related findings within the training delivery.

Interviews with staff confirmed that the restructure of the service saw the size of the P&E Team (now OA) reduced to a level where (due to capacity) such tasks have proven difficult to effectively undertake. Additionally, it was reported that restructuring of the BMKFRS training delivery model and the subsequent closure of the CTC, has impacted on the ability to contribute towards the capture of external issues and also a reduced ability to directly incorporate remedial actions within the training and development processes.

Notwithstanding that some managers demonstrated a good knowledge of recent external events (most notably the Head of Health and Safety), targeted questioning of staff

[2] Shirley Towers report published by Hampshire Fire and Rescue Service: Final investigation report: 15 March 2013.
[3] Marlie Farm Significant Findings Report: Published by East Sussex Fire and Rescue Service: Last Update 13 February 2015.

confirmed a general lack of awareness and understanding of how external inputs are identified, managed and concluded within BMKFRS.

Few staff interviewed during the course of the review had awareness of, for example, the incident at Paul's Hair World, Oldham Street, Manchester, nor were they able to recall having sight or knowledge of the other reports listed above, their circumstance, or their resultant recommendations.

Significantly, almost all operational staff interviewed were able to recall the circumstance, recommendation and (where applicable), resultant service improvements arising from earlier incidents such as Shirley Towers (incident: April 2010, report published March 2013) and Marlie Farm (incident: December 2006, report published July 2011).

It would appear to OAL that any 'areas for development' that exist within the current processes for capturing and communicating (and indeed learning from) external incidents, coincide with the BMKFRS departmental restructuring programme and the consequential reduction in resources.

Despite this apparent slow-down in process, it was also established by OAL, (through attendance at operational incidents, training exercises, visits to fire stations and through the structured interview process), that BMKFRS does have in place the procedures and systems which satisfy the majority of the recommendations raised within each of the above reports. Indeed, through the effective and completed implementation of NOGIC alone, the service may well have addressed most (if not all) of the Incident Command (IC) related recommendations such as, for example, the provision of training for all staff to recognise the effects of heat and humidity on themselves and on their colleagues.

However, a common recommendation (or stipulation) within the external reports is for FRSs to formally review their existing processes for adequacy, and it is this requirement, if not effectively acted upon, that has potential to leave an FRS exposed in the event of any similar occurrence within its organisation.

Recommendation

6.2.1 BMKFRS should consider reviewing the processes currently employed to capture, scrutinise, manage and communicate matters arising from external inputs. This should include consideration of the service's current process for undertaking gap analysis of these external reports in order to manage identified risks to conclusion or acceptance on the service risk register.

6.3 Internal Inputs

The Assurance Model identifies a number of internal inputs as informing the process, namely:

1. Operational Incidents and Training Events
2. Debriefs
3. Station Reviews
4. Validation Training
5. Safety Events

For the purpose of undertaking the review, OAL elected to consider the elements relating to the active monitoring of operational Incidents and training events, debriefing activities and the performance of Station Reviews. Furthermore, the validation of training is covered within *Section 7.2: 'Validation (Appraisal) Training and Assessment'*.

Operational Incidents and Training Events

BMKFRS employs a rigorous approach to reviewing the performance of operational staff through the active monitoring of operational incidents and training events.

The existing active monitoring process has been in place for a number of years and involves mobilising a SC as 'Monitoring Officer' to a range of predetermined incident types. The subjects of active monitoring and the role of the Monitoring Officer are discussed in greater detail within *Section 10: 'Active Monitoring'*.

The '*17.3 Incident Monitoring Report'* forms produced from the above process are received by the OA Team, reviewed for any significant findings requiring immediate action and stored within a range of folders. It is notable that OAL were unable to identify any form of universally employed intelligent database to support this process.

The review team established through structured interview that BMKFRS management has already recognised the need to develop a smarter process that reports the outcomes from monitoring activities more by exception and one which is better able to inform the identification of trends.

6.4 Issue Resolution in BMKFRS

Procedure Note: *'Operational Assurance; Incident Monitoring and Improvement'* outlines the delivery of OA in BMKFRS, covering Incident Monitoring, Debriefs and the Learning Review of Command.

This procedure demonstrates how matters identified during monitoring and debriefing activities are collated in a database that is subject to analysis and review, so as to inform:

1) The identification and progression of 'themes'
2) The progression of information relevant to specific departments for consideration and resultant actions
3) The progression of information relating to individual observation to be forwarded to line managers for resultant actions
4) The production of a quarterly report offering a collation of information gathered, presented to the Organisational Improvement Steering Group (OISG).

The procedure states that information will be made available on the Service I Drive 'P&E Page' and that personnel will have access to a database of all events attended, observed and reported on by the team. Furthermore, published information is said to include:

1) Monthly incident monitoring reports
2) Monthly incident debrief reports
3) Station Review reports
4) Quarterly Steering Group Action Plans
5) Annual Steering Group reports

6) Published lessons from other Service's and agencies
7) Copies of relevant forms

It would appear BMKFRS currently finds itself in a transitional state between its previous arrangements for providing OA prior to organisational restructuring (i.e. its former P&E structure, out-dated procedure notes, etc.) and the implementation of its revised Assurance Model, with restructured internal departments, a new OA Team and revised practices, etc.

To help test the effectiveness of the current arrangements, BMKFRS were asked to provide a number of examples of where the issues identified by Monitoring Officers had been progressed through to a satisfactory resolution. Although the service was able to provide some reasonable examples of where this process had taken effect, it was noted that the majority of outcomes offered were achieved prior to the loss of the former P&E structure and at which point the process appears to have faltered in conjunction with the reduction in staff.

As a result of this transition, OAL noted that much of the above stated process was no longer in existence. Significant findings were considered to include:

i. The OISG meeting forum is reported to have been discontinued some time ago. It was unclear to OAL if any clear process had been established in place of the group and to fulfil its responsibilities going forward. As a consequence on-going progression of issues arising is addressed in a manner that is heavily reliant on emails between individuals and with a consequent number of 'single points of failure'.

ii. The current system involves the receipt of '*17.3 Incident Monitoring Report'* forms via the former 'P&E email inbox'. An 'unofficial' administrator[4] records their receipt on a spreadsheet and files the forms in a variety of system folders. The OA Team review the incoming emails and try to act on them as necessary. Other than this, there is no recognised 'database' as described within the procedure note.

iii. The publishing of the monthly updates on the service I Drive (as detailed above), to inform staff on OA related matters is no longer taking place.

iv. Within the current (17.3) process the Monitoring Officer is also expected to highlight areas of notable practice, areas of compliance, areas of non-compliance and safety critical issues. This can be considered important learning for the organisation and useful for driving continuous improvement. However, currently this process is not being fully realised.

Observations

Existing arrangements for providing Operational Assurance in BMKFRS appear to no longer function as designed, following the significant organisational restructuring and the related procedure note 'Operational Assurance' is out-dated and may not stand up to scrutiny in the event of any adverse occurrence.

[4] Following the loss of the allocated Admin Support, P&E/OA have been obtaining assistance with the administration for the team on an ad hoc and unofficial basis.

These are facts that management is both aware of and in the process of actively addressing, through the development and application of the service's new Assurance Model, and indeed through commissioning this OAL review to help further inform the process.

Whilst there is clear intent by BMKFRS to address this area of development, the current gap that exists may serve to be critical in the prevention of a future health, safety and welfare related event.

The new Assurance Model can be acknowledged as 'best practice' in its design and represents a comprehensive means to address most of the identified issues. This though, is heavily reliant on BMKFRS continuing to provide the tools, training and resources necessary to support its implementation.

Recommendations

6.4.1 BMKFRS should review its Procedure Note: 'Operational Assurance; Incident Monitoring and Improvement' at the earliest opportunity to ensure it aligns more closely with the service's new ways of working. Any revised guidance issued should clearly set out the Monitoring Officer role and re- establish the 'Thematic Reviews' process.

6.4.2 Re-establish an effective Assurance Forum, with the necessary direction and authority to manage and progress issues arising through to meaningful resolution and involving:

a) The application of a recognised and accountable health and safety process linked directly to OA, which includes suitable arrangements to manage these elements.
b) The progression of issues to inform the service Risk Register, Training Needs Analysis (TNA), Integrated Risk Management Plan (IRMP), etc.
c) Clearly setting out the expectations of the Monitoring Officer role.

6.4.3 Ensure the process of OA is adequately supported by an effective, user-friendly Information Technology (IT) system that incorporates an intelligent and auditable database.

6.5 Debriefing Activities

The BMKFRS Procedure Note: *'Operational Assurance, Incident Monitoring and Improvement'* provides detailed guidance on the service's approach to undertaking incident and exercise debriefing. Within the document the three levels of debrief are set out, along with the supporting processes and mechanisms to promote continuous organisational learning.

Within the procedure note (and its supporting schematic diagram), the BMKFRS approach to debriefing is defined with such detail and rigidity that the process (if fully applied) can be difficult to achieve.

Through examining the implementation of debriefing procedures in BMKFRS, OAL established that the process is in fact 'top driven' rather than promoted from the

operational crews, with the OA Team taking responsibility for ensuring watches complete the form 17.2: 'Incident Feedback' after they have attended any incidents of any significance.

On an individual basis the OA Team take it upon themselves to continuously review the 'Daily Information Bulletin' for any incidents they consider worthy of note and from which there may be learning outcomes. The team then forward form 17.2 for the Watch Officer to complete. It is considered that were it not for the intervention of the OA Team, the 17.2 form would not often be completed, with a resultant loss of organisational development opportunities. Not only are the above practices contrary to the BMKFRS Procedure Note: 'Operational Assurance, Incident Monitoring and Improvement', it would appear that such non-compliance could (in many cases) go unchallenged.

Further examination of the process reveals that staff receive little feedback on any contribution they do make to the debriefing system (*see Section 7.3.1: 'Issue Resolution in BMKFRS'*). Consequently staff reported that they perceive little 'buy-in' towards the process.

This apparent lack of ownership of the debriefing process by watch based personnel establishes a 'point of failure' insomuch that should the OA Team member(s) fail to review any incidents occurring, or misinterpret the significance of any matters arising, the learning opportunity would most likely be lost to the organisation. In addition, the current methodology places an unnecessary burden on an OA Team that already has a high workload.

BMKFRS is looking to develop and improve its existing debriefing process through simplifying the current feedback process to an 'audit by exception' methodology which will cover:

i. What was worthy of note that was 'good practice'?
ii. What was worthy of note that was a 'developmental issue'? and,
iii. Is there anything else that needs progressing under a different heading?

Recommendations

6.5.1 BMKFRS should review and re-energising its debriefing process. This should be promoted to the operational staff as a key element of continuous service improvement. Any review undertaken should consider:

(i) Addressing current poor practices to ensure the onus for initiating a timely debrief sits firmly with incident commander.

(ii) Continuing efforts to simplify the existing processes.

(iii) Producing regular outcome reports to inform staff, promote inclusion and demonstrate the value of the process.

(iv) Ensuring non-compliance is identified and valued contribution recognised and rewarded.

6.6 Station Reviews

Formerly, Station Commanders from the P&E Team performed a key role in the quality assurance of 'operational preparedness' through undertaking a programme of station-based assessments, known as 'Station Reviews'. Each Station Review included elements that tested the knowledge of station based staff on technical matters, current hot topics, assessing the practical skills of watch members, etc.

Through undertaking this programme the P&E Team recognised a reduction in basic operational standards at BMKFRS fire stations, in response to which the service is reported to have introduced a 'back to basics' regime in 2012/13. This programme resulted in the issue of a number of development plans and was reported to have been generally unpopular with station based staff.

The station review process was later refined to adopt a more relaxed, developmental approach, which included observing pre-arranged lectures and practical drills delivered by watch personnel. This approach is reported to have been better received by the operational workforce. The last formal Station Review undertaken by P&E was at Beaconsfield fire station in late 2015 and at a point following this, the responsibility for Quality Assurance (QA) of station based activity passed to the Learning and Development function, albeit that this role would be more focused upon the QA and verification of training delivery.

Interviews with service delivery managers reveal that BMKFRS is consciously moving away from the practice of having dedicated teams and departments to undertake specific, focused tasks in isolation. In its place, the service is said to be striving towards a "blended approach" where more outcomes are delivered through inter-departmental collaboration.

Moving forward the service intends to have Area Trainers and members of the OA Team working together with the SCs to review operational preparedness at fire stations.

This reality is still some distance away, as the OA Team currently consists of only two members whilst at the same time the demands of delivering the validation training at the Fire Service College (FSC) alone, are such that the Area Trainers currently have insufficient capacity to undertake regularised visits to stations.

As discussed within *Section 7: 'Operational Training and Command Competence'*, currently the Area Trainers require the continuous support of associate instructors (former BMKFRS training school staff) to also attend FSC, in order to deliver the validation training alone. This situation leaves station based Commanders to observe the standard of training sessions unsupported, which they observe in very general terms and for which there is currently no formal process or obvious outcomes produced. (*See also Sections 7.5: and 7.8 regarding quality assurance of training.* ***The recommendation captured at 7.8.2 may offer a way to address this resourcing issue***).

6.7 Maintenance of Operational skills

The service's innovative approach to resourcing its crewing has many benefits for the individuals concerned. Such benefits include an increased earning potential, increased opportunity to gain operational experience, etc. However, the continuous movement of staff around the organisation on a daily basis also brings with it a number of challenges for

the service. In particular, the watch officers now experience significant difficulties in overseeing the day-to-day training of their substantive watch members and thereby ensuring that individuals are able to adequately maintain their operational skills.

The continued development of the 'Heat' system will undoubtedly help with the situation. This system now hosts the service training records and generates a quarterly report to SCs, to inform them on the progress their staff are making with respect to the required learning and development.

It was apparent during the review that the flexible approach to maintaining operational crewing levels is now well established in BMKFRS and the development of a transient workforce is likely to be continued still further. Due to the flexible approach to operational crewing it is recommended by OAL that the service places an emphasis on increased personal responsibility, particularly with respect to the completion and maintenance of operational skills.

The ethos of personal responsibility for maintenance of operational skills will undoubtedly take time to achieve, as several of the watch members interviewed during the course of the review admitted to never having viewed their own training records within the last three (or more) years and confirmed they had little idea if they were up-to-date or not. Most presumed their records were current, as otherwise "the Watch Officer would say something", a clear demonstration of the cultural and attitude issues that would need to be addressed, to successfully achieve personal responsibility in the area.

The quality assurance of 'operational preparedness' was a key role of the former P&E Team. However, responsibility for delivering this was passed over to the training function in-line with the service's restructuring and remodelling. The reality is that Area Trainers have insufficient resources to deliver the validation training alone, and consequently the formal QA of station based activities is currently difficult to achieve in its present format and with current resources.

Recommendations

6.7.1 BMKFRS should place greater emphasis on the individuals' responsibility for completion and maintenance of their own skill-set.

6.7.2 BMKFRS should consider incentivising the process through making the completion of Maintenance of Skills (i.e. competence), a prerequisite for being able to access the bank working system.

6.8 Thematic Review

An established method in BMKFRS for ensuring significant issues are being adequately addressed, is for members of the P&E/OA Team to make the issue the subject of a 'thematic review', whereby members of the team would respond to any incidents occurring of that particular nature (for example high rise buildings), to monitor and provide additional support if necessary.

Thematic reviews can arise from internal or external events such as the adoption of a new National Operational Guidance into the service, feedback from reactive monitoring activities, recommendations following significant incidents, etc. As an example the BMKFRS OA Team are currently considering a range of issues related to the delayed medical response experienced at incidents, which they are building into a thematic review.

However, the OA Team in its current guise (of two SCs) does not have capacity to undertake such reviews unaided and instead relies primarily upon the FDO cadre to pursue such trends on their behalf.

Observations

The use of thematic reviews to target and manage specific areas of concern can be considered best practice and a clear demonstration of due diligence. This is providing, of course, the process is effectively conducted, adequately resource, accurately recorded and managed to conclusion.

Enquiries made by OAL were unable to identify any formal BMKFRS records related to the thematic reviews undertaken to date, the drivers behind these, or the resultant outcomes. Furthermore, it was difficult to establish any specific guidance or criteria ever being made available to the SCs in their pursuance of this task and in order that they may undertake such observations in a unified and consistent manner.

Despite the comprehensive arrangements in place to capture information through the active monitoring and debriefing processes, BMKFRS OA Team does not currently have sufficient resources or the complementary systems, to enable them to effectively manage and progress the outcomes from this process.

Formerly members of the P&E Team would analyse the information gathered from this and other internal inputs (debriefing, Station Reviews, training exercises, etc.) and complete an outcome report to inform the next available meeting of the ORISG. The team would also publish a version of the outcome report (and other related information) on the service 'I Drive', to provide feedback to operational staff. These tasks were initially performed on a monthly basis, and then quarterly, and finally, in line with the continued loss of resources the process was halted in 2015.

During the course of the review, OAL evidenced examples of where the current incomplete processes could potentially present some risk to the organisation. Within one example a significant shortcoming was identified in terms of a Commander's underperformance at an operational incident involving a road traffic collision. The actions of the attending Monitoring Officer to 'mentor and support' at the scene, and to subsequently consider this occurrence in terms of its wider implications for continuous service improvement, are both to be applauded. However, the lack of rigorous process, as previously identified within this report, has led to the most significant element remaining unaddressed i.e. the service has identified underperformance of an individual that has not been fully addressed through either:

- The production of a development/improvement plan.
- The notification of the individual's line manager to allow for awareness, support, guidance and supervision.

- The notification of Learning and Development, for their consideration and awareness i.e. the identification of trends in training deficiencies, maintenance of skills, etc.
- A review process to ensure the situation has been effectively addressed.

As a result of the above factors, the consequence of such individuals as underperforminh at any subsequent, similar incident, would potentially leave BMKFRS exposed to criticism.

7. Operational Training and Command Competence

This section of the report provides feedback on the BMKFRS approach to achieving and maintaining operational and command competence.

In order to fulfil its commitment to ensuring the competence of its operational commanders, BMKFRS embarked on a partnership with the FSC. This partnership enabled the closing of the Marlow Command Training Centre (CTC) and the transfer of the associated activities to the FSC in Moreton-in-Marsh in order to realise some of the financial savings discussed previously within this report.

Attendance at the FSC satisfies two key functions for BMKFRS, these are:

1. Acquisition[5] training and assessment – linked directly to promotion and designed to ensure commanders are 'safe to ride' in charge of BMKFRS fire engines and special appliances.
2. Validation development and assessment – linked to confirmation and assurance of continued operational competence, of existing commanders and their crews.

7.1 Acquisition Training and Assessment

In order to provide competent CCs it is necessary to ensure not only operational competence, but also to ensure the underpinning knowledge required for enhancing crew safety and effective incident management is both attained and tested. In BMKFRS this is known as 'Acquisition Training and Assessment'.

Following the discontinuation of the Fire Service Examination Board (FSEB), many of the UK FRSs have placed a requirement for aspiring commanders to attain qualifications provided by the Institution of Fire Engineers (IFE), as a demonstration of acquired underpinning knowledge. This approach is considered best practice and has been adopted by BMKFRS for all its aspiring commanders, whether wholetime service or 'On Call'.

Prospective CCs are required to obtain an IFE Level Two qualification through passing papers in the two 'compulsory papers' of Fire Service Operations and Fire Service Science, and then two further 'optional papers' involving any of the other available subjects. The attainment of this qualification is achieved entirely in the candidates' own time.

Once the required qualification has been achieved the aspiring CC is afforded access to the development gateway and the opportunity to attend a five-day residential course at the FSC. During this course the candidate receives training and development in theoretical and practical skills in accordance with the National Occupational Standard 'WM7' (1 to 4). The FSC course culminates in a formative (practice) assessment with development, followed by a summative (final) assessment with an outcome of pass or fail.

As confirmation of command competence, successful candidates are provided with an accredited Skills for Justice (SFJ) certificate which permits them to take charge of a fire engine and its crew in BMKFRS.

[5] Not to be confused with the acquisition training designed to develop new recruits firefighters or apprentices.

An additional benefit of attending the FSC is that courses usually comprise candidates from a number of UK FRSs, affording the opportunity for attendees to broaden their knowledge through shared experience and ideas.

Those CC who are desirous of temporary promotion with a view to substantive appointment must complete a comprehensive workbook that seeks to confirm operational and management skills.

Observations

The Acquisition Training and Assessment is delivered by a qualified team employed by FSC, in an established and tested venue. SFJ rules require the course content, candidates and outcomes to be both internally and externally quality assured. It would appear that these arrangements are achieving the expectations of BMKFRS and the partnership agreement on which it is based.

It was confirmed, through discussion with operational firefighters and officers, that recent changes in the Shift Duty System (SDS) have provided opportunities for staff (on a voluntary basis) to achieve additional pay through the 'BANK' shift duty system. It was also confirmed that this SDS has addressed immediate shortfalls in operational staffing but has provided individuals with the concern that temporary promotions may affect their access to the BANK system with a consequent loss in potential earnings.

Recommendation

7.1.1 As discussed within the recently published Adrian Thomas report[6] concerning 'Conditions of Service for Fire and Rescue Staff', there are increasing challenges in attracting candidates to the promotion process. In view of the challenges being faced, BMKFRS should give consideration to making the qualification acquisition process more attractive to its prospective candidates.

7.2 Validation (Appraisal) Training and Assessment

As well as the need to provide operational commanders with the opportunity to attain command skills through the acquisition process, the FRS is also required to ensure the continued command competence of its existing commanders through scenario based learning and assessment. In BMKFRS this is known as Validation (Appraisal) Training and Assessment.

This is achieved by attendance at FSC and using the high quality training venues available on site. The facilities provided by FSC seek to be 'as realistic as possible' and usually include controlled burning to simulate real fire conditions, as well as realistic Road Traffic Collision (RTC) facilities, etc.

[6] Section 5.2: Recruitment: Independent review of conditions of service for fire and rescue staff in England February 2015: Undertaken by Adrian Thomas.

Pump commanders attend FSC with their crews and are presented with a challenging schedule of operational scenarios of varying types and complexity. The commanders and their crews are observed and assessed by qualified assessors and provided with an outcome report of competent, or not competent. Each of these outcomes ordinarily includes developmental feedback on the performance of the commander and where necessary, the performance of the respective crew members.

7.3 Staff Opinion

OAL conducted a series of interviews with SCs, Pump Commanders and operational firefighters to ascertain the perceived value they placed on the training and assessment being delivered at the FSC. In addition to these scheduled interviews, OAL also discussed this topic with numerous staff on an ad-hoc basis and it can be confirmed that there is a universal appreciation of the training and assessment being delivered at FSC. Indeed the only common criticism levelled by those questioned was that operational crews would like more opportunity to undergo this form of training, development and assessment.

Observations

This form of training and assessment is highly praised by the operational staff and OAL would agree that it has high value. It is widely accepted that providing these challenging scenarios in a realistic environment assists in building confidence in team tactics, operational equipment and command decision making, particularly when the opportunity to attend similar operational incidents is in continual decline. However, despite the scale of the training venues available, the current learning opportunity is restricted by the maximum number of pumping appliances involved (two) and consequently there is limited opportunity to develop the skills necessary for dealing with incidents of greater complexity. This deficiency can of course be addressed by creating the opportunity to exercise (either internally or with neighbouring brigades) at multi-pump training events. This subject is discussed in greater depth within *Section 8: Operational Exercising.*

Recommendation

7.3.1 BMKFRS to explore a joint enterprise with neighbouring FRS in order to share facilities and provisions at FSC. Such a joint enterprise should seek to explore:

a) Economic savings by combining appraisal assessment with other FRS.
b) Potential renegotiation of the service level agreement between FSC and BMKFRS.
c) Greater flexibility in the provision of larger scale scenarios with the consequent strengthening of the functional role competences.
d) Opportunities to include risk critical functions such as Operational Support Units and Incident Command Units.
e) Shared operational awareness between FRSs.

f) **Shared operational awareness between all emergency services and other first responders. (this will have the added benefit of meeting JESIP exercising requirements).**
g) **A strengthening of inter-service working and coordinated operational procedures.**

7.4 Management of FSC outcome reports

All Acquisition Training and Assessment undertaken results in the production of a summative report on the commander's performance, which includes:

- Command decision making
- Command presence
- Risk identification and management
- Resource management
- Information gathering
- Briefing
- Incident handover
- Other development feedback

These reports are communicated to Training Section managers and are scrutinised to establish if the candidate has demonstrated any significant training needs. The reports are then forwarded to appropriate line managers, who are required to design a suitable development plan and to work with the candidate to ensure this is effectively completed.

Observations

The training section managers confirmed there is currently no requirement (or capacity) for them to review completed development plans with and this provides the potential for under-performance to go unaddressed, as well as a missed opportunity for organisational development.

It was apparent to OAL that improvement in this area would demonstrate the service's commitment to the wider development process and serve to ensure it is being effectively managed to conclusion, in line with service expectations. Additionally, this would provide a rich source of evidence to inform the service Training Needs Analysis (TNA) and advise on potential trends in performance or underperformance. It would also provide as the opportunity to realize economic savings by through targeting of required training subjects.

Recommendation

7.4.1 BMKFRS should review its processes for monitoring staff during their development phase. In particular the service should consider strengthening its feedback process to include organisational awareness of an individual's performance through to completion of any related development needs and/or associated development plans.

7.5 Quality Assurance of Training

The Quality Assurance (QA) of operational training in BMKFRS is managed by the Head of Operational Training and Development (HOTD). As stated in the BMKFRS Fire Authority Training, Learning and Development Strategy and Framework 2015/18, BMKFRS will provide Area Trainers to assist in delivering QA and has developed a model that employs suitably qualified staff to undertake the dual tasks of:

i. Supporting the validation (appraisal) assessment process at FSC and;
ii. Monitoring and feedback of operational training on fire stations and training events

7.6 Supporting the validation (appraisal) assessment process at FSC

Supporting this function is considered a priority in BMKFRS, not least in accordance with the contractual arrangement between FSC and BMKFRS but also to continually support individual development and the operational support that offers. Training section managers confirmed that the Area Trainers have been able to fulfil their commitments at FSC and there appears to be no significant backlog of candidates waiting to attend these courses.

7.7 Operational training on fire stations and training events

As discussed in *Section 6.6: 'Maintenance of Operational skills'*, historically QA was a key role of the former P&E Team. However, responsibility for delivering this was passed over to the training function in-line with the service's restructuring and remodelling. The methodology applied requires Area Trainers to visit the fire stations or training venue to observe pre-arranged training delivery and to provide feedback. Any issues identified are reported to the responsible manager within the training section.

Observations

The commitment to FSC and other high priority training plans has resulted in a slowdown of the QA process within BMKFRS.

Recruitment of the Area Trainers

Within its annual TNA, BMKFRS sets out its intention to provide a pool of six Area Trainers. However, the recruitment process has proven problematic and the Area Trainer pool (which currently stands at five) is below establishment. This shortfall is evidenced as having additionally impacted the service's ability to deliver the QA model.

Factors that have impacted on the QA process include:

i. Appraisal assessments at FSC
ii. Introduction of National Operational Guidance for Incident Command (NOGIC)
iii. Introduction of National Operational Guidance for Breathing Apparatus (NOGBA)
iv. Introduction of Dräger PS7000 BA Set telemetry
v. The recruitment process

Fulfilling the QA quota

It was reported to OAL that an agreed aspirational commitment for QA on fire station training is for the delivery of four 'QA Assessments' per trainer, per month. This totals approximately 48 assessments per trainer, per year or 288 QA per annum for the team.

Training section managers and the QA Manager confirmed that this target was unachievable following the restructuring of BMKFRS. OAL would agree that the target would appear to be unachievable though recognising its aspirational nature.

Established Quality Assurance models (SFJ) state that:

> *'Assessors who are experienced with the qualification or unit they have been assigned to and continually meet the standard required would seek to achieve a 25% sampling rate with an assessor observation every 12 months'.*

An adjustment in the QA quota to (for example) one QA for each watch in BMKFRS would meet the sampling rate above and as such the added resilience could support other quality assurance processes such as reviews of operational preparedness, station standards, operational equipment reviews and the provision of community projects etc. **(A recommendation regarding such an adjustment is captured at para 7.8.1)**

7.8 Quality Assurance of station based training

As has been previously stated in this report, BMKFRS seek to assure the standard of operational training thtough the use of trained assessors in the form of the QA Team. OAL reviewed the completion rates of the QA processes and in particular the ratios of wholetime and On Call assessment.

During the review it was evidenced that:

- In the year 2015/16 **51** assessments were carried out
- In the year to date (2016/17) **23** assessments were carried out

Of these conducted assessments, the records confirm that the balance of assessments has become heavily weighted towards the wholetime staff and on average:

- 81% of assessments were of wholetime watches
- 19% were for On Call assessments.

Discussions with managers confirmed that the primary reason for this imbalance is the heavy commitment of the QA team at FSC, etc. combined with the predominantly out of hours training sessions for On Call crews. In order to provide a QA process during these hours QA staff would need to be released from other activity, which is proving increasingly difficult.

Recommendations

7.8.1 BMKFRS should review (and consider reducing) the quota of 288 QA assessments (summative sampling) per year to a more achievable figure.

7.8.2 It is recommended that BMKFRS consider extending the QA role in line with the service's 'blended approach'. This may include offering the Vocational Assessor qualification to wholetime and On Call personnel and allowing them to undertake lower tier QA processes (interim sampling).

8. Operational Exercising

In April 2012, BMKFRS set out and published its six-year plan to deliver up to 24 operational training exercises per year, designed to meet four operational levels or 'tiers'. Each tier increased in complexity as well as being designed to meet specific training objectives within BMKFRS as determined by the training section.

The NOGIC – Command Skills states that:

> *'Command skills are complex in nature and can be developed with understanding and practise. It is essential that fire and rescue service's prepare and develop incident commanders to use these skills effectively when commanding an incident. This includes providing appropriate opportunity for practise under realistic pressure'.*

These opportunities are met by planning, conducting and reviewing operational exercises that are closely linked to the service's Integrated Risk Management Plan (IRMP). The exercises would usually be conducted 'in house' with the intent that all staff should take part over a pre-determined training cycle, usually one to two years.

Recent reductions in staff and resources has presented significant challenges to the delivery of these larger scale operational exercises and managers have been required to design alternatives to meet requirements.

As discussed above, the primary alternative has been the close liaison with FSC in the form of the appraisal training and assessment process involving the attendance at FSC of two fire engines per training session. The crews are presented with realistic and challenging scenarios in a real time environment.

OAL acknowledge the high value of these training sessions and no improvement requirements are suggested for this element of exercising. However it has been evidenced that the planned medium and large scale exercise schedule within BMKFRS of up to 24 exercises per year has not been fully achieved.

8.1 Obtaining Evidence

In order to provide the review team with guaranteed opportunity to observe the practical implementation of NOGIC in BMKFRS, OAL requested that a multi pump exercise be carried out during the review period. In response to this request, BMKFRS conducted a medium-scale exercise at a disused military training venue, involving five pumps and the service Incident Command Unit (ICU). It is not within the scope of this review to feedback on any individual or group performance at this event, as this is the role of respective watch commanders and members of the training section that attended. However, the value of this training delivery cannot be overstated, as not only did this test the practical application of NOGIC as intended, but also the service's capacity to deliver such larger scale operational training exercises.

The exercise organising officer confirmed that the availability of resources within BMKFRS made the provision of multi pump exercise opportunities increasingly difficult to achieve.

As a consequence, the service places a reliance on the appraisal assessments undertaken at FSC and satisfaction of the Site Specific Risk Assessment (SSRA) trigger points that require some form of training (every three years for Level 3, annually for Level 4, on-site and/or via desktop), to broadly constitute the service's operational exercising at this time.

It was however evident during the observed exercise that appetite among the attending crews for this form of operational training was healthy. Staff showed themselves to be enthusiastic, professional and receptive to developmental feedback. Several areas of individual and procedural improvements were identified, rewarding the effort put into the planning and execution phases and enhancing the value of the exercise itself.

The difficulties facing management are acknowledged and fully understood by OAL and evidenced during the planning, organising and execution of the exercise conducted for the OAL review.

Consequential Finding

NOGIC provides guidance in Incident Command, which includes the conducting of operational exercising as well as incident command management and the use of functional officers.

In order to effectively train in the functional officer role of Operational Commander, Safety Sector Commander, BA Sector Commander etc., and to create realism, a certain number of appliances would be required for each role.

The two fire engine attendance at FSC would not meet the required numbers and so, as a consequence there is a potential for skills fade in the management of these roles due to lack of exposure. It was evidenced during the review that two recently promoted interviewees had performed the role of Sector Commander at a real incident, yet had not exercised in the role previously.

Recommendations

8.1.1 BMKFRS should review the provision of operational exercising in order to provide increased opportunity for commanders to: (a) Practise command decision making, (b) Practise logistical controls and (c) Practise operational procedures etc. at larger, developing and more complex scenarios

9. Risk Management

This section of the report provides feedback on the risk management processes employed in BMKFRS during operational and training events.

During the period of the review OAL attended operational incidents and training events and used these opportunities to assess and confirm the underpinning knowledge and understanding of staff in the use of Dynamic Risk Assessment (DRA) and Analytical Risk Assessment (ARA).

9.1 Dynamic Risk Assessment

Lines of enquiry for this element concerned staff awareness of the firefighter safety maxim as contained in the NOGIC document. Staff were asked if they could describe the maxim and its intent.

> **The maxim states:**
>
> *"At every incident the greater the potential benefit of fire and rescue actions, the greater the risk that is accepted by commanders and firefighters. Activities that present a high risk to safety are limited to those that have the potential to save life or to prevent rapid and significant escalation of the incident."*

Many of those questioned, while not able to recite the maxim verbatim, fully understood the intent of the maxim and how it affects them and their firefighting operations.

Importantly, those questioned also understood the value of the BMKFRS discretionary statement and how it is applied when standard operational procedures (SOPs) do not wholly fit the desired outcome at an operational incident.

Staff were also able to explain how crews move from a position of applying the discretionary statement to one where they can return to the application of SOPs.

9.2 Analytical Risk Assessment

The application of Analytical Risk Assessments (ARAs) in BMKFRS was proven to be comprehensive and effectively managed on the incident ground. In recent years the ARAs were processed by the P&E Team, which included the receipt, analysis and feedback on completed ARAs from operational incidents.

However, it was evidenced during the review that the reduced staffing in the OA Team has impacted on the processing of ARAs and it was further confirmed that operational crews were unclear as to what actually happens to the ARA following its submission.

During operational incidents and training events in BMKFRS, risk is identified and recorded on gatefold command packs using waterproof markers, (these command packs are carried on all fire engines in BMKFRS). Control measures are captured and time stamped for review. These simple yet effective systems have become best practice and

when managed effectively, are proven to be of high value during debriefs and even during HSE investigations and Coroner's inquests.

During operational incidents the packs are completed by a suitably qualified and trained officer (usually qualified to Institute of Occupation Safety and Health (IOSH) as a minimum standard) thereby adding continued value to the process.

It was identified during the review that it is common practice to secure the packs to the rear of the fire engine on provided hooks. JESIP doctrine places a fundamental importance on the value of shared situational awareness between first responders. It was identified that there is a likelihood of other first responders entering a risk area without seeing the key safety information

Recommendation

9.2.1 It is recommended that risk management packs be placed in line of sight of the risk entry points, so as to allow other first responders the opportunity to view their content and respond accordingly.

9.3 Site Specific Risk Assessment

Section 7(2)d of the Fire and Rescue Service's Act 2004 conveys a responsibility for obtaining information required for the purposes of extinguishing fires (amongst other things). As an element of this process, BMKFRS gathers such information in the form of Site Specific Risk Assessments (SSRAs) which are used to inform incident predetermined attack plans. This information is added to an online resource and subsequently uploaded and stored on the mobile data terminals (MDTs) on fire engines. This is a proven system and utilised by many UK FRS.

During the review, interviewees confirmed their competence in adding SSRA information effectively and a review of the associated records also confirmed that on most occasions the risk information was well managed with future review of the site(s) included in station work routine planners.

Observation

At the fire stations visited by the review team, it was unclear if any formalised methods of appraising On Call staff of the existence of any new SSRA information added to the MDT. Those questioned confirmed that the potential existed for such risk information to be retained on the MDT for long periods, without the knowledge of On Call staff.

It would appear that this situation could deny On Call colleagues the opportunity to review current risk information, prior to a potential incident occurring at that site.

Recommendations

9.3.1 BMKFRS should consider reviewing its internal communication processes to ensure the effective communication of SSRA information between wholetime and On Call crews.

10. Active Monitoring

This section of the report seeks to provide feedback on the methods used in BMKFRS to meet the requirements of active monitoring. The Health and Safety Executive (HSE) provides guidance on the need for active monitoring and provides a description of monitoring methods which are:

Active methods which monitor the design, development, installation and operation of management arrangements. These tend to be preventive in nature, for example:

- routine inspections of premises, plant and equipment by staff
- health surveillance to prevent harm to health
- planned function check regimes for key pieces of plant

Reactive methods which monitor evidence of poor health and safety practice but can also identify better practices that may be transferred to other parts of a business, for example:

- investigating accidents and incidents
- monitoring cases of ill health and sickness absence records

The benefits and elements of a smart, service-wide system geared towards the identification, prioritisation and management of risks would serve BMKFRS in meeting the required elements of Health and Safety Executive Guidance: Successful Health and Safety Management (HSG65) to include the elements of:

- Policy
- Organising
- Planning and Implementing
- Measuring Performance
- Audit
- Review

Where best practice has been observed in FRSs across the country, such systems have been used as the key tool for the assurance of operational activities, and for effective monitoring of risks, performance and equipment improvements. These systems can include:

- Operational and Training Debriefing Procedure
- Operational Preparedness Audits/Reviews on fire stations
- Tactical Commander Maintenance of Competence Records (TCMCR)
- Supervisory Commander Maintenance of Competence Records (SCMCR)
- A means of capturing emerging themes within the service
- The outcomes of thematic reviews
- Issue identification and logging
- Action logs
- Audit and review tools
- The ability to create Action Plans following an operational event
- A means of capturing individual and organisational learning points
- Other reporting tools as required
- Easy access by all key stakeholders so as to promote organisational development

During the review and through pre-reading, OAL were advised of the development of a tool in BMKFRS called VIPER. This software is described as a 'performance plus' and also 'a business intelligence' tool that will be developed to meet the needs of BMKFRS and is designed to grow and change as the service grows and changes. Recent reports to the fire authority have confirmed that the system is achieving approximately 20% of its capacity and this was further evidenced through planned interviews with staff during the OAL review.

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> *Future planning will be based upon the intelligence and performance information which is now input to "VIPER" (the Authority's business intelligence system) and improves the availability of information to all stakeholders. This will continue to develop and incorporate further aspects of performance management (projects, corporate risks, elected members area and a citizens portal) to further enhance the information that is available for decision making and the 'open data' agenda.*

Observations

The development of the VIPER system is incomplete and so for the purposes of this review OAL will only be able to report on the current methodology applied. It will be for BMKFRS management to determine if any identified gaps or refinements in active monitoring can or will be addressed in the final version of the VIPER tool.

10.1 Locating Key Documents

During the planned interviews, interviewees were asked to locate documents they had created which reported back to management, training section or the OA Team. It became quickly evident that these documents were stored on several networked drives and in innumerable layers of folders within these drives. The primary method of finding such documents was to utilise the provided search engine which consequently offered several pages of options which would individually require opening to determine if it was the required file.

Additionally, these interviewees were also asked to locate documents submitted by other officers and specifically debrief reports. These proved increasingly difficult to obtain and in some cases unsuccessful. The primary reason for this is that these documents were in either MS Word, Excel or Adobe PDF format which is difficult to batch filter. Finally, the ability to store these documents in a naming structure of the creators choosing adds more difficulty with the potential for key information to be missed by key stakeholders.

OAL are of the opinion that this is an opportunity missed as these documents are fundamental to organisational and operational development (NOGIC 2014) and any future system for the active and reactive monitoring of operational risk should allow the rapid location and filtering of key information for any user.

Recommendation

10.1.1 BMKFRS should develop the use of an active monitoring system to act as a smart, service-wide tool. This system should incorporate a user-friendly database that is capable of providing auditable records and is easily

accessible to all staff. It should allow the rapid location and filtering of key information for any user. This issue is further covered in Section 12: 'Internal Communications'.

10.2 Allocation of Action Plans

For all identified issues there should be an outcome. It was evident early in the review that BMKFRS is highly proactive in its approach to active monitoring and staff were highly industrious in its application. However it became clear that the heavy reliance on individual staff attendance and diligence could be a potential weakness in the process. Due to the recording systems identified above, there is potential for key issues to be overlooked if the person managing them leaves the service, takes extended sick leave or merely moves on from role. This was evidenced during management interviews and through gap analysis.

Recommendation

10.2.1 That any system used for this purpose should operate independently of any individual in the service and each issue should remain 'live' on the system until resolved or accepted on the risk register.

10.3 Reporting by Exception

Reporting by exception is the principle of only documenting or recording events or occurrences that are not standard or normal, and therefore demand or deserve attention. The primary aim of an active monitoring system is to identify, record, action and communicate any event that has the potential to contribute towards the improvement of the FRS. This should also include examples of good practice and not just areas for development.

Potential ratings and their descriptions, as recommended by OAL are captured below:

- **Safety Critical,** an event or individual displays potentially safety critical actions that put people in immediate danger. *An individual needs significant support and guidance, with major development requirements.*
- **Area of Concern**, an event or individual displays actions that are an area for concern, but people are not put in immediate danger. *An individual needs some support and guidance, with development requirements.*
- **Good Practice,** an event or individual displays actions that have the potential to contribute towards service improvement if recorded and shared for the benefit of all. *The identified good practice is not already standard or embedded practice in the operational arena.*

It was evidenced that BMKFRS are intent on promoting 'reporting by exception' which will ensure that the evidence gathered and managed will be that which truly matters to the service. This was confirmed by the newly developed monitoring reports to be used by monitoring officers at operational incidents. No such report currently exists for use at training events. OAL believe to include training in the 'reporting by exception' system would be of benefit the organisation.

Recommendation

10.3.1 It is recommended that BMKFRS extend 'reporting by exception' to include training events; with the consequent benefits to organisational learning and that these reports are included for staff review (commensurate to suitable anonymity measures).

10.4 Staff Access

It was evidenced during interviews that staff would require access to many elements of the provided Active Monitoring System (AMS) so as to allow personal and team development. It was also evidenced that such access would provide a level of ownership of their identified issues and in particular how they were managed to conclusion. Current procedures used in BMKFRS have resulted in staff submitting issues and never hearing of the conclusion reached even though OAL were able to confirm later that the issue was resolved. It was clear that staff felt comfortable raising issues in BMKFRS and receiving an end result would add further value.

Recommendation

10.4.1 Include a provision within the AMS to provide feedback on concluded issues and in particular to the source of the initially identified issue.

10.5 Role of the Monitoring Officer

It has become accepted practice within UK FRS to mobilise a monitoring officer to operational incidents. This officer would typically provide a mentoring role for developing commanders, fulfil the active monitoring function by completion of monitoring reports and ensure required actions are designed and submitted to relevant stakeholders.

The existing Active Monitoring process within BMKFRS has been in place for a number of years and involves the mobilisation of SCs to a range of predetermined risks (incidents with three pumps, life risks, etc.), for the purpose of undertaking the Monitoring Officer role. It is incumbent upon this officer to assume command of the incident at any point considered appropriate by them and BMKFRS mobilising procedures require that they must take over at four pumps, regardless and then to request a replacement monitoring officer.

Monitoring at Operational Incidents

Monitoring Officers are required to complete an electronic 'Active Monitoring Report' to record their observations. This report breaks down observed activities under 11 broad headings. However, it is common practice to feedback on all elements of the incident

rather than those areas specifically requiring improvement or promoting good practice. In this way it was evidenced that it can be difficult for the service to 'sort the wheat from the chaff' when seeking to promote organisational and individual development.

Following the incident, the monitoring form is received by the OA Team, reviewed for any significant findings requiring immediate action and is stored within a range of folders, (during the interviews OAL were unable to identify any form of universally employed database to support this process).

Monitoring at Training Events

The Active Monitoring of training events is undertaken on an invitational basis at the instigation of the organising officer. It was unclear what criteria is applied to this attendance with particular regard to the numbers of attending fire engines, this results in the monitoring requirement at operational training events being different to the requirement at operational incidents. Furthermore, BMKFRS does not currently assign a monitoring officer to the training being delivered at FSC. (*See Section 8: 'Operational Exercising'*).

Those role holders interviewed stated that the Monitoring Officer role in its present guise is too prescriptive and is viewed negatively by some of the operational workforce. As a consequence BMKFRS is reviewing its existing approach to undertaking active monitoring, with the intention of developing the Monitoring Officer role to become more advisory in approach, and one that mentors and provides informed input and support to the incident commanders and crews.

Managers also recognised the need to develop smarter processes that report the outcomes from monitoring activities more by exception and so better assists with the identification of trends. Moving forward, managers stated that the revised active monitoring forms would directly correspond with the WM7 National occupational standards.

The role of the BMKFRS Monitoring Officer was evidenced at operational incidents during the review period. These opportunities were used to determine the methodology applied and also to question the officer on any remedial actions that they could implement.

Observations

During the review, interviewees reported that the perceived quality of incident monitoring varied from officer to officer and very much depended on 'who you got on the day' but in general the crews were praiseworthy of these officers and understood the need for their attendance at incidents.

OAL observed that BMKFRS do not currently utilise monitoring officers at the FSC, for the appraisal process. OAL are of the opinion that these opportunities should be maximised by allowing monitoring officers to observe the training, so as to practice the application of monitoring at incidents, to test reporting procedures and feedback methodology and to allow a full interaction between officers and crews with the consequent breakdown of any perceived interpersonal barriers.

During a range of interviews with Monitoring Officers it was identified:

- Role holders had received no formal training and instead relied heavily on peer support and guidance.

- Staff found the related filing systems confusing and time consuming.

Recommendations

10.5.1 Provide formal training and/or guidance for Monitoring Officers to ensure a uniform approach to monitoring and to clarify the operational standards required from all staff.

10.5.2 Moving forward, the new active monitoring form should directly correspond with the WM7 NOS.

10.5.3 Active monitoring should be expanded to the training events taking place at FSC to ensure the service is effectively capturing and progressing all available learning opportunities.

11. National Occupational Guidance for Incident Command

In 2014 The National Operational Guidance program produced the guidance on incident command (NOGIC). Following the publication of the NOGIC, BMKFRS decided, (with the exception to some minor terminology), to implement the guidance in its entirety. This included a full review of the guidance, planning and resourcing the training of its staff and finally its inclusion in all aspects of its training packages (HEAT).

The outcome of this is the implementation of NOGIC is now complete and included on the HEAT training package.

The BMKFRS training model provides the opportunity to arrange and conduct two and three pump training exercises. These exercises are provided either through the validation assessments at FSC or through local arrangement between fire stations and seek to allow the NOGIC underpinning knowledge to be tested among officers and crews. Any difficulties encountered in the provision of these exercises are discussed in *Section 8: Operational Exercising* of this report as well as the consequential difficulty in providing opportunities to test individual competence in functional roles.

Observations

During the review it was evidenced that staff awareness and underpinning knowledge of some elements of NOGIC require strengthening. These elements of NOGIC include:

- Operations Commander
- Safety Sector Commander
- Safety Officer
- Operational Support Officer
- Sector Commander

It was noted that these elements of NOGIC would ordinarily be those implemented at incidents above two and three pumps. When asked to describe the roles and responsibilities of these key functional officers the answers were generic in nature. For example, when asked to describe the specific role and responsibilities of a Safety Sector Commander, answers included 'making sure operations are safe and complete the ARA' rather than the documented responsibility of:

- Surveying operational sectors, identifying hazards, and advising the sector commander
- Working with sector safety officers to support and exchange information
- Confirming the validity of the initial risk assessment and recording as appropriate
- Collating and recording an analytical risk assessment
- Acting as an extra set of eyes and ears to the sector commanders in monitoring the safety of personnel
- Working with the incident commander or operations commander
- Reporting health and safety issues, including accident investigation management of safety officers, identifying evacuation zones, development of the safety plan

It has already been identified in this report that these roles are held on the MDT for use on operational incidents however these are an aide memoir and not considered as 'first required reading' during the emergency phases of an operational incident.

Recommendations

11.1.1 BMKFRS should ensure all staff have awareness and understanding of the functional roles within NOGIC, and that this is tested.

11.1.2 Station and Watch Commanders should be provided clear guidance on the standards of NOGIC specific knowledge expected from its commanders and crews.

11.1.3 Station and Watch Commander and crews should be provided the opportunity under assessable and/or developmental conditions to exercise the acquired skills and underpinning knowledge set out in NOGIC.

12. Internal Communications

Ensuring the effective flow of information is a concern for all large organisations. Within BMKFRS there has been a continuous progression from paper based to electronic media over recent years and the service utilises a series of 'networked drives' to manage the storage and communication of information.

The BMKFRS 'I Drive' provides one of the primary means of communicating with operational staff at fire stations, with important messages such 'Safety Event Awareness Sheets' being promulgated as a 'mandatory read' on the drive.

Observation

IT systems provide excellent opportunities for an organisation to communicate with its staff, quickly update documents and in many cases, to obtain quick and effective feedback. However, a lack of robust strategic controls can also result in an intranet that is so information rich that staff have great difficulty in obtaining relevant key information or documents.

Through discussions with operational staff and by reviewing the operation of the system at station level, it was apparent that 'I Drive' (and others) would benefit from some improvements. Notably, staff expressed their frustrations at the speed and functionality of the system and, in particular, stating it is extremely difficult to search and locate older information. As an example, Staff were asked to locate several key documents such as completed debrief forms from other stations, their own submitted debrief forms and also any outcomes as a result of submission. Most staff (including Station Commanders) could not locate this information readily and in some cases not at all.

It was also noted that the search engine within the 'I Drive' returns so many 'hits' when searching for specific documents, that staff stated they often gave up looking as there was no way to tell if the hit was the one they were seeking, other than to open each one to look. Feedback showed that this was considered time consuming and often unproductive.

As a consequence of the above issues, it was identified that staff may retain documents and guidance on their own desktop login for convenience, presenting a risk of staff referencing out of date material.

OAL were unable to ascertain how the service currently satisfies itself that the published 'mandatory reads' have been received and understood by those it intends to reach. Furthermore, it appears common practice to post articles on the drive as a 'mandatory read', when clearly many of these could be considered to be 'for information purposes only'. Staff identified this as something that devalued the required importance and impact of the mandatory read articles.

Recommendations

12.1.1 Review the functionality 'I Drive' as the systems appears not to meet with service expectations with specific regards to ease of use.

12.1.2 Review the content of the service's Intranet to ensure key information is easily accessible by staff, which should include a more logical hyperlink

process. Any review should also consider the communication of key information between wholetime and On Call staff.

12.1.3 Review the methods employed for communicating and validating the passage of important messages to operational staff at fire stations.

13. Appendix A: Operational Assurance Defined

The process of achieving 'Operational Assurance' (OA) is complex and multi-faceted. This foreword is intended to provide those unfamiliar with fire service operations and its related support service's, with a basic understanding of the general principle of OA, before considering how this is currently being achieved in Buckinghamshire & Milton Keynes Fire and Rescue Service (BMKFRS), as discussed within the body of this report.

OA is the means by which a Fire and Rescue Service (FRS) ensures it is providing a safe and competent work force that is capable of meeting the demands being placed upon it and that such matters are being achieved in an efficient and effective manner. In its simplest terms OA involves the process of identifying and managing risks to operational service delivery and in particular, providing legitimate and accountable assurance to the Fire Authority and Senior Managers that fire service operations are carried out:

i. In a safe, efficient and effective manner.

ii. In compliance with national legislation, national and local policy and guidance, etc.

A common misconception is that OA is the sole responsibility of a nominated team (usually referred to as the 'Operational Assurance Team'), or a dedicated function. In fact, the assurance of operational activity should run as a constant throughout all parts of an organisation, including those functions not immediately involved in the emergency response function of the service.

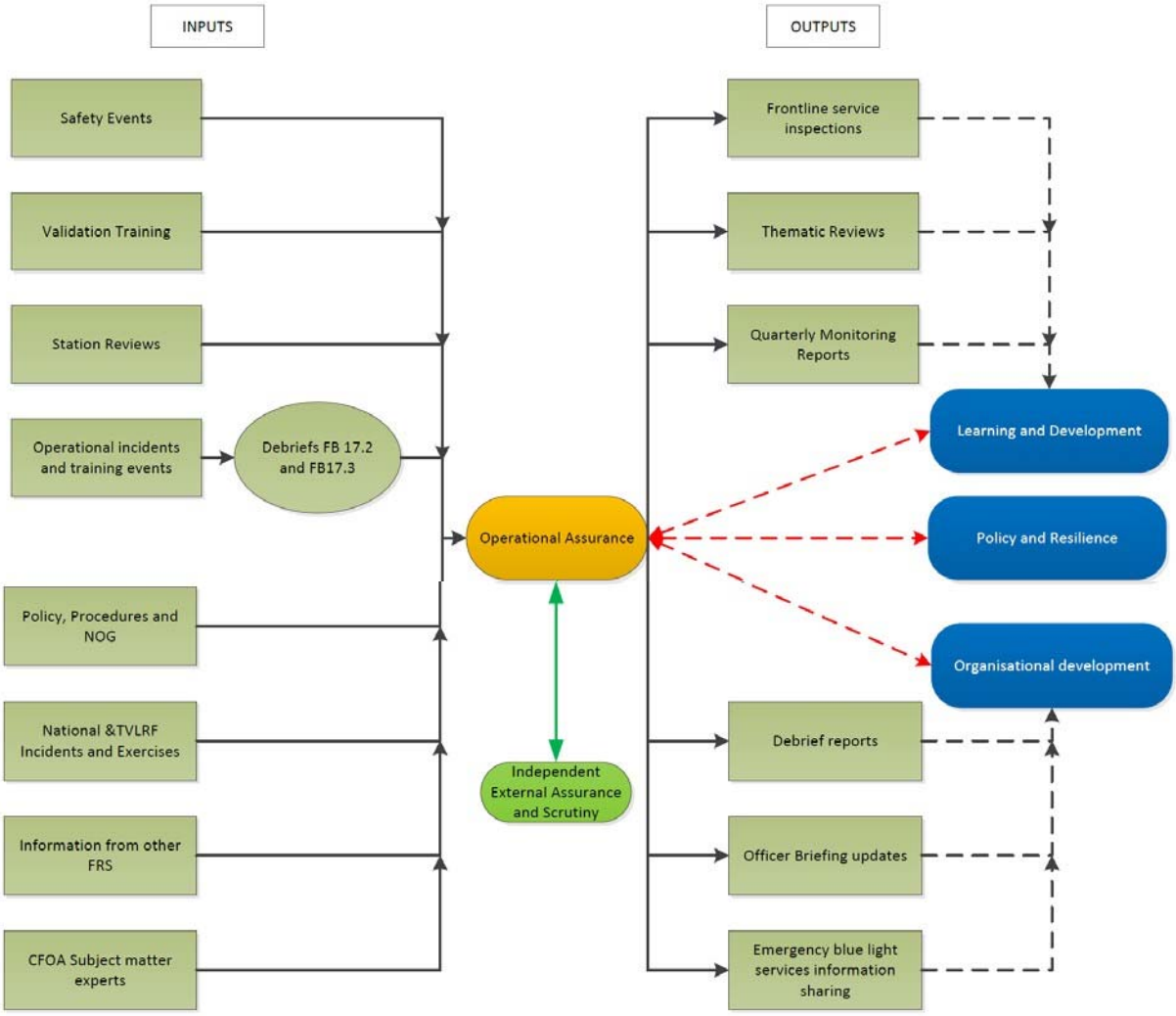
Although it is understandable why such misconception may occur, in order for the concept of OA to become embraced and embedded within an organisation, it is necessary to view OA in a broader sense, with the provision being universally acknowledged as the responsibility of all those it affects and supports.

As an example, those responsible for the procurement of equipment used on fire service appliances (fire engines) would not ordinarily consider themselves members of the OA function. However, it is obvious that the provision of such equipment is fundamental to the safety and effectiveness of the operational crews and therefore, the procurement team make a significant contribution towards the service's OA.

A further example of the collective contribution to OA would be when a commander of a fire engine (a Pump Commander), identifies risk critical information that could help prevent injury to staff, or damage to equipment. This information, when effectively communicated and acted upon, will inform service delivery improvements and thereby support the principles that underpin OA.

The above examples demonstrate how key stakeholders can (and should) contribute to the OA process and support the delivery of safe, effective and efficient fire service operations, whilst not necessarily being direct members of a dedicated OA Team.

14. Appendix B: The BMKFRS Assurance Model



15. Appendix C: Review Team Profile

Garry Jones – Team Leader

Garry retired from Greater Manchester Fire and Rescue Service in October 2014, having served 27 years at some of Greater Manchester's most operationally challenging inner city fire stations. For the last ten years of his career Garry served as a Group Manager, with responsibility for Performance Review and Operational Assurance.

Paul Clark

Paul joined the London Fire Brigade in 1982 and retired in March 2012. During his fire service career Paul served at some of London's most operationally challenging East End locations. In 2000 Paul was promoted to Group Manager and served 2 years in the Operations, Training and Performance inspectorate (OTPI), followed by 4 years as the Borough Commander of Redbridge. Paul then spent 6 years working within London Fire and Rescue Service Headquarters in Service Delivery before his final promotion to Deputy Assistant Commissioner. For the last 2 years of his career Paul was Head of LFB Internal Operations Review and Audit Team (ORT), Incident Management Policy and incident Management Systems (IMS).

Garry Geoghegan

Gary joined the London Fire Brigade in 1981. Gary served at some of the busiest stations as an operational firefighter and Watch Officer. Gary served at London Fire Service HQ and London Eastern Command and held responsibilities which included managing London's Arson Reduction Teams and Community Engagement Manager for London. Gary also worked directly for the Commissioner for London, performing the role of London's link Officer to the Office of the Deputy Prime Minister (ODPM) and Department for Communities and Local Government (DCLG). Gary has extensive experience in writing operational policy and standard operating procedures for Fire Service's.

Kevin O'Connor

Kevin has wide ranging operational experience having served at some of Greater Manchester's most operationally challenging locations as a firefighter and Watch Officer. Kevin also spent 5 years at Fire Service Headquarters within the Operational Assurance Department. In his role as Head of the Greater Manchester Incident Command Academy, Kevin was instrumental in the development of command competence development and assessment. Kevin was the subject matter lead officer in enabling GMFRS to become an approved 'Skills For Justice' Centre for incident command, providing accreditation to the level of Strategic Commander. Additionally he was GMFRS lead coordinator for the JESIP rollout in 2013.

Kevin was singularly responsible for assuring and maintaining the command competence of all GMFRS Officers up to the role of Assistant Principal Officer. Kevin retired from the service in July 2016.

16. Appendix D: Priority Recommendations

The table at Appendix E collates the recommendations from throughout this report. The three areas below , are those which, in OALs opinion, BMKFRS may wish to consider priorities.

Priority Recommendations	
P.1	BMKFRS should continue to develop and resource effective internal processes through which matters arising from significant external and internal events are captured, communicated and effectively managed through to a conclusion that is acceptable to the service. This should include (for example) processes for undertaking gap analysis, communicating findings to operational staff and informing resultant training delivery.
P.2	In support of recommendation 1, BMKFRS should develop the use of an active monitoring system to act as a smart, service-wide tool. This system should incorporate a user-friendly database that is capable of providing auditable records and is easily accessible to all staff.
P.3	BMKFRS should consider re-establishing an effective Operational Assurance forum, with the necessary direction and authority to assist in the formal management and progression of issues arising, through to meaningful resolution.

17. Appendix E: Table of Recommendations

The table below collates recommendations from throughout this report. Section numbers relate to the areas where the recommendation originally appears, together with supporting observations and background information.

Section 5.4	**Key Findings: Policy and Guidance**
5.4.1	It is recommended that the Operational Assurance model is clearly published and communicated, that roles and responsibilities are clearly identified and finally, that understanding is confirmed.
Section 5.7	**Key Findings: Operational Briefing and Handover**
5.7.1	OAL recommend that BMKFRS gives consideration to revising or replacing the 'OTHERS' methodology, to ensure the procedure includes the following points. Any revised handover methodology should be adopted for training BMKFRS staff at the FSC: • Situation • Hazards identified • Objectives • Plan to meet the objectives • Resources present and requested • Incident command structure • Tactical mode(s) in use
Section 6	**The Assurance Model**
6.2	**External Inputs**
6.2.1	BMKFRS should review the processes currently employed to capture, scrutinise, manage and communicate matters arising from external inputs. This should include consideration of the service's current process for undertaking gap analysis of these external reports in order to manage identified risks to conclusion or acceptance on the service risk register.
6.4	**Issue Resolution**
6.4.1	BMKFRS should review its Procedure Note: 'Operational Assurance; Incident Monitoring and Improvement' at the earliest opportunity to ensure it aligns more closely with the service's new ways of working. Any revised guidance issued should clearly set out the Monitoring Officer role and re-establish the 'Thematic Reviews' process.
6.4.2	BMKFRS should consider re-establishing an effective Assurance Forum with the necessary direction and authority to manage and progress OA issues arising through to meaningful resolution and involving: a) The application of a recognised and accountable health and

	safety process linked directly to OA, which includes suitable arrangements to manage these elements. b) The progression of issues to inform the service Risk Register, Training Needs Analysis (TNA), Integrated Risk Management Plan (IRMP), etc.
6.4.3	BMKFRS should ensure the process of OA is adequately supported by an effective, user-friendly Information Technology (IT) system that incorporates an intelligent and auditable database.
6.5	**Debriefing Activities**
6.5.1	BMKFRS should review and re-energising its debriefing process. This should be promoted to the operational staff as a key element of continuous service improvement. Any review undertaken should consider: (i) Addressing current poor practices to ensure the onus for initiating a timely debrief sits firmly with incident commander. (ii) Continuing efforts to simplify the existing processes. (iii) Producing regular outcome reports to inform staff, promote inclusion and demonstrate the value of the process. (iv) Ensuring non-compliance is identified and valued contribution recognised and rewarded.
6.7	**Maintenance of Operational Skills**
6.7.1	BMKFRS should seek to place greater emphasis on the individuals' responsibility for completion and maintenance of their own skill-set.
6.7.2	BMKFRS should consider incentivising the process through making the completion of Maintenance of Skills (i.e. competence), a prerequisite for being able to access the bank working system.
Section 7	**Operational Training and Command Competence**
7.1	**Acquisition Training and Assessment**
7.1.1	BMKFRS should give consideration to making the qualification acquistion process more attractive to its prospective candidates.
7.3	**Staff Opinion**
7.3.1	BMKFRS should explore a joint enterprise with neighbouring FRS in order to share facilities and provisions at FSC. Such a joint enterprise should seek to explore: a) Economic savings by combining appraisal assessment with other FRS. b) Potential renegotiation of the service level agreement between FSC and BMKFRS. c) Greater flexibility in the provision of larger scale scenarios with

	the consequent strengthening of the functional role competences. d) Opportunities to include risk critical functions such as Operational Support Units and Incident Command Units. e) Shared operational awareness between FRS. f) Shared operational awareness between all emergency service's and other first responders. (this will have the added benefit of meeting JESIP exercising requirements). g) A strengthening of inter-service working and coordinated operational procedures.
7.4	**Management of FSC Outcome Reports**
7.4.1	BMKFRS should review its processes for monitoring staff during their development phase. In particular the service should consider strengthening its feedback process to include organisational awareness of an individual's performance through to completion of any related development needs and/or associated development plans.
7.8	**QA of Station Based Training**
7.8.1	BMKFRS should review (and potentially reduce) the quota of 288 QA assessments (summative sampling) per year to a more achievable figure.
7.8.2	It is recommended that BMKFRS consider extending the QA role in line with the service's 'blended approach'. This may include offering the Vocational Assessor qualification to wholetime and On Call personnel and allowing them to undertake lower tier QA processes (interim sampling).
Section 8	**Operational Exercising**
8.1	**Obtaining Evidence**
8.1.1	BMKFRS should review the provision of operational exercising in order to provide increased opportunity for commanders to: a) Practice command decision making b) Practice logistical controls c) Practice operational procedures etc. at larger, developing and more complex scenarios
Section 9	**Risk Management**
9.2	**Analytical Risk Assessment**
9.2.1	It is recommended that risk management packs be placed in line of sight of the risk entry points, so as to allow other first responders the opportunity to view their content and respond accordingly.
9.3	**Site Specific Risk Assessment**
9.3.1	BMKFRS should consider reviewing its internal communication processes to ensure the effective communication of SSRA information

	between wholetime and On Call crews.
Section 10	**Active Monitoring**
10.1	**Locating Key Documents**
10.1.1	BMKFRS should develop the use of an active monitoring system to act as a smart, service-wide tool. This system should incorporate a user- friendly database that is capable of providing auditable records and is easily accessible to all staff. It should allow the rapid location and filtering of key information for any user. This issue is further covered in Section 12: 'Internal Communications'.
10.2	**Allocation of Action Plans**
10.2.1	That any system used for this purpose should operate independently of any individual in the service and each issue should remain 'live' on the system until resolved or accepted on the risk register.
10.3	**Reporting by Exception**
10.3.1	It is recommended that BMKFRS extend this form of monitoring to include training events; with the consequent benefits to organisational learning and that these reports are included for staff review (commensurate to suitable anonymity measures).
10.4	**Staff Access**
10.4.1	Include a provision within the AMS to provide feedback on concluded issues and in particular to the source of the initially identified issue.
10.5	**Role of the Monitoring Officer**
10.5.1	Provide formal training and/or guidance for Monitoring Officers to ensure a uniform approach to monitoring and to clarify the operational standards required from all staff.
10.5.2	Moving forward, the new active monitoring form should directly correspond with the WM7 NOS.
10.5.3	Active monitoring should be expanded to the training events taking place at FSC to ensure the service is effectively capturing and progressing all available learning opportunities.
Section 11	**National Operational Guidance for Incident Command**
11.1.1	BMKFRS should ensure all staff have awareness and understanding of the functional roles within NOGIC, and that this is tested.
11.1.2	Station and watch commanders should be provided clear guidance on the standards of NOGIC specific knowledge expected from its commanders and crews.
11.1.3	Station and Watch Commanders and their crews should be provided opportunity under assessable and/or developmental conditions to exercise the acquired skills and underpinning knowledge set out in NOGIC.

Section 12	Internal Communications
12.1.1	Review the functionality 'I Drive' as it appears the system does note meet with service expectations with regard to ease of use.
12.1.2	Review the content of the service's Intranet to ensure key information is easily accessible by staff, which should include a more logical hyperlink process.
12.1.3	Review the methods employed for communicating and validating the passage of important messages to operational staff at fire stations. Any review should also consider the communication of key information between wholetime and On Call staff.

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Buckinghamshire & Milton Keynes Fire Authority

MEETING	Overview & Audit Committee
DATE OF MEETING	8 March 2017
OFFICER	Julian Parsons, Head of Service Development
LEAD MEMBER	Health and Safety and Corporate Risk (Councillor David Schofield)
SUBJECT OF THE REPORT	**Corporate Risk Management**
EXECUTIVE SUMMARY	This report provides an update on the current status of identified corporate risks. Risk registers are maintained at project, departmental and directorate levels. Corporate risks are those that have been escalated from these levels for scrutiny by the Strategic Management Board (SMB), because of their magnitude, proximity or because the treatments and controls require significant development. The Corporate Risk Register was last reviewed by the Committee at its 14 September 2016 meeting. It has since been regularly reviewed by the Performance Management Board (PMB), most recently at its 2 February 2017 meeting, at which all directorate risk registers were scrutinised, and by the Strategic Management Board (SMB), most recently at its 14 February 2017 meeting. No risks were identified for escalation from directorate risk registers. However, SMB has agreed that the Control Service discontinuity risk be de-escalated from the Corporate Risk Register to the Service Delivery Directorate Risk Register for ongoing monitoring as the service is now considered to have demonstrated the required level of resilience since cut-over from local arrangements. Also the Funding and Savings risk was reviewed and maintained at red status in view of potential risks to USAR government grant funding. The current distribution of corporate risks relative to probability and potential impact is shown at Annex A. Changes to the corporate risk ratings over the last year are shown at Annex B. Detailed assessments of identified corporate risks are shown in the Corporate Risk Register Report at Annex C.
ACTION	Decision.

RECOMMENDATIONS	It is recommended that Committee Members: 1. Review the status report on identified corporate risks at Annex C; and, 2. Feedback comments to officers for consideration and attention in future updates/reports.
RISK MANAGEMENT	The development, implementation and operation of effective corporate risk management structures, processes and procedures are considered critical to assure continuity of service to the public, compliance with relevant statutory and regulatory requirements and the successful delivery of the Authority's strategic aims, priorities and plans.
FINANCIAL IMPLICATIONS	No direct financial implications arising from the presentation of this report. It is envisaged that the further development of the Authority's corporate risk management framework will be undertaken from within agreed budgets.
LEGAL IMPLICATIONS	None directly arising from this report. Any legal consequences associated with the crystallisation of individual risks are detailed in the Risk Register report at Annex C.
CONSISTENCY WITH THE PRINCIPLES OF COLLABORATION	The potential to share corporate risk intelligence with neighbouring FRS and other relevant agencies will be considered. BMKFA already participates in the multi-agency Thames Valley Local Resilience Forum which produces a Community Risk Register which is among the sources used to identify potential risks to the Authority.
HEALTH AND SAFETY	Development of the framework does not impact directly on the legal compliance to health and safety, however if risks are not appropriately identified then this may present Health and Safety risks.
EQUALITY AND DIVERSITY	No direct implications from the presentation of this report. However risks to achieving the Authority's equality, diversity and inclusion objectives or compliance with relevant statutes or regulations are identified assessed and managed via this process and are currently monitored within the People and Organisational Development Risk Register.
USE OF RESOURCES	The development of the risk management framework complements the governance framework and business processes as a critical cog in the system of internal control and makes better use of our people resources by giving them clearly defined areas of responsibility. Senior managers and principal officers are key stakeholders in the development of the framework and

	have an active role in its development at every stage. The lead Member will also be involved in the development of the framework with particular responsibility for determining the reporting arrangements for the Authority. As with all policy frameworks, all employees will be informed of the changes in the process and will receive any training necessary to support their role in the process.
PROVENANCE SECTION & BACKGROUND PAPERS	A formal policy for the management of Corporate Risk was approved by the Authority in August 2006 and implemented with effect from 31 January 2007 (OC57: Corporate Risk Management Policy). Further development of this policy and framework was reported to members at the 15 September 2010 CFA meeting (see Annex A and item 8 of 15 September CFA Papers: http://bucksfire.gov.uk/files/8114/0681/3588/150910.PDF An updated Corporate Risk Management Policy was approved at the 18th March 2015 Executive Committee: http://bucksfire.gov.uk/files/3314/2564/2098/Executive_Commmittee_180315.pdf CFA Members were last updated on the status of the Authority's Corporate Risks at the 14 September 2016 Overview & Audit Committee: http://bucksfire.gov.uk/files/5914/7306/8240/OverviewandAuditCommittee140916AgendaPack.compressed.pdf
APPENDICES	1. Annex A: Distribution of Corporate Risks at 14 February 2017 SMB meeting. 2. Annex B: 12 Month View of Changes to Corporate Risks 3. Annex C: Corporate Risk Register Report
TIME REQUIRED	15 Minutes
REPORT ORIGINATOR AND CONTACT	Stuart Gowanlock, Corporate Planning Manager sgowanlock@bucksfire.gov.uk 01296 744435

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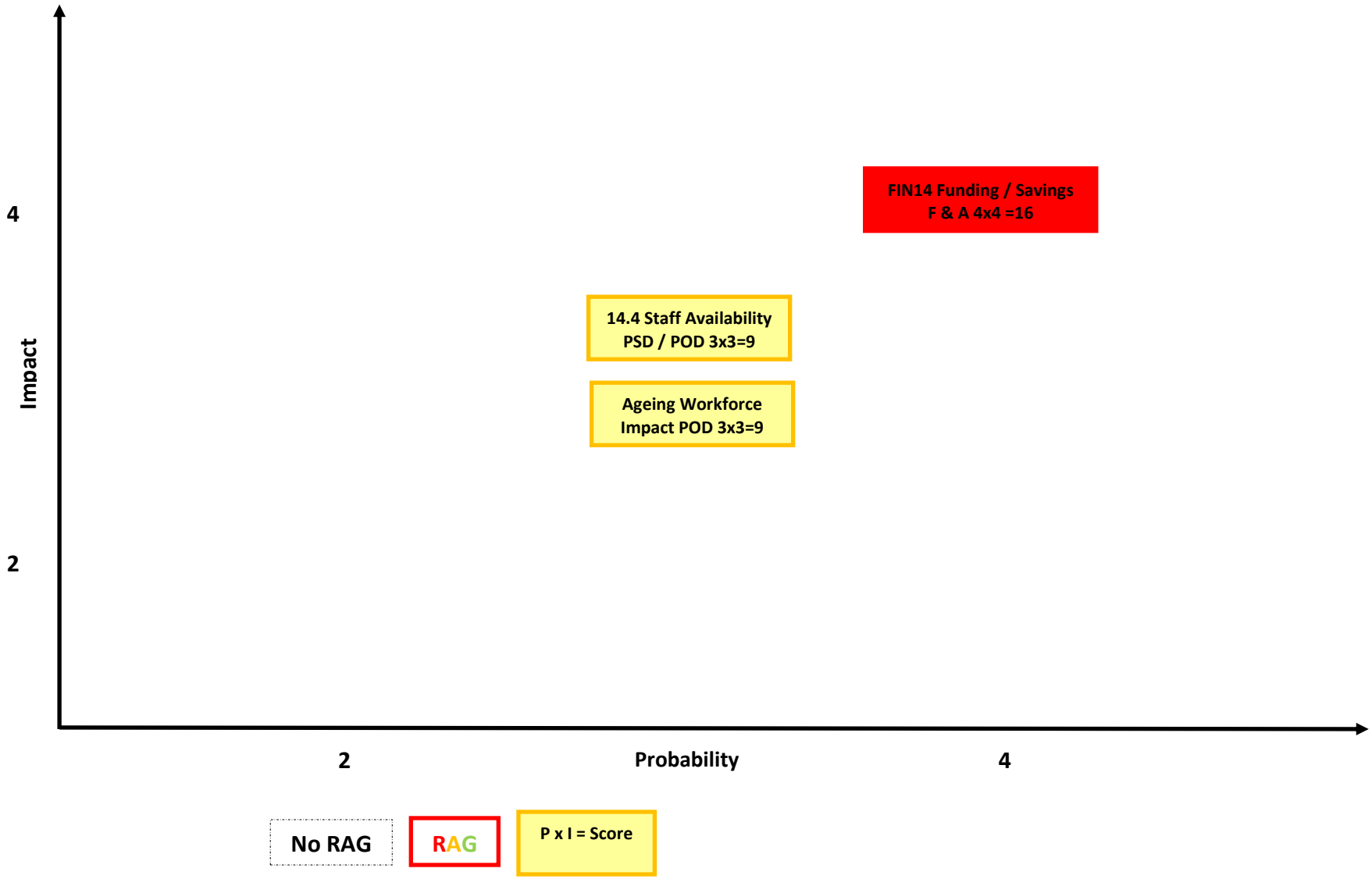
Annex A: Corporate Risk Map – As at 14 February 2017 SMB



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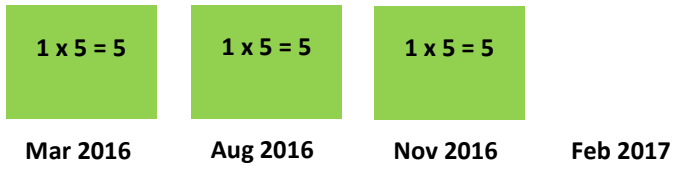
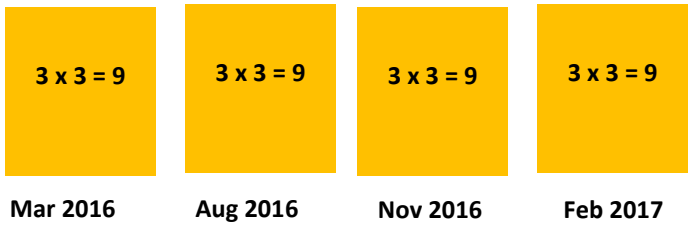
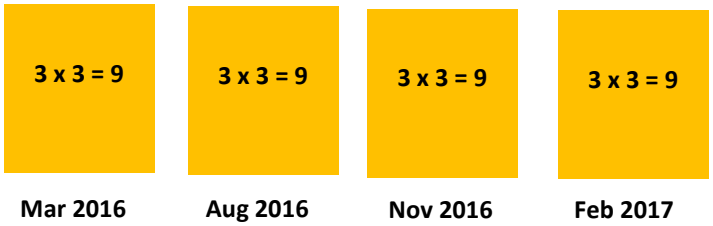
Thames Valley Control



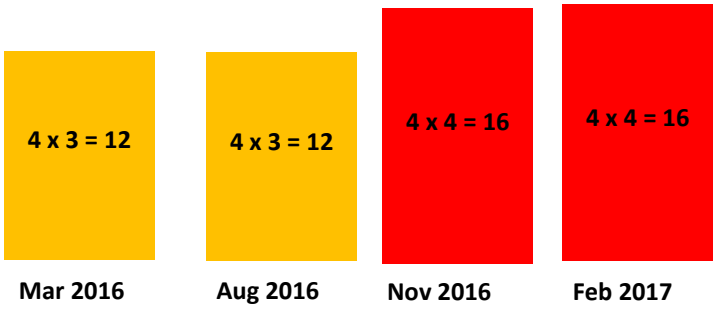
Staff Availability



Ageing Workforce Impact



Risk to Funding



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Corporate Risks

Risk Description	Resp.	Consequences if Untreated Risk Occurs	Risk Score (Former) / New			Risk Level	Current Treatment	RAG	Comments / Further Treatment Proposed
			P	I	∑	HML			
CRR 014.4 Staff Availability Emerging risks of 1/ industrial action due to pension change or pay dispute; 2/ Staff inability to get to work due to external factors e.g. Pandemic Flu, disruption to fuel supplies etc. 3/ Retirements proceeding more quickly than anticipated.	COO / POD Dir.	Potential detrimental effects on service delivery to the community and our reputation. Failure to discharge statutory duties. Loss of critical knowledge / skills / capacity.	(2) (5) (3) (4) (3) (5) (4) (5) (4) (5) **3**	(5) (5) (5) (5) (5) (4) (3) (3) (3) (3) **3**	(10) (25) (15) (20) (15) (20) (12) (15) (12) (15) **9**	(M) (H) (H) (H) (H) (H) (M) (H) (M) (H) **M**	• Full business continuity plans in place & uploaded to Resilience Direct. • Peer review of the business continuity arrangements • Bank System • Flexi-Duty System Pilot • Staff Transfer Procedure	A	**<u>16 June 2015 SMB</u>** PMB recommendation to reduce risk score approved. **<u>11 August 2015 SMB & 20 August PMB</u>** Agreed that risk score should remain at 9 as although the risk of industrial action over the pension dispute has receded staff availability is affected by other contingencies such as Pandemic Flu (WHO currently predicting an outbreak within the next 18 – 24 months.) **<u>1 September 2015 SMB</u>** PMB risk review confirmed. **<u>2 June 2016 PMB:</u>** No items for escalation from directorate risk registers identified. Recommend review of the risk scoring in light of any response to the outcomes of the Thomas Review following publication. **<u>22 November 16 SMB:</u>** It was agreed that the score remains at 9. There is the potential of further staff losses due to the recruitment campaigns of surrounding services and in particular LFB (London weighting). The recently published Thomas Review recommendations may impact on staff availability in the medium term, however initial reactions indicates that it will not lead to industrial unrest in the short term. Current treatments for this remain current with the addition of Flexi-Firefighter Pilot Scheme. Review and refresh of Business Continuity Plans currently underway.

Risk Description	Resp.	Consequences if Untreated Risk Occurs	Risk Score (Former) / New			Risk Level	Current Treatment	R A G	Comments / Further Treatment Proposed
			P	I	∑	HML			
Fin 14 – Funding and Savings Requirement	Director Finance & Assets	The funding settlement now assumes that a council tax increase is required each year in line with the prevailing capping limit, currently 2% for the Fire Authority, and that local growth meets expectations. If either or both did not come to fruition there is a risk the Authority will not meet its commitment to the PSP 2015-20 and that a fundamental re-think of service provision would be required.	(4) (3) (3) **4**	(4) (4) (4) **4**	(16) (12) (12) **16**	H M M **H**	Proactive management of the MTFP is in force which has previously included a re-alignment of balances to free up the MRP burden and a revised risk assessed level of general fund reserve. In addition the MTFP is very closely aligned to workforce planning. For the present, USAR (S31) grant funding is assumed to continue, though notification now seems to be year on year and often after budget setting. If removed, the Authority will need to cope with a circa £800k cut in funding.	R	**12 April 2016 SMB** Risk consequences and treatment updated to reflect MTFP, including provisional four-year settlement and latest council tax assumptions. **5 July 2016 SMB** Risk level to remain as high due to additional uncertainty arising from the outcome of the Referendum on the UK's Membership of the EU. **25th October 2016 SMB** In the 4 months since the outcome of the Referendum on the UK's Membership of the EU, a number of external factors have combined to create an unstable environment that could adversely affect the Authority's funding position the future. On top of 'Brexit' there is increasing inflation, the downturn in value of the £, proposed changes to business rates funding and an uncertain outlook for USAR funding post 17/18. These create a volatile combination and therefore no change is proposed to the risk assessment on funding or savings requirement at this stage.

									<u>17 January 2017 SMB</u> Given the weak position regarding any long term stability (or notification) for S31 USAR funding, it was determined to leave the risk unchanged. Additionally there is expected to be some pressure on the capital programme resources as the effects of external factors such as BREXIT and the fall in value of the pound put pressure on contract prices.

Annex C - Corporate Risk Register – as at 14 February 2017 SMB

Risk Description	Resp.	Consequences if Untreated Risk Occurs	Risk Score (Former) / New			Risk Level	Current Treatment	RAG	Comments / Further Treatment Proposed
			P	I	∑	HML			
Thames Valley Control Service discontinuity (Control Room continuity of service following delay to Thames Valley Control implementation)	COO / Head Service Dev.	• Potential for delay in receiving and handling of calls locally, therefore affecting response times of appliances	2 **1**	5 **5**	10 **5**	M **L**	• Legal agreement now in place for North Yorkshire FRS to call handle and mobilise for TVFCS in the event of service discontinuity. • Secondary Control at Kidlington now tested and mirrors primary. Exercises planned for 2015	G	**16 June 15 SMB** Re-definition of risk approved **11 August 2015 SMB** Amend risk description to incorporate its previous title, 'Control Room continuity of service following delay to Thames Valley Control implementation' in brackets, for reasons of clarity. **1 September 2015 SMB** Risk factor to be reduced from 2 x 5 to 1 x 5 following successful implementation of the new service and the completion of business continuity plans that have been successfully tested. The software provider has resolved initial issues with the mobilising system and ways of working are now embedded within the new control room. **14 February 17 SMB** PMB recommendation that this risk be de-escalated from the Corporate Risk Register to the Service Delivery Risk Register as the service is now considered to have demonstrated the required level of resilience since cut-over from local arrangements agreed.

Annex C - Corporate Risk Register – as at 14 February 2017 SMB

Risk Description	Resp.	Consequences if Untreated Risk Occurs	Risk Score (Former) / New			Risk Level	Current Treatment	RAG	Comments / Further Treatment Proposed
			P	I	∑	HML			
Potential impact on of operational staff resources due to aging workforce profile. **As of April 2015 the average age of our FF's is 39.**	**Director of POD**	• An aging workforce and significant retirement and leaver profile would impact on the Service providing an operational response to the community, and may also impact on the capacity and capability of our staff to provide a diverse range of services. • Greater potential for increased long term Sickness absence, which would not demonstrate an effective use of salary spend, and would increase management time spent managing attendance. • A potential increase in ill health retirements would negatively impact on the Service budget	**3**	**3**	**9**	**M**	• Workforce planning profile aligned with MTFP and subject to regular review • Improved take up of Bank and Ops resourcing pool will assist operational resilience. • Review wellbeing support options for different workforce profiles • Functional hearing assessments being conducted in house. • Apprentice scheme and 'flexible' firefighter pilots to improve levels of operational resourcing • Measures to mitigate effects of age related fitness issues being rolled out (e.g. new gym equipment on stations).	A	• Potential to offer different and more flexible contractual arrangements which may be more attractive to an aging workforce with different needs and priorities • Encourage a balance of demographics across the organisation • Succession and workforce planning to be developed further. • Review opportunities for reasonable adjustments for aging workforce. **21 May 2015 PMB** An initial score of 3 x 3 = 9 recommended for this newly defined risk. **16 June 2015 SMB** Risk approved for inclusion in Corporate Risk Register. **1 September 2015 SMB** Risk score considered to be at right level at present but will a reduction will be considered once the new apprenticeship schemes are in place and up and running. **16 August 2016 SMB:** 22 operational fire fighter apprentices commenced their training programme 15 August 2016.

		• Pension arrangements historically have retained staff to predictable retirement dates. The NFFS 2015 may be unlikely to guarantee full service and a consequence is a more unpredictable leaver profile with staff leaving at short notice.							It is considered too early to reduce the risk score until the effects of this and other measures being taken to improve operational workforce resilience and availability can be evaluated. **<u>17 January 2017 SMB:</u>** Average age of firefighters has reduced from 39 to 37 as a result of the apprentice scheme. Eligibility of operational apprentices for bank and 'ops' pool will be considered in April 2017. Risk score to be reviewed in April as success of apprentice scheme and flexible firefighter pilot becomes clearer.

Buckinghamshire & Milton Keynes Fire Authority

MEETING	Overview and Audit Committee
DATE OF MEETING	8 March 2017
OFFICER	Julian Parsons, Head of Service Development
LEAD MEMBER	Councillor Peter MacDonald
SUBJECT OF THE REPORT	**Business and Systems Integration Project: Progress Report**
EXECUTIVE SUMMARY	Since the last Overview and Audit Committee meeting there has been the following activity: The Finance/HR & Payroll system elements continue to move at pace: • Finance system build complete to BMKFRS specification and milestone payment released; • HR & Payroll system build nearing completion. The contract for Active Informatics to provide the Premises Risk Management (PRM) system has now been signed. The project management audit has been completed and a positive report has been received from our internal auditors. This will be reported by them in the usual way in due course. Spend across the BASI project remains on track and within budget. Regular reviews are completed with the finance team (See Appendix G for Spend breakdown). At the time of completing this report the current activities are underway: • Finance/HR & Payroll User Acceptance Testing is underway; • Finance/HR & Payroll training for super users is progressing; • Workshops with end users for the Resource Management system are taking place in order to agree scope and potential system requirements.
ACTION	Information.
RECOMMENDATIONS	That the report is noted.
RISK MANAGEMENT	The project risks are contained within a project risk register. Current project risks can be seen in Appendix B –

	Highlight report – December 2016. The governance of this register, including escalations will be in line with existing service policy.
FINANCIAL IMPLICATIONS	There are no further financial implications related to the project identified in this paper.
LEGAL IMPLICATIONS	There are no further legal implications related to the project identified in this paper.
CONSISTENCY WITH THE PRINCIPLES OF COLLABORATION	Opportunities for collaboration have been actively sought and considered during the procurement phase of the project. Collaboration has been explored with RBFRS and OXFRS. Further collaboration was explored with Oxford City Council and Reading Council. None of these potential collaborations have led to formal agreements due to various issues around differing needs and timings. Oxford County Council have been named on the Premises Risk Management Tender. Agreements on information sharing have been made with the other potential partners.
HEALTH AND SAFETY	No Health and Safety implications perceived at this time.
EQUALITY AND DIVERSITY	No Equality and Diversity implications identified at this time.
USE OF RESOURCES	The project is managed by the Project Manager. The Project Manager is proactively using existing skills and experience within the workforce to move the project forward. A HR manager directly supports HR & Payroll implementation. A Finance, HR & Payroll implementation and training plan is being delivered based on the resources available. An agreement has been made with Service Delivery managers to assign an operational resource to support the implementation of the PRM system from Early 2017 Staff are being kept abreast of progress through the i:drive and blogs. The communication strategy will be followed as part of the roll out of the new systems and in line with the project plan which has to be agreed with the suppliers.
PROVENANCE SECTION **&**	**Background** As part of the ICT Strategy 2014-2019 an independent

BACKGROUND PAPERS	review of systems integration was commissioned. An external consultant undertook this task and delivered a business case which was formally agreed to be progressed by the Executive Committee Meeting 29 July 2015. The project is scheduled to be delivered in phases over a two year period. **Background Papers** • ICT Strategy 2014-2019 • Business and Systems Terms of Reference • Business and Systems Integration Business case • Business and Systems Integration Project: Governance Reporting Arrangements (18 November 2015)
APPENDICES	Appendix A: Highlight Report – January 2017 Appendix B: Highlight Report – December 2016 Appendix C: Highlight Report – November 2016 Appendix D: Highlight Report – October 2016 Appendix E: Spend Breakdown Appendix F: Go Live Dates
TIME REQUIRED	5 Minutes.
REPORT ORIGINATOR AND CONTACT	Anne-Marie Carter acarter@bucksfire.gov.uk 07966 886689

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Appendix A: Sponsor Highlight Report – Jan 2017

Business & Systems Integration project – January 2017

Business Owner: **Project Manager:** **Business Sponsors:**	**Julian Parsons** **Anne-Marie Carter** **Lynne Swift** **David Sutherland**	**Project Objectives:** To streamline, automate and integrate systems and business processes across: - HR & Payroll, Finance & Planning, Premises Risk Management, Resource Management, Asset Management Data duplication with be reduced and the efficiency and effectiveness of both our processes and MI will increase	**Overall RAG**

Finance		**Plan**		**Risks & Issues**		**Scope**		**Resources**	

Exec Summary – Past Period's Activities

Finance & Planning
- UAT continued
- Contract issues resolved

HR & Payroll
- Training continued – Business Objects/Time & Expenses
- System build and workflow testing continued
- UAT started
- YTD load completed & balanced

PRM
- Kick off workshop agenda and attendees agreed
- Reviewing and updating Risk Data currently held completed

Other
- Audit report signed off – Positive report with 5 actions
- Scoping session for Resource Management system completed

Priorities for Next Period - Feb

Finance & Planning
- Continue with UAT
- Training with wider business continues

HR & Payroll
- Training with wider business continues
- Agree scope for Phase 2
- Draft Expenses Policy
- Completed 1st parallel run

PRM
- Start system design
- Hold Kick off workshop
- Work with Capita to update data in Vision

Other
-

Key Decisions Required:

- None

Key Milestones

Milestone	Forecast/ Actual	RAG
Next BTB	2nd Mar	
Next O&A	8th Mar	
HR/Payroll UAT Starts	Jan	
Premises Risk Management system design starts	Jan	
Finance UAT Complete	Feb	

Key Risks & Issues

Risk/ Issue	RAG	Description	Mitigating Action	Next Action
R		New systems and ways of working impacting BASI	Continue to engage with Stakeholders. Agree change control process	Ongoing
R		Budget Management	Review monthly	Ongoing
R		End user capacity with new systems going live in April	Work with relevant teams to join up training	Ongoing

Appendix B: Sponsor Highlight Report – Dec 2016

Business & Systems Integration project – December 2016

Business Owner: **Project Manager:** **Business Sponsors:**	**Julian Parsons** **Anne-Marie Carter** **Lynne Swift** **David Sutherland**	**Project Objectives:** To streamline, automate and integrate systems and business processes across: - HR & Payroll, Finance & Planning, Premises Risk Management, Resource Management, Asset Management Data duplication with be reduced and the efficiency and effectiveness of both our processes and MI will increase	**Overall RAG**

Finance		**Plan**		**Risks & Issues**		**Scope**		**Resources**	

Exec Summary – Past Period's Activities

Finance & Planning
- UAT continued
- Contract issues resolved

HR & Payroll
- Training continued – Business Objects/Time & Expenses
- System build and workflow testing continued
- ePayslip questionnaire circulated

PRM
- Contract signed
- Reviewing and updating Risk Data currently held, this will take until Dec'16

Other
- Audit report received – Positive report with 5 actions
- Senior project review completed with Capita and MHR

Priorities for Next Period - Jan

Finance & Planning
- Continue with UAT
- Start training with wider business

HR & Payroll
- Load YTD data
- UAT Starts
- Start training with wider business
- Agree scope for Phase 2
- Draft Expenses Policy

PRM
- Start system design
- Hold familiarisation day(s)
- Work with Capita to update data in Vision

Other
- Scoping session for Resource Management System

Key Decisions Required:

- None

Key Milestones

Milestone	Forecast/ Actual	RAG
Next BTB	26th Jan	
Next O&A	8th Mar	
HR/Payroll UAT Starts	Jan	
Premises Risk Management system design starts	Jan	
Finance UAT Complete	Feb	

Key Risks & Issues

Risk/ Issue	RAG	Description	Mitigating Action	Next Action
R		New systems and ways of working impacting BASI	Continue to engage with Stakeholders. Agree change control process	Ongoing
R		Budget Management	Review monthly	Ongoing
I		Optical Character Recognition(Invoice Scanning) and supplier portal not available	Contract reviewed. Captia agreed to provide these at no extra cost	CLOSED
R		End user capacity with new systems going live in April	Work with relevant teams to join up training	Ongoing

Appendix C: Sponsor Highlight Report – Nov 2016

Business & Systems Integration project – November 2016

Business Owner: **Project Manager:** **Business Sponsors:**	**Julian Parsons** **Anne-Marie Carter** **Lynne Swift** **David Sutherland**	**Project Objectives:** To streamline, automate and integrate systems and business processes across: - HR & Payroll, Finance & Planning, Premises Risk Management, Resource Management, Asset Management Data duplication with be reduced and the efficiency and effectiveness of both our processes and MI will increase	**Overall RAG**

Finance		**Plan**		**Risks & Issues**		**Scope**		**Resources**	

Exec Summary – Past Period's Activities

Finance & Planning
- UAT continues
- Draft training approach agreed (linked to HR/Payroll)

HR & Payroll
- Training continues – Absence/Audit/Payroll
- System build and workflow testing continued
- Agreed Go Live elements
- Draft training approach agreed (linked to HR/Payroll)
- Demo of Career & Development and Goals & Performance(Phase 2)

PRM
- Contract completion continues – Delay for signature due to resource availability
- Reviewing and updating Risk Data currently held, this will take until Dec'16
- Visit to Essex/Lent Fire services to review how they use their CRM solutions

Other
- Gartan conference attended
- Audit Exit meeting completed

Priorities for Next Period - Dec

Finance & Planning
- Training of finance team complete
- Continue with UAT

HR & Payroll
- Update People changes since data load
- Training of HR/Payroll team continues – Business Objects
- Test workflow inc. correspondence templates

PRM
- Contract to be signed
- Continue with Risk data review
- Hold familiarisation day(s)
- Work with Capita to update data in Vision

Other
- Draft Audit report due

Key Decisions Required:

- None

Key Milestones

Milestone	Forecast/ Actual	RAG
Next BTB	26th Jan	
Next O&A	8th Mar	
HR/Payroll UAT Starts	Jan	
Premises Risk Management system design starts	Jan	
Finance UAT Complete	Feb	

Key Risks & Issues

Risk/ Issue	RAG	Description	Mitigating Action	Next Action
R		New systems and ways of working impacting BASI	Continue to engage with Stakeholders. Support from Sponsors to encourage their team to engage BASI team on new WOW and systems early in the process	Ongoing
R		Budget Management	Review monthly	Ongoing
I		Optical Character Recognition and supplier portal not available	Review contract with procurement team	Dec '16

Appendix D: Sponsor Highlight Report – Oct 2016

Business & Systems Integration project – October 2016

Business Owner: **Project Manager:** **Business Sponsors:**	**Julian Parsons** **Anne-Marie Carter** **Lynne Swift** **David Sutherland**	**Project Objectives:** To streamline, automate and integrate systems and business processes across: - HR & Payroll, Finance & Planning, Premises Risk Management, Resource Management, Asset Management Data duplication with be reduced and the efficiency and effectiveness of both our processes and MI will increase	**Overall RAG**

Finance		**Plan**		**Risks & Issues**		**Scope**		**Resources**	

Exec Summary – Past Period's Activities

Finance & Planning
- Training of finance team continues- mop up
- System build completed
- UAT started

HR & Payroll
- Training continues – Payroll and costing
- System build continues
- Data load complete
- Draft workflow completed
- Costing model agreed

PRM
- Contract completion continues – Delay for signature due to resource availability
- Reviewing and updating Risk Data currently held, this will take until Dec'16

Other
- Project Audit by BCC started, fieldwork complete
- Senior project review completed with Capita and MHR

Priorities for Next Period - Nov

Finance & Planning
- Training of finance team complete
- Continue with UAT
- Build training plan for rollout (linked to HR/Payroll)

HR & Payroll
- Load inheritance data
- Training of HR/Payroll team continues
- Test workflow inc. correspondence templates
- Build training plan for rollout (linked to finance)
- Review MHR v's Totara for Career & Development and Goals & Performance(Phase 2)

PRM
- Contract to be signed
- Continue with Risk data review
- Hold familiarisation day(s)
- Work with Capita to update data in Vision
- Visit to Essex to review their CRM proposition

Other
- Draft Audit report due

Key Decisions Required:

- None

Key Milestones

Milestone	Forecast/ Actual	RAG
Next BTB	10th Nov	
Next O&A	8th Mar	
Finance UAT starts	Oct	
HR/Payroll System design complete	Nov	
Premises Risk Management system design starts	Nov	

Key Risks & Issues

Risk/ Issue	RAG	Description	Mitigating Action	Next Action
R		New systems and ways of working impacting BASI	Continue to engage with Stakeholders. Support from Sponsors to encourage their team to engage BASI team on new WOW and systems early in the process	Ongoing
R		Budget Management	Review monthly	Ongoing

Appendix E: Spend Breakdown

Summary:

	2015/16 £000	2016/17 £000	2017/18 £000	Total £000
Budget		590	410	1,000
Spent	34	308	0	342
Committed		152	161	313
Earmarked		43	302	345
Total	**34**	**503**	**463**	**1,000**

Contingency of £200k is not needed in 16/17

Please note:

- All figures as at end of Jan 2017
- Spent = Purchase Order paid
- Committed = Purchase Order raised
- Earmarked = For Asset & Resource Management systems replacement and training

Appendix F: Go Live Dates

Area	Target Go Live	Tracking
Finance	April 2017	On track
HR – Phase 1	April 2017	On track
HR – Phase 2	August 2017	On track
Payroll	April 2017 1st Pay run at end of April '17	On track
Premises Risk Management	TBC – Mid 2017	N/A
Resource Management	TBC – Late 2017	N/A
Asset Management	TBC – Late 2017	N/A

System Descriptions:

Finance: Replacement of SAP covering all areas of Finance and Planning

HR – Phase 1: Replacement of SAP covering Core HR, Absence, Pensions, Costing and Employee and Manager Self Service

HR – Phase 2: Replacement of SAP covering Learning Events, People Development, Discipline and grievance, Dashboards, Org Charting, Recruitment/web recruitment

Payroll: Replacement of SAP covering all Payroll elements

Premises Risk Management: Replacement of Microsoft access database and manual processes covering:

- Home Fire and Risk Checks and prevention activities;
- Site Specific Risk Information. This is the data used by our firefighters when attending operational incidents;
- Fire Protection Audits. This is the data collected as part of our activities in enforcing fire safety regulations in commercial premises.

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