

**BUCKINGHAMSHIRE AND MILTON KEYNES FIRE AUTHORITY**  
**BUCKINGHAMSHIRE FIRE AND RESCUE SERVICE**

Director of Legal & Governance, Graham Britten  
Buckinghamshire Fire & Rescue Service  
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**Chief Fire Officer and Chief Executive**  
Jason Thelwell

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To: The Members of the Overview and Audit Committee

6 November 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 15 November 2017 at 10.00 am** when the business set out overleaf will be transacted.

Yours faithfully

A handwritten signature in black ink that reads 'Graham Britten'.

Graham Britten  
Director of Legal and Governance

Chairman: Councillor Watson  
Councillors: Brunning, Exon, Glover, A Hussain, N Hussain, Irwin, Teesdale and Wilson



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## **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](mailto: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; andother 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; andother 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 26 July 2017 (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)

To note that there has been no covert surveillance conducted by officers since the last meeting of the Committee.

#### 6. Internal Audit Reports

##### (a) Final Audit Reports: 2017/18 Fleet Management Audit

To consider Item 6a **(Pages 19 - 34)**

##### (b) Update on Progress of Audit Recommendations

To consider Item 6b **(Pages 35 - 38)**

##### (c) Update on Progress of the Annual Audit Plan

To consider Item 6c **(Pages 39 - 42)**

#### 7. 2016/17 Statement of Assurance

To consider Item 7 **(Pages 43 - 68)**

#### 8. Treasury Management Performance 2017/18 - Q2

To consider Item 8 **(Pages 69 - 76)**

#### 9. Treasury Management Strategy Development

To consider Item 9 **(Pages 77 - 86)**

**10. Corporate Risk Management**

To consider Item 10 (**Pages 87 - 100**)

**11. Annual Performance Monitor 2016-17**

To consider Item 11 (**Pages 101 - 122**)

**12. Business and Systems Integration Project: Progress Report**

To consider Item 12 (**Pages 123 - 132**)

**13. Local Pension Board Update - November 2017**

To consider Item 13 (**Pages 133 - 142**)

**14. Date of next meeting**

To note that the next meeting of the Committee will be held on Wednesday 7 March 2018 at 10.00am.

If you have any enquiries about this agenda please contact: Katie Nellist (Democratic Services Officer) – Tel: (01296) 744633 email: [knellist@bucksfire.gov.uk](mailto: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 26 JULY 2017 at 2.00 pm

**Present:** Councillors Brunning, Exon, Glover, Irwin, Watson and Wilson

**Officers:** 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), A Hussain, Principal Accountant, L Swift (Director of People and Organisational Development), M Gibb (Internal Audit Manager), A Carter (BASI Project Manager), G Barry (Information Governance and Compliance Manager), M Grindley (Ernst & Young), A Kennett (Ernst & Young) and K Nellist (Democratic Services Officer)

**Apologies:** Councillors A Hussain, N Hussain and Teesdale

**OA01 ELECTION OF CHAIRMAN**

(Director of Legal and Governance presiding)

It was moved and seconded that Councillor Watson be elected Chairman of the Committee for 2017/18.

RESOLVED –

That Councillor Watson be elected as Chairman of the Committee for 2017/18.

**OA02 APPOINTMENT OF VICE-CHAIRMAN**

It was moved and seconded that Councillor Brunning be appointed as Vice-Chairman of the Committee for 2017/18.

RESOLVED –

That Councillor Brunning be appointed as Vice-Chairman of the Committee for 2017/18.

**OA03 MINUTES**

RESOLVED –

That the Minutes of the meeting of the Overview and Audit Committee held on 8 March 2017, be approved and signed by the Chairman as a correct record.

**OA04 RIPA POLICY (MINUTE OA39 – 090316)**

RESOLVED –

To note that there had been no covert surveillance conducted by officers since the last meeting of the Committee.

**OA05 INTERNAL AUDIT REPORTS**

### **a) Internal audit report: final audit reports**

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

The 2016/17 Core Financial Controls audit had been finalised and recommendations had been agreed with the Deputy Director of Finance and Assets and suitable deadline dates for implementation had been identified and most actions had now been dealt with. The outcome of the report was that a 'substantial' level of assurance was given, that relevant risks were effectively identified, managed and controlled. The overall audit assurance was made up of three supporting judgements, on the adequacy of the risk management techniques, existing control framework and on the adequacy of compliance with existing control framework.

The Internal Audit Manager advised Members that the Core Financial Controls audit was the main part of the internal audit plan for the year and covered a large amount of key financial control areas. As part of the audit any actions that had been raised previously were followed up.

RESOLVED –

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

### **b) Update on Progress of Audit Recommendations**

The Internal Audit Manager advised that the purpose of this report was to update Members on the progress of the implementation of audit recommendations made as at 23 June 2017.

In total there were 26 recommendations to report on, 24 (92%) had been fully implemented, 1 (4%) was on track but not yet due and 1 (4%) was not implemented and the due date revised. There were no outstanding recommendations to bring to the attention of Members at this time and Internal Audit continued to actively monitor implementation of all outstanding recommendations throughout the year. The outstanding recommendations for Core Financial Controls had now been actioned since the report was written.

RESOLVED –

That the progress on implementation of recommendations be noted.

### **c) Annual Audit Report 16/17**

The Internal Audit Manager advised that the purpose of this report was to present the draft Annual Audit Report to Members which covered the whole of 2016/17.

The Chief Internal Auditor's opinion was that the Fire Authority's system of internal controls and risk management facilitates the effective exercise of the Authority's functions and this provided a 'reasonable' level of assurance regarding the effective and efficient and economic exercise of the Authority's functions. During 2016/17 there had been continued improvement to the system of internal control through the on-going development of policies and procedures covering the key control processes.

A Member stated that although the level of risk and key financial controls had to be audited, the level of risk an audit would expose was getting less and less and with the Authority now collaborating and joining up with other organisations, how best could it make use of this resource to drive it forward and connect with the public it serves.

RESOLVED –

That the content of the Annual Report be noted.

### **OA06**

### **ANNUAL GOVERNANCE STATEMENT 2016/17**

The Director of Legal and Governance advised Members that the purpose of this report was to submit the draft 2016/17 Annual Governance Statement on behalf of the Chairman of the Authority and the Chief Fire Officer for approval by this Committee. If approved in this format it would be published along with the Statement of Accounts.

The Director of Legal and Governance advised Members that the report had been based upon the six core principles of good governance set out in the CIPFA/SOLACE guidance (2007, revised and updated 2012). Members' attention was drawn to the review undertaken as to whether to change the size of membership of the Authority; and to the independent review of operational assurance that had taken place. He also asked Members to look at the two appendices attached to the report. The first was the progress of recommendations for the Annual Governance Statement 2015/16, and the second was the recommendations for priorities for 2017/18.

RESOLVED –

1. That the Annual Governance Statement be approved.
2. That the progress on the implementation of recommendations of the previous Annual governance Statement (Appendix A to the Annual Governance Statement) be acknowledged.

3. That the priorities for 2017/18 (Appendix B to the Annual Governance Statement) be agreed.

## **OA07**

### **AUDIT RESULTS REPORT AND ANNUAL AUDIT LETTER**

The External Audit Manager advised Members that this report summarised the findings from the 2016/17 audit. It included messages arising from the audit of the Authority's financial statement and the results of the work on how the Authority secures value for money in its use of resources.

The External Audit Manager commended the Authority for producing the Statement of Accounts ahead of the new deadline, which becomes statutory next year, for the second year running. She felt that many other authorities were still struggling with the new deadline, so for this Authority to have already achieved it two years running was a fantastic achievement. The External Audit Manager also thanked the teams for the quality of work and timeliness of response to their queries. It was not something that happened easily when you look at the size of the Statement and the complexities in it.

The External Audit Manager advised Members that there were two points not picked up within the report. The first was an additional disclosure which was a new requirement required this year. The second was regarding the use of Barnett Waddington as the Authority's Valuers. This was regarding the assumptions they were making as valuations, it did not affect the accounts or the material items within the accounts. Neither of these reflected any concern.

The External Audit Manager advised Members that also included was the Annual Audit Letter, the purpose of which was to communicate to Members and external stakeholders, including members of the public, the key issues arising from the Audit Results Report and anything they consider should be brought to the attention of the Authority.

RESOLVED –

1. That the content of the Audit Results Report be noted.
2. That the Annual Audit Letter for the year ended 31 March 2017, be considered and approved for publication.

## **OA08**

### **LETTER OF MANAGEMENT REPRESENTATION 2016/17**

The Committee considered the Letter of Management Representation to Ernst & Young to be signed by both the Director of Finance and Assets and the Chairman of the Committee in order for the audit opinion and conclusion to be issued.

There was also a letter previously sent from the Chairman to Ernst & Young to provide them with assurance as to how the Overview and Audit Committee get assurance from the Management of the Authority.

RESOLVED –

That the Letter of Representation be approved for signature by the Chief Finance Officer and the Chairman of the Committee.

## **OA09**

### **ADOPTION OF THE AUDITED STATEMENT OF ACCOUNTS**

The Principal Accountant advised Members that the Authority had managed to close its accounts in July, although the requirement this year was September, so as previously stated by the External Auditor, the Authority had managed to close the account early two years in a row. The Principal Accountant also confirmed to Members that the additional disclosure had not changed any figures in the statement of accounts, it just provided additional breakdown of some of the figures reported. The Principal Accountant also advised Members that the Authority was confident that the methodology used by Barnett Waddington was acceptable, but it would be regularly reviewed to ensure it was acceptable to the External Auditors.

A Member asked if the 'other payments' paid to senior officers was a bonus payment and was advised that it was.

A Member asked for details of the prior years' Council Tax surpluses due from each billing Authority in 2017-18 and was advised that this would be provided after the meeting.

RESOLVED –

That the Statement of Accounts for the financial year ended 31 March 2017 be approved for signing by the Chairman of the Committee.

## **OA10**

### **REVIEW OF FINANCIAL REGULATIONS**

The Deputy Director of Finance and Assets advised Members that one of the recommendations that came out of the audit on Core Financial Controls was a review and update of the Financial Regulations. The review, taking on board recommendations from internal audit, was a refresh rather than a rewrite of the Regulations. The Financial Regulations were last approved by the Authority in June 2014. The key changes that had been made were as follows:

- the removal of the requirement for the Executive Committee to approve a virement if it involves a transfer or resources from revenue to capital in excess of £10,000;

- removal of references to obsolete policies, namely the Finance and Value for Money Strategy and the Invest to Save Policy;
- updated references to reflect current legislation;
- replaced any references to SAP with 'financial system' as the Authority now had a new financial system;
- removed the glossary and contacts list
- minor formatting and typographical adjustments.

RESOLVED –

That the Financial Regulations as amended (Appendix A) be recommended to the Authority for approval.

## **OA11**

### **REVIEW OF STANDING ORDERS RELATING TO CONTRACTS**

The Deputy Director of Finance and Assets advised Members that this report presented the revised Standing Orders Relating to Contracts. The Standing Orders Relating to Contracts were last approved by the Authority in June 2013. The key changes in the latest version included:

- increasing the threshold for requiring three written quotations from £5,000 to £10,000;
- updating of the European Union thresholds;
- updating procedures where relevant to facilitate the use of e-tendering;
- revising the limit for asset disposals (other than land or property) to be £10,000 and for this to relate to net book value rather than 'estimated' value;
- requirements for keeping contracts updated in line with the latest data transparency legislation
- all references to 'Treasurer' have been replaced with 'Chief Finance Officer'.

A Member asked how often the Standing Orders Relating to Contracts would be reviewed and was advised that they would be reviewed every three years as a minimum.

RESOLVED –

That the Standing Orders Relating to Contracts as amended (Appendix A) be recommended to the Authority for approval.

**OA12****TREASURY MANAGEMENT PERFORMANCE Q4 16/17**

The Director of Finance and Assets advised Members that it was best practice to review, on a regular basis, how Treasury Management activity was performing. A very proactive stance was taken in managing the Authority's money, and the relative performance of the investments were measured against two benchmark figures. The 7 day LIBID, which was the rate the Authority would have earned on all balances had the SLA with BCC continued into future years (this had fallen from 0.36% to 0.12% since the EU Referendum) and the Capita benchmark. This was the indicative rate that Capita advised the Authority should be looking to achieve for 2016/17 at the start of the year which was later revised down from 0.59% to 0.25% in July 2016.

The Director of Finance and Assets asked Members to consider that in the future they might try and diversify the portfolio to bring in property, but it would need to be undertaken in a managed way. This was something to discuss in the future.

A Member asked why the maximum investment was six months and was advised that external advice from Capita was to keep investments for no longer than six months. The Committee was advised that Treasury Management was only brought in house a few years ago and at that time Members were keen that it was kept very low risk. The Authority would look at other options as part of its Treasury Management Strategy.

RESOLVED –

That the Treasury Management Performance 2016/17 – Quarter 4 report be noted.

**OA13****CORPORATE RISK MANAGEMENT**

The Deputy Chief Fire Officer advised that the Corporate Risk Management update was a standing item on the Overview and Audit Committee agenda and therefore reviewed at every meeting. It was produced in conformance with the Authority's Corporate Risk Management Policy, a copy of which new Members should have received prior to the meeting.

The Deputy Chief Fire Officer advised Members that they would have seen there had been some changes to the Corporate Risk Register since it was last presented to the Committee in March 2017. The main changes were set out in the Executive Summary. Firstly, the ageing workforce risk had been de-escalated to the People and Organisational Development directorate risk register, largely as result of the success of the firefighter apprenticeship scheme and plans for a further intake of apprentices. However, this risk would continue to be scrutinised on a quarterly basis by the internal Performance Management Board as well as being subject to regular review within the People and Organisational

Development Directorate. The scope of the staff availability risk had been increased to include the risks arising from the impact of transformation at pace coupled with the potential impact of staff recruitment activity by neighbouring fire and rescue services on staff retention and overall workforce stability.

Finally an emerging risk to the continuity of the Authority's paging service used to mobilise on-call appliances, officers, workshops, the Resource Management Team (RMT) and ICT has been added following Vodafone's decision to close its 'Vodapage' service on 31 March 2018. The Authority was currently exploring potential replacement options for this service and it planned to have something in place well ahead of the cut-off date for the existing service.

RESOLVED –

1. That the status of identified corporate risks at Annex C be reviewed.
2. That comments to officers for consideration and attention in future updates/reports be provided.

#### **OA14**

#### **OPERATIONAL ASSURANCE IMPROVEMENT PLAN**

The Head of Service Delivery advised Members that as part of the Authority's preparation for future inspection by a newly formed HM Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS), in October last year Operational Assurance Limited (OAL) were commissioned to provide an independent report into the operational effectiveness of this Service. Commissioning OAL had provided the Authority with a valuable and fully independent insight into the effectiveness of its operations.

The Head of Service Delivery advised Members that in general the report was extremely positive and also identified a number of areas where it was felt improvement could be made. Three priority areas for improvement were identified. Two of these areas had already been completed. The third area required significant development around our supporting systems, ICT support and processes. Good progress was being made in this area. All other aspects of our wide ranging improvement plan was being progressed.

RESOLVED –

That the content of the OAIP within Annex A be noted.

#### **OA15**

#### **BUSINESS AND SYSTEMS INTEGRATION PROJECT (BASI): PROGRESS REPORT**

The Business and Systems Integration Project Manager advised Members that the Authority had gone live with the Finance, HR and Payroll Systems, and thanked everyone involved as it was a



large piece of work. Alongside that, the project management audit actions continued to be progressed, two had been completed, two were ongoing and one was due by the end of July. Spend across the project remained on track and was well within budget. There were no plans to spend the contingency this year.

The Business and Systems Integration Project Manager advised Members that the project was on track and now moving onto the next stage which was:

- Review of feedback to ensure new ways of working were embedded;
- Continue to review Finance/HR and Payroll processes to ensure the project meetings its objectives to streamline and automate processes;
- Building and testing of the new eRecruitment processes and system;
- Workshops with end users for the Premises Risk Management system, to further refine and scope potential system requirements prior to implementation.

RESOLVED –

That the report be noted.

#### **OA16 EXCLUSION OF PRESS AND PUBLIC**

RESOLVED –

By virtue of Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972, as the appendix contains information relating to the financial of business affairs of a person (including the Authority); and on these grounds it was considered the need to keep information exempt outweighs the public interest in disclosing the information.

#### **OA17 ICT DISASTER RECOVERY PLAN**

The Deputy Chief Fire Officer advised that this update had been brought to Members outlining the Service's intentions to improve its resilience to cyber-attacks. Members would be aware of the growing threat of global cyber-attacks, they were increasing almost exponentially in frequency and, generally but not always, with increasing sophistication. The most recent global attack utilised a rather old virus but was successful due to the volume and the disguising of the virus from users who would unwittingly open an infected email attachment.

The Authority's strategy was to take a layered approach to its defences. It had invested in advanced software to intercept suspicious emails before they arrive in individuals' email boxes. It had also increased the education of its staff to both recognise and safely deal with a suspicious email. Should a member of staff inadvertently open an infected email then the damage was limited by software that recognises and quickly quarantines the virus.

The Deputy Chief Fire Officer advised Members that the Authority's systems had successfully dealt with the recent wave of attacks with no infections to its systems. Due to the increasing volume and sophistication of cyber-attacks it had to assume that there would be a successful attack in the future. As such, it was investing in a dual back up system. Primarily it would replicate its systems through a 'cloud' provider. This would mean that if the primary system was infected, it would be able to cut over to the new system very quickly with minimal loss of data and productivity. The second line of recovery was to maintain back up tapes stored at a remote location (as it currently does now). This insured against the unlikely event of an infection that was so sophisticated that it penetrates the Authority's and its cloud providers systems. The ICT Disaster Recovery review was operationally sensitive, therefore it was necessary to present to Members as an exempt report.

RESOLVED –

That the report be noted.

**OA18**

**DATE OF NEXT MEETING**

The Committee noted that the next meeting of the Committee would take place on Wednesday 15 November 2017 at 10.00am.

THE CHAIRMAN CLOSED THE MEETING AT 15.34PM



# Buckinghamshire & Milton Keynes Fire Authority

<b>MEETING</b>	Overview and Audit Committee
<b>DATE OF MEETING</b>	15 November 2017
<b>OFFICER</b>	David Sutherland, Director of Finance and Assets Maggie Gibb, Internal Audit Manager
<b>LEAD MEMBER</b>	Councillor David Watson
<b>SUBJECT OF THE REPORT</b>	<b>Internal Audit Report: Final Audit Reports</b>
<b>EXECUTIVE SUMMARY</b>	<p>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.</p> <p>The 2017/18 Fleet Management Audit has been finalised.</p> <p>Recommendations have been agreed with the Fleet Manager and Director of Finance and Assets, and suitable deadline dates for implementation have been identified.</p> <p>Internal Audit will monitor implementation of the recommendations as they fall due.</p>
<b>ACTION</b>	Noting.
<b>RECOMMENDATIONS</b>	<ol style="list-style-type: none"> <li>1. that the recommendations raised in the finalised Internal Audit reports be noted; and</li> <li>2. that the next Fleet Management Audit be scheduled for 2020/21.</li> </ol>
<b>RISK MANAGEMENT</b>	There are no risk implications arising from this report.
<b>FINANCIAL IMPLICATIONS</b>	The audit work is contained within the 2017/18 budget.
<b>LEGAL IMPLICATIONS</b>	There are no legal implications arising from this report.
<b>CONSISTENCY WITH THE PRINCIPLES OF COLLABORATION</b>	Not applicable.

Internal Audit Report: Final Audit Reports

<b>HEALTH AND SAFETY</b>	There are no health and safety implications arising from this report.
<b>EQUALITY AND DIVERSITY</b>	There are no equality and diversity implications arising from this report.
<b>USE OF RESOURCES</b>	Communication and progress monitoring All audits, follow up reports and further updates will be submitted to SMB and Overview and Audit Committee.
<b>PROVENANCE SECTION &amp; BACKGROUND PAPERS</b>	Internal Audit Plan 2017/18 Internal Audit reports taken to Overview and Audit Committee
<b>APPENDICES</b>	Appendix A: 17/18 Fleet Management Audit Report
<b>TIME REQUIRED</b>	10 minutes
<b>REPORT ORIGINATOR AND CONTACT</b>	Maggie Gibb – Internal Audit Manager <a href="mailto:mjgibb@buckscc.gov.uk">mjgibb@buckscc.gov.uk</a> 01296 387327

**BUCKINGHAMSHIRE COUNTY COUNCIL  
INTERNAL AUDIT AND RISK MANAGEMENT**

**FINAL INTERNAL AUDIT REPORT**

**Fleet Management 2017/18**



**Date Issued: July 2017**

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### Audit Control:

<b>Closing meeting:</b>	03 July 2017
<b>Draft report:</b>	19 July 2017
<b>Management responses:</b>	26 July 2017
<b>Final report:</b>	26 July 2017
<b>Audit Ref:</b>	18/02

<b>Auditors:</b>	Maggie Gibb Rachel Shovell Mark Lockyer	Head of Business Assurance (and Chief Internal Auditor) Audit Manager Auditor
<b>Report Distribution:</b>		
Draft Report	Jez Finden David Sutherland	Fleet Manager Director of Finance & Assets
Final Report as above plus:	Jason Thelwell Roger Reed	Chief Fire Officer Chair, Bucks and Milton Keynes Fire Authority External Audit

## Management Summary

### Introduction

This audit of Fleet Management, BMKFA was undertaken as part of the 2017/18 Internal Audit plan as approved by the Overview and Audit Committee. The audit was undertaken during the first quarter of 2017/18.

The prime purpose of the Fleet Service within Buckinghamshire Fire and Rescue Service is the supply and maintenance of vehicles and associated major operational equipment which meet: user and stakeholder needs; Fire and Rescue Service strategies and legislative requirements.

Bucks Fire and Rescue Service has a variety of fleet assets located at 22 locations including Unit 7 and the Fleet Workshop. The majority of these vehicles are located at the Service's 20 Fire Stations.

The Fleet Manager is responsible for the day to day management of the fleet, fleet supply and fleet maintenance.

### Audit Objective

Internal Audit's objectives for this audit are to provide an evaluation of, and an opinion on, the adequacy and effectiveness of the system of internal controls that are in place to manage and mitigate financial and non-financial risks of the system.

This will serve as a contribution towards the overall opinion on the system of internal control that the Chief Internal Auditor is required to provide annually. It also provides assurance to the Section 112 Officer that financial affairs are being properly administered.

### Scope of work

The audit activity focused on the following key risk areas identified in the processes relating to Fleet Management:

#### Fleet Supply

- The replacement, purchase and disposal of vehicles is compliant with the Fleet Strategy, Contract Standing Orders and managed within agreed capital budgets.

#### Fleet Management

- The fleet is managed in accordance with agreed policies and procedures.
- Vehicles are used for authorised purposes only.

### Fleet Maintenance

- Fleet is maintained in accordance with statutory and Fire Service requirements.
- The Tranman system is used effectively for the maintenance and management of vehicles. Additionally the Audit will review whether the Tranman system is still fit for purpose.

The audit considered the controls in place at the time of the audit only. Where appropriate testing was undertaken using samples of transactions that occurred within the last 12 months.



**Table 1 Overall Conclusion**

<b>Overall conclusion on the system of internal control being maintained</b>		<b>Substantial</b>	
<b>RISK AREAS</b>	<b>AREA CONCLUSION</b>	<b>No of High Priority Management Actions</b>	<b>No of Medium Priority Management Actions</b>
<b>Fleet Supply</b>	<b>Substantial</b>	-	-
<b>Fleet Management</b>	<b>Substantial</b>	-	-
<b>Fleet Maintenance</b>	<b>Reasonable</b>	-	<b>1</b>
		-	<b>1</b>

Appendix 1 provides a definition of the grading for each of the conclusions given.

The overall conclusion of substantial assurance for the Fleet Management audit was concluded as there were no significant weaknesses in the control framework for the areas reviewed as part of this audit. There was an area for improvement in relation to the system management and training of staff to understand and fully utilise the system capabilities available to them. This should help to achieve added value for money in the delivery of fleet management as a service and allow for a consistent and reliable approach in which comfort can be held on the integrity of the data captured and used within the Tranman system.

Fleet Supply

There is a detailed Fleet Management Strategy available for 2014-17, with a new strategy to be developed and implemented prior to the end of 2017. The strategy provides an overarching guidance and direction that the service is taking in relation fleet management. This includes the collaboration with the Oxfordshire and Royal Berkshire Fire & Rescue Services.

Where the Service requires a new fleet vehicle, they are able to utilise the collaboration to achieve value for money in their purchase and hold a greater bargaining power and efficiency through economies of scale. This has allowed the Service to purchase under a more effective framework and maintain control on both quality and price.

Where assets are to be disposed, if they hold a net book value greater than £2,500, they require senior approval for the disposal. Should the value be under £2,500, the asset may be disposed of without further approval. Review of three disposals since January 2017 confirmed that there was an appropriate authorisation for the disposal in all cases, including one scrappage of a vehicle worth £4,000 where the Director of Finance and Assets has approved the scrappage.

### Fleet Management

Fuel Keys are assigned to the designated fleet vehicles which allow the vehicle to be topped up with fuel from one of the services pumping stations. The fuel keys are assigned to the vehicle through a management system. When the keys are not assigned to a vehicle, they are stored in a secured cabinet within the main office. The keys are also locked and cannot be used if taken out of the cabinet for any reason. This prevents unauthorised use of the pumping stations with unassigned fuel keys. Where fuel keys are assigned to lease vehicles, the fuel claimed is recharged against the officers pay two months after the transaction was completed. The officer is able to reclaim their work mileage through the expenses scheme.

All officers are provided with an ID Fob which is required to be used when driving the pool cars. Where an ID fob is not used, an alarm like sound is made on the vehicle to remind officers to use their fob. The journey is also tracked, and an email notification sent to the Senior Administrator who will follow up on journeys where an ID fob has not been used. This is then recorded in a monitoring spreadsheet. The ID fobs are used to monitor the vehicle in cases of speeding/collisions, with the Service being able to identify who the driver was at the time of the alleged activity. The fobs are not used to monitor driving habits or speed.

Lease Vehicles may be ordered and provided to officers who are eligible to have one. This is paid for through a contribution scheme from their salary. The Fleet Manager will provide log-in details to the leasing website for the officer to obtain the necessary quotes to identify their chosen vehicle. Once a vehicle has been found, an application form is submitted to the Officers Senior Manager and the Fleet Manager. The Senior Manager will authorise the officers eligibility to have a lease vehicle, and the Fleet Manager authorising the eligibility of the vehicle chosen, to ensure it is fit for purpose and in line with the Car Lease Scheme.

Pool Car bookings are managed through an outlook calendar where officers will request the use of vehicles for business related journeys. These are managed and placed within the calendar retaining the key information such as the driver details, the date and time required, and the reason for the request. The system works on a first come, first served basis; with the exception of emergencies. Review of the bookings system on outlook confirmed that bookings are made on a frequent basis and include the location and reason for lease car request.

During the review of the fleet management process, it was identified that there are a number of procedural guidance notes available for staff. These include the Pool Car Management, and Officers Car Lease Scheme guidance notes. Both process guidance notes were due for review in September 2016, but have yet to be reviewed. It was confirmed that the current notes are still applicable with no changes in the processes being made since the expiration of the guidance. The Service should ensure that guidance notes are reviewed in line with the review process and amended as required, including the next review date where processes remain the same. This will help to ensure process notes are not overlooked and reviewed on a periodic basis.

### Fleet Maintenance

Review of the Tranman system confirmed that the maintenance history is retained on the system, this includes the annual service certificates and safety inspection documentation. Review of five fleet vehicles service history could not identify the latest annual service certificate or safety inspection documentation in two cases. This is as all documents had the same file name “Annual Service” or “Safety Inspection”. The documents reviewed showed historic services; however, the latest versions were unavailable to review.

Staff are provided with training on a periodic basis based on their legislative requirements and funding availability. It was confirmed that the MOT Testers complete an MOT Test on an annual basis in line with their legislative requirement to do so, along with three hours of continued professional education which is self-assessed. The MOT test is completed through the DVSA website, with a pass/fail provided along with a certificate. Technicians were last provided training in November 2015. Training was not delivered in 2016/17 due to the availability of funding to provide refresher courses. There is a training schedule in place for 2017/18 which has received first line approval and should be introduced during the year.

The administrative staff last received training from Tranman in December 2015. This was completed through a one day training event. It was confirmed, by the Fleet Manager, that the training provided covered the whole of the Tranman system, in a short period of time. This led to a lot of information unable to be retained. Since the last training session, there have been a number of staffing changes in the administrative team. This has led to three, of the five persons using the Tranman system, not being trained by the service provider. This has meant that staff are not fully aware of the full system capabilities or able to fully utilise the system as it currently stands. The system holds a lot of functionality, however there have been issues identified during this audit. There are reporting issues through the Crystal Reporting function, along with the data integrity and alignment of processes which have meant reporting functions cannot be fully relied upon to provide up to date and valid information to base decisions upon.

## Table 2 Detailed Audit Findings and Action Plan

Management actions have been agreed to address control weakness identified during the closing meeting and agreement of the draft Internal Audit report. All management actions will be entered on the Council’s Performance Management Software and progress in implementing these actions will be tracked and reported to the Regulatory & Audit Committee.

We categorise our management actions according to their level of priority:

Priority High (H)	Major issue or exposure to a significant risk that requires immediate action or the attention of Senior Management.
Priority Medium (M)	Significant issue that requires prompt action and improvement by the local manager.
Priority Low (L)	Minor issues requiring action to improve performance or overall system of control.

	Audit Finding, risk exposure and potential impact	Priority	Management Action
1.	<p><b><u>Training and Utilisation of Tranman</u></b></p> <p>In discussion with the Fleet Manager it was confirmed that the latest Tranman training was delivered circa. December 2015 through a one day training event. This training event covered a large amount of materials in a short period of time and meant that a number of key topics were not covered in their entirety or in sufficient detail to fully absorbed the information to the required standard.</p> <p>Since the training was delivered there have also been a number of staff changes, resulting in three members of staff, from a five person team who use the Tranman system, never being taught the full system and how to use the software from the software provider. This has led to potential under-utilisation of the software and some inconsistencies in the use of the system potentially compromising data integrity and alignment of processes.</p> <p>In addition it was noted that there are current reporting issues through the Crystal Reporting function, which added to the potential inconsistencies in the use of the</p>	M	<p><b><u>Tranman Review</u></b></p> <p>Tranman to carry out a review of the current system and its utilisation and offer options for further utilisation of the current system, available ‘upgrades’ and system improvements. This information can then be analysed to ascertain the most appropriate action.</p> <p><b>Officer responsible:</b>                      Jez Finden, Fleet Manager</p> <p><b>Date to be implemented by:</b>                      31 August 2017</p>

	<b>Audit Finding, risk exposure and potential impact</b>	<b>Priority</b>	<b>Management Action</b>
	<p>system means reporting functions cannot be fully relied upon to provide up to date and valid information to base decisions upon. Audit acknowledges that the reporting issue is currently being investigated by Tranman.</p> <p>Where training is not provided on a periodic basis, staff may adopted inappropriate, ineffective, and / or out dated working practices.</p>	<p>M</p>	<p><b><u>Training and Utilisation of Tranman</u></b></p> <p>Identify training requirements, system improvements and possible upgrades for implementation in 2018/19 (depending on funding requirements).</p> <p><b>Officer responsible:</b></p> <p>Jez Finden, Fleet Manager</p> <p><b>Date to be implemented by:</b></p> <p>30 April 2018</p>

### Table 3 Low Priority Issues

Minor issues to be noted or requiring action to improve performance or overall system of control, which do not present a material risk to the system of control.

	<b>Audit Finding, risk exposure and potential impact</b>	<b>Management Action</b>
1	<p><b><u>File Storage on Tranman System</u></b></p> <p>The Annual Service and Safety Inspection documentation should be saved on the Tranman system to maintain a record of service history for all vehicles within the BMKFA fleet. This should be available for easy review of the latest maintenance and works completed.</p> <p>Review of five red fleet vehicle maintenance logs could not locate the latest service certificates for two vehicles. This was as all documents stored on file held a generic name, "Annual Service" or "Safety Inspection". It could not be identified, without opening the documents, which service/inspection the document related to. In the two cases identified, the latest service could not be found on Tranman (Fleet Vehicles 010 and 063).</p> <p>Where files are not appropriately named and recorded, documents may not be located easily at time of review. There is also a risk that documents are not uploaded to the system as on review, it cannot be confirmed what documents are uploaded and which have not.</p>	<p><b>Action</b></p> <p>Admin supervisor to devise a unique document identifier for all documents attached in future.</p> <p><b>Officer responsible:</b> Fleet Manager</p> <p><b>Date to be implemented by:</b> 30 November 2017</p>

## Appendix 1 Definition of Conclusions

Grading:	Substantial	Reasonable	Limited
<b>Overall conclusion on the system of internal control being maintained</b>	There is a strong system of internal control in place and risks are being effectively managed. Some minor action may be required to improve controls.	There is generally a good system of internal control in place and the majority of risks are being effectively managed. However some action is required to improve controls.	The system of internal control is weak and risks are not being effectively managed. The system is open to the risk of significant error or abuse. Significant action is required to improve controls.

## Appendix 2 Officers Interviewed

The following staff contributed to the outcome of the audit:

- Jez Finden, Fleet Manager
- Sue McIntyre, Senior Administrator
- Asif Hussain, Principal Accountant
- Jarvis Osborne, Assistant Procurement Manager

The Closing Meeting was attended by:

- Jez Finden, Fleet Manager

The auditors are grateful for the cooperation and assistance provided from all the management and staff who were involved in the audit. We would like to take this opportunity to thank them for their participation.



## Disclaimer

Any matters arising as a result of the audit are only those, which have been identified during the course of the work undertaken and are not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that could be made.

It is emphasised that the responsibility for the maintenance of a sound system of management control rests with management and that the work performed by Internal Audit Services on the internal control system should not be relied upon to identify all system weaknesses that may exist. However, audit procedures are designed so that any material weaknesses in management control have a reasonable chance of discovery. Effective implementation of management actions is important for the maintenance of a reliable management control system.

### Contact Persons

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# Buckinghamshire & Milton Keynes Fire Authority



<b>MEETING</b>	Overview and Audit Committee
<b>DATE OF MEETING</b>	15 November 2017
<b>OFFICER</b>	David Sutherland, Director of Finance and Assets Maggie Gibb, Internal Audit Manager
<b>LEAD MEMBER</b>	Councillor David Watson
<b>SUBJECT OF THE REPORT</b>	<b>Internal Audit Report: Update on progress of audit recommendations</b>
<b>EXECUTIVE SUMMARY</b>	<p>The purpose of this paper is to update Members on the progress of the implementation of audit recommendations made as at 16 October 2017.</p> <p>Any further progress against outstanding recommendations will be verbally presented to the Overview and Audit Committee on 15 November 2017.</p> <p>In total there are recommendations to report on the status of which are classified as follows:</p> <p>Green (Implemented) 21/25 (84%) Amber (on track not yet due) 2/25 (8%) Red (not implemented, due date revised) 2/25 (8%)</p> <p>There are no outstanding recommendations to bring to the attention of the Members at this time.</p> <p>Internal Audit continues to actively monitor implementation of all outstanding recommendations throughout the year.</p>
<b>ACTION</b>	Noting.
<b>RECOMMENDATIONS</b>	That Members note the progress on implementation of recommendations.
<b>RISK MANAGEMENT</b>	There are no risk implications arising from this report.
<b>FINANCIAL IMPLICATIONS</b>	The audit work is contained within the 2017-18 budget.
<b>LEGAL IMPLICATIONS</b>	There are no legal implications arising from this report.
<b>CONSISTENCY WITH THE PRINCIPLES OF COLLABORATION</b>	Not applicable.

<b>HEALTH AND SAFETY</b>	There are no health and safety implications arising from this report.
<b>EQUALITY AND DIVERSITY</b>	There are no equality and diversity implications arising from this report.
<b>USE OF RESOURCES</b>	Communication and progress monitoring All audits, follow up reports and further updates will be submitted to SMB and Overview and Audit Committee.
<b>PROVENANCE SECTION &amp; BACKGROUND PAPERS</b>	Internal Audit Plans 2015/16, 2016/17 and 2017/18 Internal Audit reports taken to Overview and Audit Committee
<b>APPENDICES</b>	Annex A: Status of Internal Audit Recommendations – 16 October 2017
<b>TIME REQUIRED</b>	10 minutes.
<b>REPORT ORIGINATOR AND CONTACT</b>	Maggie Gibb – Internal Audit Manager mgibb@buckscc.gov.uk 01296 387327

**ANNEX A:**

**Status of Internal Audit recommendations – October 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 16 October 2017		
							Red	Amber	Green
<b>2015/16</b>									
Core Financial Controls	May 2016	Substantial	10	9	1	↓	1*	0	9
<b>2016/17</b>									
Project Management	January 2017	Reasonable	5	4	0	↔	0	1	4
Core Financial Controls	June 2017	Substantial	8	7	7	↑	1**	0	7
<b>2017/18</b>									
Fleet Management	July 2017	Substantial	2	1	1	↑	0	1	1
<b>Totals</b>			<b>25</b>	<b>21</b>	<b>9</b>		<b>2</b>	<b>2</b>	<b>21</b>

<b>Red</b>	Recommendation has not yet been implemented and will not meet the original deadline
<b>Amber</b>	Recommendation is progressing, not due to be actioned yet.
<b>Green</b>	Recommendation has been actioned

**Notes for Overview and Audit Committee:**

\* **Core Financial Controls 2015/16** – The outstanding recommendation relates to the review of Financial Instructions, these have been updated following the approval of revised Financial Regulations and will be presented to the Overview and Audit Committee in November 2017.

\*\* **Core Financial Controls 2016/17** – The outstanding recommendation relates to the process for approving new starter forms; controls have been tightened for processing paper forms, the workflow/request to recruit will be automated as part of the build of the new e-recruitment system. The revised implementation date is January 2018.

**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

<b>MEETING</b>	Overview and Audit Committee
<b>DATE OF MEETING</b>	15 November 2017
<b>OFFICER</b>	David Sutherland, Director of Finance and Assets Maggie Gibb, Internal Audit Manager
<b>LEAD MEMBER</b>	Councillor David Watson
<b>SUBJECT OF THE REPORT</b>	<b>Internal Audit Report: Update on Progress of the Annual Audit Plan</b>
<b>EXECUTIVE SUMMARY</b>	<p>The purpose of this paper is to update Members on the progress of the annual Internal Audit Plan since the last meeting.</p> <p>Work is progressing according to the 2017/18 plan, and regular discussions have been held with the Director of Finance and Assets to monitor progress.</p> <p>The audit of Fleet Management has been completed and issued as a final report.</p> <p>The fieldwork for the Corporate Governance and Property Management audits is in progress, with the draft report due for issue before the end of the year. The final reports will be presented to Members at the next Overview and Audit Committee meeting.</p> <p>The audit of Core Financial Controls is at a planning stage, and the scope and start date will be agreed with management in due course.</p> <p>Timings for the remaining audits will be discussed and agreed with SMB.</p>
<b>ACTION</b>	Noting.
<b>RECOMMENDATIONS</b>	That Members note the progress on the Annual Internal Audit Plan.
<b>RISK MANAGEMENT</b>	There are no risk implications arising from this report.
<b>FINANCIAL IMPLICATIONS</b>	The audit work is contained within the 2017/18 budget.
<b>LEGAL IMPLICATIONS</b>	There are no legal implications arising from this report.
<b>CONSISTENCY WITH THE PRINCIPLES OF COLLABORATION</b>	Not applicable.

<b>HEALTH AND SAFETY</b>	There are no health and safety implications arising from this report.
<b>EQUALITY AND DIVERSITY</b>	There are no equality and diversity implications arising from this report.
<b>USE OF RESOURCES</b>	Communication and progress monitoring All audits, follow up reports and further updates will be submitted to SMB and Overview and Audit Committee.
<b>PROVENANCE SECTION &amp; BACKGROUND PAPERS</b>	Internal Audit Plan 2017/18 Internal Audit reports taken to Overview and Audit Committee
<b>APPENDICES</b>	Annex A: Progress against 2017/18 Internal Audit Plan with a schedule of proposed work still to be undertaken.
<b>TIME REQUIRED</b>	10 minutes.
<b>REPORT ORIGINATOR AND CONTACT</b>	Maggie Gibb – Internal Audit Manager mgibb@buckscc.gov.uk 01296 387327



## Appendix A

### Progress against 2017/18 Internal Audit Plan

Auditable Area	Key Audit Objectives	Day Budget (Timing)	Status
<b>Core Financial Controls</b>	<p>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:</p> <ul style="list-style-type: none"> <li>Financial Control/Monitoring</li> <li>Procure to Pay</li> <li>Payroll &amp; Pensions</li> <li>Debtors</li> <li>Capital</li> <li>Financial Regulations</li> <li>General Ledger</li> <li>Reconciliations</li> <li>Treasury Management</li> </ul> <p>This review will include a follow up of the 2016/17 audit report.</p> <p>The budgeted days have been increased due to implementation of new Finance and HR systems.</p>	50 days (Q3/4)	Planning
<b>Corporate Governance</b>	<p>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.</p>	15 days (Q3)  <i>(increased to 15 days due to wide scope)</i>	Fieldwork in progress
<b>Fleet Management</b>	<p>This audit will provide assurance on the controls in place over the use of pool vehicles and compliance with the Fleet Management Policy.</p>	10 days (Q1)	<b>FINAL REPORT SUBSTANTIAL</b>
<b>Property Management</b>	<p>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.</p>	10 days (Q2)	Fieldwork in progress

**Appendix A**

<b>Auditable Area</b>	<b>Key Audit Objectives</b>	<b>Day Budget (Timing)</b>	<b>Status</b>
<b>Contingency</b>	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.	10 days	
<b>Follow Up - general</b>	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	On-going
<b>Corporate Work</b>	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
<b>Total</b>		<b>115 days</b>	

# Buckinghamshire & Milton Keynes Fire Authority



<b>MEETING</b>	Overview and Audit Committee
<b>DATE OF MEETING</b>	15 November 2017
<b>OFFICER</b>	Graham Britten, Director of Legal and Governance
<b>LEAD MEMBER</b>	Councillor David Watson
<b>SUBJECT OF THE REPORT</b>	<b>2016/17 Statement of Assurance</b>
<b>EXECUTIVE SUMMARY</b>	<p>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. 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.</p> <p>The precise form, content and methodology used to prepare the statements are left to local discretion. Where authorities "<i>have already set out relevant information that is clear, accessible, and user-friendly within existing documents</i>" they may draw on these in preparing their statements of assurance.</p> <p>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 2016/17 Statement of Assurance, shown at Annex A, draws on, summarises and includes relevant extracts from these more detailed assessments. Changes from the 2015/16 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.</p> <p>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.</p> <p>In respect of Buckinghamshire and Milton Keynes Fire Authority, officers are of the view that the most</p>

	appropriate person is the Chairman of the Overview and Audit Committee.
<b>ACTION</b>	Decision.
<b>RECOMMENDATIONS</b>	That the 2016/17 Statement of Assurance be approved for signature by the Chairman of the Overview and Audit Committee and the Chief Fire Officer.
<b>RISK MANAGEMENT</b>	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.
<b>FINANCIAL IMPLICATIONS</b>	There are no direct financial implications arising from the introduction of the statement of assurance.
<b>LEGAL IMPLICATIONS</b>	<p>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 "<i>...a fire and rescue authority is failing, or is likely to fail, to act in accordance with the Framework prepared under section 21</i>".</p> <p>Also "<i>The Secretary of State must report to Parliament on—</i></p> <p><i>(a) the extent to which fire and rescue authorities are acting in accordance with the Framework prepared under section 21;</i></p> <p><i>(b) any steps taken by him for the purpose of securing that fire and rescue authorities act in accordance with the Framework</i>".</p> <p>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 &amp; Rescue Services Act 2004.</p>
<b>CONSISTENCY WITH THE PRINCIPLES OF COLLABORATION</b>	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.
<b>HEALTH AND SAFETY</b>	There are no direct health and safety implications arising from this report.
<b>EQUALITY AND DIVERSITY</b>	There are no direct equality and diversity implications arising from this report.
<b>USE OF RESOURCES</b>	<p><b>Communication and consultation</b></p> <p>The officers with responsibility for the areas reported</p>

	on in the Statement of Assurance have been responsible for supplying the information and responses necessary for its preparation.
<b>PROVENANCE SECTION &amp; BACKGROUND PAPERS</b>	<p>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:</p> <p><a href="http://www.bucksfire.gov.uk/NR/rdonlyres/E6EE2A89-79F6-45B3-B02E-CE3675D252A3/0/270912Agendaandreports.pdf">http://www.bucksfire.gov.uk/NR/rdonlyres/E6EE2A89-79F6-45B3-B02E-CE3675D252A3/0/270912Agendaandreports.pdf</a></p> <p>The Authority's first Statement of Assurance for 2012/13 was approved by the Overview and Audit Committee on 12 March 2014:</p> <p><a href="http://bucksfire.gov.uk/files/2914/0620/7328/ITEM5201213StatementofAssurance.pdf">http://bucksfire.gov.uk/files/2914/0620/7328/ITEM5201213StatementofAssurance.pdf</a></p> <p>The 2013/14 Statement of Assurance was approved on 11 March 2015:</p> <p><a href="http://bucksfire.gov.uk/files/1114/2529/7877/Overview_Audit_Committee_Agenda_Pack_110315.pdf">http://bucksfire.gov.uk/files/1114/2529/7877/Overview_Audit_Committee_Agenda_Pack_110315.pdf</a></p> <p>The 2014/15 Statement of Assurance was approved on 9 March 2016:</p> <p><a href="http://bucksfire.gov.uk/files/2014/5674/0804/ITEM_10_2014-15_Statement_of_AssuranceAppendices.pdf">http://bucksfire.gov.uk/files/2014/5674/0804/ITEM_10_2014-15_Statement_of_AssuranceAppendices.pdf</a></p> <p>The 2015/16 Statement of Assurance was approved on 8 March 2017:</p> <p><a href="http://bucksfire.gov.uk/files/2714/8792/9864/OVERVIEW_AND_AUDIT_COMMITTEE_080317_AGENDA_AND_REPORTS_COMPRESSED.pdf">http://bucksfire.gov.uk/files/2714/8792/9864/OVERVIEW_AND_AUDIT_COMMITTEE_080317_AGENDA_AND_REPORTS_COMPRESSED.pdf</a></p>
<b>APPENDICES</b>	<p>Annex A: Draft 2016/17 Statement of Assurance</p> <p>Annex B: CLG Guidance on Statements of Assurance</p>
<b>TIME REQUIRED</b>	15 minutes.
<b>REPORT ORIGINATOR AND CONTACT</b>	<p>Stuart Gowanlock</p> <p><a href="mailto:sgowanlock@bucksfire.gov.uk">sgowanlock@bucksfire.gov.uk</a></p> <p>01296 744435</p>

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Approval date: 15 November 2017



**Statement of Assurance  
2016/2017**

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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<sup>1</sup> during the 2016/17 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 audited annual financial statements for the Year Ending 31 March 2017 can be accessed via this hyperlink:  
[http://bucksfire.gov.uk/files/7615/0349/4641/Statement\\_of\\_Accounts\\_2016\\_17\\_Final\\_After\\_OA\\_Signed\\_v2.pdf](http://bucksfire.gov.uk/files/7615/0349/4641/Statement_of_Accounts_2016_17_Final_After_OA_Signed_v2.pdf)

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<sup>1</sup> 'Guidance on Statements of assurance for fire and rescue authorities in England, Department for Communities and Local Government, May 2013.

- 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 appointed auditors:

- Gave an unqualified opinion that the Authority's financial statements give a true and fair view of its position and that of the Pension Fund;
- Concluded that the other information published with the financial statements is consistent with the Annual Accounts;
- Concluded that the Authority has proper arrangements to secure value for money in its use of resources;
- Did not identify any material weaknesses in the Authority's system of financial control or evidence of material management override in relation to its operation.

- 2.5 The detailed results and conclusions from the appointed external auditors audit process can be found in the Annual Audit Letter for the year ended 31 March 2017 (see pages 105 – 122):  
[http://bucksfire.gov.uk/files/8915/0028/5485/OVERVIEW\\_AND\\_AUDIT\\_COMMITTEE\\_AGENDA\\_AND\\_REPORTS\\_260717-compressed.pdf](http://bucksfire.gov.uk/files/8915/0028/5485/OVERVIEW_AND_AUDIT_COMMITTEE_AGENDA_AND_REPORTS_260717-compressed.pdf)

- 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 2016/17 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".*

The full internal audit report containing the Internal Auditors opinion can be found at pages 41 – 46 of the hyperlinked document:  
[http://bucksfire.gov.uk/files/8915/0028/5485/OVERVIEW\\_AND\\_AUDIT\\_COMMITTEE\\_AGENDA\\_AND\\_REPORTS\\_260717-compressed.pdf](http://bucksfire.gov.uk/files/8915/0028/5485/OVERVIEW_AND_AUDIT_COMMITTEE_AGENDA_AND_REPORTS_260717-compressed.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 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/>

### 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 2016/17 financial year. This stated that:

*The audit activity in 2016/17 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 2016/17:

[http://bucksfire.gov.uk/files/2215/0175/0735/Annual\\_Governance\\_Statement\\_2016-17\\_For\\_Publication.pdf](http://bucksfire.gov.uk/files/2215/0175/0735/Annual_Governance_Statement_2016-17_For_Publication.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 February 2017 meeting, and can be viewed via the following link to the Authority's website (at pages 79-100):

[http://bucksfire.gov.uk/files/3614/8638/9933/FIRE\\_AUTHORITY\\_AGENDA\\_AND\\_REPORTS\\_150217.compressed.pdf](http://bucksfire.gov.uk/files/3614/8638/9933/FIRE_AUTHORITY_AGENDA_AND_REPORTS_150217.compressed.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;
- Policing and Crime Act 2017.

4.2 In 2016 the Authority reviewed its approach to assuring operational effectiveness and developed a new operational assurance model to help identify and meet known 'best practice' requirements. It subsequently commissioned an independent appraisal and application of the new model both to assure its fitness for purpose and assess the Authority's performance in relation to it.

4.3 The appraisal and application of the new operational assurance model, carried out by Operational Assurance Limited (OAL), identified a total of 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, an 'e-Safety' system being implemented by the Health, Safety and Wellbeing team was been identified as being capable of satisfying the requirements of an active monitoring system.

Regarding the third high priority recommendation, an Operational Assurance Group (OAG) was formed under the chairmanship of the Head of Service Development with the required direction and authority to assist in the formal management and progression of issues arising from operational activities, through to a meaningful resolution. The inaugural meeting of the OAG, which acts as the forum, took place on the 21 February 2017, with an established schedule of meetings planned for the coming year. Minutes of these meetings detail the decisions and actions taken in relation to particular emerging issues. Also, a detailed Operational Assurance Improvement Plan (OAIP) was developed to address all of the OAL recommendations and an Operational Assurance Team was constituted as part of a departmental restructure and tasked with: delivering the OAIP; embedding the assurance model throughout the Service; and, developing the assurance process in preparation for the new external inspection regime for the Fire and Rescue Service mandated by the Policing and Crime Act 2017

The OAL Report, OAG Terms of Reference and OAIP were presented to the Authority's Overview and Audit Committee in March 2017 and can be viewed by following the hyperlink below (see pages 119 – 188):

[http://bucksfire.gov.uk/files/2714/8792/9864/OVERVIEW\\_AND\\_AUDIT\\_COMMITTEE\\_080317\\_AGENDA\\_AND\\_REPORTS\\_COMPRESSED.pdf](http://bucksfire.gov.uk/files/2714/8792/9864/OVERVIEW_AND_AUDIT_COMMITTEE_080317_AGENDA_AND_REPORTS_COMPRESSED.pdf)

## **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](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](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](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 Overview and Audit 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 (Agenda Item 11 - 15 November 2017):  
[\(Hyperlink to 15 November 2017 O & A Annual Performance Monitor 2016-17 report to follow\)](#)

## 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. In August 2016 our water rescue assets were added to the National Asset Register for flood response following implementation of a range of improvements to our water rescue capabilities. The cost of providing these types of specialist assistance is recovered from requesting Authority.

6.3 In February 2017 the Authority provided mutual aid to Oxfordshire Fire and Rescue Service by deploying its USAR team to assist with the

search for missing persons after an explosion and fire which caused a three storey block of flats in the Osney Lane / Gibbs Crescent area of Oxford to collapse. The USAR team were onsite for a five day period during which time they also deployed the Authority's drone capability to conduct an aerial survey of the incident ground.

- 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 Counter Terrorist Policing South East (CTPSE). 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**



Department for  
Communities and  
Local Government

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

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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*.<sup>1</sup>

## 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.<sup>2</sup>
14. It is a statutory requirement under the *Accounts and Audit (England) Regulations 2011*<sup>3</sup> 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<sup>4</sup> 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

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<sup>1</sup> <http://www.legislation.gov.uk/ukpga/2004/21/section/25>

<sup>2</sup> Section 3 of the Local Government Act 1999

<sup>3</sup> <http://www.legislation.gov.uk/uksi/2011/817/contents/made>

<sup>4</sup> *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*.<sup>5</sup>

## 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](#)<sup>6</sup>
  - the [Civil Contingencies Act 2004](#)<sup>7</sup>
  - the [Regulatory Reform \(Fire Safety\) Order 2005](#)<sup>8</sup>
  - the [Fire and Rescue Services \(Emergencies\) \(England\) Order 2007](#)<sup>9</sup>
  - the [Localism Act 2011](#)<sup>10</sup>
  - the [Fire and Rescue National Framework for England](#)<sup>11</sup>
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

<sup>5</sup> <https://www.gov.uk/government/publications/local-authority-data-transparency-code>

<sup>6</sup> <http://www.legislation.gov.uk/ukpga/2004/21/contents>

<sup>7</sup> <http://www.legislation.gov.uk/ukpga/2004/36/contents>

<sup>8</sup> <http://www.legislation.gov.uk/uksi/2005/1541/contents/made>

<sup>9</sup> <http://www.legislation.gov.uk/uksi/2007/735/contents/made>

<sup>10</sup> <http://www.legislation.gov.uk/ukpga/2011/20/contents/enacted>

<sup>11</sup> <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

<b>MEETING</b>	Overview and Audit Committee
<b>DATE OF MEETING</b>	15 November 2017
<b>OFFICER</b>	David Sutherland, Director of Finance and Assets
<b>LEAD MEMBER</b>	Councillor David Watson
<b>SUBJECT OF THE REPORT</b>	<b>Treasury Management Performance 2017/18 - Quarter 2</b>
<b>EXECUTIVE SUMMARY</b>	<p>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.</p> <p>The accrued interest earned from April to September 2017/18 is £77k, which is 27k higher than budgeted.</p>
<b>ACTION</b>	Noting.
<b>RECOMMENDATIONS</b>	That the Treasury Management Performance 2017/18 – Quarter 2 report be noted.
<b>RISK MANAGEMENT</b>	<p>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.</p> <p>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.</p> <p>The risk of counterparty failure is monitored on the directorate level risk register within Finance and Assets.</p> <p>There are no direct staffing implications.</p>
<b>FINANCIAL IMPLICATIONS</b>	The budget for 2017/18 relating to interest earned on balances invested is £100k. Performance against the budget is included within Appendix A.
<b>LEGAL IMPLICATIONS</b>	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
<b>CONSISTENCY WITH THE PRINCIPLES OF THE DUTY TO COLLABORATE</b>	No direct impact.
<b>HEALTH AND SAFETY</b>	No direct impact.
<b>EQUALITY AND DIVERSITY</b>	No direct impact.
<b>USE OF RESOURCES</b>	See Financial Implications.
<b>PROVENANCE SECTION &amp; BACKGROUND PAPERS</b>	Treasury Management Policy Statement, Treasury Management Strategy Statement and the Annual Investment Strategy <a href="http://bucksfire.gov.uk/files/6915/0816/2881/ITEM_8_Treasury_Management_Strategy_2017-18_Final.pdf">http://bucksfire.gov.uk/files/6915/0816/2881/ITEM_8_Treasury_Management_Strategy_2017-18_Final.pdf</a>  Treasury Management Practices <a href="http://bucksfire.gov.uk/files/4314/5527/8969/OA2509_13.compressed.pdf">http://bucksfire.gov.uk/files/4314/5527/8969/OA2509_13.compressed.pdf</a>
<b>APPENDICES</b>	Appendix A – Treasury Management Performance 2017/18 – Quarter 2
<b>TIME REQUIRED</b>	5 minutes.
<b>REPORT ORIGINATOR AND CONTACT</b>	Asif Hussain <a href="mailto:ahussain@bucksfire.gov.uk">ahussain@bucksfire.gov.uk</a> 01296 744421

## Appendix A – Treasury Management Performance 2017/18 – Quarter 2

### 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 fourth year 2017/18.

### 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 30 September 2017 is detailed below:

<b>Counterparty</b>	<b>Amount (£000)</b>
Lloyds Bank plc	5,000
Santander	2,500
Leeds Building Society	1,000
Skipton Building Society	1,000
Royal Bank Of Scotland	4,004
Goldman Sachs International	5,000
Sumitomo Mitsui	1,000
Warrington Borough Council	2,000
Bournemouth Borough Council	2,000
Lloyds Bank plc (current accounts)	1,250
Ignis Sterling MMF*	305
CCLA MMF	21
<b>Total</b>	<b>25,080</b>

\*MMF denotes a Money Market Fund

No counterparty limits were breached during Quarter 2.

The above investments include an amount of £326k 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 2 Capita made one change to the counterparty listing. Therefore in line with the AIS, the Authority's lending list has been updated to reflect these changes as detailed in the table below:

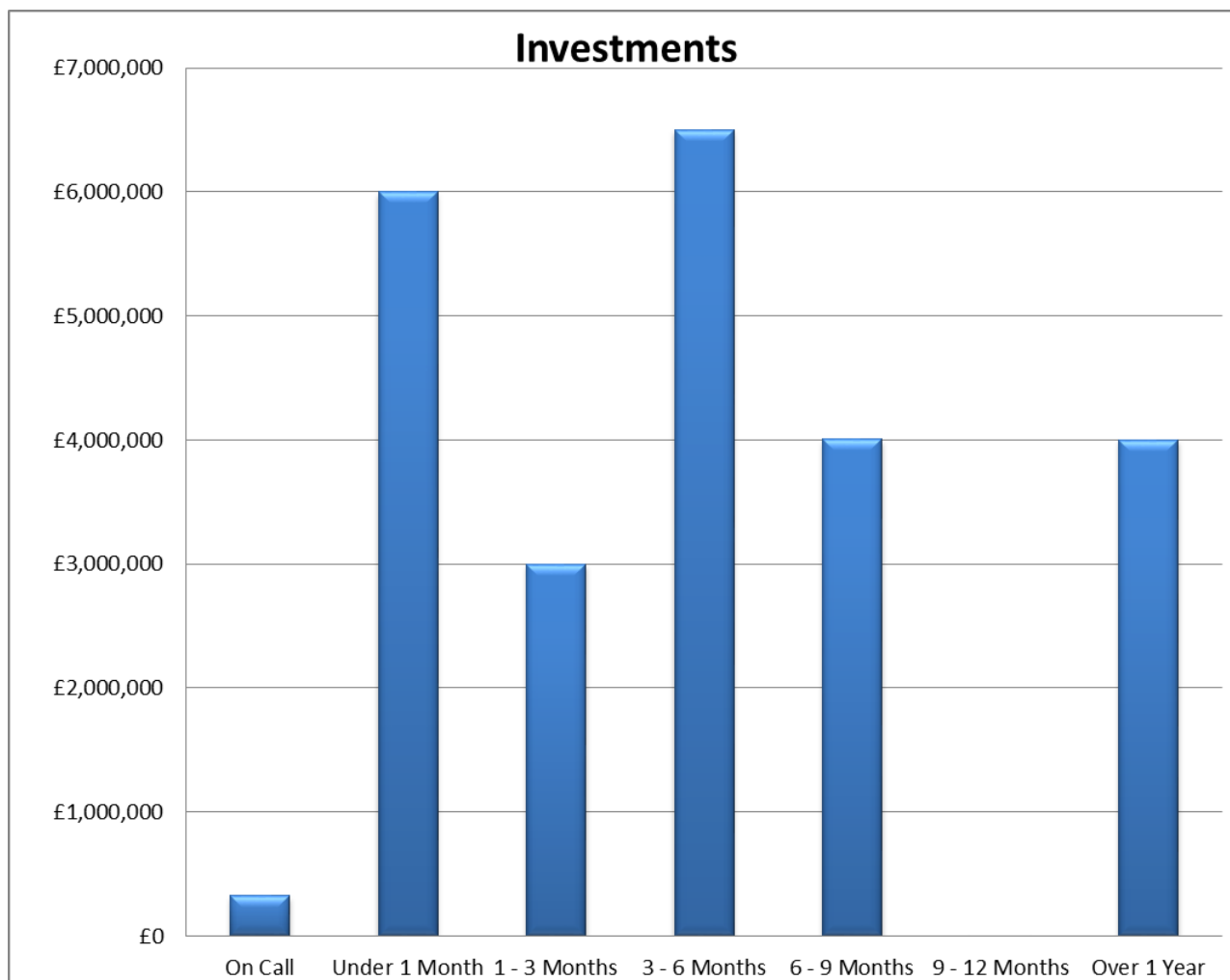
<u>Country</u>	<u>Counterparty</u>	<u>Maximum Duration as at 30/06/2017</u>	<u>Maximum Duration as at 30/09/2017</u>
UK	UBS Ltd *	Red - 6 mths	Orange - 12 mths



## 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 six months (which matures on 4 October 2017, at which point it will be reinvested). 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).

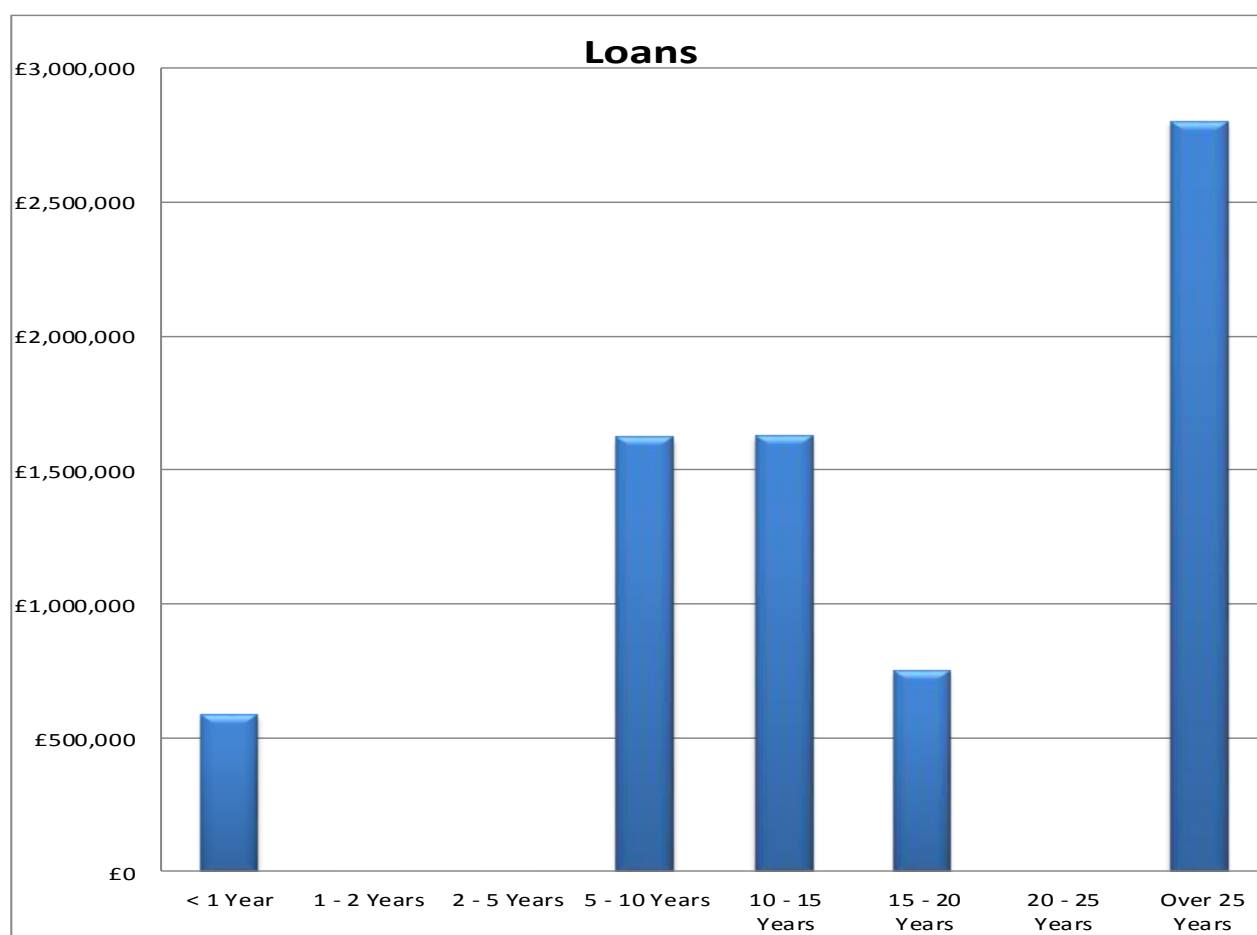
The majority of our investment duration to date has been under 6 months. This is largely due to the impact of the rating agencies changing their methodologies which has resulted in a number of banks given a red credit rating. The red credit rating

means that we can only deposit funds for up to 6 months. The Authority has recently placed two longer term investments of £2m each with other local authorities. The investment durations are for 3 and 2 years with a return of 0.90% and 0.72% respectively. However, the number of authorities seeking investment in this way is small and opportunities to invest in this way are limited.

Balances on call include the investments in the 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 30 September 2017 is £7.382m. 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 2

The budget for future years was reviewed as part of the Medium Term Financial Plan process and the income target for 2017/18 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 30 September 2017 is £77k against the planned budget of £50k for the first half of the financial year, which is an over achievement of £27k. It should be noted that £18k of this is due to the interest achieved from making an advance payment in respect of the Employers contribution to the LGPS of £1.3m, achieving £36k interest per year for the next 3 years.

#### Performance Against the Benchmark – Quarter 2

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
- Capita benchmark – this is the indicative rate that Capita advised we should be looking to achieve for 2017/18 at the start of the year
- The weighted average rate (%) is compared to the two benchmark figures in the following chart for each month:



The Authority has out-performed both benchmark figures for the two quarters, however not as significantly as in previous years. The lower return being achieved by the Authority's investments is due to two factors;

1. The expected impact of the cut in interest rates by the Bank of England, as reported in 2016/17, and
2. The impact of the change in methodologies by the rating agencies causing Capita in turn to restrict the banks named on the Authority's lending list to a suggested 6 months duration for deposits. The reduction in duration has led to the Authority achieving a reduced rate of return on investments.



# Buckinghamshire & Milton Keynes Fire Authority

<b>MEETING</b>	Overview and Audit Committee
<b>DATE OF MEETING</b>	15 November 2017
<b>OFFICER</b>	David Sutherland, Director of Finance and Assets
<b>LEAD MEMBER</b>	Councillor Peter McDonald
<b>SUBJECT OF THE REPORT</b>	<b>Treasury Management Strategy Development</b>
<b>EXECUTIVE SUMMARY</b>	<p>At the meeting of the Overview and Audit Committee on 26 July 2017 it was agreed that a paper would be brought to the next meeting of the Committee setting out potential ways to diversify the investment portfolio.</p> <p>Feedback from Members will be used to help inform the development of the Treasury Strategy for 2018-19.</p>
<b>ACTION</b>	Decision.
<b>RECOMMENDATIONS</b>	<p>Members are asked to resolve whether each of the following recommendations should be included within the Treasury Management Strategy for 2018/19 that will be considered for approval by the Fire Authority (based on recommendation from the Executive Committee):</p> <ol style="list-style-type: none"> <li>1. That the duration limit to be used for 2018/19 should be the Capita recommended limit plus six months (e.g. the limit for counterparties rated 'Red' will be 1 year).</li> <li>2. That the limit of 100 days is removed from non-UK based counterparties and that the duration limit is as per the Capita rating (but not including the plus six months option in Recommendation 1).</li> <li>3. Any counterparty rated at least 'Green' by Capita should be added to the counterparty list regardless of location.</li> <li>4. The top-ten building societies (by group assets) should be added to the counterparty list. The duration of investment will be limited to 1 year and the total amount invested with any one non-rated building society at any point in time will not exceed £2 million.</li> <li>5. That up to £3 million can be invested in a</li> </ol>

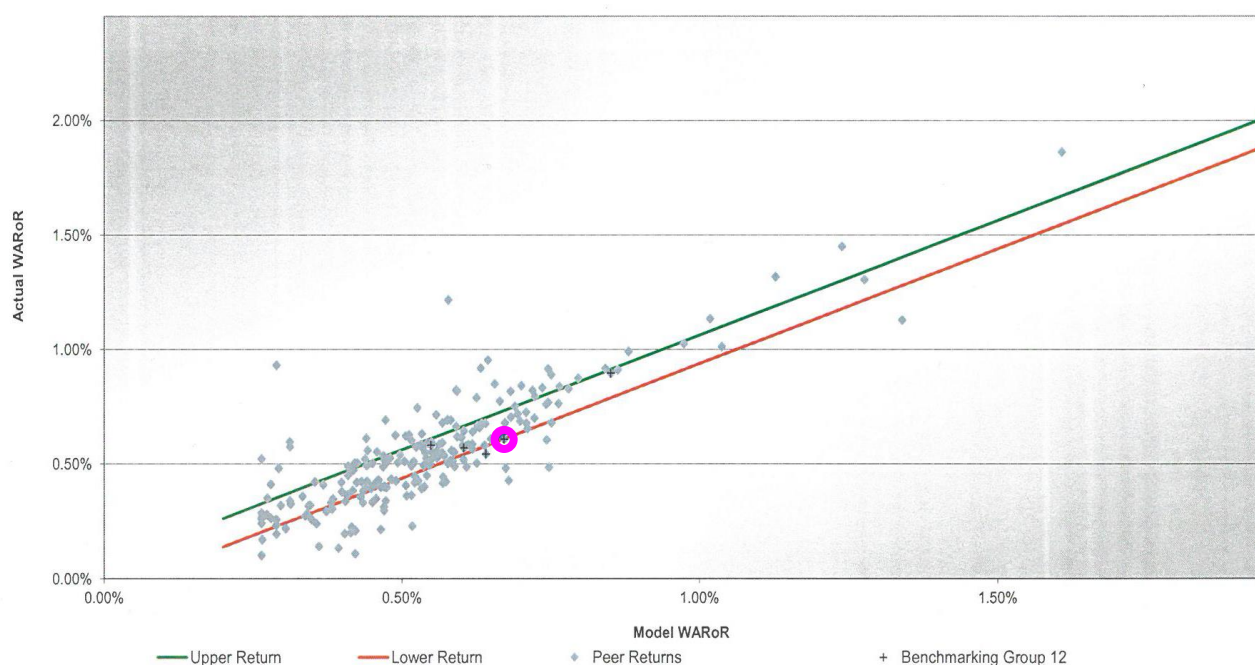
	property fund.
<b>RISK MANAGEMENT</b>	<p>Making investments in the Authority’s own name means that the Authority bears the risk of any counterparty failure. This risk will be managed in accordance with the strategy and with advice from external treasury management advisors.</p> <p>The Director of Finance 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. There are no direct staffing implications.</p>
<b>FINANCIAL IMPLICATIONS</b>	<p>The current budget for income from investments is £100k. The latest forecast outturn position is £150k.</p> <p>Implications of each recommendation are contained within Appendix A.</p>
<b>LEGAL IMPLICATIONS</b>	<p>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.</p> <p>Under Section 12 of the Local Government Act 2003 the Authority has the power to invest for “any purpose relevant to its functions” and “for the purposes of the prudent management of its financial affairs”.</p> <p>However it must exercise its investment power in accordance with its fiduciary duty, analogous to that of a trustee, owed to those who contribute to the funds of the Authority.</p>
<b>CONSISTENCY WITH THE PRINCIPLES OF THE DUTY TO COLLABORATE</b>	No direct impact.
<b>HEALTH AND SAFETY</b>	No direct impact.
<b>EQUALITY AND DIVERSITY</b>	No direct impact.
<b>USE OF RESOURCES</b>	See Financial Implications.
<b>PROVENANCE SECTION &amp; BACKGROUND PAPERS</b>	<p><b>Background</b></p> <p>Treasury Management Strategy 2017-18, Fire Authority, 15 February 2017:</p> <p><a href="http://bucksfire.gov.uk/files/4314/8639/2930/ITEM_8">http://bucksfire.gov.uk/files/4314/8639/2930/ITEM_8</a></p>

	<a href="#">_Treasury Management Strategy 2017-18 Final.pdf</a>
<b>APPENDICES</b>	<p>Appendix A – Current Performance and Potential Developments to the Treasury Strategy</p> <p>Appendix B – Capita Credit Ratings List as at 27 October 2017</p> <p>Appendix C – Building Societies Group Assets as at August 2017</p>
<b>TIME REQUIRED</b>	15 minutes.
<b>REPORT ORIGINATOR AND CONTACT</b>	<p>Mark Hemming</p> <p><a href="mailto:mhemming@bucksfire.gov.uk">mhemming@bucksfire.gov.uk</a></p> <p>01296 744687</p>

## Appendix A – Current Performance and Potential Developments to the Treasury Strategy

The Authority is part of a local authority investment benchmarking group. This helps to highlight the performance of the Authority relative to its peers. Although the other members of the group are district/borough councils with larger investment balances, the information does indicate some potential variations to the current strategy that could improve performance.

The chart below shows the actual investment returns versus the modelled rate of return (i.e. the return that should be achieved based on the level of risk inherent within each authority's strategy).



BMKFA's performance is circled. This indicates that the returns being achieved are consistent with the expected returns, but that other authorities with different strategies are achieving greater rates of return.

The remainder of this paper considers potential amendments to the current strategy and the pros and cons of each.

### Duration of Investments

The maximum duration of investments is based on an approach devised by our external treasury advisors (Capita). This modelling approach combines credit ratings, credit watches and credit outlooks in a weighted scoring system which is then combined with an overlay of credit-default swaps (CDS) spreads for which the end product is a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are used by the Authority to determine the suggested duration for investments. As per the current strategy, the maximum durations are:

- Yellow 5 years
- Purple 2 years
- Blue 1 year (only applies to nationalised or semi nationalised UK Banks)



- Orange 1 year
- Red 6 months
- Green 3 months
- No colour not to be used

The following table shows the average length of investments for each authority in the benchmarking group:

	<b>BMKFA</b>	Authority A	Authority B	Authority C	Authority D
Weighted Average Maturity (days)	<b>58</b>	119	180	198	127

This indicates that the Authority could potentially benefit from lengthening the duration of investments. The Authority has recently placed two longer term investments of £2m each with other local authorities. The investment durations are for 3 and 2 years with a return of 0.90% and 0.72% respectively. However, the number of authorities seeking investment in this way is small and opportunities to invest are limited. It would be beneficial if the Authority could lend to existing counterparties for a longer duration. This will increase the risk slightly but will offer increased returns. As an example the rate offered by Barclays at the beginning of October was 0.40% for six months, which increased to 0.68% for one year.

**Recommendation 1 – that the duration limit to be used for 2018/19 should be the Capita recommended limit (see above bullet points and also Appendix B) plus six months (e.g. the limit for counterparties rated ‘Red’ will be 1 year)**

The current strategy also limits investments with non-UK based counterparties to 100 days. There is no evidence to suggest that non-UK based counterparties with equivalent Capita ratings to their UK based counterparts represent a greater investment risk (although in the unlikely event of default, it may be harder to recover sums invested).

**Recommendation 2 – that the limit of 100 days is removed from non-UK based counterparties and that the duration limit is as per the Capita rating (see Appendix B) but not including the plus six months option in Recommendation 1**

#### Counterparty Location

When treasury management was first brought in-house, Members resolved that all investments should be placed with UK based counterparties. For 2014/15 it was resolved to add a limited number of non-UK based counterparties. The benchmarking group has indicated a number of other possible counterparties that could be added to the list. This would not increase risk but would offer additional investment opportunities.

**Recommendation 3 – any counterparty rated at least ‘Green’ by Capita (see Appendix B) should be added to the counterparty list regardless of location**

#### Unrated Counterparties

By adding more building societies to the counterparty listing the Authority would create diversity and greater liquidity of its investments. The Authority’s current

lending list is weighted towards the UK banks. UK Building Societies are considered to be of "high credit quality" and comfort can be taken from the building societies' regulatory framework and insolvency regime where, in the unlikely event of a building society liquidation, the Council's deposits would be paid out in preference to retail depositors.

Building societies have an unparalleled record of investor safety. No investor (retail or wholesale) has lost money invested with a building society at least since the Second World War. Although the banking crisis exposed imprudent behaviour elsewhere, the building society sector remains sound and secure for several reasons.

1. The statutory framework of the Building Societies Act 1986, substantially revised in 1997, enshrines a relatively prudent business model. Societies must raise the majority of their funds (at least 50%) from their members' savings, and the vast majority of their business (at least 75%) must be fully secured residential mortgages. There are statutory restrictions on riskier forms of financial trading: unlike banks, societies cannot trade in currencies or commodities, they cannot make markets in securities, and their use of financial derivatives is limited to the management of their own risks.

2. All building societies are "credit institutions" for the purposes of the EU Banking Directives, and are required to meet the same standards for capital adequacy and risk control as UK and other EU banks. Societies have, moreover, not needed to be "recapitalised" at the taxpayers' expense.

3. Where occasionally a society has encountered difficulties, a merger with a stronger society has ensured that both retail savers and wholesale depositors experience no uncertainty or interruption to service. The building society sector has continued to support intra-sector mergers, which require no taxpayer funding.

In terms of potential returns, a number of other authorities in the benchmarking group have relatively recent one-year investments achieving returns in excess of 0.75% (compared to the 0.68% noted for Barclays earlier in the paper).

**Recommendation 4 – the top-ten building societies by group assets (see Appendix C) should be added to the counterparty list (if not already rated by Capita). The duration of investment will be limited to 1 year and the total amount invested with any one non-rated building society at any point in time will not exceed £2 million.**

#### Property Funds

Property funds are a pooled investment vehicle and invest in UK focused commercial and industrial property.

The advantages of investing in a Local Authority Property Fund are that the investment made by purchasing units in a pooled investment fund which therefore offers the benefit of diversification in property portfolio across the UK, rather than investing solely in our own area. This spreads risk in cases where there may be a local downturn in property prices/rents. Funds also earn rent as well as capital appreciation. The downside risk is that property values can go up as well as down. Because of entry and exit fees, investments ideally need to be placed for a minimum of three years, although at least five years would be preferable.

The table below shows the performance of the best and worst performing funds over the last 3 months and up to 10 years:

Fund Performance (Net) 31/12/16	Best Performing Fund (%)	Worst Performing Fund (%)
3 Month	2.8	-0.1
1 Year	5.6	1.6
3 Year (Annualised)	13.8	7.6
5 Year (Annualised)	11.0	6.1
10 Year (Annualised)	4.6	1.1

An alternative to a property fund may be to invest in local property. The advantage is that this could be used to help further service aims, but with the drawback being that all the risk is concentrated in a small number of assets.

**Recommendation 5 – that up to £3 million can be invested in a property fund**

**Appendix B – Capita Credit Ratings List as at 27 October 2017**

<b>Counterparty</b>	<b>Suggested Duration</b>
First Abu Dhabi Bank PJSC	O - 12 mths
Australia and New Zealand Banking Group Ltd	O - 12 mths
Commonwealth Bank of Australia	O - 12 mths
Macquarie Bank Limited	R - 6 mths
National Australia Bank Ltd	O - 12 mths
Westpac Banking Corporation	O - 12 mths
BNP Paribas Fortis	R - 6 mths
KBC Bank NV	R - 6 mths
Bank of Montreal	O - 12 mths
Bank of Nova Scotia	O - 12 mths
Canadian Imperial Bank of Commerce	O - 12 mths
National Bank of Canada	R - 6 mths
Royal Bank of Canada	O - 12 mths
Toronto Dominion Bank	O - 12 mths
Danske Bank	R - 6 mths
OP Corporate Bank plc	O - 12 mths
BNP Paribas	R - 6 mths
Credit Agricole Corporate and Investment Bank	R - 6 mths
Credit Industriel et Commercial	R - 6 mths
Credit Agricole SA	R - 6 mths
Societe Generale	R - 6 mths
BayernLB	R - 6 mths
Commerzbank AG	G - 100 days
Deutsche Bank AG	G - 100 days
DZ Bank AG (Deutsche Zentral-Genossenschaftsbank)	O - 12 mths
Landesbank Baden Wuerttemberg	R - 6 mths
Landesbank Berlin AG	O - 12 mths
Landesbank Hessen-Thueringen Girozentrale (Helaba)	O - 12 mths
Landwirtschaftliche Rentenbank	P - 24 mths
NRW.BANK	P - 24 mths
ABN AMRO Bank N.V.	R - 6 mths
Bank Nederlandse Gemeenten	P - 24 mths
Cooperatieve Rabobank U.A.	O - 12 mths
ING Bank NV	O - 12 mths
Nederlandse Waterschapsbank N.V	P - 24 mths
Qatar National Bank	G - 100 days
DBS Bank Ltd	O - 12 mths
Oversea Chinese Banking Corporation Ltd	O - 12 mths
United Overseas Bank Ltd	O - 12 mths
Nordea Bank AB	O - 12 mths
Skandinaviska Enskilda Banken AB	O - 12 mths
Swedbank AB	O - 12 mths
Svenska Handelsbanken AB	O - 12 mths
Credit Suisse AG	R - 6 mths
UBS AG	O - 12 mths
Abbey National Treasury Services plc	O - 12 mths

Treasury Management Strategy Development

<b>Counterparty</b>	<b>Suggested Duration</b>
Bank of Scotland Plc	R - 6 mths
Barclays Bank plc	R - 6 mths
Close Brothers Ltd	R - 6 mths
Goldman Sachs International Bank	R - 6 mths
HSBC Bank plc	O - 12 mths
Lloyds Bank Plc	R - 6 mths
Santander UK plc	R - 6 mths
Standard Chartered Bank	R - 6 mths
Sumitomo Mitsui Banking Corporation Europe Ltd	R - 6 mths
UBS Ltd	O - 12 mths
Bank of America, N.A.	O - 12 mths
Bank of New York Mellon, The	P - 24 mths
Citibank, N.A.	R - 6 mths
JPMorgan Chase Bank NA	O - 12 mths
Wells Fargo Bank NA	O - 12 mths
Coventry BS	R - 6 mths
Leeds BS	G - 100 days
Nationwide BS	R - 6 mths
Skipton BS	G - 100 days
Yorkshire BS	G - 100 days

**Appendix C – Building Societies Group Assets as at August 2017****Factsheet****August 2017**

This table shows the assets of UK building societies, ranked by group assets, taken from their latest annual reports. These figures have not been adjusted to take account of any mergers, transfers of engagements or purchases of mortgage portfolios that have taken place since the societies' financial year end.

\* The Society has no Group - the Society Assets figure has been repeated in the Group Assets field.

Rank by Group Assets	Name of Society	Financial Year Ended	Society Assets £m	Group Assets £m (see note *)
1	Nationwide	04 April 2017	220,013	221,670
2	Yorkshire	31 December 2016	45,162	39,596
3	Coventry	31 December 2016	37,632	38,296
4	Skipton	31 December 2016	17,827	19,020
5	Leeds	31 December 2016	16,485	15,930
6	Principality	31 December 2016	8,124	8,281
7	West Bromwich	31 March 2017	5,839	5,831
8	Newcastle	31 December 2016	3,638	3,622
9	Nottingham	31 December 2016	3,601	3,591
10	Cumberland	31 March 2017	2,242	2,242
11	National Counties	31 December 2016	1,863	1,865
12	Progressive*	31 December 2016	1,795	1,795
13	Saffron	31 December 2016	1,112	1,115
14	Cambridge	31 December 2016	1,114	1,109
15	Monmouthshire	30 April 2017	1,053	1,054
16	Newbury	31 October 2016	939	939
17	Leek United	31 December 2016	928	928
18	Furness	31 December 2016	814	816
19	Hinckley & Rugby*	30 November 2016	637	637
20	Ipswich*	30 November 2016	584	584
21	Darlington	31 December 2016	549	547
22	Melton Mowbray	31 December 2016	418	419
23	Market Harborough	31 December 2016	418	418
24	Marsden*	31 December 2016	416	416
25	Scottish	31 January 2017	409	409



# Buckinghamshire & Milton Keynes Fire Authority

<b>MEETING</b>	Overview and Audit Committee
<b>DATE OF MEETING</b>	15 November 2017
<b>OFFICER</b>	Julian Parsons, Head of Service Development
<b>LEAD MEMBER</b>	Councillor Netta Glover
<b>SUBJECT OF THE REPORT</b>	<b>Corporate Risk Management</b>
<b>EXECUTIVE SUMMARY</b>	<p>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.</p> <p>The Corporate Risk Register was last reviewed by the Overview and Audit Committee at its 26 July 2017 meeting. Since then it has been regularly reviewed by the Performance Management Board (PMB), most recently at its 12 October 2017 meeting, at which all the directorate risk registers were scrutinised, and by SMB - most recently at its 24 October meeting.</p> <p>At the 15 August SMB, an information security risk was agreed for escalation to the Corporate Risk Register from the Information Governance Risk Register. This has been evaluated as a red risk with a score of 16 (Probability = 4, Impact = 4). A detailed evaluation of this risk is shown at pages 4 - 5 of Annex C.</p> <p>The current distribution of corporate risks relative to probability and potential impact is shown at Annex A.</p> <p>Changes to the corporate risk ratings over the last year are shown at Annex B.</p> <p>Detailed assessments of identified corporate risks are shown in the Corporate Risk Register at Annex C.</p>
<b>ACTION</b>	Decision.
<b>RECOMMENDATIONS</b>	<p>It is recommended that:</p> <ol style="list-style-type: none"> <li>1. the status report on identified corporate risks at Annex C be review and approved; and,</li> <li>2. comments to officers for consideration and</li> </ol>

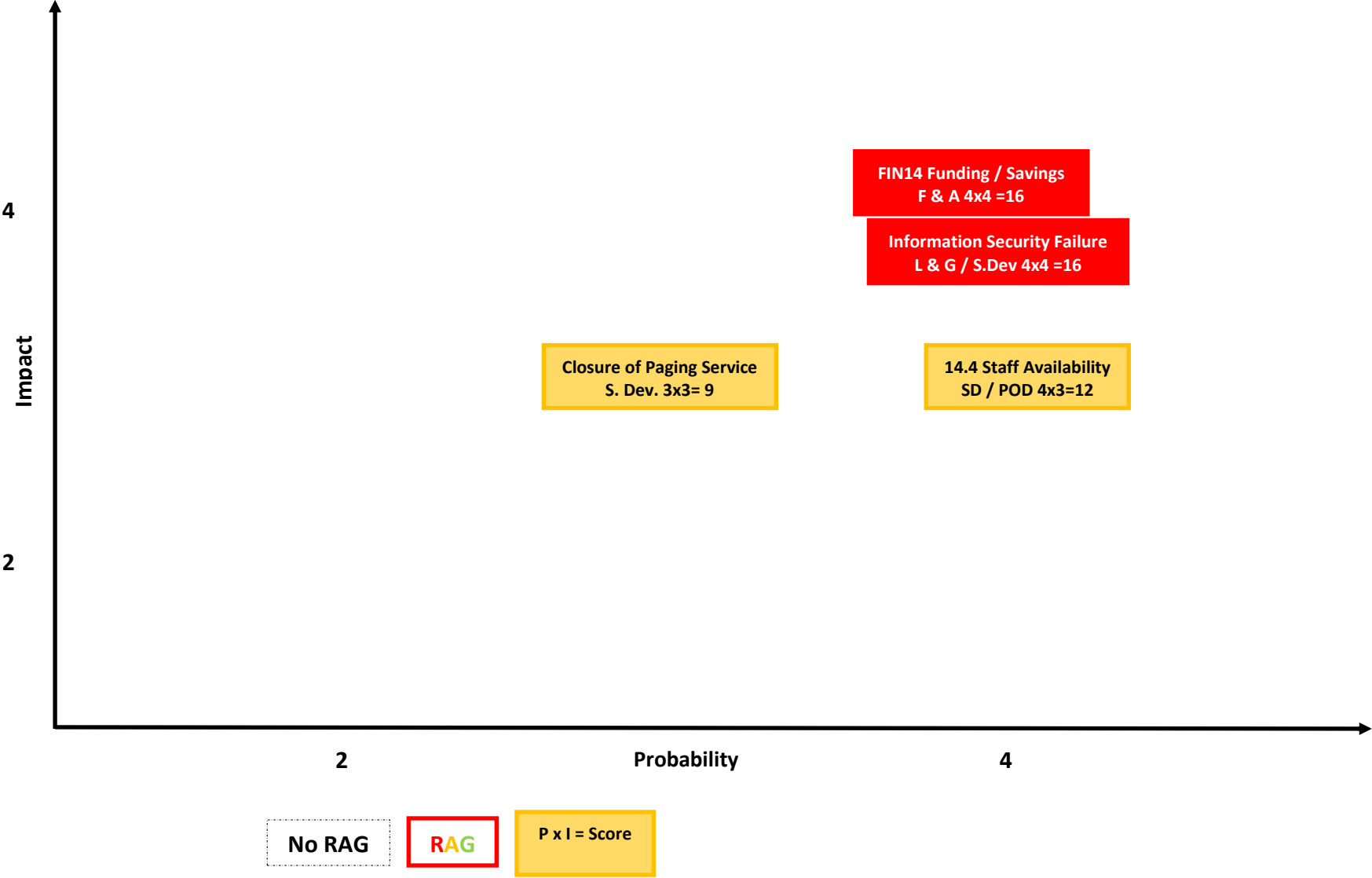
	attention in future updates/reports be provided.
<b>RISK MANAGEMENT</b>	The development, implementation and operation of effective corporate risk management structures, processes and procedures are considered critical to assure continuity of service to the public, compliance with relevant statutory and regulatory requirements and the successful delivery of the Authority's strategic aims, priorities and plans.
<b>FINANCIAL IMPLICATIONS</b>	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.
<b>LEGAL IMPLICATIONS</b>	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.
<b>CONSISTENCY WITH THE PRINCIPLES OF COLLABORATION</b>	The potential to share corporate risk intelligence with neighbouring fire and rescue services 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.
<b>HEALTH AND SAFETY</b>	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.
<b>EQUALITY AND DIVERSITY</b>	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.
<b>USE OF RESOURCES</b>	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



	<p>arrangements for the Authority.</p> <p>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.</p>
<p><b>PROVENANCE SECTION &amp; BACKGROUND PAPERS</b></p>	<p>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).</p> <p>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:</p> <p><a href="http://bucksfire.gov.uk/files/8114/0681/3588/150910.PDF">http://bucksfire.gov.uk/files/8114/0681/3588/150910.PDF</a></p> <p>An updated Corporate Risk Management Policy was approved at the 18 March 2015 Executive Committee: <a href="http://bucksfire.gov.uk/files/3314/2564/2098/Executive_Committee_180315.pdf">http://bucksfire.gov.uk/files/3314/2564/2098/Executive_Committee_180315.pdf</a></p> <p>Members were last updated on the status of the Authority's Corporate Risks at the 26 July 2017 Overview &amp; Audit Committee: <a href="http://bucksfire.gov.uk/files/8915/0028/5485/OVERVIEW_AND_AUDIT_COMMITTEE_AGENDA_AND_REPORT_S_260717-compressed.pdf">http://bucksfire.gov.uk/files/8915/0028/5485/OVERVIEW_AND_AUDIT_COMMITTEE_AGENDA_AND_REPORT_S_260717-compressed.pdf</a></p>
<p><b>APPENDICES</b></p>	<p>Annex A: Distribution of Corporate Risks at 24 October 2017 SMB meeting.</p> <p>Annex B: 12 Month View of Changes to Corporate Risks.</p> <p>Annex C: Corporate Risk Register Report.</p>
<p><b>TIME REQUIRED</b></p>	<p>15 minutes.</p>
<p><b>REPORT ORIGINATOR AND CONTACT</b></p>	<p>Stuart Gowanlock, Corporate Planning Manager <a href="mailto:sgowanlock@bucksfire.gov.uk">sgowanlock@bucksfire.gov.uk</a> 01296 744435</p>

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**Annex A: Corporate Risk Map – As at 24 October 2017 SMB**

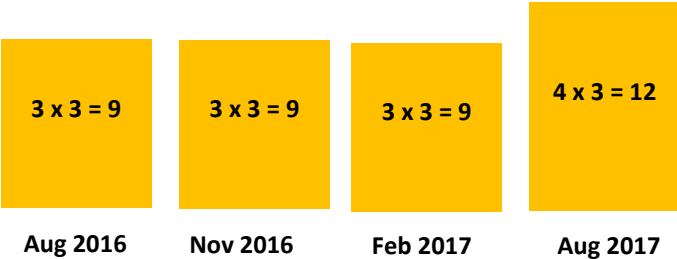


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Closure of Paging Service



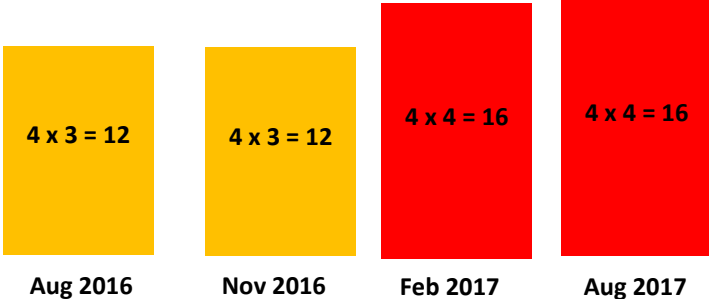
Staff Availability



Information Security Failure



Risk to Funding



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**Annex C - Corporate Risk Register – as at 24 October 2017 SMB**

**Corporate Risks**

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	Σ	HML			
<b>CRR 014.4 Staff Availability</b> <b>Emerging risks of 1/ industrial action due to pension change or pay dispute;</b> <b>2/ Staff inability to get to work due to external factors e.g. Pandemic Flu, disruption to fuel supplies etc.</b> <b>3/Impact of transformation at pace on attraction of new staff, retention and overall workforce stability.</b>	COO / POD Dir.	Potential detrimental effects on service delivery to the community and our reputation.	(2)	(5)	(10)	(M)	<ul style="list-style-type: none"> <li>• Full business continuity plans in place &amp; uploaded to Resilience Direct.</li> <li>• Peer review of the business continuity arrangements</li> <li>• Bank System</li> <li>• Flexi-Duty System Pilot</li> <li>• Staff Transfer Procedure</li> <li>• Employee assistance and welfare support</li> <li>• Training Needs Assessment process</li> <li>• Monitoring of staff 'stability ratio' relative to best practice and sector norms</li> <li>• Review of Resourcing and Retention strategies</li> <li>• Wider range of contracts offering more flexible ways of working</li> <li>• A variety of approaches are being adopted to replenish the workforce. These include more operational apprentices, transferees, and re-engagement options</li> <li>• Workforce planning data is regularly reviewed with Service delivery, HR and Finance.</li> <li>• Project on Strategic Review of Operational Resourcing is underway with a number of workstreams, including On-Call and Geographic station reviews</li> <li>• Growth bids to be considered to support future resourcing demands.</li> </ul>	A	<p><b>27 April 2017 PMB:</b> Recommended that potential impact of ongoing firefighter recruitment activities by neighbouring FRS on operational capacity and capability be considered for potential inclusion on Corporate Risk Register.</p> <p><b>13 June 2017 SMB:</b> Following de-escalation of ageing workforce risk to POD risk register it was agreed that the scope of the staff availability risk should be expanded to include consideration of the impact of transformation at pace coupled with ongoing recruitment activities by neighbouring FRS on overall workforce stability.</p> <p><b>4 July 2017 SMB</b> Agreed that the probability score for this risk should be increased to 4 (4 x 3 = 12) in view of risks to our ability to retain operational staff arising from impact of workforce change coupled with ongoing recruitment by neighbouring FRS.</p> <p><b>19 September 2017 SMB</b> The risk has eased in the short term following take on of transferees and a new batch of apprentices. However, risk score to remain unchanged due to imminent London Fire Brigade recruitment campaign which is aiming to recruit 400 firefighters.</p>
		(5)	(5)	(25)	(H)				
		(3)	(5)	(15)	(H)				
		(4)	(5)	(20)	(H)				
		(3)	(5)	(15)	(H)				
		Failure to discharge statutory duties.	(5)	(4)	(20)	(H)			
		(4)	(3)	(12)	(M)				
		(5)	(3)	(15)	(H)				
		Loss of critical knowledge / skills / capacity /competency levels.	(4)	(3)	(12)	(M)			
		(5)	(3)	(15)	(H)				
(3)	(3)	(9)	(M)						
<b>4</b>	<b>3</b>	<b>12</b>	<b>M</b>						

**Annex C - Corporate Risk Register – as at 24 October 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	Σ				
<b>Fin 14 – Funding and Savings Requirement</b>	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)	(4)	(16)	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.	<b>R</b>	<p><b><u>25 October 2016 SMB</u></b></p> <p>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.</p> <p><b><u>17 January 2017 SMB</u></b></p> <p>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.</p> <p><b><u>18 April 2017 SMB</u></b></p> <p>Finance to review risk score in light of more secure outlook for USAR funding.</p> <p><b><u>13 June 2017 SMB</u></b></p> <p>Finance to review score following outcome of UK General Election.</p> <p><b><u>4 July 2017 SMB</u></b></p> <p>There remains no long term S31 funding for USAR and whilst the Government continues to provide</p>
			(3)	(4)	(12)	M			
			(3)	(4)	(12)	M			
			<b>4</b>	<b>4</b>	<b>16</b>	<b>H</b>			



**Annex C - Corporate Risk Register – as at 24 October 2017 SMB**

									<p>only an annual settlement the risk of removal of that funding must remain high.</p> <p>In addition there is now considerable pressure on public sector pay with a NJC offer of 2% to firefighters for 2017 already higher than the 1% cap for which the Authority is funded. Therefore until the long term revenue funding for both USAR and for Firefighter Pay Settlements is assured, the risk score will remain unchanged.</p> <p><b><u>19 September 2017 SMB</u></b></p> <p>Risk to remain at red pending outcome of proposal to Central Government to relax Council Tax referendum threshold &amp; outcome of national Firefighter pay negotiations.</p>
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**Annex C - Corporate Risk Register – as at 24 October 2017 SMB**

**New / Emerging Risks**

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	Σ				
Paging:- closure of Vodafone's Vodapage service & transfer of service to Page One (Capita Service)	ICT Manager	The only alternative paging system (Page One) does not have the coverage in Buckinghamshire that Vodaphone has.  Inability to contact / call out key staff for incidents / support.	3	3	9	M	Testing Page One devices. Investigating alternatives to paging. Reviewing pagers with additional capabilities (Wireless etc.) Collaborating on replacement solution with Thames Valley partners.	A	Pagers used for On Call, Appliances, Officers, Workshops, RMT and ICT. Previous usage of Page One was considered ineffectual due to coverage issues.  Initial indications were that Vodapage will be turned off on 30 November 2017. However, Vodafone are now evaluating an App service and have also informed us that they have decided to move the hard closure date to 31 March 2018 providing additional time to pursue alternatives.  The financial implications of this risk are unknown at this point.
<b>Information security failure to -</b>  <b>a) comply with statutory or regulatory requirements</b>  <b>b) manage technology</b>  <b>c) manage organisational</b>	Senior Information Risk Owner (SIRO) Director Legal & Governance	<ul style="list-style-type: none"> <li>Inability to access/use our e-information systems.</li> <li>Severe financial penalties from the Information Commissioner</li> <li>Lawsuits from the public whose sensitive personal information is accessed causing damage and</li> </ul>	4	4	16	H	<b>1. Appropriate roles:</b> - SIRO has overall responsibility for the management of risk - Information and information systems assigned to relevant Information Asset Owners (IAO's) - Department Security Officer (DSO) the Information Governance & Compliance Manager has day-to-day responsibility for the identification of information risks and their treatments - 'Stewards' assigned by IAO's with day-to-day responsibility for relevant information.	R	Some experts predict that by 2020 there will be 200 billion connected devices. Cars, planes, homes, cities - software is becoming ubiquitous. This is changing the way we live and how we behave and interact with the world around us. As technology becomes more and more deeply integrated into our lives, we become more dependent on it. This dependence makes us vulnerable if technology fails. For example, what happens when you're on the road and your smartphone runs out of battery - you cannot access your GPS,

**Annex C - Corporate Risk Register – as at 24 October 2017 SMB**

<p><b>resources</b></p> <p>Deliberate: unauthorised access and theft or encryption of data. Accidental: loss, damage or destruction of data</p>		<p>distress.</p>				<p><b>1. Virus detection/avoidance:</b> Anti-Malware report – no significant adverse trends identified which indicates that improved security measures have had a positive effect;</p> <p><b>3. policies / procedure:</b> Comprehensive review and amendment of the retention and disposal schedules / Information Asset Registers, - current and tested business continuity plans / disaster recovery plans - employee training/education - tested data/systems protection clauses in contracts and data-sharing agreements - Integrated Impact Assessments (IIA) - disincentives to unauthorised access e.g. disciplinary action</p> <p><b>4. Premises security:</b> - Preventative maintenance schedule - Frequent audits at Stations and inventory aligned to asset management system. - Reduction in the number of CCTV requests following improved education and guidance in relation to the use of the same; - Premises Security Group re-established to meet on a three monthly basis aligned to the PMB meeting schedule.</p>	<p>your contacts, or anything else. In such moments, you realize how dependent you are on technology.</p> <p>In today's world, it's important that technology is available, protected and secure. If not, we suffer consequences in our daily lives.</p> <p>Due to the constant evolution of cyber- attacks there is no single way of defending our systems:</p> <ul style="list-style-type: none"> <li>o Ensure best affordable systems defence is procured periodically</li> <li>o Compliance to General Data Protection Regulation</li> <li>o Ensure sub risks and treatments are assigned to most appropriate IAO.</li> <li>o Investigate options for e-archiving and back-up tools</li> <li>o Periodic information audits</li> <li>o New email monitoring system currently under evaluation.</li> <li>o Investing in ICT systems that allow faster, post attack, recovery.</li> </ul>	<p>However, it was agreed that the risk score should remain at its present level for the time being but kept under active review.</p>
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# Buckinghamshire & Milton Keynes Fire Authority

<b>MEETING</b>	Overview and Audit Committee
<b>DATE OF MEETING</b>	15 November 2017
<b>OFFICER</b>	Julian Parsons, Head of Service Development
<b>LEAD MEMBER</b>	Councillor Netta Glover
<b>SUBJECT OF THE REPORT</b>	<b>Annual Performance Monitor 2016-17</b>
<b>EXECUTIVE SUMMARY</b>	<p>This paper presents the end of year performance report for 2016-17 which monitors the Authority's progress in delivering the Strategic Objectives set out in the 2015-20 Corporate Plan.</p> <p>This report addresses our key strategic aims and focuses on - Prevention, Protection and Response.</p> <p>The report highlights the following notable performances:</p> <ul style="list-style-type: none"> <li>• Accidental Dwelling Fires have reduced by 16%;</li> <li>• Fire related fatalities and injuries have reduced;</li> <li>• Over 90% of our customers are very satisfied with our services;</li> <li>• Average attendance times have reduced;</li> <li>• We remain the lowest precepting combined fire authority in the country;</li> <li>• There has been a slight increase in deliberate primary fires, though overall the number are still low;</li> <li>• There has been an increase in the number of false alarms attended, which is to be expected with the associated increase in the number of new developments in Buckinghamshire and Milton Keynes.</li> </ul>
<b>ACTION</b>	Noting.
<b>RECOMMENDATIONS</b>	That the out-turn performance against the outcome measures specified in the Corporate Plan 2015-20 be noted.
<b>RISK MANAGEMENT</b>	Performance and risk information is designed and presented to assist the Authority with strategic decision-making through understanding the communities we serve and associated risk profiles. Performance management information is a major contributor to service improvement and to the

	effective prioritisation of resources.
<b>FINANCIAL IMPLICATIONS</b>	None at present.
<b>LEGAL IMPLICATIONS</b>	None at present.
<b>CONSISTENCY WITH THE PRINCIPLES OF THE DUTY TO COLLABORATE</b>	This report references collaborative work-streams based upon the Authority's collaborative principles where this is deemed appropriate.
<b>HEALTH AND SAFETY</b>	No issues identified from this report.
<b>EQUALITY AND DIVERSITY</b>	<p>Where applicable the limited resources we have are being targeted at the most vulnerable based upon collected demographic data and available intelligence. This demonstrates an equitable process based upon risk to all members of the community. Non-domestic and domestic properties are targeted according to their risk in terms of fire and health, thus identifying the most vulnerable in the community.</p> <p>Challenging outputs and outcomes will ensure that we obtain a clear understanding of the communities that may be impacted through under-performance.</p> <p>As a result of undertaking an Integrated Impact Assessment it has been identified that further work can now be undertaken to assess the impact and effectiveness of our performance in relation to protected groups and others. This will then be used to inform the development of our risk management strategies.</p>
<b>USE OF RESOURCES</b>	<p><b>Performance monitoring</b> Identifying the appropriate process that enables challenge against outputs and outcomes of the strategic aims and objectives that supports further understanding of our communities and their resource requirements.</p> <p><b>Communication with stakeholders</b> Informative and structured performance information incorporating stakeholder contributions.</p>
<b>PROVENANCE SECTION &amp; BACKGROUND PAPERS</b>	<p><b>Background papers:</b></p> <ul style="list-style-type: none"> <li>• Corporate Plan 2015-20</li> <li>• Public Safety Plan 2015-20</li> </ul>
<b>APPENDICES</b>	<p><b>Annex A</b> presents a summary of performance with associated graphs.</p> <p><b>Annex B</b> presents the balanced scorecard (Prevention, Protection, Response and Finance) that supplements the annual performance monitor.</p>

<b>TIME REQUIRED</b>	10 minutes.
<b>REPORT ORIGINATOR AND CONTACT</b>	Toni D'Souza, Manager – Data Intelligence Team <a href="mailto:tdsouza@bucksfire.gov.uk">tdsouza@bucksfire.gov.uk</a> 01296 744444

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**Overview and Audit Committee** 15<sup>th</sup> November 2017

## **2016-17 Annual Performance Monitor**

### **Summary**

To provide an overview of the out-turn performance for end of year 2016-17.

### **Introduction**

This is the end of year performance monitor for 2016-17, monitoring the Authority's activities and outcomes in delivering the Strategic Objectives we set in our 2015-20 Corporate Plan.

This monitor provides Members with a high level presentation of performance information.

### **Performance Highlights**

Buckinghamshire Fire & Rescue Service (BFRS) has a great many good news stories to tell whilst continuing to provide a cost effective fire authority. This is indicative of our committed and innovative work-force and the changes we have made and those that we continue to explore to ensure we deliver a first class service to the communities we serve:

- Accidental Dwelling Fires reduced by 16%;
- Fire related fatalities and injuries reduced;
- Customer satisfaction remains over 90% of those very satisfied with our services;
- Average attendance times reduced;
- We remain the lowest precepting Combined Fire Authority in the country.

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4. Fire Injuries & Fatalities	5 – 6
5. False Alarms & Real Alarms	7
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7. Response	9 – 11
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## 1. Primary Fires

### Indicator Description

Primary fires are generally more serious fires that occur in property and vehicles.

The largest single type of primary fire occurs in the home and the prevention of these is a key focus for the service.

For reporting purposes, the service measures the following categories;

- Accidental Dwelling Fires
- Non Domestic Building Fires

In 2016-17 there were 321,723<sup>1</sup> domestic properties within Buckinghamshire and Milton Keynes and 22,206<sup>1</sup> non-domestic and a population of 799,200<sup>2</sup>.

Injuries/fatalities caused as a result of fire are commented on later in this report.

### Performance Activity

The number of accidental dwelling fires continues on a positive decline, with (305) 16 per-cent fewer through 2016-17 when compared to the previous year. The decline in 2016-17 continues the positive trend that has been achieved over the past five years.

Despite a significant increase in non-domestic property fires in 2013-14 (302), we continue to report a positive trend over the five year period 2012-13 to 2016-17, with 245 recorded in the past year.

BFRS continues to use a range of tools to promote community safety and extend the fire safety message through local and national fire safety campaigns.

Our targeted approach to community safety based upon trend analysis and historical data to predict future incidents, has assisted us in identifying the most vulnerable members of our communities. This has led us to move away from the traditional approach of identifying areas of deprivation and focus our resources on specific individuals where the data indicates they are at a higher level of risk from fire.

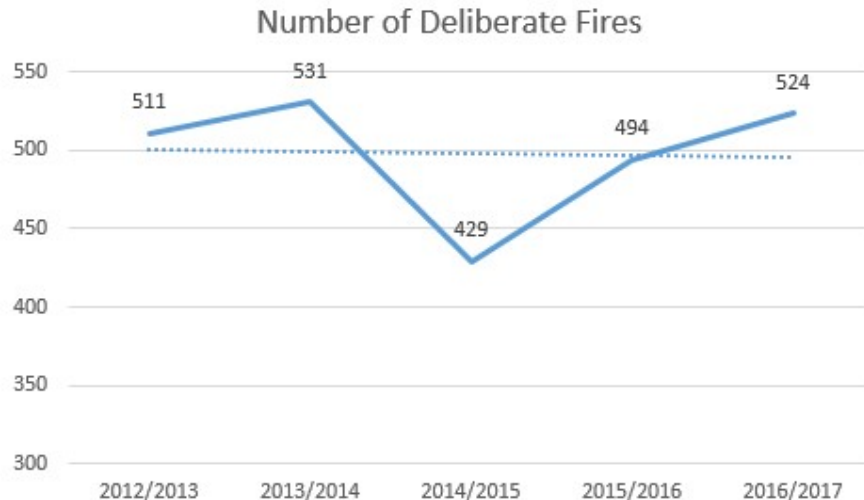
Two key research projects that BFRS are leading on will lead to our current targeting methods being reviewed and enhanced significantly for both domestic and non-domestic premises. Collaboration is at the forefront, leading us to a better understanding of the communities we serve and furthermore, encouraging us to acquire further knowledge that will allow us to maintain an innovative approach in the provision of our services.

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<sup>1</sup> CIPFA FIRE 2017 Provisional Statistics

<sup>2</sup> ONS mid-year population estimates 06/2016

## 2. Deliberate Fires



*Source: BMS (Viper) 07/2017*

### Indicator Description

The number of deliberate fires for Buckinghamshire and Milton Keynes was 524 in 2016-17 an increase of 6 per-cent on the previous year. However, the high and low pattern over the past five years continues to project a positive trend. Nationally there has been an increase in arson and criminal damage which is reflected in the national crime statistics for England and Wales.

### Performance Activity

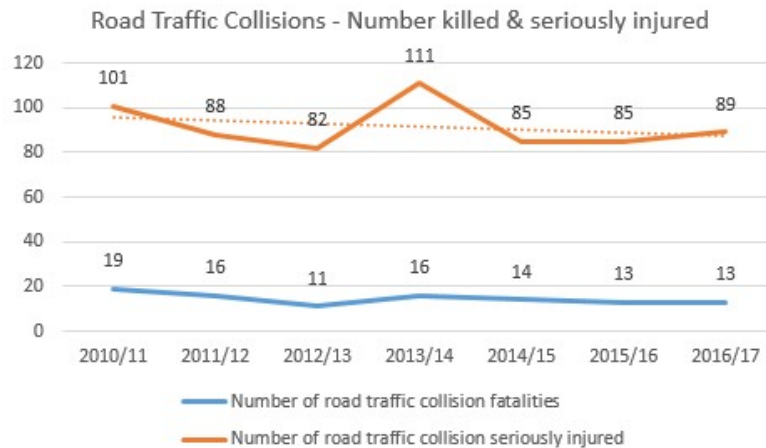
Despite the increase in deliberate fires during 2016-17, the peaks and troughs over the past five years continues to project a positive trend. This is due to a combination of pro-active measures employed by the service. The education work targeting children at all key stages, combined with the Firesetters intervention programme, mean that deliberate fires are continuing to decline.

The Service subscribes to a Contract for Service with Thames Valley Police for an Arson Reduction Officer, a resource shared with Royal Berkshire Fire and Rescue Service. This has resulted in more effective and simplified lines of communication with Thames Valley Police and allowed for trends to be identified in a co-ordinated manner. The Arson Reduction Officer has also initiated a Memorandum of Understanding with the local prisons to create a consistent approach to investigating incidents involving suspected arson and supporting the prison officers to prosecute offenders.

The close working relationship between Thames Valley Police and the Arson Reduction Officer has led directly to a number of arrests in 2016-17 for those involved in committing acts of arson.

Our service is leading on a collaborative approach across the Thames Valley Fire and Rescue Services in the development of a demand and vulnerability model with Thames Valley Police. This system includes data from partner agencies such as trading standards, social services, South Central Ambulance service and with the inclusion of FIRE data, we hope to achieve a blue light risk and demand profile for the entire Thames Valley area. This will further support a collaborative approach to public safety, enabling a joined up approach in the prevention and management of unwanted behaviour.

### 3. Road Traffic Collisions



Source: BMS (Viper) 07/2017

#### Indicator Description

The trend in the number of RTCs where fatalities and serious injuries occur continues on a positive trajectory.

#### Performance Activity

There has been a decline in those killed and seriously injured following road traffic collisions on a national level and this has also been noted locally. Whilst this is positive news there remain a number of pro-active prevention intervention schemes to support road safety.

There are more specific education talks for those in Key Stage 3 who are about to start driving; this is based upon the number of young drivers killed or seriously injured over recent years. The Service works closely with driving examiners and uses this relationship to deliver road safety messages to newly-qualified drivers who are at a high risk of being involved in a road traffic collision.

'Biker Down' is a popular prevention initiative aimed at motorcycle riders who pose a significant risk to themselves and other road users.

### 3. Fire Injuries and Fatalities



Source: BMS (Viper) 07/2017

#### Indicator Description

This indicator counts those people where the cause of death has been identified as fire related even if they die sometime after the incident occurred.

The number of fire deaths has remained constant for the last five years with an average of 3 deaths per year.

The current population in Buckinghamshire & Milton Keynes is 799,200<sup>3</sup>, 2 fire related deaths occurred in 2016-17 which equates to 0.2 deaths per 100,000 head of population.

A decline in accidental dwelling fires correlates with the significant reduction in accidental dwelling fire related injuries from 43 recorded in 2015-16 to 17 in 2016-17.

The total number of fire related injuries in non-domestic premises in 2016-17 was 4. Non-domestic buildings cover a wide range of buildings and structures including offices, care homes, hospitals and also buildings that are not subject to the Regulatory (Fire Safety) Reform Order.

#### Performance Activity

Although the number of fire fatalities remains relatively low, the recent fire fatalities have enabled the Service to identify the main underlying causes. From this information the Service has evaluated how best it can further decrease the number of fire fatalities.

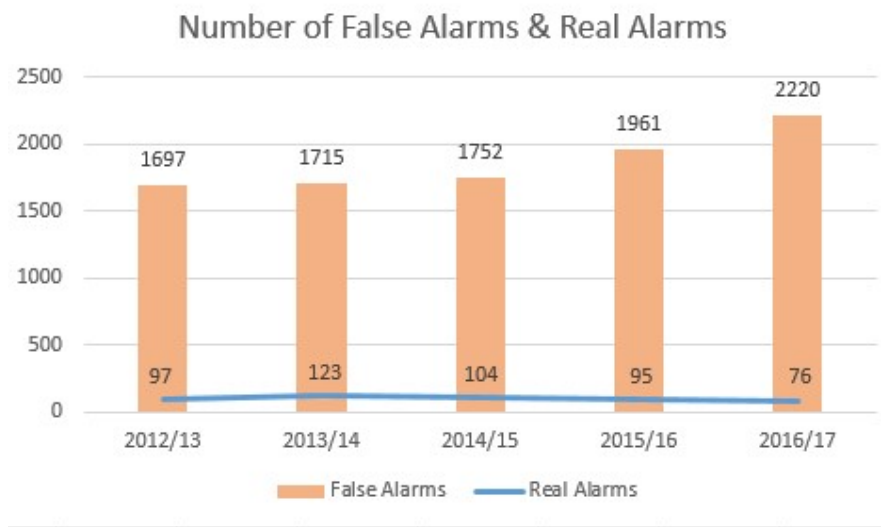
By working with partners such the NHS, who supply details of over-65s in the 'Exeter Database', this organisation is able to ensure prevention resources and activities are geared towards the most appropriate people.

<sup>3</sup> ONS mid-year population estimates 06/2016

**ANNEX A v.2**

To decrease fire injuries and fatalities further, BFRS is engaged with ongoing research into human behaviour to better understand how people react when confronted with a fire in their home. By gaining this insight, it will be possible to ensure prevention messages and training are aimed specifically at those most in need. The 'Lessons In Fire and Evacuation Behaviour In Dwellings' (LIFEBID) research is already enabling operational crews to deliver advice to members of the public aligned to specific needs.

**5. False Alarms and Real Alarms**



Source: BMS (Viper) 07-2017

**Indicator Description**

Fire alarms and fire detection systems are fundamental in providing early warning from fire, giving people the chance to evacuate in a safe manner. To ensure they are effective they must be installed and maintained properly to avoid activation when there is no fire situation.

The trend in false alarms continues to increase year on year due to the increase in new building numbers in the Buckinghamshire and Milton Keynes area.

**Performance Activity**

This Service is almost unique in attending automatic fire alarms and uses the opportunity to positively engage with businesses to create safer systems of work whilst over time reducing the demands on the Fire Service. This approach aligns with the government's desire for regulators to support commerce appropriately.

Whilst there continues to be a slight increase year on year in the number of attendances at automatic fire alarm incidents these are used as positive opportunities to engage with business which is evidenced with the continued decrease in primary fires and fire injuries in commercial premises.

## 6. Customer Satisfaction



Source: BMS (Viper) 07-2017

### Indicator Description

After the incident questionnaires are sent following incidents at domestic and non – domestic premises (except where serious injury/ fatality or significant damage has occurred). The questionnaires are returned to Opinion Research Services who analyse the returns and publish the results. BFRS continually remain in the 90+ per-cent brackets for customer satisfaction in both domestic and non-domestic.

### Performance Activity

Customer satisfaction is monitored by a third party on the Service’s behalf and it remains at a pleasingly high level. From this feedback it would appear that it is not linked to the time taken by the Service to have an appliance on scene.

This data remains very useful to the Service and will be used and challenged in the future when it becomes used in national research, under the LIFEVID project, which aims to better understand human behaviour in the event of fire.

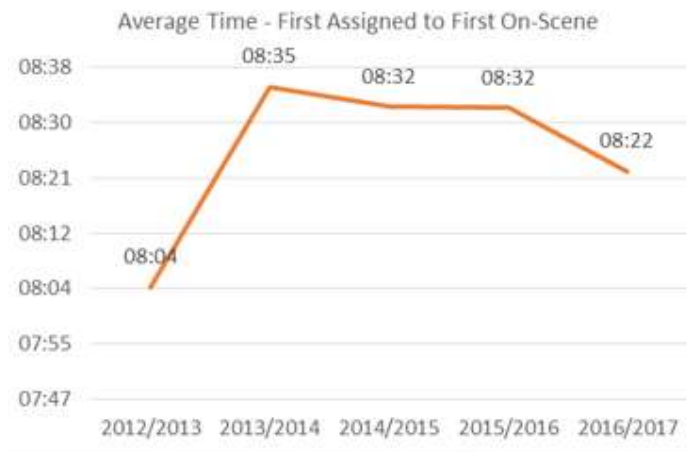


## 7. Response

### Indicator Description

This indicator measures the time it takes the first appliance to arrive at an incident.

The stated Service objective is that an appliance will arrive at an incident within 10 minutes on 80 per-cent of occasions and within 20 minutes on 99 per-cent of occasions.



Source: BMS (Viper) 07-2017

### Performance Activity

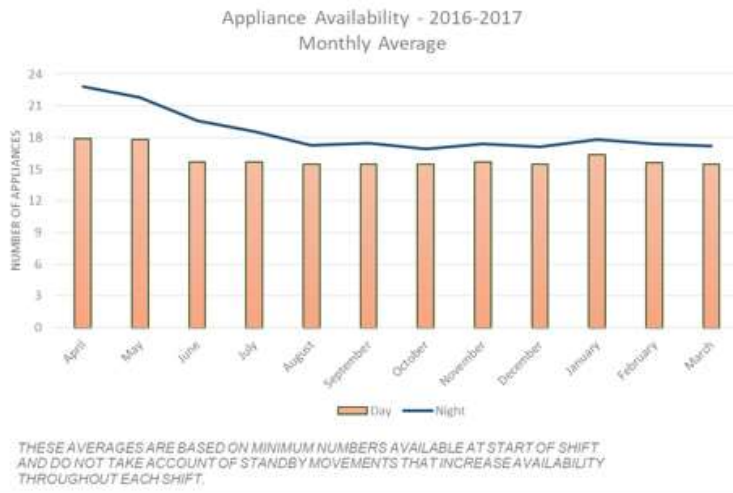
The move to the Thames Valley Fire Control Service has supported our aim in improving attendance times. The introduction of Automated Vehicle Locating System (AVLS) now ensures that the nearest appliance will attend the incident irrespective of traditional Service boundaries. The positive benefit of this can be seen with an average time of 8 minutes 22 seconds for the first resource to be on-scene.

BFRS has placed display screens in fire stations which shows live data to crews about their performance. This data includes information about their turn out and attendance times which has led to improvements. This also allows them to assist in improving data quality by spotting data errors which they can report to Thames Valley Fire Control.

We have changed the balanced scorecard this year to reflect the evolution of our resourcing and crewing strategy. We have found that simply focusing performance on our on-call availability or the number of incidents per main appliance doesn't provide the assurance or reflect the performance of this strategy.

ANNEX A v.2

Figure 1.1

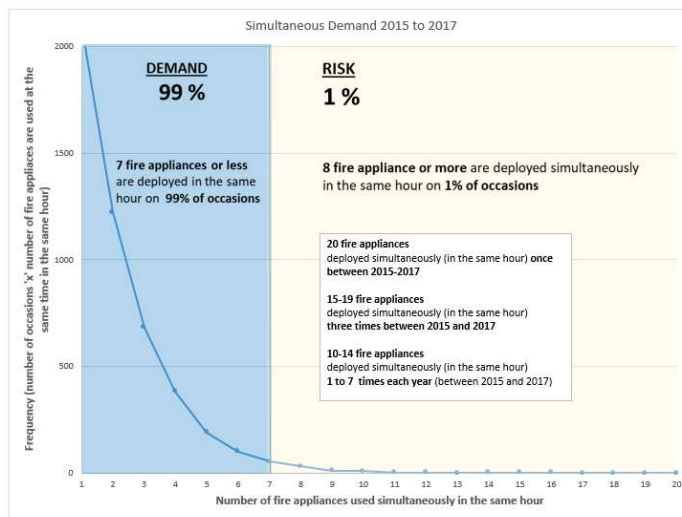


Source: RMT 07-2017

Reviewing (*Figure 1.1*) the total availability of all our appliances (fire engines) on a day by day, night by night basis, we are able to confidently highlight that by our efforts in bringing about flexible crewing methods, we are able to maintain availability of our minimum standards (15 appliances). This is an absolute minimum and does not take account of standby movements throughout each shift that only increase the number of appliances available.

Since moving to the Thames Valley Fire Control Service (April 2015), we have looked again at our efficiencies in resourcing for day-to-day demand<sup>4</sup> and in-frequent risk (*Figure 1.2*).

Figure 1.2<sup>5</sup>



Source: Data Intelligence Team – IRS/Vision 07-2017

This analysis has enabled us to ascertain that 7 appliances or less were deployed simultaneously in the same hour on 99 per-cent of occasions between April 2015 and Mar 2017. The risk identified during this same period suggests that 8 appliances are likely to be deployed simultaneously in the same hour on 1 per-cent of occasions. It is this 'in-frequent' risk that represents a challenge for the Service in terms of resourcing efficiently and we have been able to mitigate this through the flexibility and innovation of our work-force.

<sup>4</sup> Data has been expressed by the hour as we know from 2012 research that on 90% of occasions incidents last less than 1 hour.

<sup>5</sup> Further analysis underway to verify these findings due to the significant change on the outcomes published in 2014.

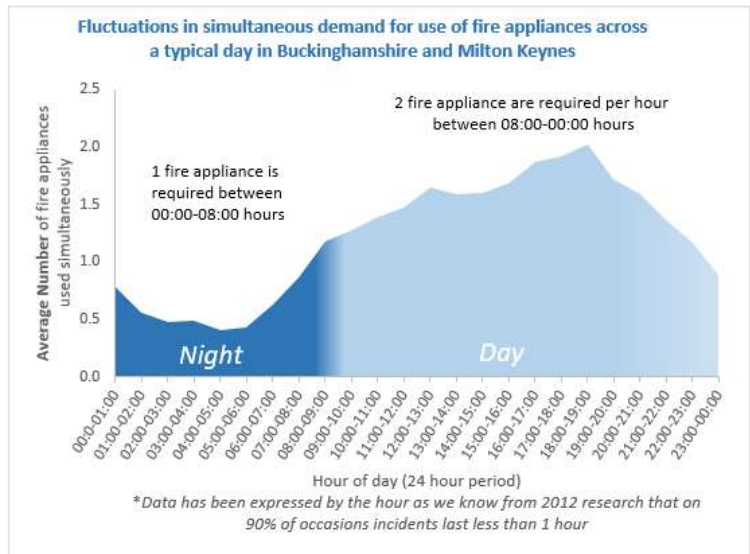
**ANNEX A v.2**

Figure 1.3 depicts a typical day in Buckinghamshire and Milton Keynes.

The objective of this analysis was to define the scale and frequency of day-to-day demand based upon how many fire appliances are used in a given hour by time-of-day and day-of-week during the period 2015-2017.

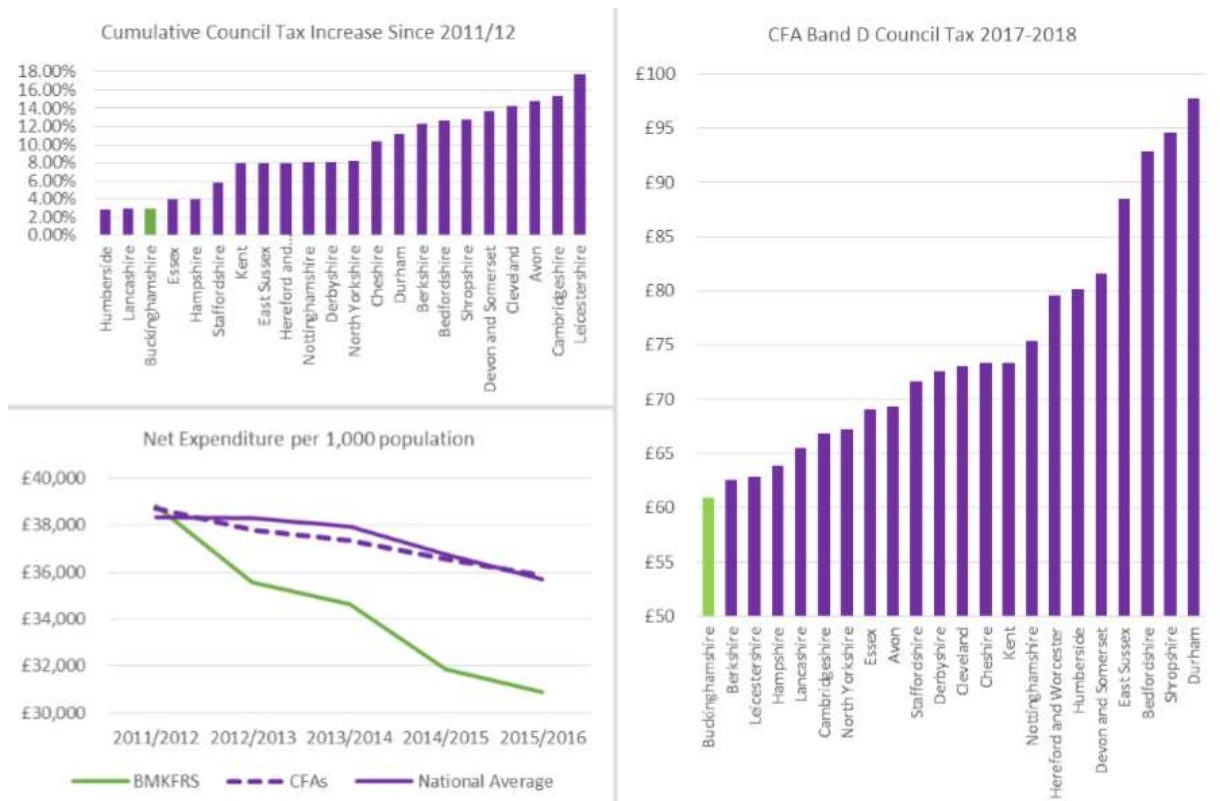
The results have suggested that 2 fire appliances on average are required simultaneously during the day with 1 appliance on average during the night.

Figure 1.3



Source: Data Intelligence Team – IRS/Vision 07-2017

## 8. Finance



Source: CiPFA Fire Estimates 2017-18

[https://www.cipfastats.net/uploads/FireEst17P\\_Combined.pdf](https://www.cipfastats.net/uploads/FireEst17P_Combined.pdf) (28/08/17)

### Indicator Description

The Authority’s financial performance is measured in comparative terms with other services which share the same governance model. This provides an accurate comparison of both the funding model and funding strategy for fire and rescue services.

To get a broader comparison financial performance is also measured in terms of population for both the national average of all fire and rescue services as well as just combined fire authorities.

### Performance Activity

Buckinghamshire and Milton Keynes Fire Authority continues to be the lowest precepting Combined Fire Authority based on Band D Council Tax. In terms of all fire and rescue services it features third from lowest with only two major metropolitan services charging less in terms of council tax.

Due to a long period of restraint in increasing council tax, it has also been the equal lowest Authority in terms of cumulative council tax increases since 2011/12.

In terms of overall expenditure per 1000 head of population, the Authority is substantially below (-15%) both combined and all other fire and rescue services.

ANNEX B v.2

2016/2017 BFRS Score-Card

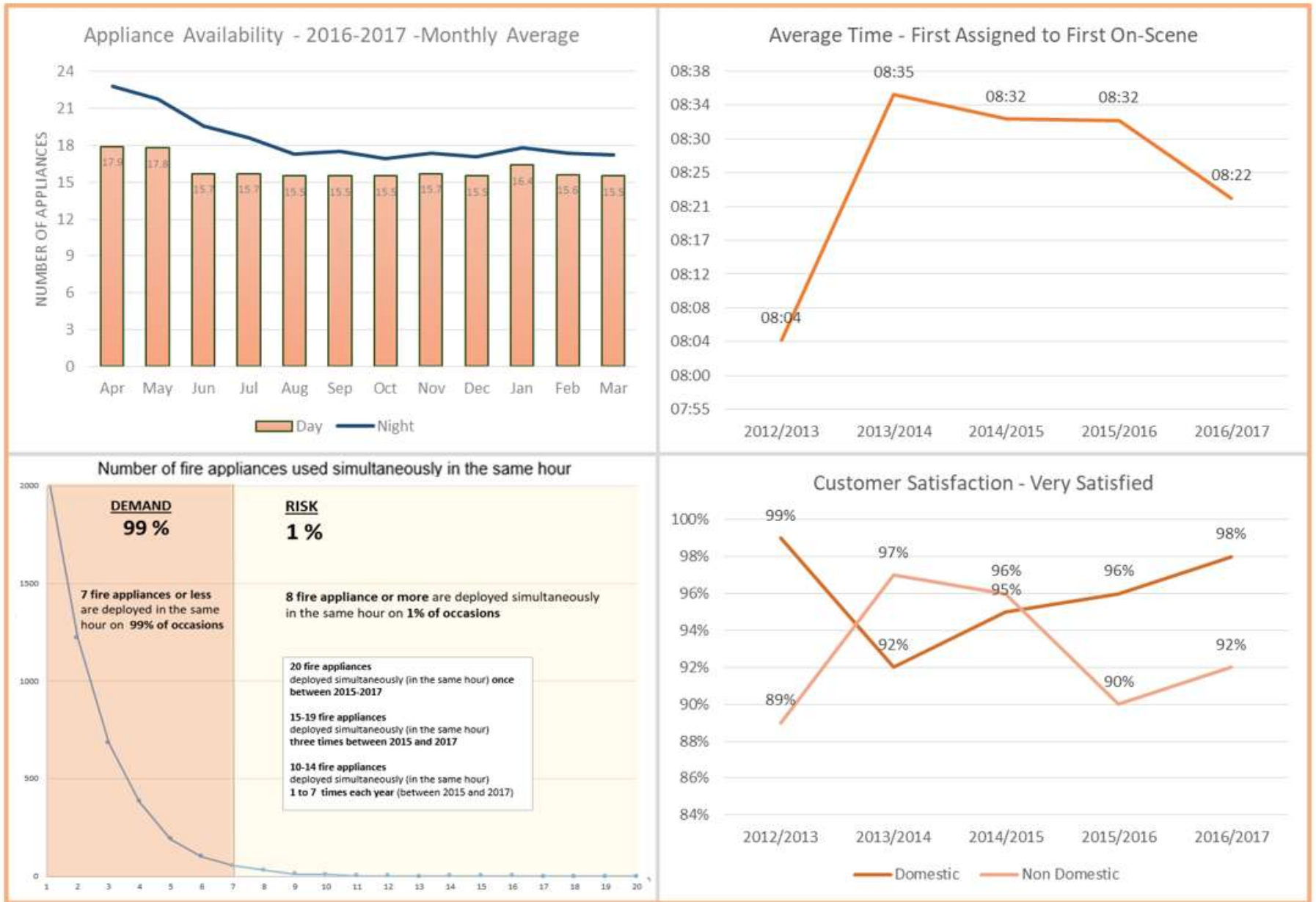


Figures as at 05/07/2017— does not include outstanding IRS reports (2015/2016: 303 - 2016/2017: 204) - most of which are with RBFRS

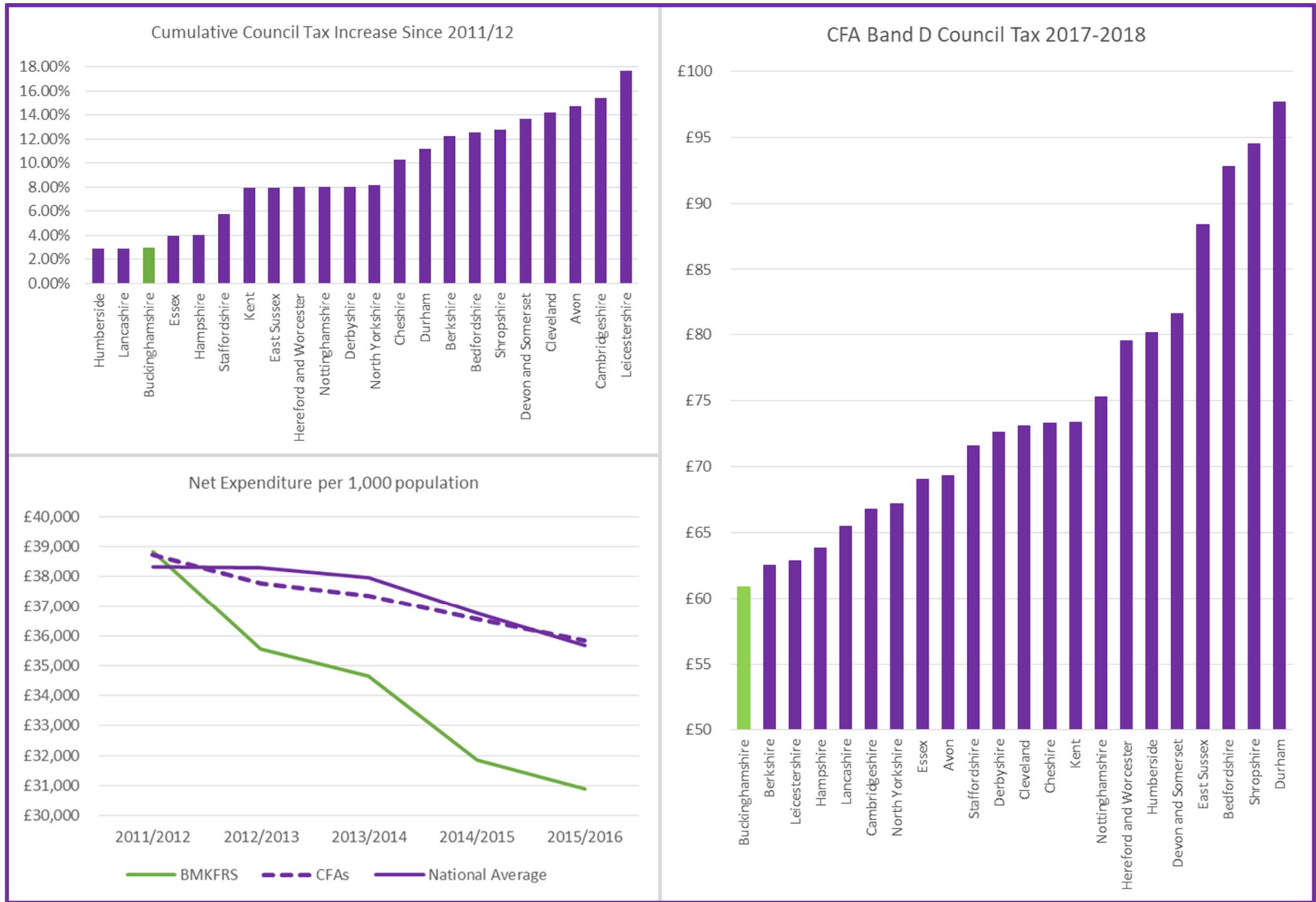
ANNEX B v.2











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# Buckinghamshire & Milton Keynes Fire Authority


<b>MEETING</b>	Overview and Audit Committee
<b>DATE OF MEETING</b>	15 November 2017
<b>OFFICER</b>	Julian Parsons, Head of Service Development
<b>LEAD MEMBER</b>	Councillor Peter McDonald
<b>SUBJECT OF THE REPORT</b>	<b>Business and Systems Integration Project: Progress Report</b>
<b>EXECUTIVE SUMMARY</b>	<p>The Business and Systems Integration Project (BASI) remains on track and on budget.</p> <p>Since the last Overview and Audit Committee meeting there has been the following activity:</p> <ul style="list-style-type: none"> <li>• Reviewed feedback on the Finance/HR &amp; Payroll systems to ensure new ways of working are embedded;</li> <li>• Resource Management Tender has been issued;</li> <li>• The first part of Premises Risk Management, Safe and Well visit - scope has been agreed and signed off.</li> </ul> <p>The five project management audit actions continue to be progressed:</p> <ul style="list-style-type: none"> <li>• 4 have been completed;</li> <li>• 1 is due completion in November.</li> </ul> <p>An Audit update has been provided in Appendix D: Audit Progress.</p> <p>Spend across the BASI project remains on track and within budget. Regular reviews are completed with the finance team (See Appendix E for Spend breakdown).</p> <p>At the time of completing this report the current activities are underway:</p> <ul style="list-style-type: none"> <li>• Continue to review Finance/HR &amp; Payroll processes to ensure project meets its objectives to streamline and automate processes</li> <li>• Building and testing of the new Learning &amp; Development and Performance Management processes and system</li> <li>• Safe and Well eLearning training package being built to support launch</li> </ul>
<b>ACTION</b>	Noting.

<b>RECOMMENDATIONS</b>	That the report is noted.
<b>RISK MANAGEMENT</b>	<p>The project risks are contained within a project risk register.</p> <p>Current high level project risks can be seen in Appendix A – Highlight report – September 2017.</p> <p>The governance of this register, including escalations is in line with existing service policy.</p>
<b>FINANCIAL IMPLICATIONS</b>	There are no further financial implications related to the project identified in this paper.
<b>LEGAL IMPLICATIONS</b>	There are no further legal implications related to the project identified in this paper.
<b>CONSISTENCY WITH THE PRINCIPLES OF THE DUTY TO COLLABORATE</b>	<p>Opportunities for collaboration have been actively sought and considered during the procurement phase of the project.</p> <p>Collaboration has been explored with Royal Berkshire Fire and Rescue Service and Oxfordshire Fire and Rescue Service. Further collaboration was explored with Oxford County Council and Reading Council. None of these potential collaborations have led to formal agreements due to various issues around differing needs and timings.</p> <p>Oxford County Council have been named on the Premises Risk Management Tender.</p> <p>We continue to look beyond our Thames Valley partners, working with organisations that use the same systems as us to share knowledge and collaborate on developing the systems i.e. Bedfordshire.</p>
<b>HEALTH AND SAFETY</b>	No Health and Safety implications perceived at this time.
<b>EQUALITY AND DIVERSITY</b>	HR system allows us to collect 'real time' equality & diversity data securely allowing it to be used for trend analysis. eRecruitment will provide equality and diversity data at all stages of recruitment.
<b>USE OF RESOURCES</b>	<p>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.</p> <p>A HR manager directly supports HR &amp; Payroll implementation.</p> <p>A Finance, HR &amp; Payroll implementation and training plan is being delivered based on the resources available.</p> <p>An agreement has been made with Service Delivery</p>

	<p>managers to assign an operational resource to support the implementation of the Premises Risk Management (PRM) system from late 2017.</p> <p>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.</p>
<p><b>PROVENANCE SECTION &amp; BACKGROUND PAPERS</b></p>	<p><b>Background</b></p> <p>As part of the ICT Strategy 2014-2019 an independent 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.</p> <p>The project is scheduled to be delivered in phases over a two year period.</p> <p><b>Background Papers</b></p> <ul style="list-style-type: none"> <li>• <a href="#">ICT Strategy 2014-2019</a></li> <li>• <a href="#">Business and Systems Terms of Reference</a></li> <li>• <a href="#">Business and Systems Integration Business case</a></li> <li>• <a href="#">Business and Systems Integration Project: Governance Reporting Arrangements (18 November 2015)</a></li> </ul>
<p><b>APPENDICES</b></p>	<p>Appendix A: Highlight Report – Sept 2017</p> <p>Appendix B: Highlight Report – Aug 2017</p> <p>Appendix C: Highlight Report – June-July 2017</p> <p>Appendix D: Audit Progress</p> <p>Appendix D: Spend Breakdown</p> <p>Appendix E: Go Live Dates</p>
<p><b>TIME REQUIRED</b></p>	<p>5 minutes.</p>
<p><b>REPORT ORIGINATOR AND CONTACT</b></p>	<p>Anne-Marie Carter  <a href="mailto:acarter@bucksfire.gov.uk">acarter@bucksfire.gov.uk</a>                  07966 886689</p>

**Appendix A: Sponsor Highlight Report – Sept 2017**

# Business & Systems Integration project – September 2017

<b>Business Owner:</b> <b>Project Manager:</b> <b>Business Sponsors:</b>	Julian Parsons Anne-Marie Carter Lynne Swift David Sutherland	<b>Project Objectives:</b> To streamline, automate and integrate systems and business processes across: - HR & Payroll, Finance & Planning, Premises Risk Management, Resource Management, Asset Management Data duplication will be reduced and the efficiency and effectiveness of both our processes and MI will increase	<b>Overall RAG</b> 
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Finance		Plan		Risks & Issues		Scope		Resources	
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**Exec Summary – Past Period’s Activities**

*Finance & Planning*

- Reviewed feedback and made changes where appropriate

*HR & Payroll*

- End user feedback sessions held – feedback incorporated into Phase 1.5
- Phase 1.5 – Continuous improvement plan delivery continuous and reviewed fortnightly
- Expenses forms continue to rollout – staggered approach
- eRecruitment testing completed
- Learning & Development build continues

*Premises Risk Management*

- Safe & Well scoping document signed off
- Safe & Well eLearning package designed
- Working group set up and meeting weekly

*Resource Management*

- Tender in progress

**Priorities for Next Period - October**

*Finance & Planning*

- Continue to review processes and update where appropriate

*HR & Payroll*

- Phase 1.5 – Continuous Improvement – delivery ongoing
- Expenses Rollout complete
- eRecruitment – people strategy site complete

*Premises Risk Management*

- Safe & Well build starts
- Elearning build starts

*Resource Management*

- Tender Evaluations inc Supplier presentations
- Supplier chosen by the end of October

**Key Decisions Required:**

- None

**Key Milestones**


Milestone	Forecast/ Actual	RAG
Next BTB	5 <sup>th</sup> October	
Next O&A	15 <sup>th</sup> November	
Resource Management System supplier chosen	End of Oct	





**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

**Appendix B: Sponsor Highlight Report – Aug 2017**

# Business & Systems Integration project – August 2017

<b>Business Owner:</b> <b>Project Manager:</b> <b>Business Sponsors:</b>	Julian Parsons Anne-Marie Carter Lynne Swift David Sutherland	<b>Project Objectives:</b> To streamline, automate and integrate systems and business processes across: - HR & Payroll, Finance & Planning, Premises Risk Management, Resource Management, Asset Management Data duplication will be reduced and the efficiency and effectiveness of both our processes and MI will increase	<b>Overall RAG</b> 
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Finance		Plan		Risks & Issues		Scope		Resources	
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**Exec Summary – Past Period's Activities**

*Finance & Planning*

- Reviewed feedback and made changes where appropriate

*HR & Payroll*

- Phase 1.5 – Continuous improvement plan delivery continuous and reviewed fortnightly
- Expenses forms continue to rollout – staggered approach
- eRecruitment testing ongoing
- Learning & Development build started

*Premises Risk Management*

- Safe & Well scoping document drafted
- Working group set up and meeting weekly

*Resource Management*

- Requirements signed off
- Tender Issued

**Priorities for Next Period - September**

*Finance & Planning*

- Continue to review processes and update where appropriate

*HR & Payroll*

- Feedback sessions with end users to be held – 5<sup>th</sup>/6<sup>th</sup> Sept
- Phase 1.5 – Continuous Improvement – delivery ongoing
- Expenses Rollout
- eRecruitment testing to be completed

*Premises Risk Management*

- Safe & Well scoping document signed off

*Resource Management*

- Tender in progress – Submission deadline: 4<sup>th</sup> October

**Key Decisions Required:**

- None

**Key Milestones**


Milestone	Forecast/ Actual	RAG
Next BTB	7 <sup>th</sup> September	
Next O&A	15 <sup>th</sup> November	
Issue Resource Management System tender	End of Aug	


**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

**Appendix C: Sponsor Highlight Report – June-July 2017**

**Business & Systems Integration project – June/July 2017**

<b>Business Owner:</b> <b>Project Manager:</b> <b>Business Sponsors:</b>	Julian Parsons Anne-Marie Carter Lynne Swift David Sutherland	<b>Project Objectives:</b> 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	<b>Overall RAG</b> 
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Finance		Plan		Risks & Issues		Scope		Resources	
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**Exec Summary – Past Period’s Activities**

*Finance & Planning*

- Feedback sessions held with end users
- Reviewed feedback and made changes were appropriate

*HR & Payroll*

- Phase 1.5 – Continuous improvement plan agreed and reviewed fortnightly
- 1<sup>st</sup> group of Expenses forms live – staggered approach
- eRecruitment testing started
- Learning & Development scoping and build workshops completed

*Premises Risk Management*

- Greater Manchester visit completed – good feedback from team
- Initial scoping session held with the supplier
- Working group set up and meeting weekly

*Resource Management*

- High Level plan agreed
- Market research Supplier days held
- Shropshire Fire Service visit completed to review their Resource Management system
- Draft requirements captured

**Priorities for Next Period - August**

*Finance & Planning*

- Continue to review processes and update where appropriate

*HR & Payroll*

- Feedback sessions with end users to be held – 5<sup>th</sup>/6<sup>th</sup> Sept
- Phase 1.5 – Continuous Improvement – delivery ongoing
- Expenses Rollout
- eRecruitment testing continues

*Premises Risk Management*

- Scoping document drafted

*Resource Management*

- Work with Oxfordshire and Berkshire Fire Services on inclusion in tender
- Sign off Requirements
- Issue Tender

**Key Decisions Required:**

- None

**Key Milestones**

Milestone	Forecast/ Actual	RAG
Next BTB	3 <sup>rd</sup> August	
Next O&A	15 <sup>th</sup> November	
Issue Resource Management System tender	End of Aug	

**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



**Appendix D: Audit Progress**

	Control description	Priority H/M/L	Management Action Plan	Task owner and target date for implementation	Latest Update
<b>Key Area: Project Approval and Link to Strategic Objectives</b>					
1	There is a project plan in place for the entire duration of the project, which clearly states how benefits will be realised.	Medium	<i>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</i>	Who to be actioned by: Anne-Marie Carter, Project Manager When to be actioned by: 31 Jan 2017	Completed: There is now a high level plan showing all stages of the project, this can be seen in Appendix F: Go Live Dates
2	Risks have been identified and there is a process in place for managing those risks, including escalation where appropriate.	Medium	<i>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.</i>	Who to be actioned by: Anne-Marie Carter, Project Manager When to be actioned by: 31 Jan 2017	Completed: The risk/issue log is updated monthly or when needed, high level risks continue to be entered on the highlight report
<b>Key Area: Resources, Skills and Governance</b>					
3	Project management methodology has been agreed.	Medium	<i>The BMKFA Project Management methodology will be reviewed taking into consideration other guidance including - National Operational Guidance programme (NOG). - 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</i>	Who to be actioned by: Anne-Marie Carter, Project Manager When to be actioned by: <del>31 July 2017</del> 31 <sup>st</sup> October 2017	Ongoing – Delayed: A review of all Project Management processes and documentation is underway. National Operational Guidance taking longer to agree format New actioned by date: 31 <sup>st</sup> October 2017
<b>Key Area: Project Approval and Link to Strategic Objectives</b>					
4	The project plan is revised and checked for viability if changes to the specifications are made.	Low	<i>Any revisions to the specification of the project will be formally agreed at the appropriate Board and minuted.</i>	Who to be actioned by: Julian Parsons, Head of Service Development When to be actioned by: Ongoing	Completed: There have been no project changes since the audit. All progress reports are taken to BTB and SMB.
<b>Key Area: Resources, Skills and Governance</b>					
5	Project interdependencies have been considered and documented.	Low	<i>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.</i>	Who to be actioned by: Anne-Marie Carter, Project Manager When to be actioned by: Ongoing	Completed: Dependencies are being tracked within the risk and issue log

**Appendix E: Spend Breakdown**

Summary:

	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Budget		590	410	0	1,000
Spent	34	373	202	0	609
Committed		0	93	46	139
Earmarked		0	131	121	252
<b>Total</b>	<b>34</b>	<b>373</b>	<b>426</b>	<b>167</b>	<b>1,000</b>

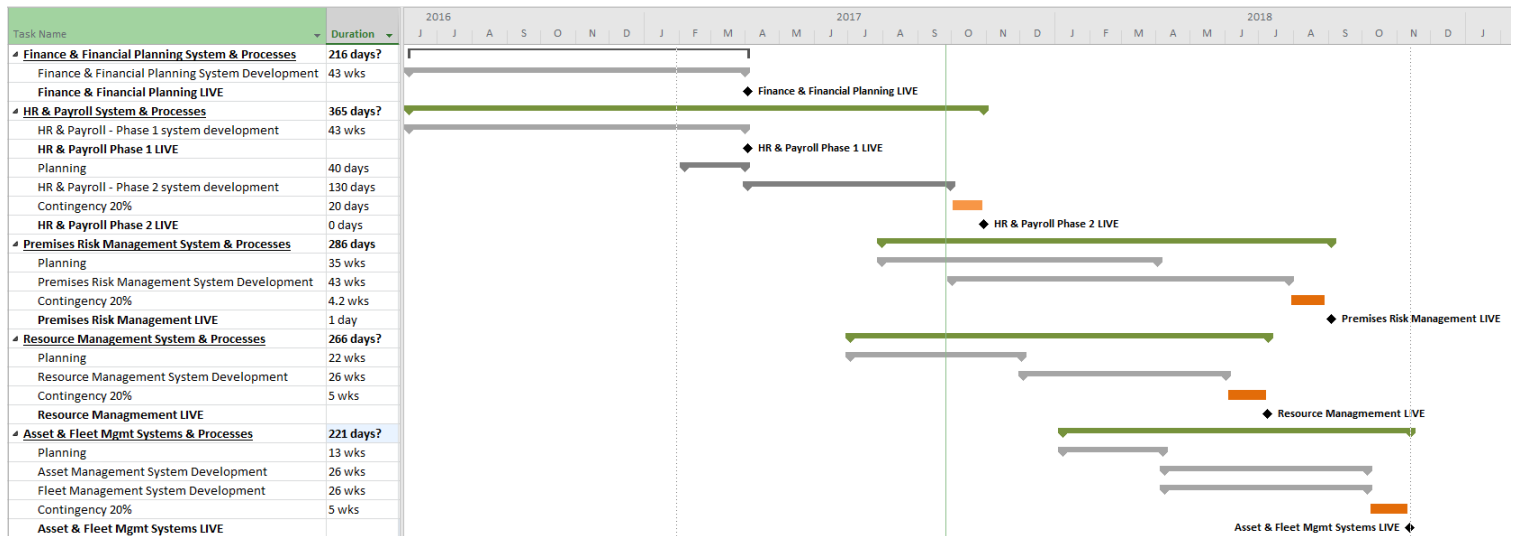
Contingency of £200k was not needed in 16/17 and there are no plans to use it in 17/18

Please note:

- All figures as at end of Sept 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	Achieved
HR – Phase 1	April 2017	Achieved
HR – Phase 2	September 2017- March 2018	On track
Payroll	April 2017 1 <sup>st</sup> Pay run at end of April '17	Achieved
Premises Risk Management	Late 2018	N/A
Resource Management	TBC – Mid 2018	N/A
Asset Management	TBC – Late 2018	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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# Buckinghamshire & Milton Keynes Fire Authority

<b>MEETING</b>	Overview and Audit Committee
<b>DATE OF MEETING</b>	15 November 2017
<b>OFFICER</b>	David Sutherland, Director of Finance and Assets
<b>LEAD MEMBER</b>	Councillor David Watson
<b>SUBJECT OF THE REPORT</b>	<b>Local Pension Board Update – November 2017</b>
<b>EXECUTIVE SUMMARY</b>	<p>This report is being presented to inform Members of the work undertaken by the Local Pension Board (the Board) for Buckinghamshire and Milton Keynes Fire Authority (BMKFA). The key actions taken by the Board, and any actions outstanding, can be seen in Appendix A.</p> <p>The Pensions Regulator is keen to ensure Local Pension Boards are operating effectively and has conducted a survey into pension governance and administration. The main outcomes from this survey can be seen in Appendix B.</p> <p>Minutes of the most recent Board meeting can be seen in Appendix C.</p>
<b>ACTION</b>	Noting.
<b>RECOMMENDATIONS</b>	That Members note the report.
<b>RISK MANAGEMENT</b>	<p>Guidance is being drafted centrally on risk strategies which will enable each fire and rescue service to determine local risk assumptions. However, as an interim measure a risk register has recently been produced (see Appendix D) and was reviewed at the meeting of the Board in September 2017 (and will subsequently be kept under review as a standing agenda item at all future meetings).</p> <p>Any 'red' risks will be escalated to the Corporate Risk Register. There are currently no risks of this magnitude.</p>
<b>FINANCIAL IMPLICATIONS</b>	No direct impact.
<b>LEGAL IMPLICATIONS</b>	No direct impact.
<b>CONSISTENCY WITH THE PRINCIPLES OF THE DUTY TO</b>	The possibility of a joint Board with Royal Berkshire Fire and Rescue Service has been discussed. However, it is felt that whilst the boards are relatively

<b>COLLABORATE</b>	<p>new it is too soon to look at combining them into one. This will be kept under review.</p> <p>The Authority continues to collaborate with the eastern and south regional pension groups; for networking, joint learning, development and understanding and the development of pension related policies and procedures. These groups feed into the regional technical groups and Scheme Advisory Board and information is also cascaded to the Local Pension Board.</p>
<b>HEALTH AND SAFETY</b>	No direct impact.
<b>EQUALITY AND DIVERSITY</b>	No direct impact.
<b>USE OF RESOURCES</b>	<p><b>Communication with stakeholders;</b></p> <p>The Board consists of three employer representatives and three employee representatives. The Authority is the Scheme Manager for the Firefighters Pension Schemes and this report seeks to keep senior managers informed of the work of the Board.</p>
<b>PROVENANCE SECTION &amp; BACKGROUND PAPERS</b>	None.
<b>APPENDICES</b>	<p>Appendix A – Action Log for the Board</p> <p>Appendix B – Public Service Governance and Administration Survey 2016 - The Pensions Regulator (Main Outcomes)</p> <p>Appendix C – Minutes of the Board, July 2017</p> <p>Appendix D – Draft Board Risk Register</p>
<b>TIME REQUIRED</b>	10 minutes.
<b>REPORT ORIGINATOR AND CONTACT</b>	<p>Mark Hemming</p> <p><a href="mailto:mhemming@bucksfire.gov.uk">mhemming@bucksfire.gov.uk</a></p> <p>01296 744687</p>

## APPENDIX A

### Action Log for Fire Fighters Pension Board

Date of Meeting	Action	Action taken	Action taken by
20 December 2016	<p><b>6 Communication Strategy</b></p> <p>The 18-20 pension dispute was discussed and MH confirmed that guidance had been published and agreed that he and FM would read through it and publish a memo about the contents.</p> <p>Payments already made for non-pensionable allowances. FM to raise with Lynne Swift if she would look at the repayments cases by case</p> <p>FM to review HR procedures regarding pensionable allowances.</p> <p>It was agreed that at the next meeting a review of subjects discussed needs to take place and how the Board reports back to SMB.</p>	<p>A memo was not published but all FF's involved were contacted and have been reimbursed any outstanding amount. Cases where FF's think they may be owed money are being reviewed.</p> <p>David Sutherland, Director of Finance &amp; Assets has been approached to look at any disputed pay backs on a case by case bases.</p> <p>Procedures being looked at, but at present Bank payments are not pensionable.</p> <p>See minutes from 20 April 2017</p>	<p>FM</p> <p>FM</p> <p>FM</p> <p>All</p>
20 December 2016	<p><b>7 Performance Data</b></p> <p>The data performance information required needs to be agreed by the Board and the relevant information requested.</p>	<p>See minutes from 20 April 2017</p>	<p>All</p>

Date of Meeting	Action	Action taken	Action taken by
20 December 2016	<p><b>8 Training Needs</b></p> <p>FM to circulate a link to the on line training.</p> <p>FM to follow up on regional training and will inform the Board.</p>	<p>Link circulated to Board members.</p> <p>Board informed about regional training.</p>	<p>FM</p> <p>FM</p>
20 April 2017	<p><b>5 Objectives and Work Plan for 2015/16</b></p> <p><b>MH to write a communication advising individuals to obtain an up to date quote from WYPF where necessary.</b></p>	<p><b>Action carried forward</b></p>	<p><b>MH</b></p>
20 April 2017	<p><b>7 Performance Data</b></p> <p>FM to collate data received from WYPF over the last 12 months and bring to the next meeting for discussion.</p> <p>FM to check with WYPF if any complaints have been received over the last 12 months and if yes how these were dealt with.</p> <p><b>MH to look at setting the risk register up.</b></p> <p>FM will collate data from the SLA with WYPF over last twelve months.</p>	<p>Information collated - see minutes for 5 July meeting</p> <p>No complaints received over the last 12 months</p> <p><b>Work in progress</b></p> <p>Information collated - see minutes for 5 July meeting</p>	<p>FM</p> <p>FM</p> <p><b>MH</b></p> <p>FM</p>
20 April 2017	<p><b>8 Training Needs</b></p> <p>FM to circulate the "Public service pension schemes: Learning needs analysis of certain governance and administration</p>	<p>Document circulated to Board Members</p>	<p>FM</p>



<b>Date of Meeting</b>	<b>Action</b>	<b>Action taken</b>	<b>Action taken by</b>
	<p>requirements" document.</p> <p>FM to email letter from Claire Alcock regarding the recruitment of volunteers to sit on the "SAB sub-group of effective administration".</p>	<p>E-mail circulated to Board Members</p>	<p>FM</p>

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**Appendix B - Public Service Governance and Administration Survey 2016 - The Pensions Regulator**

	<b>Fire</b>	<b>Police</b>	<b>LGPS</b>	<b>Other</b>
1 Survey response rate	98%	76%	90%	100%
2 Conflicts policy and procedure for pension board members	80%	71%	85%	100%
3 Register of interests	86%	74%	87%	100%
4 Knowledge and Understanding arrangements	94%	89%	93%	100%
5 Frequency of scheme manager attendance at pension board meetings	68%	43%	86%	82%
6 <b>Procedures for assessing and managing risk</b>	<b>44%</b>	51%	92%	91%
7 <b>Risk register</b>	<b>38%</b>	51%	91%	91%
8 <b>Where risk management procedures have contributed significantly to new or revised internal controls</b>	<b>14%</b>	28%	29%	20%
9 Where administration is delivered in-house	24%	20%	73%	36%
10 Employers providing timely, accurate and complete data	58%	63%	7%	9%
11 Data review within the last 12 months	68%	77%	83%	100%
12 Data review covering both before and after 1 April 2015	68%	61%	76%	91%
13 <b>Where data review identified any issues or problems</b>	<b>45%</b>	52%	66%	100%
14 <b>All annual benefit statements received by statutory deadline</b>	<b>32%</b>	54%	45%	36%
15 Average number of complaints entering IDR	48%	44%	38%	60%
16 Procedures in place to identify, assess and report breaches of the law to TPR	78%	69%	91%	100%
17 Proportion that had identified any breaches of the law in the past 12 months	58%	11%	45%	64%
18 Proportion of reported breaches that were thought to be materially significant	38%	9%	15%	45%
19 Frequency of visiting TPR web site	60%	29%	61%	73%
20 Proportion judging TPR to be effective	82%	74%	85%	82%

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## APPENDIX C

### Buckinghamshire & Milton Keynes Fire Authority Fire Fighters Local Pension Board Meeting

5 July 2017  
Minutes of meeting

Present: Mark Hemming (MH), Faye Mansfield (FM), Calum Bell (CB),  
Tony Cliffe (TC) & Caroline Jordan (CJ)

Item		Action
1	<b>Apologies for Absence:</b> Richard Priest and Greg O'Neil	
2	<b>Minutes from Previous Meeting</b> The minutes from the meeting held on the 20 <sup>th</sup> April 2017 were agreed.  For completion of action points please see the Action Log.	
3	<b>Conflict of Interest</b> No new conflicts of interest were declared.	
4	<b>Pension Administration Update</b> FM updated the meeting on current issues which included: <ul style="list-style-type: none"><li>• FM confirmed that she would be visiting</li><li>• Back dated pension payments being looked at on a case by case basis. Twenty four individuals involved.</li><li>• All targets being met</li><li>• FM attended the regional meeting at WYPF which was very informative. The working relationship with WYPF is going well.</li></ul>	
5	<b>Objectives and Work Plan for 2015/16</b> A discussion took place on the best way for the Board to report to SMB.  Following the discussion it was agreed that MH would produce a covering report and attach the minutes and action plan to go to the August SMB meeting. If SMB required more information more and then be added.	<b>MH</b>
6	<b>Communication Strategy</b> Communications were discussed and the following points raised: <ul style="list-style-type: none"><li>• It was agreed that a copy of the newsletter sent out by WYPF should be considered at the next meeting. FM and TC to bring copies to the meeting.</li></ul>	<b>TC/FM</b>

	<ul style="list-style-type: none"> <li>TC informed the meeting he was have a few problems logging on to the new portal. It was agreed that TC would look at what is available and report back to the Board if more information is required.</li> </ul>	<b>TC</b>
<b>7</b>	<p><b>Performance Data</b></p> <p>EM presented the data that had been requested at the last meeting, KPI's and Membership information. A discussion took place and the following points raised:</p> <ul style="list-style-type: none"> <li>CB asked if WYPS calculations were based on their information and did not include any time delays from B&amp;MKFRS. FM confirmed that these calculation were from WYPF's own data and did not include any delays in receiving information from us.</li> <li>CB asked how the membership numbers had been calculated. FM to ask WYPF how the back down of the membership figures has been calculated.</li> </ul>	<b>FM</b>
<b>8</b>	<p><b>Training Needs</b></p> <p>FM asked that all board members return there completed "Development Records". These need to be returned asap. If you need any further information please contact FM before the next meeting.</p> <p>A discussion followed regarding the on-line training.</p> <p>It was agreed that a section from the "Public services pension schemes: Learning needs analysis of certain governance and administration requirements" would be discussed at each meeting. The next meeting will discuss section one "My role, responsibilities and duties as a pension board member".</p> <p>This will highlight any areas that may need additional training sessions.</p>	<b>ALL</b>
<b>9</b>	<p><b>Appointments</b></p> <p>No new appointments made.</p> <p>FM informed the Meeting that Claire Allcock had appointed a new assistant, so we could expect more communications with FRS's.</p>	
<b>10</b>	<p><b>AOB</b></p> <p>No A.O.B.</p>	
<b>11</b>	<p><b>Date of Next Meeting</b></p> <p>Tuesday 19 September 2017at 14:00 Meeting Room 2</p>	