

Minutes of the meeting of the OVERVIEW AND AUDIT COMMITTEE of the BUCKINGHAMSHIRE AND MILTON KEYNES FIRE AUTHORITY held on WEDNESDAY 14 NOVEMBER 2018 at 10.00AM

**Present:** Councillors Cranmer, Exon, Geary, Irwin, Teesdale, Watson (Chairman) and Wilson

**Officers:** Mick Osborne (Deputy Chief Fire Officer), G Britten (Director of Legal and Governance), L Swift (Director of People and Organisational Development), M Hemming (Director of Finance and Assets), J Parsons (Head of Service Development), D Norris (Head of Service Delivery), S Harlock (Senior Auditor), A Kennett (Ernst & Young), A Carter (BASI Project Manager), G Barry (Information Governance and Compliance Manager) S Gowanlock (Corporate Planning Manager) A Hussain (Principal Accountant), S Wells (Head of Operational Training) and K Nellist (Democratic Services Officer)

**Apologies:** Councillors Glover and Irwin

**OA16 MINUTES**

RESOLVED –

That the Minutes of the meeting of the Overview and Audit Committee held on 18 July 2018, be approved and signed by the Chairman as a correct record.

**OA17 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.

**OA18 BUSINESS AND SYSTEMS INTEGRATION PROJECT: PROGRESS REPORT**

The Business and Systems Integration Project Manager updated Members on actions since the last meeting. The Prevention system was now live at High Wycombe Fire Station and would be rolled out to the second trial station, Great Holm. With regard to the Protection system, forms were being standardised ready for the system build later in the month. The Resource Management System was nearing completion and was being trialled in Broughton and Aylesbury Fire Stations. Delays with Vision integration had meant that roll out dates had been extended. The Service had hosted the first UK Fire Service User Group meeting with Shropshire and Warwickshire fire and rescue services, which provided an opportunity to align development and reduce costs.

The Business and Systems Integration Project Manager gave Members an overview of the new Premises Risk Management System and the Resource Management System.

A Member asked if the Resource Management System would be accessible to all staff and was advised that yes it would be available to all staff.

A Member asked if it would be possible to use firefighters from other services nearby and was advised that although this would be helpful and the Authority was working closely with its partners across the Thames Valley, different services use different Breathing Apparatus (BA) manufacturers and this was the biggest challenge. Nationally there was a big procurement exercise being undertaken to try and standardise this.

RESOLVED –

That the report be noted.

**0A19**

## **INTERNAL AUDIT REPORTS**

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

The Senior Auditor advised that the purpose of this paper was to update Members on the progress of the implementation of audit recommendations made as at 15 October 2018. There were 24 recommendations to report on, 18 had been implemented, four were on track but not yet due, and two were not implemented and the due date revised. There were no outstanding recommendations to be brought to the attention of Members at this time. Internal Audit continued to actively monitor implementation of all outstanding recommendations throughout the year.

RESOLVED –

That the progress on implementation of recommendations be noted.

### **b) Update of Progress of the Annual Audit Plan**

The Senior Auditor advised that the purpose of this paper was to update Members on the progress of the annual Internal Audit Plan since the last meeting. Work was progressing according to the 2018/19 plan and regular discussions had been held with the Director of Finance and Assets to monitor progress. The audit of Information Security had been completed and issued as a draft report, but had now been finalised. Internal Audit were currently looking at the Blue Light Hub Internal Audit, which was currently at the field work stage and should be finalised by the time of the next meeting. The audit of Core Financial Controls was at a planning stage, and the scope and start date would be agreed with Management in due course.

A Member asked with regard to the project management audit of the Blue Light Hub, if anything like this had been done before and was advised that it was a standard process to look at the key controls for the project.

A Member asked if it was only BMKFA being audited for the Blue Light hub or was Thames Valley Police and South Central Ambulance Service included, and was advised that although they were both key stakeholders, BMKFA held overall responsibility for management of the project.

RESOLVED –

That the progress on the Annual Internal Audit Plan be noted.

## **OA20**

### **ANNUAL AUDIT LETTER**

The External Auditor advised that the purpose of the Annual Audit Letter was to communicate to Members and external stakeholders, including members of the public, the key issues arising from the audit and what they consider should be brought to the attention of the Authority. Two key points:

- Independence – Ernst and Young communicated its assessment of independence in its Audit Results Report to the Overview and Audit Committee on 18 July 2018. In their professional judgement the firm was independent and the objectivity of the audit engagement partner and audit staff had not been compromised within the meaning regulatory and professional requirements.
- Additional Audit Fee – The additional audit fee had been approved by PSAA at £4,510.

RESOLVED –

To note that the Annual Audit Letter for the year ended 31 March 2018 be considered and approved for publication.

## **OA21**

### **2017/18 STATEMENT OF ASSURANCE**

The Director of Legal and Governance advised Members that the purpose of this report was to present to the Committee the 2017/18 Statement of Assurance for it to be approved for signature by the Chairman of the Committee and the Chief Fire Officer. In terms of the purpose and format of the annual Statement of Assurance, the headlines were required to cover financial assurance, governance assurance and operational assurance. The Statement of Assurance draws together and links to a variety of existing governance documents, including the 2017/18 audited statement of accounts, which were adopted by this Committee at its July 2018 meeting. The Statement of Assurance was a look back document to 2017/18.

The Corporate Planning Manager advised Members that the 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. An Updated National Framework was published in May 2018, which maintained the requirement. The Statement of Assurance was a

single point of access for all the Authority's key governance documents.

RESOLVED –

That the 2017/18 Statement of Assurance be approved for signature by the Chairman of the Overview and Audit Committee and the Chief Fire Officer

**OA22                    TREASURY      MANAGEMENT      PERFORMANCE      2018/19  
QUARTER 2**

The Principal Accountant advised Members that the accrued interest earned for the first half of 2018/19 was £111k, which was £36k higher than the budget for the period. The budget had been raised in the current year to £150k.

A Member asked if the CCLA investment was in the property fund or money market fund and was advised that it was in the money market fund for liquidity.

RESOLVED –

That the Treasury Management Performance 2018/19 – Quarter 2 report be noted.

**OA23                    TREASURY MANAGEMENT PRACTICES (TMP)**

The Principal Accountant advised Members that the Treasury Management Practices (TMP) was the key document governing the running of the Treasury Management function. This version had been updated to reflect changes to legislation, approved strategies and structure of the team.

A Member asked how targets or objectives were measured and was advised that the Authority was part of a local authority benchmarking group. Members of the group were from different local authorities, not just fire authorities.

A Member also asked would it be reasonable to consider a policy objective of targeting, for example, a 25% increase in investment over the next two years. Was this something Members should be setting as an objective or were Members simply receiving reports retrospectively and was advised that yes a target could be looked at as part of the treasury strategy, but one note of caution was the statutory guidance given specifies in order of importance security, liquidity and then yield. Perhaps some of the benchmarking material could be provided in future reports so that Members can see how the Authority compare to others.

RESOLVED –

1. That the TMP document be approved by the Overview and Audit Committee.
2. That future updates to the TMP document were submitted to the Committee for approval as part of a triennial review.

**OA24 COUNTER-FRAUD AND CORRUPTION POLICY REVIEW**

The Director of Finance and Assets advised Members that the purpose of this review was to seek approval of the updated policy and ensure that the Authority continued to comply with its counter-fraud and corruption obligations. The report was being presented to the Committee as part of a triennial review.

RESOLVED –

That the revised Counter-Fraud and Corruption Policy be approved.

**OA25 LOCAL PENSION BOARD UPDATE – NOVEMBER 2018**

The Director of Finance and Assets advised that this report was being presented to inform Members of the work undertaken by the Local Pension Board for the Authority. The Local Pension Board was established in 2015 when the new and revised firefighter pension schemes were brought in.

A Member asked how often the Local Pension Board met and was advised that they met quarterly. The Board consisted of three employer representatives and three employee representatives. The Pension Administrator (West Yorkshire) attend each meeting and updated on any issues. The Local Pension Board was an advisory board only.

RESOLVED –

That Members note the report.

**OA26 CORPORATE RISK MANAGEMENT**

The Corporate Planning Manager advised Members that the report provided an update on the current status of identified corporate risks. Since the last Overview and Audit Committee Meeting on 18 July, the Corporate Risk Register had been reviewed at the Strategic Management Board (SMB) meetings on 14 August and 18 September, and the following changes had been agreed:

- The probability score for the information security risk was reduced from 4 to 3 resulting in an overall score of 12 (amber RAG status);
- In light of progress towards implementation of a permanent solution for the pager risk and satisfactory performance of the interim arrangements, a reduction in

the probability risk score for this was also agreed resulting in an overall score of 6 (green RAG status).

The staff availability risk had stayed the same (amber RAG status) as the recruitment plan for 2019 to refresh the workforce during predicted retirements had been approved. A fourth tranche of firefighter apprentices was planned for 2019, supplemented by a small number of experienced transferees as required.

The Director of Finance and Assets provided an update with regard to the funding and savings risk and the potential impact of changes to employer contributions to the firefighter pension scheme, which could increase costs by as much as £1.6M a year from the 2020/21 financial year, if further support was not provided by the Treasury. In light of this, it was agreed that the risk should remain at red RAG status.

Potential risks associated with the UK's planned withdrawal from the European Union ('Brexit') were considered at a recent SMB meeting and whether, at this time, these should be considered for inclusion on the Corporate Risk Register. It was agreed that it would not be appropriate at this time.

A Member asked if the Authority was still lobbying Government for an increase in the Council Tax precept and was advised that lobbying was still being undertaken, at local and national level and also by the National Fire Chiefs Council on behalf of all fire authorities. Lobbying was also being undertaken with regard to the Comprehensive Spending Review, as the Authority's guaranteed four year settlement would run out after 2019/20. Every effort was being made behind the scenes to secure long term funding for the Authority.

RESOLVED –

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

**OA27**

**HER MAJESTY'S INSPECTORATE OF CONSTABULARY AND FIRE AND RESCUE SERVICES – PREPARATION UPDATE**

The Head of Service Development advised that the purpose of this report was to update Members on progress of the current preparation plans for Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) inspection process. Tranche one inspections had been completed, with reports of their findings scheduled to be published in early December 2018. Tranche two inspections (including Oxfordshire and Royal Berkshire Fire and Rescue Services) were underway. The

Authority was to be inspected in tranche three, which was currently planned to commence in spring 2019, though the precise timings for individual fire and rescue services had not yet been confirmed. Currently the Service's preparations were proceeding to plan.

RESOLVED –

1. That the the content of the progress report be noted.
2. A copy of this report be submitted to the 12 December 2018 Fire Authority meeting for their information, updated to reflect the latest position at that time.

The Authority be recommended to agree that:

3. The Overview and Audit Committee continue to receive progress reports on preparations for the HMICFRS inspection.
4. A summary of the overall findings from each inspection tranche be received by the Authority when available.
5. The HMICFRS' full inspection report relating to Buckinghamshire Fire and Rescue Service be received by the Authority following publication.
6. Following publication of the HMICFRS inspection report, the Overview and Audit Committee monitor progress with plans to address any recommendations made by HMCFFS.

## **OA28 OPERATIONS ASSURANCE IMPROVEMENT PLAN**

The Head of Operational Training advised Members that the purpose of this report was to provide an update on current progress towards the delivery of the Service's approved Operational Assurance Improvement Plan (OAIP). The content of which was initially derived from the recommendations arising from the 'Review of Operational Assurance Arrangements' undertaken by Operational Assurance Limited (OAL) in October 2016. A further independent review designed to evaluate the progress made against the previously identified improvement recommendations, was again undertaken by OAL in November 2017. Consequently, the OAIP had essentially become a dynamic document that was continually edited and updated. This would help to provide the best service to the public in Buckinghamshire and Milton Keynes and improve the safety of firefighters. The Authority had now entered into a contractual arrangement with Operational Assurance Limited. OAL had already undertaken their first audit review and were contracted to undertake two reviews in a twelve month period, for an initial two years. This should help provide compelling evidence for the HMICFRS inspection.

RESOLVED –

1. That the progress made against each improvement recommendation detailed within the updated OAIP be noted.

## **OA29**

### **ANNUAL PERFORMANCE MONITORING 2017-18**

The Head of Service Development advised Members that this report provided an overview of annual progress in relation to the Authority's 2015-20 Corporate Plan objectives and covers the out-turn performance from 1 April 2017 to 31 March 2018. It addressed the key strategic aims and focussed on Prevention, Protection and Response.

The Head of Service Development explained in further detail the information in the Balanced Scorecard at Appendix C, with the highlights being:

- Non-domestic primary fires continue to reduce;
- BFRS attends 10% few incidents per 1000 population compared with the average of all other fire and rescue services;
- The Authority continues to maintain the lowest Council Tax precept of any combined fire authority;
- BFRS is one of the most cost effective services when it comes to cost per incident. The average cost is £4027 and BFRS is £3104;
- BFRS has still managed to maintain its attendance times and they are the same as they were five years ago, whilst most Services are experiencing an increase;
- Despite an increase in Accidental Dwelling Fires during 2017/2018, a positive overall trend continues;
- Post incident surveys that were returned from non-domestic property incidents resulted in 100% of respondents being satisfied with the service provided by BFRS (94% were very satisfied & 6% fairly satisfied).

RESOLVED –

That the out-turn performance against the outcome measures specified in the Corporate Plan 2015-20 be noted.

## **OA30**

### **DATE OF NEXT MEETING**

The Committee noted that the next Overview and Audit Committee meeting would be held on Wednesday 13 March 2019 at 10.00am.



THE CHAIRMAN CLOSED THE MEETING AT 11.40AM

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