

Minutes of the meeting of the OVERVIEW AND AUDIT COMMITTEE of the BUCKINGHAMSHIRE AND MILTON KEYNES FIRE AUTHORITY held on WEDNESDAY 17 JULY 2019 at 10.00AM

Present: Councillors Carroll, Clarke (OBE) [Substituting for Councillor Clare], Exon, Glover, Minns and Watson

Officers: J Thelwell (Chief Fire Officer), L Swift (Director of People and Organisational Development), M Hemming (Director of Finance and Assets), G Britten (Director of Legal and Governance), J Parsons (Head of Service Development), C Bell (Group Commander Service Delivery) S Harlock (Senior Auditor), A Kennett (EY), D Sutherland (Head of Resources and Assets) Carter (BASI Project Manager), G Barry (Information Governance and Compliance Manager) S Gowanlock (Corporate Planning Manager) A Hussain (Principal Accountant) D Whitelock (Station Commander POD Projects) C Jordan (Team PA) M Hussey (Trainee Account) S Elmes (Payroll and Benefits Manager) and F Pearson (Communications and Consultation Manager)

Apologies: Councillors Clare and Christensen and Cranmer

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 2019/20.

RESOLVED –

That Councillor Watson be elected as Chairman of the Committee for 2019/20

OA02 APPOINTMENT OF VICE CHAIRMAN

It was moved and seconded that Councillor Glover be appointed as Vice Chairman of the Committee for 2019/20.

RESOLVED -

That Councillor Glover be appointed as Vice-Chairman of the Committee for 2019/20.

OA03 MINUTES

RESOLVED –

That the Minutes of the meeting of the Overview and Audit Committee held on 13 March 2019, 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 Senior Auditor presented the report and confirmed the results of the completed Audits. These were Core Financial Controls (Substantial), Stores (Limited) and Project Management – Blue Light Hub (BLH) (Reasonable).

All the recommendations had been agreed with the responsible officers and suitable deadline dates for implementation had been identified.

Following some questions from the Committee regarding the Stores audit the Director of Finance and Assets confirmed that the result was not unexpected as it was the first Stores audit to be requested and has proved helpful in highlighting areas where improvements could be made.

A discussion took place regarding the Project Management – BLH audit around problems that have arisen on the project. Members congratulated the team on their work in keeping the project running on the planned time scales.

RESOLVED -

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

b) Internal Audit Report: Annual Audit Report 2018/19

The Senior Auditor advised that in line with best practice an annual report on the internal control environment was presented to those charged with governance.

Based on the internal audit work carried out during 2018/19 the internal auditors were able to confirm a Reasonable Assurance regarding the effective, efficient and economic running of the Authority.

It was brought to the Committee's notice that no suspected frauds or financial irregularities were brought to the attention of the Auditors during 2018/19.

RESOLVED –

That the content of the Annual Report be reviewed and noted.

OA06

ANNUAL GOVERNANCE STATEMENT 2018/19

The Director of Legal and Governance advised Members that the purpose of this report was to present the Annual Governance Statement 2018/19.

The Annual Governance Statement also contained the progress on the implementation of the recommendations of the 2017/18 Annual Governance Statement (erroneously referenced as 2016/17 in Appendix A, to be corrected once approved before publication) and highlights recommendations for 2019/20. The Annual Governance Statement had been based upon the six core principles of good governance set out in the CIPFA/SOLACE guidance (2007, revised and updated 2012).

The committee were advised that CIPFA/SOLACE have revised their guidance and created seven new core principles which it is proposed be used for the Annual Governance Statement for 2019/20.

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 2019/20 (Appendix B to the Annual Governance Statement) be agreed.
4. That the proposal for the Annual Governance Statement be reformatted for 2019/20 by reference to the seven principles in the CIPFA/SOLACE "Delivering Good Governance in Local Government: Framework" (2016) be noted.

OA07**AUDIT RESULTS REPORT 2018/19**

The External Audit Manager advised Members that due to a shortage of resources EY had been, as of 17 July 2019, unable to complete the External Audit for 2018/19.

The External Audit Manager assured the Committee that the Audit would be completed as soon as possible and resources had been allocated for completion week beginning 5 August. The External Audit Manager advised that at the time of the meeting 75% of the Audit had been completed and no major issues had come to light.

The Committee enquired whether EY would be issuing a rebate on the Audit Fee, the External Audit Manager confirmed that she was not in position to comment on this. The Director of Finance & Assets informed Members that a letter of complaint to EY was being drafted and would be sent shortly.

The Director of Finance and Assets informed the Committee that the plan was to bring the completed Audit Results Report 2018/19 and other associated reports to the Authority meeting in September to be approved.

The External Audit Manager brought areas of interest to the attention of the Committee. These included the valuation of the Property, Plant and Equipment (PPE) and Investment Property (IP) and the request for a new valuation which has been submitted to EY. The pension liability valuation is still outstanding as the Pension Fund auditors have not yet issued their report.

RESOLVED –

That the content of the report be noted.

OA08**LETTER OF MANAGEMENT REPRESENTATION 2018/19**

The Principal Account notified the Committee that the Letter of Management Representation to EY cannot be signed by the Director of Finance and Assets and the Chairman of the Committee as the external audit had not been completed. It was proposed that the letter be reviewed and signed at the Authority meeting on 18 September 2019.

RESOLVED –

That the Letter of Representation be noted.

OA09**UNAUDITED STATEMENT OF ACCOUNTS – YEAR ENDED 31 MARCH 2019**

The Principal Accountant informed Members that all the internal work on the Statement of Accounts for the Authority had been completed and all queries raised by the Auditors to date had been resolved. The Committee were updated on areas that had changed since 2017/18 accounts. This included the amount of monies available for treasury investment due to expenditure on the Blue Light Hub.

The Committee were advised that, as discussed before, the external audit of the Statement of Accounts has not been completed by the external auditors so the Accounts cannot be signed at this meeting.

RESOLVED –

That the Unaudited Statement of Accounts for the financial year ended 31 March 2019 be noted.

OA10 TREASURY MANAGEMENT PERFORMANCE 2018/19

The Principal Account advised Members that the Treasury Management performance exceeded the budget set by £56k. As mentioned in the previous item the amount of money available to invest has been reduced due to spending on the Blue Light Hub, so investment returns may decrease in future years.

RESOLVED –

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

OA11 PROTOCOL ON MEMBER AND OFFICER RELATIONS

The Director of Legal and Governance advised Members that this protocol sits alongside the Members' and Officers' Code of Conduct and needs to be reviewed every four years and adopted by the Authority. No revisions had been requested by employee representatives nor by the Group Leaders.

A request was made that all Members of the Authority should have a printed copy of the updated protocol.

RESOLVED –

That the Protocol on Member and Officer Relations be approved and be recommended to the Authority for adoption.

OA12 COMPLIMENTS AND COMPLAINTS

The Information Governance and Compliance Manager advised Members that the number of complaints received was still very low and no complaints had been escalated.

The Committee asked how complaints were dealt with including the time taken to respond. The Information Governance and Compliance Manager confirmed that due to operational staff rotas that the intention was to deal with all issues within five working days, but the Authority did try and acknowledge the complaint on day of receipt.

RESOLVED –

That the report be noted.

OA13 BUSINESS AND SYSTEMS INTEGRATION PROJECT: PROGRESS REPORT

The BASI Project Manager presented the report and informed Members that the implementation of the project was on track and budget.

The introduction of the Prevention and Protect element on the Premises Risk Management System (PRM) was delivering a more efficient and paperless solution.

The Resource Management System was now being used by all Operational Staff. Support Staff were also being integrated on to the new system shortly.

RESOLVED –

That the report be noted.

OA14 CORPORATE RISK MANAGEMENT

The Corporate Planning Manager introduced the main risks and how they were being managed and explained the reasoning behind the Risk Map to new Members.

The Corporate Planning Manager informed the Committee that no new Risks had been added to the Register since the last meeting, but updated the Members on changes to the four main risk areas for the Authority.

The main risks were staff availability, funding (both national and local), information security and “no deal Brexit”.

RESOLVED –

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

OA15

OPERATIONAL ASSURANCE IMPROVEMENT PLAN

The Head of Service Development introduced the Operational Assurance Improvement Plan and informed Members of its purpose. It was explained that due to the necessity to review the original report there had been a delay between the review of Operations and the publication date.

The report recommended 26 areas of improvement all of which were being reviewed and updated. Rather than adding 26 recommendations to the report three key topics areas had been added to the Operational Improvement Plan which were outlined in the report.

Operational Discretion was discussed and explained to Members with examples given. Following any event where “operational discretion” was used the event would be reviewed to see what could be learnt.

RESOLVED –

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

OA16

APPRENTICESHIP PROGRAMME – ANNUAL STATUTORY REPORTING 2018/19

The Director of People and Organisational Development introduced the Annual Statutory report and then asked the Station Commander, POD Projects, to give an overview of information covered in the report.

Members were informed that the report shown in Appendix B was the final report and would be submitted before 30 September 2019 to the Department of Education. The Committee was advised that the reporting was quite prescriptive with limited scope to explore all areas.

RESOLVED –

That the Authority’s annual return be endorsed for submission to the Department for Education and for publication on the Authority’s website.

OA17

FORWARD PLAN

The Chairman brought the Forward Plan for future Overview and Audit Committee meetings to the attention of Members.

RESOLVED –

That the Forward Plan be noted.

OA18

DATE OF NEXT MEETING

The Committee noted that the next Overview and Audit Committee meeting would be held on Wednesday 20 November 2019 at 10.00am.

The Overview and Audit Committee requested that it be minuted that as this is the last meeting for the Director of People and Organisational Development and the Head of Service Development, that thanks were given to them both for their hard work and wished them well in their retirement.

THE CHAIRMAN CLOSED THE MEETING AT 11:53 AM