

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



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

Chief Fire Officer and Chief Executive
Jason Thelwell

To: The Members of the Overview and Audit Committee

30 October 2023

**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, BUCKINGHAMSHIRE FIRE AND RESCUE SERVICE HEADQUARTERS, STOCKLAKE, AYLESBURY, BUCKS, HP20 1BD** on **WEDNESDAY 8 NOVEMBER 2023 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

Health and Safety

There will be extremely limited facilities for members of the public to observe the meeting in person, therefore a recording of the meeting will be available after the meeting at the web address provided overleaf.

Councillors Bagge, Carr, Carroll, Chapple OBE, Exon, Fuller, Hussain, Stuchbury and Waite



MAKING YOU SAFER



To observe the meeting as a member of the Press and Public

The Authority supports the principles of openness and transparency. To enable members of the press and public to see or hear the meeting this meeting will be livestreamed. Please visit: <https://www.youtube.com/channel/UCWmIXPWAscxpL3vIiv7bh1Q>

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 adjourn a Meeting to hear a member 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.

A request to speak on a specified agenda item should be submitted by email to gbritten@bucksfire.gov.uk by 4pm on the Monday prior to the meeting. Please state if you would like the Director of Legal and Governance to read out the statement on your behalf, or if you would like to be sent a 'teams' meeting invitation to join the meeting at the specified agenda item.

If the meeting is then adjourned, prior to inviting a member of the public to speak, the Chairman should advise that they:

- (a) speak for no more than four minutes,
- (b) 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.

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. Such attendance will be facilitated if requests are made to enquiries@bucksfire.gov.uk at least two clear working days before the meeting.

Statements can be read out on behalf of the Member by the Director of Legal and Governance, or the Member may request a 'teams' meeting invitation to join the meeting at the specified agenda item.

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*, 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 Overview and Audit Committee held on 19 July 2023 (Item 2) **(Pages 11 - 20)**

3. Matters Arising from the Previous Meeting

The Chairman to invite officers to provide verbal updates on any actions noted in the Minutes from the previous meeting.

4. 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.

5. Questions

To receive questions in accordance with Standing Order SOA7.

6. RIPA Policy (Minute OA39 - 090316) - To note that there has been no covert surveillance conducted by officers since the last meeting of the Committee.

7. Committee Matters

It is recommended that:

1. A Grievance Panel (consisting of 5 members proportionate to membership of the Overview and Audit Committee, 3:1:1) chaired by the Overview and Audit Committee Chairman be appointed to discharge the employer's functions to hear and determine any grievance brought by or against the Chief Executive/Chief Fire Officer, Deputy Chief Fire Officer, the Monitoring Officer or the Chief Finance Officer.
2. A Grievance Appeal Panel (consisting of the 4 members not appointed to the Grievance Panel, proportionate to membership of the Overview and Audit Committee, 2:1:1) chaired by the Overview and Audit Committee Vice Chairman be appointed to hear and determine any grievance appeal resulting from any determination made by the Grievance Panel.

Background to the recommendations

The Terms of Reference of the Executive Committee include within its remit (9). 'To determine policies, codes or guidance (b)relating to grievance, disciplinary, conduct, capability, dismissals and appeals relating to employees contracted to "Gold Book" terms and conditions in whole or in part.'

Buckinghamshire Fire & Rescue Service has to date not produced any such policies, codes or guidance for approval by the Executive Committee.

The extant Buckinghamshire Fire & Rescue Service grievance procedure, which is not contractual, does not provide for decision takers with sufficient seniority to be involved in the process involving the Chief Executive/Chief Fire Officer, Deputy Chief Fire Officer, the Monitoring Officer or the Chief Finance Officer.

In terms of grievance matters the Gold Book (that is incorporated in to the above mentioned post's conditions of employment) provides that

'Where a Brigade Manager has a grievance arising out of their employment then each fire and rescue authority should ensure that it has arrangements in place to enable that grievance to be heard.'

'If a Brigade Manager has an issue in respect of their employment they should initially attempt to resolve the issue informally. Only if this is unsuccessful, should they consider lodging a formal grievance with the appropriate person identified in the Authority's Grievance Procedure within the defined timescale, and follow that procedure through to a conclusion. As a minimum the procedure should comply with the statutory requirements.'

'Both parties should deal with the grievance in good faith, applying the principles of natural justice and should consider the issues objectively. Taking into account the potential adverse affect upon reputation and/or operational requirements the process should not be prolonged.'

Contact Officer: Graham Britten gbritten@bucksfire.gov.uk

8. Internal Audit Reports

(a) Update on Progress of Audit Recommendations

To consider item 8(a) **(Pages 21 - 26)**

(b) Final Audit Reports

To consider item 8(b) **(Pages 27 - 74)**

(c) Update on the 2023/24 Annual Audit Plan

To consider item 8(c) **(Pages 75 - 78)**

9. Financial Instructions

To consider item 9 **(Pages 79 - 128)**

10. Audit Results Report 2021/22

To consider item 11 **(Pages 129 - 198)**

11. Letter of Management Representation 2021/22

To consider item 11 **(Pages 199 - 206)**

12. Adoption of the Audited Statement of Accounts - Year Ended 31 March 2022

To consider item 12 **(Pages 207 - 294)**

13. Treasury Management Performance 2023/24 - April to September 2023

To consider item 13 **(Pages 295 - 302)**

14. Corporate Risk Management

To consider item 14 **(Pages 303 - 324)**

15. 2022/23 Compliments, Concerns and Complaints

To consider item 15 **(Pages 325 - 334)**

16. 2022-23 Annual Performance Monitoring

To consider item 16 **(Pages 335 - 360)**

17. Prevention Improvement Plan - July / August 2023

To consider item 17 **(Pages 361 - 368)**

18. Forward Plan

To note item 18 **(Pages 369 - 370)**

19. Date of next meeting

To note that the next meeting of the Overview and Audit Committee will be held on Wednesday 13 March 2024 at 10 am.

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

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Buckinghamshire & Milton Keynes Fire Authority

Minutes of the Meeting of the OVERVIEW AND AUDIT COMMITTEE of the BUCKINGHAMSHIRE AND MILTON KEYNES FIRE AUTHORITY held on WEDNESDAY 19 JULY 2023 at 10.00 AM.

Present: Councillors Adoh, Carroll, Chapple OBE, Exon, Fuller (part), Hussain, Stuchbury and Waite

Officers: M Osborne (Deputy Chief Fire Officer), M Hussey (Principal Accountant), A Carter (Head of Technology, Transformation and PMO), K Nellist (Democratic Services Officer), C Jordan (Team PA), S Gowanlock (Corporate Planning Manager), J Cook (Community Safety and Safeguarding Manager), C Bell (Head of Protection, Assurance and Development), A Hussain (Deputy Director of Finance and Assets) and M Gibb (Internal Audit Manager, Buckinghamshire Council),
Remotely: F Keates (External Audit EY),

Apologies: Councillor Bagge

The Vice-Chairman welcomed Members to the Overview and Audit Committee Meeting of the Buckinghamshire & Milton Keynes Fire Authority and advised that although members of the public were allowed to attend and observe in limited numbers, the meeting was being recorded and a copy would be uploaded onto the Authority's YouTube channel.

<https://www.youtube.com/channel/UCWmIXPWAscpxL3vIiv7bh1Q>

OA01 ELECTION OF CHAIRMAN

(Councillor Hussain in the Chair)

It was proposed and seconded that Councillor Carroll be elected Chairman of the Committee for 2023/24.

RESOLVED –

That Councillor Carroll be elected as Chairman of the Committee for 2022/23.

(Councillor Carroll in the Chair)

OA02 APPOINTMENT OF VICE-CHAIRMAN

It was proposed and seconded that Councillor Hussain be appointed Vice Chairman of the Committee for 2023/24.

RESOLVED –

That Councillor Hussain be appointed Vice Chairman of the Committee for 2023/24.

OA03 MINUTES

RESOLVED –

That the Minutes of the meeting of the Overview and Audit Committee held on Wednesday 15 March 2023, be approved, and signed by the Chairman as a correct record.

OA04 MATTERS ARISING FROM THE PREVIOUS MINUTES

OA47 - Corporate Risk Management – The Corporate Planning Manager would remove Industrial Action and Pandemic Resurgence Risks from the risk register, and these would be added to the relevant directorate risk registers. This would be covered by the Corporate Planning Manager at Item 14 on this agenda.

Risk of USAR being withdrawn – as Members were aware, funding had been secured for a further two years –the Deputy Chief Fire Officer confirmed that funding would be in place until March 2025. There was an ongoing review into the whole New Dimensions Programme, and officers would continue to look to secure the USAR function for the future moving forward. Rob Butler MP had recently visited the team to show support.

Incident in High Wycombe – A Member asked that the Service and Police be thanked for how they had carried out their duties – this had been actioned by the Chief Fire Officer.

OA05 DISCLOSURE OF INTERESTS

There were no disclosures of interest.

OA06 RIPA POLICY (MINUTE OA39 – 090316)

The Democratic Services Officer advised Members that the Authority was the enforcing authority investigating potential breaches of fire safety legislation and confirmed that in the last reporting period, no covert surveillance under the Regulation Investigatory Powers Act 2000 had been undertaken.

RESOLVED –

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

OA07 2022/23 ANNUAL AUDIT PLAN

The Internal Audit Manager advised Members that in accordance with the Accounts and Audit Regulations, Internal Audit were required to provide a written report on an annual basis to this Committee with an opinion on the overall adequacy and

effectiveness of the Authority's control environment. The opinion of the Chief Internal Auditor was that the Authority's system of internal control and risk management, provided reasonable assurance regarding the effective efficient and economic exercise of the Authority's functions. It should be noted that no system of internal control could provide absolute assurance, and neither could the Internal Audit Service. In reaching the overall opinion, account was taken of the follow up progress and implementation of actions.

RESOLVED –

That Members note the 2022/23 Annual Audit Report

OA08 STATEMENT OF ACCOUNTS

The External Audit Manager advised Members that the audit progress report provided an update on the audit progress since the last meeting in March 2023. There had now been a response from the auditor of the Buckinghamshire pension fund which was required as part of the work on the IAS19 pension liability. Since the last meeting, the triennial valuations for the LGPS Buckinghamshire pension fund as at 31 March 2022 had now been released. The finalisation of this report was considered new information in relation to conditions that existed as at 31 March 2022. Management and the audit team were required to consider this new information when reviewing the IAS19 liability. As a result, management requested an updated IAS19 report for their share of the LGPS pension fund which had now been provided to the audit team.

The valuations had been concluded on Great Holm Fire Station and Gerrards Cross house valuations. In relation to property, plant and equipment, and land valuations, the Authority's external valuers provided updated evidence in early July. The audit team had sent a sample of these assets to their internal valuation department for review, this should be completed in the coming weeks. There were also a small number of errors that needed to be completed as part of the conclusion of the audit, these were listed in the progress report.

A Member asked around the investment strategy for pensions, and whether the Authority had any influence on this.

The Deputy Director of Finance and Assets advised Members that the Firefighter scheme was an unfunded pension scheme which meant that it did not hold any investments whilst the LGPS scheme does. The LGPS fund was administered by Buckinghamshire Council. Information on investments relating to the LGPS pension fund would be sent to Members.

Deputy Director of
Finance & Assets

OA09 PROTOCOL ON MEMBER AND OFFICER RELATIONS

The Corporate Planning Manager advised this report was being presented to Members as part of the quadrennial review of the Authority's Protocol on Member and Officer Relations. The Protocol complemented the Authority's Members' Code of Conduct. The draft report was approved in principle by the Chairman of the Authority and reviewed by employee representatives at the Joint Consultation Forum (JCF) at its meeting on 1 March 2023. The JCF agreed that the Protocol should include reference to the five ethical principles from the Core Code of Ethics for Fire and Rescue Services, which were also subsequently incorporated into the updated employee Code of Conduct 2023 when approved by the Executive Committee at its meeting on 22 March 2023.

The Terms of Reference for the Authority require it to determine all policies, codes or guidance regulating working relationships between Members of the Authority and employees of the Authority, after considering recommendations from the Overview and Audit Committee.

A Member asked if there were checks to ensure that staff were aware of all relevant policies and procedures.

The Deputy Chief Fire Officer advised Members that there was a robust induction process that ensured all new starters were aware of all policies and procedures.

RESOLVED –

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

OA10 2021/22 STATEMENT OF ASSURANCE

The Corporate Planning Manager advised Members that the Statement of Assurance covered the period April 2021 to March 2022. The Statement of Assurance was the last link in the governance chain and normally could not be finalised until all the other key inputs were received and approved by this Committee.

As Members were aware from the earlier update, the external auditor's final opinion on the 2021/22 financial statements was still pending. However, rather than further delay the publication of the 2021/22 Statement of Assurance, it was decided to bring it today for approval and any material findings from the external auditors would be included in the 2022/23 Statement of Assurance. Everything else in the Statement had already been considered by this Committee, and it served as a precis and overview of the outcomes of the more detailed underlying assurance activities ranging across the financial, governance and operational functions and processes and that were

reported to this Committee during the course of the 2021/22 financial year.

The format and content of the statement was based on Government guidance published in 2013. The guidance had not been updated since then and therefore remains extant.

RESOLVED –

That the 2021/22 Statement of Assurance be approved for signature by the Chairman of the Overview and Audit Committee and the Chief Fire Officer.

OA11 ANNUAL GOVERNANCE STATEMENT 2022/23

The Deputy Director of Finance and Assets advised Members that the purpose of this report was to present the 2022/23 Annual Governance Statement. It contained the progress on the implementation of recommendations of the 2021/22 Annual Governance Statement and recommendations for 2023/2024. The report was produced with feedback received from all directorates.

During 2022/23 the Service commenced planning for its next Public Safety Plan, which in line with new guidance, would be known as the Community Risk Management Plan and cover the period 2025-2030. An outline timeline for the planning process was presented to the Authority on 7 December 2022. In terms of public engagement, the Authority had invested in a digital marketing apprentice which had allowed the team to increase its presence both on social media and through community events.

At the start of 22/23 officers expanded the suite of reportable performance measure to 75 covering the whole Service. These were reviewed and reported on a quarterly basis by the Performance Monitoring Board, Strategic Management Board and fed up to the Executive Committee and Fire Authority.

A Member asked about public engagement and targeting recruitment events, were officers visiting college and university open days.

The Deputy Director of Finance and Assets advised that officers already engaged with schools and colleges at career open days, and were targeting 16-18 year olds to see if they had an interest in joining the Fire Service.

A Member asked how many subject access requests had been received.

The Democratic Services Officer confirmed there had been no Subject Access Requests during the period.

A Member asked when the Climate Action Plan would be reviewed by Members.

The Deputy Chief Fire Officer advised Members that climate change was included in the current Public Safety Plan and the response strategy reflected this. The response strategy was constantly evaluated depending on the risk. The public consultation had commenced for the future Community Risk Management Plan and climate forms a large part of that which would then inform the response strategies moving forward.

RESOLVED –

1. That the Annual Governance Statement 2022/23 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 noted.
3. That the priorities for 2022/23 (Appendix B to the Annual Governance Statement) be agreed.

OA12 CORPORATE RISK MANAGEMENT

The Corporate Planning Manager advised Members that this was the regular report on the status of corporate risks that was presented to every meeting of this Committee. The report reflected any changes and updates made to the Corporate Risk Register since the last meeting on 15 March 2023. Since then, the risk register had been subject to regular review by the Performance Monitoring and Strategic Management Boards and also by Lead Members where individual risks fell within their areas of reference.

The Corporate Planning Manager advised Members that there had been some changes since the last report. In particular, to the industrial relations risk. Following the settlement of the pay dispute with the FBU earlier in the year, this had been redefined and re-assessed to relate to the potential impact of ongoing industrial action in other sectors, such as education, which, for example, could affect attendance of staff with childcare responsibilities. The broader staff availability risk had been amended to reflect the impact of recruiting at scale and pace on the ratio of inexperienced to experienced staff.

The financial sustainability risk had been re-scored and was now out of the red zone following the various improvements to revenue funding and release of provisions from reserves that were no longer needed as reported to Members earlier in the year. There was a new risk relating to national issues identified by the HMICFRS in their

recent 'Value and Culture in Fire and Rescue Services' report. The Information security risk status was unchanged from the previous report. However, officers continued to make improvements to the cyber-security as reported in the update.

Finally, in relation to climate change, the specialist off-road appliances were now being deployed to enhance the response to any potential incidences of wildfire along with specialist training and engagement with the NFU and Forestry Commission to help assess risks and opportunities for mitigations.

A Member raised concerns that the On-Call training course in August had been cancelled due to lack of candidates, and also asked what the responses from social media versus adverts/job fairs were and the breakdown of where the Service was attracting these candidates from.

The Deputy Chief Fire Officer advised Members that On-Call was a national problem. With regard to the training course, officers were now liaising with other fire and rescue services to try and get enough candidates together to run the course cost effectively.

The Deputy Chief Fire Officers advised Members that a Workforce Planning Report was being drafted looking at recruitment, training and staff development.

A Member asked about the dangers of high-rise buildings and houses of multiple occupancy (HMOs) and how the Service was dealing with it.

The Corporate Planning Manager advised that, as Members were aware, the Service was currently in the process of building a new Community Risk Management plan which would include a comprehensive look across all risks in the community, including new and emerging risks and certainly including high-rise buildings and HMOs would feature in that analysis.

(Councillor Fuller joined the meeting)

RESOLVED –

1. That the status 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.

OA13 TREASURY MANAGEMENT PERFORMANCE 2022/23

The Principal Accountant advised Members that this was the Treasury Management Performance report for the financial year 2022/23. The accrued interest earned for this period was £328k, which was £298k higher than the budget set for the same period.

This also exceeded the interest paid out from loans which was £281k for 2022/23.

In terms of investments, as at 31 March 2023, the Authority had £15.3m invested in various counterparties including banks, buildings societies, Money Market Funds and current accounts. The Authority had deals maturing on a frequent basis to ensure it was able to meet short-term expenditure requirements. During 2022/23 the base rate rose from 0.75% in April 2022 to 4.25% by end of March 2023. The Authority was able to benefit financially from increases in the base rate, hence the overachievement.

The Principal Accountant advised Members that in terms of borrowing, during 2022/23 the Authority repaid a maturing PWLB loan for £620k. by repaying this loan, this reduced the Authority's loans to £6.177m. Repayment of this loan did not impact the revenue budget.

During May 2023 officers took the decision to make an early repayment of a loan for £627k that was due to be repaid in 2056. This was at a discount of £45k. Reducing the total loans to £5.55m. The next loan would mature in March 2024 for £1m and funds had been set aside to repay this. Officers were also monitoring the discount that could be achieved on the early repayment of a £2.174m loan due to mature in 2053.

The Principal Accountant advised Members that by 31 March 2024, the Authority could be in a position whereby the total loans outstanding was only £2.4m and would be paid by 2032. If the Authority did decide to repay the £2.174m loan in 2023/24, the interest payable figure would reduce from £281k at the start of 2022/23 to £121k from the start of 2024/25, reducing the pressure on revenue budgets.

In February 2023 the Authority approved the Medium Term Financial Plan For 2023/24, which included an increase in the investment budget to £350k. The Bank of England's Monetary Policy Committee (MPC) had continued the trend of increasing the base rate, since December 2021. With the thirteenth most recent increase, saw the base increase by 0.50% to 5%, as at 22 June 2023. This was already an increase overall of 0.75% since April 2023. The next review date is on 3 August 2023.

A Member asked how the additional interest payments would be used in the budget moving forward.

The Deputy Director of Finance and Assets advised Members that although the Authority was getting good interest rates now, it could

not rely on this staying the same moving forward, and could not be used to guarantee pay rises etc.

RESOLVED –

That the Treasury Management Performance 2022/23 be noted.

OA14 HER MAJESTY’S INSPECTOR OF CONSTABULARY AND FIRE AND RESCUE SERVICES (HMICFRS) – BUCKINGHAMSHIRE FIRE AND RESCUE SERVICE (BFRS) IMPROVEMENT PLAN UPDATE: MAY 23

The Head of Technology, Transformation and PMO advised Members that this was the quarterly update on progress against the HMICFRS Round 2 report - areas for improvement and causes for concern. The Equality, Diversity and Inclusion Objectives 2020-2025 – Year three update was presented to the Authority in June, highlighting the work done and the plans for the coming year. The Prevention Improvement plan that supported the HMICFRS plan was also being presented today for its mid-term review.

The Head of Technology, Transformation and PMO advised Members that the Round 3 inspection took place across April/May and June this year. The HMICFRS interacted with approximately 120 staff via interviews, desktop reviews, workshops and station visits. Whilst there was an initial high level debrief, it did come with a health warning stating that it was only a partial view and remained subject to change. The HMICFRS felt the Authority’s staff interacted well and thanked them all for their input. The full report should be released before the end of the year.

On 4 July, officers received a letter explaining that due to His Majesty’s Inspector (HMI) Matt Parr leaving, HMI Roy Wilsher would take on responsibility for this Service. As the Round 3 inspection had already started, Assistant HMI Shantha Dickinson, would continue to support this process until publication to ensure continuity and a smooth transition to the new Inspector.

RESOLVED –

That the Committee note the updated HMICFRS - BFRS Improvement Plan: May 2023

OA15 PREVENTION IMPROVEMENT PLAN – MID-TERM REVIEW

The Community Safety and Safeguarding Manager advised Members that this report was a mid-term review of the Prevention Improvement Plan which was put in place in November 2021. The Prevention Improvement Plan was brought in following the Round 2 HMICFRS inspection, a prevention evaluation, and the introduction of the Prevention Fire Standard. It contained 60 recommendations and associated actions. The plan was drafted to last for an initial

three year period, and after 18 months it was timely to review and see if the recommendations initially set out were still relevant.

From the work undertaken at the mid-term review point, 28 of the 60 recommendations were marked as completed, with progress in each of the five areas ranging from 27%-71% of recommendations completed. That gave an overall completion level at the mid-term point of 47%. Areas of strength were strategy, vision and leadership.

RESOLVED –

1. That the Committee note the Prevention Improvement Plan mid-term review summarising the progress made against the measures required to secure long-term improvements to Prevention delivery in Buckinghamshire Fire and Rescue Service (BFRS)
2. That the Committee note the amendments made to the actions within the Prevention Improvement Plan maintaining the currency and appropriateness of the plan in line with developments in Prevention guidance and expectations outside of the Service led by the Central Program Office.

OA16 FORWARD PLAN

RESOLVED –

That the Forward Plan be noted.

OA17 DATE OF NEXT MEETING

The Committee noted that the date of the next Overview and Audit Committee meeting would be held on Wednesday 8 November 2023 at 10.00am.

THE CHAIRMAN CLOSED THE MEETING AT 11.11 AM



Buckinghamshire & Milton Keynes Fire Authority

Meeting and date: Overview and Audit Committee, 8 November 2023

Report title: Internal Audit Report – Update on Progress of Audit Recommendations

Lead Member: Councillor David Carroll

Report sponsor: Mark Hemming – Director of Finance and Assets

Author and contact: Maggie Gibb – Internal Audit Manager,
Maggie.Gibb@buckinghamshire.gov.uk, 01296 387327

Action: Noting

Recommendations: That Members note the progress against Internal Audit recommendations.

Executive summary: The purpose of this paper is to update Members on the progress of the implementation of audit recommendations made as at 24 October 2023.

Any further progress against outstanding recommendations will be verbally presented to the Overview and Audit Committee on 8 November 2023.

In total there are 99 audit actions to report on the status of which are classified as follows:

Implemented – 81/99 (91%)

In-progress - 4/99 (4%)

Past Due date (In-progress) – 4/99 (5%)

The above figures related to audit actions agreed from 2017/18 to date. Internal Audit continues to actively monitor implementation of all outstanding recommendations throughout the year.

Financial implications: The audit work is contained within the 2022/23 budget.

Risk management: There are no risk implications arising from this report.

Legal implications: There are no legal implications arising from this report.

Privacy and security implications: There are no privacy and security implications arising from this report.

Duty to collaborate: Not applicable.

Health and safety implications: There are no health and safety implications arising from this report.

Environmental implications: There are no environmental implications arising from this report.

Equality, diversity, and inclusion implications: There are no equality and diversity implications arising from this report.

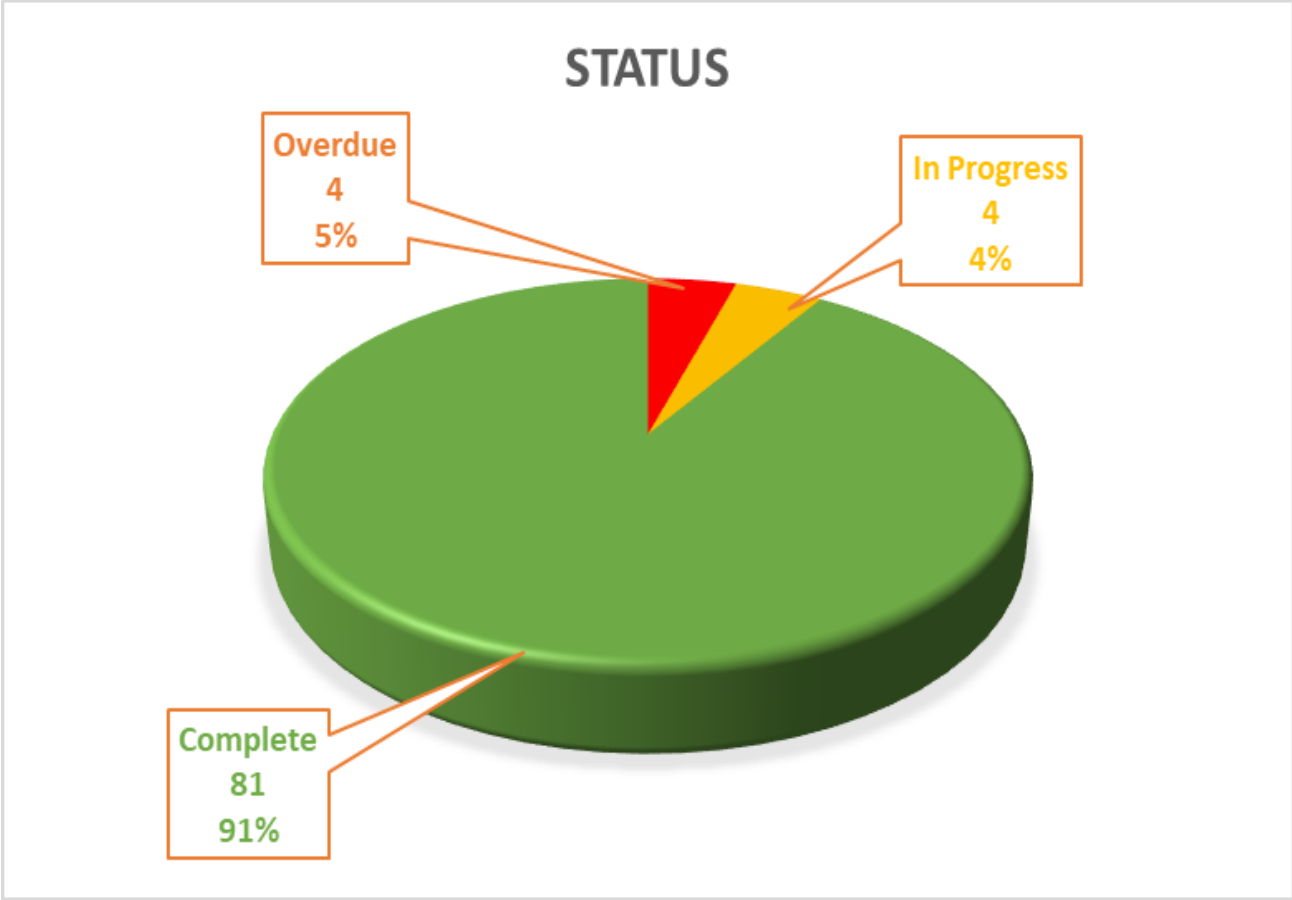
Consultation and communication: Not applicable.

Background papers:

Appendix	Title	Protective Marking
A	Status of Audit Recommendations – October 2023	Not applicable

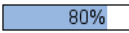
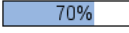
BMKFA Audit Management Actions Summary Pie

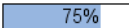
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BMKFA Overdue Audit Management Actions

Medium Priority

Audit Title & Management Action	Description	Due Date	Priority	Action Owner	Action Progress	Latest Note
BMKFA 2021 2119 GDPR (4) Retention and Destruction	<p>Finding: The Records Retention and Disposal Information Asset Register procedure states that information stewards are responsible for ensuring the timely archiving and/or destruction of records and advising the Information Owners where it is believed a retention timescale should be amended following legislation or business needs. The Information Governance and Compliance Manager is responsible for maintaining and reviewing records management processes. The retention schedules for departments and stations are defined within the ROPA. The Authority relies on stewards to ensure that electronic data is disposed of per the retention schedule. However, there is no mechanism in place to ensure this takes place.</p> <p>Risk: If no adequate processes are in place to ensure lawful retention schedules and/or destruction of electronic records, there is a risk of accidental and/or unlawful alteration, destruction, or authorised personal data disclosure.</p> <p>Action: Agreed. A mechanism to review data disposals inline with the retention schedules will be formalised and monitored.</p>	31-Jul-2023	Medium Priority	Graham Britten		Update from Director of Legal & Governance 17/10/2023: Training package proposals submitted by Buckinghamshire Council approved.
BMKFA 2122 2228 PMO Assurance (2) The PMO's Standardisation of Project Processes	<p>Finding: The Head of Transformation, Technology, and PMO provided the Authority's guidelines around a project's process to ensure consistent and effective delivery. This included a detailed PMO presentation, a project life-cycle and various templated documents available for project managers. Furthermore, evidence was provided of an eLearning package and a page on the Fire Authority's intranet for PMs to review, explaining the process. In its design, the PMO's outlined a clear framework for consistency and successful delivery of projects. However, testing a sample of projects commencing after the PMO's creation outlined inconsistencies in the process they should follow and discrepancies regarding which documentation was completed for each project. The findings are as follows:</p> <ul style="list-style-type: none"> • 1/3 projects is without a completed project mandate; • 2/3 projects are without a completed business case; • 1/3 project is without a completed PID; • 3/3 projects are without a completed risk register which is key to reviewing the 	31-Jul-2023	Medium Priority	Anne-Marie Carter		Update from Head of Transformation, Technology, and PMO 17/10/2023: Work is ongoing to address the risks identified across all remaining PMO assurance findings. Revised target date is now 31 March 2024.

Audit Title & Management Action	Description	Due Date	Priority	Action Owner	Action Progress	Latest Note
	<p>risks and controls in place within a project;</p> <ul style="list-style-type: none"> • 3/3 projects are without a completed project plan, resulting in a lack of progress monitoring during the life of a project; • 3/3 projects are without a highlight report that updates management on key areas such as managing risks and their impact; and • 3/3 projects are without evidence of stakeholder communication for any of the projects that have commenced after creating the Authorities PMO function, despite stakeholders being outlined within the early project documentation. <p>Furthermore, we were informed that Property capital projects do not follow the process outlined within the PMO's lifecycle document. Consequently, they did not have evidence of the key documentation such as mandates, PID, business case and risk registers. These are key documents for successful project delivery and should be evident across all types of projects.</p> <p>Risk If project managers fail to follow the standardised process set out by the PMO and neglect certain documentation which should be completed, best practice will not be consistently followed throughout the Authority. This could result in the failure to deliver projects to the standard expected.</p> <p>Action 1. Launch Project Management e-Learning package. 2. Document a Property capital project process. 3. Introduce a PMO KPI relating to following the project process as part of finding</p>					
BMKFA 2122 2228 PMO Assurance (3) Projects Over Budget/Time Request Approval	<p>Finding: The Head of Transformation, Technology and PMO confirmed that the Authority does not currently have an official process for extensions and instead held informal conversations with project managers. They encourage RAG ratings for updates within a project regarding budgets and timescales. However, going beyond estimated figures does not require approval. We were informed that this was due to the PMO being in its infancy.</p> <p>Risk: If there is no formal process to request additional budget requirements and timescale extensions, the budget may be exceeded without the Authority's notice and approval, putting unnecessary pressure on the Authority's overall budget.</p> <p>Action: Refresh and relaunch the change control process relating to projects.</p>	31-Jul-2023	Medium Priority	Anne-Marie Carter		Update from Head of Transformation, Technology, and PMO 17/10/2023: Work is ongoing to address the risks identified across all remaining PMO assurance findings. Revised target date is now 31 March 2024.

Low Priority

Audit Title & Management Action	Description	Due Date	Priority	Action Owner	Action Progress	Latest Note
BMKFA 2122 2228 PMO Assurance (5) Centralised System	<p>Finding The Head of Transformation, Technology and PMO confirmed there was no centralised system for the storage of project documentation. There was evidence of a project dashboard, presented on an excel spreadsheet, which summarised the progress of all projects underway and in the review stage. This stated some key dates, the names of PMs and progress updates. However, there is no evidence of a system where documents can be accessed for each project. This would be beneficial from an audit trail perspective and allow PMs to follow previous projects' processes and learn from their mistakes.</p> <p>Risk Without a centralised system to store and access project documentation, there are missed opportunities to share important lessons learned across the organisation and avoid re-occurrences.</p> <p>Action Review the options available and launch a centralised system to store/review/access project documentation.</p>	31-Jul-2023	Low Priority	Anne-Marie Carter	0%	Update from Head of Transformation, Technology, and PMO 17/10/2023: Work is ongoing to address the risks identified across all remaining PMO assurance findings. Revised target date is now 31 March 2024.



Buckinghamshire & Milton Keynes Fire Authority

Meeting and date: Overview and Audit Committee, 8 November 2023

Report title: Internal Audit Report – Final Audit Reports

Lead Member: Councillor David Carroll

Report sponsor: Mark Hemming – Director of Finance and Assets

Author and contact: Maggie Gibb – Chief Internal Auditor,
Maggie.Gibb@buckinghamshire.gov.uk, 01296 387327

Action: Noting

Recommendations: That Members note the final audit reports for FY 2023/24

Executive summary: The purpose of this paper is to update Members on the findings of the finalised Internal Audit reports issued since the last Overview and Audit Committee meeting.

The Corporate Improvement Plans Assurance Review has been finalised and based on the work undertaken the Internal Audit Team identified seven areas of improvement.

The Partnership Working audit has been finalised and the overall opinion for this audit is Reasonable due to the two medium and one Low Priority findings that has been raised.

Financial implications: The audit work is contained within the 2023/24 budget.

Risk management: There are no risk implications arising from this report.

Legal implications: There are no legal implications arising from this report.

Privacy and security implications: There are no privacy and security implications arising from this report.

Duty to collaborate: Not applicable.

Health and safety implications: There are no health and safety implications arising from this report.

Environmental implications: There are no environmental implications arising from this report.

Equality, diversity, and inclusion implications: There are no equality and diversity implications arising from this report.

Consultation and communication: Not applicable.

Background papers:

Appendix	Title	Protective Marking
A	Corporate Improvement Plans Assurance Review	Not applicable
B	Partnership Working Audit (Reasonable)	Not applicable



Improvement Plans Assurance Review

September 2023



Contents

1. Background and Scope of Work
2. Executive Summary
3. Visual of Maps and Methodology
4. Document Governance
5. High-level Observations
- A. Appendix



Section 1: Background and Scope of Work



Background and Scope of Work

A holistic assurance review was carried out on the current improvement plans that are in place across Buckinghamshire's Fire & Rescue Service. The objective of the review was to develop an independent view of how the Service's plans fit together, created to support ongoing improvement across the Service, and identifying opportunities for improvement and, where appropriate, rationalisation. We agreed with the key stakeholders that our focus should be on the following areas:

- Interrogate previous reviews and internal audit reports to understand what improvement recommendations have been issued to the Service.
- Evaluate all existing improvement plans in order to understand what actions have been included, and how (or if) they link to previous reviews and internal audit reports.
- Conduct a thorough gap analysis by interviewing key contacts and reviewing any existing policy documentation and risk registers associated to continuous improvement within the Service.
- Assess and visually map the Service's existing reporting landscape and information flow, identifying opportunities to gain efficiencies and synergies.
- Identify any duplication and key themes across improvement plans to understand how they link together, and where improvements can be consolidated to ensure efficient and timely implementation.

Using the information obtained from the review of documentation, and the insights derived from facilitated workshops with key individuals across the Service, we have developed a visual "map of plans", detailing interdependencies, themes, synergies and triggers that relate to individual plans. Furthermore, we have identified current progress against actions across the Service, where this was documented across the materials.

Throughout the review, the stakeholders we met have been very helpful and receptive, and we would like to take this opportunity to thank them for their openness, cooperation and valuable contribution. Please find a full list of individuals that were interviewed as part of the review on slide 18.



Section 2: Executive Summary



Executive Summary

Improvement Plans Assurance Review

Alignment and Purpose of Plans

- We found evidence of solid project planning efforts across the Service, evidenced through improvement plans, action plans, objectives and strategy documents.
- We do, however, note that different terms are being used across Directorates to refer to “improvement plans”*, which means it is not always clear what the purpose of a document is. Some strategies or objectives overviews contain actions, whereas others do not.
- This means it can be difficult to maintain oversight of the number of improvement initiatives (or: action items) in place across the Service
- More robust and aligned wording is recommended to describe the plans that are put in place within Directorates in order to clarify the type of document and their purpose

Progress Tracking and Dashboards

- We note that some “improvement plans” contain their current status against actions and/or progress comments, whereas other documents do not.
- Different progress reporting methodologies are used, stretching from a RAG status to marking actions as “complete” or “ongoing”. There is no shared understanding of the usage of RAG colours, resulting in the colours holding a different meaning between Directorates.
- We recommend clarifying the reporting requirements for progress against actions (or objectives/commitments) for each plan and putting in place the required PM tools to allow for smoother reporting across the Service (i.e. Gantt chart or PowerBI dashboard)

Rationalisation of Plans and Governance Arrangements

- Alongside obtaining a visual overview of the number of “improvement plans” the Service has in place, we also reviewed their relevant governance arrangements and their linkage to internal or external triggers with the aim to identify opportunities for rationalisation and efficiencies.
- The Service has a clear governance structure in place, though we note that some “improvement plans” go through several forums for their inputs. Alongside clarifying the reporting requirements per plan (see “Progress Tracking and Dashboards”), we suggest reviewing the information flow to ensure that key stakeholders are kept up-to-date with progress against items.
- A self-reporting tool (i.e. PowerBI dashboard) can be put in place to visualise progress to remove the need to discuss progress updates in several forums.

Ownership and Prioritisation of Actions

- We note that not all “improvement plans” reference an owner against each action.
- Currently, there is limited, documented prioritisation of actions where they fall within the same category. Some actions may be marked as “in progress”, but in some cases it is unclear to what extent these actions need to be phased or prioritised based on their urgency.
- We recommend incorporating an action prioritisation approach to enhance project monitoring and management. A prioritisation matrix is recommended to categorise actions based on their urgency, impact and complexity.
- Assigning ownership to each action will also be critical to facilitate accountability and ensure that actions are addressed in a timely manner.

**Please refer to the Appendix for an overview of the documentation that forms part of this review. This slide refers to “improvement plans” for documents that we found contained actions, commitments or objectives.*



Section 3: Visual of Maps and Methodology



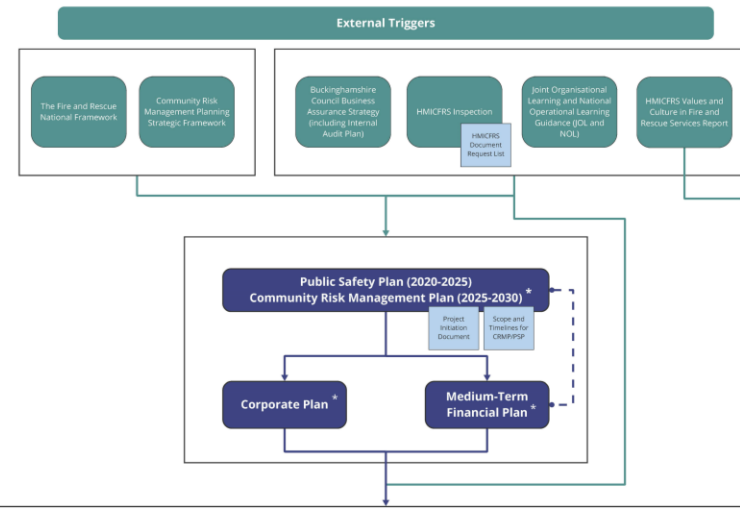
Visual Map of Plans Summary

Following our discussions and facilitated workshops with key stakeholders across the Service, we have developed a snapshot overview of the documentation the Service has in place in order to foster improvement across its Directorates.

This visual outlines the dependencies and interdependencies between individual documents, as well as external or internal triggers, such as His Majesty's Inspectorate of Constabulary and Fire & Rescue Services inspection, that were shared with us.

As this document will outline in the next slides, we note that different terms are being used across Directorates to refer to "improvement plans". As such, this overview contains all documentation that was shared with us that contain a degree of actions or commitments.

Please note that a separate PDF document has been provided to you which allows you to better see the details contained within the visual.

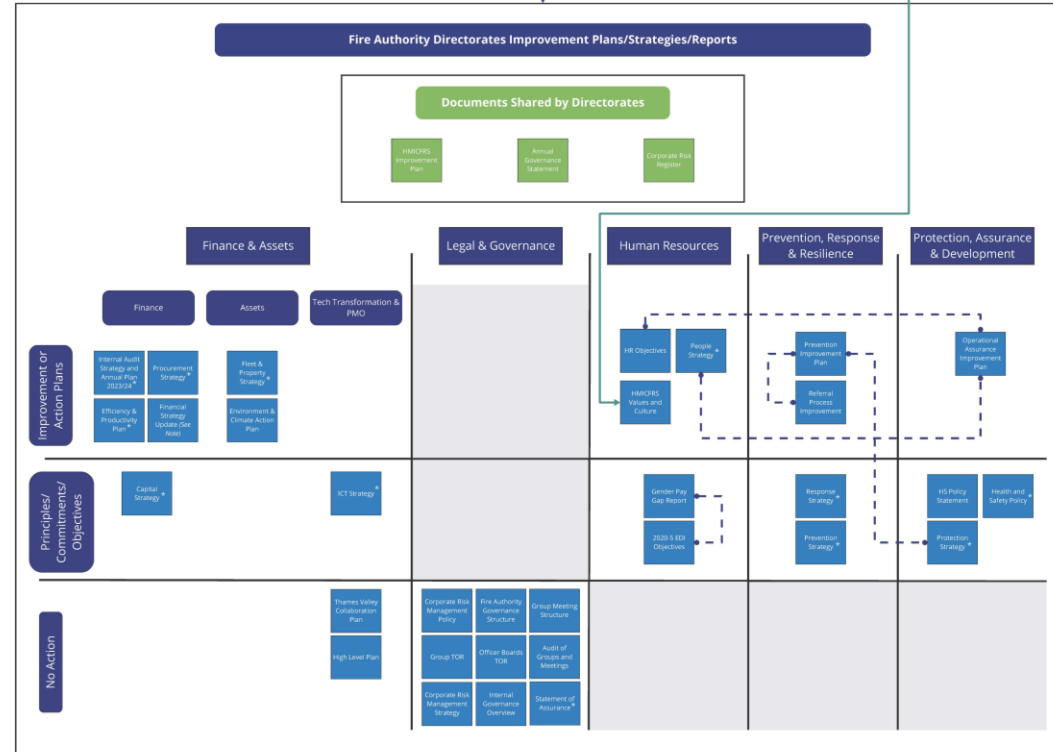


Key:

- Group of documents, triggers or plans
- B is dependent on A
- A and B are interdependent
- Part of the HMICFRS inspection

Disclaimer:
 This overview should be read from top to bottom, showcasing the layers of plans across the Service and their external triggers. The Public Safety Plan, Corporate Plan and Medium-Term Financial Plan set the strategic and financial direction for the Service and subsequently, directly or indirectly, influence the Directorate plans, which is the final layer.





Note:
 Whilst the Financial Strategy Update is not on the HMICFRS list, it does contain the Reserves Strategy, which is on the list.



Methodology

Document Review

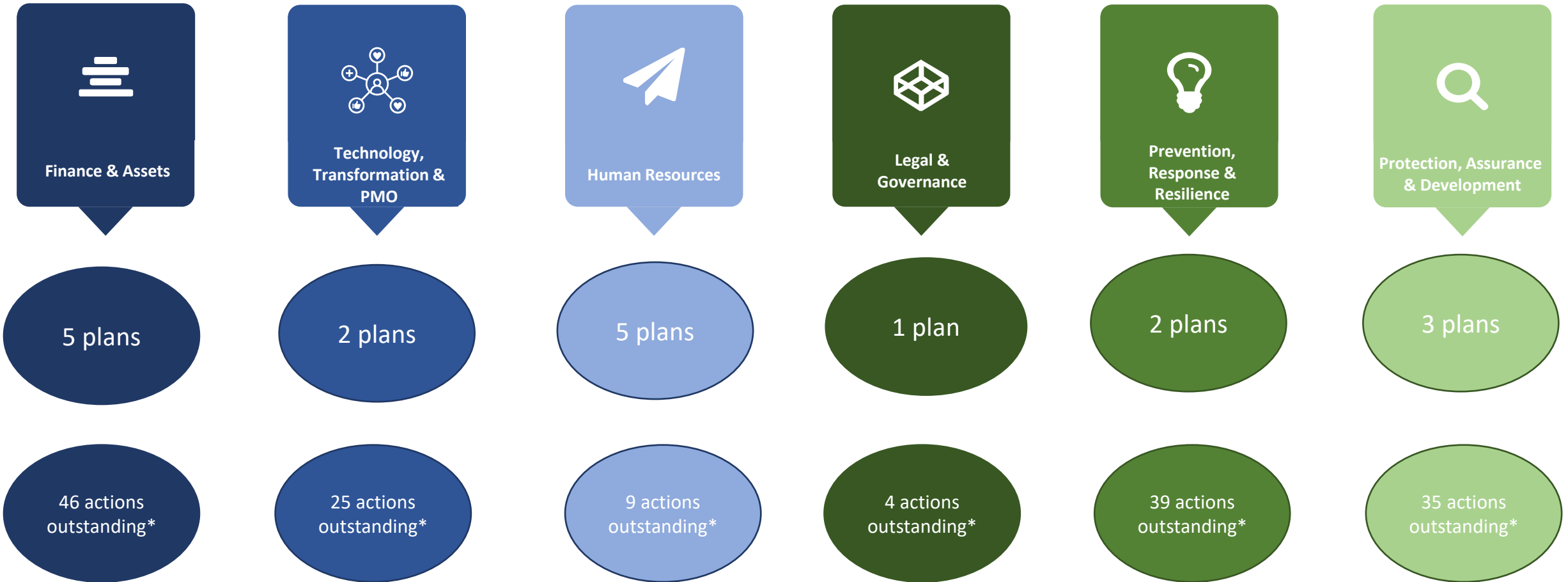
- As part of our documentation review, we received 43 documents from the Directorates, including action plans, strategies, reports, policies, objectives, and statements.
- We identified three key categories/themes across these documents:
 - **Improvement or Action Plan** – 15 documents
 - **Principles or Commitments or Objectives** – 9 documents
 - **No actions** – 19 documents *
- We note that whilst some of these plans contain clear action points, others solely contain principles and objectives which are not always documented through the “SMART” methodology, meaning progress tracking can be difficult.
- As part of our assessment, we have reviewed the number of improvement plans for each Directorate, and the status of action points in terms of rates of completion versus outstanding actions. This is discussed in the following slides.
- As mentioned, we note that there are inconsistencies in the way progress tracking is done across the Service’s Directorates, particularly when using RAG rating. This can be demonstrated in the table on the right, with each colour referring to various different meanings.

RAG rating	Meanings across different plans
Blue 	<ul style="list-style-type: none"> • Complete • Business As Usual (BAU)
Green 	<ul style="list-style-type: none"> • Ongoing • On track • Proceeding as planned / delivering expected benefits • Done, and continuing to maintain this • Complete
Amber 	<ul style="list-style-type: none"> • In progress • Behind plan / not delivering expected benefits, but recoverable • Behind schedule • New target date set
Red 	<ul style="list-style-type: none"> • Behind plan / not delivering expected benefits, and irrecoverable • Delayed • Not started • Unsuccessfully implemented

Improvement Plans Assurance Review (1/4)

Top-Level Progress Overview

The visual below provides a summary of each Directorate and the number of plans they have in place. Please refer to the Appendix for an overview of documents that we have considered as either “improvement or action plans” and “Principles / Commitments / Objectives documents”. The overview also covers how many actions are outstanding versus completed across the Directorate and its plans.



Improvement Plans Assurance Review (2/4)

Top-Level Progress Overview

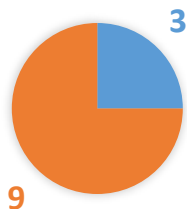
KEY:

Complete

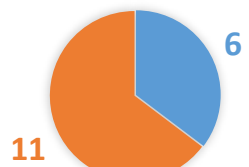
Outstanding

Finance & Assets

Environment & Climate Action Plan Update



Financial Strategy Update



Procurement Strategy

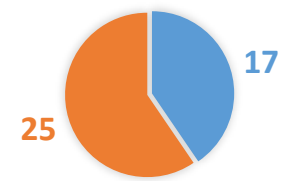
15 actions,
no status

Fleet & Property Strategy



Technology, Transformation & PMO

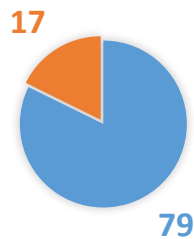
His Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) Improvement Plan



ICT Strategy

Vision, mission and principles, no status

Internal Audit Report



Document	Version	RAG	Other methodology?
Environment & Climate Action Plan Update	12 Jul 2023	✓	✗
Financial Strategy Update	12 Jul 2023	✓	✗
Fleet & Property Strategy	12 Jul 2023	✗	✓ - comments, including 'completed', 'ongoing', or 'target date for completion'
Internal Audit Report	15 Mar 2023	✗	✓ - priority rating and action progress (%)
Efficiency & Productivity Plan	Not dated	✗	✓ - 'complete' or 'in progress'
Procurement Strategy	09 Nov 2022	✗	✗ - no status

Document	Version	RAG	Other methodology?
HMICFRS Improvement Plan	May 2023	✗	✓ - 'complete', 'on track', 'delayed', or 'not started'
ICT Strategy	Feb 2021	✗	✗ - no status

Improvement Plans Assurance Review (3/4)

Top-Level Progress Overview

KEY:

Complete

Outstanding

Human Resources

HMICFRS Values and Culture

Equality, Diversity and Inclusion (EDI) Objectives

8 objectives, no status

Gender Pay Gap Report

4 objectives, no status

Human Resources (HR) Objectives

4 core objectives, no status

People Strategy

5 Equality Impact areas, no status

Document	Version	RAG	Other methodology?
HMICFRS Values and Culture	14 Jun 2023	✓	✗
EDI Objectives	14 Jun 2023	✗	✗ - no status
Gender Pay Gap Report	22 Mar 2023	✗	✗ - no status
HR Objectives	Not dated	✗	✗ - no status
People Strategy	12 Oct 2022	✗	✗ - no status

Legal & Governance

Annual Governance Statement

Document	Version	RAG	Other methodology?
Annual Governance Statement	20 Jul 2022	✓	✗

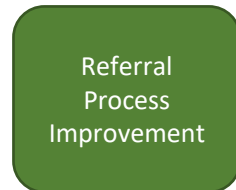
Improvement Plans Assurance Review (4/4)

Top-Level Progress Overview

KEY:

Complete

Outstanding



Document	Version	RAG?	Other methodology?
Prevention Improvement Plan	Jul 2023	✓	✗
Referral Process Improvement	Not dated	✗	✓ - 'complete' or 'in progress'



7 objectives, no status



13 principles, no status

Document	Version	RAG?	Other methodology?
Operational Assurance Improvement Plan	09 Nov 2022	✓	✗
Health & Safety Policy	Aug 2022	✗	✗ - no status
HS Policy Statement	Aug 2022	✗	✗ - no status



Section 4: Document Governance



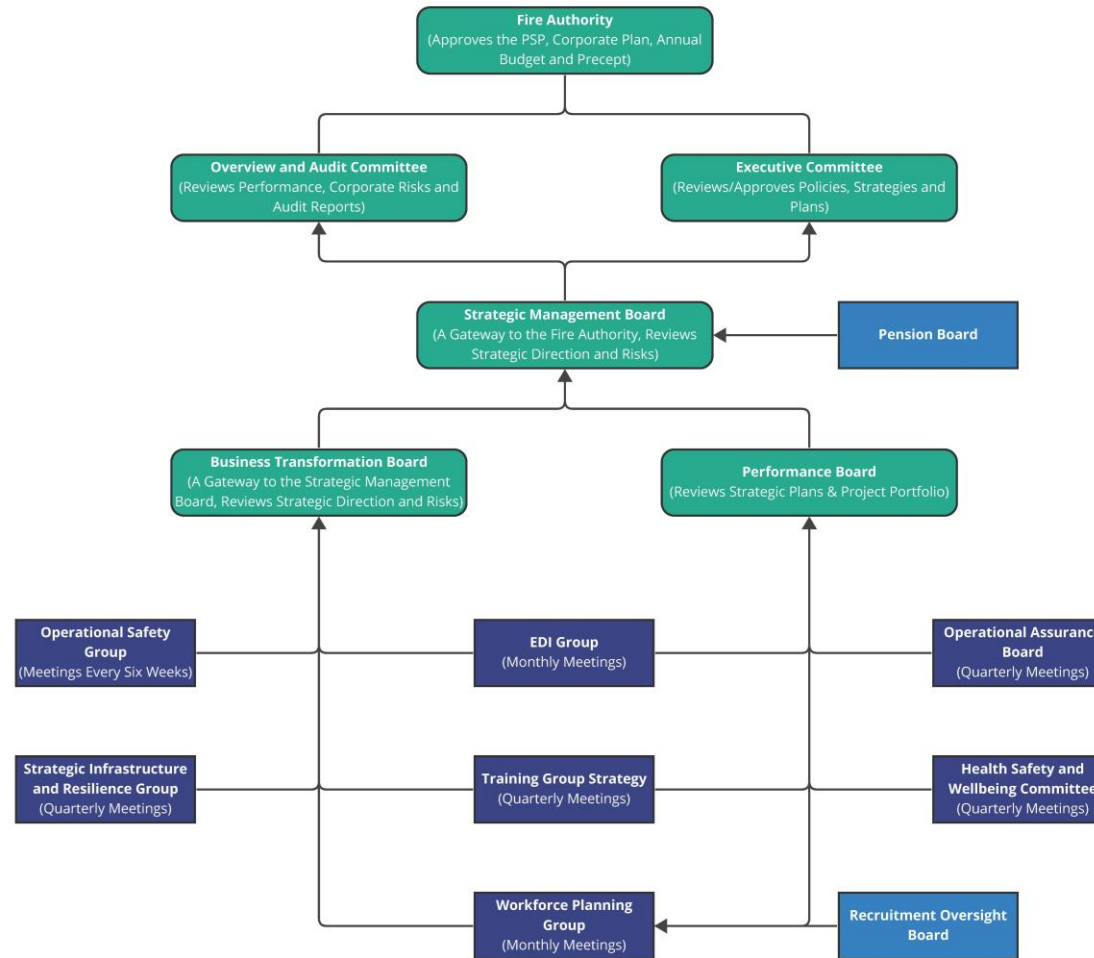
Improvement Plans Governance Boards

We have developed a snapshot overview of the governance arrangements we understand the Service has in place to obtain sign-off for its plans. The visual on this slide outlines the different Boards that exist across the Service and how often they meet.

Please note that a separate PDF document has been provided to you which allows you to better see the details contained within the visual.

The next two slides showcase “which document goes where”, where we were able to source this information. Please note we have solely included documents that we have considered as either “improvement or action plans” and “Principles / Commitments / Objectives documents”.

Please see the Appendix for further details on this split.



Disclaimer:
Source: Terms of Reference Groups document. The frequency at which these Groups and Boards meet has been shown, where this information was available.
It should be noted that the JCF does not have any decision-making authority, and is a mechanism for awareness and discussion.


Joint Consultation Forum




























Improvement Plans Governance

What goes where?

The grids on slides 16-18 show that some documents go through several forums for key stakeholder input before final sign-off is obtained. These individuals may, or may not, expect to be updated on key progress made against improvement initiatives throughout the year. The latter will be difficult to achieve without setting out clear reporting requirements, which has meant that some progress updates on some plans date back to October 2022. Please note we have solely included documents that we have considered as either “improvement or action plans” and “Principles / Commitments / Objectives documents”.

KEY:

-  Risks/issues escalation
-  General progress reporting
-  Final sign-off
-  Draft sign-off/input

Document name	Owner (Directorate)	JCF	OSG	SIRG	EDIG	TSG	WPG	OAG	HSWC	PMB	BTB	SMB	OAC	EC	FA
Public Safety Plan	N/A														
2020-2025 Corporate Plan	N/A														
Environment and Climate Action Plan Update	Finance & Assets														
Financial Strategy Update	Finance & Assets														
Fleet and Property Strategy	Finance & Assets														
Internal Audit Report - Update on Progress of Audit Management Actions March 2023	Finance & Assets														
Procurement Strategy 2022-6	Finance & Assets														
Annual Governance Statement 2021/2	N/A														
Prevention Improvement Plan	Prevention, Response & Resilience														

Improvement Plans Governance

What goes where?

KEY:

- Risks/issues escalation
- General progress reporting
- Final sign-off
- Draft sign-off/input






















Document name	Owner (Directorate)	JCF	OSG	SIRG	EDIG	TSG	WPG	OAG	HSWC	PMB	BTB	SMB	OAC	EC	FA
HMICFRS Improvement Plan	Technology, Transformation & PMO									●		●	●		●
2020-5 EDI Objectives	Human Resources	●			●					● ●	●	● ●			●
Operational Assurance Improvement Plan	Protection, Assurance and Development		● ●							●				●	
Medium-Term Financial Plan	Finance & Assets										● ●	● ●		●	
Gender Pay Gap Report 2022	Human Resources	●			●					●		●		● ●	
Referral process improvement	Prevention, Response & Resilience									●					
ICT Strategy	Technology, Transformation & PMO										●	●		●	
Health and Safety Policy Version 5 - August 2020	Protection, Assurance and Development								●		●	●			●
HS Policy Statement August 2022	Protection, Assurance and Development														●
Protection Strategy 2023-2024 V4 May 2023	Protection, Assurance and Development										●	●			●

Improvement Plans Governance

What goes where?

KEY:

-  Risks/issues escalation
-  General progress reporting
-  Final sign-off
-  Draft sign-off/input

Document name	Owner (Directorate)	JCF	OSG	SIRG	EDIG	TSG	WPG	OAG	HSWC	PMB	BTB	SMB	OAC	EC	FA
Response strategy	Prevention, Response & Resilience														
Prevention Strategy 2022-2025	Prevention, Response & Resilience														
People Strategy 2020-2025	Human Resources										 	 			 
HMICFRS Values and Culture and Exploring our Culture	Human Resources														
HR Objectives 2023-2024	Human Resources														





Section 5: Observations







Improvement Plans

High-Level Observations and Areas of Improvement

KEY:

-  High priority
-  Medium priority
-  Low priority




Observations/ Insights	RAG	Improvement Opportunities
<p>Linkage to overarching strategy – The Service have both a Public Safety Plan and a Corporate Plan in place, the former being a public document which is co-created with residents and communities. These plans are both refreshed on a 5-year basis as a minimum. Whilst some individual Directorate plans create clear links between their strategy and the Service’s overarching Corporate Plan, others do not. This may lead to challenges when reporting upon progress against the Corporate Plan within Directorates, whilst it may also signal that not all plans currently in place, follow the direction set at management level within the Service.</p>		<ul style="list-style-type: none"> • Consider creating closer linkages between these plans by reflecting the strategic objectives and strategic enablers contained within the Corporate Plan in individual Directorate plans • Documenting the linkage between proposed actions and the Corporate Plan helps to set out the rationale behind the individual Directorate plan’s purpose and the overall vision for the Service
<p>Alignment of plans within Service: Following our document review, we note that whilst some Directorates use the term “improvement plan”, other Directorates refer to their plans as a “report”, “strategy”, or “objectives”. Whilst some of these documents contain actions or tasks identified for continuous improvement, others do not. Furthermore, we note that some plans contain current status or progress comments, whereas in other documents, this detail is lacking.</p> <p>Due to the lack of consistency between Directorates in how they document their strategies, action plans and progress reports, and what these documents are titled, it can be difficult to maintain oversight of the number of improvement initiatives in place across the Service. Additionally, because not all documents contain a status against each action, an overall view of progress across the Service is challenging to obtain.</p>		<ul style="list-style-type: none"> • More robust and aligned wording is recommended to describe the plans that are put in place within Directorates in order to clarify the type of document and their purpose • As a next step, clarify the reporting requirements for progress against actions (or objectives/commitments) for each plan and put in place the required project management tools to allow for smoother reporting (i.e. Gantt chart)
<p>Progress reporting methodology: We understand that different progress reporting methodologies are used within each Directorate, stretching from a RAG status to marking actions as “complete” or “ongoing”. We also note that there is currently no shared understanding of the usage of RAG colours, resulting in the colours (blue, red, amber, green) holding a different meaning between Directorates. For example, green means “completed” to some, whereas it means “in progress” to others. This can lead to difficulties in cross-Directorate reporting and may even lead to misinterpretations of data. Please also refer to slide 10.</p>		<ul style="list-style-type: none"> • Develop a standardised RAG rating template to align interpretations of colours across Directorates within the Service, as a “single source of truth”
<p>Rationalisation of HR plans - Following our documentation review, we conclude that 15 out of 28 documents across the whole Service formed part of the HMICFRS inspection for 2023-2025. As such, it is good practice to keep these documents separate. However, we note that the Human Resources Directorate currently has five plans in place, which all contain either actions or commitments/objectives. Four out of five plans currently do not have a status reported against these actions or commitments/objectives. Please see slides 12-14 for further detail.</p>		<ul style="list-style-type: none"> • Identify the reason for the lack of progress updates made on the plans the Human Resources Directorate have in place. Ensure progress updates are documented on a reoccurring basis • Consider rationalising and/or merging individual plans such as the HR objectives and the EDI objectives to gain better oversight of the plans in place within the Directorate, and to speed up reporting efforts

Improvement Plans

High-Level Observations and Areas of Improvement

KEY:

-  High priority
-  Medium priority
-  Low priority

Observations/ Insights	RAG	Improvement Opportunities
<p>Prioritisation and ownership of action items – Whereas most Directorates utilise some form of progress tracking against each action item (whether that is through a RAG rating or otherwise), we note that there is limited, documented prioritisation of actions where they fall within the same category. For example, some actions may be marked as “in progress”, but in some cases it is unclear to what extent these actions need to be phased or prioritised based on their urgency.</p> <p>Additionally, we note that not all action plans reference an owner against each action.</p>		<ul style="list-style-type: none"> While a RAG status offers a quick snapshot of project progress, we recommend incorporating an action prioritisation approach to enhance project monitoring and management A prioritisation matrix is recommended to categorise actions based on their urgency, impact and complexity to allow stakeholders to focus on critical actions Assign ownership to each action to facilitate accountability and ensure that actions are addressed in a timely manner
<p>Cross-over between strategy plans and action plans – We note that, dependent on the Directorate, some strategic plans or strategy documents contain action items (i.e. People Strategy, Fleet & Property Strategy), whereas other Directorates keep these items separate (Prevention Strategy). When action items are included within a strategic plan, this forms a requirement to keep the document “live” in order to track progress against actions. Some Directorates may find that splitting their strategic plans from their action plans leads to a clearer distinction between the overarching vision and the tasks required to achieve that vision.</p>		<ul style="list-style-type: none"> Where strategic plans or strategy documents contain actions, consider splitting these out as a separate action plan to avoid creating multiple versions of the original strategic plan Ensure these actions are discussed and progress is logged on a reoccurring basis; frequency will be dependent on the plan in question Whenever changes are made to the action plan, this should be saved as a new version to create an audit trail
<p>Documentation governance arrangements – In this report (slides 18 and 19), we have set out the governance arrangements we understand the Service has in place to inform its key decision makers of progress made against actions, or to obtain final sign-off for a plan. These arrangements are not always clarified for each plan, and we note that some plans go through several forums before they are shared with the Fire Authority / Executive Committee / Overview and Audit Committee. Whilst this sequence may be required for some plans, there might be an opportunity for rationalisation (i.e. 2020-5 EDI Objectives which is discussed in five forums).</p>		<ul style="list-style-type: none"> Carry out a review of the different forums the Service has in place to understand their scope, and by whom they are attended. Understand whether rationalisation of certain forums is appropriate, particularly where they are mostly attended by the same individuals, in order to free up senior management time. A PowerBI dashboard can be put in place to visualise progress against each individual plan to remove the need to discuss progress updates in several forums across the Service. This would create a self-service reporting tool which can be accessed by stakeholders on an as-needed basis.



Appendix



Document Review

Materials In Scope

Document received	Directorate	Category
Fire Authority Governance structure	Legal & Governance	No Actions
Officer Boards Terms of Reference	Legal & Governance	No Actions
Groups Terms of Reference	Legal & Governance	No Actions
Public Safety Plan	Strategy	Improvement or Action Plan
2020-2025 Corporate Plan	Strategy	Improvement or Action Plan
Environment and Climate Action Plan Update	Finance & Assets	Improvement or Action Plan
Financial Strategy Update	Finance & Assets	Improvement or Action Plan
Fleet and Property Strategy	Finance & Assets	Improvement or Action Plan
Internal Audit Report - Update on Progress of Audit		
Management Actions March 2023	Finance & Assets	Improvement or Action Plan
Procurement Strategy 2022-6	Finance & Assets	Improvement or Action Plan
Annual Governance Statement 2021/2	Legal & Governance	Principles or Commitments or Objectives
Corporate Risk Management Strategy	Legal & Governance	No Actions
Prevention Improvement Plan	Prevention, Response & Resilience	Improvement or Action Plan
HMICFRS Improvement Plan	Technology, Transformation & PMO	Improvement or Action Plan
2020-5 EDI Objectives	Human Resources	Principles or Commitments or Objectives
Operational Assurance Improvement Plan	Protection, Assurance and Development	Improvement or Action Plan
Efficiency and Productivity Plan	Finance & Assets	No Actions
Capital Strategy	Finance & Assets	No Actions
Medium-Term Financial Plan	Finance & Assets	No Actions
Gender Pay Gap Report 2022	Human Resources	Principles or Commitments or Objectives
HMICFRS document request list	External	No Actions

Document Review

Materials In Scope

Document received	Directorate	Category
Referral process improvement	Prevention, Response & Resilience	Improvement or Action Plan
Thames Valley Collaboration Business Plan 2022-2027	Technology, Transformation & PMO	No Actions
2023-34 High Level Plan	Technology, Transformation & PMO	No Actions
Inphase Performance Management System (website)	N/A	No Actions
Community Risk Management Planning strategic framework	External	No Actions
ICT Strategy	Technology, Transformation & PMO	Principles or Commitments or Objectives
Health and Safety Policy Version 5 - August 2020	Protection, Assurance and Development	Principles or Commitments or Objectives
HS Policy Statement August 2022	Protection, Assurance and Development	Principles or Commitments or Objectives
Protection Strategy 2023-2024 V4 May 2023	Protection, Assurance and Development	Principles or Commitments or Objectives
Response strategy	Prevention, Response & Resilience	Principles or Commitments or Objectives
Prevention Strategy 2022-2025	Prevention, Response & Resilience	Principles or Commitments or Objectives
2025-30 CRMP and Corporate Plan scope and timelines	Strategy	No Actions
Project Initiation Document for the 2025-30 CRMP	Strategy	Improvement or Action Plan
Internal Governance Overview - 17 May 2022	Legal & Governance	No Actions
Board - Group Meeting Structure	Legal & Governance	No Actions
Audit of Groups and Meetings	Legal & Governance	No Actions
2021-2022 Statement of Assurance (annual)	Legal & Governance	No Actions
Corporate Risk Management Policy	Legal & Governance	No Actions
Corporate Risk Register	Legal & Governance	Risk Management and Mitigations
People Strategy 2020-2025	Human Resources	Improvement or Action Plan
HMICFRS Values and Culture and Exploring our Culture	Human Resources	Improvement or Action Plan
HR Objectives 2023-2024	Human Resources	Improvement or Action Plan

Document Governance

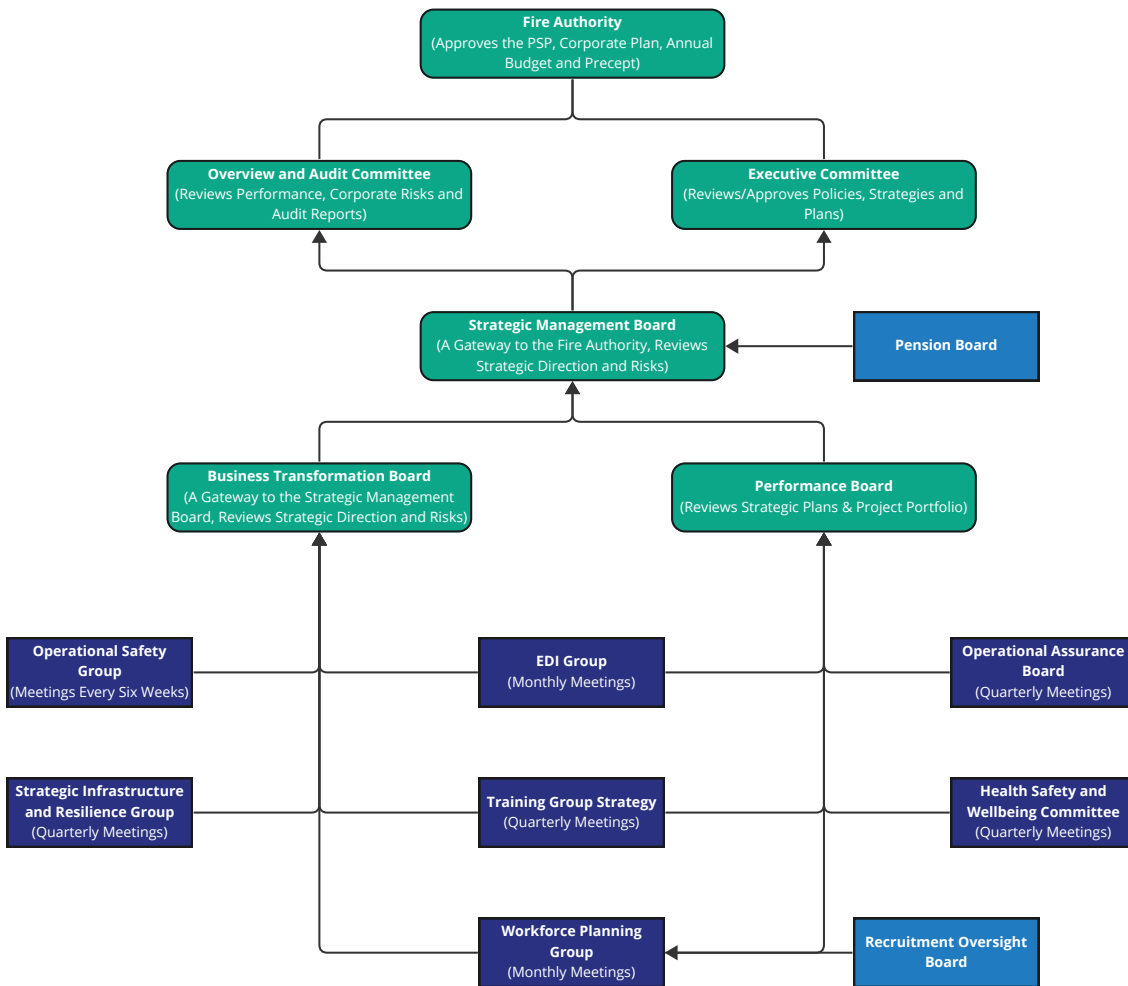
List of Abbreviations

Abbreviation	Meaning
JCF	Joint Consultation Forum
OSG	Operational Safety Group
SIRG	Strategic Infrastructure & Resilience Group
EDIG	EDI Group
TSG	Training Strategy Group
WPG	Workforce Planning Group
OAG	Operational Assurance Group
HSWC	Health, Safety & Wellbeing Committee
PMB	Performance Monitoring Board
BTB	Business Transformation Board
SMB	Strategic Management Board
OAC	Overview and Audit Committee
EC	Executive Committee
FA	Fire Authority

Stakeholder interviews held

Overview

Name	Role
Mark Hemming	Director of Finance & Assets
Anne-Marie Carter	Head of Technology, Transformation & PMO
Simon Tuffley	Head of Prevention, Response & Resilience
Calum Bell	Head of Protection, Assurance & Development
Anne Stunell	Head of Human Resources
Stuart Gowanlock	Corporate Planning Manager



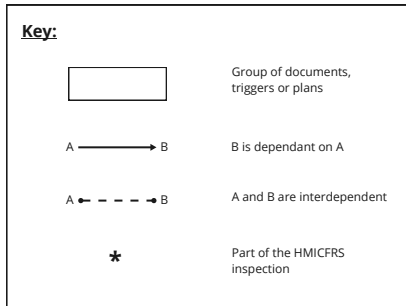
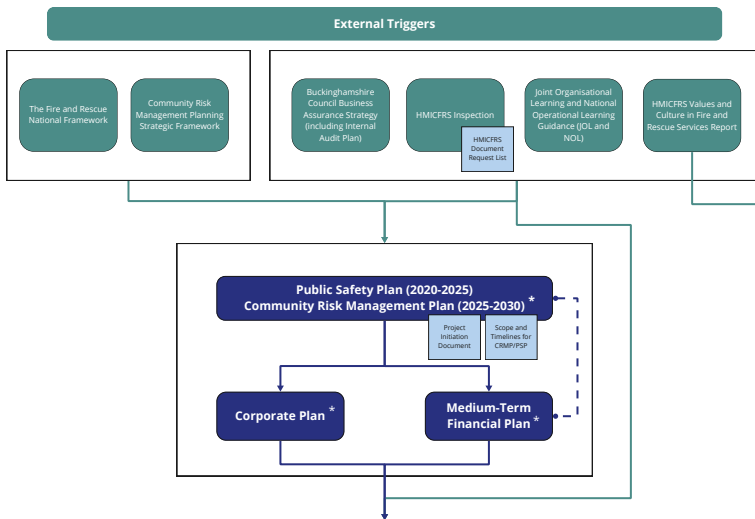
Disclaimer:

Source: Terms of Reference Groups document. The frequency at which these Groups and Boards meet has been shown, where this information was available.

It should be noted that the JCF does not have any decision-making authority, and is a mechanism for awareness and discussion.

Joint Consultation Forum

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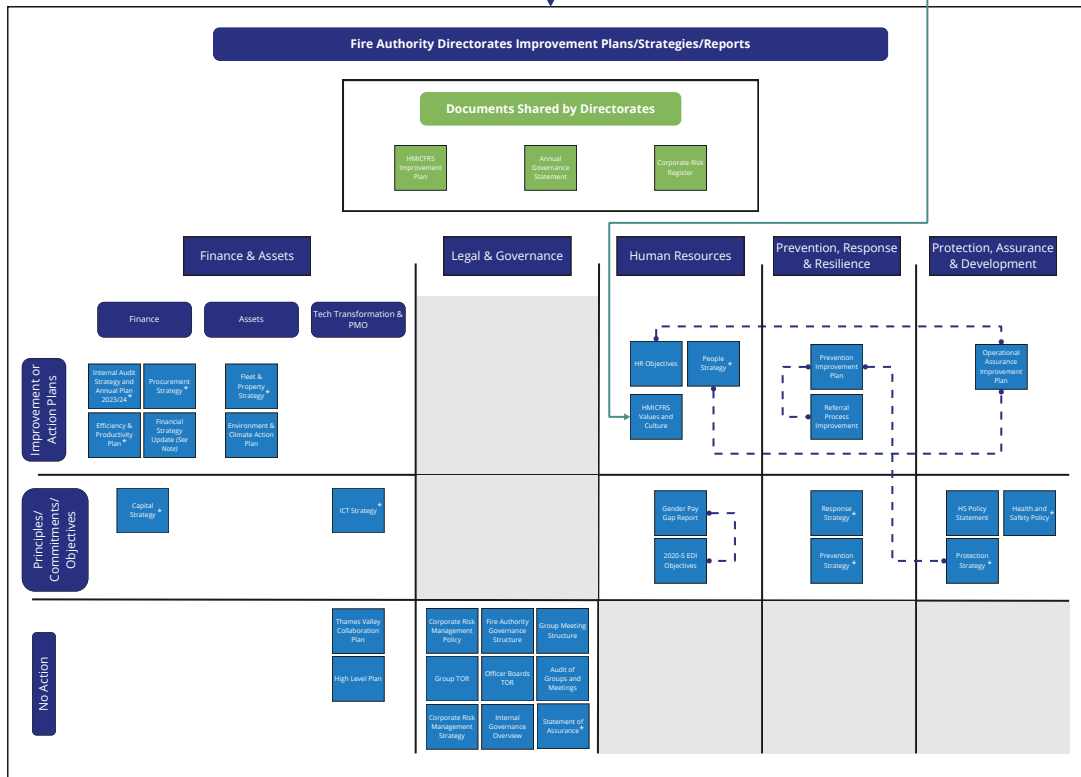


Disclaimer:

This overview should be read from top to bottom, showcasing the layers of plans across the Service and their external triggers. The Public Safety Plan, Corporate Plan and Medium-Term Financial Plan set the strategic and financial direction for the Service and subsequently, directly or indirectly, influence the Directorate plans, which is the final layer.

Note:

Whilst the Financial Strategy Update is not on the HMICFRS list, it does contain the Reserves Strategy, which is on the list.



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Business Assurance and Risk Management

Partnership Working - FINAL

Auditors

Maggie Gibb, Head of Business Assurance (and Chief Internal Auditor)

Selina Harlock, Audit Manager

Juan Fosco, Audit Manager

Axolile Kopman, Assistant Manager

Aman Sair, Internal Auditor

Management Summary

Introduction

The Partnership Working audit was undertaken as part of the 2023/24 Internal Audit plan. This area was included in the plan at the Audit Committee's request and due to the significance of risks related to the area in Buckinghamshire & Milton Keynes Fire Authority (BMKFA) ('the Authority') Risk Register.

Partnerships are a strategic tool for the Authority to achieve its objectives by leveraging the strengths and resources of other organisations. However, these arrangements also introduce new and different risks that need to be recognised, evaluated, and effectively managed.

In May 2014, the Executive approved a Partnership Strategy, which includes a set of nine key principles that need to be determined to justify any relationship with another body as a true partnership.

Audit Objective

The purpose of this audit is to provide assurance over the adequacy and effectiveness of current controls over Partnership Working. It evaluated the Authority's approach to managing its partnerships, including the governance arrangements, partnership register and agreements, implementation of policies and procedures, transformation initiatives, and communication strategies.

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 agreed scope of this audit was:

- Governance Arrangements;
- Partnership Register and Agreements;
- Duplication;
- Implementation;
- Transformation;
- Financial and Operational Impact and
- Performance and Communication.

This audit only considered the controls in place at the time of the audit.

Table 1: Overall Conclusion

Overall conclusion on the system of internal control being maintained	Reasonable
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RISK AREAS	AREA CONCLUSION	No. of High Priority Management Actions	No. of Medium Priority Management Actions	No. of Low Priority Management Actions
Partnership Working				
Governance Arrangements	Substantial	0	0	0
Partnership Register and Agreements	Reasonable	0	2	0
Duplication	Substantial	0	0	0
Implementation	Substantial	0	0	0
Transformation	Substantial	0	0	0
Financial and Operational Impact	Substantial	0	0	0
Performance and Communication	Reasonable	0	0	1
Total		0	2	1

Appendix 1 defines the grading for each of the conclusions given.

Governance Arrangements

Overall responsibility for partnership arrangements lies with the Authority's Executive Committee; individual partnerships are delegated to respective managers. The Executive Committee receives a Partnership Governance Update on a biennial basis; the last update was presented in July 2022 and delivered by the Director of Finance and Assets.

The Authority has sections on the management of partnerships within the Financial Regulations (last updated September 2019) and Financial Instructions (last updated July 2023). They stipulate that partnerships should have the following in place:

- A defined manager who is responsible for ensuring that the partnership is appraised for financial viability on an ongoing basis;
- Appropriate resources assigned to the partnership;
- A documented agreement in place detailing the accountabilities of the partnership;
- Detail on how the partnership will be monitored;
- Assurances that the partnership contributes to the Authority's objectives as outlined in the Corporate Plan, and
- A risk assessment conducted before the signing of the partnership¹.

We confirmed that risks around partnerships are considered and included on the Legal and Governance Risk Register (last updated February 2023). Risk 32 is on partnerships: *'Failure to ensure that all agreements with partners are maintained and deleted when no longer required'*. In addition, there are additional risks relating to individual partnerships. This is the case for the partnership with the Fire Rescue and Indemnity Company (FRIC), which is the Authority's insurance provider, as well as with the Thames Valley Fire Control Service (TVFCS), which operates a joint control centre, and so contributes to the Authority's core service functions. Risk number three on the Directorate Risk Register (last updated April 2023), *'Failure of FRIC to cover insurance issues'*, and Risk number four on the Prevention Response Resilience Risk Register (last updated April 2023), *'Loss of ability to mobilise appliances and service delivery resources'* relate specifically to FRIC and TVFCS respectively.

From eight current partnerships at the Authority, we selected a sample of five to assess whether a risk assessment had been conducted before signing the contract. We confirmed that three had risk assessments carried out as part of their proposals (presented either to the Members of the Authority or the Executive Committee); one partnership (Safer Bucks Board) was required by law to enter into (under the Crime and Disorder Act 1998), and so no risk assessment was necessary. We note that for one partnership (with the British Red Cross), the Authority could not provide us with any documentation for its proposal, financial/legal implications, monitoring, or the partnership agreement itself. We were advised by the Group Commander (Response South) that there had been a lapse in communications between the Authority and the Red Cross. We were unable to test this partnership's management (**Finding 1**).

Partnership Register and Agreements

¹ Testing against these bulletpoints for our sample of partnerships has been detailed throughout the report.

Commented [HM1]: Please can this just say managers as Area Manager has a specific meaning in the fire sector.

The Authority maintains oversight of its eight current partnerships through a Partnership Register, which was presented to the Executive Committee along with the Partnership Governance Update in July 2022. The Register is a static document and has not been updated since the Executive Committee noted it. It contains the following details on the current partnerships in place:

- The signing date of the partnership;
- Whether the partnership is legally defined and agreed by all partners;
- Links to the Authority's Corporate Plan;
- Aims and outcomes for the partnership;
- Whether the outcomes are measurable;
- Whether the risk is shared;
- Date of last review by all partners;
- Whether the desired outcomes could be achieved in any other manner and
- Whether there is an exit strategy in place.

From our previously selected sample of five partnerships, we cross-referenced the agreements with the 2020-25 Corporate Plan (last updated June 2023). We confirmed that three partnerships were linked to the Strategic Objectives in the Plan; these links were identified on the Partnership Register, and the partnerships were referenced in the Corporate Plan. The Director of Finance and Assets advised that one of the partnerships was not required to be specifically aligned with the Strategic Objectives as it is an insurance arrangement (FRIC) and relates to the Authority's core functioning. As noted above, we were not provided evidence for the British Red Cross partnership. We could not test its alignment with the Authority's Strategic Objectives.

Of the eight partnerships currently in place, we were advised that one agreement has not yet been finalised (included in the Register as joint venture terms agreed and a formal signed contract is to follow). One is missing (British Red Cross). We confirmed that three had signed agreements that were in date as of August 2023, but we did not receive three other agreements. In addition, we note that there is no central location where all partnership agreements are held; knowledge of their whereabouts was limited to individuals at the Authority (**Finding 2**).

Duplication

We received information (through reviewing the partnership agreements or other Authority documents on partnerships, such as Committee reports) which have the following rationales:

- Safer MK: a community safety partnership for Milton Keynes Council;
- Safer Bucks Board: a community safety partnership for Buckinghamshire Council,
- MK Safety Centre: an education partnership with the Milton Keynes Safety Centre, to whom the Authority has partially outsourced their education function,
- Fire Co-responder: a partnership whereby the Authority co-responds to certain medical emergencies,
- British Red Cross: support services provided by the Red Cross when the Authority responds to fires, to help those afflicted by a fire in their homes,
- Thames Valley Fire Control Service: a joint centre for emergency call handling, mobilising, and resource management,
- Fire and Rescue Indemnity Company: a shared insurance pool/arrangement with other fire services, and:
- Wide Area Network (WAN)/Local Area Network (LAN): a shared data network joint venture between the Authority and Buckinghamshire Council, Buckinghamshire NHS Trust and Buckinghamshire Clinical Commissioning Group.

As mentioned above, we noted no apparent overlaps in the purpose of each partnership (the Safer MK and Safer Bucks Board relate to different geographical areas).

Implementation

For our previously selected sample of partnerships, we confirmed that either Managers were assigned to the partnership or Members had been appointed to the relevant partnership to sit on the Governing Body (for TVFCS and Safer Bucks Board). However, we note that the relevant Manager of each partnership was not listed on the Partnership Register or in another form of documentation (**Finding 2**).

Transformation

For our sample of partnerships, we confirmed that where appropriate, continuous improvement was sought after. For example, this took the form of annual workshops for TVFCS, which identified the possibility of holding more formal meetings (three meetings and an extra workshop). These discussions took place in the TVFCS Joint Committee meeting in July 2023.

We received no evidence of continuous improvement for the MK Safety Centre or the Safer Bucks Board (**Finding 4**). We were advised by the Director of Finance and Assets that there was no monitoring for continuous improvement for FRIC due to its nature as an insurance provider, the key considerations are the annual contributions on the part of the Authority, which are monitored as part of regular financial reporting.

Financial Operation and Impact

The below table notes the annual financial contributions to each partnership, according to the Authority's 2023-24 budget:

Partnership	Amount	Notes
Safer MK	-	Not separately identified in the budget (either zero or negligible)
Safer Bucks Board	-	Not separately identified in the budget (either zero or negligible)
MK Safety Centre	£25,000	-
Fire Co-responder	£45,000	Gross value – netted off by cost recovery
British Red Cross	£0	No direct financial contributions
Thames Valley Fire Control Service	£978,380	-
Fire and Rescue Indemnity Company	£378,000	Includes £10,000 to cover claims below policy excess
WAN/LAN	£160,000	-
Total	£1,576,380	

We requested evidence of performance monitoring for our selected sample. One partnership is a shared insurance pooling arrangement with no specific deliverables besides paying out insurance claims. Therefore, no performance monitoring occurs, although annual financial contributions are monitored.

We received evidence for performance metrics for two partnerships (dating from October 2022 to July 2023), which were reported quarterly to the Authority (or the TVFCS Joint Committee) **(Finding 3)**.

Performance and Communication

We reviewed the Partnership Governance Update (dated July 2022) and confirmed that it provided a high-level update on partnerships. There was an executive summary detailing the rationale or partnerships introduced formally in 2014 and sections on risk management, legal implications, privacy and security implications, and key changes since the previous update. Two new partnerships had been added to the Register, whilst three had been removed. The current Partnership Register was also included in the Appendix of the update. We noted no mention of when the next update should occur **(Finding 3)**.

For our sample of partnerships, we confirmed that meetings occur regularly between the partners. TVFCS' Joint Committee meets every six months; the Safer Bucks Board and the MK Safety Centre meet with the Authority quarterly. We identified one partnership (FRIC) where an annual AGM is attended, but the Authority could not find minutes; we were advised by the Director of Finance and Assets that they would be held on the partner's end. We received no evidence around regular meetings for the MK Safety Centre and the Safer Bucks Board **(Finding 4)**.

Table 2: Detailed Audit Findings and Management Action Plan

Finding 1: Partnership Agreements	Risk Rating	Agreed Management Actions
<p>The Authority should have signed and up-to-date partnership agreements for their current partnerships. We requested copies of signed agreements for our selected sample. However, Management advised that the British Red Cross partnership could not be found.</p> <p>We were also not provided with the agreements for the Safer MK, Safer Bucks Board and MK Safety Centre partnerships, with no explanation provided, whilst one other has not yet been finalised. We were advised by the Director of Finance and Assets that there is no central location where all partnership agreements are held; instead, individual staff members would know where each agreement is held.</p> <p>The Authority could provide no evidence for the Red Cross partnership, including the initial proposal and ongoing monitoring. We were advised by the Group Commander (Response South) that there had been a lapse in communications between the Authority and the Red Cross. As listed above, neither partner has a direct financial contribution to this partnership.</p> <p>The absence of signed and up-to-date partnership agreements and a central location for all such agreements poses risks for the Authority. This lack of organisation can lead to accountability issues, potential non-compliance with policies and procedures, and even legal and financial risks. Furthermore, the lack of a central repository for these agreements can lead to operational disruptions due to miscommunication or loss of information, especially if the staff member responsible for a particular agreement is unavailable or leaves the organisation.</p> <p>Additionally, the lapse in communication between the Authority and the Red Cross and the absence of evidence for this partnership suggests risks of operational disruptions and inadequate oversight. These issues could lead to unmet objectives or inefficiencies within the partnership. Moreover, failure to maintain proper documentation and communication with partners could harm the Authority's reputation, affecting its ability to form future partnerships.</p>	M	<p>Action:</p> <p>All partnership agreements will be stored in a central repository.</p> <p>Officer responsible: Director of Finance and Assets</p> <p>Date to be implemented by: 29 March 2024</p>
Finding 2: Partnership Register	Risk Rating	Agreed Management Actions
<p>The Authority maintains a Partnership Register (last updated July 2022) for its eight current partnerships. However, we noted the following:</p> <ul style="list-style-type: none"> • The 'Date of last review by all partners' column did not always list the actual date and instead stated 'Annual' in five out of eight cases, meaning that it is unclear when the latest review took place; • The Manager of the partnership was not listed, 	M	<p>Action:</p> <p>Within the central repository (see Finding 1) a live version of the partnership register will be created.</p>

<ul style="list-style-type: none"> • The most recent contract date signed (as opposed to the initial signing date) was not listed. Some partnerships are currently over five years old, with two being entered into in 2010 and 2012, • The annual cost of the partnership was not listed, • In addition, we note that it is not a live document and has not been updated since the last Partnership Governance Update in July 2022. Because of this, it has not reflected the renewal of the MK Safety Centre partnership in October 2022. <p>The Authority's Partnership Register, last updated in July 2022, presents areas of concern. The lack of specific dates for the last review by all partners, absence of the partnership manager's name, omission of the most recent contract signing date, and failure to list the annual cost of the partnership all contribute to a lack of transparency and accountability. This could potentially lead to mismanagement or inefficiencies within the partnerships.</p> <p>Furthermore, the Register is not a live document and has not been updated since the last Partnership Governance Update in July 2022. This has resulted in it not reflecting recent changes, such as the MK Safety Centre partnership renewal in October 2022. The outdated nature of the Register poses a risk of inaccurate record-keeping. It could impact the Authority's ability to manage its partnerships effectively.</p>		<p>Officer responsible: Director of Finance and Assets</p> <p>Date to be implemented by: 29 March 2024.</p>
<p>Finding 3: Partnership Governance Update</p>	<p>Risk Rating</p>	<p>Agreed Management Actions</p>
<p>The Authority Executive last received a Partnership Governance Update in July 2022. The update contained an executive summary detailing the rationale or partnerships introduced formally in 2014 and sections on risk management, legal implications, privacy/security implications, and key changes since the previous update. We note no mention of when the next Update should be provided to the Authority Executive. We were informed by the Director of Finance and Assets that the updates should be biennial and that this would be documented for clarity.</p> <p>We also note that the lapse in communications with the British Red Cross (the last noted date of review of the agreement by all partners is listed as 2014 in the Update) was not discussed.</p> <p>The absence of a specified date for the next update could lead to irregular or delayed updates, affecting the Authority's ability to manage its partnerships effectively. Although the Director of Finance and Assets has stated that updates should be biennial, this is not documented, which could lead to confusion or inconsistency in future updates.</p> <p>Furthermore, the lapse in communications with the British Red Cross, with the last noted date of review of the agreement by all partners listed as 2014, was not discussed in the update. This omission could indicate a lack of transparency and oversight, potentially impacting the effectiveness of the partnership.</p>	<p>L</p>	<p>Action: Frequency of updates (recommended biennial) to be specified in future reports.</p> <p>Officer responsible: Director of Finance and Assets.</p> <p>Date to be implemented by: 31 July 2024 (proposed date of next update)</p>

Finding 4: Information Not Provided During the Audit Fieldwork	Risk Rating	Agreed Management Actions
<p>We note the below pieces of evidence that were not provided to us by Management:</p> <ul style="list-style-type: none"> • The signed funding agreements with the MK Safety Centre, Safer Bucks Board and Safer MK; • The latest quarterly performance report provided by the MK Safety Centre, as well as the latest Safety Centre update provided to the Authority's Performance Monitoring Board; • The Terms of Reference for the Safer Bucks Board; • The Safer Bucks Board 3-Year Plan; • The most recent Safer Bucks action log and • The most recent Safer Bucks Board quarterly meeting minutes. 	<p>n/a</p>	

Appendix 1: Definition of Conclusions

Key for the Overall Conclusion:

Below are the definitions for the overall conclusion on the system of internal control being maintained.

Definition	Rating Reason
<p>Substantial</p> <p>A sound system of governance, risk management and control exist, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.</p>	<p>The controls tested are being consistently applied and risks are being effectively managed.</p> <p>Actions are of an advisory nature in context of the systems, operating controls and management of risks. Some medium priority matters may also be present.</p>
<p>Reasonable</p> <p>There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.</p>	<p>Generally good systems of internal control are found to be in place but there are some areas where controls are not effectively applied and/or not sufficiently developed.</p> <p>Majority of actions are of medium priority but some high priority actions may be present.</p>
<p>Limited</p> <p>Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.</p>	<p>There is an inadequate level of internal control in place and/or controls are not being operated effectively and consistently.</p> <p>Actions may include high and medium priority matters to be addressed.</p>
<p>No Assurance</p> <p>Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.</p>	<p>The internal control is generally weak/does not exist. Significant non-compliance with basic controls which leaves the system open to error and/or abuse.</p> <p>Actions will include high priority matters to be actioned. Some medium priority matters may also be present.</p>

Management actions have been agreed to address control weakness identified during the exit meeting and agreement of the Internal Audit report. All management actions will be entered onto the Pentana Performance Management System and progress in implementing these actions will be tracked and reported to the Strategic Management Board and the Overview & Audit Committee.

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

Action Priority	Definition
High (H)	Action is considered essential to ensure that the organisation is not exposed to an unacceptable level of risk.
Medium (M)	Action is considered necessary to avoid exposing the organisation to significant risk.
Low (L)	Action is advised to enhance the system of control and avoid any minor risk exposure to the organisation.

Appendix 2: Officers Interviewed

The following staff contributed to the outcome of the audit:

Name:	Title:
Mark Hemming	Director of Finance and Assets
Joanne Cook	Community Safety and Safeguarding Manager
Stuart Grosse	Group Commander Response South

The Exit Meeting was attended by:

Name:	Title:
Mark Hemming	Director of Finance and Assets

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.

Appendix 3: Distribution List

Draft Report

Name:	Title:
Mark Hemming	Director of Finance and Assets
Joanne Cook	Community Safety and Safeguarding Manager
Stuart Grosse	Group Commander Response South

Final Report as above plus:

Name:	Title:
Mark Hemming	Director of Finance and Assets
Mick Osborne	Acting Chief Fire Officer
Ernst and Young	External Audit

Audit Control:

Deliverable	Date
Closing Meeting	17 August 2023
Draft Report	5 October 2023
Management Responses	6 October
Final Report	9 October 2023

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.

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Buckinghamshire & Milton Keynes Fire Authority

Meeting and date: Overview and Audit Committee, 8 November 2023

Report title: Internal Audit Report – Update on the 2023/24 Annual Audit Plan

Lead Member: Councillor David Carroll

Report sponsor: Mark Hemming – Director of Finance and Assets

Author and contact: Maggie Gibb – Internal Audit Manager,
Maggie.Gibb@buckinghamshire.gov.uk, 01296 387327

Action: Noting

Recommendations: That Members note the progress on the Annual Internal Audit Plan

Executive summary: The purpose of this paper is to update Members on the progress of the annual Internal Audit Plan since the last meeting.

Work has progressed according to the approved 2023/24 plan, and regular discussions have been held with the Director of Finance and Assets to monitor progress.

The fieldwork for the Corporate Improvement Plans Assurance review was completed in quarter two and a number of recommendations were made that the service are taking forward.

The Partnership Working audit was completed in quarter two, and three findings were raised.

Medium Term Financial Planning Assurance review is currently in progress, fieldwork commenced in October.

Contract Management and Critical Supplier Management audit is scheduled for December.

The Core Financial Controls audit is currently being scoped and the fieldwork will commence in November.

The final reports will be presented to Members at the next Overview and Audit Committee meeting.

Financial implications: The audit work is contained within the 2023/24 budget.

Risk management: There are no risk implications arising from this report.

Legal implications: There are no legal implications arising from this report.

Privacy and security implications: There are no privacy and security implications arising from this report.

Duty to collaborate: Not applicable.

Health and safety implications: There are no health and safety implications arising from this report.

Environmental implications: There are no environmental implications arising from this report.

Equality, diversity, and inclusion implications: There are no equality and diversity implications arising from this report.

Consultation and communication: Not applicable.

Background papers:

Appendix	Title	Protective Marking
A	Progress against the 2023/24 Internal Audit Plan	Not applicable

Appendix A – Internal Audit Plan 2023/24

Auditable Area	Key Audit Objectives	Days Budget (Timing)	Risk Assessed	
Core Financial Controls	<p>To fulfil our statutory responsibilities, we will undertake work to provide assurance over key controls within the financial governance framework, which consists of the following key systems:</p> <ul style="list-style-type: none"> • Financial Control/Monitoring • Procure to Pay • Debtors • Capital • Financial Regulations • General Ledger • Reconciliations • Treasury Management <p>All audit findings from the 22/23 review will be followed-up to ensure that actions have been fully implemented.</p>	30 days	High	Audit being scoped, fieldwork planned for November
Corporate Improvement Plan Assurance	To provide assurance on all improvement plans and ensure that agreed actions are being implemented and agreed timescales are achievable.	15 days	High	Completed
Partnership Working	Partnerships are an effective way for the Authority to achieve its objectives, but they give rise to new and different risks, which need to be recognised, evaluated, and effectively managed. The review will assess the partnership arrangements in place and ensure they contribute towards the achievement of the Authority's objectives.	10 days	High	Completed
Medium Term Financial Plan	The ensure that the Authority has an approved Medium Term Financial Plan that is linked to the corporate objectives. The MTFP should provide a focus on both Revenue expenditure (day-to-day running costs of providing services) and Capital expenditure, delivered through a framework that allows for clear reporting and scrutiny by Senior Management and Members.	10 days	High	Fieldwork in progress
Contract Management and Critical Supplier Management	To ensure that the Authority has a clear understanding of key suppliers and understand the impacts of critical supplier failure. The review will evaluate the Authority's approach to managing its contracts and can both measure and capture planned benefits and savings.	10 days	High	Audit being scoped, fieldwork planned for December.
Contingency	A contingency has been included within the audit plan to provide flexibility and in recognition of an expected but as yet unspecified need. If the days remain as at the beginning of Q4 then they will be used to review some key Governance areas such as Project Management and Contract Management, with the agreement of the Director of Finance and Assets.	10 days	N/A	
Follow-Up General	To ensure all outstanding medium and high recommendations raised in previous audits are implemented.	10 days	Various	
Corporate Work	A proportion of the total audit resource is made available for 'corporate work'. Corporate work is non-audit specific activity which still 'adds value' or fulfils our statutory duties. Examples of this type of work include attendance and reporting to Management and Committee, and audit strategy and planning work. This also includes developing the Audit Plan, writing the Annual Report, and undertaking the annual Review of Effectiveness of Internal Audit.	10 days	N/A	
Total		105 days		

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Buckinghamshire & Milton Keynes Fire Authority

Meeting and date: Overview and Audit Committee, 8 November 2023

Report title: Financial Instructions

Lead Member: Councillor Matthew Walsh

Report sponsor: Mark Hemming, Director of Finance and Assets

Author and contact: Mark Hemming mhemming@bucksfire.gov.uk

Action: Noting

Recommendations: That the updated Financial Instructions be noted.

Executive summary:

These instructions are part of the financial control framework, which exists both to ensure the proper application and control of public money and to safeguard the officers involved in financial processes. The framework includes the Authority's Standing Orders Relating to Contracts, Financial Regulations, these Instructions and any manuals of guidance or financial policy statements issued by the Authority. The Chief Finance Officer, in consultation with the Chief Fire Officer, issues these Instructions.

This report presents the updated Financial Instructions as approved by the Chief Fire Officer and Director of Finance and Assets in June 2023. They have been updated to include the removal of legacy references to gender, Brigade and BMKFRS, addition of donation as method of disposal, added table of authorisation limits held within the finance system, removed reference to EU in procurement laws, replaced references to Director of People &/and Organisational Development with Head of HR and other minor revisions. Changes to the Instructions are noted in Appendix 1 as either underlined (additions) or ~~struck through~~ (deletions).

Financial implications: No direct impact.

Risk management: No direct impact.

Legal implications: Prior to 2011 the Financial Instructions required approval by a meeting of the full Authority on recommendation from the Overview & Audit Committee. At its meeting on 9 February 2011 the Authority amended its Terms of Reference so that approval was delegated to the Chief Finance Officer with the proviso that the Overview & Audit Committee receive a report from the Chief

Finance Officer when there has been any variation to the Financial Instructions in the preceding twelve month period.

Privacy and security implications: No direct impact.

Duty to collaborate: No direct impact.

Health and safety implications: No direct impact.

Environmental implications: No direct impact.

Equality, diversity, and inclusion implications: No direct impact.

Consultation and communication: No direct impact.

Background papers:

Terms of Reference of the Fire Authority and its Committees, December 2020 - <https://bucksfire.gov.uk/documents/2020/12/terms-of-reference-for-the-fire-authority-and-its-committees.pdf/>

Appendix	Title	Protective Marking
1	Financial Instructions	None



1. Changes since the last version

Please note that as Service Documents are frequently updated, if you print a document, its accuracy cannot be guaranteed. Always check the intranet for the latest version.

Version 5 – updated to include revised procedures relating to the new Finance and HR systems introduced on 1 April 2017, as well as updates to the Financial Regulations (approved October 2017) and other minor updates.

Version 6 – updated to include the removal of legacy references to gender, Brigade and BMKFRS, addition of donation as method of disposal, added table of authorisation limits held within the finance system, removed reference to EU in procurement laws, replaced references to Director of People &/and Organisational Development with Head of HR and other minor revisions.

2. Index

1. [Document changes](#)
2. [Index](#)
3. [Purpose and scope](#)
4. [Roles and responsibilities](#)
5. [Document content](#)
 - 5.1. [Annual Governance Statement](#)
 - 5.2. [Counter-Fraud and Corruption, Anti-Money Laundering](#)
 - 5.3. [Banking](#)
 - 5.4. [Budget Monitoring](#)
 - 5.5. [Capital](#)
 - 5.6. [Construction Industry Scheme \(CIS\)](#)
 - 5.7. [Contracts for Building and Civil Engineering Works](#)
 - 5.8. [Purchasing Cards](#)
 - 5.9. [Debt Management](#)
 - 5.10. [External Funding](#)
 - 5.11. [Imprest Accounts](#)
 - 5.12. [Income](#)
 - 5.13. [Information Systems](#)
 - 5.14. [Insurance](#)
 - 5.15. [Inventories](#)
 - 5.16. [Invoices and Accounts for Payment](#)
 - 5.17. [Leases](#)
 - 5.18. [Medium Term Financial Plan](#)
 - 5.19. [Orders for Goods, Works and Services](#)
 - 5.20. [Partnerships](#)
 - 5.21. [Project Management](#)
 - 5.22. [Reserves - Earmarked](#)
 - 5.23. [Risk Management](#)
 - 5.24. [Salaries, Wages, Allowances and Pensions](#)
 - 5.25. [Security of Assets](#)
 - 5.26. [Sponsorship and Advertising](#)



- 5.27. [Stocks and Stores](#)
- 5.28. [Travel and Subsistence and Other Expenses](#)
- 5.29. [VAT](#)
- 5.30. [Virement \(Budget Journals\)](#)



3. Purpose and scope

- 3.1. These instructions are part of the financial control framework, which exists both to ensure the proper application and control of public money and to safeguard officers involved in financial processes.
- 3.2. The framework includes the Authority's Standing Orders as to Contracts, Financial Regulations, these Instructions and any manuals of guidance or financial policy statements issued by the Authority.

4. Roles and responsibilities

- 4.1. The Chief Finance Officer, in consultation with the Chief Fire Officer, issues these instructions.
- 4.2. References to "officer" include all employees of the Authority.
- 4.3. All references to Chief Finance Officer include his/her/their nominated deputy/deputies
- 4.4. All references to "sign" and "signature" include the use of electronic signatures/authorisation unless specifically referenced as "in ink".
- 4.5. Finance are happy to provide assistance in all areas relating to financial management and financial control. In particular, you must seek advice if you are intending to create a new financial procedure, or amend an existing one.
- 4.6. The Chief Finance Officer welcomes feedback on the operation of Financial Instructions to ensure they remain relevant and effective. The Chief Finance Officer should be contacted if you have comments on the application or operation of particular instructions.



5. Document content

5.1. Annual Governance Statement

Preamble

The Annual Governance Statement is a statutory requirement and is published with the Annual Statement of Accounts. It is signed by the Chief Fire Officer and the Chairman of the Authority. In order for the Statement to be signed, the Chief Fire Officer and the Chairman of the Authority must first be satisfied that they have enough evidence from the organisation to give them assurance that the statements made reflect the whole internal control environment. The Authority is required to put in place processes which “provide assurance” that its key risks are being managed and that its controls are working effectively by providing appropriate levels of evidence.

- 5.1.1. On an annual basis, the Strategic Management Board (SMB) shall approve the mechanisms by which assurance will be gathered to support the Annual Governance Statement. This is likely to involve a self - assessment against set criteria by:
 - Directors and Second Tier Managers;
 - Designated Corporate Process Owners;
 - Designated Corporate Project Owners.
- 5.1.2. All self - assessments shall be completed in a pre-defined manner and signed by the appropriate owner who is accountable for that return.
- 5.1.3. Any areas of risk or internal control weakness identified within the self - assessment process must be supported by a risk mitigation action plan. This should be monitored during the year.
- 5.1.4. Each self - assessment return shall be supported by a file of evidence retained by the owner but available for inspection upon demand.
- 5.1.5. The Chief Fire Officer may require any relevant owner to attend a meeting or forum to seek assurance that identified risks are being mitigated.
- 5.1.6. Any related material risks or control weaknesses identified during the year must be reported to the Chief Finance Officer.

5.2. Counter-Fraud and Corruption, Anti-Money Laundering

Preamble

The Authority expects its members and employees and all individuals and organisations with which it comes into contact to act honestly and with integrity and to adhere to legal requirements, rules, regulations and agreed procedures and practices. The Authority will not tolerate any level of fraud or corruption. It requires members and employees to deal promptly and appropriately with those



who defraud or attempt to defraud the Authority or who are corrupt. This Instruction should be read in conjunction with the Authority's Counter- Fraud and Corruption Policy, Anti-Money Laundering Policy, Whistle Blowing Policy, Code of Conduct for Employees and Code of Conduct for Councillors and Co-opted Members.

- 5.2.1. The Chief Finance Officer will develop and maintain a counter-fraud and corruption policy.
- 5.2.2. The Chief Finance Officer will develop and maintain an anti-money laundering policy.
- 5.2.3. Directors are responsible for ensuring that all of their employees are aware of and comply with these policies.
- 5.2.4. SMB are responsible for establishing and implementing effective controls to help prevent and/or detect incidents of fraud or corruption and for creating an environment where employees feel able to raise any concerns they may have (procedures as outlined in the whistle-blowing policy). Prevention work will include ensuring sufficient internal control checks and also ensuring division of duties (i.e. no one person is able to carry out a complete transaction without some form of checking or intervention process being built into the system).
- 5.2.5. The Director of Legal and Governance is responsible for maintaining the Register of Interests and the Register of Gifts and Hospitality and for ensuring that all employees are aware of the arrangements for registering interests and offers of hospitality and/or gifts.
- 5.2.6. The Authority's disciplinary rules for its employees are such that fraud and corruption are considered to be potential gross misconduct - Investigation work is to be swift and firm, Internal Auditors will assist officers to carry out investigations and sanctions will be taken against individuals or organisations to reduce the risk of fraud or corruption occurring including redress in the form of recovering losses and compensation where applicable.
- 5.2.7. The Authority has an Anti-Money Laundering policy in place which requires all Members, Officers, employees, contractors and other stakeholders are aware of, and comply with the law against criminal activity through money laundering by reporting suspicions to the Chief Finance Officer (or Director of Legal and Governance in ~~his~~their absence) as Money Laundering Reporting Officer.
- 5.2.8. The Authority shall establish arrangements for co-operation and joint working with other bodies, including the police, external audit and other local authorities and shall fully participate in multi-agency initiatives aimed at fraud prevention.



5.3. Banking

Preamble

The Authority's corporate banking activities are controlled by a single contract which aims to provide a wide range of complex and specialist banking activities. A consistent and secure approach to banking activities is essential in order to achieve optimum performance for the Authority's bankers and the best possible value for money.

- 5.3.1. All matters connected with the Authority's banking activities shall be undertaken through the approved banking contract and under arrangements approved by the Chief Finance Officer. All bank accounts shall bear the Authority's name.
- 5.3.2. No employee other than the Chief Finance Officer shall open a bank account in connection with the Authority's banking activities.
- 5.3.3. The only cheques to be used are standard issue bank cheques for use by the Finance department in exceptional circumstances. All other payments shall be made either by BACS, CHAPS or bank electronic transfer payment arranged by the agreement of the Chief Finance Officer. No direct debit payments may be arranged without the agreement of the Chief Finance Officer.
- 5.3.4. All bank accounts shall be reconciled and signed on at least a monthly basis. Any account which does not reconcile should be reported immediately to the Chief Finance Officer.
- 5.3.5. The Chief Finance Officer will ensure that the processes for the following will involve more than one officer, and are configured so that authorisation and access security actively prevent one officer from carrying out the whole process:
 - Making a cash, cheque, BACS or CHAPS payment;
 - Making an electronic Bank transfer;
 - Receiving income and banking;
 - Reconciling bank accounts.
- 5.3.6. Employees banking Authority monies should use a branch of the Authority's bankers (currently Lloyds Bank).

5.4. Budget Monitoring

Preamble

Effective budget management ensures that resources are used for their intended purposes and are properly accounted for. Budget monitoring is a continuous process, enabling the Authority to review and adjust its budget targets during the financial year. Cost Centre Managers are required to continuously identify and explain variances against budgetary targets throughout the year within the Finance system.



The Authority itself operates within an annual cash limit, approved when setting the overall budget. To ensure that the Authority in total does not overspend, each department is required to manage its own expenditure within the cash-limited budget allocated to it.

- 5.4.1. Cost Centre Managers have delegated authority to manage their approved budget allocation. They have primary responsibility for maintaining budgetary control within their service areas and are expected to exercise their discretion in managing budgets responsibly and prudently.
- 5.4.2. Cost Centre Managers may delegate budget management responsibilities to other employees; however they retain overall responsibility for the management of the budgets and for all income and expenditure within their cost centres.
- 5.4.3. As a general principle budget responsibility should be aligned as closely as possible to the decision-making that commits expenditure.
- 5.4.4. Directors and Second Tier Managers must ensure that:
 - They and their Cost Centre Managers understand their financial responsibilities as outlined by Financial Regulations, Financial Instructions, and other guidance and procedure notes as appropriate;
 - All Cost Centre Managers are appropriately trained to carry out their budgetary control responsibilities. All Cost Centre Managers must attend Financial Training courses for Cost Centre Managers, organised by the Finance Department.
- 5.4.5. Cost Centre Managers must ensure income and expenditure are properly recorded and accounted for and appropriate documentation is retained.
- 5.4.6. Cost Centre Managers must follow the laid down rules of Electronic Ordering to ensure that appropriate segregation of duties exist to ensure that the same individual cannot raise ~~orders~~ and authorise requisitions, confirm receipt of the goods, certify invoices/credit notes and undertake budget monitoring.
- 5.4.7. Directors and Second Tier Managers should ensure that a monitoring process is in place to review performance level/levels of service in conjunction with the budget, and is operating effectively.
- 5.4.8. Senior Managers should ensure that spending remains within their service area's overall budget allocation and that individual cost centres are not overspent, by monitoring the budget and taking appropriate corrective action where significant variations from the approved budget are forecast.



- 5.4.9. Cost Centre Managers should undertake budget monitoring on a monthly basis within the Finance system. Variances should be identified at the earliest opportunity (and within the timescales notified by the Chief Finance Officer) and be supported by an action plan on how this is to be managed by the year end. Such action plans should be continuously monitored.
- 5.4.10. Cost Centre Managers should discuss the monthly budget monitoring information with Finance and provide any other information required by the Chief Finance Officer to enable a budget monitoring report to be prepared for SMB, and the Executive Committee.
- 5.4.11. Budget profiling should be used to facilitate effective budget monitoring. Cost Centre Managers should profile their budgets on a periodic basis. If it is considered appropriate, Cost Centre Managers should request amendments to budget profiles during the year.
- 5.4.12. Virements ([budget journals](#)) may be used to assist with budget management if undertaken in accordance with Financial Instruction 5.30 (virements)
- 5.4.13. There should be prior approval by the Chief Finance Officer and the Authority, the Executive Committee or SMB (as appropriate) for new proposals, of whatever amount, that:
- Create additional financial commitments in future years, as these have not formally been approved;
 - Change existing policies, initiate new policies or cease existing policies;
 - Materially extend or reduce the Authority's services.
- A report on new proposals should explain the full financial implications, following consultation with the Chief Finance Officer. Unless the Executive Committee or Authority has agreed otherwise, officers must plan to contain the financial implications of such proposals within their budget.
- 5.4.14. The Chief Finance Officer shall establish an appropriate framework of budgetary management and control that ensures that:
- Budget management is exercised within annual cash limits unless the Authority agrees otherwise;
 - Each Senior and Cost Centre Manager has available timely information on expenditure and income on each budget which is sufficiently detailed to enable managers to fulfil their budgetary responsibilities.
- 5.4.15. The Chief Finance Officer will prepare and submit reports on the Authority's forecast outturn to SMB and the Executive Committee on a regular basis.



- 5.4.16. The Chief Finance Officer will ensure that significant variances (positive or negative) from approved budgets are identified and investigated along with intended remedial action to bring back in line with the budget.

Year End

- 5.4.17. Following the end of the financial year and at a date to be determined by the Chief Finance Officer as detailed in the closing of accounts timetable, each Cost Centre Manager will notify the Finance Department in a format pre-determined by the Chief Finance Officer of any outstanding items of expenditure and income due relating to goods received or services rendered in the previous financial year not covered by electronic ordering.
- 5.4.18. Any under or overspends at the end of the year will not be carried forward into the new financial year unless exceptional approval is granted by the Executive Committee.

Capital

- 5.4.19. In addition to the above, the following requirements apply specifically to capital projects:
- Any scheme or allocation which is either forecast to, or actually does, overspend by more than 10% of the agreed allocation must be reported to the Chief Finance Officer, SMB and the Executive Committee setting out the reasons why and remedial action being taken to recover the overspend.
 - All disputes and contractor claims in relation to financial accounts for contracts must be identified by the relevant project manager and the Chief Finance Officer must be consulted if a contingent liability may be required. At year end, genuine slippage, bonds and final account payments will be carried forward once approval has been obtained by the Executive and to the extent that the remaining budget allows.
 - Apart from retention monies, underspends on completed projects will not be carried forward at year end unless exceptional approval is granted by the Executive Committee.

5.5. Capital

Preamble

Capital expenditure is an important element in the development of the Authority's services. Capital assets shape the way services are delivered in the long term and create financial commitments for the future in the form of financing costs and revenue running costs. All capital investment must be supported by a business case and submitted and approved in accordance with



the Medium Term Financial Planning process (MTFP) set down by the Chief Finance Officer.

- 5.5.1. A capital scheme can only go ahead once all the necessary approvals, outlined below, have been obtained.
- 5.5.2. Each scheme will have a named project manager who is accountable for the scheme.

Business Case

- 5.5.3. ~~A statement of Business requirements (SOBR) and a Capital Financial Bid Template~~ A project mandate and a business case must be produced for all schemes. This will include the contribution the scheme will make to the Authority's strategic aims and objectives and the justification as far as possible for the financing of the project.
- 5.5.4. ~~The SOBR~~ The project mandate and business case must be submitted to the relevant Board, Group or SMB for scrutiny and subsequent approval.
- 5.5.5. When outline approval has been given to the ~~SOBR~~ mandate and business case the project manager must prepare the business case for the scheme (the Project Initiation Document – PID). This will include the estimated capital costs of the scheme analysed by type of expenditure and profiled across financial years. It will also include ongoing revenue costs and savings which will arise from the scheme. The project manager must liaise with the Finance Department to agree the costings to be included in the PID.

Annual Approval Process for Capital Programme

- 5.5.6. SMB (in conjunction with the relevant Board or Group or Member Challenge Panels) will review and prioritise schemes and make proposals to the Executive Committee for schemes to be included in the draft Capital Programme within available resources, as part of the Medium Term Financial Planning (MTFP) process.
- 5.5.7. The Authority will approve the Capital Programme following consideration of the recommendations of the Executive Committee. Only when a scheme has been approved by the Authority for inclusion in the Capital Programme can any expenditure be incurred, unless it is approved in-year by BTB/SMB in line with virement limits (see section 5.30)
- 5.5.8. If a tender process reveals a total capital cost that exceeds the approved business case by 10% or more, the tender must not be let and a report setting out reasons for the increase and recommendations for addressing the shortfall must be submitted to the Chief Finance Officer and SMB as appropriate and then to the Executive Committee for approval.



Monitoring

5.5.9. Monitoring of capital projects must be undertaken in accordance with procedures outlined in Financial Instruction 5.4 (Budget Monitoring).

Post Project Review

5.5.10. Where a ~~major~~ project has been monitored by SMB, a Board, Group or Challenge Panel, project managers must complete ~~an End-Project Report~~ a project evaluation report within 12 months of project completion and submit to their Director for sign-off. This should involve a financial analysis of the outturn cost of the project compared to the estimated costs.

5.6. Construction Industry Scheme (CIS)

Preamble

This is a scheme set up by ~~Her Majesty's~~ HM Revenue and Customs (HMRC). Basically, if a contractor does any construction type work for an organisation it is expected that unless they have credible "company or business" status and fall under a taxation regime somewhere else, the organisation paying for that work must tax the labour element of those costs at source.

HMRC guidance sets out in detail what constitutes "construction" work and what to do if a contractor falls under this category.

- 5.6.1. All contracts entered into on the Authority's behalf will be subject to the Authority's Standing Orders as to Contracts. Cost Centre Managers entering into contracts for works which fall under CIS must provide as much information as early as possible in the process before engaging the contractors for the first time.
- 5.6.2. Cost Centre Managers must provide all the required contractor details on a new supplier form (electronically within the finance system) to finance to ensure all future payments to the contractor are taxed correctly and the necessary returns are completed as required.
- 5.6.3. Finance will then contact HMRC to find out whether the contractor is registered for CIS and whether they should be paid gross or net of tax, and if net, what % level to deduct. It is not sufficient to rely on the contractor to give this information.
- 5.6.4. Invoices from contractors must show a breakdown of costs between labour and other costs in order to apply the correct tax deduction.
- 5.6.5. Finance must ensure all supporting information is held on file to support the end of year reconciliation and return to HMRC.

5.7. Contracts for Building and Civil Engineering Works

Preamble



Contracts must conform with the Authority's Standing Orders as to Contracts. Contracts for building and civil engineering works often involve substantial payments on account spread over a long period followed eventually by a final settlement on the basis of a detailed final account agreed by both contractor and employer. These instructions are designed to ensure that payments are controlled, that certificates and variation orders are signed by authorised employees and that the detailed account is correct before the final payment is released.

- 5.7.1. All contracts entered into on the Authority's behalf will be subject to the Authority's Standing Orders as to Contracts.
- 5.7.2. All payments on account to contractors for building or civil engineering contracts shall only be made in accordance with a certificate issued by the appropriate architect or by such other person previously agreed with the Chief Finance Officer. Such certificates shall show:
 - The amount of the contract;
 - Any additional expenditure approved;
 - The total amount of certificates previously paid;
 - Where VAT is payable, the amount of the payment chargeable to tax and the amount of tax payable;
 - The amount of the certificate; and
 - The percentage and amount of retention money, if any.
- 5.7.3. Where private architects, engineers or consultants are engaged to supervise contracts, they shall either sign the certificates or verify the sums due for subsequent authorisation by the appropriate authorised officer who appointed them.
- 5.7.4. Every extra or variation on a contract for building or civil engineering work shall be authorised in writing by an officer whose name shall be in a list approved by the Chief Finance Officer and reviewed annually, except that, where consultants have been engaged to supervise contracts, written authorisation will be given by the consultants in accordance with the terms of their appointment.
- 5.7.5. If an extra or variation on a contract results in the estimated costs of the tender or scheme exceeding that approved by the Authority, then the reason for and the amount of the extra or variation shall be reported to the Chief Finance Officer and subsequently to SMB and the Executive Committee for approval.
- 5.7.6. The final payment certificate of any contract shall not be issued until the appropriate architect, engineer or consultant has submitted to the Chief Finance Officer a detailed statement of account with particulars of additions, deductions, omissions and all relevant documents, as required.



- 5.7.7. Payment of all invoices must be processed in accordance with Construction Industry Scheme Tax requirements (see Financial Instructions 5.6 CIS and 5.16 Invoices and Accounts for Payment).
- 5.7.8. No contracts may be let, nor any expenditure incurred in connection with any contract, unless the Authority has approved capital and/or revenue estimates in advance to cover such expenditure.
- 5.7.9. The Chief Finance Officer, or an officer nominated by him/her/them, shall, to the extent considered necessary, examine final accounts for contracts and shall be entitled to make such enquiries and receive such information and explanations as may be required, in order to establish the accuracy of the accounts. This requirement is in addition to auditor rights of access as outlined in Financial Regulations C.4.

5.8. Purchasing Cards

Preamble

Purchasing cards are issued to certain officers for the purchase of goods and services included in the Authority's approved budget. These instructions provide guidance on the use of such cards and should be read in conjunction with the Authority's Guidance on Purchasing Cards and Financial Instruction 5.16 (Invoices and Accounts for Payment).

- 5.8.1. The approval of the Chief Finance Officer is required for the issue of a purchasing card to an officer of the Authority.
- 5.8.2. Designated card holders are responsible for the security and use of the cards issued to them.
- 5.8.3. The cards should only be used for official business purposes and for expenditure, on goods or services, which is included in the Authority's approved budget.
- 5.8.4. Purchase made using the purchasing card must follow the Authority's processes and procedures for the approval of expenditure as set out in Financial Instruction 5.16 (Invoices and Accounts for Payment).
- 5.8.5. A receipt for all expenditure must be provided and where applicable a proper VAT invoice must be obtained. Each month full details for each item of expenditure should be recorded on the finance system. This shall include details of the items purchased (including number, price, type etc), names of persons/guests for whom expenditure was incurred e.g. if a meal was purchased, the budget code for each item and any other relevant information. This transaction log should be duly processed by the card holder, and authorised by the line manager electronically within the finance system no later than the 12th day of the month in a timely manner, with all receipts/invoices attached. The



relevant Finance Officer will verify the expenditure against the Authority's card statement.

- 5.8.6. Failure to provide a receipt as proof of business usage may result in reimbursement for the costs being taken directly from the ~~officer's~~Officer's salary.
- 5.8.7. Purchasing card procurement must not be used to replace or circumvent the requirements of purchase orders and contracts (see Financial Instructions 5.7 (Contracts for Building and Civil Engineering Works) and 5.19 (Ordering)).
- 5.8.8. The ~~brigade~~Service reserves the right to withdraw purchasing cards where the procedures outlined above are not followed. The submission of false or fraudulent claims is considered gross misconduct; and as such may lead to disciplinary action.

5.9. Debt Management

Preamble

All monies invoiced by the Authority must be recovered and to that end outstanding debt must be monitored on a regular basis. Debts should be managed in accordance with these instructions together with the Authority's Financial Regulations D.5 and Financial Instruction 5.12 (Income).

- 5.9.1. ~~The Chief Finance Officer will obtain a~~A monthly debt report will be produced to provide information on outstanding debts.
- 5.9.2. If debt remains outstanding after the payment due date, the following action will be taken after:-
 - 7 days 1st reminder
 - 14 days 2nd reminder
 - 30 days Final ~~contacts~~contact after that ~~refer~~consider referring to legal for collection or another collection agency
- 5.9.3. Telephone calls and/or emails to outstanding debtors to chase payment are also acceptable if deemed appropriate. Details of such dialogue will be recorded on the Finance system notes section for future reference.
- 5.9.4. The Chief Finance Officer reserves the right to charge interest on outstanding debts in accordance with ~~BMKFRS~~Service conditions.
- 5.9.5. The Chief Finance Officer reserves the right to withhold credit for debtors with outstanding debts, this will be done in consultation with departments. Payment in advance for goods and services should be the standard terms and conditions.
- 5.9.6. If after the debt has been chased appropriately and it has not been recovered through the normal channels after 90 days, or following a



recommendation for write off from Legal Services, consideration will be given to writing off the debt. The Chief Finance Officer will consult the Cost Centre Manager/second tier manager whose budget will meet the cost of the write off.



5.9.7. No money due to the Authority shall be written off without the following authorisation:

- For debts up to and including £500 in relation to any individual debtor – the Chief Finance Officer;
- For debts over £500 and up to £5,000 in relation to any individual debtor – the Chief Finance Officer and SMB;
- For debts over £5,000 in relation to any individual debtor – Executive Committee to approve on recommendation from Chief Finance Officer.

5.9.8. The Authority reserves the right to recover any debt incurred from an employee dismissed for fraud, theft or corruption.

5.10. External Funding

Preamble

External funding can potentially be an important source of income, but funding conditions need to be carefully considered to ensure that they are compatible with the aims and objectives of the Authority.

5.10.1. Each area of external funding should have a defined responsible manager within the Authority. This individual should ensure that:

- All claims for funds are made by the due date;
- All expenditure is properly incurred and recorded in accordance with the agreed funding;
- Any match funding requirements are considered prior to entering into agreements and that these are reflected in future revenue budgets/medium term financial plans as appropriate
- All external funding agreements, bids and claims are notified to the Chief Finance Officer prior to sending off to the fund provider

5.10.2. The Chief Finance Officer is responsible for ensuring that all funding notified by external bodies is received and properly recorded in the Authority's accounts and Grant Register, and that audit requirements are met.

See also financial instructions for income, partnership and sponsorship funding.

5.11. Imprest Accounts

Preamble

This section has been removed as all Imprest accounts have now been closed.



5.12. Income

Preamble

Directors, Second Tier Managers and Cost Centre Managers must all ensure that all income due to the Authority is identified and charged correctly in accordance with current charging policy. They must ensure all income due to the Authority is collected, receipted and banked properly in advance of providing the service. Unless the provision of the service is of a statutory nature or otherwise stated in the charging policy, costs incurred in providing services should be fully recovered. Agreements should be made at "arms length" and discounts should not be given.

- 5.12.1. All systems of income collection and records of monies due to the Authority for payment into the Authority's bank account shall be approved by the Chief Finance Officer. All debtor accounts should be raised and recorded on the Finance system, whether for income already received or for receipts due at a later date and regardless of the payment method. All invoices issued should make reference to the customer's purchase order number (or similar reference).
- 5.12.2. Unless the provision of the service is of a statutory nature, costs incurred in providing services should be fully recovered. Agreements should be made at "arms length" and discounts should not be given. For example, for fire training courses payment should be in advance, unless this is done then there will be no attendance allowed.
- 5.12.3. There may be occasions where due to the nature of the arrangement, (for example, secondment of officers where the amount is not known in advance), that a debtor invoice is raised to recover costs, this should be the method used as an exception rather than the norm as debt collection is a costly, time-consuming exercise and the Authority should be safeguarded from loss of income.
- 5.12.4. For exceptional cases where it has not been possible to collect payment in advance of providing the service and the raising of a debtor has received prior approval from the Chief Finance Officer, Cost Centre Managers must ensure the following:
 - That invoices are submitted promptly so that income due to the Authority is maximised. Cost Centre Managers should ensure that debtors accounts are raised on the Finance system within 24hours showing full details of the charge, the correct billing address and the date payment is due.
 - For avoidance of doubt, payment due terms for the receipt of income is 14 days.



- The section that has provided the service or goods will be responsible for resolving all disputes and queries about costs of goods or services supplied within one week of supply.
 - If a dispute results in a need to raise a credit note the section should contact the Finance Department immediately to request that a credit note is raised on the Finance system and provide full details of the reason for the credit, which will be recorded on the Finance system and included on the credit note. The Finance Department should always be notified at the start and end of any disputes to prevent unnecessary reminders or legal referrals being sent out.
 - Debtor accounts for services provided continuously should be raised on the Finance system on at least a quarterly basis. This applies also to periodic income and recurring/regular income (e.g. employee secondments and ~~telephone mastsaerial communications~~).
 - Immediately after the end of each financial year, and not later than a date to be determined by the Chief Finance Officer each year, each Cost Centre Manager must notify the Finance Department, in a format determined by the Chief Finance Officer, of all outstanding debtors where work has been completed, goods supplied or services rendered in the previous financial year, to ensure that all monies due to the Authority are allocated to the correct financial year.
 - Any outstanding income due from other public bodies or local authorities fall within the scope of the Local Authorities (Goods and Services) Act 1970 and are required to be separately identified.
- 5.12.5. For those items where (~~exceptionally~~) income is due to the Authority but a debtor account is not raised, ~~e.g. employee personal mobile phone calls~~, all income must be accounted for properly and in a timely manner.
- 5.12.6. Employees accepting cash, cheque or card payments on behalf of the Authority must always issue either an official receipt to the payee in a format approved by the Chief Finance Officer, or in the case of credit card payments the credit card receipt.
- 5.12.7. Any employee who receives money on behalf of the Authority shall keep an accurate record of all receipts. All monies should be forwarded, with relevant supporting information, direct to the Finance Department as soon as possible and at least within one week of receipt. The relevant Finance Officer will receipt the income on the Finance system and ensure it is banked in a timely manner and at least within one week of receipt.
- 5.12.8. Monies received shall not be used to cash personal or any other cheques.



- 5.12.9. Where departments receive income by credit card these transactions shall be accounted for in compliance with the "Retailer Operating Instructions" supplied by the bank issuing the credit card terminal. We currently hold one in workshops. Should this facility be required in other departments for the future, the Cost Centre Manager must approach the Finance Department and seek approval of the Chief Finance Officer.
- 5.12.10. The Authority can accept direct debit payments. Cost Centre Managers must have prior approval from the Chief Finance Officer and provide information to the Finance Department to create this facility if appropriate.
- 5.12.11. All arrangements for the collection of income by electronic means shall be subject to the approval of the Chief Finance Officer.
- 5.12.12. The Chief Finance Officer is the appointed Money Laundering Reporting Officer (MLRO). Any cash receipt of a significant sum can only be accepted if processed in accordance with the Anti-Money Laundering Policy. In accordance with advice received from HMRC and the Anti-Money Laundering Policy, the Authority will not accept settlement in cash of any transaction above the value 15,000 euros equivalent (approximately £10,000).
- 5.12.13. Directors, Second Tier Managers and Cost Centre Managers are responsible for notifying the Chief Finance Officer of any grant income due and to ensure it is received and properly recorded in the Authority's accounts. They should also ensure that the funding is spent in accordance with the grant's terms and conditions. See section 5.10 External Funding.

5.13. Information Systems

Preamble

Management Information Systems are central to the effective delivery of the Authority's services and management of resources. They include complex corporate ICT systems, business critical service specific systems and comparatively simple locally developed spreadsheets and databases. Many are in daily use as a basis for making key business decisions. These instructions exist to provide a consistent framework of best practice for the acquisition, implementation, operation and development of these systems.

- 5.13.1. The ICT Manager shall liaise with the Chief Finance Officer to ensure that there is a corporate approach to the implementation of the Authority's financial system, its integration with other Authority systems and also to ensure that available technical expertise is utilised to the fullest extent.



- 5.13.2. The ICT Manager must obtain the Chief Finance Officer's agreement for the proposed acquisition of, development of, or amendment to systems which involve financial operations or produce information which will form the basis of financial decisions.
- 5.13.3. The ICT Manager shall consult with and obtain the agreement of the Chief Finance Officer on the appropriateness of controls which need to be built into systems to achieve an acceptable level of security should the system interface with the Authority's financial system.
- 5.13.4. Any new system or proposed development should comply with the principles of Best Value by offering systems of high quality to deliver agreed outputs at a competitive cost. Post Implementation Reviews should be carried out by the project manager to establish whether the anticipated benefits were realised.
- 5.13.5. The ICT Manager is responsible for ensuring proper security, password protection, privacy and back-ups concerning information held in the Authority's computer installations and for implementation and compliance with prevailing legal requirements.
- 5.13.6. An audit trail should exist to allow for an item to be traced both forward through the system from the initiation document or entry to the final destination or output, and backwards from the final destination to the initiation document.
- 5.13.7. For the purpose of the Data Protection Act/General Data Protection Regulation (GDPR), the ICT Manager will liaise with and advise the nominated Data Protection Officer. All employees are responsible for ensuring compliance with any legal, statutory, regulatory or contractual obligations.
- 5.13.8. The ICT Manager shall be responsible for the safe custody of all computer hardware and software used by the Authority, including compliance with software licence agreements. ~~He/she~~They shall maintain an inventory of all equipment and application software in accordance with the requirements of Financial Instruction 5.15 (Inventories).
- 5.13.9. The ICT Manager shall, in consultation with the Business Continuity Manager and the Chief Finance Officer, develop and maintain recovery plans to ensure that systems can be restored within an acceptable timescale in the event of a disaster or software/hardware failure. Regular testing should take place to ensure the adequacy and effectiveness of such plans. All systems should be regularly backed up.



5.14. Insurance

Preamble

The insurance of the Authority's assets and potential legal liabilities arising from its various activities is an essential service that the Authority has agreed to operate centrally. These instructions seek to provide a common process which will ensure that insurable risks are continually reviewed and appropriate cover provided.

- 5.14.1. The Chief Finance Officer shall effect all insurance cover and appoint an officer to deal with all claims (the Claims Officer), in consultation with other Officers where necessary.
- 5.14.2. Directors and Second Tier Managers shall give prompt notifications, confirmed in writing, to the Chief Finance Officer of all new risks, including financial, property, equipment or vehicles, which may require to be insured and of any new activities or changes, including contractual or partnership risks that may impact upon the Authority's risk profile.
- 5.14.3. Directors and Second Tier Managers shall immediately notify the Claims Officer in writing of any loss, liability or damage or any event likely to lead to a claim under the Authority's insurance programme so as not to prejudice the value of the insurance protection available to the Authority. Such notification should be in the format prescribed by the Chief Finance Officer. The Police and Internal Audit will be notified of loss or damage if appropriate.
- 5.14.4. The Chief Finance Officer shall annually, or at such other period as may be required to meet existing contractual or ~~European~~ competition legislation, review all external insurance arrangements.
- 5.14.5. Directors and Second Tier Managers shall consult with the Chief Finance Officer and the Director of Legal and Governance concerning the terms of any indemnity that the Authority is requested to give potentially impacting on the Authority's insurance arrangements.
- 5.14.6. Directors and Second Tier Managers and other managers shall comply with requirements notified by the Chief Finance Officer for claims handling procedures including response times for information. Any loss arising from non-compliance will be a cost to the department concerned.



5.15. Inventories

Preamble

The Authority has a duty to minimise the risk of loss or theft of its physical assets. In addition to making proper security arrangements to safeguard assets, an accurate record (Inventory) should be maintained to enable verification of the existence and location of assets.

These instructions (in addition to Financial Regulation D.8) set out overall requirements and roles and responsibilities for creation, maintenance, control and inspection of inventories, the notification of missing items and the disposal of surplus or damaged assets.

5.15.1. Each Director/Second Tier Manager/Cost Centre Manager shall ensure that an inventory is maintained for appropriate physical assets under their control. The basic criteria for inclusion of an item is where the value is over £50 (not furniture and fittings) or the item can be deemed to be portable and desirable in nature.

5.15.2. Each inventory must be in a form approved by the Chief Finance Officer. ~~This can either be a bound book with numbered pages or a secure computer system. When the Asset Management system is fully operational items may be recorded in that system with the agreement of the Chief Finance Officer. Whichever system is used, a~~Operational items must be recorded in the asset management system. A full description of the item must be recorded to include:

- Description / Make / Model;
- Serial number (or identifying mark);
- Date of purchase and cost (exclusive of VAT); and
- Location.

Where items are recorded in the Asset Management system, officers should follow the procedures as laid down in the guidance note.

5.15.3. Each Director/Second Tier Manager/Cost Centre Manager shall arrange for all inventories to be checked at least annually and for the checks to be evidenced on a copy of the inventory by the date and the signature of the officer carrying out the check.

5.15.4. Where items of a material value (>£1000 per item or per group of items or as required for the Asset Management system) are found to be missing these should be reported immediately to the Chief Finance Officer and the relevant Second Tier Manager and Station Manager. If theft is suspected, the Chief Finance Officer will also notify Internal Audit as appropriate.



- 5.15.5. No article with an estimated current value exceeding £500, or a number of articles with a total estimated current value exceeding £500 shall be written off without the approval of the Chief Finance Officer.
- 5.15.6. Where an employee ceases to be responsible for the maintenance of an inventory and hands over the responsibility to a new officer, all items on the inventory should be checked and the inventory signed and dated by both outgoing and incoming officers.
- 5.15.7. No item should be removed from the Authority's premises unless it is in accordance with the ordinary course of the Authority's business and as such must only be used for the Authority's purposes.
- 5.15.8. Where inventory items are temporarily removed from the Authority's premises under the normal course of an employee's duties (~~e.g. pool mobile phones~~), a record should be maintained of the whereabouts of all such items. The officer responsible for the items should sign the record when the item is returned to the officer.
- 5.15.9. Whenever an officer leaves, hands over or ceases to be responsible for the custody of any property of the Authority which is entered on an inventory, the relevant Manager shall ensure that a check is made of that property and that the outgoing and incoming officers sign a handing-over certificate or an item return and reallocation record within the inventory.

Surplus, obsolete or unserviceable items

- 5.15.10. A check should be made to determine whether there is a corporate policy for disposal of the item. For Red Fleet vehicles or items originally purchased from Capital where the net book value exceeds £10,000 the Executive Committee must approve the method of disposal.
- 5.15.11. For items other than those to which the previous paragraph relates, disposal should be by public auction, trade-in, competitive tender or by obtaining three written quotes from suitable contractors/purchasers, or as approved by the Chief Finance Officer, unless they authorise the donation of the asset(s) to a charity approved by the Authority. All disposals are subject to obtaining advice from the Chief Finance Officer on the likely market for the items and the relative cost of disposal.
- 5.15.12. Once the decision and approval to dispose of an asset has been taken and before disposal, all livery referencing to Buckinghamshire and Milton Keynes Fire Authority must be removed.
- 5.15.13. The ~~officer~~Officer responsible for the disposal must demonstrate that the Authority is receiving value for money and that the contractor used is reputable. The officer must comply with the Authority's Anti-Money Laundering Policy. Evidence of all of these requirements must be retained by the responsible officer.





Disposal Methods

5.15.14. Brief points regarding some different methods of disposal are given below.

- Public Auction - Auctions may be suitable for items for which there is likely to be keen competition from a wide market of potential cash purchasers or for items of an unusual nature but for which there is likely to be a ready market. An auction may quickly conclude competition and identify the successful bidder who will sign a binding contract at the sale. There is, therefore, a degree of immediacy provided by the auction process, which is absent in other methods of sale.
- Formal Tender/Sealed Offers - Formal tenders may be considered appropriate where there is a defined market and a perceived demand for the item to be sold. As there is no flexibility in the post-tendering procedures, it may be felt that the use of this method restricts the market since interested purchasers may need to incur costs before submitting offers (which, if accepted, become legally binding) without any assurance that they will be successful. The sealed offer process is relatively simple and inexpensive both in terms of the Authority's administration and financial commitment.

5.16. Invoices and Accounts for Payment

Preamble

These instructions seek to provide a consistent framework throughout the Authority for the payment of invoices for goods and services received. There is a need to ensure that there is a segregation of duties involved in the raising and authorising of requisitions, receipting of goods and checking of invoices/credit notes, in order to reduce the risk of fraud. It is the Cost Centre Manager's responsibility to ensure sufficient employees have the appropriate access rights (bearing in mind segregation of duties above), that they are fully trained and aware of their responsibilities and are available to take the necessary action in the Finance system for each step of the process.

These instructions support Financial Regulations, in particular Financial Regulations D.4 to D.7. Invoices should be supported by an authorised order unless an exemption applies in Section 5.19

Instructions – General

5.16.1. In essence, the process begins with the entry of a requisition for goods or a service through the Finance system. Once the requisition has been raised, the system will notify the Cost Centre Manager that it requires approval. If approved, Procurement will then convert the requisition into an official purchase order which will be sent to the supplier by



email. Once the goods or services have been received, the system will need to be updated with the goods receipt. Invoices will be sent directly from the supplier to the Finance Department for payment. Payment will only be authorised if the goods/services have been correctly receipted and price, VAT and discount details agree with the original purchase order (and within tolerance limits, currently the greater of 10% or £50).

- 5.16.2. Invoices must be paid through the Finance system using BACS. Any waiver to this requirement must be authorised in writing by the Chief Finance Officer.

Instructions – Ordering Goods and Services

- 5.16.3. Financial Instruction 5.19 Order of Goods, Works and Services should be read and all procedural rules therein must be applied prior to creating any purchase orders in the Finance System.
- 5.16.4. Only officers authorised by the Cost Centre Manager and agreed by the Chief Finance Officer shall requisition purchase orders for works, goods or services on the Finance system.
- 5.16.5. The Cost Centre Manager is responsible for ensuring arrangements are in place and substitutes are notified in the event of leave or sickness or when an employee leaves the Authority.
- 5.16.6. The requisitioner is responsible for ensuring correct procedures are followed as per the guidance for electronic ordering ~~held on the i-drive~~ and that the information on the requisition is sufficiently detailed and meaningful to enable good quality management information to be extracted from the Finance system.

Instructions – Authorisation

- 5.16.7. Once the requisition has been saved, workflow will generate an email to prompt the Cost Centre Manager to either authorise, reject or put on hold the requisition.
- 5.16.8. The Cost Centre Manager or ~~his/her~~their authorised representative shall use the Finance system to ensure:-
- The supplier and requisition details are correct and reflect sufficiently the nature of the purchase order;
 - The expenditure is covered by an approved budget;
 - Appropriate entries have been made in stores records or inventories as required;
 - The account has not previously been passed for payment;
 - The workflow requests for authorisation are carried out promptly and arrangements are made to ensure substitutes are set up in the system to act in the Cost Centre Manager's absence;



- Workflow requests for double checking are carried out fully where tolerance levels are exceeded before ~~re-secondary~~ authorisation
- The Cost Centre Manager is responsible for ensuring arrangements are in place and substitutes are notified in the event of leave or sickness.

5.16.9. Requisitions approved by the relevant Cost Centre Manager ~~will be may~~ require further authorisation by Procurement before being turned into a purchase order ~~by Procurement~~.

Instructions – Goods Receipting

5.16.10. Upon delivery or completion of the goods or services or works, the order must be confirmed as received by entering a goods receipt transaction onto the Finance system. Financial Instruction 5.27 (Stocks and Stores) and Financial Instruction 5.15 (inventories) may also be applicable.

5.16.11. The Cost Centre Manager or ~~his/her~~their authorised representative shall use the Finance system to ensure:

- The goods have been received, examined and approved as to quality and quantity, or services rendered or work done satisfactorily;
- Any specific authorisation that is required, e.g. Quantity Surveyor valuation certificate for construction works invoices, has been obtained;
- The Cost Centre Manager is responsible for ensuring arrangements are in place and substitutes are notified in the event of leave or sickness or when an employee leaves the Authority.

Instruction -- Invoicing and Payment

5.16.12. The supplier will be asked to quote on the invoice the name of the place where the work was done or goods delivered, together with a reference to the purchase order number and delivery note, if this is applicable.

No payments are to be made without a valid purchase order number.

5.16.13. Invoices should be emailed to the Authority's Finance Department, where they are processed electronically on to the Finance system. A number of checks will be carried out automatically to match the invoice to the authorised purchase order in the Finance system:-

- The value of the invoice agrees within tolerance levels to the goods received and authorised order;
- Any anomalies, differences or duplicates will be highlighted and dealt with at this stage.

5.16.14. There are automatic system checks in the Finance System which look at the following items and verify through the workflow system when 10% tolerance levels have been exceeded. If the tolerance level is exceeded



the workflow system will generate a further notification back to the approver for investigation:

- The value of the invoice agrees to the goods received and authorised order;
- The relevant VAT classification code is correct.

5.16.15. Where payment is to be made against a "copy invoice", the invoice must be:

- Clearly marked as a "copy invoice" and signed as a "true copy" by the supplier or representative;
- A check must be carried out as far as possible to ensure there is no record in the Finance system that the invoice had been passed for payment previously;
- Internal controls should exist to ensure that should the original invoice appear at a later date the invoice will not be passed for payment again. Under no circumstances should a different invoice number or an extension to the invoice reference be made to "force" the transaction through.

5.16.16. Statements sent by suppliers should be checked against the Finance system to see if they have been paid, and if still outstanding, the matter raised by Finance to the receiving department. Under no circumstances should payment be authorised against a statement.

5.16.17. As soon as possible after the end of each financial year, and in any case not later than a date to be determined by the Chief Finance Officer each year, each Cost Centre Manager should notify the Finance Department, in a format determined by them of all outstanding items of expenditure relating to goods received or services rendered in the previous financial year.

5.16.18. Employees of the Authority must not make out invoices nor shall an employee of the Authority add any additional items to an invoice rendered by a supplier. Invoices shall not be accepted in which the details are not written in ink, typewritten or electronically printed.

5.16.19. No amendments shall be made to any invoice. All invoices requiring amendment shall be returned to the supplier for any amendment necessary, in accordance with VAT regulations.

5.16.20. The Chief Finance Officer may agree in writing whether for some invoices certain of the conditions shown above may be waived.

5.16.21. Timely processing of invoices must be undertaken in compliance with the statutory requirements regarding prompt payment.

5.16.22. Where invoices relate to "construction" and fall within the terms of the HMRC Construction Industry Tax Deduction Scheme, the Chief Finance Officer will maintain records of those suppliers who carry out



construction operations. If a tax deduction applies to the supplier, the Finance system will only allow input of invoices from the supplier by authorised Finance. The invoice will be checked against the approved purchase order, and a deduction will be taken from the invoice, net of VAT, and forwarded to HM Revenue and Customs. Refer to Financial instruction 5.6 CIS on what to do if engaging a contractor under this scheme for the first time.

5.16.23. A hierarchy list of requisitioners, authorisers, counter-authorisers, limits of authority and substitutes will be kept and maintained within the Finance System for each cost centre. Changes will only be made to the Finance system upon notification from the HR department, or the relevant role change, leaver or new employee of the Authority. This will only be done after HR have received and processed all relevant paperwork in line with Authority procedures. The limits applying to each level of authorisation are:

<u>Level</u>	<u>Authorisation Limit</u>
<u>1</u>	<u>Up to £5,000</u>
<u>2</u>	<u>Up to £10,000</u>
<u>3</u>	<u>Up to £25,000</u>
<u>4</u>	<u>Up to £75,000</u>
<u>5</u>	<u>Up to £150,000</u>
<u>6</u>	<u>Above £150,000.01</u>

Instruction – Change of bank details for payment of invoices

5.16.23.5.16.24. All details provided for the setup of new vendors must have been received from the supplier on the electronic form sent to them from the Finance system, once Procurement have agreed to the requirement of a new vendor. Any changes to existing vendors should be electronically sent to Finance on their company email or headed paper, at which point the relevant finance officer will call the vendor to confirm the changes are genuine before processing. All evidence will be attached to the vendor record in the finance system and held as per the Authority's retention policy.

5.17. Leases

Preamble

The accounting arrangements and requirements for leases are complex. It is therefore essential when considering how to finance a purchase that Cost Centre



Managers seek the advice of the Chief Finance Officer. This applies to both operating and finance leases.

- 5.17.1. Cost Centre Managers must seek the advice of the Chief Finance Officer before agreeing to any lease arrangements for goods or services.
- 5.17.2. Any lease contract must be reviewed by the Chief Finance Officer and the Director of Legal and Governance prior to any agreement being signed.
- 5.17.3. Any proposal for financing expenditure through a lease must be approved by the Chief Finance Officer who will seek assurance that the method demonstrates value for money and is the most appropriate financing method for the circumstances.
- 5.17.4. The original lease agreement must be sent to the Procurement section for safekeeping and for adding to the contracts register and a copy to the Chief Finance Officer for the evidence required for the Statement of Accounts.

5.18. Medium Term Financial Plan

Preamble

The Medium Term Financial Plan (MTFP) links the Authority's strategic aims and objectives as set out in the Public Safety Plan (PSP) with the resources available to the Authority. It is constructed so as to ensure that resource allocation properly reflects the priorities of the Authority. The MTFP is reviewed annually as part of the budget cycle and is expressed as the Authority's detailed annual budget for the first year and an outline for the following three years.

Note that the outline budgets mentioned above are for financial planning purposes only. These are indicative only and are not approved by the Authority until the detailed budget is set for that particular year.

- 5.18.1. SMB, Directors, Second Tier Managers and Cost Centre Managers are responsible for reviewing the MTFP annually, taking account of service plans and priorities, and for submitting updated plans covering the following three years in accordance with guidance and timescales notified by the Chief Finance Officer.
- 5.18.2. The MTFP for each cost centre should begin with the previous year's reported MTFP unless otherwise notified by the Chief Finance Officer. Any variations must be fully explained. Where the Chief Finance Officer considers it is appropriate a zero based budgeting approach will be taken.
- 5.18.3. The Chief Finance Officer will report to the Executive Committee on the indicative budget position for the Authority, taking into account the



- Government's Comprehensive Spending Review and any other relevant information.
- 5.18.4. The Chief Finance Officer will determine the format of the MTFP and detailed annual budget in accordance with any general directions from the Executive Committee and after consultation with SMB.
- 5.18.5. SMB, Directors, Second Tier Managers and Cost Centre Managers will be provided with a detailed budget timetable and budget guidance notes to enable the annual budget to be completed by the statutory deadline. The guidance will set out the responsibilities for the completion of the plans. Cost centre managers will be required to explain any material variances from prior year planning assumptions and plans.
- 5.18.6. Bid for additional funds (Growth bids) for new initiatives / priorities should be outlined as such and submitted with a supporting business case. Bids for capital funds can only be made if all necessary approvals have been obtained, see Financial Instruction 5.5 (Capital). Bids for reduced funds (Savings bids) should be described on the appropriate forms and signed by the appropriate managers.
- 5.18.7. When preparing draft budget requirements Senior Managers and their Cost Centre Managers should have regard to:
- Public Safety Plan (PSP)
 - Spending patterns and pressures revealed through the budget monitoring process from current and previous years
 - The identification of opportunities to improve economy, efficiency and effectiveness and to achieve savings
 - Legal requirements
 - Policy requirements in the Authority's approved policy framework
 - Initiatives already underway
 - Relevant cash limits
- 5.18.8. The Chief Finance Officer will report the overall MTFP, incorporating the draft annual budget for the following year, to the Executive Committee. The report will take into account the rolling capital programme and any other matters the Chief Finance Officer considers relevant to the financial position and the implications for the level of Council Tax to be levied. The Executive Committee is responsible for recommending the MTFP and budget to the Authority, which has responsibility for overall approval of the budget in February each year.

5.19. Orders for Goods, Works and Services

Preamble



Purchase Orders create contracts and commit the Authority to expenditure. It is therefore vital that the ordering process fully protects the Authority's interest and that the ability to authorise orders electronically is strictly controlled. This Financial Instruction should be read in conjunction with the Authority's Standing Orders as to Contracts, and Financial Regulations (specifically D.4 to D.7).

- 5.19.1. The Cost Centre Manager shall be responsible for all Purchase Orders issued from their cost centre for goods, works or services. The order is raised electronically, and the Cost Centre Manager (or substitute) shall be responsible for authorising the requisition prior to the order being raised.
- 5.19.2. The Authority's payment terms are strictly 30 days, all new contracts entered into should specifically state these payment terms and adhered to. The Chief Finance Officer must authorise prior to the signing of any contract where the supplier has requested earlier or more frequent payment terms.
- 5.19.3. Only officers authorised by the Cost Centre Manager and agreed by the Chief Finance Officer shall order works, goods, or services and commit expenditure on behalf of the Authority.
- 5.19.4. -Changes will only be made to the Finance system upon notification from the HR department, or the relevant role change, leaver or new employee of the Authority. This will only be done after HR have received and processed all relevant paperwork in line with Authority procedures.
- 5.19.5. All Purchase orders shall be raised on the Finance system at the same time that a commitment is made with a supplier to obtain a quote for goods or services, and the quote attached to the requisition. Where, under exceptional circumstances, it is necessary to place telephone or verbal orders a requisition should be raised in the Finance system and authorised by the appropriate officer immediately.
- 5.19.6. Requisitions will be authorised in the Finance system, providing full evidence of the approving officer.
- 5.19.7. Each order must conform with the Authority's Standing Orders as to Contracts, Financial Regulations and relevant ~~EU~~ procurement rules and should secure best value for money. Cost Centre Managers and Second Tier Managers are responsible for ensuring that orders are only sent to the appropriate approved suppliers held within the Finance system, and who will not present financial or reputational risk to the Authority. Cost Centre Managers are required to seek approval for new suppliers (by completing the relevant electronic form) from the Procurement section who will perform the necessary checks.



- 5.19.8. Procedures outlined in Standing Orders as to Contracts must be followed when orders exceed the particular thresholds for obtaining quotes or tendering.
- 5.19.9. The procurement of work, goods or services must not be broken down into units in order to bring it below the quotation or tendering threshold, thereby circumventing the intention of Standing Orders.
- 5.19.10. Where corporate contracts exist these must be used. Approved lists of suppliers will be compiled and maintained by the Procurement section.
- 5.19.11. Orders are not required for business rates and some other automatic payments made outside the purchase order system. The written agreement of the Chief Finance Officer must be obtained for other exceptions.
- 5.19.12. Before engaging a contractor for the first time for "construction" works which fall under the HMRC definition for the construction industry tax scheme, procedures under Financial Instruction 5.6 (CIS) must be followed.
- 5.19.13. Cost Centre Managers must ensure separation of duties so that no one officer is able to carry out all parts of a financial transaction such as the ordering, order authorisation, goods receipting and invoice verification of a single purchase.
- 5.19.14. All Officers of the Authority have a duty to declare any links or personal interests that they may have with suppliers and/or contractors if they are engaged in contractual or purchasing decisions on behalf of the Authority, in accordance with the Code of Conduct for Employees. Failure to do so may render an individual liable to criminal proceedings under section 117 Local Government Act 1972.
- 5.19.15. Official orders must not be used for any personal, private or unofficial purchase nor must personal or private use be made of Authority contracts or similar arrangements.

5.20. Partnerships

Preamble

Partnerships can play a key role in delivering PSP objectives and community strategies and in helping to promote and improve the well-being of the area. The main reason for entering into a partnership are to provide new and better ways of delivering services, to find new ways to share risk and/or the ability to access new resources.

- 5.20.1. Each partnership should have a defined responsible manager within the Authority. This person is responsible for ensuring that:
 - The partnership is appraised for financial viability in both the current and future years;



- The financial risk to the Authority is assessed;
 - Appropriate resources are assigned to the governance of the partnership;
 - The partnership is supported by an appropriate documented agreement which outlines the financial liabilities and accountabilities of the partners, together with procedures for financial transactions and monitoring, and which has been agreed in writing by all partners; and
 - The accounting arrangements are satisfactory.
- 5.20.2. The Chief Finance Officer must be consulted and their agreement obtained to the acceptability of the details in respect of the above prior to commencement of the Partnership.
- 5.20.3. Approval of the Chief Finance Officer is required for any partnership where a pooled fund operates. If the Authority is the lead partner for the pooled fund the partnership agreement or SLA should require that each partner complete financial returns for the Authority in a format and timeframe prescribed by the Chief Finance Officer.
- 5.20.4. Where a Local Authority Company is to be established (by the Authority or any officer on behalf of the Authority, taking an interest such as membership, shareholding or directorship), the approval of the Chief Finance Officer and the Director of Legal and Governance is required. The section on sponsorship arrangements should be read in conjunction with this instruction.

5.21. Project Management

Preamble

A project is a unique set of co-ordinated tasks, with definite starting and finishing points, undertaken to meet specific objectives within defined schedule, cost and performance parameters. All projects should be assigned a project sponsor who will report the performance of the project to SMB as and when required.

- 5.21.1. SMB is responsible for the overall monitoring of projects and has the right to refer issues arising from projects reports to the Executive Committee or Overview and Audit Committee.
- 5.21.2. The Project Management procedural guidance should be used as a guideline for the completion of project documentation. The first item is to appoint a project sponsor to provide advice and support for individual projects, project managers and to drive the project through to completion.
- 5.21.3. ~~The Statement of Business Requirements (SOBR)~~ The project mandate translates the project idea or requirement into a simple "proof of



- concept and identifies the key stakeholders, their interest in the project and ensures they are adequately represented.
- 5.21.4. The Project Initiation Project (PID) is the mechanism by which the business case is put forward by the project manager and includes sections on project objectives, scope and exclusions, business case and option appraisals, acceptance criteria, stakeholder's analysis and communications plan, project risk and project plan.
- 5.21.5. During the project, which may run over many years, a highlight report should be completed at regular intervals to advise ~~Directors and~~BTB/SMB of the project's progress through the major milestones including budgetary information. The key point is to demonstrate that as one agreed section of the project is complete the next stage can be started. If at any stage of the project there is reason to believe that the project is in or likely to go into exception then an exception report must be completed including the likely financial position especially where projects are likely to exceed the budget by 10% or more and requiring SMB and Executive committee approval.
- 5.21.6. At the completion of the project ~~an End Stage~~ project evaluation report must be produced which is in effect a post implementation review, it details the project objectives & subsequent achievements, how well the project has gone, review of resources used including financial budget verses actual final costs, changes to the original plans, post project recommendations and stakeholder analysis of the project as completed. This report should be reviewed by ~~Directors~~BTB and forwarded to SMB.
- 5.21.7. Where requests are made for Capital Grants funding over £50,000 and have followed the prescribed procedure then the completion of the grant forms must be approved by Committee. The approval of the grant applications ~~by the DCLG~~ will be assumed to be an automatic inclusion in the capital programme for the following year and must then follow the financial Regulations & instructions.

5.22. Reserves – Earmarked

Preamble

An Authority must decide the level of general reserves it wishes to maintain before it can decide the level of Council Tax. Reserves are maintained as a matter of prudence. They enable the Authority to provide for unexpected events and thereby protect it from overspending, should such events occur. Reserves for specific purposes may also be maintained, such as for insurances or for the purchase of capital items.

- 5.22.1. For each reserve established, the purpose, usage and basis of transactions should be clearly identified.



- 5.22.2. Reserves should be managed in accordance with the relevant codes of practice on local authority accounting in the United Kingdom and agreed accounting policies.
- 5.22.3. The Chief Finance Officer shall advise the Authority on prudent levels of reserves for the Authority, and take account of the advice of the external auditor in this matter.
- 5.22.4. The Chief Finance Officer shall ensure that there are clear protocols for the establishment and use of reserves. Any movement to or from reserves should be fully documented and include justification for the movement and approval from the Executive Committee on the advice of the Chief Finance Officer.
- 5.22.5. Resources must only be used for the purpose for which they were intended and usage should comply with protocols and procedures as laid down by the Chief Finance Officer.
- 5.22.6. The use of reserves must be monitored during the year as part of normal monitoring arrangements and SMB should confirm any continuing need for the reserves to the Chief Finance Officer as part of year end procedures.

5.23. Risk Management

Preamble

All organisations face risks to people, property and continued operations. Risk management is the planned and systematic approach to the identification, evaluation and control of risk. Its objectives are to secure the assets of the Authority and to ensure continued financial and organisational well-being.

All employees are responsible for identifying and reporting new risks to their line manager immediately they become aware.

SMB, Directors, Second Tier Managers and Cost Centre Managers are responsible for identifying and managing strategic and operational risks within their service areas. Risks must be managed in accordance with Financial Regulation C.2, these Financial Instructions and the Authority's Corporate Risk Management Policy. The Overview and Audit Committee shall regularly review the Corporate Risk Register.

- 5.23.1. Second Tier Managers should review risks in their areas on a regular basis (at least quarterly) and report any new or increased risks to the Corporate Planning Manager, who in turn will report to the SMB.
- 5.23.2. All financial risks of a material nature must be notified to the Chief Finance Officer.
- 5.23.3. The Corporate Planning Manager shall review risks reported to [him/her/them](#) and discuss the adequacy of individual risk management



plans, recommending proposals to improve these if they are considered insufficient. They should escalate all significant risks to SMB.

- 5.23.4. The SMB is responsible for monitoring risks reported to it and seeking assurance that risks are effectively mitigated.
- 5.23.5. All employees should ensure risks are identified and managed in accordance with Financial Regulations C.2 and Corporate Risk Management Policy.

5.24. Salaries, Wages, Allowances and Pensions

Preamble

The cost of salaries and wages is a significant element of the Authority's budget. It is essential that proper controls and authorisations are in place and that an adequate segregation of duties is maintained.

- 5.24.1. The payment of all salaries, wages, allowances, pensions compensation and other emoluments to all officers or former officers of the Authority shall be made under arrangements approved by the Chief Finance Officer using the Payroll system.
- 5.24.2. The design and method of acquisition and issue of stationery in connection with the payment of salaries, wages and allowances shall be agreed by the Chief Finance Officer and/or ~~Director of People & Organisational Development~~ Head of HR. All payment documents, whether in paper or electronic format, will be in a format approved by the Chief Finance Officer and/or ~~Director of People & Organisational Development~~ Head of HR.
- 5.24.3. An authorisation to recruit form must be completed by each Cost Centre Manager who wishes to recruit, on either a permanent, temporary or secondment basis. It is the responsibility of the Cost Centre Manager to ensure there is sufficient authorised budget available for current and future year's employment commitments and confirm this has been done, including documentary evidence of financial costings and endorse as such by written or electronic signature.
- 5.24.4. The ~~Director~~ Head of ~~People & Organisational Development~~ HR must ensure that all matters affecting the payment of salaries, wages and allowances are notified with the correct level of authorisation and, where applicable, documentation in particular with regard to:-
 - New appointments;
 - Resignations, retirements, dismissals or deaths in service;
 - Suspensions;
 - Secondments, transfers and promotions;



- Changes in remuneration, including salaries, retainers and allowances; and
- Pay awards and agreements of general application, including salary sacrifice agreement

5.24.5. Such information as the ~~Director of People & Organisational Development~~Head of HR may require for the payment of salaries, wages and allowances shall be certified as correct for payment by the relevant Cost Centre Manager and/or the ~~Director of People & Organisational Development~~Head of HR or officers appropriately authorised by them, who shall sign their own name(s) or approve electronically on a system approved by the Chief Finance Officer.

~~5.24.6. Written Monthly Attendance and Overtime Records or electronic equivalent shall be completed each month by each Cost Centre Manager and submitted to the People & Organisational Development department. The forms shall be certified by two relevant authorised officers who shall sign their own names or approve electronically on the system. One signatory/approver should be the relevant Cost Centre Manager or his/her Line Manager or relevant Station/Group Commander. Attendance is recorded electronically in the HR & Payroll and Resource Management system. Overtime records are submitted by support staff via the HR & Payroll System and is authorised by their line manager or equivalent. Operational staff overtime is recorded in the Resource Management system and is entered by a member in the Resource Management team or the Officer in Charge who will usually be the individuals line manager or equivalent.~~

~~5.24.6.~~5.24.7. Where claims for payment are submitted electronically individuals must claim hours on a timely basis via the appropriate system. Claims submitted outside of the prescribed system should be in the format of a suitably authorised request by email or standard template if applicable.

~~5.24.7. A list of names and specimen signatures of employees who may certify payroll information as correct for payment shall be prepared annually, at the beginning of each financial year, by each Cost Centre Manager in a format prescribed by the Chief Finance Officer. The list shall be personally certified by the Cost Centre Manager or his/her manager as appropriate. The list should also show limits of authority and permitted areas of expenditure for each individual. The list must be forwarded to the Chief Finance Officer who will maintain a composite list of authorised signatories for the Authority. Cost Centre Managers must notify the Chief Finance Officer promptly in writing of any~~



~~amendments required to this list e.g. when employees leave or transfer.~~

- 5.24.8. All appointments or variations to contract will be made in accordance with the appropriate terms and conditions of service and decisions of the Authority and the approved establishments, grades and rates of pay.
- 5.24.9. The Chief Finance Officer will maintain an appropriate segregation of duties so that no one individual can process a payment instruction in full. The demarcation of these duties will separate data input of payment instructions into the Payroll system from payment processing via BACS, CHAPS or electronic transfer/payments. The Chief Finance Officer will also ensure that the process for making BACS, CHAPS or electronic transfer/payment involves more than one officer, and is configured so that authorisation and access security actively prevent one officer from carrying out the whole process.
- 5.24.10. All Payments must be processed in accordance with the PAYE and NIC rules contained in the relevant legislation in place at the time.
- 5.24.11. The Chief Finance Officer will ensure that a monthly reconciliation of total PAYE, National Insurance Contributions, recoverable Statutory Leave payments, and Student Loan deductions is completed and the appropriate remittance made to ~~Her Majesty's~~HM Revenue & Customs (HMRC) within required timescales. Further reconciliations and payments will also be made for court orders, pension contributions, net pay, and other third party payments.
- 5.24.12. The Chief Finance Officer will ensure that all in year documentation and statutory annual returns required by HMRC are completed by either paper report or in electronic format as appropriate and submitted to HMRC within relevant deadlines.
- 5.24.13. All stakeholders (including the employee) have a responsibility to report an overpayment of salary at the earliest opportunity to both the ~~Employee Services and~~ Payroll ~~and Benefits~~ Manager and Cost Centre Manager. The employee and Cost Centre Manager in consultation with the ~~Employee Services and~~ Payroll ~~and Benefits~~ Manager shall arrange repayment terms. Variations to this requirement require the Chief Finance Officer's approval and should only be granted in exceptional circumstances.

Pensions

- 5.24.14. Pensions Services for the Firefighters' Pension Scheme are provided by West Yorkshire Pension Fund. The Local Government Pension Scheme services are provided through Service Level Agreements (SLAs) with Buckinghamshire ~~County~~ Council. The Chief Finance Officer ~~and the Director of People & Organisational Development~~ will ensure that their



respective responsibilities under the contract/SLA are undertaken within the agreed timescales.

5.25. Security of Assets

Preamble

The Authority holds valuable assets in the form of property, vehicles, equipment, furniture, ICT and other items. It is important that assets are safeguarded and used efficiently in service delivery, and that there are arrangements for the security of both assets and information required for service operations. The instruction should be read in conjunction with Financial Instruction 5.15 (Inventories).

- 5.25.1. Directors or their nominated employees maintain asset registers which will comply with the appropriate Accounting Codes of Practice and statutory requirements in consultation with the Chief Finance Officer.
- 5.25.2. The Procurement department shall have the custody of all title deeds under secure arrangements.
- 5.25.3. Directors should ensure that all employees are aware of their responsibilities with regard to safeguarding the Authority's assets and information, including the requirements of the data protection, licensing and copyright legislation.
- 5.25.4. Directors should ensure that all employees are aware of their responsibilities with regard to safeguarding of the Authority's computer systems, including maintaining restricted access to the information held on them and compliance with the Authority's computer and internet security policies.

5.26. Sponsorship and Advertising

Preamble

Commercial or other sponsorship for collaborative partnerships can have a number of benefits for the Authority. The Fire Authority has its own brand which we may wish to promote in return for financial gain or to gain financial or operational efficiencies. An important part of any joint working will be a transparent approach to any proposed sponsorship to the Authority or to independent contractors and their staff and for this reason, any arrangements should be considered at a corporate rather than individual level.

For advertising, there are rules set by HMRC for the recovery of VAT. If the advertising is in the form of promoting statutory duties for Fire and Rescue Services then there are no VAT implications. However, if the arrangement can be construed as commercial and in competition with other businesses in the private sector then we will be unable to recover the VAT on those transactions. This would effectively be an additional cost to the Authority and holds penalty risks if



not dealt with correctly through the VAT return process. Advice from the Chief Finance Officer should be sought before entering into arrangements which advertise or promote services of the Authority.

For partnership arrangements, please go to chapter 20 (Partnerships).

5.26.1. Prior to entering into any sponsorship arrangements, formal approval should be sought from SMB members who in turn have sought advice from the Chief Finance Officer and/or the Director of Legal and Governance. This advice should be sought for services in-kind arrangements where no or little money changes hands. This is important as there may be VAT implications even when no money changes hands.

5.26.2. Sponsorship is defined as including funding or goods/assets or services in kind from any internal source, contributing to all or part of the costs of:

- A Member of the Authority;
- An employee;
- Research;
- Employee training;
- Equipment;
- Vehicles (and/or fuel, maintenance etc.)
- Meeting rooms and associated costs (such as meals and hospitality);
- Gifts;
- Hotel and transport costs;
- Provision of free services;
- Building or premises;
- Services or initiatives such as the fire dog.

See also:

The code of conduct for employees; and

The code of conduct for Members.

5.27. Stocks and Stores

Preamble

Second Tier Managers shall be responsible for the safeguarding and accounting for stocks and stores. Appropriate arrangements should be made for checking, security and record keeping commensurate with the value and attractiveness of the stores items.

These instructions should be considered in addition to Financial Regulations D.8.



- 5.27.1. All goods received must be checked for quantity and quality, and the supplier immediately notified of any discrepancy. The appropriate goods received record must be made using the Finance system.
- 5.27.2. Every issue of stores must be supported by a requisition note stating the quantity of goods required and signed by an officer authorised to do so by the Area Commander, except where the Chief Finance Officer has agreed otherwise. The person receiving the goods must receipt such requisition notes.
- 5.27.3. Every officer responsible for the receipt and issue of stocks and stores shall keep such records of their transactions as the Chief Finance Officer may determine in order to maintain efficient control of the receipts and issues of such stores. All such records shall be in a form approved by the Chief Finance Officer.
- 5.27.4. Second Tier Managers shall hold stocks only to the level determined for operational needs. Stock levels should be reviewed regularly. Where additional stocks are required (e.g. uniforms, equipment) a stock rotation procedure should be in place to ensure that oldest stocks are used up first. This is necessary to avoid wasteful obsolescence though holding out of date stocks.
- 5.27.5. The method of stocktaking shall be approved by the Chief Finance Officer. Where continuous stocktaking is applied, all stores shall be checked at least once in each financial year. Stock sheets must be prepared at every stocktaking showing actual stocks in hand, balances shown in the stores accounts and any surpluses or deficiencies.
- 5.27.6. Stocktaking shall be supervised by a responsible person (wherever practicable someone other than the storekeeper or person in charge) acting on behalf of the ~~Brigade Manager~~ and both the person taking the stock and the person supervising shall certify the stock sheets.
- 5.27.7. Each storekeeper shall supply to the Chief Finance Officer annually, no later than a date to be notified by the Chief Finance Officer each year, a certificate;
 - Stating that stocktaking has been carried out in accordance with the agreed procedure in all areas under ~~his/her~~their control; and
 - Summarising the value of stocks and stores held at each of these locations/establishments at 31 March.
- 5.27.8. ~~Brigade~~ Managers shall provide such information as the Chief Finance Officer requires in relation to stores for the accounting, costing and financial records. The Chief Finance Officer shall submit a summary of the value of stocks and stores held at the end of the financial year to the Executive Committee.



- 5.27.9. Obsolete or unserviceable stores should be disposed of in accordance with the disposal provisions in Financial Instruction 5.15 (Inventories).
- 5.27.10. Any material variation (over £500) identified between actual and expected stock holding, either at any stocktaking or otherwise, shall be reported to the Chief Finance Officer. Such report shall state the quantities and current values in question, together with any other relevant information. No individual discrepancy or group of discrepancies with a total value exceeding £500 shall be written off without the approval of the Chief Finance Officer.
- 5.27.11. A reference shall be given in the stores record to the authority under which any deficiency is written off or any surplus brought into store records as new stock.
- 5.27.12. Whenever a storekeeper or person in charge of stores hands over, leaves or ceases to have custody of stores, the appropriate Manager shall ensure that a check is made of the stores concerned and the stock sheets shall be certified in accordance with paragraph 27.6
- 5.27.13. Keys to safes, storerooms and secure areas etc are to be kept in the possession of nominated responsible persons at all times. Directors should keep records of key-holders.

5.28. Travel and Subsistence and Other Expenses

Preamble

These instructions seek to provide a consistent framework for claims, certifications and payments of the correct amount due, using approved administrative systems.

- 5.28.1. All authorised claims for subsistence payments or business travel and incidental expenses shall be submitted to the ~~Employee Services and~~ Payroll and Benefits Manager in line with the payroll timetable. All claims must be in a format approved by the Chief Finance Officer.
- 5.28.2. Where an Officer has a leased car, they will be charged for any fuel used during the month. Any business mileage must be reclaimed within a suitable timeframe. The Fleet section will provide relevant information to the ~~Employee Services and~~ Payroll and Benefits Manager for fuel used during the month for payroll deduction inclusive of any chargeable VAT costs.
- 5.28.3. A valid receipt supporting the claim for the reimbursement of expenses should be submitted at the time of the claim unless otherwise agreed by the Chief Finance Officer.
- 5.28.4. The authoriser will verify the claim against receipts where relevant. The certification for payment by an authorised Officer shall mean that the journeys were authorised, the expenses have been properly and



necessarily incurred on Authority business and that the allowances are deemed properly payable by the Authority.

~~5.28.5. It is an Audit requirement that a list of names and specimen signatures of employees who may certify expenses claims as correct for payment shall be prepared annually, at the beginning of each financial year, by each Cost Centre Manager in a format prescribed by the Chief Finance Officer in conjunction with the Director of People and Organisational Development. The list shall be personally certified by the Cost Centre Manager or their line manager as appropriate. The list should also show limits of authority for each individual. The list must be forwarded to the Employee Services and Payroll Manager who will maintain a composite list of authorised signatories for the Authority. Cost Centre Managers must notify the Employee Services and Payroll Manager promptly in writing of any amendments required to this list e.g. when employees leave or transfer.~~

~~5.28.6.~~ 5.28.5. Officers' Payroll and Benefits Manager ~~Payroll and Benefits Manager~~ Officers' claims submitted more than three months after the expenses were incurred will be paid only with the express approval of the Chief Finance Officer.

~~5.28.7.~~ 5.28.6. Elected Members who are entitled to claim travelling or other allowances should complete the prescribed form ~~and submit to the Executive and Member Support Officer. They will forward these completed forms to the People & Organisational Development department for payment using the HR/Payroll system.~~ All claims for a financial year are to be submitted in accordance with timescales as notified by the Chief Finance Officer.



5.29. VAT

Preamble

Generally the Authority is able to recover Value Added Tax (VAT) it incurs in excess of that it receives. However it is important that the correct accounting treatment is applied to VAT in order to avoid penalties being imposed by Her Majesty's HM Revenue and Customs (HMRC).

- 5.29.1. Cost Centre Managers are responsible for correctly accounting for VAT in respect of income and expenditure.
- 5.29.2. The Chief Finance Officer shall issue guidance to Cost Centre Managers and Line Managers to assist them in correctly accounting for VAT. Managers shall seek advice from the Chief Finance Officer where the correct VAT treatment is in doubt.
- 5.29.3. Any misdeclaration or other penalty imposed by HMRC shall be the responsibility of the Cost Centre Manager and shall be charged to the relevant budget unless it results from incorrect advice given by the Chief Finance Officer.
- 5.29.4. The Chief Finance Officer is responsible for ensuring that the monthly VAT Return to HMRC is completed correctly and submitted to HMRC on-line. There shall be separation of duties in that one employee shall calculate the amount due and a second employee shall verify that accordingly, before submitting the return electronically.
- 5.29.5. The Chief Finance Officer shall ensure that financial control systems bring all VAT liabilities to account and that VAT is recovered to the fullest possible extent as early as possible.
- 5.29.6. The Chief Finance Officer is responsible for ensuring that voluntary disclosures are made to HMRC for VAT errors identified. Consequently all VAT errors identified by managers must be notified to the Chief Finance Officer irrespective of value.
- 5.29.7. In accordance with the Value Added Tax Act 1994 records shall be retained for at least six years (plus current year). The records must be in sufficient detail to allow calculation of the correct VAT and allow HMRC to readily check figures submitted on the VAT Return.

5.30. Virement (Budget Journals)

Preamble

Virement is a transfer of budget provision either within or between budget headings in the year. It is intended to enable the Executive Committee, SMB and Cost Centre Managers to manage budgets with a degree of flexibility within the overall policy framework and cash limit agreed by the Authority, and



therefore to optimise the use of resources. These Instructions set out the authorisations required for virement to take place.

- 5.30.1. No virement is allowed from or to any of the following budgets without prior approval of the Chief Finance Officer:
- Salaries – these are set in accordance with the authority’s approved establishment;
 - Capital Charges;
 - Recharges;
 - Insurances;
 - Contingency Budgets; and
 - Certain Indirect employee costs (e.g. corporate training)
- 5.30.2. SMB approval with advice from the Chief Finance Officer will be required for proposals which transfer funds for the creation of new posts and/or exceed the authorised establishment budget for the year.
- 5.30.3. For all other budget codes, Virements can be exercised within the limits shown below subject to the provisions in the subsequent paragraphs:

Limits	Virements to be approved by:			
	Cost Centre Manager	Chief Finance Officer	SMB	Executive Committee
Up to £50,000	Y	Y		
£50,000 - £150,000	Y	Y	Y	
Over £150,000	Y	Y	Y	Y

- 5.30.4. The approval of the Executive Committee is also required to a virement if:
- It involves resources not being used for the purposes approved by the Authority (a change in policy)
 - It results in an addition to commitments in future years; or
 - The Chief Finance Officer requires it.
- 5.30.5. Proposed changes to the budget which increase the Authority’s total expenditure and require either the use of the Authority’s reserves or increased borrowing must be approved by the Executive Committee which may choose to recommend approval by the Authority.



- 5.30.6. No virement relating to a specific financial year should be made after 31 March in that year.
- 5.30.7. Any virement where the sole purpose is to correct errors with the original budget upload, or to achieve a purely presentational change (e.g. disaggregation of budget lines within one cost centre) is not subject to the limits detailed in section 5.30.3, and may be approved by the Chief Finance Officer.

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Buckinghamshire & Milton Keynes Fire Authority

Meeting and date: Overview and Audit Committee, 8 November 2023

Report title: Audit Results Report 2021/22

Lead Member: Councillor Matthew Walsh

Report sponsor: Mark Hemming, Director of Finance & Assets

Author and contact: Marcus Hussey mhussey@bucksfire.gov.uk

Action: Noting.

Recommendations: That the content of the report be noted.

Executive summary:

This report summarises the findings from the 2021/22 audit. It includes messages arising from the audit of the Authority's financial statements and the results of the work on how the Authority secures value for money in its use of resources.

Financial implications:

No direct impact.

Risk management:

The results of the audit give reassurance regarding entries in the accounts and value for money arrangements.

Legal implications:

The audit of the financial statements is a statutory requirement.

Privacy and security implications:

No direct impact.

Duty to collaborate:

No direct impact.

Health and safety implications:

No direct impact.

Environmental implications:

No direct impact.

Equality, diversity, and inclusion implications:

Overview and Audit Committee, 8 November 2023 | Item 10 – Audit Results Report 2021/22

No direct impact.

Consultation and communication:

No direct impact.

Background papers:

None

Appendix	Title	Protective Marking
1	BMKFA – Audit Results Report 2021-22	
2	BMKFA – Auditor’s Annual Report 2021-22	

Buckinghamshire and
Milton Keynes Fire
Authority

Audit results report
Year ended 31 March 2022

November 2023



Building a better
working world



Private and Confidential

11 October 2023

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

Dear Overview and Audit Committee Members

2022 Audit results report

We are pleased to attach our final audit results report, summarising the completion of the 21/22 audit for the forthcoming meeting of the Audit Committee. We will present the report at the Overview and Audit Committee at its meeting scheduled for 8 November 2023.

Note that updates to previous draft of the report shared with the committee are highlighted in green text for ease of review.

The audit is designed to express an opinion on the 2021/22 financial statements and address current statutory and regulatory requirements. This report contains our findings related to the areas of audit emphasis, our views on Buckinghamshire & Milton Keynes Fire Authority's accounting policies and judgements and material internal control findings. Each year sees further enhancements to the level of audit challenge and the quality of evidence required to achieve the robust professional scepticism that society expects. We thank the management team for supporting this process. We have also included an update on our work on value for money arrangements.

This report is intended solely for the information and use of the Overview and Audit Committee, other members of the Authority and senior management. It is not intended to be and should not be used by anyone other than these specified parties.

We welcome the opportunity to discuss the contents of this report with you at the Overview and Audit Committee meeting on 8 November 2023.

Yours sincerely

Andrew Brittain

Partner

For and on behalf of Ernst & Young LLP

Encl

Contents

01 Executive Summary

02 Areas of Audit Focus

03 Audit Report

04 Audit Differences



05 Value for Money

06 Other Reporting Issues

07 Assessment of Control Environment

08 Data Analytics

09 Independence

10 Appendices

Public Sector Audit Appointments Ltd (PSAA) issued the “Statement of responsibilities of auditors and audited bodies”. It is available from the PSAA website (<https://www.psa.co.uk/audit-quality/statement-of-responsibilities/>). The Statement of responsibilities serves as the formal terms of engagement between appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas.

The “Terms of Appointment and further guidance (updated July 2021)” issued by the PSAA sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice (the Code) and in legislation, and covers matters of practice and procedure which are of a recurring nature.

This report is made solely to the Overview and Audit Committee and management of Buckinghamshire & Milton Keynes Fire Authority in accordance with the statement of responsibilities. Our work has been undertaken so that we might state to the Overview and Audit Committee and management of Buckinghamshire & Milton Keynes Fire Authority those matters we are required to state to them in this report and for no other purpose. To the fullest extent permitted by law we do not accept or assume responsibility to anyone other than the Overview and Audit Committee and management of Buckinghamshire & Milton Keynes Fire Authority for this report or for the opinions we have formed. It should not be provided to any third-party without our prior written consent.



01 Executive Summary



Executive Summary

Scope update

In our audit planning report presented at the 20 July 22 Overview and Audit Committee meeting, we provided you with an overview of our audit scope and approach for the audit of the financial statements. We carried out our audit in accordance with this plan, with the following exceptions:

- Changes in materiality: We updated our planning materiality assessment using the draft consolidated results and have also reconsidered our risk assessment. Based on our materiality measure of profit before tax adjusted for pre-tax exceptional items, we have updated our overall materiality assessment to £920k (Audit Planning Report – £748k). This results in updated performance materiality, at 75% of overall materiality, of £690k, and an updated threshold for reporting misstatements of £46k.

Additional audit procedures as a result of Covid-19

Other changes in the entity and regulatory environment as a result of Covid-19 that have not resulted in an additional risk, but result in the following impacts on our audit strategy were as follows:

Information Produced by the Entity (IPE): We identified an increased risk around the completeness, accuracy, and appropriateness of information produced by the entity due to the inability of the audit team to verify original documents or re-run reports on-site from the Authority's systems. We undertook the following to address this risk:

- Used the screen sharing function of Microsoft Teams to evidence re-running of reports used to generate the IPE we audited; and
- Agreed IPE to scanned documents or other system screenshots.

Triennial Valuation

- When the accounts were prepared, the 2019 triennial valuation informed key judgements and estimates in the 2021/22 financial statements, including the defined benefit liability derived from a roll-forward of the 2019 valuation. In March 2023 the triennial valuation as at March 2022 for Buckinghamshire Pension Fund was finalised. This counts as new information available for any statements of accounts where the audit opinion has not been issued, and therefore following the receipt of the final triennial valuation for 2022, account preparers need to consider whether there is a material difference to the information used in the roll-forward and whether amendments needed to be made to the 21/22 accounts under Section 3.8 of the CIPFA Code of Practice. Audit teams are also be required to consider this information when reviewing their testing of those judgments and estimates. We provided an update of our work at the Overview and Audit Committee on 19 July. We have concluded our work in this area, management have updated the accounts for the 2022 Triennial Valuation and the update to the statements can be seen on page 22 of this report.



Executive Summary

Status of the audit

Our audit work in respect of the Authority opinion is substantially complete. The following items relating to the completion of our audit procedures were outstanding at the date of this report.

- Review of the final statements
- Receipt of signed management representation letter.
- Completion of subsequent event review.

Auditor responsibilities under the new Code of Audit Practice 2020

Under the Code of Audit Practice 2020 we are still required to consider whether the Authority has put in place 'proper arrangements' to secure economy, efficiency and effectiveness on its use of resources. The 2020 Code requires the auditor to design their work to provide them with sufficient assurance to enable them to report to the Authority a commentary against specified reporting criteria (see below) on the arrangements the Authority has in place to secure value for money through economic, efficient and effective use of its resources for the relevant period.

The specified reporting criteria are:

- Financial sustainability
How the Authority plans and manages its resources to ensure it can continue to deliver its services;
- Governance
How the Authority ensures that it makes informed decisions and properly manages its risks; and
- Improving economy, efficiency and effectiveness:
How the Authority uses information about its costs and performance to improve the way it manages and delivers its services.



Executive Summary

Status of the audit – Value for Money

In the Audit Plan and subsequent update to the Audit Committee, we reported that we had completed our value for money (VFM) risk assessment and not identified any risk of significant weakness against the three reporting criteria we are required to consider under the NAO's 2020 Code. We have revisited our assessment on completion of the audit of the financial statements and remain satisfied that we have not identified a risk of significant weakness. As a result, we have completed our planned VFM procedures and have no matters to report by exception in the auditor's report (see Section 3). Subject to completion of the financial statements audit areas listed above we plan to issue the VFM commentary by the end of March 23 as part of issuing the Auditor's Annual Report.

Audit differences

- There were some adjusted audit difference identified as part of our audit, for more details please see Section 4 of this report.
 - Restatement of capital adjustment account and revaluation reserve for both the current year and prior year.
 - Restatement of the financial instruments disclosure for both the current year and prior year.
- **At the time of writing we have identified four uncorrected misstatements. Two relate to the judgemental differences identified in the valuation of land, one relates to the projected difference over the untested land valuations, the final difference relates to the turnaround impact of an error identified in the prior year. Please see section 4 of this report for the impact of these differences.**
- There were also some small amendments made to the disclosure notes.

Other reporting issues

We have reviewed the information presented in the Annual Governance Statement for consistency with our knowledge of the Authority. We have no matters to report as a result of this work.

Alongside our work on the financial statements, we also review and report to the National Audit Office on your Whole of Government Accounts return. We plan to issue the group return on the same date as the signing date. The extent of our review, and the nature of our report, is specified by the National Audit Office.

We are currently concluding our work in this area and will report any matters arising to the Overview and Audit Committee.



Executive Summary

Areas of audit focus

In our Audit Plan we identified a number of key areas of focus for our audit of the financial report of Buckinghamshire and Milton Keynes Fire Authority. This report sets out our observations and status in relation to these areas, including our views on areas which might be conservative and areas where there is potential risk and exposure. Our consideration of these matters and others identified during the period is summarised within the "Areas of Audit Focus" section of this report.

Audit findings and conclusions: Significant risk - Misstatements due to fraud or error – Management override

We have completed our work in this area and we have not identified any material misstatements.

Audit findings and conclusions: Significant risk - Misstatements due to fraud or error - Inappropriate capitalisation of revenue expenditure

We have not identified any material misstatements arising from fraud in revenue and expenditure recognition and the inappropriate capitalisation of revenue.

Audit findings and conclusions : Significant risk - Valuation of Blue Light Hub

We have completed our work in this area and we have not identified any material misstatements.

Audit findings and conclusions : Area of audit focus - Valuation of land and buildings

We have completed our work in this area, we have identified three uncorrected differences, two are judgmental in nature and the third is projected. For more detail please see page 15 of this report.

Audit findings and conclusions : Area of audit focus - Pension liability valuation & actuarial assumptions

We have completed our work in this area. We have identified one reclassification entry as part of our work in this area in the current and prior year. There is also an update to the accounts due to the impact of the March 22 Triennial Valuation, these adjustments are shown on page 22 of this report.

Other Findings

Through our work on financial instruments it was identified that there were some balances included in the financial instruments did not meet the criteria of financial instruments under IFRS 9, as a result amendments were made to the current year disclosure and the prior year figures have been restated in the accounts.

There is a £24k discrepancy between the NBV of the Joint Control Room disclosed in the Authority's accounts compared to the Royal Berkshire Fire Authority's unaudited accounts. This has not been corrected, it is not material to the accounts but has been reported to you due to the sensitive nature of related party disclosures.

We request that you review these and other matters set out in this report to ensure:

- There are no residual further considerations or matters that could impact these issues
- You concur with the resolution of the issue
- There are no further significant issues you are aware of to be considered before the financial report is finalised

There are no matters, other than those reported by management or disclosed in this report, which we believe should be brought to the attention of the Overview and Audit Committee or Management.



Executive Summary

Independence

Please refer to Section 9 for our update on Independence.

Control observations

We have adopted a fully substantive approach, and so have not tested the operation of controls. We have, however, updated our understanding of the key processes and the controls which are in place to detect or prevent error. Through this work, we have not identified any significant deficiencies in the design or operation of an internal control that might result in a material misstatement in your financial statements apart from the following controls:

- Revaluation reserve was not reconciled to the amounts disclosed in the financial statements, for more detail on this issue please see section 4.
- The criteria for classifications of financial instruments under the CIPFA code was not applied to disclosure for financial instruments.
- The required presentation of revaluations in the property, plant and equipment disclosure under the CIPFA code was not applied to disclosure of property, plant and equipment.
- The required presentation of remeasurement of pensions assets was not disclosed in the correct section of the comprehensive, income and expenditure statement and therefore the disclosure under the CIPFA code was not applied correctly to the presentation of the pensions liability.



02 Areas of Audit Focus



Significant risk

Risk of misstatements due to fraud or error – Management override

What is the risk?

The financial statements as a whole are not free of material misstatements whether caused by fraud or error. As identified in ISA (UK and Ireland) 240, management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records directly or indirectly and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. We identify and respond to this fraud risk on every audit engagement.

What did we do and what judgements did we focused on?

We:

- ▶ Identified fraud risks during the planning stages.
- ▶ Enquired of management about risks of fraud and the controls put in place to address those risks.
- ▶ Understood the oversight given by those charged with governance of management's processes over fraud.
- ▶ Considered the effectiveness of management's controls designed to address the risk of fraud.
- ▶ Tested journals at year-end to ensure that there were no unexpected or unusual postings.
- ▶ Reviewed accounting estimates for evidence of management bias.
- ▶ Looked for and investigated any unusual transactions.

We used our data analytics capabilities to assist with our work, including journal entry testing. We assessed journal entries for evidence of management bias and evaluated for business rationale. We specifically reviewed any elements where judgement could influence the financial position or performance of the Authority in a more positive or more favourable way.

What are our conclusions?

We have not identified any material weaknesses in controls or evidence of material management override. We have not identified any instances of inappropriate judgements being applied or management bias. We have not identified any other transactions during our audit which appeared unusual or outside the normal course of business.

Significant risk

Misstatements due to fraud or error
- Inappropriate capitalisation of revenue expenditure

What is the risk?

Under ISA 240, management is in a unique position to perpetrate fraud through the override of controls. We have considered the main areas where management may have the incentive and opportunity to do this.

From our risk assessment, we have assessed that the risk could manifest itself through the inappropriate capitalisation of revenue expenditure to improve the financial position of the general fund.

Capitalised revenue expenditure can be funded through borrowing with only minimal MRP charges recorded in the general fund, deferring the expenditure for 30+ years when the borrowing is repaid.

What judgements are we focused on?

We focus on whether expenditure is properly capitalised in its initial recognition, or whether subsequent expenditure on an asset enhances the asset or extends its useful life.

For 2021/22, property, plant and equipment additions totalled £1,331k. We will consider whether this figure is complete, the asset is in existence and whether the asset has been valued correctly in the statement of accounts.

What did we do?

We have:

- ▶ Tested additions to property, plant and equipment to ensure that the expenditure incurred and capitalised is clearly capital in nature; and
- ▶ Sought to identify and understand the basis for any significant journals transferring expenditure from revenue to capital codes on the general ledger at the end of the year.

As there was no expenditure classified as revenue financed from capital under statue (REFCUS in the 2021/22 financial statements, we did not undertake any testing in this area.

We have utilised our data analytics capabilities to assist with our work, including journal entry testing. We assessed journal entries more generally for evidence of management bias and evaluated them for business rationale.

What are our conclusions?

Our testing has not identified any material misstatements from inappropriate capitalisation of revenue expenditure.



Significant risk

Valuation of Blue Light Hub

What is the risk?

The Blue Light Hub has now been completed and is being valued 2021/22 financial statements, the valuation of the Blue Light Hub is significant in comparison to our calculated materiality. Management is required to make material judgemental inputs and apply estimation techniques to calculate the year-end balances for it to be recorded in the balance sheet. Therefore there is a risk that the Blue Light Hub could be materially mis-stated in the financial statements.

What judgements are we focused on?

The value of the Blue Light Hub is £13m in 2021/22.

Management is required to make material judgemental inputs and apply estimation techniques to calculate the year-end balances recorded in the balance sheet.

ISAs (UK and Ireland) 500 and 540 require us to undertake procedures on the use of management experts and the assumptions underlying fair value estimates.

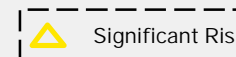
What did we do?

We have:

- ▶ Considered the work performed by the Authority's valuers, including the adequacy of the scope of the work performed, their professional capabilities and the results of their work;
- ▶ Reviewed key asset information used by the valuers in performing their valuation (e.g. floor plans to support valuations based on price per square metre);
- ▶ Tested accounting entries to ensure they have been correctly processed in the financial statements; and
- ▶ We have engaged EY Real Estates, valuation specialists to assist the audit team to gain assurance that the valuation of the Blue Light Hub is materially correct.

What are our conclusions?

We have concluded our work in this area and have not identified any material misstatements.



Other areas of audit focus

Valuation of land and buildings (Inherent risk)

What is the risk?

We identified the valuation of land and buildings as an other area of audit focus in our Audit Planning Report discussed at the Overview and Audit Committee on June 22. The fair value of Property, Plant and Equipment (PPE) and represent a significant balance in the Authority's accounts and are subject to valuation changes, impairment reviews and depreciation charges. Management is required to make material judgemental inputs and apply estimation techniques to calculate the year-end balances recorded in the balance sheet.

What judgements are we focused on?

The value of property, plant and equipment was £39m in 2020/21 and is now being reported at £42m for 2021/22.

As this is one of the largest accounting estimates on the balance sheet and one subject to a high degree of subjectivity we deem the valuation of property, plant and equipment to represent an inherent risk of material misstatement.

ISAs (UK and Ireland) 500 and 540 require us to undertake procedures on the use of management experts and the assumptions underlying fair value estimates.

What did we do?

We have:

- Considered the work performed by the Authority's valuers, including the adequacy of the scope of the work performed, their professional capabilities and the results of their work;
- Sample tested key asset information used by the valuers in performing their valuation (e.g. floor plans to support valuations based on price per square metre);
- Considered if there were any specific changes to assets that have occurred and that these have been communicated to the valuer;
- Considered changes to useful economic lives as a result of the most recent valuation; and
- Tested that accounting entries had been correctly processed in the financial statements.



Other areas of audit focus

What are our findings?

I. Leased Land and Buildings

- We identified one group of assets included in property, plant and equipment which had not been revalued in line with the CIPFA Code. Management subsequently arranged for the assets to be valued and the audit team have engaged with EY Real Estates to support with the asset valuation. **We have now completed our testing on this valuation, and conclude that management have appropriately updated the asset valuation in the accounts for this group of assets.**

II. Asset Held for Sale Valuation

- We have engaged with EY Real Estates to review the valuation of an asset included in Assets Held for Sale. **We have now concluded on the valuation of this asset and have determined that the asset is materially correctly stated under the requirements of IFRS 5.**

III. Accounting for Valuations

- Our testing of the valuation journals identified issues in the processing of accounting entries for the valuations for the current year and prior years.
 - The revaluation reserve balance did not reconcile to Authority records.
 - Per the Authority's records there were assets with both an revaluation reserve balance and an historic loss balance
 - The revaluation loss entries for the Blue Light Hub has incorrectly been charged to the revaluation reserve in the prior year.
 - Management have restated the balances for the revaluation reserve and capital adjustment account in both current and prior years. As a result of the restatement entries management have updated the workings for the revaluation entries for property, plant and equipment and updated the accounts accordingly (see pages 22 and 24).
 - Through testing of the PPE disclosure in note 11 it was identified that the disclosure of both the cost and the accumulated depreciation was overstated in both the current year and the prior year. Under the CIPFA Code all accumulated depreciation should be written out on revaluation. The adjustment to the accounts results in a prior period adjustment and an adjustment to the current year draft accounts to reset the accumulated depreciation balance. There is no impact on the net book value of the property, plant and equipment.

IV. Valuation Sample testing

- **We selected a sample of assets and verified the valuation inputs to supporting information. In relation to the buildings no material issues were identified. In respect of land valuation sample the Authority's external valuer was unable to support the inputs used to determine the land valuations for the sample selected, due to a key member of staff leaving; as a result the external valuers re-valued the entire portfolio of land. Due to a change in valuation methodology, the audit team requested our specialists to review a sample of the revised valuations. The outcome of the review was that out of the six samples reviewed two were deemed out of range, these were discussed with management and are to be reported as uncorrected judgmental audit differences in section 4 of this report. As a result of the identified judgemental differences, the difference rate has been extrapolated across the remaining untested population and this has resulted in an uncorrected projected difference which is reported in section 4 of the report.**

What are our conclusions?

- The adjustments identified throughout the course of the audit are set out in section 4 of this report.



Areas of Audit Focus

Other areas of audit focus

Pension liability valuation (inherent risk)

What is the risk?

The Local Authority Accounting Code of Practice and IAS19 require the Authority to make extensive disclosures within its financial statements regarding its membership of the Local Government Pension Scheme administered by Buckinghamshire Council.

The Authority's pension fund deficit is a material estimated balance and the Code requires that this liability be disclosed on the Authority's balance sheet. At 31 March 2022 this totalled £349 million.

The information disclosed is based on the IAS 19 report issued to the Authority by the actuary to Buckinghamshire Council and also the Firefighters Pension Fund.

Accounting for this scheme involves significant estimation and judgement and therefore management engages an actuary to undertake the calculations on their behalf. ISAs (UK) 500 and 540 require us to undertake procedures on the use of management experts and the assumptions underlying fair value estimates.

What did we do?

We have:

- Liaised with the auditors of Buckinghamshire Council, to obtain assurances over the information supplied to the actuary in relation to Buckinghamshire and Milton Keynes Fire Authority;
- Assessed the work of the LGPS pension fund actuary and the Firefighters pension fund actuary (Barnet Waddingham) including the assumptions they have used by relying on the work of PWC - Consulting Actuaries commissioned by the National Audit Office for all Local Government sector auditors, and considering any relevant reviews by the EY actuarial team; and
- Reviewed and tested the accounting entries and disclosures made within the Authority's financial statements in relation to IAS19.

In addition:

- In response to the revised requirements of ISA540, the auditing standard on accounting estimates, we amended our audit approach based on procedures to evaluate management's process. The revised standard requires auditors to test the method of measurement of accounting estimates to determine whether the model is appropriately designed, consistently applied and mathematically accurate, and that the integrity of the assumptions and the data has been maintained in applying the model. Neither we, nor PWC as consulting actuaries commissioned by the NAO for all local government sector audits, are able to access the detailed models of the actuaries in order to evidence these requirements. Therefore, we modified our planned approach and undertook alternate procedures to create an auditor's estimate, to provide a different method of gaining assurance. We employed the services of an EY Pensions specialist to review the Authority's IAS19 reports and run a parallel actuarial model which was compared to that produced by Barnett Waddingham (BW).

What are our conclusions?

We have completed our work on the IAS 19 valuations including the updated LGPS IAS 19 report following on from the March 22 Triennial Valuation.

Through our testing we identified one material IAS 19 reclassification entry impacting the prior year and current year. Management have adjusted for this entry and the entries can be seen on page 22 and 24 of this report.

Management have also updated the accounts for the impact of LGPS Triennial Valuation this can be seen on page 22 of this report.

No other material issues were identified as apart of our work on the Pension Liability.



03 Audit Report



Draft audit report

Our opinion on the financial statements

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BUCKINGHAMSHIRE AND MILTON KEYNES FIRE AUTHORITY

Opinion

We have audited the financial statements and the firefighters' pension fund financial statements of Buckinghamshire and Milton Keynes Fire Authority ('the Authority') for the year ended 31 March 2022 under the Local Audit and Accountability Act 2014 (as amended). The financial statements comprise the:

- Authority Movement in Reserves Statement,
- Authority Comprehensive Income and Expenditure Statement,
- Authority Balance Sheet,
- Authority Cash Flow Statement
- the related notes from the Statement of Accounting Policies to note 31.
- and include the firefighters' pension fund financial statements comprising the Fund Account, the Net Assets Statement, and the related notes 1 to 6.

The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 as amended by the Update to the Code and Specifications for Future Codes for Infrastructure Assets (November 2022).

In our opinion the financial statements:

- give a true and fair view of the financial position of Buckinghamshire and Milton Keynes Fire Authority as at 31 March 2022 and of its expenditure and income for the year then ended; and
- have been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 as amended by the Update to the Code and Specifications for Future Codes for Infrastructure Assets (November 2022).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Authority in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and the Comptroller and Auditor General's AGN01, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Director of Finance and Assets & Chief Finance Officer's (Chief Finance Officer) use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Authority's ability to continue as a going concern for a period 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Chief Finance Officer with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Authority's/s ability to continue as a going concern.

Other information

The other information comprises the information included in the Narrative Statement, other than the financial statements and our auditor's report thereon. The Chief Finance Officer is responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.



Audit Report

Our opinion on the financial statements

Matters on which we report by exception

We report to you if:

- in our opinion the annual governance statement is misleading or inconsistent with other information forthcoming from the audit or our knowledge of the Authority
- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014 (as amended)
- we make written recommendations to the audited body under Section 24 of the Local Audit and Accountability Act 2014 (as amended)
- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014 (as amended)
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014 (as amended)
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014 (as amended)
- we are not satisfied that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2022.

We have nothing to report in these respects.

Responsibility of the Chief Finance Officer

As explained more fully in the Statement of the Chief Finance Officer Responsibilities set out on pages [...], the Chief Finance Officer is responsible for the preparation of the Statement of Accounts, which includes the financial statements and the firefighters pension fund financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 as amended by the Update to the Code and Specifications for Future Codes for Infrastructure Assets (November 2022), and for being satisfied that they give a true and fair view and for such internal control as the Chief Finance Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Finance Officer is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Authority intends to cease operations, or has no realistic alternative but to do so.

The authority is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Authority and determined that the most significant are:

- Local Government Act 1972,
- Local Government Act 2003,
- The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 as amended in 2018, 2020, and 2022,
- The Local Audit and Accountability Act 2014 (as amended), and
- The Accounts and Audit Regulations 2015.

In addition, the Authority has to comply with laws and regulations in the areas of anti-bribery and corruption, data protection, employment Legislation, tax Legislation, general power of competence, procurement and health & safety.



Audit Report

Our opinion on the financial statements

We understood how Buckinghamshire and Milton Keynes Fire Authority is complying with those frameworks by understanding the incentive, opportunities and motives for non-compliance, including inquiring of management, head of internal audit and those charged with governance and obtaining and reading documentation relating to the procedures in place to identify, evaluate and comply with laws and regulations, and whether they are aware of instances of non-compliance. We corroborated this through our reading of the Authority's committee minutes, through enquiry of employees to confirm Authority policies, and through the inspection of employee handbooks and other information. Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures had a focus on compliance with the accounting framework through obtaining sufficient audit evidence in line with the level of risk identified and with relevant legislation.

We assessed the susceptibility of the Authority's financial statements to material misstatement, including how fraud might occur by understanding the potential incentives and pressures for management to manipulate the financial statements, and performed procedures to understand the areas in which this would most likely arise. Based on our risk assessment procedures, we identified manipulation of reported financial performance (through improper recognition of revenue), inappropriate capitalisation of revenue expenditure and management override of controls to be our fraud risks.

To address our fraud risk of inappropriate capitalisation of revenue expenditure we tested the Authority's capitalised expenditure to ensure the capitalisation criteria were properly met and the expenditure was genuine.

To address our fraud risk of management override of controls, we tested specific journal entries identified by applying risk criteria to the entire population of journals. For each journal selected, we tested specific transactions back to source documentation to confirm that the journals were authorised and accounted for appropriately.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Scope of the review of arrangements for securing economy, efficiency and effectiveness in the use of resources

We have undertaken our review in accordance with the Code of Audit Practice 2020, having regard to the guidance on the specified reporting criteria issued by the Comptroller and Auditor General in December 2021, as to whether the Buckinghamshire and Milton Keynes Fire Authority had proper arrangements for financial sustainability, governance and improving economy, efficiency and effectiveness. The Comptroller and Auditor General determined these criteria as those necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether the Buckinghamshire and Milton Keynes Fire Authority put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2022.

We planned our work in accordance with the Code of Audit Practice. Based on our risk assessment, we undertook such work as we considered necessary to form a view on whether, in all significant respects, the Buckinghamshire and Milton Keynes Fire Authority had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 (as amended) to satisfy ourselves that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

We are not required to consider, nor have we considered, whether all aspects of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

Certificate

We cannot formally conclude the audit and issue an audit certificate until the NAO as group auditor has confirmed that no further assurances will be required from us as component auditors of Buckinghamshire and Milton Keynes Fire Authority. We are satisfied that this work does not have a material effect on the financial statements or our work on value for money arrangements.

Use of our report

This report is made solely to the members of Buckinghamshire and Milton Keynes Fire Authority, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 (as amended) and for no other purpose, as set out in paragraph 43 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Authority and the Authority's members as a body, for our audit work, for this report, or for the opinions we have formed.

[Signature]

Andrew Brittain (Key Audit Partner)

Ernst & Young LLP (Local Auditor)

Reading

[Date]



04 Audit Differences



Audit Differences

In the normal course of any audit, we identify misstatements between amounts we believe should be recorded in the financial statements and the disclosures and amounts actually recorded. These differences are classified as “known” or “judgemental”. Known differences represent items that can be accurately quantified and relate to a definite set of facts or circumstances. Judgemental differences generally involve estimation and relate to facts or circumstances that are uncertain or open to interpretation.

Summary of adjusted differences

We highlight the following misstatements greater than £690k which have been corrected by management that were identified during the course of our audit.

Corrected misstatements current year 31 March 2022 (£'000)		Effect on the current period:	Net assets (Decrease)/Increase				Equity Components Debit/ (Credit)
			OCI Debit/(Credit)	Comprehensiv e Income and Expenditure Statement Debit/(Credit)	Assets current Debit/ (Credit)	Assets non current Debit/ (Credit)	
Adjusted Misstatements							
Factual differences:							
<ul style="list-style-type: none"> Restatement of the capital adjustment account (CAA) and revaluation reserve (RR) 							RR-3,706 CAA-(3,706)
<ul style="list-style-type: none"> Updated accounting entries for revaluation of PPE as a result of the restatement of the Capital Adjustment Account and Revaluation Reserve 	2,544	(2,544)					
<ul style="list-style-type: none"> Updated LGPS entries as a result of the Triennial Valuation 	(1,640)					1,640	
<ul style="list-style-type: none"> Reclassification of IAS 19 LGPS Entries- return on assets 	(1,615)	1,615					
<ul style="list-style-type: none"> Update of revised valuations 	(3,037)	411		2,626			
Total	(3,748)	(518)		2,626		1,640	0

We also identified misstatements in disclosures in relation to Note 11 Property, Plant and Equipment and Note 29 Financial Instruments, management have agreed to correct for both the prior period and current period impact of these misstatements.



Audit Differences

During the course of the audit we identified misstatements relating to the capital adjustment account and revaluation reserve, these misstatement had a prior year impact which has been corrected by management. In impact of the adjustments is shown below.

Summary of adjusted differences impacting the prior year

We highlight the following misstatements greater than £690k which have been corrected by management that were identified during the course of our audit

Corrected misstatements prior year 31 March 2022 (£'000)	Effect on the Prior year:		Net assets (Decrease)/Increase				Equity Components Debit/ (Credit)
	OCI Debit/(Credit)	Comprehensiv e Income and Expenditure Statement Debit/(Credit)	Assets current Debit/ (Credit)	Assets non current Debit/ (Credit)	Liabilities current Debit/ (Credit)	Liabilities non-current Debit/ (Credit)	
Adjusted Misstatements							
Known differences:							
<ul style="list-style-type: none"> Restatement of the capital adjustment account (CAA) and revaluation reserve (RR) 							RR-3,352 CAA-(3,352)
<ul style="list-style-type: none"> Updated accounting entries for revaluation of PPE as a result of the restatement of the Capital Adjustment Account and Revaluation Reserve 	(6,426)	6,426					
<ul style="list-style-type: none"> Reclassification of IAS 19 LGPS Entries- return on assets 	(5,494)	5,494					
Total	(6,426)	6,426					0



Audit Differences

In the normal course of any audit, we identify misstatements between amounts we believe should be recorded in the financial statements and the disclosures and amounts actually recorded. These differences are classified as “known” or “judgemental”. Known differences represent items that can be accurately quantified and relate to a definite set of facts or circumstances. Judgemental differences generally involve estimation and relate to facts or circumstances that are uncertain or open to interpretation.

Summary of unadjusted differences

We highlight the following misstatements greater than £46k which have been identified through the course of our audit that remain uncorrected at year end:

Unadjusted differences

Our prior year creditor testing identified an error of creditors being overstated by £347 in our representative sample, which when extrapolated across the population was calculated as an error of £51,536. This extrapolated error was not corrected in the prior year and therefore has turned around in the current year.

Uncorrected misstatements current year 31 March 2022 (£'000)	Effect on the current period:		Net assets (Decrease)/Increase				Equity Components Debit/ (Credit)
	OCI Debit/(Credit)	Comprehensive Income and Expenditure Statement Debit/(Credit)	Assets current Debit/ (Credit)	Assets non current Debit/ (Credit)	Liabilities current Debit/ (Credit)	Liabilities non-current Debit/ (Credit)	
Adjusted Misstatements							
Judgemental differences:							
• Judgmental differences arising from professional opinion over the valuation of land for two assets	256	(81)	(175)				
Projected difference:							
• Projected misstatement of judgemental differences extrapolated over untested land valuations	81		(81)				
Total before turnround impact	337	(81)	(256)				
• Turnaround impact	51						
Total after turnround impact	388	(81)	(256)				



05 Value for Money



Value for money

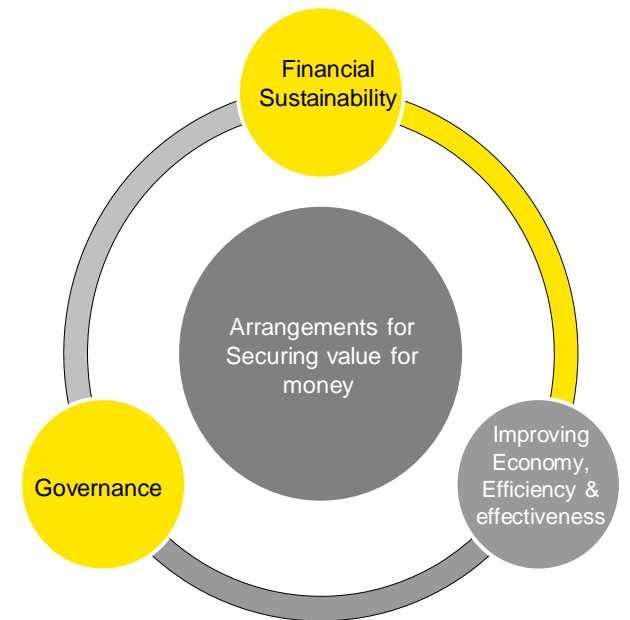
The Authority's responsibilities for value for money (VFM)

The Authority is required to maintain an effective system of internal control that supports the achievement of its policies, aims and objectives while safeguarding and securing value for money from the public funds and other resources at its disposal.

As part of the material published with its financial statements, the Authority is required to bring together commentary on its governance framework and how this has operated during the period in a governance statement. In preparing its governance statement, the Authority tailors the content to reflect its own individual circumstances, consistent with the requirements set out in the Cipfa code of practice on local authority accounting. This includes a requirement to provide commentary on its arrangements for securing value for money from their use of resources.

Conclusion

We have completed our work on your value for money arrangements but have not identified any significant weaknesses. We will report the outcome of our work on the Authority's arrangements in our VFM commentary on those arrangements within the Auditor's Annual Report.





06 Other reporting issues

Other reporting issues

Consistency of other information published with the financial statements, including the Annual Governance Statement

We must give an opinion on the consistency of the financial and non-financial information in the Statement of Accounts 2021/22 with the audited financial statements

We must also review the Annual Governance Statement for completeness of disclosures, consistency with other information from our work, and whether it complies with relevant guidance.

Financial information in the Statement of Accounts 2021/22 and published with the financial statements was consistent with the audited financial statements

We have reviewed the Annual Governance Statement and can confirm it is consistent with other information from our audit of the financial statements and we have no other matters to report.

Whole of Government Accounts

Alongside our work on the financial statements, we also review and report to the National Audit Office on your Whole of Government Accounts return, we plan to return the assurance statement to the NAO on the date of signing the opinion. The extent of our review, and the nature of our report, is specified by the National Audit Office.

Other reporting issues

Other powers and duties

We have a duty under the Local Audit and Accountability Act 2014 to consider whether to report on any matter that comes to our attention in the course of the audit, either for the Authority to consider it or to bring it to the attention of the public (i.e. “a report in the public interest”). We did not identify any issues which required us to issue a report in the public interest.

Other matters

As required by ISA (UK&I) 260 and other ISAs specifying communication requirements, we must tell you significant findings from the audit and other matters if they are significant to your oversight of the Authority’s financial reporting process. They include the following:

- Significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures;
- Any significant difficulties encountered during the audit;
- Any significant matters arising from the audit that were discussed with management;
- Written representations we have requested;
- Expected modifications to the audit report;
- Any other matters significant to overseeing the financial reporting process;
- Findings and issues around the opening balance on initial audits (if applicable);
- Related parties;
- External confirmations;
- Going concern;
- Consideration of laws and regulations; and
- Group audits

We have nothing to comment in respect of these.



07

Assessment of Control Environment



Assessment of Control Environment

Financial controls

As part of our audit of the financial statements, we obtained an understanding of internal control sufficient to plan our audit and determine the nature, timing and extent of testing performed.

Although our audit was not designed to express an opinion on the effectiveness of internal control, we are required to communicate to you significant deficiencies in internal control.

We have not identified any significant deficiencies in the design or operation of an internal control that might result in a material misstatement in your financial statements of which you are not aware, except for the following

- Revaluation reserve was not reconciled to the amounts disclosed in the financial statements.
- The criteria for classifications of financial instruments under the CIPFA code was not applied to disclosure for financial instruments.
- The required presentation of revaluations in the property, plant and equipment disclosure under the CIPFA code was not applied to disclosure of property plant and equipment.
- The IAS 19 pension liability adjustments were not in line with the CIPFA code.

We recommend that management should include a reconciliation between the revaluation reserve included in the accounts and the fixed asset register. We recommend that management should ensure that the disclosures included in the accounts are prepared in line with the CIPFA Code. We recommend in future years that management review the code to ensure the presentation of pension adjustments are consistent with the requirements of the code.

Reliance on internal audit

We have reviewed Internal Audit reports issued to management during the period to 31 March 2022 to ensure that any financial statement risks identified are considered in determining the extent of our audit procedures.



08 Data Analytics



Data Analytics - Journal Entry Testing

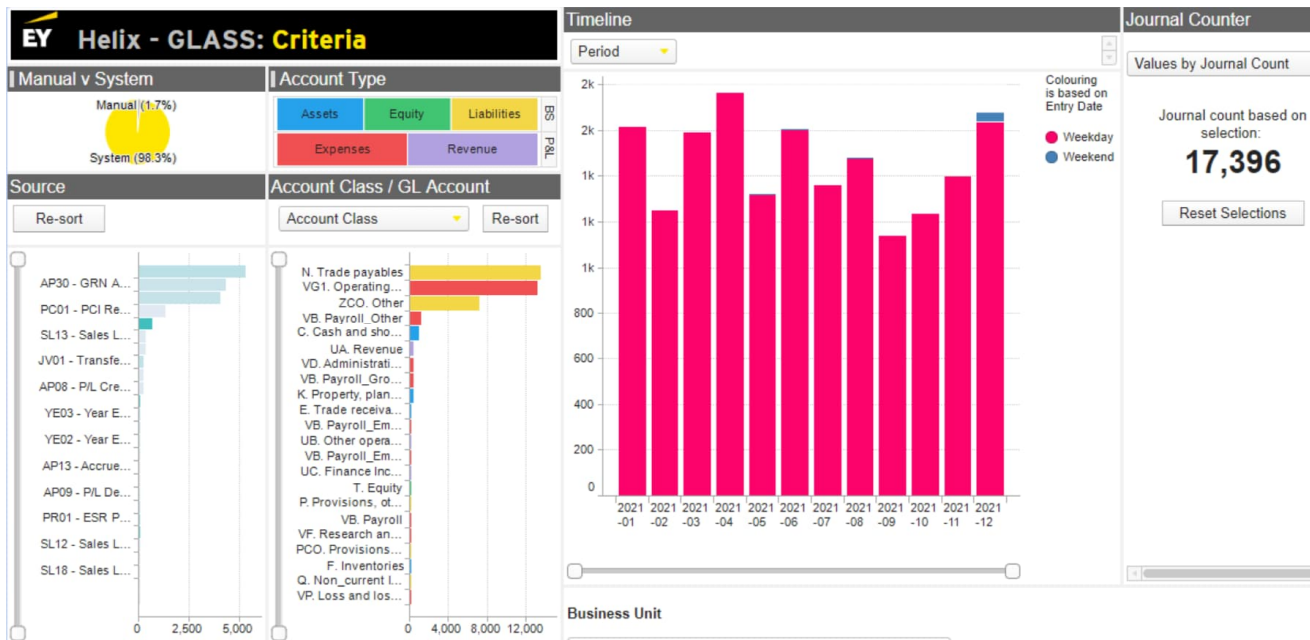
What is the risk?

In line with ISA 240 we are required to test the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements.

What judgements are we focused on?

Using our analysers we are able to take a risk based approach to identify journals with a higher risk of management override, as outlined in our audit planning report.

Journal entry data criteria – 31 March 2022



What did we do?

We obtained general ledger journal data for the period and have used our analysers to identify characteristics typically associated with inappropriate journal entries or adjustments, and journals entries that are subject to a higher risk of management override.

We then performed tests on the journals identified to determine if they were appropriate and reasonable.

What are our conclusions?

We isolated a sub set of journals for further investigation and obtained supporting evidence to verify the posting of these transactions, we have concluded on our selected sample and identified no issues in relation to management override.



09 Independence

Relationships, services and related threats and safeguards

The FRC Ethical Standard requires that we provide details of all relationships between Ernst & Young (EY) and the Authority, and its members and senior management and its affiliates, including all services provided by us and our network to the Authority, its members and senior management and its affiliates, and other services provided to other known connected parties that we consider may reasonably be thought to bear on the our integrity or objectivity, including those that could compromise independence and the related safeguards that are in place and why they address the threats.

There are no relationships from 01 April 2021 to the date of this report, which we consider may reasonably be thought to bear on our independence and objectivity.

Services provided by Ernst & Young

The next page includes a summary of the fees that you have paid to us in the year ended 31 March 2022 in line with the disclosures set out in FRC Ethical Standard and in statute.

As at the date of this report, there are no future services which have been contracted and no written proposal to provide non-audit services has been submitted. We confirm that we have not undertaken non-audit work.

EY Transparency Report 2022

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

Details of the key policies and processes in place within EY for maintaining objectivity and independence can be found in our annual Transparency Report which the firm is required to publish by law. The most recent version of this Report is for the year end June 2022:

[EY UK Transparency Report 2022 | EY UK](#)

Relationships, services and related threats and safeguards

Services provided by Ernst & Young

Description	Final Fee 2021/22 £	Planned Fee 2021/22 £	Final Fee 2020/21 £
Scale Fee for audit	£24,162	£24,162	£24,162
Recurring variation to the scale fee	£27,745 (Note 1)	£27,745	
Total variation to the scale fee			£17,931
Additional Fees (Note 2):			
Property, plant and equipment valuations	£11,000-£13,000	TBC	
Pension liability	£5,000-£7,000	TBC	
Value for Money	c.£6,000	TBC	
Prior Period Adjustments	£12,000-14,000	TBC	
Other	TBC	TBC	
Total audit services	TBC	TBC	£42,093

Note 1- As indicated in previous years the baseline scale fee is proposed to increase to reflect the increased risk and complexity facing all public sector bodies, adjusted for our knowledge and risk assessment for this Authority as well as the changes and incremental increase in regulatory standards.

Note 2- The scale fee variation will reflect the additional work required by the audit team to conclude on the prior period adjustments identified through the course of the audit, the additional procedures required over property, plant and equipment valuations, including using engaging with internal specialists and the updated requirements to ISA 540, the additional work required on IAS 19 pension liability as a result of ISA 540 and response to the updated 2022 Triennial valuation and additional procedures required on value for money arrangements under the NAO 2020 Code update.




On both points, we will continue to discuss and share with the Chief Financial Officer our assessment of the audit fees required to safeguard audit quality and our professional standards. We will also report our proposed final position in the Auditor's Annual Report to the Overview and Audit Committee. We intend to report to PSAA at this stage our assessment of the changes required to the baseline fee to include the impacts set out in Note 1 and Note 2. In doing so, we will notify PSAA whether the Authority agree, partially agree or do not agree with our assessment. PSAA are ultimately responsible for determining the scale fee and any variations







10 Appendices

Required communications with the Overview and Audit Committee

There are certain communications that we must provide to the those charged with governance of UK entities. We have detailed these here together with a reference of when and where they were covered:

 Our Reporting to you		
Required communications	 What is reported?	 When and where
Terms of engagement	Confirmation by the Overview and Audit Committee of acceptance of terms of engagement as written in the engagement letter signed by both parties.	The statement of responsibilities serves as the formal terms of engagement between the PSAA's appointed auditors and audited bodies
Our responsibilities	Reminder of our responsibilities as set out in the engagement letter.	Audit planning report, presented at the Overview and Audit Committee in July 2022.
Planning and audit approach	<p>Communication of the planned scope and timing of the audit, any limitations and the significant risks identified.</p> <p>When communicating key audit matters this includes the most significant risks of material misstatement (whether or not due to fraud) including those that have the greatest effect on the overall audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team.</p>	Audit planning report, presented at the Overview and Audit Committee in July 2022.
Significant findings from the audit	<ul style="list-style-type: none"> • Our view about the significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures • Significant difficulties, if any, encountered during the audit • Significant matters, if any, arising from the audit that were discussed with management • Written representations that we are seeking • Expected modifications to the audit report • Other matters if any, significant to the oversight of the financial reporting process 	Audit results report- November 2023

Appendix C

		 Our Reporting to you
Required communications	 What is reported?	  When and where
	<ul style="list-style-type: none"> • Subject to compliance with regulations, any actual or suspected non-compliance with laws and regulations identified relevant to the audit committee • Subject to compliance with regulations, any suspicions that irregularities, including fraud with regard to the financial statements, may occur or have occurred, and the implications thereof • The valuation methods used and any changes to these including first year audits • The scope of consolidation and exclusion criteria if any and whether in accordance with the reporting framework • The identification of any non-EY component teams used in the group audit • The completeness of documentation and explanations received • Any significant difficulties encountered in the course of the audit • Any significant matters discussed with management • Any other matters considered significant 	
Going concern	Events or conditions identified that may cast significant doubt on the entity’s ability to continue as a going concern, including: <ul style="list-style-type: none"> • Whether the events or conditions constitute a material uncertainty related to going concern • Whether the use of the going concern assumption is appropriate in the preparation and presentation of the financial statements • The appropriateness of related disclosures in the financial statements 	Final Audit results report- November 2023
Misstatements	<ul style="list-style-type: none"> • Uncorrected misstatements and their effect on our audit opinion, unless prohibited by law or regulation • The effect of uncorrected misstatements related to prior periods • A request that any uncorrected misstatement be corrected • Material misstatements corrected by management 	Draft Audit results report- March 2023 and Final Audit results report- November 2023
Subsequent events	<ul style="list-style-type: none"> • Enquiry of the audit committee where appropriate regarding whether any subsequent events have occurred that might affect the financial statements. 	Final Audit results report- November 2023

Appendix A

		Our Reporting to you
Required communications	What is reported?	When and where
Fraud	<ul style="list-style-type: none"> • Enquiries of the audit committee to determine whether they have knowledge of any actual, suspected or alleged fraud affecting the entity • Any fraud that we have identified or information we have obtained that indicates that a fraud may exist • Unless all of those charged with governance are involved in managing the entity, any identified or suspected fraud involving: <ol style="list-style-type: none"> a. Management; b. Employees who have significant roles in internal control; or c. Others where the fraud results in a material misstatement in the financial statements. • The nature, timing and extent of audit procedures necessary to complete the audit when fraud involving management is suspected • Any other matters related to fraud, relevant to the Overview and Audit Committee responsibility. 	Draft Audit results report- March 2023 and Final Audit results report- November 2023
Related parties	<p>Significant matters arising during the audit in connection with the entity's related parties including, when applicable:</p> <ul style="list-style-type: none"> • Non-disclosure by management • Inappropriate authorisation and approval of transactions • Disagreement over disclosures • Non-compliance with laws and regulations • Difficulty in identifying the party that ultimately controls the entity 	Draft Audit results report- March 2023 and Final Audit results report- November 2023
Independence	<p>Communication of all significant facts and matters that bear on EY's, and all individuals involved in the audit, objectivity and independence.</p> <p>Communication of key elements of the audit engagement partner's consideration of independence and objectivity such as:</p> <ul style="list-style-type: none"> • The principal threats • Safeguards adopted and their effectiveness • An overall assessment of threats and safeguards • Information about the general policies and process within the firm to maintain objectivity and independence 	Audit planning report – July 2022 Draft Audit results report- March 2023 and Final Audit results report- November 2023

Appendix A

		Our Reporting to you
Required communications	What is reported?	When and where
	<p>Communications whenever significant judgements are made about threats to objectivity and independence and the appropriateness of safeguards put in place.</p> <p>For public interest entities and listed companies, communication of minimum requirements as detailed in the FRC Revised Ethical Standard 2019:</p> <ul style="list-style-type: none"> • Relationships between EY, the company and senior management, its affiliates and its connected parties • Services provided by EY that may reasonably bear on the auditors' objectivity and independence • Related safeguards • Fees charged by EY analysed into appropriate categories such as statutory audit fees, tax advisory fees, other non-audit service fees • A statement of compliance with the Ethical Standard, including any non-EY firms or external experts used in the audit • Details of any inconsistencies between the Ethical Standard and Group's policy for the provision of non-audit services, and any apparent breach of that policy • Where EY has determined it is appropriate to apply more restrictive rules than permitted under the Ethical Standard • The audit committee should also be provided an opportunity to discuss matters affecting auditor independence 	
External confirmations	<ul style="list-style-type: none"> • Management's refusal for us to request confirmations • Inability to obtain relevant and reliable audit evidence from other procedures. 	Draft Audit results report- March 2023 and Final Audit results report- November 2023
Consideration of laws and regulations	<ul style="list-style-type: none"> • Subject to compliance with applicable regulations, matters involving identified or suspected non-compliance with laws and regulations, other than those which are clearly inconsequential and the implications thereof. Instances of suspected non-compliance may also include those that are brought to our attention that are expected to occur imminently or for which there is reason to believe that they may occur • Enquiry of the audit committee into possible instances of non-compliance with laws and regulations that may have a material effect on the financial statements and that the audit committee may be aware of 	Draft Audit results report- March 2023 and Final Audit results report- November 2023

Appendix A

		Our Reporting to you
Required communications	What is reported?	When and where
Significant deficiencies in internal controls identified during the audit	<ul style="list-style-type: none"> Significant deficiencies in internal controls identified during the audit. 	Draft Audit results report- March 2023 and Final Audit results report- November 2023
Written representations we are requesting from management and/or those charged with governance	<ul style="list-style-type: none"> Written representations we are requesting from management and/or those charged with governance 	Draft Audit results report- March 2023 and Final Audit results report- November 2023
Material inconsistencies or misstatements of fact identified in other information which management has refused to revise	<ul style="list-style-type: none"> Material inconsistencies or misstatements of fact identified in other information which management has refused to revise 	Draft Audit results report- March 2023 and Final Audit results report- November 2023
Auditors report	<ul style="list-style-type: none"> Key audit matters that we will include in our auditor’s report Any circumstances identified that affect the form and content of our auditor’s report 	Draft Audit results report- March 2023 and Final Audit results report- November 2023

Management representation letter

Management Rep Letter

[To be prepared on the entity's letterhead]

[Date]

Ernst & Young LLP
R+ Building
2 Blagrove Street
Reading
Berkshire, RG1 1AZ

This letter of representations is provided in connection with your audits of the financial statements of Buckinghamshire and Milton Keynes Fire Authority ("the Authority") for the years ended 31 March 2021 and 31 March 2022. We recognise that obtaining representations from us concerning the information contained in this letter is a significant procedure in enabling you to form an opinion as to whether the financial statements present fairly, in all material respects (or 'give a true and fair view of') the financial position of Buckinghamshire and Milton Keynes Fire Authority as of 31 March 2021 and 31 March 2022 and of its income and expenditure and its cash flows for each of the two years in the period ended 31 March 2022 in accordance with CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22.

We understand that the purpose of your audit of our financial statements is to express an opinion thereon and that your audit was conducted in accordance with International Standards on Auditing (UK), which involves an examination of the accounting system, internal control and related data to the extent you considered necessary in the circumstances, and is not designed to identify - nor necessarily be expected to disclose - all fraud, shortages, errors and other irregularities, should any exist.

Accordingly, we make the following representations, which are true to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

A. Financial Statements and Financial Records

1. We have fulfilled our responsibilities, under the relevant statutory authorities, for the preparation of the financial statements in accordance with the Accounts and Audit Regulations 2015 and CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22.
2. We acknowledge, as members of management of the Authority, our responsibility for the fair presentation of the financial statements. We believe the financial statements referred to above give a true and fair view of the financial position, financial performance (or results of operations) and cash flows of the Authority in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22, and are free of material misstatements, including omissions. We have approved the financial statements.
3. The significant accounting policies adopted in the preparation of the financial statements are appropriately described in the financial statements.

Management representation letter

Management Rep Letter

1. As members of management of the Authority, we believe that the Authority has a system of internal controls adequate to enable the preparation of accurate financial statements in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22, that are free from material misstatement, whether due to fraud or error. We have disclosed to you any significant changes in our processes, controls, policies and procedures that we have made to address the effects of the COVID-19 pandemic on our system of internal controls.
2. . We believe that the effects of any unadjusted audit differences, summarised in the accompanying schedule, accumulated by you during the current audit and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. **We have not corrected these differences identified by and brought to the attention from the auditor because [specify reasons for not correcting misstatement].**

We confirm the Authority does not have securities (debt or equity) listed on a recognized exchange.

B. Non-compliance with law and regulations, including fraud

1. **We acknowledge that we are responsible to determine that the Authority's activities are conducted in accordance with laws and regulations and that we are responsible to identify and address any non-compliance with applicable laws and regulations, including fraud.**
2. We acknowledge that we are responsible for the design, implementation and maintenance of internal controls to prevent and detect fraud.
3. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

4. We have no knowledge of any identified or suspected non-compliance with laws or regulations, including fraud that may have affected the Authority (regardless of the source or form and including without limitation, any allegations by "whistleblowers"), including non-compliance matters:

- involving financial improprieties;
- related to laws and regulations that have a direct effect on the determination of material amounts and disclosures in the Authority's financial statements;
- related to laws and regulations that have an indirect effect on amounts and disclosures in the financial statements, but compliance with which may be fundamental to the operations of the Authority's activities, its ability to continue to operate, or to avoid material penalties;
- involving management, or employees who have significant roles in internal controls, or others; or

in relation to any allegations of fraud, suspected fraud or other non-compliance with laws and regulations communicated by employees, former employees, analysts, regulators or others

C. Information Provided and Completeness of Information and Transactions

1. We have provided you with:
 - Access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
 - Additional information that you have requested from us for the purpose of the audit; and
 - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.

Management representation letter

Management Rep Letter

2. All material transactions have been recorded in the accounting records and all material transactions, events and conditions are reflected in the financial statements , including those related to the COVID-19 pandemic
3. We have made available to you all minutes of the meetings of the Authority, the Executive Committee and the Overview and Audit Committee held through the year to the most recent meeting on the following date: 15 March 2023.
4. We confirm the completeness of information provided regarding the identification of related parties. We have disclosed to you the identity of the Authority's related parties and all related party relationships and transactions of which we are aware, including sales, purchases, loans, transfers of assets, liabilities and services, leasing arrangements, guarantees, non-monetary transactions and transactions for no consideration for the period ended, as well as related balances due to or from such parties at the 31 March 2022 end. These transactions have been appropriately accounted for and disclosed in the financial statements.
5. We believe that the methods, significant assumptions and the data we used in making accounting estimates and related disclosures are appropriate and consistently applied to achieve recognition, measurement and disclosure that is in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22.
6. We have disclosed to you, and the Authority has complied with, all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.
7. From 21 March 2022 through the date of this letter we have disclosed to you, to the extent that we are aware, any (1) unauthorized access to our information technology systems that either occurred or to the best of our knowledge is reasonably likely to have occurred based on our investigation, including of reports submitted to us by third parties (including regulatory agencies, law enforcement agencies and security consultants) , to the extent that such unauthorized access to our information technology systems is reasonably likely to have a material impact to the financial statements, in each case or in the aggregate, and (2) ransomware attacks when we paid or are contemplating paying a ransom, regardless of the amount.

D. Liabilities and Contingencies

1. All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the financial statements.
2. We have informed you of all outstanding and possible litigation and claims, whether or not they have been discussed with legal counsel.
3. We have recorded and/or disclosed, as appropriate, all liabilities related to litigation and claims, both actual and contingent.

E. Going Concern

1. The Statement of Accounting Policies to the financial statements discloses all the matters of which we are aware that are relevant to the Authority's ability to continue as a going concern, including significant conditions and events, our plans for future action, and the feasibility of those plans.

F. Subsequent Events

1. There have been no events , including events related to the COVID-19 pandemic, and including events related to the conflict and related sanctions in Ukraine, Russia and/or Belarus, subsequent to period end which require adjustment of or disclosure in the financial statements or notes thereto.

Management representation letter

Management Rep Letter

G. Other information

1. We acknowledge our responsibility for the preparation of the other information. The other information comprises of the narrative statement.
2. We confirm that the content contained within the other information is consistent with the financial statements.

H. Comparative information

In connection with your audit of the comparative financial statements for the year ended 31 March 2021 we represent, to the best of our knowledge and belief, the following:

During the audit it was identified n error in how the historic revaluation reserve values and the current revaluation reserve values were being calculated within the fixed asset register. This has resulted in several presentational errors within the financial statements, however does not impact the closing balances for the Movement in Reserves Statement (MIRS), Comprehensive Income and Expenditure Statement (CIES), Balance Sheet and Note 11 Non-Current Assets for 2021/22.

In addition, it was note 11 it was identified that the disclosure of both the cost and the accumulated depreciation was overstated in both the current year and the prior year. Under the CIPFA Code all accumulated depreciation should be written out on revaluation. The adjustment to the accounts results in a prior period adjustment and an adjustment to the current year draft accounts to reset the accumulated depreciation balance. There is no impact on the net book value of the property, plant and equipment for 20/21.

The comparative amounts have been correctly restated to reflect the above matter(s) and appropriate note disclosure of this (these) restatement(s) has (have) also been included in the current year's financial statements.

I. Ownership of Assets

1. Except for assets capitalised under finance leases, the Authority] has satisfactory title to all assets appearing in the balance sheet(s), and there are no liens or encumbrances on the Authority's assets, nor has any asset been pledged as collateral. All assets to which the Authority has satisfactory title appear in the balance sheet(s).
2. All agreements and options to buy back assets previously sold have been properly recorded and adequately disclosed in the financial statements.
3. There are no formal or informal compensating balance arrangements with any of our cash and investment accounts.

J. Reserves

1. We have properly recorded or disclosed in the financial statements the useable and unusable reserves

K. Contingent Liabilities

1. We are unaware of any violations or possible violations of laws or regulations the effects of which should be considered for disclosure in the financial statements or as the basis of recording a contingent loss (other than those disclosed or accrued in the financial statements).
2. We are unaware of any known or probable instances of non-compliance with the requirements of regulatory or governmental authorities, including their financial reporting requirements, and there have been no communications from regulatory agencies or government representatives concerning investigations or allegations of non-compliance, except for those matters of routine, normal, recurring nature none of which involves any allegations of noncompliance with laws or regulations that should be considered for disclosure in the financial statements or as a basis for recording a loss contingency.

Management representation letter

Management Rep Letter

L. Use of the Work of a Specialist

We agree with the findings of the specialists that we engaged to evaluate the valuation of *property, plant and equipment and the IAS19 actuarial valuations of pension liabilities* and have adequately considered the qualifications of the specialists in determining the amounts and disclosures included in the financial statements and the underlying accounting records. We did not give or cause any instructions to be given to the specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an effect on the independence or objectivity of the specialists.

M. Estimates

PPE Valuations and Pension Liability Valuation

1. We confirm that the significant judgments made in making the valuation of the pension liability and the valuation of property plant and equipment have taken into account all relevant information and the effects of the COVID-19 pandemic of which we are aware.
2. We believe that the selection or application of the methods, assumptions and data used by us have been consistently and appropriately applied or used in making the valuation of the pension liability and the valuation of property plant .
3. We confirm that the significant assumptions used in making the valuation of the pension liability and the valuation of property plant appropriately reflect our intent and ability to carry out *valuations* on behalf of the entity.
4. We confirm that the disclosures made in the financial statements with respect to the accounting estimate(s), including those describing estimation uncertainty and the effects of the COVID-19 pandemic, are complete and are reasonable in the context of CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 .
5. We confirm that appropriate specialized skills or expertise has been applied in making the valuation of the pension liability and the valuation of property plant and equipment .

6. We confirm that no adjustments are required to the accounting estimate(s) and disclosures in the financial statements , including due to the COVID-19 pandemic.

N. Retirement benefits

1. On the basis of the process established by us and having made appropriate enquiries, we are satisfied that the actuarial assumptions underlying the scheme liabilities are consistent with our knowledge of the business. All significant retirement benefits and all settlements and curtailments have been identified and properly accounted for.

Yours faithfully,

_____ Mark Hemming

Director of Finance and Chief Financial Officer

_____ Cllr David Carroll

Chairman of the Overview and Audit Committee

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ED None

This material has been prepared for general informational purposes only and is not intended to be relied upon as accounting, tax, or other professional advice. Please refer to your advisors for specific advice.

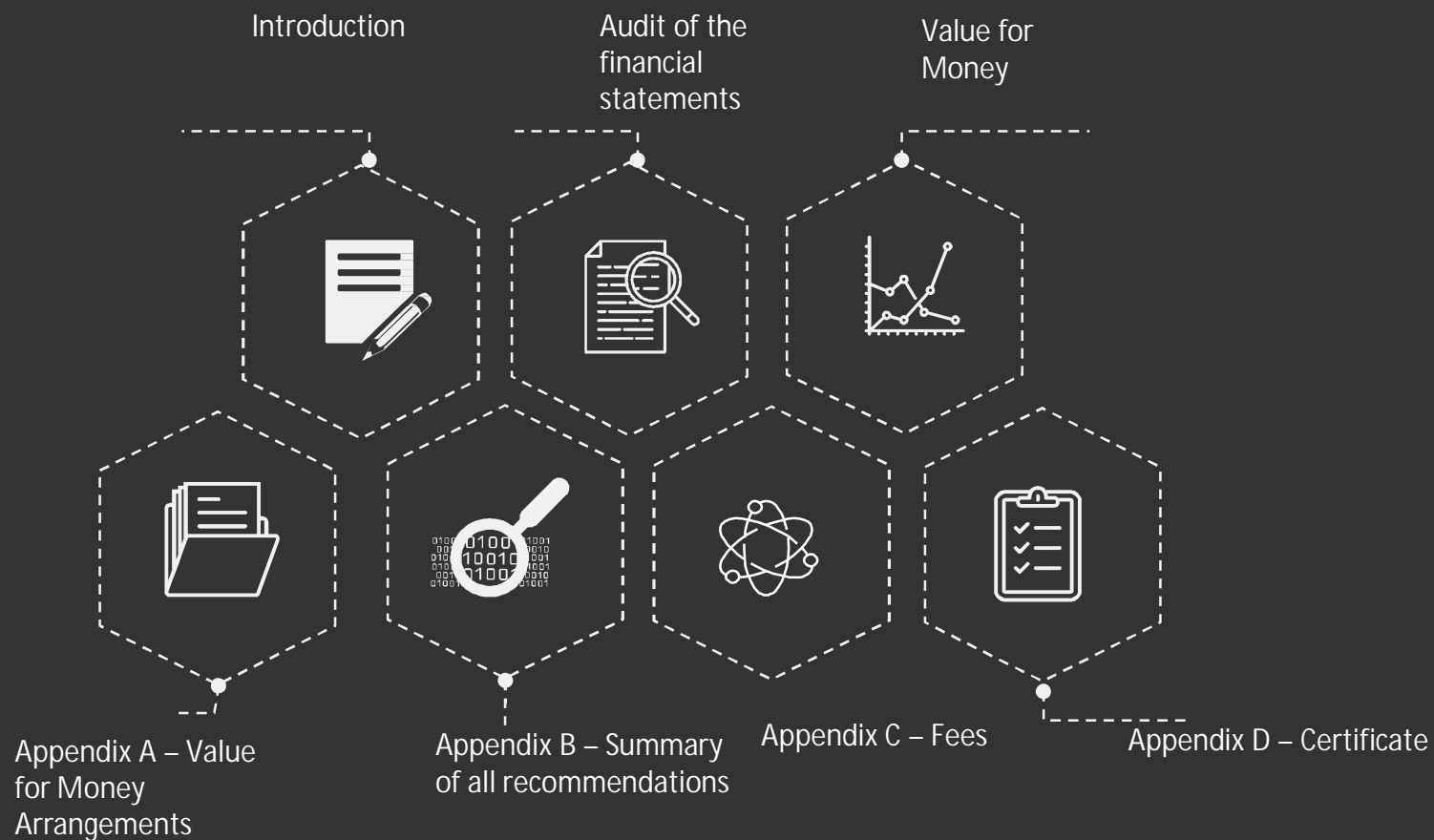
ey.com

A photograph of a modern, glass-walled interior space, likely a lobby or atrium. The floor is highly reflective, showing the ceiling lights and the surrounding environment. The ceiling has recessed lighting. The glass walls are framed with dark metal. The overall atmosphere is clean, bright, and professional.

Buckinghamshire and
Milton Keynes Fire
Authority
Draft Auditor's Annual
Report

Year ended 31 March 2022

Contents



Public Sector Audit Appointments Ltd (PSAA) issued the “Statement of responsibilities of auditors and audited bodies”. It is available from the PSAA website (<https://www.psa.co.uk/audit-quality/statement-of-responsibilities/>). The Statement of responsibilities serves as the formal terms of engagement between appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas.

The “Terms of Appointment and further guidance (updated July 2021)” issued by the PSAA sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice (the Code) and in legislation, and covers matters of practice and procedure which are of a recurring nature.

This report is made solely to the Overview and Audit Committee and management Buckinghamshire and Milton Keynes Fire Authority in accordance with the statement of responsibilities. Our work has been undertaken so that we might state to Overview and Audit Committee and management of Buckinghamshire and Milton Keynes Fire Authority those matters we are required to state to them in this report and for no other purpose. To the fullest extent permitted by law we do not accept or assume responsibility to anyone other than Overview and Audit Committee and management of Buckinghamshire and Milton Keynes Fire Authority for this report or for the opinions we have formed. It should not be provided to any third-party without our prior written consent.



Introduction

Purpose

The purpose of the auditor's annual report is to bring together all of the auditor's work over the course of the audit. A core element of the report is the commentary on value for money (VFM) arrangements, which aims to draw to the attention of the Fire Authority, or the wider public, relevant issues, recommendations arising from the audit and follow-up of recommendations issued previously, along with the auditor's view as to whether they have been implemented satisfactorily.

Responsibilities of the appointed auditor

We have undertaken our 2021/22 audit work in accordance with the Audit Plan that we issued in July 2022. We have complied with the National Audit Office's (NAO) 2020 Code of Audit Practice, other guidance issued by the NAO and International Standards on Auditing (UK).

As auditors we are responsible for:

Expressing an opinion on:

- The 2021/22 financial statements;
- Conclusions relating to going concern; and
- The consistency of other information published with the financial statements, including the narrative statement.

Reporting by exception:

- If the governance statement does not comply with relevant guidance or is not consistent with our understanding of the Fire Authority;
- If we identify a significant weakness in the Fire Authority's arrangements in place to secure economy, efficiency and effectiveness in its use of resources; and
- Any significant matters that are in the public interest.

Responsibilities of the Fire Authority

The Fire Authority is responsible for preparing and publishing its financial statements, narrative statement and annual governance statement. It is also responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.



Introduction (continued)

2012/22 Conclusions

Financial statements	Unqualified – the financial statements give a true and fair view of the financial position of the Fire Authority as at 31 March 2022 and of its expenditure and income for the year then ended. We intend to issue our auditor's report on 8 November 2023.
Going concern	We have concluded that the Director of Finance and Asset's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.
Consistency of the other information published with the financial statement	Financial information in the narrative statement and published with the financial statements was consistent with the audited accounts.
Value for money (VFM)	We had no matters to report by exception on the Fire Authority's VFM arrangements. We have included our VFM commentary in Section 03.
Consistency of the annual governance statement	We were satisfied that the annual governance statement was consistent with our understanding of the Fire Authority .
Public interest report and other auditor powers	We had no reason to use our auditor powers.
Whole of government accounts	We have performed the procedures required by the National Audit Office (NAO) on the Whole of Government Accounts submission. We had no issues to report.
Certificate	We cannot formally conclude the audit and issue an audit certificate until the NAO as group auditor has confirmed that no further assurances will be required from us as component auditors of Buckinghamshire and Milton Keynes Fire Authority. We are satisfied that this work does not have a material effect on the financial statements or our work on value for money arrangements.

Audit of the financial statements

Key findings

The Narrative Statement and Accounts is an important tool for the Fire Authority to show how it has used public money and how it can demonstrate its financial management and financial health.

We intend to issue an unqualified opinion on the financial statements, on 8 November 2023. We will report our detailed findings to the 8 November 2023 Overview and Audit Committee meeting. We outline below the key issues identified as part of our audit, reported against the significant risks and other areas of audit focus we included in our Audit Plan. We reported 3 internal control recommendations in the Audit Results Report related to the prior period adjustments identified in, PPE valuations, Pensions and financial instruments disclosures.

Significant risk

Conclusion

Risk of misstatements due to fraud or error – Management override

We have not identified any material weaknesses in controls or evidence of material management override. We have not identified any instances of inappropriate judgements being applied or management bias. We did not identify any other transactions during our audit which appeared unusual or outside the normal course of business.

Misstatements due to fraud or error - Inappropriate capitalisation of revenue expenditure

Our work did not identify any material weaknesses in the design or operation of controls or evidence of material misstatements, whether due to fraud or error, related to the inappropriate capitalisation of revenue expenditure. Our work did not identify any instances of inappropriate judgements being applied.

Valuation of Blue Light Hub

Through our audit procedures we have concluded that the value of the Blue Light Hub is materially stated in the accounts.

Inherent risk

Conclusion

Valuation of land and buildings

We have not identified any material weaknesses in controls or evidence of material management override. We have not identified any instances of inappropriate judgements being applied or management bias. We did not identify any other transactions during our audit which appeared unusual or outside the normal course of business.

I. Leased Land and Buildings

- We identified one group of assets included in property, plant and equipment which had not been revalued in line with the CIPFA Code. Management subsequently arranged for the assets to be valued and the audit team have engaged with EY Real Estates to support with the asset valuation. We have not completed our testing on this valuation, and conclude that management have appropriately updated the asset valuation in the accounts for this group of assets.

II. Asset Held for Sale Valuation

- We have engaged with EY Real Estates to review the valuation of an asset included in Assets Held for Sale. We have now concluded on the valuation of this asset and have determined that the asset is materially correctly stated under the requirements of IFRS 5.

Audit of the financial statements (continued)

Inherent risk

Conclusion

Valuation of land and buildings

We have not identified any material weaknesses in controls or evidence of material management override. We have not identified any instances of inappropriate judgements being applied or management bias. We did not identify any other transactions during our audit which appeared unusual or outside the normal course of business.

III. Accounting for Valuations

- Our testing of the valuation journals identified issues in the processing of accounting entries for the valuations for the current year and prior years.
 - The revaluation reserve balance did not reconcile to Authority records.
 - Per the Authority's records there were assets with both an revaluation reserve balance and an historic loss balance
 - The revaluation loss entries for the Blue Light Hub has incorrectly been charged to the revaluation reserve in the prior year.
 - Management have restated the balances for the revaluation reserve and capital adjustment account in both current and prior years. As a result of the restatement entries management have updated the workings for the revaluation entries for property, plant and equipment and updated the accounts accordingly (see pages 22 and 24).
 - Through testing of the PPE disclosure in note 11 it was identified that the disclosure of both the cost and the accumulated depreciation was over stated in both the current year and the prior year. Under the CIPFA Code all accumulated depreciation should be written out on revaluation. The adjustment to the accounts results in a prior period adjustment and an adjustment to the current year draft accounts to reset the accumulated depreciation balance. There is no impact on the net book value of the property, plant and equipment.

IV. Valuation Sample testing

- We selected a sample of assets and verified the valuation inputs to supporting information. In relation to the buildings no material issues were identified. In respect of land valuation sample the Authority's external valuer were unable to support the inputs used to determined the land valuations for the sample selected, this was due to a key member of staff leaving; as a result the external valuers re-valued the entire portfolio of land. Due to the change in valuation methodology, the audit team request our internal valuation team to review a sample of the revised valuations. The outcome of the review was that out of the six samples sent to EYRE for review two were deemed out of range, these were discussed with management and are to be reported as judgmental audit differences in section 4 of this report. As a result of the identified judgemental differences, the difference rate has been extrapolated across the remaining untested population, this has resulted in an uncorrected projected difference, this is reported in section 4 of the report.

Pension liability valuation & actuarial assumptions

Through our testing we identified one material IAS 19 reclassification entry impacting the prior year and current year. Management have adjusted for this entry and the entries can be seen on page 22 and 24 of this report.

Management have also updated the accounts for the impact of LGPS Triennial Valuation this can be seen on page 22 of this report.

No other material issues were identified as apart of our work on the Pension Liability.



Audit of the financial statements (continued)

Other Findings

Conclusion

Control Recommendations

We have not identified any significant deficiencies in the design or operation of an internal control that might result in a material misstatement in your financial statements of which you are not aware, except for the following

- Revaluation reserve was not reconciled to the amounts disclosed in the financial statements.
- The criteria for classifications of financial instruments under the CIPFA Code was not applied to disclosure for financial instruments.
- The required presentation of revaluations in the property, plant and equipment disclosure under the CIPFA Code was not applied to disclosure of property plant and equipment.
- The IAS 19 pension liability adjustments were not in line with the CIPFA Code.

We recommend that management should include a reconciliation between the revaluation reserve included in the accounts and the fixed asset register. We recommend that management should ensure that the disclosures included in the accounts are prepared in line with the CIPFA Code. We recommend in future years that management review the code to ensure the presentation of pension adjustments are consistent with the requirements of the Code.

We did not identify any risks of significant weaknesses in the Fire Authority's VFM arrangements for 2021/22.

Our VFM commentary highlights relevant issues for the Fire Authority and the wider public.

We have no matters to report by exception in the audit report.

Scope

We are required to report on whether the Fire Authority has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. We have complied with the guidance issued to auditors in respect of their work on value for money arrangements (VFM) in the 2020 Code of Audit Practice (2020 Code) and Auditor Guidance Note 3 (AGN 03). We presented our VFM risk assessment to the 8 November 2023 Audit Committee meeting which was based on a combination of our cumulative audit knowledge and experience, our review of Fire Authority committee reports, meetings and enquiries with the Director of Finance and Assets and Deputy Director and evaluation of associated documentation through our regular engagement with Fire Authority management and the finance team Reporting.

We completed our risk assessment procedures prior to the 15 March 2023 Overview and Audit Committee meeting and we reported in the draft audit result report that we had not identified any weaknesses in the Fire Authority's VFM arrangements. We have also not identified any new significant risks during the course of our audit. As a result, we had no matters to report by exception in the audit report on the financial statements. We include within the VFM commentary below the associated recommendation(s) we have agreed with the Fire Authority.

Our commentary for 2021/22 is set out over pages 9 to 11. The commentary on these pages summarises our conclusions over the arrangements at the Fire Authority in relation to our reporting criteria (see below) throughout 2021/22. Appendix A includes the detailed arrangements and processes underpinning the reporting criteria. These were reported in our 2020/21 Annual Auditors Report and have been updated for 2021/22.

In accordance with the NAO's 2020 Code, we are required to report a commentary against three specified reporting criteria:

Reporting criteria	Risks of significant weaknesses in arrangements identified?	Actual significant weaknesses in arrangements identified?
Financial sustainability: How the Fire Authority plans and manages its resources to ensure it can continue to deliver its services	No significant risks identified	No significant weaknesses identified
Governance: How the Fire Authority ensures that it makes informed decisions and properly manages its risks	No significant risks identified	No significant weaknesses identified
Improving economy, efficiency and effectiveness: How the Fire Authority uses information about its costs and performance to improve the way it manages and delivers its services	No significant risks identified	No significant weaknesses identified



Value for Money (continued)

Financial Sustainability: How the Fire Authority plans and manages its resources to ensure it can continue to deliver its services

The Fire Authority annually produces the medium term financial plan (MTFP), the MTFP covers a rolling four year plan. The plan is a link between the Authority's long term service objective and its financial capacity. We have confirmed that the Authority has review processes in place and the development of the MTFP is an iterative process, involving budgets being presented to Senior Officers and Lead Members prior to it being presented to the Fire Authority for approval.

The Authority implements a zero-based budgeting approach which has allowed them the Authority to identified substantial savings in the budget and allow for realignment of budgets to where there is most need. The Authority is able to make sure of its usable reserves should there be a requirement to do so.

We have confirmed through enquiry that the authority has an effective risk management framework in place to identify and mitigate the risk of the body not delivering its strategic and service objectives. The body carries out scenario planning to ensure that it's prepared for the possible outcome and any potential actions that may need to be take. The risk register is reviewed at each Overview and Audit Committee meeting to ensure that the risk are updated in a timely manner and to ensure that the impact and likelihood of each risk has been suitably assessed.

Conclusion: Based on the work performed, the Fire Authority had proper arrangements in place in 2021/22 to enable it to plan and manage its resources to ensure that it can continue to deliver its services.



Value for Money (continued)

Governance: How the Fire Authority ensures that it makes informed decisions and properly manages its risks

The Fire Authority has processes in place to gain assurance over the operation of internal controls, the Overview and Audit committee receives updates from Internal Audit at each committee meeting detailing the outcome of audits that have been undertaken during the year. In addition, senior officers meet on a regular basis and provide quarterly performance updates to the Joint Committee.

The Authority has a defined process in place for setting the annual budget, this is a interactive process whereby the draft budgets are presented to Senior Officers and Lead Members twice before being presented at the Fire Authority meeting for approval. Budget are monitored on a quarterly basis via presentation of the monitoring reports at the Executive Committee. This enables decisions to be made based on up to date information .

In addition to budget monitoring the Authority prepares a corporate risk register which is presented at each Overview and Audit Committee, this enables those charged with governance to have sight of the risk affecting the Authority and to be able to challenge the mitigating factors that are in place.

The Authority has staff in place to monitor the meeting of legislative and regulatory requirements, as well as a Code of Conduct Policy which is shared with all staff.

Conclusion: Based on the work performed, the Fire Authority had proper arrangements in place in 2021/22 to enable it to make informed decisions and properly manage its risks.

Improving economy, efficiency and effectiveness: How the Fire Authority uses information about its costs and performance to improve the way it manages and delivers its services

Since the HMICFRS Inspection in 20/21, the Authority has implemented a Zero based budget approach, which has continued from 20/21 into 21/22, the update also included a new Public Safety Plan, a revised medium term financial plan and new financial strategy. As a result of these measures the Authority have increased there whole time firefighter by up to 20, increase Protection team by 4 and Prevention team by 2. Following on from the inspection findings, the Authority also produced an action plan to address the points of concern raised by the HMICFRS Inspection . In January 2022, the Authority received a letter detailing the assessment of progress against the action plan from HMICFR. The letter stated that the Authority had submitted the action plan before the deadline of 30 September 2021 and submitted updates on the 19th November 2021. The letter concluded hat the Authority has shown a strong commitment to carry out the cation plan and that appropriate governance structures have been put in place to monitor the completion of the plan. This demonstrates how the Authority has taken on board the findings of the report and has built the action plan into improving the way the Authority manages and delivers it's services.

The Authority has updated it's standing orders relating to contracts document in June 2022, this was presented at the audit committee. This demonstrates that the body is regularly refreshing the procedures in place to ensure that the procurement policy is line with relevant legislation, professional standards and internal policies.

Conclusion: Based on the work performed, the Fire Authority had proper arrangements in place in 2021/22 to enable it to use information about its costs and performance to improve the way it manages and delivers services.

Appendices



Building a better
working world

Appendix A – Summary of arrangements

Financial Sustainability

Reporting Sub-Criteria

Findings

How the body ensures that it identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them

The Authority reviews its budgetary position annually and produces a rolling four-year plan, known as the Medium-Term Financial Strategy (MTFP). The MTFP is closely linked to the Financial Strategy which is the link between the organisation's long-term service objectives and its financial capacity. The MTFP details the resources available to facilitate these plans. As part of the Fire Authority's Terms of Reference and MTFP, the Authority reviews and sets a balanced budget each year in line with corporate priorities. The MTFP is expressed as a detailed annual budget for the first year, with outline indicative budgets for the following four years. The budget for 2021/22 was approved by the Executive Committee in February 2021 and the council tax requirement (which is the net budget met by council tax) for 2021/22 was set at £21m.

As part of the financial strategy, the Authority carries out scenario planning to consider all possible outcomes from the financial settlements. Annual budget setting will identify significant pressures that have come to light which will be reflected in the budget that is being presented to Members for approval.

The budget is prepared and approved annually, ahead of the financial year. The draft budget should include allocation to different services and projects, proposed taxation levels and contingency funds. The budget will be approved by the Executive Committee on advice of the Director of Finance and Assets of the Combined Fire Authority.

We note that the Authority has a good record of delivering against its financial strategies and budgets. The success of the strategies indicates that the Authority are focused on identifying any potential risks and implementing a strategy to work against these risks for them not to be a financial burden in the future. The Authority is considered to have adequate General Fund and Earmarked Reserves. The Director of Finance and Assets confirmed the adequacy of reserves in his Section 25 report issued in February 2022.

How the body plans to bridge its funding gaps and identifies achievable savings

Over the past few years, the Authority have implemented a zero-based budgeting approach which allowed the body to identify substantial savings in order to realign its budgets to where there is the most need. The Authority has the option to borrow to fund the capital programme to reduce the burden on the revenue budget and the general fund. Currently, all the capital financing requirement is met through capital receipts or voluntary contributions from revenue. Current projections presented to Members in February 2022 (over the MTFP) show that we the Authority can produce a balanced budget without the need to borrow additional sum.

As part of the MTFP process the Finance team will review 3 year spend analysis on all cost centres and cost elements. This process will highlight any potential savings. With any identified potential savings, the finance team would firstly see if these need realigning to fund another resource before they can be offered up as a potential saving. These challenges are done with the budget holder before 2 sets of officer and member challenges. All savings a factored into the budgets for future years and variances reported as part of the normal budget monitoring process. The authority has noted that services are delivering savings against the target but there have been additional pressures due to utilities costs.

How the body plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities

The budget is set according to the Authority's Corporate and Public Safety plans. Any requests for additional funding need to justify how the Authority's meet our strategic and statutory priorities to be considered for approval. A key component of the Authority's forward planning as part of the annual refresh of the MTFP is the forward projection of Usable Reserves. As at 31 March 2022 the Fire Authority held the following Usable Reserves: General Fund Balances of £1.5m (as determined by the S151) and Earmarked Reserves of £5.8m. The Authority's MTFP agreed at Executive in February 2022 estimated that during the next 4-year cycle that the use of earmarked reserves would not be required to set a balanced budget across the MTFP (2022/23 to 2026/27).

Appendix A – Summary of arrangements

Financial Sustainability

Reporting Sub-Criteria

How the body ensures that its financial plan is consistent with other plans such as workforce, capital, investment, and other operational planning which may include working with other local public bodies as part of a wider system

Findings

All these plans feed into the financial plan and are interlinked. For example, workforce planning has an agreed establishment and any changes to this need to be highlighted as part of budget setting and relevant growth bids need to be submitted. Similarly, the same process is followed with capital and other investment.'

The capital budget is presented annually, alongside the revenue budget, this ensures consistency of plans with regards to capital projects and any investment strategies.

The budget monitoring report which goes to the Executive Committee on a quarterly basis, explains the figures bringing in workforce numbers, funding the Authority is expected to receive and the capital programme and funding, with explanations of changes.

TVCR is a Joint control room between Royal Berkshire, Oxfordshire and Bucks. Royal Berkshire cover all costs and then recharge costs quarterly to Bucks and Oxfordshire. The control room is a key asset in mobilising operational appliances to incidents. Any changes to the TVCR budget are approved at the Joint Committee and factored into the MTFP process. The arrangement has, and continues to deliver, significant savings to all parties compared to running three separate control rooms.

How the body identifies and manages risks to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions underlying its plans

Throughout the preparation of the budget and MTFP, risks are taken into consideration in order to see how they impact certain areas and what the financial implications of these risks might be. Reserves are used not only to help implement the MTFP but also to provide mitigation against financial risks and wider flexibility in dealing with unplanned changes.

The Authority also carries out scenario planning and report this in its financial strategy to ensure it has considered all possible outcomes and identify how it will mitigate the impact they have on the service.

The Authority has an effective risk management framework in place to identify, mitigate and monitor the risks to the body in delivering strategic and service objectives. This includes both financial and non-financial risks. The risk register is reviewed throughout the year by the Overview and Audit Committee.

Appendix A – Summary of arrangements (continued)

Governance

Reporting Sub-Criteria

Findings

How the body monitors and assesses risk and how the body gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud

The Overview and Audit Committee receives quarterly updates from Internal Audit on the audits they have carried out annually. One example is the core financial controls audit which reviews how effective the controls are in relation to the Authority's financial processes.' IA will present all outstanding recommendations at Overview and Audit Committee for noting. Members will there have the opportunity to challenge why they are still outstanding. High-level progress is reported quarterly to the Executive Committee as part of the newly introduced KPIs.

Senior Officers meet on a regular basis and provide quarterly performance report to the Joint Committee. This report captures financial and non-financial information and highlights any future action that would be necessary.

How the body approaches and carries out its annual budget setting process

The annual budget is approved by the Fire Authority following an iterative process. The process involves budgets being presented to Senior Officers and Lead Members on two occasions prior to it being presented to the Fire Authority to approve. This involves Members approving/rejecting any growth/savings bids prior to the full budget being presented to the Fire Authority and Executive Committee.'

How the body ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information (including non-financial information where appropriate); supports its statutory financial reporting requirements; and ensures corrective action is taken where needed

The Executive Committee are presented with a budget monitoring report on a quarterly basis which provides a forecast of annual spend and highlights any corrective action that may be needed. Furthermore, the Overview and Audit (O&A) are presented with the Annual Statement of Accounts and an Annual Performance Report (non-financial). All high-level risks are also highlighted in our Corporate Risk Register and monitored quarterly by the O&A Committee. Other reports presented but not limited to are Annual Governance Statement, Statement of Assurance etc.'

The minute review confirms the Executive Committee's quarterly monitoring of the budgets. We attend the overview and audit committee meetings and see them review the annual accounts, annual performance report and corporate risk register.

How the body ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency. This includes arrangements for effective challenge from those charged with governance/audit committee

As above, the relevant Financial/Performance reports as well as Internal/External Audit reports are presented to the Executive/O&A Committee which allows them to challenge the information they are provided with.'

Attending the overview and audit committees we see the officers report to TCWG, ensuring they are properly informed and TCWG challenge officers where appropriate.

How the body monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of officer or member behaviour (such as gifts and hospitality or declarations/conflicts of interests)

The Authority has appointed a Monitoring Officer and a Data Protection Officer. The Monitoring Officer has discretion to commission an investigation and/or refer matters to the relevant authorities to investigate. In terms of gifts/hospitality, this is covered within our Code of Conduct and individuals are required to complete a "Declaration of hospitality or gifts" form.

This confirms what we have found out as part of our entity controls form investigations and related party transactions work.

Appendix A – Summary of arrangements (continued)

Improving economy, efficiency and effectiveness

Reporting Sub-Criteria	Findings
How financial and performance information has been used to assess performance to identify areas for improvement	<p>Following the first HMICFRS Inspection, BMKFA adopted a zero-based budget approach when developing the budget proposal for 2020/21, this has continued into 21/22. This approach was taken alongside a new Public Safety Plan, revised medium term financial plan and a new financial strategy. This resulted in increasing their wholtime firefighter establishment by up to 20 firefighters in 2020/21, increase Protection team by 4 and Prevention team by 2. In addition to this the Authority produce monthly monitoring reports that are reported to Heads of Service and a quarterly report submitted to the Executive Committee.</p> <p>The key assumptions are benchmarked against other fire services as part of an annual survey, assumptions used within Government policy statements and settlement figures (including OBR inflationary forecasts), latest information on pay offers, and latest available figures and forecasts from the billing authorities in relation to council tax and business rates.</p>
How the body evaluates the services it provides to assess performance and identify areas for improvement	<p>The HMICFRS inspection findings are used to assess their performance and an action plan is put in place to identify how they will respond to the recommendations. Similarly, the same approach is taken with any Internal audits that take place. Furthermore, they are working with Proving Services and utilising the VFM toolkit they have produced that will allow them to benchmark their performance with other FRS. This is unique to the Fire sector which will allow them to use comparative benchmarks to better understand and improve their performance in various areas.</p>
How the body ensures it delivers its role within significant partnerships, engages with stakeholders it has identified, monitors performance against expectations, and ensures action is taken where necessary to improve	<p>The Authority regularly has meetings with significant partnerships to ensure they deliver the service to expected standards. An example of this is the Thames Valley Control which is a joint control room between three FRS. Senior Officers meet on a regular basis and provide quarterly performance report to the Joint Committee. This report captures financial and non-financial information and highlights any future action that would be necessary. They would follow this same approach with any significant partnerships to ensure they engage with relevant stakeholders and performance is monitored regularly.</p>
How the body ensures that commissioning and procuring services is done in accordance with relevant legislation, professional standards and internal policies, and how the body assesses whether it is realising the expected benefits	<p>All procurements are subject to Standing Orders Relating to Contracts. The Standing Orders Relating to Contracts is set out on the Authorities website, it was last updated in 2020 and is due to be refreshed in 22/23. Progress on the updated Procurement Strategy and Standing Orders Relating to Contracts documentation is presented at audit committee, setting out the work that has been completed so far. The finance system has controls in place to ensure that no expenditure can take place without proper authorisation, including where relevant, a paper being presented to Senior Managers/Members setting out all of these considerations.</p>

Appendix B – Fees

Fees

We carried out our audit of the Fire Authority's financial statements in line with PSAA Ltd's "Statement of Responsibilities of auditors and audited bodies" and "Terms of Appointment and further guidance (updated July 2021)". The duty to prescribe fees is a statutory function delegated to Public Sector Audit Appointments Ltd (PSAA) by the Secretary of State for Levelling-Up, Housing and Communities.

This is defined as the fee required by auditors to meet statutory responsibilities under the Local Audit and Accountability Act 2014 in accordance with the requirements of the Code of Audit Practice and supporting guidance published by the National Audit Office, the financial reporting requirements set out in the Code of Practice on Local Authority Accounting published by CIPFA/LASAAC, and the professional standards applicable to auditors' work.

We were required to carry out additional audit procedures to address audit risks in relation to a number of areas outlined below.

Description	Proposed Fee 2021/22 £	Planned Scale Fee 2021/22 £	Final Fee 2020/21 £
Audit Scale Fee – Code work	£24,162	£24,162	£24,162
Scale fee variation determined by PSAA	-	N/A	£17,931
Changes in work required to address professional and regulatory requirements and scope associated with risk (see Note 1)	£27,745	£27,745	N/A
Revised Scale Fee	£51,907	£51,907	£42,093
Scale Fee Variation – new VFM arrangements (Note 2)	£5,949	£6,000	N/A
Scale Fee Variation – revised ISA 540 (Note 2)	£2,056	£2,000	N/A
Scale Fee Variation due to one-off issues impacting the 2021/22 audit (see Note 3)	£26,830	N/A	N/A
Total Audit Fee	£86,742	£59,907	£42,093

Appendix B – Fees

Fees

Note 1

As indicated in previous years the baseline scale fee is proposed to increase to reflect the increased risk and complexity facing all public sector bodies, adjusted for our knowledge and risk assessment for this Authority as well as the changes and incremental increase in regulatory standards.

Note 2

The new VFM arrangements and revised ISA 540 (estimates) result in a scale fee variation (applicable from 20/21 onwards). PSAA have published guidance on these matters and advise for minimum additional fees, for a fire authority. We have kept these proposed fees at the lower end of the ranges indicated in the guidance.

Note 3

We have quantified the additional work we undertook in the completion of the 2021/22 audit, that related to in year issues as follows:

- Additional work required as a result of the triennial valuation being available prior to the end of the audit - £1,900
- Engaging our internal pensions specialists with respect to our work over the valuation of the pension fund liability - £2,255
- Additional work required in relation to the valuation of Great Holm Fire Station, the Blue Light Hub and the revised land values - £6,306
- Engaging our internal asset valuation specialists with respect to our work over asset valuations - £2,935
- Work in relation to the multiple prior year adjustments within PPE, Reserves, Financial Instruments and Pensions - £12,224
- Technical accounting issues identified regarding the valuation of a finance lease - £1,210

We discuss with the Chief Financial Officer our assessment of the audit fees required to safeguard audit quality and our professional standards. We intend to report to PSAA at this stage our assessment of the changes required to the fee to include the impacts set out in Note 1 to 3. In doing so, we will notify PSAA whether the Authority agree, partially agree or do not agree with our assessment. PSAA are ultimately responsible for determining the scale fee and any variations.

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ED None

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Buckinghamshire & Milton Keynes Fire Authority

Meeting and date: Overview and Audit Committee, 8 November 2023

Report title: Letter of Management Representation 2021/22

Lead Member: Councillor Matthew Walsh

Report sponsor: Mark Hemming, Director of Finance & Assets

Author and contact: Marcus Hussey mhussey@bucksfire.gov.uk

Action: Decision.

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

Executive summary:

The Authority is required to consider and sign the letter of representation to Ernst & Young in order for the audit opinion and conclusion to be issued.

Financial implications:

No direct impact.

Risk management:

No direct impact.

Legal implications:

The audit of the financial statements is a statutory requirement.

Privacy and security implications:

No direct impact.

Duty to collaborate:

No direct impact.

Health and safety implications:

No direct impact.

Environmental implications:

No direct impact.

Equality, diversity, and inclusion implications:

No direct impact.

Consultation and communication:

No direct impact.

Background papers:

None

Appendix	Title	Protective Marking
1	Letter of Management Representation 2021/22	



Andrew Brittain
Ernst & Young LLP
R+ Building
2 Blagrove Street
Reading
Berkshire
RG1 1AZ

Our ref: Letter of Representation 2021/22
Enquiries to: Mark Hemming
Direct line: 01296 744687
Date: 08 November 2023
Email: mhemming@bucksfire.gov.uk

Dear Andrew,

Buckinghamshire & Milton Keynes Fire and Rescue Authority - Audit for the year ended 31 March 2022

This letter of representations is provided in connection with your audits of the financial statements of Buckinghamshire and Milton Keynes Fire Authority ("the Authority") for the years ended 31 March 2021 and 31 March 2022. We recognise that obtaining representations from us concerning the information contained in this letter is a significant procedure in enabling you to form an opinion as to whether the financial statements present fairly, in all material respects (or 'give a true and fair view of') the financial position of Buckinghamshire and Milton Keynes Fire Authority as of 31 March 2021 and 31 March 2022 and of its income and expenditure and its cash flows for each of the two years in the period ended 31 March 2022 in accordance with CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22.

We understand that the purpose of your audit of our financial statements is to express an opinion thereon and that your audit was conducted in accordance with International Standards on Auditing (UK), which involves an examination of the accounting system, internal control and related data to the extent you considered necessary in the circumstances, and is not designed to identify - nor necessarily be expected to disclose - all fraud, shortages, errors and other irregularities, should any exist.

Accordingly, we make the following representations, which are true to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

A. Financial Statements and Financial Records

1. We have fulfilled our responsibilities, under the relevant statutory authorities, for the preparation of the financial statements in accordance with, the Accounts and Audit Regulations 2015 and CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22.
2. We acknowledge, as members of management of the Authority, our responsibility for the fair presentation of the financial statements. We believe the financial statements referred to above give a true and fair view of the financial position, financial performance (or results of operations) and cash flows of the Authority in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22, and are free of material misstatements, including omissions. We have approved the financial statements.
3. The significant accounting policies adopted in the preparation of the financial statements are appropriately described in the financial statements.



-
4. As members of management of the Authority, we believe that the Authority has a system of internal controls adequate to enable the preparation of accurate financial statements in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22, that are free from material misstatement, whether due to fraud or error. We have disclosed to you any significant changes in our processes, controls, policies and procedures that we have made to address the effects of the COVID-19 pandemic on our system of internal controls.
 5. We believe that the effects of any unadjusted audit differences, summarised in the accompanying schedule, accumulated by you during the current audit and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. We have not corrected these differences identified by and brought to the attention from the auditor because this was judgmental difference and matter of professional opinion between the property valuers and auditors on two sites land valuation, which overall the differences identified equate to a value that is immaterial to the accounts.

We confirm the Authority does not have securities (debt or equity) listed on a recognized exchange.

B. Non-compliance with law and regulations, including fraud

1. We acknowledge that we are responsible to determine that the Authority's activities are conducted in accordance with laws and regulations and that we are responsible to identify and address any non-compliance with applicable laws and regulations, including fraud.
2. We acknowledge that we are responsible for the design, implementation and maintenance of internal controls to prevent and detect fraud.
3. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
4. Save from that notified to the auditors in July 2022 that some staff appear not to have been in receipt of correct remuneration for annual leave, dating back over previous financial years (some cases based on contractual entitlement; others based on the interpretation of statutory entitlement), we have no knowledge of any identified or suspected non-compliance with laws or regulations, including fraud that may have affected the Authority (regardless of the source or form and including without limitation, any allegations by "whistleblowers"), including non-compliance matters:
 - involving financial improprieties;
 - related to laws and regulations that have a direct effect on the determination of material amounts and disclosures in the Authority's financial statements;
 - related to laws and regulations that have an indirect effect on amounts and disclosures in the financial statements, but compliance with which may be fundamental to the operations of the Authority's activities, its ability to continue to operate, or to avoid material penalties;
 - involving management, or employees who have significant roles in internal controls, or others; or



-
- in relation to any allegations of fraud, suspected fraud or other noncompliance with laws and regulations communicated by employees, former employees, analysts, regulators or others.

C. Information Provided and Completeness of Information and Transactions

1. We have provided you with:

- access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
 - additional information that you have requested from us for the purpose of the audit; and
 - unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
2. All material transactions have been recorded in the accounting records and all material transactions, events and conditions are reflected in the financial statements , including those related to the COVID-19 pandemic
3. We have made available to you all minutes of the meetings of the Authority, the Executive Committee and the Overview and Audit Committee held through the year to the most recent meeting on the following date: 15 March 2023.
4. We confirm the completeness of information provided regarding the identification of related parties. We have disclosed to you the identity of the Authority's related parties and all related party relationships and transactions of which we are aware, including sales, purchases, loans, transfers of assets, liabilities and services, leasing arrangements, guarantees, non-monetary transactions and transactions for no consideration for the period ended, as well as related balances due to or from such parties at the 31 March 2022 end. These transactions have been appropriately accounted for and disclosed in the financial statements.
5. We believe that the methods, significant assumptions and the data we used in making accounting estimates and related disclosures are appropriate and consistently applied to achieve recognition, measurement and disclosure that is in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22.
6. We have disclosed to you, and the Authority has complied with, all aspects of contractual agreements that could have a material effect on the financial statements in the event of noncompliance, including all covenants, conditions or other requirements of all outstanding debt.
7. From 21 March 2022 through the date of this letter we have disclosed to you, to the extent that we are aware, any (1) unauthorized access to our information technology systems that either occurred or to the best of our knowledge is reasonably likely to have occurred based on our investigation, including of reports submitted to us by third parties (including regulatory agencies, law enforcement agencies and security consultants) , to the extent that such unauthorized access to our information technology systems is reasonably likely to have a material impact to the financial statements, in each case or in the aggregate, and (2) ransomware attacks when we paid or are contemplating paying a ransom, regardless of



the amount.

D. Liabilities and Contingencies

1. All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the financial statements.
2. We have informed you of all outstanding and possible litigation and claims, whether or not they have been discussed with legal counsel.
3. We have recorded and/or disclosed, as appropriate, all liabilities related to litigation and claims, both actual and contingent.

E. Going Concern

1. The Statement of Accounting Policies in the financial statements discloses all the matters of which we are aware that are relevant to the Authority's ability to continue as a going concern, including significant conditions and events, our plans for future action, and the feasibility of those plans.

F. Subsequent Events

1. There have been no events, including events related to the COVID-19 pandemic, and including events related to the conflict and related sanctions in Ukraine, Russia and/or Belarus, subsequent to period end which require adjustment of or disclosure in the financial statements or notes thereto.

G. Other information

1. We acknowledge our responsibility for the preparation of the other information. The other information comprises the narrative statement.
2. We confirm that the content contained within the other information is consistent with the financial statements.

H. Comparative Information

In connection with your audit of the comparative financial statements for the year ended 31 March 2021 we represent, to the best of our knowledge and belief, the following:

During the audit it was identified an error in how the historic revaluation reserve values and the current revaluation reserve values were being calculated within the fixed asset register. This has resulted in several presentational errors within the financial statements, however does not impact the closing balances for the Movement in Reserves Statement (MIRS), Comprehensive Income and Expenditure Statement (CIES), Balance Sheet and Note 11 Non-Current Assets for 2021/22.

In addition, it was noted in note 11 it was identified that the disclosure of both the cost and the accumulated depreciation was overstated in both the current year and the prior year. Under the CIPFA Code all accumulated depreciation should be written out on revaluation. The adjustment to the accounts results in a prior period adjustment and an adjustment to the current year draft



accounts to reset the accumulated depreciation balance. There is no impact on the net book value of the property, plant and equipment for 20/21.

The comparative amounts have been correctly restated to reflect the above matter(s) and appropriate note disclosure of this (these) restatement(s) has (have) also been included in the current year's financial statements.

I. Ownership of Assets

1. Except for assets capitalised under finance leases, the Authority] has satisfactory title to all assets appearing in the balance sheet(s), and there are no liens or encumbrances on the Authority's assets, nor has any asset been pledged as collateral. All assets to which the Authority has satisfactory title appear in the balance sheet(s).
2. All agreements and options to buy back assets previously sold have been properly recorded and adequately disclosed in the financial statements.
3. There are no formal or informal compensating balance arrangements with any of our cash and investment accounts.

J. Reserves

1. We have properly recorded or disclosed in the Authority financial statements the useable and unusable reserves.

K. Contingent Liabilities

1. We are unaware of any violations or possible violations of laws or regulations the effects of which should be considered for disclosure in the financial statements or as the basis of recording a contingent loss (other than those disclosed or accrued in the financial statements).
2. We are unaware of any known or probable instances of non-compliance with the requirements of regulatory or governmental authorities, including their financial reporting requirements, and there have been no communications from regulatory agencies or government representatives concerning investigations or allegations of non-compliance, except for those matters of routine, normal, recurring nature none of which involves any allegations of noncompliance with laws or regulations that should be considered for disclosure in the financial statements or as a basis for recording a loss contingency.

L. Use of the Work of a Specialist

We agree with the findings of the specialists that we engaged to evaluate the valuation of property, plant and equipment and the IAS19 actuarial valuations of pension liabilities and have adequately considered the qualifications of the specialists in determining the amounts and disclosures included in the financial statements and the underlying accounting records. We did not give or cause any instructions to be given to the specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an effect on the independence or objectivity of the specialists.



M. Pension Liability and PPE Estimates

1. We confirm that the significant judgments made in making the valuation of the pension liability and the valuation of property plant and equipment have taken into account all relevant information and the effects of the COVID-19 pandemic of which we are aware.
2. We believe that the selection or application of the methods, assumptions and data used by us have been consistently and appropriately applied or used in making the valuation of the pension liability and the valuation of property plant.
3. We confirm that the significant assumptions used in making the valuation of the pension liability and the valuation of property plant appropriately reflect our intent and ability to carry out valuations on behalf of the entity.
4. We confirm that the disclosures made in the financial statements with respect to the accounting estimate(s), including those describing estimation uncertainty and the effects of the COVID-19 pandemic, are complete and are reasonable in the context of CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22.
5. We confirm that appropriate specialized skills or expertise has been applied in making the valuation of the pension liability and the valuation of property plant and equipment
6. We confirm that no adjustments are required to the accounting estimate(s) and disclosures in the financial statements , including due to the COVID-19 pandemic.

N. Retirement benefits

1. On the basis of the process established by us and having made appropriate enquiries, we are satisfied that the actuarial assumptions underlying the scheme liabilities are consistent with our knowledge of the business. All significant retirement benefits and all settlements and curtailments have been identified and properly accounted for.

Yours faithfully,

_____ Mark Hemming
Director of Finance and Chief Financial Officer

_____ Cllr David Carroll
Chairman of the Overview and Audit Committee



Buckinghamshire & Milton Keynes Fire Authority

Meeting and date: Overview and Audit Committee, 8 November 2023

Report title: Adoption of the Audited Statement of Accounts – Year Ended 31 March 2022

Lead Member: Councillor Matthew Walsh

Report sponsor: Mark Hemming, Director of Finance & Assets

Author and contact: Marcus Hussey mhussey@bucksfire.gov.uk

Action: Decision.

Recommendations:

1. That the matters raised by the external auditors be considered.
2. That the Statement of Accounts for the financial year ended 31 March 2022 be approved for signing by the Chairman of the Overview and Audit Committee.

Executive summary:

The Authority must prepare, in accordance with proper practices in relation to accounts, a statement of accounts for each year.

The audit has now been completed and the Fire Authority are asked to consider any issues raised during the audit before approving the accounts for signing.

Financial implications:

No direct impact.

Risk management:

No direct impact.

Legal implications:

The Statement of Accounts must, following consideration, be approved by the Authority or Committee of the Authority.

Privacy and security implications:

No direct impact.

Duty to collaborate:

No direct impact.

Health and safety implications:

No direct impact.

Environmental implications:

No direct impact.

Equality, diversity, and inclusion implications:

No direct impact.

Consultation and communication:

No direct impact.

Background papers:

None

Appendix	Title	Protective Marking
1	Audited Statement of Accounts 2021/22	



**FIRE &
RESCUE**

Audited Annual Financial Statements

for the year ending 31 March 2022



**Buckinghamshire
FIRE & RESCUE SERVICE**
200 save lives

Table of Contents

The Annual Financial Statements contains the Statement of Accounts and additional accompanying statements.

The Statement of Accounts comprises the Statement of Accounting Policies, the Financial Statements (Movement in Reserves Statement, Comprehensive Income and Expenditure Statement, Balance Sheet and Cash Flow Statement) and the Notes to the Core Financial Statements. In addition, the Statement of Accounts also includes the Firefighters' Pension Fund Account and Notes to the Firefighters' Pension Fund Accounts.

The Auditor's Report and the Narrative Statement are outside the scope of the Statement of Accounts and therefore outside the scope of the responsible financial officer(s) true and fair certification.

Introduction.....	3
Narrative Statement	4
Statement of Responsibilities for the Statement of Accounts	15
Independent Auditor's Report to Members of Buckinghamshire and Milton Keynes Fire Authority ...	16
Statement of Accounting Policies	18
Movement in Reserves Statement	35
Comprehensive Income and Expenditure Statement	37
Balance Sheet.....	38
Cash Flow Statement	39
Notes to the Core Financial Statements	40
1 - Service Information – Expenditure and Funding Analysis.....	40
2 - Officers Remuneration	43
3 - Provision for Doubtful Debt	44
4 - Leases and Lease Type Arrangements	44
5 - Capital Financing Requirement.....	45
6 - Members Allowances	45
7 - Audit Fees.....	45
8 - Revenue Grants	45
9 - Related Parties	46
10 - Funding.....	47
11 - Non Current Assets.....	48
12 - Investment Property	50
13 - Movement of Intangible Fixed Assets	51
14 - Short Term Investments	51
15 - Inventories	51
16 - Short Term Debtors.....	51
17 - Cash and Cash Equivalents.....	51
18 - Short Term Borrowing and Creditors.....	52
19 - Provisions.....	52
20 - Long Term Borrowing	53
21 - Grants Received in Advance.....	53
22 - Finance Lease	53
23 - Usable Reserves.....	54
24 - Unusable Reserve.....	56
25 - Donated Assets Account.....	57
26 - Contingent Assets	57
27 - Contingent Liabilities	57
28 - Pension Schemes	58
29 - Financial Instruments	63
30 - Events after the Balance Sheet Date.....	69
31 - Notes to the Cash Flow Statement.....	77
Firefighters' Pension Fund Account.....	80
Notes to the Firefighters' Pension Fund Account	81
Glossary of Term	83

Introduction

Welcome to our Annual Financial Statements

This document sets out the financial activities of Buckinghamshire & Milton Keynes Fire Authority (the Authority) for the year ended 31 March 2022. It shows the financial detail of the services the Authority have provided together with explanatory notes, the resources consumed and the financial position at the end of the year compared with the previous year.

These statements are prepared for the Authority as a single entity. The Authority does not form part of a wider reporting group.

Buckinghamshire & Milton Keynes Fire and Rescue Service is a relatively small fire authority with limited resources both financially and in terms of numbers of personnel, but is constantly seeking to improve its services to the public, its performance and the value for money it delivers to its tax payers.

The economic pressures facing the country are reflected in the financial decisions being made by the Authority. These are explained in further detail in the Narrative Statement. The Authority are proactively working with our partners and the community to reduce the risks facing our communities.

Further details about the Authority's vision and values can be found on our website:

<https://bucksfire.gov.uk/about-us/>

https://bucksfire.gov.uk/documents/2020/03/vision_and_values_policy.pdf/

Cllr David Carroll
Chairman of the Overview and Audit Committee

Mark Hemming FCPFA
Director of Finance and Assets & Chief Finance Officer, Buckinghamshire & Milton Keynes Fire Authority

Narrative Statement

In compiling these accounts the Authority have followed the Chartered Institute of Public Finance and Accountancy's Code of Practice on Local Authority Accounting in the United Kingdom 2021/22: Based on International Financial Reporting Standards (the Code).

The accounts are drawn up in accordance with the accounting policies set out in detail in the Statement of Accounting Policies.

The responsibility for the proper administration of the Authority's financial affairs is vested in the statutory officer (referred to as the Section 112 Officer). This is the Director of Finance and Assets & Chief Finance Officer who is required by law to confirm that the Authority's system of internal controls can be relied upon to produce an accurate Statement of Accounts.

The Statement of Accounts contains four main statements. Each of the four main statements is accompanied by supplementary notes providing additional detail to figures presented. The four main statements are:

- Movement in Reserves Statement - this statement shows the changes in the financial resources over the year. The total usable reserves held as at 31 March 2022 was £7.310m (as at 31 March 2021 was £6.533m);
- Comprehensive Income and Expenditure Statement - this statement shows the gains and losses that contributed towards the changes in resources shown in the Movement in Reserves Statement. The deficit on the provision of services for 2021/22 was £11.546m (2020/21 was a deficit of £16.117m);
- Balance Sheet - this statement shows how the resources available are held in the form of assets and liabilities. The net assets figure is balanced by the Total Reserves figure (see also Movement in Reserves Statement); and
- Cash Flow Statement - this statement shows how the movement in resources has been reflected in cash flows. The starting point for this statement is the net surplus/deficit on the provision of services (see also Comprehensive Income and Expenditure Statement). The net increase in cash and cash equivalents during the year 2021/22 was £0.517m (net Increase of £0.318m in 2020/21). Please refer to Note 17 for details of the movement.

These four statements are supported by notes to the accounts, which provide supplementary information to aid the understanding of these statements.

The Statement of Accounts also contains information regarding the Firefighters' Pension Fund Account.

This Narrative Statement provides information about the Authority, including the key issues affecting the Authority and its accounts. It also provides a summary of the financial position at 31 March 2022 and is structured as below:

- An Introduction to Buckinghamshire and Milton Keynes Fire Authority
- Key Facts about the Authority
- Financial Performance in 2021/22
- Corporate Risks

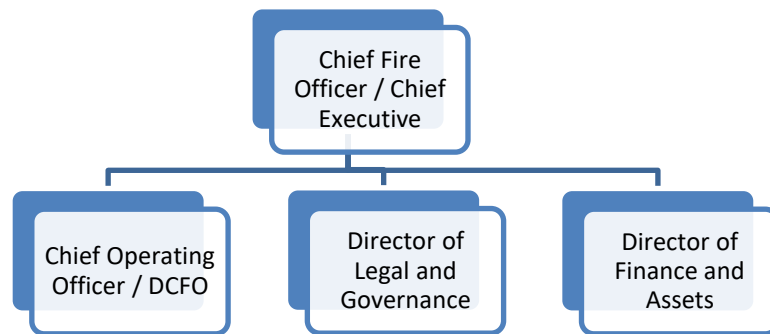
An Introduction to Buckinghamshire and Milton Keynes Fire Authority

Buckinghamshire and Milton Keynes Fire Authority is a local government body with responsibility for providing fire and rescue services for the County of Buckinghamshire and City of Milton Keynes. It oversees, on behalf of the public, the work of Buckinghamshire Fire and Rescue Service which undertakes the physical delivery of fire and rescue related safety and emergency response services. The Fire Authority consists of 17 elected Councillors – twelve nominated by Buckinghamshire Council and five nominated by Milton Keynes Council in proportion to the number of local government electors in their area. The members of the Fire Authority make important decisions affecting the provision of fire and rescue services including:-

- Approving Buckinghamshire Fire & Rescue Service's plans, policies and strategies.
- Agreeing the staff, equipment and other resources needed to deliver an efficient and effective service.
- Setting the annual budget and Council Tax charge.

Our vision is to make Buckinghamshire and Milton Keynes the safest areas in England in which to live, work and travel.

Senior Management Structure



The Senior Management Board is responsible for the delivery of the services, directing improvements and future plans for the Authority. It provides managerial leadership and supports Councillors in:

- Developing strategies;
- Identifying and planning resources;
- Delivering plans; and
- Reviewing the Authority's effectiveness with the overall objective of providing excellent services to the public.

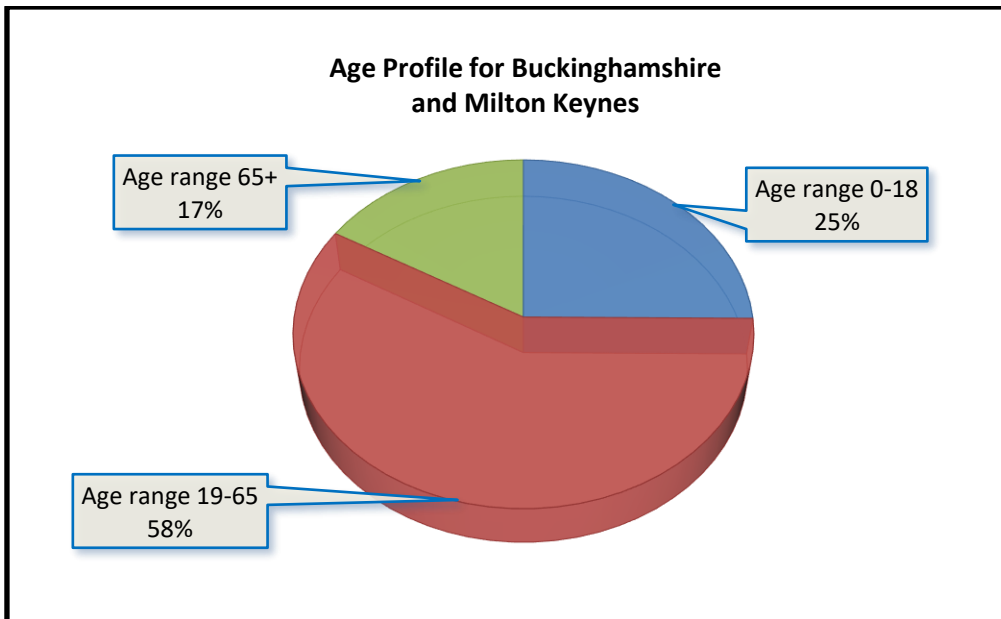
2020-2025 Public Safety Plan

This Public Safety Plan (PSP) sets out Buckinghamshire and Milton Keynes Fire Authority's strategy for the provision of fire and rescue services for the five year period April 2020 to March 2025. The Plan has been developed using integrated risk management planning methods and is designed to conform to the Government's guidance in relation to the preparation of integrated risk management plans. The Public Safety Plan 2020-2025 can be viewed here:

https://bucksfire.gov.uk/documents/2020/03/public_safety_plan_2020_to_2025.pdf/

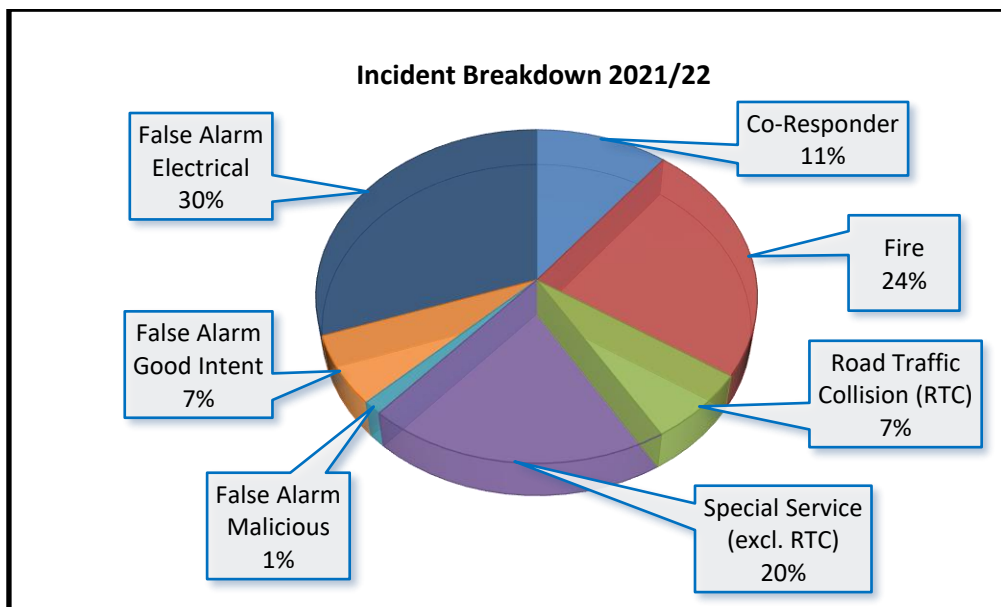
Key Facts about the Authority

The population for Buckinghamshire and Milton Keynes estimated by the Office for National Statistics (Mid-2021) was 840,100. The age profile is presented below:



Incidents by type

False alarm electrical (30% of total incidents) and fire (24%) accounts for a large proportion of incidents recorded followed by special service (20%), co-responder (11%), road traffic collisions (7%), false alarm good intent (7%) and false alarms malicious (1%).



In addition to attending incidents, fire-fighters and prevention staff carried out 1,610 Home Fire Risk Checks and 572 Safe and Well visits. It's the Authority's aim to target those who are most vulnerable and at risk from fire based upon our research and work with partners.

Operational Resourcing

The Authority has 19 stations located across the Buckinghamshire and Milton Keynes area. Each station will contain strategically placed operational assets. These operational assets include fire engines, water rescue (boats), aerial appliances, urban search and rescue (USAR) and a number of specialist assets. There are several duty systems operated within the Authority, with the main three being Whole-time, Day-Crewed and On-call.

Our **Whole-time** stations provide full-time emergency response cover 24/7, every day of the year. These stations also have additional capacity offered by 'on-call' firefighters available on various turn-out time.

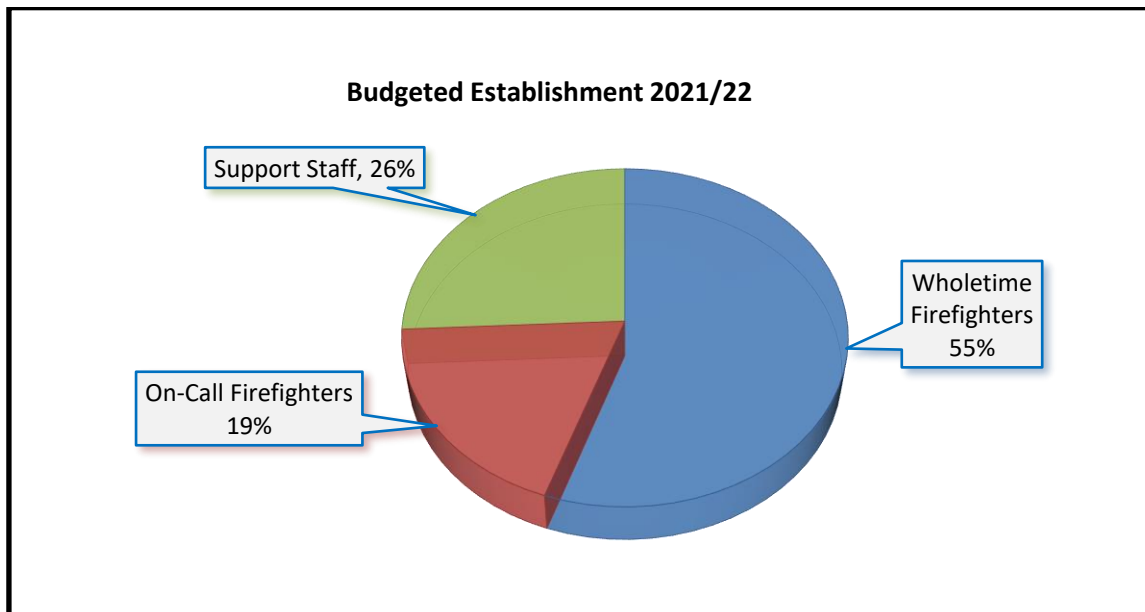
Our **Day-Crewed** stations provide full-time cover during the day (08:00-18:00 hours) and On-Call cover at night (18:00-08:00 hours).

Our **On-Call** stations use firefighters who live/work in the area and come in as and when required.

Since 2011, the Authority have been operating a **Co-Responding** service in partnership with South Central Ambulance Service. This partnership is delivered from several stations across the Buckinghamshire & Milton Keynes area.

Establishment

The breakdown of the Authority's budgeted establishment can be seen in the chart below;



(Figures in the table above are based on full-time equivalents)

Financial Performance in 2021/22

Budget Setting 2021/22

The budget for 2021/22 was set at a full Authority meeting in February 2021, figures were based on the final financial settlement announced by Central Government. For 2021-22 Buckinghamshire & Milton Keynes Fire Authority agreed a 1.99 per cent rise in its council tax, which meant that the amount paid by a band D taxpayer rose from £65.85 a year to £67.16 a year. This £1.31 increase, which equated to just under 11p a month, came into effect on 1 April 2021.

The remainder of total expenditure was funded through Central Government Grants, National Non-Domestic Rates (NNDR) redistribution and income for the recovery of costs from other agencies including grants for specific responsibilities such as Urban Search and Rescue Operations (USAR/New Dimensions).

Without sufficient time to undertake a full comprehensive spending review due to the Covid-19 Pandemic, the Government had rolled-forward amounts within the settlement funding assessment for 2020/21 and increased these by the rate of inflation as at September 2020. The exception to this was the pension grant funding, which was a flat-cash settlement.

An additional £670m unringfenced grant was distributed to authorities in recognition of the increased costs of providing local council tax support following the Covid-19 Pandemic. Buckinghamshire Fire and Rescue Service (BFRS) received £0.336m. Furthermore, there were specific ring fence Protection grants which were distributed to Fire Services in year.

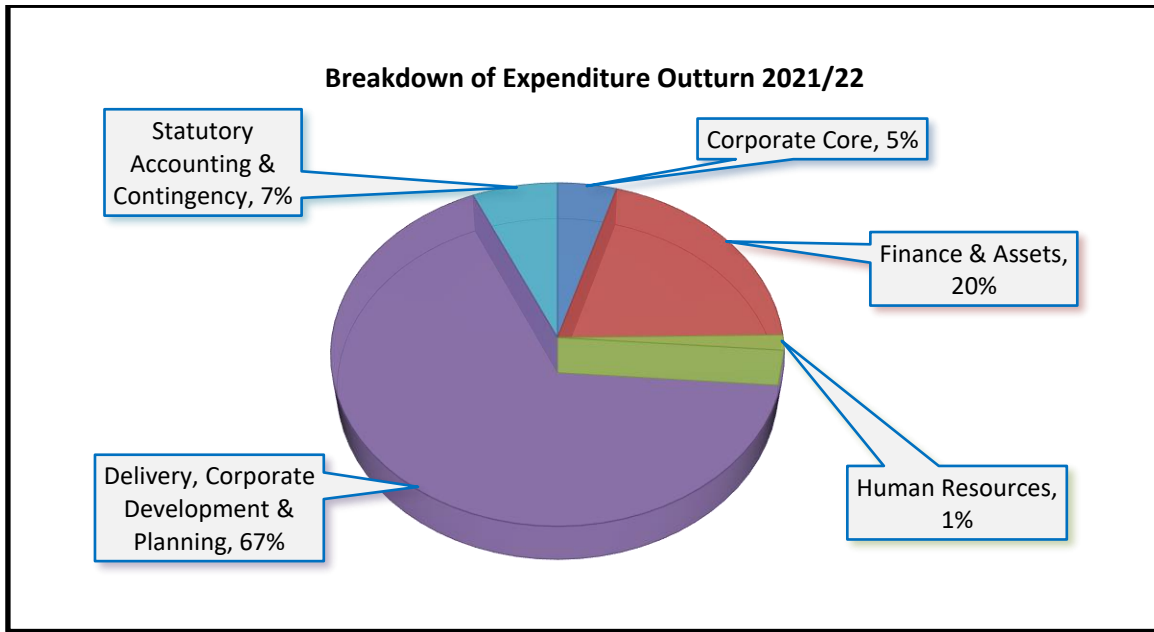
This year officers reverted back to the incremental budgeting approach when developing the budget proposal for 2021/22. With reductions in council tax base and business rates funding, budget setting process was scrutinised by Officers and Members to ensure only proposals which added value for money were approved.

Even with the budgetary constraints this year's budget approach identified some key opportunities:

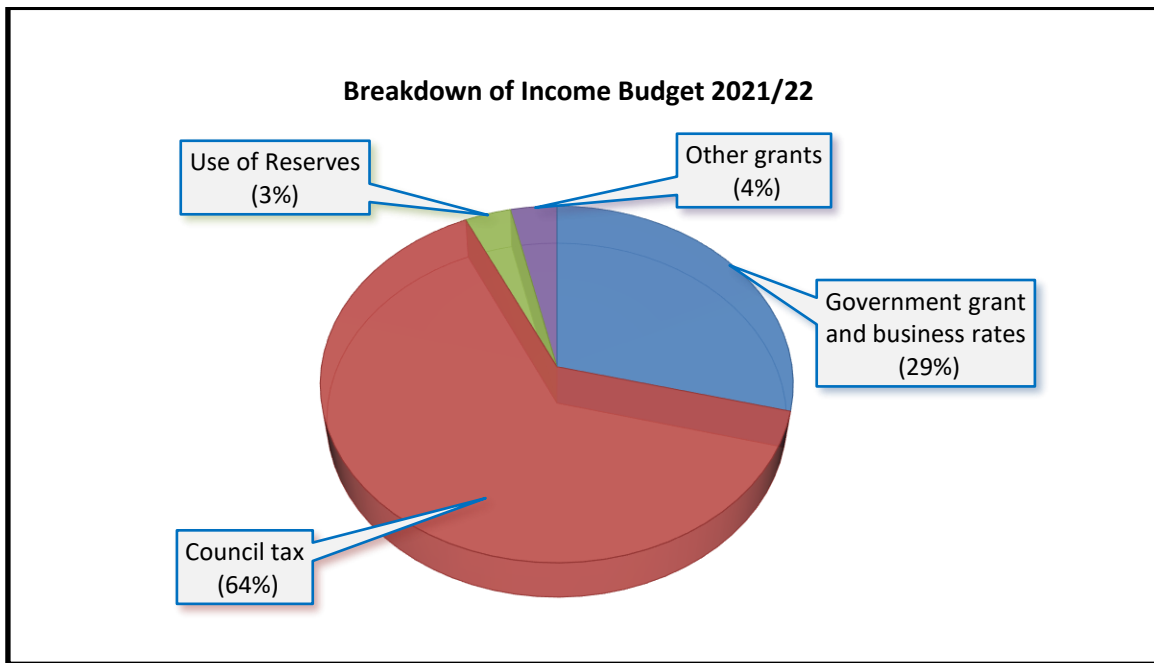
- Development of Leadership and Management Framework. The framework will improve the effectiveness of existing managers as well as provide development opportunities and pathways for future managers and leaders of the organisation.
- Continue with the current establishment within Health & Safety team (on a fixed term contract) who have supported the Service's response to the COVID-19 pandemic and the 'recovery' phase which has significantly increased workloads in terms of the implementation of the measures required to comply with Government guidance.

The Authority funds the capital programme predominantly through revenue funding, as the level of funding available via capital grants is limited to transformation initiatives. The capital programme was targeted to fund the essential refurbishment of our fire stations, the replacement of fire specialist equipment and appliances.

Breakdown of Expenditure Outturn 2021/22



Breakdown of Income Budget 2021/22



Revenue Outturn

The revenue budget for 2021/22 was £32,277m, which included £1.113m use of reserves to set a balanced budget. This budget was set at the full Authority meeting held in February 2021. The table below shows the revenue outturn position for the year. The Authority reported an underspend of £0.225m and the budgeted use of reserves were not used.

Directorate	Total Budget £	Actual £	Year End Variance £
Corporate Core	1,605,460	1,432,560	-172,900
Finance & Assets	6,419,300	5,986,856	-432,444
Human Resources	528,430	470,490	-57,940
Delivery, Corp. Dev. Planning	21,693,770	21,413,077	-280,693
Statutory Acc. & Contingency	2,030,240	1,998,001	-32,239
Total Expenditure	32,277,200	31,300,983	-976,217
Total Funding	-31,339,412	-31,526,293	-362,093
Use of Reserves	-1,113,000	0	1,113,000
Net Position	0	-225,310	-225,310

Capital Outturn 2021/22

Capital expenditure is not shown in the Comprehensive Income and Expenditure Statement but is budgeted for and reported separately. The capital programme for 2021/22 was £2.402m, including £1.809m worth of carry forward capital projects from 2020/21. The table below shows the final capital position at the end of 2021/22 for each capital programme.

Capital Programme	Budget 2021/22 £000	Actuals £000	Slippage £000	Year End Variance £000
Property	571	875	150	454
Fire Appliances & Equipment	1,251	393	847	-11
ICT	580	63	517	0
Total Capital Spend	2,402	1,331	1,514	443

The expenditure within Property relates to key capital projects completed during 2021/22 including the build of the Urban Search and Rescue (USAR) rig, refurbishment of breathing apparatus (BA) facilities across a number of stations, installation of electric charging points on two stations and installation of air-handling systems in identified rooms on two sites, as well as final costs for the build of the Blue Light Hub. The Blue Light Hub build was completed during 2020/21 and is in operation, with partners South Central Ambulance Service and Thames Valley Police. The level of spend seen within Fire Appliances & Equipment predominantly relates to the purchase of two red fleet appliances and operational equipment. The outturn is reporting a slippage of £1.514m which relates to the delays in the purchase of a further three red fleet appliances, ICT WAN/LAN upgrade and property capital works, which will all be completed during financial year 2022/23.

The Authority's loans are borrowed from the Public Works Loan Board (PWLB) and during 2021/22 no new loans were taken out. The Authority's total borrowing for capital purposes stands at £6.797m with loan repayments spread over the years 2022-2056.

Capital Programme 2022/23 to 2026/27

The table below summarises the capital programme for 2022/23 to 2026/27. The Authority does not receive Central government funding for capital projects. Therefore, the capital programme for the Authority will be funded from in year revenue contributions to capital and capital receipts.

Capital Programme	2022/23 £0	2023/24 £0	2024/25 £0	2025/26 £0	2026/27 £0
Property	650	1139	701	469	407
Fire Appliances & Equipment	2,567	942	155	655	655
ICT	723	156	155	75	75
Total Budget	3,940	2,081	1,011	1,199	1,137

Reserves Balances

The level of reserves held by the Authority as at 31 March 2022 are shown in the table below:

31 March 2021		31 March 2022
£000	Reserve Balances	£000
(1,500)	General Fund Balance	(1,500)
(1,500)	Sub Total Non-Earmarked General Fund Balance	(1,500)
(500)	Apprentice Reserve	(500)
(587)	Control Room Reserve	(637)
(80)	Continuing Projects Reserve	(80)
(594)	COVID-19 Reserve	(594)
(61)	Future Funding Reserve	(113)
(600)	Referendum Reserve	-
(2,422)	Sub Total Earmarked Reserves - Revenue	(1,924)
(2,611)	Revenue Contribution to Capital	(3,886)
(2,611)	Sub Total Earmarked Reserves - Capital	(3,886)
(6,533)	Total Usable Reserves	(7,310)

Further information on these reserves is set out in Note 23.

Pension Fund Liability

The accounting treatment for pensions follows International Accounting Standard 19 (IAS19), the purpose of which is to ensure that organisations' accounts reflect the net position of their pension funds and account for the liability to pay accumulated employee benefits in the future. In 2021/22, the Authority's share of the five Pension Fund's net liabilities decreased by £10.863m to £346.932m (for 2020/21 the net liability was £357.795m).

Effectively, the Pension Funds are in deficit by £346.932m compared with what is needed to pay the pensions of current scheme members, and the effect is to reduce the overall net worth of the Authority by that amount. However, statutory arrangements for the funding of the deficit, whereby the deficit will be made good by employer contributions over the remaining working life of employees as assessed by the scheme's actuaries, mean that the financial position of the Authority remains healthy.

Corporate Risks

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.

Risk Description	Consequence if untreated	Treatment of risk
<p>Staff availability, emerging risks of;</p> <p>1/ Staff inability to get to work due to external factors e.g. Pandemic Flu, disruption to fuel supplies etc.</p> <p>2/ Impact of transformation at pace on attraction of new staff, retention and overall workforce stability.</p>	<p>Potential detrimental effects on service delivery to the community and our reputation.</p> <p>Failure to discharge statutory duties.</p> <p>Loss of critical knowledge / skills / capacity /competency levels.</p>	<ul style="list-style-type: none"> - Full business continuity plans in place & uploaded to Resilience Direct. - Peer review of the business continuity arrangements - Bank System - Flexi-Duty System Pilot - Staff Transfer Procedure - Employee assistance and welfare support - Training Needs Assessment process - Monitoring of staff ‘stability ratio’ relative to best practice and sector norms - Review of Resourcing and Retention strategies - Wider range of contracts offering more flexible ways of working - A variety of approaches are being adopted to replenish the workforce. <p>These include more operational apprentices, transferees, and reengagement options</p> <ul style="list-style-type: none"> - Workforce planning data is regularly reviewed with Prevention, Response & Resilience, HR and Finance - Growth bids to be considered to support future resourcing demands. - HR are reviewing the future promotion and career development options - Resourcing levels are constantly monitored to ensure coverage. - The Recruitment Oversight Board meets regularly to review resourcing and ensure a joined-up approach. - Pensions remedy consultation received and response drafted. Workforce planning to be reviewed for implications and plans put in place - Crew Commander up to Area Commander development centre held. - On-call virtual awareness evenings held and recruitment continues ensuring compliance with government guidance.

<p>Funding and Savings Requirement</p>	<p>The Medium-Term Financial Plan (MTFP) factors in several assumptions when forecasting the financial position. Future costs are significantly affected by the level of pay awards (which for most staff are determined nationally), general price inflation and changes to employer pension contributions. Future funding levels are affected by council tax referendum limits, growth in council tax and business rate bases, the level of general government funding and specific grants. If a number of these areas are significantly worse than forecast there is a risk the Authority will not meet its commitment to the PSP 2020 - 25 and that a fundamental re-think of service provision would be required.</p>	<ul style="list-style-type: none"> - Proactive management of the MTFP is in force and is very closely aligned to workforce planning. - As part of the budget setting process, Officers will seek to identify savings opportunities to address potential future cost pressures. - A risk-assessed General Fund reserve of £1.5m (circa 5% of the net budget requirement) is held to cover a range of potential financial risks. In addition, earmarked reserves are held to fund specific anticipated future costs.
<p>Risk of resurgence of Covid-19 and / or seasonal influenza in Autumn / Winter 2021 and into 2022</p>	<ul style="list-style-type: none"> - Increased levels of sickness absence amongst staff. - Potential degradation of capacity or capability to deliver key services to the public and / or sustain supporting functions. 	<ul style="list-style-type: none"> - Hybrid working and gradual reintroduction to office environment - Provision of appropriate PPE for staff required to work in close proximity with the public. - Appliance / service availability degradation planning. - Free seasonal flu jabs available to all staff. - Covid-19 app rolled out to all sites, and pushed to all Authority phones - Lateral flow testing available to all staff via workplace collect scheme
<p>Court of Appeal ruling on the McCloud / Sargeant cases: potential impact on staff retirement profile, resourcing to implement required changes and financial impacts thereof.</p>	<ul style="list-style-type: none"> - Failure to discharge statutory duties. - Failure to comply with legal requirements. - Unknown / unquantified budgetary impacts. 	<ul style="list-style-type: none"> - Review of Resourcing and Retention strategies - Workforce planning data is regularly reviewed with Prevention, Response & Resilience, HR and Finance. - Resourcing levels are constantly monitored to ensure coverage. - Potential impacts on costs to be factored into future Medium-Term Financial Planning process. - Recruitment of dedicated specialist resource to evaluate requirements arising from the Court of Appeal ruling and implement necessary administrative changes.

<p>Information management* / security failure to –</p> <p>a) Comply with statutory or regulatory requirements</p> <p>b) Manage technology</p> <p>c) Manage organisational resources</p> <p>Deliberate: unauthorised access and theft or encryption of data. Accidental: loss, damage or destruction of data</p>	<ul style="list-style-type: none"> - Inability to access/use our e-information systems. - Severe financial penalties from the Information Commissioner - Lawsuits from the public whose sensitive personal information is accessed causing damage and distress. <p><i>*Information management is concerned with the acquisition, custodianship and the distribution of information to those who need it, and its ultimate disposition through archiving or deletion. Information security is the practice of protecting information by mitigating risks such as unauthorised access and its unlawful use, disclosure, disruption, deletion and corruption. As more and more information is held electronically risks have become systems, as well as process and people based and are therefore vulnerable to cyber-attacks. Cyber-crime is unrelenting and issues arise at a greater frequency than existing intrusion attempts can be resolved. is such, this is a constant on the CRR.</i></p>	<p>1. Appropriate roles:</p> <ul style="list-style-type: none"> - 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. <p>2. Virus detection/avoidance:</p> <p>Anti-Malware report – no significant adverse trends identified which indicates that improved security measures such as new email and web filters are being successful in intercepting infected emails and links;</p> <p>3. Policies / procedure:</p> <p>Comprehensive review and amendment of the retention and disposal schedules / Information Asset Registers,</p> <ul style="list-style-type: none"> - 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>4. Premises security:</p> <ul style="list-style-type: none"> - 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; <p>5. Training:</p> <p>The biennial "Responsible for Information" training will be supplemented by the National Cyber Security Centre's new e-learning package 'Top Tips for Staff' which has been built into the Heat training platform as a mandatory biennial package.</p> <ul style="list-style-type: none"> - Cyber-security training, delivered by Thames Valley Police's cyber security advisor, rolled out to members of the Leadership Group during September 2020. Further training planned for early 21/22.
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Statement of Responsibilities for the Statement of Accounts

The Authority's Responsibilities

The Authority is required to:

- Make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this Authority, that officer is the Director of Finance and Assets & Chief Finance Officer;
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets; and
- Approve the Statement of Accounts.

The Responsibilities of the Director of Finance and Assets

The Director of Finance and Assets & Chief Finance Officer is responsible for the preparation of the Authority's Statement of Accounts, in accordance with proper practices as set out in the CIPFA / LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Code).

In preparing this Statement of Accounts, the Director of Finance and Assets & Chief Finance Officer has:

- Selected suitable accounting policies and then applied them consistently;
- Made judgements and estimates that were reasonable and prudent; and
- Complied with the Code.

The Director of Finance and Assets & Chief Finance Officer has also:

- Kept proper accounting records which were up to date; and
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.

Certificate of the Director of Finance and Assets

I hereby certify that this Statement of Accounts presents a true and fair view of the financial position of the Authority as at 31 March 2022 and its income and expenditure for the financial year 2021/22.

Mark Hemming FCPFA

Director of Finance and Assets & Chief Finance Officer, Buckinghamshire & Milton Keynes Fire Authority

Date:

Independent Auditor's Report to Members of Buckinghamshire and Milton Keynes Fire Authority

Statement of Accounting Policies

i. General Principles

The Statement of Accounts summarises the Authority's transactions for the 2021/22 financial year and its position at the year-end of 31 March 2022. The Authority is required to prepare an annual Statement of Accounts by the Accounts and Audit (England) Regulations 2011, which is required to be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 and the Service Reporting Code of Practice 2021/22, supported by International Financial Reporting Standards (IFRS) and statutory guidance issued.

The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

ii. Accruals of Income and Expenditure

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

- Revenue from the sale of goods is recognised when the Authority transfers the significant risks and rewards of ownership to the purchaser and it is probable that economic benefits or service potential associated with the transaction will flow to the Authority;
- Revenue from the provision of services is recognised when the Authority can measure reliably the percentage of completion of the transaction and it is probable that economic benefits or service potential associated with the transaction will flow to the Authority;
- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet;
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made;
- Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract;
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.
- The de-minimis level is set at £500 and anything below this will be accounted for in the year the transaction takes place regardless of which year the income or expense relates to.

iii. Acquisitions and Discontinued Operations

There were no acquired or discontinued operations during the year.

iv. Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that are readily convertible to known amounts of cash with insignificant risk of change in value. Cash equivalents include cash on deposit that is held for short-term cash flow management rather than investment purposes.

In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Authority's cash management.

v. Exceptional Items

When items of income and expense are material, their nature and amount is disclosed separately, either on the face of the Comprehensive Income and Expenditure Statement or in the notes to the accounts, depending on how significant the items are to an understanding of the Authority's financial performance. There were no exceptional items during 2021/22.

vi. Prior Period Adjustments, Changes in Accounting Policies and Estimates and Errors

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change and do not give rise to a prior period adjustment.

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Authority's financial position or financial performance.

Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

The cost of holding fixed assets during the year:

- Depreciation attributable to the assets used by the relevant service
- Revaluation and impairment losses on assets used by the service where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off
- Amortisation of intangible fixed assets attributable to the service.

The Authority is not required to raise council tax to fund depreciation, revaluation and impairment losses or amortisations. However, it is required to make an annual contribution from revenue towards the reduction in its overall borrowing requirement.

This contribution is referred to as the Minimum Revenue Provision (MRP):

- Debt relating to capital expenditure incurred prior to 1 April 2008 will be calculated broadly on the basis of 4% of the Authority's Capital Financing Requirement
- Debt relating to capital expenditure incurred from 1 April 2008 will be calculated broadly on the asset life (equal instalments) method. The amount is dependent upon the estimated life of the asset for which the debt has been raised.

Depreciation, revaluation and impairment losses and amortisations are therefore replaced by the contribution in the General Fund Balance by MRP, by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

A discretionary charge is also made to the revenue account to contribute towards the Revenue Contribution to Capital reserve. This will be used to help fund the capital programme in future years due to the reducing levels of capital grant funding that are expected to be available.

Any prior period adjustments can be seen within Note 30 Events After the Reporting Period.

viii. Employee Benefits

Benefits Payable During Employment

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits (e.g. cars) for current employees and are recognised as an expense for services in the year in which employees render service to the Authority. An accrual is made for the cost of holiday entitlements (or any form of leave, e.g. time off in lieu) earned by employees but not taken before the year-end which employees can carry forward into the next financial year. The accrual is made at the wage and salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to Surplus or Deficit on the Provision of Services, but then reversed out through the Movement in Reserves Statement so that holiday benefits are charged to revenue in the financial year in which the holiday absence occurs.

Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Authority to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy and are charged on an accruals basis to the appropriate service in the Comprehensive Income and Expenditure Statement when the Authority is demonstrably committed to the termination of the employment of an officer or group of officers or making an offer to encourage voluntary redundancy.

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund balance to be charged with the amount payable by the Authority to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

Post Employment Benefits

Employees of the Authority are members of five separate pension schemes:

- Uniformed Firefighters - 1992 Pension Scheme, 2006 New Firefighters' Pension Scheme, 2015 Pension Scheme and 2015 Modified Pension Scheme;
- The Local Government Pensions Scheme, administered by Buckinghamshire Council.

Uniformed Firefighters

The funding arrangements for the Firefighters' Pension Scheme in England changed by statute with effect from 1 April 2006 and are contained within the Firefighter's Pension Scheme (Amendment) (England) Order 2006 (SI 2006/1810). Before 1 April 2006 the 1992 Scheme did not have a percentage of pensionable pay type of employer's contribution: rather each fire authority was responsible for paying the pensions of its own former employees on a pay-as-you-go basis. Under the new funding arrangements the schemes remain unfunded but will no longer be on a pay-as-you-go basis as far as the individual fire authority is concerned.

Authorities no longer meet the pension outgoing directly: instead they pay an employer's pension contribution based on a percentage of pay into the Pension Fund and the amounts that must be paid into and paid out of the Pension Fund are specified by regulation.

Transactions in the Firefighters Pension Fund include:

Credits to the Pension Fund

- Employees' contributions from firefighters
- Transfer values received from other authorities
- The employer's contributions due from the Authority
- Additional contributions required from the Authority for ill health retirements.

Debits to the Pension Fund

- Awards payable under any provision of the pension scheme
- Transfer values payable to other authorities
- Any repayment to the Authority of contributions towards ill health retirements.

Subject to scrutiny and approval by the Secretary of State and Parliament, under the new arrangements the Pension Fund will be balanced to nil at the end of the year by either paying over to the DCLG the amount by which the amounts receivable by the Fund for the year exceed the amounts payable, or by receiving cash in the form of a pension top-up grant from the DCLG equal to the amount by which the amount payable from the pension fund for the year exceeded the amount receivable.

Injury Awards

Under the Firefighters Compensation Scheme (England) Order 2006, a firefighter receives an injury award where they have retired and are permanently disabled because of an injury received in the execution of their duty. Under IAS 19 the Authority is required to account for contingent future injury benefits. The liability is based on an estimate of future benefits earned by members, and movements in the liability are treated in the same way as for the Firefighters pension schemes.

The Local Government Pension Scheme

The Local Government Pension Scheme is accounted for as a defined benefits scheme:

- The liabilities of the pension fund attributable to the Authority are included in the Balance Sheet on an actuarial basis using the projected unit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc, and projections of projected earnings for current employees;
- Liabilities are discounted to their value at current prices, using a discount rate of 4.5% (based on the indicative rate of return on the iBoxx 15 year corporate bond index).

The assets of the pension fund attributable to the Authority are included in the Balance Sheet at their fair value:

- Quoted securities – current bid price;
- Unquoted securities – professional estimate;
- Unitised securities – current bid price;
- Property – market value.

The change in the net pensions liability is analysed into the following components:

Service cost comprising:

- Current service cost – the increase in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked
- Past service cost – the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years – debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non-Distributed Costs
- Net interest on the net defined benefit liability (asset), i.e. net interest expense for the authority – the change during the period in the net defined benefit liability (asset) that arises from the passage of time charged to the Financing and Investment Income and Expenditure

line of the Comprehensive Income and Expenditure Statement – this is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability (asset) at the beginning of the period – taking into account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments.

Remeasurements comprising:

- The return on plan assets – excluding amounts included in net interest on the net defined benefit liability (asset) – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure
- Actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure

Contributions paid to the pension fund – cash paid as employer’s contributions to the pension fund in settlement of liabilities; not accounted for as an expense. In relation to retirement benefits, statutory provisions require the General Fund Balance to be charged with the amount payable by the Authority to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are transfers to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

Discretionary Benefits

The Authority also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Local Government Pension Scheme.

ix. Events After the Balance Sheet Date

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. Two types of events can be identified:

- Those that provide evidence of conditions that existed at the end of the reporting period – the Statement of Accounts is adjusted to reflect such events
- Those that are indicative of conditions that arose after the reporting period – the Statement of Accounts is not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.

x. Financial Instruments

Financial Liabilities

Financial liabilities are recognised on the Balance Sheet when the Authority becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and are carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest payable are based on the

carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

For most of the borrowings that the Authority has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus the accrued interest shown under short-term borrowing); and interest charged to the Comprehensive Income and Expenditure Statement is the amount payable for the year according to the loan agreement.

Gains and losses on the repurchase or early settlement of borrowing are credited and debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement in the year of repurchase/settlement. However, where repurchase has taken place as part of a restructuring of the loan portfolio that involves the modification or exchange of existing instruments, the premium or discount is respectively deducted from or added to the amortised cost of the new or modified loan and the write-down to the Comprehensive Income and Expenditure Statement is spread over the life of the loan by an adjustment to the effective interest rate. There were no repurchase or early settlements during 2021/22.

Where premiums and discounts have been charged to the Comprehensive Income and Expenditure Statement, regulations allow the impact on the General Fund Balance to be spread over future years. The Authority has a policy of spreading the gain or loss over the term that was remaining on the loan against which the premium was payable or discount receivable when it was repaid. The reconciliation of amounts charged to the Comprehensive Income and Expenditure Statement to the net charge required against the General Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement. There were no premiums paid or discounts received during 2021/22.

Financial Assets - Loans and Receivables

Loans and receivables are recognised on the Balance Sheet when the Authority becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the loans that the Authority has made, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the Comprehensive Income and Expenditure Statement is the amount receivable for the year in the loan agreement.

Where assets are identified as impaired because of a likelihood arising from a past event that payments due under the contract will not be made, the asset is written down and a charge made to the relevant service (for receivables specific to that service) or the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The impairment loss is measured as the difference between the carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate.

Any gains and losses that arise on the derecognition of an asset are credited or debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

xi Foreign Currency Translation

Where the Authority has entered into a transaction denominated in a foreign currency, the transaction is converted into sterling at the exchange rate applicable on the date the transaction was effective.

xii. Heritage Assets

The Authority does not hold any heritage assets.

xiii. Government Grants and Contributions

Whether paid on account, by instalments or in arrears, government grants and third party contributions and donations are recognised as due to the Authority when there is reasonable assurance that:

- The Authority will comply with the conditions attached to the payments, and
- The grants or contributions will be received.

Amounts recognised as due to the Authority are not credited to the Comprehensive Income and Expenditure Statement until there is reasonable assurance that the conditions attached to the grant or contribution will be satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset acquired using the grant or contribution are required to be consumed by the recipient as specified, or future economic benefits or service potential must be returned to the transferor.

Monies advanced as grants and contributions for which there is not reasonable assurance that the conditions will be satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants and contributions) or Taxation and Non-Specific Grant Income (non-ringfenced revenue grants and all capital grants) in the Comprehensive Income and Expenditure Statement.

Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied reserve. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

xiv. Intangible Assets

Expenditure on non-monetary assets that do not have physical substance but are controlled by the Authority as a result of past events (e.g. software licences) is capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the Authority.

Expenditure on the development of websites is not capitalised if the website is solely or primarily intended to promote or advertise the Authority's goods or services.

Intangible assets are measured initially at cost. Amounts are only revalued where the fair value of the assets held by the Authority can be determined by reference to an active market. In practice, no intangible asset held by the Authority meets this criterion, and they are therefore carried at amortised cost. The depreciable amount of an intangible asset is amortised over its useful life to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. An asset is tested for impairment whenever there is an indication that the asset might be impaired – any losses recognised are posted to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement.

Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation, impairment losses and disposal gains and losses are not permitted to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and (for any sale proceeds) the Capital Receipts Reserve.

xv. Interests in Companies and Other Entities

The Authority has no material interests in companies or other entities which would require it to prepare group accounts.

xvi. Inventories and Long Term Contracts

Inventories are generally included in the Balance Sheet at the lower of cost and net realisable value. The cost of inventories is assigned using the First In First Out (FIFO) costing formula.

Where inventories are held for distribution at no charge or for a nominal charge they are measured at the lower of cost and current replacement cost. Replacement cost is defined as the cost the authority would incur to acquire the asset at the Balance Sheet date.

Long term contracts are accounted for on the basis of charging the Surplus or Deficit on the Provision of Services with the value of works and services received under the contract during the financial year.

xvii. Investment Property

Investment properties are those that are used solely to earn rentals and/or for capital appreciation. The definition is not met if the property is used in any way to facilitate the delivery of services or production of goods or is held for sale.

Investment properties are measured initially at cost and subsequently at fair value, based on the amount at which the asset could be exchanged between knowledgeable parties at arm's-length. Properties are not depreciated but are revalued annually according to market conditions at the year-end. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal.

Rentals received in relation to investment properties are credited to the Financing and Investment Income line and result in a gain for the General Fund Balance. However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and (for any sale proceeds) the Capital Receipts Reserve.

xviii. Jointly Controlled Operations and Jointly Controlled Assets

Joint operations are arrangements where the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities relating to the arrangement. The activities undertaken by the Authority in conjunction with other joint operators involve the use of the assets and resources of those joint operators. In relation to its interest in a joint operation, the Authority as a joint operator recognises:

- its assets, including its share of any assets held jointly
- its liabilities, including its share of any liabilities incurred jointly
- its revenue from the sale of its share of the output arising from the joint operation
- its share of the revenue from the sale of the output by the joint operation
- Its expenses, including its share of any expenses incurred jointly.

The Joint Control (revenue expenditure) split is based on the population, tax base and number of incidents attended for each Authority. Therefore, the contribution agreed by each authority was as follow:

- Buckinghamshire and Milton Keynes Authority – 32.7%
- Royal Berkshire Fire Authority – 37.8%
- Oxfordshire Fire Authority – 29.5%

The capital assets for the Joint Control are recognised as an equal third on the balance sheet. The current NBV held on Buckinghamshire and Milton Keynes Authority is £0.016m, which relates to plant and equipment.

xix. Leases

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases.

Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification.

Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment are accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets.

The Authority as Lessee

Finance Leases

Property, plant and equipment held under finance leases is recognised on the Balance Sheet at the commencement of the lease at its fair value measured at the lease's inception (or the present value of the minimum lease payments, if lower). The asset recognised is matched by a liability for the obligation to pay the lessor. Initial direct costs of the Authority are added to the carrying amount of the asset. Premiums paid on entry into a lease are applied to writing down the lease liability. Contingent rents are charged as expenses in the periods in which they are incurred.

Lease payments are apportioned between:

- A charge for the acquisition of the interest in the property, plant or equipment – applied to write down the lease liability, and
- A finance charge (debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement).

Property, Plant and Equipment recognised under finance leases is accounted for using the policies applied generally to such assets, subject to depreciation being charged over the lease term if this is shorter than the asset's estimated useful life (where ownership of the asset does not transfer to the authority at the end of the lease period).

The Authority is not required to raise council tax to cover depreciation or revaluation and impairment losses arising on leased assets. Instead, a prudent annual contribution is made from revenue funds towards the deemed capital investment in accordance with statutory requirements. Depreciation and revaluation and impairment losses are therefore substituted by a revenue contribution in the General Fund Balance, by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

Operating Leases

Rentals paid under operating leases are charged to the Comprehensive Income and Expenditure Statement as an expense of the services benefitting from use of the leased property, plant or equipment. Charges are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g. there is a rent-free period Comprehensive Income and Expenditure Statement at the commencement of the lease).

The Authority as Lessor

Finance Leases

Where the Authority grants a finance lease over a property or an item of plant or equipment, the relevant asset is written out of the Balance Sheet as a disposal. At the commencement of the lease, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the as part of the gain or loss on disposal. A gain, representing the Authority's net investment in the lease, is credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal), matched by a lease (long-term debtor) asset in the Balance Sheet.

Lease rentals receivable are apportioned between:

- A charge for the acquisition of the interest in the property – applied to write down the lease debtor (together with any premiums received), and
- Finance income (credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement).

The gain credited to the Comprehensive Income and Expenditure Statement on disposal is not permitted by statute to increase the General Fund Balance and is required to be treated as a capital receipt. Where a premium has been received, this is posted out of the General Fund Balance to the Capital Receipts Reserve in the Movement in Reserves Statement.

The written-off value of disposals is not a charge against council tax, as the cost of fixed assets is fully provided for under separate arrangements for capital financing. Amounts are therefore appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

Operating Leases

Where the Authority grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to the Comprehensive Income and Expenditure Statement. Credits are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g. there is a premium paid at the commencement of the lease). Initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the relevant asset and charged as an expense over the lease term on the same basis as rental income.

In 2003/04 the Authority entered into a sale and leaseback agreement. The initial cost of the lease was matched by an increase in the value of land and buildings within fixed assets.

xx. Overheads and Support Services

The segmental reporting structure in the Comprehensive Income and Expenditure Statement is now structured in the way the Authority report to management internally.

xxi. Property, Plant and Equipment

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and that are expected to be used during more than one financial year are classified as Property, Plant and Equipment.

Recognition

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Authority and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense when it is incurred. The Authority's de-minimis level for capital expenditure is £0.006m.

Measurement

Assets are initially measured at cost, comprising:

- The purchase price
- Any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management

The Authority does not capitalise borrowing costs incurred whilst assets are under construction.

The cost of assets acquired other than by purchase is deemed to be its fair value, unless the acquisition does not have commercial substance (i.e. it will not lead to a variation in the cash flows of the Authority). In the latter case, where an asset is acquired via an exchange, the cost of the acquisition is the carrying amount of the asset given up by the Authority.

Donated assets are measured initially at fair value. The difference between fair value and any consideration paid is credited to the Taxation and Non-Specific Grant Income line of the Comprehensive Income and Expenditure Statement, unless the donation has been made conditionally. Until conditions are satisfied, the gain is held in the Donated Assets Account. Where gains are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance to the Capital Adjustment Account in the Movement in Reserves Statement.

Assets are then carried in the Balance Sheet using the following measurement bases:

- Assets under construction – depreciated historical cost
- All other assets – fair value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV).

Where there is no market-based evidence of fair value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of fair value. Where non-property assets that have short useful lives or low values (or both), depreciated historical cost basis is used as a proxy for fair value. Assets included in the Balance Sheet at fair value are revalued annually to ensure that their carrying amount is not materially different from their fair value at the year-end. Where amounts are materially different, the gross book value and accumulated depreciation are restated proportionately at the year-end.

Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Exceptionally, gains might be credited to the Comprehensive Income and Expenditure Statement where they arise from the reversal of a loss previously charged to a service.

Where decreases in value are identified, they are accounted for by:

- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains)
- Where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

The Revaluation Reserve contains revaluation gains recognised since 1 April 2007 only, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.

Impairment

Assets are assessed at each year-end as to whether there is any indication that an asset may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

Where impairment losses are identified, they are accounted for by:

- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains)
- Where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service line(s) in the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

Depreciation

Depreciation is provided for on all Property, Plant and Equipment assets by the systematic allocation of their depreciable amounts over their useful lives. An exception is made for assets without a determinable finite useful life (i.e. freehold land) and assets that are not yet available for use (i.e. assets under construction).

Depreciation is calculated on the following bases:

- Dwellings and other buildings – straight-line allocation over the useful life of the property as estimated by the valuer
- Vehicles, plant, furniture and equipment – straight-line allocation over the useful life of the asset

Where an item of Property, Plant and Equipment asset has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately. In applying the principals of componentisation the de-minimis value of a property has been set at £0.550m and individual components at £0.055m, i.e. 10% of the overall asset below which any component will not be calculated separately. The components that have been identified as relevant to the authority are weatherproofing (to include windows, roofs, bay doors and doors), mechanical and electrical and finally yards and drill towers (i.e. external elements). Where the life expectancy of any component would exceed the life expectancy of the main structure then the life expectancy of the component will be limited to that of the main structure.

Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historical cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

Disposals

Amounts received for the disposal of any assets previously qualifying as Capital Expenditure are categorised as capital receipts. Capital receipts are required to be credited to the Capital Receipts Reserve, and can then only be used for new capital investment, or set aside to reduce the Authority's

underlying need to borrow. Receipts are appropriated to the Reserve from the General Fund Balance in the Movement in Reserves Statement.

The written-off value of disposals is not a charge against council tax, as the cost of fixed assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

xxii. Private Finance Initiative (PFI) and Similar Contracts

The Authority has not entered into any PFI or similar contracts

xxiii. Provisions, Contingent Liabilities and Contingent Assets

Provisions

Provisions are made where an event has taken place that gives the Authority a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. For instance, the Authority may be involved in a court case that could eventually result in the making of a settlement or the payment of compensation.

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year that the authority becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year – where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service.

Where some or all of the payment required to settle a provision is expected to be recovered from another party (e.g. from an insurance claim), this is only recognised as income for the relevant service if it is virtually certain that reimbursement will be received if the authority settles the obligation.

Contingent Liabilities

A contingent liability arises where an event has taken place that gives the authority a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the authority. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts.

Contingent Assets

A contingent asset arises where an event has taken place that gives the authority a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the authority.

Contingent assets are not recognised in the Balance Sheet but disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

xxiv. Reserves

The Authority sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts out of the General Fund Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is

charged to the appropriate service in that year against the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then appropriated back into the General Fund Balance in the Movement in Reserves Statement so that there is no net charge against council tax for the expenditure.

Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments, retirement and employee benefits and do not represent usable resources for the Authority – these reserves are explained in the relevant policies.

xxv. VAT

VAT payable is included as an expense only to the extent that it is not recoverable from Her Majesty's Revenue and Customs. VAT receivable is excluded from income.

xxvi. Revenue Expenditure Funded from Capital under Statute (REFCUS)

Expenditure incurred during the year that may be capitalised under statutory provisions but that does not result in the creation of a non-current asset has been charged as expenditure to the relevant service in the Comprehensive Income and Expenditure Statement in the year. Where the Authority has determined to meet the cost of this expenditure from existing capital resources or by borrowing, a transfer in the Movement in Reserves Statement from the General Fund Balance to the Capital Adjustment Account then reverses out the amounts charged so that there is no impact on the level of council tax.

Critical Judgements in Applying the Accounting Policies

In this challenging financial environment, work continues to achieve a balanced budget, progressing in line with our Public Safety Plan for 2020-25 so that the Authority can carry on as usual without detriment to public safety or emergency responses.

The Fire Authority has taken a number of measures already and plans to do more to ensure that it continues to meet the priorities set out in the Public Safety Plan. For 2021/22 the Authority will continue to make further savings through a number of initiatives, which involve better ways of working and consolidating workforce plans to meet our vision for the longer term. The Authority are investing in more up-to-date technology, new ways of working and are pursuing avenues, which aim to share costs with our community partners and other fire authorities.

The accounts are prepared with the underlying assumptions of the accruals basis and the going concern basis i.e. the Authority will continue its operations for the foreseeable future. This means in particular that, despite the high degree of uncertainty resulting from reducing levels of funding in future years, the Comprehensive Income and Expenditure Account and Balance Sheet assume no intention to curtail significantly the scale of the operation. At this stage there is no indication that the assets of the Authority might be impaired as a result of a need to close facilities and reduce the level of service provision.

Use of Estimates and Judgements

The Statement of Accounts contains estimated figures that are based on assumptions made by the Authority about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates. The items in the Authority's Comprehensive Income and Expenditure Statement for 2021/22 and the Balance Sheet at 31 March 2022 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

- Depreciation (and amortisation of intangible assets) – the remaining useful lives of all assets are estimated. The Authority relies on the expertise of an external valuer to determine the lives

of all building assets. The lives of vehicles, plant and equipment and intangible assets are based on historical experience and professional estimates. If the estimates were to differ from the actuals this would affect the level of depreciation and amortisation charged to the Comprehensive Income and Expenditure Statement, as well as the carrying amounts of non-current assets in the Balance Sheet. The carrying amounts of non-current assets as at 31 March 2022 was £48,791m. Total depreciation and amortisation for the year was £2.371m;

- Revaluations and Impairments – the value of non-current assets are reviewed annually by a qualified valuer based on the latest guidance from the Royal Institute of Chartered Surveyors (RICS) and the recently observed market information. If the estimates were to differ from the actual results this would result in a higher or lower carrying amount for non-current assets in the Balance Sheet. Revaluations charged to the Revaluation Reserve during the year were -£6.911m upwards and £1.079m downwards;
- Pensions IAS 19 – Two employment tribunal cases were brought against the Government in relation to possible discrimination in the implementation of transitional protection following the introduction of the reformed 2015 public service pension schemes from 1 April 2015. Transitional protection enabled some members to remain in their pre-2015 schemes after 1 April 2015 until retirement or the end of a pre-determined tapered protection period. The claimants challenged the transitional protection arrangements on the grounds of direct age discrimination, equal pay and indirect gender and race discrimination.

The first case (McCloud) relating to the Judicial Pension Scheme was ruled in favour of the claimants, while the second case (Sargeant) in relation to the Fire scheme was ruled against the claimants. Both rulings were appealed and as the two cases were closely linked, the Court of Appeal decided to combine the two cases. In December 2018, the Court of Appeal ruled that the transitional protection offered to some members as part of the reforms amounts to unlawful discrimination.

The Government sought permission to appeal this decision but on 27 June 2019 the Supreme Court denied the Government's request for an appeal in the McCloud/Sargeant case. The Authority still have to wait for a remedy either be imposed by the Employment Tribunal or negotiated and applied to all public service schemes, so the outcome for the Police Pension Schemes is still unknown.

The liability has been valued using "worst-case" calculations at the most recent valuation, 31 March 2017, with the assumption that all those who were previously members of a final salary scheme will remain in that scheme and only new staff joining after 1 April 2015 join the 2015 CARE scheme.

The results of this amended 31 March 2017 valuation were then rolled forward using the same approach as detailed in the 2018 and 2019 disclosures to 31 March 2019 and the increase in the liability is recorded as a past service cost. Changes in the liability arising from changes in assumptions in the 2021/22 accounts have been treated as an actuarial gain/loss within remeasurement of the defined benefit liability. A similar approach was also applied to the valuation of the Local Government Pension Scheme liability;

- Pensions Liability - the valuation of the liability is based on a number of actuarial assumptions (see Note 28). This figure is provided by an external actuary and is based upon actual contributions for the first 10 months and estimates calculated for the remaining two months for the Fire Fighter Pension Fund. The LGPS figure is also provided by an external actuary and based on actuals for the full 12 months. If the estimate was to differ from the actual it would result in a higher or lower pension liability and reserve figure on the Balance Sheet. The total pension liability as at 31 March 2022 was £346.932m;
- Financial Assets and Liabilities – further details about the assumptions made and the potential impact can be found in Note 29; and

- The Joint Control (revenue expenditure) split is based on the population, tax base and number of incidents attended for each Authority. Therefore the contribution agreed by each authority was as follow:

- Buckinghamshire and Milton Keynes Authority – 32.7%
- Royal Berkshire Fire Authority – 37.8%
- Oxfordshire Fire Authority – 29.5%

The capital assets for the Joint Control are recognised as an equal third on the balance sheet.

- Buckinghamshire and Milton Keynes Fire Authority (BMKFA) is the Treasurer for the funding allocated to the Emergency Services Mobile Communications Programme (ESMCP) which includes BMKFA and the following brigades; Berkshire, Oxfordshire, Hampshire, Isle of Wight. The funding allocated by central government is based on control rooms and brigade sizes. Budgets and costs have been allocated based on the lead areas each brigade will be providing.

Going Concern Review

The concept of a going concern assumes that an authority’s functions and services will continue in operational existence for the foreseeable future. The provisions in the Code in respect of going concern reporting requirements reflect the economic and statutory environment in which local authorities operate. These provisions confirm that, as authorities cannot be created or dissolved without statutory prescription, they must prepare their financial statements on a going concern basis of accounting.

Local authorities carry out functions essential to the local community and are themselves revenue-raising bodies (with limits on their revenue-raising powers arising only at the discretion of central government). If an authority were in financial difficulty, the prospects are thus that alternative arrangements might be made by central government either for the continuation of the services it provides or for assistance with the recovery of a deficit over more than one financial year. As a result of this, it would not therefore be appropriate for local authority financial statements to be provided on anything other than a going concern basis. Accounts drawn up under the Code therefore assume that a local authority’s services will continue to operate for the foreseeable future.

In terms of setting a balanced budget in future financial years, this will depend significantly on the uncertainty in Government funding and increasing cost pressures. It is therefore more important for the Authority to create various scenarios through the Medium-Term Financial Plan (MTFP) process, which will include both the revenue and capital programme (capital is predominantly funded by contributions from revenue). In December 2020, the Fire Authority approved the Capital and Financial Strategy which consider medium and longer-term scenarios, with a consideration of areas that could be enhanced or scaled back depending on the outcome of future funding settlements.

The MTFP will continue to be scrutinised in detail at two Officer and two Member challenge meetings throughout the financial year, before overall approval by the Fire Authority. If required, the Authority will make use of the usable reserves to ensure the Authority is able to set a balanced budget and smooth out the impact of funding reductions. However, utilising reserves will only be sustainable in the short to medium term. See below table showing a breakdown of the Authority’s usable reserves, as reported in the financial statements, along with a projected usable reserves figure for 2022/23 to 2024/25.

	31 March 2022	31 March 2023	31 March 2024	31 March 2025
Reserve Balances	£000	£000	£000	£000
General Fund Balance	(1,500)	(1,500)	(1,500)	(1,500)
Total Earmarked Reserves - Revenue	(1,924)	(1,304)	(1,304)	(1,304)
Total Earmarked Reserves - Capital	(3,886)	(4,138)	(3,702)	(3,492)
Total Usable Reserves	(7,310)	(6,942)	(6,506)	(6,296)

During 2021/22 the government gave the option to the lowest eight charging fire and rescue authorities (FRAs) the flexibility to increase their band D precept by £5 in 2022/23 without the need to hold a referendum. This is to assist these FRAs in addressing immediate pressures and to maintain a sustainable income baseline for future years. Buckinghamshire & Milton Keynes Fire Authority was included within these eight FRAs.

In February 2022 at the Fire Authority meeting, the Authority agreed a £5 increase in its council tax, which means that the amount paid by a band D taxpayer will rise from £67.16 a year to £72.16 a year. This £5 increase, which equates to just under 10p a week, will come into effect on 1 April 2022. The Service's most recent report (December 2021) by Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) noted in its summary that they "are encouraged by the service's work to improve value for money, but [we] still have concerns about the service's funding model as its limited reserves are being used to supplement funding of its response functions." The £5 increase in precept has resulted in approximately £1.15m additional funding compared to a precept increase of 2%.

The Authority thereby concludes that it is appropriate to prepare the financial statements on a going concern basis and that the Authority's functions and services will continue in operational existence for the next 12 months, from the date of the audit report. This is based on the Authority's ability to set a balanced budget and the cashflow forecasting position.

Changes in Accounting Estimates

There has been no changes in existing accounting estimates during 2021/22.

Standards Issued But Have Not Yet Been Adopted

The standards introduced by the 2022/23 Code where disclosures are required in the 2021/22 financial statements in accordance with the requirements of paragraph 3.3.4.3 of the Code are:

- IFRS 16 Leases (but only for those local authorities that have decided to adopt IFRS 16 in the 2022/23 year).
- Annual Improvements to IFRS Standards 2018–2020. The annual IFRS improvement programme notes 4 changed standards:
 - IFRS 1 (First-time adoption) – amendment relates to foreign operations of acquired subsidiaries transitioning to IFRS
 - IAS 37 (Onerous contracts) – clarifies the intention of the standard
 - IFRS 16 (Leases) – amendment removes a misleading example that is not referenced in the Code material
 - IAS 41 (Agriculture) – one of a small number of IFRSs that are only expected to apply to local authorities in limited circumstances.

None of the matters covered in the annual improvements are dealt with in detail in the 2022/23 Code. During the consultation process on the 2022/23 Code CIPFA/LASAAC did not envisage them having a significant effect on local authority financial statements.

- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16).

It is not anticipated that any of the revised standards will have a material impact on the amounts disclosed.

Movement in Reserves Statement

These statements show the movement in the year on the different reserves held by the Authority, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other reserves. The (Surplus) or Deficit on the Provision of Services line shows the true economic cost of providing the Authority's services, more details of which are shown in the Comprehensive Income and Expenditure Statement (CIES). These are different from the statutory amounts required to be charged to the General Fund Balance for council tax setting purposes. The Net (Increase) / Decrease before Transfers to Earmarked Reserves line shows the Statutory General Fund Balance before any discretionary transfers to/from earmarked reserves undertaken by the Authority. Further detail on each reserve is shown in the notes to the accounts as referenced.

	General Fund Balance £000	Earmarked Reserves £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	Total Usable Reserves £000	Unusable Reserves £000	Total Authority Reserves £000
Balance at 31 March 2021 carried forward	(1,500)	(5,033)	-	-	(6,533)	315,473	308,940
<u>Movement in reserves during 2021/22</u>							
(Surplus) or deficit on the provision of services	11,546	-	-	-	11,546	-	11,546
Other Comprehensive Income and Expenditure	-	-	-	-	-	(29,194)	(29,194)
Total Comprehensive Income and Expenditure	11,546	-	-	-	11,546	(29,194)	(17,648)
Adjustments between accounting basis & funding basis under regulations (Note 23)	(12,323)	-	-	-	(12,323)	12,323	-
Net (Increase) / Decrease before Transfers to Earmarked Reserves	(777)	-	-	-	(777)	(16,871)	(17,648)
Transfers to/from Earmarked Reserves (Note 23)	777	(777)	-	-	-	-	-
(Increase) / Decrease in 2021/22	-	(777)	-	-	(777)	(16,871)	(17,648)
Balance at 31 March 2022 carried forward	(1,500)	(5,810)	-	-	(7,310)	298,602	291,292
Amounts held for revenue purposes	(1,500)	(1,924)	-	-	(3,424)	346,414	342,990
Amounts held for capital purposes	-	(3,886)	-	-	(3,886)	(47,812)	(51,698)

Buckinghamshire & Milton Keynes Fire Authority – Statement of Accounts 2021/22

Movement in Reserves Statement Continued:

	General Fund Balance £000	Earmarked Reserves £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	Total Usable Reserves £000	Unusable Reserves £000	Total Authority Reserves £000
Balance at 31 March 2020 carried forward	(1,500)	(3,639)	-	-	(5,139)	235,041	229,902
<u>Movement in reserves during 2020/21</u>							
(Surplus) or deficit on the provision of services	16,117	-	-	-	16,117	-	16,117
Other Comprehensive Income and Expenditure	-	-	-	-	-	62,921	62,921
Total Comprehensive Income and Expenditure	16,117	-	-	-	16,117	62,921	79,038
Adjustments between accounting basis & funding basis under regulations (Note 23)	(17,511)	-	-	-	(17,511)	17,511	-
Net (Increase) / Decrease before Transfers to Earmarked Reserves	(1,394)	-	-	-	(1,394)	80,432	79,038
Transfers to/from Earmarked Reserves (Note 23)	1,394	(1,394)			-	-	-
(Increase) / Decrease in 2020/21	-	(1,394)	-	-	(1,394)	80,432	79,038
Balance at 31 March 2021 carried forward	(1,500)	(5,033)	-	-	(6,533)	315,473	308,940
Amounts held for revenue purposes	(1,500)	(2,422)	-	-	(3,922)	358,422	354,500
Amounts held for capital purposes	-	(2,611)	-	-	(2,611)	(42,949)	(45,560)

Comprehensive Income and Expenditure Statement

The Comprehensive Income and Expenditure Statement shows the economic cost in the year of providing services in accordance with accepted accounting practices, rather than the amount to be funded from taxation. Authorities raise taxation to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement.

2020/21				2021/22		
Expenditure £000	Income £000	Net £000		Expenditure £000	Income £000	Net £000
1,362	(12)	1,350	Corporate Core	1,382	(10)	1,372
8,134	(466)	7,668	Finance & Assets	7,731	(672)	7,059
550	(74)	476	People & Organisation Development	772	(192)	580
31,874	(178)	31,696	Delivery, Corporate Development & Planning	27,960	(135)	27,825
225	-	225	Statutory Accounting and Contingency	217	-	217
42,145	(730)	41,415	(Surplus) or Deficit on Continuing Operations (Note 1)	38,062	(1,009)	37,053
			<u>Other Operating Expenditure</u>			
213	-	213	(Gain)/losses on disposals of non-current assets	-	(46)	(46)
213	-	213	Total Other Operating Expenditure	-	(46)	(46)
			<u>Financing and Investment Income and Expenditure</u>			
311	-	311	Interest payable and similar charges (Note 29)	311	-	311
-	(113)	(113)	Interest and Investment income (Note 29)	-	(42)	(42)
6,636	-	6,636	Pension interest cost (Note 28)	7,076	-	7,076
6,947	(113)	6,834	Total Financing and Investment Income and Expenditure	7,387	(42)	7,345
			<u>Taxation and Non-Specific Grant Income</u>			
-	(20,406)	(20,406)	Precepts	-	(21,207)	(21,207)
-	(5,488)	(5,488)	General Government Grants	-	(5,256)	(5,256)
-	(5,411)	(5,411)	Non Domestic Rates redistribution	-	(6,343)	(6,343)
-	(1,040)	(1,040)	Non Government contributions	-	-	-
-	(32,345)	(32,345)	Total Taxation and Non-Specific Grant Income (Note 10)	-	(32,806)	(32,806)
49,305	(33,188)	16,117	(Surplus) or Deficit on Provision of Services	45,449	(33,903)	11,546
		415	(Surplus) or Deficit on revaluation of fixed assets (Note 24e)			(5,832)
		62,506	Remeasurement of net defined liability (Note 24d)			(23,362)
		62,921	Other Comprehensive Income and Expenditure			(29,194)
		79,038	Total Comprehensive Income and Expenditure			(17,648)

Balance Sheet

The Balance Sheet shows the value as at the balance sheet date of the assets and liabilities recognised by the Authority. The net assets of the Authority (assets less liabilities) are matched by the reserves held by the Authority.

31 March 2021		31 March 2022
£000	Balance Sheet	£000
	<u>Property, Plant and Equipment</u>	
39,462	Land & Buildings	44,197
4,775	Vehicles, Plant & Equipment (including Donated Assets)	4,593
258	Assets under construction	1
44,495	Total Property, Plant & Equipment (Note 11a)	48,791
-	- Investment Property (Note 12)	-
-	- Intangible Assets (Note 13)	-
44,495	Non-Current Assets	48,791
12,024	Short Term Investments (Note 14)	14,023
246	Inventories (Note 15)	228
3,658	Short Term Debtors (Note 16)	4,414
2,082	Cash and Cash Equivalents (Note 17)	2,599
-	- Assets Held for Sale (Note 11a)	520
18,010	Current Assets	21,784
(80)	Short Term Borrowing (Note 18)	(700)
(3,617)	Short Term Creditors (Note 18)	(4,645)
(129)	Provision for Accumulated Absences (Note 19)	(229)
-	- Provision - Part Time Workers (Note 19)	-
(707)	Provision - VR/Special Payments (Note 19)	(707)
(287)	NNDR Appeals Provision (Note 19)	(472)
-	- Injury Pensions Provision (Note 19)	-
(4,820)	Current Liabilities	(6,753)
(6,797)	Long Term Borrowing (Note 20)	(6,177)
	<u>Other Long Term liabilities</u>	
-	- Capital Grants Received in Advance (Note 21)	-
(489)	Revenue Grants Received in Advance (Note 21)	(508)
(1,544)	Finance Lease (Note 22)	(1,497)
-	- Donated Asset Account (Note 25)	-
(357,795)	Liability related to the Defined Benefit Pension Scheme (Note 28)	(346,932)
(359,828)	Total Other Long Term Liabilities	(348,937)
(366,625)	Total Long Term Liabilities	(355,114)
(308,940)	Net Assets	(291,292)
	<u>Reserves</u>	
(6,533)	Usable Reserves (Note 23)	(7,310)
315,473	Unusable Reserves (Note 24)	298,602
308,940	Total Reserves	291,292

These financial statements replace the unaudited version certified by Mark Hemming (Director of Finance and Assets) on 8 November 2023.

8 November 2023

Cash Flow Statement

This statement shows the changes in cash and cash equivalents of the Authority during the reporting period. The Cash Flow Statement shows how the Authority generates and uses cash and cash equivalents by classifying cash flows as: operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Authority are funded by way of taxation and grant income or from the recipients of the services provided by the Authority. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Authority's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital to the Authority.

2020/21		2021/22
£000	Cash Flow Statement	£000
(16,117)	Net surplus or deficit on the provision of services	(11,546)
20,492	Adjust for non-cash movements	15,421
(1,405)	Adjust for items that are investing or financing activities	(46)
2,970	Net Cash Flow from Operating Activities	3,829
(2,605)	Investing Activities	(3,265)
(47)	Financing Activities	(47)
318	Net Increase or decrease in cash and cash equivalents	517
1,764	Cash and Cash equivalents at the beginning of the reporting period	2,082
2,082	Cash and Cash equivalents at the end of the reporting period	2,599

Notes to the Cash Flow Statement can be found in Note 31.

Notes to the Core Financial Statements

1 - Service Information – Expenditure and Funding Analysis

The Expenditure and Funding Analysis shows how annual expenditure is used and funded from resources (government grants, rents, council tax and business rates) by local authorities in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between the council's directorates/services/departments. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

2020/21			Expenditure and Funding Analysis		2021/22		
Net Expenditure Chargeable to the General Fund	Adjustments between the Funding and Accounting Basis	Net Expenditure in the Comprehensive Income and Expenditure Statement	Services	Net Expenditure Chargeable to the General Fund	Adjustments between the Funding and Accounting Basis	Net Expenditure in the Comprehensive Income and Expenditure Statement	
£000	£000	£000		£000	£000	£000	
1,219	131	1,350	Corporate Core	1,164	208	1,372	
7,356	312	7,668	Finance and Assets	6,522	537	7,059	
431	45	476	People and Organisational Development	470	110	580	
23,544	8,152	31,696	Delivery, Corporate Development & Planning	23,256	4,569	27,825	
225	-	225	Statutory Accounting and Contingency	217	0	217	
32,775	8,640	41,415	Net Cost of Services	31,629	5,424	37,053	
(34,169)	8,871	(25,298)	Other Income and Expenditure	(32,406)	6,899	(25,507)	
(1,394)	17,511	16,117	Surplus or Deficit	(777)	12,323	11,546	
(5,139)			Opening General Fund Balance	(6,533)			
(1,394)			Less/Plus Surplus or (Deficit) on General Fund	(777)			
(6,533)			Closing General Fund Balance at 31 March	(7,310)			

1a – Adjustments between Funding and Accounting Basis

2020/21			Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement Amounts		2021/22		
Adjustments For Capital Purposes	Net Change for Pension Adjustments	Total Adjustments		Adjustments For Capital Purposes	Net Change for Pension Adjustments	Total Adjustments	
£000	£000	£000		£000	£000	£000	
-	131	131	Corporate Core	-	208	208	
-	312	312	Finance and Assets	-	537	537	
-	45	45	People and Organisational Development	-	110	110	
6,427	1,725	8,152	Delivery, Corporate Development & Planning	-	4,569	4,569	
-	-	-	Statutory Accounting and Contingency	-	-	-	
6,427	2,213	8,640	Net Cost of Services	-	5,424	5,424	
2,235	6,636	8,871	Other Income and Expenditure from the EFA Analysis	(177)	7,076	6,899	
8,662	8,849	17,511	Differences between General Fund Surplus or Deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services	(177)	12,500	12,323	

Adjustments for Capital Purposes

1. Adjustments for capital purposes – this column adds in depreciation and impairment and revaluation gains and losses in the services line, and for:
 - **Other operating expenditure** – adjusts for capital disposals with a transfer of income on disposal of assets and the amounts written off for those assets.
 - **Financing and investment income and expenditure** – the statutory charges for capital financing i.e. Minimum Revenue Provision and other revenue contributions are deducted from other income and expenditure as these are not chargeable under generally accepted accounting practices.
 - **Taxation and non-specific grant income and expenditure** – capital grants are adjusted for income not chargeable under generally accepted accounting practices. Revenue grants are adjusted from those receivable in the year to those receivable without conditions or for which conditions were satisfied throughout the year. The Taxation and Non Specific Grant Income and Expenditure line is credited with capital grants receivable in the year without conditions or for which conditions were satisfied in the year.

Net Change for the Pensions Adjustments

2. Net change for the removal of pension contributions and the addition of IAS 19 Employee Benefits pension related expenditure and income:
 - For **services** this represents the removal of the employer pension contributions made by the Authority as allowed by statute and the replacement with current service costs and past service costs.
 - For **Financing and investment income and expenditure** the other differences column recognises adjustments to the General Fund for the timing differences for premiums and discounts.
 - The charge under **Taxation and non-specific grant income and expenditure** represents the difference between what is chargeable under statutory regulations for council tax and NDR that was projected to be received at the start of the year and the income recognized under generally accepted accounting practices in the Code. This is a timing difference as any difference will be brought forward in future Surpluses or Deficits on the Collection Fund.
 - The **Accumulated Absences Account** absorbs the differences that would otherwise arise on the General Fund Balance from accruing for Compensated Absences earned but not taken in the year.

Other Differences

Other differences between amounts debited/credited to the Comprehensive Income and Expenditure Statement and amounts payable/receivable to be recognised under statute:

- **For Financing and investment income and expenditure** - the other differences column recognises adjustments to the General Fund for the timing differences for premiums and discounts.

Segmental Income

2020/21		2021/22
£000	Income from Services	£000
(12)	Corporate Core	(10)
(466)	Finance and Assets	(672)
(74)	People and Organisational Development	(192)
(178)	Delivery, Corporate Development & Planning	(135)
-	Statutory Accounting and Contingency	-
(730)	Net Cost of Services	(1,009)

Expenditure and Income Analysed by Nature

The Authority's expenditure and income is analysed as follows:

2020/21		2021/22
£000	Expenditure/Income	£000
(730)	Fees, charges & other service income	(1,009)
(113)	Interest and investment income	(42)
(20,406)	Income from Council Tax	(21,207)
(11,939)	Government grants and contributions	(11,599)
-	Gain or loss on disposal of non current assets	(46)
(33,188)	Total Income	(33,903)
25,243	Employee Expenses	29,071
6,367	Other Operating Expenses	6,645
10,535	Depreciation, amortisation and impairment	2,346
311	Interest payments	311
6,636	Pensions interest cost	7,076
213	Gain or loss on disposal of non- current assets	-
49,305	Total Operating Expenses	45,449
16,117	Surplus (-) or deficit on the provision of services	11,546

2 - Officers Remuneration

The number of employees whose salary (including fees and allowances) and excluding employer's pension contributions was £50,000 or more in bands of £5,000 is shown below.

2020/21	Remuneration Band	2021/22
£000		£000
30	£50,000 - £54,999	32
15	£55,000 - £59,999	20
14	£60,000 - £64,999	11
-	£65,000 - £69,999	7
2	£70,000 - £74,999	2
5	£75,000 - £79,999	2
-	£80,000 - £84,999	3
1	£90,000 - £94,999	-
1	£95,000 - £99,999	-
-	£100,000 - £104,999	3
2	£105,000 - £109,999	-
1	£110,000 - £114,999	1
0	£130,000 - £134,999	1
1	£150,000 - £154,999	1
72	Total	83

The following table sets out the remuneration disclosures for senior officers during 2021/22. All posts holders are included within the remuneration bands shown on the previous page.

Post Holder	Salary including Fees and Allowances	Benefits in Kind e.g. Car Allowance	Other Payments	Compensation for Loss of Office	Total Remuneration Excluding Pension Contributions	Pension Contributions	Total Remuneration Including Pension Contributions	Notes
Chief Fire Officer and Chief Executive	154,286	-	-	-	154,286	44,434	198,720	1
Chief Operating Officer	130,705	-	-	-	130,705	-	130,705	2
Director of Finance and Assets & Chief Finance Officer	98,705	5,000	-	-	103,706	17,175	120,880	
Director of Legal and Governance	98,706	13,054	-	-	111,760	17,175	128,935	
Total	482,402	18,054	-	-	500,456	78,784	579,240	

Notes

1 – The Post Holder is Jason Thelwell, Chief Fire Officer and Chief Executive.

2 – Post holder retired and re-appointed due to exceptional circumstances.

Buckinghamshire & Milton Keynes Fire Authority – Statement of Accounts 2021/22

For comparison, the following table sets out the remuneration disclosures for senior officers during 2020/21:

Post Holder	Salary including Fees and Allowances	Benefits in Kind e.g. Car Allowance	Other Payments	Compensation for Loss of Office	Total Remuneration Excluding Pension Contributions	Pension Contributions	Total Remuneration Including Pension Contributions	Notes
Chief Fire Officer and Chief Executive	152,188	-	-	-	152,188	43,830	196,019	1
Chief Operating Officer	114,673	-	-	-	114,673	18,475	133,148	2
Director of Finance and Assets & Chief Finance Officer	94,794	5,000	-	-	99,794	16,494	116,289	
Director of Legal and Governance	97,363	11,423	-	-	108,786	16,941	125,727	
Total	459,019	16,423	-	-	475,442	95,741	571,183	

Notes

- 1 – The Post Holder is Jason Thelwell, Chief Fire Officer and Chief Executive.
2 – Post holder retired and re-appointed due to exceptional circumstances.

Exit Packages

There were no exit packages in 2021/22.

3 - Provision for Doubtful Debt

The provision for doubtful debts is £0.000m as at 31 March 2022 (£0.000m as at 31 March 2021).

4 - Leases and Lease Type Arrangements

The operating leases held by the Authority apply to lease vehicles and radio communications equipment. The lease rentals paid during the year amounted to £0.242m (£0.225m in 2020/21). The estimated un-discharged obligations under the operational lease agreements are shown in the table below:

2020/21			2021/22		
Vehicles Plant and Equipment £000	Land and Buildings £000	Years Operational Lease Remaining	Vehicles Plant and Equipment £000	Land and Buildings £000	
104	83	0 - 1 years	127	83	
141	330	2 - 5 years	185	330	
-	144	6 years and onwards	-	62	
245	557	Total	312	475	

The finance lease held by the Authority is for the sale and leaseback of the Gerrards Cross houses with London Quadrant (previously Opus Housing). The Authority has included the finance lease as a long-term liability. The finance lease is detailed in Note 22.

5 - Capital Financing Requirement

The table below shows the effect of capital expenditure on the Authority's capital financing requirement.

2020/21		2021/22
£000		£000
1,590	Opening Capital Financing Requirement	1,543
	<u>Capital Investment</u>	
4,206	Property Plant and Equipment	1,331
-	Intangible Assets	-
	<u>Sources of Finances</u>	
(1,547)	Capital Receipts	(46)
-	Donated Assets	-
(2,659)	Government Grants and Contributions	(1,285)
(47)	Revenue Funding including MRP	(47)
-	Voluntary Minimum Revenue Provision	-
-	Other Adjustments	-
1,543	Closing Capital Financing Requirement	1,496
	<u>Explanation of movements in year</u>	
(47)	Increase in the underlying need to borrow (supported by Government financial assistance)	(47)
(47)	Increase/(Decrease) in Capital Financing Requirement	(47)

6 - Members Allowances

Total allowances paid in 2021/22 to 23 Members amounted to £0.064m (2020/21 amounted to £0.063m and 23 Members).

7 - Audit Fees

Fees paid during the year to Ernst & Young LLP, the Authority's external auditor, for work on external audit and on inspection are set out in the table below. Please note that the actual fees are £0.024m with the remaining £0.012m relating to a scale variation fee for the 2019-20 audit.

2020/21		2021/22
£000	Audit Fees	£000
24	Scale fee for audit work	36
-	National Fraud Initiative (NFI)	1
24	Total	37

8 - Revenue Grants

Section 31 grants received from the Ministry of Housing, Communities & Local Government (MHCLG) by the Authority are detailed below. The grants are not ring-fenced but are given for specific streams of work. As the grants are not ring-fenced, they are shown within Taxation and Non-Specific Grant Income in the Comprehensive Income and Expenditure Statement.

2020/21		2021/22
£000	Revenue Grant Applied	£000
(817)	New Dimension (Urban Search and Rescue)	(817)
(301)	Firelink	(269)
(1,241)	Pension Fire Grant	(1,239)
(710)	COVID-19	(49)
(21)	ESMCP	(35)
(7)	Transparency Grant	(7)
(7)	S106. Funding	(22)
(61)	Protection Grant	(145)
-	Council Tax Support Grant	(337)
(3,165)	Total	(2,920)

The New Dimension grant funds the national resilience capability provided by the Urban Search and Rescue team. Firelink funding contributes to the cost of communications within the control room. The ESMCP and Protection grant are ring-fenced for specific purposes and recognised in the Income and Expenditure Statement when these conditions are met. The residual balances are shown within the Balance sheet as Grants Received in Advance.

9 - Related Parties

The Authority is required to disclose material transactions with related parties: bodies or individuals that have the potential to control or influence the Authority, or to be controlled or influenced by the Authority. Disclosure of these transactions allows readers to assess the extent to which the Authority might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Authority.

As at April 2015, the Joint Control Room became operational and operates from Royal Berkshire Fire Authority premises. All control functions are controlled jointly by Buckinghamshire and Milton Keynes Fire Authority (BMKFA), Oxfordshire Fire and Rescue and Royal Berkshire Fire Authority with the control room based in Theale, Reading.

The capital assets for the Joint Control are recognised as an equal third on the balance sheet. The net book value as at 31 March 2022 is £0.54m of which BMKFA share is £0.016m.

The revenue expenditure split is based on the Joint control policy stated in the accounting estimates section. The total expenditure for 2021/22 was £2.410m from which BMKFA contributed £0.800m.

As of April 2016, Buckinghamshire and Milton Keynes Fire Authority was appointed as the treasurer for the ESMCP project and the funding was held on behalf of Royal Berkshire and Oxfordshire

Central Government

Central Government is responsible for providing the statutory framework within which the Authority operates and prescribes the terms of many of the transactions that the Authority has with other parties. It also provided direct financial support in 2020/21 to the Authority.

Other Public Bodies

Buckinghamshire Council provides Internal Audit Services, LGPS Pensions administration Services and SAP legacy access. The Authority provides accommodation to the South Central Ambulance Service and Thames Valley Police.

The Authority has entered into local public service agreements with all six councils within its geographic boundaries. The Authority is using these agreements to build capacity within its Community Fire Safety department so that it can contribute along with its partners to the shared vision of creating a safer Buckinghamshire and Milton Keynes.

A Memorandum of Understanding (MOU) was agreed with Royal Berkshire and Oxfordshire Fire & Rescue Service which set out a formal arrangement for collaborating with the neighbouring Thames Valley Fire and Rescue Services.

A MOU has been established for a number of years with Hampshire Fire & Rescue Service and provides a cost-effective way for the Authority to deliver a notable element of an USAR mobilisation that complies with the national requirements.

Members of the Authority

Members have direct control over the Authority's financial and operational policies. However, any contracts entered into are in full compliance with the Authority's standing orders and any decisions are made with proper consideration of declarations of interest. Details of any material interests are recorded in the Register of Members' Interests, which is open to public inspection. All Members have been asked to declare any related party transactions. From the replies provided there are no such transactions to be declared.

Senior Officers of the Authority

Senior Officers have control over the day-to-day management of the Authority. All Senior Officers have been asked to declare any related party transactions. From the replies provided there are no such transactions to be declared.

Assisted Organisations

The Authority provides funding to the Safety Centre Milton Keynes of £0.025m per annum. The Authority is one of a number of funders. The Authority does not have a significant influence over the running of the centre.

Companies and Joint Ventures

The Authority does not have any interests in companies outside of its normal contractual arrangement.

Blue Light Hub

BMKFA are leading on this partnership with South Central Ambulance Service and Thames Valley Police and this will see all three services working together in one purpose-built site.

10 - Funding

The Authority's net revenue expenditure is funded by local authority precepts, general government grants and non-domestic rates redistribution from the national pool.

2020/21		2021/22
£000	Funding	£000
(5,776)	Milton Keynes Council	(6,086)
(14,630)	Buckinghamshire Council	(15,121)
(20,406)	Total Precepts	(21,207)
(2,323)	Revenue Support Grant	(2,336)
(3,165)	General Revenue Grants (Note 8)	(2,920)
-	Capital Grants	-
(5,488)	Total General Government Grants	(5,256)
(5,411)	Non Domestic Rates Redistribution	(6,343)
-	NNDR Pooling	-
(5,411)	Total Non Domestic Rates redistribution	(6,343)
(1,040)	Non Government Contributions	-
(1,040)	Total Non Government Contributions	-
(32,345)	Total	(32,806)

In 2021/22, there were 308,647 Band D equivalent properties and in 2020/21 there were 310,680 Band D equivalent properties. From 1st April 2020 the new unitary Buckinghamshire Council was formed to replace the four district councils and one county council.

11 - Non Current Assets

a) Movement of Property, Plant and Equipment

2021/22	Land and Buildings	Leased Land and Buildings	Total Land and Buildings	Vehicles, Plant and Equipment	Assets Under Construction	Total
	£000	£000	£000	£000	£000	£000
Gross Book Value as at 1 April 2021	37,911	2,357	40,268	14,805	258	55,331
Additions	880	-	880	450	1	1,331
Disposals and write offs	-	-	-	(276)	-	(276)
Reclassifications	-	-	-	258	(258)	-
Revaluation increase/decrease (-) recognised in Revaluation Reserve	3,456	(257)	3,199	-	-	3,199
Revaluation increase/decrease (-) recognised in surplus/deficit on provision of service	370	-	370	-	-	370
Adjustment for Asset Held for Sale, shown in Current Assets	(520)	-	(520)	-	-	(520)
Gross Book Value as at 31 March 2022	42,097	2,100	44,197	15,237	1	59,435
Accumulated depreciation and impairment as at 1 April 2021	-	(806)	(806)	(10,029)	-	(10,835)
Depreciation for the year	(1,415)	(65)	(1,480)	(891)	-	(2,371)
Depreciation on disposal	-	-	-	276	-	276
Depreciation written out to Revaluation Reserve	1,761	871	2,632	-	-	2,632
Depreciation written out to surplus/deficit (-) on provision of service	(346)	-	(346)	-	-	(346)
Depreciation c/f	-	-	-	(10,644)	-	(10,644)
Net Book Value as at 31 March 2022	42,097	2,100	44,197	4,593	1	48,791

Leased Land and Buildings - Refer to the Finance Lease item as detailed in Note 22

Buckinghamshire & Milton Keynes Fire Authority – Statement of Accounts 2021/22

Comparative figures for 2020/21:

2020/21	Land and Buildings	Leased Land and Buildings	Total Land and Buildings	Vehicles, Plant and Equipment	Assets Under Construction	Total
	£000	£000	£000	£000	£000	£000
Gross Book Value as at 1 April 2020	31,619	2,357	33,976	14,220	14,542	62,738
Additions	3,142	-	3,142	806	258	4,206
Disposals and write offs	(1,935)	-	(1,935)	(221)	-	(2,156)
Reclassifications	14,542	-	14,542	-	(14,542)	-
Revaluation increase/decrease (-) recognised in Revaluation Reserve	(492)	-	(492)	-	-	(492)
Revaluation increase/decrease (-) recognised in surplus/deficit on provision of service	(8,965)	-	(8,965)	-	-	(8,965)
Other movements in cost or valuation	-	-	-	-	-	-
Gross Book Value as at 31 March 2021	37,911	2,357	40,268	14,805	258	55,331
Accumulated depreciation and impairment as at 1 April 2020	-	(759)	(759)	(9,268)	-	(10,027)
Depreciation for the year	(1,810)	(47)	(1,857)	(982)	-	(2,839)
Depreciation on disposal	357	-	357	221	-	578
Depreciation written out to Revaluation Reserve	76	-	76	-	-	76
Depreciation written out to surplus/deficit (-) on provision of service	1,377	-	1,377	-	-	1,377
Depreciation c/f	-	(806)	(806)	(10,029)	-	(10,835)
Net Book Value as at 31 March 2021	37,911	1,551	39,462	4,775	258	44,495

Assets Held for Sale:

2021/22	Land and Buildings	Leased Land and Buildings	Total Land and Buildings	Vehicles, Plant and Equipment	Assets Under Construction	Total
	£000	£000	£000	£000	£000	£000
Gross Book Value as at 1 April 2021	-	-	-	-	-	-
Assets Held for Sale	520	-	520	-	-	520
Gross Book Value as at 31 March 2022	520	-	520	-	-	520

b) Basis of Valuation

All land and buildings were initially revalued during the year with an effective revaluation date of 1 April 2022. The valuations were updated as at 31 March 2022 to ensure the balance sheet accurately reflected the end of year values. Valuations were provided by an external valuer, Martin Wilson BSc (Hons) MRICS of Bruton Knowles. All valuations were prepared in accordance with the RICS Appraisal Valuation Manual and International Financial Reporting Standards. The basis of valuation adopted is Existing Use Value (EUV). For specialised properties the Depreciated Replacement Cost method was used to arrive at the EUV whilst non-specialised properties have been valued using the Comparable Method of valuation to arrive at the EUV.

The following significant assumptions were applied in arriving at the fair values:

- The Authority owns the freehold, which is not subject to any unusual or onerous restrictions;
- Properties are unaffected by any matters that would be revealed by a local search;
- All parts are assumed to be in good repair and condition and all properties are free from hazardous materials; and
- Where the remaining useful life of a property is at least 20 years it is on the assumption that it will be maintained reasonably.

c) Valuation Information

The following statement shows the progress of the Authority’s programme for the revaluation of assets.

Year of Valuation	Land and Buildings	Leased Land and Buildings	Vehicles, Plant and Equipment	Assets Under Construction	Total
	£000		£000	£000	£000
2021/22	42,097	2,100	-	-	44,197
Valued at Historic Cost	-	-	4,593	1	4,594
Total	42,097	2,100	4,593	1	48,791

d) Depreciation Lives

The Authority policy of depreciating assets is on a straight-line basis over their remaining useful lives as below:

- Red Fleet Vehicles - 1 to 15 years
- White Fleet Vehicles – 1 to 6 years
- Plant and Equipment - 1 to 24 years
- Buildings - 6 to 60 years
- Intangibles - 2 to 7 years

e) Commitments under Capital Contracts

At 31 March 2022, the Authority has entered into a number of contracts for the acquisition or enhancement of Property, Plant and Equipment or Intangible Assets. The major commitments are:

Amount Outstanding as at 31 March 2021	Commitments under Capital Contracts		Amount Outstanding as at 31 March 2022
£000	Capital Contract	Contractor	£000
179	Red Fleet Appliances	Emergency One	693
98	Property - Blue Light Hub	Montagu Evans Llp	-
277	Total		693

All commitments will be honoured during 2022/23.

12 - Investment Property

An office building at Bletchley Fire Station is classified as an investment property, as it is currently held solely for generating rental income. Bletchley Fire Station, along with this investment property was disposed of during 2020/21.

2020/21	Investment Property	2021/22
£000		£000
183	Opening Balance	-
-	- Transfer from Land and Buildings	-
-	- Revaluation	-
-	- Impairment	-
(183)	Disposal	-
-	Closing Balance	-

13 - Movement of Intangible Fixed Assets

Intangible Assets are recognised as non-financial fixed assets that do not have physical substance but are identifiable and are controlled by the entity through custody or legal rights. These represent the purchase of computer software and licences and other software systems and are amortised to the Comprehensive Income and Expenditure Statement based on the cost and estimated useful life.

2020/21		2021/22
£000	Movement of Intangible Assets	£000
865	Gross Book Value	865
(759)	Accumulated Amortisation	(865)
106	Opening Net Book Value	-
-	Additions in year	-
-	Reclassifications	-
(106)	Amortisation for the year	-
-	Closing Net Book Value	-

No assets were internally generated. All assets have finite useful lives and are amortised on a straight-line basis between 2 to 7 years.

14 - Short Term Investments

The Authority holds a number of short-term investments in order to manage liquidity.

2020/21		2021/22
£000	Short Term Investments	£000
12,024	Short Term Investments	14,023
12,024	Total	14,023

15 – Inventories

All inventories are purchased at cost. No inventory items are purchased on deferred settlement terms or acquired by an exchange of goods and services. Inventories are distributed at cost or cost plus and do not use LIFO as a cost formula. All inventory items of a similar nature and similar use to the Authority use the same cost formula.

2020/21		2021/22
£000	Inventories	£000
42	Workshops	31
150	Stores	141
54	Fuel	56
246	Total	228

16 - Short Term Debtors

The note below shows the value of debtors as at 31 March 2022.

2020/21		2021/22
£000	Short Term Debtors	£000
1,041	Central Government Bodies	224
615	Other Local Authorities	1,930
306	Other Entities and Individuals	209
1,696	Payments in Advance	2,051
3,658	Total	4,414

17 - Cash and Cash Equivalents

Cash and cash equivalents are short-term highly liquid investments with a maturity of less than 90 days.

2020/21		2021/22
£000	Cash and cash equivalents	£000
2,082	Cash at bank	2,599
-	Cash on deposit	-
2,082	Total	2,599

18 - Short Term Borrowing and Creditors

The interest owing and shown as short term borrowing represents the Public Works Loan Board (PWLB) interest accrued to the 31 March 2022 in accordance with the Code.

2020/21		2021/22
£000	Short Term Borrowing and Creditors	£000
(80)	Short Term Borrowing	(700)
	<u>Short Term Creditors</u>	
(447)	Central Government Bodies	(1,316)
(1,000)	Other Local Authorities	(1,496)
(1,922)	Other Entities and Individuals	(1,562)
(248)	Receipts in Advance	(271)
(3,617)	Total	(4,645)

19 - Provisions

The following table shows the movements on the Authority's provisions.

	Accumulated Absences	Voluntary Redundancy and Special Payments	NNDR Appeals Provisions	Total
	£000	£000	£000	£000
Balance as at 1st April 2021	(129)	(706)	(287)	(1,122)
Additional provisions made in 2021/22	(229)	(129)	(472)	(830)
Amounts used in 2021/22	129	128	287	544
Balance as at 31 March 2022	(229)	(707)	(472)	(1,408)

Accumulated Absences Account

This provision shows the value of the outstanding leave entitlement held by employees of the Authority as at the balance sheet date. Any increase or decrease in the provision is offset by the Accumulated Absences Account (see Note 24a) so that this accounting adjustment does not impact on the level of usable reserves.

Voluntary Redundancy and Special Payments

This provision relates to potential ill health retirements, along with a range of events that may impact upon the Authority in subsequent years.

NNDR Appeals Provision

This provision shows the Authority's share of the provision for appeals relating to income from business rates. Due to statutory accounting adjustments, this amount does not impact on the level of the General Fund balance.

20 - Long Term Borrowing

The Authority undertakes long-term borrowing, principally as a means of financing expenditure on fixed assets. No additional principal was borrowed during 2020/21. The interest owing and shown as short term borrowing in Note 18 represents the Public Works Loan Board (PWLB) interest accrued to the 31 March 2021 and loans due to be repaid within one year in accordance with the Code.

2020/21		2021/22
£000	Source of Loan	£000
(6,797)	PWLB	(6,177)
(6,797)	Total	(6,177)

The interest rates applicable as at 31 March 2022 were between 3.90% and 5.32%.

Long-term external borrowing by repayment dates is shown in the table below:

2020/21		2021/22
£000	Repayments Dates	£000
(1,620)	Maturing in less than 5 years	(1,000)
(1,626)	Maturing in 5 to 10 years	(1,626)
(750)	Maturing in 10 to 15 years	(750)
-	Maturing in 15 to 20 years	-
-	Maturing in 20 to 25 years	-
(2,801)	Maturing in over 25 years	(2,801)
(6,797)	Total	(6,177)

21 - Grants Received in Advance

The Authority has received funding in relation to the ESMCP project. In addition, following the Grenfell enquiry, Central Government have allocated funds specifically for the Fire Sector Protection teams to carry out a review of all high-rise buildings and support initial improvements in local protection capability.

2020/21		2021/22
£000	Grants Received in Advance	£000
(304)	ESMCP Funding (Revenue)	(271)
(185)	Protection Funding	(237)
(489)	Total	(508)

22 - Finance Lease

In 2003/04 the Authority entered into a sale and leaseback agreement with Opus Housing Association (now London Quadrant) in respect of the Gerrards Cross Houses for a period of 50 years. The initial cost of the lease is matched by an increase in the value of land and buildings within fixed assets. The rentals payable under this arrangement in 2021/22 were £0.143m charged as £0.096m to the Income and Expenditure account finance costs and £0.047m write down of obligation to the lessor.

2020/21		2021/22
£000	Outstanding Obligations under Finance Lease	£000
(47)	Payable in less than 1 year	(47)
(141)	Payable in 1 to 3 years	(141)
(1,356)	Payable in over 3 years	(1,309)
(1,544)	Total	(1,497)

23 - Usable Reserves

Adjustments under Regulations

General Fund Balance £000	2020/21 Usable Capital Receipts Reserve £000	Unusable Reserves £000		General Fund Balance £000	2021/22 Usable Capital Receipts Reserve £000	Unusable Reserves £000
			Adjustments primarily involving the Capital Adjustment Account			
			<u>Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:</u>			
(2,946)	-	2,946	Depreciation Charges	(2,371)	-	2,371
(7,589)	-	7,589	Impairments / Revaluation (Gains) & losses	24	-	(24)
2,659	-	(2,659)	Capital grants and contributions applied	1,285	-	(1,285)
(1,761)	-	1,761	Amounts of non-current assets written off on disposal as part of the (gain)/loss on disposal to the Comprehensive Income and Expenditure Statement	-	-	-
			<u>Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:</u>			
47	-	(47)	Minimum Revenue Provision	47	-	(47)
			Adjustments primarily involving the Capital Receipts Reserve			
1,548	(1,548)	-	Transfer of cash sale proceeds credited as part of the (gain)/loss on disposal to the Comprehensive Income and Expenditure Statement	46	(46)	-
-	1,548	(1,548)	Use of the Capital Receipts Reserve to finance new capital expenditure	-	46	(46)
			Adjustments primarily involving the Pension Reserve			
(12,797)	-	12,797	Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	(16,516)	-	16,516
3,948	-	(3,948)	Employer's pensions contributions and direct payments to pensioners payable in the year	4,016	-	(4,016)
			Adjustments primarily involving the Collection Fund Adjustment Account			
(890)	-	890	Precept and NNDR Income	1,245	-	(1,245)
			Adjustments primarily involving the Accumulated Absences Account			
270	-	(270)	Employee Absence Account	(100)	-	100
(17,511)	-	17,511	Total Adjustments	(12,323)	-	12,323

Transfers To/From Reserves

	Note	Balance at 31 March 2020 £000	Transfers (In)/Out 2020/21 £000	Balance at 31 March 2021 £000	Transfers (In)/Out 2021/22 £000	Balance at 31 March 2022 £000
General Fund Balance	A	(1,500)	-	(1,500)	-	(1,500)
Sub Total Non Earmarked General Fund Balance		(1,500)	-	(1,500)	-	(1,500)
Apprentice Reserve	B	(500)	-	(500)	-	(500)
Control Room Reserve	C	(534)	(53)	(587)	(50)	(637)
Continuing Projects Reserve	D	(148)	68	(80)	-	(80)
COVID-19 Reserve	E	(364)	(230)	(594)	-	(594)
Future Funding Reserve	F	(651)	590	(61)	(52)	(113)
Referendum Reserve	G	-	(600)	(600)	600	-
Sub Total Earmarked Reserves - Revenue		(2,197)	(225)	(2,422)	498	(1,924)
Revenue Contribution to Capital	H	(1,442)	(1,169)	(2,611)	(1,275)	(3,886)
Sub Total Earmarked Reserves - Capital		(1,442)	(1,169)	(2,611)	(1,275)	(3,886)
Total Usable Reserves		(5,138)	(1,394)	(6,533)	(777)	(7,310)

A – General Fund Balance

This is a non-earmarked reserve and is kept at a prudent level in order to cover unforeseen eventualities and liabilities.

B – Apprentice Reserve

This reserve is held to fund the apprenticeship initiative over the coming years.

C – Control Room Reserve (Revenue)

This reserve contains the renewals fund used to replenish the Joint control room assets.

D – Continuing Projects Reserve

This reserve has been created to cover any future costs on a number of large scale projects currently being undertaken by the Authority.

E – COVID-19 Reserve

This reserve is held to fund unknown expenditure requirements during the coronavirus (COVID-19) pandemic.

F – Future Funding Reserve

This reserve is held to meet known funding requirements within the medium-term financial plan and to fund projects from underspends in the previous year.

G – Referendum Reserve

The purpose of the reserve is to hold funding for a potential referendum in a future year.

H – Revenue Contribution to Capital

This reserve represents funding set aside to contribute towards future capital expenditure in order to mitigate the need to fund the expenditure through additional borrowing.

24 - Unusable Reserve

a) Accumulated Absences Account

The Accumulated Absences Account mitigates any effect on the General Fund of having to include a provision for any outstanding leave owed to employees at the end of each financial year. There is a requirement that authorities are only required to fund holiday pay and similar benefits when they are used, rather than when employees earn the benefits. Amounts are transferred to this account until the benefits are used. The carrying balance is relatively high as the authority operates a January to December leave year.

2020/21		2021/22
£000	Accumulated Absences Account	£000
399	Opening Balance	129
(399)	Reversal of provision for accumulated absences for previous year	(129)
129	Accumulated absences for the year	229
129	Closing Balance	229

b) Capital Adjustment Account

It is a statutory requirement to have a Capital Adjustment Account. The balance on this account provides a balancing mechanism between the different rates at which assets are depreciated under the Code and are financed through the capital controls system.

2020/21		2021/22
£000	Capital Adjustment Account	£000
(41,152)	Opening Balance	(34,590)
2,945	Depreciation	2,371
(967)	Depreciation variance Historic to Current	(638)
(47)	Minimum Revenue Provision	(47)
7,588	Impairments / Revaluation (Gains) & losses	(24)
1,761	Asset Disposal/Write-Off	-
(512)	Accumulated gains on assets sold or scrapped	-
(2,659)	Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	(1,285)
(1,547)	Capital receipts credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	(46)
(34,590)	Closing Balance	(34,259)

c) Collection Fund Adjustment Account

It is a statutory requirement to have a Collection Fund Adjustment Account. The balance on this account represents the timing differences between statutory accounting requirements and full accruals accounting for council tax.

2020/21		2021/22
£000	Collection Fund Adjustment Account	£000
(392)	Opening Balance	498
326	Amount by which council tax income credited to the Comprehensive Income and Expenditure Statement is different from council tax income calculated for the year in accordance with statutory requirements	(531)
564	Amount by which NNDR income credited to the Comprehensive Income and Expenditure Statement is different from NNDR income calculated for the year in accordance with statutory requirements.	(714)
498	Closing Balance	(747)

d) Pensions Reserve

It is a statutory requirement to have a Pensions Reserve. This reserve represents a balancing figure, reported by the actuary, to allow for the liabilities of both the Local Government Pension Scheme and the Firefighter’s Pension Fund, as required under IAS 19.

2020/21		2021/22
£000	Pensions Reserve	£000
286,440	Opening Balance	357,795
8,849	Appropriations to and from (-) revenue	12,500
62,506	Actuarial gains (-) / losses relating to pensions	(23,362)
357,795	Closing Balance	346,932

e) Revaluation Reserve

It is a statutory requirement to have a Revaluation Reserve. This reserve records unrealised revaluation gains arising since the 1 April 2007 from the holding of fixed assets. As and when assets are revalued or revaluations are reversed then adjustments are made to this account. The revaluation reserve is also written down to the capital adjustment account over the remaining useful lives of the assets with revaluation reserve balances.

2020/21		2021/22
£000	Revaluation Reserve	£000
(10,254)	Opening Balance	(8,359)
(1,175)	Upward Asset revaluations	(6,911)
1,590	Downward Asset revaluations	1,079
513	Asset Disposal	-
967	Depreciation difference - historic cost to current value	638
(8,359)	Closing Balance	(13,553)

25 - Donated Assets Account

In 2015/16 the Authority recognised on the Balance Sheet the value of the Thames Valley Control Room made available to it by Royal Berkshire Fire Authority. The fair value of the assets was recognised within Vehicles, Plant and Equipment and a credit was recognised in the Comprehensive Income Expenditure Statement (see Note 10).

26 - Contingent Assets

As at 31 March 2022, the Authority does not have any contingent assets.

27 - Contingent Liabilities

As at 31 March 2022, the Authority does not have any contingent liabilities.

28 - Pension Schemes

As part of the terms and conditions of employment of its officers and other employees, the Authority offers retirement benefits. Although these will not actually be payable until employees retire, the Authority has a commitment to make the payments that need to be disclosed at the time that employees earn their future entitlement. The Authority participates in four pension schemes:

- The Local Government Pension Scheme for non-firefighter staff administered locally by Buckinghamshire Council is a funded defined benefit final salary scheme, administered in accordance with the Local Government Pension Scheme (1997) as amended. The Authority and employees pay contributions into a fund, calculated at a level intended to balance the pension liabilities with investment assets. It is contracted out of the State Second Pension;
- The Fire-Fighter Pension Scheme for uniformed fire fighters is an unfunded defined benefit statutory scheme, administered by West Yorkshire Pension Fund in accordance with the Fire Pension Scheme Orders (1992) as amended. It is contracted out of the State Second Pension. There are no investment assets held to back the liabilities of the scheme and cash has to be generated to meet actual pensions payments as they eventually fall due; and
- The Fire-Fighter Pension Scheme for uniformed fire-fighters (retained and new entrants from 1 April 2006) is an unfunded defined benefit statutory scheme, administered by West Yorkshire Pension Fund in accordance with the Fire Pension Scheme Orders (2006) as amended. It is contracted out of the State Second Pension. There are no investment assets held to back the liabilities of the scheme and cash has to be generated to meet actual pension payments as they eventually fall due.
- The Fire Fighter Pension Scheme for uniformed fire-fighters (retained and new entrants from 1 April 2015) is an unfunded defined benefit statutory scheme, administered by West Yorkshire Pension Fund in accordance with the Firefighters' Pension Scheme regulations (2014). It is contracted out of the State Second Pension. There are no investment assets held to back the liabilities of the scheme and cash has to be generated to meet actual pension payments as they eventually fall due.
- The report provided by the actuaries has aggregated all the fire-fighter pension data. This approach was taken to condense the number of reports produced as previously there was an individual report for each pension scheme but with now having five schemes (including modified 2006 scheme), it has been condensed into two reports, LGPS and fire-fighter pensions.

Under the Firefighters' Pension Fund Regulations 2006 if the amounts receivable by the pension fund are less than amounts payable, the fire authority must annually transfer an amount required to meet the deficit to the Pension Fund. Subject to scrutiny and approval by Parliament and the Secretary of State up to 100% of this cost is met by central government top-grant. If however the pension fund is in surplus for the year, the surplus is required to be transferred from the pension fund to the Fire Authority, which must then repay the amount to central government.

Buckinghamshire & Milton Keynes Fire Authority – Statement of Accounts 2021/22

a) Transactions relating to retirement benefits

The Authority recognises the cost of retirement benefits in the Net Cost of Services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge required to be made against council tax is based on the cash payable in the year, so the real cost of retirement benefits is reversed out in the Movement in Reserves Statement. The following transactions have been made in the Comprehensive Income and Expenditure Statement.

2020/21			2021/22			
LGPS £000	Firefighters £000	Total £000	Comprehensive Income and Expenditure Statement	LGPS £000	Firefighters £000	Total £000
1,301	4,860	6,161	<u>Cost of Service</u>	1,965	7,475	9,440
-	-	-	Current Service Cost	-	-	-
-	-	-	Past Service Cost	-	-	-
1,301	4,860	6,161	Administration Expenses	1,965	7,475	9,440
			Cost of Service Total			
			<u>Financing and Investment Income and Expenditure</u>			
241	6,395	1,142	Net Interest on the defined liability (asset)	318	6,758	7,076
241	6,395	6,636	Financing and Investment Total	318	6,758	7,076
1,542	11,255	12,797	Total Post Employment Benefit Charged to the Surplus or Deficit on the Provision of Services	2,283	14,233	16,516
4,524	57,982	68,000	Actuarial gains/(losses) on assets	(5,431)	(17,931)	(23,362)
6,066	69,237	75,303	Total Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement	(3,148)	(3,698)	(6,846)
			Movement in Reserves Statement			
(1,542)	(11,255)	(12,797)	Reversal of net charges made to the surplus or deficit for post employment benefits in accordance with the code: Amount actually charged against the General Fund Balance for pensions in the year for:	(2,283)	(14,233)	(16,516)
551	3,171	3,722	Employers contribution	670	3,126	3,796
12	214	226	Retirement benefit payable to pensioners	11	209	220

b) Assets and liabilities in relation to retirement benefits

Reconciliation of present value of the scheme liabilities 2021/22

2020/21			2021/22			
LGPS £000	Firefighters £000	Total £000	Reconciliation of present value of the scheme liabilities	LGPS £000	Firefighters £000	Total £000
(36,418)	(275,701)	(312,119)	Present Value of scheme liabilities as at 1 April	(47,849)	(341,553)	(312,119)
(1,301)	(4,860)	(6,161)	Current Service Cost	(1,965)	(7,475)	(9,440)
(848)	(6,395)	(7,243)	Interest Cost	(953)	(6,758)	(7,711)
(10,883)	(65,281)	(76,164)	Change in financial assumptions	2,635	14,516	17,151
396	2,976	3,372	Change in demographic assumptions	1,535	-	1,535
493	617	1,110	Experience loss/(gain) on defined benefit obligation	(161)	(639)	(800)
955	8,304	9,259	Estimated benefits paid net of transfers in	664	8,609	9,273
-	-	-	Past service costs, including curtailments	-	-	-
(255)	(1,427)	(1,682)	Contribution by Scheme participants	(272)	(1,429)	(1,701)
12	214	226	Unfunded pension payments	11	209	220
(47,849)	(341,553)	(389,403)	Present Value of scheme liabilities as at 31 March	(46,355)	(334,520)	(380,875)

Buckinghamshire & Milton Keynes Fire Authority – Statement of Accounts 2021/22

Reconciliation of fair value of the scheme assets 2021/22

2020/21			Reconciliation of fair value of the scheme assets	2021/22		
LGPS £000	Firefighters £000	Total £000		LGPS £000	Firefighters £000	Total £000
25,680	-	25,680	Fair Value of scheme assets as at 1 April	31,608	-	31,608
607	-	607	Interest on Assets	635	-	635
5,494	-	5,494	Return on assets less interest	1,615	-	1,615
-	3,706	3,706	Other actuarial gains/(losses)	(167)	4,054	3,887
(24)	-	(24)	Administration expenses	(26)	-	(26)
563	3,385	3,948	Contributions by employer including unfunded	681	3,335	4,016
255	1,427	1,682	Contributions by Scheme participants	272	1,429	1,701
(967)	(8,518)	(9,485)	Estimated benefits paid plus unfunded net of transfers in	(675)	(8,818)	(9,493)
31,608	-	31,608	Fair Value of scheme assets as at 31 March	33,943	-	33,943

The expected return on scheme assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields at the Balance Sheet date. Expected returns on equity investments reflect the long-term real rates of return experienced in the respective markets.

c) Scheme history

Reconciliation of present value of the scheme liabilities	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
<u>Present Value of Liabilities</u>					
LGPS	(38,651)	(40,486)	(36,418)	(47,849)	(46,355)
Firefighters Scheme	(272,651)	(296,527)	(275,701)	(341,554)	(334,520)
Present Value of scheme liabilities as at 31 March	(311,302)	(337,013)	(312,119)	(389,403)	(380,875)
<u>Fair Value of Assets</u>					
LGPS	26,167	27,074	25,680	31,608	33,943
Total Assets - BMKFA estimated allocation of LGPS assets	26,167	27,074	25,680	31,608	33,943
LGPS Experience adjustments on scheme assets	-	-	-	-	-
<u>Surplus/Deficit (-) in the scheme</u>					
LGPS	(12,484)	(13,413)	(10,739)	(16,241)	(12,412)
Firefighters Scheme	(272,651)	(296,527)	(275,701)	(341,554)	(334,520)
Total	(285,135)	(309,940)	(286,440)	(357,795)	(346,932)

The liabilities show the underlying commitments that the Authority has in the long run to pay retirement benefits. The total liability of £348.932m has a substantial impact on the net worth of the Authority as recorded in the balance sheet, resulting in a negative overall balance of £291.292m. However, statutory arrangements for funding the deficit mean that the financial position of the Authority remains healthy:

- The deficit on the Local Government Scheme will be made good by increased contributions over the remaining working life of employees, as assessed by the Scheme Actuary every three years;
- Finance is only required to be raised to cover firefighter's pensions when the pensions are actually paid.

d) Basis for estimating assets and liabilities

Liabilities have been assessed on an actuarial basis using the Projected Unit Method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels, etc.

Both the Firefighters’ and Local Government schemes have been assessed by Barnett Waddingham, an independent firm of actuaries, based on the latest valuations.

The main assumptions used in their calculations have been:

	LGPS		Firefighters	
	2020/21	2021/22	2020/21	2021/22
	£000	£000	£000	£000
<u>Mortality Assumptions</u>				
Longevity at 65 for current pensioners				
Males	21.60	21.00	20.50	20.50
Females	25.00	24.50	22.70	22.80
Longevity at 65 for future pensioners				
Males	22.90	22.30	21.70	21.80
Females	26.40	25.90	24.20	24.30
<u>Financial Assumptions</u>				
Rate of salary inflation	3.85%	4.20%	3.80%	4.20%
Rate of pensions inflation	2.85%	3.20%	2.80%	3.20%
Rate for discounting scheme liabilities	2.00%	2.60%	2.00%	2.60%

The Local Government Pension Scheme’s assets consist of the following categories by proportion of Buckinghamshire and Milton Keynes Fire Authority’s estimated allocation.

The Firefighters Pension Schemes have no assets to cover their liabilities.

31 March 2021			31 March 2022		
£000	%	LGPS	£000	%	
2,859	9%	Gilts	3,364	10%	
18,557	59%	Equities	18,315	54%	
4,610	15%	Other Bonds	4,638	14%	
1,856	6%	Property	2,120	6%	
450	1%	Cash	1,159	3%	
391	1%	Infrastructure	1,022	3%	
1,490	5%	Hedge Funds	-	0%	
1,395	4%	Absolute Return Portfolio	-	0%	
-	0%	Multi Assets	3,128	9%	
-	0%	Private Debt	197	1%	
31,608	100%	Total	33,943	100%	

e) Sensitivity Analysis

The following tables show a sensitivity analysis on the major assumptions used in the valuations:

2020/21				2021/22		
£000	£000	£000	LGPS	£000	£000	£000
+0.1%	0.0%	-0.1%	Adjustment to discount rate	+0.1%	0.0%	-0.1%
46,861	47,849	48,859	Present value of total obligation	45,370	46,355	47,371
2,144	2,214	2,286	Projected service cost	1,893	1,965	2,040
+0.1%	0.0%	-0.1%	Adjustment to long term salary increase	+0.1%	0.0%	-0.1%
47,923	47,849	47,777	Present value of total obligation	46,419	46,355	46,291
2,215	2,214	2,213	Projected service cost	1,966	1,965	1,964
+0.1%	0.0%	-0.1%	Adjustment to pension increases and deferred revaluation	+0.1%	0.0%	-0.1%
48,777	47,849	46,941	Present value of total obligation	47,300	46,355	454,538
2,285	2,214	2,145	Projected service cost	2,039	1,965	1,894
+1 year	None	- 1 Year	Adjustment to mortality age rating assumption	+1 year	None	- 1 Year
50,015	47,849	45,781	Present value of total obligation	48,514	46,355	44,295
2,315	2,214	2,117	Projected service cost	2,055	1,965	1,879
£000	£000	£000	Firefighters	£000	£000	£000
+0.1%	0.0%	-0.1%	Adjustment to discount rate	+0.1%	0.0%	-0.1%
335,098	341,553	348,147	Present value of total obligation	328,169	334,520	341,010
7,619	7,914	8,219	Projected service cost	5,918	6,199	6,491
+0.1%	0.0%	-0.1%	Adjustment to long term salary increase	+0.1%	0.0%	-0.1%
342,312	341,553	340,799	Present value of total obligation	335,388	334,520	333,658
7,950	7,914	7,879	Projected service cost	6,203	6,199	6,195
+0.1%	0.0%	-0.1%	Adjustment to pension increases and deferred revaluation	+0.1%	0.0%	-0.1%
347,329	341,553	335,896	Present value of total obligation	340,097	334,520	329,061
8,184	7,914	7,653	Projected service cost	6,489	6,199	5,920
+1 year	None	- 1 Year	Adjustment to mortality age rating assumption	+1 year	None	- 1 Year
358,391	341,553	325,527	Present value of total obligation	350,353	334,520	319,427
8,294	7,914	7,548	Projected service cost	6,460	6,199	5,947

29 - Financial Instruments

a) Financial Instruments Balances

The borrowings and investments disclosed in the Balance Sheet are made up of the following categories of financial instruments:

31 March 2021			31 March 2022		
Long Term	Current		Long Term	Current	
£000	£000	Financial Instruments Balances	£000	£000	
(8,341)	(1,917)	Financial liabilities at amortised cost	(7,674)	(2,495)	
(8,341)	(1,917)	Total Borrowings	(7,674)	(2,495)	
-	12,169	Loans and receivables	-	14,196	
-	12,169	Total Investments	-	14,196	

b) Financial Instruments gains and losses

The gains and losses recognised in the Comprehensive Income and Expenditure Statement and the Movement in Reserves Statement in relation to financial instruments are made up as follows.

2020/21 Financial Liabilities and Assets	Total	Financial Instruments Gains and Losses	2021/22				Total
			Financial Liabilities	Loans and receivables	Available for sale assets	Fair value through the CIES account	
£000	£000	£000	£000	£000	£000	£000	
312	312	Interest expense	311	-	-	-	311
-	-	Losses on derecognition	-	-	-	-	-
-	-	Impairment losses	-	-	-	-	-
312	312	Interest payable and similar charges	311	-	-	-	311
(113)	(113)	Interest income	-	(42)	-	-	(42)
-	-	Gains on derecognition	-	-	-	-	-
(113)	(113)	Interest and investment income	-	(42)	-	-	(42)
-	-	Gains on revaluation	-	-	-	-	-
-	-	Losses on revaluation	-	-	-	-	-
-	-	Amounts recycled to the CIES after impairment	-	-	-	-	-
-	-	Surplus arising on revaluation of financial assets	-	-	-	-	-
199	199	Net gain/loss (-) for the year	311	(42)	-	-	269

A reconciliation of the net gain on Loans and Receivables to Investment Income as shown in the Comprehensive Income and Expenditure Statement is given below.

2020/21		2021/22
£000		£000
-	Financial Instruments gain	-
-	Rental income from investment properties	-
-	Movement in fair value of investment properties	-
(113)	Interest on investments	(42)
(113)	Total Investment income received in the CIES	(42)

c) Fair value of assets and liabilities carried at amortised cost

Financial liabilities and financial assets represented by loans, finance leases and receivables are carried on the Balance Sheet at amortised cost. Their fair value can be assessed by calculating the present value of the cash flows that take place over the remaining life of the instruments, using the following assumptions:

- The fair values for financial liabilities have been determined by reference to the Public Works Loans Board (PWLB) redemption rules and prevailing PWLB redemption rates as at each balance sheet date, and include accrued interest. It should be noted that the redemption rules applying to PWLB debt changed on 1 November 2007, and are less favourable than the previous procedures.
- No early repayment or impairment is recognised;
- Where an instrument will mature in the next 12 months, the carrying amount is assumed to be approximate to fair value;
- The fair value of trade and other receivables is taken to be invoiced or billed amounts.

The fair values calculated are as follows:

31 March 2021			31 March 2022		
Carrying Amount	Fair Value		Carrying Amount	Fair Value	
£000	£000		£000	£000	
(6,797)	(8,990)	PWLB Debt at amortised cost	(6,797)	(8,346)	
(1,544)	(1,544)	Finance lease	(1,497)	(1,497)	
(1,917)	(1,917)	Creditors	(1,875)	(1,875)	
(10,258)	(12,451)	Total Financial Liabilities	(10,169)	(11,718)	
-	-	Cash and cash equivalents	-	-	
12,024	12,024	Short term investments	14,023	14,023	
145	145	Debtors	173	173	
12,169	12,169	Total Loans and Receivables	14,196	14,196	

The differences between the carrying amount and the fair value of PWLB debt are due to the fixed rate of interest on the loans being different from the prevailing rate at 31 March 2022. All creditors and other payables are due to be paid in less than one year.

d) Nature and extent of risk arising from financial instruments

The Authority's activities expose it to a variety of financial risks, the key risks are:

- Credit risk – the possibility that other parties might fail to pay amounts due to the Authority;
- Liquidity risk – the possibility that the Authority might not have funds available to meet its commitments to make payments;
- Re-financing risk – the possibility that the Authority might be requiring to renew a financial instrument on maturity at disadvantageous interest rates or terms; and
- Market risk - the possibility that financial loss might arise for the Authority as a result of changes in such measures as interest rates movements.

e) Overall procedures for managing risk

The Authority's overall risk management procedures focus on the unpredictability of financial markets, and implementing restrictions to minimise these risks. The procedures for risk management are set out through a legal framework set out in the Local Government Act 2003 and the associated regulations. These require the Authority to comply with the CIPFA Prudential Code, the CIPFA Treasury Management in the Public Services Code of Practice and Investment Guidance issued through the Act. Overall these procedures require the Authority to manage risk in the following ways:

- By formally adopting the requirements of the Code of Practice;
- By approving annually in advance prudential indicators for the following three years limiting;

- i.) The Authority's overall borrowing
- ii.) The maximum and minimum exposures to fixed and variable rates
- By approving an investment strategy for the forthcoming year setting out its criteria for investing and compliance with the Government Guidance.

These are required to be reported and approved at or before the Authority's annual council tax setting budget. These items are reported with the annual Treasury Management Strategy which outlines the detailed approach to managing risk. Actual performance is also reported annually to Members. The Authority maintains written principles for overall risk management as well as the investment of surplus cash through the Treasury Management Policy approved by the Authority.

f) Credit risk and Liquidity Risk

Investment Policy

In accordance with guidance from the Department for Levelling Up, Housing and Communities (DLUHC) and CIPFA, and in order to minimise the risk to investments, the Authority has below clearly stipulated the minimum acceptable credit quality of counterparties for inclusion on the lending list. The creditworthiness methodology used to create the counterparty list fully accounts for the ratings, watches and outlooks published by all three ratings agencies with a full understanding of what these reflect in the eyes of each agency. Using the Link ratings service potential counterparty ratings are monitored on a real time basis with knowledge of any changes notified electronically as the agencies notify modifications.

Continuing regulatory changes in the banking sector are designed to see greater stability, lower risk and the removal of expectations of Government financial support should an institution fail. This withdrawal of implied sovereign support has had an effect on ratings applied to institutions. This will result in the key ratings used to monitor counterparties being the Short Term and Long Term ratings only. Viability, Financial Strength and Support Ratings previously applied have effectively become redundant. This change does not reflect deterioration in the credit environment but rather a change of method in response to regulatory changes.

As with previous practice, ratings will not be the sole determinant of the quality of an institution and that it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To this end the Authority will engage with its advisors to maintain a monitor on market pricing such as credit default swaps (CDS) and overlay that information on top of the credit ratings. This is fully integrated into the credit methodology provided by the advisors, Link in producing its colour coding which show the varying degrees of suggested creditworthiness.

Other information sources used will include the financial press, share price and other such information pertaining to the banking sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.

The aim of the strategy is to generate a list of highly creditworthy counterparties which will also enable diversification and thus avoidance of concentration risk.

The intention of the strategy is to provide security of investment and minimisation of risk.

Creditworthiness Policy

This Authority applies the creditworthiness service provided by Link. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies - Fitch, Moody's and Standard and Poor's. The credit ratings of counterparties are supplemented with the following overlays:

- credit watches and credit outlooks from credit rating agencies
- CDS spreads to give early warning of likely changes in credit ratings;
- sovereign ratings to select counterparties from only the most creditworthy countries.

This modelling approach combines credit ratings, credit watches and credit outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads for which the end product is a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes have been used by the Authority to determine the suggested duration for investments. It is recommended that the Authority continues to use Link's colour codes plus an additional six months for UK counterparties only. 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. The Authority will therefore use counterparties within the following durational bands:

- 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 Link creditworthiness service uses a wider array of information than just primary ratings and by using a risk weighted scoring system, does not give undue preponderance to just one agency's ratings.

Typically the minimum credit ratings criteria the Authority use will be a short term rating (Fitch or equivalents) of short term rating F1, long term rating A-, viability rating of A-. There may be occasions when the counterparty ratings from one rating agency are marginally lower than these ratings but may still be used. In these instances consideration will be given to the whole range of ratings available, or other topical market information, to support their use.

All credit ratings will be monitored weekly. The Authority is alerted to changes to ratings of all three agencies through its use of the Link creditworthiness service.

- if a downgrade results in the counterparty/investment scheme no longer meeting the Authority's minimum criteria, its further use as a new investment will be withdrawn immediately.
- in addition to the use of credit ratings the Authority will be advised of information in movements in credit default swap spreads against the iTraxx benchmark and other market data on a weekly basis. Extreme market movements may result in downgrade of an institution or removal from the Authority's lending list.

Sole reliance will not be placed on the use of this external service. In addition this Authority will also use market data and market information, information on government support for banks and the credit ratings of that supporting government.

Country Limits

In 2017/18, the Authority determined that it would not only use approved counterparties based within the United Kingdom but allowed any counterparty (UK or non-UK based) rated at least 'Green' by Link. Although no counterparty outside UK was used during 2021/22, these will remain on the lending list for 2022/23.

Counterparty Limits

The Authority has determined that the maximum balance that can be invested with a single counterparty at any point in time will be no more than 30% of the portfolio, up to a limit of £5.000m. The one exception to this is Lloyds, as these are the Authority’s primary banking provider. Up to £7.500m can be invested with Lloyds, of which at least £2.500m must be instant access.

Investment Security

Investments are defined as being in one of two categories:

- Specified investments – these are investments with high security and high liquidity. All specified investments are in sterling and have a maturity of no more than one year. They will be with the UK government, a local authority, a parish council or with an investment scheme or body of “high credit quality” (as judged against the Creditworthiness Policy detailed earlier in this paper)
- Non-specified investments – any type of investment that is not a specified investment. The Authority does plan to make any non-specified investments during the year.

Investment Training

Relevant training and updates will be provided to relevant staff by the external treasury management advisors. This will be supplemented by additional training from CIPFA where necessary.

Investment of Money Borrowed in Advance of Need

The Authority does not currently have any money that has been borrowed in advance of need. No further borrowing is planned over the medium term.

Investment Liquidity

In consultation with external treasury advisors, the Authority will review its balance sheet position, level of reserves and cash requirements in order to determine the length of time for which investments can be prudently committed. Investments will be placed at a range of maturities, including having money on-call in order to maintain adequate liquidity.

g) Refinancing and maturity risk

The Authority maintains a significant debt and investment portfolio. Whilst the cash flow procedures above are considered against the refinancing risk procedures, longer term risk to the Authority relates to managing the exposure to replacing PWLB Loans as they mature. It is possible that provisions will be made available to meet all PWLB Loans without the direct need to replace loans as they mature, therefore no risk / impairment or other adjustment is required.

A fair value debt calculation of £8.346m has been provided by the PWLB on the Authority’s behalf

The maturity analysis of financial liabilities is as follows:

31 March 2021		31 March 2022
£000		£000
-	Maturing in less than 1 year	(620)
(620)	Maturing within 2 years	(1,000)
(1,000)	Maturing within 2 to 5 years	-
(1,626)	Maturing within 5 to 10 years	(1,626)
(3,551)	Maturing in more than 10 years	(3,551)
(6,797)	Total	(6,797)

h) Market risk

Interest rate risk

The Authority is exposed to interest rate movements on its investments as borrowings are taken at fixed rate and are carried at amortised cost. Movements in interest rates have a complex impact on the Authority, depending on how variable and fixed interest rates move across differing financial instrument periods. For instance, a rise in variable and fixed interest rates would have the following effects:

- Borrowings at fixed rates – the fair value of the borrowing liability will fall;
- Investments at variable rates – the interest income credited to the Income and Expenditure Account will rise.

Borrowings are not carried at fair value on the balance sheet but are carried at amortised cost, so nominal gains and losses on fixed rate borrowings would not impact on the Comprehensive Income and Expenditure Account (CIES). However, changes in interest payable on fixed rate borrowings and variable rate investments will be posted to the CIES and affect the General Fund Balance. Movements in the fair value of any variable rate investments will be reflected in Other Comprehensive Income and Expenditure, unless the investments have already been designated as fair value through the CIES.

The Authority has a number of strategies for managing interest rate risk. The Annual Treasury Management Strategy draws together the Authority’s prudential indicators and its expected treasury operations. From this Strategy, a prudential indicator is set which provides maximum and minimum limits for fixed and variable interest rate exposure.

If interest rates had been 1% higher with all other variables held constant the financial effect would be:

	2021/22
	£000
Increase in interest payable on variable rate borrowings	-
Increase in interest receivable on variable rate investments	127
Increase in government grant receivable for financing costs	-
Impact on Comprehensive Income and Expenditure Statement	127
Decrease in fair value of fixed rate borrowing liabilities which has no impact on the Comprehensive Income and Expenditure Statement	-
Total Financial Effect	127

If rates had been 1% lower the amounts would be reversed.

Price risk

The Authority, excluding its share of assets in the Local Government Pension Scheme does not invest in equity shares.

Foreign Exchange risk

The Authority has no financial assets or liabilities denominated in foreign currencies. It therefore has no exposure to loss arising from movements in exchange rates.

30 - Events after the Balance Sheet Date

30a Prior Period Adjustments

1) The Authority has identified an error in how the historic revaluation reserve values and the current revaluation reserve values were being calculated within the fixed asset register. This has resulted in several presentational errors within the financial statements, however does not impact the closing balances for the Movement in Reserves Statement (MIRS), Comprehensive Income and Expenditure Statement (CIES), Balance Sheet, Cashflow Statement and Note 11 Non-Current Assets for 2021/22.

In order to correct this identified error, the Authority has corrected the fixed asset register and restated the prior year period information for 2020/21, including the opening balances as at 01 April 2020, with corresponding entries made to MIRS, CIES, Cashflow, Note 1, Note 11, Note 23, Note 24 and Note 31.

The following tables 30b to 30l, summaries the restatements on MIRS, CIES, Cashflow, Note 1, Note 11, Note 23, Note 24 and Note 31.

2) The Authority has identified and corrected an overstatement of the fair value of financial instruments for 2020/21. This restatement and value of correction can be seen in table 30m and 30n.

3) The Authority has also identified and corrected a presentational error in Note 28 Pension Scheme. The changes made to correct this can be seen in table 30o and 30p, with updates seen in existing tables 30b, 30c, 30e, 30f, 30g 30i.

30b - Effect on the Movement in Reserves Statement balances as at 31 March 2021

	2020/21 Published			2020/21 As Restated			Correction		
	Total Usable Reserves £000	Unusable Reserves £000	Total Authority Reserves £000	Total Usable Reserves £000	Unusable Reserves £000	Total Authority Reserves £000	Total Usable Reserves £000	Unusable Reserves £000	Total Authority Reserves £000
Balance at 31 March 2020 carried forward	(5,139)	235,041	229,902	(5,139)	235,041	229,902	-	-	-
(Surplus) or deficit on the provision of services	4,196	-	4,196	16,117	-	16,117	11,921	-	11,921
Other Comprehensive Income and Expenditure	-	74,842	74,842	-	62,921	62,921	-	(11,921)	(11,921)
Total Comprehensive Income and Expenditure	4,196	74,842	79,038	16,117	62,921	79,038	11,921	(11,921)	-
Adjustments between accounting basis & funding basis under regulations (Note 23)	(5,590)	5,590	-	(17,511)	17,511	-	(11,921)	11,921	-
Net (Increase) / Decrease before Transfers to Earmarked Reserves	(1,394)	80,432	79,038	(1,394)	80,432	79,038	-	-	-
Balance at 31 March 2021 carried forward	(6,533)	315,473	308,940	(6,533)	315,473	308,940	-	-	-

Buckinghamshire & Milton Keynes Fire Authority – Statement of Accounts 2021/22

30c - Effect on the Comprehensive Income and Expenditure Statement balances as at 31 March 2021

	2020/21 Published			2020/21 As Restated			Correction		
	Expenditure	Income	Net	Expenditure	Income	Net	Expenditure	Income	Net
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Corporate Core	1,362	(12)	1,350	1,362	(12)	1,350	-	-	-
Finance & Assets	8,134	(466)	7,668	8,134	(466)	7,668	-	-	-
People & Organisation Development	550	(74)	476	550	(74)	476	-	-	-
Delivery, Corporate Development & Planning	25,447	(178)	25,269	31,874	(178)	31,696	6,427	-	6,427
Statutory Accounting and Contingency	225	-	225	225	-	225	-	-	-
(Surplus) or Deficit on Continuing Operations (Note 1)	35,718	(730)	34,988	42,145	(730)	41,415	6,427	-	6,427
<u>Other Operating Expenditure</u>									
(Gain)/losses on disposals of non-current assets	213	-	213	213	-	213	-	-	-
Total Other Operating Expenditure	213	-	213	213	-	213	-	-	-
<u>Financing and Investment Income and Expenditure</u>									
Interest payable and similar charges (Note 29)	311	-	311	311	-	311	-	-	-
Interest and Investment income (Note 29)	-	(113)	(113)	-	(113)	(113)	-	-	-
Pension interest cost (Note 28)	1,142	-	1,142	6,636	-	6,636	5,494	-	5,494
Total Financing and Investment Income and Expenditure	1,453	(113)	1,340	6,947	(113)	6,834	5,494	-	5,494
<u>Taxation and Non-Specific Grant Income</u>									
Precepts	-	(20,406)	(20,406)	-	(20,406)	(20,406)	-	-	-
General Government Grants	-	(5,488)	(5,488)	-	(5,488)	(5,488)	-	-	-
Non Domestic Rates redistribution	-	(5,411)	(5,411)	-	(5,411)	(5,411)	-	-	-
Non Government contributions	-	(1,040)	(1,040)	-	(1,040)	(1,040)	-	-	-
Total Taxation and Non-Specific Grant Income (Note 10)	-	(32,345)	(32,345)	-	(32,345)	(32,345)	-	-	-
(Surplus) or Deficit on Provision of Services	37,384	(33,188)	4,196	49,305	(33,188)	16,117	11,921	-	11,921
(Surplus) or Deficit on revaluation of fixed assets (Note 24e)			6,842			415			(6,427)
Remeasurement of net defined liability (Note 24d)			68,000			62,506			(5,494)
Other Comprehensive Income and Expenditure			74,842			62,921			(11,921)
Total Comprehensive Income and Expenditure			79,038			79,038			-

Buckinghamshire & Milton Keynes Fire Authority – Statement of Accounts 2021/22

30d - Effect on the Cash Flow Statement balances as at 31 March 2021

	2020/21 Published £000	2020/21 As Restated £000	Correction £000
Cash Flow Statement			
Net surplus or deficit on the provision of services	(4,196)	(16,117)	(11,921)
Adjust for non-cash movements	8,571	20,492	11,921
Adjust for items that are investing or financing activities	(1,405)	(1,405)	-
Net Cash Flow from Operating Activities	2,970	2,970	-
Investing Activities	(2,605)	(2,605)	-
Financing Activities	(47)	(47)	-
Net Increase or decrease in cash and cash equivalents	318	318	-
Cash and Cash equivalents at the beginning of the reporting period	1,764	1,764	-
Cash and Cash equivalents at the end of the reporting period	2,082	2,082	-

30e - Effect on the Note 1 - Expenditure and Funding Analysis balances as at 31 March 2021

Services	2020/21 Published			2020/21 As Restated			Correction		
	Net Expenditure Chargeable to the General Fund	Adjustments between the Funding and Accounting Basis	Net Expenditure in the Comprehensive Income and Expenditure Statement	Net Expenditure Chargeable to the General Fund	Adjustments between the Funding and Accounting Basis	Net Expenditure in the Comprehensive Income and Expenditure Statement	Net Expenditure Chargeable to the General Fund	Adjustments between the Funding and Accounting Basis	Net Expenditure in the Comprehensive Income and Expenditure Statement
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Corporate Core	1,219	131	1,350	1,219	131	1,350	-	-	-
Finance and Assets	7,356	312	7,668	7,356	312	7,668	-	-	-
People and Organisational Development	431	45	476	431	45	476	-	-	-
Delivery, Corporate Development & Planning	23,544	1,725	25,269	23,544	8,152	31,696	-	6,427	6,427
Statutory Accounting and Contingency	225	-	225	225	-	225	-	-	-
Net Cost of Services	32,775	2,213	34,988	32,775	8,640	41,415	-	6,427	6,427
Other Income and Expenditure	(34,169)	3,377	(30,792)	(34,169)	8,871	(25,298)	-	5,494	5,494
Surplus or Deficit	(1,394)	5,590	4,196	(1,394)	17,511	16,117	-	11,921	11,921
Opening General Fund Balance	(5,139)			(5,139)			-		
Less/Plus Surplus or (Deficit) on General Fund	(1,394)			(1,394)			-		
Closing General Fund Balance at 31 March	(6,533)			(6,533)			-		

Buckinghamshire & Milton Keynes Fire Authority – Statement of Accounts 2021/22

30f - Effect on the Note 1a - Adjustment between Funding and Accounting bases balances as at 31 March 2021

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement Amounts	2020/21 Published			2020/21 As Restated			Correction		
	Adjustments For Capital Purposes	Net Change for Pension Adjustments	Total Adjustments	Adjustments For Capital Purposes	Net Change for Pension Adjustments	Total Adjustments	Adjustments For Capital Purposes	Net Change for Pension Adjustments	Total Adjustments
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Corporate Core	-	131	131	-	131	131	-	-	-
Finance and Assets	-	312	312	-	312	312	-	-	-
People and Organisational Development	-	45	45	-	45	45	-	-	-
Delivery, Corporate Development & Planning	-	1,725	1,725	6,427	1,725	8,152	6,427	-	6,427
Statutory Accounting and Contingency	-	-	-	-	-	-	-	-	-
Net Cost of Services	-	2,213	2,213	6,427	2,213	8,640	6,427	-	6,427
Other Income and Expenditure from the EFA Analysis	2,235	1,142	3,377	2,235	6,636	8,871	-	5,494	5,494
Differences between General Fund Surplus or Deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services	2,235	3,355	5,590	8,662	8,849	17,511	6,427	5,494	11,921

30g - Effect on the Note 1 - Expenditure and Income Analysed by Nature balances as at 31 March 2021

Expenditure/Income	2020/21 Published	2020/21 As Restated	Correction
	£000	£000	
Fees, charges & other service income	(730)	(730)	-
Interest and investment income	(113)	(113)	-
Income from Council Tax	(20,406)	(20,406)	-
Government grants and contributions	(11,939)	(11,939)	-
Total Income	(33,188)	(33,188)	-
Employee Expenses	23,030	25,243	2,213
Other Operating Expenses	6,367	6,367	-
Depreciation, amortisation and impairment	4,108	10,535	6,427
Interest payments	311	311	-
Pensions interest cost	3,355	6,636	3,281
Gain or loss on disposal of non- current assets	213	213	-
Total Operating Expenses	37,384	49,305	11,921
Surplus (-) or deficit on the provision of services	4,196	16,117	11,921

Buckinghamshire & Milton Keynes Fire Authority – Statement of Accounts 2021/22

30h - Effect on the Note 11a - Non Current Assets balances as at 31 March 2021, including presentational corrections relating to Land and Buildings

	2020/21 Published		2020/21 As Restated		Correction	
	Land and Buildings £000	Total £000	Land and Buildings £000	Total £000	Land and Buildings £000	Total £000
Gross Book Value as at 1 April 2020	32,984	64,103	31,619	62,738	(1,365)	(1,365)
Additions	3,142	4,206	3,142	4,206	-	-
Disposals and write offs	(1,935)	(2,156)	(1,935)	(2,156)	-	-
Reclassifications	14,542	-	14,542	-	-	-
Revaluation increase/decrease (-) recognised in Revaluation Reserve	(7,949)	(7,949)	(492)	(492)	7,457	7,457
Revaluation increase/decrease (-) recognised in surplus/deficit on provision of service	(1,240)	(1,240)	(8,965)	(8,965)	(7,725)	(7,725)
Gross Book Value as at 31 March 2021	39,544	56,964	37,911	55,331	(1,633)	(1,633)
Accumulated depreciation and impairment as at 1 April 2020	(1,365)	(11,392)	-	(10,027)	1,365	1,365
Depreciation for the year	(1,810)	(2,839)	(1,810)	(2,839)	-	-
Depreciation on disposal	357	578	357	578	-	-
Depreciation written out to Revaluation Reserve	1,108	1,108	76	76	(1,032)	(1,032)
Depreciation written out to surplus/deficit (-) on provision of service	-	-	1,377	1,377	1,377	1,377
Impairment losses/reversals(-) recognised in the Revaluation Reserve	77	77	-	-	(77)	(77)
Depreciation c/f	(1,633)	(12,468)	-	(10,835)	1,633	1,633
Net Book Value as at 31 March 2021	37,911	44,495	37,911	44,495	-	-

Buckinghamshire & Milton Keynes Fire Authority – Statement of Accounts 2021/22

30i - Effect on the Note 23 – Adjustments Under Regulations as at 31 March 2021

	2020/21 Published			2020/21 As Restated			Correction		
	General Fund Balance	Usable Capital Receipts Reserve	Unusable Reserves	General Fund Balance	Usable Capital Receipts Reserve	Unusable Reserves	General Fund Balance	Usable Capital Receipts Reserve	Unusable Reserves
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Adjustments primarily involving the Capital Adjustment Account									
<u>Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:</u>									
Depreciation Charges	(2,946)	-	(2,946)	(2,946)	-	(2,946)	-	-	-
Impairments / Revaluation (Gains) & losses	(1,162)	-	(1,162)	(7,589)	-	(7,589)	(6,427)	-	(6,427)
Capital grants and contributions applied	2,659	-	2,659	2,659	-	2,659	-	-	-
Amounts of non-current assets written off on disposal as part of the (gain)/loss on disposal to the Comprehensive Income and Expenditure Statement	(1,761)	-	(1,761)	(1,761)	-	(1,761)	-	-	-
<u>Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:</u>									
Minimum Revenue Provision	47	-	47	47	-	47	-	-	-
Adjustments primarily involving the Capital Receipts Reserve									
Transfer of cash sale proceeds credited as part of the (gain)/loss on disposal to the Comprehensive Income and Expenditure Statement	1,548	(1,548)	-	1,548	(1,548)	-	-	-	-
Use of the Capital Receipts Reserve to finance new capital expenditure	-	1,548	1,548	-	1,548	1,548	-	-	-
Adjustments primarily involving the Pension Reserve									
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	(7,303)	-	(7,303)	(12,797)	-	(12,797)	(5,494)	-	(5,494)
Employer's pensions contributions and direct payments to pensioners payable in the year	3,948	-	3,948	3,948	-	3,948	-	-	-
Adjustments primarily involving the Collection Fund Adjustment Account									
Precept and NNDR Income	(890)	-	(890)	(890)	-	(890)	-	-	-
Adjustments primarily involving the Accumulated Absences Account									
Employee Absence Account	270	-	270	270	-	270	-	-	-
Total Adjustments	(5,590)	-	(5,590)	(17,511)	-	(17,511)	(11,921)	-	(11,921)

Buckinghamshire & Milton Keynes Fire Authority – Statement of Accounts 2021/22

30j - Effect on the Note 24b - Capital Adjustment Account as at 31 March 2021, which is presented as part of Note 24 - Unusable Reserves. This includes corrections to the opening 2020/21 balances.

	2020/21 Published	2020/21 As Restated	Correction
	£000	£000	£000
Capital Adjustment Account			
Opening Balance	(32,987)	(41,152)	(8,165)
Depreciation	2,945	2,945	-
Depreciation variance Historic to Current	864	(967)	(1,831)
Minimum Revenue Provision	(47)	(47)	-
Impairments / Revaluation (Gains) & losses	1,162	7,588	6,426
Asset Disposal/Write-Off	1,761	1,761	-
Accumulated gains on assets sold or scrapped	(731)	(512)	219
Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	(2,659)	(2,659)	-
Capital receipts credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	(1,547)	(1,547)	-
Closing Balance	(31,239)	(34,590)	(3,351)

30k - Effect on the Note 24e - Revaluation Reserve as at 31 March 2021, which is presented as part of Note 24 - Unusable Reserves. This includes corrections to the opening 2020/21 balances.

	2020/21 Published	2020/21 As Restated	Correction
	£000	£000	£000
Revaluation Reserve			
Opening Balance	(18,419)	(10,254)	8,165
Upward Asset revaluations	5,205	(1,175)	(6,380)
Downward Asset revaluations	1,636	1,590	(46)
Asset Disposal	732	513	(219)
Depreciation difference - historic cost to current value	(864)	967	1,831
Closing Balance	(11,710)	(8,359)	3,351

Buckinghamshire & Milton Keynes Fire Authority – Statement of Accounts 2021/22

30l - Effect on the Note 31a Net Cashflows from Operating Activities as at 31 March 2021

	2020/21 Published £000	2020/21 As Restated £000	Correction £000
Net Surplus or (Deficit) on the Provision of Services	(4,196)	(16,117)	(11,921)
Depreciation, amortisation, impairment and downward valuations	4,107	10,534	6,427
Net Movement in Creditors	(305)	(305)	-
Net Movement in Debtors	766	766	-
Net Movement in Stocks	(32)	(32)	-
Adjustment regarding Pension Liability	3,355	8,849	5,494
Contributions to/from Provisions	(1,081)	(1,081)	-
Carrying amount of non-current assets sold	1,761	1,761	-
	8,571	20,492	11,921
Capital Grants Credited to surplus or deficit on the provision of services	142	142	-
Proceeds from the sale of assets	(1,547)	(1,547)	-
	(1,405)	(1,405)	-
Net Cash Flows from Operating Activities	2,970	2,970	-

30m - Effect on the Note 29a - Financial Instrument Balances as at 31 March 2021, which forms part of Note 29 - Financial Instruments

	2020/21 Published		2020/21 As Restated		Correction	
	Long Term £000	Current £000	Long Term £000	Current £000	Long Term £000	Current £000
Financial Instruments Balances						
Financial liabilities at amortised cost	(8,341)	(3,359)	(8,341)	(1,917)	-	1,442
Total Borrowings	(8,341)	(3,359)	(8,341)	(1,917)	-	1,442
Loans and receivables	-	14,590	-	12,169	-	(2,421)
Total Investments	-	14,590	-	12,169	-	(2,421)

Buckinghamshire & Milton Keynes Fire Authority – Statement of Accounts 2021/22

30n - Effect on the Note 29c - Fair Value Calculation as at 31 March 2021, which forms part of Note 29 - Financial Instruments

	2020/21 Published		2020/21 As Restated		Correction	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	£000	£000	£000	£000	£000	£000
PWLB Debt at amortised cost	(6,797)	(8,990)	(6,797)	(8,990)	-	-
Finance lease	(1,544)	(1,544)	(1,544)	(1,544)	-	-
Creditors	(3,359)	(3,359)	(1,917)	(1,917)	1,442	1,442
Total Financial Liabilities	(11,700)	(13,893)	(10,258)	(12,451)	1,442	1,442
Cash and cash equivalents	-	-	-	-	-	-
Short term investments	12,024	12,024	12,024	12,024	-	-
Debtors	2,566	2,566	145	145	(2,421)	(2,421)
Total Loans and Receivables	14,590	14,590	12,169	12,169	(2,421)	(2,421)

30o - Effect on the Note 24d - Pensions Reserve as at 31 March 2021, which is presented as part of Note 24 - Unusable Reserves.

	2020/21 Published	2020/21 As Restated	Correction
	£000	£000	£000
Revaluation Reserve			
Opening Balance	286,440	286,440	-
Appropriations to and from (-) revenue	3,355	8,849	5,494
Actuarial gains (-) / losses relating to pensions	68,000	62,506	(5,494)
Closing Balance	357,795	357,795	-

Buckinghamshire & Milton Keynes Fire Authority – Statement of Accounts 2021/22

30p - Effect on the Note 28 - Pension Schemes - a) Transactions relating to retirement benefits as at 31 March 2021

	2020/21 Published			2020/21 As Restated			Correction		
	LGPS £000	Firefighters £000	Total £000	LGPS £000	Firefighters £000	Total £000	LGPS £000	Firefighters £000	Total £000
Comprehensive Income and Expenditure Statement									
<u>Cost of Service</u>									
Current Service Cost	1,301	4,860	6,161	1,301	4,860	6,161	-	-	-
Past Service Cost	-	-	-	-	-	-	-	-	-
Administration Expenses	-	-	-	-	-	-	-	-	-
Cost of Service Total	1,301	4,860	6,161	1,301	4,860	6,161	-	-	-
<u>Financing and Investment Income and Expenditure</u>									
Net Interest on the defined liability (asset)	(5,253)	6,395	1,142	241	6,395	6,636	5,494	-	5,494
Financing and Investment Total	(5,253)	6,395	1,142	241	6,395	6,636	5,494	-	5,494
Total Post Employment Benefit Charged to the Surplus or Deficit on the Provision of Services	(3,952)	11,255	7,303	1,542	11,255	12,797	5,494	-	5,494
Actuarial (gains)/losses on assets	10,018	57,982	68,000	4,524	57,982	62,506	(5,494)	-	(5,494)
Total Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement	6,066	69,237	75,303	6,066	69,237	75,303	-	-	-
Movement in Reserves Statement									
Reversal of net charges made to the surplus or deficit for post employment benefits in accordance with the code:									
Amount actually charged against the General Fund Balance for pensions in the year for:									
Employers contribution	551	3,171	3,722	551	3,171	3,722	-	-	-
Retirement benefit payable to pensioners	12	214	226	12	214	226	-	-	-

31 - Notes to the Cash Flow Statement

a) Net Cash flows from Operating Activities

2020/21		2021/22
£000		£000
(16,117)	Net Surplus or (Deficit) on the Provision of Services	(11,546)
10,534	Depreciation, amortisation, impairment and downward valuations	2,346
(305)	Net Movement in Creditors	1,028
766	Net Movement in Debtors	(756)
(32)	Net Movement in Stocks	18
8,849	Adjustment regarding Pension Liability	12,500
(1,081)	Contributions to/from Provisions	285
1,761	Carrying amount of non-current assets sold	-
20,492		15,421
142	Capital Grants Credited to surplus or deficit on the provision of services	-
(1,547)	Proceeds from the sale of assets	(46)
(1,405)		(46)
2,970	Net Cash Flows from Operating Activities	3,829

b) Net Cash flows from Operating Activities (Interest)

2020/21		2021/22
£000		£000
113	Ordinary interest received	42
113		42
(311)	Interest charge for year	(311)
(311)		(311)
(198)	Net Cash Flows from Operating Activities (Interest)	(269)

c) Cash Flows from Investment Activities

2020/21		2021/22
£000		£000
(4,206)	Property Plant and Equipment Purchased	(1,331)
54	Purchase of short or long term investments	(1,999)
(4,152)		(3,330)
1,547	Proceeds from the sale of Assets	46
-	Capital Grants Received	19
1,547		65
(2,605)	Net Cash Flows from Investing Activities	(3,265)

d) Cash Flows from Financing Activities

2020/21		2021/22
£000		£000
(47)	Cash payments for the reduction of outstanding liabilities relating to finance leases	(47)
(47)	Net Cash Flows from Financing Activities	(47)

e) Make up of Cash and Cash Equivalentents

2020/21		2021/22
£000		£000
2,082	Cash and bank balances	2,599
2,082	Total	2,599

Firefighters' Pension Fund Account

Firefighters' Pension Fund

2020/21		2021/22
£000	Fund Account	£000
	Income to the fund	
	<u>Contributions receivable (funds due to us during the year)</u>	
	From employer	
(3,181)	normal contributions	(3,182)
-	early retirements	-
(1,424)	From members	(1,430)
(211)	Ill health charges	(89)
(2)	Other miscellaneous eligible income	-
	<u>Transfers in</u>	
-	Individual transfers in from other schemes	(9)
-	Other transfers in	-
(4,818)	Total Income to the Fund	(4,709)
	Spending by the fund	
	<u>Benefits payable</u>	
7,554	Pension payments	7,589
1,009	Commutation of pensions and lump sum retirement benefits	1,029
	<u>Payments to and on behalf of leavers</u>	
149	Individual transfers out of the scheme	-
-	Other miscellaneous eligible expenditure	-
8,712	Total Spending by the Fund	8,618
3,894	Net amount payable/receivable for the year before top up grant receivable/amount payable to sponsoring department	3,909
(3,894)	Top up grant receivable/amount payable to sponsoring department	(3,909)
-	Net amount payable (-)/receivable for the year	-

Firefighters' Pension Fund Net Assets Statement

2020/21		2021/22
£000	Net Assets Statement	£000
	Net Current Assets and Liabilities	
810	Pensions top up grant receivable from sponsoring department	-
-	Amount due to sponsoring department	(860)
(810)	Other current assets and liabilities (other than liabilities and other benefits in the future)	860
-	Net Assets at the End of the Year	-

Notes to the Firefighters' Pension Fund Account

1 - Pension Fund Arrangements

Before 1st April 2006 the Firefighters' Pension Scheme did not have a percentage of pensionable pay contribution from employers: rather the Authority was responsible for paying the pensions of its own former employees on a pay-as-you-go basis. Under the new funding arrangements the scheme remains unfunded but will no longer be on a pay-as-you-go basis as far as the Authority is concerned. The Authority will no longer meet the pension outgoings directly: instead they will pay an employer's pension contribution based on a percentage of pay into the Pension Fund. The Authority is required by legislation to operate a Pension Fund and the amounts that must be paid into and paid out of the Pension Fund are specified by regulation. Benefits payable are funded by contributions from employers and employees.

Employers' contribution levels are based on percentages of pensionable pay set nationally by the DCLG and subject to triennial revaluation by the Government Actuary's Department.

Subject to scrutiny and approval by the Secretary of State and Parliament, under the new arrangements the Pension Fund will be balanced to nil at the end of the year by either paying over to the sponsoring department (DCLG) the amount by which the amounts receivable by the Fund for the year exceeded the amounts payable, or by receiving cash in the form of pension top-up grant from the sponsoring department equal to the amount by which the amount payable from the pension fund for the year exceeded the amount receivable.

2 - Pension Fund Accounting Policies

The accounting policies followed are the same as for the main accounts of the Authority.

3 - Balancing the Pension Fund Account

If the Pension Fund Account is not balanced to nil by pension top-up grant receivable or by the amount payable to the sponsoring department the Pension Fund should be balanced to nil by a supplementary contribution from the authority to the Pension Fund or by the Pension Fund returning contribution to the Authority.

This is shown under Short Term Debtors in Note 16 in the notes to the core financial statements.

The Net Assets Statement does not include liabilities to pay pensions and other benefits after the Balance Sheet Date.

4 - Pension Fund Investment Assets

As the Scheme is unfunded there are no investment assets.

5 - Liabilities Shown in the Authority's Main Statements

The liabilities relating to the Firefighters' Pension scheme can be seen in Note 28 of the main statements.

6 - Holiday Contributions 18-20

Firefighters who joined the 1992 FPS aged 18-20 have previously had to contribute for up to 32 years to receive a 30-year pension at the earliest age of 50. Following a legal challenge from the FBU, they received correspondence from the Department for Communities and Local Government conceding the case.

DCLG accepted that rules of the 1992 FPS would be amended to allow all affected members who joined before the age of 20 or affects members who have already retired and who found themselves in this position after 1 December 2006 when the age discrimination legislation for pensions came into force. Upon reaching 50, the affected member will be able to choose to:

- Retire with a pension.
- Continue employment and recommence payment of contributions (the accrual cap remains in place with a maximum thirty years pension).
- Or continue employment without paying contributions, thereby electing to defer their pension.

Payment of any additional amounts identified as due were made with simple interest calculations as well. These amounts have been disclosed separately within the Fire-Fighters Pension Fund.

Glossary of Term

Amortisation / Amortise

The equivalent of depreciation when applied to intangible assets.

Accruals

Used to describe allocating expenditure or income to the relevant financial year. Includes Debtors, Creditors and Prepayments

BMKFA

Acronym for Buckinghamshire & Milton Keynes Fire Authority.

Budget

A statement of the Authority's expected level of service delivery plans expressed in monetary terms and spending over a set period, usually one year.

BC

Buckinghamshire Council. BC provide some services to the Authority under a service level agreement.

Capitalisation

Capitalisation is the addition to the balance sheet as an asset of an amount that will benefit the Authority for more than one year.

Capital Adjustment Account

Provides a balancing mechanism between the different rates at which assets are depreciated under the Code and are financed through the capital controls system.

Capital Financing Requirement

Measures the Authority's underlying need to borrow or finance by other long-term liabilities for a capital purpose. It represents the amount of capital expenditure that has not yet been resourced, whether at the point of spend or over the longer term

Capital Receipts

Proceeds from the sale of capital assets that must be used to finance new capital expenditure or reduce the existing Capital Financing Requirement. Receipts available to finance capital expenditure in future years are held in the Usable Capital Receipts Reserve.

Carrying Amount

The carrying amount refers to the amounts that the Authority has on its books for an asset or a liability. For example, the carrying amount of the authority's rescue pump is the cost of the rescue pump minus the accumulated depreciation on the rescue pump.

CIES

Comprehensive Income and Expenditure Statement. This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation.

CIPFA

Chartered Institute of Public Finance and Accountancy.

The Code

The Code of Practice on Local Authority Accounting in the United Kingdom. Sets out the proper practices for producing the Statement of Accounts.

FCPFA

Fellowship Chartered Public Finance Accountant.

CPI (see also RPI)

Consumer Price Index, a key measure of inflation in the UK.

Collection Fund Adjustment Account

Provides a balancing mechanism for the timing differences between statutory accounting requirements and full accruals accounting for council tax.

Council Tax Support Scheme

Regulations introduced in April 2013 that allow councils to design their own schemes to provide incentives for people to find and stay in work.

Creditors

Amounts owed by the Authority at the Balance Sheet date for goods received or work done.

Curtailement

The early payment of accrued pensions upon retirement.

Debtors

Amounts due to the Authority but remaining unpaid at the Balance Sheet date.

Depreciation

The loss of value of assets due to wear and tear, age or obsolescence.

Derecognition

The removal of a previously recognised financial asset or liability from the balance sheet following the transfer of asset to a third party or expiry of contractual rights to an asset.

EUV

Existing Use Value. The price at which a property can be sold on the open market assuming that it can only be used for the existing use for the foreseeable future.

Fair Value

Asset – the amount at which that asset could be bought or sold in a current transaction between willing parties, other than in a liquidation.

Liability- the amount at which that liability could be incurred or settled in a current transaction between willing parties, other than in liquidation.

Financial Instrument

A legal agreement involving some sort of monetary value. Financial instruments can be classified generally as equity based, representing ownership of the asset, or debt based, representing a loan made by an investor to the owner of the asset

General Fund

The balance held by the Authority against which the council tax is raised. The balance sheet shows the accumulated surplus from previous years.

HMRC

Her Majesty's Revenue & Customs.

IAS

International Accounting Standards which have come into effect with the introduction of International Financial Reporting Standards (IFRS).

IAS 19 (formerly FRS17)

The accounting standard that sets out (amongst other things) the requirements and accounting treatment for retirement benefits.

IFRS

The International Financial Reporting Standards which became applicable from the 1st April 2010. All future accounts will be presented using these standards.

Impairments

A downward movement in the value of assets; the opposite to revaluation (upwards) of asset values.

IRMP

The Integrated Risk Management Plan covers the 3 years 2010 – 13 and explains what BMKFA is going to do to develop its services for the future.

LIFO

Last in First Out is one of a number of methods for calculating the carrying value of inventories.

Loans Outstanding

Loans raised to finance capital spending which have to be repaid.

Local Government Pension Scheme (LGPS)

Is the Pension Scheme provided by the Authority for employees not eligible to join the Firefighters' Pension Scheme.

Lower of Cost and Net Realisable Value

A method for determining an asset's value such that either the original cost or the current replacement cost, whichever is lowest, is used for financial reporting purposes

Materiality

Information is material if its omission or misstatement could influence the economic decisions of users taken on the basis of the financial statements.

Minimum Revenue Provision (MRP)

The minimum amount of the Authority's outstanding debt which must be repaid by the revenue accounts in the year.

National Non-Domestic Rates (NDR)

Also known as Business Rates, these are collected by local authorities and are the way that those who occupy non-domestic property contribute towards the cost of local services.

NJC

National Joint Council for Local Authority Fire and Rescue Services.

Outturn

The actual level of spending and income in a particular year.

Precept

An amount of money levied by one authority (the precepting authority) which is collected by another authority (the billing authority) as part of the council tax. BMKFA is a precepting authority and the four Buckinghamshire District Councils and Milton Keynes Council are the billing authorities.

Prepayments

Where the authority pays for goods or services before they have been received, any amounts paid but not received by the end of an accounting period are shown in the balance sheet as prepayments.

Provisions

These are sums set aside for a specific purpose, the nature of which is known but the exact amount and due date is not.

Public Sector Audit Appointments Limited (PSAA)

Incorporated by the Local Government Association (LGA) in August 2014. PSAA is responsible for appointing an auditor and setting scales of fees for relevant principal authorities that have chosen to opt into its national scheme.

Public Works Loan Board (PWLB)

A government body from which a local authority may raise long term loans.

Realised/Unrealised Gains

A realised gain is the capital gain that you make on an asset that you receive in the form of cash. An unrealised gain is an increase in the carrying value of an asset that has yet to be sold.

Revaluation

Revaluation of fixed assets is the process of increasing or decreasing their carrying value to reflect changes in fair value.

Revaluation Reserve

Records unrealised revaluation gains arising (since 1st April 2007) from holding fixed assets.

Revenue Expenditure

This is spending on the day to day running expenses of the Authority. It includes expenses such as salary and wages, heating, lighting, rent, rates and stationery.

Reserves

Amounts set aside in one year to fund expenditure in subsequent years

Revenue Support Grant (RSG)

An amount of money given by central government to local authorities each year

RICS

Royal Institute of Chartered Surveyors

RPI

Retail Price Index, a measure of inflation in the UK. CPI excludes most owner occupier housing costs while the RPI includes mortgage interest payments and house depreciation. RPI generally produces a higher inflation figure than CPI.

Integra

The accounting system software used at Buckinghamshire and Milton Keynes Fire Authority.

SeRCOP

Service reporting Code of Practice 2011/12 replaces the Best Value Accounting Code of Practice (BVACOP) produced by CIPFA to establish a reporting protocol to demonstrate transparency and best value in the provision of services to the community.

Write Down

A reduction in the book value of an asset due to depreciation or a decline in market value

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Buckinghamshire & Milton Keynes Fire Authority

Meeting and date: Overview and Audit Committee, 8 November 2023

Report title: Treasury Management Performance 2023/24 - April to September 2023

Lead Member: Councillor Matthew Walsh

Report sponsor: Mark Hemming, Director of Finance & Assets

Author and contact: Marcus Hussey mhussey@bucksfire.gov.uk

Action: Noting.

Recommendations: That the Treasury Management Performance 2023/24 – April to September 2023 report be noted.

Executive summary:

This report is being presented to provide the treasury investment position as at April to September 2023. It is best practice to review on a regular basis how Treasury Management activity is performing. The accrued interest earned for 2023/24 - April to September 2023 is £0.414m, which is £0.239m higher than the budget (£0.175m) for the same period.

Financial implications:

The budget for 2023/24 relating to interest earned on balances invested is £0.350m. Performance against the budget is included within Appendix A.

Risk management:

Making investments in the Authority's own name means that the Authority bears the risk of any counterparty failure. This risk is managed in accordance with the strategy and with advice from external treasury management advisors.

The Director of Finance and Assets, will act in accordance with the Authority's policy statement; Treasury Management Practices and CIPFA's Standard of Professional Practice on Treasury Management.

The risk of counterparty failure is monitored on the directorate level risk register within Finance and Assets.

There are no direct staffing implications.

Legal implications:

The Authority is required by section 15(1) of the Local Government Act 2003 to have regard to the Department for Communities and Local Government Guidance on Local Government Investments; and by regulation 24 of the Local Authorities (Finance and Accounting) (England) Regulations 2003 [SI 3146] to have regard to any prevailing CIPFA Treasury Management Code of Practice.

Privacy and security implications:

No direct impact.

Duty to collaborate:

No direct impact.

Health and safety implications:

No direct impact.

Environmental implications:

No direct impact.

Equality, diversity, and inclusion implications:

No direct impact.

Consultation and communication:

No direct impact.

Background papers:

Treasury Management Policy Statement, Treasury Management Strategy Statement and the Annual Investment Strategy

<https://bucksfire.gov.uk/documents/2022/06/treasury-management-strategy.pdf/>

Appendix	Title	Protective Marking
1	Treasury Management Performance 2023/24 – April to September 2023	

Appendix 1 – Treasury Management Performance 2023/24 – April to September 2023

Background

Up until 31 March 2013, the Authority's cash balances were managed by Buckinghamshire Council under a Service Level Agreement (SLA). From 2013/14 the Authority began investing in its own name. Since the treasury management function has been managed in-house, the Authority has achieved investment returns of £1.639m between 2013/14 and 2022/23.

This report highlights the performance to date of the in-house treasury management function for period April to September 2023, financial year 2023/24.

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 Link Treasury Services Limited (Link). 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). During April to September 2023, Link made no relevant changes to the counterparty listing. The amount invested with each counterparty on the approved lending list as at 30 September 2023 is detailed below:

Counterparty	Credit Ratings						Amount (£000)
	Fitch		Moody's		S&P		
	Long Term	Short Term	Long Term	Short Term	Long Term	Short Term	
Close Brothers Group Plc	A	F2	Aaa	P-1	-	-	3,000
Goldman Sachs International	A	F1	A	P-1	A	A-1	3,000
Lloyds Bank Corporate Markets Plc	A	F1	A	P-1	A	A-1	3,000
Standard Chartered Bank (SD)	A	F1	A	P-1	A	A-1	3,000
West Brom BS	-	-	Ba	NP	-	-	2,000
Leeds BS	A	F1	A	P-2	-	-	1,000
Newcastle BS	-	-	-	-	-	-	1,000
CCLA Fund Managers Ltd (MMF)	-	-	-	-	AAA	A-1	2,595
Aberdeen Asset Management PLC (MMF)	AAA	F1	Aaa	P-1	AAA	A-1	2,022
Lloyds Bank plc (CA)	A	F1	A	P-1	A	A-1	469
Total							21,086

BS = Building Society, MMF = Money Market Fund, CA = Current Account, SD Sustainable Deposit. Rating as at 30 September 2023.

During this period, no counterparty limits were breached.

Credit Rating

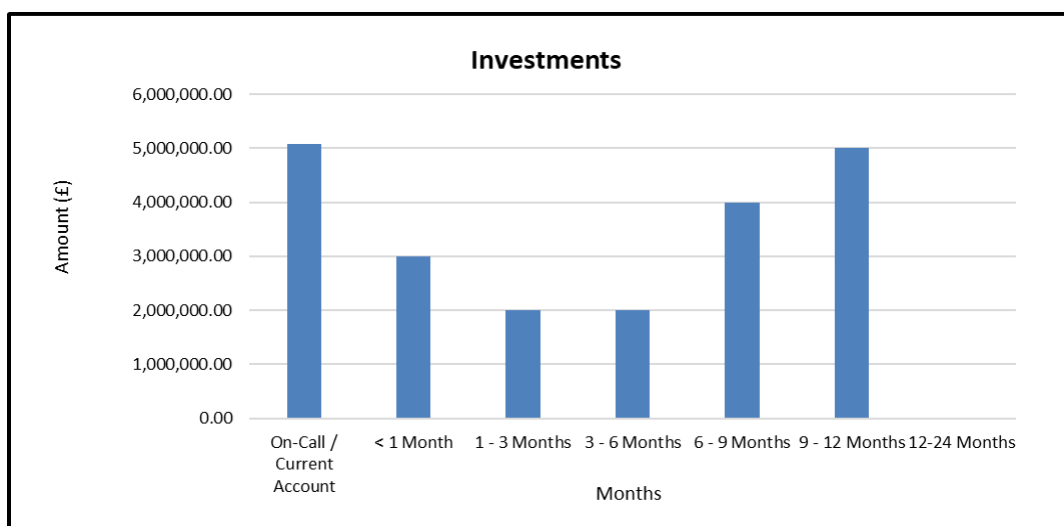
Link monitor and supply the Authority with a weekly credit rating list for all counterparties listed in the Treasury Strategy 2023/24. In addition to this Link will also supply the Authority with any changes to the counterparties credit ratings as and when they occur. The credit ratings are not set by Link, these are obtained through rating agencies (Fitch, Moody’s and Standard & Poor’s (S&P)). The Authority will not place sole reliance on the credit ratings supplied by Link. The Authority will also use market data and market information, information on government support for banks and the credit ratings of that supporting government.

There are some counterparties that are not rated by the rating agencies. These are mainly Building Societies. The Authority will review the counterparties market data, market information (asset portfolio) before committing to an investment deal with the counterparty. The credit rating definitions for each rating agency can be found in the Treasury Strategy 2023/24.

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:

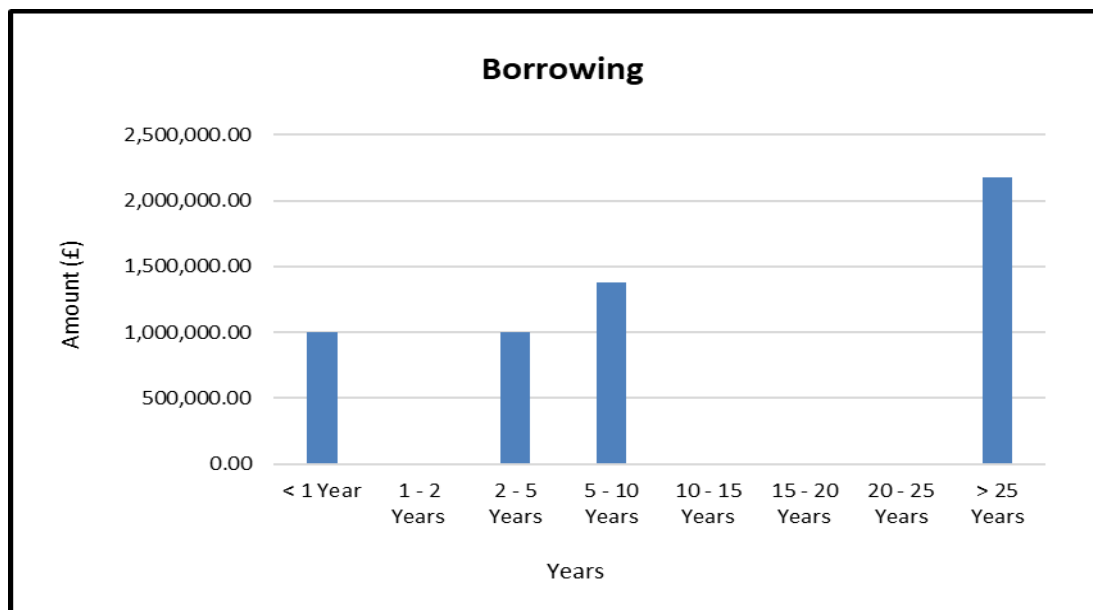


In order to cover expenditure such as salaries, pensions, creditor payments, and potential liabilities for which the Authority have made provisions within the Statement of Accounts, the balances are invested as short fixed-term deposits.

There are seven investments currently falling in the <1 Month, 1-3 Months and 3-6 Months periods. At least one deal matures each month for the next three months and were all originally invested for different terms and will be re-invested for varying terms upon maturity to maintain liquidity and meet future commitments. The Authority continues to hold Money Market Funds to help improve the liquidity of the Authority’s balances. This balance is larger than normal due to the sale of an asset. 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 2023 is £5.550m. During May 2023, officers took the decision to make an early repayment of a loan for £0.627m that was due to be repaid in 2056. This was at a discount of £0.045m. The next loan matures in March 2024 for £1.000m and funds have been set aside to repay this. 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.

Historically with low levels of interest rates, the level of penalties on the early repayment of borrowing has made it difficult to restructure debt effectively. However, with the significant rise in interest rates over the last 12 months, this makes it more viable to look at restructuring debt. As part of the 2023/24 Treasury Strategy, Officers will review the opportunity to restructure debt with our treasury advisors.

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

The interest receivables budget was reviewed as part of the Medium-Term Financial Plan (MTFP) 2023/24 process, the outcome was to increase the budget to £0.350m. This was approved by at the Fire Authority in February 2023. The reason for increasing the level of investment income is due to the continuous increase to the Bank of England interest base rate. The budget increase was still set on a prudent approach, with any additional investment income above the set budget being greatly received. The interest base rate in February 2023 when the budget was set was 4.00%.

Since the Bank of England’s two unprecedented emergency interest rate cuts in March 2020 to a base rate record low of 0.10%. The Monetary Policy Committee (MPC) has voted to increase the interest base rate at 14 out of the last 15 MPC meetings, with no increase

at the most recent meeting in September. The interest base rate currently stands at 5.25%. The Authority has seen the benefits in the interest base rate increase both in short term investment deals and Money Market Funds interest.

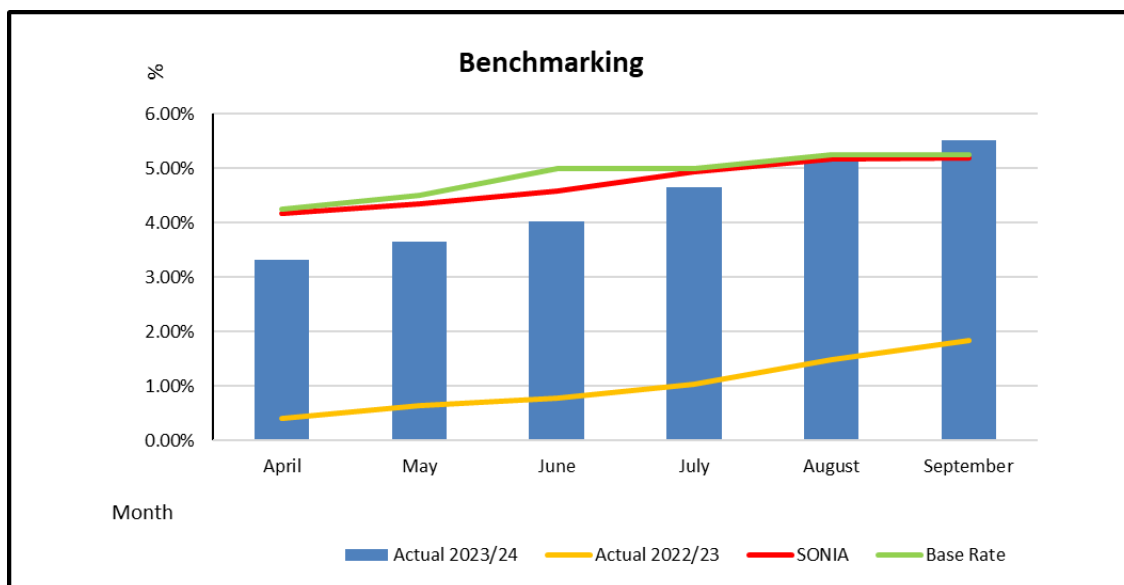
The accrued interest earned for period April to September in financial year 2023/24 is £0.414m, against the planned budget of £0.175m for the same period. This is an over achievement of £0.239m. By taking the confirmed investment deals as at 30 September 2023 and no future investments for the remainder of the financial year, the Authority will achieve £0.765m in interest for 2023/24. This is an overachievement against the budgeted target for financial year 2023/24 of £0.415m. This projection does not include any income generated from MMF accounts for October 2023 to March 2024.

Link are forecasting for the current interest base rate of 5.25% (as 03 August 2023) to potentially increase to 5.5% in the next six months before gradually reducing in the following twelve months. With this projection in mind, as part of the MTFP 2024/25 process, the investment income budget will significantly increase to reflect the rise in interest rates. This will consider the funds available to invest and ensuring the Authority is able to maintain sufficient liquidity to cover the day-to-day expenditure.

Performance Against the Benchmark

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

- SONIA (Sterling Overnight Index Averages) – SONIA is based on actual transactions and reflects the average of the interest rates that banks pay to borrow sterling overnight from other financial institutions and other institutional investors.
- Base Rate – This is the interest base rate set by the Bank of England’s MPC.
- The weighted average rate (%) (Actual) is compared to the two benchmark figures in the following chart for each month.



The Authority between April and August 2023 underperformed against the interest base rate and SONIA rates, however with no move in the interest base rate for September, the Authority for the first time has achieved average interest above the interest base rate. This was due to several investment deals being placed prior to the MPC increasing the interest base rate in the last eleven consecutive MPC meetings. With those investment deals maturing, the Authority has been able to re-invest these funds achieving a higher interest

rate return. As you can also see from the chart, the Authority has been able to achieve a higher average rate of interest compared to the same period in 2022/23.

It must also be noted that the level of funds available for investment have reduced because of the reduction in reserves in the last five years. The Authority will continue to re-invest any surplus funds with varying maturity dates to ensure the Authority makes a return on investments and has sufficient liquidity to cover the day-to-day expenditure.

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Buckinghamshire & Milton Keynes Fire Authority

Meeting and date: Overview and Audit Committee, 8 November 2023

Report title: Corporate Risk Management

Lead Member: Councillor Gary Hall, Health, Safety and Corporate Risk

Report sponsor: Graham Britten, Director of Legal & Governance

Author and contact: Stuart Gowanlock, Corporate Planning Manager

sgowanlock@bucksfire.gov.uk

Action: Decision

Recommendations:

1. That the status of 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.

Executive summary:

This report provides an update on the current status of identified corporate risks. Risk registers are maintained at project, departmental and directorate levels. Corporate risks are those that have been escalated from these levels for scrutiny by the Strategic Management Board (SMB) because of their magnitude, proximity or because the treatments and controls require significant development.

Officers draw on a range of sources to assist with the identification and evaluation of corporate risks. For example, membership of the Thames Valley Local Resilience Forum (TVLRF)'s Strategic Coordinating Group (SCG) facilitates active monitoring of a range of risks with the potential for impacts on local communities and services.

Involvement with the Local Resilience Forum directly links officers into national Government agencies and departments such as the UK Health Security Agency and the Department for Levelling Up, Housing and Communities. This allows the sharing of intelligence and information with those who are making decisions at the very highest levels.

The TVLRF SCG enables its partners to jointly develop combined responses to civil emergencies, and strategic consequence management. This multi-agency partnership approach helps target activity directly to the needs of the public.

The Corporate Risk Register was last reviewed by the Overview and Audit Committee at its 19 July 2023 meeting. Since then, it has been subject to review by the Performance Monitoring Board (PMB), at which all the directorate and departmental risk registers are reviewed, and by SMB at its monthly meetings. Also, Lead Members

have been consulted during the evaluation process for risks falling within their portfolios of responsibility.

Since the last Overview and Audit Committee review, the Corporate Risk Register has been updated to reflect:

- In relation to the Workforce Availability / Stability risk, ongoing progress with recruitment and, in particular, the achievement of an operational wholetime establishment of 314 against the target of 300, facilitating a reduction to the probability risk score resulting in a move from red to amber RAG status;
- In relation to the third party industrial relations risk, the settlement of the teaching unions' pay dispute and ongoing strike action in the NHS;
- Regarding information management / security, the introduction of the Data Protection and Digital Information (No.2) Bill intended to reduce compliance costs relative to preceding legislation;
- Regarding the McCloud / Sargeant pensions risk, the regulations relating to the Matthews RDS (On-Call) case coming into force from 1st October 2023. The Authority and the pension administrator will work through the prospective cases and process them in a timely manner in line with the regulations;
- Regarding the climate change related risk, operational preparedness now focusing on forthcoming winter pressures, in particular flooding. Training for wildfire vehicle provision continues in preparation for next year;
- Progress in relation to the HMICFRS Values and Culture Recommendations, including:
 - Achievement of the Employers Network for Equality and Inclusion (ENEI) Talent Inclusion and Diversity Evaluation (TIDE) Silver standard for 23/24; and also, 'White Ribbon' accreditation;
 - Following changes to legislation, DBS process for all staff underway;
 - Roll out of the 'Speak up' campaign;
 - 360 feedback trial with SMT complete and now being rolled out to the wider leadership team.

The current distribution of corporate risks relative to probability and potential impact is shown at Appendix 1.

Changes to the corporate risk ratings over the last 12 months are shown at Appendix 2.

Detailed assessments of identified corporate risks are shown in the Corporate Risk Register at Appendix 3.

The next Overview and Audit Committee review is scheduled for 13 March 2024, preceded by review at the 20 February 2024 SMB meeting.

Financial implications:

No direct financial implications arising from the presentation of this report. It is envisaged that the further development of the Authority's corporate risk management framework will be undertaken from within agreed budgets.

Risk management:

The development, implementation and operation of effective corporate risk management structures, processes and procedures are considered critical to assure continuity of service to the public, compliance with relevant statutory and regulatory requirements and the successful delivery of the Authority's strategic aims, priorities and plans.

Legal implications:

None directly arising from this report. Any legal consequences associated with the crystallisation of individual risks are detailed in the Risk Register report at Appendix 3.

Within the role description of a Lead Member is a requirement 'to attend the Overview and Audit Committee, at its request, in connection with any issues associated with the portfolio which is the subject of scrutiny'.

Privacy and security implications:

None directly arising from the presentation of this report. However, potential risks to privacy and security together with mitigating actions are captured within applicable risk evaluations.

Duty to collaborate:

The potential to share corporate risk intelligence with neighbouring fire and rescue services and other relevant agencies will be considered. Buckinghamshire and Milton Keynes Fire Authority already participates in the multi-agency Thames Valley Local Resilience Forum which produces a Community Risk Register which is among the sources used to identify potential risks to the Authority.

Health and safety implications:

Development of the framework does not impact directly on the legal compliance to health and safety, however if risks are not appropriately identified or evaluated then this may present Health and Safety risks.

Environmental implications:

None directly arising from the presentation of this report. However, potential environmental implications together with mitigating actions are captured within applicable risk evaluations.

Equality, diversity, and inclusion implications:

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 HR Risk Register. Equality Impact Assessments are undertaken on strategies, change, procedures and projects.

Consultation and communication:

Senior managers and principal officers are key stakeholders in the development of the corporate risk management framework and have an active role in this at every stage as well as in ongoing identification, evaluation and monitoring of corporate risks. The Lead Member for Health, Safety and Corporate Risk is also be involved in the development of the framework with particular responsibility for determining the reporting arrangements for the Authority.

Background papers:

The current Corporate Risk Management Policy was approved at the 24 March 2021 Executive Committee:

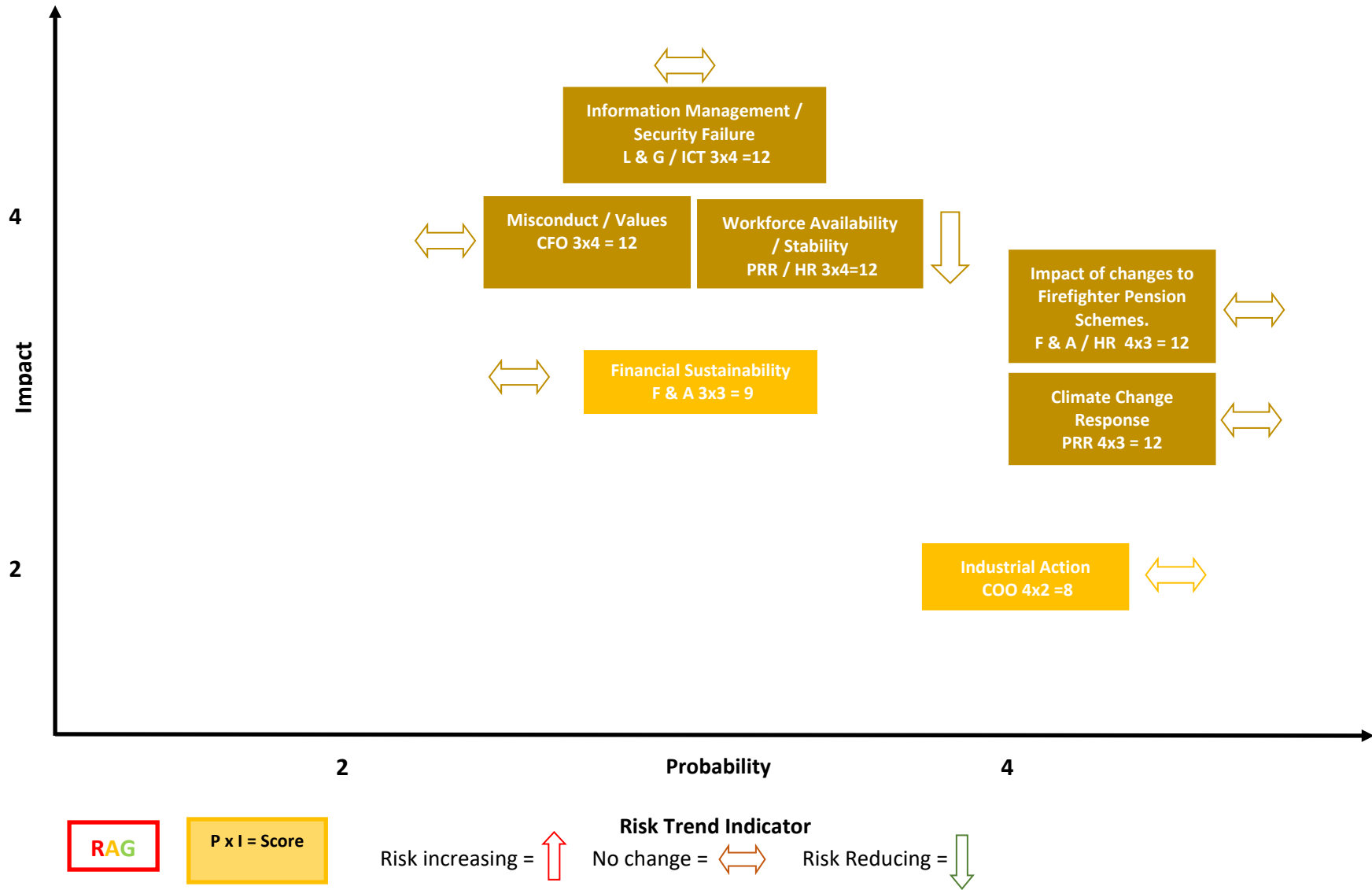
<https://bucksfire.gov.uk/documents/2021/03/ec-240321-item-5.pdf/>

Fire Authority Members were last updated on the status of the Authority's Corporate Risks at the 19 July 2023 Overview and Audit Committee meeting:

bucksfire.gov.uk/documents/2023/07/overview-and-audit-committee-19-july-2023-item-14-corporate-risk-management.pdf/

Appendix	Title	Protective Marking
1	Distribution of Corporate Risks as at 17 October 2023.	None
2	12 Month View of Changes to Corporate Risks	None
3	Corporate Risk Register Report	None

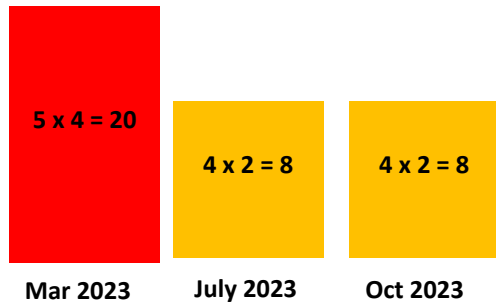
Appendix 1: Corporate Risk Map – As at 17 October 2023 SMB



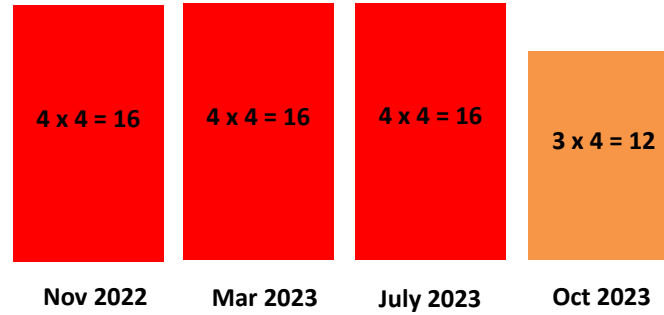
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Appendix 2 – Risk Register Changes (12 Month View)

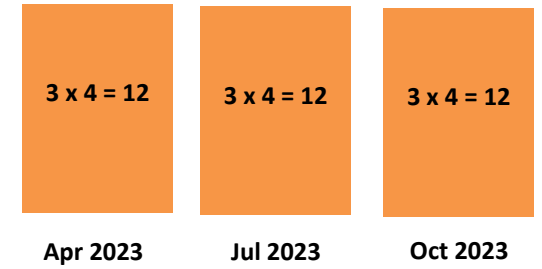
Industrial Action



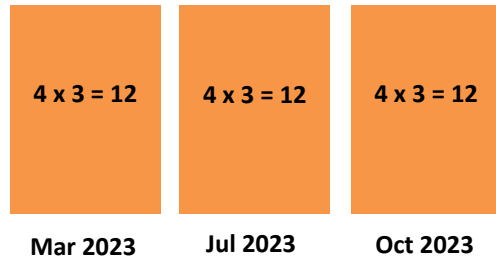
Workforce Availability / Stability



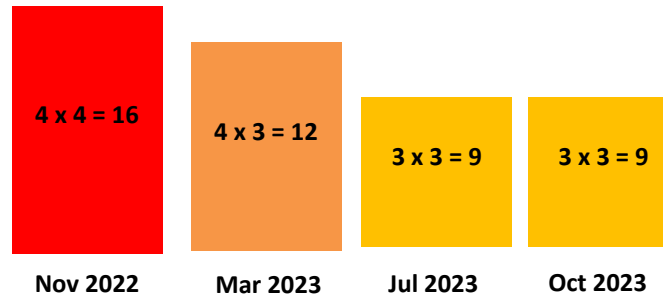
Misconduct / Values



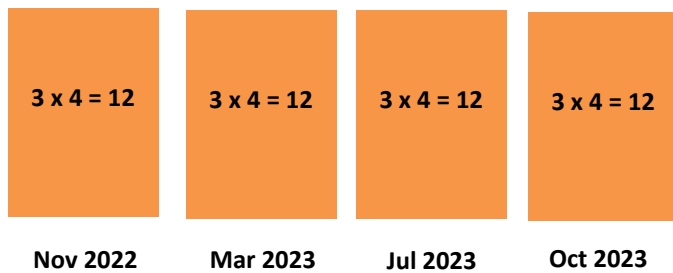
Climate Change Response



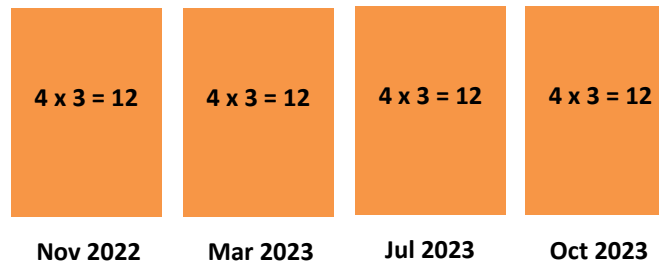
Financial Sustainability



Information Management / Security Failure



Impact of Changes to Firefighter Pension Schemes



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Appendix 3 - Corporate Risk Register – as at 17 October 2023

Corporate Risks

Risk Description	Resp.	Consequences if Untreated Risk Occurs	Risk Score (Former) / New			Risk Level	Current Treatment	RAG	Comments / Further Treatment Proposed
			P	I	Σ	HML			
<p>Workforce Availability / Stability: 1/ Staff inability or reduced ability to work due to disruption caused by factors such as Pandemic Flu, fuel supply issues, industrial action etc.</p> <p>2/Impact of employment market conditions on attraction of new staff, retention of existing staff, and overall workforce stability (specifically the ratio of experienced / competent staff to inexperienced</p>	Lead Member for Service Delivery, Protection & Collaboration Chief Operating Officer	Potential detrimental effects on service delivery to the community and the Service's reputation. Failure to discharge statutory duties. Loss of critical knowledge / skills / capacity / competency levels. Disruption to integrity and continuity of the incident command structure and / or Service strategic leadership structure.	(2)	(5)	(10)	(M)	<ul style="list-style-type: none"> Business continuity plans in place & uploaded to Resilience Direct. Succession Plans in place for key leadership and management personnel. Contingency arrangements in place to mitigate risks to Principal Officer operational rota capacity. Peer review of the business continuity arrangements Bank System Flexi-Duty System Pilot Staff Transfer Procedure Employee assistance and welfare support Training Needs Assessment process Annual monitoring of staff 'stability ratio' relative to best practice and sector norms, presented to Workforce Planning Group Review People Strategy and annual updates on progress to Fire Authority Wider range of contracts offering more flexible ways of working A variety of approaches are being adopted to replenish the workforce. These include more operational apprentices, transferees, and re-engagement options. Workforce planning data is regularly reviewed by the Workforce Planning Group. 	R	<p>21 February 2023 SMB Workforce planning group due to meet 13 February. On-Call to Wholetime transferee (internal) advert open. 16 Apprentices plus 1 Firefighter trainee to start 1 March. 2 March cohort applicants, starting in October, as can't be released form RAF before then. Wholetime advert 20 February to 26 March. On Call and Wholetime Crew and Watch Commander (internal and external) transferee advert opens 16 February and On Call and Wholetime Firefighter (internal and external) transferee advert opens 12 May. Recruitment Fairs planned in throughout 2023. Updates given at SMB and Executive Committee.</p> <p>4 April 2023 SMB Nothing further to report. No change to risk score or RAG status.</p> <p>16 May 2023 SMB Risk description updated following feedback from 27 April PMB review regarding the effects of recruitment at scale on the ratio of inexperienced to experienced staff. WPG met on 15 May. Recruitment now a standing item at PMB. 42 currently being interviewed for Apprenticeship. 10 Transferees starting on 5 June. No August course for On Call due to low candidate numbers / not passing tests.</p> <p>20 June 2023 SMB: 18 candidates have been offered employment to commence on 27 September 2023. A pool of candidates has been created should any of them leave the course unexpectedly. 9 Firefighter transferees commenced on 5 June 2023.</p>
			(5)	(5)	(25)	(H)			
			(3)	(5)	(15)	(H)			
			(4)	(5)	(20)	(H)			
			(3)	(5)	(15)	(H)			
			(5)	(4)	(20)	(H)			
			(4)	(3)	(12)	(M)			
			(5)	(3)	(15)	(H)			
			(4)	(3)	(12)	(M)			
			(5)	(3)	(15)	(H)			
			(3)	(3)	(9)	(M)			
			(4)	(3)	(12)	(M)			
			(4)	(4)	(16)	(H)			
			3	4	12	M			

Appendix 3 - Corporate Risk Register – as at 17 October 2023

<p>staff / staff in development.</p> <p>3/ Simultaneous loss of Principal Officers / Senior Management Team members.</p> <p>This is a composite risk more detailed evaluations of individual risk components are contained in Directorate Risk Registers.</p>						<ul style="list-style-type: none"> • Growth bids to be considered to support future resourcing demands. • OD are reviewing the future promotion and career development options. • Resourcing levels are constantly monitored to ensure coverage. • Pensions remedy consultation received, response to be drafted. Workforce planning reviewed for implications and plans put in place • Development Centres held as required. • On-call virtual and face to face awareness evenings held, and recruitment continues. • Analysis of feedback from staff leaver exit interviews. 	<p>The Workforce Planning Group meet monthly to ensure consistency across the organisation and to ensure the target of 300 is met. The advert for the Junior Officer Transferee planned for September 2023 intake is in discussions.</p> <p><u>22 August 2023 SMB:</u> 18 candidates have been offered employment to commence on 27 September 2023 and the pool of candidates that were remaining have now been offered employment with seven additional recruits commencing on 29th August 2023.</p> <p><u>19 September 2023 SMB:</u> 7 Apprentices started 29 August. We recently advertised for Crew Commander/Watch Commander transferees and invited 3 CC's to the Organisational Development Selection process on 2 October and a WC to the process on 5 October. This is on track with the proposed recruitment roadmap of an intake of four Supervisory Managers. Wholtime recruitment due to commence end of September for 18 to start in May 2024. A range of transformation measures being progressed and trialled to improve the resilience of operational delivery.</p> <p><u>17 October 2023 SMB:</u> Operational establishment now at 314 against target of 300. Workforce planning group – workshops on recruitment, diversity, comms, succession plan / talent management, retention. Wholtime Apprentice advert open, closes 5 November. In light of the progress made in relation to the Wholtime establishment SMB agreed to reduce the risk score to 12 (P3 x I4) resulting in an amber RAG status. Regarding the outlook for industrial relations, on 13 September 23 the FBU released a 'firefighters manifesto', which included positioning in relation to pay and the right to strike.</p>
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Appendix 3 - Corporate Risk Register – as at 17 October 2023

Risk Description	Resp.	Consequences if Untreated Risk Occurs	Risk Score (Former) / New			Risk Level	Current Treatment	RAG	Comments / Further Treatment Proposed
			P	I	Σ				
Disruption to key Service functions due to third party industrial action potentially leading to reduced staff availability and / or diversion of resources to help partner services maintain continuity of service.	Lead Member for Service Delivery, Protection & Collaboration	Detrimental effects on service delivery to the community and the Service’s reputation.	4	2	8	M	<ul style="list-style-type: none"> • Business continuity plans in place & uploaded to Resilience Direct. • Bank System • Wider range of contracts offering more flexible ways of working • Flexible and hybrid working procedures. • Remote working technologies. • Regular communication with staff, rep bodies and, where appropriate, third party organisations. 	A	<p><u>20 June 2023 SMB:</u> The Industrial Action picture continues to be monitored, as a number of Trade Unions continue to ballot for, or announce dates, for Industrial Action. The Royal College of Nursing’s Industrial Action formally came to an end on 27 June 2023. On 17 June 2023, the executive of the National Education Union (NEU) voted for further strike action in England’s schools on 5 and 7 July. Should the strikes go ahead, it is up to individual head teachers to decide on whether they close their school. This is likely to be dependent on teacher availability. We are currently evaluating any potential implications for BFRS staff with childcare responsibilities together with options for minimising any impact on core service delivery functions.</p> <p><u>22 August 2023 SMB:</u> Two of the four unions involved in the dispute about teacher pay in England will not hold strikes in the autumn term, after accepting a 6.5% pay rise. The NEU has announced that it would accept the government’s pay offer. The ASCL union has also accepted the offer.</p> <p><u>19 September 2023 SMB:</u> All of the four unions involved in the Teachers pay dispute have accepted the pay deal. So, no Teacher strikes planned for the immediate future, however, campaigning will continue for improved pay. The National picture regarding Industrial Relations continues to be monitored, to assess risks to the organisation.</p> <p><u>17 October 2023 SMB:</u> Officers continue to monitor developments. No change to risk score or RAG status.</p>
	Chief Operating Officer	Increased risk to the public (including life and property), economy and the environment due to inadequate or insufficient response to emergency incidents.							
		Failure to discharge statutory target duties.							
		Disruption to service delivery and support functions due to loss of capacity.							
		Delay to implementation of Service plans and projects due to loss of capacity.							

Appendix 3 - Corporate Risk Register – as at 17 October 2023

Risk Description	Resp.	Consequence if Untreated Risk Occurs	Risk Score (Former) / New			Risk Level	Current Treatment	RAG	Comments / Further Treatment Proposed
			P	I	Σ				
Financial Sustainability	Lead Member for Finance and Assets, Information Security & IT	The Medium-Term Financial Plan (MTFP) factors in several assumptions when forecasting the financial position.	(4)	(4)	(16)	(H)	Proactive management of the MTFP is in force and is very closely aligned to workforce planning. As part of the budget setting process, Officers will seek to identify savings opportunities to address potential future cost pressures. A risk-assessed General Fund reserve of £1.6m (circa five per cent of the net budget requirement) is held to cover a range of potential financial risks. In addition, earmarked reserves are held to fund specific anticipated future costs.	A	<p>20 September 2022 SMB Awaiting details of Government support for non-domestic energy users to facilitate assessment of likely impact on revenue budget forecast.</p> <p>18 October 2022 SMB The announcement of the energy price cap for non-domestic customers has reduced the forecast spend for the year on gas and electricity by £400k. However, the cap is currently only confirmed to apply for six months until 31 March 2023. On 4 October 2022, the UK National Employers for Fire & Rescue Services have agreed to make an improved pay offer of five per cent on all basic pay rates and continual professional development payments. While a five per cent pay award can be absorbed this year, it is because of the recent non-domestic energy support announcement and assumes no further financial pressures emerging. However, without additional funding through either grant funding and/or precept flexibility in the forthcoming Local Government Finance Settlement, the Service would not be on a sustainable footing in future years.</p> <p>17 January 2023 SMB Outlook for funding improved following: government confirmation that fire and rescue authorities may raise Council Tax by £5 (Band D equivalent) without recourse to a referendum; and confirmation that Settlement Funding Assessment will be raised by CPI inflation rate as at September 2022 (10.1%). These measures will enable the Authority to offset the effect of inflationary pressures and reduce the likelihood of needing to draw on reserves. However, the Service has also received notification that the Government will look to discontinue the USAR grant funding that the Service receives at the end of March 2023. This is currently worth over £800k and the loss of this will need to be factored into the MTFP for 2024/25.</p>
		Future costs are significantly affected by the level of pay awards (which for most staff are determined nationally), general price inflation and changes to employer pension contributions. Future funding levels are affected by council tax referendum limits, growth in council tax and business rate bases, the level of general government funding and specific grants. If a number of these areas are significantly worse than forecast	(3)	(4)	(12)	(M)			
	Director Finance & Assets	(3)	(4)	(12)	(M)				
		(4)	(4)	(16)	(H)				
		(4)	(3)	(12)	(M)				
		(4)	(4)	(16)	(H)				
		(3)	(4)	(12)	M				
	3	3	9	M					

Appendix 3 - Corporate Risk Register – as at 17 October 2023

		<p>there is a risk the Authority will not meet its commitment to the PSP 2020 - 25 and that a fundamental re-think of service provision would be required.</p>						<p><u>21 February 2023 SMB</u> The Authority approved the MTFP for 2023/24 to 2027/28 at its meeting on 15 February 2023. As noted in the update of 17 January 2023 (see above) this factored in the discontinuation of the USAR grant funding that the Service has been informally notified of. It was also updated to reflect the latest NJC pay offer of 7% from 1 July 2022 and 5% from 1 July 2023, the recently agreed twelve-month utilities contracts from 1 April 2023 and confirmed business rates payments from the billing authorities. The net impact of all the above is that reserves are now forecast to increase very slightly during 2023-24 before remaining broadly level during the period of the MTFP. The risk is to remain at amber due to uncertainty about energy prices over the next 12 months and the sensitivity of the finances to small changes in assumed pay awards after July 2023.</p> <p><u>4 April 23 SMB</u> No further developments to report. No change to risk score or RAG status.</p> <p><u>16 May 2023 SMB</u> Agreed that the risk impact score be reduced from 4 to 3, in light of improved MTFP outlook resulting in overall reduction to low-medium RAG status.</p> <p><u>20 June 2023 SMB</u> No new developments of significance to report. No changes to risk score or RAG status.</p> <p><u>22 August 2023 SMB:</u> No further developments to report. No change to risk score or RAG status.</p> <p><u>19 September 2023 SMB:</u> No further developments to report. No change to risk score or RAG status.</p> <p><u>17 October 2023 SMB:</u> No further developments to report. No change to risk score or RAG status.</p>
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Appendix 3 - Corporate Risk Register – as at 17 October 2023

Risk Description	Resp.	Consequences if Untreated Risk Occurs	Risk Score (Former) / New			Risk Level	Current Treatment	RAG	Comments / Further Treatment Proposed
			P	I	Σ				
			(4)	(4)	(16)	(H)			
			3	4	12	M			
<p>Information Management* / Security failure to -</p> <p>a) comply with statutory or regulatory requirements</p> <p>b) manage technology</p> <p>c) manage organisational resources</p> <p>Deliberate: unauthorised access and theft or encryption of data.</p> <p>Accidental: loss, damage or destruction of data</p>	<p>Lead Member for Finance and Assets, Information Security & IT</p> <p>Senior Information Risk Owner (SIRO)</p> <p>Director Legal & Governance</p>	<ul style="list-style-type: none"> Inability to access/use the e-information systems. Severe financial penalties from the Information Commissioner Lawsuits from the public whose sensitive personal information is accessed causing damage and distress. <p>*Information management is concerned with the acquisition, custodianship and the distribution of information to those who need it, and its ultimate disposition through archiving or deletion. Information security is the practice of protecting information by mitigating risks such as unauthorised access and its unlawful use, disclosure, disruption,</p>					<p>1. Appropriate roles:</p> <ul style="list-style-type: none"> SIRO has overall responsibility for the management of risk Information and information systems assigned to relevant Information Asset Owners (IAO's) 'Stewards' assigned by IAO's with day-to-day responsibility for relevant information. <p>2. Virus detection/avoidance:</p> <p>Anti-Malware report – no significant adverse trends identified which indicates that improved security measures such as new email and web filters are being successful in intercepting infected emails and links.</p> <p>3. Policies / procedure:</p> <p>Comprehensive review and amendment of the retention and disposal schedules / Information Asset Registers,</p> <ul style="list-style-type: none"> 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>4. Premises security:</p> <ul style="list-style-type: none"> Preventative maintenance schedule Frequent audits at Stations and inventory aligned to asset management system. <p>5. Training:</p> <p>The biennial "Responsible for Information" training supplemented by the National Cyber Security Centre's e-learning package 'Top Tips for Staff' which has been built into the Heat training platform as a mandatory biennial package.</p>	A	<p>15 November 2022 SMB</p> <p>No change to risk score or RAG status</p> <p>17 January 2023 SMB</p> <p>The UK Government Resilience Framework , published by the Cabinet Office 19 December 2022 reported that 39% of all UK businesses reported a cyber breach or attack in 2022 and warns of the risks of a Hostile State using cyber to disrupt emergency services operations, or malicious communications to reduce public cooperation with emergency services and authorities in a crisis.</p> <p>21 February 2023 SMB</p> <p>Since last reported to the O&A Committee (20 July 2022), against South-East Government Warning, Advisory and Reporting Point (SEGWARD) criteria, BMKFA's email security ranking continues to improve and is expected to improve further with the installation of MTA-STX (Mail Transfer Agent Strict Transport Security)</p> <p>4 April 23 SMB</p> <p>Nothing further to report. No change to risk score or RAG status.</p> <p>20 June 2023 SMB</p> <p>The investment in Microsoft Defender, its additional layer of protection to the existing firewall, and its reporting tools since March 2023 enable BFRS to better monitor its exposure and vulnerability to cyberattacks via email and prioritise remedial actions.</p>

Appendix 3 - Corporate Risk Register – as at 17 October 2023

		<p>deletion and corruption. As more and more information is held electronically risks have become systems, as well as process and people based and are therefore vulnerable to cyber-attacks. Cyber-crime is unrelenting, and issues arise at a greater frequency than existing intrusion attempts can be resolved. As such, this is a constant on the CRR.</p>					<p>Mandatory HEAT training completion is monitored quarterly as part of the Service performance measures.</p>	<p>22 August 2023 SMB: The Data Protection and Digital Information Bill (DPDI Bill) introduced into Parliament on 18 July 2022 (comment 18 October 2022) was withdrawn on 8 March 2023. Its replacement is the Data Protection and Digital Information (No.2) Bill, for which the Written Ministerial Statement confirms government’s intention to “reduce compliance costs [...] and reduce the amount of paperwork that organisations need to complete to demonstrate compliance”</p> <p>19 September 2023 SMB: On 1 September 2023 the Information Commissioner’s Office confirmed that it had issued a reprimand to Gloucester City Council in respect of breaches of the UK GDPR. Gloucester City Council (GCC) had failed to implement appropriate technical and organisational measures to properly secure its systems. GCC had suffered a cyber-attack via phishing email from a legitimate third-party email address which resulted in some of its systems being affected more than 18 months after the attack.</p> <p>17 October 2023 SMB: Proposals from Buckinghamshire Council for data retention/minimisation training agreed by SMB’</p>
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Appendix 3 - Corporate Risk Register – as at 17 October 2023

Risk Description	Resp.	Consequences if Untreated Risk Occurs	Risk Score (Former) / New			Risk Level	Current Treatment	RAG	Comments / Further Treatment Proposed
			P	I	Σ	HML			
Court of Appeal ruling on the McCloud / Sargeant cases: potential impact on staff retirement profile, resourcing to implement required changes and financial impacts thereof.	Lead Member for Finance and Assets, Information Security & IT	Failure to discharge statutory duties. Failure to comply with legal requirements. Unknown / unquantified budgetary impacts.	(5) 4	(3) 3	(15) 12	H M	<ul style="list-style-type: none"> Potential impacts on costs are factored into future Medium-Term Financial Planning process. Recruitment of dedicated specialist resource to evaluate requirements arising from the Court of Appeal ruling and implement necessary administrative changes. 	M	<p>5 April 2022 SMB Staff retirement trends remain manageable with near term exits effected by 31 March 2022, following which remaining affected staff revert to the revised 2015 scheme. Potential financial risks arising from the 4 yearly revaluation of the scheme will be mitigated as part of the MTFP process. No change to risk score or RAG status recommended.</p> <p>21 June 2022 SMB Claimants’ representatives have submitted schedules of test claimants for the purposes of the levels of financial awards to be paid by employers for ‘injury to feelings’. The LGA’s position is that employers should be recompensed by government for any awards.</p> <p>18 October 2022 SMB Cases are being processed as they arise. A provision of circa £250k had been made in the 2020-21 financial year to cover potential awards in relation to the ‘injury to feelings’ claims (referenced 21 June 2022). However, this amount is now available to use for other purposes, as the LGA confirmed on 14 October 2022 that all the settlement payment costs for FBU claimants will be met by the Government and that funds will be provided to FRAs before any payments are made to FBU claimants by FRAs</p> <p>15 November 2022 SMB No change to risk score or RAG status</p> <p>21 February 2023 SMB No significant developments to report. Monitoring continues. No change to risk score / RAG status.</p> <p>4 April 23 SMB No further developments to report. No change to risk score or RAG status.</p> <p>16 May 23 SMB The Home Office have launched a consultation on the amendments to the pension scheme regulations to</p>
	Director Finance & Assets								

Appendix 3 - Corporate Risk Register – as at 17 October 2023

								<p>enact second phase of remedy in the McCloud/Sargeant cases. The consultation is open until 23 May 2023. The legislation is expected to be implemented from 1 October to remedy the discrimination that had taken place between 1 April 2015 and 31 March 2022.</p> <p><u>20 June 2023 SMB</u> No new developments. No changes to risk score or RAG status</p> <p><u>22 August 2023 SMB:</u> The Home Office has published the Government’s formal response to the consultation on the draft Firefighters’ Pensions (Remediable Service) Regulations 2023 and policy intent to implement the retrospective phase of the McCloud/Sargeant remedy. The Regulations were laid before Parliament on 20 July 2023 and will come into force 1 October 2023. This will allow the Service to more accurately process prospective cases and revisit and finalise cases already processed. Although the Regulations provide clarity, risks remain about the capacity to deliver within defined timescales due to the number of cases our pension administrator will be dealing with nationally.</p> <p><u>19 September 2023 SMB:</u> No new developments. No changes to risk score or RAG status</p> <p><u>17 October 2023 SMB:</u> The regulations that govern this exercise have now been laid and came into force from 1 October 2023. The regulations relating to the Matthews RDS (On-Call) case have also come into force as of 1st October 2023. The FRA and pension administrator will work through the prospective cases and process them in a timely manner in line with the regulations.</p>
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Appendix 3 - Corporate Risk Register – as at 17 October 2023

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			
<p>Increased risk of wildfires, flooding, gales and altered hydrology due to effects of climate change.</p> <p>UK Climate Change Risk Assessment 2022 (publishing.service.gov.uk)</p>	<p>Vice Chairman of the Authority.</p> <p>Chief Operating Officer.</p>	<p>Failure to protect people from the risks associated with climate change including potential damage to:</p> <ul style="list-style-type: none"> • Infrastructure and local businesses • Housing • Agriculture • Food production and distribution • Forestry • Heritage • Sensitive environments • BFRS premises (building fabric) • Education • CNI sites <p>Inability to effectively respond during extreme weather events.</p> <p>Inability to effectively deal with increasing incidents within recycling, electricity generation and distribution, largescale battery storage, and electric/hydrogen fuelled vehicles.</p>	4	3	12	M	<p>Provision of National Operational Guidance programme which adapts to changing environment. Adoption of guidance as best practice across Thames Valley. Strategic gap analysis underway to identify and close gaps relative to national best practice.</p> <p>Provision of equipment and training to deal with wildfire, water rescue and flooding, and extreme weather events. Adverse weather procedure in place and business continuity plans for all sites. Research and development officer continues to identify new equipment and practice to mitigate emerging risks (e.g. new equipment to reduce risk involving fires with photovoltaics)</p> <p>Access to and provision of specialist tactical advisors through national resilience framework.</p> <p>Urban Search and Rescue team in-service equipped to deal with major building/infrastructure collapse.</p> <p>Specialist boat rescue capability situated in north and south of county. Both included on national asset register. All staff trained appropriately in working in flood water.</p> <p>Site-specific risk assessments and risk information for high risk sites – being expanded to include broader risks such as wildfire, water rescue and flooding and transport. Access to wildfire severity index</p>	A	<p>20 September 2022 SMB: Added to Corporate Risk Register. The likelihood and impact of extreme weather-related incidents has been reviewed and escalated following the exceptional summer conditions which stretched the sector beyond what was previously foreseeable. The Service will explore possibilities of short-term adaptations to existing capabilities and consider long term requirements to inform development of new Community Risk Management Plan Consider any recent PESTEL factors that may have increased the risks and potential impacts to inform the next CRMP, e.g. expanding rural/urban interface increasing wildfire risks, or increased risks of flooding etc. The operational debriefs for the summer major incidents are underway for a ‘Lessons Learned’ report relating to extreme heat conditions experienced in July. The NFCC is also planning to capture national work on learning and capability gaps. Potential to use Northumberland FRS for Wildfire risk assessment and learn from other services who are more influenced by prominent wildfire risks. Impact of extreme spate / simultaneous demand risks on operating model / capacity gap to feed into future community risk management planning.</p> <p>21 February 2023 SMB Quotes and finance secured for 2 wildfire vehicle adaptations, and Iveco 4x4 to be recategorized as a specialist 4x4 appliance – training / fleet requirements being explored.</p> <p>4 April 23 SMB Supplier for 2 x Wildfire vehicle conversations identified. Lex Autolease have agreed vehicle</p>

Appendix 3 - Corporate Risk Register – as at 17 October 2023

						<p>and flood forecasting data to assist planning.</p> <p>Targeted national and local prevention messaging to mitigate risks at key points in the calendar (e.g. water safety summer/winter – Barbecues spring/summer – Chimneys – Autumn).</p> <p>Back-up power generators to protect emergency response sites from power outages. Regular building surveys from facilities team. Fleet replacement programme ongoing.</p> <p>Bunkered fuel stocks and establishing fleet of alternative fuel vehicles where appropriate to mitigate risk of fuel disruption</p> <p>Strategic infrastructure group in place to horizon scan and ensure preparedness for future risks.</p> <p>Engaged with NFCC to identify and prepare for longer term “fit for the future” considerations</p> <p>Engaged in local resilience groups for flood management</p> <p>Isotonic supplements and cool boxes added to appliance inventories</p> <p>Wildfire response capability developed</p>	<p>adaptations and lease extension. Driver training scheduled for 7.5 tonne 4x4 off road vehicle to be relocated to WAS. 3 officers to attend wildfire training course in Surrey in April. Objectives set to introduce long-term wildfire project, to include scope for prevention and effective response. Funding approved for 2 wildfire tac advisor training courses.</p> <p><u>20 June 23 SMB</u></p> <p>Iveco 7.5 tonne pumping appliance is now prepared for mobilisation as a specialist off-road appliance. The vehicle is switch crewed at WAS and will be positively crewed during periods of high wildfire risk. Two further utility vehicles are being modified to include a high-pressure hose and off-road capability. Training to improve resilience of our existing bulk water carriers is also underway. Two officers have been trained as wildfire tactical advisors by Surrey FRS. Officers are engaging with the NFU and Forestry Commission as well as developing prevention materials for use across the Thames Valley.</p> <p><u>19 September 2023 SMB:</u></p> <p>Three wildfire units now in the service. One vehicle is operational and has been utilised for emergencies. Training underway for other vehicles. Two wildfire advisors now trained. Wildfire prevention messaging developed and in use.</p> <p><u>17 October 2023 SMB:</u></p> <p>Operational preparedness now focussing on forthcoming winter pressures. BFRS officers attended national wide area flooding training exercise in October 2023. Thames Valley LRF Winter Pressures function is now stood up, ensuring partners work collaboratively over winter period, cognisant of weather-related risks and service impacts. Surface, fluvial and groundwater flood alerts are shared to the service to ensure operational plans are implemented when required. Training for wildfire vehicle provision continues in preparation for next year.</p>
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Appendix 3 - Corporate Risk Register – as at 17 October 2023

Risk Description	Resp.	Consequences if Untreated Risk Occurs	Risk Score (Former) / New			Risk Level	Current Treatment	RAG	Comments / Further Treatment Proposed
			P	I	Σ				
Risk of misconduct / behaviours at odds with Service Values on the part of individuals or groups in the employ of, or associated with, the Service and / or the Fire Authority.	Lead Member for Service Delivery, Protection & Collaboration Chief Fire Officer	Harm to members of the public and / or Service personnel. Potential exposure to litigation and financial loss Reputational damage resulting in negative publicity locally / nationally leading to public loss of confidence in the Authority / Service. Staff / member loss of confidence in Authority and / or Service leadership / management.	3	4	12	M		M	
									<ul style="list-style-type: none"> • Updated employee Code of Conduct approved by the Authority’s Executive Committee on 22 March 2023. • Updated Whistleblowing procedure and reporting process in place. • Since 2016, DBS checks on all relevant staff, including all frontline staff, undertaken. In 2019 additional vetting implemented with move to annual Enhanced with barred list DBS checks. • A range of support in place for staff to raise concerns, including access to the Welfare Officer and Occupational Health and also, in relation to investigations, the allocation of a point of contact who is not part of the investigation. • Procedure for members of the public to raise concerns and complaints in place and reported on annually to the Overview and Audit Committee. • Biennial staff surveys undertaken since 2017. • Quarterly performance reporting of key people related measures to Fire Authority members. • Thorough review of the Equality Impact Assessment process undertaken in 2022. This led to the update of the template and supporting guidance. A e-learning package was created and face to face support available across the service. This remains a key focus when items are presented at our governance meetings.

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Buckinghamshire & Milton Keynes Fire Authority

Meeting and date: Overview and Audit Committee, 8 November 2023

Report title: 2022/23 Compliments, Concerns and Complaints

Lead Member: Councillor Adoh, People, Equality and Diversity and Assurance

Report sponsor: Graham Britten, Director of Legal and Governance

Author and contact: Station Commander Suzanne Connolly

sconnolly@bucksfire.gov.uk

Action: Noting

Recommendations: That the report be noted.

Executive summary:

The purpose of this report is to:

- Compare concerns, complaints, and compliments data across the three years 2020/21, 2021/22 and 2022/23.
- Advise of any corrective action taken to reduce or remove problems that led to a complaint being made.
- Identify opportunities to improve public perception of the services Buckinghamshire Fire and Rescue Service provides.

It includes details of the complaints that were upheld, corrective action taken to reduce or remove the problem and improve public satisfaction with the services we provide.

Financial implications: Whilst there are costs associated with investigating complaints, the cost associated with corrective action continues to be small as issues of liability are thoroughly investigated and, if appropriate, referred to the Authority's insurance provider. Reserves are held in the event of a serious incident occurring.

Risk management: The public are encouraged to report concerns or complaints and, if required, are given assistance to do so. Processes are in place to ensure that concerns and complaints are rigorously investigated, resolved as quickly as possible and, wherever possible, to the satisfaction of the complainant.

During the complaint investigation personal data is retained to enable the investigating officer to keep in contact with the complainant. A Data Protection Impact Assessment has been completed to ensure that no aspect of the

investigations is privacy intrusive. When the investigation is complete and sufficient time has passed to confirm no further action is required, all personal data is removed, and the anonymised data is retained to consider any patterns of risk. If a complaint is upheld and actions to prevent a similar incident occurring cannot be put in place immediately, the need for a risk treatment will be recorded in a project or department risk register and may be escalated to the corporate risk register. These risk registers are reviewed frequently.

Legal implications: Under section 25 of the Local Government Act 1974 the Authority is subject to the jurisdiction of the Local Government and Social Care Ombudsman (LG&SCO).

The LG&SCO has the power to investigate complaints where there has been:

- Maladministration causing injustice;
- A failure to provide a service that it was the public body's function to provide;
- There was a total failure to provide such a service.

Complaints will not be investigated by the LG&SCO until a complainant has exhausted a local authority's internal complaints procedure.

Privacy and security implications: Responses to the After the incident survey (ATI) are anonymised so no privacy risks or issues are raised.

Duty to collaborate: The Policing and Crime Act 2017 requires the Authority to keep opportunities for collaboration with the police and ambulance services under review. Complaints could arise from any of several business projects, processes, or procedures. Many of these have been developed in collaboration with other fire and rescue services or other partner agencies. During development and through to implementation, these are risk and impact assessed to reduce incidents that may lead to complaints arising. The LG&SCO can treat the actions of third parties as if they were actions of the Authority, where any such third-party arrangements exist (Local Government Act 1974, section 25(6) to 25(8)). This means the Authority keep responsibility for third party actions, including complaint handling, no matter what the arrangements are with that party.

Health and safety implications: Any actual or potential health and safety implications are considered during the investigation of a complaint and reported in line with current procedures.

Environmental implications: There is neutral effect from the recommendations.

Equality, diversity, and inclusion implications: Any actual or potential equality, diversity, and inclusion implications are considered during the investigation of a complaint.

The ATI survey is structured to enable user experiences to be stratified and compared across a range of protected characteristics including ethnicity, gender, age, and long-standing limiting illness / disability.

Consultation and communication: Monitoring of user experiences of our emergency services performance and the reporting of findings contributes to the identification of potential opportunities to improve the efficiency and effectiveness of our core emergency response, prevention, and protection processes.

In line with the recommendations in the LG&SCO Guidance, '[Effective Complaint Handling for Local Authorities](#)' (revised and published 8 October 2020), this report is submitted annually to this committee and available to the public in the interests of openness and transparency.

Background papers: The last report was made to the Overview and Audit Committee on 09 November 2022: <https://bucksfire.gov.uk/documents/2022/10/oa-091122-item-8.pdf/>

Appendix	Title	Protective Marking
1	Compliments, Concerns and Complaints received 2021/22 – 2022/23	None

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Appendix 1

Compliments, Concerns and Complaints received 2020/21 – 2022/23

1. Purpose

This purpose of this report is to:

- compare concerns, complaints, and compliments data across the three years 2020/21; 2021/22 and 2022/23.
- advise of any corrective action taken to reduce or remove problems that led to a complaint being made.
- identify opportunities to improve public satisfaction with the services the Authority provides.

It includes details of the complaints that were upheld, corrective action taken to reduce or remove the problem and improve public satisfaction with the services we provide.

2. Scope

As the numbers of concerns, complaints and compliments received directly from the public is low, data from the annual satisfaction survey 'After the Incident' is also included, to capture the perceptions of those experiencing an incident in the home or in non-domestic premises.

3. Concerns and complaints

There were no complaints relating to:

Attendance Times, Incident handling or Call handling.

Complaints in regard to information security, freedom of information requests and fire safety are dealt with separately within Service and are not included in this report.

There were no complaints investigated by the Local Government & Social Care Ombudsman (LG&SCO) or the Information Commissioner, during this reporting period.

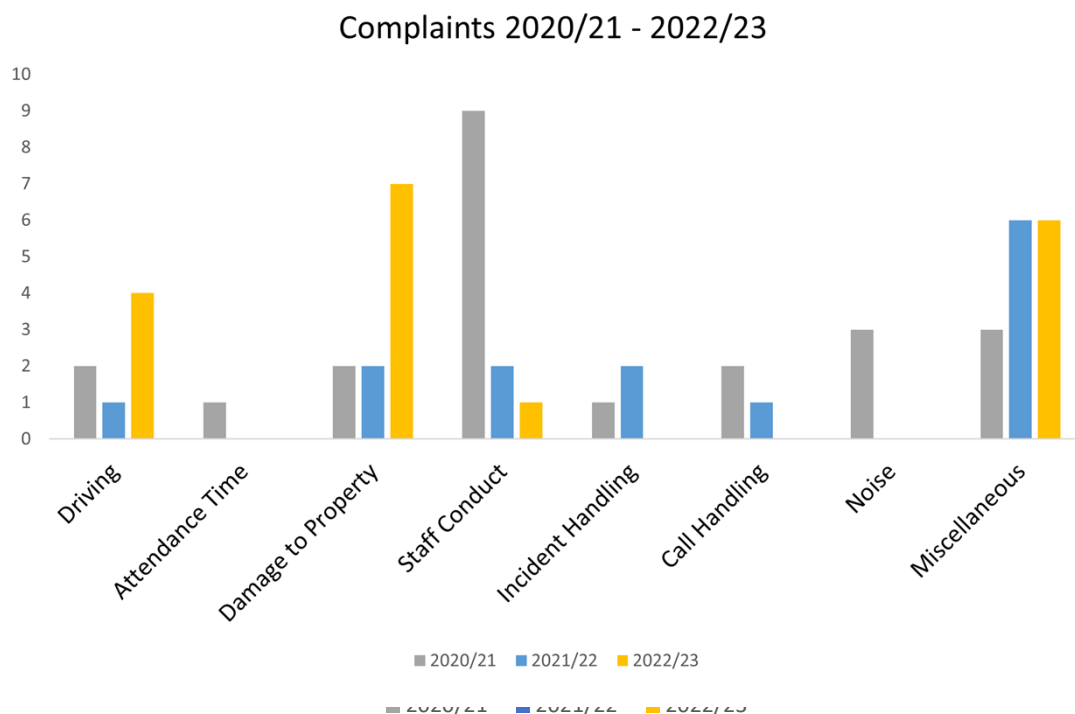
2020/2021 There were 24, concerns/complaints five of which were upheld:

- Damage to a neighbouring property driveway by a fire appliance following a house fire – *cost of repair of damage paid under a settlement agreement.*
- Complaint from neighbour regarding training at a Fire Station on a Sunday – *training continued, but every effort was made to keep the noise to a minimum.*
- A member of the public was not happy with the way a member of staff spoke to them when ringing regarding smoke detectors – *a letter of apology was sent explaining the situation.*
- Damage to car when taking action to avoid a fire appliance on blue lights – *Insurance claim.*
- A vehicle accident involving a fire appliance – *Insurance claim.*

Appendix 1

2021/2022 There were 14 concerns/complaints 2 of which were upheld:

- Smoke entered neighbouring property whilst training within an empty property – *Crews to notify neighbours of use of smoke during training exercises in empty properties.*
- Catering food rubbish from large scale exercise was placed in business recycling bin without permission. As a result refuse providers refused collection - *Ensure all rubbish from future large-scale exercises is disposed of in the correct manner.*



2022/2023 There were 18 concerns/complaints 3 of which were upheld:

- BFRS vehicle blocked access to resident's driveway and was disrespectful when asked to move it.

Complaint upheld. Individual was spoken to, and an apology issued.

- Near miss with Fire appliance on blue lights.

Complaint upheld. Driver and Incident Commander spoken to apology issued to complainant.

- Fire appliance damaged hedge at the front of property.

Complaint upheld. Driver and Incident Commander spoken to, complainant happy with outcome and would ask his gardener to look at the damage to his hedge. No further action was taken.

Appendix 1

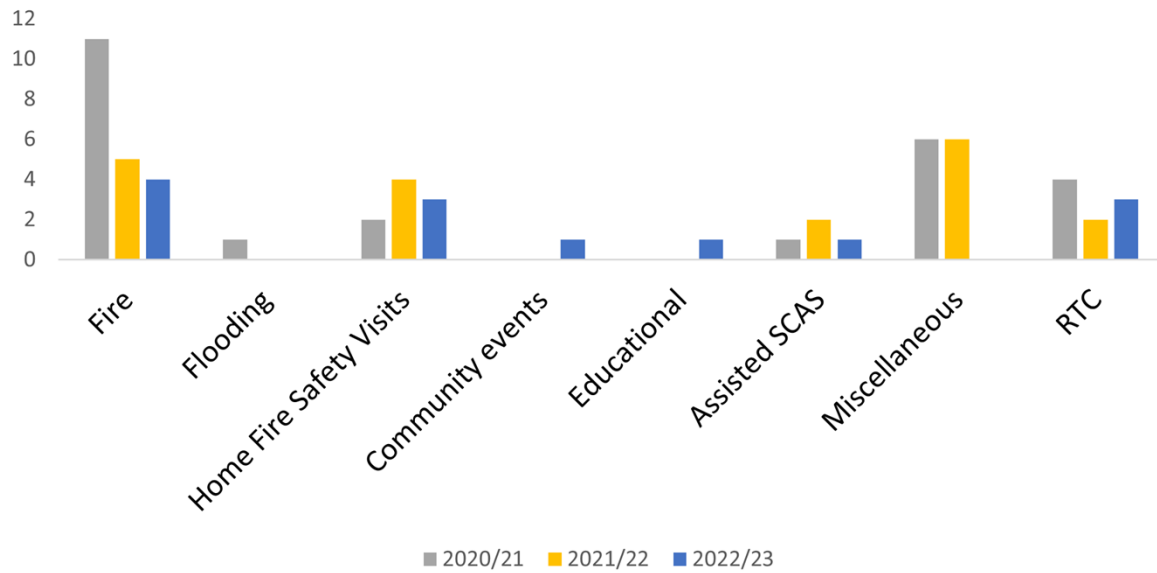
4. Compliments

2020/2021 - 25 compliments

2021/2022 - 19 compliments

2022/2023 - 13 compliments

Compliments 2020/21 - 2022/23



Appendix 1

5. After the incident - Customer satisfaction survey 2020/21- 2022/23

The survey runs from 1 April to 31 March each year and the report compares Buckinghamshire Fire and Rescue Services' (BFRS) performance with previous years and other fire and rescue services (FRS) participating in this national survey. The surveys capture respondent perceptions of FRS performance across the following areas:

- The incident;
- At the scene;
- Information and advice;
- Overall service;
- Previous experience;

Respondents are also invited to make an overall assessment of satisfaction with the service provided.

These surveys are a good indication of how well the community is served when an incident occurs, and a useful supplement to the compliments, concerns, and complaints, received from other sources, to provide a broader range of feedback.

The questionnaires are returned to an independent social research practice¹ who analyse the returns and publish the results annually.

Table 1 Domestic incidents 2020/21 – 2022/23

Domestic	2020/21	2021/22	2022/23
Respondents	207	144*	23**
Very Satisfied	94%	94%	87%
Fairly Satisfied	4%	3%	13%
Neither Satisfied nor Dissatisfied	2%	1%	0
Fairly dissatisfied	0	1%	0
Total Satisfied:	98%	97%	100%

*15 of which were completed online.

** see overview of key findings

¹ <https://www.ors.org.uk/>

Appendix 1

The list below reflects some of the comments submitted by people completing the survey of incidents in the home:

- Efficient, thorough, and polite.
- Fitted a temporary alarm until the Main's wired detector was installed.
- Followed up with a 'after service' house call.
- Looked after me as I had been burned.
- Very reassuring and sensitive as I had my 2.5-year-old daughter with me when the accident happened.
- Very reassuring, especially when I said I have anxiety and easily panic.
- Taking my mental state into consideration during the incident.

Table 2 Non-domestic incidents 2020/21 – 2022/23

Non-Domestic	2020/21	2021/22	2022/23
Respondents	106	72	18
Very Satisfied	94%	92%	83%
Fairly Satisfied	5%	7%	6%
Very Dissatisfied	1%	1%	6%
Total:	99%	99%	89%

Below are some of the comments submitted by people completing the survey of incidents in non-domestic properties:

- Fantastic communication and approachable. One designated officer was a welcome touch to reassure and have 1 point of contact/communications.
- Really helpful in liaising with the lift engineer, advising staff and calming the customers who were stuck in the lift.
- The FRS made everything safe and were very reassuring, caring and dealt with the incident very professionally.
- Worked well with our onsite emergency response team.

Overview of Key Findings

- Overall user satisfaction with the emergency service received from BFRS has remained fairly consistent over time, ranging between 95% and 100% for the domestic survey and 89% and 100% for the non-domestic survey.
- Due to capacity issues within the Public Safety Administration Team, and the need to prioritise the scheduling of Home Fire Safety Visits to address recommendations made

Appendix 1

in relation to a Cause of Concern raised by the HMICFRS, After The Incident Survey ('ATIS') forms were not distributed for much of the year. As a result there was a very substantial reduction in the number of completed survey forms returned to Opinion Research Services for analysis :

- Only 23 responses to the Domestic survey were received in 2022/23 compared with 144 for the previous year.
- Only 18 responses to the non-Domestic survey were received in 2022/23 compared with 72 for the previous year.
- Although the very low number of returns reduces the statistical significance of the survey findings, overall satisfaction levels remain broadly within the range of findings for previous years (100% for the domestic and 89% for the non-domestic surveys respectively).
- Benchmarking – not enough Fire and Rescue Services took part in the survey for a benchmarking report to be produced for 2022/23.
- Distribution of the ATIS questionnaires, which measure the satisfaction of members of the public who have experienced an incident in the home or in a non-domestic dwelling, have been suspended, and the ORS Survey subscription has not been renewed, pending the availability of sufficient resources to resume administration of the survey.
- There is the potential to automate parts of the current manual process of survey administration. However, there is limited capacity to do this is currently due to other higher priority activities such as the preparation of the 2025-30 CRMP.



Buckinghamshire & Milton Keynes Fire Authority

Meeting and date: Overview and Audit Committee, 8 November 2023

Report title: 2022-23 Annual Performance Monitoring

Lead Member: Councillor Simon Rouse

Report sponsor: Interim Chief Fire Officer Mick Osborne

Author and contact: Craig Newman, Data & Intelligence Team Manager

cnewman@bucksfire.gov.uk

Action: Noting

Recommendations: That the outturn performance against the outcome measures specified in the Corporate Plan 2020-25 be noted.

Executive summary: This report provides a review of annual performance in relation to the Authority's 2020–25 Corporate Plan objectives focusing on incidents in homes, workplaces, whilst travelling and in wider community settings. It covers the period 1 April 2022 to 31 March 2023.

A summary of key indicators is shown at page four of the annexed report. These show an increase in incident numbers, and while some of this can be attributed to the heatwave during July and August 2022, other increases such as non-domestic fires and deliberate primary fires can be attributed to a significant increase in prison related incidents.

Financial implications: None at present.

Risk management: Performance and risk information is designed and presented to assist the Authority in the 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.

Legal implications: None at present.

Privacy and security implications: None at present.

Duty to collaborate: This report references collaborative work-streams based upon the Authority's collaborative principles where this is deemed appropriate.

Health and safety implications: No issues identified from this report.

Environmental implications: No issues identified from this report.

Equality, diversity, and inclusion implications: While there are no issues identified within this report, as a service we monitor groups impacted by incidents that we attend. We then use this information to understand and develop our community engagement methodology.

Consultation and communication: We aim to provide performance information incorporating stakeholder contributions. The report will be circulated throughout the organisation for information and awareness.

Board	Date	Outcome
Strategic Management Board	22/08/2022	Approved

Background papers:

- [2021-22 Annual Performance Monitoring Report](#)
- [2020-2025 Corporate Plan - Year 3 Update](#)
- [2020-2025 Corporate Plan](#)
- [Public Safety Plan 2020-25](#)

Appendix	Title	Protective Marking
1	2022-23 Annual Performance Monitoring Report	N/A



2022/2023 Annual Performance Monitor



Contents

Introduction	3
2022/2023 – At a glance	4
2022/2023 – Incident breakdown	5
Home	6
Work	10
Travel	15
Community	18
Glossary	22
Contact us	23



Introduction

Welcome to [Buckinghamshire Fire & Rescue's \(BFRS\) annual report for 2022/2023](#). This report monitors the number of incidents and associated outcomes that occurred within Buckinghamshire and Milton Keynes during 2022/2023.

Our [vision](#) is to make Buckinghamshire and Milton Keynes the [safest areas](#) in England in which to [live, work](#) and [travel](#).

In view of the above, this report includes four key sections:

- In the [Home](#)
- In the [Workplace](#)
- [Travel](#) in and through Buckinghamshire and Milton Keynes
- In the [Community](#)

Because incident numbers can be heavily influenced by external factors, comparing one year's performance with the previous year may not provide a fair indicator, especially if the previous year was exceptionally busy, or vice versa. The pandemic that impacted the way in which most people behaved in 2020/2021 is a prime example of this.

This report will primarily compare 2022/2023 with the average of the previous five years' recorded incident data.

At a glance

Unless otherwise stated, numbers throughout this report are excluding co-responder incidents. There will also be slight differences in some of the figures shown, which is due to rounding. The figures below are a comparison between 2022/2023 and the previous 5 years as an average.

7,567 Incidents attended

↑ 8% Increase Number of incidents

↓ 11% Decrease Accidental Dwelling Fires

↓ 9% Decrease Chimney fires in dwellings

↑ 4% Increase Primary fires in non-domestic properties

↑ 23% Increase Deliberate primary fires

↑ 21% Increase Deliberate secondary fires

↑ 3% Increase RTCs Attended



Average response times:

All incidents: 09:13
(previous five-year average: 08:29)

Accidental dwelling fires: 08:23
(previous five-year average: 07:58)

Primary fires: 09:20
(previous five-year average: 08:26)

Secondary fires: 09:51
(previous five-year average: 08:41)

Road traffic collisions: 09:42
(previous five-year average: 09:21)

67% of incidents reached within 10 minutes
(previous five-year average: 73%)

97% of incidents reached within 20 minutes
(previous five-year average: 98%)

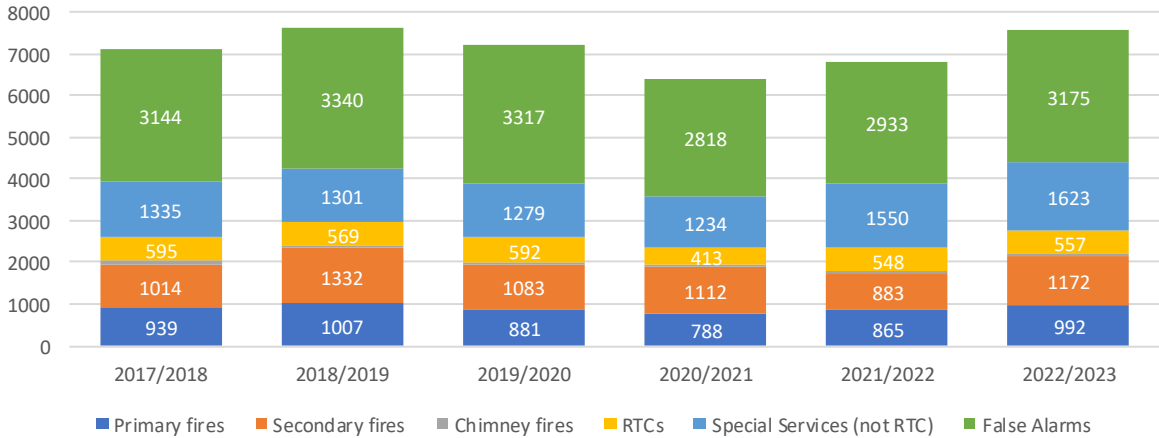




2022/2023 – Overall incident breakdown

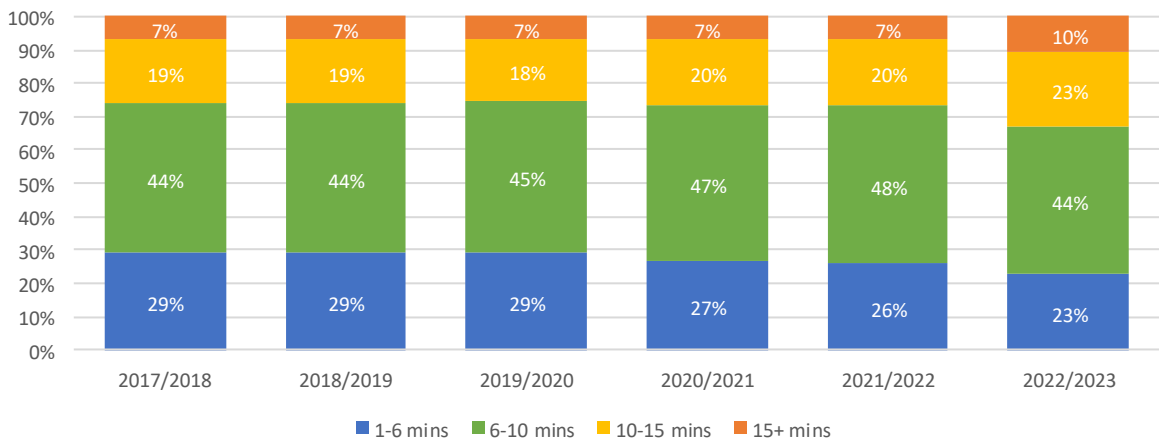
During 2022/2023 BFRS attended 7,567 incidents. This was 8% more than the average of the previous five years. All incident types increased during this period except chimney fires.

BFRS - Incident type breakdown



BFRS's response times increased for most incident types in 2022/2023. This resulted in fewer incidents being reached in under 6 minutes (23%, a reduction of 3%) and 67% reached within 10 minutes (7% less).

BFRS incident response times





IN THE HOME

**Making Buckinghamshire and Milton Keynes
the safest areas in England in which to live**



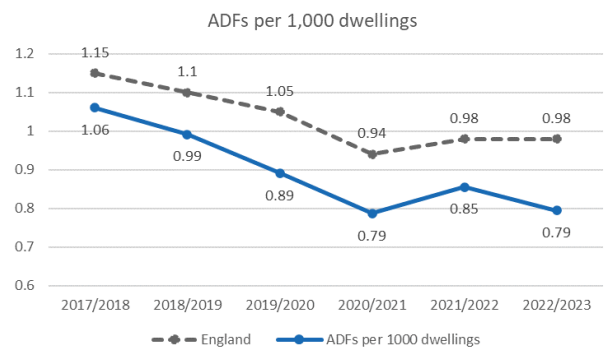
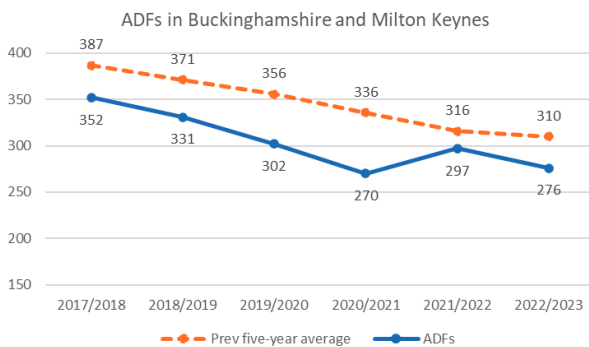
@bucksfire / @bucksfirerescue / #BFRS



HOME

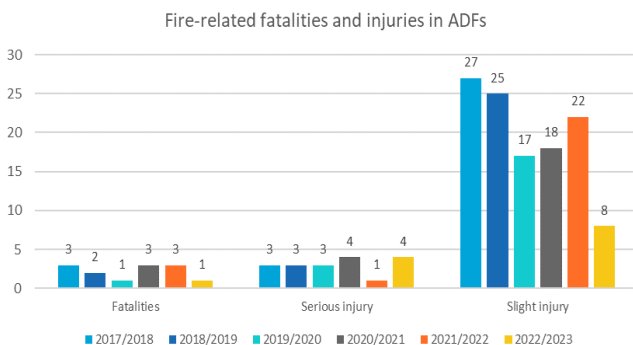
Accidental Dwelling Fires (ADFs) include those where the officer in charge recorded the cause of the fire to be accidental or not known. **Dwellings** are defined as buildings occupied by households, excluding hotels, hostels and residential institutions.

There were 276 accidental dwelling fires in 2022/2023, 11% below the previous five-year average. The number of ADFs per 1,000 dwellings also reduced and remains below the national average, as illustrated below:



The number of fire-related **fatalities** and **injuries** recorded at ADFs can be found below.

- One **fire-related fatality** was recorded at accidental dwelling fires in 2022/2023. The average of the previous five years was 2.
- There were 12 **serious** or **slight injuries** recorded, compared with an average of 12 recorded in the previous five years.



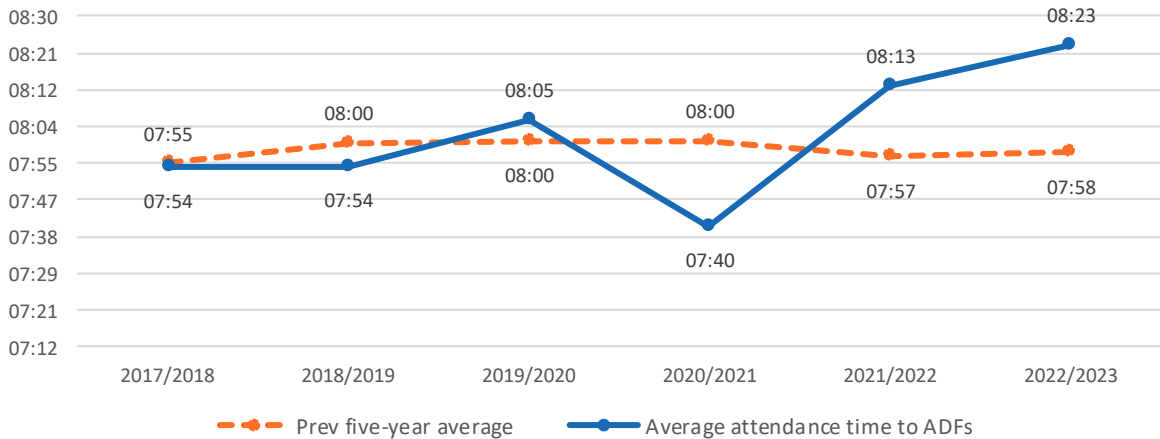
- Serious** - Casualty went to hospital, injuries appear to be serious
- Slight** - Casualty went to hospital, injuries appear to be slight



HOME

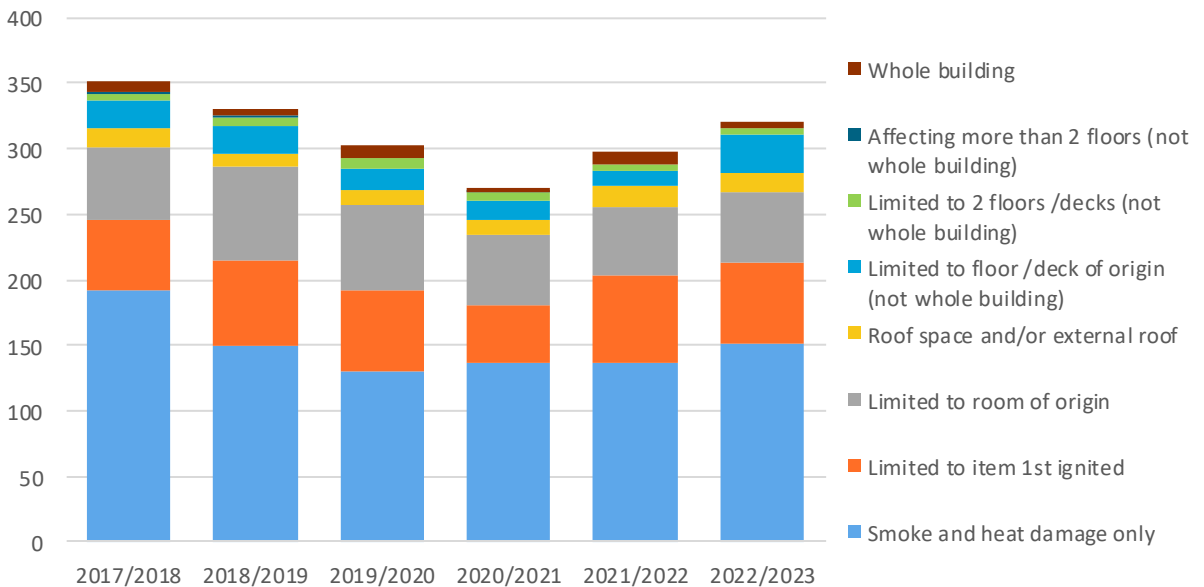
The graph below details the attendance times to ADFs year on year. In 2022/2023, attendance times increased by 25 seconds to 08:23. This increase was in line with the average of all incidents attended, which increased by 44 seconds to 09:13.

Average attendance times to ADFs



The following chart highlights the **level of damage** recorded at ADFs. During 2022/2023, 17% of ADFs saw the fire or heat damage **spread** further than the room of origin. 67% of ADFs were **limited** to the item first ignited or recorded as smoke damage only.

Extent of flame and heat damage at ADFs

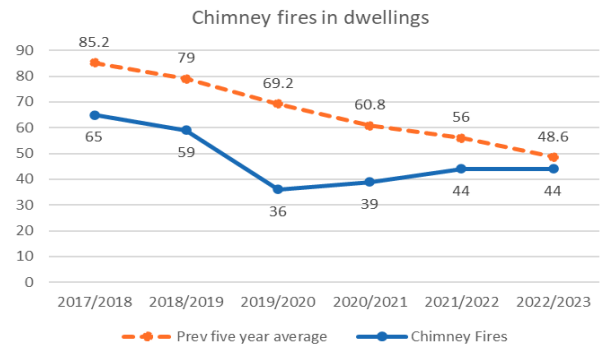
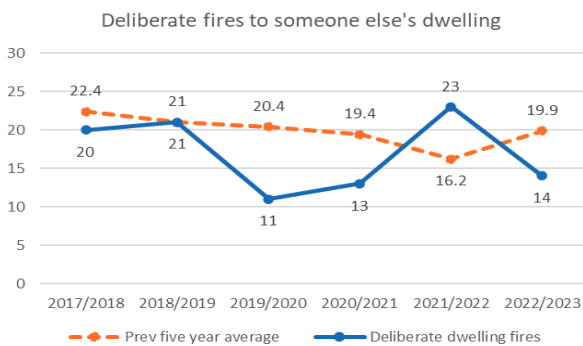




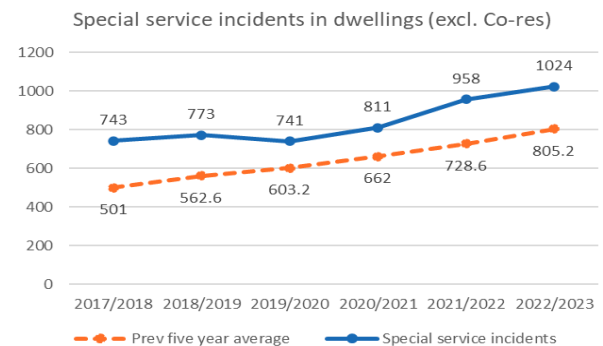
HOME

Dwelling fires where the cause was believed to be **deliberate** to someone else's property increased from a five-year average of 16 to 20 in 2022/2023.

The number of **chimney** fires in dwellings in 2022/2023 was the same as in 2021/2022, and numbers remain just below the average of the previous five years, which is on a downward trend.



In 2022/2023, 1,024 **special service** incidents were attended at dwellings, an increase of 28% compared to the previous five-year average. Most incidents related to supporting **South Central Ambulance Service** in areas such as gaining access to a property. Other incident types included flooding-related calls. These figures do not include co-responder call outs.



	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
Effecting entry/exit	260	310	293	243	316	321
Flooding	203	191	131	191	178	208
Assist other agencies	42	65	77	121	152	154
Lift Release	47	41	56	36	48	83
No action (not false alarm)	47	40	36	72	75	62
Hazardous Materials incident	37	36	47	43	63	62
Animal assistance incidents	19	11	17	21	18	32
Other rescue/release of persons	19	11	10	14	12	20
Medical Incident - First responder	4	4	8	5	12	16
Making Safe (not RTC)	14	11	13	11	34	16
Suicide/attempts	10	6	15	6	13	12
Removal of people from objects	7	22	9	22	18	11
Advice Only	9	6	9	11	6	8
Other (grouped remaining <10)	25	19	20	15	13	19
Total	743	773	741	811	958	1024



**Making Buckinghamshire and Milton Keynes
the safest areas in England in which to work**

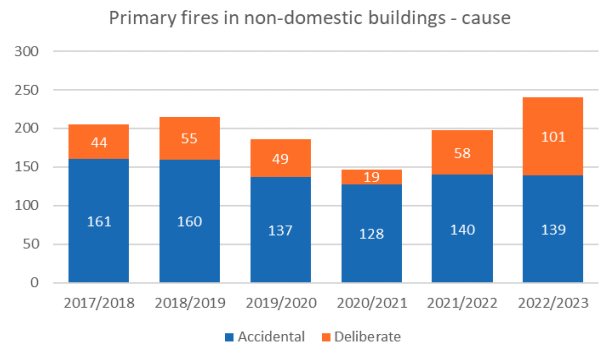
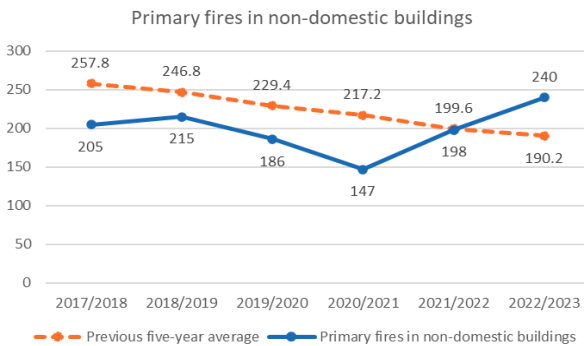


@bucksfire / @bucksfirerescue / #BFRS

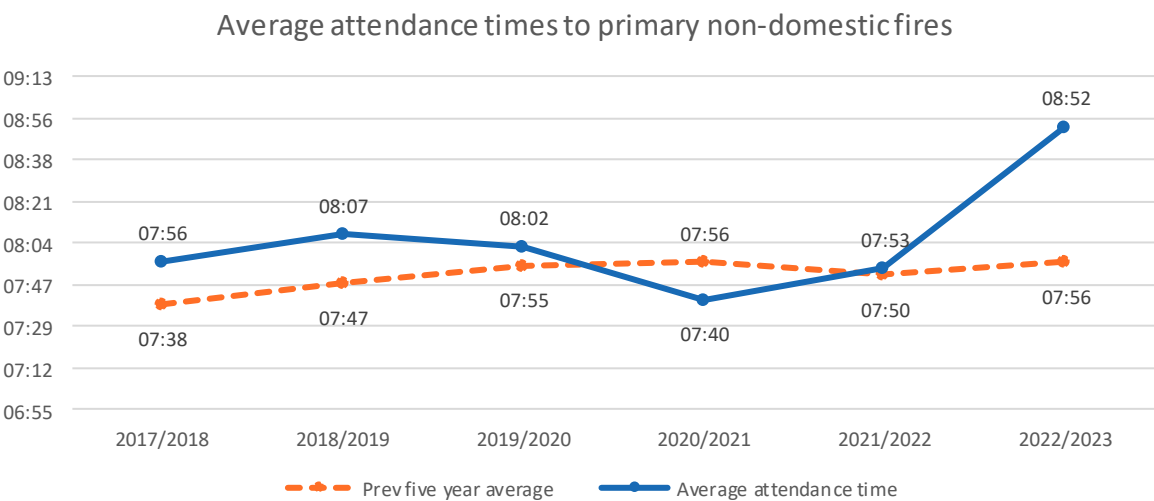


WORK

The number of primary fires in **non-domestic** properties continued on an upward trend in 2022/2023, with an increase of 26.2% compared to the previous five-year average.



As with the attendance times to accidental dwelling fires, **response times** to primary non-domestic fires have risen above the average of the previous five years in 2022/2023.

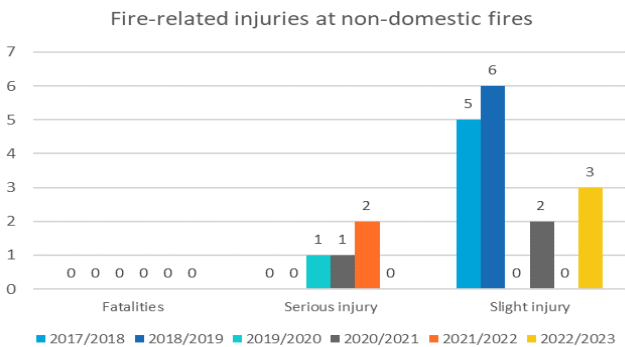




WORK

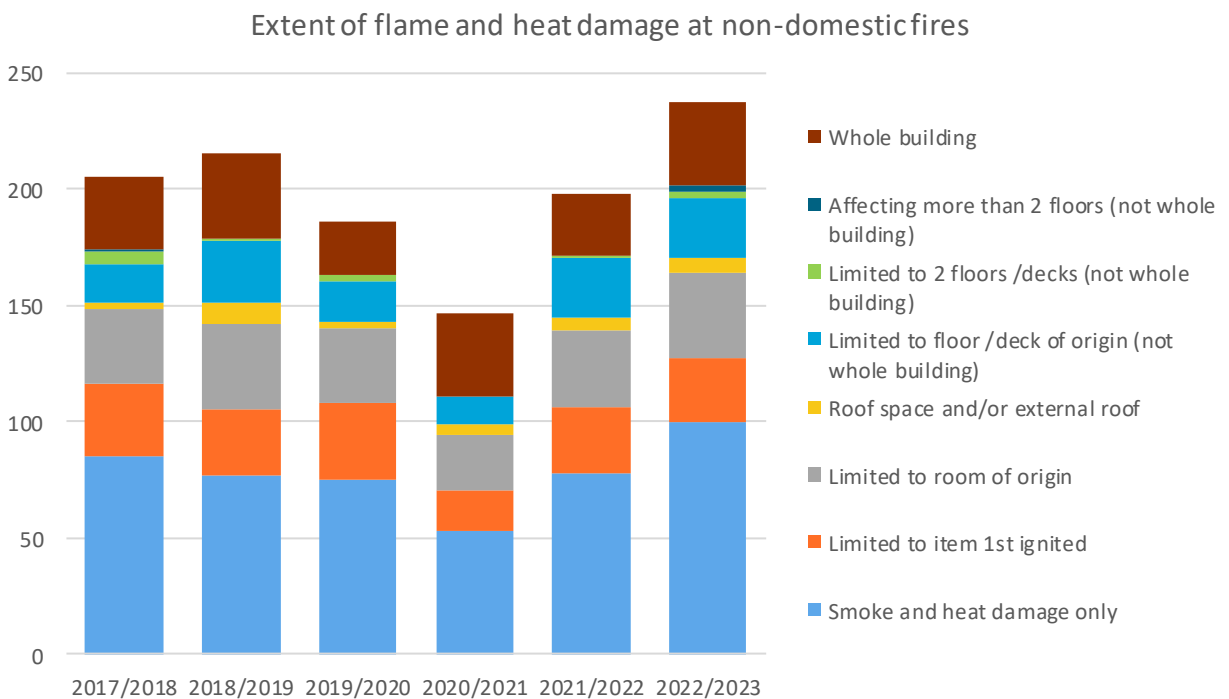
Fire-related injuries from **non-domestic** fires remain low, with only three **slight injuries** recorded in 2022/2023.

A breakdown of the injuries can be seen in the chart below.



- **Serious** - Casualty went to hospital, injuries appear to be serious
- **Slight** - Casualty went to hospital, injuries appear to be slight

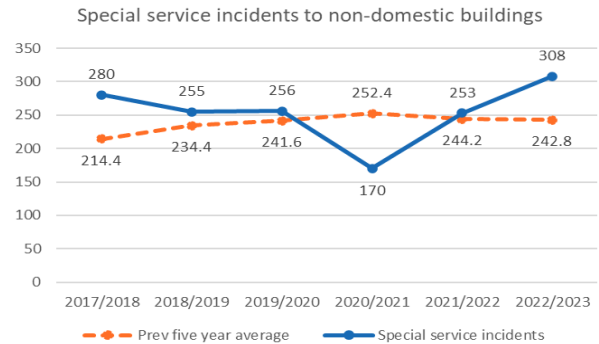
The following chart illustrates the level of damage recorded at fires in **non-domestic** buildings. In 2022/2023, 31% of fires **spread** beyond the room of origin, whilst 54% were either **limited to** the item first ignited or resulted only in **smoke and heat damage**.





WORK

Special services – 2022/2023 saw an increase in the number of **special service** incidents that BFRS attended to non-domestic buildings, most of which related to lift releases and ring removals. Other incident types included flooding-related calls. These figures do not include co-responder call outs.



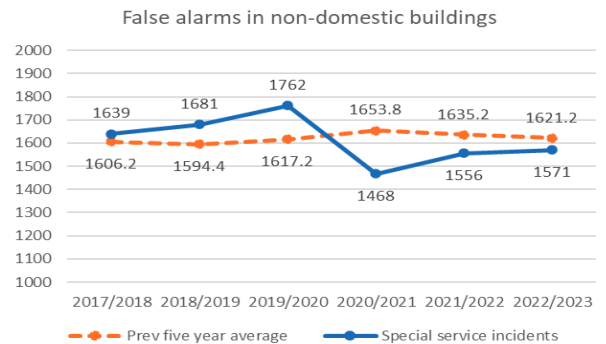
	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
Lift Release	87	82	93	35	59	77
Removal of objects from people	50	45	35	31	59	65
Effecting entry/exit	20	21	21	17	19	38
Flooding	44	26	28	26	15	26
No action (not false alarm)	12	11	12	7	19	15
Hazardous Materials incident	6	16	10	6	10	13
Assist other agencies	11	13	6	5	16	11
Animal assistance incidents	6	1	6	7	11	9
Other rescue/release of persons	6	8	3	5	5	9
Suicide/attempts	5	6	3	6	5	8
Spills and Leaks (not RTC)	4		4	1	2	7
Removal of people from objects	2	5	5	4	9	7
Making Safe (not RTC)	8	13	10	7	15	7
RTC	6		14	7	1	6
Medical Incident - First responder	4	5	1	2	3	5
Advice Only	4	1	3	2	3	4
Evacuation (no fire)	2	2	1	1	1	1
Other Transport incident	3		1	1	1	
Total	280	255	256	170	253	308



WORK

False alarms – 49% of ‘false alarms’ in Buckinghamshire and Milton Keynes during 2022/2023 were to incidents located at a non-domestic property. This is 3% fewer than the average of the previous five years.

The table below provides a breakdown of the reasons listed for the false alarm calls to non-domestic properties. “System” usually refers to an alarm system i.e. smoke detectors, fire panels and break glass:



	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
Good intent - fire	196	142	107	73	74	84
Good intent - special service	12	10	13	10	6	11
Malicious	55	62	73	28	67	52
Sprinkler	19	29	25	35	26	15
System - external factors (contaminants or power surge)	206	246	229	176	257	200
System - faulty	228	193	261	228	264	194
System - human involvement (testing or cooking)	533	592	651	527	534	616
System - incorrect positioning	26	8	9	17	11	10
System - other	42	32	34	21	12	37
System - poor maintenance, damaged or unsuitable equipment	26	25	28	24	13	31
System - unknown	296	342	332	329	292	321
Total	1639	1681	1762	1468	1556	1571



WHEN TRAVELLING

**Making Buckinghamshire and Milton Keynes
the safest areas in England in which to travel**

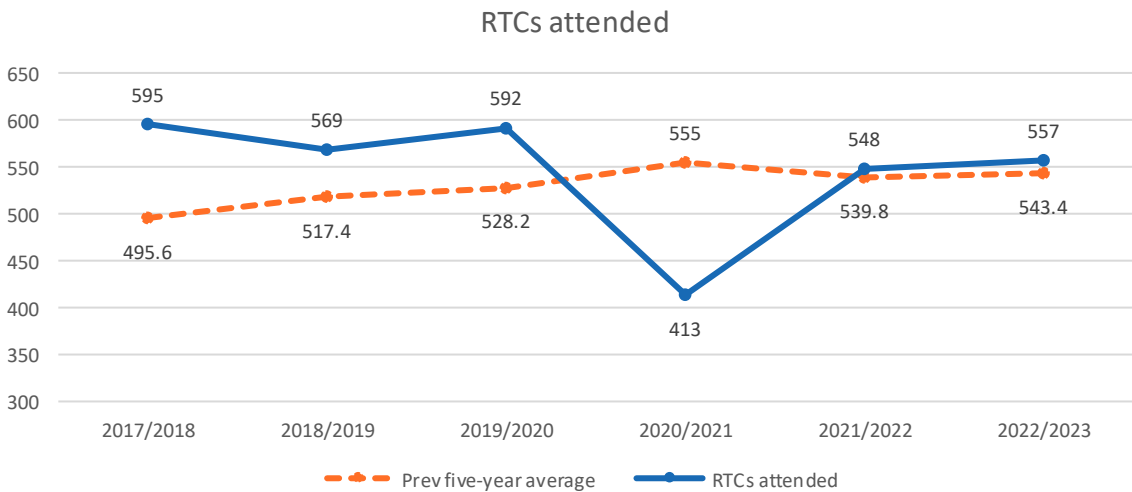


@bucksfire / @bucksfirerescue / #BFRS



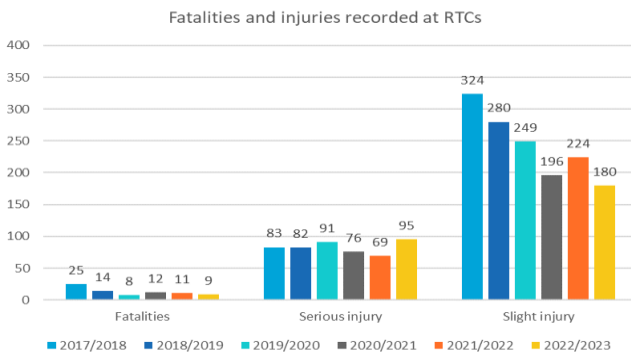
TRAVEL

Road Traffic Collisions (RTCs) – the number of RTCs attended by fire & rescue services within Buckinghamshire & Milton Keynes was higher than the previous five-year average for the second consecutive year. However, the number of RTCs was significantly impacted by the pandemic in 2020/2021. The figure of 557 RTCs in 2022/2023 is still just below the pre-pandemic levels, despite a slight increase in numbers attended.



The chart below details the number of fatalities and injuries recorded at RTCs in Buckinghamshire and Milton Keynes attended by a fire & rescue service.

Further to the numbers detailed in the chart, crews also dealt with 168 minor injuries at RTCs during 2022/2023, 4% lower than in 2021/2022.

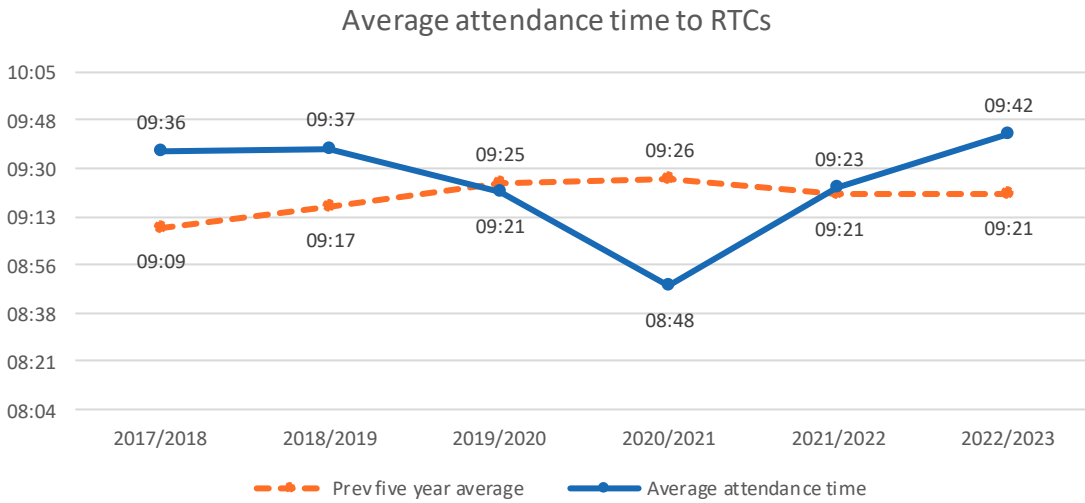


- **Serious** - Casualty went to hospital, injuries appear to be serious
- **Slight** - Casualty went to hospital, injuries appear to be slight

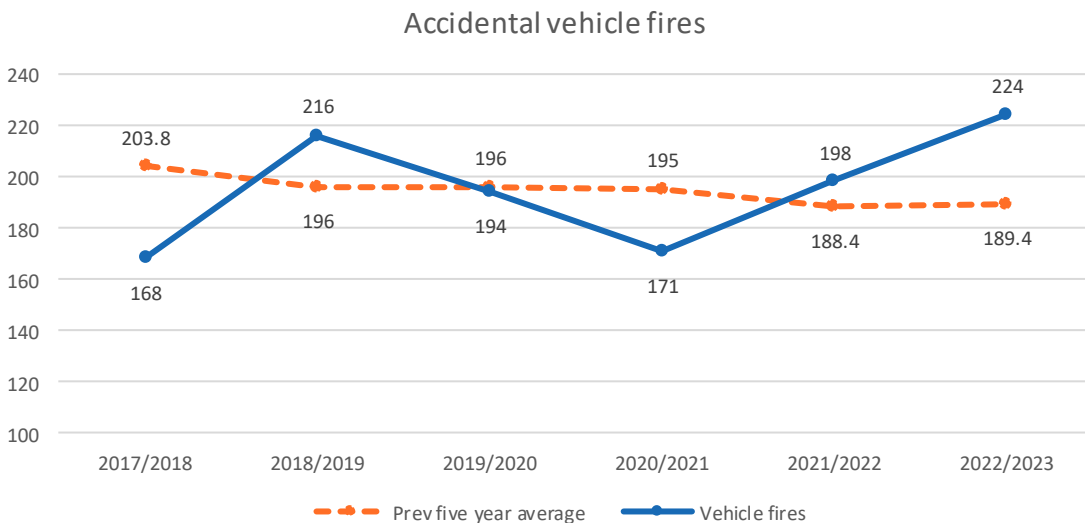


TRAVEL

The chart below shows the average attendance times to **RTCs** within Buckinghamshire and Milton Keynes.



The figures below reflect the number of **accidental vehicle fires** BFRS attended (that were not related to an RTC). The numbers dipped during the pandemic but have since increased year on year, reaching 224 in 2022/2023.





IN THE COMMUNITY

**Making the communities within
Buckinghamshire and Milton Keynes the
safest in England**



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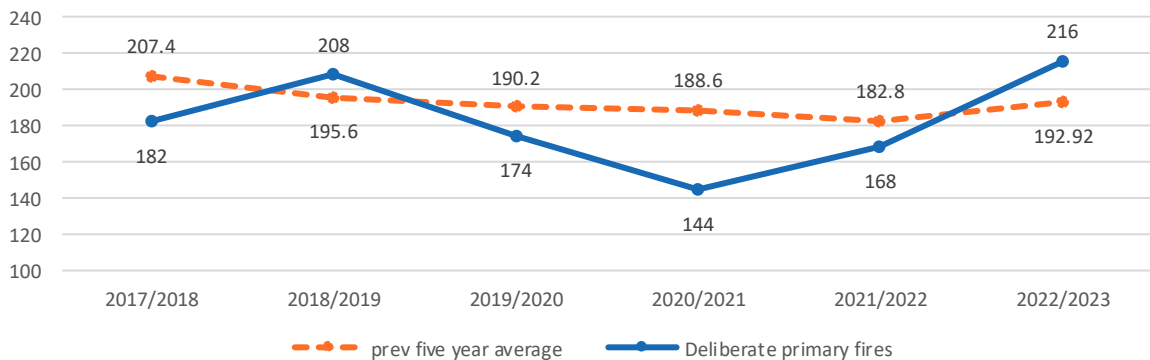


COMMUNITY

The number of **deliberate primary fires** increased in 2022/2023 and, for the first time since 2018/2019, was higher than the previous five-year average.

Non-residential properties topped the chart of property types involved in deliberate primary fires for the first time since data collection changed in 2009/2010.

Deliberate primary fires (someone else's property)



	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
Non-Residential	35	40	35	16	48	75
Grassland, woodland and crops	20	32	29	37	26	41
Car	43	47	43	35	24	27
Motorcycle	8	16	12	6	16	19
Dwelling	21	21	11	13	24	15
Outdoor structures	25	22	17	11	9	12
Outdoor equipment and machinery	3	4	2	3	4	5
Van	8	9	9	11	10	5
Multiple Vehicles	8	6	4	6	2	4
Other Residential	2				1	4
Other	1	3	4	1	2	3
Towing caravan elsewhere (not on tow)	1	2	1	1		1
Bus/coach						1
Motor Home	1					1
Other outdoors (including land)			1			1
Caravan unspecified	4	1			2	1
Bicycle	1	1	2		1	1
Agricultural		1	1			
Trailers - Trailer unit (not attached to tractor)		2		2		
Minibus	1	1				
Lorry/HGV			3	2		
Total	182	208	174	144	169	216

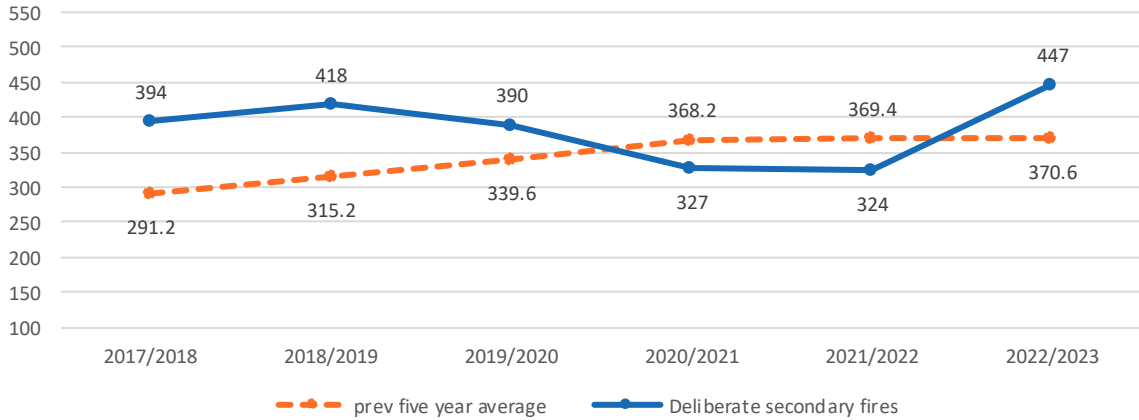
The definitions for deliberate, primary and secondary fires can be found in the glossary section at the end of this report.



COMMUNITY

The number of **deliberate secondary fires** (to other people's property) in 2022/2023 increased by 21% and was higher than the average of the previous five years. Most of these fires occurred in grassland, woodland and crops along with areas where loose refuse was located.

Deliberate secondary fires (to someone else's property)



	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
Grassland, woodland and crops	90	130	147	126	106	182
Other outdoors (including land)	200	158	136	118	122	156
Outdoor structures	88	99	83	53	68	84
Non-Residential	8	16	5	9	12	16
Motorcycle	2	2	1	3	1	3
Other Residential			1	1		2
Van	1	3	1	3	1	1
Outdoor equipment and machinery	1	2	1		4	1
Minibus						1
Dwelling		3	6	1	1	1
Lorry/HGV		1		1		
Caravan unspecified	1	1	1	2	1	
Towing caravan elsewhere (not on tow)			2	3	1	
Car	2	2	5	6	6	
Boats					1	
Trailers - Trailer unit (not attached to tractor)				1		
Caravan on tow			1			
Other	1					
Multiple Vehicles		1				
Total	394	418	390	327	324	447

The definitions for deliberate, primary and secondary fires can be found in the glossary section at the end of this report.

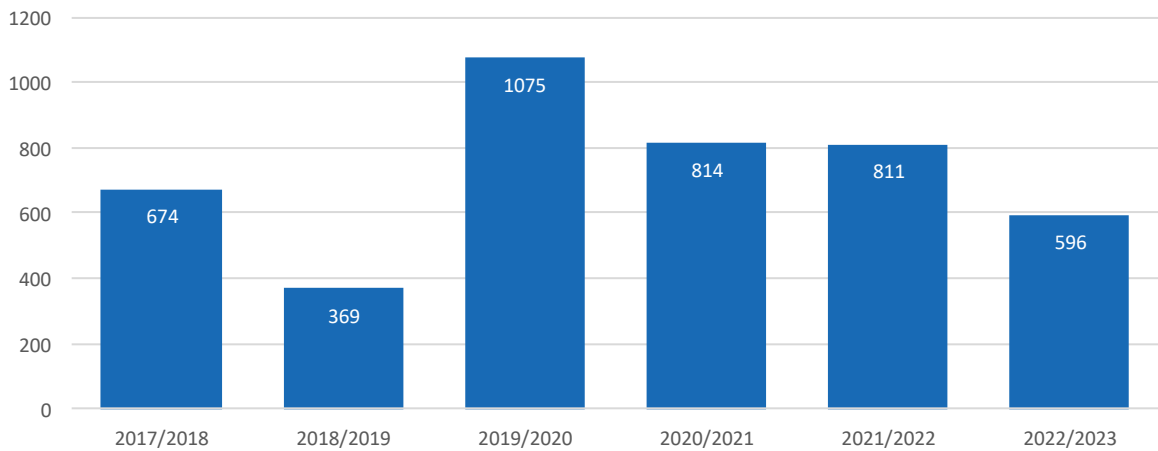


COMMUNITY

In 2022/2023, BFRS **co-responders** attended 596 incidents within Buckinghamshire and Milton Keynes, a reduction of 20% from the previous five-year average.

While most calls are to people’s homes, co-responders also attend incidents in other locations, such as nursing homes.

Co-responder incidents attended



	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
Dwelling	500	254	817	664	702	468
Non-Residential	77	36	106	30	30	49
Other Residential	60	51	78	60	42	34
Other	37	28	74	60	37	45
Total	674	369	1075	814	811	596



Glossary

Accidental fires include those where the fire was ignited by accident or where the cause was not known or unspecified.

Chimney fires are reportable fires at occupied buildings where the fire was confined within the chimney structure and did not involve casualties or rescues and was not attended by 5 or more appliances.

Deliberate fires include those where deliberate ignition is merely suspected.

Dwellings are defined as buildings occupied by households, excluding hotels, hostels and residential institutions.

False Alarms are events in which the Fire and Rescue service was called to a reported fire which turned out not to exist. False alarms are categorised as follows:

Malicious False Alarms are calls made with the intention of getting the fire and rescue service to attend a non-existent fire-related event, including deliberate and suspected malicious intentions.

Good Intent False Alarms are calls made in good faith in the belief that the fire and rescue service really would attend a fire.

Primary fires include all reportable fires at non-derelict buildings, vehicles and outdoor structures or any fire involving casualties, rescues, or fires attended by five or more appliances.

Secondary fires are the majority of outdoor fires including grassland and refuse fires unless they involve casualties or rescues, property loss or five or more appliances attend. They include fires at single derelict buildings. They are reported in less detail than other fires and consequently less information concerning them is available.

Special Service Incidents - Non-fire incidents which require the attendance of an appliance or officer and include:

(a) Local emergencies e.g. road traffic incidents, rescue of persons, 'making safe' etc;

(b) Major disasters;

(c) Domestic incidents e.g. water leaks, persons locked in or out etc;

(d) Prior arrangements to attend incidents, which may include some provision of advice and inspections.

Co responders – these are firefighters who also respond to ambulance calls. The aim of a co-responder is to preserve life until the arrival of either an ambulance or a response vehicle from the NHS ambulance service.

CONTACT US

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999 in an emergency only
01296 744400 (Monday to Friday 8am to 4pm)

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Facebook: www.facebook.com/Bucksfire/
Twitter: www.twitter.com/Bucksfire



Buckinghamshire
FIRE & RESCUE SERVICE
we save lives

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Buckinghamshire & Milton Keynes Fire Authority

Meeting and date: Overview and Audit Committee, 8 November 2023

Report title: Prevention Improvement Plan – July / August 2023

Lead Member: Councillor Simon Rouse

Report sponsor: Area Commander Simon Tuffley

Author and contact: Community Safety & Safeguarding Manager Joanne Cook

jcook@bucksfire.gov.uk

Action: Noting

Recommendations:

That the Prevention Improvement Plan highlight report (July – August 2023) summarising the progress made against the measures required to secure long-term improvements to Prevention delivery in Buckinghamshire Fire & Rescue Service (BFRS) is noted.

Executive summary:

The Prevention Improvement Plan was written and presented to the Overview and Audit Committee in November 2021, along with the finalised Phase One Prevention Evaluation Report which had commenced in July 2020 but was paused due to revised priorities during the Covid 19 pandemic.

The Prevention Improvement Plan contains 60 recommendations, drawn from the Prevention Evaluation, the findings of the then Her Majesty's Inspectorate of Fire and Rescue Services and the areas required to meet the Prevention Fire Standard and associated National Operational Guidance.

A mid-term review of the Prevention Improvement Plan was conducted ensuring that the actions identified against those recommendations not yet completed remain current both within the Service and aligned to national expectations from the National Fire Chiefs Council Central Program Office - Prevention.

Work to evidence attainment against the removal of the HMICFRS Prevention cause for concern regarding referrals was awaiting development from the third-party provider of the Premises Risk Management System, which was scheduled for after the delivery of the test environment for the Site Specific Risk Information (SSRI) element.

This work has now begun with the revised referral form agreed and an updated visit form format awaiting receipt for checking before system development begins. Once that has been completed, eight recommendations of the 27 remaining in the Prevention Improvement Plan (PIP) will be able to be closed.

Work on the actions linked to the outstanding recommendations has been minimal during this period due to the recognition of some issues related to the admin team processing referrals in a timely manner. Whilst the cause for this is yet to be established, workloads within the Central Prevention management and delivery teams were adjusted to address this.

As detailed in the highlight report (Appendix 1), the overall RAG rating has been adjusted to Amber due to the capacity demand associated with the referral processing issue and significant delays with regard to triaging referrals in the Firewise scheme and the delivery of intelligence led Fire Sense training to referral partners. These areas have been prioritised for action in the next period.

Financial implications:

The National Fire Chiefs Council Central Program Office for Prevention and the digital technologies workstream have developed a number of tools with the associated guidance which will be launched in quarters three and four of the year. These closely align to some of the outstanding recommendation actions and will be delivered at no cost to the Service.

Any requirement for growth will be submitted through the established internal governance arrangements for consideration.

Risk management:

This Prevention Improvement Plan is the most effective way of ensuring continued improvement to ensure the best possible service is provided to the communities we serve.

The provision of regular highlight reports is an assurance tool to ensure that we are ultimately working towards aligning to national best-practice and more effectively to reduce risk in our communities.

There remain reputational corporate risks to the organisation should we be judged as inadequate by HMICFRS. The Service had already taken steps to mitigate this through having extensive internal and external audits of a number of areas of the Service, notably, elements of our operational activity has been subject to external independent assurance. The prevention evaluation is another example of applying constructive internal scrutiny to drive improvement and reduce risk.

Key risks are identified in the highlight report, of which the staffing issue has already been seen to impact upon delivery.

Legal implications:

The key legislation related to the Service's prevention function covered within the Prevention Improvement Plan is detailed in the Prevention Fire Standard.

There are no direct legal implications associated with the Prevention Improvement Plan or the associated highlight report.

Privacy and security implications:

No privacy or security implications have been identified that are directly associated with this report or its appendices. The respective strands of the improvement plan will ensure Data Protection Impact Screening and full impact assessments are completed and reviewed where appropriate.

The report and its appendices are not protectively marked.

Duty to collaborate:

Collaboration with partners to ensure a collective and shared approach to identify and mitigating community risk is critical to ensure Prevention activity is effective. The evaluation identifies a number of areas where collaboration and partnerships can be developed for the benefit of community safety through both the statutory Community Safety Partnerships and other boards as appropriate.

Health and safety implications:

There are no Health, Safety or Wellbeing implications arising from this report.

Environmental implications:

There are no environmental implications arising from this report.

Equality, diversity, and inclusion implications:

Whilst there are no identified implications directly associated with this report or its appendices, elements of work contributing to the progression of individual recommendations have a positive impact upon some groups, specifically those where age is the protected characteristic. The respective strands of the improvement plan will ensure impact screening and full impact assessments are completed and reviewed where appropriate.

Consultation and communication:

The Prevention evaluation involved extensive engagement with stakeholders to ensure an effective and thorough evaluation of all our activity.

Background papers:

23 January 2020 - Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) – Buckinghamshire Fire and Rescue Service (BFRS) Inspection Findings Report:

Overview & Audit Committee, 8 November 2023 | Item 17 – Prevention Improvement Plan – July/August 2023

https://bucksfire.gov.uk/documents/2020/03/230120_item_7_hmicfrs_cover_report_23012020_appendix-min.pdf/

10 November 2021 – Prevention Evaluation – Phase One Report

<https://bucksfire.gov.uk/documents/2021/10/oa-item-17-17-10-21.pdf/>

12 October 2022 – Fire Authority – Prevention Strategy







[Fire Authority Meeting - 12 October 2022 - Buckinghamshire Fire & Rescue Service \(bucksfire.gov.uk\)](https://bucksfire.gov.uk/documents/2022/10/oa-item-17-17-10-21.pdf/)

15 March 2023 – Overview and Audit Committee – Prevention Improvement Plan Update 2

<https://bucksfire.gov.uk/authority/overview-and-audit-committee-15-march-2023/>

Appendix	Title	Protective Marking
1	Prevention Improvement Plan highlight report July / August 2023	Not protectively marked

Appendix 1: Prevention Improvement Plan

Lead Member: Project Sponsor: Project Manager:		Cllr Simon Rouse AC Simon Tuffley Joanne Cook		Project Objectives: <i>Following the Prevention Evaluation, a three-year plan is in place to develop Prevention within the service:</i> Effective prevention strategy, processes and systems in place facilitating effective delivery of preventative information across the community				Overall RAG 	
Strategy, vision and leadership		Intelligence		Management of processes, systems and planning incl. audit		Coordination & communication of operations		Delivery of operations	

Summary – Period dated: July – August 2023

Key Activities

- The work on referral processing reported in the highlight report for March – April 2023 continues to draw time and resource to address. The recruitment of a substantive Administrative Support Manager commencing September 2023 will assist in driving the conversion of referrals to Home Fire Safety Visits offered in a timely manner.
- Following the redesign of the referrals form in PRMS in March, the draft form has been reviewed, with the next step being sandbox testing of it. This has removed questions which are no longer relevant from the data set which will ultimately increase administrative efficiency in processing referrals.
- The visit form in PRMS has been redesigned, aligning it with the national person-centred approach and the risk stratification scoring previously tested and agreed.
- The mid-term review of the Prevention Improvement Plan concluded ensuring the priorities and timescales of remaining recommendations continue to be appropriate.

Priorities for Next Period: Sept – Oct 2023

Progress

- Procedure for quality assuring prevention processes to be written aligned to the expectations of the Prevention Fire Standard and Central Program Office Prevention Workstream’s work on Prevention customer engagement and evaluation (this was delayed from last period)
- Onboarding of OHFSC timed for when the referrals in processes has been agreed
- Update of the Fire Sense program to ensure it is consistent to national messaging and aligns to service marketing formats.
- Update on Firewise in the context of the national picture needs to be prioritised and the procedure amended to reflect as the recommendation relating to this is significantly past its identified delivery date.

Complete

- Bandings added to local Prevention KPMs in liaison with DIT to ensure consistency in approach. Including the inclusion of an additional data line for the Service KPMs to ensure there is Service oversight of all data eligible for external (Home Office) reporting, specifically virtual or non-cross threshold visits
- Mapping of referrals by quarter to identify who/where they are received from and where Fire Sense delivery should be targeted to address gaps in referral sources where incidents in domestic dwellings is higher

Project: Prevention Improvement Plan



Lead Member: Project Sponsor: Project Manager:		Cllr Simon Rouse AC Simon Tuffley Joanne Cook		Project Objectives: Following the Prevention Evaluation, a three-year plan is in place to develop Prevention within the service: Effective prevention strategy, processes and systems in place facilitating effective delivery of preventative information across the community				Overall RAG 	
Strategy, vision and leadership		Intelligence		Management of processes, systems and planning incl. audit		Coordination & communication of operations		Delivery of operations	

Summary – Period dated: July – August 2023		Key Milestones		Forecast/ Actual	RAG
Key Activities (continued)		Effective system for dealing with referrals implemented, prioritising those with highest level of risk		October 2022	
		Approval of revised Prevention Strategy		October 2022	
		An effective system defining levels of risk in the community		October 2022	
		Evidence in place to support removal of Prevention Cause for Concern		May 2023	
Change Request Log:					
NA		NA		NA	

Risk/ Issue	RAG	Description	Mitigating Action	Next Action
Enter top three highest risks to the plan				
Staff capacity		Capacity of administration team is causing a significant impact on the capability to process Prevention referrals in a timely manner	Whilst 3 temps have been in place within the Admin team, and a recruitment process has begun for permanent staff, two temp roles end in September.	Recruitment commenced for Admin team vacancies
Prioritisation of visits by risk level (risk stratification)		Capacity and ability to make development changes to the Prevention side of the Premises Risk Management System due to work on the SSRI element impacted on the progression of several recommend actions. Staff capacity from risk 1 also impacted this.	Work on recording all visits in PRMS was completed whilst awaiting completion of the SSRI element	Draft visit form and sandbox testing of referral form to be scheduled for checking.
External workstreams		Areas of work related to the Firesetter Intervention Scheme (FIS) have a different delivery schedule to that of the Prevention Improvement Plan,	Updates sought and awaited from FIS lead on the recommendations linked to this.	Review Firewise procedure to ensure areas raised in the recommendation have been considered & are reflected within

Prevention Improvement Plan dashboard update – August 2023



Prevention Improvement Plan - Progress Dashboard

	Total recommendations	Complete	On track	On hold/delayed	Not started
Strategy, vision & leadership	7	5	0	2	0
Intelligence	15	12	0	3	0
Management of processes, systems and planning, including audit	15	5	2	8	0
Coordination and communication of operations	13	6	3	4	0
Delivery of operations	10	5	2	3	0
Grand totals	60	33	7	20	0

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Overview and Audit Committee Forward Plan 2023/24

ITEM 18

Item	Reporting Date	Recommended Action	Lead Officer
Internal Audit Reports (a) Final Audit Reports (b) Update on Progress of the Annual Audit Plan (c) Update on Progress of Audit Recommendations	March 2024	Noting	Internal Audit Manager and Director of Finance and Assets
HMICFRS Action Plan Update	March 2024	Noting	Head of Technology, Transformation and PMO
2022/23 Statement of Assurance	March 2024	Decision	Director of Legal and Governance
Corporate Risk Management	March 2024	Decision	Director of Legal and Governance
Treasury Management Performance	March 2024	Noting	Director of Legal and Governance
Prevention Improvement Plan	March 2024	Noting	Head of Prevention, Response and Resilience

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