

Minutes of the meeting of the OVERVIEW AND AUDIT COMMITTEE of the BUCKINGHAMSHIRE AND MILTON KEYNES FIRE AUTHORITY held on WEDNESDAY 20 November 2019 at 10.00AM

Present: Councillors Brown (part), Clare, Cranmer, Exon, Glover, Minns and Watson

Officers: J Thelwell (Chief Fire Officer), M Osborne (Deputy Chief Fire Officer), M Hemming (Director of Finance and Assets), G Britten (Director of Legal and Governance), C Bell (Head of Service Development), D Norris (Head of Service Delivery) S Harlock (Senior Auditor), A Kennett (EY), M Grindley (EY), A Carter (BASI Project Manager), G Barry (Information Governance and Compliance Manager) S Gowanlock (Corporate Planning Manager) A Hussain (Principal Accountant), C Newman (Data Intelligence Team Manager), S Wells (Head of Operational Training & Assurance), K Nellist (Democratic Services Officer) and F Pearson (Communications and Consultation Manager)

Two members of the public

Apologies: Councillors Carroll and Christensen

OA19 MINUTES

RESOLVED –

That the Minutes of the meeting of the Overview and Audit Committee held on 17 July 2019, be approved and signed by the Chairman as a correct record.

OA20 RIPA POLICY (MINUTE OA39 – 090316)

RESOLVED –

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

OA21 INTERNAL AUDIT REPORTS

a) Internal Audit Report: Final Audit Reports

The Senior Auditor advised that the purpose of this paper was to update Members on the findings of the finalised Internal Audit reports issued since the last Overview and Audit Committee meeting. The 2019/20 Cyber Security Audit had been finalised. Three recommendations had been agreed with the Information Governance and Compliance Manager and a suitable deadline date for implementation had been identified. The audit activity focussed on the following key control areas: boundary firewalls and internet gateways; secure configuration; user access control; malware protection and patch management.

The overall opinion of 'Reasonable' Assurance for the Cyber Security audit was concluded as there were no significant

weaknesses in the control framework for the areas reviewed as part of this audit.

RESOLVED -

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

b) Internal Audit Report: Update on Progress of Audit Recommendations

The Senior Auditor advised that the purpose of the paper was to update Members on the progress of implementation of audit recommendations made as at 13 October 2019. In total there was 35 recommendations to report on, the status of which were classified as follows, 21 (60%) were implemented, 12 (34%) were in progress and 2 (6%) were past the due date but in progress. There were no outstanding recommendations to bring to the attention of Members at this time.

The Chairman asked for clarification on the 'red' items and was advised that dates were agreed with management when everything should be completed by. These two particular items had not been able to meet that deadline.

RESOLVED -

That the progress on implementation of recommendations be noted.

(Councillor Brown joined the meeting)

c) Internal Audit Report: Update on progress of the Annual Audit Plan

The Senior Auditor advised that the purpose of this paper was to update Members on the progress of the annual Internal Audit Plan. Work had progressed according to the 2019/20 plan and regular discussions had been held with the Director of Finance and Assets to monitor progress. The Cyber Security audit report had been completed and was high-lighted in yellow. Currently in progress was the Performance Management audit (field work stage), which should be completed in the next couple of weeks. Also in progress was the Budget Monitoring and Forecasting audit. All work was on track and the final reports would be presented to Members at the next Overview and Audit Committee meeting.

RESOLVED -

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

OA22

BUSINESS AND SYSTEMS INTEGRATION (BASI) PROJECT: PROGRESS REPORT

The BASI Programme Manager advised Members that the Business and Systems Integration Project remained on track to meet requirements and on budget. Since the last Overview and Audit Committee meeting, the Resource Management System had

been developed to capture and measure working time metrics and was starting to provide some good information. A joint statement on Working Time Regulations had been issued to staff following discussions with the Health and Safety Department, Representative Bodies and the Senior Management Team. The work completed on the Premises Risk Management System and the Resource Management System had been showcased to other services.

The BASI Programme Manager advised Members that the Fleet Management System contract was currently in the process of going out to tender.

RESOLVED –

That the report be noted.

OA23

GENERAL DATA PROTECTION REGULATION (GDPR) ONE YEAR ON

The Information Governance and Compliance Manager advised Members that the purpose of this paper was to review the implementation of the GDPR across the Authority since it came into effect on 25 May 2018. The Overview and Audit Committee was last appraised of progress at its meeting in March 2019 at which it agreed that periodic progress reports on implementation be received.

The Information Governance and Compliance Manager advised Members that there had been limited further guidelines produced by the Information Commissioner and there was still no certification in place. Although the Authority would not be mandated to follow certification, it would provide assurance. The Authority was continuing to build on its training programme and was on top of the twelve step programme. The Authority continued to look at the security of all its processes.

A Member asked if there had been any data breaches in the last 18 months and was advised that there had only been minor ones, nothing reportable.

A Member asked what training was available to staff and was advised that an online, free of charge, government package was being used. Staff were also trained in different groups, i.e. there had been recent Watch Commander training.

The Chairman asked when Members would receive another update, and was advised by the Director of Legal and Governance that one of the features in the Annual Governance Statement look forward for 2019/20 was a large section on GDPR and GDPR compliance. When the Committee received the next Annual Government Statement a comprehensive update would be given.

RESOLVED –

That the report be noted.

OA24

ANNUAL PERFORMANCE MONITOR 2018-2019

The Data Intelligence Team Manager advised Members that this report provided an overview of the annual performance in relation to the Authority's 2015-20 Corporate Plan objectives, focusing, in particular, on prevention, protection and response. It covered the period 1 April 2018 to 31 March 2019. The report showed that in the face of an increasing population, the Service had achieved a continued reduction in the number of accidental dwelling fires (a key area for focus as this was typically where fire deaths occur). However, non-domestic building fires had seen a slight increase. The number of deliberate fires also continued to increase. This was a national trend which was also being experienced by this Service. The number of incidents attended had increased from 7,745 in 2017-18 to 7,982 this period.

A Member asked if the full-time specialist who worked with businesses to reduce false alarms was monitored and was advised that yes they were. The role was primarily to prevent repeat alarms, and when the individual started there were over 60 premises that were visited more than 5 times a year, it was now reduced to around 8 premises. Although fire alarm numbers were increasing, repeat offenders had reduced. It should also be noted that last year the Service visited over 500 new premises domestic and non-domestic, which gave the Authority the opportunity to engage with businesses as evidenced by the continued decrease in primary fires and fire injuries in commercial premises.

The Chairman requested further background information to explain the medical incidents trends and was advised that the numbers referred to co-responding. As Members would recall, the service had invested in on call staff predominantly assisting South Central Ambulance Service (SCAS) by responding to medical emergencies in rural areas where the ambulance service were not always able to reach within their preferred response time. The ambulance service then invested in those more remote areas and there was less requirement for the Service to provide co-responding activity and therefore in that period we saw a significant drop. Recently there had been a slight change in the SCAS performance matrix and this year the Service was supporting them again.

RESOLVED –

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

OA25

OPERATIONAL ASSURANCE IMPROVEMENT PLAN

The Head of Operational Training and Assurance advised Members that the purpose of this report was to provide an update on the notable progress towards the delivery of the Service's approved Operational Assurance Improvement Plan (OAIP). The OAIP was a dynamic document, used to enhance the Service's ability to capture, scrutinise and respond to operational learning originating from events such as our own operational debriefs. This internal approach towards how the Service gathered and assessed

learning from operational activity, had better enabled the Service to effectively identify emerging issues, as well as implement practical and corrective solutions, in order to improve operational performance.

The Head of Operational Training and Assurance advised Members that an intrinsic part of the external review process continued to be the Authority's three year contractual agreement with Operational Assurance Limited (OAL). This agreement ensured the Service's risk critical operations were subject to regular independent scrutiny, thereby strengthening the Authority's ability to deliver the best possible public service and improve the safety of its firefighters. OAL were currently in Service and had been commissioned to undertake a review of the Authority's High Rise Procedures and Command and Support. OAL would then detail within their final report those improvement recommendations that were deserving of further consideration and inclusion onto the OAIP.

A Member asked with regard to the RBFRS Jubilee River Report on the Operational Assurance Improvement Plan why crews needed to have more familiarity with the Jubilee River near Beaconsfield, had there been any recent incidents and was advised that yes there had and although the incident had been in Royal Berkshire, the Water Rescue Team from Beaconsfield Fire Station had been called as the closest boat crew. Whilst not in the Authority's area, it was beneficial from an operational perspective, if crews had greater familiarity with the car parks, access, hazards and crossing points to make quicker access into the river.

A Member asked a question regarding the Service being unable to pronounce life extinct on a casualty even when death was obvious, did that mean that crews had to continue with Immediate Emergency Care (IEC) until SCAS said it was ok to stop, and was advised that SCAS work on recognition of life extinct as a criteria to make the assessment easy to determine. If there was any doubt, crews would continue with medical intervention.

A Member asked what Command Support was and was advised that when one of the fire appliances turned up to an incident, the initial command support would be performed at the back of that appliance by a firefighter. Incident Command helped to manage an incident and bring about a safe resolution. There were certain key roles that had to be introduced, Command Support being one of them, because it was about collating the information, recording messages sent back to control, identifying some of the hazards and risks during that incident. This would then support the Incident Commander with his tactical plan about how best to deal with that incident.

A Member asked what needed to be improved in this area and was advised that it was all about communication. How well incidents were commanded in the early stages and as they escalate, there needed to be mechanisms in place that were consistent across the Service whereby the lines of communication

and the procedures applied to different incidents, were consistent. The foundations of which were with the first attending appliances.

The Chairman felt that although it was a progress report, it was difficult to assess progress, it was more of a status report with red, amber and green, rather than changes over a period of time. Officers would look at how it was presented in future reports.

RESOLVED –

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

OA26

CORPORATE RISK MANAGEMENT

The Corporate Planning Manager advised Members that the Corporate Risk Register was last reviewed by the Committee on 17 July 2019. Since then, it had been reviewed by the Performance Management Board (PMB) at which all the directorate risk registers were scrutinized and the Strategic Management Board at their regular meetings. The distribution of the corporate risks relative to probability and impact were shown at Annex A. Detailed assessments of identified corporate risks were shown at Annex C.

The Corporate Planning Manager gave Members a brief overview of the main changes and developments in relation to each of the risks since they were last discussed. The main change since the last meeting was the elevation of the Staff Availability risk to red RAG status following initial assessment of the potential impact of the Court of Appeal decision in relation to the firefighter pension scheme.

Members would recall the Court of Appeal ruling that the transition arrangements for the 2015 Firefighters Pension Scheme were unlawful. The next material event in relation to this risk was a 'remedies hearing' that had been scheduled for 18 December 2019. Any remedy awarded to scheme members was likely to have a significant impact on current assumptions about retirement profiles and succession pipelines. It was also important to note that this risk had national, as well as local dimensions, so would potentially affect all fire and rescue services to a greater or lesser extent, depending on their workforce profiles. This issue also cuts across into the funding and savings risk, it was among the uncertainties that would affect the medium-term financial outlook alongside the future of grant funding for USAR and changes to the allocation of business rate receipts to local authorities.

Albeit that the overall outlook for next year was somewhat better than originally envisaged, following the outcome of Spending Round 19 which levelled off rather than reduced central government funding. However, it was important to note that SR19 only covered a one-year period so the outlook could change again in light of future government priorities.

Finally, the Corporate Planning Manager touched on the risk of physical disruption to the Service in the event of a 'no deal' Brexit scenario. As Members were aware, the Authority had been working closely with its local resilience forum partners to plan for this contingency and at present it continued to prepare for a possible 'no deal' departure from the EU on 31 January 2020, which was the current revised legal default date following the EU's agreement to another extension. However, what transpired would be shaped by the outcome of the General Election.

RESOLVED –

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

**OA27 TREASURY MANAGEMENT PERFORMANCE 2019/20
QUARTER 2**

The Principal Accountant advised Members that this report was being presented to provide the treasury position as at the end of the second quarter. It was best practice to review on a regular basis how Treasury Management activity was performing. The accrued interest earned for the first half of 2019/20 was £97k, which was £22k higher than the budget for the period. It was anticipated that this trend would continue until the end of the year and should reach a higher return than the £150k budgeted for. However, next year the level of fund the Authority would have available to invest was likely to diminish.

The Chairman asked what was expected to happen in the second quarter and next year and was advised that when the Treasury Management budget was set this year it was assumed that funds of £20M would be available to invest and anticipated a return of £150k. In reality, next year the Authority would probably only have funds of around £12/13M to invest. All capital funds were being invested in the Blue Light Hub, which resulted in the Authority having less funds to invest.

The Chairman asked if there would be any Blue Light Hub payments beyond next year and was advised that all the payments should be made in this financial year, but there would be a small amount kept in retention to make sure any defects were covered.

RESOLVED –

That the Treasury Management Performance 2019/20 – Quarter 2 report be noted.

OA28 AUDIT RESULTS REPORT 2018/19

The Associate Partner on behalf of Ernst & Young LLP advised Members that the report summarised the findings from the 2018/19 audit. It included 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.

With regard to the audit, the actuary reports had needed to be re-run following the rulings on two pension cases regarding age discrimination (McCloud and Sargeant). This led to changes in the figures to the draft accounts. The effect of this was to change the materiality figures for the main accounts. This had all now been completed. There was one unadjusted audit item of around £200k, which was an estimated item and in the Letter of Management Representation, there was a representation that the Authority did not see it was a material item to adjust and there were no issues with regard to any significant risks.

The Associate Partner advised Members that the audit was complete and would be signed off today.

RESOLVED –

That the content of the report be noted.

OA29

LETTER OF MANAGEMENT REPRESENTATION 2018/19

The Principal Accountant advised that the Authority was required to consider and sign the letter of management representation to Ernst & Young in order for the audit opinion and conclusion to be issued. The Principal Account brought a couple of items to Member's attention, the first was Section A – Financial Statements and Financial Records, paragraph 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 due to the unadjusted differences being below the materiality threshold for the Auditor and therefore the impact to the financial statements will be immaterial.'

Also, Section C – Information Provided and Completeness of Information and Transactions, paragraph 3, 'We have made available to you all minutes of the meetings of the Authority, the Executive Committee and Overview and Audit Committee held through the year to the most recent meeting on the following date: 19 September 2019.' Since that date there had been a meeting on the 16 October 2019 of the Executive Committee, and the letter had now been update to show this.

RESOLVED –

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

OA30

ADOPTION OF THE AUDITED STATEMENT OF ACCOUNTS – YEAR ENDED 31 MARCH 2019

The Principal Accountant advised Members that the Authority must prepare, in accordance with proper practices a statement of

accounts for each year. Due to resourcing issues experienced by the external auditors this year, they had been unable to complete the audit by 31 July 2019. The audit had now been completed and the Authority was asked to consider any issues raised during the audit before approving the accounts for signing.

The Statement of Accounts presented to the Committee in July 2019, were the draft accounts. There were only a couple of changes since then, one being the pension's implications that had already been touched upon by the Senior Associate at E&Y. This did not impact the bottom line as it was a technical adjustment.

The revenue budget for 2018/19 was £28.492m set at the Authority meeting held in February 2018. In the revenue outturn position for the year, the Authority reported an underspend of £0.520m, which was 1.83% against the budget.

A Member asked how reliant was the Authority on using agency staff and was advised that Workshops had struggled to employ technicians and had now reviewed what they were paid and a market supplement had been implemented which had resulted in recruiting an additional member of staff. There was also one technician from Scania in Workshops. There were other agency staff across the Service, but these were mainly for transitional arrangements to fill a gap while recruitment took place.

RESOLVED –

1. That the matters raised by the external auditors be considered.
2. That the Statement of Accounts for the financial year ended 31 March 2019 be approved for signing by the Chairman of the Overview and Audit Committee.

OA31

FORWARD PLAN

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

The Chairman asked Members if the meeting in March 2020 would be quorate.

Members were all in agreement that the Overview and Audit Committee meeting on 11 March 2020 would go ahead.

RESOLVED –

That the Forward Plan be noted.

OA32

DATE OF NEXT MEETING

The Committee noted that the next Overview and Audit Committee meeting would be held on Wednesday 11 March 2020 at 10.00 am.

THE CHAIRMAN CLOSED THE MEETING AT 11.10 AM