

**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
Louise Harrison

To: The Members of the Overview and Audit Committee

4 March 2024

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 the **PARALYMPIC ROOM, THE GATEWAY OFFICES, GATEHOUSE ROAD, AYLESBURY, BUCKS, HP19 8FF** on **WEDNESDAY 13 MARCH 2024 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.

Chairman: Councillor Carroll
Councillors: Bagge, Carr, 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 8 November 2024 (Item 2) **(Pages 9 - 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. Internal Audit Reports

(a) Update on Progress of Audit Management Actions

To consider item 7(a) **(Pages 21 - 28)**

(b) Final Audit Reports

To consider item 7(b) **(Pages 29 - 104)**

(c) Internal Audit Strategy and Annual Internal Audit Plan 2024/25

To consider item 7(c) **(Pages 105 - 118)**

8. Corporate Risk Management

To consider item 8 (Pages 119 - 140)

9. His Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) - Buckinghamshire Fire and Rescue Service (BFRS) 2023-2025 Update

To consider item 9 (Pages 141 - 160)

10. Prevention Improvement Plan - September / December 2023

To consider item 10 (Pages 161 - 168)

11. Treasury Management Performance 2023/24 - April to December 2023

To consider item 11 (Pages 169 - 178)

12. Forward Plan

To note item 12 (Pages 179 - 180)

13. Exclusion of Public and Press

To consider excluding the public and press representatives from the meeting by virtue of Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972, as the report contains information relating to the financial or business affairs of a person (including the Authority); and on these grounds it is considered the need to keep information exempt outweighs the public interest in disclosing the information.

14. Local Pensions Board Update

To consider item 14

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 8 NOVEMBER 2023 at 10.00 AM.

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

Officers: M Osborne (Interim Chief Fire Officer), G Britten (Director of Legal and Governance), M Hemming, (Director of Finance and Assets), S Tuffley (Interim Deputy Chief Fire Officer), M Hussey (Principal Accountant), K Nellist (Democratic Services Officer), S Gowanlock (Corporate Planning Manager), S Connolly (Station Commander Resilience and Business Continuity), J Cook (Community Safety and Safeguarding Manager), C Newman (Data Intelligence Team Manager), S Harlock (Internal Audit, Buckinghamshire Council), M Jensen (Internal Audit, Buckinghamshire Council), A Brittain (External Audit E&Y) and F Keates (External Audit E&Y)

Remotely: D Buchanan (Head of Protection, Assurance and Development), A Hussain (Deputy Director of Finance and Assets)

Apologies: Councillors Carr (joined online) and Fuller

The 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/UCWmIXPWAscpxL3vliv7bh1Q>

OA18 MINUTES

RESOLVED –

That the Minutes of the meeting of the Overview and Audit Committee held on Wednesday 19 July 2023, be approved, and signed by the Chairman as a correct record.

OA19 MATTERS ARISING FROM THE PREVIOUS MINUTES

OA08 – Statement of Accounts - Information on investments relating to the LGPS pension fund would be sent to Members. The Deputy

Director of Finance and Assets advised he has circulated the information to members by email.

OA20 DISCLOSURE OF INTERESTS

There were no disclosures of interest.

OA21 RIPA POLICY (MINUTE OA39 – 090316)

The Director of Legal and Governance 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.

OA22 COMMITTEE MATTERS

RESOLVED -

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.

OA23 INTERNAL AUDIT REPORTS

(a) UPDATE ON PROGRESS OF AUDIT RECOMMENDATIONS

The Internal Audit Manager advised that the purpose of this report was to update Members on the implementation of the audit actions that were agreed on the completion of each audit review. The pie chart showed the status of the audit actions that had been raised since 2017/18. Currently there were only 4 actions overdue and 4 in progress and not yet due. Internal audit continued to liaise with the responsible officers to ensure actions were completed and that they were satisfied with the approach on the response by action owners.

Director of Legal
and Governance

A Member asked if there were any additional actions following the HMICFRS report.

The Director of Finance and Assets advised that there would not be any actions added to this audit report. There would be a separate HMICFRS Action Plan which would address the causes for concern that were raised in the report and that would come regularly to this Committee.

A Member asked if when the HMICFRS Action Plan was sent to Members, a link could be added to the causes of concern in the report.

The Director of Finance and Assets advised that a link would be added on the cover report in the background papers section to the causes of concern. The HMICFRS Action Plan would be presented at the next meeting of the Committee.

RESOLVED –

That Members note the progress against Internal Audit recommendations.

(b) FINAL AUDIT REPORTS

The Internal Audit Manager advised that the purpose of this report was to update Members on the audit and assurance reviews that had been undertaken since the last meeting, and the 2024 audit plan activity. The first report was the Improvement Plan Assurance Review.

The Internal Audit Manager advised that the purpose of this review was recognising the large number of improvement plans the Service had in place and understanding any efficiencies that could be made, any rationalisation, and any opportunities to make progress reports smoother.

The Internal Audit Manager advised they had examined 43 documents as part of the review, noting improvement plans, strategies or action plans. They had been split into three categories, one being improvement action plans and the second one being principles, commitments or objectives. The next step was creating a visual map of these plans. With regard to the alignment and purpose of these plans, it was noted that there was clear evidence of solid project planning in the Service, and this was evidenced through the improvement plans in the action lists. Internal Audit did, however, note that there were different terms that were currently being used, potentially leading to some confusion as to what was an improvement plan, versus what was a strategy.

Head of
Technology,
Transformation
and PMO

The Internal Audit Manager clarified to Members the difference in the reviews that had been undertaken. Normally an audit report would be presented, but this was an assurance review. When further audits were undertaken, officers took on board some of the recommendations and improvements in the actual framework had been embedded.

The Director of Finance and Assets advised Members the reason this work was undertaken this year, was that it was a good opportunity to improve, and streamline some of the governance. For example, rather than having separate strategies, officers were looking at incorporating some of the strategies into the new Community Risk Management Plan, which would come to the Authority in February .

The Internal Audit Manager advised that the Corporate Improvement Plans Assurance Review had been finalised and based on the work undertaken, the Internal Audit Team identified seven areas of improvement. The Partnership Working audit had also been finalised and the overall opinion for this audit was Reasonable due to the two medium and one low priority findings that has been raised.

RESOLVED –

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

(c) UPDATE ON THE 2023/24 ANNUAL AUDIT PLAN

The Internal Audit Manager advised Members that the purpose of this report was to update Members on the progress of the annual Internal Audit Plan since the last meeting. Work had progressed according to the approved 2023/24 plan, and regular discussions had 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 were taking forward. The Partnership Working audit was completed in quarter two, and three findings had been raised. The Medium Term Financial Planning Assurance review was currently in progress, fieldwork commenced in October. Contract Management and Critical Supplier Management audits were scheduled for December. The Core Financial Controls audit was currently being scoped and the fieldwork would commence in November.

RESOLVED -

That Members note the progress on the Annual Internal Audit Plan

OA24 FINANCIAL INSTRUCTIONS

The Director of Finance and Assets advised Members that this report presented an update to the Financial Instructions. Financial

Instructions were part of the core financial control framework. This was the main document that was used internally to ensure everything was run in line with best practice and legislation. It was good practice to update these relatively frequently and this presents a list of minor updates, summarised in the Executive Summary.

A Member asked for further explanation of the limits applied to each level of authorisation.

The Director of Finance and Assets advised that this reflected when an individual raised a purchase order or requisition, it would then go to a second person for approval, depending on the amount of the purchase order would determine who it went to. Most cost centre managers could authorise up to £5k or £10k. Anything above £150k would go to the Director of Finance and Assets for approval.

RESOLVED –

That the updated Financial Instructions be noted.

OA25 AUDIT RESULTS REPORT 2021/22

The External Audit Manager advised that there were two reports, the Audit Results Report, which was the report written for those charged with governance, this had previously been presented to the Committee and had been updated. The second report was the Auditors Annual Report, which was the public facing report that summarised the work undertaken during the course of the year.

The External Audit Manager advised that the audit work in respect of the Authority's opinion was substantially complete, subject to a review of the final statements, receipt of the signed management representation letter which would be completed at the meeting today. The External Audit Manager was pleased to be able to say that External Audit therefore planned to issue an unqualified finance statement and a value for money conclusion of the 2022 financial statements.

There were two main updates since the report was last presented to the Committee which related to the property valuations and the pension work which had resulted in differences, which were set out in Section 4 of the report and had now been resolved.

A Member asked if the pensions valuations would be sent to people receiving their pensions.

The Director of Finance and Assets advised Members that the Local Government Pension Scheme (LGPS) was a defined benefit scheme, so regardless of the value of the fund, people already know what the value of their benefits were going to be and to reassure Members, at

the latest valuation, the Service was more or less 100% funded for its share of the LGPS fund.

RESOLVED –

That the content of the report be noted.

OA26 LETTER OF MANAGEMENT REPRESENTATION 2021/22

The Principal Accountant advised Members that in front of them was a revised version of the Letter of Management Representation for 2021-22, which included an amendment to the wording in Section A 5, B4 and C2 and an appendix had also been added which related to Section A5. The Letter of Management Representation was a legislative requirement and a self-explanatory paper. Information contained within this letter contributed towards the auditors being able to form their final opinion as to whether the financial statements give a true and fair view of the Authority's financial position. This letter would be signed off by the Director of Finance and Assets and the Chairman of the Overview and Audit Committee, following today's meeting.

RESOLVED –

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

OA27 ADOPTION OF THE AUDITED STATEMENT OF ACCOUNTS – YEAR ENDED 31 MARCH 2022

The Principal Accountant presented to Members the Statement of Accounts for the year ended 31 March 2022. An updated page 59 of the Statement of Accounts with minor changes to three rows total values had been given to Members at the meeting.

The Accounts outline the financial activities for the year ended 31 March 2022. It showed the financial detail of the services the Authority had provided, together with explanatory notes. The resources consumed and the financial position at the end of the year compared with the previous year. When putting together the accounts the Authority had followed the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Local Authority accounting in the UK 2021/22: Based on the International Financial Reporting Standards (IFRS), the Code.

The accounts were drawn up in accordance with accounting policies which were set out in detail within the Statement of Accounting Policies section.

The responsibility for the proper administration of the Authority's financial affairs was vested with the Director of Finance and Assets

who was required by law to confirm that the Authority's system of internal controls could be relied upon to produce an accurate Statement of Accounts.

The Principal Accountant advised Members that the Accounts contained four main sections. Each of the four main statements was supported by disclosure notes providing additional detail to figures presented. The four main statements were the Movement in Reserves Statement; the Comprehensive Income and Expenditure Statement; the Balance Sheet and the Cash Flow Statement.

The accounts also contained information regarding the Firefighters' Pension Fund Account. Along with a narrative statement which provided information about the Authority, including key facts about the Authority's financial performance in 2021/22 and Corporate Risks. The auditor's report would be added to this statement before publication.

The Principal Accountant took Members through the balance sheet of the accounts and briefly explained key movements compared to the previous financial year.

A Member asked about the outstanding obligations, and was the Authority in a strong position when preparing a balanced budget.

The Director of Finance and Assets advised Members that the outstanding finance lease related to housing the Authority has at Gerrards Cross, which enabled firefighters to be really effective in their day crewing by being around the corner from the Station. It was factored into the annual budget and a set amount was paid each year. In terms of the accounts overall, as highlighted, the reserves figure was a strong figure and the Director of Finance and Assets was required to comment on the adequacy of reserves when he made that statement and give Members that reassurance each year, and Members would see the statement again when the budget was set in February.

RESOLVED –

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

OA28 TREASURY MANAGEMENT PERFORMANCE 2023/24 – APRIL TO SEPTEMBER 2023

The Principal Accountant advised Members that this was the Treasury Management Performance report for financial year 2023/24 April to September. The accrued interest earned was £414k,

which was £239k higher than the budget set for the same period and also £64k higher than the budget set for the financial year of £350k.

In terms of investments, as at 30 September 2023, the Authority had £21.1m invested in various counterparties including, banks, buildings societies, money market funds and current accounts. By March 2024 this would reduce to approximately £15m. As Members would see from the investment chart, deals were maturing on a frequent basis to ensure the Authority was able to meet its short term expenditure requirements.

With regard to borrowing, as mentioned at a previous meeting, officers took the decision to make an early repayment of a loan for £627k that was due to be repaid in 2056 at a discount of £45k. This reduced the overall borrowing to £5.55m. This loan repayment did not impact on the revenue budget. The next loan matures in March 24 for £1m and funds had been set aside to repay this.

With regard to budgets and interest, the Authority had managed to achieve the full year budget target set at the Authority in February 2023 of £350k. By taking the confirmed investment deals as at 30 September 2023 and no future investments for the remainder of the financial year, the Authority would achieve £765k. This was an overachievement of £415k.

The Principal Accountant advised that the Monetary Policy Committee (MPC) had voted to increase the interest base rate at 14 out of the last 16 MPC meetings, with no increase at the two most recent meeting in September. The interest base rate currently stands at 5.25%. The Authority would benefit from these rates, and as Members could see from the benchmarking table, The Authority had been able to outperform the rates in September.

A Member asked when the loan that would mature in 2056 was taken out and what was it for.

The Director of Finance and Assets advised that it would probably have been a 50 year term deal, taken out to finance the Capital Programme. Previously the Capital Programme was funded through borrowing, now the Authority was in a position to fund it through revenue and capital receipts.

A Member asked about interest rates going up and inflation, what governance was around managing inflationary costs.

The Director of Finance and Assets advised that as part of the Medium Term Financial Plan officers keep a constant watch on inflation as it does impact the cost of everything the Authority purchases. The positive impact was that the grant funding received from government was also linked to the Consumer Price Index (CPI).

RESOLVED –

That the Treasury Management Performance 2023/24 -April to September 2023 report be noted.

OA29 CORPORATE RISK MANAGEMENT

The Corporate Planning Manager advised Members that the report reflected changes and updates made to the Corporate Risk Register since it was last scrutinised at the last meeting. Since then, the risk register had been regularly reviewed by officers at the Performance Monitoring and Strategic Management Boards and also by Lead Members where individual risks fall within their areas of reference. Appendix 3 also contained the detailed evaluations and status reports for the individual corporate risks.

The Corporate Planning Manager advised Members that the RAG status and risk score for the Workforce Availability risk had reduced down from red 16 to amber 12. This was done to reflect ongoing progress with Wholetime firefighter recruitment. As Members would be aware, for the first time the Authority had not only reached, but exceeded the target number of 300, with the Wholetime firefighter headcount now standing at 314.

Regarding other risks, the impact of recent legislative and regulatory change on the information management and security risk, the introduction of the Data Protection and Digital information (No. 2) Bill intended to reduce compliance costs relative to preceding legislation. In relation to the processing of claims related to the McCloud / Sargeant pensions risk, 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 risk, Members would have seen that the Service was now focusing on preparations for the winter period, particularly for dealing with flood risks, whilst training for summer wildfire risks continues in the background.

Finally, Members would have seen some positive developments in relation to the national HMICFRS Values and Culture recommendations and the associated corporate risk such as the achievement of the Talent Inclusion and Diversity Evaluation (TIDE) Silver Standard for this year, the White Ribbon accreditation and also the launch of our staff 'Speak Up' campaign.

A Member asked how Members assist in championing recruitment for on call firefighters.

The Interim Chief Fire Officer advised that Members could assist by when the Service holds 'have a go events' to encourage people from their own constituencies to come along. The Service does run lots of

campaigns and social media, but any assistance from Members would be welcome.

RESOLVED –

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.

OA30 2022/23 COMPLIMENTS, CONCERNS AND COMPLAINTS

The Station Commander Resilience and Business Community advised Members that the Compliments, Concerns and Complaints report was brought to the Committee on an annual basis to assure the communities within Buckinghamshire and Milton Keynes that the Service treat expressions of dissatisfaction seriously and that any learning from the investigations undertaken were fed back into the organisation.

This report reflects the previous three years of data and Members would note that there had been a slight increase in the number of complaints in 2022/23 (increase of 4) from the previous year. However, the number of compliments received had declined over the past three years from 25 in 2020/21 to 13 in 2022/23. As reported, the customer satisfaction forms to both domestic and non-domestic users of the Service following an incident were not sent for the whole year. However, Members would see from the information, that the satisfaction rates across the three-year comparison remained high.

An independent social research practice, Opinion Research Services, collate the responses and provide an annual report of their findings to the Service. The report was presented to the Performance Monitoring Board, to aid officers in identifying improvements.

A Member asked about domestic incidents over the past three years and the total level of satisfaction was consistently extremely high, but then it talks about the number of respondents going from 207 to 144 to 23, a 90% reduction, why was this.

The Interim Deputy Chief Fire Officer advised Members the background to it was that the administration capacity in Service last year, over the reportable period, was struggling because there were a number of vacancies within the team, and also the refocus of efforts on improving and increasing the prevention activity. The number of home fire safety visits increased significantly and that had an administrative burden as well. That was why there were less letters sent out to respondents. Since then, officers had met with Opinion Research Services to see what options there were going

forward and for them to potentially provide more of a service to the Authority with them sending out the survey.

RESOLVED –

That the report be noted.

OA31 2022-23 ANNUAL PERFORMANCE MONITORING

The Data Intelligence Team Manager presented the Annual Performance Monitoring Report. This report was an overview of the response to incidents between April 2022 and March 2023. While it may seem some time ago, this report does include the significant heatwave experienced in July and August 2022. Members should also note that most of the figures detailed within this report were also provided on a quarterly bases via the Key Performance Monitoring Report, in which a higher level of detail and commentary was provided for specific performance indicators.

A Member asked about incident response times previously at 7% and this year went up to 10% was that a trend or just an anomaly.

The Data Intelligence Team Manager advised it was a bit of both. Incidents during the heatwave were not generally near where a station was based, but more rural which takes longer to get there. Also, as mentioned previously, the problem with recruiting on call firefighters, that were in the areas where there were higher response times.

The Interim Chief Fire Officer added that on some of the longer attendance times, and one of the issues experienced was motorway responses, as it could be the wrong carriageway or it could be a longer journey to the next junction, and that does have an impact on distances travelled, as there are a lot of motorways within the county.

RESOLVED –

That the outturn performance against the outcome measures specified in the Corporate Plan 2030-25 be noted.

OA32 PREVENTION IMPROVEMENT PLAN – JULY/AUGUST 2023

The Community Safety and Safeguarding Manager advised Members that the Prevention Improvement Plan highlight report summarises the progress made against the measures required to secure long-term improvements to prevention delivery.

The Prevention Improvement Plan originally contained 60 recommendations, 33 of those were now complete. The mid-term review of the plan was completed and that acknowledged that the outstanding recommendations still remained valid and appropriate

to be continued with minor changes to the actions associated with them. The work that had been going on to secure the ongoing improvement had also had to factor in some issues with processing referrals, that had required a redirect of some administrative capacity. This had been helped by the appointment of a new substantive Administrative Support Manager. Officers were also working on a redesign of the referral system. Once this system was delivered, it would address eight of the outstanding recommendations on the improvement plan.

RESOLVED –

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.

OA33 FORWARD PLAN

RESOLVED –

That the Forward Plan be noted.

OA34 DATE OF NEXT MEETING

The Committee noted that the date of the next Overview and Audit Committee meeting would be held on Wednesday 13 March 2024 at 10.00am.

THE CHAIRMAN CLOSED THE MEETING AT 11.15 AM



Buckinghamshire & Milton Keynes Fire Authority

Meeting and date: Overview and Audit Committee, 13 March 2024

Report title: Internal Audit Report – Update on Progress of Audit Management Actions

Lead Member: Councillor David Carroll

Report sponsor: Mark Hemming – Director of Finance and Assets

Author and contact: Maggie Gibb – Chief Auditor,
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 implementation of audit actions as at 13 February 2024.

Any further progress against outstanding actions will be verbally presented to the Overview and Audit Committee at the meeting on 13 March 2024.

There are currently 40 actions that are being monitored and these related tot audits undertaken in FY 22/23 and FY23/24. The status of the audit actions is as follows:

Implemented – 22/40 (55%)

In-progress - 10/40 (25%)

Past Due date (In-progress) – 8/40 (20%)

Internal Audit continues to actively monitor implementation of all outstanding audit actions throughout the year.

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.

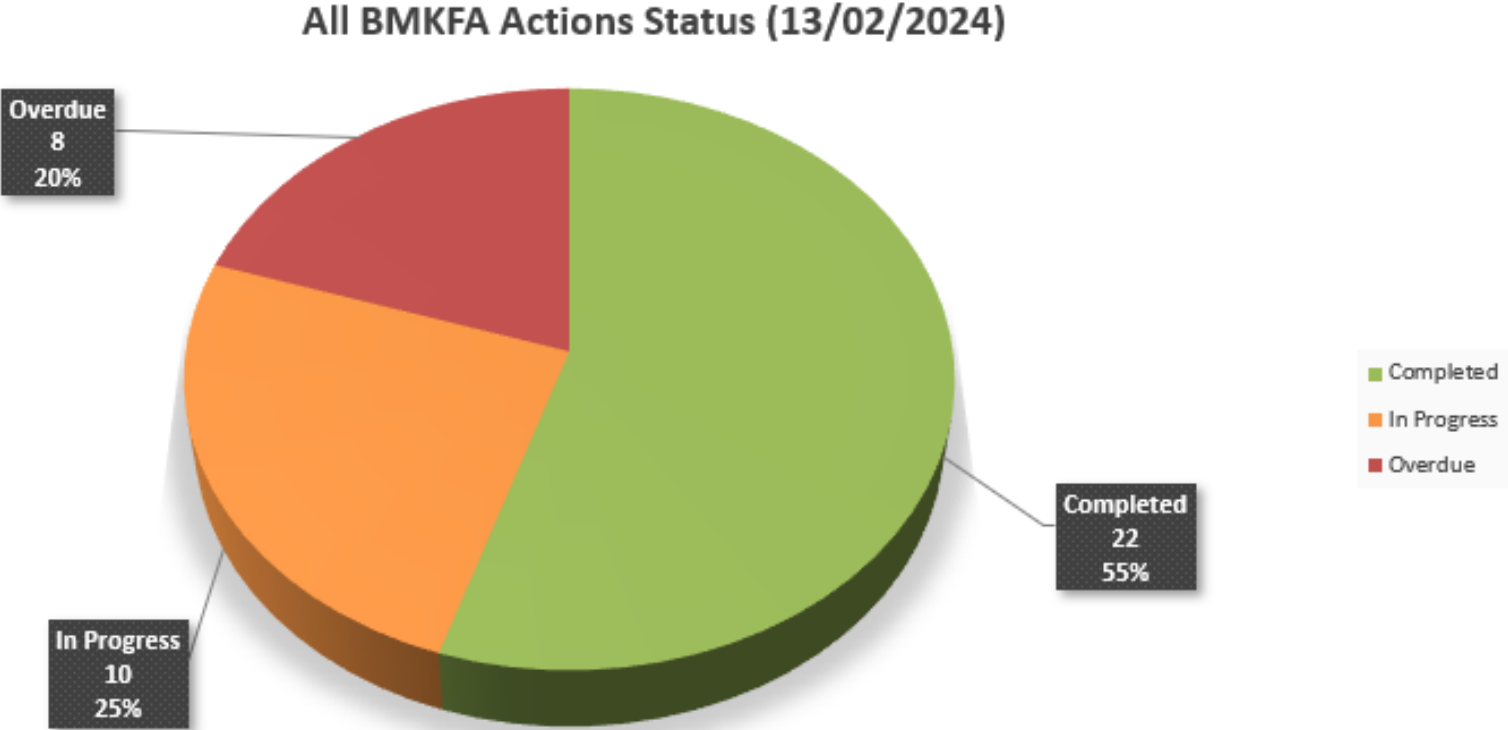
Consultation and communication: Not applicable.

Background papers:

Appendix	Title	Protective Marking
A	Status of Audit Management Actions – February 2024	Not applicable

BMKFA Audit Management Actions Summary Pie

Generated on: 13 February 2024



BMKFA Overdue Audit Management Actions

Medium Priority

Audit Title & Management Action	Description	Due Date	Priority	Action Owner	Action Progress	Latest Note
Blue Light Hub Post Project Evaluation (03) Project Implementation Process	<p>Finding: Examination of the BMKFA Delivery Plan found that it included:</p> <ul style="list-style-type: none"> • an initial project plan; • use of resources; • project management; • a design release schedule and • an Indicative Procurement Timetable. <p>However, from a review of the design release schedule, we found that there were 18 activities that did not have the actual release dates recorded, of which 12 activities did not have a supplementary note to give a clear indication as to why the target design release date was not met and what the related construction issue may be.</p> <p>Action: The design release schedule was the responsibility of the main contractor, and due to the nature of the project, target deadlines for some activities were added as the project progressed.</p> <p>The “learning points” document produced by the previous Director of Finance and Assets highlighted that there may be more suitable methods of engaging a main contractor (e.g., design and build) in the future. This will be considered within a formal “lessons learned” report (see also findings 7 and 8).</p>	30-Nov-2023	Medium Priority	Mark Hemming	Action Started	<p>Update from Director of Finance 17/02/2024</p> <p>Now that remaining issues have been resolved a final project evaluation report will be prepared and presented through the internal governance structure and to Members.</p> <p>Updated due date 30 November 2024</p>
Blue Light Hub Post Project Evaluation (08) Lessons Learnt	<p>Finding: Examination of documentation found that the former Director of Finance and Assets produced a ‘Blue Light Hub – Learning Points’ document. This details project learning points from its initiation to February 2020.</p> <p>Following the completion of the Blue Light Hub build and transition of BMKFA, SCAS and TVP staff members, no formal lessons learned activity has occurred at the time of testing.</p> <p>Action: Following publication of this audit report, a formal “lessons learned” report will be</p>	30-Nov-2023	Medium Priority	Mark Hemming	Action Started	<p>Update from Director of Finance 17/02/2024</p> <p>Now that remaining issues have been resolved a final project evaluation report will be prepared and presented through the internal governance</p>

Audit Title & Management Action	Description	Due Date	Priority	Action Owner	Action Progress	Latest Note
	presented to the Portfolio Management Office, Senior Management Board and the appropriate Member Committee.					structure and to Members. Updated due date 30 November 2024
PMO Assurance (03) 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>Action: Refresh and relaunch the change control process relating to projects.</p>	31-Jul-2023	Medium Priority	Anne-Marie Carter	Agreed with Management	Update from Head of Technology, Transformation & PM 27/02/2024 The Change control process has been highlighted in the Project Management eLearning Package. Compliance will be reviewed at each Business Transformation Board.
PMO Assurance (02) 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 risks and controls in place within a project; • 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 	31-Jul-2023	Medium Priority	Anne-Marie Carter	Action Started	Update from Head of Technology, Transformation & PM 27/02/2024 Action 1: Project Management eLearning package is ready to roll out and will be rolled out as part of the Project Management system launch in Q1. Action 2: Property Capital process has been agreed and will be incorporated into the next Property Strategy (Closed)

Audit Title & Management Action	Description	Due Date	Priority	Action Owner	Action Progress	Latest Note
	<p>areas such as managing risks and their impact; and</p> <ul style="list-style-type: none"> • 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>Action:</p> <ol style="list-style-type: none"> 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 1. 					<p>Action 3: A KPI showing the projects that have the correct documentation is now part of BMKFA 2122 2228 (Closed)</p>
<p>GDPR (04) Retention and Destruction</p>	<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>Action: Agreed. A mechanism to review data disposals inline with the retention schedules will be formalised and monitored.</p>	<p>31-Jul-2023</p>	<p>Medium Priority</p>	<p>Graham Britten</p>	<p>Action Started</p>	<p>Update from Director of Legal & Governance 19/02/2024: Training package to be delivered by nominees Q1. Not yet done.</p>

Low Priority

Audit Title & Management Action	Description	Due Date	Priority	Action Owner	Action Progress	Latest Note
Blue Light Hub Post Project Evaluation (07) Monitoring of Project Benefits	<p>Finding: The Director of Finance and Assets and the Property Manager established that there are no formal processes to monitor the continued benefits of the project since the transition of the three services. The Director of Finance and Assets informed us that the Portfolio Management Office will assess strategic level views.</p> <p>Action: This will be included within a formal “lessons learned” report (see also findings 3 and 8).</p>	30-Nov-2023	Low Priority	Mark Hemming	Action Started	<p>Update from Director of Finance & Assets 17/02/2024:</p> <p>Now that remaining issues have been resolved a final project evaluation report will be prepared and presented through the internal governance structure and to Members.</p> <p>Updated due date 30 November 2024</p>
PMO Assurance (05) 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>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	Agreed with Management	<p>Update from Head of Technology, Transformation & PM 27/02/2024</p> <p>A supplier and system have been identified. A project Plan has been built, with a go live planned for Q1(24/25).</p>
Pension Fund	<p>Finding: There were issues in July 2022 where Pension Set Up/Payment of Lump Sum,</p>	31-Dec-12-2023	Low Priority	Emma Hamilton	Agreed with	Requested update on 14/09/2023 & 26/09/2023.

Audit Title & Management Action	Description	Due Date	Priority	Action Owner	Action Progress	Latest Note
Administration (01) Performance /KPIs	<p>Retirement Actual and Deferred Benefits Set Up on Leaving did not reach their targets. This was highlighted in the following Pension Board meeting. However, there is a lack of evidence concerning scrutiny and challenge within minutes. In addition, no review of whether KPIs are still fit for purpose or whether they should be amended has taken place.</p> <p>If KPIs are not scrutinised in detail, and this is documented in minutes, there is a risk that any underperformance is not being rectified in time. This could lead to continuous poor performance, which could impact the Authority's reputation and/or create financial loss.</p> <p>Action: A review of the current KPI's with WYPF at the Pension Board to ensure they are fit for purpose. These KPI's will be scrutinised and challenged by the board and minutes documented.</p>				Management	No response received.



Buckinghamshire & Milton Keynes Fire Authority

Meeting and date: Overview and Audit Committee, 13 March 2024

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 MTFP Assurance Review has been finalised and based on the work undertaken the Internal Audit Team identified a number of improvement opportunities that have been recommended to Senior Management.

The Core Financial Controls audit has been finalised and the overall opinion for this audit is Substantial as we observed a sound system of internal control with controls being consistently applied.

The Contract and Critical Supplier Management audit has been finalised and the overall opinion for this audit is Reasonable; with one high, four medium and one low priority findings 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	MTFP Assurance Review	Not applicable
B	Core Financial Controls Audit (Substantial)	Not applicable
C	The Contract and Critical Supplier Management (Reasonable)	Not applicable



Medium Term Financial Plan Assurance Review

December 2023



Contents

1. Background and Scope of Work
 2. Executive Summary
 3. Financial Analysis of Last 3 Years
 4. Documentation Review
 5. Observations & Improvement Opportunities
- A. Appendix



Section 1: Background and Scope of Work



Background and Scope of Work

Buckinghamshire Fire & Rescue Service undergoes an annual process to establish financial budgets for the following year. The aim of this assurance review was to look at the entire process for establishing budgets and costs to identify key challenges and to highlight areas of improvement. We agreed with key stakeholders that our focus should be on the following areas:

- Process mapping of key steps carried out to pull together the medium-term financial plan, highlighting any process inefficiencies or barriers
- Provide assurance on whether the Fire & Rescue Service has the appropriate governance arrangements and processes in place in respect of producing its medium-term financial plan
- Review of the respective governance and team structures, staff coordination, governance controls, approval processes, and any standardised templates and documentation (or the lack thereof), to ensure that the required process steps are adequately documented and carried out
- Analyse financial budgets of the past three years to analyse trends in budgets approved by Authority members, funding provided to the Service and funds spent within the financial year in comparison to the budget

By conducting a series of workshops with key stakeholders, we were able to gauge a rounded understanding of the processes, people and overall culture involved in the existing arrangements. Subsequent analysis of the details gathered in these workshops and Authority documentation, coupled with analysis of the last three years of the Fire & Rescue Service's financials, helped us to pinpoint areas of improvement and make recommendations accordingly.

Together with our previous engagement with the Service, namely the Improvement Plans Assurance Review conducted earlier this year, we hope that our observations and our corresponding advice will be of use when it comes to improving efficiency and efficacy of the integral processes within the Service.

We highly appreciate the valuable contributions of the stakeholders who took part in our workshops, as well as the cooperation of the individuals we liaised with throughout the process, and so we would like to take this opportunity to sincerely thank them all. Please find a full list of those interviewed as part of the review on slide 27.

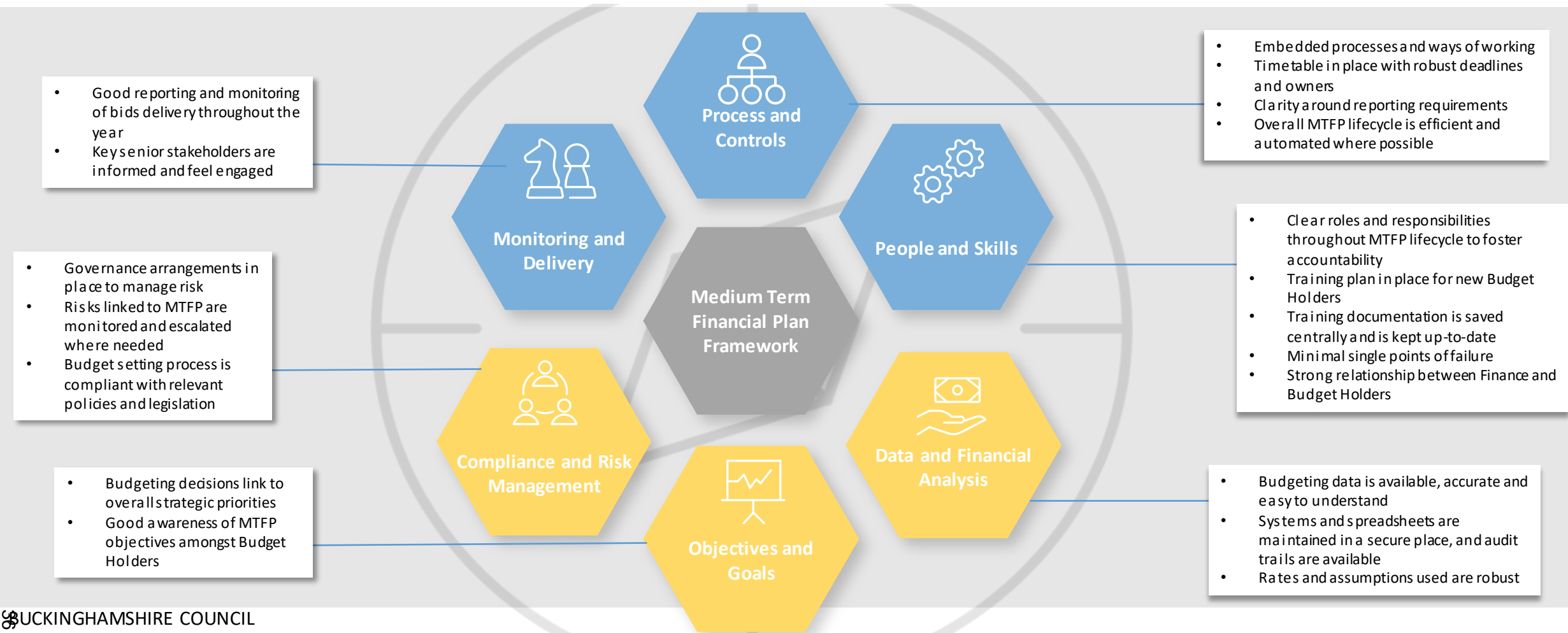


Section 2: Executive Summary



Medium Term Financial Plan Assurance Review Framework

The following framework was used to undertake a robust review of Buckinghamshire’s Fire and Rescue Service annual financial planning and budget setting approach. As part of our review, we have considered the following core areas, and have compared the Service’s performance against what is considered as best-practice. This report summarises the results of our review and documents any areas of challenge, alongside improvement opportunities for the Service’s consideration.









Medium Term Financial Plan Assurance Review

Executive Summary

KEY:

- High priority
- Medium priority
- Low priority/Best Practice

A high-level, thematic overview of our observations and their corresponding recommendations, which we will outline in greater detail throughout the review.

<p>Process & Controls </p> <ul style="list-style-type: none"> ✓ The MTFP process within the Service runs well, with Budget Holders and the relevant assessing bodies keeping to a clear timetable outlining what is expected of each party in each stage. ✓ Individuals generally know their roles and responsibilities in the process, though not all bid templates are filled out consistently. ✓ Bids are evaluated via a two-phased challenge process and pass through multiple channels of approval, providing opportunity for any issues to be detected and remedied before the budget is finalised. • An area for improvement is in the realm of bid dependency. Whilst we note that there is a section called 'Stakeholder Engagement' in the bid template, more could be done to clarify what is expected of Budget Holders in order to manage dependencies and enhance lessons learnt around rejected bids. The recent change to the format of the 1st Officer and Member challenge is a positive development. 	<p>People & Skills </p> <ul style="list-style-type: none"> ✓ The relationship between Budget Holders and Finance is viewed as highly positive. ✓ Finance has been described as "approachable and collaborative" in comparison to previous years. This has improved the nature of partnerships between Finance and Budget Holders, which is conducive to harmony in the budget setting process. Budget Holders are mandated to complete training before undertaking their role. • Because of its size, there is not a focus on specialism within Finance, rather, most members of the team are generalists. This means that there is a good breadth of knowledge of processes/systems in the team and there are limited single points of failure if someone is absent. However, compared to benchmarking, the overall Service spends £445 less on training per year than other UK employers. 	<p>Data & Financial Analysis </p> <ul style="list-style-type: none"> ✓ The Service has good structure in place regarding its data filing. A limited number of staff have access to Finance folders. If documents move to SharePoint, additional controls need to be considered i.e. passwords. • There is room for improvement when it comes to the 'backstory' behind data, including logging the way in which figures have been arrived at; what assumptions have been made and the reasons for these; and how comments and questions are addressed in next iterations. • Whilst there are currently only 2-3 individuals making use of the budget building spreadsheet, clearer documentation of changes and evidence can support in addressing potential questions from Members. • From a formatting perspective, irregularities such as the inconsistent colour code used across sheets, could cause confusion for individuals joining the Finance Team. Adding clear keys would make the document easier to follow. 
<p>Objectives & Goals </p> <ul style="list-style-type: none"> • There is a relatively large emphasis on growth bids vis-à-vis savings bids and operational investment vis-à-vis back office/support investment. We have noted the likely rationale for these trends such as degree of visibility and accountability, respectively. • We have also noted that the 5-year plan that certain teams have is a great way to promote efficiency of the MTFP process, as it offers the senior management predictability. We recommend that the Service considers encouraging such an approach across teams. • The Service has been diligent in outlining its goals in its Corporate Plan and has emphasised the importance it places on strategic linkage of bids by dedicating a segment of submission forms to this very matter. However, our sample analysis shows that Budget Holders do not always link their proposal to Service-wide agenda adequately and/or clearly enough. 	<p>Compliance & Risk Management </p> <ul style="list-style-type: none"> ✓ Overall, at a project, departmental, directorate and corporate level, we understand that the logging of risk is present. The Service has a Corporate Risk Register which outlines significant risks that need consistent monitoring. ✓ There is also the Corporate Risk Map and a Risk Register Changes file. • There is limited oversight of risks referenced in approved bids, and how they are carried over to directorate risk monitoring for non-financial risks. Financial risks are monitored in monthly meetings. • A gap is apparent on the risk ownership and follow-up side, which should sit with Budget Holders. Subsequent steps upon identification of a risk should be better evidenced. • The lengthy nature of the risk escalation protocol, though beneficial from the angle of thoroughness, may be inadvertently deterring risk flagging as staff may be discouraged by the tedious process. 	<p>Monitoring & Delivery </p> <ul style="list-style-type: none"> ✓ The Service exhibits best practice in the regular liaison between its Budget Holders and its Finance Team. ✓ Monthly monitoring reports are populated by Budget Holders, keeping the Finance Team in the loop about key variances such as any overspends, increased costs etc. These reports are unpacked in monthly monitoring meetings where any major notifications that affect the budget are discussed and worked through jointly. • We note, however, that although the Service reports an underspend year-on-year, and this monitored throughout the year, this could be more effectively communicated to Budget Holders. • We have suggested that an evaluation of the root causes of these underspends could be carried out, and shared with Budget Holders, so that they can be guarded against in advance, hence facilitating the optimal utilisation of funding. 



Section 3: Financial Analysis of Last 3 Years

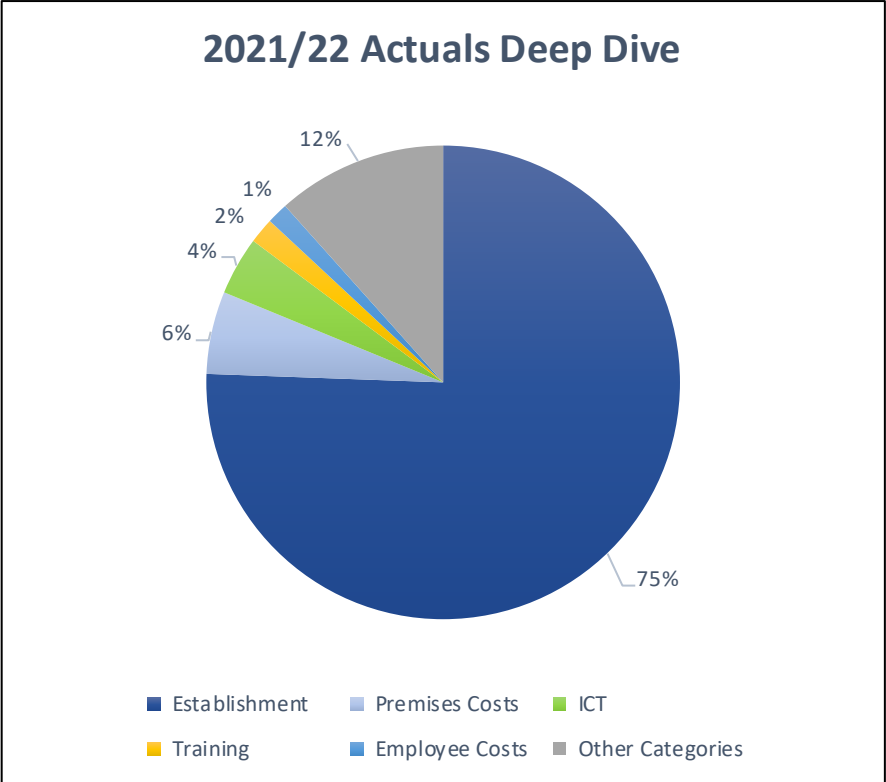
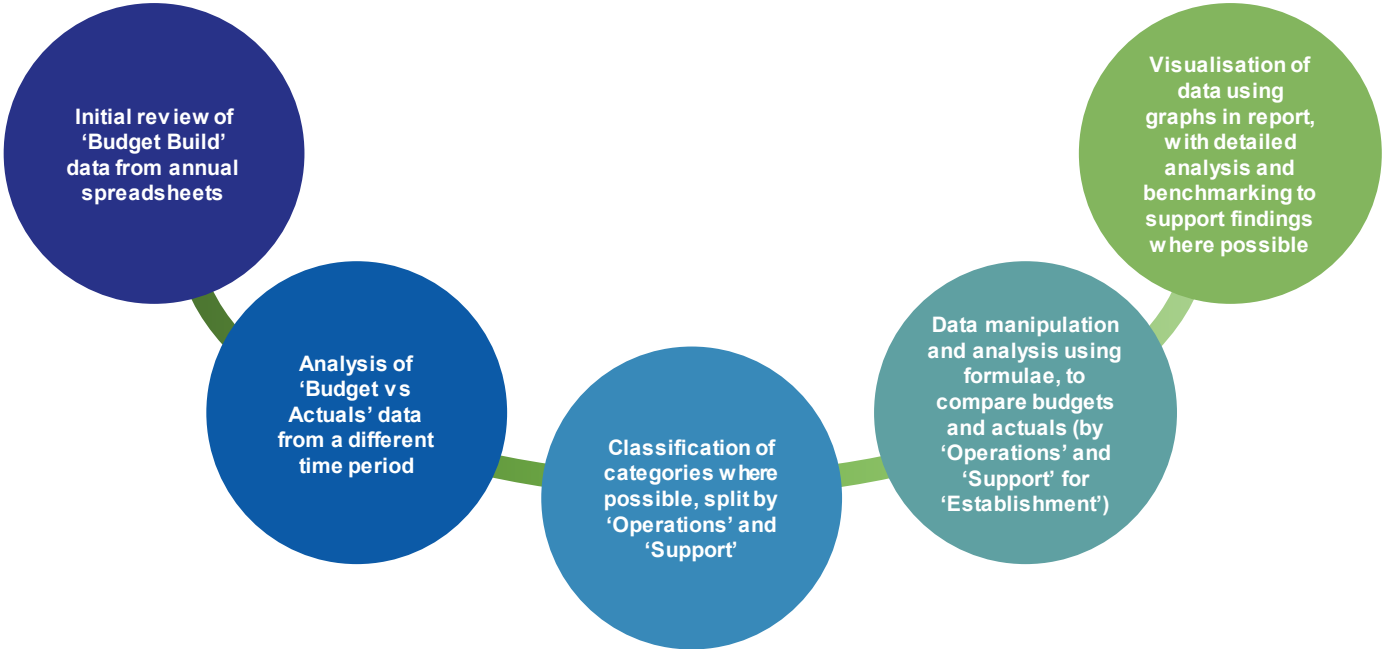


Data Analysis To Assess Historic Investment in Operations and Support Functions To Determine Trends

Methodology and Data Selection

We have reviewed seven spreadsheets in total (see Appendix) from different sources, comparing budgets with actuals, resolving initial difficulties with data from different time periods. The lack of consistency in documentation to compare budget and actuals across the same time period is considered an area for improvement (further detail can be found on slide 20). The following analysis was carried out, making up 88% of total actuals (as shown in the pie chart), highlighted to be most useful to the Finance Team:

- Classified specifics in the Establishment category into 'Operations' and 'Support' (3/4 of total spend) analysing how spending has been prioritised in the three-year period against budget
- Analysed Training and ICT, budgets and actuals in conjunction with available benchmarking figures
- Employee Costs and Premises Costs analysis can be found in the Appendix, for which benchmarking data was unavailable



Data Analysis

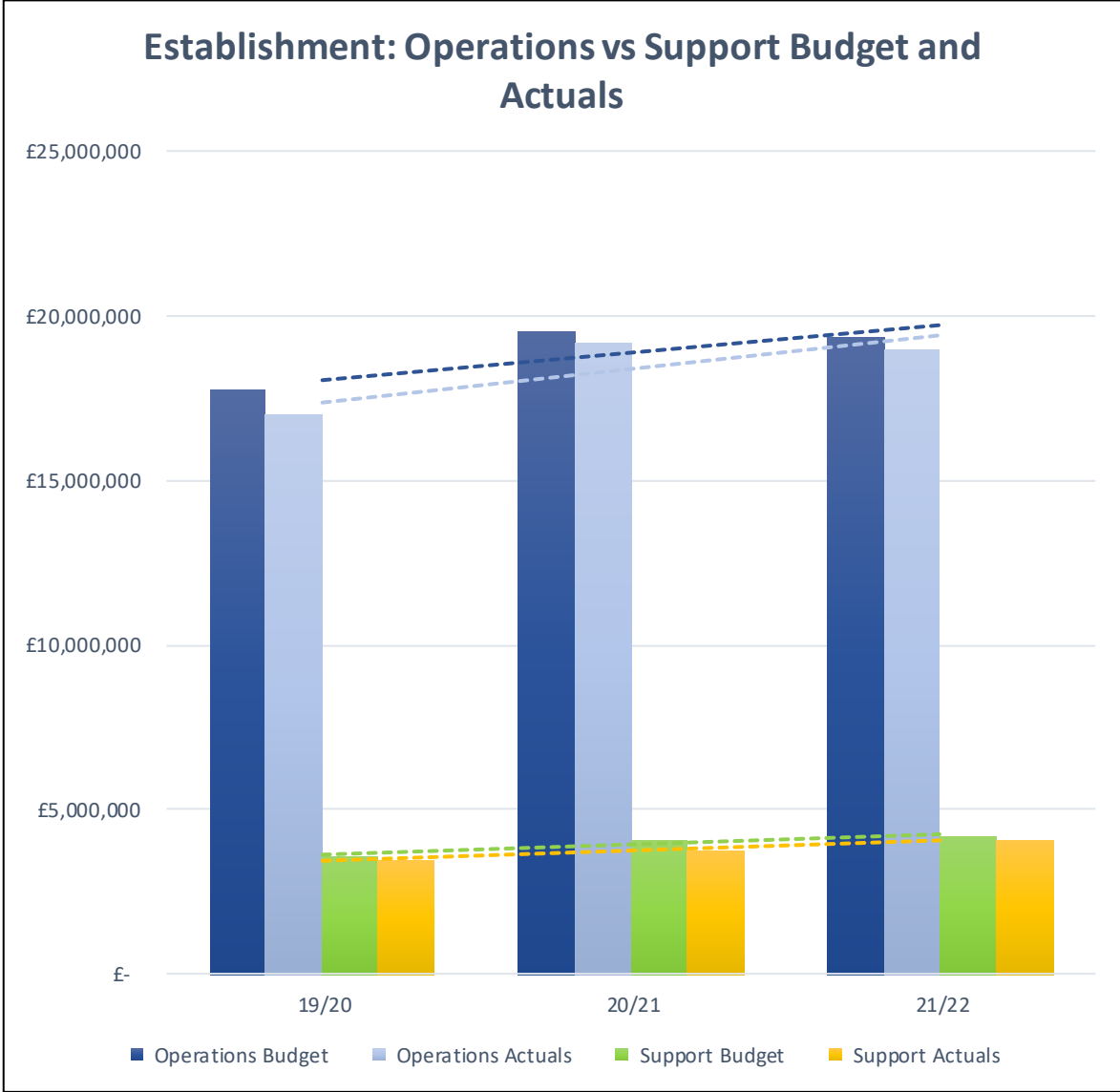
Establishment Budgets and Actuals

This slide summarises budget and actuals for 'Operations' and 'Support'* sub-categories under 'Establishment' for the past three years. Findings align with anecdotal evidence shared during workshops. As noted in the 'Observations' section of this report, consideration should be given to the impact of the gap between budgeted funds for Operations versus Support. Underinvestment in Support functions can lead to decreased efficiency, bottlenecks, decrease in employee morale or lack of informed strategic decision making.

Within Establishment, the budget signed off for Operations is higher than for Support, representing an average of 83% of total Establishment budget, as opposed to 17% for Support, in the past three years.

In terms of actuals, Support expenditure has remained fairly constant at an average of £3.76m on average in the past three years, against an average budget of £3.96m. For Operational expenditure, actuals were below budget in FY 19/20, and nearly on budget in FY 20/21 and FY 21/22. We note that the 2021/2022 HMICFRS report highlights efforts made by the Service to increase capacity of its operational response team to address cause of concerns. This could explain the continued increase in Operations Actuals relative to the budget.

Notably, actuals for Operations have increased just over 12% over the last three years (from £17.7m to £19.54m), whereas spend on Support has increased by 18%, (from £3.47m to £4.09m).



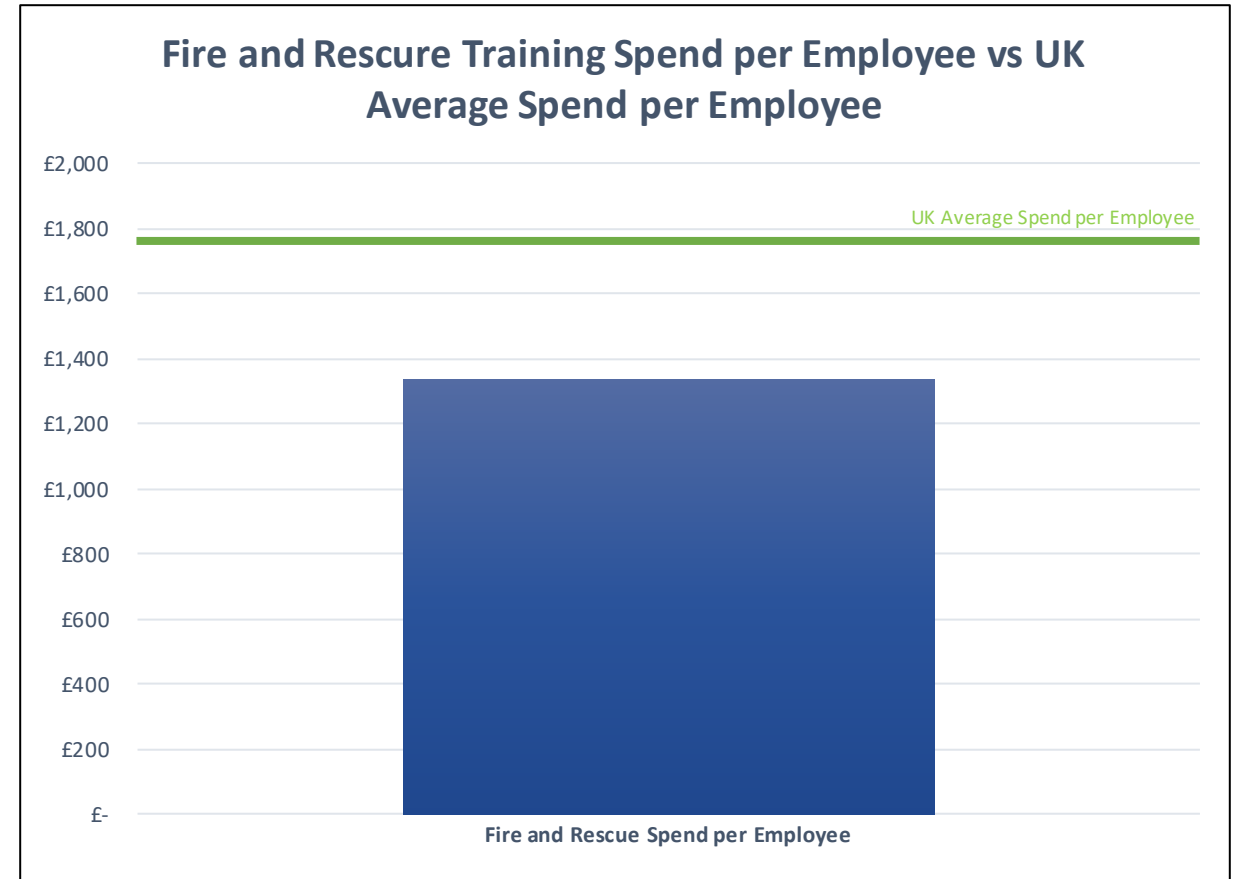
*Please note that some categories within the Establishment budget were a mix of Operations and Support. We have sub-categorised these budget areas as 'Mostly Operations' or 'Mostly Support', apportioning them on a 75%/25% basis (see Appendix).

Training

In the previous three years, the training budget approved was greater than actual expenditure, at an average of 7% (please note that core firefighter training is included in the establishment budget). This may be attributed anecdotally to impacts of the pandemic and the time needed to recruit new employees, resulting in training budgets not being used up. Benchmarking data shows that the average spend on training per full-time employee is approximately £1,780 in 2022, whereas this figure is £1,335 in actuals for the Buckinghamshire Fire and Rescue Service in 2021/22. This is based on an employee base of 406 people (498 total minus 92 classified as 'On-Call'), based on the Service's latest Gender Pay Gap Report (2022). Whilst this figure will inevitably vary by industry, at an aggregated level, this figure represents a £445 difference for the Fire and Rescue Service.



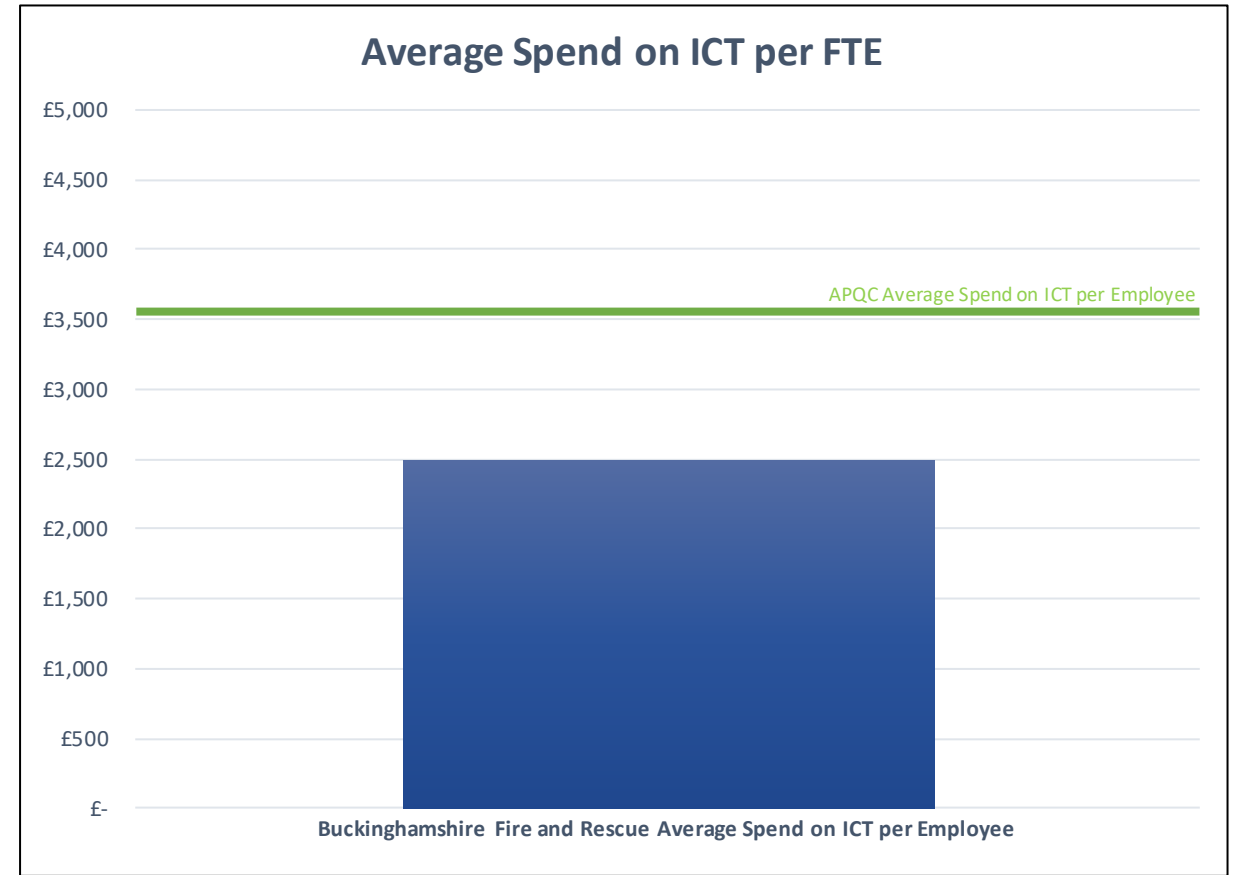
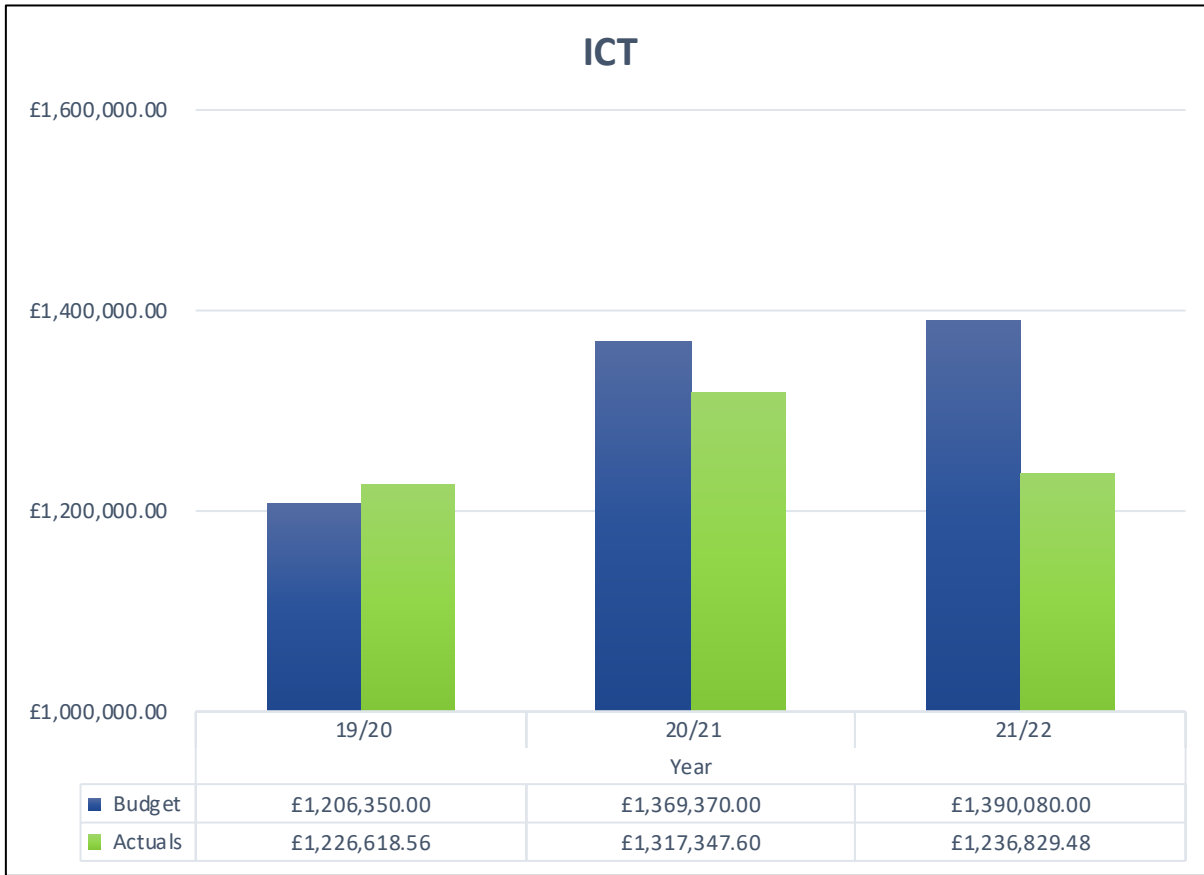
Source: Buckinghamshire Fire & Rescue Service



Source: Department of Education Employer Skills Survey UK 2022

ICT

In the financial year 2019/20, the budget for ICT was less than actual spend, whereas in the following two years, there was significant budget remaining (particularly in 2021/22, where 11% of the budget was unused). This category holds a mixture of support and operations spend. Benchmarking data specific to the government industry shows that the average spend on ICT per full-time employee is approximately £4,185, whereas this figure is £2,484 in actuals for the Buckinghamshire Fire and Rescue Service in 2021/22, representing a £1,701 difference. This is based on an employee base of 498 people, based on the Service's latest Gender Pay Gap Report (2022).



Source: APQC








Section 4: Documentation Review



Review of Sample Bids

We conducted a review of five completed bid submissions – two being Capital Expenditure bids, and three being Revenue bids – all submitted in 2022. We evaluated answers of each section for level of detail, relevance and completeness, and have spotlighted the main points here to highlight some focal areas. *We note that the bid template has been changed by the Service in 2023, removing the word count limit for the executive summary.*

Further work is needed to ensure bid submission sections are completed exhaustively, within the word count and to a consistent standard.

Bids Samples Reviewed	Executive Summary	Options Analysis (Options Available & Appraisal)	Capital Works Plan & Stakeholder Engagement	Strategic Requirements		
				Linkage to <i>Corporate Priorities</i> clearly stated?	Linkage to <i>Directorate</i> clearly stated?	Linkage to <i>Public Safety Plan</i> clearly stated?
Property July 2022 	Detailed and relevant, but significantly exceeds word limit	Good level of detail and consideration	Incomplete: Timeframe column left blank	✗	✗	✓
Workshop Van Oct 2022 	Relevant and within the word limit	Good level of detail and consideration	Incomplete: Timeframe column left blank	✗	✗	✓
Microsoft Licensing & Data Storage July 2022 	Detailed and relevant, but noticeably exceeds word limit	Good level of detail and consideration	All details stated	✗	✓	✗
Community Safety Charges July 2022 	Relevant but slightly exceeds the word limit	In-year costs for alternative option states '0', but should say 'TBC'	Limited: Timeframe column left blank, due to this being a multi-year bid	✓	✓	✓
Employee Engagement Dec 2022 	Detailed but significantly exceeds word limit and arguably contains details that are not strictly necessary	Good level of detail and consideration	N/A	✓	✓	N/A*



Section 5: Observations & Improvement Opportunities



Process & Controls (1/3)

To improve in consistency and engagement, clear expectations and support from scenario planning should be considered as well as re-evaluating processes toward managing dependencies between bids.

KEY:

- High priority
- Medium priority
- Low priority/Best Practice

Theme	Observations/ Insights	RAG	Improvement Opportunities
Bid dependency management	<ul style="list-style-type: none"> We note that there is a section in the bid template where Budget Holders are required to explain the linkage of their bid to different departments, and expectations from stakeholders outside their team or department, where needed, called "Stakeholder Engagement". However, there is currently a lack of oversight between teams to understand who is filing a growth bid, and for what, leading to potential missed opportunities for synergy and transparency. Additionally, for individuals in similar roles, such as station commanders, they may benefit from gaining awareness of growth bids filed within their area to consider similar investments next year. Equally, they may benefit from a 'lessons learnt' report or one-off newsletter which describes the growth bids that were rejected, and the reasons why. 	●	<ul style="list-style-type: none"> Having a SharePoint which is accessible to allow those within the Service to see, at a high-level, which bids are being submitted. To protect the confidentiality of certain bids, Budget Holders could consider just sharing the subject title of their bid. Having an internal communications process in place to share stories on successful bids, and how investment was used, to enhance transparency and encourage individuals to consider filing bids next year if they have not done so historically. This will help encourage an innovation mindset within the Service and will allow the Finance Team and Senior Management Team to review a wide array of ideas.
Inconsistent Bid Submission Inputs	<ul style="list-style-type: none"> From our documentation review, we have deduced that there are varying interpretations of, and therefore approaches to, some sections of bid submissions. For example, Executive Summaries have ranged from a description of the proposal in brief, to multiple paragraphs detailing extensive background information on the underlying issue the proposal sets out to address. In 4 of the 5 sample cases, the 100-word count for the Executive Summary has been exceeded – 2 of which were by over 500 words. The differing conceptions of what the Executive Summary ought to contain may be a partial explanation as to why this is the case. The other likely explanation is that the 100-word limit is simply too restrictive to enable the Budget Holder to exhaustively outline their proposal, even just as a snapshot. In 4 of the 5 sample cases, Section 7 ('Capital Works Plan and Stakeholder Engagement') was incomplete or unclear. In 3 of these cases, the timeframe column was left blank, whilst in the remaining case, the stakeholder column was left blank. <i>We note that the bid template has been changed by the Service in 2023, removing the word count limit for the executive summary.</i> 	●	<ul style="list-style-type: none"> Including a brief synopsis under section headings of what an ideal answer should contain, to provide clarification as to what is expected would be beneficial. This in turn would likely reduce the number of bids that are sent back to be amended due to lack of clarity, hence promoting efficiency. Expansion of word limit could be considered, to allow Budget Holders to provide level of detail needed to build their case. Consideration as to whether these omitted details can feasibly be anticipated by Budget Holders in every case, or whether these can only be predicted. If the latter case holds, perhaps change column wording to 'expected' timeframe and 'expected' stakeholder(s).

To improve in consistency and engagement, clear expectations and support from scenario planning should be considered as well as re-evaluating processes toward managing dependencies between bids.





Theme	Observations/ Insights	RAG	Improvement Opportunities
Managing uncertainties during process	<ul style="list-style-type: none"> The overall bid process, and medium-term financial plan budget build, takes place between the end of June and February (<i>Please refer to Process Map</i>). Whilst the process starts in the summer, announcements around precept flexibilities and funding are not announced until December and end of January respectively, meaning the Service needs to show high levels of agility and flexibility in order to respond to changes required in its budget. From anecdotal evidence, we understand that the Finance Team is well equipped in making last minute changes and meeting the appropriate deadlines throughout the process. Historically, there have been no delays in getting the right level of information across to the SMT and Members during the MTFP lifecycle. We do note that if precept flexibilities and funding turn out higher than expected, there may be “uncaptured” potential at the time of bid submissions as Budget Holders operate under a state of uncertainty. 	●	<ul style="list-style-type: none"> Continue to encourage Budget Holders to put forward several options in bid templates, accounting for different scenarios such as potentially higher and lower figures of precept flexibility/funding than normal, in case another option becomes preferred after government announcements.
Bids timetable	<ul style="list-style-type: none"> The Service has a robust budget timetable in place which is shared with Budget Holders before the process kicks off. This includes key milestones in the budget setting process, such as the First and Second Officer Challenges. From anecdotal evidence, it appears that deadlines are met throughout the process by both the Finance Team and Budget Holders, and the Finance Team makes a conscious effort to guide Budget Holders through the process and remain in constant communication to offer support, and track progress. From the timetable, we see that the Finance Team provides an update on the guidance on budget setting in June, and on how to complete templates. 	●	<ul style="list-style-type: none"> This is regarded as best practice. If not already implemented, we recommend that the June session is held in-person, preferably offering multiple options to Budget Holders, to encourage idea-sharing, manage dependencies and share learnings.
Change in Challenge format	<ul style="list-style-type: none"> As of this year (2023), the format of the First Officer and Members Challenges changed from presentation-style sessions to collaborative workshops, which allowed Budget Holders to provide more context and background to their bid request, providing the Senior Management Team (SMT) with a stronger understanding of its contents. 	●	<ul style="list-style-type: none"> This is regarded as best practice. Look to continue this process to provide Budget Holders with more opportunity to address any challenges and to provide further context for their bids. This will also help identify cross-departmental dependencies.

(Please see Steps 1.5, 1.6 and 1.8 of Process Map)





To improve in consistency and engagement, clear expectations and support from scenario planning should be considered as well as re-evaluating processes toward managing dependencies between bids.

Theme	Observations/ Insights	RAG	Improvement Opportunities
<p>Two-phased Challenge process</p> <p><i>(Please see Steps 1.3-1.13 of Process Map)</i></p>	<ul style="list-style-type: none"> All submitted bids are checked for detail by Finance Team, and scrutinised by the Business Transformation Board, SMT and Members. Any bids sent back to their originating Budget Holders as a result then undergo a second round of scrutiny. From an anecdotal commentary, we gather that this iterative process is generally well-received. There is a possibility that the multi-phased nature of the challenge process inadvertently incentivises Budget Holders to complete their bids exhaustively from the outset, so as to minimise the degree of amendment needed later on. Whilst this two-phased process could, in some ways, take more time and extend the overall lifecycle of the MTFP, it also allows for rigorous levels of scrutiny and opportunity for Budget Holders to resubmit their bids after making requested amendments within the same year, instead of having to wait another year in case of rejection. 	<p>●</p>	<ul style="list-style-type: none"> Following positive anecdotal feedback from stakeholders, and noting that deadlines are met by both the Finance Team and Budget Holders throughout the process, this is regarded as best practice. Consider undertaking a backward-looking review to understand the percentage of bids that are sent back for amendments after the first Officer and Member challenges. If this number is low, the Service could consider a one-phased approach where there is only one opportunity to submit bids, in the interest of efficiency and resource spend. For example, Northumberland County Council uses such an approach, where each bid is still reviewed rigorously by going through different levels of escalation, but is only ever scrutinised by a given team once.

With a supportive and knowledgeable Finance Team to hand, more work is needed to document finance processes for ease of referral and to provide opportunities to share financial planning knowledge to department leads to encourage further engagement.

Theme	Observations/ Insights	RAG	Improvement Opportunities
Relatively small Finance Team	<ul style="list-style-type: none"> We understand that most individuals within the Finance Team are generalists, which means that most, if not all staff members, have a wide understanding of the processes and actions that need to be completed within the function, and are usually able to cover for others if they are on annual leave or away from the office for other reasons, resulting in minimal single points of failure. However, the majority of staff in the Finance Team have been in the function for a long time, and thus may have knowledge stored “in their heads” rather than documented on paper (i.e. how to complete the MTFP budget build or how to carry out scenario planning specific to inflation). The team is relatively thinly spread, which could mean there is limited time for training or additional strategic value add activity. This links in with the lower levels of investment in support function in the Service compared to operations (<i>Please see Objectives and Goals</i>). 		<ul style="list-style-type: none"> Having the knowledge of specific processes within the Finance Team documented and stored on a secure system can allow for continuance of information, should the composition of the Finance Team change, or should someone leave.
Roles & responsibilities Budget Holders & Finance Team	<ul style="list-style-type: none"> Roles and responsibilities in preparing, reviewing and approving the medium-term financial plan and the annual budget are clearly defined, understood and documented. Staff and Members are aware of their responsibilities in the budget setting process. 		<ul style="list-style-type: none"> This is regarded as best practice.
Perception of Finance Team	<ul style="list-style-type: none"> Anecdotal commentary from both Budget Holders and Finance Team members support that there has been a notable positive culture shift in recent years. Budget Holders, and staff members more widely, describe the Finance Team as “approachable”, “collaborative” and “open to conversation”. They note that there has also been a movement away from transactional conversations to a more collaborative approach. This culture widely benefits the MTFP process, as Budget Holders feel comfortable reaching out to the Finance Team for support, in turn leading to quality bids. 		<ul style="list-style-type: none"> This progress in having an approachable Finance Team for staff members to lean on for support should continue. Consider whether this pocket of good practice can, or should, be replicated between other teams in the Service (i.e. IT, HR, Communications) and utilise this example as a success story.
Budget Holder training	<ul style="list-style-type: none"> Prior to anyone becoming a Budget Holder, the Finance Team provides them with training. Budget Holders feedback that they receive high levels of support from the Finance Team throughout the budget setting process, as well outside of the MTFP. They meet on a monthly basis to monitor expenditure and escalate risks where appropriate. (<i>Please see Monitoring & Delivery and Step 1.19 of Process Map</i>). New Budget Holders rely on the collaborative and supportive nature of the Finance Team to support them in financial queries. Not all Budget Holders have the skill or experience to aid them in the process of placing bids or establishing their monthly financial figures, especially if they have not done so before. 		<ul style="list-style-type: none"> This is regarded as best practice. We suggest that training materials are reviewed on an annual basis to ensure they are still timely, engaging and inclusive. Consider hosting ad-hoc skills training sessions or drop-ins by Finance to build confidence in Budget Holders with their skills, knowledge and understanding. This increase in confidence may encourage Budget Holders to take more responsibility and explore financial opportunities further.

Currently there is strong data management in place. Providing a ‘backstory’ of data will add context to the data outlined within the Budget Build Spreadsheet and the manual inputting of data should be reduced as much as possible to decrease chances of error.

Theme	Observations/ Insights	RAG	Improvement Opportunities
Data Categorisation, including ‘Budget vs Actuals’	<ul style="list-style-type: none"> We understand that budgets are calculated using the actuals of previous years. Documentation exists which provides budgets at a category level e.g. establishment, and actuals at a granular level, e.g. employment agency payments for specific cost centres. We also note that there are numerous spreadsheets and documents that are used to manage and update changes to the Establishment budget (75% of the total budget), inflation, supplies and services. These sit separate from the Budget Build spreadsheet. Therefore, whilst we note that these changes are pulled into the Budget Build by the Finance Team, this process is reliant on tacit knowledge. Changes are captured in spreadsheets outside of the Budget Build which could make the “background” behind some figures unclear. 		<ul style="list-style-type: none"> Create a high-level view of a actuals for comparison with the budget by adding up granular actuals (by cost centre name). Agreeing on common categories across reports will aid this process. Clarify location or filepath of separate spreadsheets or sources used to inform the Budget Build. More explicitly link previous actuals to forecast estimates to better explain decision making.
Automated Data	<ul style="list-style-type: none"> Within the budget excel documentation, most of the data is manually input, rather than automatically pulled from spreadsheets/ systems. The reason for this is that some figures need adjusting up until the last minute, for example, as business rates are set in January and the budget is finalised in February. However, for some categories this approach is not required, and can increase the chances of error without clarity on where data is retrieved from. 		<ul style="list-style-type: none"> A more consistent approach to pulling in data should be implemented, using manually input values only as the exception where necessary, such as for RCCO.
Clarity in Changes	<ul style="list-style-type: none"> Although there is version control amongst the budget Excel documentation, it is unclear what changes have been made and by who. This lack of clarity could lead to errors in the document with not all figures being updated where needed. There is also no consistency in colour coding across sheets, which makes legibility difficult. From reviewing the “Budget Build 2023-24 v14.1” it is the case that currently, the Finance Team leaves comments and questions in spreadsheet tabs related to the relevant area, to be discussed with the Director of Finance & Assets. Whilst there are only two to three people that utilise this spreadsheet, and the only tab that is published externally is the “Overall Brigade Position”, it can be difficult to keep track of discussion points and their evolution. There is some complacency, in that in a small team, it is assumed that everyone knows about comments and changes 		<ul style="list-style-type: none"> A clear key on each page would be beneficial, in explaining who is responsible for updating data, at what frequency, and what colour coding represents. If Subjective Area report breakdowns are only intended for internal use, they should not be included on the “Overall Brigade Position” sheet. Consider creating an additional tab with a RAID (risks, actions, issues, decisions) log to keep track of ongoing queries and issues throughout the budgeting process. This will help improve oversight of the evolving nature of the spreadsheet for the Director of Finance & Assets.
System	<ul style="list-style-type: none"> In 2017, the system was changed from SAP to Integra. The upgrade has been successful, with risks mitigated by a comprehensive change management process. From stakeholder discussions, Integra is effective at pulling reports and works well with set financial controls. Audits have been carried out on system in place multiple times, all ‘glowing’ reviews. 		<ul style="list-style-type: none"> Ensure that new joiners continue to be sufficiently trained in using Integra.

Currently there is strong data management in place. Providing a ‘backstory’ of data will add context to the data outlined within the Budget Build Spreadsheet and the manual inputting of data should be reduced as much as possible to decrease chances or error.

Theme	Observations/ Insights	RAG	Improvement Opportunities
GDPR	<ul style="list-style-type: none"> In terms of privacy controls, personal information is not included in documentation where it is not necessary. The Finance Team has exclusive access to certain files on the network, which helps ensure personal data is not lost or spread. We understand that the Council is encouraging Services to use SharePoint. If the Service moves its documents onto SharePoint, consider adding password protection to documents to ensure further compliance with the integrity and confidentiality (security) principle. 		<ul style="list-style-type: none"> Add password protection to documents for added security if documents are moved onto SharePoint. Continue to monitor GDPR policies to ensure compliance.
Inflation	<ul style="list-style-type: none"> In each of the three years of budgeting data in the spreadsheets, there is an 'Inflation and Other Changes' tab, where inflation assumptions vary from 2% to 10%+. Given the current volatility of inflation, such varying figures are likely justified. Written indication of the rationale behind the figures used can be found in a different spreadsheet, alongside scenario planning. 		<ul style="list-style-type: none"> Maintain the inflation and scenario planning spreadsheet and include a link on the 'Budget Build' as to where the document can be found.

Objectives & Goals (1/2)

Corporate priorities are well documented but strategic priorities are not clearly linked. Work is needed to reduce disparity in types of investment and bids, and more support is needed to encourage innovative ideas.

Theme	Observations/ Insights	RAG	Improvement Opportunities
Operational Investment	<ul style="list-style-type: none"> From our conversations with stakeholders and reviewing the budget build spreadsheets from the past three years, it is evident that historically, there is more investment in the operational area of the Service (e.g. number of smoke alarms, increasing establishment) compared to back office/support functions and/or tools. We know that Members have historically put emphasis on growth bids that focus on operational investment. One explanation is that return on investment in these areas can be more visible and so tend to capture more public recognition and support. This can, however, create a skewed approach where certain bids are more likely to be approved by Members and may discourage certain Budget Holders to file bids that focus on back office/support functions and/or tools. In turn, if back office/support functions are not funded appropriately, this may negatively impact staff retention, Service progression and innovation, and process efficiencies. 	●	<ul style="list-style-type: none"> A benefits realisation workshop into the back-office functions together with Members may provide more exploration to the necessities and benefits that investing in back-office functions can provide to the Service. This can aid in Member understanding and provide a clear narrative for public perception into why investment into these areas could be beneficial for the efficiency of the Service and the way it services communities. Carry out a retrospective review of Culture Survey results across the Service with a focus on support function staff to assess any trends in staff morale and satisfaction.
Savings Targets	<ul style="list-style-type: none"> A greater share of submitted bids are growth bids rather than savings bids. This may be partially explained by the fact that it is relatively difficult to anticipate the level of savings an action will reap. Furthermore, it is more likely that teams would be held to a degree of accountability if they were to state a certain savings figure and fail to meet it. However, we also note that Members are interested in understanding how the Service proposes to drive costs down alongside how it plans to grow. The Service currently does not set savings targets for Directorates. The Finance Team does have an Efficiency & Productivity Plan in place as mandated by the Fire and Rescue National Framework which focuses on the Service's priorities and initiatives to deliver further efficiencies and savings which was last updated for 2023-24. At this point in time, we have found that there is a trend of underspend rather than overspend within the Service and it has strong reserves. As of the 2023/24 budget, reserves stand at £8,040,000 and this is projected to increase to just over £10,000,000 by 2027. <i>We understand that on some occasions savings are not possible within a certain team or department dependent on the nature of their work, longstanding contracts etc. We also note that the majority of the budget is made up out of Establishment, for which savings suggestions may not be appropriate.</i> 	●	<ul style="list-style-type: none"> As Directorates may be held accountable to specific monetary savings targets proposed and, therefore, feel discouraged to put these forward – it may be appropriate to focus savings bids on efficiency, rather than cost savings to provide Directorates the confidence in their attempts to reduce costs and ultimately ensure more efficiency within the Service.
Attitudes Innovation	<ul style="list-style-type: none"> It has been raised that a better “innovation mindset” could be of benefit to the Service to tackle ongoing challenges such as filling fire fighter resourcing gaps, approaching on-call availability differently, etc. Some Budget Holders may feel pressure to get initiatives and growth bids “right” the first time. We also note that the idea of purchasing property for fire fighters that are required to live in a certain radius of a station was raised with the SMT, but not progressed. As the Service has historically seen levels of underspend and sometimes opens up an in-year bid process, there may be room to explore the Service's levels of risk appetite and foster ways to encourage new ideas, particularly to address limited talent pool. 	●	<ul style="list-style-type: none"> Host a joint brainstorming session to assess the most pressing issues facing the Service, and open up the room to ideas. Consider inviting a wide array of levels and grades within the Service to gather a diverse collection of views. Assign ideas to separate Budget Holders to build out alongside junior staff member(s) for consideration in the next budget build.

Objectives & Goals (2/2)

Process & Controls

People & Skills

Data & Financial Analysis

Objectives & Goals




Compliance & Risk Management

Monitoring & Delivery



Corporate priorities are well documented but strategic priorities are not clearly linked. Work is needed to explain disparity in types of investment and bids, and more support is needed to encourage innovative ideas.

Theme	Observations/ Insights	RAG	Improvement Opportunities
Strategic linkage	<ul style="list-style-type: none"> From the sample of bids we reviewed, we note that in the bid submission form, Budget Holders are required to describe how their bid relates to their “corporate priorities”, prompting Budget Holders from the onset to ensure their proposition is relevant to, and progressive towards the Service’s wider strategic objectives. However, the bid form also contains an arguably restrictive 100-word limit on the Executive Summary section, which may mean individuals are unable to exhaustively build their case without referring to external documentation. If such external references are made, there can be a degree of time waste involved when the Finance Team/BTB/SMT then need to seek out said documentation. From this same review, we found that in most cases, in Section 8 (‘Strategic requirements’) the linkages to corporate priorities are alluded to, but not explicitly stated. At times, linkage on directorate level is made, however a clear outline of the way(s) in which the Budget Holder’s proposed idea would contribute to the alleviation of Service-wide issues listed in the 2020-2025 Corporate Plan is often lacking. <i>We note that the bid template has been changed by the Service in 2023, removing the word count limit for the executive summary.</i> 	●	<ul style="list-style-type: none"> This is regarded as best-practice, though we recommend considering whether the “corporate priorities” can be further detailed to link directly to the CRMP. Ensure external documentation is linked and provided when the bids go to SMT. Including a prompt under the section heading either reminding Budget Holders of corporate priorities, or suggesting they quote clauses from relevant documentation to draw direct links would help prevent against any sidestepping of corporate linkage.
Strategic linkage 5-year plan	<ul style="list-style-type: none"> Some teams, such as the Property Team, have a 5-year strategy in place for which sign-off by the Fire Authority has been obtained. On an annual basis, this team uses their strategy as a golden thread to benchmark bids against before they are filed, to ensure they match the corporate priorities that have been set previously. This means that during the First and Second Officer Challenge, the Senior Management Team will already have some awareness and buy-in of the team’s ambitions, which could lead to quicker sign-off of their bids. 	●	<ul style="list-style-type: none"> This is regarded as best-practice, and we suggest making other teams aware of the efficacy of this process in case they can repurpose this approach.

Although risks are documented clearly, more work is needed in establishing clear ownership and actions required. The escalation process needs streamlining to ensure necessary risks are addressed efficiently.

Theme	Observations/ Insights	RAG	Improvement Opportunities
Risk ownership	<ul style="list-style-type: none"> There is limited oversight of risks referenced in approved bids, and how they are carried over to directorate risk monitoring. Whilst we note that financial risks are appropriately monitored in monthly budget monitoring meetings, it is unclear who owns the monitoring and mitigation of non-financial risks moving forward. Subsequent steps upon identification of a risk should be better evidenced. 		<ul style="list-style-type: none"> Budget Holders to establish clear actions needing to be taken against the non-financial risks outlined, with clear individuals responsible for each actions and a review date to ensure all risks are appropriately mitigated for.
Ease of Risk Escalation	<ul style="list-style-type: none"> Anecdotal commentary suggests that the escalation of risks/issues can be time-consuming due to governance controls, such as the need for templates to be filled out. Whilst appropriate documentation of identified risks are important, the tedious process may be causing time-lags between detection and mitigation of risks. Furthermore, the logistics involved may inadvertently be deterring employees from flagging risks that they consider too minor to be worth the effort. 		<ul style="list-style-type: none"> Evaluate the current risk escalation process to understand where efficiencies can be found. Ensure there is an owner in place for the overall Corporate Risk Register to allow for urgent flagging of new risks before filling out required paperwork.
Corporate Risk Register	<ul style="list-style-type: none"> Risks are effectively maintained at a project, departmental and Directorate level. These are then pulled through to the overall Corporate Risk Register. This is an effective way of ensuring risks are captured across varying levels within the Service. However, we note that there are three separate documents forming part of the risk monitoring process: the Corporate Risk Map, Risk Register Changes (12-month view) and the Corporate Risk Register. 		<ul style="list-style-type: none"> This clarity across each level is essential to ensuring risks across all magnitudes are covered effectively. Consider transferring the three separate risk-related documents into one Excel spreadsheet to maintain a more holistic and up-to-date view of risks facing the Service. The Corporate Risk Register in Word currently does not allow for much formatting flexibility, i.e. adding columns.

Monthly monitoring meetings are classed as best practice. However, scenario planning in the case of underspend is absent, sometimes leading to underutilisation of funding.

Theme	Observations/ Insights	RAG	Improvement Opportunities
Monitoring underspend	<ul style="list-style-type: none"> As part of the monthly monitoring meetings, overspend and underspend is discussed and what can be actioned to support the department in question. In-year bid processes take place to utilise the underspend, when there is opportunity for funds to be shared with other departments. Anecdotal evidence shows that some Budget Holders are less clear on the levels of underspend within their area of the Service, and may be wary of 'losing their budget' in case underspend occurs. Whilst the Finance Team produces reports on the level of underspend logged, communications to Budget Holders could be clearer around the 'so what'. 		<ul style="list-style-type: none"> Carry out an evaluation of the root causes of these underspends to be shared with Budget Holders, as an opportunity for the Finance Team to share their insights and for Budget Holders to tweak or amend their plans as appropriate. Facilitate clearer top-down communications around underspend and provide reassurance that budgets will not be "taken away" without discussion.
Monthly monitoring meetings	<ul style="list-style-type: none"> Monthly budgeting reports are completed by Budget Holders and then shared with and discussed with the Finance Team on a monthly basis to discuss variances in overspend, inflation, increasing costs etc. <i>(Please see Step 1.19 of Process Map)</i> Lead Members receive a monthly monitoring report, the Executive Committee receives a quarterly update. Any issues or risks related to the monthly monitoring meeting are addressed through the Corporate Risk Register process. 		<ul style="list-style-type: none"> Providing this consistent approach to reviewing financial variances provides a good overview and allows for appropriate capturing of potential problems.



Appendix



Stakeholder interviews held

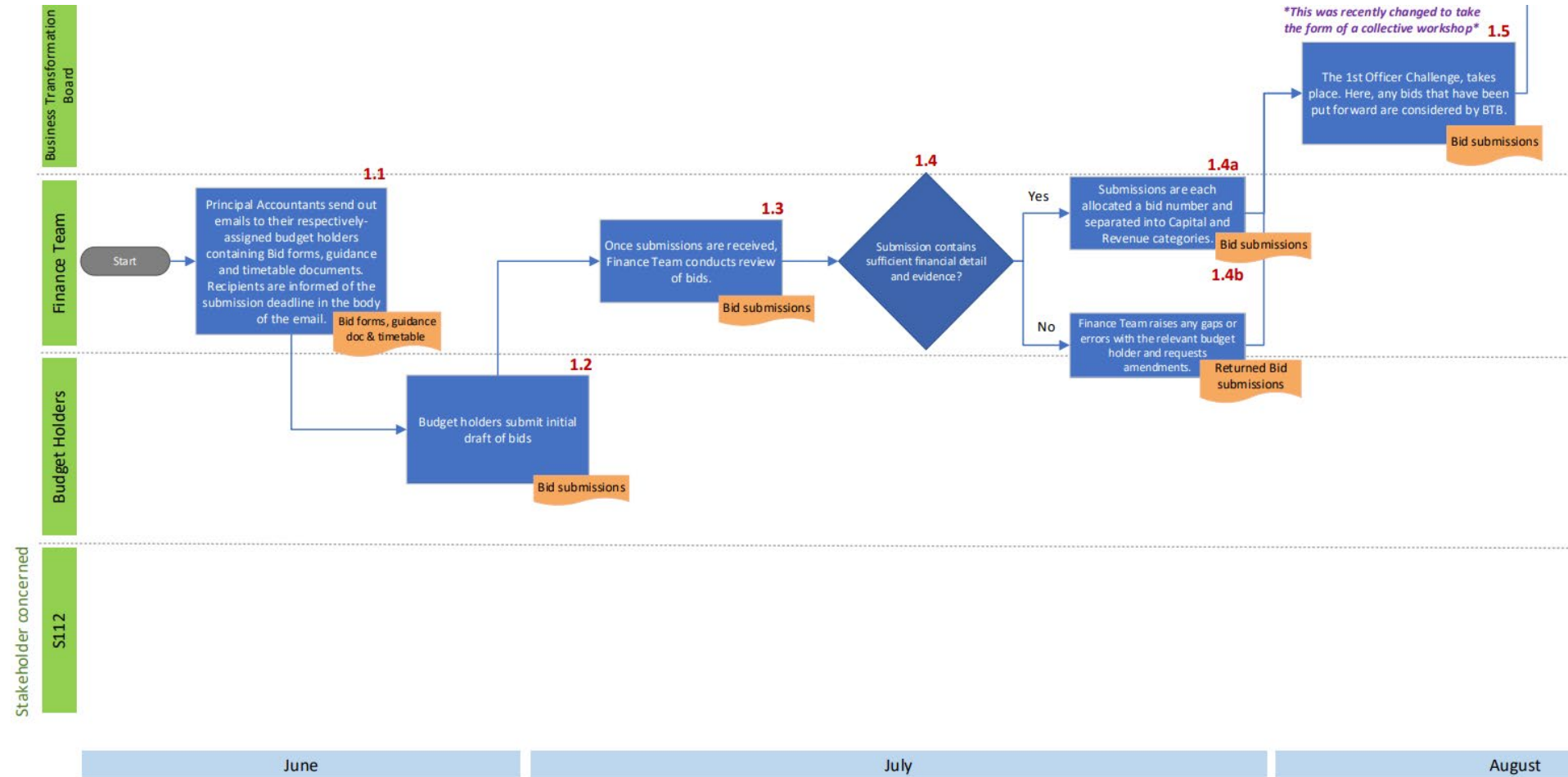
Overview

Name	Role
Asif Hussain	Deputy Director of Finance & Assets
Mark Hemming	Director of Finance & Assets
Laura Taylor	Principal Accountant
Simon Tuffley	Head of Prevention, Response & Resilience
Aaron Brinklow	Station Commander
Gordon Wylie	Property Manager

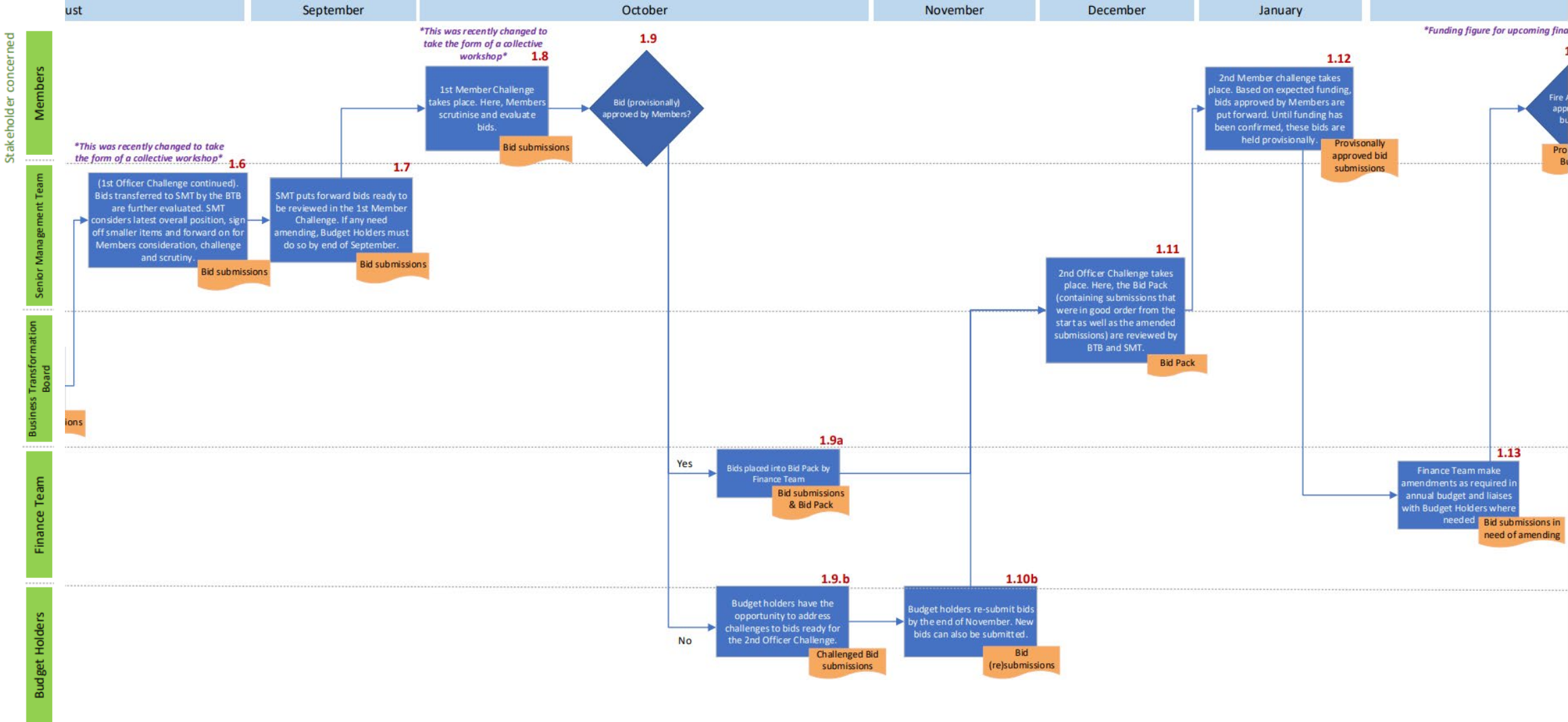
Medium Term Financial Plan

Process Map (1/3)

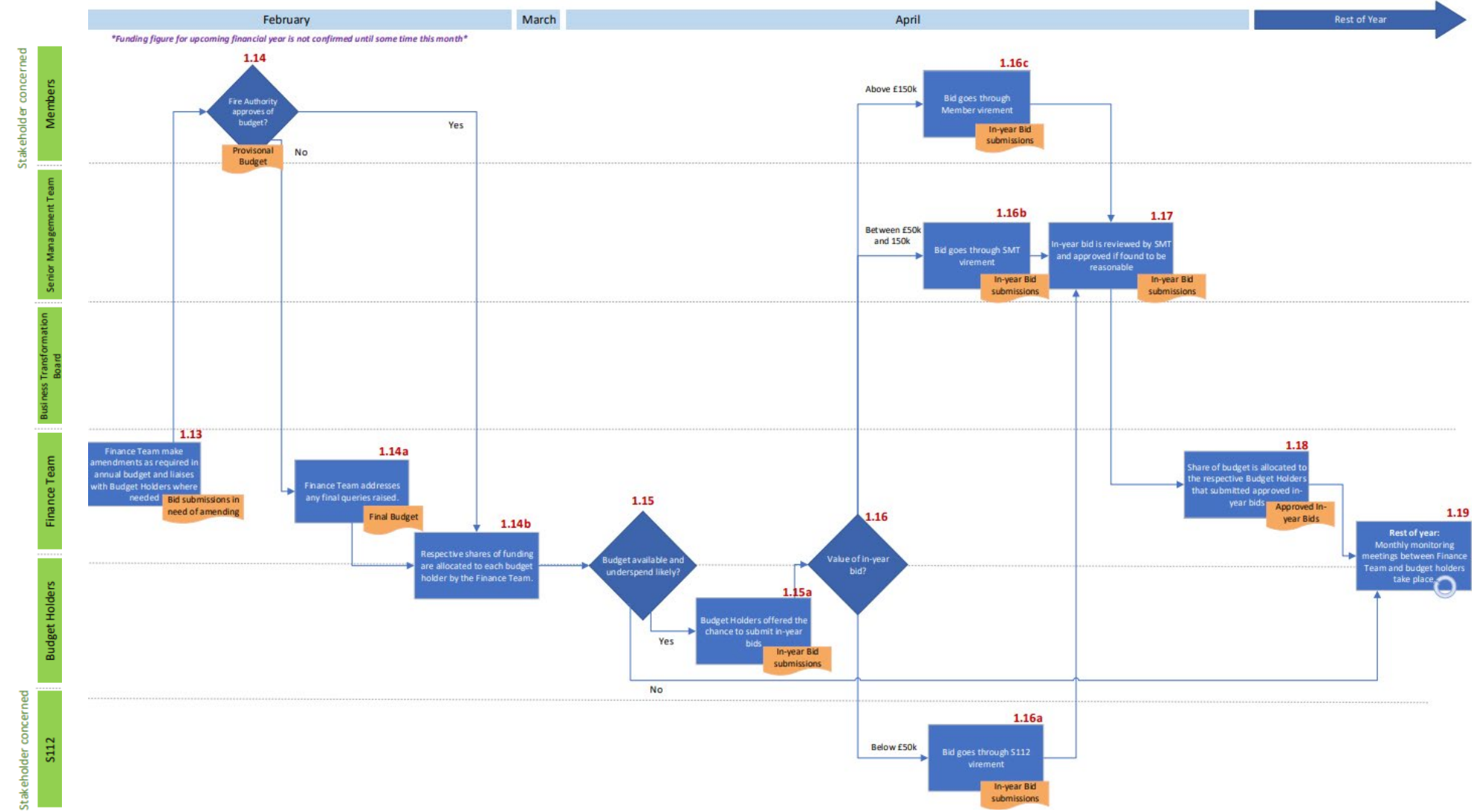
The budget setting process within the Service takes place on an annual basis between end of June until February and is structured to a budget timetable, with the first step in the process involving the creation of bids by Budget Holders with support from the Finance Team. The end-to-end process has been visualised on the next three slides, linking specific process steps to observations in Section 6 of this report, where relevant.



Medium Term Financial Plan Process Map (2/3)



Medium Term Financial Plan Process Map (3/3)



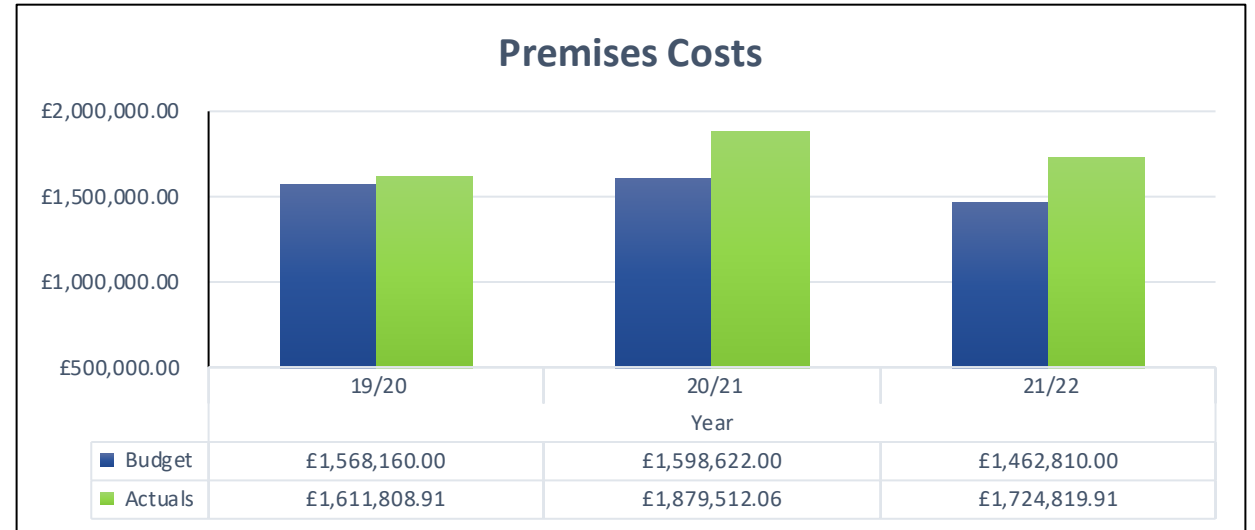
Data Analysis

Premises Costs

In all three years shown, actual spend on premises costs was higher than the budget initially approved, by an average of 13%. These amounts reflect utilities costs as well as rates and preventative maintenance, so the discrepancy between amounts is perhaps reflected by high inflation in recent years.

Due to the unique nature of a Fire and Rescue Service, obtaining benchmarking figures for premises costs was not possible.

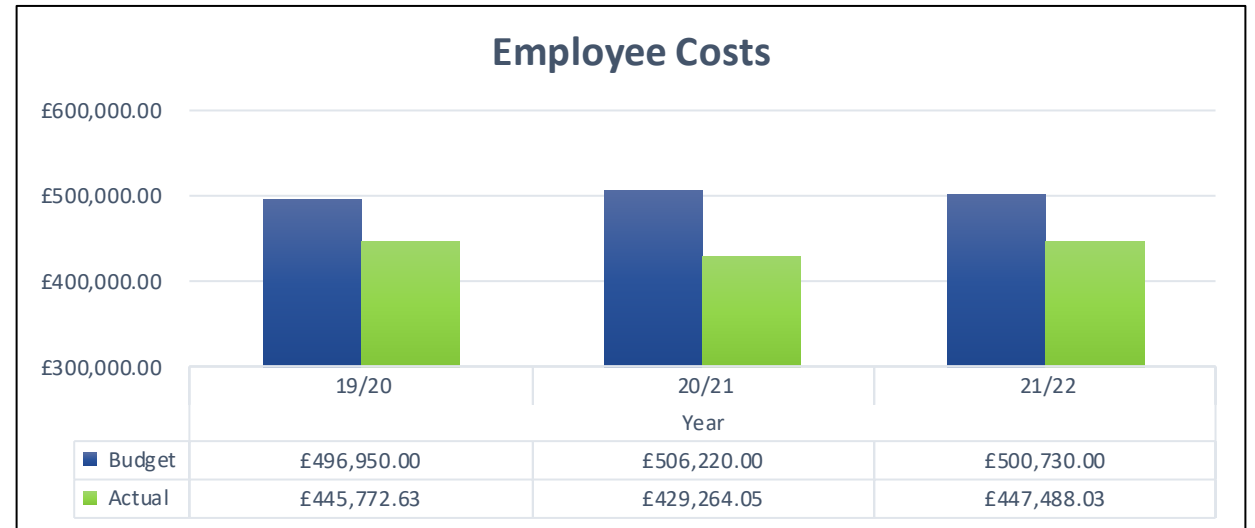
Please note, these figures have now been updated to reflect a change in budget classification, so now include 'Property Team' and 'Blue Light Hub' under 'Income Rents and Wayleaves', which was previously classified under 'Income'. Whilst the graph suggests an overspend in recent years, some of the premises costs are covered by income collected from SCAS and TVP for the Blue Light Hub Services Recharge, which is noted in the 'Budget vs Forecast Variance Column'.



Employee Costs

In all three years shown, actual spend on employee costs was lower than the approved budget, by an average of 14%. These amounts do not reflect salaries, but all other employee-related costs. The discrepancy in these figures may be as a result of the delay in recruiting new employees after the approval in growing the employee base was granted.

Due to the unique nature of a Fire and Rescue Service, obtaining benchmarking figures for employee costs was not possible.



Data Analysis

Establishment: 'Operations' vs 'Support' Sub-Category Classification*:

<u>Category:</u>	<u>Operations/Support:</u>
Employment Agency Payments	Mainly Support
Members	Members
On-Call	Operations
Sessional	Mainly Operations
Support	Mainly Support
Thames Valley Fire Control	Operations
Wholetime	Operations

**Budget areas categorised as 'Mostly Operations' or 'Mostly Support' have been apportioned on a 75%/25% basis.*

Data Analysis

Seven Spreadsheets of Data Analysed:

- Budget Build 2021-22 v16 – final budget upload v1.xlsx
- Budget Build 2022-23 v13 Funding Update.xlsx
- Budget Build 2023-24 v14.1 Budget upload.xlsx
- 22-23 Budget vs 3 year Actuals 19-20 to 21-22.xlsx
- March Summary Downloads 31.05.2020 2019-20.xlsm
- March Summary Downloads 28.05.2021 2020-21.xlsm
- March Summary Downloads 30.05.2023 2022-23.xlsm

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Business Assurance and Risk Management

BMKFA Core Financial Controls Audit Report - FINAL (Ref-24/22)

Auditors

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

Selina Harlock, Audit, Assurance and Fraud Manager

Alex Prestridge, Audit Lead

Charlotte Winning, Auditor

Tom Crowson, Auditor

CONTENTS

Management Summary.....	3
Table 1: Overall Conclusion.....	4
Table 2: Detailed Audit Findings and Management Action Plan.....	11
Table 3: Detailed Follow-Up of 2022/23 Findings and Management Action Plan	14
Appendix 1: Definition of Conclusions	17
Appendix 2: Officers Interviewed	19
Appendix 3: Distribution List.....	20

Management Summary

Introduction

The internal audit of Core Financial Controls was undertaken as part of the 2023/24 Internal Audit plan, agreed by the Overview and Audit Committee. The audit was undertaken during quarter three of 2023/24.

The Core Financial Controls Audit reviewed the Fire Authority's key financial processes including; Financial Control Framework, Creditors, Debtors, Payroll, General Ledger, Grant Income, Banking and Reconciliation, VAT and Treasury Management processes.

Audit ObjectiveSu

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

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

Scope of work

The audit activity focussed on the following key risk areas identified in the processes relating to Core Financial Controls:

- Financial Control Framework
- Creditors
- Debtors
- Payroll
- General Ledger
- Grant Income
- Capital
- Banking and Reconciliations
- VAT
- Treasury Management

The audit considered the controls in place at the time of the audit only. Where appropriate, testing was undertaken using samples of transactions since the beginning of the current financial year.

Table 1: Overall Conclusion

Overall conclusion on the system of internal control being maintained	Substantial
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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
Financial Control Framework	Substantial	0	0	0
Creditors	Reasonable	0	0	1
Debtors	Reasonable	0	1	0
Payroll	Reasonable	0	1	0
General Ledger	Reasonable	0	0	1
Grant Income	Substantial	0	0	0
Capital	Substantial	0	0	0
Banking and Reconciliations	Substantial	0	0	0
VAT	Substantial	0	0	0
Treasury Management	Substantial	0	0	0
		0	2	2

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

Financial Control Framework

The Financial Instructions were updated and approved in November 2023 and were available to staff on the BMKFA Intranet and the Authority's external website. They included instructions for the effective operation of all financial systems within the Authority and had been reviewed and updated to reflect changes to the Finance system.

We confirmed that process notes were in place and up to date for all key financial processes. A review of system users found that access to Integra (the Finance system) and iTrent (the payroll system) was appropriately controlled. The system workflow ensures a separation of duties for transactions made within both systems.

Creditors

The Financial Instructions contain guidance on ordering, authorising, and receiving goods and services. The Financial Instructions reference the Financial Regulations and include regulations on the separation of duties, procurement, and expenditure.

Review of access levels to Integra confirmed that they are updated and amended for starters, leavers, and movers. Access to Integra is restricted to only those with a business need and for those for whom requests have been received from their line managers.

We reviewed a sample of five BACS runs taken between October 2022 and November 2023 and found that all cases were appropriately approved by a Principal Accountant. All payment runs sampled matched projections for value and number of payments. Detailed review of the sample found the following:

- In one case a one-time vendor process was used, and this was adequately checked prior to payment.
- In all cases, a duplicates test was undertaken, and no exceptions were found.
- All entries over £10,000 were subject to a rigorous review prior to payment and all were found to be appropriate.

The Financial Instructions include guidelines for the appropriate use of purchasing cards. A Purchasing Card User Guide is also in place, outlining the Purchasing Card Holder's responsibilities regarding how to use the purchasing card, reconciling the monthly statements and general usage guidelines.

We found that monthly spend limits were occasionally increased temporarily. We observed this for 14 individual card holders with a total of 23 instances whereby the spend limits were increased between the period October 2022 to November 2023. Each increase had a completed business case for it with adequate approvals.

Examination of a sample of 20 purchasing card payments made between November 2022 and September 2023, we found one case where the agreed expense limit was exceeded but the payment was still approved. This was for an evening meal where the cost was £16.90 while the limit is £15.51.

(Finding 3)

We also found one claim for rail travel which was booked through Trainline (which has additional booking fees) and there was no evidence of cost savings demonstrated for the travel expense, which is required by the expense policy for instances where a provider other than National Rail is used. Furthermore this same train ticket claim was found to be for a First-Class ticket booking, which is unlikely to have been the most cost-efficient travel option.

We reviewed a sample of 25 invoices received over the period between November 2022 and October 2023. We confirmed in all cases that:

- Invoices were input onto Integra by Finance.
 - Goods receipt was recorded before the invoice was paid.
 - Invoice details matched with values on Integra.
- In all cases a separation of duties was observed between the requester, the officer entering the invoice on the system and the individual completing the Goods Received Note (GRN).

Debtors

We examined a sample of 25 debtor invoices raised between November 2022 and October 2023. Of this sample we found:

- In all cases, supporting information was included on Integra. The invoice was raised either by Finance or the originating Department.
- In 13 cases, debtors did not pay within the 14-day term provided by the Fire Authority. Five of these debtors eventually paid over 30 days; date late ranged from 32 to 101 days with amounts outstanding ranging from £300 to £1,836. **(Finding 1)**
- In one case, a £223.27 debt was overdue by four years and while attempts are being made to chase this debt, no action is being taken through any other means to recover the funds. **(Finding 1)**

We reviewed a sample of five invoices that are at debt recovery stage. From the sample reviewed we found that only one remained unpaid. We observed that while the process is to send chaser emails on the first Monday after the invoice due date has passed, in four cases this did not happen, and instead it was sent a week later than expected. The second and third chaser letters were then sent at appropriate intervals based on the timing of the first letter.

We confirmed that aged debt reports are prepared monthly for review by the Principal Accountant. The oldest debt observed was £1,629.85, for pension contributions owed by a former employee, dating back to May 2018. We confirmed that this debt does not directly impact the Authority, as it relates to the former employee's pension contribution this owed amount will affect their pension on retirement.

The Financial Instructions outline that debts older than 90 days that have not been recovered through normal channels, or following recommendation for write-off from Legal Services, will be considered for write-off. However, no debts have been written off for the last two years.

There are Key Performance Indicators (KPIs) in place which are monitored for Debtor Management. These include:

- Debts over 60 days overdue.
- Total Debt outstanding.

- Debts over 60 days overdue as a % of total debt outstanding.
- Average time from raising invoices to receipt of income.

The Fire Authority has one large debtor, which has been escalated to the Director of Finance & Assets for chasing. This is South Central Ambulance Service (SCAS), and as of the audit the accumulated debt stood at £334,659 which represents around 91% of the total debt profile, all of which was over 90 days old . Following the audit, we received evidence from the Fire Authority's bank account that the £334,659 debt was paid by SCAS on 22 January 2024.

Payroll

Payroll information is processed through the iTrent system. The Fire Service Rota (FSR) planning and scheduling system was fully implemented in April 2020 and is used to record all Watch-based inputs formerly recorded on FB22 forms.

Through discussion and demonstration with the Payroll and Benefits Manager, it was established that for starters, leavers and permanent changes, a checklist is completed, and this is updated by the inputting officer and then a second officer to demonstrate adequate segregation of duties. Once the file has been approved and checked, the signatures are reflected on the title of the file. Changes are also only made following notification from HR and approval from the members of staff's line manager.

We reviewed a sample of 10 starters from July 2022 until July 2023. Of this sample we found:

- All cases had a completed starters checklist included in the personnel file.
- In all cases, the payslip matched the information on iTrent, the starter notification and the contract.
- In all cases, a signed contract was recorded on file.
- In all cases, the file demonstrated adequate segregation of duties, and this was recorded on the file name.

We reviewed a sample of 10 permanent changes from January 2022 until January 2023. Of this sample we found:

- In all cases, adequate authorisation of the change was demonstrated.
- In all cases, the payslip accurately reflected the change made.

We reviewed a sample of 25 expense and mileage claims from October 2022 until October 2023. Of this sample we found:

- In all cases, the claim had been approved by the appropriate manager.
- In all cases, the claims that required a receipt did have adequate documentation recorded and the figures on these matched the payslip.
- In all cases Payroll had validated the claim.
- In 24 of the cases the claim was made for the correct amount listed on the receipt, however in one case the claim had been put through twice for the same expense with both entries approved by the line manager. Payroll only spot check claims and therefore had not picked up this error. The duplicate went unnoticed and was added to the employee's salary. Communications have now been made to the employee to recover the overpayment. **(Finding 2)**

We reviewed a sample of 10 leavers from October 2022 until October 2023. Of this sample we found:

- In all cases, the notification of the leavers details from HR was recorded on file.
- In all cases, the recurring payments had been deleted from iTrent and this was demonstrated on the payslips.
- In all cases, a leavers checklist had been completed.
- In all cases, the file demonstrated adequate segregation of duties, and this was recorded on the file name.

We reviewed a sample of 20 overtime claims from October 2022 until October 2023. Of this sample we found:

- In all cases, the payslip amount matched the number of hours claim and the amounts on iTrent.
- In all cases, the overtime claim was approved by the appropriate manager and validated by payroll.
- In all cases, the overtime was paid in the month of the claim.

Through discussion and demonstration with the Payroll and Benefits Manager, it was established that a report is run called ‘caution and errors,’ which flags discrepancies for Payroll to review and correct. These reconciliations are carried out every time payroll is opened and before the payroll cut-off date. It is also carried out pre- Fire Service Rota, post- Fire Service Rota and pre- close. If discrepancies are identified, a final reconciliation is carried out upon payroll closing.

General Ledger

We reviewed the access of users to Integra, and transactions within Integra and found it was restricted appropriately. We compared this to leavers for the period between November 2023 and October 2022 and found no matches.

We reviewed a sample of 20 Journals raised between November 2022 and October 2023. In all cases they were authorised by either a Principal Accountant or the Deputy Director of Finance & Assets. There was backing documentation in all cases, and a narrative included.

We reviewed a report of transactions in suspense at the time of the audit. We found three cases, with the oldest being from January 2023. The others were March and August 2023. All three cases were posted to the ledger during 2023/24 and had a combined total value of £144.76. **(Finding 4)**

Through discussion with the Principal Accountant, it was established that the suspense account is reconciled monthly, with the majority of the transactions being cleared in a timely manner. Any transactions not cleared are picked up as part of the year-end closing of accounts, in preparation for producing the financial statements.

Grant Income

We reviewed a sample of five expected grant payments for the 2023/24 financial year. Of this sample we found that:

- In all five cases, the schedule grant amount matched the amount received on the bank statements.
- In all five cases, the payments were received on the expected date.
- In all five cases, the grant had been spent in line with the grant conditions.

The grants are forecasted in the budget and reviewed as part of the budget monitoring process.

Capital

The Financial Instructions include guidance on the approval of Capital schemes.

Monthly budget monitoring reports are produced by the Principal Accountant who has quarterly meetings with budget holders (except for Property for which there are monthly meetings) to discuss overspend/any issues. Through a walkthrough, and review of their notes, we confirmed that budgets are appropriately scrutinised.

The Principal Accountant confirmed that updating the Asset Register is a yearly exercise completed following receipt of the valuation report from the Authority's valuers. The valuer was in the process of producing the 2022/23 report at the time of the audit. Following the audit we were provided with the completed valuation report and updated Asset Register as at 31 March 2023, for which we found no exceptions.

Banking and Reconciliations

The reconciliation of bank accounts is carried out monthly. Review of the reconciliations for August and September 2023 confirmed that these were carried out by the Finance Assistant and approved by the Principal Accountant.

Monthly tasks are listed on the Transactions Reconciliation spreadsheet. Within this is the bank reconciliation report which is downloaded from Integra and signed off by the Principal Accountant along with all the other tasks listed on the Transaction Reconciliation spreadsheet. The bank reconciliation report is not signed off until the Principal Accountant has checked all the tasks have been completed. We reviewed the reconciliations for August and September 2023 and can confirm that the process was followed.

VAT

We reviewed two VAT returns, May, and August 2023. In both cases, the Purchase Ledger and the Sales ledger matched the Control - and both were reviewed and submitted by the Principal Accountant. The reconciliation was prepared by a Finance Assistant with the review and submission performed by the Principal Accountant.

Treasury Management

Through review of the Treasury Management Strategy, we confirmed that the document refers to relevant legislation with the CIPFA best practices referenced. The strategy is reviewed annually and was last updated and approved by the Fire Authority on 15 February 2023.

The Treasury Management Strategy is available to both staff and the public via the Authority's website.

Discussion with the Principal Accountant and review of the contract with Link Treasury Services Limited, it was established that there is a current contract in place for consultancy services and leasing advisory services. This contract was signed in April 2019 with an initial end date of March 2022, however, there is an agreed extension held on file for further 24 months until March 2024. The consultancy service provides a monthly report of all current

investments and deals which aids the Principal Accountant in creating the quarterly report for members. These quarterly reports contain key information as to the status of the current investments and borrowing, when they are due to end and the expected return.

Examination of a sample of five investments placed between November 2022 and October 2023 found:

- All five had been invested with agreed counterparties.
- All five investments were within the agreed limits as stated in the Treasury Management Strategy.
- All five investments had been approved by an appropriate member of staff.

Table 2: Detailed Audit Findings and Management Action Plan

Finding 1: Debtors – Aged Debt and Late Payments	Risk Rating	Agreed Management Actions
<p>Debtors should be paying within the terms outlined by the Authority and late payments should be chased and the funds recovered in a timely manner.</p> <p>We sampled 25 debtors raised between November 2022 and October 2023. Of this sample we found:</p> <ul style="list-style-type: none"> • In one case a debt with value of £223.27 was overdue by four years and while attempts are being made to chase this debt, these have been unsuccessful and due to time passed it is unlikely that the funds will be recovered. • In 13 cases the debtors did not pay within the 14-day term provided by the Fire Authority. Five of these debtors eventually paid over 30 days late, one of which was 101 days late. • Approximately 91% of the Authority’s debt is held by one entity, SCAS representing an accumulated value of £334,659. This debt has been escalated to the Director of Finance & Assets and attempts at arranging recovery are underway. <p>If debtors do not pay on time, there is a risk that money owed to the Authority will not be recovered, resulting in financial loss for the Authority.</p>	M	<p>Action:</p> <p>Review existing chasing debt procedures and reminders letters to ensure they are still fit for purpose. Reinforce the process and inform all debtors of this process to make them aware there maybe interest and legal involvement if not paid.</p> <p>Officer responsible: Principal Accountant</p> <p>Date to be implemented by: 31 July 2024</p>
Finding 2: Payroll – Expense Claims	Risk Rating	Agreed Management Actions
<p>Expenses and mileage claims should be made accurately and for the amount detailed on the receipts. Claims should be checked by the appropriate line manager thoroughly prior to being processed for payment.</p> <p>We reviewed a sample of 25 expense and mileage claims from October 2022 until October 2023. Of this sample we found:</p> <ul style="list-style-type: none"> • In 24 of the cases, the claim was made for the correct amount listed on the receipt. However, in one case the claim had been submitted twice for the same expense, with both claims subsequently approved by the line manager for payment. This duplicate expense 	M	<p>Action:</p> <p>Send a notification to all expense approvers to remind them of their responsibilities when approving expense claims. In addition, Payroll Team to continue to sample review expense claims before payment is made on the Payroll BACS run, Payroll spot check will now</p>

<p>claim was not part of the payroll spot check therefore the error was not corrected resulting in the claim being paid twice via the employee’s salary. This overpayment has now been communicated to the employee and recovery action is being taken.</p> <p>If incorrect claims are approved and paid there is a risk of misallocation of funds and the inability to recover the money from the employee resulting in financial loss to the authority.</p>		<p>include a check for duplicates .</p> <p>Officer responsible: Payroll and Benefits Manager</p> <p>Date to be implemented by: 31 March 2024</p>
<p>Finding 3: Creditors – Purchase Card Transactions</p>	<p>Risk Rating</p>	<p>Agreed Management Actions</p>
<p>Purchase card transactions should be made in accordance with the Authority’s policies and procedures.</p> <p>We reviewed a sample of 20 purchase card transactions between November 2022 and September 2023. Of this sample we found:</p> <ul style="list-style-type: none"> • One case where the evening meal charge limit was exceeded. The limit of £15.51 per person is set out in the Authority’s policy however this approved payment was for £16.90. • One instance of a first class rail travel being booked through trainline (which has additional booking fees) and no evidence was retained to evidence cost savings as required by the expense policy if a provider other than National Rail is used. <p>If the Authority approves expense claims that are beyond the agreed limit, there is a risk of inappropriate use of the purchase card resulting in financial loss to the Authority.</p>	<p>L</p>	<p>Action:</p> <p>Remind all purchasing card holders of their role and responsibilities when using their purchasing card for business activity as per the Purchasing Card User Guide. When approving purchasing card expenditure within the finance system extra scrutiny will be placed on what the card has been used for, why and confirm it’s within the limits set in the Purchasing Card User Guide and other accompanying procedures.</p> <p>Officer responsible: Principal Accountant</p> <p>Date to be implemented by: 31 July 2024</p>
<p>Finding 4: General Ledger – Transactions in Suspense</p>	<p>Risk Rating</p>	<p>Agreed Management Actions</p>
<p>Suspense accounts should be reviewed and cleared on a regular basis.</p>	<p>L</p>	<p>Action:</p> <p>All transactions on the suspense account are cleared in a timely manner and</p>

We reviewed a report of transactions in suspense at the time of the audit. We found three uncleared transactions, with the oldest being from January 2023. The others were March and August 2023. The combined total value of these transactions was £144.76.

Through discussion with the Principal Accountant we found that while the suspense accounts had been checked as part of the monthly reconciliation process, the three (low value) transactions identified during the audit were not cleared. It was confirmed that the suspense account will be reviewed cleared and as part of the closing of the account procedure.

If suspense accounts are not cleared, there is a risk that these funds have not been allocated to the correct cost centre or General Ledger (GL) Code impacting the accuracy of reporting on the budget position. Additionally, if the task of clearing suspense accounts is left to year-end there is will compound the already heavy workload for year-end accounts.

ensure these are dealt with by yearend.

Officer responsible:

Principal Accountant

Date to be implemented by:

30 April 2024

Table 3: Detailed Follow-Up of 2022/23 Findings and Management Action Plan

Report Ref No. 1	Title: Creditors – Purchase Card Spending Limits	Priority of finding: L	Status: Implemented
Original Audit Finding		Management Comments & Action Plan	
<p>Purchasing card holders are assigned a monthly spending limit in line with the requirements of their role. These should be periodically reviewed to ensure that they continue to be in line with the requirements of officers' roles.</p> <p>Examination of a sample of 20 purchasing card transactions found:</p> <p>In six cases, total spend for the month of the transactions was not within the cardholder's monthly spending limit. In one of these cases, a single purchase of £2,248 exceeded the cardholder's spending limit of £1,000. Whilst a temporary increase to the cardholders' spend limit was approved by the budget holder and actioned by Finance in all six cases, and all spend was within the temporary increase to the limit, analysis of all Purchasing Card transactions found 16 instances (spread across ten cardholders) where monthly spend was higher than the designated spend limit in the period between 1 December 2021 and 30 November 2022, indicating that the officers were exceeding their limits with relative frequency.</p> <p>Discussion with the Principal Accountant agreed that Purchasing Card limits are in need of review and that the purchasing card limits by organisational role set out in the Purchasing Card User Guide should also be reviewed to take into account positions and limits not previously listed.</p> <p>If purchasing card spend limits do not reflect actual purchasing card spend, there is a risk that temporary increases to spend limits become increasingly frequent, leading to inconsistent purchasing card usage across the Fire Authority.</p>		<p>Action: A Review of the Purchasing Card User Guide to ensure the guide is still fit for purposes and purchasing card limits are sufficient and appropriate for all purchasing card holders.</p> <p>Officer responsible: Principal Accountant</p> <p>Date to be implemented by: 30 June 2023</p>	
Follow Up Evaluation		Management Comments & Action Plan	

Sample review confirmed that spend limit increases are approved and processed appropriately in line with the Purchasing Card User Guide, with robust controls in place.		N/A	
Report Ref No. 2	Title: Financial Control Framework – Financial Instructions	Priority of finding: L	Status: Implemented
Original Audit Finding		Management Comments & Action Plan	
<p>Financial Instructions should cover all financial processes, be up to date, approved and made available to staff.</p> <p>We noted that the Financial Instructions document was last updated and approved in January 2018 and has therefore not been reviewed for five years, whereas best practice suggests that financial policies and procedures are reviewed regularly as well as when known changes are implemented.</p> <p>If Financial Instructions are not kept under regular review there is a risk that they are not up to date and do not reflect the current operations and strategic objectives of the Fire Authority, as well as any changes to legislation</p>		<p>Action: A review and update of the Financial Instructions to take place to incorporate actions from the Procurement Audit.</p> <p>Officers responsible: Director of Finance and Assets</p> <p>Date to be implemented by: 31 March 2023</p>	
Follow Up Evaluation		Management Comments & Action Plan	
The Financial Instructions were updated and approved in November 2023 and are available to staff on the BMKFA Intranet. They contain instructions for the effective operation of all financial systems within the Authority and have been reviewed and updated to reflect changes to the Finance system.		N/A	

Report Ref No. 3	Title: Payroll – Second Officer Check	Priority of finding: L	Status: Implemented
Original Audit Finding		Management Comments & Action Plan	
<p>Information relating to permanent changes and leavers should be input by an HR or Payroll Officer and checked by a second Payroll Officer.</p> <p>Examination of a sample of ten permanent changes made to payroll between December 2021 and November 2022 found that in four cases, there was no evidence that inputs relating to the change were checked by a second officer.</p> <p>Examination of a sample of ten employees who left the Fire Authority’s employment between December 2021 and November 2022 found that in four cases there was no evidence on the checklist that a second check was carried out.</p> <p>If inputs into Integra are not checked by a second officer, there is a risk that permanent changes and leavers are processed incorrectly and the pay information is not accurate, leading to an overpayment or underpayment.</p>		<p>Action: As the team is now at full establishment and trained, these checks are taking place.</p> <p>Officers responsible: Payroll and Benefits Manager</p> <p>Date to be implemented by: Immediately</p>	
Follow Up Evaluation		Management Comments & Action Plan	
<p>We reviewed a sample of starters and leavers and permanent changes from November 2022 until November 2023. Of this sample we found:</p> <p>For all cases reviewed we confirmed adequate segregation of duties.</p>		N/A	

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
Substantial	There is a sound system of internal control designed to achieve objectives and minimise risk.	<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>
Reasonable	There is a good system of internal control in place which should ensure objectives are generally achieved, but some issues have been raised which may result in a degree of risk exposure beyond that which is considered acceptable.	<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>
Partial	The system of internal control designed to achieve objectives is inadequate. There are an unacceptable number of weaknesses which have been identified and the level of non-compliance and / or weaknesses in the system of internal control puts the system objectives at risk.	<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>
Limited	Fundamental weaknesses have been identified in the system of internal control resulting in the control environment being unacceptably weak and this exposes the system objectives to an unacceptable level of risk.	<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 actions. 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 draft 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:

Asif Hussain
Marcus Hussey
Laura Taylor
Jackie Vere-White

Title:

Deputy Director of Finance and Assets
Principal Accountant (Technical Accounting)
Principal Accountant (Management Accounting)
Payroll and Benefits Manager

The Exit Meeting was attended by:

Name:

Asif Hussain
Marcus Hussey
Jackie Vere-White

Title:

Deputy Director of Finance and Assets
Principal Accountant (Technical Accounting)
Payroll and Benefits Manager

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

Appendix 3: Distribution List

Draft Report:

Mark Hemming
Asif Hussain
Marcus Hussey
Laura Taylor
Jackie Vere-White

Director of Finance and Assets
Deputy Director of Finance and Assets
Principal Accountant (Technical Accounting)
Principal Accountant (Management Accounting)
Payroll and Benefits Manager

Final Report as above plus:

Louise Harrison
Ernst and Young

Chief Fire Officer
External Audit

Audit Control:

Exit Meeting
Draft Report
Management Responses
Final Report
Audit File Ref

24 November 2023
8 January 2024
12 January 2024
29 January 2024
24-22

Disclaimer

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

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

Contact Persons

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Business Assurance and Risk Management

Contract and Critical Supplier Management - FINAL

Auditors

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

Selina Harlock, Audit Manager

Kirk Harrison, Audit Manager

Axolile Kopman, Assistant Manager

Harry Jay, Internal Auditor

Management Summary

Introduction

The Contract Management & Critical Supplier Management audit is part of the 2023/24 Internal Audit plan for the Buckinghamshire & Milton Keynes Fire Authority (BMKFA) ("the Authority"). The Audit Committee has commissioned this Audit in response to the significant risks associated with these areas, as identified in the Authority's Risk Register.

Contract Management is a high-value activity within the Authority, ensuring all contracts are properly managed, enforceable, and safeguarded against potential risks. The Authority spends approximately £8.7 million a year on a range of goods and services and is committed to ensuring the achievement of value for money from all supplier expenditure. This spending is a mixture of Capital and Revenue expenditure. The Authority also often works collaboratively with other Fire and Rescue Services to seek not only better pricing but also to achieve Operational alignment of Equipment and Services.

Critical Supplier Management focuses on the Authority's relationship with its key suppliers, whose disruption or failure could negatively impact the Authority's operations.

Audit Objective

The overall objective of this audit is to provide assurance over the adequacy and effectiveness of current controls over Contract Management and Critical Supplier Management and provide guidance on how to improve the current controls in the future.

This will contribute to the overall opinion on the internal control system that the Chief Internal Auditor must 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:

- Contract Management
- Critical Supplier Management

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		
RISK AREAS	AREA CONCLUSION	No. of High Priority Management Actions	No. of Medium Priority Management Actions	No. of Low Priority Management Actions
Partnership Working				
Contract Management	Limited	0	4	1
Critical Supplier Management	Reasonable	1	0	0
Total	6	1	4	1

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

Contract Management

We confirmed that a Contract Management Framework was in place, lasting from 2022 to 2026. It was submitted to and subsequently approved by the Business Transformation Board (BTB) and then the Senior Management Board (SMB). We reviewed minutes from both the BTB and the SMB to confirm that the Contract Management Framework was discussed and approved (in July & August 2022 respectively). The Framework is due for review in 2026, however, a review sooner than this may be triggered once the new Procurement Act is brought into force in October 2024. Through review of the Contract Monitoring Framework, it was noted that it does not contain any guidance related to contract management meetings with suppliers, how to monitor and report on contract expenditure, and guidance for establishing and monitoring KPIs (**Finding 2**).

The Procurement Manager advised that all contracts are held centrally on the Authority's 'N Drive' within the Finance & Procurement section. The drive has access controls so that only the Finance and Procurement Teams, as well as individual contract managers, can access the Authority's contracts. We confirmed this through observation via screen-sharing capabilities.

The Authority maintains a contracts register internally which lists each contract, the contract manager, start and end dates, contract supplier, and the contract management category (Platinum, Gold, Silver, and Bronze). Staff can access this register and easily find which staff member manages that contract, as it is stored on the staff intranet. Additionally, the contract register is also published on the authority website; without the names of contract managers. However, the

Procurement Manager advised that the Contracts Register is reviewed on a quarterly basis, but no evidence could be provided to confirm this is the case as reviews are not formally recorded; it is the responsibility of a member of the Procurement Team (**Finding 6**)

Should staff have queries regarding individual contracts, they can reach out to the contract manager directly or email a dedicated procurement inbox; procurement@bucksfire.gov.uk

We selected sample of three platinum level contracts from the Authority's Contracts Register, out of a population of 83 to undertake testing. The contracts were:

- Thames Valley Pumping Appliances: Emergency One Ltd;
- Respiratory Personal Protective Equipment (PPE): Interspiro Ltd; and
- MDT Software Maintenance: Airbus.

Through discussions with the Procurement Manager, we were informed that there is no general trend analysis for the Authority's contractual KPIs and performance is not reported upwards to senior management and there is no formal requirement for reporting. The Procurement Manager advised that the Authority has a Performance Management Board that meets monthly, and where there are significant contract issues that cannot be addressed through day-to-day operations, these will be escalated to the board for direction and action. Of the three contract samples we tested, we noted the following:

- There were no KPIs established for the MDT Software Engineering and Thames Valley Pumping Appliance contracts; and
- KPIs were agreed with the contractor for the Respiratory PPE contract in November 2023 and these are due to be tracked from January 2024. However, the contract started in December 2021, meaning more than two years have passed and contractual KPIs are still not formally in place (**Finding 4**).

The Contract Management Framework states that contract reviews, including analysis of KPIs, should be taking place quarterly for Platinum and Gold contracts. However, individual contracts may require more frequent contract management meetings. Additionally, training provided to procurement staff states that contract managers should meet regularly with suppliers. Otherwise, contract management meetings should be undertaken regularly, however, the frequency of these meetings is not formally defined; often it is left up to the contract manager, unless it is defined in the contract itself. Of the three contracts we tested, we found the following:

- Periodic contract management meetings were not going ahead for one of the three contracts (Thames Valley Pumping Appliances); and
- Regular contract management meetings were going ahead for the remaining two contracts, however, in one case (MDT Software) minutes were not taken of the fortnightly meetings, so we could not confirm if they were going ahead as scheduled (**Finding 3**).

For the Respiratory PPE contract, through review of contract management meeting minutes between the Authority and the contractor from the past six months (May to October 2023), we confirmed that meetings were going ahead. The signed contract states that monthly performance review meetings should be taking place. We confirmed that minutes are taken for each meeting and the contract manager at the Authority is in attendance, alongside the contract managers from two other authorities; as well as representatives from the contractor. In May and June, meetings took place fortnightly as the contract was still in the implementation.

The Contract Management Framework states that contract managers should maintain an 'Action log of on-going issues'. The Framework also states that all contracts, no matter what priority level, should maintain an action log to accurately record issues and follow-up to resolution. We selected three contracts to test whether actions arising from the meetings with contractors are shown to be recorded, followed-up, and resolved. We noted the following:

- Two of the three contracts (Thames Valley Pumping Appliance and MDT Software) did not contain a log of actions arising with meetings from contractors (**Finding 5**).

We were advised by the Procurement Manager that the Authority uses the Integra finance system and that all budget managers/contract managers monitor expenditure monthly via budget management forecasting. Budget holders forecast expected expenditure within the system against their budget codes, which includes contract expenditure allocated within their budget lines. We selected three contracts to test whether contract expenditure is regularly monitored by contract managers. We noted that in all three cases, contract expenditure documentation was readily available and exported from Integra. This included contract capital expenditure for the Thames Valley Pumping Appliance and Respiratory PPE contracts from April 2023 to October 2023.

We were further advised by the Procurement Manager that Integra is updated with the expenditure information via monthly forecasts completed by the budget/contract manager within the system. This is a monthly process automated by the system and managed by the budget manager/contract manager and the finance team. Integra provides built in controls that prevent any overspend of the allocated budget. We confirmed through discussions with the Procurement Manager and analysis of contract expenditure, that no overspending had occurred for the three contracts we selected.

Critical Supplier Management

BMKFA has a Contract Management Framework 2022 to 2026, which sets out the contract management process, which includes the critical supply. Per the document, the Authority prioritises its contract management activities based on:

- Risk to the organisation;
- Contract value;
- Criticality of supply; and
- Strategic significance.

BMKFA's model is designed so that contracts of a higher value and/or present the most risk to the business if not delivered, receive the upmost deliberation. Per the document, the model used a simpler presentation so that it is easier for contract managers to use. The model is based on the identification of the associated risk and impact associated with contract failure. Each contract is allocated to one of the four quadrants (platinum, gold, silver, bronze) based on the best fit to each of the four colour options. A minimum set of actions and reviews are allocated to each quadrant enabling the right level of resources to be allocated to the management of each contract. We obtained evidence that BMKFA maintains a Critical Suppliers list. Per the Contract Management Framework, contracts with a value of over £1m will always be classified as Gold or Platinum contracts. We confirmed that the three contracts above £1M were classified as a Platinum critical supplier. The following illustrates the quadrants that are used to categorise the contracts according to the risk:

- Platinum
 - Essential to delivery of the service;

- Strategic nature goods/services;
- Specialist with only a few suppliers; and
- Contracts with a value of over £1M.
- Gold
 - Commodities / Services important to delivery of projects that if not delivered could hold up the delivery of a project;
 - Suppliers may not have an agile supply option; and
 - Contracts with a value of over £1M.
- Silver
 - Specialist non-essential services/supplies; and
 - Delay to lead times manageable.
- Bronze
 - Items that are readily available from wide range of suppliers;
 - Easy to source / Call-off contract; and
 - Non-essential commodity items.

From discussions with the Procurement Manager, the risks associated with each critical supplier is assessed at the point of awarding the contract. A review of the Invitation to tender document confirmed that the BMKFA put in control measures to assess the risk. From the document, Section three sets out the financial accounts evaluation criteria with the acceptable financial ratios, (The potential service provider must score the minimum pass mark for each test in the set out table and meet the criteria to pass Procurement Dun and Bradstreet assessment; a leading and objective business risk indicator which assesses whether a business is likely to be a going concern over the next 12 months. Where a company fails any of the sub criteria or the Procurement Dun and Bradstreet assessment the Council will carry out further analysis and may request further information to assure itself that the additional risk this poses is acceptable). Section four the Council will carry out assessment using ratings models available via Procurement Dun and Bradstreet reports:

- D&B Risk Indicator
- D&B Financial Strength Indicator.

The Contract Management Framework sets out the required checks that the authority expects all its suppliers to be able to meet before they are approved. The criteria are set out in the Invitation to Tender. BMKFA also has ongoing checks to ensure the suppliers continue to remain compliant with the tendering requirement. Some are performed annually and quarterly. Also, this is also dependent on their priority classification (Platinum, Gold, Silver, or Bronze). From discussions with the Procurement Manager, BMKFA subscribes to Experian, which they use for the financial assessment of the critical suppliers. The Procurement Team is responsible for Suppliers due diligence. They carry out the checks annual via the Annual Health Check report. A review of the Annual Health Check report confirmed that BMKFA conducted Pre-contract checks for all three suppliers, including:

- Financial Checks which are performed via Experian;
- Data Protection; evidence on the Annual Health Check Spreadsheet;
- Equality, Diversity, & Inclusion; evidence on the Annual Health Check Spreadsheet;

- Insurance; evidence on the Annual Health Check Spreadsheet; and
- Relevant and adequate experience and evidence on the Annual Health Check Spreadsheet.

From discussions with the Procurement Manager, the Contract Managers are responsible for managing certain aspect of the contracts performance, while the Procurement are responsible for the other aspect of the contract performance. The performance metrics are set out in the framework document and are monitored based on their risk classification (platinum, gold, silver, and bronze). We reviewed the three samples to verify that the performance metrics are applied consistently for each sampled critical supplier, and their performance is tracked over time. The following was found:

- Business Continuity Plans: All three samples were evidenced to have a BCP in place;
- Annual contract and price review: two samples (Bryt Energy and Revolution Air Services Ltd) do not perform Annual contract and price review;
- Risk Logs/Assessments: the three samples do not have a contract risk register and on the Corporate risk register, the suppliers/contract do not appear in the register; and
- Quarterly contract reviews KPIs: the three samples do not conduct quarterly contract reviews (**Finding 1**).

Table 2: Detailed Audit Findings and Management Action Plan

Finding 1: Performance Metrics of Critical Suppliers	Risk Rating	Agreed Management Actions
<p>Performance metrics are set out in the Contract Management Framework document and are monitored based on their risk classification (platinum, gold, silver, and bronze). Per the framework, the Contract Managers are responsible for managing the following aspect of the contracts performance:</p> <ul style="list-style-type: none"> • Business continuity plans; • Annual contract and price review; • Risk logs/assessments; and • Quarterly contract reviews of KPIs. <p>We reviewed three random samples to verify that the performance metrics are applied consistently for each sampled critical supplier, and their performance is tracked over time. The following was found:</p> <ul style="list-style-type: none"> • Two of the samples (Bryt Energy and Revolution Air Services Ltd) do not perform Annual contract and price reviews; • The three samples do not have a contract risk register and on the Corporate risk register, the suppliers/contract are not listed; and • Quarterly contract reviews were confirmed not to taking place. <p>There is a risk that the BMKFA does not track the performance of its critical suppliers, resulting in non-performing suppliers not being identified and underperformance is not corrected.</p> <p>The Authority should implement a routine reporting schedule, either monthly or quarterly, to provide timely updates on contract performance. The Authority should further schedule and conduct contract monitoring meetings as per stipulated frequency, ensuring consistent engagement to facilitates proactive issues resolution and effective contract monitoring.</p>	<p>H</p>	<p>Action:</p> <p>A “Contract Management Central Log” will be set up to record that contract management is being completed by contract managers, in accordance with the Contract Management Framework.</p> <p>This will include:</p> <ul style="list-style-type: none"> • Contract Management Category • Contract reviews • Meetings & Action Log • KPI’s, if applicable • Contract budget cost centre monitoring • Contract term, extensions & exit <p>This will be monitored quarterly and reported to senior Heads of Service/Department.</p> <p>Officer responsible: Procurement Manager</p> <p>Date to be implemented by: September 2024</p>

Finding 2: Contract Management Framework	Risk Rating	Agreed Management Actions
<p>The Authority has a Contract Management Framework in place, covering the period August 2022 to August 2026 which was approved by both the BTB and SMB in July 2023 and August 2023 respectively.</p> <p>However, it was noted that through review of the Contract Monitoring Framework, it does not contain any guidance related to contract management meetings with suppliers, how to monitor and report on contract expenditure, and guidance for establishing and monitoring KPIs.</p> <p>Where key policies and procedural guidance do not fully cover a process or reflect current practice, there is a risk that staff may manage contracts incorrectly or inefficiently.</p> <p>The Authority should ensure that procedural guidance covers best practices for contract management meetings, how to monitor and report on contract expenditure, and establishing and monitoring.</p>	M	<p>Action:</p> <p>“Procurement to Contract Manager Handover” guidance document to be provided to Contract Managers.</p> <p>This guidance document will support the requirements set out in the Contract Management Framework.</p> <p>This will contain a link to the further guidance already available to all Contract Managers through the e-learning platform Contract Management training package.</p> <p>Officer responsible: Procurement Manager</p> <p>Date to be implemented by: June 2024</p>
Finding 3: Contract Management Meetings	Risk Rating	Agreed Management Actions
<p>We selected a sample of three platinum level contracts from the Authority's Contracts Register, out of a population of 83 to test whether periodic contract management meetings are taking place, to an appropriate or required frequency, appropriately documented, and are attended by the appropriate staff. We noted the following:</p> <ul style="list-style-type: none"> Thames Valley Pumping Appliance Contract: The contract manager for this contract advised that periodic contract management meetings have not been taking place with the contractor. The signed contract does not outline the frequency of contract management meetings but does state that they should be taking place regularly. The Contract Manager did advise that regular contact is made with the supplier through phone calls and emails, but formal meetings with minutes and action trackers do not take place. For this contract, there are build schedules to meet and the contract manager will attend on site to inspect the progress of orders. We reviewed an invoice 	M	<p>Action:</p> <p>This will be addressed through the introduction of the “Procurement to Contract Manager Handover” guidance document (refer to Finding 2).</p> <p>Officer responsible: Procurement Manager</p> <p>Date to be implemented by: June 2024</p>

<p>to confirm that they had booked a trip to Scotland to visit the contractor in person as the contractor is based in Scotland. The trip was scheduled for December 2023.</p> <ul style="list-style-type: none"> MDT Software Contract: The contract manager advised that they meet with the contractor fortnightly due to the imperative nature of the contract. This is a multi-authority contract, so they meet with the contractor alongside representatives from Oxfordshire and Royal Berkshire Fire Rescue Services. However, we were advised that meetings are not minuted so no evidence could be provided to confirm meetings were going ahead as scheduled. The signed contract does not define how frequently contract monitoring meetings should be taking place. <p>Where contract managers are not meeting with the contractor periodically, there is a risk that poor performance or issues with the services provided are not identified and addressed in a timely manner. If meetings are not minuted, there is a risk that key decisions or actions cannot be referred back to due to a lack of an audit trail.</p> <p>The Authority should ensure that contract managers are reminded of the importance of periodic contract management meetings with the contractors they manage. Contract management meetings should be minuted and retained for future reference.</p> <p>Meetings should be held at the frequency defined in each individual contract; where this is not applicable, a standard frequency should be established for guidance and included within the Contract Management Framework. Frequency of meetings should be determined by contract priority.</p>		
<p>Finding 4: Contract KPIs and Performance Reporting</p>	<p>Risk Rating</p>	<p>Agreed Management Actions</p>
<p>Through discussions with the Procurement Manager, we were informed that there is no general trend analysis for the Authority's contractual KPIs and performance is not reported upwards to senior management and there is no formal requirement for reporting.</p> <p>The Procurement Manager advised that the Authority has a Performance Management Board that meets monthly, and where there are significant contract issues that cannot be addressed through day-to-day operations, these will be escalated to the board for direction and action. We selected a sample of three platinum level contracts from the Authority's Contracts Register, out of a population of 83 to test whether KPIs have been established and that they are actively analysed and discussed with contractors. We noted the following:</p>	<p>M</p>	<p>Action:</p> <p>This will be addressed by the introduction of:</p> <p>The “Procurement to Contract Manager Handover” guidance document (refer to Finding 2).</p> <p>This will be monitored and reported on by the introduction of the “Contract Management Central Log” (refer to Finding 1).</p>

<ul style="list-style-type: none"> • There were no KPIs established for the MDT Software Engineering and Thames Valley Pumping Appliance contracts. The former is over 20 years old, and they do not have a lot of choice and have to be consistent with two other authorities. The latter, they are wary of implementing KPIs and penalties due to the niche nature of the services they provide; they want to maintain a good relationship with the supplier and some of the items have a 10 year warranty which provides some assurance. However, KPIs are not just a stick to punish poor performance. • KPIs have been agreed for the Respiratory but are not officially reported on yet as the contract has been in the implementation phase for 12 months. We reviewed the draft KPIs to confirm they were in place, and they are set to come into force from January 2024. A total of seven KPIs have been established with corresponding targets, and these include measures such as: compliance with the Authority's H&S procedures and all goods should meet the agreed quality standards. <p>Where KPIs have not been established and are not reported on to senior management, there is a risk that poor performance remains unidentified and measures to improve performance are not put in place.</p> <p>The Authority should ensure that, where applicable, KPIs and corresponding performance targets are established for all contracts. Contract Managers should discuss KPI performance with their respective contractor periodically, and KPI performance across all contractors should be recorded centrally and reported to senior management.</p>		<p>Officer responsible: Procurement Manager</p> <p>Date to be implemented by: September 2024</p>
<p>Finding 5: Contract Management Action Trackers</p>	<p>Risk Rating</p>	<p>Agreed Management Actions</p>
<p>The Contract Management Framework states that contract managers should maintain an 'Action log of on-going issues'. The Framework also states that all contracts, no matter what priority level, should maintain an action log to accurately record issues and follow-up to resolution.</p> <p>We selected a sample of three platinum level contracts from the Authority's Contracts Register, out of a population of 83 total contracts to test whether actions arising from the meetings with contractors are shown to be recorded, followed-up, and resolved. We noted the following:</p> <ul style="list-style-type: none"> • MDT Software and Thames Valley Pumping Appliance: We were advised by both contract managers that meeting minutes are not taken and that action logs that include issues that should have been raised during periodic contract management meetings are not drafted. 	<p>M</p>	<p>Action:</p> <p>This will be monitored through the creation of the “Contract Management Central Log” (refer to Finding 1).</p> <p>Officer responsible: Procurement Manager</p> <p>Date to be implemented by: September 2024</p>

<p>Where action logs are not maintained and updated between contract management meetings, there is a risk that agreed actions are not followed up on and completed.</p> <p>The authority should ensure that key decisions and actions for completion that are raised during contract management meetings are tracked in action logs and marked as complete or updated with new deadlines.</p>		
<p>Finding 6: Contracts Register</p>	<p>Risk Rating</p>	<p>Agreed Management Actions</p>
<p>The Authority maintains a contracts register internally which lists each contract, the contract manager, start and end dates, contract supplier, and the contract management category (Platinum, Gold, Silver, and Bronze).</p> <p>The Procurement Manager advised that the Contracts Register was reviewed on a quarterly basis, however, this could not be formally evidenced as taking place. We were also advised that the review may not involve changing the name of the contract manager as contract management is awarded based on someone's role, rather than the individual. It was noted through review of the Register that the role of the contract manager is not actually listed, so if staff had query regarding a contract, the contract manager may not be easily identifiable if the previous manager has left the authority or changed roles.</p> <p>Where a contracts register is not periodically updated and reviewed for accuracy, there is a risk that staff are unable to reach the contract manager and queries or issues remain unresolved.</p> <p>The Authority should ensure that the contracts register is subject to periodic review and signed off as evidence of completion. The review should include a check to confirm that all contracts are current and have not expired, and that the contract manager information is up to date and correct.</p>	<p>L</p>	<p>Action:</p> <p>The Contract Register is a 'Live' document, reviewed and updated as part of the business-as-usual activities of the procurement team.</p> <p>An internal Contract Register with the Contract Managers' job titles will be refreshed monthly and published to the staff Intranet.</p> <p>Officer responsible: Procurement Manager</p> <p>Date to be implemented by: April 2024</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
Substantial	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>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>
Reasonable	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>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>
Limited	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>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>
No Assurance	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>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:
Ronda Smith	Procurement Manager

The Exit Meeting was attended by:

Name:	Title:
Ronda Smith	Procurement Manager

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

Appendix 3: Distribution List

Draft Report

Name:	Title:
Mark Hemming	Director of Finance and Assets
Ronda Smith	Procurement Manager

Final Report as above plus:

Name:	Title:
Louise Harrison	Chief Fire Officer
Ernst and Young	External Audit

Audit Control:

Deliverable	Date
Closing Meeting	09/01/2024
Draft Report	07/02/2024
Management Responses	09/02/2024
Final Report	13/02/2024

Disclaimer

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

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

Contact Persons

Maggie Gibb, Head of Business Assurance

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Buckinghamshire & Milton Keynes Fire Authority

Meeting and date: Overview and Audit Committee, 13 March 2024

Report title: Internal Audit Report – Internal Audit Strategy and Annual Internal Audit Plan 2024/25

Lead Member: Councillor David Carroll

Report sponsor: Mark Hemming – Director of Finance and Assets

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

Action: Decision.

Recommendations: That Members note the Internal Audit Strategy and approve the Annual Internal Audit Plan.

Executive summary:

This paper sets out the Internal Audit Strategy and the proposed Internal Audit Plan for 2024/25 (attached at Appendix A) for the approval of the Committee.

There are no material changes from the strategy of previous years, however, there remains some flexibility through a small provision of contingency days to enable the Director of Finance and Assets to work with Internal Audit to direct the work to the most appropriate areas. 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 2024/25 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	Internal Audit Strategy and Annual Internal Audit Plan 2024/25	Not applicable

Buckinghamshire & Milton Keynes Fire Authority



Internal Audit Strategy and Annual Plan 2024/25

Overview and Audit Committee

13 March 2024

Contents

- 1. Introduction3
- 2. Internal Audit Strategy3
- 3. The Internal Audit Plan6
- 4. Responsible Officers7
- Appendix A – Internal Audit Plan 2024/259
- Appendix B – Audit Universe (Previous Audit Activity and Assurance Level)10
- Appendix C – 2024/25 Internal Audit Key Performance Indicators11

1. Introduction

- 1.1 Buckinghamshire Council's (BC) Business Assurance Team is responsible for implementation of the Buckinghamshire and Milton Keynes Fire Authority's (BMKFA) Internal Audit Strategy through delivery of work programmes in accordance with the agreed Service Level Agreement. This paper details the Internal Audit Strategy for 2024/25 and the proposed Internal Audit Plan for the year. The Plan will be subject to regular review and presented to the Overview and Audit Committee on a quarterly basis, together with a progress report, for approval.
- 1.2 The responsibility, status and authority of Internal Audit at the Fire Authority is outlined within the Constitution and Financial Regulations.

2. Internal Audit Strategy

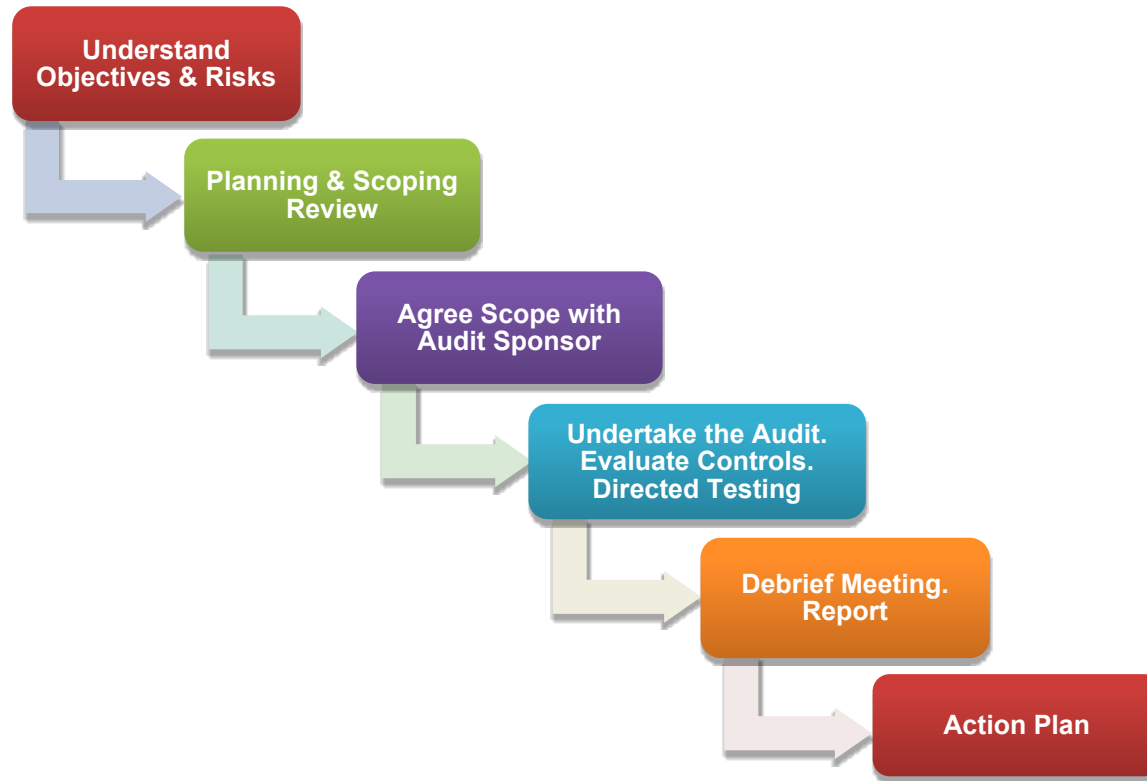
- 2.1 The Accounts and Audit Regulations 2015 require the Fire Authority to maintain an adequate and effective Internal Audit Service in accordance with proper internal audit practices. The Fire Authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance. Proper internal audit practices are defined in the Public Sector Internal Audit Standards 2017.
- 2.2 The Public Sector Internal Audit Standards (PSIAS) defines Internal Audit as "an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes". The PSIAS set out the mandatory guidance that constitutes the principles of the fundamental requirements for the professional practice of internal auditing within the public sector, and the Buckinghamshire

Council Internal Audit Service operates in accordance with these standards. The standards also require that the Chief Internal Auditor (CIA) provides an opinion in an annual report on the System of Internal Control, which is used to inform the Fire Authority's Annual Governance Statement. In providing this opinion the (CIA) is required to review annually the financial management, risk management and governance processes operating within the Authority. This includes reviewing internal control systems for key processes on a risk basis.

- 2.3 The Internal Audit Service is provided as part of a service level agreement with Buckinghamshire Council. The Council's Internal Audit Service is delivered in partnership with the APEX Audit Framework, hosted by the London Borough of Croydon. This partnership arrangement includes an element of a “call-off contract” should it be necessary to outsource specific technical audits such as ICT or complex contracts.
- 2.4 A key part of the strategy is ensuring the right skills mix and resources exist to deliver an effective service. For the 2024/25 Internal Audit Plan, we aim to provide continuity in the resources we allocate for the audit assignments; the Audit Manager will oversee the programme of work, ensuring work is delivered on time and to the correct quality, and will present the quarterly plans and progress reports to the Overview and Audit Committee; suitably qualified and experienced auditors will be allocated to undertake the audit assignments.
- 2.5 The Annual Internal Audit Plan is drafted for the approval of the Overview and Audit Committee, in consultation with the Senior Management Board, with consideration of the Fire Authority's Corporate Plan, Strategic Risks and previous audit activity. There will remain a significant emphasis for internal audit activity in reviewing financial systems and compliance with the governance framework; however, the Plan also reflects other strategic priorities that will be progressed during 2024/25. **Appendix B** is the Fire Authority's Audit Universe, which is a list audits performed in previous years and the awarded assurance opinions.

2.6 The plan and allocation of audit days will be regularly reviewed by the Audit Manager and the Director of Finance and Assets to ensure the focus of the audit activity is directed to the key risk areas where independent assurance is required.

Our Approach to an Internal Audit Assignment



2.7 In order to underpin the Annual Audit Opinion, a risk-based methodology will be applied to all audit assignments, providing assurance that key controls are well designed and operating effectively to mitigate principal risk exposures. Terms of reference

will be prepared for each audit assignment, in consultation with the relevant Manager, to ensure that key risks within the audited area are identified.

2.8 The quality of work is assured through the close supervision of staff and the subsequent review of reports, audit files and working papers by the Audit Manager. Exit meetings are held with the relevant officers to ensure factual accuracy of findings and subsequent reporting, and to agree appropriate action where additional risk mitigation is required.

3. The Internal Audit Plan

3.1 The Internal Audit Plan for 2024/25 is outlined within Appendix A.

3.2 Each audit assignment will result in a specific audit report although the audit methodology will vary depending on the requirements of the scope of work. The audit techniques to be used will be selected from the following, depending on which is considered to be the most effective for delivering the audit objectives:

- **Risk Based Audit (Risk):** In which risks and controls associated with the achievement of defined business objectives are identified and both the design and operation of the controls in place to mitigate key risks are assessed and tested, to ascertain the residual risk to the achievement of managements' objectives. Any audit work intended to provide an audit opinion will be undertaken using this approach.
- **Systems Based Audit (Systems):** A full audit in which every aspect and stage of the audited subject is fully considered. It includes review of both the design and operation of controls. Undertaken from a systems perspective with a 'cradle to grave approach'.
- **Key Controls Testing (Key):** Clearly focused on a small number of material or key controls.
- **Systems Development Audit (SDA):** Ongoing review of developing plans and designs for new systems and processes aimed at identifying potential weaknesses in control if the plans and designs go ahead as they are.

- **Verification Audit (Verification):** Where there is pre-existing confidence that controls are well designed, but compliance is a material issue, audits which test only for compliance with controls can be appropriate. Audit undertaken to verify key outcomes. This work normally takes the form of checking data and management actions to confirm accuracy and appropriateness and does not consider controls or risks in the wider sense.
- **Advisory / consultancy Assurance Reviews:** The PSIAS defines consulting services as follows:
“Advisory and client related service activities, the nature and scope of which are agreed with the client, are intended to add value and improve an organisation’s governance, risk management and control processes without the internal auditor assuming management responsibility. Examples include counsel, advice, facilitation and training”.
- **Follow-Up:** Work undertaken to assess the extent to which management action plans have been implemented. This may be following up our own recommendations from previous years or through follow-up of other assurance provider outcomes (e.g. External Audit).

3.3 In accordance with the Audit Strategy, we will audit the processes in place for governance, financial management and risk management on an annual basis. We will continue to work with the External Auditors to ensure the scope of our work is sufficient that they can seek to place reliance on it for their audit of the Statement of Accounts and value for money opinion.

3.4 Implementation of the Internal Audit Plan will be monitored by use of Key Performance Indicators as outlined in **Appendix C**. These will be discussed at service level agreement meetings with the Director of Finance and Assets.

4. Responsible Officers

Audit Service

Maggie Gibb (Chief Auditor)

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Fire Authority

Mark Hemming (Director of Finance & Assets)

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Appendix A – Internal Audit Plan 2024/25

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 2023/24 review will be followed-up to ensure that actions have been fully implemented.</p>	30 days	High
Development of the Corporate Plan Assurance	To provide assurance on the Corporate Plan that is being developed so as to ensure that lessons have been learnt from previous plans, feedback from key stakeholders is considered and that an effective framework is in place to enable effective monitoring of the key objectives identified in the respective plans and strategies.	15 days	High
Workforce Planning	To determine the extent to which the Authority has assessed its current and future workforce and skills gap; and evaluate the strategies that have been developed in order to address the identified risks.	10 days	High
Energy Management	To ensure that the Authority has an effective Environmental Strategy which drives effective monitoring of energy consumption, with a clear focus and drive to reduce the Authority's carbon footprint.	10 days	High
Project Management Framework	To ensure that the Authority have robust project management and governance arrangements in place that are operating effectively.	10 days	High
Contingency	A contingency has been included within the audit plan to provide flexibility and in recognition of an expected but as yet unspecified need that may arise during the year.	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	

Below is a list of auditable areas identified during the development of the plan and will be noted as contingency audits or will be considered for the next year.

Auditable Area	Days Budget (Timing)
Improvement Plan Assurance: Does the Authority have effective arrangements and adequate oversight on progress being made to implement the actions identified within the improvement plans. An effective framework is in place to ensure that poor progress is escalated in a timely manner and adequate governance arrangements are in place to enable effective and timely decision making to support the delivery of the improvement plans.	10

Appendix B – Audit Universe (Previous Audit Activity and Assurance Level)

Audit	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Core Financial Controls	✓ (Reasonable)	✓ (Substantial)	✓ (Substantial)	✓ (Substantial)	✓ (Substantial)	✓ (Substantial)	✓ (Substantial)	✓ (Substantial)	✓ (Substantial)	✓ (Substantial)	✓ (Substantial)	✓ (Substantial)
Asset Management System (Project)	✓ (Reasonable)											
HR Workforce Planning, Training and Appraisal / Performance Management	✓ (Reasonable)											
Property Management	✓ (Reasonable)					✓ (Substantial)						
Treasury Management		✓ (Substantial)	✓ (Incl. in Core Financial Controls)	✓ (Incl. in Core Financial Controls)	✓ (Incl. in Core Financial Controls)	✓ (Incl. in Core Financial Controls)					✓ (Incl. in Core Financial Controls)	✓ (Incl. in Core Financial Controls)
Fleet Management		✓ (Reasonable)				✓ (Substantial)						
ICT Strategy		✓ (Reasonable)		✓ (Reasonable)								
Asset Management System		✓ (Limited)		✓ (Reasonable)					✓ (Partial)			
Corporate Governance			✓ (Reasonable)			✓ (Substantial)						
Risk Management			✓ (Substantial)								✓ (Substantial)	
Housing Accommodation and Allowances			✓ (Reasonable)									
HR People Management			✓ (Substantial)							✓ (Reasonable)		
Pensions Administration				✓ (Reasonable)							✓ (Substantial)	
Control Centre				✓ (Reasonable)								
Financial Planning					✓ (Substantial)							
Business Continuity					✓ (Reasonable)						✓ (Reasonable)	
Project Management					✓ (Reasonable)							
Information Security							✓ (Reasonable)					
Project Management BLH							✓ (Reasonable)					
Stores							✓ (Limited)					
Cyber Security								✓ (Reasonable)				
Performance Management								✓ (Reasonable)				
Budget Monitoring and Forecasting								✓ (Substantial)				
GDPR									✓ (Partial)			
Resource Management System (IT Application Audit)									✓ (Partial)			
Procurement Governance and Compliance										✓ (Reasonable)		
Portfolio Management Office Assurance										✓ (Reasonable)		
Asset Management Process Mapping										N/A		
Blue Light Hub – Post Project Evaluation										✓ (Limited)		

HR/ Payroll Process Mapping												N/A
Partnership Working												✓ (Reasonable)
Medium Term Financial Plan Assurance												N/A
Contract and Critical Supplier Management												✓ (Reasonable)
Corporate Improvement Plan Assurance												N/A

* Please note that the assurance opinions were changed in 2020/21 where we introduced 'Partial' as a new conclusion on the system of internal control. However, effective 2022/23 these were revised to be in line with the CIPFA recommended opinions.

Appendix C – 2024/25 Internal Audit Key Performance Indicators

	Performance Measure	Target	Method
1	Elapsed time between start of the audit (opening meeting) and Exit Meeting.	Target date agreed for each assignment by the Audit manager, stated on Terms of Reference, but should be no more than 3 X the total audit assignment days (excepting annual leave etc.)	Internal Audit Performance Monitoring System
2	Elapsed Time for completion of audit work (exit meeting) to issue of draft report.	15 Days	Internal Audit Performance Monitoring System
3	Elapsed Time between issue of Draft report and issue of Final Report	15 Days	Internal Audit Performance Monitoring System
4	% of Internal Audit Planned Activity delivered by 30 April 2025	100% of Plan by End of April 2025	Internal Audit Performance Monitoring System
5	% of High and Medium priority recommendations followed up after implementation date	All High and Medium recommendations followed up within three months of the date of expected implementation	Internal Audit Performance Monitoring System
6	Customer satisfaction questionnaire (Audit Assignments)	Overall customer satisfaction 95%	Questionnaire
7	Extent of reliance External Audit can place on Internal Audit	Reliance placed on IA work	External Audit Annual Report

We will also continue to monitor performance standards outlined in the service level agreement. This includes ensuring requests for assistance with suspected cases of fraud (% of responses made within 24 working hours) as appropriate and also monitors relationship management issues in the areas of:

- Timeliness
- Willingness to cooperate/helpfulness
- Responsiveness
- Methodical approach to dealing with requests
- Quality of work/service provided



Buckinghamshire & Milton Keynes Fire Authority

Meeting and date: Overview and Audit Committee, 13 March 2024

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 8 November 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 meeting, no changes to the risk scores or RAG status' for the current corporate risks have been made, nor any new risks added. However, the Corporate Risk Register has been updated to reflect:-

- In relation to the Workforce Availability / Stability risk:
 - ongoing progress with recruitment of Wholetime and On-Call firefighters and measures being taken to attract candidates from under-represented groups;
 - the Government's laying before Parliament of [regulations](#) as to how Minimum Service Levels (MSLs) will be applied to Fire and Rescue Services (FRS) in England. These cover emergency response, control room, national resilience functions, and urgent Protection and Prevention interventions. The regulations state that during strikes, FRSs will be expected to crew 73% of usually available fire engines and other vehicles.
- The impact of the Government's Local Government Finance Settlement 2024 to 2025 on the financial stability risk. The most significant announcement for the Service, was that the core referendum principle for all fire and rescue authorities would be held at 3%, which is lower than the £5 flexibility available to the Service in the previous two years. The risk is to remain at amber RAG status due to the ongoing volatility of business rates funding (forecast to be c. £500k per annum lower than originally expected), as well as uncertainty of the future of significant amounts of grant funding such as the USAR grant, pensions grant and the minimum funding guarantee.
- Regarding the climate change related risk, the activation of TVLRF Emergency Response Arrangements in January 2024 due to fluvial and groundwater flooding across parts of the Thames Valley. BFRS assets were deployed into Berkshire to assist with evacuations.
- Continuing progress in relation to the Values and Culture Risk, including:
 - Review / updating of the Service's Vision and Values;
 - Evaluation of the findings of the recent [independent review](#) of the culture at South Wales Fire and Rescue Service (SWFRS) to determine whether there are any implications for BFRS. SWFRS has subsequently been subject to an intervention by the Welsh Government resulting in the appointment of four independent commissioners to take over the role and powers of the fire authority: <https://www.bbc.co.uk/news/uk-wales-politics-68217579>
 - Preparation of the next staff / culture survey which is planned to launch on 8 April 2024.

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 provisionally scheduled for 17 July 2024 (subject to confirmation at the 12 June 2024 Fire Authority annual meeting), preceded by review at the 18 June 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:

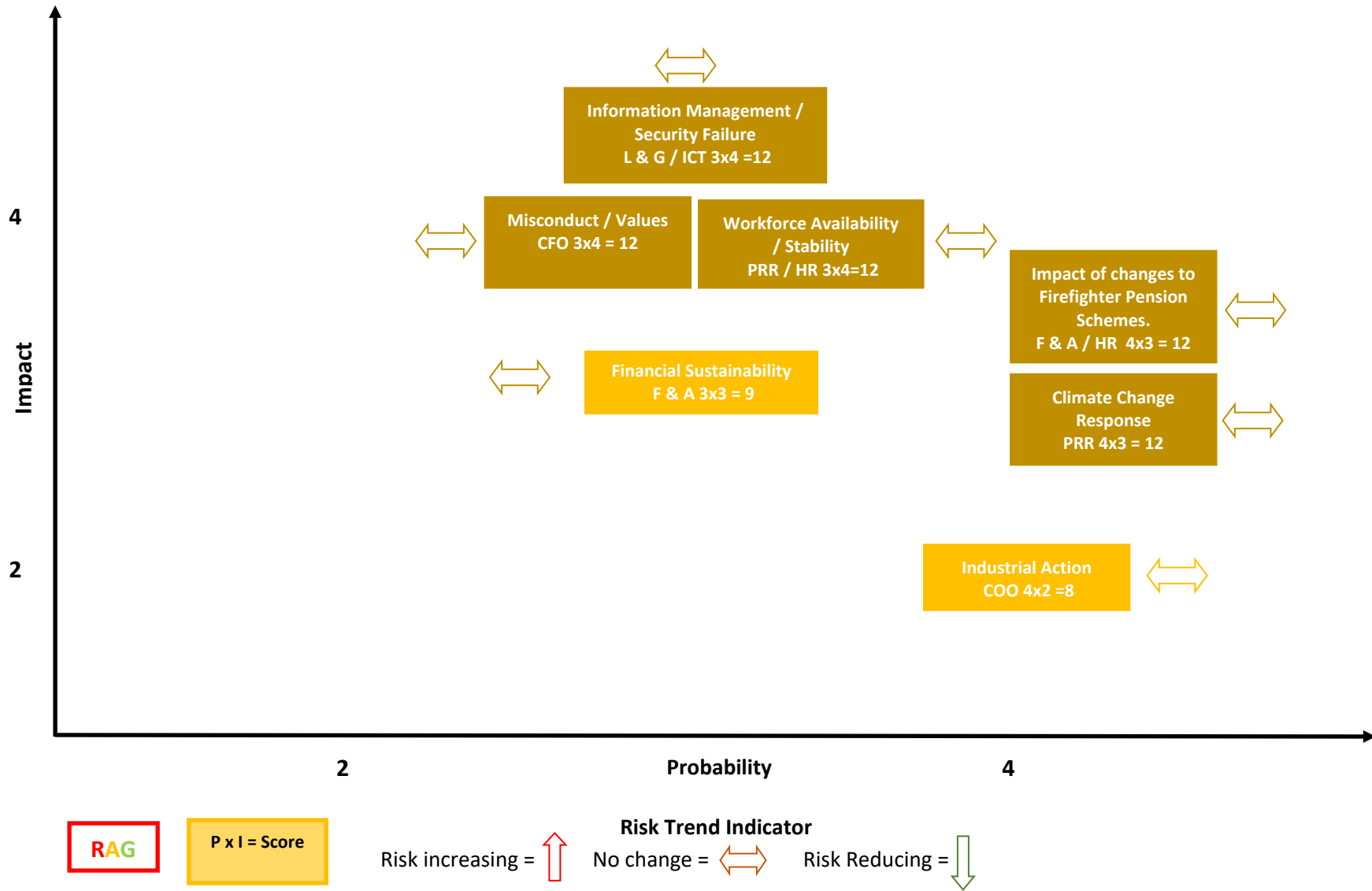
<https://bucksfire.gov.uk/documents/2021/03/ec-240321-item-5.pdf/>

Fire Authority Members were last updated on the status of the Authority's Corporate Risks at the 8 November 2023 Overview and Audit Committee meeting:

<https://bucksfire.gov.uk/documents/2023/10/overview-and-audit-committee-8-november-2023-item-14-corporate-risk-management.pdf/>

Appendix	Title	Protective Marking
1	Distribution of Corporate Risks as at 20 February 2024.	None
2	12 Month View of Changes to Corporate Risks	None
3	Corporate Risk Register Report	None

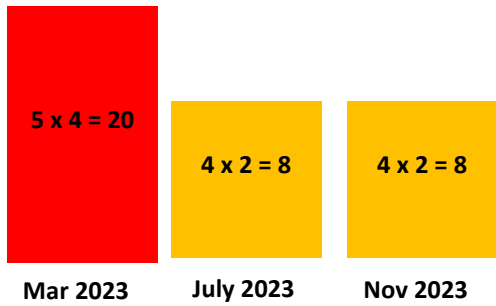
Appendix 1: Corporate Risk Map – As at 20 February 2024 SMB



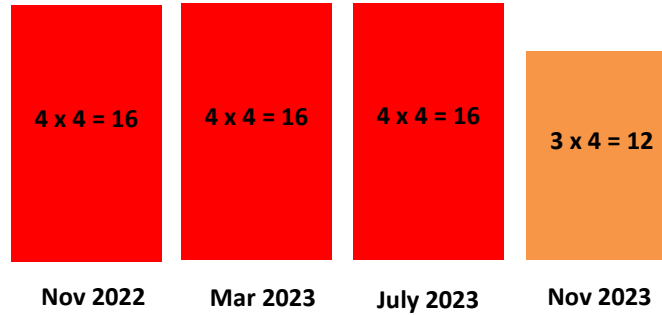
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Appendix 2 – Risk Register Changes (12 Month View)

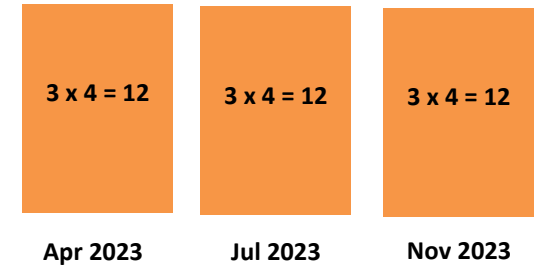
Industrial Action



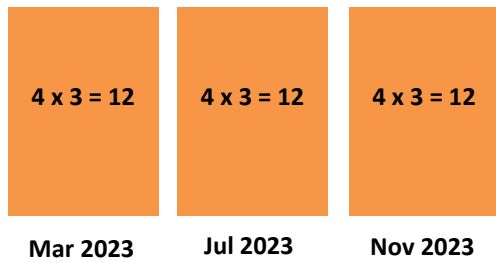
Workforce Availability / Stability



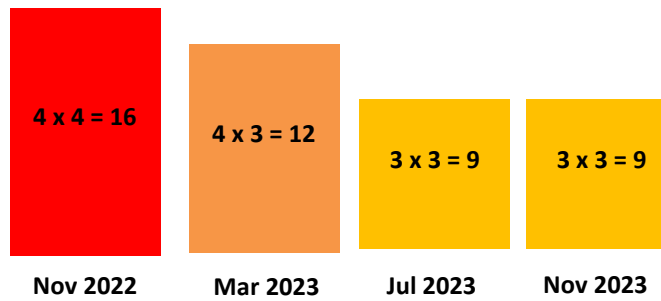
Misconduct / Values



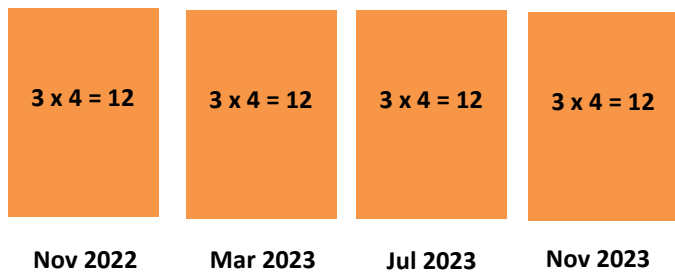
Climate Change Response



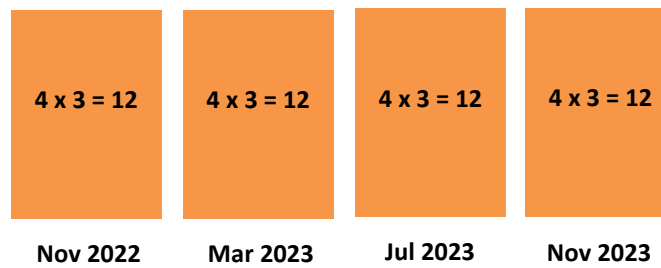
Financial Sustainability



Information Management / Security Failure



Impact of Changes to Firefighter Pension Schemes



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Appendix 3 - Corporate Risk Register – as at 20 February 2024

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	Potential detrimental effects on service delivery to the community and the Service's reputation.	(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 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. 	A	<p>17 October 2023 SMB: Operational establishment now at 314 against target of 300. Workforce planning group – workshops on recruitment, diversity, comms, succession plan / talent management, retention. Wholetime Apprentice advert open, closes 5 November. In light of the progress made in relation to the Wholetime 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> <p>14 November 2023 SMB: Wholetime advert (cohort 12) closed 5 November with 176 applicants. The HR Operations team are working through the shortlisting and next stages of recruitment. This cohort are due to start in May 2024.</p> <p>16 January 2024 SMB: Decision made to delay cohort 12 until later in the year (September / October 2024) due to workforce planning showing fewer recruits are needed due to lower numbers of leavers. Current establishment 316. Positive action work being undertaken in January and February.</p> <p>Work on Minimum Service Levels continues to progress, and we await final guidance. Discussions ongoing with Thames Valley partners regarding resilience arrangements.</p>
			(5)	(5)	(25)	(H)			
			(3)	(5)	(15)	(H)			
			(4)	(5)	(20)	(H)			
			(3)	(5)	(15)	(H)			
			(5)	(4)	(20)	(H)			
	Deputy Chief Fire Officer	Failure to discharge statutory duties.	(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 20 February 2024

<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>20 February 2024 SMB:</p> <p>A programme of positive action started from 12 January targeted at under-represented groups using non-assessed Role Related Testing (RRT) in the first instance. This will help identify barriers and inform a programme of physical training activities and consolidation events aimed at minimising the impact of any underlying disadvantages. Further post RRT work is scheduled offering workshops on interview and presentation techniques.</p> <p>The Service is in a position to offer employment to 6 candidates who will commence on 9 September 2024. We will also be able to create a pool of candidates should any of the 6 leave the course unexpectedly.</p> <p>These recruitment activities are continuing to increase our establishment and the Workforce Planning Group ensure that we’re keeping above the global target of 300 (Wholetime firefighters). Alongside the Wholetime recruitment, we have 13 new On Call starters who commenced on 5 February 2024 at different stations across the Service. In addition, there is another On Call intake planned to commence in August 2024.</p> <p>The Government has laid regulations before Parliament on how Minimum Service Levels (MSLs) will be applied to Fire and Rescue Services (FRS) in England. During strike action FRS will be expected to attend all emergencies as they would if a strike was not occurring. The MSLs cover emergency response, control room, national resilience functions, and urgent Protection and Prevention activity. The regulations state that during strikes, FRSs will be expected to crew 73% of fire engines and other vehicles. Further information. The FBU continues to oppose the introduction of these measures.</p>
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Appendix 3 - Corporate Risk Register – as at 20 February 2024

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>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> <p><u>16 January 2024 SMB:</u> The Junior Doctors dispute continues, with the latest strike dates taking place January 2024. There are further rail strikes reported for January 2024. No negative impacts have been reported arising from these disputes.</p> <p><u>20 February 2024 SMB:</u> Rail staff and Junior Doctors continued to take industrial action during February 2024. However, the have not adversely affected delivery of BFRS services. No change to risk score or RAG status recommended at this time.</p>
	Deputy Chief Fire 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 20 February 2024

Risk Description	Resp.	Consequence if Untreated Risk Occurs	Risk Score (Former) / New			Risk Level	Current Treatment	RAG	Comments / Further Treatment Proposed
			P	I	Σ	HML			
Financial Sustainability	Lead Member for Finance and Assets, Information Security & IT Director Finance & Assets	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	(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><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>
			(3)	(4)	(12)	(M)			
			(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 20 February 2024

		<p>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>						<p><u>17 October 2023 SMB:</u> No further developments to report. No change to risk score or RAG status.</p> <p><u>16 January 2024 SMB:</u> The Government published the Provisional Local Government Finance Settlement 2024 to 2025 on 18 December 2023. The most significant announcement for the Service is that the core referendum principle for all fire and rescue authorities would be held at 3%, which is lower than the £5 flexibility available to the Service in the previous two years. Standalone FRAs have the lowest core spending power increase of all classes at 4.6% (in cash terms). The Services Grant decreased by more than forecast (84% compared to 50%) but the Service will now receive the funding guarantee grant, which ensures all services' core spending power increases by at least 3% before any decisions on Council Tax are made. 31 out of 44 FRAs will receive this funding in 2024-25. Final amounts receivable from Council Tax and business rates (NNDR) will not be confirmed until 31 January 2024.</p> <p><u>20 February 2024 SMB:</u> The Authority approved the MTFP for 2024/25 to 2028/29 at its meeting on 14 February 2024. The overall final funding position for 2024/25 was very close to the level that had been forecast throughout the year, although business rates funding for future years is now forecast to be circa £500k lower per year than previously thought. The risk is to remain at amber due to the ongoing volatility of business rates funding, as well as uncertainty of the future of significant amounts of grant funding, namely USAR grant, pensions grant and the minimum funding guarantee.</p>
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Appendix 3 - Corporate Risk Register – as at 20 February 2024

Risk Description	Resp.	Consequences if Untreated Risk Occurs	Risk Score (Former) / New			Risk Level	Current Treatment	RAG	Comments / Further Treatment Proposed
			P	I	Σ				
<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>	<p>Lead Member for Finance and Assets, Information Security & IT</p> <p>Senior Information Risk Owner (SIRO) 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>	(4) 3	(4) 4	(16) 12	(H) M	<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>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 (SEGWARP) 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>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> <p>22 August 2023 SMB:</p> <p>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:</p> <p>On 1 September 2023 the Information Commissioner's Office confirmed that it had</p>

Appendix 3 - Corporate Risk Register – as at 20 February 2024

		<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>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> <p>16 January 2024 SMB: On 19 December the DPDI (No.2) Bill (now renamed as the DPDI Bill) had its second reading in the House of Lords and a motion was passed to send it to Grand Committee. On 20 December, overviews of the expected impact of changes to the DPDI Bill following Committee Stage and Report Stage were added to the Government's list of supporting documentation</p> <p>20 February 2024 SMB: Data retention/minimisation training dates being scheduled by organisational development.</p>
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Appendix 3 - Corporate Risk Register – as at 20 February 2024

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>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 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>20 June 2023 SMB No new developments. No changes to risk score or RAG status</p> <p>22 August 2023 SMB: 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</p>
	Director Finance & Assets								

Appendix 3 - Corporate Risk Register – as at 20 February 2024

									<p>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> <p><u>14 November 2023 SMB:</u> No significant developments to report. Monitoring continues. No change to risk score / RAG status.</p> <p><u>16 January 2024 SMB:</u> No new developments. No changes to risk score or RAG status</p> <p><u>20 February 2024 SMB:</u> Alongside the Local Government Finance Settlement, the Home Office confirmed that the Service would receive £73k in 2024/25 to help mitigate the additional costs of work involved in implementing the McCloud/Sargeant remedy. Part of this funding has been used to secure additional temporary resources to ensure cases can be processed as swiftly as possible.</p>
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Appendix 3 - Corporate Risk Register – as at 20 February 2024

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>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>Assistant Chief Fire 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><u>21 February 2023 SMB</u> 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><u>4 April 23 SMB</u> Supplier for 2 x Wildfire vehicle conversations identified. Lex Autolease have agreed vehicle 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> 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> 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>

Appendix 3 - Corporate Risk Register – as at 20 February 2024

						<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><u>17 October 2023 SMB:</u> 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> <p><u>16 January 2024 SMB:</u> Updated Winter Weather Response Plan approved for release at 4 January Business Transformation Board meeting.</p> <p><u>20 February 2024 SMB:</u> TV LRF Emergency Response Arrangements were stood up in January 2024 in response to fluvial and groundwater flooding across parts of the Thames Valley. BFRS assets were deployed into Berkshire to assist evacuation. These arrangements have since been stood down. Preparations for the wildfire vehicle provision continue, with driver training being the main focus.</p>
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Appendix 3 - Corporate Risk Register – as at 20 February 2024

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			
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	There have been a number of recent high profile cases of unacceptable behaviours by employees of Fire and Rescue Services that have attracted national media attention e.g. South Wales FRS & Dorset and Wiltshire FRS . Alongside these are the findings of recent FRS Culture reviews identifying cases of bullying, harassment and discrimination including: London Fire Brigade and, more widely, in a national report produced by the HMICFRS . The Service's initial response ('Exploring our Culture') to the issues raised by the above was presented to the Fire Authority Executive Committee on 22 March 2023. Steps being taken by Service management to address the recommendations made by the HMICFRS in their national 'Values and culture in fire and rescue services' will be considered at an exceptional meeting of the Fire Authority on 28 April 2023. Further Treatments <ul style="list-style-type: none"> Review and relaunch of confidential whistleblowing line planned supported by a promotional 'speak up' campaign. Gap analysis underway in relation to the Fire Standards Board's 'Leading the Service' and Leading and Developing People standards. Staff survey increased to annual. 22 August 2023 SMB: HMICFRS Values and Culture actions (fire service owned) are updated regularly and submitted to HMICFRS. The NFCC Culture plan has been released: People NFCC CPO (ukfrs.com) Work is

Appendix 3 - Corporate Risk Register – as at 20 February 2024

							<ul style="list-style-type: none"> • Ongoing engagement with the representative bodies issues to identify potential issues / concerns. • Analysis of feedback from staff leaver exit interviews. • Analysis of grievance / complaint procedure findings to identify recurring issues that could indicate systemic origins. 	<p>underway to look at how this feeds into our People Strategy. Budget approved to launch ‘Speak up’ campaign in Q2. Relaunched People Awards took place on Friday 14th July which brought staff from across the Service together to highlight and celebrate their work.</p> <p><u>19 September 2023 SMB:</u> Work continues on delivering the HMICFRS Values and Culture Recommendations. Our Anti-Bullying and Harassment procedure has been updated and includes the different ways people can raise their concerns, supported by the Speak Up Campaign. The Service continues to look at ways our work can be scrutinised externally:</p> <ul style="list-style-type: none"> • Achieved Employers Network for Equality and Inclusion (ENEI) Talent Inclusion and Diversity Evaluation (TIDE) Silver standard for 23/24. • Achieved White Ribbon Accreditation <p><u>17 October 2023 SMB:</u> Work continues on delivering the HMICFRS Values and Culture Recommendations:</p> <ul style="list-style-type: none"> ○ Following change in legislation, DBS checks for all staff underway; ○ Speak up campaign being rolled out; ○ 360 feedback trial complete and being rolled out to the wider leadership team. <p><u>14 November 2023 SMB:</u> Speak up campaign continues to be rolled out across the Service. DBS procedure reviewed following legislation and being consulted upon. DBS checks carried out for the majority of employees. White Ribbon 16 days of action due to commence in November. Values report being drafted.</p>
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Appendix 3 - Corporate Risk Register – as at 20 February 2024

									<p>16 January 2024 SMB: DBS procedure published - DBS checks being undertaken by new provider from 5 January. Majority of employees have a current DBS. Vision and Values Mandate presented to December BTB, PID being worked on the February BTB. Stress Procedure presented to January BTB</p> <p>20 February 2024 SMB: Vision and values worked on by the Senior Management Team (SMT) and at the leadership day. Project Initiation Document due to be presented to March Business Transformation Board.</p> <p>South Wales FRS culture review analysis being undertaken to see if there are any gaps not picked up in our previous reports relating to the findings of the Exploring our Culture paper and HMICFRS Values and Culture report. Outcomes to be presented to 27 February SMT meeting.</p> <p>Attendance at NFCC Fire Standards workshops and working with the NFCC to look at what we have in place for the Leading our People Fire Standard.</p> <p>Review of outstanding actions relating to findings of HMICFRS values and culture report undertaken.</p> <p>Culture Survey being worked on ahead of 8 April 2024 launch.</p>
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Buckinghamshire & Milton Keynes Fire Authority

Meeting and date: Overview and Audit Committee, 13 March 2024

Report title: His Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) – Buckinghamshire Fire and Rescue Service (BFRS) 2023-2025 Update

Lead Member: Councillor Simon Rouse, Chairman

Report sponsor: Chief Fire Officer, Louise Harrison

Author and contact: Anne-Marie Carter, Head of Technology, Transformation and PMO – Acarter@bucksfire.gov.uk

Action: Noting

Recommendations:

That the Overview & Audit Committee note the HMICFRS 2023-2025 Update

Executive summary:

In July 2017, HMICFRS extended its remit to include inspections of England's fire and rescue service. They assess and report on the efficiency, effectiveness and people of the 44 fire and rescue services in England.

HMICFRS published the BFRS Round 3/2023-2025 report on 19 October 2023. The report can be found here: [BFRS 2023-2025 - HMICFRS](#)

This report sets out HMICFRS inspection findings for Buckinghamshire Fire and Rescue Service following the inspection during May and June 2023.

The latest report for the Service identifies three causes of concern, accompanied by 10 recommendations, and 26 areas for improvement. The report was noted at the Extraordinary Fire Authority meeting on 24 October 2023.

As per requirements set out in the report covering letter to the Chairman and Chief Fire Officer on 17 October 2023, a copy of the action plan detailing how the Service will address the recommendations must be submitted to HMICFRS within 28 days of the report. A copy of the action plan was sent to HMICFRS within 28 days of the report publication; on the 15 November 2023.

On 21 November 2023, HMICFRS informed the Service that it will now be entering the supportive Engage process. The Engage process provides additional scrutiny and support from the Inspectorate.

Scrutiny and Support

An internal HMICFRS Improvement Board has been set up and meeting on a regular basis. The Board is chaired by the Chief Fire Officer, attended by the relevant strategic leads and other subject matter experts including the Representative bodies when needed. The terms of reference for the HMICFRS Improvement board can be found in Appendix 1.

The Chief Fire Officer, Deputy Chief Fire Officer and Chairman attended Fire Performance Oversight Group on the 7 February to present the Service's progress against the action plan. It was a supportive session and the group were pleased to see how the Service had responded to the report and the initial progress we had made. The Service will remain in 'Engage' giving the Service time to ensure any changes are sustainable.

Action Plan

The HMICFRS action plan focuses on the 3 Causes of Concern. As at the end of January 2024 the Service has made the following progress against the HMICFRS action plan:

	Prevention	Protection	EDI
Complete	2	3	
In Progress/On Track	5	5	14
Risk to progress		3	2
Not started	0	1	5

The detailed HMICFRS action plan can be seen in Appendix 2

Key Progress to highlight is:

Prevention

- A Referrals guidance document has been developed, approved and published, supported by a training package.
- The referrals backlog has been cleared and all referrals are now being processed inline with the Service's Referrals guidance.

Protection

- The Protection strategy 2023-2025 has been reviewed and updated with input from the NFCC. It was approved by the Fire Authority on 6 December 2023.
- The Protection Strategy is underpinned by a Risk Based Intervention programme. The programme is understood by all Protection staff to ensure they focus on Very High and High risk properties.

EDI

- A new 360 feedback process has been introduced, designed around the NFCC Leadership framework. This has been rolled out to the Service's Senior Management team and next level Leadership group.
- To help us understand the barriers underrepresented groups experience, the Service held a Positive Engagement Have a Go event on 12 January 2024 attended by 13 candidates.
- The Service has kicked off a project to look at the Service's Vision and Values, initial workshops have been held with the Senior Management and Leadership teams to get their input.

Areas for Improvement

Alongside the HMICFRS action plan officers have reviewed all the Areas for Improvement. These are being incorporated into the Service's 24/25 plan and relevant team plans.

The action plan is managed as part of the Portfolio Management Office (PMO), with regular reporting through internal governance structures. As stated in the recommendation at the Extraordinary Fire Authority meeting on 24 October 2023, the Authority will be kept informed of progress in delivering against the HMICFRS Action Plan via regular reporting to both the Overview and Audit Committee and full Authority.

HMICFRS Values and Culture in fire and rescue services

On Thursday 30 March 2023 His Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) published 'Values and culture in fire and rescue services'. The report has 9 themes supported by 35 recommendations and all Fire and Rescue Services, alongside the Government and national fire bodies are urged to implement them as a matter of urgency. Of the 35 recommendations, 20 are owned by the Chief Fire Officer. The Service's progress on these recommendations is:

Status	Number
Complete	16
In Progress	4
Not started	0

The detailed HMICFRS Values and Culture update can be seen in Appendix 3.

Revisit

The Service's revisit has been confirmed to take place week commencing 20th May 2024. The revisit will focus on the Round 3 causes of concern and include desktop reviews, interviews and reality testing.

Financial implications:

The prioritisation of improvements to address the specific recommendations raised within the causes of concern may introduce additional financial implications, either through reprioritisation of other projects, or through new workstreams.

Consideration will be given to ensure associated costs, both direct and indirect, are fully understood and managed effectively.

Risk management:

There remains reputational corporate risks to the organisation. The Service continues to take steps to mitigate this through having extensive internal and external audits of a number of areas of the Service, in addition to the HMICFRS inspections. The internal audit plan for 23/24 can be found here: [Internal Audit Report – Internal Audit Strategy and Annual Internal](#)

Legal implications:

The current Fire and Rescue Service National Framework issued under section 21 of the Fire and Rescue Services Act 2004, to which the Authority must have regard when carrying out its functions, states as follows at paragraph 7.5:

‘Fire and rescue authorities must give due regard to reports and recommendations made by HMICFRS and – if recommendations are made – prepare, update and regularly publish an action plan detailing how the recommendations are being actioned. If the fire and rescue authority does not propose to undertake any action as a result of a recommendation, reasons for this should be given.’

It continues: ‘When forming an action plan, the fire and rescue authority could seek advice and support from other organisations, for example, the National Fire Chiefs Council and the Local Government Association’.

Privacy and security implications:

No privacy or security implications have been identified that are directly associated with this report or its appendices.

The report and its appendices are not protectively marked.

Duty to collaborate:

Each fire and rescue service is inspected individually. However, the latest report includes findings relating to the Service's ability to collaborate effectively with

partners. The report states: “We were pleased to see the service meets its statutory duty to collaborate. It continues to consider opportunities to collaborate with other emergency responders.”

Health and safety implications:

The HMICFRS report states:

- The service provides good well-being provisions to its workforce, but work-related stress is not being fully addressed
- The service has a positive health and safety culture

The areas for improvement relating to working hours and secondary contracts will feed into the health, safety and wellbeing group.

Environmental implications:

The HMICFRS report states:

“The service didn’t identify all the potential climate impacts and mitigation measures required in its 2020–2025 public safety plan. This is what it calls its integrated risk management plan. It has now recognised that it needs a different range of equipment to be ready to respond to this risk both now and in the future.”

Equality, diversity, and inclusion implications:

The Service has been judged as ‘requires improvement’ in the area relating to ensuring fairness and promoting diversity, along with a cause of concern and four recommendations relating to equality, diversity and inclusion. All the findings from the HMICFRS round three inspection report have been fully considered and prioritised to ensure continual improvement is established and maintained.

The Authority’s equality, diversity, and inclusion objectives 2020-2025 – year 3 progress was presented to the Fire Authority on 14 June 2023.

Consultation and communication:

Specific areas identified for Service improvement are being captured in relevant plans and will be reported on in line with the recommendations.

Background papers:

HMICFRS BFRS Home Page: [Buckinghamshire - His Majesty’s Inspectorate of Constabulary and Fire & Rescue Services \(justiceinspectorates.gov.uk\)](https://www.justiceinspectorates.gov.uk/buckinghamshire-fire-and-rescue/)

16 February 2022 – Fire Authority: Her Majesty’s Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) – Buckinghamshire Fire and Rescue Service (BFRS) Inspection Report 2021

<https://bucksfire.gov.uk/documents/2022/02/fa-item-10-16022022.pdf/>

20 January 2023 - State of Fire and Rescue: The Annual Assessment of Fire and Rescue Services in England 2022

[State of Fire and Rescue: The Annual Assessment of Fire and Rescue Services in England 2022 - HMICFRS](#)

28 April 2023 - Extraordinary Fire Authority Meeting: Values and Culture in fire and rescue services

bucksfire.gov.uk/documents/2023/04/bmkfa-extraordinary-meeting-28-april-2023-item-8-values-and-culture-in-fire-and-rescue-services.pdf/

24 October 2023 – Extraordinary Fire Authority: His Majesty’s Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) – Buckinghamshire Fire and Rescue Service (BFRS) Inspection Report 2023

bucksfire.gov.uk/documents/2023/10/extraordinary-fire-authority-meeting-24-october-2023-item-9-hmicfrs-inspection-report.pdf/

6 December 2023 – Fire Authority: His Majesty’s Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) – Buckinghamshire Fire and Rescue Service (BFRS) 2023 Action Plan

<https://bucksfire.gov.uk/documents/2023/11/fire-authority-meeting-6-december-2023-item-15-hmicfrs-action-plan.pdf/>

8 February 2024 – Executive Committee: His Majesty’s Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) – Buckinghamshire Fire and Rescue Service (BFRS) 2023 Update

bucksfire.gov.uk/documents/2024/01/executive-committee-meeting-8-february-2024-item-12-his-majestys-inspectorate-of-constabulary-and-fire-and-rescue-services-hmicfrs-buckinghamshire-fire-and-rescue-service-bfrs-2023-update.pdf/

Appendix	Title	Protective Marking
1	BFRS HMICFRS Improvement Board Terms of Reference	N/A
2	HMICFRS Round 3 Action plan Jan 2024	N/A
3	HMICFRS Values and Culture update	N/A

HMICFRS Improvement Board Terms of Reference

1. Objective

- The primary objective of the Improvement Board is to address and rectify the causes of concern and areas for improvement (AFI's) highlighted in the recent 2023 HMICFRS inspection report, aiming for substantial enhancements in the overall performance and quality of Buckinghamshire Fire & Rescue Service.
- To drive improvements within the Service in line with the action plan and present progress and outcomes to the HMICFRS Fire Performance Oversight Group (FPOG).

2. Membership

- A designated chair, the Chief Fire Officer/Chief Executive (CFO) will lead the board and ensure effective coordination among members.
- The other members of the Improvement Board will be:
 - Deputy Chief Fire Officer/ Chief Executive
 - Director of Finance and Assets
 - Director of Legal and Governance
 - Interim Assistant Chief Fire Officer
 - Head of Protection & Assurance
 - Head of Human Resources
 - Service Liaison Lead
- The Improvement Board may invite other guests or observers to attend its meetings as appropriate, such as subject matter experts, external consultants or advisers and the Chairman and relevant Lead Members.

3. Accountability and Responsibilities

- Review the detailed findings of the inspection report and identify specific areas requiring improvement.
- Develop a comprehensive action plan with clear, measurable objectives and timelines to address causes of concern and areas for improvement.
- Regularly monitor and evaluate the progress of the implementation of improvement measures against the action plan and areas for improvement within the report.
- Review risks and opportunities elevated from sponsors for each improvement area and consider strategic investment, or transformational change proposals that mitigate risk, maintain momentum and take account of identified opportunities
- Ensure effective communication channels are established to disseminate information regarding improvement initiatives to all stakeholders.
- Act as the final point of review for all papers being submitted to the FPOG
- Ensure the People, Culture and Equality aspects are considered for all areas of the action plan and ensure these are documented, scrutinised and reviewed on a regular basis

4. Implementation

- Establish strategic leads and work groups as necessary, to focus on specific aspects of improvement identified in the inspection report and action plan.
- Allocate resources, including personnel, budget, and technology, to support the implementation of improvement initiatives.
- Collaborate with relevant internal and external entities to leverage expertise and best practices.

5. Reporting (Internal and external)

- Provide regular progress reports to the Fire Authority and Overview and Audit Committee and other stakeholders.
- Reports should include, where relevant, progress against actions identified in HMICFRS thematic reports (e.g. culture and values)
- Relevant Lead Members should be provided with (at least) quarterly updates on progress against their areas of responsibility.
- Progress updates from strategic leads.
- Include key performance indicators (KPI's), metrics, risks and milestones in reports where appropriate, to demonstrate tangible improvements.
- Highlight any challenges and propose solutions.

6. Review and Assessment

- Conduct periodic reviews of the improvement plan's effectiveness and make necessary adjustments based on feedback and changing circumstances.
- Review timetable and any actions.
- Foster a culture of continuous improvement within the Service.

7. Timeline

- Define a realistic timeline for the implementation of improvement measures, taking into consideration the urgency of certain issues.
- The Improvement Board will meet on a fortnightly basis; the dates will be agreed in advance and sent to the members of the Board; further meetings will be arranged as appropriate to ensure all actions are on track

8. Documentation

- Maintain detailed records of improvement initiatives, including meeting minutes, action plans / logs, and progress reports.
- Develop framework for FPOG presentations.

9. Governance

- Adhere to established governance structures within the Fire Authority and organisation, while ensuring the Improvement Board has the necessary authority to make impactful decisions.

10. Communications

- Develop internal communications plan.
- Good news and good practice.

11. Conclusion

- The Improvement Board will strive to instil a culture of excellence, accountability, and continuous improvement within Buckinghamshire Fire & Rescue Service, ensuring that the expectations of HMICFRS are met and future inspections reflect positive advancements.

This Terms of Reference document is subject to review and amendment as deemed necessary by the Improvement Board.

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Area	Ref	Action	Accountable Lead	Start Date	Deadline (End of)	Success and Impact measures	Commentary - Jan 2024	Progress RAG End of Jan 24	Progress RAG 23/24 Q3	Progress RAG Start
Prevention	1.1.1	Implement the Prevention Risk Stratification (PRS) process based on the NFCC guidance	Group Commander Prevention & Resilience	Nov-23	Apr-24	<ul style="list-style-type: none"> • PRS guidance note written and published • PRS is live across all channels • All staff understand the PRS methodology 	<p>PRS guidance document (inc flow chart) and training package approved through BTB 4.1.2024 and published on Intranet on 12.1.2024.</p> <p>Training package developed and available on HEAT.</p> <p>Prevention team have received and continue receiving training. Operational response staff being introduced to Risk Stratification and a HEAT package. All territorial GCs & station based SCs received online induction.</p> <p>Prevention Bulletin published 29.1.24 regarding PRS guidance and training materials</p>	On track	On track	On track
	1.1.2	Key Performance Indicators (KPIs) developed and reported to support Risk Stratification guidance	Group Commander Prevention & Resilience	Jan-24	Mar-24	<ul style="list-style-type: none"> • KPI's in place • Management control processes in place. • All referrals are dealt with in line with PRS guidance thresholds 	<p>Move to On track as Initial meetings/workshop taken place in January to discuss development of KPIs and management control process.</p> <p>Further workshop taking place 8 March.</p>	On track	On track	Not Started
	1.2.1	Ensure all current referrals are processed and up to date	Group Commander Prevention & Resilience	Jun-23	Nov-23	<ul style="list-style-type: none"> • Referrals from partner agencies are being processed in line with Service expectations. • No referral backlog. 	Remaining as BAU with ongoing monitoring now in place.	Complete	Complete	On track
	1.2.2	Launch Online Home Fire Safety Check form (OHFSC) developed to complement the Person-Centred Framework	Group Commander Prevention & Resilience	Nov-23	Feb-24	<ul style="list-style-type: none"> • New route available for the public to complete a person-centred self-assessment of fire risk. • All OHFSC are handled with the relevant treatment and timescales. 	<p>OHFSC weblink has now been delivered & Marcomms have the details/information.</p> <p>Confirmed a soft launch will be rolled out Mid February.</p> <p>External website being developed by Marcomms. In flow process being developed by Prevention GC.</p>	On track	On track	On track
	1.2.3	Introduce a recognised way of recording and processing all prevention referrals directly into the Premises Risk Management System (PRMS) to ensure there is one database recording all prevention engagements as well as activity	Administrative Support Manager	Nov-23	Feb-24	<ul style="list-style-type: none"> • Referral processing guidance note written and published • Guidance note utilised to support training 	This is now evidenced by the referrals guidance document (inc flow chart) and training package approved through BTB 4.1.2024 and published on the Intranet on 12.1.2024	Complete	Complete	On track
	1.2.4	Update PRMS to reflect Risk Stratification guidance	Group Commander Prevention & Resilience	Nov-23	Apr-24	<ul style="list-style-type: none"> • All agreed requirements have been developed, testing by all relevant users and live. • All referrals are in line with delivery expectations associated with the descriptors for levels of risk as per the Risk Stratification Guidance 	<p>All agreed requirements have been developed and currently in build with Active.</p> <p>By end of Jan the referral form ready to test.</p> <p>By end of Feb the visit form ready to test & by end of Feb updated end to end process ready to test.</p> <p>Testing schedule has also been developed internally in preparation for completed development.</p>	On track	On track	Not Started
	1.2.5	Ensure all appropriate staff are adequately trained on the referral process and understand the methodology.	Group Commander Prevention & Resilience	Jan-24	Mar-24	<ul style="list-style-type: none"> • All staff have received appropriate training. 	<p>Moved to 'good progress on track' . This is evidenced by Admin staff receiving direct face to face training , plus a HEAT package.</p> <p>The Prevention team have received and receiving training</p> <p>Operational response staff being introduced to Risk Stratification and a HEAT package. All territorial GCs & station based SCs received online induction.</p> <p>All guidance & training documentation published on intranet on 12.1.2024</p> <p>Prevention Bulletin published 29.1.24 regarding PRS guidance and training materials</p>	On track	On track	Not Started
151	2.1.1	Review and update current Protection strategy intended to provide clarity on how the Service will conduct its Protection business in line with legislative requirements and focussing resource on highest risk premises types.	Head of Protection, Assurance & Development	Nov-23	Dec-23	<ul style="list-style-type: none"> • Peer review from NFCC sector advisors • Appropriate level of stakeholder engagement in developing revised strategy • Scrutiny and acceptance of revised strategy by Fire Authority Members 6th December • Internal Publication 	<p>Protection strategy has been reviewed and updated with input from NFCC.</p> <p>The strategy was presented to the Fire Authority on 16 December 2024 (https://bucksfire.gov.uk/documents/2023/11/fire-authority-meeting-6-december-2023-item-12-protection-strategy-2023-2025.pdf/)</p>	Complete	Complete	On track
	2.1.2	Introduce risk-based interventions programme to underpin revised strategy	Group Commander Protection	Nov-23	Dec-23	<ul style="list-style-type: none"> • Risk-based inspection methodology identified and clearly articulated • Based on methodology, identify planned audit schedule for very high / high risk premise types • Internal Publication 	<p>Risk based intervention programme has been developed and presented to the Fire Authority alongside the Protection strategy.</p> <p>This is now fully embedded with the staff who have been briefed on the methodology.</p> <p>The Protection team will continue to be engaged and integral to any future activity.</p>	Complete	Complete	On track

Protection

2.1.3	Ensure the Protection strategy 2025-30 is embedded and fully aligned with the Community Risk Management Plan (CRMP) 2025-30	Head of Protection, Assurance & Development	Feb-24	Oct-24	<ul style="list-style-type: none"> Evidence-led approach to management of protection resources Extensive internal / external consultation Due consideration to integration / alignment with Prevention and Response strategies 	Has been included in CRMP 2025-30 plan	Not Started
2.2.1	Embed the revised Protection strategy and Risk-Based Interventions Programme (RBIP) guidance As directed within the revised strategy, teams will now be focussing on planned and demand-led activity on high risk / low compliance property types	Group Commander Protection	Nov-23	Apr-24	<ul style="list-style-type: none"> Good stakeholder engagement when developing the strategy and RBIP guidance and during transition Direction and performance management to ensure a smooth transition in terms of ways of working KPI's monitored to assure embeddedness Very high/High risk premises schedule delivered 	Audit numbers for Q3 significantly up on previous 2 quarters, but still some way to go. As well as changing ways of working / performance management, some systems / process improvements identified in other actions will support successful outcome.	On track
2.2.2	Introduce new Protection KPI's captured at team and person level - Planned audit numbers against RBIP. - Monitor audit outcomes (compliance) against audit numbers to assure that the RBIP is targeting the right premises.	Group Commander Protection	Nov-23	Apr-24	<ul style="list-style-type: none"> KPI's presented to Performance Monitoring Board quarterly 1000 audits annually Proportionate number of audits resulting in non-satisfactory outcomes 	As above, work in progress and will be monitored and scrutinised. Positive direction of travel and assurance provided by current % non-satisfactory outcomes.	Risk to progress
2.2.3	Introduce four apprentice Business Safety Advisor roles utilising Protection grant funding to support - Enable more qualified Protection staff to focus on high risk / low compliance	Group Commander Protection	Nov-23	Apr-24	<ul style="list-style-type: none"> New roles resulting in greater levels of co-ordinated and targeted support to local businesses Less time spent by qualified officers doing low risk activity. 	1 x Apprentice deemed appointable. However, need to go back to advert to increase. will be advertised again February.	Risk to progress
2.3.1	Ensure schedule for planned audits is easily accessible to staff who require it	Group Commander Protection	Nov-23	Dec-23	<ul style="list-style-type: none"> Identified very-high risk and high risk audits are provided to teams 	Schedule for planned audits is fully implemented and available to all Protection staff. This is utilised to pick their audits according to risk.	Complete
2.3.2	Premises Risk Management System (PRMS) – training input to ensure standardisation / consistency in data input and extraction	Group Commander Protection	Dec-23	Apr-24	<ul style="list-style-type: none"> Training input received by relevant Protection staff Consistency monitored by Station Commanders 	Standardisation exercise complete and consistency of input in place. Some queries over system outputs to resolve. Action to remain open and on track to allow QA process to support ongoing consistency of application.	On track
2.3.3	PRMS system – make provision for standard Protection outcome letters to improve efficiency and consistency	Group Commander Protection	Jan-24	Apr-24	<ul style="list-style-type: none"> Standard letters available for use Training provided as appropriate to support implementation 	Standard letters intended to be in place / on the system by April.	On track
2.3.4	Review provision of admin support to Protection teams to ensure efficiency	Head of Protection, Assurance & Development	Dec-23	Apr-24	<ul style="list-style-type: none"> Administrative requirements identified Qualified Protection staff enabled to focus more time on planned activity 	Admin support – some areas identified and single input area for the PRMS system in place to support protection staff.	On track
2.4.1	Introduce a Protection Quality Assurance (QA) process	Group Commander Protection	Oct-23	Apr-24	<ul style="list-style-type: none"> (QA) process documented, consulted and agreed through governance Relevant staff are trained on the QA process QA activity recorded and reported 	QA Guidance now published following BTB sign off. Will remain on track rather than closed until such point an audit / deep dive done to assure embeddedness as per intentions of guidance document. First round of QA to be undertaken in Q4, with view to closing action / BAU for 24/25	On track
2.4.2	Review suite of Protection procedures and guidance to ensure it is aligned with best practice and supports staff in relation to consistent application	Group Commander Protection	Dec-23	Apr-24	<ul style="list-style-type: none"> Published revised procedures and guidance Training / input (as required) delivered to Protection staff 	Policy / training role remains vacant, but going out to advert. Alternative / preferable option is to engage associate to do bespoke piece of work, which should allow for April deadline to be met. Commissioning underway, but in light of planned start date being Dec 2023, RAG status updated to amber. Work underway in respect of policy. GM to commission external support to meet deadline.	Risk to progress
3.1.1	Develop a role to include dedicated EDI support to ensure the delivery of EDI objectives	Head of Human Resources	Jan-23	Apr-24	<ul style="list-style-type: none"> Dedicated staff member in place/ recruited 	Job Descriptions collected from other FRS, and Bucks Council. Await budget sign off from Fire Authority 14 February 2024 to proceed	Risk to progress
3.1.2	Review current EDI training across all levels including management and look at options to implement additional regular, measurable, bitesize session(s) on EDI	Station Commander HR Projects	Nov-23	Apr-24	<ul style="list-style-type: none"> EDI online training has a completion rate of 90%+ supported by regular reporting, to ensure managers can follow up on non-completion Staff at all levels can demonstrate a good understanding of EDI and how this needs to be reflected in the way we work and deliver services. 	Data for Mandatory online learning completion collection for Q3 email reminder sent by SC Training Assurance in January 2024. Follow up EDI related email planned for February 2024	On track

Not Started	Not Started
On track	On track
Risk to progress	On track
Risk to progress	On track
Complete	On track
On track	No started
Not Started	Not Started
On track	Not Started
On track	On track
On track	Not started
Risk to progress	Risk to progress
On track	On track

3.1.3	Rollout 360 feedback process to all middle managers, which includes a section on how they promote EDI	Organisational Development Manager	Dec-23	Dec-24	<ul style="list-style-type: none"> All relevant staff have completed 360 feedback including the manager appraisal session and workbook and the outcomes feed into development plans and appraisal process 	<p>360 feedback questions designed around NFCC Leadership framework.</p> <p>The process has been rolled out to Senior Management team and next level of Leadership group. Development & Assessment Pathway programme to be launched this year and embed feedback from 360 into individuals development plans</p>	On track	On track	Not started
3.1.4	Utilise EDI data to better inform station plans to facilitate targeted community engagement activity adding specific action(s) related to EDI	Station Commander HR Projects	Jan-24	Mar-24	<ul style="list-style-type: none"> Service delivery area plans include EDI related data and actions 	Initial meeting took place on 22 January - Update following this meeting, the Data Intelligence Team have confirmed that the refreshed data sets (following the release of new census data) will be completed by early March. Meeting booked with territorial Group Commanders 27 February to discuss how we use the data to fully engage with our under represented communities and record these activities within the Service Delivery Action Plans.	On track	Not Started	Not Started
3.1.5	Review and relaunch of our values/code of ethics to support a positive workplace culture	Station Commander HR Projects	Jan-24	Oct-24	<ul style="list-style-type: none"> All staff understand what each value means for/to them and can share how it supports the communities we serve 	Mandate approved at Business Transformation Board (BTB) in November 2023. January SMT Away day agenda item focused on Vision, Mission and values. Leadership day in January focused on values. SMT refined vision, mission and values at SMT planning day. Project Initiation document being drafted for submission to BTB in March 2024	On track	Not Started	Not Started
3.1.6	Work with our staff networks to gain their input, to develop policies, projects and initiatives.	TBC	Jul-24	Dec-24	<ul style="list-style-type: none"> A representative from these groups is included in the development of procedures before consultation. Increased staff engagement and inclusion 	Linked to staff networks action 3.2.3	Not Started	Not Started	Not Started
3.2.1	Launch and review "Speak Up" campaign	HR Advisory & Development Manager	Oct-23	Feb-24	<ul style="list-style-type: none"> All staff aware of Speak Up facility Ongoing process in place to review take up/usage 	Comms have included a digital launch; banners, wallpaper, corporate email signatures and articles promoting the speak up line and we stand for (integrity, respect and inclusion); merchandise and posters to all sites; launch of White Ribbon campaign	On track	On track	On track
3.2.2	Develop mechanisms to reduce the mystery of the Service's governance processes	Head of Technology, Transformation & PMO	Nov-23	Jan-24	<ul style="list-style-type: none"> "Extra Chair" take up is 50% A summary of internal governance meetings is published on the intranet within 2 weeks of the meeting taking place 	"Extra Chair" communication sent out. Strong take up for Leadership days. Templates created for internal governance meeting intranet pages that will be rolled out in February 2024	Risk to progress	On track	On track
3.2.3	Explore further options to establish staff networks for underrepresented groups, including exploring options to join with external networks (other FRS's and national networks)	Area Commander Response & Resilience	Nov-23	Jun-24	<ul style="list-style-type: none"> Established networks which feed into the EDI group. Increase in the number of staff networks from underrepresented groups. (internal or external). 	Attendance at regional staff network group, and Black and LGBT networks. Women's network meetings planned. Attendance at AFSA south east region meetings and addressing inequalities group where best practice is shared. Neurodiversity working group set up, meetings planned to work on actions to celebrate Neurodiversity week. Neurodiversity support network to be launched after the celebration week	On track	On track	On track
3.2.4	Move to an annual staff survey supported by embedding the feedback loop. Utilise pulse surveys to support assessment of progress against specific actions.	Head of Technology, Transformation & PMO	Nov-23	Aug-24	<ul style="list-style-type: none"> Maintain completion rate at 70+ percent Increase "the Service will take action from the survey" score Instigate action where the outcomes/scores are low 	Supplier appointed, for a 3 year contract, to deliver an annual survey supported by 'pulse' surveys where needed. Linking the survey questions to the Vision and Values project to ensure alignment. Work underway to launch survey in April 2024.	On track	On track	On track
3.2.5	Investigate and implement reporting at senior level on whistleblowing/ Speak Up/ grievance/ disciplines/investigations to monitor, identify and take action on potential themes	HR Advisory & Development Manager	Jan-24	Mar-24	<ul style="list-style-type: none"> Increased visibility of issues being raised and the Service's lessons learnt through regular reporting internally and externally on activity Additional activity to reduce reoccurrence of themes as and when identified 	<p>The Discipline and Grievance procedures have been updated to improve processes, for example the Commissioning Manager now take ownership of recommendations made within investigation reports and for ensuring they are implemented on conclusion of the process by the relevant delegated owner. Recommendations will be scrutinised, and appropriate action taken. Detailed records of recommendations and actions are maintained within Human Resources.</p> <p>The Whistleblowing procedure has been updated</p> <p>The Anti-Bullying and Harassment procedure has been updated, to include reference to the Speak Up campaign</p> <p>Regular reporting takes place to the relevant senior manager and on a quarterly basis an update provided to the Heads of Departments on themes / areas for improvement. The numbers are small, so confidentiality is paramount. Any themes identified are escalated. Meeting with CFO, DCFO, Head of HR and HR Manager to discuss cases and process</p>	On track	Not started	Not started
3.2.6	Ensure all line managers have regular structured contact with all their staff	Organisational Development Manager	Apr-24	Mar-25	<ul style="list-style-type: none"> The development pathway programme includes training/ education on being a people manager. Increased percentage of staff who have a 121 every month 	Incorporated into the Development and Assessment Pathway Programme	Not Started	Not Started	Not Started

3.3.1	Relaunch the Equality Monitoring campaign encouraging individuals to input their own equality data on the HR system in a safe and secure environment, supported by ongoing communications.	Head of Human Resources	Jan-24	Jul-24	<ul style="list-style-type: none"> A continuous increase of equality data being inputted. Increased messaging about the benefits of a diverse workforce and the reasons for declaration. 	Plan for review written. Spoke to PM ref linking with Positive engagement article. Time mapped in weekly to work on actions. Quarterly reporting form Data team in place. Spoke to Marcomms ref Comms plan and next steps	On track
3.3.2	To review recruitment and promotion processes to ensure they include and promote the importance of staff providing their equality data.	Head of Human Resources	Feb-24	Apr-24	<ul style="list-style-type: none"> Increase of equality data. Staff know how to enter their equality data. 	As 3.3.1	Not Started
3.3.3	To embed a process to monitor EDI data completions with a quarterly update to the Leadership team to identify if particular teams require additional support to understand why completion is of benefit.	Head of Human Resources	Apr-24	Jun-24	<ul style="list-style-type: none"> Ability to identify areas of the service that require additional support/training. Better understanding of the diversity of the workforce through ongoing data tracking. 	As 3.3.1	Not Started
3.3.4	A quarterly review of equality data by the EDI group to ensure we have an understanding of the workforce demographics and needs. Appropriate action taken where necessary.	Head of Human Resources	Apr-24	Jun-24	<ul style="list-style-type: none"> Increase in the availability of data which will allow the organisation to make more informed decisions that will have a positive impact. 	As 3.3.1	Not started
3.4.1	Develop a programme of works to ensure all workplace facilities (both on premises and at incidents) meet the needs of current and future staffing demographics.	Area Commander Response & Resilience	Nov-23	Mar-25	<ul style="list-style-type: none"> Review of premises facilities Programme in place to improve identified gaps Welfare facilities in place at incidents Adequate facilities in place for all protected characteristics 	Property Station standards visits planned to engage and review with employees on station requirements. Following this a gap analysis will be drawn up and actions and timescales agreed. Motorised main door in place at HQ and Blue Light Hub, multi faith / quiet room in place at Aylesbury and Broughton. Newport Pagnell facilities improvements - female dormitory due for completion at the end of March.	On track
3.4.2	Introduce a sustained "Have a Go" operational programme for identified underrepresented groups, including a plan for positive action, offering a range of targeted activities across the county.	Station Commander HR Projects	Dec-23	Nov-24	<ul style="list-style-type: none"> Annual programme in place including at least six "Have a Go" events held for underrepresented groups per year. A clear plan in place to deliver and maintain positive action. 	A Positive engagement Have a Go session was held at SHQ on 12 January for a small group (13) of under represented candidates from the current Wholetime campaign and included an On Call applicant. This enabled us to understand the barriers they experience better, and look at ways of supporting them prior to the selection tests. 16 physical training and focus workshops have been programmed in prior to the role related tests. Further workshops will follow on interview and presentation techniques, the programme is also being rolled out to those from under represented groups who are attending the on-call Have a go events. Further work is required on a programme of Have a go to be held throughout the year, and prior to and during recruitment campaigns	On track
3.4.3	Map out and review recruitment process end to end to understand impact on different underrepresented groups, including the applicants' feedback at various stages of the application.	Station Commander HR Projects	Jan-24	Jun-24	<ul style="list-style-type: none"> Recruitment processes are adapted. Increased uptake from underrepresented applicants. Data collected from applicants will be used to inform process changes. 	This action will commence after the current recruitment campaign has been completed. Learns form previous campaigns will be reviewed. Areas of focus, barriers for applicants and essential joining criteria will be mapped out and scrutinised to ensure equality of access. Barriers during selection processes will be reviewed and changes made accordingly.	On track
3.4.4	Identify and report on areas of underrepresentation within the Service, identifying groups we would benefit from attracting across all levels,	HR Operations Manager	Jan-24	Oct-24	<ul style="list-style-type: none"> Relevant and up-to-date data which can be used to inform recruitment actions 	HR are planning to break down information ready to analyse and report on, our internal data and how it compares to our community, so we can decide which groups to attract and work on how to do so. For example, the average population demographics (As reported in the 2021 Census): Female - (428,451) 51% of the overall population within Buckinghamshire & Milton Keynes Buckinghamshire Fire & Rescue Service demographics: Of 126 Support Services staff, 58% Female Of 360 operational members of staff, 6.5% Female	On track
3.4.5	Ensure recruitment resources are utilised to ensure more applications from diverse/underrepresented people from our local communities.	HR Operations Manager	Jan-24	Oct-24	<ul style="list-style-type: none"> Engagement/recruitment activities such as career fairs are prioritised to those that meet our target audiences More applications from diverse/underrepresented applicants 	HR attend different recruitment fairs/events and have others planned to target audiences with the outcome of receiving more applications from under represented groups. We are approached to attend a lot of events across the County, decisions are made based on the value and engagement we believe we will get from them. A plan for the events is mapped out and the HR team work with stakeholders from across the service to ensure we get the most from them. The merchandise and equipment and personnel who attend is reviewed regularly to ensure it has the optimum impact.	On track

Not Started	Not Started
Not Started	Not Started
Not Started	Not Started
Not started	Not started
On track	On track
Not started	Not started
Not Started	Not Started
Not Started	Not Started
Not Started	Not Started

Report Title	Recommendation ID	Recommendation description	Due date	Service Update Summary	Is this recommendation complete?	Date Completed
Values and culture in fire and rescue services	27127	With immediate effect, chief fire officers should review their implementation of the Core Code of Ethics [https://www.firestandards.org/standards/approved/code-of-ethics-fsc-eth01/] and make sure it is being applied across their services.	30/03/2023	Our Values have been in place since 2011 and are embedded in our Service. The NFCC Core Code of Ethics was released in 2021. The final document complements and supports our own vision and values, which forms part of everything we do. In March 2023, we reviewed our Code of conduct and chose to add in the Code of Ethics alongside our values. Our People strategy update to October 2023 Fire Authority recommends our approach to reviewing our Values in line with the Core Code of Ethics and the timetable to do so	Yes	01/04/2023
Values and culture in fire and rescue services	27082	By 1 August 2023, chief fire officers should develop plans to promote progression paths for existing staff in non-operational roles and put plans in place to reduce any inequalities of opportunity.	01/08/2023	In 20/21 we restructured SMT to meet the needs of the service and broaden the views at the table. The NFCC Executive Leadership Programme is open to all Senior managers, two SMT members have recently completed the programme and one has just started. We have developed a Leadership and Management development programme, based on the NFCC leadership framework, that has been delivered via face-to-face training to all managers across the service, Supervisory or above. The next phase of this is the BFRS Staff development pathway project that will cover all staff. this is at project mandate phase with a plan being built	Yes	06/06/2023
Values and culture in fire and rescue services	27037	By 1 June 2023, chief fire officers should, as a priority, specify in succession plans how they intend to improve diversity across all levels of the service. This should include offering increased direct-entry opportunities.	01/06/2023	A key aim of our workforce resourcing and development strategy is regular systematic and rigorous strategic workforce and succession planning processes, which incorporate current Public Safety Plan requirements and horizon scanning of likely future external and internal challenges. Outcomes from these processes are subsequently translated into timely interventions and development programmes to ensure the Authority continues to meet workforce capacity requirements and build resilience. In addition, it provides opportunity to refresh the workforce through the identification of people; internal and where required external to fill identified key positions. An increase in positive action activities are being utilised to encourage those from an under-represented staff groups to apply for promotion and development and continue the conversation on what the barriers may be for them to do this. Workshops were held with Members to look at succession for the CFO and DCFO roles, an external agency was engaged to facilitate the CFO process. The role was advertised for Operational and Non Operational applicants. SMT and Staff engagement with applicants was part of the process to ensure the most diverse candidate was sourced. Approval for the appointment was given by Members. The SMT structure is due to be reviewed in 2024/2025.	In Progress	
Values and culture in fire and rescue services	26989	By 1 June 2023, chief fire officers should review how they gather and use equality and diversity data to improve their understanding of their staff demographics, including applying and meeting the requirements of the National Fire Chiefs Council equality, diversity and inclusion data toolkit [https://www.ukfrs.com/equality-diversity-and-inclusion-data-toolkit].	01/06/2023	While we've always been able to capture equality and diversity data in our systems, we acknowledged that the level of data in our HR system was low. We have completed a campaign to increase awareness of the importance of completing the information and encouraging our staff to update their protected characteristics. We report on our Workforce EDI data annually to the FA. This work will support recommendation 29	Yes	

Values and culture in fire and rescue services	26942	By 1 October 2023, as a precursor to the development of the College of Fire and Rescue, chief fire officers and the National Fire Chiefs Council should work with the Home Office to consider how they can improve the training and support they offer to staff in management and leadership development. This should include authority members in respect of their assurance leadership roles and should ensure that opportunities are offered fairly across all staff groups.	01/10/2023	<p>Two key workstreams being developed as part of the Development and Assessment Pathway Project are a Behavioural and Values Framework and a Leadership and Management Development Pathway. The Behavioural and Values framework aims to provide a consistent set of behaviours across BFRS when undertaking recruitment, assessment, and development. The framework is made up of our Values, the NFCC Leadership Framework and the NFCC Code of Ethics – all translated into defined expected behaviours at different levels across the service.</p> <p>The Behavioural and Values Framework will form how BFRS assess and ensure that we identify, develop, and promote the best possible talent in a fair and inclusive way and embedded into our Development Centres and Selection Processes. We will do this by providing consistency for all, removing barriers, and ensuring compliance against employment legislation and good practice.</p> <p>The Leadership and Management Development Pathway sets out our approach to leadership and management development for all staff at different levels across the service. It contains mandatory and complementary learning and development required at each level. This will bring consistency across roles and ensures we are developing the workforce to the highest professional standards possible.</p> <p>The Behavioural and Values Framework and the Leadership and Management Development Pathway are inclusive of all staff and will form the foundation of our talent management processes moving forward. These include; development centres, appraisals, succession planning and personal development.</p>	In Progress	
Values and culture in fire and rescue services	26896	By 1 October 2023, chief fire officers should put plans in place to monitor, including through the gathering and analysis of staff feedback, watch and team cultures and provide prompt remedial action for any issues they identify.	01/10/2023	<p>This is linked to recommendation 23.</p> <p>Alongside moving to annual staff survey, the following measures form part of our Quarterly Performance reports presented to members:</p> <ul style="list-style-type: none"> - % Staff turnover - % Absence - Welfare and Support - Employee engagement - Grievance and disciplines processed - Employee Assistance Programme contact - Appraisal completion - Mandatory training 	Yes	01/08/2023
Values and culture in fire and rescue services	26851	By 1 June 2023, chief fire officers should seek regular feedback from staff about values, culture, fairness and diversity, with due regard to the leading and developing people standard [https://www.firestandards.org/standards/approved/leading-developing-people-fsc-led01a/]. They should show how they act on this feedback.	01/06/2023	<p>We have completed Bi-Annual staff surveys since 2017 with response rates of over 65% allowing staff to raise their feedback on a broad range of topics anonymously. BMKFA provided funding for this survey to move to annually from 2023/24.</p> <p>Our staff participated in the HMICFRS round 3 inspection, we will review the outcomes when the report is released later in the year.</p> <p>Our next staff survey will take place in April 2024.</p>	Yes	20/07/2023
Values and culture in fire and rescue services	26806	By 1 September 2023, chief fire officers should make sure there is a full, 360-degree feedback process in place for all other leaders and managers in service. The process should include gathering feedback from a wide range of sources including colleagues and direct reports.	01/09/2023	<p>We have reviewed the suppliers sourced by NFCC and have aligned our 360 to the Leadership framework. We are training our Organisational development team to deliver the 360 feedback.</p> <p>The 360 feedback process is now in place.</p>	Yes	28/06/2023
Values and culture in fire and rescue services	26761	By 1 June 2023, chief fire officers should make sure there is a full, 360-degree feedback process in place for all senior leaders and managers (assistant chief fire officer equivalent and above) in service.	01/06/2023	<p>We have reviewed the suppliers sourced by NFCC and have aligned our 360 to the Leadership framework. We are training our Organisational development team to deliver the 360 feedback.</p> <p>The 360 feedback process is now in place.</p>	Yes	28/06/2023

Values and culture in fire and rescue services	26716	By 1 June 2023, chief fire officers should have plans in place to ensure they meet the "Fire Standards Board's leading the service standard" [https://www.firestandards.org/standards/approved/leading-the-service-fsc-led01b/] and its "leading and developing people standard" [https://www.firestandards.org/standards/approved/leading-developing-people-fsc-led01a/].	01/06/2023	The 2 standards were released at the end of Jan '23. An initial gap analysis for leading the Service and Leading & developing people has been completed. The standards are feeding into our BFRS staff development pathway project, this is at project mandate phase with a plan being built	Yes	16/06/2023
Values and culture in fire and rescue services	26670	By 1 August 2023, chief fire officers should provide assurances to HMICFRS that all parties are supported in relation to ongoing investigations.	01/08/2023	We have a range of support in place for those that raise concerns inc - Welfare Officer - Occupational Health - Allocating a point of contact that's not part of the investigation But we will continue to review what our staff have available to them and if it works for them and ensure our processes document the support available. Our processes will be shared with HMICFRS in our round 3 inspection Investigation training is taking place during September. Hearing manager training was delivered to the Senior Management team in June 2023. Work is in progress to deliver this to Group/Station Commanders and equivalent during Q3.	Yes	01/08/2023
Values and culture in fire and rescue services	26625	With immediate effect, chief fire officers should notify HMICFRS of any allegations that have the potential to constitute staff gross misconduct that: - involve allegations of a criminal nature that have the potential to affect public confidence in FRs; - are of a serious nature; or - relate to assistant chief fire officers or those at equivalent or higher grades.	30/03/2023	We will comply with this requirement with immediate effect in providing disclosures in line with the non-identifiable case histories provided previously to HMICFRS. We are seeking clarification from HMICFRS on any more detailed reporting it requires, to enable us to ensure that we are also compliant with our GDPR obligations	Yes	01/05/2023
Values and culture in fire and rescue services	26576	By 1 March 2024, chief fire officers should provide assurances to HMICFRS that they have implemented the standard on misconduct allegations and outcomes handling.	01/03/2024	On the 9th February 2024, the following 3 standards have been revised: - Leading the Service - Leading and Developing People - Safeguarding The Service will now review the revised standard and update our gap analysis. We continue to provide investigation training to staff and have invested in Case management refresher training for 23/24. Investigation training is taking place during September. Hearing manager training was delivered to the Senior Management team in June 2023. Work is in progress to deliver this to Group/Station Commanders and equivalent during Q3.	In Progress	
Values and culture in fire and rescue services	26529	By 1 March 2024, chief fire officers should provide assurances to HMICFRS that they have implemented the standard on staff disclosure, complaint and grievance handling.	01/03/2024	On the 9th February 2024, the following 3 standards have been revised: - Leading the Service - Leading and Developing People - Safeguarding The Service will now review the revised standard and update our gap analysis.	In Progress	

Values and culture in fire and rescue services	26481	By 1 January 2024, chief fire officers should: - immediately review their current background checks arrangements, and make sure that suitable and sufficient background checks are in place to safeguard their staff and communities they serve; and - make sure that appropriate DBS check requests have been submitted for all existing, new staff, and volunteers, according to their roles as identified by the Fire Standards Board.	01/01/2024	Since 2016 we have completed DBS checks on all relevant staff including all frontline staff. In 2019 we increased our vetting and moved to the annual 'Enhanced with barred list' DBS. We believe this is leading practice in the way Fire & Rescue Services should vet their staff, and have lobbied the Home Office to make it mandatory for Fire and Rescue services. We welcome the focus on this from HMICFRS. We also carry out other background and vetting checks including a. Right to work in the UK b. References Some roles require external agencies to carry out further security clearance checks. For example, NILO, Prevent panel, CTLP Liaison, National Security Vetting DBS Procedure has been reviewed and consulted on. Legislation that came into force July 2023, means the procedure will be published and communicated before a further review. All Fire Service employees need a minimum of a standard DBS; all roles have been reviewed for DBS levels against the new legislation. DBS across all staff is now implemented.	Yes	01/05/2023
Values and culture in fire and rescue services	26432	By 1 June 2023, chief fire officers should make sure they provide accessible information for all staff and members of the public on how they can raise concerns and access confidential support (including through external agencies). Chief fire officers should also make sure accessible information is provided on how concerns and allegations will be investigated in a way that ensures confidentiality and is independent of the alleged perpetrator.	01/06/2023	We have a whistleblowing procedure in place and are working on a campaign to encourage staff to speak up. We will review our procedure to ensure they are written in an accessible way, easy for staff and public to understand. The public can raise concerns via a number of channels all documented on our website. We have a complaints procedure in place. Both compliments and complaints are part of our performance measures that are reported on quarterly. These actions will support recommendation 31	Yes	01/05/2023
Values and culture in fire and rescue services	26387	By 1 June 2023, chief fire officers should assure themselves that updates on how concerns are being handled are shared with those who have raised them. The updates should be given in an accessible way that encourages trust and confidence in the service response. Consideration should be given to creating a professional standards function to handle conduct concerns in service (or from an external service) to have oversight of cases, to make sure they are conducted in a fair and transparent way and to act as a point of contact for all staff involved.	01/06/2023	The Service has in place processes that ensure updates are provided to those that have raised concerns, in face to face meetings/different locations or in writing. We are reviewing different options of how a professional standards function could work at BFRS including. Options include collaboration with other Services or external suppliers. All grievances and disciplines are reviewed the Deputy Chief Fire officer on a fortnightly basis to ensure they are conducted in a fair and transparent way.	Yes	14/06/2023
Values and culture in fire and rescue services	26342	By 1 June 2023, chief fire officers should review the support available for those who have raised concerns and take any action needed to make sure these provisions are suitable.	01/06/2023	We have a range of support in place for those that raise concerns inc - Welfare Officer - Occupational Health - Allocating a point of contact that's not part of the investigation We will continue to review what our staff and public have available to them, ensuring it works for them. Our processes will document the support available.	Yes	01/05/2023
Values and culture in fire and rescue services	26294	By 1 October 2023, chief fire officers should make sure their services provide a confidential way for staff to raise concerns and that staff are aware of whistleblowing processes.	01/10/2023	We have had a Whistleblowing line in place for a number of years, which is run by an external organisation. However, we recognise we need to do more to give staff the confidence to speak up. We are now working with several service providers to introduce a dedicated confidential reporting line. This will be supported by a strong marketing 'Speak up' campaign to highlight this to BFRS staff. Our current confidential Whistleblowing line will be rebranded and promoted through the 'Speak up' campaign, to ensure a single number for staff to report concerns. Speak up Campaign went live at the start of November 2023	Yes	01/11/2023

Values and culture in fire and rescue services	By 1 June 2023, chief fire officers should make sure their equality impact assessments are fit for purpose and, as a minimum, meet the requirements of the National Fire Chiefs Council equality impact assessment	01/06/2023	A thorough review of the existing Equality Impact Assessments took place in 2022 which 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.	Yes	01/04/2023
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Buckinghamshire & Milton Keynes Fire Authority

Meeting and date: Overview and Audit Committee

Report title: Prevention Improvement Plan – September / December 2023

Lead Member: Councillor Simon Rouse

Report sponsor: Area Commander Paul Scanes

Author and contact: Community Safety & Safeguarding Manager Joanne Cook

jcook@bucksfire.gov.uk

Action: Noting

Recommendations:

The Prevention Improvement Plan highlight report (September – December 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.

Whilst the Prevention Improvement Plan was anticipated to run for a three-year period, as of 31 December 2023, 41 of the 60 recommendations have already been completed.

The aim is that the Prevention Improvement Plan will move to be a business plan from April 2024, once the outstanding recommendations relating to the development of the Premises Risk Management System (PRMS) and Firesetter Intervention Scheme (now nationally called Fire Safety Intervention) have been completed.

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.

As reported in the last period, this work commenced with the revised referral and visit forms submitted to the third-party provider to commence system development. Once that development has been completed, eight of the 19 recommendations remaining in the Prevention Improvement Plan will be able to be closed.

Work on the actions linked to the outstanding recommendations relating to Firesetter Intervention has been carried forward into the next period, due to the capacity issues previously identified within the Central Prevention Team.

As detailed in the highlight report (Appendix 1), the overall RAG rating continues to be Amber due to some significant delays in closing the recommendations related to system development and a documented process for triaging referrals in the Firewise scheme. These areas continue to be priorities 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 reducing 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 have 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:

As identified in the Prevention Fire Standard, the key legislation, regulation, and duties linked to a Fire and Rescue Service's prevention function are numerous.

Delivery against the identified areas of improving the Premises Risk Management System and Firesetter Intervention Scheme (FIS) sit within this.

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:

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)

15 March 2023 – Overview and Audit Committee – Prevention Improvement Plan Update 2

<https://bucksfire.gov.uk/authority/overview-and-audit-committee-15-march-2023/>

8 November 2023 – Overview and Audit Committee – Prevention Improvement Plan Update 3

<https://bucksfire.gov.uk/documents/2023/10/overview-and-audit-committee-8-november-2023-item-17-prevention-highlight-report.pdf/>

Appendix	Title	Protective Marking
1	Prevention Improvement Plan highlight report September / December 2023	Not protectively marked

Appendix 1: Prevention Improvement Plan



Lead Member: Project Sponsor: Project Manager:		Cllr Simon Rouse AC Paul Scanes 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: September – December 2023

Key Activities

- Following the redesign of the referral and visit form in PRMS in March, the draft form has been further reviewed, with the next step being the Provider delivering the sandbox test environment for it. In preparation for this, a test set of data has been prepared to ensure all elements of the referral form are robustly tested by all relevant staff groups. A comprehensive testing plan has also been developed for the PRMS referral and visit form delivery.
- The risk stratification scoring previously tested and agreed (version 1, OSG – Feb 2023) has been updated and approved (Version 2, BTB Nov 2023). Training has been delivered to the Admin team by the Admin Support Manager. The commencement of using this is dependent on the changes to the PRMS being rolled out.
- Work on the next phase of risk stratification – use of the Domestic Dwelling Fire Methodology developed by ORH has been commenced by the Data Intelligence Team, with an agreed approach for roll out (including communication) to be developed for its use from April 2024.
- Onboarding of the Online Home Fire Safety Check (OHFSC) has been recommenced for a soft launch with the aim of determining its impact on increasing referrals and providing advice to those at lowest risk of or from fire, prior to it being scaled up after the Premises Risk Management System (PRMS) sandbox testing and rollout period.
- Quality assurance and evaluation of HFSV guidance documents written and submitted to BTB for approval (February 2024).

Priorities for Next Period: January – March 2024

Progress

- Onboarding of OHFSC to soft launch in February 2024. Scale up of publicising it to be timed for after the revised visit and referral forms for PRMS have been delivered and the Admin team are using risk stratification within that system.
- Update of the Fire Sense program to ensure it is consistent to national messaging and aligns to service marketing formats with a COM B evaluation process written to provide information on its effectiveness in effecting change regarding elements of the Person-centred Framework.
- Communication of revised targeted data incorporating another layer of risk stratification in preparation for April 2024

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 Paul Scanes 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: September – December 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		NA	

Risk/ Issue	RAG	Description	Mitigating Action	Next Action
Enter top three highest risks to the plan				
Staff capacity		Capacity continues to be an issue. Whilst the Admin team are at full capacity, a maternity leave commences in Q4. The Community Safety delivery team has 2 vacant roles (CSAs) and one long term sickness so is at 50%.	Support to the Admin team had been provided by a member of the PMO, however that person leaves midway through Q4. Changes to the PRMS visit form remove a significant number of questions from the HFSV process which should reduce demand	Determine how to fulfil the statutory requirements of 307 of the Serious Violence Duty to enable CSA recruitment to commence.
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 (PRMS) due to work on the SSRI element impacted on the progression of several recommend actions.	All preparatory work from the Service is complete (guidance doc, training of Admin Team, preparation of a test data set, time reserved to test data) in anticipation of the 3 rd party provider delivering the sandbox test environment for this to begin to progress	Sandbox testing of inputs and outputs to/from the system prior to being able to roll out.
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. Assurance has now been received that this will be completed by April 2024.	Review Firewise procedure to ensure areas raised in the recommendation have been considered & are reflect

Prevention Improvement Plan dashboard update – December 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	7	1	7	0
Coordination and communication of operations	13	9	1	3	0
Delivery of operations	10	8	0	2	0
Grand totals	60	41	2	17	0

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Buckinghamshire & Milton Keynes Fire Authority

Meeting and date: Overview and Audit Committee, 13 March 2024

Report title: Treasury Management Performance 2023/24 - April to December 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 December 2023 report be noted.

Executive summary:

This report is being presented to provide the treasury investment position as of April to December 2023. It is best practice to review on a regular basis how Treasury Management activity is performing.

The accrued interest earned for April to December 2023 is £0.707m, which is £0.444m higher than the budget for the same period of £0.263m.

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 December 2023	



Buckinghamshire
FIRE & RESCUE SERVICE
we save lives

Treasury Management Performance

April to December 2023

Contents

Background	Page 2
UK Economic Update	Page 2
Security of Investments	Page 3
Liquidity of Investments	Page 4
Borrowing	Page 4-5
Investment Yield	Page 5-6
Prospects for Interest Rates	Page 7

Treasury Management Performance 2023/24 – April to December 2023

The CIPFA (Chartered Institute of Public Finance and Accountancy) Code of Practice for Treasury Management 2021 recommends that members be updated on treasury management activities at least quarterly. This report, therefore, ensures this Council is implementing best practice in accordance with the Code.

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.

UK Economic Update

The Authority's treasury advisors Link Treasury Services Limited (Link) have provided officers with an Economic update reflecting quarter three 2023/24. A summary of this can be seen below

- Consumer Prices Index (CPI) inflation fell from 6.7% in September to 4.6% in October, and then again to 3.9% in November. These falls were bigger than expected and there are clear signs of easing in domestic inflationary pressures. The inflation rate as of 23 January 2024 was 4.0%.
- The Bank of England's Monetary Policy Committee (MPC) sets monetary policy to meet the 2% inflation target, and in a way that helps to sustain growth and employment. At its meeting ending on 13 December 2023, the MPC sprung no surprises by voted by a majority of 6–3 to maintain Bank Rate at 5.25%. Three members preferred to increase Bank Rate by 0.25 percentage points, to 5.5%. This is pushing back against the prospect of near-term interest rate cuts.
- Since the Bank of England's MPC's two unprecedented emergency interest rate cuts in March 2020 to a base rate record low of 0.10%. MPC has voted to increase the interest base rate at 14 out of the last 18 MPC meetings, with no increase at the last four MPC meetings.
- Nonetheless, with UK CPI inflation at 3.9% in November, and core inflation beginning to moderate (5.1%), markets are voicing a view that rate cuts should begin in Q1 2024/25, some way ahead of the indications from MPC members. This will be dependent on the data and therefore upcoming publications of employment, wages and inflation numbers will be of particular importance, and on-going volatility in Bank Rate expectations and the gilt yield curve can be expected.
- Looking ahead, colleagues at Capital Economics forecast that the recent downward trends in CPI and core inflation will stall over the next few months before starting to decline more decisively again in February. That explains why Link think the Bank of England won't feel comfortable cutting interest rates until late 2024.

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. 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 December 2023, Link made no relevant changes to the counterparty listing. The amount invested with each counterparty on the approved lending list as at 31 December 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
Newcastle BS	-	-	-	-	-	-	2,000
Leeds BS	A	F1	A	P-2	-	-	1,000
CCLA Fund Managers Ltd (MMF)	-	-	-	-	AAA	A-1	1,623
Aberdeen Asset Management PLC (MMF)	AAA	F1	Aaa	P-1	AAA	A-1	1,552
Lloyds Bank plc (CA)	A	F1	A	P-1	A	A-1	1,747
Total							19,922

BS = Building Society, MMF = Money Market Fund, CA = Current Account, SD Sustainable Deposit. Rating as at 31 December 2023.

During this period, no counterparty limits were breached.

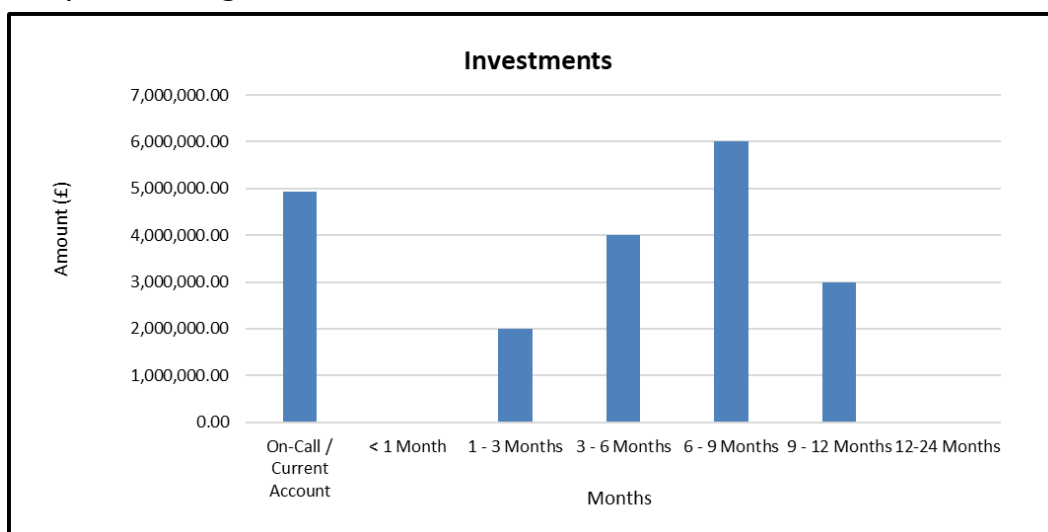
Credit Rating

Link monitor and supply the Authority with a weekly credit rating list for all counterparties listed in the Treasury Management Strategy (TMS). In addition, Link 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 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 TMS.

Liquidity of 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:



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 six investments currently falling in the <1 Month, 1-3 Months and 3-6 Month 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.

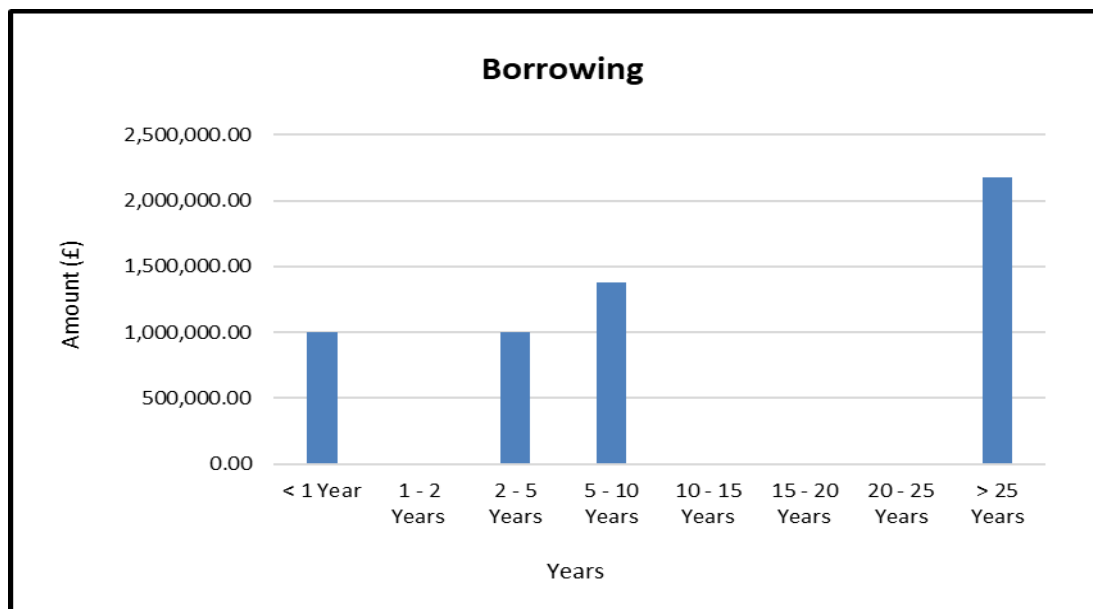
Borrowing

As part of managing the liquidity of investments, it is important to have regard to the maturity structure of outstanding borrowing. No borrowing was required during April to December 2023, and this is in line with the TMS.

The total borrowing outstanding as at 31 December 2023 is £5.550m. During May 2023, Officers took the decision to make an early repayment of an external borrowing 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, this makes it more viable to look at restructuring debt.

The following chart shows the structure of the Authority’s external borrowing:



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 the increasing the level of investment income is due to the continuous increase to the 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 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 returns.

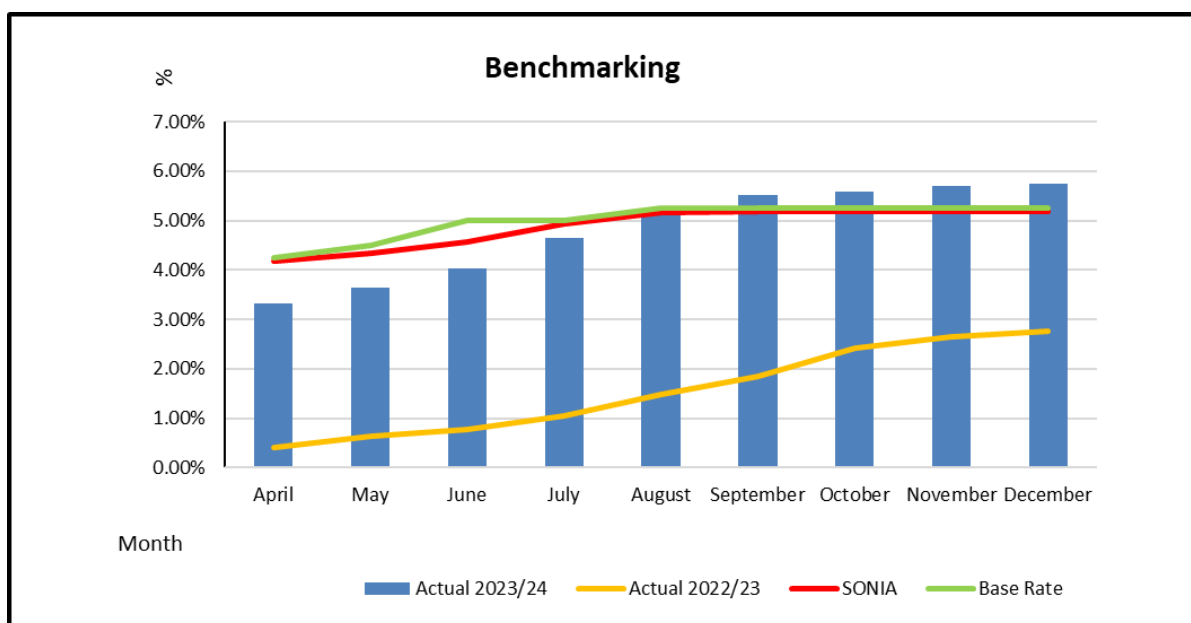
The accrued interest earned for period April to December 2023 is £0.707m, against the planned budget of £0.263m for the same period. This is an over achievement of £0.444m. By 31 March 2024, Officers are projecting to achieve investment income of over £0.900m, which is £0.550m above the budget set for the year.

Based on the prospects of Interest Rates (page 7), as part of the MTFP 2024/25 process, the investment income budget will significantly increase to £0.700m to reflect the interest rates projections. This considers the funds available to invest and ensuring the Authority can 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 movement in the interest base rate since August 2023, the Authority has been able to overperform against the interest base rate and SONIA rates for September to December 2023.

This was due to several investment deals being placed prior to or early into the MPC increasing the interest base rate on 14 consecutive occasions between December 2021 and August 2023. 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.

Prospects for Interest Rates

Link’s view of the prospects for bank and PWLB interest rates can be seen below:

Bank Rate	Interest Rate Forecasts							
	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25
Link	5.25%	5.25%	5.25%	5.00%	4.50%	4.00%	3.50%	3.25%
Cap Econ	5.25%	5.25%	5.25%	5.25%	4.75%	4.25%	3.75%	3.25%
5Y PWLB RATE								
Link	5.00%	4.90%	4.80%	4.70%	4.40%	4.20%	4.00%	3.80%
Cap Econ	4.60%	4.50%	4.40%	4.30%	4.20%	4.10%	3.90%	3.80%
10Y PWLB RATE								
Link	5.10%	5.00%	4.80%	4.70%	4.40%	4.20%	4.00%	3.80%
Cap Econ	4.60%	4.60%	4.50%	4.40%	4.30%	4.30%	4.20%	4.10%
25Y PWLB RATE								
Link	5.50%	5.30%	5.10%	4.90%	4.70%	4.50%	4.30%	4.20%
Cap Econ	5.10%	4.90%	4.80%	4.60%	4.40%	4.40%	4.50%	4.50%
50Y PWLB RATE								
Link	5.30%	5.10%	4.90%	4.70%	4.50%	4.30%	4.10%	4.00%
Cap Econ	4.70%	4.60%	4.50%	4.50%	4.40%	4.40%	4.40%	4.40%

Please note the following commentary has been provided by Link’s in relation to the movement in bank interest rate:

- Link’s central forecast for interest rates was previously updated on 7th November and reflected a view that the MPC would be keen to underpin its anti-inflation credentials by keeping Bank Rate at 5.25% until at least Q2 2024. Link expect rate cuts to start when both the CPI inflation and wage/employment data are unequivocally supportive of such a move, and that there is a strong likelihood of the overall economy enduring tepid growth (at best) or a mild recession (at worst) over the coming months.
- Naturally, timing on this matter will remain one of fine judgment: cut too soon, and inflationary pressures may well build up further; cut too late and any downturn or recession may be prolonged.
- In the upcoming months, forecasts will be guided not only by economic data releases and clarifications from the MPC over its monetary policies and the Government over its fiscal policies, but also international factors such as policy development in the US and Europe, the provision of fresh support packages to support the faltering recovery in China as well as the on-going conflict between Russia and Ukraine, and Gaza and Israel.
- On the positive side, consumers are still anticipated to be sitting on some excess savings left over from the pandemic, which could cushion some of the impact of the above challenges and may be the reason why the economy is performing a little better at this stage of the economic cycle than may have been expected. Nonetheless, with approximately 400,000 households per quarter facing a mortgage interest reset at higher levels than their current rate, the economy will face on-going headwinds from that source, in addition to lower income households having to spend disproportionately on essentials such as food, energy and rent payments.

Overview and Audit Committee Forward Plan 2023/24

ITEM 12

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	July 2024	Noting	Internal Audit Manager and Director of Finance and Assets
HMICFRS - BFRS 2023-2025 Update	July 2024	Noting	Head of Technology, Transformation and PMO
Annual Governance Statement	July 2024	Decision	Director of Legal and Governance
2022/2023 Statement of Assurance	July 2024	Decision	Director of Legal and Governance
Corporate Risk Management	July 2024	Decision	Director of Legal and Governance
Treasury Management Performance	July 2024	Noting	Director of Finance and Assets
Prevention Improvement Plan	July 2024	Noting	Head of Prevention, Response and Resilience

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